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United States
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Congressional Record

PROCEEDINGS AND DEBATES OF THE 93^{d} CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Tuesday, July 16, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

If we walk in the light, as He is in the light, we have fellowship one with another.—I John 1: 7.

Almighty and eternal God, with receptive minds and responsive hearts we lift our spirits unto Thee. Remove from within us all that is false, mean, and ugly and let Thy spirit so grow in our hearts that love, joy, and peace may come to new life in us and, we pray, in our world.

Keep before us the vision of a better nation and a better world where people may learn to live together with respect for each other and with good will in every heart.

"God send us men of steadfast will,
Patient, courageous, strong, and true;
With vision clear and mind equipped,
Thy will to learn, Thy work to do.

"God send us men with hearts ablaze,
All truth to love, all wrong to hate;
These are the patriots our Nation needs,
These are the bulwarks of the state."

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 445. Concurrent resolution authorizing additional copies of oversight hearings entitled "State Postsecondary Education Commissions"; and

H. Con. Res. 474. Concurrent resolution authorizing the printing of additional copies of a report issued by the Committee on Foreign Affairs.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11295) entitled "An act to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such act, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11873) entitled "An act to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research."

The message also announced that the Senate had passed with amendments in which concurrence of the House is requested, bills of the House of the following titles:

H.R. 9440. An act to provide for access to all duly licensed psychologists and optometrists without prior referral in the Federal employee health benefits program; and

H.R. 11537. An act to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations, and to authorize the implementation of such programs on certain public lands.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2296) entitled "An act to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the environment of certain of the Nation's lands and resources, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Talmadge, Mr. Eastland, Mr. Allen, Mr. Humphrey, Mr. Aiken, Mr. Bellmon, and Mr. Helms to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3703) entitled "An act to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Eagleton, Mr. Inouye, and Mr. Mathias to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and joint and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 2579. An act for the relief of David Alexander Choquette;

S. 2749. An act for the relief of Miss Carmen Diaz;

S.J. Res. 220. Joint resolution to provide for the reappointment of Dr. William A. M. Burden as citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 221. Joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 222. Joint resolution to provide for the appointment of Dr. Murray Gell-Mann as citizen regent of the Board of Regents of the Smithsonian Institution; and

S. Con. Res. 98. Concurrent resolution authorizing the printing of additional copies of the Senate committee print entitled "The Recreation Imperative."

DECISION ON REPORT OF THE HANSEN COMMITTEE

(Mr. STEIGER of Wisconsin asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEIGER of Wisconsin. Mr. Speaker, tomorrow is the day of decision for the Democratic caucus on the report of the so-called Hansen committee. It ought to be clear to all Members of the House that reform by any other name is not necessarily reform.

There is contained within the recommendations of the Bolling-Martin committee a number of substantive issues on which I hope the House will have an opportunity to vote favorably. However, I want to make it clear that those beguiling, deceptively simple ideas contained in what is reported in the Washington Post are not acceptable and are not reform.

The House needs to take action; the House needs to have a chance to work its will on House Resolution 988, and I hope the Democratic caucus will face up to its responsibility and give the House that opportunity.

REDUCING FEDERAL SPENDING

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, last Thursday I sent a letter to the Honorable Wilbur Mills asking for hearings on H.R. 15375, a bill modeled after H.R. 144 sponsored by my good friend, the gentleman from Iowa, Mr. H. R. Gross, which would reduce Federal spending below income and reduce the Federal debt.

This morning Alan Greenspan, the reported replacement for Herbert Stein, said on the "CBS Morning News," that excessive Federal spending was the root cause of inflation. The cure is decreasing Federal spending in order to create a budget surplus. When asked about the

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resulting unemployment, Greenspan said he had never seen proof that reducing Federal spending increased unemployment.

He said it was a "popular cliche" but impossible to prove. Greenspan added that unemployment caused by excessive spending could be proved. He pointed to a major retrenchment underway in the consumer market and housing industry caused by inflation. A retrenchment, Greenspan said, is causing and will cause substantial unemployment.

Mr. Speaker, may I respectfully suggest that all Members express themselves as being in favor of holding hearings on H.R. 144, H.R. 15375, or some similar bill.

A TRIBUTE TO THE LATE MICHAEL J. BUNKE

(Mr. ARENDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARENDS. Mr. Speaker, I rise to note the passing of Michael J. Bunke, who for some 42 years prior to his retirement in 1955, served the Members of this House faithfully and well.

Mike, who commenced his work for the House on the staff of the old Naval Affairs Committee, spent the last 23 years of his service as manager of the Republican Cloakroom.

A friend to all, Mike was especially close to the late Representative Chancey W. Reed who was the Congressman from his home district in Illinois during much of his service.

A devoted family man, Mike Bunke is survived by his beloved wife, Irene, their son, Frederick, and their daughters, Dorothea M. Nordenholz, and Jeanne E. Saur. He is also survived by 11 grandchildren and one great grandchild. To each and all of them, I wish to convey my sincere sympathies, and the sympathies of Mike's many friends here on Capitol Hill.

PROPOSED CONGRESSIONAL REFORM

(Mr. HAYS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HAYS. Mr. Speaker, I was very interested in the remarks of the gentleman from Wisconsin (Mr. STEIGER) who presumed to take it upon himself to advise the Democratic caucus what to do about the Bolling report and the Hansen report. The gentleman from Wisconsin said that reform is not reform just because it is labeled that.

I would say to the gentleman from Wisconsin that it is even more emphatic than that because reform is not reform just because he says it is reform.

The House will have a chance to make a collective decision upon that matter.

APPOINTMENT OF CONFEREES ON H.R. 14012, LEGISLATIVE BRANCH APPROPRIATIONS, 1975

Mr. CASEY of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14012) making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. CASEY of Texas, EVANS of Colorado, GIAIMO, Mrs. GREEN of Oregon, Messrs. FLYNT, ROYBAL, STOKES, MAHON, WYMAN, CEDERBERG, RUTH, and COUGHLIN.

U.S. SPACE WEEK

Mr. CASEY of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the concurrent resolution (H. Con. Res. 223) designating the week of July 15 through July 21, 1974, as U.S. Space Week, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendments, as follows:

> Page 1, lines 3 and 4, strike out "July 16 through 22, 1973" and insert "July 15 through 21, 1974,".
>
> Amend the title so as to read: "Concurrent resolution requesting the President to proclaim the seven-day period of July 15 through 21, 1974, as 'United States Space Week'."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

MRS. ROSE THOMAS

The Clerk called the bill (H.R. 2535) for the relief of Mrs. Rose Thomas.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COL. JOHN H. SHERMAN

The Clerk called the bill (H.R. 2633) for the relief of Col. John H. Sherman.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ESTATE OF THE LATE RICHARD BURTON, SFC, U.S. ARMY (RETIRED)

The Clerk called the bill (H.R. 3533) for the relief of the estate of the late Richard Burton, SFC, U.S. Army (retired).

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MR. AND MRS. JOHN F. FUENTES

The Clerk called the bill (H.R. 2508) for the relief of Mr. and Mrs. John F. Fuentes.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MURRAY SWARTZ

The Clerk called the bill (H.R. 6411) for the relief of Murray Swartz.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

RESOLUTION TO REFER BILL FOR THE RELIEF OF ESTELLE M. FASS TO THE CHIEF COMMISSIONER OF THE COURT OF CLAIMS

The Clerk called the resolution (H. Res. 362) to refer the bill (H.R. 7209) for the relief of Estelle M. Fass to the Chief Commissioner of the Court of Claims.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

RITA SWANN

The Clerk called the bill (H.R. 1342) for the relief of Rita Swann.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LEONARD ALFRED BROWNRIGG

The Clerk called the bill (H.R. 2629) for the relief of Leonard Alfred Brownrigg.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

FAUSTINO MURGIA-MELENDREZ

The Clerk called the bill (H.R. 7535) for the relief of Faustino Murgia-Melendrez.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The **SPEAKER.** Is there objection to the request of the gentleman from Maryland?

There was no objection.

ROMEO LANCIN

The Clerk called the bill (H.R. 4172) for the relief of Romeo Lancin.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The **SPEAKER.** Is there objection to the request of the gentleman from Maryland?

There was no objection.

GABRIEL EDGAR BUCHOWIECKI

The Clerk called the bill (H.R. 3190) for the relief of Gabriel Edgar Buchowiecki.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The **SPEAKER.** Is there objection to the request of the gentleman from Maryland?

There was no objection.

LEONOR LOPEZ

The Clerk called the Senate bill (S. 280) for the relief of Leonor Lopez.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The **SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

ESTATE OF PETER BOSCAS, DECEASED

The Clerk called the bill (H.R. 2637) for the relief of the estate of Peter Boscas, deceased.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The **SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

CONVEYING CERTAIN PUBLIC LAND TO THE WISCONSIN MICHIGAN POWER CO.

The Clerk called the bill (H.R. 3903) to direct the Secretary of the Interior to convey certain public land in the State of Michigan to the Wisconsin Michigan Power Co.

There being no objection, the Clerk read the bill, as follows:

H.R. 3903

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subject to the provisions of subsection (c), the Secretary of the Interior (hereafter referred to in this Act as the "Secretary") is authorized and directed to convey to the Wisconsin Michigan Power Company of Milwaukee, Wisconsin, all right, title, and interest of the United States in and to the real property described in subsection (b).

(b) The property referred to in subsection (a) consists of 3.11 acres, more or less, and is described as follows: Lot 6, section 17, township 41 north, range 31 west, Michigan Meridian, Iron County, Michigan.

(c) The Secretary shall convey such property to the said Wisconsin Michigan Power Company upon the payment of administrative costs in the amount of $200, plus the fair market value of the property. The fair market value shall be determined by the Secretary on the basis of the value of such lands at the date of appraisal, exclusive of any increased value resulting from the development or improvement of the lands by Wisconsin Michigan Power Company.

With the following committee amendment:

Page 2, line 5, strike out "in the amount of $200," and insert in lieu thereof "as determined by the Secretary,".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The **SPEAKER.** This ends the call of the Private Calendar.

CALL OF THE HOUSE

Mr. CEDERBERG. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER.** Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 381]

Andrews, N.C.
Aspin
Baker
Blatnik
Brasco
Carey, N.Y.
Chisholm
Clark
Clausen, Don H.
Clay
Conte
Conyers
Davis, Ga.
Dellums
Dennis
Diggs
Dingell
Dorn
Fraser
Gettys
Gray
Griffiths
Gunter
Hanna
Hansen, Wash.
Harsha
Hébert
Holifield
Kemp
Madigan
Martin, N.C.
Metcalfe
Milford
Myers
Nelsen
O'Hara
Powell, Ohio
Reid
Robison, N.Y.
Rooney, N.Y.
Schroeder
Shipley
Sisk
Spence
Stanton, James V.
Stephens
Teague
Thompson, N.J.
Udall
Young, S.C.

The **SPEAKER.** On this rollcall 384 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The **SPEAKER.** Is there objection to the request of the gentleman from Hawaii?

There was no objection.

DISCHARGE PETITION FOR WORLD WAR I VETERANS PENSION

(Mr. PATMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATMAN. Mr. Speaker, today I filed a discharge petition for House Resolution 1217 to provide for early consideration of H.R. 14782, which would establish a long overdue general service pension for World War I veterans. To date, 114 of my colleagues have cosponsored this legislation. To avoid further delay and to secure action before the 93d Congress, second session adjourns, I respectfully ask my colleagues to join me in signing this petition. Our World War I veterans and their widows deserve treatment comparable to that accorded to Spanish-American War veterans and the veterans of later wars. The Spanish-American War veterans have long had a general service pension and the veterans of World War II, the Korean conflict, and the Vietnam war have the broad benefits of the GI bill of rights. There are over 1.1 million World War I veterans. The average age of this group is 79.5 years. Of this 1.1 million only 443,000 receive a pension. These veterans suffer from the severe inflation that is particularly devastating to individuals who are on fixed incomes and past the age when they can reasonably be expected to adjust their incomes to escalating economic conditions. This pension would enable them to live in dignity and it would demonstrate the tremendous gratitude of all Americans for the men and women who served their country during World War I.

PERMISSION FOR COMMITTEE ON THE DISTRICT OF COLUMBIA TO FILE SUNDRY REPORTS

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tonight to file sundry reports.

The **SPEAKER.** Is there objection to the request of the gentleman from Michigan?

There was no objection.

EMERGENCY GUARANTEED LIVESTOCK LOANS

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1226 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1226

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15560) to provide temporary emergency financing through the establishment of a guaranteed loan program for livestock producers. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against section 5 of said substitute for failure to comply with the provisions of clause 4, rule XXI are

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hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 15560, the Committee on Agriculture shall be discharged from the further consideration of the bill S. 3679, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 15560 as passed by the House.

The SPEAKER. The gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from Nebraska (Mr. MARTIN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1226 provides for consideration of H.R. 15560, which, as reported by our Committee on Agriculture, would help to relieve the present financial distress of livestock producers. The proposed legislation would establish a temporary Government-guaranteed loan program to aid livestock producers who would otherwise not have access to temporary emergency financing to see them through this hardship period.

The resolution provides an open rule with 1 hour of general debate, with the time being equally divided and controlled by the chairman and the ranking minority members of the committee.

After general debate, the bill would be read for amendment under the 5-minute rule, at which time it would be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture, now printed in H.R. 15560 as an original bill. In addition, the resolution waives all points of order against section 5 of the committee substitute for failure to comply with the provisions of clause 4 of rule XXI of the Rules of the House.

At the conclusion of such consideration, the committee will rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question will be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 15560, the Committee on Agriculture will be discharged from the further consideration of the bill S. 3679, and it will then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 15560 as passed by the House.

Mr. Speaker, as late as June of this year, sellers of cattle reportedly were losing $100 to $150 or more per head. Turkey producers were losing $2 per bird, and tens of thousands of chicks were destroyed by their owners who felt they could not suffer even greater losses by feeding them until they reached marketable size. The situation has become extremely serious in recent months as livestock and poultry prices fell to levels which resulted in severe financial distress to producers.

It is axiomatic that a business that continues to lose money cannot remain in business indefinitely.

Whatever the situation may be, the proposed legislation is not intended to "bail out" livestock and poultry producers who bought high and were forced to sell low. It is not a giveaway program. It does not provide Federal grants; it does not even provide Federal loans. H.R. 15560 would merely provide a Federal guarantee of up to 80 percent of private loans made to eligible persons to enable them to continue in the livestock industry.

In order to qualify for a Government-guaranteed loan under H.R. 15560, the borrower must have exhausted his financial credit and be unable to obtain financing in the absence of the guarantee. He must repay the Government-guaranteed loan within 3 years, unless the loan is extended for a period not to exceed 2 additional years. Moreover, the Secretary of Agriculture, who is responsible for the administration of the loan guarantee program, must find, with respect to each guaranteed loan, that here is a reasonable probability that the objectives of the legislation will be accomplished and the loan will be repaid.

Total loan guarantees outstanding under the proposed program will not exceed $2 billion at any one time, and individual loan guarantees will be limited to $350,000 for each borrower.

The authority of the Secretary of Agriculture to guarantee loans would expire 1 year from the date of enactment of H.R. 15560. This period which may be extended for an additional 6 months if the Secretary determines that continued guarantees were necessary.

Administrative costs during the first year following the enactment of H.R. 15560 are estimated at $9.4 million. Losses from defaulted loans cannot be predicted with accuracy, but the Commitee on Agriculture estimates that any losses incurred by the Government would be substantially less than the $80 million estimated by the Department of Agriculture.

Mr. Speaker, I urge the adoption of House Resolution 1226 in order that H.R. 15560 may be considered.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Hawaii has explained, House Resolution 1226 provides for an open rule with 1 hour of debate on H.R. 15560, a bill to provide temporary emergency financing through the establishment of a guaranteed loan program for livestock producers.

As the gentleman has explained, this legislation would provide a maximum guaranteed loan of up to $350,000, with 80 percent of that loan being guaranteed by the Federal Government.

We ordinarily conceive of livestock as cattle. The definition of livestock, however, in the bill, is somewhat different than we find in Webster's Dictionary. The bill on page 6 defines livestock as follows:

> The term "livestock" shall mean beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys.

I believe this is expanding considerably the definition given by Mr. Webster of the term "livestock." I also have heard some rumors that perhaps an amendment might be offered on the floor under the 5-minute rule to include the shrimp industry in this legislation, and one was suggested to me yesterday afternoon that perhaps fishworms should also be included.

So, I do not know what amendments will be offered later on when we get into the 5-minute rule on the bill.

The total amount of loans that could be guaranteed would be $2 billion.

I do not oppose the rule, Mr. Speaker, but I am in opposition to this legislation. Your present speaker represents 61 counties in the western two-thirds of Nebraska. Every one of those 61 counties feed or produce cattle. I had a telephone call last Friday from the president of the Nebraska Stock Growers Association. This is an association of cattlemen. It has a total membership in our State of almost 3,000. He said that they were in opposition to the legislation, and they hoped that I would vote against it.

I have also taken the time to contact a number of bankers in my area in the small communities of western Nebraska who have made loans to cattle feeders or ranchers, and who are doing so at the present time, and I could not find any support for the bill from the bankers with whom I have talked.

Minority views are written in this report charging that this is a bankers' bill. I dispute that conclusion, Mr. Speaker, because I have not found a single banker in the cattle part of Nebraska that supports this legislation.

The primary problem that faces the cattlemen today is the problem of supply and demand. I grant you that much of this was brought about by the 90-day freeze that was imposed on the cattle industry last year when price and wage controls were taken off on meat products; but a 90-day freeze was continued on beef after it had been removed from other products. This does magnify the problem that we have had in the last 6 months in the cattle industry.

I also would like to call your attention to the fact that we have had an increase from the low point in June, about 30 days ago, when cattle reached the low point of $35 at our major exchanges in the country, to a point now where there has been an increase of about $10, to

$45. That is in fat cattle. So we have had some improvement in the situation.

Even though the price is at $45, with the cost of corn where it is today, feeders are still suffering a loss in feeding cattle.

To emphasize the point that this is primarily a problem of supply and demand, let me give you some figures that come from the USDA.

Total beef production in the United States in 1972 amounted to 22,419,000,000 pounds. In 1973 we had a decrease to 21,277,000,000 pounds, or better than a 1.1-billion-pound decrease in beef production.

What does that mean in regard to consumption? In 1972 we had a per capita consumption of beef in this country of 116.1 pounds per person; that is, man, woman, and child. In 1973 that dropped to 109.6 pounds per capita or a decrease of 6.5 pounds per capita. If we multiply 6.5 pounds of beef times about 215 million people in this country, we can see that there is a great deal less beef being consumed than there was 2 years ago. This carryover of less consumption, less purchase of beef, has carried over into this current calendar year.

Last year it was due to several factors: less beef on hand, high prices, meat boycotts by various organizations throughout the country, and shortages where one could go to the supermarket and not find adequate supplies of beef on hand to take care of the customers' needs. There were various reasons for that, but the American housewife has gotten into the habit of not buying as much beef at the present time, and that is fundamentally the reason for this dilemma in which we are at the present time.

Mr. Speaker, would the men and women of this House advocate that we adopt an amendment to this bill or consider other legislation that would provide relief and guaranteed loans for retired people or other people in the United States—retired people particularly—who are living off of their savings and their investments in stocks and bonds in view of the fact that stocks have dropped precipitously in the last 6 months? Should we have a guaranteed loan program for those millions of people that suffer under this economic collapse of the stock market and the bond market?

The logic follows through that if we approve of this type of legislation and this type of program, guaranteed loan program, then, yes, we should have such a program.

We had a bill on the floor of the House here 2 or 3 years ago that guaranteed loans to Lockheed. I did not support that legislation. The same principle, Mr. Speaker, is involved in that Lockheed legislation as is involved in this legislation. Should the Federal Government and the taxpayers come to the relief of private industry?

I happen to be in the lumber business. If I am not able and capable enough to operate my business and keep it in the black, I do not want the Federal Government or any other government to come to my relief and bail me out of my business if I am unable to operate efficiently. That is exactly what we did in the Lockheed situation. To me the principle, Mr. Speaker, is exactly the same in this legislation.

I do not oppose the rule. I support the rule. I feel that the House should have the opportunity to debate this measure, but I do intend to oppose the legislation itself.

Mr. Speaker, I reserve the remainder of my time.

Mr. MATSUNAGA. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. POAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15560) to provide temporary emergency financing through the establishment of a guaranteed loan program for livestock procedures.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15560, with Mr. MEEDS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. POAGE) will be recognized for 30 minutes, and the gentleman from Iowa (Mr. MAYNE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. POAGE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think most of the Members of the House are thoroughly familiar with the purpose of this legislation. This legislation attempts to keep operable one of our most vital industries—one without which a great many people are going to go without the food they want and without the food they could pay for.

This is not a matter of bailing out anybody. This bill contains no gift. It contains no subsidy. It is not a matter of trying to save some particular livestock feeder or some particular bank or some particular cattle grower. It is an effort to try to see that this cattle industry remains profitable enough for a reasonable number of people to stay in it and to produce the meat that the American consumer needs and demands.

There has been a great deal of talk about how it could not be in the interest of the consumer to stabilize this market. Certainly, it will not do so by the 20th of this month if we pass this bill, but on the 20th day of July 1975 and on the 20th day of July 1976 we are going to be faced with something that many Members are going to find very unpalatable if we do not pass something like this bill.

One cannot grow a calf into a marketable animal in a few days or a few weeks or a few months. It takes a few years. We are now producing in the United States animals that are normally slaughtered at about 1,100 or 1,150 pounds. We in the United States have become accustomed to using what we call feedlot animals. They have been fed and they have put on possibly 400 or 500 pounds of weight in the feedlot. That results in a different type of beef from the beef brought in from Australia or our own grass-fed beef. Grass-fed beef is good beef. But it is not the type of beef that many of our people want. That beef goes into hamburgers and into other manufactured products, but our feedlot beef is the beef that goes onto the modern American table today as steaks and chops and roasts and so on.

The feedlot beef has to be fed. The U.S. Department of Agriculture has just estimated that at $3 a bushel for corn it will take about $51 a hundred pounds to break even on feeding cattle. Corn is well above $3 today. That means it will take more than 51 cents a pound for the live animal to break even. The price of live animals is better today than it was 2 weeks ago, as has been pointed out, but it lacks a great deal of coming up to the break even point.

I do not know how we can expect people to get into the livestock industry and feed these cattle when they will be faced with certain loss unless there is a change in this situation. We think there can be a change without any harm to anybody. We think a stabilized market that will pay enough to the feeder to make it profitable for him to feed animals is the most desirable market we can have because that will put the largest number of pounds of meat on the American dining table.

You say, but there are going to be the same number of cattle regardless of the weight of the cattle and the way we bring them to market. Certainly, that is true. There will be the same number of cattle; but if we take a calf that weighs 550 or 600 pounds and send that calf to market as a grass-fed animal, we are only getting about half as much meat on the table as if we feed that calf out to 1,100 or 1,150 pounds and send it to the table as a fed-out animal.

Consequently, if we do not maintain this livestock feeding industry, we are going to come up next year and the next with a vastly reduced number of pounds of meat that we can put on the table.

Now, we do not eat numbers of animals. What we eat and what our neighbors eat is pounds of meat. If those who are opposed to this bill because they feel that it will raise the cost of living somehow or another, if those people are willing to have half the pounds of meat on the market, they must realize that that 50 percent is going to sell for a good deal more per pound than the larger amount of meat that would come on the market if we keep this feeding industry intact.

So let us make this point clear. We are

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not trying to give a solution for the price of beef next week or next month, but we are trying to give a formula under which we will have meat next year and the next year.

We are not trying to see to it that John Jones or Henry Smith is bailed out from losses that he sustained as a feeder; but we are trying to say that we will keep this feeding industry running regardless who does the feeding, but we will keep the industry running so as to supply America with the amount of meat that we need. That is what this bill attempts to do.

Now, I know there are those here today who honestly feel that anything which helps agricultural producers is bound to increase the cost of living. As I have pointed out, this bill might do that in the near future. But down the road unless we take a little longer look than the next 3 weeks, we ought not to be sitting here in Congress. If we cannot see further than that, if we cannot look into next year and the next, we have no business representing our constituents, but I believe most of the Members of this Congress are willing to take that longer look and that longer look must show us that we need something to stabilize this livestock market at a price that will keep meat coming onto the market. That is what we are trying to do. We have met with a good many situations in the last few months where we found shortages we did not anticipate. The majority of our Members did not anticipate when they turned the sugar bill down just 3 weeks ago that they were going to immediately increase the cost of living to every American housewife. No, they voted that sugar bill down, because they said it was going to raise the price of sugar, so we defeated it and the price of sugar has gone up 5 cents a pound since we defeated it.

Now, I suggest that it might be well to take into consideration some of the things that have happened and I suggest that maybe the same sort of things will happen here. All that happened was that when we took away the incentive to produce domestic sugar the price went up. That is, the price went up because those who had sugar felt we were not going to produce all the sugar we needed and they immediately raised their prices.

That is the same sort of thing that has happened in the past. It will happen again. If we want excessive prices of beef—and I do not think we do—if we want exorbitant prices of beef next year and the next, we should vote this bill down because this is something that is calculated to protect the American consumer for a long time to come by assuring an adequate supply of meat.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the distinguished gentleman from Texas.

Mr. MAHON. Mr. Chairman, I want to commend the gentleman from Texas for laying it on the line in regard to this problem, and for pointing out that the legislation under consideration here is in the best interest of the American public and the American consumer.

I want to join the gentleman in support of the legislation.

Mr. POAGE. Mr. Chairman, I thank the gentleman, the distinguished chairman of the Appropriations Committee, for his observation. He represents a great livestock area, and I know he knows something about the relationship between the cost of producing and the price the producer must get if he is going to produce the meat our people need.

Mr. Chairman, if the Members will look on page H6493 of yesterday's RECORD, they will find that we have presented those figures showing what has been the cost; what are the costs today and what these prices are in comparison with these costs. I think it would be interesting to those who feel that somehow or other livestock people have been taking advantage of them.

Mr. Chairman, I want to mention just one more thing. The committee sought to bring in a bill which would protect the industry. There is a great deal of misunderstanding abroad, and a great many of our Members have become concerned about their own producers, about their own consumers. We must, all of us, be concerned about those things. Some have felt that we might better jeopardize the industry and protect the larger number of individuals.

There will be two amendments offered by the gentleman from Iowa (Mr. MAYNE). One of which will be to reduce the amount of the loan. The limit on an individual loan in this bill is $350,000.

The reason for settling at the $350,000 level was because for a great many years we have made loans to small business up to $350,000, or guaranteed them just as this bill does, except that we guarantee 90 percent of a loan to a hardware store or a lumber yard, and of course, we guarantee only 80 percent of the loan under this bill. However, we have made loans for $350,000, and that is the reason we picked $350,000.

The gentleman from Iowa feels that it is unwise to try to get $350,000 and that we would probably do better to ask for $250,000, and he will offer such an amendment. The committee will accept it.

Mr. Chairman, he will also offer an amendment which will change the definition of those who are eligible, and base it upon their immediate dependence upon agriculture at the present time. I think there is pretty general acceptance that this amendment would be desirable, and the committee will accept that.

So, the Members will understand that there will be offered, and I presume accepted by the committee, these two amendments which do go a long ways toward removing at least many of the announced reasons for opposing this bill.

I hope the Members will find it possible to support this bill.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I support this legislation as one of the coauthors.

As I mentioned to the chairman of the Committee on Agriculture who is now addressing the House when this matter was before the Committee on Rules, I would prefer the version that came out in the Senate which would give these farmers an opportunity to get disaster loan rates of interest, because this is a disaster situation, and I think they should be entitled to it.

Mr. Chairman, I would hope that when the proper times come, I can offer such an amendment and have it agreed to by the committee. I think we have a disastrous situation and that we should have that.

Mr. POAGE. Mr. Chairman, I greatly appreciate the comments of the gentleman from Ohio, and recognize the logic of what he says. I hope that he in turn will recognize that the committee is seeking to draft a bill which will get enough votes to pass, because a bill is not worth anything unless it becomes law; and that we are trying to make a bill which we can enact into law rather than one we can simply write about, which was defeated.

Mr. Chairman, I hope the Members will support this legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. MAYNE).

Mr. MAYNE. Mr. Chairman, I yield 6 minutes to the ranking minority member of the Committee on Agriculture, the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, I rise in support of this bill which will help provide more meat, more milk, and more livestock products to consumers at fair prices.

I support H.R. 15560 because it is a good bill for the country; it is a good bill for the livestock producer; and it is a good bill for the American consumer.

The distinguished chairman of the committee (Mr. POAGE) has described quite amply the main provisions of the bill so I will not dwell on them other than to restate three main points:

First, there is a serious financial crunch facing our livestock producers today. It was deemed serious enough at least for both the Speaker of the House and the distinguished minority leader of the House to appear before our committee and urge positive action—and this bill represents a positive response to that call for action;

Second, the defeat of this bill will do nothing to help consumers. Its passage, on the other hand, will help keep thousands of small family-oriented livestock feeding operations going until market conditions improve; and

Third, this legislation is not unprecedented. In 1949, in 1953, and in 1955 legislation was enacted to extend emergency livestock loan assistance to our farmers and ranchers.

In this regard I would like to ask the committee to indulge in a little reminiscing.

Almost 21 years ago to this week, on July 9, 1953, this House passed H.R. 6054, a livestock credit bill authored by the late Clifford Hope of Kansas.

It was my privilege to serve as a Member of the House in the 83d Congress when Mr. Hope was chairman of the Agriculture Committee. I believe the gentleman from Texas (Mr. POAGE) is the only other member of our committee to serve in that Congress.

H.R. 6054 was a livestock credit bill. It provided for livestock loans to help producers who were hit by economic disaster. It set interest rates at 5 percent and it permitted the Secretary of Agriculture to establish the amounts of the loans. During the debate on the bill, Mr. Hope pointed out that the legislation was similar to loan programs inaugurated in 1932.

The late Representative Bill Hill of Colorado who served as chairman of the Livestock Subcommittee said:

> Here we attempt to set up this basic program. It happens that it applies primarily to cattle, but it is basic legislation for any type of agricultural disaster.

Former ranking member of the full committee, Representative Charlie Hoeven of Iowa, said:

> This is an emergency measure, but it also has general application to meet other emergency needs.

Another former ranking minority member of the committee, Representative Page Belcher of Oklahoma, said:

> The cattlemen said they did not need help in anything like normal conditions. They would not need help. There is not a group in America that has asked less of the government than has the cattle industry.

Yes, Mr. Chairman, like myself those four gentlemen, Mr. Hope, Mr. Hill, Mr. Hoeven, and Mr. Belcher, all served as the senior Republican members of the Committee on Agriculture. They also voted for H.R. 6054 in the 83d Congress like I did.

We also lived to see thousands of livestock producers pull through a very difficult situation.

We saw President Eisenhower sign H.R. 6054 into law as Public Law 83-115.

We saw Secretary of Agriculture Benson administer the program.

Yes, Mr. Chairman, when H.R. 6054 passed this House 21 years ago it was during the last Republican-controlled House in America's history. There was bipartisan support for that bill on that day as the House worked its will by a vote of 387 to 4.

Does history repeat itself?

Does the action of 21 years ago on a similar bill mean anything today?

Will the Democratic-controlled 93d Congress be as responsive to livestock producers as was the Republican-controlled 83d Congress?

I hope the answers to all those questions is a resounding "yes."

The bill before us today, like its predecessor of a generation ago, would help our livestock prducers stay in the business of producing livestock.

It has bipartisan support, being reported by a 28 to 2 vote of the committee.

It is a good bill that deserves to have an historical encore.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I wish to associate myself with the remarks which were made by the chairman of the committee and by the gentleman from Virginia who is in the well at the present time.

Unfortunately, this is a bill which the consumer does not understand. I realize it is going to be hard for some Members to vote for this bill. However, I believe if this bill fails, the consumer is going to pay for it in the years ahead.

Mr. Chairman, I wish to express myself as being in full support of this bill.

Mr. WAMPLER. Mr. Chairman, I thank the gentleman for his remarks and for his support.

I will also note that the distinguished gentleman from Pennsylvania has long been a friend of the consumer as well as a friend of the producer, and I particularly appreciate his remarks.

Mr. MAYNE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as floor leader managing the bill for the minority, I wish to point out to the Members of the House that this is an emergency measure, and it is a temporary measure. The authority for guaranteeing loans can be used for only 1 year after it becomes law. The term of the loan authorized is only 3 years, with the possibility of renewing the loan for another 2 years if the Secretary finds the requisite conditions to exist.

This bill is made necessary by the fact that there was a very severe disruption in the free marketing of livestock last summer, when many Members of the Congress were insisting that price controls be kept on meat at the retail level. The administration very unwisely yielded to this pressure and kept controls on retail beef prices long after they had been taken off everything else. This disrupted the marketing of fat cattle, which were held back by feeders until mid-September. These cattle became grossly overweight, and severely depressed the market price. The market has never recovered and has been substantially below production cost levels ever since.

Ever since last fall I have been kept continually advised on the deepening crisis in the livestock industry by northwest Iowa livestock producers and feeders and businessmen. The sagging hog and cattle markets have been steadily eroding the financial position of not only our younger producers but a great many established operators. Many family size producers have seen hard-earned equity built up over a lifetime wiped out in a few months. It is now evident that local credit sources will no longer be able to provide sufficient credit for many livestock feeders.

Losses amounting to $100,000 to $200,000 are not uncommon among family cattle feeders in my district. One very detailed financial statement I reviewed showed the loss for one family feeding operation at $371,000 for the period September 1973 to May 1974. This figure represented an average loss of over $110 per head on each animal fed and marketed during this 7-month period.

The improvement in live cattle and hog markets in the past few weeks has certainly been an encouraging sign. However, cattle are still being sold far below a breakeven point. Losses on fed cattle are still ranging from $60 to $75 as financial positions continue to deteriorate for cattlemen for the 10th straight month.

Our livestock producers are accustomed to ups and downs and have faced severe price dips in past years. But the severity and duration of the present crisis is almost without precedent short of the great depression.

Speaker CARL ALBERT and Minority Leader JOHN RHODES testified in June at House Agriculture Committee hearings held on the livestock crisis. This was the first time either Speaker ALBERT or Minority Leader RHODES had testified before a legislative committee. This bipartisan testimony by the House leadership demonstrates their keen awareness of the seriousness of the problem facing livestock feeders. Both leaders urged our committee to make a positive response to the needs of the stricken livestock industry.

This response has come from our committee in the form of H.R. 15560, the Emergency Livestock Credit Act of 1974. The full committee held 3 days of hearings on the entire scope of the crisis facing the livestock industry. The Subcommittee on Livestock and Grains on which I have the honor to be ranking minority member then followed with 2 days of hearings on the emergency loan legislation and after 5 hours of markup, sent H.R. 15560 to the full committee for overwhelming approval.

H.R. 15560 is temporary legislation authorizing the Secretary of Agriculture to administer a program of emergency loans for livestock feeders otherwise unable to obtain loans. It does not provide grants or subsidized interest rates. It will guarantee 80 percent of a loan negotiated between a borrower and his lending institution.

The Secretary is authorized to review loan applications to assure that there is reasonable chance for repayment. Only in those cases where default on a loan occurs will the Federal Government guarantee apply.

The bill is by no means perfect and should certainly be tightened up on the floor to make sure its benefits go primarily to small- and medium-sized family operators rather than huge commercial feedlots and outside investors and tax shelter operations. I intend to reoffer my amendments which were defeated in committee limiting guarantees to bona fide full-time farmers and disqualifying

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corporations and partnerships who do not have at least 50 percent of their stock owned by stockholders and partners who are themselves engaged fully and primarily in agriculture. The individual loan guarantee limit should be reduced to not more than $250,000.

I want to stress that this legislation is designed to be in the public interest—it is not a bill for hog producers or cattle feeders or packers or any one segment of the economy. It is a bill designed to keep in business a vital part of our livestock industry. The defeat of this bill will only accelerate the trend toward integrated large operations leaving the control of the industry in fewer hands. It is very much in the public interest to have individual family feeder units continue their production in competition with the huge commercial feedlots.

Mr. Chairman, my chief concern in originally introducing this legislation was for our family livestock producers, those family units which presently produce about 60 percent of the meat which is served on the tables of America. These people have, through long years of industry, honorable toil and frugality, been able to build up substantial equities. I am not talking about marginal operators, but good responsible livestock producers who have experienced good years as well as bad, but on the whole in normal times they have been able to make a decent living by feeding livestock.

However, for the last 10 months this has been utterly impossible for them, because the prices of cattle plunged from around $58 in August down to $34 in the week of June 10. These producers were then losing up to $150 a head.

That means, Mr. Chairman, that if a producer sold a thousand cattle, he lost $150,000. These small- and medium-sized family units simply cannot tolerate and withstand such losses, and some of them are now facing having to sell their third bunch of cattle at these depressed prices.

They have seen the equities accumulated in a lifetime wiped out. As a result they cannot get the necessary credit for continuing feed operations from their lending institutions. The bankers have called them in and said "we have to revise your financial statement to show those tremendous losses," and when they show that these cattle on hand are worth a much smaller amount than in the previous statement and they just cannot get the loans.

It is of a vital interest to the American consumers that we keep in production the family units who produce 60 percent of the meat in our country today. If they fall it will mean that there will be a monopolization and a cartelization of the production of meat. Huge commercial feeding lots and conglomerates will take over and manipulation of the price of meat against the consumers interest will be much more likely to occur.

All we are asking for is a guarantee, not for a grant, not for a subsidy, all we are asking for is authorization for the Secretary to guarantee loans under strict rules—and the Secretary does have supervisory power here. He must be satisfied that the necessary conditions for the loans are present, such as that the borrower cannot get a loan elsewhere. All we are asking is to be able to keep these family farm units in operation until the market price of cattle recovers sufficiently so that they can break even and eventually make a reasonable profit.

They are still losing $75 a head on cattle at today's prices, and have been losing from $75 to $150 a head for the last 10 months.

As has been said, we have broad bipartisan support for this bill. The distinguished Speaker and the distinguished minority leader, the gentleman from Arizona (Mr. RHODES), are both strong backers of the legislation. In the Committee on Agriculture we had only two dissenting votes.

I want to emphasize that this is not a bill just for hog producers or cattle feeders or any one segment of the economy. It is a bill designed to keep a very vital and competitive segment of our livestock industry in existence, to decelerate the trend toward integrated large operations which would leave the control of the industry in the hands of a few.

I shall offer some amendments, to which the chairman of the Committee on Agriculture has alluded, which will make sure that these loans go to bona fide and full-time producers of livestock, those who are directly or permanently engaged in livestock production, and which will eliminate corporations or partnerships unless at least 50 percent of the stock is owned by stockholders who are themselves directly and primarily engaged in livestock production.

This is to make sure that hobby farmers and tax shelter operations and huge conglomerates are not beneficiaries of this legislation.

Another Mayne amendment will reduce the individual loan guarantee limit from $350,000 to $250,000, which is certainly adequate to take care of the great majority of family producer operations.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. ROSENTHAL).

Mr. ROSENTHAL. Mr. Chairman, I rise in opposition to H.R. 15560, the Emergency Livestock Credit Act of 1974. This legislation, which is as ill-conceived as any I have seeen in my 12 years in Congress, authorizes the Government to guarantee 80 percent of private loans made to feed lot operators and to producers of beef and dairy cattle, swine, sheep, goats, chickens and turkeys. According to the U.S. Department of Agriculture, which opposes the bill, it will cost the American taxpayer $90 million in administrative and anticipated default costs.

Mr. Chairman, no fair-minded person wants our animal farmers to suffer financial ruin. Small family farmers are among the most industrious of our citizens and they deserve, like the rest of us, to make decent profits. It is also obviously in the interest of consumers for our Nation to have an economically viable agricultural community. But this legislation will in no way help to achieve the kind of stability of food production and price that an effective farm policy should strive for. The very best that can be said for enactment of the Livestock Credit Act is that it will encourage the continuation of inefficient farming and banking practices. At the worst, its approval will be exceedingly expensive to the public, as both consumers and taxpayers, and it will result in windfall profits to bankers who will make new loans and refinance old loans at some of the highest interest rates in our history.

There are so many defects in this bill that it is difficult to enumerate them all:

It is based on inadequate information and an almost nonexistent hearing record;

It singles out for assistance one segment in our agricultural community at a time when livestock prices are rapidly rising and when other producer and occupational groups in our society, such as the housing industry and municipal workers, are suffering at least as much hardship as animal farmers, from an ailing economy;

It diverts attention from the need to undertake major reforms in our entire food marketing system;

It authorizes a guarantee of loans without placing any limitation on the permissible interest to be charged by the lender;

It requires the certification by lenders and borrowers of highly subjective information, but provides no penalty for false or grossly negligent certification;

It is loosely enough drawn to cover the needs of huge feed lot and livestock operations and those who have invested in cattle for tax shelter purposes; and

It reinforces the notion in the public's mind that "corporate welfare" is not subject to the same safeguards as private welfare to truly poor people.

Mr. Chairman, I am opposing this legislation because I believe that it would set a dangerous precedent. It reverses the mood of the Congress and the country away from Government subsidies. Quite frankly, it is greatly disturbing to me and I am sure to millions of American consumers that this agribusiness and tax shelter legislation, which involves Federal guarantees of two billion dollars and taxpayer expenditures of $90 million, will have taken less than 2 weeks to pass the Congress of the United States after a total of 2½ days House and Senate hearings. On the other hand, one of the most important consumer bills ever considered by Congress—the Consumer Protection Agency bill—again faces a Senate filibuster after 6 years of congressional effort and close to 100 days of hearings. I find it ironic that debate on the CPA bill begins today in the Senate, while we are here considering this very unwise and anticonsumer legislation. Mr. Chairman, I respectfully urge my colleagues to vote against H.R. 15560.

Mr. POAGE. Mr. Chairman, I believe that we will have only one additional speaker from this side, so I would ask the gentleman from Iowa (Mr. MAYNE) to yield time.

Mr. MAYNE. Mr. Chairman, I yield 4 minutes to the gentleman from Nebraska (Mr. THONE).

Mr. THONE. Mr. Chairman, I rise in strong support of H.R. 15560, and especially on the assumption that the amendments to be offered by the gentleman from Iowa (Mr. MAYNE) will be accepted by the House. It is my understanding that this will be the position of the committee. They will materially strengthen this bill. I fought to include them at the committee level, but we lost the vote there. In no way should we help the speculators or the tax shelter artists with this legislation. This bill, as has been said here by the other speakers, will provide immediate assistance to farmers, ranchers, and feeders engaged in producing meat for the American consumers.

In my congressional district I imagine we have as many cattle feeders as there are in any single congressional district in the country. These people, frankly, have their backs against the wall, and they need the assistance that this bill will provide. Many have lost their life savings. For 10 straight months now they have been experiencing record losses, losses which have destroyed several billion dollars worth of capital which they had invested in facilities to produce meat for the dinner tables of America. Many factors, unquestionably, are involved in creating these losses.

Most of the Members in this body are aware of these factors; the independent truckers strike which disrupted the orderly flow of animals to market, increased input costs, current market structures which diffuse cost reduction pass-throughs to consumers. Actions of foreign governments, and others. Most basic to this overall problem were the ill-conceived and administered Government-imposed price controls. And I might say several Members—and I see them sitting here in the Chamber today—the gentleman from Minnesota (Mr. ZWACH), the gentleman from Iowa (Mr. MAYNE), the gentleman from Texas (Mr. POAGE), and others, tried with me to convince Mr. Dunlop of the Cost of Living Council that the short-range solution that he was offering with his unusual price controls on livestock were doomed to failure. We had some violent arguments in the Committee on Agriculture with Dr. Dunlop, and the gentleman from Texas (Mr. POAGE) will remember them well.

Mr. Dunlop did not take our advice, and as a result we had the whole disrupting of the orderly marketing process of the livestock industry. As a result of that, we have this disaster which is on us now.

In the Lincoln Journal, my hometown newspaper, on Tuesday, July 9, the syndicated columnist, the Oracle from Scrabble, Va., James J. Kilpatrick, pretty much set out the problem that beset the livestock industry. First he mentioned that—

> The Senate performed an act of rough but regrettable justice on June 24, when it voted 82–9 to provide emergency loan guarantees for livestock producers. This was a bad bill—

He said—

> It was also a necessary bill. Our governmental masters ought to learn something from this melancholy experience, but they probably won't.

He then went into a detailed explanation of why this was a necessary bill, and along the lines that I have just suggested here he emphasized the following:

> In the case of the livestock producers, government made this mess. In simple justice, it is now up to government to clean up the mess if it can. By interfering with normal marketing operations—

And he emphasized "throughout the on-again, off-again price control aspects" that the Government was fooling around with here—

> the government threw the market into turmoil.

The purpose was fine, but the results were disastrous. Disastrous indeed!

I will not in the short time I have allocated here attempt to persuade my distinguished colleagues with a lot of comparative cost and price data. The gentleman from Texas (Mr. POAGE), the distinguished chairman of the Committee on Agriculture, in his statement yesterday made some very appropriate price comparisons. One of these especially caught my eye. He stated that the average price of slaughtered steers has increased only 14 cents per pound in the last 24 years while the average wage of industrial workers has increased by $2.84 per hour in the same 24 years.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAYNE. Mr. Chairman, I yield 1 additional minute the gentleman from Nebraska.

Mr. THONE. The provisions of H.R. 15560 have been outlined by my fellow committee members, and I will not repeat them. But I do want to emphasize the loan guarantee in this bill is neither a grant nor a direct subsidy; it is merely an action to return much-needed capital to American meat producers to replace the capital destroyed by their recent record losses.

In summation, I want again to state my wholehearted support for H.R. 15560. If we do not provide this limited assistance to our meat producers, the day will soon come when we will no longer be able, as consumers, to buy the quality and the variety of meat now available to us. If we do not help our meat producers through this bill, we are insuring future meat scarcity and resulting higher prices.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. THONE. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

Mr. Chairman, I should like to associate myself with the remarks of the gentleman in the well.

Mr. Chairman, I rise today in support of H.R. 15560. Enactment of this legislation is vital if we are to save thousands of cattlemen from bankruptcy and thus cause unheard of shortages of beef in the supermarkets.

I consider it only fitting that we in Government assume responsibility for rectifying the chaotic condition of the cattle industry, since we are largely responsible for bringing it about. The executive branch made the decision to sell large quantities of grain abroad, which in turn drove the price of feed to alltime highs. But the biggest culprit remains the disastrous price controls established by the unlamented Cost of Living Council. Arbitrary controls created vast shortages resulting in ridiculous prices for baling wire, fertilizer, feedcrops, and just about everything else that a cattleman needs for his business. Faced with spiraling costs, the cattleman then was forced to live with strict controls on the prices he could get for his beef. It is no wonder that the feedlots were down when controls were on, then up when controls were off, causing alternating shortages and surpluses of beef.

Instituting, then withdrawing, all of these freezes created great instability in the cattle business, resulting in the intolerable situation we have today. Since the Congress allowed these controls to continue, we bear responsibility for their result, and must act now to help correct an imbalance which would never have existed if the free market had been permitted to function unencumbered by controls.

This bill is not a give-away. It makes no subsidy payments. It is a limited measure, designed to meet a one-time emergency. The interest rates are not subsidized, but are at market rates.

If the Nation's cattlemen are allowed to go into bankruptcy, which may well be the case if this legislation is not passed, and if the feedlots are permitted to stand empty, then the resulting shortage of beef is going to make last summer's drop in supply look like a glut on the market. I need not mention what meat prices will look like then.

I urge my colleagues to vote in favor of this legislation.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. LONG).

Mr. LONG of Louisiana. Mr. Chairman, I rise in support of H.R. 15560, the Emergency Livestock Credit Act of 1974. I think we are all aware that the cattle industry is in a state of economic chaos. Cattle farmers, ranchers, and feedlot operators are sustaining the largest losses in their history due to international import policies and practices—and the administration's past beef price policies.

I am particularly concerned, however, with the rising costs of materials, feed, and fertilizer which have not been adequately reflected in the prices farmers get for their beef. This, I believe, is particularly unfair. Many industries have been able to pass on cost increases via the cost passthrough mechanism, but cattle producers sell their beef in a truly competitive bidding marketplace where prices are slow to respond to costs. And so, cattle farmers find themselves in the peculiar position of suffering large financial losses because they are one of the last industries in America to sell their product in a true free enterprise marketplace.

I received from a cattle farmer in my district, Mr. Wayne J. Lemoine of Mansura, La. Mr. Lemoine tells me that the price of beef now is about half of what it was last year, but he says further:

> The price of feed is 50 percent higher than last year;
>
> Baler twine is over 300 percent higher;
>
> Barb wire is up nearly 400 percent;
>
> Fertilizer is over 200 percent higher;
>
> Winter grass seed is 300 percent higher; and
>
> In 1 year the price of a tractor has increased by $2,600.

Unfortunately, there are no cost passthroughs for the American cattle producer.

The legislation we consider today is a must for America's cattle industry. Without it, farmers will be unable to pay their loans and bills. The banks will foreclose farmers' mortgages. Valuable breeder stock that took years to develop will be sold off, and it will take years to rebuild equivalent breeder herds.

Without this legislation, many beef producers may go out of business, and the American consumer will suffer twice over from short supplies of beef and from skyrocketing beef prices. Those who claim to be consumer advocates would have us believe that a vote against this bill is a vote for the American consumer. I urge my colleagues in the House of Representatives to reject that shortsighted claim. I urge you to see this legislation for what it really is: This bill is a consumer bill. It will increase supplies of beef and keep the price of beef down to a realistic level, a level that will not be achieved when hundreds of cattle farms go out of business for lack of the financial ability to hold on to their herds.

My record in this Congress will prove that I have always voted to support the small businessman—the little guy—and, of course, the small- and medium-sized family-owned farms of America. This bill would help precisely those people. The loan limitation of $350,000 per farmer would make sure that it is the family farmer and not the corporate chains that would be saved by this legislation.

Without these loans, small- and medium-sized cattle producers would be forced to sell their assets, and I ask you: "Who would end up buying many of the bankrupt smaller farms and ranches?" In answering my own question, I would reply: "The only people who have that much financing available and who would spend it on cattle farms are the large corporate farm chains." Accordingly, I would point out that while some Members of this House claim that this bill would prove a windfall to the corporate farms and hurt the small family ranchers, I believe just the opposite: To deny these loans to the ranchers who need them would be a windfall to the corporate farms—and it would simultaneously encourage the demise of the small cattle rancher in America.

My final point in support of this legislation is that the money we are talking about is loan money. It is not a subsidy of the principal. It is not a subsidy of interest rates. It is not a guaranteed market for a product. It is not a guaranteed price for a product. It is not a handout from the U.S. taxpayer. There is no forgiveness allowed. It is the guarantee of a loan that is expected to be repaid. And what is more, it is a guarantee of only 30 percent of the loan amount—that is not so much to ask when you consider that the Small Business Administration guarantees 90 percent of the loans it makes. Finally, I submit to you that this is a guaranteed loan to guarantee America a good supply of beef at reasonable prices.

In conclusion, Mr. Chairman, I urge support of this important legislation so that we may avoid not the slaughter of American cattle, but the needless slaughter of the American cattle industry.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Chairman, I rise in support of this legislation. I think it is imperative that this bill pass. If it is defeated, the economic repercussions throughout the entire country would be tremendous.

URGENT NEED FOR THIS LEGISLATION

The case for this legislation has been well presented by the chairman of the Agriculture Committee and others.

It has been clearly pointed out that the situation is desperate for many producers of feed cattle and other livestock.

The need for action in behalf of the livestock industry seems to me to be apparent.

I realize, of course, that many of my colleagues do not represent producers of livestock, but they do represent people—consumers—and, in my opinion, this legislation is urgently needed in behalf of the consumers of this country.

Unless the present trend is halted, there will be a further decline in fed beef, and scarcities of acceptable beef will arise. The supply will be inadequate and prices will rise sharply. Everyone will tend to lose as a result of this situation.

This legislation is not the final solution for all our problems, but it can contribute greatly to stabilization of the livestock industry and contribute importantly toward continuing an adequate supply of beef for the American consumer.

I realize that this bill is not perfect, but I hope that crippling amendments will not be adopted and that the bill can go to the Senate-House conference in its present form.

Hopefully, the conference will be able to work out the best possible approach to the problem that confronts us.

Mr. MAYNE. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. PEYSER), a member of the committee.

Mr. PEYSER. Mr. Chairman, for the past month, ever since the question of a $2 billion guaranteed loan program for the livestock producers has been discussed, I have been talking with cattle producers, feedlot operators, meatpackers and processors, banks, and chain store executives—and these are the supermarket executives. I am now fully convinced that this proposed legislation is absolutely the worst step that could be taken to help the cattle producer and the consuming public.

There are those who continually make reference to the fact that, being from New York City and Westchester County, I do not know one end of the steer from the other. I may not be an authority on the anatomy of a steer, but certainly I can understand some basic economics and I have been in Congress long enough to recognize when a bill becomes pure pork barrel.

Assuming this legislation was necessary for the cattle producers when beef was selling at $33 a hundredweight, while now it is selling at $44, what is the justification for bringing chickens, turkeys, hogs, sheep, and goats in, because I can tell the Members that if this bill passes the only goat is going to be the American public. What we do today is truly going to be reflective of what we think of the public.

Nearly 9 months ago the beef producer was receiving an alltime high for his product. At that time, incidentally, as many Members will remember, the cattle producers were saying to the Government, "Keep your hands off. We do not want any interference. Leave us alone." At that time the retail price of beef in the marketplace was at an alltime high. A month ago when beef was selling at $33 a hundredweight, the price of beef in the supermarkets to the consumer around this country had dropped less than 10 percent and on some of the major beef items, such as chopped beef, the price had not dropped 1 penny. Something is wrong when this happens.

It is apparent that the price of beef to the producer does not have any major impact on what the consumer in the marketplace has to say. Until we resolve the problem of what happens between the price to the consumer and the time when the packer and producer and retail store get it, until we find out what is happening in that gap, any such bill as this legislation would be: First, bailing out the banks who went on the hook to make loans to people who went into this business when it was highly profitable; and second, would be giving the opportunity of not only having 80-percent guaranteed loans but also loans at higher interest rates than they previously had.

Yesterday, Secretary Butz issued a

statement and I will not read it in full but he says in substance, specifically that "this department does not recommend the enactment of H.R. 1556," and he goes on to outline why.

Mr. MAYNE. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. Zwach), a member of the committee.

Mr. ZWACH. Mr. Chairman, I thank the gentleman for yielding the time.

It is my firm belief that, if this bill does not pass, the American consumer is going to be the goat. The American consumer is going to be the loser. This bill is not a grant. It is not a subsidy. It just gives to the most efficient producers of meat in the world, the knowledgeable American producer, who has lost all his credit, it gives him a guarantee to reestablish him in this business. It will be not a small loss but there will be great losses if these producers are driven out of business.

Two things need to be in this bill. I have talked with the Member, the gentleman from Iowa (Mr. Mayne) on the matter. One is to limit it to bona fide producers of meat.

Now, about 20 percent of the meat in recent months has been produced by speculators who have been drawn into this area by advertisements of various groups. They are now out of the business. We do not want them to qualify for loans.

The other is that I think there should be a limit below $350,000. For $100,000 one can buy at least 400 or 500 feeder cattle. For $250,000 he can buy 1,500 feeder cattle. That ought to be certainly adequate for the small producer, adequate for the medium-sized operator and it will be a great boost to the larger operator and should tide him over.

I have been in this business for over 40 years. I never saw the chaos in the cattle business that we have had in 1973 and in 1974, all of it caused by the Congress and the Government of the United States. Last year the Committee on Banking and Currency came in here with a bill to roll back prices. Narrowly did we defeat that on this floor, a strong rollback that would have been ruinous. Then came the freeze and then the very unwise, cattle freeze, when it was extended beyond other meats. It was just a chaotic condition in my business and it caught a lot of producers in this swing. This is legislation that is temporary. It will help tide them over. I hope we will pass this today.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa.

Mr. MAYNE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. Price) a member of the committee.

Mr. PRICE of Texas. Mr. Chairman, I will not try to rehash what has already been said here this afternoon. I will try to review what has gotten the livestock business in the condition it is in today. It started back with the Delaney amendment which did away with the chemical called DES, in which an animal is allowed to be fattened through this chemical means. They said it was a sure fact it could cause cancer. It never has to this day been proven and there is no evidence ever provided that DES would cause cancer in humans. This was the start of the destruction of means by which we could put meat on the American table at the most reasonable rates.

Then along came a beef boycott last April or May a year ago. Then came the Government freeze on beef in this country. Beef was singled out among all other products to bear the brunt of the food and fiber industry in this country.

Then, of course, the President opened up with no limits on beef imports that came into this country. That has not been brought out and discussed here today.

Sure, the American cattle industry said, "We do not want Government interference in our business." The Government did interfere in the cattlemen's business by putting wage and price controls on and the freeze, and by doing so has caused the beef industry a $15 billion loss in the industry.

Mind you, a $15 billion loss in the industry. I say to the Members that there is not but a handful of Members present—and I want the record to show that. They will come rushing in here with the idea that this is a bailout bill for the bankers, a bailout bill for the producers, without knowing the circumstances, and then later on I hope the consumer will read the record and see just who is present and aware of the beef industry's problems that if it is not helped at the present time the cost of beef in another year or two is going to be astronomical. Yes, the Government did interfere.

Now, with regard to the $250,000 limit which is going to be offered here today, I might say that this sounds like a lot of money. In my district alone, last year we produced over 4½ million head of fat cattle which contributed to the American consumer's beef supply on the market.

Mr. Chairman, the gentleman who spoke in the well previously talked about the fact that this is an emergency measure. If it is an emergency measure, why does it not have an interest rate in it which would provide some kind of relief for the producers we are attempting to help? They talk about the family unit which is going to produce 60 percent of the beef. Who is going to produce the other 40 percent of the beef for the American consumer?

Mr. Chairman, I want to say that in my area we have probably 150 feedlots feeding all the way from 5,000 to 120,000 head of cattle in one confinement area. Do the Members want to know who the people are who invest in these areas?

They are not some big conglomerate, as some would lead us to believe. They are individuals who have some money and want to take a risk; yes, the risk of the free enterprise system which made this country great. Who is to say who should speculate or buy stock in the American stock market? Who is to say any person should invest his money in anything legal in this country? Who is to say any person who wants to take part in feeding a few cattle is a speculator? I think that is erroneous to the 100th degree.

A commercial feedlot is made up of approximately from 150 people all the way to probably 1,000 separate individuals who buy 100, buy 200, buy 500 head of cattle. They are doing it in the most economical way they can by combining their efforts and buying the feed and financing.

Mr. Chairman, I would like to say to the Members of the Committee that we provided $2 billion in this loan and $350,000 per person. The interest is between the lender and the borrower. Frankly, I would rather see it at the going rate the Government pays and I might possibly introduce such an amendment.

The legislation is for 1 year, and it can be extended by the Secretary for 3 years, plus an additional 2 years. I would prefer it be for at least 5 years with a possible extension of 5 additional years. The small producers are the ones who are going to be helped by this bill and not those whom we say are the speculators and the big New York Wall Street bankers, because under this legislation that type of individual is not eligible and should not be construed as such.

Therefore, I hope the Members will give favorable consideration to this legislation.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. Traxler).

Mr. TRAXLER. Mr. Chairman, I wish to associate myself with the remarks of the previous speakers.

Mr. Chairman, I would like to call my colleagues' attention to one problem in Michigan which this bill would help to alleviate. Last year, due to a mixup in chemicals, a large quantity of livestock feed became contaminated with a deadly chemical, and was sold to farmers in mid-Michigan. As a result, entire herds of dairy cattle, poultry, and swine, have been quarantined. Neither the livestock, nor their products may be sold. In the meantime, the farmers have had to keep feeding and caring for the animals. Expenses continue, while income has stopped.

Although it is hoped that a settlement may eventually reimburse these farmers for their losses, that could take a long, long time. In the meantime, the lack of income has brought a number of these farmers to the brink of economic disaster, through absolutely no fault of their own.

Many of these farmers cannot get loans to cover their expenses until they receive settlements. This bill would allow such emergency loans to be obtained at lower interest rates. I support this bill and urge my colleagues to vote for it.

This bill would not "bail out" unsuccessful farmers. It would keep otherwise profitable farmers in business, on the tax rolls, and provide the consumer with a steady flow of products. This bill is not a dole, it is not an indemnity plan. It only provides guarantees of loans.

I urge my colleagues to support this legislation.

Mr. MAYNE. Mr. Chairman, I yield

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the balance of my time to the distinguished minority leader on this side.

The CHAIRMAN. The chair recognizes the gentleman from Arizona (Mr. RHODES) for 2 minutes.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Chairman, I rise in support of this bill.

Mr. Chairman, I appreciate this opportunity to discuss H.R. 15560, the Emergency Livestock Credit Act of 1974.

It goes without saying that livestock producers, especially beef and pork producers, are in very serious financial trouble. They have been literally under siege for almost 9 months with skyrocketing production costs and depressed live beef and pork prices. The producer has witnessed the loss of reserves built up over 2 or 3 years of reasonable profits. He is now losing his equity. The only real solution to this problem is price relief and the prospect of reasonable profits.

It is true that we are witnessing some recovery in the livestock market. This recovery has reduced losses. But, the important point to note is that prices are still short of profitable levels. The end result is that many legitimate cattlemen, especially young farmers, simply cannot hold out much longer. Their creditors are looking over their shoulders. Many face bankruptcy and the loss of their life's savings.

I would like to emphasize that this problem is not an isolated one in terms of effect. It is important for consumers, for their advocates in the Congress and within various consumer organizations, to realize depressed livestock prices could also destroy the feed grain market. Those who believe this is an effort so narrow in scope that it is intended to benefit only one industry should take notice that agriculture is our Nation's leading industry. An economic collapse in agriculture could affect the paycheck and livelihood of every American. Farm producers are consumers too and spend almost $50 billion for goods and services just to produce their crops and livestock.

It should also be stressed that many within the livestock industry have serious reservations regarding this legislation. The thought of Government intervention in the livestock industry violates the cattleman's basic philosophy of independence. Personally, in terms of my philosophy, such intervention violates my basic belief that free enterprise is best enterprise.

However, I want to point out to the critics of this legislation and others who have been stating the cattleman's current problems stem from holding action within the livestock industry, that this crisis was, at least in part, the direct result of Government policy. As a matter of fact, this entire problem became serious when an attempt was made by the leadership of the House of Representatives to roll back farm prices a year ago in March. The facts of the matter also show this problem was made much worse by the Cost of Living Council's discriminatory extension of the price ceilings on beef after lifting similar ceilings on pork and poultry. And I have yet to hear consumer advocates singling out any other industry to use as a whipping boy in order to make their point in regard to increased prices and inflation. What I am saying is this: The beef industry was literally handcuffed economically, boycotted, and singled out for blame, in part by Government.

Now there is enough blame to go around for everyone. We should concentrate, instead, on what kind of relief we can provide the legitimate stockman. It is almost ironic, after experiencing what Government has done to him, most cattlemen prefer to take their chances in the marketplace.

I think we have an obligation to see what we can do to provide relief to the young farmer just starting out in the cattle business and legitimate producer in the way of survival protection. I emphasize this relief would also be in the best interests of the consumer. The legislation we are considering today is an attempt to do just this.

This bill has been drafted to prevent abuse and unwanted Government interference in the livestock industry. It is temporary legislation. It limits credit eligibility to producers who need the credit for survival and to those who cannot obtain the credit from normal sources. There is no interest rate subsidy. Those of us on the Committee on Agriculture agree that the language of the bill needs to be amended by the Mayne amendment to limit guarantees to bona fide full-time farmers and disqualify those who do not derive a majority of their income from agriculture. I urge support of the Mayne amendment in this regard. Some special consideration should also be given to family farm corporations.

We need stability in the beef cattle industry. The consumer needs stability in grocery costs. I think these two goals are parallel. The only way we will achieve our goals in this regard is to restore farm prices to reasonable levels. All the livestock producer wants is equity at the marketplace. We must see that our food price problems do not become food shortage problems.

I am not an advocate of Government help in terms of special subsidies and loans to the livestock industry. The whole thrust and direction of our Nation's current farm policy is to allow the farmer-cattleman to get a fair return at the marketplace. However, I feel this bill, with the proper safeguards regarding eligibility, is not at odds with this policy and will help us achieve these objectives.

Many legitimate and hard-working producers' very survival depends upon the approval of this legislation. I ask the support of my colleagues for the amendment that will be introduced by my distinguished colleague, WILEY MAYNE, and for final passage of H.R. 15560.

Mr. RHODES. Mr. Chairman, I am very much in favor of passage of this legislation.

The situation facing the livestock industry in this country today is chaotic, and it will get worse than it is now.

This piece of legislation is quite a modest attempt on the part of the Federal Government to help some of the people who have been injured, partly by action of the Government itself. These are people who have never asked for help. It is a segment of the agricultural industry which, quite apart from the usual type of agriculture, has not been subsidized during its history, and this, Mr. Chairman, is not an attempt to subsidize it even today. It is an attempt to provide credit for bona fide producers of livestock who have found themselves in a situation in which their credit has been exhausted.

It is to provide Federal guarantees only up to 80 percent of the amount of the loan. The amount of the loan is closely circumscribed, and I think the fact that the guarantee is only 80 percent provides a further guarantee of the fact that the loan will be a sound one because certainly no banker or no money lender who is risking 20 percent of his own funds is likely to feel very unsafe in making such loans. Certainly no one can stay in the lending business for very long and continue to lose 20 percent of every loan he makes, so I think we can be very sure that the bankers of the country, the people who will lend these funds, will be very careful about just exactly what they do.

I think this is a good piece of legislation. I congratulate the great Committee on Agriculture and its chairman and the ranking minority member for the expedition with which they have acted.

I hope, Mr. Chairman, that the bill will be adopted.

Mr. POAGE. Mr. Chairman, I yield to the gentleman from Iowa (Mr. CULVER).

Mr. CULVER. Mr. Chairman, I thank the chairman very much for yielding this time to me.

I rise in strong support of this legislation. I wish to commend the committee and its members on both sides of the aisle who worked so hard on this legislation. It is critically important to the survival and continued vitality of the livestock industry of this country.

Mr. Chairman, I wish to voice my continuing support for H.R. 15560, the Emergency Livestock Credit Act of 1974. I do not believe it is necessary to reiterate in depth the causes of the present situation, but I do feel it is appropriate to emphasize its genuine emergency character.

Cattle producers have suffered losses before, for one or two crop periods, 120 days, but the current trend is into its third crop period and little improvement is foreseen in the immediate future. Further, the loss per head of livestock has been at unprecedented levels. The result is that not only are hundreds of livestock producers facing bankruptcy, but the feedlot operators are reducing their operations. Some cattlemen are facing the prospect of a reduction in their breeder herds, or even total liquidation of their business and livelihoods.

The implications are serious both for the livestock producer who is facing an upheaval in his way of life, and for the American consumer. With the prospect of reduced breeder herds and widespread business failures, the future portends a dramatic reversal of the current trend and a return to the short supplies and high beef prices of last fall and winter.

It takes 28 to 30 months to move beef from the breeding farm to the retailer. Actions taken by the beef industry today can determine supplies several years hence.

You cannot divorce the livestock producer from the rest of the economy—our economy is too interdependent. Bankruptcy of even a small segment of the cattle industry could have repercussions on other segments of the farm economy including the financial institutions that support them, and subsequently on the entire economy.

It cannot be forgotten that it will be the consumer who will ultimately suffer if the emergency livestock credit bill is not passed. If the present situation goes unchecked the ultimate result will be a scarcity of meat for the consumer. As production drops, and herds decrease in size, meat will become so scarce and expensive that meat substitutes will become the rule, rather than the exception.

This bill has unfortunately been characterized by some as a "bank bailout bill." In fact, it represents only a minimal response on the part of Congress to help stricken feeders and producers of livestock through the present crisis. Of course, loans are taken from banks, but it is the borrower we are seeking to strengthen and sustain.

This crisis, it must be remembered, was in large part created by the Government. By interfering with normal market relationships, through such fiascos as the Soviet wheat deal and the on-again, off-again price ceilings and controls, the Government has thrown the market into its present state of turmoil.

I do believe that it is altogether proper that this bill be clarified so that loan guarantees go only to bona fide small and medium sized producers, rather than large commercial and tax shelter operations.

Therefore, I am supporting floor amendments to disqualify corporations and partnerships who do not have at least 50 percent of their stock owned by stockholders and partners who are themselves engaged primarily and directly in livestock production; and to lower the individual loan guarantee limit from $350,000 to $250,000.

These amendments will target the loan guarantees at those whose economic distress has been created by mistaken Government action and who are not in a position to help themselves—our full-time family farmers.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from South Dakota (Mr. DENHOLM).

Mr. DENHOLM. Mr. Chairman, I rise in support of this legislation.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. ROSE).

Mr. ROSE. Mr. Chairman, I rise to speak in support of H.R. 15560, the emergency guaranteed livestock loans. This act is needed if we are going to be given a breathing spell in order to get the cost of beef and pork to the consumer down to a more reasonable level. I defer to opponents of this bill in their zeal, but I cannot defer their reasoning.

According to them, it will be a bonanza bill to bail out banks and others who "made ill-advised investments in an inflated cattle and hog industry during a period of unprecedented high prices." I do not believe this to be true, and I would be remiss in my obligations to my constituents who are involved in hog and cattle production if I allowed this statement to go unchallenged.

What we here in Congress are, in effect, trying to do is to allow the meat producers to catch their breath during a time when the cattle and hog prices have dropped drastically, even as prices to the consumer have continued to run well ahead of the prices paid to farmers. Opponents of this bill contend that the solution lies in an increase of consumption of beef and hogs, if they admit that this cannot be done until middlemen pass on lower prices to the consumer. I have not seen any evidence of this on the retail level at this date.

The law of supply and demand is supposed to work to the betterment of all, meat producers and consumers. But there is a factor at work in this particular segment of our economy that has the effect of penalizing the farmer on the one hand and the consumer on the other. Farmers in my district report losses running into and over the $100 mark on each hog or steer sold. Consumers in my district, and what I say here applies equally to other cattle and hog producers and consumers all across the Nation, complain that they are still paying inflated prices for beef and pork.

I contend that we are not giving the cattle and hog producers anything in this bill, not when they are being asked to refinance their notes at the present 11½ or 12 percent interest rate, nothing, that is, but an attempt to recoup their losses. Hopefully in the year involved in this bill the economy will again float free according to the time-honored law of supply and demand.

Evidently, in the meat industry that law has been suspended at the present and we are penalizing meat producers, penalizing them to the extent that many will be forced to the wall. My learned opponents say the solution is to produce more and more. I ask them how this is possible if present production is being virtually curtailed by an unfriendly market that asked the American farmer to again subsidize his customers even if it means bankruptcy for him.

We are not doing the consumer any favor under existing market conditions and we will not be doing him any favor if we cut back on the production of beef and hogs owing to the curtailing production at the first stage.

It would be fine if Canada would lift its ban on the importation of U.S. beef, it would be even better if the American consumer could afford to eat more beef and pork. But the latter will not be the case until something is done about the alleged rationing of beef and pork by the middleman.

If this bill was defeated, we may be in the position of throwing the baby out with the dishwater and the American consumer may find the day of reasonably priced beef to be as obsolete as the nickel cigar and high buttoned shoes. Not to mention the fact I noted earlier that some cattle and hog producers may be out of business and ruined beyond redemption.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee (Mr. JONES).

Mr. JONES of Tennessee. Mr. Chairman, I rise in support of this legislation.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana, (Mr. RARICK).

Mr. RARICK. Mr. Chairman, I rise in strong support of this legislation.

Mr. Chairman, I support H.R. 15560, the legislation before us providing for emergency guaranteed livestock loans to some producers who face an economic depression caused by Federal meddling with the economy through imposition of price controls and through action taken by the administration in lifting import restrictions on foreign agricultural products coming into our country.

Our farmers have never asked for a Government handout. All they have ever asked is that the Government allow them to operate in a free market economy without manipulation; but the Government succumbed to political manipulation to appease social pressures and agricultural producers have suffered the consequences.

The bill before us would guarantee 80 percent of loans up to $350,000, the maximum allowable on an eligible individual's loan. Not all livestock producers will be eligible for loan guarantees. The bill requires that the lender "shall certify" that he is "unwilling to provide credit to the loan applicant in the absence of the guarantee authorized by this act." Furthermore, the legislation provides that the "loan applicant shall certify that we will be unable to obtain financing in the absence of the guarantee authorized by this act."

Participation includes only those directly engaged in the production of cattle, hogs, sheep and goats, poultry, and dairying. It is essential that the Government act immediately to help out these producers so that these industries can continue to produce the food our people need.

Without the help provided by this legislation, many farmers and stockmen will be driven out of business and the American consumer will be the ultimate loser because of decreased production—which can only result in higher prices in the marketplace.

At stake in this legislation is the ability of livestock producers to produce an adequate quantity of food, at reasonable

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prices. If a producer goes out of business, it will take quite a bit of money, know-how, and time to replace that flow of food to the consumers.

Some opponents of legislation designed to help our farmers—who overresponded to consumer complaints about high prices by increasing production—wrongly express concern over the legislation before us because they feel that it will be detrimental to the consumer.

The legislation before us is of vital importance to all Americans. The committee has indicated that this bill is being brought to the House not as a measure to help individual farmers and ranchers, but rather as an effort to prevent financial chaos in the livestock industry. The failure of the livestock industry will, of course, affect all of agriculture, and that which affects all of agriculture directly affects all Americans and the position of this Nation in world trade.

I would also like to remind our colleagues, Mr. Chairman, that many of the same individuals who oppose the legislation before us because of alleged costs to our consumers did not express equal concern over the cost to the American consumer when they cast their votes in support of the legislation extending the authorization for the International Development Administration or the bill extending the life of the Export-Import Bank. Neither did they raise their voice in anger at the cost to the American consumer in the recent legislation providing a direct subsidy for the operation of Amtrak or the legislation providing what amounts to a direct subsidy to the largest American publications by revising implementation of proposed increases in the rates of second class mail.

The IDA bill is perhaps a major case in point. IDA, of course, provides soft loans, for 30 to 50 years, at no interest, to foreign developing countries. Some of the Members who oppose this legislation before us supported the IDA bill, yet they argue that the bill before us is too costly to the American consumer.

The consumer argument is not borne out by examination of the bill before us. There are no grants involved in the bill. Neither does it provide Federal loans to producers. All that the bill before us does is to guarantee 80 percent of the loan negotiated between a borrower and his own lending institution. In no way does it subsidize or control interest rates.

Successful farming requires a credit operation. H.R. 15560 is designed to create credit for those livestock producers who have exhausted their own financial credit and can no longer borrow money to continue their operation. As they reestablish themselves, they will repay these loans. Only in a default will there be any call for Federal expenditure.

There is very little direct outlay of Federal money involved in H.R. 15560. It simply does not make sense to me that some of the Members who supported IDA, which called for a direct outlay of $1.5 billion to foreigners, can oppose this bill as too costly to the American consumer.

Mr. Chairman, H.R. 15560 is a necessary bill that will benefit all Americans. I do not favor subsidy legislation, but I will cast my people's vote in support of this legislation and urge our colleagues to join with me in voting for this measure.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri (Mr. RANDALL).

Mr. RANDALL. Mr. Chairman, I rise in support of H.R. 15560, the emergency guaranteed livestock loan bill. It is legislation that is sorely needed at the present time. Sufficient safeguards have been written into this legislation. I urge its passage.

H.R. 15560 has sometimes been described as the Emergency Livestock Financing Act and variously described as the livestock guaranteed loan program. No matter how it is described, in my judgment it is meritorious and deserves the support of the membership of this House. It is nothing more or less than a bill to tide over our cattlemen who are now in trouble.

If one were to go into the history of the problems of our cattle feeders it would take some considerable time. I suppose one of the first setbacks was the effort at an organized beef boycott. This was followed by Government controls, or the freeze on beef prices. Another contributing factor is the removal of limitations on beef imports. All of these things were items of government interference. The cattleman did not want any interference, but the Government did interfere. As a result, the beef industry has suffered a total loss of $15 billion.

Of course we recognize that Section 5 sets up a loan guaranty fund that shall not exceed $2 billion, and the original bill contained a provision that the total loans guaranteed for any loan applicant shall not exceed $350,000. While I intend to support an amendment which I understand will be offered by the gentleman from Iowa (Mr. MAYNE) which would reduce or limit the loans to $250,000, I do so on the premise and rationale that the purpose of this legislation should be to help the family farmer. I must also be realistic and realize that if the figure of $350,000 is not reduced the Secretary of Agriculture has advised that the President will veto the bill. If the loan limitation is reduced there is a good chance that this measure can be signed into law.

Once again, Mr. Chairman, let me emphasize that this is legislation that is beneficial both to the producer and to the consumer, as I will be able to demonstrate shortly. There were over 50 witnesses who appeared before the committee, including the speaker, who testified in favor of this kind of measure. I introduced an almost identical bill, and I suppose it could be said I am thus a cosponsor of this legislation. It is not difficult to put the need for this legislation in perspective. The Government imposed price controls and that jeopardized the normal operation of the market. Feeders and cattlemen did not want the controls, but they were imposed upon them. I repeat, feeders and other cattlemen did not want controls, but they were imposed upon them. As a result, they lost from $50 to $100 a head.

Now if we consider the amendment to reduce the loan limitation from $350,000 to $250,000, is this a reasonable limitation, or is this still too high? The answer is that the average cattleman feeds on the average about 800. At the present time he has borrowed from his local bank as much as he can borrow. He is not a rich man. The average income of these cattlemen is from $8,000 to $10,000 a year. I think it is reasonable to say that not too many of us in the House can find much sympathy for those who feed 12,000 to 15,000 head of cattle a year. But it is very difficult to fail to have sympathy and concern for those who feed 300, 400, and 500 head of cattle.

Some of the sharpest and most caustic critics have called H.R. 15560 the great "beefdoggle," likening it to the expression "boondoggle" and have called it a $2 billion welfare or relief bill for cattlemen, and some have referred to it as the Cattlemen and Beefers Relief Act of 1974. My answer to this kind of criticism is that those who use such language suffer from a myopia or shortsightedness that is difficult to understand. It is well for those who represent the big cities to have concern for their consumers. But a careful analysis of this legislation will reveal that this bill will in fact help consumers.

Oh, over the short run this legislation may help the producer, but in the long run it will certainly help the consumer. In the short run it may prevent some bankruptcy of cattlemen. But let us make no mistake about it, if these beef people go out of business the price of beef will shoot up next year. The passage of this bill is simply good economic sense.

If we pass this bill it means that we are making it possible to have more cattle. If we don't pass this bill there will be fewer cattle. The price will go up and the consumer will be hurt. It is just that simple. There is no gimmicry here. This is nothing more or less than a Small Business Administration loan for the cattle people. The same kind of loan that has been made to small business is now extended to the cattle feeders.

It becomes a little irritating to hear this called the beef subsidy bill or the welfare and relief bill for cattlemen. Actually it is not a subsidy at all. There is no subsidy even as to the rate of interest. It is a loan. As to the $250,000 limit which we all hope will be adopted, this would allow for feeding about 750 head of cattle, which is not a large operation.

My colleagues should remember that when the beef producer comes to market he is at the mercy of the market. He sells, or he takes his cattle home. I hope my colleagues never forget also the well established fact that all of the depressions we have ever had in this country have started in the rural areas and spread to our big cities. That must not happen this time.

Finally, let me emphasize one more time that this is not a giveaway. This is not a grant program. It is not even a

Government loan program. Rather it is a private loan program with a Government guarantee of 80 percent of the loan. It is more conservative than the Senate bill, which guaranteed 90 percent of the loan and originally called for a loan limitation of $1 million per loan.

The fact of the matter is that we cannot let our beef supply go up and down like a yo-yo. It takes 2 years to produce beef ready for the table. If we don't have a stable supply of beef it will be the consumer that will ultimately pay exhorbitant or even prohibitive prices for his beef. The best way to help the consumer as well as the producer is to proceed promptly to enact this emergency program for guaranteed livestock loans.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I rise in opposition to the bill pending before the House, H.R. 15560, the proposed Emergency Livestock Credit Act.

I oppose the enactment of this bill for several reasons.

First, I oppose its enactment because I believe the Federal subsidies to the livestock industries which would be provided through the bill's terms would result in an additional distortion of the laws of supply and demand. Those laws kept the prices of food fairly stable for years, insuring adequate supply in the process.

Government intrusion—through price supports and similar subsidies, followed in 1971 by mandatory price controls—has grossly distorted the market place. It has produced high prices on one hand and severe shortages in some food stuffs on the other.

Two wrongs do not make a right. That is certainly true here. It was bad policy to impose mandatory price controls on beef, and those controls contributed to the problems now faced by livestock producers, but imposing another Government program—this one in the form of subsidies—will not be any less disruptive in the long run to the laws of supply and demand than were the price freezes.

Second, I oppose its enactment because I see no reason why the American taxpayers—who are already overburdened—should be required to subsidize this industry.

Subsidies to producers are as antithetical to a market system—and the economic freedoms which are insured by such a system—as are subsidies to consumers. I state that as a matter of principle.

Now, what about the factual evidence? This factual evidence is my third reason for opposing the bill.

According to the Department of Agriculture, cattle profit margins have fluctuated enormously over the past 3 years. During 1972 margins ranged all the way from plus 27 per head in the first quarter to minus $7 in the fourth. In 1973 the range was from plus $70 in the second quarter to minus $90 in the fourth. Although cattlemen have admittedly suffered negative margins through the first half of 1974, losses per head have fluctuated from $54 in January to $140 in mid-June and approximately $90 per head at present.

In just the 3 weeks since hearings were held on this bill by the committee, market prices have risen almost $90 per head, and November-December—fourth quarter—future prices indicate positive margins. The 11th hour solution—subsidies—provided for in this bill are unnecessary.

A basic problem in the livestock industry stems from a spree of speculative private investment in feeder stock last fall. Yearling prices were driven to unprecedented highs on the assumption that steers could be marketed 6 months later at the equally high slaughter prices prevailing at that time. That was bad judgment, but it was judgment freely made.

In the interim, however, the American consumer said "no" to skyrocketing meat prices. Consumption dropped and market prices declined, accordingly.

Consumer choice—to buy or not to buy—is the foundation stone of a free economy. It worked here. It drove prices down. Now, what this bill would do, is to say, "We don't like what the consumers—the market—did; therefore, we are going to change their collective and decisive victory at the marketplace by force of law."

What this bill would do is to shift the potential loss from the speculative investors to the taxpayers.

Are we now to expect that everytime speculative investors take a voluntary risk and then lose, that the taxpayers will bail them out? We cannot subsidize special economic constituencies with the taxpayers dollars without expecting every such economic interest group to be pounding on our doors looking for their subsidies too?

This bill is anticonsumer in its application.

Every consumer makes his choice—casts his economic vote, so to speak—with his dollar. If he wants to buy something, he does, and that creates demand. If it is too high a price to pay, then he passes it by, and that too is an economic vote—the use of individual economic choice.

Government action can never duplicate the economic diversity of a free and responsive people like ours. I place my reliance on them, not on Government regulations and subsidies.

I urge the defeat of this bill.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, I would like to associate myself with the remarks of those who have spoken in support of enactment of H.R. 15560. Although, as those who oppose its passage have pointed out, it is questionable whether this measure alone will bring livestock producers and feeders the relief they need, testimony before the committee as well as the testimony I have taken daily from my constituents amply attests to the need for relief. If H.R. 15560 is not the complete solution to the problems of the livestock industry which have been largely created by ill-advised governmental intervention, it must certainly be a part of the solution.

If, after hearing the arguments, my colleagues remain unconvinced that this measure is not simply a "bailout" for banks and that it will actually help those who it is supposed to, I would urge them to support the amendments offered by my colleague from Iowa (Mr. MAYNE), which would disqualify corporations and partnerships who do not have at least 50 percent of their stock owned by stockholders and partners who are personally engaged directly and primarily in livestock production and to lower the individual loan guarantee limit from $350,000 to $250,000. I sincerely do not believe that this is in any sense a bailout bill, but, if my colleagues have reservations, adoption of these amendments should alleviate them and make it possible for the Members to support the bill in the confidence that the loan guarantees will be directed where they are most urgently and properly needed.

Again, may I emphasize to my colleagues, their favorable consideration of H.R. 15560 which is badly needed and well justified—not only for the sake of the individual operators it will assist in staving off bankruptcy, but also for the psychological boost it will give the industry to know that their Government, which was quick to institute the economic controls that have a great deal to do with their problems, is concerned over the economic well-being of America's livestock producers.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana, (Mr. LANDGREBE).

Mr. LANDGREBE. Mr. Chairman, I am today introducing a bill which I think will make a very good substitute for this bill, and I shall explain it in my statement.

Mr. Chairman, H.R. 15560 presents a very real dilemma. On the one hand, the guaranteed loan provisions amount to a Government subsidy to the livestock industry. But, in our free enterprise system, businessmen are expected to bear the burden of their loss just as they have a right to their profit. On the other hand, the Government is partially responsible for the present dilemma of our farmers and ranchers due to its interference in the market through such devices as wage and price controls. When demand was high, the Government denied cattlemen their right to raise their prices to market levels and thus to earn their just profits. So, there is some validity in the argument that the cattle industry should be, in effect, reimbursed by means of loan guarantees.

However, subsidizing the cattle industry will only violate the rights of the taxpayer—forcing him to support the investments of others. Who will reimburse the taxpayer?

The permanent solution to this prob-

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lem is for the Government to establish a policy of hands-off in the marketplace.

In the meantime I have a proposal which I feel will greatly benefit the cattle industry without forcing the taxpayer to pay subsidies. I am today reintroducing H.R. 3825, a bill to amend the Federal Meat Inspection Act to require that imported meat and meat-food products be labeled as "imported." Although I announced in a "dear colleague" letter that I would not reintroduce this bill until July 23, the bill presently has 22 cosponsors.

This amendment will offer the American consumer the choice between meat "produced in America" and imported meat. As the overwhelming majority will undoubtedly choose American meat, this will greatly stimulate demand with no cost to our Federal Treasury.

Mr. Chairman, I believe this to be a fair and just answer to this dilemma and urge the defeat of H.R. 15560 and the consideration of H.R. 3825 by the House Agriculture Committee.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Chairman, I rise in opposition to the bill.

Mr. Chairman, it is my intention to vote against this act to provide financing for livestock producers—emergency guaranteed livestock loans—but for a reason that has not been articulated here on the House floor today. My objection has nothing to do with the argument that this is a farm subsidy, if indeed it is.

Opposition spokesmen have labeled this legislation a bank bonanza bill which will bail out banks and other investors in tax shelters, and there seems to be some basis for this concern. The wording of the bill as it comes from the Agriculture Committee does not insure that these loan guarantees would go to the bona fide livestock producers, especially smaller operations, which are in greatest need financially, rather than tax shelter operations and big commercial lots, which do not really need the loans for survival.

Moreover, it seems ironic that proponents of these emergency loans plead the hardship of the beef speculators and feedlot operators who are in dire financial straits with the plummet in beef prices. I grant that the financial hardship is real. But the ruse is that for the sake of political palatability the proposed legislation extends the loans to all types of livestock. Apparently you do not get a beef bill through unless you appease the chicken, turkey, and pork people. And interestingly enough, not even all of the livestock people embrace this particular legislation. The Idaho Cattle Feeders and the South East Poultry & Egg Association oppose the bill and the Kansas Livestock Association does not support it.

On the other side of the fence, so to speak, I realize that beef producers are facing deep financial difficulties and I do not question that the purpose of this bill, despite its weaknesses, is to bolster that industry.

But the more significant question in the long run is whether the Federal Government should encourage and create high capital investment in beef as a major source of human nutrition, in view of the world food situation. Can we afford the investment, not so much of dollars but of precious and limited grain supplies, in a food conversion process so inefficient as grain-feeding beef? While the significance of this legislation next year may be whether banks or cattlemen benefited most, in 10 years its significance may very well be measured in how many million people starved in the world. So in discussing this legislation I ask you to consider with me a brief overview of the world food situation.

We must begin with the realization that the time has come when the United States can no longer shirk its responsibility to the world. We need a "mankind perspective" in viewing the world food situation, and a sensitivity to the impact that even such a bill as this can have on the world food situation. America cannot and surely will not turn its back on starving people. The desperate food needs of peoples overseas requires more urgent attention by the American public and American public policy than has yet been manifest. Moreover, as our own national reserves become depleted we must realize that maximum efficiency in our utilization of our food sources is vital to our own national welfare and economy.

It is becoming apparent to world economists that the demand for food is far outstripping supply and the world is threatened with indefinite if not permanent food shortages. A July 20, 1973, congressional report on the Mutual Development and Cooperation Act of 1973 states that an estimated 300 to 500 million people in developing countries "do not get enough food of any type" and that "some 1.5 billion people have inadequately balanced diets and suffer particularly from protein deficiency." After last year's poor grain harvests the world is on the brink of potentially catastrophic food shortages. World wheat reserves are at record low levels, in both the United States and the world. And some meteorologists predict reduced U.S. grain production in the next few years because the drought which seems to reoccur every 20 years is at hand.

On the world scene we have seen skyrocketing food prices, declining food reserves and actual food rationing in three of the world's heaviest populated nations. But most compelling is the actual death tally: several hundred thousand in the continuing African famine engulfing the nations of the Sahel, Ethiopia, Gambia, and parts of Tanzania and Kenya, and a projection of an astounding 50 million more deaths as the famine spreads to other developing portions of the world.

Famines have come and gone before. We have known shortages before only to see the horn of plenty once again replenished by bumper crops and surpluses. So the inclination of official Washington and the American people is to view this year's global scarcity as a temporary aberration that will pass. But several factors indicate that limited world food supplies is no passing phenomena this time, but a reality that we will have to confront daily. We can no longer operate on the mentality of plenty, but must be willing to change our thinking and alter our very lifestyle.

Man has increased productivity of the land arithmetically while population has increased geometrically, and correspondingly the affluence and indulgence of the developed world has steadily risen. Thus it is that if the present trend continues, food production will have to double over the next generation to meet the demands. And there is a very limited extent to which man can increase the production of the world's food supplies.

Traditionally, food supplies have been increased through expansion of cultivated land and improved techniques resulting in higher yield per unit of land. But most of the world's cultivatable land is already being utilized; in some industrialized nations the amount of land being formed is actually decreasing. Lack of reasonable land use policies has permitted misuse of agricultural land. And most of the world's farmland, with exceptions of areas just now realizing the "Green Revolution," has nearly reached maximum production.

The only real hope seems to be population control and maximum efficiency in utilizing the world's food supplies. I include the following:

PROJECTED WORLD GRAINS PRODUCTION, TRADE, AND CONSUMPTION, 1973–74[1]

[Millions of metric tons]

Country	Production	Exports	Imports	Net trade	Consumption
Industrial countries, total	688	121	83	38	650
United States	239	69		69	170
Canada	38	19		19	19
Western Europe	133	19	45	−26	159
Japan	14		19	−19	33
U.S.S.R	152	4	11	−7	159
Eastern Europe	86		8		94
Other	26	10		10	61
Developing countries, total	507	15	54	−38	545
China	157	1	8	−7	164
India	123		6	−6	129
Other	227	14	39	−25	252
Total, all countries	1,195	136	136	0	1,195

[1] These projections assume no changes in stocks. Grains include only wheat, rice, and feed grains. Production of rice is calculated in terms of paddy.

Sources: U.S. Department of Agriculture, Foreign Agriculture Circular, "World Grain Situation: Review and Outlook" (Aug. 24, 1973). Food and Agriculture Organization, "The State of Food and Agriculture, 1973" (Preliminary version, August 1973). Figures are rounded and may not add to totals.

At the heart of the world food crisis concern is the manner in which we regulate and utilize our crucial cereal grain supplies, the backbone of the world food structure. Grain consumed directly provides 52 percent of our food energy intake and indirect consumption through livestock products provides much of the remainder.

And the statistics indicate that grain-fed beef, as a source of protein, simply is not a very efficient use of grain. In a statement of the American National Cattlemen's Association before the National Conference on Nutrition held in June 1974, Dr. G. Alvin Carpenter reported a conversion factor of 7 to 8 pounds of grain required for 1 pound of beef gain in the feedlot when cattle are being finished for market. USDA officials estimate, as a ballpark figure, that 6 to 7 pounds of grain are required to produce a pound of beef. Contrast this to the greater efficiency of hogs at about 3.5 pounds of grain per pound of meat gain and 2.5 pounds of grain per pound of meat with chickens. See chart below:

LIVESTOCK CONVERSION FACTOR

Beef: 6–7 pounds grain per 1 pound beef gain; 10–11 pounds high quality alfalfa per 1 pound beef gain; 12–14 pounds low quality cut ruffage per 1 pound beef gain; 18+ pounds grazed ruffage per 1 pound beef gain.

Pork: 3–3.5 pounds grain to 1 pound pork.

Broilers: 2.5 lbs grain to 1 pound chicken.

NOTE.—Based on USDA estimates.

In this Nation alone, the U.S. Department of Agriculture reports an estimated 40,800,000 tons—45,457,000 tons including concentrates—were used to fatten beef cattle during the annual period from October 1, 1973, to September 20, 1974. During that period 24,450,000 head were fed out, so each animal consumed an average of 3,718 pounds of grain. An estimated 740 pounds of grain were consumed per 100 pounds beef gain, resulting in a conversion factor of about 7.4 to 1.

Grain consumption of U.S. beef (Oct. 1, 1973–Sept. 20, 1974)

	Tonnage consumed
Grains	40, 800, 000
Corn	25, 295, 000
Sorghum	10, 653, 000
Oats	360, 000
Barley	2, 219, 000
Wheat/rye	2, 267, 000
Grains plus concentrates	45, 457, 000
Animal fats	11, 000
Seed meal	575, 000
Molasses	1, 606, 000
Urea	596, 000
Salt	1, 100, 000
Mineral	590, 000
All others	179, 000
Additional consumption during fattening roughage:	
Hay	20, 564
Corn silage	33, 573, 000
Other silage	3, 237, 000

Another revealing approach is to contrast U.S. grain consumption with that of underdeveloped nations. In poor countries, grain consumption per capita per annum is about 400 pounds, almost entirely through direct consumption. These nations simply cannot spare grain to raise livestock. But in North America, yearly per capita grain consumption is nearly 2,000 pounds—a ton. But only about 150 pounds of this ton is consumed directly as grain; 90 percent of our grain consumption is indirectly through livestock, chiefly beef, at 7 to 1 inefficiency.

The implications are staggering. If we would decrease beef consumption by 33 percent substituting poultry, or eat one-fifth less beef and substitute raw grain products, enough grain would be saved to feed more than the 50 million people.

Yet the fact is that American beef consumption, as in the rest of the world, is steadily increasing. Between 1940 and 1972 our national beef consumption tripled, and our per capita beef consumption rose from 55 pounds a year in 1940 to 117 pounds in 1972. And our national policies continue to encourage consumption of grain-fed beef.

Now I confess that I am a city boy. But a staff member whose origin goes back to a small beef spread in central California tells me that the USDA beef grading standards are heavily biased toward grain-fed as opposed to hay or grass-fed beef. And the boys at the USDA backed him up on this.

The USDA has eight ratings for grading beef carcases, based on the quality of individual characteristics relative to the maturity of the beef. Marbeling, texture, and color are three very significant criteria heavily weighted toward grainfed beef. Marbeling refers to the fat and lean tissues intermixed in the meat and is achieved through heavy grain-feeding. The top three USDA grades—prime, choice, good—are almost an exclusive club for grain-fed beef. Range-fed or hay-fed cattle will seldom grade higher than the fourth level, standard. Grades below standard are variations of commercial utility—for hamburger or even dogfood.

Many people think that grain-fed beef is much more delicious, though some prefer the natural meat, butchered off the pasture. But for all of the extra precious grain that goes into grain-fed beef, the nutritional value is not substantially higher than range or hay-fed beef. In fact, doctors now say that the extra fat—and higher colostrum content—of grain-fed beef is very hard on the heart.

In his numerous distinguished works on the world food crisis, Lester R. Brown, senior fellow at the Overseas Development Council, asserts that in view of these mind-boggling implications, we are going to have to significantly modify our lifestyles.

It is very likely that we will have to significantly decrease our consumption of beef, and substitute for it range-fed beef—grass and hay are not the valuable human food source that grain is—and pork and poultry.

Moreover, science is now discovering that there is real possibility in substituting less costly, more efficient vegetable proteins for beef. Substitution of vegetable fats for animal fats has been tremendously successful already. In 1940, an American, if he was average, consumed 17 pounds of butter—an animal product—and 2 pounds of margarine—a vegetable product—whereas today he consumes 11 pounds of margarine and 5 pounds of butter. The advantages have been economic, nutritional, and ecological, and a reduction of intake of saturated animal fats which contribute to heart disease.

Now the day of the "soya-burger" is arriving as technology develops vegetable—mostly from soy bean proteins—substitutions for beef. The new product is high in protein, low in fat, and does not require refrigeration. Even before complete substitution can be achieved, "soya extenders" can be used to make meat go much farther. See chart of comparative nutritional value of vegetables and meat. All of the life-sustaining nutrients can be obtained from the raw grain and vegetable materials without circulating them through cow factories.

The chart referred to follows:

TABLE I.—COMPOSITION OF BEEF AND GRAINS (PER 100 GRAMS)

	Food energy	Protein	Fat
Beef: carcass—total edible, choice grade	379	14.9	35.0
Barley, pearled, light	349	8.2	1.0
Corn flour	368	7.8	2.6
Oatmeal, rolled oats:			
Dry	390	14.2	7.4
Cooked	55	2.0	1.0
Rice, brown:			
Raw	360	7.5	1.9
Cooked	119	2.5	.6
Sorghum grains	332	11.0	3.3
Soybeans—mature:			
Raw	403	34.1	17.7
Cooked	130	11.0	5.7
Wheat flours: Whole (from hard wheats)	333	13.3	2.0

Source: Composition of Foods, Agriculture Handbook No. 8, Agricultural Research Service, USDA, 1963.

TABLE II.—*Crude protein per acre, 1973*

	Pounds
Barley	213
Corn	456
Oats	165
Rice	398
Rye	179
Sorghum	362
Soybeans	591.4
Wheat	244

Source: U.S. Department of Agriculture, Agricultural Research Service.

Now let me make it clear that I am certainly not urging Congress to outlaw beef tomorrow or 10 years from tomorrow.

What then is the significance of this to H.R. 15560? Again, I raise the question, "Should the Federal Government encourage and create high capital investment in beef as a major source of human nutrition, in view of the world food situation. Can we afford the investment, not so much of dollars but of precious and limited grain supplies, in a food conversion process so inefficient as grain-feeding beef?"

The answer is that the beef industry should have to compete on the free market through the law of supply and demand. And if that 7 to 1 inefficiency factor becomes too costly with limited grain supplies and increased nutritional needs, other more efficient sources of protein will become gradually necessary. Two billion dollars in loans will only prolong the process and artificially stimulate the free market. In the end the market and the future must deal with the matter naturally.

The CHAIRMAN. Pursuant to the rule, the Clerk will read the committee amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment.

Mr. PEYSER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Seventy-seven Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and three Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. MONTGOMERY. Mr. Chairman, I appreciate the gentleman yielding and giving me an opportunity to express my very strong support for the emergency guaranteed livestock loans. As a cosponsor of similar legislation I urge my colleagues favorable consideration of this bill.

To set the record straight, this bill is in the interest of the consumers of America contrary to what the opponents of the measure would have you believe. It is simply a case of the livestock producers of the Nation being caught in a squeeze and needing the availability of loan money in order to remain in the business of producing needed food for the American people. This bill provides no special favors for the agriculture interests of America. Those applying for the loans will still have to pay the going rate of interest and there will be no interest subsidy on the part of the Federal Government. However, by having the Government guarantee 80 percent of the loan, we will be providing an incentive for lending institutions to make these much needed agriculture loans. This incentive is needed because of the present tight money conditions in the United States that is making it virtually impossible for anyone to borrow the money they need.

I think we should consider for a minute what would happen if this legislation fails to pass. The direct result would be that small livestock producers will be forced out of business throughout the Nation. The indirect result will be a future shortage of meat supplies thereby further driving up the price of beef, poultry, and pork and causing even further inflation. I hardly think we would want to be in a position of knowing that we caused another food price increase by failing to vote in favor of H.R. 15560.

Mr. Chairman, I urge favorable consideration of the emergency guaranteed livestock loans and hope my colleagues will give the measure their approval.

Mr. ANDERSON of California. Mr. Chairman, I rise in opposition to H.R. 15560, a bill to guarantee loans totaling $2 billion to livestock producers.

Last year, when meat prices were sky high, the Secretary of Agriculture advised consumers to buy other, cheaper meat substitutes.

Now, when prices received by cattlemen are low, the Agriculture Committee proposal would alter the law of supply and demand by bailing out the marginal producers with Government-guaranteed loans.

Meanwhile, the consumer continues to get soaked by high prices at the meat counter, because of a failure by packinghouses and chainstores to reduce prices to correlate with lower prices paid to the farmer.

Meanwhile, the prospective home buyer is being asked to pay 12 percent interest on a home loan, to be further compounded by this proposal which would further tighten the credit crunch by siphoning off scarce dollars to farmers.

And meanwhile, the Federal budget is completely out of kilter, with expenditures exceeding revenues by an estimated $9 billion, this fiscal year alone, thus further fanning the flames of inflation. And this proposal would cost the taxpayer an additional $90 million.

Mr. Chairman, I am a small businessman, and, as such, I think I know something about economics. In the free market, a consumer will buy your product if it is at the right price and if it is wanted. If you are successful a lot of people will go into the same business and, as a result, prices will drop due to a heavy supply and rather fixed demand. But when something artificial—such as Government interference—encourages marginal producers to stay in the business, thus creating higher supplies, the price will remain low, hurting everyone, even the efficient producers.

This chain of events will occur, of course, unless someone along the line decides to hold back supplies. And this is presently happening in the meat business. Packinghouses have huge stockpiles of beef waiting for prices to rise even higher at the meat market.

And profits in these two segments of the industry—packing houses and chain stores—are soaring. Meat packers' profits are up 40 percent over last year, and food retailers are receiving net profits 30 percent over last year's level.

Basically, the reason for current low prices for the cattleman is last year's bonanza when the cattlemen were making profits of $11 per hundred weight, thus causing speculative investment in feeder stock. And as a result, the Agriculture Department predicts that 9 percent more beef will be slaughtered this year than last.

And according to the economic law of supply and demand, supplies will increase, prices will drop, and marginal producers will get out of the business, thus decreasing supplies and reversing the cycle.

Thus, a vote for this measure will artificially maintain higher prices for the consumer, encourage speculators and marginal operators to remain in business, and postpone the problems until next year.

But, a vote against this proposal will permit the free market to work by reducing prices for the consumer, and eventually reducing supplies back to the level needed to meet the demands.

Government action, Mr. Chairman, is not needed to prop up or bail out the weaker segments of this industry. Rather, Government action is needed to induce the packers and the supermarkets to pass along lower prices to consumers, thus increasing meat consumption.

Mr. STARK. Mr. Chairman, I would like to urge my colleagues to join me today in opposing H.R. 15560, the emergency guaranteed livestock loans bill. I do not believe there is a Member in this body who would not like to see the cattle and livestock market return to its halcyon days of a few years ago. We all agree that Government intervention in this sector of the economy has not worked. Meat prices are higher and the producers are worse off than ever before.

The point to be made today is simply that more intervention will not help. We ought to realize that Government assistance today for this industry means the call for it tomorrow from another industry. This bill would set a terribly dangerous precedent—and even then we would not be assured that when the assistance ends the livestock industry will be strong and self-sufficient.

Cattlemen are a strong, hearty breed. They have been through hard times before and survived without this kind of intervention, and they will survive again. The Government's role should not be to prop them up after it has let inflation skyrocket to the point where the industry needs assistance. There is no better time to assert this than today.

For the interest of my colleagues I would like to insert in the RECORD at this point an editorial from the Wall Street Journal of June 26, 1974. I hope that this warning will be heeded:

HOOFBEATS ON CAPITOL HILL

Our heartfelt sympathies go to the nation's livestock feeders and ranchers, who have lost more than $1 billion since beef and hog prices broke last fall. Our regrets do not extend to having the taxpayers bail the boys out of their financial difficulties, however, even though they are understandably arguing that because the government helped get them in this fix it has an obligation to get them out.

The simple answer to the above is that the government didn't force anyone to do anything against his will, but simply caused general confusion in the industry last year by freezing beef prices. Whenever the government suspends the law of supply and demand in an industry, the industry has to make economic judgments without benefit of a price signal. Operating in the blind, and assuming the public would continue to increase its consumption of meat even at sharply higher prices, the livestock feeders bid the prices of feeder cattle and hogs into the stratosphere. They were wrong.

They now want the government to bail them out with loan guarantees, and the Senate has whipped up an emergency program to that effect. There are at least two good reasons why such a program should not be enacted. One is that credit guarantees further cloud the signals of the market, on the margin encouraging investment in feedlot operations when at the moment there is obviously oversupply. Secondly, it would be a dangerously bad precedent. Every sector of the economy can now put together a case that it has been harmed by government interference in the marketplace, and we would be the first to agree. But can the government guarantee everyone's credit?

The other hot idea the livestock people have been pushing is to reimpose quotas on meat imports. "There is simply no justification for permitting unlimited meat imports into our nation today," says Iowa's Sen. Richard Clark in urging same. Without realizing how foolish it sounds, the Senator also says "the administration can do more to encourage beef exports. Specifically, this country can accelerate negotiations with Canada that will lead to lifting of the Canadian ban on beef imports." In other words, all those foreigners should stop sending us beef and we have to talk them into buying ours.

It is unfortunate that U.S. trading partners have been restricting meat imports, giving one excuse or another. The real reason is that just as there are now hoofbeats on Capitol Hill, livestock interests the world over have been stampeding their respective governments into protectionist, beggar-thy-neighbor policies. The price slump, after all, has been world-wide.

How nice it would be if the United States were in a position to express outrage at these practices. But the United States itself is the culprit. We're the main consumers of beef in the world; the world price rises and falls chiefly as a result of supply and demand here. During the last big price slump in livestock, Congress passed the Meat Import Quota Act of 1964, signaling the livestock producers abroad that there was only limited access to the biggest market.

When supplies tightened and quotas were lifted in June, 1972, the U.S. government thereby invited producers abroad to gear up again for this market. The price freeze last year not only confused the domestic industry, it confounded the foreign producers. How can we now blame them for wanting relief from the selfish and absurd stop-and-go policies of the U.S. government?

Enough is enough. The domestic livestock people, who are big boys, should recognize that government "assistance" is an illusion, that the inevitable effect of loan guarantees or import quotas is simply a deepening of the curves in the beef cycle. With no government interference at all, there would still be ups and downs in the industry. But it would take one of nature's worst catastrophes to trigger a boom and bust cycle of the kind the government fashioned these past few years.

Instead of caving in to the livestock lobby and starting the cycle again, the government should emphatically renounce these assistance schemes. If it does so with enough conviction, it might be in a position to persuade our wary trade partners that we can be trusted. They'd then have a better chance of resisting the pleas of their livestock interests and the nontariff barriers to trade can be negotiated away. Whether the cowboys believe it or not, the quickest way to get their industry back to health is to get themselves and their horses back on the range, or at least out of Washington, D.C.

Mrs. SULLIVAN. Mr. Chairman, before we vote on this bill, it might be well to look back a bit and see how the cattle feeders and other livestock farmers got into the plight this legislation is intended to deal with.

Throughout my career in the Congress, I have supported legislation to assure a fair return for the farmer on the food he produces to feed our growing urban population. I served on the National Commission on Food Marketing which made the most comprehensive investigation ever undertaken by the Federal Government into the complex structure of our farm-to-supermarket-shelf agricultural economy. I cite this background because I certainly am not and never have been antifarmer. Far from it. But how did the farmer get in this cost squeeze?

The galloping inflation which has done-in the cattle producers—by saddling them with very high costs while their commodity prices have been falling—has been a predictable result of the failure of the Nixon administration to use its price control powers with intelligence and compassion, particularly between the period January 11, 1973, and April 30 of this year. In fact, as far as agricultural commodities are concerned, the administration blundered from the start of price controls on August 15, 1971, by exempting all agricultural commodities from the price freeze and from all subsequent price control regulations. And we all know that the inflation of the past 2 years has been based in large part on unregulated farm price increases, particularly after the disastrous Russian wheat deal.

During the period when all agricultural commodities were soaring in price, the farmers apparently seemed to enjoy the inflation which was undermining the rest of the economy. Fifteen months ago, when the House Banking and Currency Committee sought to stop the inflation spiral by rolling back all prices, including raw agricultural commodities, and credit rates, too, back to the level of the start of the phase III fiasco beginning January 11, 1973, we had a bitter battle here on the House floor over the whole idea of rollbacks. Spokesmen for the agricultural sector led the fight against rollbacks, and carried the day.

The consumers were not the only ones to lose in that fateful legislative battle of April 16, 1973. Small business lost, too—grievously—by the subsequent surge in interest rates to levels no one ever would have thought possible. And the effects of this have now been spilling over into trouble for the larger corporations, too, for the entire housing industry, the savings and loans, and now some of the banks as well.

But the farmers have been among major losers also. The constant rise in agricultural prices reached a zenith and then began to drop. But the farmer's costs did not decline. This is exactly what some of us predicted here on the House floor on April 16, 1973, when we debated the rollback legislation. The farmer's prices have dropped but his costs are still rising.

And because this administration refused to use its powers to cope with rising prices and interest rates, when it had such powers, the controls became a farce in every area of the economy except in wage controls. Consequently when the price-wage control authority was expiring in the spring of this year, there was absolutely no confidence left anywhere in the economy that the Nixon administration would use effectively and fairly any further authority to regulate prices, wages, rents and interest rates. So that authority died on April 30, 1974, with few mourners.

But now the victims of inflation are multiplying—not just the elderly and the poor but the whole middle class of the United States, including businessmen and farmers.

> The Moving Finger writes; and, having writ, moves on: nor all your Piety nor Wit shall lure it back to cancel half a Line, nor all your Tears wash out a word of it.

All we can do is learn from this unhappy experience—that you cannot control inflation by wishing it gone, or by giving one segment of the economy a free ride to raise prices while other areas of the economy are controlled. If we ever again get into the situation where we vote antiinflation controls again—and we may have to do that in order to save this country's economy from collapse—let us remember that farm prices are as important to control as any other part of the economy, including the farmer's costs.

The so-called friends of the farmer who helped to block effective inflation control legislation here on the House floor 15 months ago, on April 16, 1973, did the farmer no real favor, and the bill now before the House this afternoon is the proof of that.

Mr. BAUMAN. Mr. Chairman, I rise in support of the passage of H.R. 15560, which would establish a temporary guarantee loan program to assist eligible persons who are directly engaged in the agricultural production of poultry and livestock. The need for this legislation results from the present low prices all segments of the livestock industry are receiving for their products. While most of the headlines in the Nation's newspapers have referred to the problems of the cattlemen, depressed prices and high feed costs are also a problem for egg and poultry farmers.

Earlier this month, I joined with 31 other members of the House from 10 States in cosigning a letter to Secretary of Agriculture Earl Butz citing the extreme problems which the poultry industry is experiencing. The high cost of feed grains coupled with a sharp decrease in the wholesale price that the farmers are receiving for their products has caused many poultry producers to lose money on every pound of poultry they produce. A recent article in the Wall Street Journal indicates that producers are currently losing a 10 cent a dozen or more on eggs, up to 12 cents a pound on turkeys, and 5 cents a pound on broilers. In the Delmarva area producers are currently losing at least 6 cents per pound on broilers.

While it is true that excessive Government involvement under the provisions of the Economic Stabilization Act, which allowed wage and price controls, lead to a serious imbalance of the normal relationship between supply and demand, it should be made clear that this bill does limit the amount of further Government control. As noted in the House report, there are no grants involved in this legislation, nor does it provide loans to producers. It does guarantee 80 percent of the loan negotiated between a borrower and his own lending institution at the going interest rate, a provision designed to create adequate credit for livestock producers who have exhausted their own resources and can no longer obtain a loan through private sources without some guarantee.

Frankly, I do not particularly like further Government involvement in agriculture, but it seems clear to me that the lack of any constructive action by the Congress will lead to the economic collapse of many producers in the livestock and poultry industry. This would result in a sharp decrease in supply and the American consumer eventually would pay higher prices for available supplies of livestock and poultry. A serious depression in the poultry and livestock industry would have a severe economic impact on the farming communities in this country and related supply and manufacturing industries.

Mr. Chairman, the long-term solution to the present depressed economic aspects of the poultry and livestock industry must be increased consumer demand, but the adoption of this measure is a necessary and vital legislative step which must be taken to insure the continuing existence of the livestock and poultry industry.

Mr. BIAGGI. Mr. Chairman, I rise in opposition to the bill H.R. 15560. I base my objections on several fundamental grounds, the most important being my concern about the specter which this bill raises; namely, the concept of Government becoming further and further involved in providing economic supports for special interests.

In some respects, this bill is reminiscent of the Lockheed loan bill, legislation which I opposed on very similar grounds. I feel now, as I did then, that we are establishing a bad precedent, one which may result in Congress having to spend its time rescuing powerful industries and companies who, after exhibiting bad judgment or demonstrating fiscal incompetence, find themselves needing to be bailed out with emergency funds from Congress.

I do have a certain amount of sympathy for the problems of the livestock industry. Some of these problems are legitimately not their fault. To a certain extent, the price controls of last year clouded signals on the market which resulted in the uncertain economic times that the industry faced. Yet, now with cattle prices rising again, and the general emergency passing, we must ask ourselves, Do we reactivate the problem by encouraging more production when overproduction is already a major problem?

I am in sympathy with the industry, and feel that their own interests are not adequately served by this bill. This bill benefits bankers and other investors who made ill-advised investments trying to capitalize on an inflated cattle and hog industry, and does not benefit the ranchers who are in more need of help.

However, I am in much stronger sympathy with America's great forgotten group, the consumer. It has been the consumer who has been shouldering the burden of inflation and, unlike certain industries, has been unable to reap any benefits from inflation. This bill today does not help the consumer in the least, and I think it incumbent upon you today to consider their interests—along with the special interests we are so willing to protect. If this is done by each of you today, this bill will be soundly and rightfully defeated.

What we are—asking in this bill is for the taxpayers of this Nation to put up as much as $2 billion to support an industry which has consistently been exploiting them by charging high prices for its products. Some will ask, will this loan program not help bring down these prices? Certainly not; it will have no effect in doing so. Already we have seen a rather amorphous pricing pattern in the livestock industry. The lower prices passed on to the producers have not in turn been passed on to the consumer. Even if prices to the producers are kept low, there is no reason why the market manipulation by middlemen that has kept supermarket prices high, will stop.

The inflationary prospects inherent in this program stand to add further woe to the American consumer. One of the keys to curbing inflation is to control the money supply and limit government expenditures. This legislation will do neither.

It is interesting to note that some of the foremost spokesmen on behalf of consumer interest have come out in unqualified opposition to the bill. These include the National Consumers League, the National Consumers Congress, Public Citizens and the Federation of Homemakers.

Mr. Chairman—the legislation before us today is in the worst tradition of serving special interests. If we are to consider anyone's interest, how about the American consumer for a change. For years, the consumers of this Nation have been underrepresented in the Congress. Today's bill is but another in a series of anticonsumer legislation. I urge its defeat.

Mr. COTTER. Mr. Chairman, I would like to call to my colleagues' attention some very interesting recent developments in cattle financing. One of the major justifications for this bill is the need to assure cattlemen a continuing source of debt capital for herd replenishment. Without the Government loan guarantee, we are told by the committee, banks will be reluctant to extend further credit to those operators whose equity positions have been reduced as a result of the depressed slaughter price.

If this rationale were true, we would expect to find that cattle loan money is drying up. But, Mr. Chairman, this is not the case. As a matter of fact, there is new money going into cattle country that has never been there before.

Within the past 3 months, a major insurance company headquartered in my district and a major money center bank from Boston have established working relationships with bank holding companies in Texas and Nebraska. These novel arrangements are today pumping millions of new dollars into cattle country.

Mind you, this is happening during a time when the committee tells us cattlemen cannot get money.

As I understand the Texas arrangement, the Shawmut National Bank of Boston has combined with Texas American Bancshares, parent holding company of the Fort Worth National Bank, to establish the American Cattle & Crop Services Co.

Even as I am speaking, this new source of credit for cattlemen is making available to the industry money that has never been available before. To my knowledge, this arrangement represents the first time an Eastern money center bank has undertaken a major and continuing involvement in cattle debt financing.

I asked a Shawmut executive why a Boston bank would be going into cattle financing at a time like this. His response was quite candid. This arrangement provides short-term market rate loans, the most profitable kind of business for banks today.

And while this Government loan guarantee bill was still aborning, private enterprise was responding to the diminishing credit worthiness of some cattle operators by creating its own loan guarantee arrangement.

The first such arrangement involves a Hartford based insurance company and the Omaha National Corp., holding company for the Omaha National Bank. Under this arrangement the insurance company insures both the commercial paper and the loans of Agco Corp., a subsidiary of Omaha National Corp. By insuring Agco's commercial paper, the company makes it easier for Agco to attract funds which it in turn loans to cattlemen. And by indemnifying Agco against losses from defaulting cattlemen, the insurance company is assuring cattlemen of a source of debt capital that they might not otherwise have.

These are just two new money arrangements that have come to my attention. I am sure that there are others. For the fact is that financing cattle is very attractive to the financial community. And since it is so attractive, I see absolutely no reason for the Federal Government to enter this market.

Mr. ANDERSON of Illinois. Mr. Chairman, less than 1 week ago the Budget Reform Act was signed into law, and yet we already find ourselves—in our first major legislative action since the signing ceremony—preparing to let the budget control genie slip out of the bottle. Implanted front and center in this bill is that familiar device that we have just solemnly sworn to curb: backdoor spending to the tune of $2 billion, although in the present instance it might be rechristended "barndoor" spending for it has been suggested by some that H.R. 15560 wreaks of a not dissimilar odor.

I would submit to my colleagues that this measure is a product of log-rolling, special pleading, misrepresentation, and hardly little more. It is ostensibly addressed to a catastrophic emergency in the livestock industry but in the short span of time that was required for the committee report to be printed and the Rules Committee to act, the emergency has largely disappeared, or at least substantially subsidized.

In the week before hearings started on this measure in late June, cattle feedlot operators were losing up to $150 per head, and the committee has seized upon these frightful numbers as justification for hasty legislative action. By the end of last week, however, cattle prices had risen 25 percent from their June lows, so the losses had been cut to the range of $90 per head.

In the case of hogs, the price recovery

has been even more vigorous with the result that the $30 per head losses used to justify this bailout had been cut to less than $10 by the end of last week.

Moreover, the prospects are good that cattle and other livestock producers will find their balance sheets returning to the black by the end of the year. The USDA projects that the costs of production for both cattle and hogs will decline by 20 percent between now and December. When you combine those projections with either current cash market prices or fall futures market prices you get modest profits of $8 per head for cattle and $3.50 for hogs. I recognize, of course, that margins of that magnitude will not produce rampant prosperity in the livestock industry; but I would suggest they are hardly the mark of a crippling emergency either.

Mr. Chairman, this bill has been rationalized in terms of fairness and equity for the beleaguered livestock producer. But I would ask my colleagues, what notion of fairness requires that we protect turkey producers from 10 cents per pound losses today when they were making profits of 25 cents per pound last September; or that we shield broiler producers from six cents per pound losses today when they were earning nearly 15 cents per pound last summer?

The fact is, Mr. Chairman, that with the exception of cattle, profit margins experienced by the sundry livestock producers covered by this bill were from two to four times greater last summer and fall than the loss margins being experienced at present. The livestock market is probably the single most flexible and sensitive in our entire econmy and has historically been subject to wide fluctuations in price and profitability. Therefore to pick out price and profit trends during a narrow slice of time will inevitably produce a very misleading picture of financial conditions.

I am afraid that the advocates of this bill have made just this error. They have said not a word about the fact that between July of 1972 and August–September of last year, livestock producers earned nearly record profits. Since then margins have been admittedly negative, but not by nearly the magnitudes that have been bandied about here today.

For example, the average loss of hog producers was about $9.50 per head between October and April compared to the catastrophic level of $30 per head which prevailed for a brief period in May and June. Similarly, the average loss absorbed by turkey producers was about 1.5 cents per pound during the first 5 months of 1974 as opposed to the 10 cents per pound figure recorded during June.

Producers have lived with cyclical losses of these magnitudes in the past because that is how the market achieves an equilibrium between supply and demand. And they have been compensated for such periods of loss by robust profits like those which prevailed for more than a year prior to last October.

It would therefore ill-behoove us, I would submit, to begin tampering with that delicate market mechanism merely in response to a very temporary crisis. For in the long run, the inevitable result would be to saddle the livestock industry with the same kind of counterproductive government manipulation that we inflicted on the grain and fiber sectors for almost 40 years, and have just now succeeded in eliminating.

Mr. Chairman, this bill has also been offered in the name of the family farmer and rancher. But I would point out that the cattle industry is comprised of two very distinct sectors: cow-calf operations which are almost entirely dominated by small producers, and the feed-lot sector in which almost 50 percent of cattle are fattened in lots with a capacity of 8,000 head or more, and more than 20 percent in lots with a capacity of 32,000 head or more.

Now let me make just two brief points regarding that crucial distinction. First, the family farm dominated cow-calf sector has not suffered the catastrophic losses which have been cited by supporters of this bill. Even as late as April–May, feeder price exceeded cash costs by a margin of $90 per head.

Second, at current feeder prices and feed grain costs, a 6-month fattening cycle requires investment of $3.5 million for an 8,000 head lot, $8.6 million for a 20,000 head lot, and $14 million for a 32,000 head lot. In short, the large operations which dominate the feedlot sector are not family farms but commercial ventures frequently controlled by outside investors. I have never met a family farmer in my district who could raise $3 million in 10 years, let alone every 6 months, and I am sure that the situation is the same for most of my colleagues who have farming areas in their own districts.

Finally, Mr. Chairman, let me suggest that these large feedlot operations have gone through the financial wringer in the last few months not due to some bolt of bad luck from out of the blue, nor even primarily because of inappropriate Government policies—although I am perfectly willing to admit that the red meat price freeze was a disaster.

No, those $150 per head losses experienced in June are directly attributable to the speculative fever that gripped the feeder market last fall; a spree of buying, based on the expectation of huge profits at the end of the 6 month fattening cycle, that drove yearling prices to more than $60 per hundredweight and all out of proportion to their historic relationship with slaughter prices. According to the experts at the Department of Agriculture, feedlot operators were paying up to $120 too much for feeder steers last fall and winter, and that accounts for almost the entire loss that many of them suffered when these steers were marketed 6 months later.

Mr. Chairman, I think we should think twice before we reward such ill-advised business judgment lest we encourage yet another round of speculative investment. I think we should pause before establishing a precedent for bailing out cyclically depressed industries, lest we next find ourselves bailing out everything from the airlines to the recreation vehicle industry. And most importantly of all, I hope that we will summon the good sense to turn back before we roll this Congress into further disrepute with the American public.

I strongly urge that this bill be defeated.

Mr. BROWN of California. Mr. Chairman, I join other Members of this House in expressing my opposition to H.R. 15560, a bill to guarantee loans to producers of cattle, hogs, sheep, goats, chickens, and turkeys, in its present form.

One of the objectionable features of this bill is the opportunity it offers livestock producers to have the Government bail them out from past mistakes in management. The bill provides for loans to refinance the livestock operations of farmers, ranchers, or poultrymen, subject to certain conditions. What this means is that the Government can be placed in the position of taking over all the bad loans that various lending institutions have made to livestock, poultry, and other producers in the past several years. If these producers cannot obtain loans now, without Government guarantees, it must be because the bankers fear that the producers will be unable to repay them. Just having the Government guarantee the loans does not increase the producers ability to repay. The potential of this bill is another huge boondoggle reminiscent of early soil bank programs and another first time farm legislation.

A second objectionable feature of the bill is the assistance it will provide for large corporate farm livestock enterprises and outside investors. The proposed assistance, $2 billion of Government-guaranteed loans, would, for example, provide the 155,000 cattle feedlot operators, on average, nearly $13,000 of guaranteed-loan losses, if only cattlemen participated. Since averages never hold, the actual distribution will be far different. More likely, the loans will be made according to the size of the operation, up to a limit of $350,000 per livestock operation. In beef production, the large feedlots—those with 1,000 or more animals in their lots—will receive the most benefits because of their larger size.

These larger feedlots are generally commercial operations organized under a corporate form of management. They represent only 1.4 percent of all feedlots but since they market 64.5 percent of the fed-beef animals in the country, their opportunity to take advantage of this credit program will be larger, that is, more nearly in proportion to their marketings than to the numbers of larger lots.

And lest anyone think a $350,000 limit will in fact prevent the larger corporate feedlots from exploiting the bill, one only needs to look at our past experiences with the farm subsidy program where farms were "restructured" to come under the limit on subsidy payments.

With the extensive use made in the cattle feeding industry of a general partnership for management purposes and a number of limited partnerships for raising capital, I fear that each limited partnership would be able to apply for an individual loan of up to $350,000. The practical limit on the size of the loan

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would not be the $350,000 but rather the ingenuity of the corporate applicants.

It is also important to recognize that cattle feedlot operations are characterized by considerable outside investment. It is estimated by Feedstuffs, a trade journal, that outside investors own anywhere from 25 percent to 50 percent of the cattle on feed in the United States today. In the West and Southwest, outside ownership in some States runs as high as 70 percent. The people who will be benefiting from the loan program envisioned in this bill are investors in high tax brackets, the Wall Street cowboys, who have poured capital into commercial cattle feeding operations over the past several years in search of long term investment opportunities, good returns on their investments, and tax management advantages such as income averaging or deferral of taxes. I hardly think it is the obligation of the Congress of the United States to rush to the rescue of individuals who got themselves into difficulty while trying to avoid paying their taxes.

In short, this bill would provide a large subsidy for larger, corporate form, farm producers of livestock animals whose operations are characterized by outside nonfarm investments. It would provide more benefits to those producers who need it less. Furthermore, the guarantee feature will reduce the risk of the loan to credit agencies and the reduction in risk will allow for lower interest rates, an additional subsidy for larger beef producers.

We are all aware that livestock producers have experienced severe economic fluctuations in the past year, most of which arose out of actions that were outside their control. Extreme fluctuations in feedstuff prices, adverse consumers reaction to rising prices for all foodstuffs, a downward trend in real earnings of workers in the first half of 1974, and higher consumer costs for other necessities, especially fuel and energy, have all contributed to cutbacks in the consumer's ability to purchase meat and livestock products.

These temporary or one-time events have struck the livestock industry almost without warning, and inflicted losses on it not unlike that which high-fuel costs have brought to the automobile and airline industry. "Every sector of the economy can now put together a case that it has been harmed by Government interference in the marketplace, and we would be the first to agree," the Wall Street Journal recently editorialized. "But can the Government guarantee everyone's credit?"

These temporary or one-time events have created additional risk for livestock producers, but they have not changed the basic economic structure of livestock production. Livestock production includes a substantial amount of risk, a characteristic that has long been the hallmark of the livestock parts of agriculture, and even more characteristic of the cattle and beef sectors.

However, cattlemen have preferred it that way. As the Wall Street Journal reported recently, a Texas cattleman told them—

> It's kind of bred into us. If the Government would leave us alone, we'd produce what it wants. We don't want to be controlled by anybody, and we don't like agricultural products being used as a pawn in international deals.

The article noted that the ability of cattlemen to survive hard times is well known. Quoting a Department of Agriculture economist:

> Cattlemen have always been able to weather the storm but I don't think they've seen a storm like this—at least not in two decades.

Further evidence of a lack of general support in the cattle industry for this bill is to be found in the recent announcement by the Idaho Cattle Feeders Association of the results of a poll of its own members. There was unanimous opposition to the loan guarantee program of this bill.

In short, even though there has been an outcry from some cattlemen for assistance, it is an outcry we should weigh very carefully before proceeding since many other businesses can also make the same argument.

In considering the merits of this bill it is useful to compare the loan program proposed by H.R. 15560 with the well-established loan program of the Small Business Administration. There are some significant differences. For one thing, it is only necessary in the bill for the lender to certify that he is unwilling to provide credit unless the Federal Government steps in and guarantees the loan. With provisions like this it would seem that the very bill itself will serve as an incentive to lending institutions to refuse credit. In contrast, in order to obtain an SBA loan, it must be demonstrated that credit is not available from any other sources including the borrower's personal credit. For example, a partnership might be having difficulty obtaining credit but one of the partners in it might be perfectly able to secure personal credit. Under these circumstances the SBA would deny a loan to the partnership but the Secretary of Agriculture would be obliged by H.R. 15560 to grant it even though it wasn't necessary.

The SBA act also appears to contain a more explicit requirement of repayment as a condition of granting a loan. Whereas the wording of H.R. 15560 requires that the Secretary of Agriculture find that "there is a reasonable probability of accomplishing . . . repayment of the loan," section 7(a)(7) of the SBA act emphasizes the security for the loan that is required in its provision that "all loans . . . shall be of such sound value or so secured as reasonably to assure repayment."

And while we are on the subject of conditions for the $2 billion in loans provided for in this bill, it is important to note that only when the applicant is trying to obtain a loan to refinance his operations it is required by H.R. 15560 that his refinancing be essential to his remaining in business. I thought that was the purpose of the whole bill—"to preserve a basic industry," as the committee report puts it. But here we have it spelled out for us that in all loans except those intended for refinancing, the standards to be used by the Secretary of Agriculture are virtually nonexistent.

Even in the case of refinancing loans, just what is meant by the requirement that an applicant "remain in business?" Does it mean not shut down his operation completely or does it mean remain in business at the comfortable level where he used to be some time prior?

In addition to everything else, in testifying during the subcommittee hearings, Assistant Secretary for Rural Development, William W. Erwin, warned that in administering this loan program it would be virtually impossible to monitor the use of funds to prevent their use for capital expansion. An example might be in the case of a range operator who uses the loan money to make it possible for himself to hold back his heifers in order to build up his breeding herds.

Mr. Chairman, we should look carefully at this precedent-setting legislation. The livestock industry has long been able to exist without major assistance from the Federal Government. We should not vary from that position except to protect the needs of all sectors of the economy, consumers as well as producers, and then only order carefully circumscribed conditions, conditions that insure that the assistance goes where it is needed, not just to corporate speculators. We must differentiate clearly in any legislation as precedent-setting as this between long-term conditions and temporary economic abnormalities.

Mr. Chairman, only if this bill is amended to remove some of its worst defects will I be able to vote for it on final passage.

Mr. WHALEN. Mr. Chairman, I join the gentleman from New York (Mr. PEYSER) in opposing this measure, and I congratulate him for his efforts.

I believe it is clear that innumerable factors have contributed to the problems of cattle producers and the other producers to which H.R. 15560 is addressed. The causes for these difficulties are varied, and they result from several economic realities. They will not be cured by dealing with only one area of the problem as this legislation proposes to do.

Livestock producers are over supplied today and are receiving less for their meat because of domestic and foreign restraints in the marketplace.

The domestic restraints have been imposed by the consumers who have decided they will not accept high prices. That determination, in turn, is based in part on the fact that their real disposable income has declined. Consumers also have found that higher prices have not resulted in higher quality meats. I doubt that guaranteeing loans for livestock producers will change the situation insofar as our consumers are concerned.

The restraints from abroad have been imposed by the major beef-consuming countries. Canada has placed a ban on U.S. beef. In addition, Japan and the European Economic Community have set import restrictions on meat. These actions occurred at a time when our country suspended such import restrictions.

Granted the above-mentioned situations coalesced with a high buying period for producers followed by record high feedstuffs. As a result, producers experienced losses in the first half of this year. However, market prices again are on the rise. Therefore, I believe that this bill is premature, if not completely unnecessary. Furthermore, as I previously indicated, it does not begin to deal with the total problem, if indeed, there is a legislative solution at all.

I urge the defeat of H.R. 15560.

Mrs. GRASSO. Mr. Chairman, the bill before us represents a flagrant betrayal of consumer interests at the same time that it bails out cattle industry investors. I am unequivocally opposed to this bill as an irresponsible appeasement of special interests at the expense of the average citizen who has already suffered too much from high prices for meat and other foodstuffs.

Undeniably, the cattle industry is now reaping the adverse effects of its efforts last year to increase prices by decreasing supplies. But the industry itself incurred the loss by gambling with consumer interests. The Wall Street Journal noted that—

> Assuming the public would continue to increase its consumption of meat even at sharply higher prices, the livestock feeders bid the prices of feeder cattle and hogs into the stratosphere. They were wrong.

Indeed, they were wrong. And while last year's freeze on meat prices created some confusion among meat producers, this is hardly justification for artificial Government props for an industry which simply miscalculated consumer demand. As the New York Sunday News put it, the producers "want the game rigged again to their own advantage."

Mr. Chairman, they cannot have it both ways.

The cattle industry is currently overproducing at the same time that consumers are faced with near all-time high prices for food. If this patently illogical situation is to right itself, meat producers must be compelled to lower prices in order to raise demand. The solution would seem far less compelling to the industry if it could be certain that the Government would subsidize its losses.

If the House passes H.R. 15560, the vast majority of the American people will be the ultimate losers. Who will be forced to subsidize the inflated beef industry? The average family struggling to make ends meet in an uncompromising world of rising prices. In return for their investment, the American people will be faced with limited supplies and high cost.

In fact, the bill removes money from the citizens' pockets, and then keeps food off their tables.

The Emergency Livestock Credit Act represents a profound injustice to the consumer. The House should reject this measure to bail out the cattle industry as legislation alien to the interests of people in Connecticut and throughout the Nation.

Mr. WOLFF. Mr. Chairman, I rise in opposition to H.R. 15560, the Emergency Livestock Credit Act. There are a number of things wrong with this legislation; it is bad from a consumer standpoint, from an economic standpoint, from a government standpoint, and ultimately from the standpoint of those it seeks to help.

For the past several years, the cattle industry has enjoyed good markets; the past year has been especially lucrative, indeed, so much so that it has caused an overexpansion of feed lots and fat cattle. The cattle industry in the past year especially has lured in an enormous amount of tax shelter and tax avoidance money by the promise of attractive returns; the result has been overinvestment in an inflated market.

Unfortunately, during this period, the American consumer has not reaped any of the profit that might be expected from a productive and vigorous market. In fact, beef prices in the past year have reached all-time highs. Middlemen have not been passing on profits to consumers, in order to lower beef prices, and in fact, we have learned that beef, poultry and pork has actually been deliberately held off the market, stockpiled in cold storage, in order to keep prices high. The American consumer, much to his credit I feel, has not stood for this market manipulation, but has simply refused to buy beef.

Thus, we have a situation—which somehow this legislation purports to correct—whereby demand has fallen sharply while the cattle industry is overproducing. While I appreciate the problems of the cattle producers who have experienced several months of bad markets due to oversupply, this legislation is not the answer. To pass a government guarantee loan bill, like H.R. 15560, will only compound and prolong the problem of oversupply and low profits for cattlemen.

In addition, it will do nothing to get at the root cause of the cattle producers' problem—the fall off in consumer demand. When the market was good and producers' profits high, consumer prices did not go down, nor did they decrease during those months when the market was bad. Can consumers really expect a reduction in prices if this legislation is passed? The only long term and realistic solution is to increase demand and this will not occur until middlemen start to pass on reductions in prices to the consumer and begin to release some of the tremendous amount of warehoused beef they now hold.

This legislation may very well help some who made ill-advised investments in an inflated cattle industry during a period of unprecedented high prices. It will not help the cattle industry per se. It will only encourage and perpetuate the problem of oversupply.

It is my feeling that the market left to itself will correct itself. Already, the worst months for the producers are over; June figures showed a 16-percent decrease from last year of cattle on feed, and new cattle on feed are down 40 percent from a year ago. Unless we encourage it through this legislation, the oversupply will soon be gone and cattle producers will be receiving higher prices. In the meantime, I believe the Government can take a role in insuring that the vast supply of warehoused beef starts to move. Once this stockpiled beef is released and middlemen begin to pass on price reductions to consumers, I think we will start to see an increase in demand and the market begin to stabilize itself.

On a related note, I would also like to add that food prices may come down as well if we stopped engaging in massive, irresponsible export agreements, like the Russian wheat deal.

In sum, Mr. Chairman, I urge my colleagues to vote against H.R. 15560 as an ill-advised piece of legislation.

Mr. MINISH. Mr. Chairman, I am of the firm conviction that the livestock loan bill is a very ill-considered piece of legislation. This bill, which has been reported out by the Agriculture Committee, would grant a Government guarantee on new loans to cattle and other livestock producers. In effect, this approach would use the consumer's own money in terms of his income taxes to keep up the cost of beef on his table. Such congressional action would be most unjust and arbitrary as it would in effect bail out the banks at the expense of the greater public interest.

There are many persuasive and cogent reasons that augur for rejection of the livestock loan bill.

First, the bill would interrupt the free market by allowing already heavily indebted cattlemen to plunge further in debt. It should be recalled that but 1 year ago the cattlemen were tracing the Halls of Congress arguing against governmental intervention. I believe that we should continue to heed their advice.

The fact of the matter is that the livestock markets have in the past few years been distorted by speculations, overproduction, and manipulations by producers. Now that the market is finally undergoing a downtrend from an all-time high, I see no reason why the Government should come to the aid of the producers. Rather, the Government should come to the aid of the consumers by allowing the free market to function. To do otherwise would be to promote the interest of the bankers and the livestock producers at the expense of the consumer.

Second, the crux of the present market situation is that American consumers are unwilling and in many instances unable to buy beef at current prices. Beef has been priced out of the family budget. To guarantee loans to the producer in order to increase production will not in any way increase the consumption of livestock. Rather, such an approach would induce the middlemen to maintain beef prices to the consumer at near record levels. In other words, with Government intervention, middlemen will most probably continue to capitalize on the producer's plight and consumers will continue to pay higher prices.

On the other hand, if the House were to reject the loan guarantee approach, the middlemen would be forced to recognize that they must reduce their profit margins in order to stimulate consumption. And surely, it is increased consumption, not Government surety action, that can provide substantive relief for the consumers.

As I have said before on other governmental loan programs, I do not believe the Government should rescue businessmen from errors in judgment. Rather, we should be concerned with the general welfare to which the Congress is directed by the taxing and spending clause of the Constitution. I suggest that we promote

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the general welfare by rejection of the livestock loan bill, not by its passage.

Mr. MICHEL. Mr. Chairman, I support this bill reluctantly, but I do support it because I am afraid it is necessary legislation. It is really a sad state of affairs when we get to a point where we have to guarantee credit to any group of producers in this country, but the situation in the livestock industry has deteriorated to the place where an extraordinary measure of this kind is required to protect both the consumer and the producer over the long pull.

The unfortunate facts of the situation are well known and have been ably presented here by the members of the Agriculture Committee. High feed prices in combination with a roller-coaster livestock market—the likes of which we have not seen for years—have placed many livestock producers in an untenable position, through no fault of their own.

Farmers have always had to contend with the uncertainties of weather and markets, but the extreme gyrations the livestock markets have gone through recently are far beyond what anyone could reasonably expect even the most capable farm operators to cope with. And, some of even the most capable have been pushed to the brink because these wild fluctuations in prices have caught them at precisely the wrong times.

What happens when large numbers of livestock producers cease operations because they cannot get the credit they need to continue? The effect is felt first on the economy of rural America, when farmers stop buying the things they used to buy. This, in itself, is bad enough, but the crunch really comes when the livestock pipeline begins to run dry at the other end—on the supermarket shelf. That is when consumers begin to realize that the fate of the livestock producer does indeed have a direct bearing on what they are having for dinner and how much it is costing them.

So, I support this bill not only because I am concerned for the livestock producer who is suddenly facing economic disaster, but also because I have no desire to see meat go to the gourmet section of the local supermarket. And, there is just no question about meat becoming scarce and high priced if large numbers of producers go out of business. No question at all.

Even this bill may not prevent that. No one really knows how much it may help. You see, it is not a "bail-out." It is not a subsidy. It is a credit guarantee, which means that it may make a loan available to a producer who might not otherwise be able to get one because of losses he has sustained in this weird market. He still has to decide he wants to stay in business. He still has to determine that it is worth the cost of a new loan at the going interest rate for him to take a chance on another market cycle. Some will decide one way, some another, but at least this program would give the producer who is against the wall another alternative. And, I believe under the present circumstances we must be willing to offer that alternative. Livestock producers are not happy to be in this situation, and I do not think any of us are happy to have to be out here today arguing for this kind of help for them, and for the consumers they supply. But, it would be worse than foolish for us to bury our heads in the sand and hope that the crisis will work itself out.

As consumers we have been having some pretty bad experiences at the supermarket as well as at the gas station So, when something like this comes along it is understandable that some will feel "they brought it on themselves," or "let them stew in their own juice." An understandable reaction, yes, but not a justifiable one. Taking out frustration is one thing, but it is another to cut off your nose to spite your face.

The fact is, producers did not bring this on themselves, It was thrust on them by a combination of circumstances going back over a period of many months. Circumstances that have adversely affected farmers and consumers alike—inflation, tight grain supplies, price controls, fuel and fertilizer shortages. The farmers I have talked with are not interested in raking in huge profits. They are troubled when prices shoot too high, because it usually means reduced markets in the long run. They are not helped when speculators make a killing on the market, or restrict consumer supplies to reap a temporary windfall. They are interested in market continuity and stability, in making a profit enough above the costs of production to keep them in business and give them an adequate return on their investment. They are interested in producing a quality product at prices consumers can afford to pay. When retail prices go too high, they get hurt right along with the consumer—and they know this all too well.

We still have the most efficient agricultural industry in the world, despite the problems confronting U.S. farmers today. If we are at all concerned about the price and supply of food to consumers in this country then we have to be concerned over what is happening to the people who produce that food, and take the steps that are necessary to help them continue the job they do so well.

Mr. LEGGETT. Mr. Chairman, I would like to take this opportunity to express my support of H.R. 15560, a bill to provide temporary emergency financing through the establishment of a guaranteed loan program for livestock producers. It is my contention that this bill will effectively protect the interests of the livestock industry as well as the interests of the consumer.

The recent hearings in the House Agriculture Committee produced evidence presented by the livestock industry which showed that they had incurred substantial losses over the past year. The cattle feeders alone reported an estimated loss of almost $2 billion.

In order to understand more fully the implications of our current situation, it is necessary to realize the problems facing our Nation's livestock producers. It takes a large sum of money to run a cattle ranch. Not only does the rancher need grain to feed his livestock; but in order to provide for the upkeep of his ranch, he also needs wire for fences as well as tractors and machinery, as I am sure you are all aware. The inflationary process has greatly increased the price of these items in comparison to the price of meat. Because of this, our Nation's cattlemen are losing from $100 to $200 per head. The market price of cattle, which has decreased by an average of $150 a head, is suffering the most serious price drop in two decades.

As the cost of production increases and the beef prices decrease, the cash flow of our farmers is markedly disrupted. To continue to produce their livestock for the market, the farmers are forced to mortgage their cattle and land to obtain the necessary capital. If the cash supply dries up, huge debts begin to accumulate.

One solution to alleviate these debts is to provide our Nation's livestock producers with guaranteed or insured loans. Without federally guaranteed loans, the ranchers have to borrow their money from small banks. Because of the current problem which has placed them in dire financial straits, many of our livestock producers cannot repay their debts in full. Thus, they are rapidly losing their credit. Having no cash or equity, the next phase is bankruptcy or liquidation. It is possible to federally subsidize our livestock producers, but I would argue that this would create too much Federal intervention on the free market. An effective way to solve our current dilemma, without excessive Federal intervention on the free market, is to initiate guaranteed or insured loans for financially troubled farmers, feeders, and other segments of the livestock industry.

The livestock producers cost-price squeeze has been caused by many problems. An increase of foreign beef imports have increased the supplies and lowered the prices. During the recent price-freeze, many cattlemen held their cattle from the market until it was lifted. When the price-freeze was lifted, the market became glutted. Meanwhile, the consumer, who had been outraged by prefreeze beef prices, had switched to less expensive sources of protein. The result was less consumer demand for meat. With the market glutted and relatively little demand for their product, the livestock producers found themselves in a very grave situation. I presume that the consumers will soon switch back to their preboycott practice of including meat in their diet, and unless we take some immediate action, we stand to lose up to 40 percent of our livestock producers in the future. This would then create a serious beef shortage. In order to insure the availability of beef and other livestock commodities to our consumers, we must come to grips with an effective remedy.

There are many possible solutions to this problem, but we must act now or we face a serious threat of total economic depression. Approximately 30 percent of our Nation's employees work at jobs which are related to agriculture. It is my feeling that the livestock industry is, therefore, entitled to federally guaranteed loans. The Senate has already taken actions along these lines, and it is my hope that the House will follow suit. I am not suggesting that H.R. 15560 will provide a total remedy for our current situation, but I do believe that this bill would be a reasoned step by Congress to provide needed action for market stability.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Livestock Credit Act of 1974".

AMENDMENTS OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Chairman, I have an amendment to section 1 of the bill now before us, as well as conforming amendments to sections 2, 3, and 8.

I respectfully ask unanimous consent that these amendments may be considered en bloc.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. GILMAN: Page 5, line 24, strike the word "Livestock" and insert the word "Agricultural".

Page 6, insert a period at the end of line 4 after the word "production", and strike lines 5 through 8 inclusive beginning with the words "for the purpose of" and ending with the word "turkeys.".

Page 7, line 11, insert the words "agricultural production" preceding the word "purposes", insert a semi-colon following the word "purposes", and strike the remaining language in lines 12 and 13 beginning with the word "related" and ending with the word "livestock;".

Page 7, line 17, strike the word "livestock" and insert the word "agricultural", and at the end of line 23, strike the word "livestock" and insert the word "agricultural".

Page 9, line 16, strike the word "livestock" and insert the word "agricultural".

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. GILMAN) that the amendments be considered en bloc?

Mr. BERGLAND. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

POINT OF ORDER

Mr. BERGLAND. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from New York (Mr. GILMAN).

The CHAIRMAN. The gentleman will state his point of order.

Mr. BERGLAND. Mr. Chairman, I make the point of order against the amendment offered by the gentleman from New York (Mr. GILMAN) on the ground that the amendment is nongermane. The amendment takes a number of specific subjects, beef, cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys, and broadens the class by a general provision to include all other commodities such as beekeepers, catfish farmers, and others.

It is well settled in the precedents that a specific subject may not be amended by a provision general in nature. Under Clause 7 of rule XVI, the amendment is not germane to the bill.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. GILMAN. I do, Mr. Chairman.

The way the amendments are drafted, they are intended to strike the words in the bill so as to enable the bill to be broadened to include other areas of agriculture. The intent of the amendments refers to agricultural loans, and complies with the intent of the main bill.

The CHAIRMAN (Mr. MEEDS). The Chair is prepared to rule.

The gentleman from Minnesota (Mr. BERGLAND) makes the point of order that the amendment violates clause 7, rule XVI. The general rule is that a general proposition is not in order as an amendment to a specific proposition, Cannon's VIII, 2998.

Specifically in point, however, is Cannon's Precedents, volume 8, section 3235:

To a proposition authorizing loans to farmers in certain areas, an amendment authorizing loans without geographical restriction was held not germane.

The Chair would observe that the language of the bill is confined in scope to "livestock" producers, and contains definition of "livestock." The purpose of the amendment offered by the gentleman from New York (Mr. GILMAN) would be to broaden the bill to all agriculture, including many products not livestock, and therefore the Chair sustains the point of order.

The Clerk will read.

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think what was just demonstrated a minute ago on the floor with the gentleman from New York (Mr. GILMAN) about to offer an amendment in support of vegetable farmers is very typical of reaction throughout this country as to what is happening in this bill itself. In other words, we are, presumably, taking a certain specific branch like livestock and saying that these people are in trouble; therefore, the Government should go on the hook potentially for $2 billion.

I should like to ask the gentleman from New York (Mr. GILMAN) who was about to offer this amendment as to why he felt that this amendment was a question, and what the problems of the vegetable farmers were, because it seems to me that he is expressing something that we should look at because if we are going to just restrict this to livestock, then, perhaps, next week we ought to have a bill for the vegetable farmers and a bill for someone else.

I will be glad to yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, what I was attempting to do by my amendment was to provide certain survival for those who in good faith were directly engaged in agricultural production who were not otherwise included within the description of eligible persons under this act. As the bill now reads, in addition to being directly and in good faith engaged in agricultural production, eligible persons must be so engaged for the purpose of breeding, raising, fattening, or marketing livestock.

While we recognize that many of our livestock producers are confronted with economic problems and, yes, even disaster, it is important to note that their plight is the result of manmade marketing miscalculations. The reason that that emphasis is so important is because I am personally familiar in my own district with numerous medium-sized corporate, family-owned vegetable farms in southeastern New York State that are faced with bankruptcy as a direct consequence of Hurricane Agnes in 1972, a natural disaster over which these farmers had absolutely no control.

I am advised by the Farmers Home Administration that this situation is not unique to that region.

While the Farmers Home Administration did in fact provide emergency loan assistance, it was grossly inadequate short-term assistance payable within 1 year. It was recognized then, and it is even more evident now, that long-term financing was the best assurance for recovery, but the Farmers Home Administration admits that these farmers are in a statutory "no man's land" in which there was and is not authority for making any long-term emergency loans necessary to insure their recovery.

With the understanding that recovery within 1 year would be highly remote, the Farmers Home Administration pledged that short-term loans could be renewed for a period of up to 5 years, but in January of this year we adopted Public Law 93-237, which the Farmers Home Administration intepreted as removing even that authority. Having received only 2 years of short-term assistance, our farmers were advised that they will now have to seek private credit beginning with their 1975 crops.

Mr. PEYSER. Mr. Chairman, will the gentleman let me take back the floor again just for a moment for my argument in conclusion? I want him to know that I think the argument he has made is perfectly sound on behalf of the people whom he represents, the way all of us could make arguments of this nature.

I should like to read a letter I received from Leeton, Mo., from the Bank of Leeton. This is a letter that says:

DEAR MR. PEYSER: This is to commend you for your position in opposition to the cattle loan relief bill, for reasons stated.

Four generations of my family have had cattle operations and at no time expected the government to cover losses of poor business judgment.

This goes also for the liberal lenders, who have loaded young farmers and stockmen with debts they cannot pay.

Stand by your guns, time will prove you are right.

I hope Congress will stand by its guns to defeat this bill.

Mr. Chairman, I have gotten letters that I am not going to try to read into the RECORD at this time obviously, but I have received them from Colorado and Georgia and Iowa and Kansas and Missouri and Texas, from small farmers and big farmers and associations such as the Cattlemen's Associations of Iowa and Kansas, all of whom have written and spoken in opposition to this bill.

The CHAIRMAN. The time of the gentleman from New York has expired.

(On request of Mr. BROWN of California, and by unanimous consent, Mr. PEYSER was allowed to proceed for 2 additional minutes.)

Mr. PEYSER. Does the gentleman from California wish me to yield?

Mr. BROWN of California. I asked unanimous consent for the gentleman to have the 2 additional minutes so he might finish his statement.

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Mr. PEYSER. Mr. Chairman, I thank the gentleman from California. I appreciate the time being granted because I think it is important that we recognize it is not just the urban Congressmen or the urban-oriented people who are in opposition to this bill. This is a bill which I think people throughout this country who are in the business oppose, and this goes to the agricultural people and the cattle producers, because they want to have the opportunity to do their business without Government interference. The first place we are really going to put the arm on them is when we go into the business of financing them with Government loans. I think there is strong feeling being represented by these letters.

One I would like especially to point out, because Iowa has been mentioned, is one which deals with a news release printed just a week ago. I will read from it and it simply says:

> Governor Robert Ray told the Agriculture Secretary Butz today that they do not in Iowa favor the farm credit legislation that is pending.

It goes on to cite individual farmers, small farmers who testified and stated they did not want this bill because the true cattle producers, the men who are in this business are not worried about the ups and downs. They have struggled, as anybody else has, but they can make it on their own, but they object to the taxpayers' dollars, their own dollars going into support for another 6 or 8 months for the marginal producer who in the long run is going to fail and go bankrupt, and it is the taxpayer who is going to pick up the bill.

Mr. SCHERLE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wish to enlighten my colleague, the gentleman from New York (Mr. PEYSER), although I can well understand his confusion, but I have had the great opportunity in my lifetime of living about 25 years in the urban area as well as 25 years in the State of Iowa. I can see why someone from an urban area may not understand agriculture and with this I am indeed sympathetic. But for the gentleman from New York (Mr. PEYSER) to consistently show his ignorance in the area of agriculture is most amusing to me because every time he takes the well of this House he just lowers the amount of judgment we have as far as his knowledge of agriculture is concerned.

I would like to tell my good friend, the gentleman from New York (Mr. PEYSER), that the Governor of Iowa does support this bill. The article the gentleman read in the papers was not entirely correct or else the gentleman misconstrued that information as well. The Governor of Iowa, Robert Ray, does support this bill but his fears were similar to those of some expressed in the Chamber this afternoon. He does not want the big conglomerates in the business of obtaining loans. He does not want the huge investors to receive this money. He, like my colleague, the gentleman from Iowa (Mr. MAYNE), wants this to be a family unit bill to retain in Iowa the livestock feeding operations for which we have become renown.

I support the amendment of my friend calling for a reduction to $250,000, which will feed only about 750 head of cattle. How that small amount of livestock can be classed as a conglomerate or a huge investment beats me, but as I said before it is not unusual to find this sort of interpretation or misinterpretation on the House floor.

In regard to the amendment posed by my good friend, the gentleman from New York (Mr. GILMAN), I am in sympathy with what he had in mind; but once again my good friend, the gentleman from New York (Mr. PEYSER) forgot to mention that on two different occasions funds were available to farmers under the Farmers Home Administration Act, those that were caught in Hurricane Agnes, two different options were available in 1973 and 1974. To include them at this time would not be very wise.

This is dealing with two specific things. The Agricultural Disaster Act, as stated by the gentleman from New York (Mr. GILMAN) states that these people already have had the opportunity for coverage. I think to include them in the bill at this time would be wrong.

If my colleague from New York would like to respond to that, I would be more than happy to give him the opportunity.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. SCHERLE. I yield to the gentleman.

Mr. GILMAN. I thank the gentleman from Iowa for yielding. While I recognize that the focus of attention in this emergency measure is on the plight of our livestock farmers and that we are talking about the survival of our livestock farmers, so, too, must we consider other segments of the agricultural community. The vegetable growers in my region were confronted with a natural disaster that was compensated by the Farmers Home Administration for a short period of time; however, they now find themselves in the plight of not being able to survive under such short-term financing. They are not asking for any dole. They seek only the same type of long-term financing that we make available for businesses that are confronted with this same sort of problem.

Mr. SCHERLE. How long are these short-term loans for?

Mr. GILMAN. Initially, in 1973, when they were first accepted under the emergency loan program, they were granted 1-year loans and were informed that their loans could be extended for a 5-year period. But after we passed a new law in 1973, Public Law 93-237 which the Farmers Home Administration interpreted as removing their prior authority for extending the loans, stating that thereafter these loans would be good for only 1 year and that they would be calling them in November of this year. Accordingly, many of these vegetable growers will be faced with foreclosure unless the Congress does something promptly to assist them with these credit problems.

Mr. SCHERLE. Let me inform the gentleman, that is all this bill calls for is 1 year. Being a livestock farmer, I was hailed out in 1956 three different times. Now if one year goes by and those people are given Federal assistance, they should be able to recoup their losses in the following year. That is the way we operate in Iowa.

Mr. RANDALL. Mr. Chairman, I move to strike the last word.

I just heard a moment ago the gentleman from New York (Mr. PEYSER) make reference to a letter from a bank that is located in our congressional district. I have just returned from the other side of the aisle. I noted the contents of that letter. The author of that letter, Mr. Baker of the Bank of Leeton, Mo., is a very excellent banker. He is located in a livestock-producing area.

On the other hand, I have letters from those on the other side of the issue. In all adjoining county, bankers have told me their cattlemen have borrowed all they can borrow.

Now, I commend the gentleman, the banker from Leeton, Mo., because he appears to be in better condition than the other bankers. Yet in the county just to the south, there are some small bankers who say they need this legislation. They tell me they have made bona fide loans and their cattlemen know no other place to turn for financial assistance. Our cattlemen are in an existing emergency. This legislation is reasonable and sensible. The 80 percent guarantee may sound high but remember no bank is going to risk losing 20 percent of its own funds if it can be avoided. That should insure careful scrutiny by the lender bank.

It has been provided that these loans are not available to anyone who can find a loan elsewhere.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. (a) The Secretary of Agriculture is authorized and directed to establish a guaranteed loan program for eligible persons including operators of feedlots, who are directly and in good faith engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing livestock. For purposes of this Act, the term "livestock" shall mean beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys.

(b) The Secretary shall guarantee loans, including both principal and interest, made by any legally or organized lending agency which otherwise meet the purposes and conditions of this Act. As used herein, a guaranteed loan is one which is made, held, and serviced by a legally organized lending agency and which is guaranteed by the Secretary hereunder: *Provided*, That the term "legally organized lending agency" shall not be deemed to include the Federal Financing Bank.

(c) No contract guaranteeing any such loan by a lender shall require the Secretary to participate in more than 80 per centum of any loss sustained thereon.

(d) No fees or charges shall be assessed by the Secretary for any guarantee provided by him under this Act.

(e) Loans guaranteed under this Act shall bear interest at a rate to be agreed upon by the lender and borrower.

(f) Loans guaranteed under this Act shall be payable in not more than three years, but may be renewed for not more than two additional years.

Mr. POAGE (during the reading). Mr. Chairman, I ask unanimous consent that section 2 be considered as read, printed in the Record and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. MAYNE

Mr. MAYNE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Mayne: Page 6, line 1, strike out lines 1 through 5; strike out the word "livestock." on line 6 and insert in lieu thereof the following:
>
> "Sec. 2. (a) The Secretary of Agriculture is authorized and directed to provide financial assistance to bona fide farmers and ranchers who are primarily and directly engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing livestock. In the case of corporations or partnerships, such financial assistance shall be extended only when a majority interest in such corporations or partnerships is held by stockholders or partners who themselves are primarily and directly engaged in such agricultural production."

Mr. MAYNE. Mr. Chairman, the purpose of this amendment is to tighten up the language of the committee bill to make sure that these loan guarantees will be available only to actual bona fide farmers and ranchers.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I yield to the distinguished chairman of the committee.

Mr. POAGE. Mr. Chairman, by direction of the committee this morning, I want to accept this amendment which has been suggested. As far as I am concerned and as far as the members of the committee who met this morning are concerned, we will be glad to accept this amendment.

Mr. MAYNE. Mr. Chairman, I thank the distinguished chairman for that statement. I would like to say just a few words in explanation of it so that Members on the floor will be aware of the amendment's provisions.

There is some danger that as presently written, the bill could allow absentee business or professional men with money invested in livestock operations to qualify for loan guarantees as producers directly engaged in agricultural production. There is some danger that loan guarantees would be extended to outside investors in tax shelter operations. Certainly, it is not my intention that this legislation help people who are using livestock feeding only as an outlet for investment of already sizable outside incomes or for tax loss shelter purposes. These loans should be directed instead to people whose livelihoods are principally derived from livestock raising and feeding; the typical family farming livestock operation.

Viable groups of small- and medium-sized family producers have always proven to be the healthiest type of industry in our free enterprise system. My purpose in supporting this legislation, and particularly this amendment, is to keep the family farm as a strong, competitive element in our livestock industry.

With the passage of this amendment, I feel major objections to the bill will be laid to rest. I am happy to say that in talking with the distinguished Secretary of Agriculture this morning, he assured me that if this amendment passes, together with another amendment I will offer reducing the individual guarantee from $350,000 to $250,000, he will not recommend a veto of this bill. I urge adoption of this Mayne amendment.

Mr. WAMPLER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Iowa (Mr. Mayne).

During the course of its deliberations on H.R. 15560, the committee adopted several amendments which tightened the legislation down and provided more protection to the taxpayer. For example, the amount of the Federal guarantee was set at 80 percent rather than 90 percent. The total line of credit was reduced from $3 to $2 billion. The Secretary was given both authority and direction to pass on each guaranteed loan to make sure the interest of the Government is fully protected and that the objectives of the bill are met. Finally, adequate security was required on each loan.

On one item, however, the committee bill broadened the version that 21 of us who serve as members of the committee introduced. That was in regard to the scope of the eligibility of borrowers. The original bill was designed to help "bona fide farmers and ranchers primarily engaged in" producing livestock. The committee bill now would help 'any person directly and in good faith" engaged in producing livestock.

This, I feel, is too broad.

The bill should, in my opinion, be aimed at helping family farm operations and not nonfarm investors or corporations whose primary financial interest lies elsewhere.

The amendment of the gentleman would embrace most of the original language of this bill, plus placing a valid restraint on corporate eligibility.

It will go a long way toward making this bill acceptable to the President, as the Secretary of Agriculture has indicated that he would not oppose the enactment of this legislation if the gentleman from Iowa's amendment were adopted.

For these reasons, Mr. Chairman, I strongly urge the adoption of the amendment.

Mr. PRICE of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee, after 1 week of hearings and after 2 additional days of hearings and a day of markup in the Subcommittee on Livestock and Feed Grain, approved the language that is presently in the bill, section 2, which reads:

> The Secretary of Agriculture is authorized and directed to establish a guaranteed loan program for eligible persons including operators of feedlots, who are directly and in good faith engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing livestock. For purposes of this Act, the term "livestock" shall mean beef cattle, dairy cattle—

And so forth.

Mr. Chairman, I can sympathize with the author of this amendment, the gentleman from Iowa (Mr. Mayne), and it probably fits his area of the country. But he, too, has feedlot operators in his part of the country that feed 40 percent of the cattle that are fed in the United States.

In my own district we feed, as I said before, over 5 million head of cattle, and the people who operate these feedlots are people who feed 100, 200, or 300 head of cattle.

If this language is adopted, it is going to take away from those who have invested millions of dollars in feedlot operations. It is going to knock them completely out of their customers who are concentrating these cattle and trying to provide that beef to the American consumer at the best price possible, because a feedlot operator can buy feed in volume. He can bring all of these cattle together with his feed mill equipment and machinery and he can feed those cattle much cheaper and provide the consumer a product much cheaper than if he strictly relies on the person who owns his own farm and farms corn and other things of that nature. To limit this just to what is considered the family-type farm simply will not meet the needs of the American consumers in this country.

This morning as a member of the committee who was in the committee and stepped out for a phone call, and this was brought up before the committee, with about 10 members there. There was no objection heard to that amendment, and therefore it was said that the consensus of the committee was for this amendment.

That is not so at all, Mr. Chairman, I urge the defeat of this amendment.

Mr. ZWACH. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the amendment.

Mr. Chairman, while I believe this is basically a good bill, it is defective in one respect. It needs the Mayne amendment.

In the Livestock and Grains Subcommittee which developed this legislation, we had a debate as to the scope of the bill's coverage. The way it came out of the subcommittee, the bill extends guaranteed loan benefits to any "person directly and in good faith" engaged in livestock production.

I feel this language is much too broad. Since the term "person" includes corporate entities, the bill could bring credit benefits to companies that are not primarily engaged in livestock production. For example, a packer-feeder could qualify for a guaranteed loan under this bill. This is true because such a packer is directly engaged in livestock production even though that company is primarily engaged in the processing and marketing of meat.

Another credit beneficiary of the bill as written could be a Chicago dentist who has invested in a custom feedlot. Again such a person would be directly engaged in the production of livestock, and if he met the other requirements of the bill, could qualify for a $350,000 guaranteed loan.

Now, Mr. Chairman, I have nothing against packer-feeders or Chicago dentists, but I believe this legislation should be concentrated on bona fide farmers and ranchers. These are the people who

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need the credit help and these are the people who are the real producers of livestock in this country.

The Mayne amendment to this bill will narrow the scope of borrower eligibility to encompass bona fide farmers and ranchers who are primarily and directly engaged in producing livestock.

With this change, I believe H.R. 15560 will be a better bill and one which the House should support if we are going to help many livestock producers of this Nation to stay in the business of creating those commodities which our consumers need and enjoy.

Mr. BROWN of California. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have had rather severe doubts about the necessity of this particular piece of legislation. I was one of the two members of the committee, along with the gentleman from New York (Mr. PEYSER), who voted against reporting the bill out.

My concern has not been out of any lack of recognition of the problem facing the beef industry. I am well aware that they are in some financial difficulty. However, as is typical of the efforts of this House or of the Congress when confronted with what purports to be a crisis, we are all likely to seek to legislate in a way which we hope will solve that crisis, but actually in a way which will set far-reaching precedents which may do damage to our cause in the future.

I felt that this particular piece of legislation might set that kind of damaging precedent.

I am not averse to assisting a sector of our economy which is confronted with serious difficulties, through what may be no particular fault of their own, and I recognize that an argument can be made that this is the condition of the beef industry today.

However, I have had a vast amount of correspondence and communication opposing this bill, on the basis of the precedent that it sets and the fact that it is not or may not be in the best interests of the American consumer.

I say this, particularly in view of the fact that it may provide assistance to some enterprises or some individuals who are not bona fide farmers. It is rather interesting that one of the few personal calls I have had in support of this bill came from a dear friend of mine who is an eminent member of one of the learned professions in my district. He is taking a bath on his investments in cattle. He is probably one of those persons who does not know one end of a cow from the other, but apparently had a little extra cash to put into the beef business.

Mr. Chairman, I am not at all sure that we should pass legislation in order to assist this particular kind of investor. Although we may recognize that there may be some sort of a role for those investors, obviously that role is a speculative one, and it is a role in which they either make big profits or take big losses. If they are going to make the big profits, it seems to me they should be prepared to sustain the big losses.

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Texas.

Mr. PRICE of Texas. Mr. Chairman, I will point out to the gentleman that the language in this bill prevents any such person the gentleman is speaking of from even qualifying under this bill for any of these funds.

Mr. BROWN of California. Mr. Chairman, I wish I had the same assurance the gentleman does that that will be the case.

I am relatively sure that, with the amendment offered by the gentleman from Iowa (Mr. MAYNE), such will be the case. Of course, that is the reason why I have risen in support of that particular amendment. Without that amendment and without the additional amendment which the gentleman proposes to offer, I will have a great deal of difficulty in supporting this legislation.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take up the time I had originally planned to use in reading a long harangue against yet another business-government welfare program.

However, I will suggest to the Members that it would be a travesty if we were to pass H.R. 15560 and guarantee loans to cattle producers. In the guise of providing a temporary solution to stabilize the beef market, we are instead socking the consumer with yet another misguided and ineffective expense. Instead of propping up the current situation, which features high prices and low consumption, I think the Federal Government should get out of the farm subsidy business, and this bill is a good place to start.

To some degree the current situation is a legacy of the freeze on beef prices last summer. With the price frozen, the usual signals of supply and demand were clouded. Consequently, prices immediately skyrocketed when controls were lifted, and consumers stopped buying beef at astronomic prices. Starting last fall, prices declined 35 percent, and the industry has lost over $1 billion since then. Unfortunately, the consumer saw nothing near this 35-percent drop in prices when he went into the supermarket, for the simple reason that beef producers stockpiled beef to keep prices high. But consumers refuse to stand for such shoddy treatment and refuse to buy beef. So now the cattlemen have come to Congress to ask that we bail them out to the tune of $2 billion in loan guarantees.

In part, the cattlemen's argument to Congress and the administration is "It is all your fault since you froze beef prices; now you have got to save us." Quite frankly, this does not make any sense to me and it is the worst form of passing the buck. A large part of the responsibility for the industry's financial condition derives from the fact that when beef was kept off the market, the anticipated gains due to higher prices never materialized. Thus the industry was caught with having made an extremely bad guess.

Furthermore, with production devices under the current system being costly, prices would have gone up and consumer demand dropped, with or without a freeze in prices. The beef freeze cannot be made the scapegoat for the simple fact that people will not buy beef at high prices. If cattlemen want to stimulate the industry, the way to do it is by reducing the profit margin, taking more beef out of the stockpile and putting it on the shelf at lower cost, and letting consumer demand rise through normal market prices. Providing loan guarantees only locked the consumer into the current system and makes him pay twice—once at the checkout counter and once through their back pocket in taxes. And even with all this financial support, will he find meat less expensive? I doubt it. If we think consumer outrage is high now, imagine what it will be if this legislation goes through.

Some may say that this argument is misleading, that we are not giving loans but only guaranteeing them. I think this is misleading. In the first place, if cattle producers cannot obtain loans now, the banks must have some good reason for denying them. But how can the fact of a Government guarantee increase the ability of the producer to pay his current loans, especially if they are renegotiated at today's exorbitant interest rates? Even if he can get new loans, again at high interest rates, will this mean prices will come down? Furthermore, who is to say that the cattle producers will not have to come back next year for more money?

In light of these considerations, can anyone really say that the consumer will benefit from this legislation? A more realistic solution than Government interference is reliance on the law of supply and demand, that is, improve production techniques and put more beef on the market. None of the provisions of H.R. 15560 would encourage cattle producers to this and, if they persist in current techniques and lapse into indebtedness, "loan guarantees" can turn into subsidies very quickly. And when one considers that there is no maximum interest rate above which the Government will not guarantee loan repayment, I shudder to think what the total pricetag for this subsidy could evenutally total.

These are only a few of the problems with this legislation, which I understand spent only 20 minutes before the full Agriculture Committee, and I think the potential for unexpected costs to the consumer does not end here. For example, H.R. 15560 limits loan guarantees to $2 billion but S. 3679, the Senate version, has no such upper limit. If the ceiling is knocked out in conference, we will have another endless, no-limit bill, with the Government going further toward destroying the free enterprise system, toward burdening the taxpayer, and at enormous cost to the consumer.

Another hidden cost comes in the language of the bill itself. As H.R. 15560 defines "livestock," we are not only bailing out beef producers. We are also bailing out producers of dairy cattle, goats, swine, turkeys, and chickens as well. Rather than being a stop-gap measure, I fear this legislation could turn into the down payment for a whole new series of subsidy programs which the American consumer neither needs nor can afford.

Once again, Mr. Chairman, the solution

is so clear that we seem to have missed it: Rely on the law of supply and demand and get the Federal Government out of the agriculture subsidy business. This is the only way the consumer can benefit. Consumer outrage over higher beef prices and their refusal to buy until prices came down should have signaled the industry to put more beef on the market at lower prices. Instead, the industry stockpiled it. And now we have word that the price of beef is once again rising on the Omaha market.

If we pass this bill today, in an atmosphere of crisis, we are signaling every industry to act in such a fashion and to keep their prices up, knowing that Uncle Sam will step in and rescue them if things get rough. Many years ago I bought a business that was in bankruptcy. I thought I could do it better. I took it into bankruptcy also. I learned the sad lesson that it was the wrong venture at the wrong time. I did not know at that stage in my life that I could come to the U.S. Congress and ask for a loan which would keep me in business.

By passing this legislation our action will become the pattern for the future, one more precedent for the Government guaranteeing that every single facet of the free enterprise system will be underwritten. I would suggest that the American people are sick to death of paying the prices at both ends and it is vital that we hold the line here. I urge my colleagues to vote no on H.R. 15560.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POAGE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I simply want to make the record straight, because somehow or other I cannot feel very good when somebody reflects on the Committee on Agriculture, a committee which I think has been doing a great job.

I know that there has been a statement made indicating a lack of effort on the part of that committee. I recognize that the gentleman who just addressed the House, the gentleman from Connecticut (Mr. McKINNEY), quoted from that statement. I am sure that whoever made that statement could not have been attending the meetings of our committee. That statement indicated that the committee devoted only 20 minutes to this legislation.

I can only assume that if this statement was made by a member of our committee that the author of that statement was only present 20 minutes, and he refers to the time that he knows that was devoted to it, and to nothing else.

As a matter of fact, the full committee held 3 days of hearings, and the days were on June 18, 19, and 20. The subcommittee held 2 full days of hearings. The days were June 25 and June 26. The subcommittee met on June 26 and after a 5-hour markup session, reported this bill. The full committee acted the next day, June 27, and reported the subcommittee bill out by a vote of 28 to one, with one member voting "present."

The Committee on Agriculture does not bring a bill of this kind out in 20 minutes. I think we have got a smart group of men on the committee, but they are not smart enough to write this kind of a bill in 20 minutes, and they did not do it.

I just want the House to understand that instead of 20 minutes this committee has put in a whole lot more than 20 hours on this bill, and has given it—I will not say full consideration, because we could consider it for 20 days and still it would not be full consideration—but we have given it very substantial consideration. Every Member who was present, who attended the meetings of the committee, had the opportunity to hear all of the witnesses. There were 50 witnesses appearing, including the Speaker of this House and the minority leader of the House. They appeared as witnesses on behalf of this bill.

I believe that if we would get our information from the record rather than simply look to the amount of time that certain Members had been present in the committee, we might have a better understanding of what the committee has been doing.

Mr. ANDREWS of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is about time that someone put this in proper perspective. Actually what has happened? Last year the Government, for some reason—in response to appeals by many Members of Congress on both sides of the aisle but initiated by the administration—imposed price controls on an industry, price controls on the food industry. By doing so they jeopardized the normal operation of the free market. The farmers did not ask for price controls. The feeders did not ask for price controls. It was imposed on them, and because of this and because of the aberrations that were brought about in an otherwise normal marketing situation, many livestock producers lost from $90 to $150 per head. I am not worrying about the big corporate feedlots. By the Mayne amendment that I hope will be accepted they are going to be excluded. They are excluded anyway by the $350,000 limitation.

But, the average-sized farm feeder who keeps up to 800 head of cattle is the one who is in jeopardy. He has borrowed from his small local bank to buy those feeder cattle. He has taken them to market in the last month or 2 or 3, and he has suffered his loss of $50,000 to as high as $100,000. He cannot afford that loss. His average income is probably only $8,000 or $10,000 a year, and he does not have the equity to go to his local bank and say, "Loan me the money to put back into my feedlot—my pens around my barn, the 400 head or 500 head I would like to feed this fall as I have in the past." The bank cannot legally loan him the money because his equity was wiped out in the loss he suffered last year.

There is no gimmickry in here where new people can come into the business. This legislation is limited to a person who has been feeding for the last 18 months. There is no interest subsidy involved. It is exactly the same as an SBA loan to a small business in any other walk of life. The consumers' interest can only be protected and enhanced by the passage of this legislation, because if it does not pass, the countless small feeders are not going to be able to continue feeding, and they are going to shut their gates, so to speak, and the supply of meat that the consumer depends on is going to be totally controlled by the mammoth corporate feedlot operations. I do not think we want to see that happen.

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Texas.

Mr. PRICE of Texas. I thank the gentleman for yielding.

The gentleman used the words "large corporate feedlot." I think that gives this body an erroneous picture.

In my district there are about 150 feedlots or more feeding from 40,000 to 100,000 head of cattle. These people are the farmers the gentleman is talking about who have their 100 head, who do not have pen facilities on their farms, who do not have the silos, who do not have the equipment, and they put those cattle into feedlots because they can feed them cheaper. The gentleman is saying he wants to take that man, the small producer, out of this bill, and that is exactly what it will do if we do this.

Mr. ANDREWS of North Dakota. I am not wanting to take the small producer out of this bill. I am saying that this protection goes to the small producer. There are also corporate feeding operations in these large feedlots—and I think this is where the objection comes from on both sides—who own and control 10,000 or 15,000 or 20,000 head of cattle. I have no sympathy for them, and this bill does not include them. But the small farmer-feeder, in the case of the cow operator who has some calves that he places in a custom feedlot operation is protected under the bill, and ought to be.

The case that is more common in our part of the country is the small feeder who has his pens in his own farm yard, who feeds his own silage and produces beef for the consumer year-in and year-out, which is his normal business operation.

This man is the one who needs the protection, the one who will get the protection. It is going to be a tragic thing and a shortfall for the consuming public if through the political haranguing that has been going on for far too long we cut off the opportunity for this small producer to stay in business and provide Americans the best quality and most economical beef in the world.

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Chairman, I thank the gentleman from North Dakota for yielding.

Mr. Chairman, I rise in support of H.R. 15560 and for the principles embodied in this legislation. It provides much needed relief to the stricken small-scale cattle operator of my State who is suffering from the ever-tightening squeeze of soaring production costs and dropping beef market prices.

In recent months many Wyoming cattlemen have called to my attention the drastic losses they have sustained and

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continue to face in current market and economic conditions.

As of June 1974, wholesale prices for choice feeder cattle, 600 to 700 pounds and for choice feeder steer calves have both dropped 36 percent, in the last year. In the same time period, feed costs have risen 60 percent. It takes no economical whiz to see the kind of financial bind our ranchers, feeders, and beef producers have found themselves. Beef producers have figured their loss to be from $100 to $200 per head sold at the present market price.

I do not need to remind the Members of this body of the wheat sales leading to an abrupt end to any stability on the domestic prices of grains. Not only did wheat prices skyrocket, but they were followed closely by unparalleled price increases in soybeans and other feeds and protein sources. Wheat jumped 300 percent and corn peaked 150 percent higher than the previous year. Hay prices have reached all-time highs in the West. The feeder, feeding out steers for slaughter at market weight, is not receiving enough margin to even cover the rise in his feed costs. The feeder and the cattlemen are both moving in the direction of bankruptcy. The following tables released by the USDA clearly demonstrate the plight of the bean industry:

TABLE 12—CORN BELT CATTLE FEEDING

SELECTED EXPENSES AT CURRENT RATES [1]

[Dollars per head]

Selected expenses	1972 I	1972 II	1972 III	1972 IV	1973 I	1973 II	1973 III	1973 IV	1974 I
600 lb feeder steer	230.82	241.80	254.76	266.16	304.62	322.44	347.88	301.20	292.38
Transportation to feedlot (200 mi)	3.84	4.08	4.08	4.32	4.32	4.56	4.56	4.80	4.80
Corn (25 bu)	28.15	50.40	52.20	55.80	60.75	76.05	104.85	100.80	121.05
Silage (1.7 tons)	15.56	15.71	15.79	16.90	18.70	21.39	26.59	26.23	32.33
30% protein supplement (270 lb)	14.90	15.26	15.74	17.50	21.11	24.25	24.65	23.63	24.08
Hay (400 lb)	4.60	4.42	4.23	4.53	5.15	5.00	4.83	5.13	6.75
Labor (4 hr)	7.80	7.80	8.04	8.04	8.12	8.44	8.72	8.84	9.04
Management [2]	3.90	3.90	4.02	4.02	4.06	4.22	4.36	4.42	4.52
Vet medicine [3]	2.00	2.03	2.05	2.10	2.20	2.32	2.41	2.46	2.58
Interest on purchase (6 mo)	8.94	9.37	9.87	10.31	12.95	13.70	14.78	13.86	13.89
Power, equipment, fuel, shelter, depreciation [3]	9.25	9.40	9.51	9.73	10.19	10.72	11.15	11.37	11.92
Death loss (1% of purchase)	2.31	2.42	2.55	2.66	3.05	3.22	3.48	3.01	2.92
Transportation and marketing expenses (100 mi)	4.78	4.89	4.92	5.04	5.09	5.20	5.25	5.35	5.40
Miscellaneous and indirect costs [3]	4.00	4.07	4.12	4.21	4.41	4.64	4.83	4.92	5.16
Total	360.85	375.55	391.90	411.32	464.72	506.15	568.34	516.02	536.82
Selling price per hundredweight required to cover feed and feeder costs (1,050 lbs)	29.91	31.20	32.64	34.37	39.08	42.77	48.46	43.52	45.39
Selling price per hundredweight required to cover all costs (1,050 lb)	32.37	35.77	37.32	39.17	44.26	48.20	54.13	49.14	51.13
Feed cost per 100 lb gain	18.49	19.06	19.55	21.05	23.49	28.15	35.76	34.62	20.92
Prices:									
Feeder steer choice (600–700) Kansas City (per hundredweight)	38.47	40.30	42.26	44.36	50.77	53.74	57.98	50.20	48.73
Corn (per bushel) [4]	1.07	1.12	1.16	1.24	1.35	1.69	2.33	2.24	2.69
Hay (per ton) [4]	23.00	22.08	21.17	22.67	25.75	25.00	24.17	25.67	33.75
Corn silage (per ton) [5]	9.15	9.24	[illegible]	9.94	11.00	12.58	15.64	15.43	19.02
30 percent, protein supplement (per hundred weight) [6]	5.52	5.65	5.83	6.48	7.82	8.98	9.13	8.75	8.92
Farm labor (per hour) [6]	1.95	1.95	2.01	2.01	2.03	2.11	2.18	2.21	2.26
Interest annual rate	7.75	7.75	7.75	7.75	8.50	8.50	8.50	9.20	9.50
Transportation rate (per hundredweight 100 mi) [7]	.16	.17	.17	.18	.18	.19	.19	.20	.20
Marketing expenses [3]	3.10	3.10	3.15	3.15	3.20	3.20	3.25	3.25	3.30
Index of prices paid by farmers (1910–14=100)	(422)	(429)	(434)	(444)	(465)	(489)	(509)	(519)	(544)

[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feeders. For individual use, adjust expenses and prices for management, production level and locality of operation.

[2] Assumes one hour at twice the labor rate.

[3] Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates.

[4] Average price received by farmers in Iowa and Illinois.

[5] Corn silage price derived from an equivalent price of 5 bu corn and 330 lb. hay.

[6] Average price paid by farmers in Iowa and Illinois.

[7] Converted from cents/mile for a 44,000 lb haul.

[8] Yardage plus commission fees at a midwest terminal market.

CURRENT FED CATTLE PRICES PER 100 LBS., COMPARED WITH FEEDER CATTLE PRICES 5 MONTHS EARLIER

Year	Fed cattle [1]	Feeder cattle [2]	Margins
1972:			
January	$35.63	$35.18	+$0.45
February	36.32	34.97	+1.35
March	35.17	35.64	−.47
April	34.52	36.88	−2.36
May	35.70	37.20	−1.50
June	37.91	37.92	−.01
July	38.38	38.86	−.48
August	35.70	38.64	−2.94
September	34.69	38.54	−3.85
October	34.92	40.43	−5.51
November	33.59	41.94	−8.35
December	36.85	42.02	−5.17
1973:			
January	40.65	42.07	−1.42
February	43.54	43.29	+.25
March	45.65	44.15	+1.50
April	45.03	43.17	+1.86
May	45.74	45.77	−.03
June	46.76	47.33	−.57
July	47.66	50.98	−3.32
August	52.94	54.01	−4.39
September	45.12	51.82	−6.70
October	41.92	54.55	−12.63
November	40.14	54.85	−14.71
December	39.36	56.49	−17.13
1974:			
January	47.14	62.40	−15.26
February	46.38	55.06	−8.68
March	42.85	51.86	−9.01
April	41.54	51.02	−9.48

[1] Choice steers at Omaha, 900–1,100 lbs.

[2] Choice steers at Kansas City, 600–700 lbs. prior to 1972 550 to 750 lbs.

The beef producer and rancher is not alone in suffering from the cost squeeze. The smalltown banker and financier is suffering as well as their clients find it impossible to repay operating loans.

This legislation would provide adequate source of funds through low-cost loans to help our beef producers through this difficult financial period. Similar legislation has provided for extremely successful loan programs in the early 1950's.

Critics of this legislation say that it is anticonsumer and that it will cause higher beef prices and benefit more than just the beef producer. Let me say to that that the middleman is largely responsible for today's higher beef prices at the meat market. The beef producer is suffering from such a financial squeeze that the consumer may not have beef at any price if we do not take action. Furthermore, the beef industry is a highly interrelated industry. Our small feeders, ranchers, and beef producers operate from year to year depending on their local small banks and lending institutions for operating loans and in turn these banks depend upon them. Whole communities are therefore dependent upon the well-being of the rancher and beef producer for their well-being.

If we desire to see a supply of beef and red meat in the supermarket, if we wish to see a viable beef industry in America, then we must support this loan legislation today.

Mr. QUIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I support the Mayne amendment and I support the bill.

I would ask the author of the amendment, the gentleman from Iowa (Mr. MAYNE), his reasons for changing "establishing a guaranteed loan program" to provide for "establishing financial assistance" because there is not very much that the Federal Government is going to provide to the farmer other than a guarantee to insure that he is going to secure a loan.

The history, as I recall it, is very good in guaranteeing loans to farmers and their repayment is good. I was wondering if the gentleman has some information to indicate the repayment rate we have seen on similar type loans.

Mr. MAYNE. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Iowa.

Mr. MAYNE. Mr. Chairman, I thank the gentleman for yielding.

I think the only actual experience we have to look back on is Public Law 83-115, which was in effect for 2 years subsequent to July 14, 1955. That bill provided for actual direct loans called special livestock loans. Government funds were used in these loans rather than it being a simple guarantee program, so that the 1954 legislation was much more costly. But even so, the losses under that earlier 3-year program were only 3⅓ percent. The total losses were only a little more than $3 million on loans of more than $91 million.

Under the instant bill and with my amendment where the banks are assuming 20 percent of the guarantee, of the exposure, and where Federal funds are not directly involved, the cost should be much less than in the 1955 to 1957 experience.

Mr. QUIE. I thank the gentleman for that explanation. It seems to me in the short run we will be giving assistance to the livestock producers and in the long run we will be aiding the consumers. It seems to me that ought to be apparent to the Members of this body. There is a precedent, as the gentleman from Iowa has indicated and as the gentleman from Virginia (Mr. WAMPLER) did a little earlier, for this kind of legislation.

It seems to me the Committee on Agriculture has done well. They have learned some lessons from the past and they have removed some of the chances of losses for the Federal Government, as has the gentleman, but they have as in the past limited the bill to the producers who should be able to secure loans so they can keep on producing meat products, and in the long run this will enable the consumers to buy their food at lower prices, because if a number of producers got out of business and quit producing meat it means the price of meat will have to shoot up higher for the consumer than would be the case with the passage of this bill.

I can understand why a few farmers who have got it made do not need the loan and do not think this is wise for the Federal Government to assist others at all because they will be able to reap those higher prices due to shortages at some later time, but if we want to have the stable food production in this country at a time when there are serious problems throughout the world, it seems to me this legislation ought to be passed and it is just good economic sense. And when the Federal Government has been the cause of the economic difficulties our farmers are in, there is no reason why the Federal Government should not help assist in this way, so I urge the Members to support this legislation not only for the farmers but also for the consumers of the Nation.

Mr. SHUSTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the $2 billion Government guaranteed livestock loan program proposed here today. It is painful for me to do so because I am well aware of the problems facing the livestock industry. Beef cattle producers are in serious financial trouble because the price of beef on the hoof has dropped 35 percent while costs of production spiral upward. Nevertheless, I must oppose this bill for three reasons:

First, because Government secured loans at the current astronomical interest rates of 12 percent will not solve the basic problem of rising costs and reduced demand. In fact, in the livestock industry 12 percent interest rates will hurt farmers and help big bankers.

Second, if I believe in the free enterprise system and oppose subsidies to other private industries, I cannot in good conscience support Government subsidies to the cattle industry, even though it is very close to my heart.

And third, because I believe Government spending must be cut, even if it hurts, for if we do not reduce Government spending—inflation is going to destroy our country.

Mr. RINALDO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened with great interest to the arguments of the proponents of this legislation. Certainly they have put a great amount of work into their views; but in my district, every person to whom I have spoken, every constituent who has written to me, everyone who has expressed an opinion on this bill, have been opposed to it and have, in fact, labeled it the great "beefdoggle."

Last year, when we had very high meat prices, there was a move on the part of some Members of this body to freeze beef prices and even to roll the prices back. At that time, those Members of this body who now are calling for passage of the bill before us today extolled the virtues of the free enterprise system and urged us to allow the marketplace to set a fair price. Since then prices have fallen from their record high levels. The erstwhile free market champions are coming to the American taxpayer, hat in hand, asking for a $2 billion relief bill. In fact, I am tempted to propose striking the title of the bill and adding a new title, "the Cattlemen's Bankers Relief Act of 1974."

I strongly believe that if we are going to end the soaring rate of inflation that we must do it through tight Federal restraint and greater productivity in the marketplace. This bill is counterproductive to both these ends.

The fact of the matter is that the meat industry pushed the price of beef so high that consumer reaction caused a dramatic significant shift in the eating habits of the American consumer. There is no doubt in my mind that the marketplace pressure will work well in this field. If prices are allowed to decline, volume will significantly increase. As I have stated, increased productivity is one answer to the inflation problems we have before us today.

Mr. Chairman, I am also very concerned about the precedent that we are setting through the passage of this bill.

Secretary of the Treasury William Simon, who is a former constituent of mine, pointed out that if the bill passes, some of his friends from Wall Street might come down for guaranteed loans to assist them in their financial difficulties caused by decreased volume on the stock exchange.

My colleague from New York has pointed out that the crisis that did exist is now over and indeed prices for cattle are already increasing. We simply do not need this bill.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to my colleague, the gentleman from New Jersey.

Mr. MINISH. I want to associate my remarks with those of the gentleman from New Jersey. I want to say that this bill in no way is going to help the consumer. We should not be trying to kid him. If these loans are made it puts the consumer in the position of financing with his tax dollars an increase on his own beef purchases.

Now, everyone here knows that, these are the same people, the livestock producers, who you are trying to protect. It was only last year they were asking us not to support price controls and to stay out of their business and let the free market work its will. Ten or twelve months later they are asking for relief. This is bad legislation and should be defeated.

Mr. RINALDO. Mr. Chairman, finally, in stating my opposition to the legislation, I feel that it was wrong for the committee to have held only 20 minutes of debate on this bill. Today, when public skepticism is running so high, ramming a special interest bill like this through Congress would hurt all Members of this body.

Mr. Chairman, members of the Commitee, in this day of high inflation; in this day when farm subsidies and all subsidies of this type should come to an end instead of being continued; in this day when we should, at the very least, refuse to set forth before the American public a new subsidy program, I think it is very important that we show the people of this country that we are concerned

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about high prices, that we are concerned about inflation, that we are in favor of the marketplace setting its own prices, and that we will not set such a dangerous precedent.

Mr. Chairman, I urge defeat of this bill.

Mr. GUDE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this bill. Once again we are faced with a bill which is a reaction to a specific situation and which is designed to benefit a certain sector of the population, and as usual, the needs and interests of the largest sector of the populace—the consumers—are being ignored.

The intentions of this bill are good, and I have no doubt that the livestock industry has been having some troubles lately, although I do question whether sheep, goats, and other types of livestock included in the bill are as severely affected as the cattle industry. Nevertheless, it is clear this bill does nothing to get at the real problems affecting the meat market today.

To my mind the problem is very simply continued high retail prices despite falling prices at the farm and feedlot. Consumer demand for beef was depressed last year due to the exceptionally high prices, some say induced by cattlemen who held beef off the market hoping to raise prices further, and that demand has yet to recover fully.

The problem, however, is not at the farm level but at the processing and retail level where margins are staying fat. This is particularly true in the Washington area where four food chains control over 70 percent of the food sales. The Federal Trade Commission has identified such control as an oligopoly; such a market concentration works to keep prices high and prevent consumers from having any real alternatives in choosing where to buy food. The solution in Washington, as well as elsewhere, is the restoration of real competition at the retail and processing levels.

Perhaps the major problem of the industry is that consumers are unwilling to purchase as much meat at the current high prices. There will be no long-term relief for producers until consumption is stimulated with lower prices. One of the major inadequacies of this bill is easy enough to describe. You can give a race horse the best training and care money can buy, but he is still not going to win if his gate will not open.

While we pump money into protecting livestock production and the investments of the banks, consumers foot the bill for defaulted loans and for high prices. It does not seem fair, and it is not.

There is already some indication that the crisis in the livestock industry is passing. On the beef market, prices were up to $46 per hundredweight last week, and the expected good grain harvest would mean lower costs. We do not need the bill and certainly, consumers neither need nor want it.

I would like to read a few of the reactions that consumer groups have had to this bill. Consumer Action writes:

> H.R. 15560 will neither help the farmer nor the consumer and should not be voted into law.

The Corporate Accountability Research Group writes, "There are others who are equally in need of such loan guarantees," such as prospective house purchasers, supermarket shoppers, and even consumer groups, who could well use the money to lobby against legislation such as this.

The Federation of Homemakers writes:

> This emergency bailout legislation has the taxpayers furnishing loan guarantees . . . but no promise, let alone a guarantee, that the marketplace prices of beef for consumers will be lower.

A final example of reaction comes from the National Consumers League which writes:

> Consumers are opposed to subsidizing the already thriving banking industry, when both the producers and those who pay high prices for beef are in need of meaningful solutions.

Even when prices for beef on the hoof was low, retail prices remained at near record highs. In May, three members of the National Consumers League investigated the meat industries cold storage inventories and found very large amounts of meat being packed away in corporate warehouses. That figure is still high. By storing meat, the corporations can artificially decrease supplies in supermarkets, therefore keeping consumer prices high. Simultaneously, the record inventories decrease industry demand and reduce prices paid to producers.

Mrs. HECKLER of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GUDE. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER of Massachusetts. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from Maryland and the remarks of the gentleman from New York (Mr. PEYSER).

Mr. Chairman, I rise in opposition to H.R. 15560, a bill which would subsidize the American cattle industry at the expense of the American taxpayer and consumer.

It is the banker, not the cattleman, who will be the main beneficiary from this proposal. And once again, we move another step away from the free enterprise system about which we preach much and practice little.

If we continue this precedent, where will it end? The New England fishermen, for example, are being hurt badly as their catches are being hauled away in Russian trawlers. Why not assist them? * * * And why stop there? I am sure that every Member of this Congress has within his or her district an industry which merits subsidy as much as the cattle industry.

Again, we are being asked to apply a bandaid to a patient who is bleeding to death. Inflation runs rampant. Fuel costs soar. The cost of food climbs out of sight—and we continue to attempt piecemeal solutions to a complex and pervasive national problem.

We do not need to help one industry—we need to help all industry. We need to develop a healthy economy for all regions this cannot be achieved by subsidizing one industry over another. We need to help the American taxpayer, whose taxes keep rising and rising. We need to help the American consumer, whose bills keep climbing and climbing.

The small producer will not be helped by this legislation. The 20 percent risk which would be accepted by the banks is very little risk at all as 8 percent loans are refinanced at 11½ and 12 percent with the American taxpayer underwriting the loan and guaranteeing the bankers a tidy profit.

When beef prices rose to an all-time high last summer, the Government did not rush to the consumers' aid. Now, when the prices dip, the livestock industry is not passing on the savings to the consumers. Instead, the Department of Agriculture steps in to force the prices back up and producers stockpile their beef until they get the higher rates.

Now the Congress is being asked to support higher prices at the consumer and taxpayer expense—and give the banks a bonanza as well.

If the marketplace were allowed to reach its natural level, the American consumer would benefit, and in the long run, so would the cattle industry.

Mr. MAYNE. Mr. Chairman, will the gentleman yield?

Mr. GUDE. I yield to the gentleman from Iowa.

Mr. MAYNE. Mr. Chairman, while the gentleman expressed his opposition, I am sure he would also want to express his support for the pending amendment which would make sure that the guaranteed loans go only to bona fide farmers and not to tax shelters and outside investing interests.

Mr. GUDE. Mr. Chairman, I support the amendment, but with the adoption of the amendment I still could not go along with the gentleman on this bill.

Mr. STEIGER of Arizona. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know that most of the Members have been waiting to hear what I have to say on this bill before they make up their minds. As a matter of fact, I had made a judgment which they would be proud of, and that was that I was not going to burden them with my own particular prejudices, but I must confess to hearing more garbage in less time in this world in the last few moments than I have for a long time in this august body.

I have no problem with a man who wants to protect the consumer and thus garner the consumer votes. I must tell the Members also that there are more consumers than there are cowboys, and all of the Members have demonstrated their ability to count this particular special interest group by their very presence here.

However, I am reminded of the man who was riding on one of Mr. Chalk's buses locally and tore up a newspaper and threw it out the window. The bus driver came back and said, "What do you think you are doing?"

The man said, "I'm keeping elephants off Pennsylvania Avenue."

The driver said, "There are no elephants on Pennsylvania Avenue."

And the nut said, "You see, it works."

The fact is that we are not protecting the consumers. The taxpayers are not going to be funding a continued increase in the beef market. The fact of the matter is whether you are a free enterpriser—and I suspect that free enterprise is in the eye of the beholder—but I know I myself would normally be very critical of a bill of this nature; however, since my own constituency and my own personal interests are very much involved, I can see all the merits in this bill. I want the Members to understand that, but I would also like to point out that all we are doing, and this has been said to the point of redundancy here, but if we do pass this bill, we are making it possible to maintain the cattle numbers in this country at a lower level, perhaps, but to maintain the numbers.

If we do not pass the bill, there is going to be less cattle available. If there are less cattle available, it means the price of beef is going to be higher. It is really that simple.

For my good friend, the gentleman from New York, the peanut champion, to be up here railing against the windfall the banks are going to get and all the nonsense about the consumers being bled to satisfy the bloated cowboy, that is sophistry.

If Members are going to vote against the bill because it is good politics, then they should vote against it, but I ask the Members to please not burden the Record with what they know is essentially not valid.

The fact is that this bill will in the future and now make more cattle available for slaughter. The more cattle that are available for slaughter, the better break the consumer is going to get. That is an absolute fact of life, and all of the screaming and viewing with alarm is not going to change that.

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I am happy to yield to my distinguished colleague, the gentleman from west Texas, the cowman's friend.

Mr. PRICE of Texas. Mr. Chairman, I thank the gentleman for yielding, though I am somewhat doubtful of his description.

In all seriousness, though, I would like to know also the effect that this amendment would have on the feedlots that are involved in the gentleman's area. It, too, is going to have a great effect, not only on the gentleman's State, but in California, and I might say, too, on all those people in Florida, Alabama, Virginia, Kentucky, Louisiana, Arkansas, Montana, and Wyoming, who have farmers and ranchers who have calves and yearlings to sell to the cattle feeder this fall.

Let us see who is going to buy those calves this fall when the 5 percent more cattle that are going to reach the market are going to be 20 to 30 cents a pound. Who is going to buy them? How is this going to affect the gentleman's State?

Mr. STEIGER of Arizona. Mr. Chairman, I thank the gentleman for calling attention to the fact that I was not addressing the amendment before us. I will tell the gentleman that he is absolutely right. This amendment would eliminate the ability of those people to buy the cattle.

This will eliminate the tax shelter investor. However, I will tell my friend that I am going to support this amendment because, absent this amendment, I do not think this bill has a prayer. I am a pragmatic man, and I feel it is more important that the small feeders and the small producers be protected.

Mr. Chairman, I will tell my friend, the gentleman from Texas, that he is absolutely right. When we eliminate the tax shelter investor, we eliminate about 30 percent of the necessary capital that is available for feeding.

Mr. SCHERLE. Mr. Chairman, I rise in support of the amendment, and I move to strike the requisite number of words.

Mr. Chairman, we the proponents of this legislation get a little tired when we hear this bill referred to as a subsidy or a grant or welfare. If the Members have not read the bill, I suggest they they do so now, because this bill provides a loan, a guaranteed Government loan. It is no different than many other loans which are granted to various projects throughout this country, in time of need, by such Government agencies as SBA, HUD and others.

This loan program will also be governed by the commercial interest rates. There is no low interest rate provided; it will be at the going rate; it will be that rate which will be charged when the borrower comes into the bank for a loan.

Mr. Chairman, the amendment offered by my colleague, the gentleman from Iowa (Mr. Mayne), is very appropriate. It will allow the purchaser to buy about 750 head of cattle and calves, and this is in no sense legislation to assist what we would call a huge conglomerate or a speculator or a huge investor.

This is directed at what we would consider in the State of Iowa as an average type of feeding operation. We in the State of Iowa raise about 25 percent of all the hogs in the country, and we feed about 11 percent of all the fed cattle.

Another thing which many people fail to realize, Mr. Chairman, is that the producer himself does not establish the price. When he brings his product to market, he is at the mercy of the marketplace; he is at the mercy of the law of supply and demand. Not until that product leaves first hands does the price become established. From that point on, all the way to the consumer, there is a built-in profit provided. But the producer himself does not establish the price. When he takes the product to market, he disposes of it or takes it back home, and that is the only alternative he has.

I would like to point out to my friends who come from urban areas that they should read a little economic history, and perhaps I can leave them a little message.

If we were to go back through the pages of history, we will find that all the depressions and recessions we have ever had in this country did not begin in urban areas; they started in rural America.

Let me give the Members an example of what can take place. When the livestock industry is crippled in this country to the point where nobody wants to feed cattle any more because it is not profitable, then the grain farmer has no place to go with his grain. When that happens, when both segments of agriculture, the grain farmer and the livestock farmer, reach that point, we can no longer maintain any type of prosperity that will reflect on Main Street. The merchant on Main Street is, of course, then in a predicament. There is no business; he fails to reorder from the manufacturer back East, where those people who live in the urban areas will soon feel the brunt. There are no orders, there is no business, and that is the beginning of unemployment, the beginning of a recession or depression. It is just that simple.

If we were to go back through the pages of history and look, we will find that is exactly what has taken place in every single recession or depression we have ever had in this country. It always starts in rural America.

We would not have found ourselves in this predicament today if it had not been because of Government interference last fall. They singled out the cattle feeding industry and they said, "We are going to use you as an example of high prices so we can make it comfortable for the consumer to buy at a later time."

Mr. Chairman, I have not heard anybody say that houses are too high, that automobiles are too high, or that anythings else is too high. It is always food. Sometimes I wonder if food is too high at any price.

Is that because we have to buy food every single day? Is it because it stares us in the face every single day? Is it because it is a product of necessity, a product for survival and existence?

It apears to me that this is a convenient commodity to use for political motivations and headlines; the consumer never benefited by this method of price control, prices remained as high as ever.

Mr. Chairman, the price to the producer today on the Omaha market for live cattle is $42.50. That is $10 below the producer's break-even point. For every animal weighing 1,000 pounds that is taken to market today and sold to the packinghouses, it costs that producer $100.

He cannot survive at length if he does not receive some help at this crucial and critical time. This legislation will help him stay afloat.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. SCHERLE. I yield to my colleague, the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I would like to say this, that I have always believed in the partnership between the urban communities and the farms, and I thought we were doing very, very well until the policies of Secretary of Agriculture Butz divided us. I think that is the crux of the problem. Agriculture last year and the year before sought free market conditions to command high prices, to sell abroad at market conditions resulting from devaluation. Now the beef industry wants public help.

The farmer and the urban consumer have been driven apart through the policies that have emanated out of the administration. These policies have disturbed and perhaps permanently destroyed a long-established working relationship between the urban communities and the rural areas. In my time in the Congress I have voted for billions of dollars in subsidies for the farms, which produced adequate food at moderate prices. The administration promoted foreign sales through subsidized credit—sales which deflated domestic supplies and spiralled domestic prices.

The first inflationary spiral was the result of the food inflation that resulted. The cattle producing industry led the way with skyrocketing meat prices. There was little sense of concern for the consumers of America who had contributed billions of dollars of tax help to develop and increase the farm productivity of the Nation.

The cattlemen simply cannot expect consumer enthusiasm for a loan program in this period of downturn.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Iowa (Mr. MAYNE) and the following amendment to be offered, for the simple reason that it makes a bad bill a little better, but it does not change the fact that it is still a bad bill.

But on the chance that this bill may not be defeated, I want it to be as good as possible. So I do support the Mayne amendment.

But there is one thing I wish to say—and my good friend, the gentleman from Arizona (Mr. STEIGER) has slipped quietly off the floor, and I will not try to compete with the gentleman in wit because I would lose. He is more witless than I am, and I just cannot compete.

I would like to address one point, and that deals with the bankers. Everyone seems to think that this is not really a bank bill, and that it does not help the banks, and that it is merely for the cattle producer. Well, please listen to what this does for the banks in the bill.

It says that the bank can refinance existing loans and have those existing loans placed under an 80 percent Government guarantee, and they can charge the going rate of interest, whatever is legally allowed in their State, or whatever the going rate of interest may be. For instance, with respect to Oklahoma, I notice that where there may have been loans issued at 8 percent 7 months ago they can bring those loans in and put the same loan out with a Government guarantee at 12.5 percent. Now, if that is not a great gift for the banks, I do not know what is, having increased interest and having an 80 percent guarantee on the loan.

Mr. MAYNE. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Iowa.

Mr. MAYNE. Mr. Chairman, I would like to tell the gentleman from New York that that will not happen because of the usury law in States such as Iowa, Minnesota, and Nebraska, States that I am familiar with. These loans as presently negotiated cannot exceed the maximum of 8 percent in Minnesota, 9 percent in Iowa, and 9 percent in Nebraska. So when these loans are guaranteed they cannot be higher than those rates.

Mr. PEYSER. I thank the gentleman for his comments.

Mr. MAYNE. So this will not be the kind of killing that the gentleman is worried about.

Mr. PEYSER. It is, the gentleman is incorrect. I would like to read from some specific figures on State regulations on interest rates concerning this matter.

In the State of Texas the legal interest rate for an individual is 10 percent. That is the maximum that can be charged. However, the legal rate for a corporation, which is covered by this bill as long as more than 50 percent of their interest is in the cattle business—is that not correct, that they are covered, if they have more than 50 percent of their interest in the cattle business, held by farmers, then they are covered, is that correct?

Mr. MAYNE. Yes.

Mr. PEYSER. That is correct. In the State of Texas the corporation which the gentleman has just described can be charged 18-percent interest. In Oklahoma 18 percent is the limit for the individual, with no limit on the corporation, that can be charged by a bank.

The gentleman mentioned Missouri. Eight percent is the limit, with no limit on the corporation; Colorado, 18 percent on the individual with no limit on the corporation. We can go right down this list, including Nebraska, which has a 9-percent limit but no limit on the corporation.

Most of these small producers have incorporated, and they are completely at the mercy of the banks on this issue.

In the State of Texas 81 percent of the marketed beef comes from incorporated feed lots. Eighty-one percent in the entire State of Texas—if that is not a majority, I do not know what is. These people are going to be had by these banks, and all we are going to do is to take marginal producers and put them deeper in the hole and guarantee their bankruptcy.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Kansas.

Mr. SEBELIUS. I thank the gentleman for yielding.

I know the gentleman mentioned Kansas. Grant County, Kans., has about 9 or 10 feedlots with about 30,000 cattle, and with only one bank in the county. It is 8 percent. That is what everybody gets. At 8 percent I borrowed $10,000 last week, so do not worry about Kansas.

Mr. PEYSER. As the gentleman knows, the Kansas Cattle Growers Association has been coming out in opposition to this legislation, and I have it right here in front of me.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Iowa (Mr. MAYNE).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MAYNE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 405, noes 7, not voting 22, as follows:

[Roll No. 382]

AYES—405

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Gross
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landgrebe
Landrum

Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NOES—7

Camp
Lujan
Mahon
Price, Tex.
Runnels
Towell, Nev.
Wiggins

NOT VOTING—22

Andrews, N.C.
Baker
Blatnik
Brasco
Carey, N.Y.
Clausen, Don H.
Clay
Conlan
Davis, Ga.
Dorn
Griffiths
Gunter
Hanna
Holifield
Metcalfe
Myers
Robison, N.Y.
Rooney, N.Y.
Schroeder
Stanton, James V.
Symington
Young, Alaska

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. As a condition of the Secretary's guaranteeing any loan under this Act—

(a) The lender shall certify that—

(1) the lender is unwilling to provide credit to the loan applicant in the absence of the guarantee authorized by this Act;

(2) the loan applicant is directly and in good faith engaged in agricultural production, and the financing to be furnished the loan applicant is to be used for purposes related to the breeding, raising, fattening, or marketing of livestock;

(3) the loan is for the purpose of maintaining the operations of the loan applicant, and the total loans made to the loan applicant do not exceed the amount necessary to permit the continuation of his livestock operations at a level equal to its highest level during the eighteen months immediately preceding the date of enactment of this Act: *Provided*, That the total loans guaranteed under this Act for any loan applicant shall not exceed $350,000;

(4) in the case of any loan to refinance the livestock operations of a loan applicant (i) the loan and refinancing are absolutely essential in order for the loan applicant to remain in business, (ii) the lending agency would not refinance such loan in the absence of a guarantee, and (iii) the lending agency is not currently refinancing similar loans to others without such guarantees.

(b) The loan applicant shall certify that he will be unable to obtain financing in the absence of the guarantee authorized by this Act.

(c) The secretary finds there is reasonable probability of accomplishing the objectives of the Act and repayment of the loan.

Mr. POAGE (during the reading). Mr. Chairman, I ask unanimous consent that section 3 be considered as read, printed in the record, and opened to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. MAYNE

Mr. MAYNE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAYNE: Page 7, line 22, strike out the figure "$350,000" and insert in lieu thereof the figure "$250,000".

The CHAIRMAN. The gentleman from Iowa is recognized for 5 minutes in support of his amendment.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. Mr. Chairman, I yield to the gentleman from Texas, the distinguished chairman of the committee.

Mr. POAGE. Mr. Chairman, speaking for myself and on instruction of the Committee on Agriculture, the committee will accept the gentleman's amendment.

Mr. MAYNE. Mr. Chairman, I thank the chairman of the committee and I will say nothing further about the amendment except that it reduces the individual ceiling on guaranteed loans from $350,000 to $250,000.

I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for yielding.

This does not relate specifically to the gentleman's amendment, but relates to the whole bill. As I understand the legislation, it is basically intended to provide guaranteed loans for livestock producers suffering economic hardship, but I wonder whether it does include dairy cattle as well as livestock? I would like the gentleman to confirm that these loans would be available to dairymen who have lost their herds because of contamination of feed and things of that nature; is that not correct?

Mr. MAYNE. Yes; guaranteed loans to producers of dairy cattle are authorized if they are unable to get credit otherwise and if they meet the other requirements of this legislation.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for yielding.

Mr. PRICE of Texas. Mr. Chairman, I rise in opposition to this amendment and would like to submit for the RECORD three pages showing the financial operation of Government agencies and direct loans that have been made at interest rates all the way from 2 to 6 percent, just as a means of bringing it to the committee's attention.

Mr. Chairman, I include herewith the material referred to:

GOVERNMENT DIRECT LOANS AT INTEREST RATE UNDER 6 PERCENT—AGENCY, PROGRAM, AND INTEREST RATE

Funds appropriated to the President: Expansion of defense production: Treasury Department, 3–5%.

Foreign Assistance: Liquidation of foreign military sales fund: long-term credits, 0–6%.

Military credit sales to Israel, 3–6½%.

International development assistance (IDA): Agency for International Development: Alliance for Progress, development loans, common defense, economic and trade loans, ¾–5¾%.

Development loan fund liquidation account, ¾–5¾%.

Development loans, ¾–6%.

Grants and other programs, ¾–5%.

AGRICULTURE DEPARTMENT

Farmers Home Administration:

Loans to individuals, 4⅛%.

Loans to cooperative associations, 4⅓%.

Credit sales of surplus property, 4⅛%.

COMMERCE DEPARTMENT

Science and Technology: Fisheries loan fund, 3–8%.

HEALTH, EDUCATION, AND WELFARE

Health Services and Mental Health Administration: Community facilities, 2½–2¾%. Construction of hospitals and other medical facilities, 2½–4¼%.

National Institute of Health: Health manpower student loan programs, 3–5½%.

Office of Education: Higher education facilities loan and insurance fund, 3–3¾% Federal capital contributions, 3%.

Social and Rehabilitation Service: Assistance to refugees in the U.S., 3%.

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

Federal Housing Administration: College housing loans, 2.75–3.75%.

Housing for elderly or handicapped, 3–3.75%.

Low-rent public housing: Purchase money mortgages, 3–5½%.

Community development: Public facility loans, 3⅜–6%.

INTERIOR DEPARTMENT

Bureau of Indian Affairs: Liquidation of Hoonah Housing Project, 3%.

Revolving fund for loans:

Cooperative associations, 3–5½%.

Corporations and tribes, 0–5½%.

Credit associations, 2–5%.

Expert assistance, 5½%.

Individual Indians, 0–5½%.

Territorial Affairs: Public works, 2%.

Water and power resources:

Bureau of Reclamation: Irrigation distribution systems, ——. Small irrigation projects, 3–4⅛%.

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JUSTICE DEPARTMENT

Loans to law enforcement students, 3–7%.

STATE DEPARTMENT

Loans to Finland—World War I, 3–4¼%.
Loan to the United Nations, 2%.

TREASURY DEPARTMENT

Miscellaneous loans and other credits:
Greece—WW I, 2%.
Haiti, 0–3½%.
Turkey, 2%.
Lend-lease and surplus property, 0–2⅜%.
Loan to United Kingdom, 0–2%.

VETERANS' ADMINISTRATION

National service life insurance fund, 4–5%.
Service-disabled life insurance fund, 4–5%.
Soldiers' and sailors' civil relief, 4–5%.
U.S. Government life insurance fund, 4–5%.
Veterans reopened insurance fund, 4–5%.
Veterans special life insurance fund, 4–5%.

SMALL BUSINESS ADMINISTRATION

Handicapped loans, 3%.
Local development company loans, 5–5½%.

RURAL ELECTRIFICATION ADMINISTRATION

Rural Electrification and telephone revolving fund:
Electric systems, 2–5%.
Appliances and equipment, 2–5%.
Telephone systems, 2–5%.

FUNDS APPROPRIATED TO THE PRESIDENT

International development assistance: Bilateral assistance:
Development loan fund liquidation account, ¾–8%.
Common defense, economic, and triangular trade loans, ½–3½%.
All other loans, ½–5%.

Source: Financial Operations of Government Agencies and Funds, Treasury Bulletin—March 31, 1974.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. MAYNE).

The amendment was agreed to.

The Chairman. The clerk will read.

The Clerk read as follows:

> SEC. 4. Loans guaranteed under this Act shall be secured by security adequate to protect the Government's interests, as determined by the Secretary.
>
> SEC. 5. Loan guarantees outstanding under this Act shall not exceed $2,000,000,000 at any one time. Subject to the provisions of section 2(c) of this Act, the fund created in section 309 of the Consolidated Farm and Rural Development Act shall be used by the Secretary for the discharge of the obligations of the Secretary under contracts of guarantee made pursuant to this Act.
>
> SEC. 6. Contracts of guarantee under this Act shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on exenditures and net lending (budget outlays) of the United States.

POINTS OF ORDER

Mr. VANIK. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. VANIK. Mr. Chairman, I make a point of order against section 6. The language in section 6 removes any expenditures under this act from the debt ceiling of the United States. My point of order is based on the point that this language constitutes an appropriation in a legislative bill, and second, invades the jurisdiction of another committee which has jurisdiction under the rules of this House, and with respect to those items it should be included in the debt ceiling.

The CHAIRMAN (Mr. MEEDS). The Chair is ready to rule.

The Chair would state to the gentleman, as to the argument with respect to committee jurisdiction, that the provisions of section 6 of the committee substitute are also continued in section 7 of the original bill, and the point of order of germaneness is not in order. Section 6, while it provides that guarantees shall not be included in budget totals and shall be exempt from limitations on net lending, does not appropriate funds and does not violate clause 4 of rule XXI. The points of order are overruled.

Does the gentleman wish to be heard further?

Mr. VANIK. Mr. Chairman, what about the second point that I made, that this is not within the jurisdiction of the Committee on Agriculture, to determine what should go into the debt ceiling?

The CHAIRMAN. That is not a proper point of order. That is a matter which should be resolved in another way.

AMENDMENT OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. VANIK: On page 8, line 22, strike all of section 6 through page 9, line 2 and renumber the following sections accordingly.

Mr. VANIK. Mr. Chairman, the amendment which I offer would strike all of section 6, and would bring this program into the regular budget process and public debt ceiling.

According to a letter from the Department of Agriculture to the committee a 5-percent default rate can be expected. As a result, this program will cost the public at least $80 million. But the Department admits that the cost "could be millions of dollars more, or less, than the above figure."

Mr. Chairman, I believe that the cost will be much, much higher—and for the sake of fiscal honesty and integrity, we should include the full amount of the guarantee loan program in the public debt and budget totals.

If this is indeed an emergency program, if the farmers and ranchers are in such desperate straits, we can expect much higher default totals. If there is no emergency, then the program is unjustified and the entire bill should be defeated. I do not know how the committee can have it both ways.

If the producers cannot obtain bank loans now, it must mean that the banks do not believe that they can repay the loans. This bill guarantees loans at today's unprecedented, almost usurious rates.

How will the farmers and ranchers be able to repay these exorbitant loans a year from now? Either this will become a permanent loan program or we will be asked to provide loan forgiveness. In either case, we are taking the first step today in making a massive budget expenditure—and we should list this $2 billion in the budget totals and public debt totals.

Mr. Chairman, the Congress is concerned about inflation. This bill will create additional upward pressure on interest rates. Many of the principal sponsors of this legislation have been particularly vocal in their concern about inflation. Yet this is an enormously inflationary bill—and we are trying to hide that fact by keeping it out of the budget and public debt totals.

Do the members of the committee have any idea of the amount of guaranteed loans outstanding? How many new loans are being issued? According to OMB's special analysis of the President's budget for fiscal year 1975, $39.2 billion in new guaranteed and insured loans will be issued in fiscal 1975. This increases the net total of guaranteed and insured loans outstanding from $189.5 billion in fiscal 1974 to $202.7 billion in fiscal year 1975. According to the Office of Management and Budget, the cost of the estimated subsidy value for guaranteed loans being made in fiscal year 1975 will be $5.1 billion. This is the amount of subsidy accruing to the recipients of these guaranteed loans. This is the amount of the subsidy being paid by the taxpayer and by the consumer when he has to take out a nonguaranteed loan for himself. This is the amount of the subsidy which is being paid by all those who seek to obtain a mortgage to buy a house or purchase a new car.

Does the committee have any idea of the amount of net credit advanced and credit raised outside of the budget? New borrowing in fiscal 1975 will be about $3.6 billion. The total of outstanding borrowing of federally backed agencies outside of the debt and budget will be $83.4 billion in fiscal year 1975. During fiscal year 1975, the outstanding funds raised under Federal auspices and advanced to the public will be $305.7 billion.

Mr. Chairman, these guarantees create inflation and distortions in the money markets just as surely as if we directly appropriated the money by name to farmer Jones and farmer Smith. This can be seen by the very language of the committee bill on page 7 where there is the requirement that no guarantee will be issued unless "the lender is unwilling to provide credit to the loan applicant in the absence of the guarantee."

Mr. Chairman, for the sake of budget integrity, and honesty, I urge the adoption of the amendment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, the next section of the bill provides that—

> Any contract of guarantee executed by the Secretary under this Act shall be an obligation supported by the full faith and credit of the United States * * *.

Mr. VANIK. That is correct.

Mr. GROSS. Mr. Chairman, I agree with the gentleman.

Mr. VANIK. That is correct. Mr. Chairman, I thank the gentleman for pointing that out.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wish to again express opposition to amendments to the pending bill. I am especially concerned over the adoption of the amendment reducing the loan figure from $350,000 to $250,000.

This amendment, if enacted into law, would seriously impair the effectiveness of the pending bill and deny the benefits of the measure to many of those who have the greatest need.

I want to urge that in conference the maximum loan figure be raised to the $350,000 as provided in the original bill as reported by the Agriculture Committee.

This is urgently required.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 7. Any contract of guarantee executed by the Secretary under this Act shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder.

SEC. 8. The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate one year from the date of enactment of this Act, except that the Secretary of Agriculture may extend the guarantee authority provided in this Act for a period not to exceed six months if he (1) determines that such guarantees are necessary to the welfare of livestock producers and that adequate credit cannot be obtained without such guarantee by the Secretary, and (2) notifies the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least thirty days prior to the date on which he elects to extend the guarantee authority provided in the Act.

SEC. 9. (a) The provisions of section 310B (d)(6) of the Consolidated Farm and Rural Development Act shall apply to loans guaranteed under this Act.

(b) Contracts of guarantee executed pursuant to the provisions of this Act shall be fully assignable.

SEC. 10. The Secretary is authorized to issue such regulations as he determines necessary to carry out this Act. The proposed regulations shall be issued as soon as possible, but in no event later than thirty days from the date of enactment of this Act.

Mr. POAGE (during the reading). Mr. Chairman, I ask unanimous consent that section 7 and the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEYSER: On page 10, line 5, strike all that follows through and including line 7.

Mr. PEYSER. Mr. Chairman, I have taken the floor again at this time because there are many Members who are now on the floor who were not with us previously.

The amendment is of no importance, the one that is before us right now, and I am not even going to ask for a vote on this amendment. However, I think it is important, before we vote on final passage of this bill, that we do recognize that as many Members as can recognize that we are dealing with a whole new philosophy, not only in the field of agriculture, but in all fields of endeavor in this country, if we go along with this process. The idea of bailing out businesses that fail due to poor judgment is a mistake.

I think it is important to realize that it is not often that we get some of the major newspapers in this country that are on different sides of the fence politically, such as the New York Times and the New York Daily News, both of which generally are on opposite sides of the political fence editorially, have both come out strongly in opposition to this bill. And the Wall Street Journal, that certainly has interest in the investment community, that is deeply involved in this legislation, has also come out in opposition to this bill.

We have in effect the picture here as far as I am concerned of a guaranteed cost to the taxpayer at this time of the full $2 billion that we are talking about in guaranteed loans. Because I think that if you realize that in the bill the persons that are eligible for these loans are people who can receive credit from no one at this time, who are in a desperate financial situation because of their own poor business maneuverings. I say this because of what we have seen today on the floor, and have heard, of many of the major cattle associations in this country writing to us in opposition to this bill, saying that they do not want the bill.

We have had small cattle growers who have indicated that they have been in the cattle business for years, and for generations, in fact, and there have been ups and downs, but they want the Government to keep its hands off.

I support that concept. I ask that when we come to the vote on the final passage of this bill that we show the public and the cattle growers and all the livestock producers that are in this bill—and do not for a minute forget that the sheep, the goats, the chickens, the turkeys, and the hogs are in it—we are not giving them up—that we are going to defeat this bill and we are going to try to take a step that will make the marketplace a better place for them to sell in.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I might say first of all that unfortunately, I was forced to be at another meeting, and was not able to be here in time, because I had intended to offer an amendment to knock out the goats, sheep and turkeys from this bill.

I would ask the gentleman from New York if in his interpretation of the bill as it now stands, whether there are bucks for clucks in this bill, or what?

Mr. PEYSER. There will be money for every one of those categories.

Mr. ANDREWS of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would not say it was done deliberately by our friends from the big cities but possibly they would be trying to lead their country cousins a little astray, and I refer to the gentleman from New York (Mr. PEYSER) in the speech that he just made, wherein the gentleman said that this is a whole new philosophy. I would like to point out to the Members of the House that this is not a whole new philosophy, because a local franchise holder for a McDonald hamburger stand can go in and get an SBA loan to start up business because he cannot get credit from anybody else, for $350,000 to sell hamburgers. All this bill does is to enable the individual small beef producer to get the credit to stay in a business that he has been in in the past, so as to be able to serve the communities in our country and to serve the consumers in our country so that they will have hamburgers to buy in that McDonald hamburger stand.

This is not new, this is not a new philosophy. It is nothing different from what our city cousins have been doing for a long time. I am amazed at my colleague, the gentleman from New York, when he says that to apply this same philosophy to the farmers so that they can produce the beef, without which there would be no hamburger for the hamburger stand to sell, he says that, for some reason, this is all wrong, that it is a different philosophy to extend credit guarantees to the beef produce than to extend it to the hamburger retailers.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, I thank the gentleman for yielding to me, and I would like to say that I believe the gentleman from North Dakota (Mr. ANDREWS) is absolutely right. I think we have got to put this thing into perspective. As a matter of fact, there are 155,000 feedlots in the United States, 2,000 of them feed more than 1,000 head of cattle apiece. This bill is designed to strengthen the backbone of 155,000 cattle feeders in this land, and not for the super corporations or conglomerates that have been alluded to by some of the Members. As a matter of fact, more than 1 million farmers in the United States are engaged in the production of dairy, swine, sheep, and turkeys. Only 16,000 produce more than 1,000 animal units apiece.

We are talking about a bill to guarantee the survival of the background of American agriculture. I certainly urge the adoption of the bill.

Mr. POAGE. Mr. Chairman, I move to strike the last word.

I should like to speak about the philosophy that the gentleman just discussed. There is a bill presently before us that reads that—

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> (a) The Secretary of the Treasury shall pay out of funds appropriated to carry out this act to any regulated public utility reimbursement pursuant to Section B of this section for any amount expended for residual fuel oil to the extent that the price of such oil exceeded $7.50 a barrel.

Clearly, the philosophy of that bill is that, if the cost to the producer of electricity goes up, that the U.S. Government should subsidize—not loan at the going interest rate—but directly subsidize the utility for all the difference between the cost of the oil and $7.50 per barrel.

That, surely, would not be the philosophy of the opponents of this bill, who find it so improper to guarantee loans for cattle feeders who are paying three and four times as much for feed as they did a few years before. But somehow or another this bill comes in here under the name of a member of our committee who opposed this bill. Somehow the record indicates that our colleague who feels so strongly that we should not guarantee any loans for cattlemen but that it was entirely proper to subsidize the utilities of New York.

I do not know what mistake has been made. I cannot understand who has made this mistake. I do not know how this utility bill got circulated today when we are discussing loans for livestock producers, but certainly there has been a mistake made, and I hope the membership will correct it by just voting for these loans even if you can't support the philosophy of subsidy for the utilities.

Mr. RARICK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Louisiana.

Mr. RARICK. I thank the gentleman for yielding.

I should just like to thank the Chairman for his observation and remind him and the other Members of the Committee that it was just about 3 weeks ago that Mr. PEYSER, the great consumer spokesman, urged the defeat of the Sugar Act because he said it would help the American consumer. And a few weeks later we see the results, it has raised the price of sugar 5 cents a pound. Today I do not know what he is going to promise the consumer, but if he helps kill this bill, I believe it will also include raising the price of meat to the consumer.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

I, too, am somewhat surprised at the gentleman from New York (Mr. PEYSER). I have not heard him protest to the use of a billion dollars to shore up the Franklin National Bank in New York City, nor have I heard him protest the use of Government funds to finance and guarantee loans to Amtrak. I wonder when he is going to object to the financing of these and other projects?

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

I should like to say to the gentleman from Iowa I have no knowledge of any bill to bail out the Franklin National Bank, nor would I be interested in supporting such a bill.

Mr. GROSS. The money is already there.

Mr. PEYSER. I would not support providing for money in such a bill any more than I supported Lockheed.

As the gentleman knows, the price of sugar and what is happening in the market today has nothing to do with what is taking place on the floor, because that will take place next year. The price is going down, not up.

Mr. POAGE. I call the gentleman's attention to the fact that the very next day after we voted the sugar bill down, the price of sugar went up 2 cents. It seems clear that our action may have had something to do with what occurred the very next day.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to this legislation. This bill is no different from the ones this House has previously dealt with. The Lockheed loans and the recent Poultry Indemnity Act are examples of the doubtful principle of congressional salvage operations.

One of the best incentives I know of for preventing poor business decisions or sloppy management is the threat of failure hardship. This sort of program eliminates that worry from our economy, and would set a bad precedent that would soon come back to harass us.

The Secretary of the Treasury has put it well. "Who's next?" he asks. I doubt whether many of my colleagues would look favorably on a subsidy program for the struggling brokers of Wall Street, but the same phenomenon, inflation, has caused failures there, too.

I recognize that cattlemen have suffered serious losses because of high costs and market declines. But a loan program is not going to help bring the cattle market back up, nor will it deal with the other serious factors contributing to the livestock industry's present situation. If Congress wants to pass a bill that will help these cattlemen, then it should complete action on the trade bill, so that the President has the authority to negotiate away the unfair import barriers which foreign countries have used to slow U.S. beef exports.

The basic concept of this bill is that livestock breeders will not be able to obtain bank loans without guarantees. I do not believe that the cattlemen will be deserted now by the country bankers that have financed them in years past—good or bad. The Federal Reserve Bank of Minneapolis indicates that although many banks have customers with financial problems, There is no evidence of any bankruptcies. Many cattlemen are holding off on bank loans for feed because of concerns over high prices. But other than this area of concern, it does not look very much like an emergency which requires congressional action such as we are now considering.

There is also a question of whether this emergency even exists any more. If the bill was motivated by a severe dip in the price of beef, then there is no reason to pass it now that the market has rebounded. The summer barbeque season is upon us and it appears that the consumer is now getting the message that beef is affordable again.

Finally, Mr. Chairman, I do not believe that the House should pass a bill with an estimated cost of at least $80 million when there is a need for congressional leadership in curbing inflation. Next to our overweight department budgets, $80 million seems like a small amount. But it is too much when it is earmarked for a program of dubious necessity.

I think the bill sets a bad example for the American taxpayer who is concerned about inflation and Federal spending. It also sets a poor precedent for the businessmen who wonder whether risky financial ventures are going to be salvaged by the Government everytime they fail. I think the bill is a bad one, and I urge its defeat.

Mr. MATSUNAGA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think it should be strongly emphasized before a vote is taken on the pending bill that it is not a giveaway livestock program. There is no provision for any grant to any farmer, or to any livestock producer. It does not even provide for a Federal loan program. It does not call for any Federal loans. It merely provides that the Federal Government shall guarantee private loans, and those private loans are guaranteed only after certain security requirements have been met.

Under section 3(c) of the bill, no loan shall be made until, and I quote, "The Secretary finds there is reasonable probability of accomplishing the objectives of the Act and repayment of the loan."

And section 4 of the bill provides as follows:

> Loans guaranteed under this Act shall be secured by security adequate to protect the Government's interests, as determined by the Secretary.

What the pending bill does is to help livestock producers in dire financial straits to continue in business to produce beef and poultry, which they would not otherwise be able to do. Failure to pass this bill would mean that thousands of livestock producers would be forced out of business, with the consequence of substantial decrease in the supply of beef and poultry for our markets. This can only mean higher food costs to the American consumer.

Mr. Chairman, H.R. 15560 is a bill which will benefit livestock producers and consumers alike, and I therefore urge its passage.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. PEYSER).

The amendment was rejected.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MEEDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 15560) to provide temporary emergency financing through the establishment of a guaranteed loan program for livestock producers, pursuant to House Resolution 1226, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

RECORDED VOTE

Mr. PEYSER. Mr. Speaker, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 204, not voting 20, as follows:

[Roll No. 383]

AYES—210

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Arends
Armstrong
Bafalis
Bauman
Beard
Bergland
Bevill
Boggs
Bolling
Bowen
Breaux
Breckinridge
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Burleson, Tex.
Burlison, Mo.
Butler
Camp
Carter
Casey, Tex.
Cederberg
Chappell
Clausen, Don H.
Cleveland
Cochran
Cohen
Culver
Daniel, Dan
Davis, S.C.
Davis, Wis.
de la Garza
Denholm
Dent
Dickinson
Dingell
Downing
Duncan
Eckhardt
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fisher
Flood
Flowers
Flynt
Foley
Fountain
Fraser
Froehlich
Fulton
Fuqua
Gettys
Gilman
Ginn
Gonzalez
Goodling
Gray
Green, Oreg.
Gubser
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hansen, Idaho
Hansen, Wash.
Harsha
Hays
Hébert
Henderson
Hicks
Hillis
Hogan
Hungate
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Ketchum
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Litton
Long, La.
Lott
Lujan
McClory
McCollister
McCormack
McEwen
McFall
McKay
McSpadden
Madigan
Mahon
Mallary
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Melcher
Mezvinsky
Michel
Mills
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Morgan
Murtha
Natcher
Nedzi
Nelsen
Nichols
Obey
O'Brien
O'Hara
O'Neill
Owens
Passman
Patman
Pepper
Perkins
Pettis
Pickle
Poage
Preyer
Price, Ill.
Price, Tex.
Quie
Railsback
Randall
Rarick
Reid
Rhodes
Riegle
Roberts
Robinson, Va.
Roncalio, Wyo.
Rose
Roush
Roy
Roybal
Ruth
Sandman
Scherle
Sebelius
Seiberling
Shipley
Shriver
Sisk
Skubitz
Slack
Smith, Iowa
Spence
Staggers
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stubblefield
Stuckey
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Traxler
Treen
Udall
Ullman
Vander Jagt
Vigorito
Waggonner
Wampler
White
Whitten
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Young, Fla.
Young, S.C.
Young, Tex.
Zablocki
Zwach

NOES—204

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Annunzio
Archer
Ashbrook
Ashley
Aspin
Badillo
Barrett
Bell
Bennett
Biaggi
Biester
Bingham
Blackburn
Boland
Brademas
Bray
Brinkley
Broomfield
Brown, Ohio
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Byron
Carney, Ohio
Chamberlain
Chisholm
Clancy
Clark
Clawson, Del
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Delaney
Dellenback
Dellums
Dennis
Derwinski
Devine
Diggs
Donohue
Drinan
Dulski
du Pont
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Fascell
Fish
Ford
Forsythe
Frelinghuysen
Frenzel
Frey
Gaydos
Giaimo
Gibbons
Goldwater
Grasso
Green, Pa.
Gross
Grover
Gude
Hanrahan
Harrington
Hastings
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hinshaw
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hunt
Kemp
King
Kluczynski
Koch
Lehman
Lent
Long, Md.
Luken
McCloskey
McDade
McKinney
Macdonald
Madden
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mazzoli
Meeds
Milford
Miller
Minish
Minshall, Ohio
Mitchell, Md.
Moakley
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Nix
Parris
Patten
Peyser
Pike
Podell
Powell, Ohio
Pritchard
Quillen
Rangel
Rees
Regula
Reuss
Rinaldo
Rodino
Roe
Rogers
Roncalio, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Rousselot
Runnels
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Schneebeli
Shoup
Shuster
Sikes
Smith, N.Y.
Snyder
Stanton, J. William
Stark
Steele
Steelman
Stokes
Stratton
Studds
Sullivan
Symms
Thompson, N.J.
Tiernan
Towell, Nev.
Van Deerlin
Vander Veen
Vanik
Veysey
Waldie
Walsh
Ware
Whalen
Whitehurst
Widnall
Wiggins
Williams
Wilson, Charles H., Calif.
Wolff
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Zion

NOT VOTING—20

Baker
Blatnik
Brasco
Carey, N.Y.
Clay
Conlan
Davis, Ga.
Dorn
Griffiths
Gunter
Hanna
Landgrebe
Metcalfe
Mink
Myers
Robison, N.Y.
Rooney, N.Y.
Schroeder
Stanton, James V.
Symington

So the bill was passed.

The Clerk announced the following pairs:

Mr. Davis of Georgia with Mr. Baker.
Mr. Rooney of New York with Mr. Hanna.
Mr. James V. Stanton with Mrs. Schroeder.
Mr. Carey of New York with Mr. Conlan.
Mrs. Mink with Mr. Landgrebe.
Mr. Brasco with Mrs. Griffiths.
Mr. Clay with Mr. Symington.
Mr. Metcalfe with Mr. Blatnik.
Mr. Dorn with Mr. Myers.
Mr. Gunter with Mr. Robison of New York.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to provide temporary emergency livestock financing through the establishment of a guaranteed loan program."

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 1226, the Committee on Agriculture is discharged from further consideration of the bill S. 3679, to provide emergency financing for livestock producers.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. POAGE

Mr. POAGE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. POAGE moves to strike out all after the enacting clause of the bill S. 3679, and to insert in lieu thereof the provisions of H.R. 15560, as passed, as follows:

That this Act may be cited as the "Emergency Livestock Credit Act of 1974".

SEC. 2. (a) The Secretary of Agriculture is authorized and directed to provide financial assistance to bona fide farmers and ranchers who are primarily and directly engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing livestock. In the case of corporations or partnerships, such financial assistance shall be extended only when a majority interest in such corporations or partnerships is held by stockholders or partners who themselves are primarily and directly engaged in such agricultural production. For purposes of this Act, the term "livestock" shall mean beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys.

(b) The Secretary shall guarantee loans, including both principal and interest, made by any legally organized lending agency which otherwise meet the purposes and conditions of this Act. As used herein, a guaranteed loan is one which is made, held, and serviced by a legally organized lending agency and which is guaranteed by the Secretary hereunder: *Provided*, That the term "legally organized lending agency" shall not be deemed to include the Federal Financing Bank.

(c) No contract guaranteeing any such loan by a lender shall require the Secretary to participate in more than 80 per centum of any loss sustained thereon.

(d) No fees or charges shall be assessed by the Secretary for any guarantee provided by him under this Act.

(e) Loans guaranteed under this Act shall bear interest at a rate to be agreed upon by the lender and borrower.

(f) Loans guaranteed under this Act shall be payable in not more than three years, but may be renewed for not more than two additional years.

Sec. 3. As a condition of the Secretary's guaranteeing any loan under this Act—

(a) The lender shall certify that—

(1) the lender is unwilling to provide credit to the loan applicant in the absence of the guarantee authorized by this Act;

(2) the loan applicant is directly and in good faith engaged in agricultural production, and the financing to be furnished the loan applicant is to be used for purposes related to the breeding, raising, fattening, or marketing of livestock;

(3) the loan is for the purpose of maintaining the operations of the loan applicant, and the total loans made to the loan applicant do not exceed the amount necessary to permit the continuation of his livestock operations at a level equal to its highest level during the eighteen months immediately preceding the date of enactment of this Act: *Provided*, That the total loans guaranteed under this Act for any loan applicant shall not exceed $250,000;

(4) in the case of any loan to refinance the livestock operations of a loan applicant (i) the loan and refinancing are absolutely essential in order for the loan applicant to remain in business, (ii) the lending agency would not refinance such loan in the absence of a guarantee, and (iii) the lending agency is not currently refinancing similar loans to others without such guarantees.

(b) The loan applicant shall certify that he will be unable to obtain financing in the absence of the guarantee authorized by this Act.

(c) The secretary finds there is reasonable probability of accomplishing the objectives of the Act and repayment of the loan.

Sec. 4. Loans guaranteed under this Act shall be secured by security adequate to protect the Government's interests, as determined by the Secretary.

Sec. 5. Loan guarantees outstanding under this Act shall not exceed $2,000,000,000 at any one time. Subject to the provisions of section 2(c) of this Act, the fund created in section 309 of the Consolidated Farm and Rural Development Act shall be used by the Secretary for the discharge of the obligations of the Secretary under contracts of guarantee made pursuant to this Act.

Sec. 6. Contracts of guarantee under this Act shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

Sec. 7. Any contract of guarantee executed by the Secretary under this Act shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder.

Sec. 8. The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate one year from the date of enactment of this Act, except that the Secretary of Agriculture may extend the guarantee authority provided in this Act for a period not to exceed six months if he (1) determines that such guarantees are necessary to the welfare of livestock producers and that adequate credit cannot be obtained without such guarantee by the Secretary, and (2) notifies the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least thirty days prior to the date on which he elects to extend the guarantee authority provided in the Act.

Sec. 9. (a) The provisions of section 310B (d)(6) of the Consolidated Farm and Rural Development Act shall apply to loans guaranteed under this Act.

(b) Contracts of guarantee executed pursuant to the provisions of this Act shall be fully assignable.

Sec. 10. The Secretary is authorized to issue such regulations as he determines necessary to carry out this Act. The proposed regulations shall be issued as soon as possible, but in no event later than thirty days from the date of enactment of this Act.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide temporary emergency livestock financing through the establishment of a guaranteed loan program."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 15560) was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had tabled the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7824) entitled "An act to establish a Legal Services Corporation, and for other purposes."

And that the Senate further insists upon its amendments to the above-entitled bill, disagreed to by the House.

PERSONAL EXPLANATION

Mr. BRECKINRIDGE. Mr. Speaker, I appreciate this opportunity to make a statement of personal explanation.

On Wednesday, July 10, 1974, and on June 26, 1974, I was present and voted, but my votes were not recorded. I voted on the following rollcall numbers, as follows: No. 370, aye; No. 371, no; No. 372, aye; and on No. 332, aye.

GENERAL LEAVE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 2296, PROTECTION, DEVELOPMENT, AND ENHANCEMENT OF NATIONAL FOREST SYSTEM LANDS AND RESOURCES

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 2296), together with the House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request by the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. POAGE, RARICK, VIGORITO, GOODLING, and BAKER.

CONFERENCE REPORT ON H.R. 11295, ANADROMOUS FISH CONSERVATION ACT AMENDMENTS

Mr. DINGELL. Mr. Speaker, I call up the conference report on the bill (H.R. 11295) to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such act, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House for July 11, 1974.)

Mr. DINGELL (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 11295 is to extend and expand the program for the conservation, development, and enhancement of our Nation's anadromous fish and fish in the Great Lakes that ascend streams to spawn.

Mr. Speaker, briefly explained, anadromous fish and those species of fish that begin their life in fresh water, where they live for varying periods, then migrate to salt water where they usually spend most of their adult lives and finally return to fresh water—usually to the stream of their birth—to spawn, after which many die, having completed their lifespan. There are many species of fish in the Great Lakes similar to anadromous fish, however, they are not considered anadromous because they do not migrate to salt water. The Anadromous Fish Conservation Act was enacted in 1965 in response to an urgent need for a comprehensive national program designed to benefit the anadromous fishery resources of our Nation. The 1965 act authorized the Secretary of the Interior to enter into cooperative agreements with the States, either separately or jointly, for the conservation, development, and enhancement of anadromous fish and those stocks of fish in the Great Lakes that ascend streams to spawn. Under the act, the Federal share of the total cost of any project approved by the Secretary of the Interior is limited to an amount not to exceed 50 percent of such costs, with the remaining cost to be paid for by the States.

However, in order to encourage multi-state projects, in 1970, the act was amended to provide that whenever two or more States having a common interest in any basin jointly enter into a cooperative agreement with the Secretary of the Interior, the Federal share of the program costs would be increased to 60 percent with the remaining costs to be borne by the States concerned.

Mr. Speaker, since the enactment of the act the program has met with enthusiastic response from all of the States participating in the program with $16 million of Federal funds being invested in the program.

Mr. Speaker, the need for the legislation under consideration today is due to the fact that the Anadromous Fish Conservation Act expired June 30, 1974. Briefly explained, H.R. 11295, as it passed the House on January 22 of this year, would amend section 4(a) of the act to extend the act for an additional 5 years, that is until June 30, 1979, and authorize to be appropriated $10 million per year, which is at the same level of funding authorized to be appropriated under present law. In addition, the bill would amend section 2 of the act to authorize the carrying out of a program to provide for the control of the sea lamprey.

The need for this latter provision arises from the fact that in 1965, when the act came into being, the Great Lakes Fishery Commission had underway a program to control sea lamprey with electric weirs and selective chemical toxicants. It had been anticipated at that time that with the continued use of these methods, control of sea lampreys would be a reality within 5 to 10 years. It has now been determined that the original goal was optimistic and that additional time and effort will be needed before lamprey control can be achieved.

Mr. Speaker, the Senate passed H.R. 11295 this past June 5 with an amendment. The Senate amendment to the bill contained language which would amend section 1(a) of the act to increase the Federal share of the cost of carrying out projects undertaken by an individual State from an amount not to exceed 50 percent, as provided by present law, to an amount not to exceed 75 percent of such costs. The House bill contained no such language. The Senate receded on this issue.

The Senate amendment to the bill also contained language which would amend section 1(c) of the act to increase the Federal share of the cost of carrying out projects undertaken by two or more States having a common interest in any basin from an amount not to exceed 60 percent, as provided by present law, to an amount not to exceed 80 percent of such costs. The House bill contained no such language. The House receded on this issue and in doing so we agreed to accept substitute language that would increase the Federal share in carrying out such multistate projects to a maximum of 66⅔ percent of such costs.

Mr. Speaker, we agreed to an increase in the Federal share of the costs of carrying out multistate-Federal projects because we think they are especially desirable in research management and in the establishment of common stocks of fish occurring in any basin where there is a mutual interest. Because of the importance attached to this provision, the Committee on Conference included language in its report to encourage the entering into of multi-State project agreements. Benefits expected to be realized from such multistate projects would include detailed planning of projects by the participating agencies, federally coordinated results, economy of effort and reduced costs by reducing duplications as compared to individual State-by-State projects. The Committee on Conference also included in its report language to make it clear that when there are limited funds available with which to carry out this act, consideration should be given to providing priority for multi-State projects.

Finally, Mr. Speaker, the Senate amendment to the bill contained language which would further amend section 4(a) of the act—as amended by section 2 of this act—to increase the amount of funds authorized to be appropriated each fiscal year from $10 million to $20 million per year.

The House bill would leave the funding to $10 million per year. However, because of the existing backlog of unfunded State requests which amounted to $3 million per year for fiscal year 1973 and 1974, and because of increasing the Federal share of the cost of carrying out multistate projects from 60 percent to 66⅔ percent, as would be provided by the conference bill, the conferees felt that $20 million would be needed annually in order to adequately carry out the purposes of this act and therefore the conference report so provided.

Mr. Speaker, I think that the bill that has been reported by the conference committee is a good bill and I urge its prompt passage.

Mr. DINGELL. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. Goodling).

Mr. GOODLING. Mr. Speaker, the managers on the part of the House and the Senate have struck a reasonable compromise between the provisions of H.R. 11295, as initially passed by the House and as amended by the other body. The conferees agreed to retain the 50 percent Federal funding of individual State projects, as provided for in the basic act, there being no record to justify the increase to 75 percent Federal funding as proposed by the Senate.

The House managers agreed, however, to raise to 66⅔ percent the Federal funding level for multistate projects. The basic law provided for 60 percent and the Senate had proposed to increase this to 80 percent. The modest increase in multistate funding which has been agreed to is a reflection of our belief that such projects are preferable, and the States should be encouraged to get together on stream restoration projects .

The House managers agreed to the increased authorization level provided for in the Senate-passed bill of $20 million per year over a 5-year period. There is a large backlog of unfunded State requests under the Anadromous Fish Conservation Act, and this coupled with the increase in the Federal share for multistate projects justifies the increased authorization level. Anadromous fish, including salmon, are among our most important natural resources. They are totally dependent upon the quality of our inland streams and rivers for spawning. This legislation has funded over 300 projects, including hatcheries, rearing ponds, and fish ladders, as well as sponsoring vital research programs to enhance our anadromous fish resources.

I urge my colleagues to adopt the conference report on H.R. 11295.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEGAL SERVICES CORPORATION ACT

MOTION OFFERED BY MR. PERKINS

Mr. PERKINS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PERKINS moves that the House take from the Speaker's table the bill H.R. 7824, with the Senate amendments thereto, recede from its disagreement to the Senate amendment to the text of the bill and concur therein with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Legal Services Corporation Act of 1974".

Sec. 2. The Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new title:

"TITLE X—LEGAL SERVICES CORPORATION ACT

"STATEMENT OF FINDINGS AND DECLARATION OF PURPOSE

"Sec. 1001. The Congress finds and declares that—

"(1) there is a need to provide equal access to the system of justice in our Nation for individuals who seek redress of grievances;

"(2) there is a need to provide high quality legal assistance to those who would be otherwise unable to afford adequate legal counsel and to continue the present vital legal services program;

"(3) providing legal assistance to those who face an economic barrier to adequate legal counsel will serve best the ends of justice;

"(4) for many of our citizens, the availability of legal services has reaffirmed faith in our government of laws;

"(5) to preserve its strength, the legal services program must be kept free from the influence of or use by it of political pressures; and

“(6) attorneys providing legal assistance must have full freedom to protect the best interests of their clients in keeping with the Code of Professional Responsibility, the Canons of Ethics, and the high standards of the legal profession.

“DEFINITIONS

“SEC. 1002. As used in this title, the term—

“(1) ‘Board’ means the Board of Directors of the Legal Services Corporation;

“(2) ‘Corporation’ means the Legal Services Corporation established under this title;

“(3) ‘eligible client’ means any person financially unable to afford legal assistance;

“(4) ‘Governor’ means the chief executive officer of a State;

“(5) ‘legal assistance’ means the provision of any legal services consistent with the purposes and provisions of this title;

“(6) ‘recipient’ means any grantee, contractee, or recipient of financial assistance described in clause (A) of section 1006 (a)(1);

“(7) ‘staff attorney’ means an attorney who receives more than one-half of his annual professional income from a recipient organized solely for the provision of legal assistance to eligible clients under this title; and

“(8) ‘State’ means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

“ESTABLISHMENT OF CORPORATION

“SEC. 1003. (a) There is established in the District of Columbia a private nonmembership nonprofit corporation, which shall be known as the Legal Services Corporation, for the purpose of providing financial support for legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance.

“(b) The Corporation shall maintain its principal office in the District of Columbia and shall maintain therein a designated agent to accept service of process for the Corporation. Notice to or service upon the agent shall be deemed notice to or service upon the Corporation.

“(c) The Corporation, and any legal assistance program assisted by the Corporation, shall be eligible to be treated as an organization described in section 170(c)(2)(B) of the Internal Revenue Code of 1954 and as an organization described in section 501 (c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code. If such treatments are conferred in accordance with the provisions of such Code, the Corporation, and legal assistance programs assisted by the Corporation, shall be subject to all provisions of such Code relevant to the conduct of organizations exempt from taxation.

“GOVERNING BODY

“SEC. 1004. (a) The Corporation shall have a Board of Directors consisting of eleven voting members appointed by the President, by and with the advice and consent of the Senate, no more than six of whom shall be of the same political party. A majority shall be members of the bar of the highest court of any State, and none shall be a full-time employee of the United States.

“(b) The term of office of each member of the Board shall be three years, except that five of the members first appointed, as designated by the President at the time of appointment, shall serve for a term of two years. Each member of the Board shall continue to serve until the successor to such member has been appointed and qualified. The term of initial members shall be computed from the date of the first meeting of the Board. The term of each member other than initial members shall be computed from the date of termination of the preceding term. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of such term. No member shall be reappointed to more than two consecutive terms immediately following such member's initial term.

“(c) The members of the Board shall not by reason of such membership, be deemed officers or employees of the United States.

“(d) The President shall select from among the voting members of the Board a chairman, who shall serve for a term of three years. Thereafter the Board shall annually elect a chairman from among its voting members.

“(e) A member of the Board may be removed by a vote of seven members for malfeasance in office or for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

“(f) Within six months after the first meeting of the Board, the Board shall request the Governor of each State to appoint a nine-member advisory council for such State. A majority of the members of the advisory council shall be appointed, after recommendations have been received from the State bar association, from among the attorneys admitted to practice in the State, and the membership of the council shall be subject to annual reappointment. If ninety days have elapsed without such an advisory council appointed by the Governor, the Board is authorized to appoint such a council. The advisory council shall be charged with notifying the Corporation of any apparent violation of the provisions of this title and applicable rules, regulations, and guidelines promulgated pursuant to this title. The advisory council shall, at the same time, furnish a copy of the notification to any recipient affected thereby, and the Corporation shall allow such recipient a reasonable time (but in no case less than thirty days) to reply to any allegation contained in the notification.

“(g) All meetings of the Board, of any executive committee of the Board, and of any advisory council established in connection with this title shall be open to the public, and any minutes of such public meeting shall be available to the public, unless the membership of such bodies, by two-thirds vote of those eligible to vote, determines that an executive session should be held on a specific occasion.

“(h) The Board shall meet at least four times during each calendar year.

“OFFICERS AND EMPLOYEES

“SEC. 1005. (a) The Board shall appoint the president of the Corporation, who shall be a member of the bar of the highest court of a State and shall be a non-voting ex officio member of the Board, and such other officers as the Board determines to be necsesary. No officer of the Corporation may receive any salary or other compensation for services from any source other than the Corporation during his period of employment by the Corporation, except as authorized by the Board. All officers shall serve at the pleasure of the Board.

“(b)(1) The president of the Corporation, subject to general policies established by the Board, may appoint and remove such employees of the Corporation as he determines necessary to carry out the purposes of the Corporation.

“(2) No political test or political qualification shall be used in selecting, appointing, promoting, or taking any other personnel action with respect to any officer, agent, or employee of the Corporation or of any recipient, or in selecting or monitoring any grantee, contractor, or person or entity receiving financial assistance under this title.

“(c) No member of the Board may participate in any decision, action, or recommendation with respect to any matter which directly benefits such member or pertains specifically to any firm or organization with which such member is then associated or has been associated within a period of two years.

“(d) Officers and employees of the Corporation shall be compensated at rates determined by the Board, but not in excess of the rate of level V of the Executive Schedule specified in section 5316 of title 5, United States Code.

“(e)(1) Except as otherwise specifically provided in this title, officers and employees of the Corporation shall not be considered officers or employees, and the Corporation shall not be considered a department, agency, or instrumentality, of the Federal Government.

“(2) Nothing in this title shall be construed as limiting the authority of the Office of Management and Budget to review and submit comments upon the Corporation's annual budget request at the time it is transmitted to the Congress.

“(f) Officers and employees of the Corporation shall be considered officers and employees of the Federal Government for purposes of the following provisions of title 5, United States Code: subchapter I of chapter 81 (relating to compensation for work injuries); chapter 83 (relating to civil service retirement); chapter 87 (relating to life insurance); and chapter 89 (relating to health insurance). The Corporation shall make contributions at the same rates applicable to agencies of the Federal Government under the provisions referred to in this subsection.

“(g) The Corporation and its officers and employees shall be subject to the provisions of section 552 of title 5, United States Code (relating to freedom of information).

“POWERS, DUTIES, AND LIMITATIONS

“SEC. 1006. (a) To the extent consistent with the provisions of this title, the Corporation shall exercise the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act (except for section 1005(o) of title 29 of the District of Columbia Code). In addition, the Corporation is authorized—

“(1)(A) to provide financial assistance to qualified programs furnishing legal assistance to eligible clients, and to make grants to and contracts with—

“(i) individuals, partnerships, firms, corporations, and nonprofit organizations, and

“(ii) State and local governments (only upon application by an appropriate State or local agency or institution and upon a special determination by the Board that the arrangements to be made by such agency or institution will provide services which will not be provided adequately through nongovernmental arrangements),

for the purpose of providing legal assistance to eligible clients under this title, and (B) to make such other grants and contracts as are necessary to carry out the purposes and provisions of this title;

“(2) to accept in the name of the Corporation, and employ or dispose of in furtherance of the purposes of this title, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise; and

“(3) to undertake directly and not by grant or contract, the following activities relating to the delivery of legal assistance—

“(A) research,

“(B) training and technical assistance, and

“(C) to serve as a clearinghouse for information.

“(b)(1) The Corporation shall have authority to insure the compliance of recipients and their employees with the provisions of this title and the rules, regulations, and guidelines promulgated pursuant to this title, and to terminate, after a hearing in accordance with section 1011, financial support to a recipient which fails to comply.

"(2) If a recipient finds that any of its employees has violated or caused the recipient to violate the provisions of this title or the rules, regulations, and guidelines promulgated pursuant to this title, the recipient shall take appropriate remedial or disciplinary action in accordance with the types of procedures prescribed in the provisions of section 1011.

"(3) The Corporation shall not, under any provision of this title, interfere with any attorney in carrying out his professional responsibilities to his client as established in the Canons of Ethics and the Code of Professional Responsibility of the American Bar Association (referred to collectively in this title as 'professional responsibilities') or abrogate as to attorneys in programs assisted under this title the authority of a State or other jurisdiction to enforce the standards of professional responsibility generally applicable to attorneys in such jurisdiction. The Corporation shall ensure that activities under this title are carried out in a manner consistent with attorneys' professional responsibilities.

"(4) No attorney shall receive any compensation, either directly or indirectly, for the provision of legal assistance under this title unless such attorney is admitted or otherwise authorized by law, rule, or regulation to practice law or provide such assistance in the jurisdiction where such assistance is initiated.

"(5) The Corporation shall insure that (A) no employee of the Corporation or of any recipient (except as permitted by law in connection with such employee's own employment situation), while carrying out legal assistance activities under this title, engage in, or encourage others to engage in, any public demonstration or picketing, boycott, or strike; and (B) no such employee shall, at any time, engage in, or encourage others to engage in, any of the following activities: (i) any rioting or civil disturbance, (ii) any activity which is in violation of an outstanding injunction of any court of competent jurisdiction, (iii) any other illegal activity, or (iv) any intentional identification of the Corporation or any recipient with any political activity prohibited by section 1007(a) (6). The Board, within ninety days after its first meeting, shall issue rules and regulations to provide for the enforcement of this paragraph and section 1007(a)(5), which rules shall include, among available remedies, provisions, in accordance with the types of procedures prescribed in the provisions of section 1011, for suspension of legal assistance supported under this title, suspension of any employee of the Corporation or of any employee of any recipient by such recipient, and, after consideration of other remedial measures and after a hearing in accordance with section 1011, the termination of such assistance or employment, as deemed appropriate for the violation in question.

"(6;) In areas where significant numbers of eligible clients speak a language other than English as their principal language, the Corporation shall, to the extent feasible, provide that their principal language is used in the provision of legal assistance to such clients under this title.

"(c) The Corporation shall not itself—

"(1) participate in litigation on behalf of clients other than the Corporation; or

"(2) undertake to influence the passage or defeat of any legislation by the Congress of the United States or by any State or local legislative bodies, except that personnel of the Corporation may testify or make other appropriate communication (A) when formally requested to do so by a legislative body, a committee, or a member thereof, or (B) in connection with legislation or appropriations directly affecting the activities of the Corporation.

"(d)(1) The Corporation shall have no power to issue any shares of stock, or to declare or pay any dividends.

"(2) No part of the income or assets of the Corporation shall inure to the benefit of any director, officer, or employee, except as reasonable compensation for services or reimbursement for expenses.

"(3 Neither the Corporation nor any recipient shall contribute or make available corporate funds or program personnel or equipment to any political party or association, or the campaign of any candidate for public or party office.

"(4) Neither the Corporation nor any recipient shall contribute or make available corporate funds or program personnel or equipment for use in advocating or opposing any ballot measures, initiatives, or referendums. However, an attorney may provide legal advice and representation as an attorney to any eligible client with respect to such client's legal rights.

"(5) No class action suit, class action appeal, or amicus curiae class action may be undertaken, directly or through others, by a staff attorney, except with the express approval of a project director of a recipient in accordance with policies established by the governing body of such recipient.

"(e) (1) Employees of the Corporation or of recipients shall not at any time intentionally identify the Corporation or the recipient with any partisan or nonpartisan political activity associated with a political party or association, or the campaign of any candidate for public or party office.

"(2) Employees of the Corporation shall be deemed to be State or local employees for purposes of chapter 15 of title 5, United States Code.

"(f) If an action is commenced by the Corporation or by a recipient and a final order is entered in favor of the defendant and against the Corporation or a recipient's plaintiff, the court may, upon motion by the defendant and upon a finding by the court that the action was commenced or pursued for the sole purpose of harassment of the defendant or that the Corporation or a recipient's plaintiff maliciously abused legal process, enter an order (which shall be appealable before being made final) awarding reasonable costs and legal fees incurred by the defendant in defense of the action, except when in contravention of a State law, a rule of court, or a statute of general applicability. Any such costs and fees shall be directly paid by the Corporation.

"GRANTS AND CONTRACTS

"SEC. 1007. (a) With respect to grants or contracts in connection with the provision of legal assistance to eligible clients under this title, the Corporation shall—

(1) insure the maintenance of the highest quality of service and professional standards, the preservation of attorney-client relationships, and the protection of the integrity of the adversary process from any impairment in furnishing legal assistance to eligible clients;

"(2) (A) establish, in consultation with the Director of the Office of Management and Budget and with the Governors of the several States, maximum income levels (taking into account family size, urban and rural differences, and substantial cost-of-living variations) for individuals eligible for legal assistance under this title;

"(B) establish guidelines to insure that eligibility of clients will be determined by recipients on the basis of factors which include—

"(i) the liquid assets and income level of the client,

"(ii) the fixed debts, medical expenses, and other factors which affect the client's ability to pay,

"(iii) the cost of living in the locality, and

"(iv) such other factors as relate to financial inability to afford legal assistance, which shall include evidence of a prior determination, which shall be a disqualifying factor, that such individual's lack of income results from refusal or unwillingness, without good cause, to seek or accept an employment situation; and

"(C) establish priorities to insure that persons least able to afford legal assistance are given preference in the furnishing of such assistance;

"(3) insure that grants and contracts are made so as to provide the most economical and effective delivery of legal assistance to persons in both urban and rural areas;

"(4) insure that attorneys employed full time in legal assistance activities supported in major part by the Corporation refrain from (A) any compensated outside practice of law, and (B) any uncompensated outside practice of law except as authorized in guidelines promulgated by the Corporation;

"(5) insure that no funds made available to recipients by the Corporation shall be used at any time, directly or indirectly, to influence the issuance, amendment, or revocation of any executive order or similar promulgation by any Federal, State, or local agency, or to undertake to influence the passage or defeat of any legislation by the Congress of the United States, or by any State or local legislative bodies, except where—

"(A) representation by an attorney as an attorney for any eligible client is necessary to the provision of legal advice and representation with respect to such client's legal rights and responsibilities (which shall not be construed to permit a recipient or an attorney to solicit a client for the purpose of making such representation possible, or to solicit a group with respect to matters of general concern to a broad class of persons as distinguished from acting on behalf of any particular client); or

"(B) a governmental agency, a legislative body, a committee, or a member thereof requests personnel of any recipient to make representations thereto;

"(6) insure that all attorneys engaged in legal assistance activities supported in whole or in part by the Corporation refrain, while so engaged, from—

"(A) any political activity, or

"(B) any activity to provide voters or prospective voters with transportation to the polls or provide similar assistance in connection with an election (other than legal advice and representation), or

"(C) any voter registration activity (other than legal advice and representation);

and insure that staff attorneys refrain at any time during the period for which they receive compensation under this title from the activities described in clauses (B) and (C) of this paragraph and from political activities of the type prohibited by section 1502(a) of title 5, United States Code, whether partisan or nonpartisan;

"(7) require recipients to establish guidelines, consistent with regulations promulgated by the Corporation, for a system for review of appeals to insure the efficient utilization of resources and to avoid frivolous appeals (except that such guidelines or regulations shall in no way interfere with attorneys' professional responsibilities;

"(8) insure that recipients solicit the recommendations of the organized bar in the community being served before filling staff attorney positions in any project funded pursuant to this title and give preference in filling such positions to qualified persons who reside in the community to be served;

"(9) insure that every grantee, contractor, or person or entity receiving financial assistance under this title or predecessor authority under this Act which files with the Corporation a timely application for refunding is provided interim funding necessary to maintain its current level of activities un-

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til (A) the application for refunding has been approved and funds pursuant thereto received, or (B) the application for refunding has been finally denied in accordance with section 1011 of this Act; and

"(10) insure that all attorneys, while engaged in legal assistance activities supported in whole or in part by the Corporation, refrain from the persistent incitement of litigation and any other activity prohibited by the Canons of Ethics and Code of Professional Responsibility of the American Bar Association, and insure that such attorneys refrain from personal representation for a private fee in any cases in which they were involved while engaged in such legal assistance activities.

"(b) No funds made available by the Corporation under this title, either by grant or contract, may be used—

"(1) to provide legal assistance with respect to any fee-generating case (except in accordance with guidelines promulgated by the Corporation), to provide legal assistance with respect to any criminal proceeding, or to provide legal assistance in civil actions to persons who have been convicted of a criminal charge where the civil action arises out of alleged acts or failures to act and the action is brought against an officer of the court or against a law enforcement official for the purpose of challenging the validity of the criminal conviction;

"(2) for any of the political activities prohibited in paragraph (6) of subsection (a) of this section;

"(3) to make grants to or enter into contracts with any private law firm which expends 50 percent or more of its resources and time litigating issues in the broad interests of a majority of the public;

"(4) to provide legal assistance under this title to any unemancipated person of less than eighteen years of age, except (A) with the written request of one of such person's parents or guardians, (B) upon the request of a court of competent jurisdiction, (C) in child abuse cases, custody proceedings, persons in need of supervision (PINS) proceedings, or cases involving the initiation, continuation, or conditions of institutionalization, or (D) where necessary for the protection of such person for the purpose of securing, or preventing the loss of, benefits, or securing, or preventing the loss or imposition of, services under law in cases not involving the child's parent or guardian as a defendant or respondent;

"(5) to support or conduct training programs for the purpose of advocating particular public policies or encouraging political activities, labor or antilabor activities, boycotts, picketing, strikes, and demonstrations, as distinguished from the dissemination of information about such policies or activities, except that this provision shall not be construed to prohibit the training of attorneys or paralegal personnel necessary to prepare them to provide adequate legal assistance to eligible clients;

"(6) to organize, to assist to organize, or to encourage to organize, or to plan for the creation or formation of, or the structuring of, any organization, association, coalition, alliance, federation, confederation, or any similar entity, except for the provision of legal assistance to eligible clients in accordance with guidelines promulgated by the Corporation;

"(7) to provide legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system;

"(8) to provide legal assistance with respect to any proceeding or litigation which seeks to procure a nontherapeutic abortion or to compel any individual or institution to perform an abortion, or assist in the performance of an abortion, or provide facilities for the performance of an abortion, contrary to the religious beliefs or moral convictions of such individual or institution; or

"(9) to provide legal assistance with respect to any proceeding or litigation arising out of a violation of the Military Selective Service Act or of desertion from the Armed Forces of the United States.

"(c) In making grants or entering into contracts for legal assistance, the Corporation shall insure that any receipient organized solely for the purpose of providing legal assistance to eligible clients is governed by a body at least 60 percent of which consists of attorneys who are members of the bar of a State in which the legal assistance is to be provided (except that the Corporation (1) shall, upon application, grant waivers to permit a legal services program, supported under section 222(a)(3) of the Economic Opportunity Act of 1964, which on the date of enactment of this title has a majority of persons who are not attorneys on its policy-making board to continue such a non-attorney majority under the provisions of this title, and (2) may grant, pursuant to regulations issued by the Corporation, such a waiver for recipients which, because of the nature of the population they serve, are unable to comply with such requirement) and which include at least one individual eligible to receive legal assistance under this title. Any such attorney, while serving on such board, shall not receive compensation from a recipient.

"(d) The Corporation shall monitor and evaluate and provide for independent evaluations of programs supported in whole or in part under this title to insure that the provisions of this title and the by-laws of the Corporation and applicable rules, regulations, and guidelines promulgated pursuant to this title are carried out.

"(e) The president of the Corporation is authorized to make grants and enter into contracts under this title.

"(f) At least thirty days prior to the approval of any grant application or prior to entering into a contract or prior to the initiation of any other projects, the Corporation shall announce publicly, and shall notify the Governor and the State bar association of any State where legal assistance will thereby be initiated, of such grant, contract, or project. Notification shall include a reasonable description of the grant application or proposed contract or project and request comments and recommendations.

"(g) The Corporation shall provide for comprehensive, independent study of the existing staff-attorney program under this Act and, through the use of appropriate demonstration projects, of alternative and supplemental methods of delivery of legal services to eligible clients, including judicare, vouchers, prepaid legal insurance, and contracts with law firms; and, based upon the results of such study, shall make recommendations to the President and the Congress, not later than two years after the first meeting of the Board, concerning improvements, changes, or alternative methods for the economical and effective delivery of such services.

"RECORDS AND REPORTS

"Sec. 1008. (a) The Corporation is authorized to require such reports as it deems necessary from any grantee, contractor, or person or entity receiving financial assistance under this title regarding activities carried out pursuant to this title.

"(b) The Corporation is authorized to prescribe the keeping of records with respect to funds provided by grant or contract and shall have access to such records at all reasonable times for the purpose of insuring compliance with the grant or contract or the terms and conditions upon which financial assistance was provided.

"(c) The Corporation shall publish an annual report which shall be filed by the Corporation with the President and the Congress.

"(d) Copies of all reports pertinent to the evaluation, inspection, or monitoring of any grantee, contractor, or person or entity receiving financial assistance under this title shall be submitted on a timely basis to such grantee, contractor, or person or entity, and shall be maintained in the principal office of the Corporation for a period of at least five years subsequent to such evaluation, inspection, or monitoring. Such reports shall be available for public inspection during regular business hours, and copies shall be furnished, upon request, to interested parties upon payment of such reasonable fees as the Corporation may establish.

"(e) The Corporation shall afford notice and reasonable opportunity for comment to interested parties prior to issuing rules, regulations, and guidelines, and it shall publish in the Federal Register at least 30 days prior to their effective date all its rules, regulations, guidelines, and instructions.

"AUDITS

"Sec. 1009. (a)(1) The accounts of the Corporation shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants who are certified by a regulatory authority of the jurisdiction in which the audit is undertaken.

"(2) The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Corporation and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to any such person.

"(3) The report of the annual audit shall be filed with the General Accounting Office and shall be available for public inspection during business hours at the principal office of the Corporation.

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"(b)(1) In addition to the annual audit, the financial transactions of the Corporation for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the General Accounting Office in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States.

"(2) Any such audit shall be conducted at the place or places where accounts of the Corporation are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Corporation and necessary to facilitate the audit; and full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to such representatives. All such books, accounts, financial records, reports, files, and other papers or property of the Corporation shall remain in the possession and custody of the Corporation.

"(3) A report of such audit shall be made by the Comptroller General to the Congress and to the President, together with such recommendations with respect thereto as he shall deem advisable.

"(c)(1) The Corporation shall conduct, or require each grantee, contractor, or person or entity receiving financial assistance under this title to provide for, an annual financial audit. The report of each such audit shall be maintained for a period of at least five years at the principal office of the Corporation.

"(2) The Corporation shall submit to the Comptroller General of the United States copies of such reports, and the Comptroller General may, in addition, inspect the books, accounts, financial records, files, and other papers or property belonging to or in use by such grantee, contractor, or person or entity, which relate to the disposition or use of funds received from the Corporation. Such audit reports shall be available for public inspection, during regular business hours, at the principal office of the Corporation.

"(d) Notwithstanding the provisions of this section or section 1008, neither the Corporation nor the Comptroller General shall have access to any reports or records subject to the attorney-client privilege.

"FINANCING

"SEC. 1010. (a) There are authorized to be appropriated for the purpose of carrying out the activities of the Corporation, $90,000,000 for fiscal year 1975, $100,000,000 for fiscal year 1976, and such sums as may be necessary for fiscal year 1977. The first appropriation may be made available to the Corporation at any time after six or more members of the Board have been appointed and qualified. Appropriations shall be for not more than two fiscal years, and, if for more than one year, shall be paid to the Corporation in annual installments at the beginning of each fiscal year in such amounts as may be specified in appropriation Acts.

"(b) Funds appropriated pursuant to this section shall remain available until expended.

"(c) Non-Federal funds received by the Corporation, and funds received by any recipient from a source other than the Corporation, shall be accounted for and reported as receipts and disbursements separate and distinct from Federal funds; but any funds so received for the provision of legal assistance shall not be expended by recipients for any purpose prohibited by this title, except that this provision shall not be construed to prevent recipients from receiving other public funds or tribal funds (including foundation funds benefiting Indians or Indian tribes) and expending them in accordance with the purposes for which they are provided, or to prevent contracting or making other arrangements with private attorneys, private law firms, or other State or local entities of attorneys, or with legal aid societies having separate public defender programs, for the provision of legal assistance to eligible clients under this title.

"SPECIAL LIMITATIONS

"SEC. 1011. The Corporation shall prescribe procedures to insure that—

"(1) financial assistance under this title shall not be suspended unless the grantee, contractor, or person or entity receiving financial assistance under this title has been given reasonable notice and opportunity to show cause why such action should not be taken; and

"(2) financial assistance under this title shall not be terminated, an application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the grantee, contractor, or person or entity receiving financial assistance under this title has been afforded reasonable notice and opportunity for a timely, full, and fair hearing.

"COORDINATION

"SEC. 1012. The President may direct that appropriate support functions of the Federal Government may be made available to the Corporation in carrying out its activities under this title, to the extent not inconsistent with other applicable law.

"RIGHT TO REPEAL, ALTER, OR AMEND

"Sec. 1013. The right to repeal, alter, or amend this title at any time is expressly reserved.

"SHORT TITLE

"Sec. 1014. This title may be cited as the 'Legal Services Corporation Act'."

TRANSITION PROVISIONS

Sec. 3. (a) Notwithstanding any other provision of law, effective ninety days after the date of the first meeting of the Board of Directors of the Legal Services Corporation established under the Legal Services Corporation Act (title X of the Economic Opportunity Act of 1964, as added by this Act), the Legal Services Corporations shall succeed to all rights of the Federal Government to capital equipment in the possession of legal services programs or activities assisted pursuant to section 222(a)(3), 230, 232, or any other provision of the Economic Opportunity Act of 1964.

(b) Within ninety days after the first meeting of the Board, all assets, liabilities, obligations, property, and records as determined by the Director of the Office of Management and Budget, in consultation with the Director of the Office of Economic Opportunity or the head of any successor authority, to be employed directly or held or used primarily, in connection with any function of the Director of the Office of Economic Opportunity or the head of any successor authority in carrying out legal services activities under the Economic Opportunity Act of 1964, shall be transferred to the Corporation. Personnel transferred to the Corporation from the Office of Economic Opportunity or any successor authority shall be transferred in accordance with applicable laws and regulations, and shall not be reduced in compensation for one year after such transfer, except for cause. The Director of the Office of Economic Opportunity or the head of any successor authority shall take whatever action is necessary and reasonable to seek suitable employment for personnel who do not transfer to the Corporation.

(c) Collective-bargaining agreements in effect on the date of enactment of this Act covering employees transferred to the Corporation shall continue to be recognized by the Corporation until the termination date of such agreements, or until mutually modified by the parties.

(d)(1) Notwithstanding any other provision of law, the Director of the Office of Economic Opportunity or the head of any successor authority shall take such action as may be necessary, in cooperation with the president of the Legal Services Corporation, including the provision (by grant or otherwise) of financial assistance to recipients and the Corporation and the furnishing of services and facilities to the Corporation—

(A) to assist the Corporation in preparing to undertake, and in the initial undertaking of, its responsibilities under this title;

(B) out of appropriations available to him, to make funds available to meet the organizational and administrative expenses of the Corporation;

(C) within ninety days after the first meeting of the Board, to transfer to the Corporation all unexpended balances of funds appropriated for the purpose of carrying out legal services programs and activities under the Economic Opportunity Act of 1964 or successor authority; and

(D) to arrange for the orderly continuation by such Corporation of financial assistance to legal services programs and activities assisted pursuant to the Economic Opportunity Act of 1964 or successor authority.

Whenever the Director of the Office of Economic Opportunity or the head of any successor authority determines that an obligation to provide financial assistance pursuant to any contract or grant for such legal services will extend beyond six months after the date of enactment of this Act, he shall include, in any such contract or grant, provisions to assure that the obligation to provide such financial assistance may be assumed by the Legal Services Corporation, subject to such modifications of the terms and conditions of such contract or grant as the Corporation determines to be necessary.

(2) Section 222(a)(3) of the Economic Opportunity Act of 1964 is repealed, effective ninety days after the first meeting of the Board of Directors of the Legal Services Corporation.

(e) There are authorized to be appropriated for the fiscal year ending June 30, 1975, such sums as may be necessary for carrying out this section.

(f) Title VI of the Economic Opportunity Act of 1964 is amended by inserting after section 625 thereof the following new section:

"INDEPENDENCE OF LEGAL SERVICES CORPORATION

"SEC. 626. Nothing in this Act, except title X, and no reference to this Act unless such reference refers to title X, shall be construed to affect the powers and activities of the Legal Services Corporation.".

The SPEAKER. The gentleman from Kentucky (Mr. PERKINS) will be recognized for 1 hour.

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. GROSS. Mr. Speaker, when was this matter brought to the floor of the House?

The SPEAKER. The Chair will state that the Senate had just messaged this matter over to the House; the Chair reived the message a few minutes ago, informing the House that the Senate insists on its amendments to the House bill.

Mr. GROSS. Mr. Speaker, is there any information available to the Members of the House concerning the action taken by the other body on this matter?

The SPEAKER. The Chair will state that that is not a parliamentary inquiry.

Mr. PERKINS. If the gentleman will yield, yes, there happens to be.

MOTION TO LAY THE MOTION ON THE TABLE OFFERED BY MR. GROSS

Mr. GROSS. Mr. Speaker, I move to lay the motion on the table.

The SPEAKER. The question is on the motion offered by the gentleman from Iowa.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count; 162 Members are present, not a quorum.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device; and there were—yeas 136, nays 269, not voting 29, as follows:

[Roll No. 384]

YEAS—136

Abdnor
Alexander
Annunzio
Archer
Arends
Armstrong
Ashbrook
Bafalis
Bauman
Beard
Bennett
Bevill
Biaggi
Blackburn
Bowen
Brinkley
Broyhill, N.C.
Broyhill, Va.

UMI

Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Camp
Casey, Tex.
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Dennis
Derwinski
Devine
Dickinson
Downing
Duncan
Edwards, Ala.
Evins, Tenn.
Fisher
Flynt
Fountain
Frey
Froehlich
Fuqua
Gettys
Goldwater
Goodling
Green, Oreg.
Gross
Grover
Gubser
Haley
Hammerschmidt
Hanrahan
Harsha
Hastings
Hébert
Henderson
Hinshaw
Hogan
Holt
Hosmer
Huber
Hunt
Hutchinson
Jarman
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kemp
Ketchum
King
Landgrebe
Latta
Lent
Lott
McCollister
McEwen
Mahon
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Mayne
Michel
Milford
Miller
Minshall, Ohio
Montgomery
Moorhead, Calif.
Nichols
Parris
Passman
Poage
Powell, Ohio
Price, Tex.
Quillen
Rarick
Roberts
Robinson, Va.
Rogers
Roncallo, N.Y.
Rousselot
Runnels
Ruth
Satterfield
Scherle
Schneebeli
Sebelius
Shoup
Shuster
Sikes
Snyder
Spence
Steed
Steiger, Ariz.
Stubblefield
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Treen
Waggonner
Whitehurst
Whitten
Wilson, Bob
Wydler
Young, Fla.
Young, S.C.
Zion

NAYS—269

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Ashley
Aspin
Badillo
Barrett
Beil
Bergland
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Bray
Breaux
Breckinridge
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney, Ohio
Carter
Cederberg
Chisholm
Clark
Cleveland
Cohen
Collier
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Culver
Daniels, Dominick V.
Danielson
Davis, S.C.
de la Garza
Delaney
Dellenback
Denholm
Dent
Dingell
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Flood
Flowers
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frenzel
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Grasso
Gray
Green, Pa.
Gude
Guyer
Hamilton
Hanley
Hansen, Idaho
Harrington
Hawkins
Hays
Hechler, W. Va.
Heinz
Helstoski
Hillis
Holtzman
Horton
Howard
Hudnut
Hungate
Ichord
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Leggett
Lehman
Litton
Long, La.
Long, Md.
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mallary
Mann
Maraziti
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Melcher
Mezvinsky
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Preyer
Price, Ill.
Pritchard
Quie
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Rodino
Roe
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Seiberling
Shipley
Shriver
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stark
Steele
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Talcott
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Walsh
Wampler
Ware
Whalen
White
Widnall
Wiggins
Williams
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zwach

NOT VOTING—29

Baker
Brasco
Carey, N.Y.
Clay
Conlan
Davis, Ga.
Dellums
Diggs
Dorn
Fulton
Griffiths
Gunter
Hanna
Hansen, Wash.
Heckler, Mass.
Hicks
Holifield
Landrum
Metcalfe
Mizell
Myers
Railsback
Robison, N.Y.
Rooney, N.Y.
Schroeder
Stanton, James V.
Sullivan
Symington
Wilson, Charles H., Calif.

So the motion to table was rejected.

The result of the vote was announced as above recorded.

Mr. PERKINS. Mr. Speaker, on May 16 we sent the Legal Services conference report, after it was adopted, over to the Senate. As I recall, the House acted first. Over there, the conference report was tabled. I do not know the reasons why, but I presume they received word that in all probability the conference report as passed by the House and agreed to by the Senate may not be acceptable to the President of the United States.

So, after the Senate tabled the conference report on Legal Services, they had to resort to the House-passed bill as amended by the Senate, which they took action upon today by a vote of 75 to 18 to send it back to the House.

Mr. Speaker, what we propose to do here when we adopt the previous question on the motion, assuming the previous question is adopted, is to vote on an amendment to the Senate-passed bill which simply adopts the conference report as agreed to by the House on Legal Services—I hope all the Members are following me—minus the backup centers. We take the Green amendment on backup centers lock, stock, and barrel.

The parliamentary situation makes it necessary that we follow this route in order that we may delete the language of the conference report on backup centers in its entirety and adopt the language that the gentlewoman from Oregon (Mrs. GREEN) proposed in this Chamber, and that is exactly what we are doing.

Now I want to say something to my colleagues in connection with the remainder of this conference report. After we agree to the Green amendment, which will be part of the amendment that I am offering along with the remainder of the conference report on Legal Services as adopted by this Chamber—and I want to say to the Members that in this conference with the Senate, which I think the gentleman from Ohio (Mr. ASHBROOK) and all the Members who constituted that conference will verify, that we upheld the House position all the way through in conference. I never did capitulate myself. I went along only after the gentleman from Ohio (Mr. ASHBROOK) and others agreed, but we are coming back here with the conference report with an amendment which has been agreed to, that the House has already taken action on, that has been thoroughly explained in this Chamber. It is the conference report on Legal Services, amended by the Green amendment, without any other earthly changes at all.

The change in the conference bill relates to who will perform the technical assistance, clearinghouse information, training and research activities that are essential to the proper representation of indigent clients. Under the bill, these functions will be carried out through the Corporation rather than through grant or contract. All other legal assistance activities will be continued as contemplated under the conference bill.

The research, technical assistance, training, and clearinghouse information functions that will be transferred to the Corporation are of extraordinary importance to the Legal Services program. These functions assure that programs involved in providing local, State, and national legal assistance are fully equipped to perform their representation functions. Attorneys in Legal Services offices sometimes need training. They often need technical assistance to improve their efficiency and effectiveness. They need advice and ideas about what Legal Services attorneys are doing elsewhere for their work to be as helpful to their clients as it might be.

The research, technical assistance, training, and clearinghouse information functions will be transferred to the Corporation. We expect the Corporation to do its best to make sure that these activities continue as effectively as possible. Qualified personnel should be hired. They should be properly trained. They should have available to them all of the necessary materials so that the backup activities are carried out in a professional manner.

Early attention to these needs will be needed to insure their satisfaction without hurtful interruptions. Existing contracts and grants will, of course, continue to be honored through their expiration date. We would expect the Corporation to do all that may legally be done to prevent disruption of the crucial backup assistance functions.

Once the Corporation takes over these backup functions, it will have to determine how they can best be provided. This bill does not restrict the Corporation's flexibility in this area. The Corporation may provide all of these services through its central office in Washington or it can provide them through regional and other offices throughout the country. It can hire the necessary qualified personnel, and it may obtain consultation services from qualified individuals or groups when necessary.

It is important that all of the offices engaged in the provision of legal assistance receive the backup training, research, technical assistance and clearinghouse information services here at issue. In removing the authority of the Corporation to provide such services by grant or contract, the Congress merely changes the location of the function. We do not intend to minimize their importance.

Mr. Speaker, I yield 5 minutes for the purpose of debate to the distinguished gentleman from Minnesota (Mr. Quie).

Mr. QUIE. Mr. Speaker, as the gentleman from Kentucky indicated, we now have an opportunity to accept the conference report as if the motion to recommit that was offered by the gentleman from Ohio (Mr. Ashbrook) had been adopted.

As you recall, when we entered into the debate at that time, the argument was really over the backup centers, and in order that the House position might prevail, the gentleman from Ohio (Mr. Ashbrook) offered a motion to recommit, which was narrowly defeated, 190 to 183.

By adopting the motion as proposed by the gentleman from Kentucky (Mr. Perkins), the chairman of the committee, we will then have a conference report with the backup centers removed, as the motion to recommit provided one as the Green amendment provided in the bill when it passed the House.

The action proposed here today would completely restore the language of the Green amendment prohibiting the establishment and operation of so-called backup centers and eliminates other language from the conference report inconsistent with the language of the Green amendment. It is just as though Mr. Ashbrook's motion had been adopted and the conferees had acceded to that outcome.

Now it is being suggested by some that other language of the conference committee bill would permit the same result as the establishment of backup centers through grants to so-called public interest law firms. That is not accurate. First, as one of the managers on the part of the House I am making it clear that this bill cannot be interpreted to permit the Corporation to make any grant or contract for the purposes and programs carried out under so-called backup centers.

Second, and more important, the language of the bill itself will not permit that interpretation. The only grants or contracts which now can be made are those for the legal advice representation to specific eligible clients—not general causes—having specific need of legal counsel, and not for any general legal research, training, or information service.

Who are the eligible recipients of such grants or contracts? Under section 1006(a)(1) they are "qualified programs furnishing legal assistance to eligible clients" and "individuals, partnerships, firms, corporations, and nonprofit organizations" and "State and local governments"—but all of this qualified by the requirement that the assistance be "for the purpose providing legal assistance to eligible clients under this title."

There is a further restriction on the type of private law firm with which such arrangements can be made. Section 1007(b)(3) prohibits the use of any funds made available by the Corporation "to make grants to or enter into contracts with any private law firm which expends 50 percent or more of its resources and time litigating issues in the broad interests of a majority of the public." And then such arrangements can only be for the limited purposes described in the act of providing legal assistance to an eligible client, and under all of the prohibitions in the act applying to such assistance.

Admittedly, the House language on "public service law firms" was even stronger as it applied the 50 percent limitation also to litigation "in the collective interests of the poor", as well as "the broad interests of a majority of the public", or both of these in combination. But in any event, no such grant or contract could be made to any law firm of any description for the purposes covered by Mrs. Green's amendment. That is the essential point of what we are doing here today.

Mr. Speaker, when this matter was last before us our colleague, John Ashbrook, a House conferee on this bill, spoke, in part, as follows in defense of his motion:

> I would agree with what Mr. Quie said. I believe the House position was generally upheld. In my experience as a conferee, this is one of the few times that we can come back and say the House position has been generally upheld in a conference with the Senate.
>
> And yet I think what the Gentleman from Minnesota said bears some further elucidation. In the area of backup centers we probably made our major concessions. If I were to assess percentages I would say the House position was probably 80 to 90 percent upheld in most instances and I think this is a good record on most conferences. Yet on the backup centers I think our position at best was 20 to 25 percent upheld.

Mr. Speaker, the motion now before the House would uphold the position of the House on backup centers 100 percent. I do not see how we can ask for anything more on this or any other legislation. Accordingly, I urge that we agree to the motion of Chairman Perkins and thereby assure an effective and far less controversial method of providing legal services for the poor—of bringing this Nation closer to that great ideal of equal justice under law.

The SPEAKER. The time of the gentleman from Minnesota (Mr. Quie) has expired.

Mr. PERKINS. Mr. Speaker, I yield 1 additional minute to the gentleman from Minnesota.

Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Speaker, the gentleman from Minnesota has referred to the conference between the House and the Senate and has in substance stated that the House position was upheld.

I want to ask the gentleman from Minnesota if, as to the remainder of the conference report, outside of the Green amendment, the House conferees all stood together and got concessions from the Senate, practically to the extent that we got the House-passed bill in the conference?

Mr. QUIE. Mr. Speaker, I will say to the chairman of the committee that the essential, important ingredients of the House-passed bill were retained in conference, with the exception of the backup centers, and now we get a chance to obtain even the House-passed provision on the backup centers.

As to the remainder of the bill, I would say the essential house provisions were retained. As the gentleman from Ohio (Mr. Ashbrook) has indicated, about 80 to 90 percent of the positions taken by the House was retained, I believe.

Mr. PERKINS. Mr. Speaker, I yield 5 minutes, for the purpose of debate only, to the gentlewoman from Oregon (Mrs. Green).

Mrs. GREEN of Oregon. Mr. Speaker, I thank the chairman of the committee.

I would like to take this time in order to pose a few questions, if I may.

When was the House bill on the Legal Services Corporation passed?

Mr. PERKINS. Mr. Speaker, if the gentlewoman will yield, the House bill was passed some time ago. I do not know the exact date. The gentleman from Wisconsin (Mr. Steiger), I believe, can tell us.

Mr. STEIGER of Wisconsin. Mr. Speaker, if the gentlewoman will yield the date was June 21, 1973.

Mrs. GREEN of Oregon. Mr. Speaker may I ask this further question:

When did the Senate take action on this? I am not clear as to what is taking place. Are we taking action today, in reference to the conference report, on the amendment to the Senate bill or on the amendment to the House bill?

Mr. PERKINS. Mr. Speaker, if the gentlewoman will yield, what we did was this: The Senate and the House acted in 1973, I believe it was. We went to conference with the Senate. We did not go to conference until some time this year.

When the conference report was adopted, we acted here first, and the conference report went over to the Senate and was tabled. At that stage of the game, and under the rules, it was necessary for them to revert back to the House-passed bill, which they had amended. That was the bill which was before them.

So that is what they have sent back to us here today. We are proceeding to take the conference report, as agreed to by the House, on May 16, 1974, with the back-up center language deleted, and accept the amendment offered by the gentlewoman from Oregon which was agreed to in the House, as it was originally agreed to and in its entirety, deleting backup centers.

Mrs. GREEN of Oregon. Mr. Speaker, I thank the gentleman.

I will ask this further question: Before the House could take action this afternoon, the Members of the House had to wait until the Senate had taken action earlier in the day; is that correct?

Mr. PERKINS. The Senate took action earlier in the day.

Mrs. GREEN of Oregon. Mr. Speaker, could the chairman of the committee tell me how long ago it was that the Senate took action?

Mr. PERKINS. Mr. Speaker, I think it was scheduled for 12:30, I will inform the gentlewoman from Oregon.

Mrs. GREEN of Oregon. They took it up at 12:30?

Mr. PERKINS. Today.

Mrs. GREEN of Oregon. When did they complete action on it, does the gentleman know?

Mr. PERKINS. I do not know.

Mrs. GREEN of Oregon. But it has been within the last 2 or 3 hours?

Mr. PERKINS. Within the last 2 or 3 hours, the gentlewoman is correct.

Mrs. GREEN of Oregon. Mr. Speaker, will the chairman of the committee tell me this:

Since the House first passed the bill last June, in June of 1973, a little over a year ago, and since this Legal Services Corporation issue is of considerable concern to the Members of the House, as witnessed by the first debate and as witnessed by the arguments in the debate during conference, will the chairman of the committee tell me: What is the reason for the rush this afternoon, that we must act within about an hour or 2 hours after the Senate's action before any of us have had a chance to read or know firsthand what we are being asked to do.

Mr. PERKINS. Mr. Speaker, I will be delighted to answer the gentlewoman. First let me state that every aspect of this bill before us now has been thoroughly debated in this Chamber, the conference report, the House bill, everything, and we are trying to dodge having to go to conference when there is nothing really to go to conference on, and this is the simple way to do it.

We are anticipating when this language that the gentlewoman from Oregon originally suggested is put in with the remainder of the conference report, and that has been agreed to by this Chamber, that the Senate will take the bill that we send over, as amended, and it will go to the President without a conference.

Mrs. GREEN of Oregon. I thank the gentleman from Kentucky for his statement, and now may I repeat my question:

Since, in this instance, we passed this legislation a year ago, in June, and the Senate only completed action on it 2 hours ago, would the gentleman from Kentucky please tell me why it is necessary for us to take action on this, this afternoon before we have had a chance to read it, and know what is in it? What is the rush?

Mr. PERKINS. It has been my viewpoint all the way along that we should act as expeditiously as possible on all legislation in trying to get as much important legislation out of the way as possible.

Mrs. GREEN of Oregon. I understand that, and I really appreciate the expeditious way that this legislation that was passed a year ago in June 1973, is now reaching us. But why, within an hour after the Senate has acted, are we supposed to act without having a chance to examine it?

Mr. PERKINS. Let me say to the gentlewoman from Oregon that I have never delayed the legislation. I have acted promptly at every opportunity. Just as soon as the Senate passed the bill I stood before the Speaker here and asked the Speaker to appoint conferees, and moved as expeditiously as possible. After we settled the matter in conference then we brought the conference report back.

We have not been derelict in our responsibility.

Mrs. GREEN of Oregon. I accept that statement.

Mr. PERKINS. The delay has been elsewhere.

Mrs. GREEN of Oregon. You just stated for the RECORD, that I believe I quote exactly: "We waited on the Senate until today." You just said that. I accept that part as accurate.

The SPEAKER. The time of the gentlewoman has expired.

Mr. PERKINS. I yield 3 additional minutes to the gentlewoman from Oregon for the purpose of debate only.

Mrs. GREEN of Oregon. I just do not understand this occasion, where we must act on it this afternoon after the Senate acted on it only 1 hour ago, and why we cannot have a chance to read everything the committee is proposing. Has the chairman had a chance to read the action taken by the Senate?

Mr. PERKINS. Let me say to the gentlewoman from Oregon that we have so many bills that expired this last June 30, and this is one of them. I would hope that it would be the policy of this Chamber when such legislation has expired to move as expeditiously as possible. I think we are just using good judgment in bringing the bill that the Senate passed today before the Chamber now, and getting as many of these important measures out of the way as we possibly can, and at the earliest possible minute.

Mrs. GREEN of Oregon. I would have to say that since we took action a year ago I cannot really understand the rush in forcing the House to vote within 2 hours after the Senate has acted. None of us has had a chance to read it or study it.

I would ask the gentleman from Kentucky: What is the change that was made in regard to the public interest law firms?

Mr. PERKINS. Let me say to the gentlewoman that there is nothing in the conference report, the remainder of the language——

Mrs. GREEN of Oregon. I cannot hear the gentleman.

Mr. PERKINS. There is nothing in the conference report, the remainder of it, the language, that will permit the funding of backup centers through the public interest law firms.

Mrs. GREEN of Oregon. Could I repeat the question? Would the Chairman, the gentleman from Kentucky (Mr. PERKINS), tell me what this change was in the conference in regard to public interest law firms, and is there any additional change since the conference report?

Mr. PERKINS. If any language was changed in the Senate the language will be the same when we adopt the amendment that I am proposing here today as that which passed this House when we adopted the conference report; there will be no change from the language that was in the conference report that passed this House.

Mrs. GREEN of Oregon. But if I may repeat the question, could the chairman tell me first what is the change in the conference report over the House bill in regard to public interest law firms and is there now an additional change. Does the proposed amendment have any potential effect on these?

Mr. PERKINS. I do not think there has been any, myself.

Mrs. GREEN of Oregon. The chairman does not think there is any change in the conference report, and he is the manager.

Mr. QUIE. Mr. Speaker, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Minnesota.

Mr. QUIE. I thank the gentlewoman for yielding.

There is no change from what Chairman PERKINS is offering.

I think the gentlewoman asked, "What is the difference between the House-passed bill and the conference report?

Mrs. GREEN of Oregon. If the gentleman will allow me, my question is, What is the change in the conference report with regard to public interest law groups? The chairman said he does not think there is any change.

Mr. QUIE. If the gentlewoman will yield, in the conference report from what?

Mrs. GREEN of Oregon. First, the House bill and then the impact of the proposed amendment.

Mr. QUIE. From the House bill. In the conference we dropped the words ". . . or in the collective interests of the poor, or both; . . ." so that it now reads:

> to make grants to or enter into contracts with any private law firm which expends 50 percent or more of its resources and time litigating issues in the broad interests of a majority of the public;

So that is a prohibition against any money going for grants and contracts to or with any private law firm expending more than 50 percent of its money in the broad interests of a majority of the public.

The SPEAKER. The time of the gentleman has expired.

Mr. PERKINS. I yield 1 additional minute to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. I thank the gentleman for yielding.

Mr. Speaker, I take this 1 minute to express my strong dismay that when we have a bill of this importance that was passed in the House in June of 1973, and the Senate had to take action on it today before we could act, then we are required under this procedure to vote without really knowing what is in it and without having a chance to study any impact it may have on other parts of the legislation. If it were a conference report it would have to lay over for 3 days, but under this interesting maneuver, we are required to vote—not even knowing what the Senate did earlier today. If there were some logical explanation for the rush—I might not be critical of the procedure. The House originally voted overwhelmingly not to fund backup centers. The conference committee deleted that provision. Now—after some Senate action this afternoon—we agree to, in effect, reject the conference report and insist on the earlier House language. But we do not know the impact of this change on other parts of the conference—nor the relationship of this to funding public interest law firms. Nor indeed, whether the ultimate result is one huge backup center in Washington, D.C.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield 1 minute to the gentleman from Minnesota.

Mr. QUIE. I thank the gentleman for yielding.

I think that this body ought to know, Mr. Speaker, that we adopted the conference report in this body on May 16. At that time no one raised the question about the public interest law firms. They have had since May 16 of this year up to the present time to read and understand the difference between the House bill and the report. There has been ample opportunity for Members to consider it. There is only one change here, and that is to go back to the House language on backup centers. That is what this body just about voted for, and we are saying that even though a minority wanted to knock out the backup centers, we will now go along with knocking out the backup centers in order to get some agreement on this Legal Services Corporation. So we are not moving, I believe, too fast for the Members to consider it. We have considered it so many times before. There is not one new issue before us today.

Mr. PERKINS. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Speaker, I think it was rather shocking that anyone would oppose this motion on purely technical grounds that this body had not had an opportunity to know what it is voting on. This bill was first introduced in 1971 at the request of President Nixon. He was the one who initiated the request for this bill. After a series of hearings in both Houses, the bill was passed and sent down to the President who vetoed the bill, a much more comprehensive bill, without the prohibitions and limitations in this bill. He vetoed that bill on only one ground, and that is that he felt the President ought to have control of the appointment of the directors of the corporation.

Mr. Speaker, once again, after several years of debate, hearings and floor votes, we have the Legal Services Corporation bill before us. I am afraid that this bill has been so substantially compromised that it does not resemble the kind of legislation that I had hoped for. Nevertheless, after careful consideration, I am convinced that we should vote for the bill. The bill, after all, will assure poor people throughout the country that they can obtain free legal representation on civil matters of great importance to them.

The latest compromise of the Legal Services Corporation bill relates to the research, training, technical assistance and clearinghouse information backup services. Under the latest compromise, these backup functions, to the extent their authority derives from section 1006 (a)(3), will be transferred from the university-based centers to the Corporation—a transfer that I think is wholly inadvisable insofar as these centers have provided the backup services in a highly exemplary fashion. Although the bill requires the continuation of these functions, and although we expect that the Corporation will do its best to provide these services as effectively as possible, I think it is unwise to transfer any functions from the university-based centers that already have the expertise and personnel necessary to perform the backup services.

Our new legislation does not change the fact that the Corporation, as a result of section 1006(c)(1) of the bill, cannot "participate in litigation on behalf of clients other than the Corporation." All such litigation and other legal assistance will be handled by local, State and National legal offices which provide either general legal services or specialized legal assistance. Thus, despite the unfortunate change in the conference bill, top notch legal services will continue to be provided to the poor.

The university-based centers will receive phaseout grants for the research, clearinghouse information, technical assistance, and training work relating to the delivery of legal assistance activities under 1006(a) (3) which will be of sufficient duration so that there is no discontinuation of these important backup services. The Corporation should seek to develop the capacity to perform these backup services as quickly as possible. But, since the hiring of highly qualified Corporation personnel to perform this work will take some time—particularly since such newly hired personnel will have to be trained adequately—it is expected that the current university-based centers will continue work on these backup activities until about half a year after the Corporation board has its first meeting. Then this work will be performed through the Corporation and not through grant or contract under the authority of section 1006(a)(3).

It probably will make sense for the Corporation to perform its backup services under section 1006(a)(3) through numerous offices throughout the country. It probably will want to obtain consultant services from highly qualified persons and groups. But, of course, all of these questions will be up to the Corporation board's sound discretion.

I cannot hide my disappointment about the transfer of the research, clearinghouse information, technical assistance, and training functions authorized under section 1006(a)(3) from the university-based centers to the Corporation. However, I will vote for this bill and I will urge my colleagues to do likewise. Since local, State and National legal services offices will not be deterred from providing high-quality legal assistance, even where such offices are established to provide legal assistance of a specialized and complicated nature, I believe that we owe the poor the right to get the services contemplated by this bill. Thus, I am hopeful that this compromise bill will pass.

Mrs. CHISHOLM. Mr. Speaker, the Legal Services program was designed not only to assure that the poor had access to an attorney but to assure that the type of services provided the poor were of the same quality as those available to citizens able to afford an attorney. Those who worked within OEO to set up the program, realized early that the local legal services attorney was in vital need of backup assistance. Sometimes this was because of inexperience but all too often it was because of the shortage of resources and manpower necessary to keep current with legislative, administrative, and case law developments relevant to the poor. Unfortunately, local legal services programs are also severely understaffed and plagued with huge caseloads. Backup assistance—such as training of new attorneys, continuing legal education in new developing fields, and specialized research on complex legal problems or the complex Federal programs so vitally affecting the poor—was believed vital and was provided through national programs often affiliated with law schools.

The legislation we are approving today alters the delivery of this backup assistance and research by eliminating the Corporation's authority to provide such services by grant or contract. It is the intent of this legislation, however, that all such backup services continue. Background research and analysis in poverty law specialities, training of attorneys or paraprofessionals, technical assistance in management and delivery, all of these are to be carried on by the Corporation. No legal services program, whether funded to serve clients on a local, State, or even national level, can function without these backup services.

We expect these services to continue unabated while the Corporation determines how best to provide them and we expect the Corporation to evaluate carefully the best approach to use to assure the effective and efficient delivery. The capacity to provide such backup assistance was developed throughout the history of the legal services program and after experimentation with various approaches. The Corporation cannot overlook this experience. It may be, for example, that the Corporation need not create an entire new staff to provide backup. A centralized office in Washington is not the only alternative open and use of the present regional office structure may allow the Corporation to take advantage of the expertise of legal services attorneys presently involved in providing backup services. The transition from grant or contract funding of backup services to a more directly controlled

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operation should be orderly and should not precipitously dissipate the expertise and experience built up during the many years the OEO program was in effect.

Nothing in this legislation is designed to limit the Corporation's authority to fund legal services programs designed to provide legal assistance to eligible clients. Litigation, legislative and administrative representation, and appellate practice on behalf of eligible clients and client groups remain. Programs providing such legal assistance must be able to research their own cases, train their own lawyers, coordinate with other programs, and function like law officers in the private sector. Neither does this legislation alter the authority of the Corporation to fund specialized programs serving specific client groups—such as migrants or Indians—or to fund programs or program components specializing in complex litigation or in administrative representation on behalf of eligible clients at the State or national levels. Section 1006(a)(1) provides the Corporation with authorization language to assure funding of legal assistance programs.

Let me reiterate, again, that the local, State or national programs providing such assistance under section 1006(a)(1) will be substantially reduced and undermined if backup services—for example research on complex legal problems, training, and technical assistance—are not provided fully and effectively by the Corporation. We intend these support services to continue in the most professional manner possible.

Mr. MEEDS. Mr. Speaker, the motion that is now before us, which changes the conference bill that we recently passed is designed to affect the so-called backup functions of the Legal Services Corporation. Under this motion, it is contemplated that the Corporation will take over these vital backup functions rather than continuing such activities through grant or contract. Specifically, the functions that we are referring to are research, training, and technical assistance, as well as clearinghouse information services.

All of these functions are currently undertaken by contract or grant through 12 national research centers, and several other national training and technical assistance groups. Insofar as we deem these functions to be vital to the provision of high-quality legal services, it is contemplated that these activities will continue, but not through grants or contracts. Since the Corporation will be a politically insulated body, it will no longer be necessary to provide these services through grant or contract. Rather, at a point when the Corporation is enabled to carry out and supervise these functions directly the new legislation presently before us contemplates that they will be handled by the Corporation.

No interruption of these vital functions is expected. Thus, until the Corporation is fully enabled to handle these functions directly, the current national backup centers will continue to function so that local offices are not subjected to a disruption of vital research, technical assistance, training, and informational aid. Since it is unlikely that the Corporation will be able to properly handle these functions for about half a year after the Corporation has begun functioning—particularly insofar as the carrying out of these backup activities requires the hiring of expert personnel, the accumulation of appropriate informational materials, and the development of expertise on matters that are extremely complicated—it will be necessary to provide sufficient funds to the current backup centers so that they can continue functioning for at least half a year after the Corporation has had its first board meeting.

When the Corporation assumes the direct responsibility for the backup center activities, as it must under this bill currently before us, it will have substantial discretion as to how those activities are conducted. Thus, if the Corporation wishes to set up one big in-house operation to perform all of the backup activities, it will be permitted to do so. It also will be permitted to set up numerous research centers in different parts of the country if such centers are run as in-house operations. Similarly, if the Corporation finds it useful to purchase consultant services from any person or group that has expertise on such backup matters, then the Corporation will be permitted to do this as well. The main principle, however, that this bill incorporates is that responsibility for the carrying out of backup activities must be kept within the Corporation.

Nothing in this bill contemplates any change with relation to the provisions of legal services under section 1006(a)(1) of the bill. Offices throughout the country still are enabled to provide high-quality legal services for eligible clients, whether the issues litigated concern purely personal, local, State, or National issues. Offices which seek funds solely for the purpose of providing legal assistance to eligible clients should not be affected by the amendment to the conference bill. Only programs which want to provide research, technical assistance, training, and clearinghouse functions will be adversely affected. Thus, this bill will still permit—indeed, will foster—the provision of high-quality legal services to the poor.

Mr. STEIGER of Wisconsin. Mr. Speaker, I rise to speak in favor of the Legal Services Corporation bill that is presently before us. Although I am very much displeased with the recent amendment that has been added to the conference bill, I still think that it is imperative that this bill be passed. Legal services for the poor is an extraordinary important contribution to our system of justice and, as a result, it is important that we pass this bill today.

I would like to focus my remarks on the provision that has been changed from the conference report. That provision relates to the backup services in the Legal Services program: research, technical assistance, training, and clearinghouse information. All of these services heretofore have been provided through grant or contract. But, as a result of this new provision, they will be provided through the Corporation rather than by grant or contract.

This provision should not be interpreted as a retreat from our commitment to provide the finest legal services possible for the poor. Even though backup services are crucial, and even though it is my belief that the backup centers should continue to perform these functions rather than the Corporation, these services will continue to be provided. However, it is the Corporation that will have the responsibility for providing these research, clearinghouse information, technical assistance and training backup services. Moreover, this new provision will not inhibit our local, State, and national legal services offices from providing their clients with excellent legal assistance, regardless whether such offices devote their attention to general or specialized services.

Since we want the research, training, technical assistance, and clearinghouse information activities to continue, it is critical that the Corporation develop the capacity to perform these functions. This will take some time, however, after the Corporation board has its first meeting. Thus, it is expected that phase-out grants will permit the current backup centers to continue their research, training, technical assistance, and clearinghouse information functions until well beyond the Corporation has its first based meeting so that there is no interruption in the provision of these vital functions.

Once the Corporation takes over the responsibility for these backup services, it is expected that it will provide these services in a most effective manner. We have placed no restrictions on the Corporation's provision of these backup services. Therefore, if it wants to run its operations completely in Washington, or if it wants to set up regional and local offices to provide these services, or if it wants to obtain consultant services, the Corporation will be permitted to do so. However, these backup services will be rendered through the Corporation and not through grant or contract.

Since we fully expect the Corporation to undertake these backup functions in an effective manner, and since this change in the conference bill does not affect the provision of legal assistance activities pursuant to section 1006(a)(1), poor people can expect high quality legal services. Local, State, and national legal services offices, whether they provide general and varied services or whether they provide specialized services will continue to represent the indigent in a fine fashion. Since the Corporation is prohibited, under section 1006(c)(1) of the bill, to "participate in litigation on behalf of clients other than the Corporation," the provision of general or specialized legal assistance will be performed exclusively by grant or contract by local, State, and national legal services offices. But, under the new bill, the backup research, technical assistance, training and clearinghouse information functions will be performed through the Corporation and not through contract or grant.

In short, although I am against the change in the Corporation bill, the Legal Services Corporation legislation currently before us is still worthy of our support. I urge all of my colleagues to vote in favor of it.

Mr. **PERKINS**. Mr. Speaker, I move the previous question on the motion.

The **SPEAKER**. Without objection, the previous question is ordered.

There was no objection.

The **SPEAKER**. The question is on the motion offered by the gentleman from Kentucky.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. **PERKINS**. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 265, nays 136, not voting 33, as follows:

[Roll No. 385]

YEAS—265

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Ashley
Aspin
Badillo
Barrett
Bell
Bennett
Bergland
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Breaux
Breckinridge
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burgener
Burke, Calif.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney, Ohio
Carter
Cederberg
Chisholm
Clark
Cleveland
Cohen
Collier
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Culver
Daniels, Dominick V.
Danielson
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Dingell
Donohue
Downing
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flood
Flowers
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frenzel
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Grasso
Gray
Green, Pa.
Gude
Guyer
Hamilton
Hanley
Hansen, Idaho
Harrington
Hastings
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Holifield
Holtzman
Horton
Howard
Hungate
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Leggett
Lehman
Litton
Long, La.
Long, Md.
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McFall
McKinney
Madden
Madigan
Mallary
Mann
Maraziti
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Patten
Pepper
Perkins
Pettis
Pickle
Pike
Podell
Price, Ill.
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reid
Reuss
Riegle
Rinaldo
Rodino
Roe
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Seiberling
Shipley
Shriver
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stark
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Ullman
Udall
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Wampler
Ware
Whalen
White
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zwach

NAYS—136

Abdnor
Alexander
Annunzio
Archer
Arends
Armstrong
Ashbrook
Bafalis
Bauman
Beard
Bevill
Biaggi
Blackburn
Bowen
Bray
Brinkley
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burleson, Tex.
Butler
Byron
Camp
Casey, Tex.
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Dennis
Derwinski
Devine
Dickinson
Duncan
Edwards, Ala.
Fisher
Flynt
Fountain
Frey
Froehlich
Fuqua
Gettys
Goldwater
Goodling
Green, Oreg.
Gross
Grover
Gubser
Haley
Hammerschmidt
Hanrahan
Harsha
Hays
Henderson
Hinshaw
Hogan
Holt
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Kemp
Ketchum
King
Landgrebe
Latta
Lent
McCollister
McEwen
McKay
Mahon
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Michel
Milford
Miller
Minshall, Ohio
Montgomery
Moorhead, Calif.
Nichols
Parris
Passman
Patman
Poage
Powell, Ohio
Preyer
Price, Tex.
Quillen
Randall
Rarick
Rhodes
Roberts
Robinson, Va.
Rogers
Roncallo, N.Y.
Rousselot
Ruth
Satterfield
Scherle
Schneebeli
Sebelius
Shoup
Shuster
Sikes
Snyder
Spence
Steed
Steiger, Ariz.
Stubblefield
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Treen
Waggonner
Whitehurst
Whitten
Wydler
Young, Fla.
Young, S.C.
Zion

NOT VOTING—33

Andrews, N.C.
Baker
Brasco
Brooks
Burke, Mass.
Carey, N.Y.
Clay
Conlan
Davis, Ga.
Diggs
Dorn
Fulton
Griffiths
Gunter
Hanna
Hansen, Wash.
Hébert
Landrum
Lott
McSpadden
Macdonald
Metcalfe
Myers
Peyser
Robison, N.Y.
Rooney, N.Y.
Schroeder
Stanton, James V.
Steele
Symington
Teague
Veysey
Young, Ill.

So the motion was agreed to.

The Clerk announced the following pairs.

On this vote:

Mr. Brasco for, with Mr. Hébert against.

Mr. Young of Illinois for, with Mr. Landrum against.

Mr. Carey of New York for, with Mr. Teague against.

Mr. Brooks for, with Mr. Baker against.

Mr. James V. Stanton for, with Mr. Conlan against.

Mr. Diggs for, with Mr. Lott against.

Until further notice:

Mr. Rooney of New York with Mr. McSpadden.

Mrs. Schroeder with Mr. Dorn.

Mr. Clay with Mr. Hanna.

Mr. Macdonald with Mr. Gunter.

Mr. Metcalfe with Mr. Myers.

Mr. Symington with Mr. Steele.

Mr. Burke of Massachusetts with Mrs. Griffiths.

Mr. Fulton with Mrs. Hansen of Washington.

Mr. Andrews of North Carolina with Mr. Davis of Georgia.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MOTION OFFERED BY MR. PERKINS

Mr. **PERKINS**. Mr. Speaker, I offer a motion.

The clerk read as follows:

Mr. PERKINS moves that the House recede from its disagreement to the amendment of the Senate to the title of the bill (H.R. 7824) and concur therein.

The motion was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **PERKINS**. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the motion just agreed to.

The **SPEAKER**. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CONFERENCE REPORT ON H.R. 8217, EXEMPTING FROM DUTY CERTAIN EQUIPMENT AND REPAIRS FOR VESSELS

Mr. **ULLMAN** submitted the following conference report and statement on the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971:

CONFERENCE REPORT (H. REPT. No. 93-1197)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971, having met, after full and free conference, have been unable to agree.

W. D. MILLS,
AL ULLMAN,
JAMES A. BURKE,
H. T. SCHNEEBELI,
H. R. COLLIER,
Managers of the Part of the House.

RUSSELL B. LONG,
HERMAN E. TALMADGE,
VANCE HARTKE,
ABRAHAM RIBICOFF,
WALLACE F. BENNETT,
CARL T. CURTIS,
PAUL FANNIN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971, report that the conferees have been unable to agree.

W. D. Mills,
Al Ullman,
James A. Burke,
H. T. Schneebeli,
H. R. Collier,
Managers of the Part of the House.
Russell B. Long,
Herman E. Talmadge,
Vance Hartke,
Abraham Ribicoff,
Wallace F. Bennett,
Carl T. Curtis,
Paul Fannin,
Managers on the Part of the Senate.

REPORT ON RESOLUTION RELATING TO AMENDMENT TO THE DEFENSE PRODUCTION ACT OF 1950

Mr. MATSUNAGA, from the Committee on Rules, submitted a privileged report (Rept. No. 93–1198), on the resolution (H. Res. 1233) relating to the amendment of the Defense Production Act of 1950, which was referred to the House Calendar and ordered to be printed.

H. Res. 1233

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 13044) to amend the Defense Production Act of 1950. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 13044, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 3270, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 13044 as passed by the House.

REPORT ON RESOLUTION RELATING TO FURTHER AMENDMENT AND EXTENSION OF AUTHORITY FOR THE REGULATION OF EXPORTS

Mr. MATSUNAGA, from the Committee on Rules, submitted a privileged report (Rept. No. 93–1199), on the resolution (H. Res. 1234) relating to the further amendment and extension of authority for regulation of exports, which was referred to the House Calendar and ordered to be printed.

H. Res. 1234

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 7 of Rule XIII to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 15264) to further amend and extend the authority for regulation of exports. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PERSONAL EXPLANATION

Mr. LANDGREBE. Mr. Speaker, on the vote on the bill just considered, H.R. 15560, I was inadvertently absent from the Chamber at the time of the vote.

Had I been present, I would have voted "no," and I ask that my statement be shown in the Record.

PERSONAL EXPLANATION

Mr. MIZELL. Mr. Speaker, I ask that the Record will show that on the vote on the motion of the gentleman from Iowa (Mr. Gross) to table the motion offered by the gentleman from Kentucky (Mr. Perkins) on the legal services legislation, I was absent because the communications system was not working in my office.

I would like the Record to show that had I been present, I would have voted "no."

PERSONAL EXPLANATION

Mr. CHAMBERLAIN. Mr. Speaker, on Wednesday, July 10, 1974, on rollcall No. 368, I inadvertently pressed the wrong button and was recorded as being present.

I would like the Record to show that I intended to vote "aye."

WILD AND SCENIC RIVER STUDIES OF THE TONGUE RIVER, WYO.

(Mr. RONCALIO of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO of Wyoming. Mr. Speaker, today I am introducing legislation to include a portion of the Tongue River in Sheridan County, Wyo., in studies for possible future inclusion in the Wild and Scenic Rivers System.

As a massive energy resource development effort continues to get underway in my State of Wyoming, there is a growing demand for our water and commitment of our streams to meet the needs of coal development and power generation. As these developments move ahead, it is essential that full review and consideration be taken of those streams with unique and particularly scenic qualities before they are radically and possibly irreversibly altered. I believe that we must preserve and protect some of our streams now if we are to retain them in their natural state for the enjoyment and use of future generations and for their contribution in the natural state to their ecosystems.

One such river deserving review before any possible commitment to energy development is the Tongue River in Wyoming. This river has its source in the Big Horn Mountains of North Central Wyoming, flows down through an elk wintering area, through the Tongue River Canyon and finally out of the Big Horn National Forest and onto the plains of the Powder River Basin.

Proposals have been made to construct water storage facilities in the Tongue River Canyon. While there is indeed a tremendous demand for water to be used in the Powder River Basin's coal fields, this unique stream has qualities which should be given due consideration through the studies under the Wild and Scenic Rivers Act for possible future inclusion in protective status under that act. The segment of the stream in the bill which I have introduced is from the juncture of the North and South Forks of the Tongue River to the mouth of the Tongue River Canyon at the boundary of the Big Horn National Forest.

Along this river are winter elk grazing areas which would be inundated by proposed water storage facilities. Development of the river would not only jeopardize this elk herd, but would end the natural setting and nature of this fine free flowing stream. The portion lies entirely within the Big Horn National Forest and largely within a roadless area.

I have received many requests from Sheridan County and from people who have enjoyed the Tongue River in its natural state for fishing and its scenic qualities asking that this legislation be introduced. The Sheridan County Commissioners wrote in a letter dated July 5:

> We favor the study of that segment of the river from the forks of both the North and South Tongue Rivers to the mouth of the Tongue River Canyon to determine whether or not it is feasible to have the Tongue River included in the scenic and wild river system.

AMENDMENTS TO THE NATIONAL SECURITY ACT OF 1947 WITH REGARD TO THE CENTRAL INTELLIGENCE AGENCY

(Mr. NEDZI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. NEDZI. Mr. Speaker, last week I was joined by Mr. William G. Bray, the ranking member of the House Armed Services Committee, in introducing H.R. 15845, a bill which would amend the National Security Act of 1947 with regard to clarifying the role of the Central Intelligence Agency in our organization for national security. That bill evolved from the extensive inquiry conducted by the Special Intelligence Subcommittee of the House Armed Services Committee into the alleged involvement of the Central Intelligence Agency in the Watergate and Ellsberg matters.

The subcommittee, of which I am chairman, and Mr. Bray, the ranking member, reported its findings on October 23, 1973, and among other matters concluded that the National Security Act had to be strengthened to assure that the

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CIA not engage in activity outlawed by that act, and to discourage any attempts in the executive branch to so use the Agency. The subcommittee uncovered various blatant instances in connection with the Watergate and Ellsberg affairs where White House aides pressured the CIA into involving itself in activities that were clearly improper. In addition, there were White House attempts to use the CIA to divert the FBI investigation of the Watergate breakin, and to provide assistance to Watergate defendants in clear violation of the law.

Furthermore, the subcommittee concluded that it was necessary to reexamine and strengthen the language of the statute which charges the Director of Central Intelligence with responsibility for protecting intelligence sources and methods from unauthorized disclosure. Also troublesome was the fact that there had been associations between former employees of the CIA and the active organization which went beyond purely social contact and appeared to be based on other than administrative matters. Accordingly, it was clear that further examination of such associations was necessary to eliminate such questionable contacts in the future.

Finally, it was also obvious that changes were necessary in the National Security Act of 1947 to make it crystal clear that the mission of the Central Intelligence Agency lies solely in the area of foreign intelligence and that any CIA entanglement in domestic intelligence, law enforcement, internal-security operations or any police-type activity is clearly improper and illegal.

Thus, Mr. Speaker, we have introduced H.R. 15845 as a vehicle for early hearings on these matters and to pinpoint the continuing necessity for vigilant congressional oversight to insure strict compliance with the original intent of Congress in creating the Central Intelligence Agency in 1947 as a vital arm of our organization for national security.

For the information of our colleagues, a Ramseyer treatment of H.R. 15845 follows:

Proposed Amendment—National Security Act of 1947, as Amended

* * * * *

CENTRAL INTELLIGENCE AGENCY

Sec. 102. * * *

(d) For the purpose of coordinating the *foreign* intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council—

(1) to advise the National Security Council in matters concerning such *foreign* intelligence activities of the Government departments and agencies as relate to national security;

(2) to make recommendations to the National Security Council for the coordination of such *foreign* intelligence activities of the departments and agencies of the Government as relate to the national security;

(3) to correlate and evaluate *foreign* intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: *Provided*, That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions: *Provided further*, That the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: *And Provided further*, That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure and *pursuant to that responsibility he shall develop appropriate plans, policies, and regulations but such responsibility shall not be construed to authorize the Agency to engage in any activity prohibited by the first proviso of this clause, and any information indicating a violation of such plans, policies and regulations shall be reported to the Attorney General of the United States for appropriate action.*

(4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern *relating to foreign intelligence activities* as the National Security Council determines can be more efficiently accomplished centrally;

(5) to perform such other functions and duties related to *foreign* intelligence affecting the national security as the National Security Council may from time to time direct *and report to the Congress in accordance with such procedures as the Congress may establish.*

(e) To the extent recommended by the National Security Council and approved by the President, such intelligence of the departments and agencies of the Government, except as hereinafter provided, relating to the national security shall be open to the inspection of the Director of Central Intelligence, and such intelligence as relates to the national security and is possessed by such departments and other agencies of the Government, except as hereinafter provided, shall be made available to the Director of Central Intelligence for correlation, evaluation, and dissemination: *Provided, however*, That upon the written request of the Director of Central Intelligence, the Director of the Federal Bureau of Investigation shall make available to the Director of Central Intelligence such information for correlation, evaluation, and dissemination as may be essential to the national security.

(f) Effective when the Director first appointed under subsection (a) of this section has taken office—

(1) the National Intelligence Authority (11 Fed. Reg. 1337, 1339, February 5, 1946) shall cease to exist; and

(2) the personnel, property, and records of the Central Intelligence Group are transferred to the Central Intelligence Agency, and such Group shall cease to exist. Any unexpended balances of appropriations, allocations, or other funds available or authorized to be made available for such Group shall be available and shall be authorized to be made available in like manner for expenditure by the Agency.

(g) *Nothing in this or any other Act shall be construed as authorizing the Central Intelligence Agency to engage, directly or indirectly, within the United States, either on its own or in cooperation or conjunction with any other department, agency, organization, or individual in any police or police-type operation or activity, any law enforcement operation or activity, any internal security operation or activity, or any domestic intelligence operation or activity: Provided, however, that nothing in this Act shall be construed to prohibit the Central Intelligence Agency from protecting its installations or conducting personnel investigations of Agency employees and applicants or other individuals granted access to sensitive Agency information; nor from carrying on within the United States activities in support of its foreign intelligence responsibilities; nor from providing information resulting from foreign intelligence activities to those agencies responsible for the matters involved.*

(h) *Transactions between the Agency and former employees, except for purely official matters, are prohibited.*

AMENDMENT TO AGREEMENT FOR COOPERATION WITH GREECE ON NUCLEAR POWER REACTORS

(Mr. PRICE of Illinois asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, on July 12, 1974, the Atomic Energy Commission forwarded to the Joint Committee on Atomic Energy, pursuant to section 123c. of the Atomic Energy Act of 1954, as amended, a proposed amendment to the Agreement for Cooperation with the Hellenic Republic. The agreement will become effective only when it has lain before the Joint Committee for 30 days, not including periods during which the Congress is in recess for more than 3 days. The 30-day period for the proposed agreement with the Hellenic Republic will expire on August 13, 1974.

The new agreement provides for the following changes, among others:

First, the section dealing with provision of uranium enrichment services no longer constitutes an assurance that such services will be provided. The agreement instead represents an enabling document to allow contracting for such services up to a maximum amount, subject to capacity.

Second, the agreement now allows transfer to the Hellenic Republic of special nuclear material other than U–235, such as U–233 or plutonium.

Third, the ceiling on distribution is now expressed in terms of the amount necessary to fuel power reactors with a total electric capacity of up to 3,000 megawatts. This is equivalent to about 60,000 kilograms of U–235. The previous ceiling was 6 kilograms for research purposes.

Fourth, the term of the agreement is extended to the year 2014.

It should be noted that this amendment is of the type which would undergo strengthened congressional review under the provisions of the joint committee's bill, H.R. 15582, when that bill is enacted into law.

I would also like to point out that the agreement will continue to be subject to IAEA safeguards, pursuant to the Treaty on the Nonproliferation of Nuclear Weapons.

Without objection, I would like to enter into the Record a copy of the AEC letter transmitting the agreement. The letter describes the changes in more detail. Copies of the proposed agreement for cooperation are available in the offices of the joint committee.

U.S. Atomic Energy Commission,
Washington, D.C., July 12, 1974.

Hon. Melvin Price,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

Dear Mr. Price: Pursuant to Section 123c of the Atomic Energy Act of 1954, as amended, copies of the following are submitted with this letter:

a. a proposed superseding "Agreement for Cooperation Between the Government of the

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United States of America and the Government of the Hellenic Republic Concerning Civil Uses of Atomic Energy";

b. a letter from the Commission to the President recommending approval of the agreement; and

c. a memorandum from the President containing his determination that its performance will promote and will not constitute an unreasonable risk to the common defense and security and authorizing its execution.

The proposed agreement would supersede the present research type of agreement, which came into force in 1955 and expires in 1974. The basic purpose of the superseding agreement is to establish the framework for long-term supply of enriched uranium for fueling nuclear power reactors in Greece. The agreement's term would be forty years.

The agreement reflects the Commission's revised policy governing the long-term provision of uranium enrichment services, which was adopted in 1971 and which has been reflected in bilateral amendments and agreements negotiated since that time, for example, the Spanish agreement and Korean and Swedish amendments. Pursuant to this policy, the new agreement with Greece would be essentially an enabling document and would no longer represent any kind of supply assurance prior to execution of specific toll enrichment contracts. The agreement also is consistent with the modified Uranium Enrichment Services Criteria published by the Commission on May 9, 1973. Major provisions of the agreement are discussed below.

Article VII of the agreement sets forth the basic, enabling framework for long-term supply of enriched uranium fuel. The Commission would be authorized to enter into toll enrichment contracts for supplying power reactor fuel, subject to the availability of capacity in Commission facilities and within the ceiling quantity established in Article IX of the agreement. Once customers in Greece are ready to contract for a particular quantity, they would compete for access to available Commission enrichment capacity on an equitable basis with the Commission's other customers. Such competition for access to available capacity will, in general, be on a "first come, first served" basis.

Article VII provides for continued supply of U–235 to fuel research and experimental reactors. As in the Korean and Swedish amendments, for example, and in view of the expected commercial use of plutonium as reactor fuel, a new provision has been incorporated (paragraph D) to permit transfers of special nuclear material other than U–235 (i.e., plutonium and U–233) for fueling purposes. The Commission does not plan to be a world supplier of such material, particularly plutonium; rather, reactor operators in Greece would be expected to look to the commercial market to meet needs which arise.

Article VIII sets forth conditions governing material supply from the U.S. and its use within Greece. These are common to other Agreements for Cooperation. For example, an economic or technical justification is required before the Commission will give consideration to the transfer of uranium enriched to more than 20% in U–235. Further, the Commission would participate in any decision as to where fuel reprocessing shall be performed. Regarding special nuclear material produced through the use of U.S. material acquired under the bilateral, such produced material may be transferred to third countries provided that such countries have an appropriate agreement for cooperation with the United States or guarantee the peaceful uses of such material under safeguards acceptable to the U.S. and Greece.

Article IX establishes a ceiling on U–235 transfers for power applications. Under the revised supply policy mentioned earlier, the U–235 ceiling is merely an upper limit on the amount which may be transferred for power reactor fueling and does not represent an advance allocation of U.S. diffusion plant capacity. Following the approach adopted in other recent amendments and agreements, the ceiling is based on the total megawatts of nuclear power anticipated to be supported, and it covers a program composed of reactor projects for which supply contracts are expected to be executed within the next five years. Since the Commission's policy pursuant to the Uranium Enrichment Services Criteria normally requires that initial deliveries of enriched uranium for first core loadings be contracted for at least eight years in advance of such need, the quantity limitation in the Greek agreement contemplates the execution of contracts calling for initial first core deliveries up to thirteen years in the future. The Greek power program which would be supported by the proposed agreement totals 3,000 megawatts (electric).

Pursuant to Article X, Greece would give guarantees like those given in the present agreement and other Agreements for Cooperation. The "peaceful uses" guarantee extends to material, equipment and devices transferred under the proposed agreement and to produce special nuclear material.

With respect to safeguards, the current Greek agreement calls for application of safeguards of the International Atomic Energy Agency (IAEA) to transfers under the bilateral. Greece has concluded a standard trilateral safeguards agreement with the U.S. and the Agency respecting such transfers. Further, and as Article XII of the agreement recognizes, Greece has concluded a safeguards agreement with the Agency pursuant to the Treaty on the Non-Proliferation of Nuclear Weapons. Accordingly, and with U.S. agreement, the standard trilateral safeguards arrangement has been suspended, and the U.S. has agreed to suspend its bilateral safeguards rights under the Agreement for Cooperation during the time and to the extent it agrees that the need to exercise such rights is satisfied by the IAEA safeguards arrangements indicated in Article XII.

Article XV establishes a term for the agreement of forty years. The forty-year period is considered appropriate in view of the advance contracting requirement noted earlier and the practice of establishing a term for power-type Agreements for Cooperation which encompasses the approximate economic lifetime of nuclear power reactors. For planning purposes, this lifetime is considered to be about thirty years.

The agreement will enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for entry into force.

Sincerely,

Originally signed by William A. Anders
for Chairman.

AMBASSADOR STEVENSON'S STATEMENT ON THE SEA CONFERENCE IN CARACAS

(Mr. KYROS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KYROS. Mr. Speaker, I rise today to comment on the recent speech given by Ambassador John Stevenson for the United States before the plenary session of the Law of the Sea Conference in Caracas. While I am pleased by the apparent change in our State Department's position on the crucial 200-mile fishing limit, I would like to add a note of caution in the midst of the great cries of joy and jubilation expressed not only by representatives of the fishing industry but also here in Congress.

To be realistic, it must be noted that the conditions under which the United States is accepting the concept of a 200-mile economic zone have already been flatly rejected by many important fishing nations. Surely, our State Department knows this,and I, for one, do not want to see the momentum we have carefully created in support on an interim 200-mile limit dissipated in the face of a seeming shift in U.S. policy which could very possibly be futile and unworkable. We must not be left emptyhanded at the end of the Conference with no bill reported in Congress.

It cannot be denied that Ambassador Stevenson's statement appears to fulfill the demands of the New England and west coast fishing industries, in that foreign vessels would be permitted to fish, on a license basis, only for species which are not considered endangered by the United States. The economic zone would not interfere with navigation rights or freedom of overflight, as in H.R. 9136, the bill many of us have cosponsored. But the dispute-settling mechanism on which our acceptance is conditioned is simply unacceptable—not so much to our own Government as to the governments of the other nations involved. And that fact must not be forgotten or ignored.

While I personally am not opposed to the concept of third-party settlement of disputes, I do know that this controversial condition has caused, and will continue to cause, many States to reject our proposal. Peru has already charged the U.S. position as being a "trojan horse," and many other developing countries have stated that they simply will not accept compulsory mediation of disputes as part of any treaty. By tying our proposal for an economic zone to compulsory settlement of disputes, I fear we may have doomed our position before the conference is half over.

My theory is that the State Department has not, in fact, significantly changed its position from the so-called "species approach," but has simply adopted the terminology of a 200-mile economic zone in order to blunt the heavy congressional pressure in favor of the 200-mile limit. If this is true, then the State Department has succeeded, for Senator MAGNUSON has apparently held up his scheduled markup by the Commerce Committee of the interim 200-mile bill. This bill was supposed to be considered after the July 4 recess, but now it appears that we will have to wait. I want to add that even Ambassador Stevenson is sensitive to the charge that the U.S. position may not be all we expect, since he comments in his speech that our position "is not, as some delegations have implied, an attempt to destroy the essential character of the economic zone—to give its supporters a juridical concept devoid of all substantive content."

My concern over the question of compulsory settlement of disputes is deepened by past experience on this issue. The Soviet Union and Japan, we must remember, refused to sign the 1958 "Law of the Sea Convention on Fishing and Conservation of Living Resources of the High Seas," because this treaty called for third-party settlement of disputes by the international court of justice. This Convention could have been crucial in aiding our threatened fisheries since signatory nations could protect their endangered stocks under its provisions. Unfortunately, since the two major fishing nations, Russia and Japan, have never signed the treaty, it is useless. As an added point, I might mention that while this treaty was signed in Geneva in 1958 and came into force for the United States in 1966, only in 1973 did the State Department send implementing legislation to Congress, where it is still pending. So much for quick action on the part of international agreements.

I am, of course, in favor of international negotiations, but our fish simply cannot wait for our diplomats. That is why I continue to support H.R. 9136, which is an interim measure to protect our fish until an international agreement can be made. Once the Law of the Sea Conference is concluded in Vienna, or elsewhere, the bill would be superseded by the treaty. Our fish stocks are renewable, but at the rate foreign fishing is being conducted off our shores right now, we will not have the fish to regenerate by the time an agreement is reached. I want to remind my colleagues that the Soviets alone now catch 50 percent of the fish off New England. This is in addition to depletion by the Germans, French, Spaniards, Japanese, Italians, and others, who are also present in record numbers.

I hope that I am proven wrong on this issue, and that the State Department is really sincere in its desire to help our fishing industry. Based on past experience, however, I can only be skeptical. I am afraid that the apparent shift in the U.S. position was made to take the steam out of the drive in Congress for 200-mile-limit legislation, while not really bringing about a change in the basic U.S. position. Time will tell, but in the meanwhile, I want to strongly urge Congress to continue its serious consideration of the extended fishing jurisdiction bills. Our actions here have already resulted in some modifications in the official U.S. position, and passage of our bill, I am convinced, will yield even more concrete results.

Thank you.

REPORT ON MISSING IN ACTION IN SOUTHEAST ASIA

The SPEAKER pro tempore (Mr. RYAN). Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 60 minutes.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today, and to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MONTGOMERY. Mr. Speaker, my remarks this afternoon are not as encouraging as I would had hoped that they would have been. I wish that I could stand here and say that I do have evidence that at least some of our missing servicemen are being held captive. However, I found no such evidence on my recent trip to South Vietnam, Laos, and Thailand, and I feel that I must be truthful to my colleagues, the missing in action families, and the American people, and report that I found little possibility that we will find any of our missing servicemen still alive.

However, I would want to point out that we do not intend to give up any and all efforts to obtain full and factual accounts on each and every missing serviceman. We must continue our efforts in this important matter, and continue to keep the pressure on the Communists' side to live up to the agreements of the Paris Peace Accords. Furthermore, we must continue to press for the right to enter all contested areas so as to recover the remains in order to return them to the United States for proper burial.

Mr. Speaker, I have on the desk in front of me pictures of an American who has been missing in action for over 7 years. I have pictures of the remains that were recovered. I wish the Members, if they have a chance, would come up and look at these pictures.

I also have calendars and reports of the search teams that we have out there, and I would certainly hope that my colleagues will come to the desk because it contains some interesting material.

Mr. Speaker, since I have sent each Member a complete report of my investigation, I will not go into details of it at this time; rather I ask unanimous consent that I may include my report at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The report is as follows:

JULY 9, 1974.

DEAR COLLEAGUE: At the encouragement of the Defense Department and because of my own personal interest, I again went to the Far East during the Fourth of July Recess, this time only to seek information on the missing in action and the bodies of Americans not recovered from Southeast Asia.

I hope that you will be able to take just a few minutes to read this report, as I think that it will help update you on this sad and frustrating situation in which we find ourselves.

SOUTHEAST ASIA

There are 1140 Americans classified as missing in action and 1266 who were killed in action but those bodies have not been recovered from communist zones.

The key to the whole situation is for the communists to let United States or neutral country identification teams go into the communist zones and recover our dead at the crash and grave sites and find out what happened to those who cannot be found in or near aircraft crash sites.

Not only did I meet with our Americans working on the MIA problem in Southeast Asia, but I also met with leaders of friendly governments in Laos and South Vietnam and with the Viet Cong in Saigon, the communist leaders in Laos (Pathet Lao), the First Counselor of the North Vietnamese Embassy in Laos, and the military attaches of India and Australia.

I asked only two quotations of both the communist and the friendly representatives: First, Do you know of any Americans, military or civilian, classified as MIA who are still alive? Second, When are you going to let American or neutral identification teams go to crash sites and recover remains or determine if the pilot and/or crew got out of the plane? This is what I found out:

SOUTH VIETNAM

Ambassador Martin; the US representatives and Republic of Vietnam representatives to the Four Party Joint Military Team (FPJMT); Col. Son, the Provisional Revolutionary Government (Viet Cong) representative to the FPJMT; B/G Ulatoski, Commander of the US Joint Casualty Resolution Center, all stated that they know of no Americans—military or civilian—classified as missing in action who are still being held captive in South Vietnam.

I asked the communists (Viet Cong) in Saigon, "When will you permit identification teams to inspect crash sites and bring home our dead for proper burial?" I was told that recovery of bodies was a little detail and they would not permit Americans to go to the sites. (Under the Paris Accords, we should be permitted to do this.)

Captain Rees, a member of an unarmed US identification team of our Joint Casualty Resolution Center, was murdered in cold blood by the Viet Cong on December 15, 1973, at a crash site in South Vietnam. Under the Paris Accords, we are required to notify the Viet Cong of intended site investigations, which no doubt helped them set up the ambush of Captain Rees's team, of course, since then no American teams have been sent out.

Any mention of Southeast Asia in the Congressional Record is read by the communists. They were quite disturbed by the Huber-Zablocki resolution (H. Con. Res. 271), which passed 374 to 0. The North Vietnamese and Viet Cong sometimes receive information from the Record before our own members of the Four Party Joint Military Team in Saigon.

LAOS

I had long talks with the Deputy Prime Minister of the Coalition Government and the Minister of Economics, both communists (Pathet Lao). They were emphatic that the only American alive and held captive in their zone is Mr. Emmet Kay, an American civilian pilot captured after the cease-fire. I was told that he would be released as soon as the prisoner exchange between the Pathet Lao, the Royal Laotian Government, and the North Vietnamese could be worked out.

I met with General Michigan, India Army, who is head of the ICCS, and the Military Attache of the Australian Embassy. They both had only recently visited Sam Neva, Headquarters for the Pathet Lao in Northern Laos, and stated that they knew of no other Americans alive in Laos other than Emmet Kay.

General Vang Pao of the Royal Laotian Army told me he knew of no Americans still alive. He did mention that when he is permitted to go into communist areas, his group would be able to recover two American bodies.

The Deputy Prime Minister said the Pathet Lao would not permit American or other identification teams to go into their zone until the people were better acquainted with the new government and there was peace throughout Laos.

We pointed out in both Laos and Vietnam that time will destroy the crash sites and

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make finding the site and recovery of bodies impossible.

Since our government recognizes the new Laotian government, it is my understanding from US A.I.D. officials that the Pathet Lao, as members of the coalition government, would be eligible for US aid. Ambassador Whitehouse assured me, however, that not one nickle of US aid would go into the communist zone of Laos until we had been given an accounting of our missing and have recovered the bodies of our men killed in Laos.

NORTH VIETNAM

I requested to go into North Vietnam, but my visa was turned down by them. However, I did meet with the Counselor of the North Vietnamese Embassy in Vientiane, Laos. He stated that there were no Americans still held captive in North Vietnam and that no search and identification teams would be permitted in North Vietnam until there was peace throughout Southeast Asia and the US had withdrawn its 24 thousand soldiers dressed as civilians in South Vietnam.

When the JCRC team went to Hanoi and picked up the bodies of 23 Americans who died in captivity in North Vietnam, there was a 24th body but the North Vietnamese would not release the remains of that American because they said he did not die in captivity.

CAMBODIA

The press corps in Saigon gave me pictures and descriptions of the 19 American and third country correspondents who are missing in Cambodia. I gave copies of these brochures to the three communist groups while in Saigon and asked that they give us information on these men. I did not go into Cambodia.

SUMMARY

(1) We tried so hard to develop evidence that Americans are still alive in Southeast Asia, other than Emmet Kay, but could not. The only way to be sure is for identification teams to go into the communist zones and search.

(2) I believe that the North Vietnamese have made good records of the American crash sites in North Vietnam, that the Viet Cong have some records, not as complete, and that the Pathet Lao have no records.

(3) The communists are not going to let us search the crash and grave sites until we bring some type of pressure on them. Time works against us since evidence at the sites is very perishable in the tropical environment.

(4) The coalition government in Laos has a fighting chance of working. However, North Vietnam is going to continue fighting in South Vietnam and will not withdraw from Laos, in my opinion.

(5) The South Vietnamese are fighting well and are also giving us good assistance in resolving cases of the missing US personnel that they can get to.

(6) In order ever to have peace in South Vietnam and in all of Southeast Asia, the major powers—Russia, China, and the US—are going to have to reach an agreement on the continued supplying of these Southeast Asian nations with military aid.

(7) As elected officials and individuals, we must intensify and continue the public pressure for a full and factual accounting of MIA's and return of known dead. This appears to be the only tactic that has an effect on the other side.

Sincerely,

GILLESPIE V. MONTGOMERY,
Member of Congress.

P.S. I have requested a Special Order for Tuesday, July 16, and would urge you to join with me in discussing this important matter and showing that Members of Congress are vitally concerned about the plight of our missing servicemen.

Mr. MONTGOMERY. Mr. Speaker, I know there are many Members who are here today who would like to join me in a discussion of this matter. I would also like to thank my colleagues for the letters they have written me on the report that they received from me.

Mr. WOLFF. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Speaker, I thank the gentleman from Mississippi for yielding to me.

Mr. Speaker, I want to compliment the gentleman in the well for his continued and continuous activity in bringing this matter to the attention of Congress and the American people.

About a year ago I held some ad hoc hearings on the same question. I was confronted with a family who had received the remains of a soldier killed in Vietnam which were entirely different than the physical makeup of the individual who was supposed to have been killed. At that time they said that there was an effort being made to get as complete records on all of the missing in action as possible. I think that the continuing pressure of Congress to keep this matter before the American people is something that we as Members of the Congress have a responsibility to do.

I again compliment the gentleman from Mississippi for his leadership in this matter.

Mr. MONTGOMERY. I thank the gentleman for his comments. I know his interest and the number of trips that he has made to Southeast Asia working in behalf of the missing in action and also those Americans, over 1,200 in number, whose bodies have not been recovered.

We have not brought these bodies back for proper burial because the Communists will not let us go into the territory. Under the Paris accord we are entitled to bring our dead home.

Mr. Speaker, I now yield to the gentleman from New York (Mr. KEMP).

Mr. KEMP. I appreciate the gentleman's yielding.

I, too, should like to join my colleagues on the floor at this time in commending him for bringing to the attention not only of this Congress, but certainly of the American people this extremely important issue. I commend the gentleman in the well for his leadership.

I, too, like many of us in the Chamber, have made trips to Southeast Asia. I would simply make this suggestion to the gentleman in the well. It seems to me that, at a time when we know a great deal about the violations of the Paris Peace Agreement by the Communist North Vietnamese, the worst violation that I can consider of that accord would be the failure of the U.S. Congress to keep the pressure on North Vietnam to comply with the terms of that agreement in recognition of our need to identify the missing in action in Laos, Cambodia, and North Vietnam.

I would ask the gentleman this question: When we talk about pressure, it seems to me that perhaps there are several things that we could do. I, for one, am a great believer that we should not trade with Communist China and Soviet Russia in order to force compliance, perhaps through their efforts on North Vietnam at the Paris peace accord. Does the gentleman have any suggestions to his colleagues as to how else we might bring about compliance by the North Vietnamese?

Mr. MONTGOMERY. I think the North Vietnamese are the key to it. I would say to the gentleman from New York that I think the State Department could move forward probably more than they are moving now and negotiate with Russia and China, if that is the proper term, and other countries of the world to bring pressure on the North Vietnamese to let our identification teams go into North Vietnam, into Laos, into Cambodia, and South Vietnam and go to the crash site. I cannot see any reason why they should not. They signed this agreement—the North Vietnamese did. We signed the agreement, and they have not permitted us to do this. If we could get these identification teams, either American, International Red Cross, or a third country, to go into these countries, we could obtain a more accurate picture of the missing in action and bodies not recovered.

I know of the gentleman's trips to the Far East and his interest in the region. In fact, Father Menegar, in Laos, asked about you when I was there 2 weeks ago. The gentleman from New York has been one of the leaders in the Congress in trying to get a complete accounting on those missing in action. I certainly appreciate the gentleman's interest in this situation.

Mr. KEMP. If the gentleman will yield for just one further comment, let me simply make the further suggestion regarding our efforts that we might consider going to the U.N. Security Council in the absence of compliance by the North Vietnamese. We ought to talk about reducing our funding of the United Nations to possibly force other nations of the world to put pressure on North Vietnam. There are some things we can do, and I would only suggest to the gentleman that I am very grateful for his leadership.

As I said earlier, for us to fail to bring the type of pressure on North Vietnam to identify our missing would be the most serious violation of the Paris peace agreement I can think of.

Mr. MONTGOMERY. I thank the gentleman for his strong remarks.

Mr. Speaker, I now yield to the gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. BOGGS. I thank the gentleman for yielding.

I also want to thank the gentleman for taking this special order and for exercising all the expertise he has in this matter. He has worked on this subject for a long period of time and he has taken various trips in connection with it. I also would like to thank all the Members of the House for their efforts on behalf of those missing in action and I would like to report to the Members the wonderful consideration and goodness and kindness and prayers and understanding that were exhibited to Peggy Begich and me by the families of those missing in action. I think by whatever means Congress has at its disposal, whether through third person parties or through trade or whatever pressures we can exercise, we should apply pressure and proceed to as expeditiously as possible find out for the families of those missing in action where their people are, what has happened to them, and let those families know as soon as possible.

Mr. MONTGOMERY. I thank the gentlewoman for her remarks. I know she has worked very hard in this area.

This is not a one-person operation, as the gentlewoman knows. It is going to take the work of all the Members. I feel I have done nothing more than any other Member of the Congress, but I do appreciate the kind remarks of the gentlewoman with respect to what we have done in Southeast Asia. This is a team effort and it is going to take a great deal of hard work of a great many Members to get us the information from the Communists and to get them to let us have our investigating teams go in and find out what happened.

Again I would like to thank the wonderful lady and my colleague from Louisiana for participating in this special order and she knows better than anyone else in this room the sadness and frustration accompanying the subject we are discussing today.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding.

I commend the gentleman in the well for continuing his efforts to pour the pressure on and for bringing this to the attention of the American people, and I associate myself with the remarks of the gentleman from New York (Mr. KEMP) on the different ways the United States can apply pressure on this matter.

I met recently with a group of MIA families in Spokane, Wash., residing in northern Idaho and eastern Washington, and I found one of their great disappointments has been the inability of the American Government to negotiate and to obtain missing in action lists for those missing in other countries. I hope we can apply pressure and I feel we can if we have the will to do so in order to bring about the result we need.

Mr. MONTGOMERY. I thank the gentleman for his strong statement.

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. Mr. Speaker, I thank the gentleman for yielding. I would like to add my commendation to the statements already made with respect to the work of the gentleman from Mississippi on this subject and my commendation for his taking this special order.

I spoke with the gentleman and told him before his trip of visits I have had with some of the families of those missing an action in my district in Oklahoma. These are very brave people and they are looking to their Government for continued help in getting the answers they seek.

I think it is important that we have such special orders on this subject as we are having today and that other Members also continue to put pressure on the executive branch to use all channels available to this Government to put pressure on the Communist Government of North Vietnam through Russia or China, and to obtain an accounting for those missing in action. I hope every Member will continue that effort because I fear this issue demands constant reminders and prodding from the Congress. Without this insistence the executive branch and the departments may simply give up in frustration, and this must not be.

Mr. MONTGOMERY. I would like to say to the gentleman it is going to take action by every Member of the Congress to continue to work in this area.

When I was in Saigon visiting with the Four Party Joint Commission made up of the North Vietnamese, the South Vietnamese, the Vietcong and the Americans, the American members commented to me that when they met—the Vietcong would sometimes quote from the CONGRESSIONAL RECORD what some Senator or Member of the House had said, and they had the RECORD quicker than our own people did.

What I am saying is that the Vietcong and the North Vietnamese do read the CONGRESSIONAL RECORD and they will see what is said today.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Ohio.

Mr. DEVINE. I thank the gentleman for yielding. I would like to point out to the House and to the public generally that the gentleman in the well has proven his dedication in going to Southeast Asia at least annually and sometimes at his own expense.

I know Members of Congress are often criticized for junketing and things like that; but the gentleman in the well, the gentleman from Mississippi, has at his own expense on occasion, and with a sincere humanitarian instinct, demonstrated his concern about the ones missing to their loved ones.

I think this participation today by Members on both sides of the aisle will give some hope to the families of those missing in action, because they write to us that they feel the Government is not recognizing this problem and that Congress is doing nothing, but now they can see we have an interest.

I have a personal interest in this, too, because in 1972 a young man was missing in action, a Capt. Craig Paul from Columbus, Ohio. I happened to have appointed him to the Air Force Academy a number of years ago and his family, of course, is vitally concerned about this matter.

I commend the gentleman for his efforts in this regard.

Mr. MONTGOMERY. I certainly appreciate the gentleman's remarks. I agree it is not a junket. Sometimes we suffer from the jet lag as such.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I also commend the gentleman in the well for the work he has done both on the Committee on Armed Services and as a Member of Congress in keeping this subject in the public's attention. I have four young men who are still listed missing in action who come from my district, which is a little larger than the average one. The reason for it, of course, is that I have the honor of representing the Wright-Patterson Air Force Base in my congressional district and some of those men have made their homes in our area, although they may originally have come from some place else.

There is in my district, not only among the families of those missing in action and killed in action, but also those whose remains have never been returned, a broadened concern by those who bear arms in the defense of this Nation, and I might say in defense of other nations of the world. It is that point that bothers me in all this.

I think we need, as the gentleman from New York (Mr. KEMP) pointed out, a broader interest by other nations in this very serious situation which sees people in the Far East not honoring the international agreements that have been made, to see that the families of all prisoners of war and all missing in action and all killed in action that have not been returned or not identified are given the satisfaction of knowing what happened.

The problem exists in the Middle East in that if this kind of thing continues in the world, we will have a regression to barbarianism to which none of us, whatever our national heritage, whatever our national lineage we have, can tolerate because all people are united by the family interests of their own children and their parents.

I think it is a tragedy that we are not getting more interest from other nations, in view of the fact in particular that America has donated not only its resources, but its young men to so many other nations of the world in the past in fighting wars. Now that we should have their help, we do not seem to be getting it and the pressure ought to be put on.

I would hope we could get other nations to express their interest as deeply as it is felt in this body of the U.S. Congress about those missing in action.

I commend the gentleman in the well for his interest in this, and for keeping not only national, but worldwide attention, on the subject.

Mr. MONTGOMERY. Mr. Speaker, I appreciate the gentleman's comments. I certainly agree with what he has said.

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We do not have a military force in that part of the world, and that is good. We have to have help from other nations to bring about pressure on the North Vietnamese—and I repeat again that they are the key to the situation. After the success Dr. Kissinger has had in other parts of the world, I certainly hope that he would concentrate on trying to bring other countries into involvement and make the North Vietnamese allow us to send these identification teams in and try to find out what happened to the missing in action, and to bring those known bodies back to this country for proper burial.

I have pictures here which show that something must be done right away. Time is against us. It is a hot country over there; the humidity and vegetation is unbelievably heavy. These sites are being covered up more and more each day. I think this is one of the main points we must get across, that is to get the State Department to move to bring these other countries into this situation. This will certainly be worthwhile.

Mr. BROWN of Ohio. It would be particularly helpful if we could get the French, the Russians, and the Chinese, who have particular interests in that part of the world, and perhaps some other nations, to put the pressure on. The French may some day have another war of their own in which they might like some help from this country, and the same might be said for other nations.

Mr. MONTGOMERY. Mr. Speaker, as the gentleman knows, it took the French, after they signed their agreements and reached some type of peace with the North Vietnamese, over 5 years to get back their dead. There were over a thousand recovered, 5 years after the peace agreements had been signed. We do not want this to happen to our country.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. Mr. Speaker, I yield to the gentleman from New York. I know he was in Laos and in that part of the world only last year. Several of the leaders of Laos mentioned his name and have asked me to pay their respects to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for his comments and for yielding to me. I want to join my colleagues in commending the gentleman from Mississippi for undertaking his recent investigation and for his past efforts in arranging for this special order on behalf of our MIA's.

Mr. Speaker, our action today in setting aside this time to remind the Congress and to remind the Nation of the plight of our missing American servicemen is a ringing affirmation of our Nation's determination to account for every one of these men.

Our direct military involvement in Vietnam has come to an end. We are thankful that we are no longer counting American boys among the dead in Southeast Asia, and that our long-suffering prisoners of war have been reunited with their loved ones. The end of the war and the return of the prisoners will rank as one of the major achievements of this administration.

But, our concern in Southeast Asia is certainly not inevitably ended as long as thousands of Americans face their daily uncertainty and anxiety. The cause of their uncertainty, of course, is due to their relatives and loved ones who are still missing, still unaccounted for in Southeast Asia even now, more than a year after the signing of the Paris Peace Agreement.

North Vietnam promised openly, before the whole world, to cooperate in accounting for the missing American servicemen. Yet, to date, our search teams have been unable to carry out their operations in Communist held areas due to the danger of ambush. In fact, just last winter, shortly before I visited Laos, an unarmed search team was ambushed on a mission despite the fact that it had given 2 weeks' advance notice to the Communists of its intention to carry out that unarmed search. A young American officer was killed in that ambush.

The treaty commitment that "the parties shall help each other to get information about those military personnel and foreign civilians of the parties missing in action"—that portion of the agreement still remains blatantly unfilled.

In the 93d Congress I sponsored House Joint Resolution 716, calling for a congressional field investigation into the status of our missing men. In October 1973, I helped arrange a trip to Vietnam for a delegation representing the families of our missing men, and they went to Vientiane, Thailand.

Later, in January of this year, I traveled to Laos to investigate the MIA problem personally. While there, I was informed by General Van Pao that he had information that there were several Americans still being held as prisoners of war, despite the Communists' avowals of having released all of our POW's.

Following my return, I communicated my findings to the House and joined in sponsorship of a House resolution calling for a prohibition on all forms of aid to North Vietnam, the Pathet Lao or the Vietcong until they have fully complied with the provisions of the peace agreements relating to missing in action.

I am pleased that that resolution was adopted.

In total, about 1,156 of our men are still listed as missing in action. It is sad, but true, Mr. Speaker, that little or no progress has been made in the past year toward resolving their questionable status. For this lack of progress the full blame and responsibility must fall on the North Vietnamese, who have callously refused to honor their freely given word and to meet their basic humanitarian obligations.

Mr. Speaker, we have a duty to the families of these brave men, not to leave this part of our history behind until we have accounted for all of their loved ones. We must continue to do everything in our power to focus world attention on this problem, because only indignant world opinion can force the other side to meet its obligations.

In the interim, we must not falter in our efforts to bring about a full accounting of our missing. We must make it very clear to the entire world that we are deadly serious in this endeavor and that no aid of any sort whatever will be forthcoming from our Nation until we are satisfied that all of the provisions of the peace agreements have been complied with.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for his very forthright statement.

I might say that I spent a great deal of time in Laos talking to both the Communist leaders and our allies with the coalition government and also the American Ambassador. I talked to General Michigan of India, who was head of the ICCS in Laos.

I talked to the Army attaché of the Australian Embassy in Laos.

I talked to the Deputy Prime Minister of the Pathet Lao, and I talked to the Economic Minister of Laos.

I also talked to General Van Pao about those missing in action; I could find no hard evidence of any Americans, both military and civilian, still held captive by the Pathet Lao.

The Communists do say they have an American civilian Emett Kay, who was forced down in Pathet Lao territory after the accords had been signed. They told me they would release him in the near future. I do not know whether they will or not, but they admit they have him. However, the Communist leaders of the coalition government replied emphatically that they did not have any other American.

The only way to really find out, of course, is to get identification teams into the interior of Laos.

I do know of the gentleman's great interest in this matter, from his trip last year. I thank the gentleman for his comments.

Mr. GILMAN. Mr. Speaker, I thank the gentleman.

If the gentleman will yield further, I would like to stress also that if we have identified 1,100 crash sites, then all that remains to be done is to permit our search teams to go in with some mortars for safety. I am sure that by permitting our search teams to go in and examine these crash sites we will be able to dispel a great deal of uncertainty that still exists.

Mr. Speaker, I thank the gentleman again.

Mr. MONTGOMERY. Mr. Speaker, the gentleman is correct. That is the answer. The key to the matter is to allow our identification teams to go in, and we could thereby clear up a lot of problems that we are now having.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Speaker, I thank the gentleman for yielding.

I, too, would like to join in the commendations of the gentleman from Mississippi for bringing this subject to the attention of the Members of the House.

We were overjoyed a year ago when our POW's returned, but we are now somewhat inclined to forget about the MIA's.

I can think of no subject of more importance to those families of the MIA's than the concern of this Congress. I think, Mr. Speaker, that I really speak for all of the Members of this House when I say that this matter is of equal concern to all of us, whether we be hawk or dove, Republican or a Democrat, Independent or what have you. I think that the Members of the House of Representatives totally express their concern.

Mr. Speaker, I really believe in what the gentleman in the well has expressed, and I certainly hope that the Government of North Vietnam, the Pathet Lao, and the Viet Cong will read the Congressional Record. I also hope that the Government of the United States, and the Governments of Soviet Russia and Red China will read this and use détente as a weapon or as a crowbar, so to speak, so that we may indicate our deep concern and may indicate to the whole world our feeling that the Communists have not kept their word.

Mr. Speaker, I wish to commend my friend, the distinguished gentleman from Mississippi, for his continued efforts on behalf of our servicemen listed as missing in action in Southeast Asia and for taking this special order today. I must say that no one can read the report of this recent trip to that area without deep discouragement and anger.

There is one fact concerning our MIA's and the remains of those killed in action which is crystal clear and incontrovertible—the North Vietnamese, Viet Cong and Pathet Lao have a legal and moral obligation to furnish a full accounting for these men, or return their remains to the United States. Article 8B of the Paris Peace Agreements specifically states that the signatories are required to "help each other get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action." Article 5 of the Agreement on the Restoration of Peace and Reconciliation in Laos states—

> Each side has the duty to gather information on those missing during the war and report the information to the other side.

The interpretation of these clauses is not subject to doubt.

Now the Communists are placing all sorts of illegal caveats into their compliance with these solemn agreements. They have informed Congressman Montgomery that this is a "little detail," and that no onsite inspections will be permitted until there is peace throughout Southeast Asia and until the people are better acquainted with the new governments. They have reinforced this contention by the coldblooded murder of an unarmed member of a U.S. search team.

So let us name this treacherous behaviour for what it is—a cruel and inhuman violation of a treaty that was entered into in good faith by our Government and with lying on the part of the Communists. And let us reaffirm our belief that the fate of hundreds of Americans is no "little detail" to us.

It may well be, as various officials pointed out to Congressman Montgomery, that there are no Americans left alive in Southeast Asia. But given the fact that the Communists lie about everything else, we cannot be sure until we are allowed to inspect crash sites and make investigations. We have treaty rights that should allow us to do so. And we have the highest moral obligation to these men and to their families to insure that these rights are carried out.

I am delighted that this House has passed House Concurrent Resolution 271, stating that no trade, diplomatic recognition or aid shall be given to the government of North Vietnam or to the Vietcong until they fulfill their obligations and account for our MIA's. But we should do more.

Not only should we continue our official protests to the Communists throughout Southeast Asia, but we should apply all the leverage gained by détente to pressure the Soviet Union and China into aiding our cause. And we shout to the rooftops across the world that the Communists are breaking their agreements and have no reason to be believed in anything they say. The other nations of the world, who are sometimes all too ready to accept Communist propaganda, should have this news repeated to them constantly.

This is not a military matter. It is a humanitarian one. There is not the slighest reason why the Communists should refuse to give information about missing persons, or to allow us to inspect crash sites or carry on investigations, other than cruelty and barbarism. The massive weight of world opinion must be directed against the Communists in Southeast Asia, to force them to honor their obligations. I am pleased to join with my colleague from Mississippi in beginning that campaign today.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for participating in this special order.

Mr MURTHA. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. Murtha) who is a new Member of the House of Representatives. We hope that the gentleman will be around here a long, long time.

I believe I am correct in this statement: that the gentleman from Pennsylvania is the only Member either of the House of Representatives or of the Senate who has fought in combat in South Vietnam. I know of the gentleman's great concern in this subject, and I know that there are some families of those who are missing in action and also those who were killed in action who are in Washington today, and these families have come from all over the country. They are in Washington, D.C., watching us and listening to this participation that we are having at this time.

Mr. MURTHA. Mr. Speaker, I thank the gentleman very much.

Mr. Speaker, I want to compliment the gentleman from Mississippi. As a combat veteran, I want to repeat to the Members who are here that I know I complained on the floor recently that I felt that the criticism at home, in and outside Congress, hurt the war effort. I still believe that very strongly.

I think that this type of effort is essential if we want to produce results. The peace treaty agreement is very clear, in that they are to help us identify and find the missing in action. That is crystal clear. As the one gentleman stated—and I think this is very important—they have gone back on their word.

Today, Mr. Speaker, I had the privilege of having lunch with Marsha Kemerer, the wife of Capt. Donald Kemerer, who was shot down over North Vietnam a month after I came back in August of 1967. Their young son, Michael, was also with us. He was 1 year old when Captain Kremerer was shot down.

I want to say that we discussed this matter at great length with Major Robinson, who was the last man in the Air Force who was a prisoner of war. He was a prisoner of war for over 2 years. We discussed the policy of the North Vietnamese; we discussed why they will not allow us to go in or send search teams to go in and find and identify the missing in action.

Major Robinson, who was under the captivity of the North Vietnamese for 2 years, made this statement: He said:

> I can't figure it out, and I know the North Vietnamese very well. I feel as an Intelligence Officer I learned something about the North and the South Vietnamese.

But I cannot understand, nor could he, and neither could Marsha Kemerer, understand why they will not allow us to go into North Vietnam and establish and identify what happened. I understand from the report that the gentleman in the well has given us that they have detailed information on exactly all of the sites. Can the gentleman tell me why they will not allow us to go into North Vietnam?

Mr. MONTGOMERY. I have received reliable information that the North Vietnamese have up-to-date, factual, and good information about where the planes crashed, the number that went down in North Vietnam, and where. They have good records in Hanoi. They ought to let us have this information.

The Vietcong, the South Vietnamese Communists, have pretty good records on where the plane crashes occurred, though not as good as the North Vietnamese. I might add that the Pathet Lao in Laos do not have any records at all of the plane crashes, the time they crashed, and the locations. Their records, as I am told, are no good.

But there are some records over there, and I think we are entitled to them.

Mr. MURTHA. I understand they use the excuse that we have an innumerable number of military personnel acting as advisers in South Vietnam, so I called our State Department and asked them for a breakdown. I would like to submit this for the record, but rather than going through complete details, let me say that we have 4,645 civilian Americans in South Vietnam, of which 265 are military. This is a far cry from the 40,000 that we withdrew very quickly from South Vietnam.

Civilian and military personnel in South Vietnam (figures as of March 30, 1974)

CIVILIAN	
U.S. Government Employees:	
State Department	137
USIA	28
AID	471
AID-PASA	39
Defense Department	936
Total	1,611
Contractors associated with U.S. Government:	
AID	391
Defense Department	2,643
Total	3,034
Total civilian	4,645
MILITARY	
Defense Department Attaches Office	50
Marine guards (Embassy)	215
Total military	265

Source: Southeast Asia Desk—Department of State.

I am asking the question: What is their purpose in keeping this information from the grieving families back here at home? I do not understand why they do not keep their word.

Mr. MONTGOMERY. I do not understand it either, but I certainly do not think the North Vietnamese are going to take their pressures off the South Vietnamese. It is no longer a guerrilla type of war over there; now it is almost a conventional war, tanks against tanks, artillery lined up against artillery, infantry against infantry. I do not understand the North Vietnamese. They seem to be determined to take over South Vietnam, and to take over Southeast Asia.

The gentleman from Pennsylvania (Mr. MURTHA) was over there, and fought in combat over there, and I am sure he knows that the leadership—I am not saying that the people of North Vietnam are like them, but the North Vietnamese leaders are determined to take over the South Vietnamese.

They would not give me a visa to North Vietnam. I think some of our colleagues ought to try to go to Hanoi; maybe they will let certain Members go. But I met in Vientiane Laos Lao with the First Counselor; I am sorry I did not get to meet with the Ambassador from North Vietnam in Vientiane. The First Counselor started off the conversation with me by saying—

> We know you have 24,000 American soldiers in civilian clothes in South Vietnam.

Well, the gentleman from Pennsylvania has already pointed out the figure of 265 actually being in uniform.

But, in Vientiane, 6 kilometers from the capital center, and 6 kilometers from the North Vietnamese Embassy, there are around 250 North Vietnamese prisoners held by the Royal Laotian Government because they have not had an exchange of prisoners yet. Yet the North Vietnamese will not admit that these are North Vietnamese. They say they are soup salesmen from the streets of Saigon. The North Vietnamese prisoners are shouting in prison, because they want to go home to North Vietnam. Yet, no one in the North Vietnam Embassy will admit that any North Vietnamese ever fought in Laos, even though those men are captives waiting to be exchanged and sent back home.

Mr. MURTHA. Mr. Speaker, let me again commend the gentleman in the well, and let me say this: I, too, believe the North Vietnamese read the CONGRESSIONAL RECORD. According to Page Robinson, they certainly knew of the antiwar speeches that were made before. I think it is important that we show unified support and concern for the families of the missing in action. I thank the gentleman.

Mr. MONTGOMERY. That is a very strong point. I thank the gentleman for his comments.

Mr. LANDGREBE. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Indiana.

Mr. LANDGREBE. I thank the gentleman for yielding.

The gentleman, of course, is well aware of my interest, and I am certainly grateful to him for keeping this subject alive.

I might just observe the difference between now and a couple of years ago or 18 months ago, when we had almost all of the Members participating in a special order on this subject. I only wish to observe that the interest is waning. It is really a most unfortunate situation because the heartaches are not waning a bit out there across our country.

Certainly the gentleman was not one of the liberals in this Congress on both sides of the aisle who forced us to withdraw from that area of the world prematurely. This very complex situation is a result of that type of pressure that was put on the administration and the military by the liberals and by both Houses in forcing us to cut and run and to put the control of those missing in action in the hands of the North Vietnamese.

I have tried, myself, repeatedly, for over a year to get passage to Hanoi, and I have not succeeded. I am going to enter in the RECORD a news release which is being published by the distressed families of 13 missing servicemen. It is a very good summary of their feelings.

In conclusion, I wish to ask the question: Is it possible that some of these men are left there and not forgotten by most of us but certainly overlooked because of the preoccupation of this Government, this Congress, with this Watergate situation? After all, the liberal press pays absolutely no attention to this, but they certainly want to get the President who brought our boys home and brought the prisoners home who were available. They certainly are out to get the President, but they certainly do not show any interest at all in these servicemen who did give their all for their country.

I have expressed on this floor so many times my deep regret of this constant and continued preoccupation with Watergate. Why do we not think seriously about some other things? We do have peace, and we do have prosperity. Really, with concentration, we could get some response on this.

I thank the gentleman from Mississippi again for keeping the flame alive in this House.

Mr. MONTGOMERY. I also would like to thank the gentleman for pointing out these problem areas that we have here in Washington and across the Nation. There is no question but what Watergate has overshadowed this very, very serious situation. I am concerned that many, many Americans do not know that we still have well over 1,200 Americans who have been classified as killed in action and their bodies are buried alongside rice paddies, in jungles, still in their airplanes, and yet in the Far East these people, for what reason I do not know, will not let us go in and bring our dead home and give them proper burial.

Mr. LANDGREBE. If the gentleman will yield further, I would ask permission to insert this release in the RECORD at this time.

DISTRESSED FAMILIES OF 1,300 MISSING SERVICEMEN LAUNCH NATIONWIDE CAMPAIGN—ASK PUBLIC FOR HELP

July 17, 1974 . . . . The families of 1300 servicemen, Missing in Action in Southeast Asia today announced the initiation of a nationwide campaign to ask the American people to help gain information about their missing men.

"Some of these men have been missing for as long as 10 years. We know that many of them parachuted from planes that went down in areas of North Vietnam, South Vietnam and Laos—but our search teams have not been allowed in these Communist-controlled areas" reported Robert Ammon local campaign coordinator. "We're in limbo—and the uncertainty is impossible to live with", Ammon continued.

The MIA families are asking citizens nationwide to demonstrate their concern about this situation by mailing a few grains of American soil in an envelope to the Ministry of Foreign Affairs in Hanoi.

It is the hope of the families that an overwhelming response by the public in behalf of these missing servicemen will influence the North Vietnamese government to fulfill their agreement to account for these men. "If everyone sends a few grains of American soil to Hanoi to express their concern, our voices could be heard around the world," Ammon commented, "Soil is a natural vehicle of expressed concern because it is genuine, because it is easily obtainable and because it is American" Ammon continued.

Ammon explained, "The campaign is a simple presentation of the facts. The facts are that: (1) 1300 servicemen disappeared in Southeast Asia, (2) with the signing of the Paris Peace Agreement in January, 1973, North Vietnam and the Viet Cong agreed to help account for these men and (3) no information about the men has been received."

Under the Paris Peace Agreement which was signed by North Vietnam, the Viet Cong, South Vietnam and the United States on January 27, 1973, North Vietnam agreed to assume the responsibility for the release and accounting of all missing and captured Americans throughout Southeast Asia. Article 8B of the Agreement specifically stipulates that all parties to the Agreement will "help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action."

Secretary of State, Henry Kissinger visited North Vietnam in February, 1973 and took 80 files of individuals who the United States had reason to believe had been captured. These particular individuals had been seen being captured or had been seen in some prisoner group. The files gave very detailed circumstances regarding their disappearance. North Vietnamese officials told Kissinger that they would make an immediate investigation. No reply was received.

On June 13, 1973, 90 days after Kissinger's visit, the Democratic Republic of Vietnam and the United States reaffirmed their commitment to implement the January agreement.

A month later, in July, 1973, the U.S. government sent a diplomatic note to the Democratic Republic of Vietnam and its allies protesting the continuing failure of North Vietnam and its allies to fulfill their obligations and calling for prompt action by the Communist side.

It was 8 months later, in March of 1974, that Hanoi responded by returning 23 bodies of POW's who were reported to have died in captivity.

"It appears to us that the government has not done anything about North Vietnam's lack of compliance with the Paris Peace Agreement since the diplomatic note of July 1973" said Ammon. "The only thing they have told us since then is that the government is 'pressing through diplomatic channels' to get information about our men' " Ammon added.

The Department of Defense began reclassifying the status of these 1300 men in April of 1973 from Missing in Action to Killed in Action. But family members immediately protested that the reclassifications were being done without sufficient evidence and in July 1973, a group of family members were successful in obtaining an injunction against the Department of Defense to halt further MIA reclassifications. Ultimately a Federal Court in New York ruled that Code 555 and 556 by which the Department of Defense had been reclassifying MIAs was unconstitutional.

Following the return of the bodies of 23 American prisoners in March 1974, revisions were made in the Department of Defense Reclassification Codes and families are again receiving notices to appear at hearings for status changes.

A resolution calling for the Secretary of Defense to halt further reclassification of Missing in Action servicemen is before the U.S. House of Representatives.

"The situation regarding these 1300 men is one of the atrocities of the Vietnam conflict. There is little question that it has been conveniently overlooked by both North Vietnam and our government" stated Robert N. Mallardi, a national campaign committee member.

"Back in 1970 when the lid was lifted from the POW/MIA issue and millions expressed their concern, Hanoi responded. If the American people, indeed the people the world over, would again rally behind us and our effort to find out what happened to these 1300, then we can get a response. But we must let Hanoi know that we think it's important that these men be accounted for . . . and we need help" Mallardi said.

"We believe that the people of this country care about these men and we're counting on their support in resolving this issue. Together, we can be sure that these men are not forgotten," Ammon commented.

The national campaign theme is "We Think It's Important" and it is being supported by public service radio, TV and outdoor media. Families are asking that envelopes containing a small amount of soil (and securely sealed with tape) be addressed to: Ministry of Foreign Affairs, DRV, Hanoi, North Vietnam. Those wishing to volunteer assistance or contribute tax-deductible financial support should contact: Robert E. Ammon, 1303 Burlington, Muncie, Ind. 47302, Telephone 317–284–6785.

Mr. MONTGOMERY. I thank the gentleman.

Mr. Speaker, I now yield to my colleague from Mississippi (Mr. COCHRAN).

Mr. COCHRAN. Mr. Speaker, I have remained on the floor today to express my personal thanks and the thanks and appreciation of many concerned citizens and, of course, the families of missing in action in my congressional district to the gentleman in the well for the immense amount of work he has done to help find out what the true facts are concerning our missing in action.

This is an area that troubles all of us quite deeply. Many of us have close personal friends who are classified as missing in action. I want to express to my good friend and colleague, the gentleman from Mississippi, our sincere appreciation for all he has done in this effort. I want to assure him, Mr. Speaker, of my continued support in the effort he has begun and continues to make to obtain an accurate accounting of our missing in action and to assure us that those who may still be alive in Southeast Asia are brought home and that we may recover the remains of those who have died.

Mr. MONTGOMERY. I thank the gentleman for staying and participating today in this special order. Because the gentleman is from my State I know of his great interest in those missing in action and those killed in action and those whose bodies have not been recovered. I know in the time the gentleman has been here in the Congress that whenever the families in Mississippi have called on him he has been right ready to help and I know he will continue to stand ready.

Mr. COCHRAN. I thank the gentleman for his remarks.

Mr. CRANE. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Speaker, I thank the gentleman for yielding.

I particularly appreciate that the gentleman from Mississippi has taken this special order on this vitally important subject which unfortunately, as has already been indicated this evening, is not receiving the kind of attention in the media that I think is so clearly warranted, particularly when one considers the lingering anguish and grief and heartache of so many hundreds of American families, and perhaps thousands of Americans counting the relatives who still have unanswered questions with respect to their loved ones missing in action.

I think the gentleman from Mississippi is to be commended as being almost the stature of Bob Hope in his commitment to the American troops abroad inasmuch as the gentleman from Mississippi has consistently maintained an interest here and has inconvenienced himself many, many times in making those trips to Southeast Asia. He has demonstrated again that commitment as he has demonstrated it in the past by going over now to finish the work that still remains.

It is in connection with his unfinished work that I would like to comment just briefly. I think, as the gentleman has so well indicated and as we have heard from our other colleagues this evening, that there is legitimate concern over the duplicity and lack of honor shown by the Government of North Vietnam in meeting the solemn obligations that it took when the ceasefire was negotiated. But I think in this same connection that we here in the United States must recognize that we too took on some solemn obligations at the time that ceasefire was negotiated and that our work is not yet finished in Southeast Asia, and that we are running the risk of dishonoring the portion of the obligation we made in the ceasefire when by action in the Congress of the United States we contemplate slashing the economic and military assistance to South Vietnam that we pledged and in fact that contemplated the one-for-one replacement of military hardware which is already in jeopardy.

I think many people of our land, when they think of the anguish about the money we are spending over there and the tax levels are justifiably concerned, and it is very easy to look over the budget and say that any money sent to South Vietnam is a waste. But I do not think those people fully appreciate the money we have to spend there to try to avoid making a mockery of the 146,000 American lives spent there, not to mention the maimed who came back from that conflict, plus the investment of American treasure which was an investment the people of this country made because of their historic commitment to try to extend a helping hand to those people who wish to live free from Communist domination.

I think it is important for us to recognize that to talk about walking away from that commitment violates the pledge we made not only to the cease-fire, and also runs the very great risk that Winston Churchill tried to point out to the people of Europe when they turned their backs on the people of Czechoslovakia on the assumption they could throw them, in effect, to the wolves to pacify the ravenous appetite of tyranny.

It is through the kind of continuing commitment that the gentleman from

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Mississippi has shown his constancy, his fidelity, to what to me is a sacred trust that all of us in this great country are committed to that warrants the special commendation that I pay him at this time.

I would only conclude by saying that in connection with dramatizing and publicizing the need to try to get the North Vietnamese to honor this particular part of the cease-fire, that as the gentleman from Indiana and I have observed this evening, and our other colleagues, we have a virtually empty press gallery. We cannot get the story told entirely on the floor, as the gentleman from Mississippi would agree. We can only hope the North Vietnamese will read these things and understand the importance of the North Vietnamese honoring this commitment.

On the other hand, it is important to the American people to recognize its ongoing commitment. It is through generating public pressure, as the gentleman from Mississippi is trying to do, that might produce fruitful results.

We just recently as many will note, had demonstrators down here that we have heard from for the last 7 or 8 years, the very people that our good friends from Pennsylvania said did their utmost to undermine our commitment to South Vietnam. All the time we have been there, they have been swarming all over this hill. They have had coverage on the radio, they have had coverage on television and in the newspapers and they have put on a very great pressure campaign. They have been down at the White House maintaining an on-going political swarm to scuttle what investment we have made in Southeast Asia. They have received ample coverage; but I feel, unfortunately, that the media will be generous if they give a passing footnote to this special order that the distinguished gentleman from Mississippi has taken. I just want to commend him for his supreme patriotism, devotion, and humanitarian concern for all those American families whose sons paid the last full measure of devotion.

There has been much discussion in the Congress and elsewhere in the American society in recent days with regard to the shortcomings of the Government of South Vietnam.

Those who have pursued this line of argument have set forth the thesis that the Government of South Vietnam is not an ideal democracy and that, therefore, all U.S. aid and assistance to it should cease.

That the Government of South Vietnam, which has been under aggressive Communist attack for more than 20 years, is not a typical, Western-style democracy, all would admit.

It is equally clear, however, that the South Vietnamese Government has made significant advances and is more of a democracy than almost any other country in that part of the world.

Elections were held in South Vietnam on July 14, while elections have never been held in North Vietnam, a fact which seems to be of little consequence to such critics of U.S. policy as the American Friends Service Committee and the National Council of Churches.

Of equal insignificance to such critics is the fact that the Vietcong and their North Vietnamese allies did everything possible to disrupt that election. A Reuters report from Saigon appearing in The New York Times of July 15, 1974, states the following:

> Fourteen persons were killed, 67 were wounded and three are missing after Communist shellings around polling stations today during South Vietnam's local council elections, Interior Ministry officials said. Almost all the casualties were civilians.

The Reuters dispatch notes that:

> Efforts to disrupt the elections were much increased in several areas over those in last year's Senate elections.

The fact is that although there is much discussion about "peace" in Vietnam, such "peace" exists only in rhetoric.

Since the cease-fire went into effect, Communist terrorist acts against the people of South Vietnam are estimated at 8,785 incidents as of November 1, 1973, an average of 973 cases per month or 32 cases a day. Their attacks are totally indiscriminate. New York Times Saigon bureau chief, James Markham, notes that:

> Viet Cong units have almost regularly been dropping mortars on several district capitals, occasionally opening fire on farmers and other civilians in government held areas, and lately attacking village and hamlet offices.

Article 7 of the Paris agreement forbids the "introduction of troops military advisers and military personnel * * * into South Vietnam." Since the day the cease-fire went into effect, the Communists have brought 100,000 additional North Vietnamese troops into the South, in addition to the 300,000 they had there already—adding up to more troops than they had for their 1972 offensive.

In addition to the troops, the Communists have brought in 600 tanks and 600 artillery pieces of all types and doubled their antiaircraft capabilities. They have also constructed and improved 12 airfields inside South Vietnam, have extended oil pipelines from Communist China to the northern sector of the demilitarized zone, and opened up a network of strategic roads coming from Cambodia and Laos.

Article 18(c) of the Paris agreement provides that the South Vietnamese Government and the Vietcong will facilitate the operation of the International Control Commission teams. Between February 28 and March 8, 1973—to cite only one recorded period—a total of 10 helicopters making runs for the ICCS were fired on by Communist gunners.

One shooting resulted in the deaths of nine passengers and crew including four ICCS workers and, ironically, two Vietcong officials. Shellings by the Communists have caused the evacuation of an ICCS headquarters in Tri Ton, Chau Duc province. The Communists have also prevented the ICCS from operating in four of the five Vietcong controlled areas stipulated by the Paris accords.

Discussing the Vietnam "peace," Dieter Cycon, writing in the West German newspaper, Die Welt, declared that,

> Over the past year some 60,000 people have been killed on both sides of the cease-fire lines. This is not much less than in times open warfare, and little better was to be expected . . . Not for a moment did the Communists consider withdrawing their troops from the supply-line regions of Cambodia and Laos as required by the terms of the treaty.

Mr. Cycon notes what many in our own country hesitate to admit:

> The aim of the agreement, when all is said and done, was not to bring peace but to enable the United States to disengage from Vietnam.

While critics in this country call for an end to aid and assistance to the Government of South Vietnam, they have totally overlooked to the terror which has been aimed at the South. Not one word of criticism has been expressed by such individuals and groups of the actions of the North Vietnamese and the Vietcong.

Many here in the Congress who support and are supported by organized labor, for example, would be advised to consider the substance of a report by officials of the Vietnamese Confederation of Labor, South Vietnam's trade union movement, to AFL–CIO leaders. This report stated that,

> The long struggle for control of the South Vietnamese people is entering a new and important phase, full of uncertainties and difficulties. The North Vietnamese and the Viet Cong are stepping up their terror activities, including the assassination of union officials, village and hamlet leaders.

CVT President Tran Quoc Buu points out that since the cease-fire went into effect, more than a dozen labor leaders, including Can Van Nang, a vice president of the strong national federation of tenant farmers, had been "brutally assassinated." Can Van Nang was killed in Communist terrorist action in Van Binh province.

The fact that American prisoners of war have not yet been accounted for by the North Vietnamese also seems to stir little concern on the part of those who are the harshest critics of the South Vietnamese Government.

Of the 1,300 U.S. servicemen who are missing in action, 53 were officially carried by the North Vietnamese as prisoners of war. Today Hanoi refuses to discuss their whereabouts.

Discussing this situation, Rod Norberg, an official of Youth Concerned for the 1,300 Missing in Action, states that:

> It probably is a safe assumption that most of these men, regrettably, are dead. But I think it only fair that the wives, the mothers, the fathers, the relatives and friends of those who have died, be so informed. I can think of nothing crueler than to have to go to bed every night wondering about my brother, or my son, whatever the case might be.

Instead of concern about these missing Americans, instead of a harsh condemnation against Vietcong and North Vietnamese acts of terror and aggression, we hear the most fanciful charges against

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the Government of South Vietnam, charges with no basis in fact.

Jane Fonda, for example, denies that the North Vietnamese have tortured American prisoners but declares, with no evidence whatever, that South Vietnam harbors "202,000 political prisoners."

The U.S. Embassy in Saigon undertook an exhaustive and painstaking analysis of all available sources, including the personal knowledge of U.S. police advisers who have been on the scene until early 1973. The results of this official U.S. Embassy survey cover every penal institution in South Vietnam, from the four national prisons and 35 provincial jails to local police lockups where suspected criminals are held for up to 5 days before the disposition of their cases. The Embassy discovered that the total capacity of South Vietnam's prison and detention system was only 51,941 and came to the "firm conclusion" that civilian prisoners of all types amounted to 35,139. The embassy found no evidence whatsoever that large numbers of persons had been jailed solely for their political opposition to the government.

An example of the false double standard used by critics of our commitment to South Vietnam is found in a Playboy magazine interview with Miss Fonda.

The interviewer asked:

> Miss Fonda, wouldn't your message be more effective if, for example, while denouncing the inequity of the Saigon regime, you acknowledged that the Viet Cong and the North Vietnamese haven't been entirely innocent of cruelty and repression?

Jane Fonda's response was simple:

> I'm weary of the thinking that says there are two sides to every question. There aren't.

When asked,

> Wouldn't you concede . . . that North Vietnam as well as South Vietnam has suppressed dissent and imprisoned it's political enemies?

Miss Fonda replied:

> I don't know. I don't think so. But I was there only two weeks and didn't see prisons. I don't pretend to know everything about the situation in North Vietnam. I can only tell you what I felt.

Thus, Miss Fonda, who has been to Hanoi, "feels" there are no political prisoners and the same Miss Fonda, who has not visited prisons or anything else in the South, not only "feels" that there are political prisoners, but even knows the number—202,000.

It is high time that we demanded that the North Vietnamese and the Vietcong accounted for all Americans missing in action. It is high time that we condemned the repeated violations of the cease-fire engaged in by the North Vietnamese and the Vietcong. It is necessary that we not abandon the Government of South Vietnam, in defense of whose freedom so many American lives have been lost.

To abandon an ally at this time would be to declare that all of those lives were lost in vain and, in addition, would hold open to serious question all other American commitments in the world.

The South Vietnamese are still being subjected to a brutal assault upon their sovereignty and territorial integrity from the Vietcong and the North Vietnamese. To abandon an ally at such a time of need would be to turn our backs upon the principles which have made our country an honored and trusted friend and defender of freedom. Such an action would not result in peace but in a world in which aggressors believe that they have been given a free hand. In this instance, the moral position of fulfilling our commitments and the policy which will lead most directly to peace and stability is the same.

Mr. MONTGOMERY. Mr. Speaker, I would like to commend the gentleman for his outstanding and meaningful statement. First, I think the press should have quite an interest in this. When I got to Saigon I was given brochures on 19 American and third nation correspondents classified as missing in action in South Vietnam and Cambodia. Some of their own people there are not accounted for.

We did notify the press today of this special order.

In talking about military aid to South Vietnam, if we walk away and stop military aid, there is no way the South Vietnamese can make it. I can tell my colleagues that by withholding military aid from the South Vietnamese it becomes even more difficult for the South Vietnamese to repel the North Vietnamese advances. The South Vietnamese have changed their tactics, because we have cut funds to support their military program. In fact, as some may recall, in the 1973 or 1974 supplemental we did not give funds to South Vietnam for military supplies. This raised their casualty list. They had to change the type of warfare they were fighting, because of the military aid cutback.

It raised their casualty lists by 20 percent, over the previous year. So, what we do in Congress on military aid, which the gentleman pointed out, does have an effect. In fact, as we reduce the aid, it raises the casualty lists of the South Vietnamese.

The South Vietnamese have done a good job, in defending their country. They cooperate with us and go out to these air crash sites even though they are in Communist areas.

Mr. Speaker, I thank the gentleman for participating in this discussion.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I am happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for yielding to me. First of all, I am terribly grateful to my colleague from Mississippi, as many Members have already said for insisting that this issue remain before us. I want to reemphasize the substantial persistence and perseverance our good colleague from Mississippi has shown in making sure that we do not forget our missing in action.

It has been said here a great number of times today that it is essential to keep the torch of the MIA families alive. My good colleague from Pennsylvania (Mr. MURTHA) who has been in South Vietnam himself fighting, and my colleague from Indiana (Mr. LANDGREBE), along with others have stated today this is not a time to forget the missing in action.

I, too, am terribly disappointed in the press on this issue. They have failed once again to give proper attention to this issue. Yet, every time somebody criticized our fighting men in South Vietnam in previous days, they picked up the slightest detail and made banner headlines everyplace But now they have almost forgotten the MIA in South Vietnam who have been lost to our country, the unidentified. They have lapsed badly in their ability to point out and criticize where the North Vietnamese have been wrong in not keeping their commitments. How many times have we seen in recent times the press raising the issue that the Communists have broken their promises; or they have not kept their part of the treaty? Yet, we saw, as the gentleman from Pennsylvania (Mr. MURTHA) pointed out, for the people that were there, the men fighting on behalf of our country, the press could easily criticize them when they did not do the right thing. But by gum, they will not raise their voices today against the North Vietnamese, because they are not keeping their treaty promises. They fail to raise that issue.

I think it is too bad. Yet, today we hardly see anybody in the Press Galleries to cover this special order. Evidently its not sensational enough. I know my good colleague did cover this event today with proper press notice. But we can all be sure that the press can and will come up with almost unbelievable details of Watergate or something else today, but they have forgotten their own missing correspondents in South Vietnam.

I think it is a tragedy that the press has badly failed to persist in this issue the way the gentleman from Mississippi has.

Mr. Speaker, I compliment my colleagues Mr. CRANE and Mr. MONTGOMERY for bringing that point out. We are very appreciative of the time he has taken to go on the scene. It was not a junket; he did not enjoy a lot of extra goodies or that sort of thing. He went at his own expense in most cases. We appreciate the finest accountability he has given us. He has been a tremendous representative for all of us as well as the MIA families. He has been a voice to try to make sure that the MIA families of this country are not forgotten; that they have been reassured that this House of Representatives will not forget. We here represent many of those who have disappeared. We need to revive this issue. Now.

Today, our good colleague from Pennsylvania (Mr. MURTHA), I think stated the reason why the North Vietnamese do not want to talk about this and do not want to let our people in there is, because they do not want people to know how these people died or what happened to them. They do not want people to learn that this was a war of incredible attrition and of incredible "broken promises."

So, Mr. Speaker, I thank my good colleague from Mississippi, who is again to be complimented for his effort to make sure that the American people do not forget; that our State Department does not forget; that the Defense Department does not forget; and making sure that we persist until this full accountability is given.

Mr. Speaker, I thank my good colleague from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I would certainly like to thank my colleague from California. Well said—well said. I appreciate his staying to this late hour to put so forcefully and so strongly the problems we have and to point out the different areas where we have not really been treated fairly in our own country on such a burning issue.

Mr. ROUSSELOT. The gentleman is absolutely correct.

Mr. MONTGOMERY. How the press has completely missed this is beyond me.

Mr. ROUSSELOT. It is amazing to me because so many of the working press state that they are interested in humanitarian causes and their own people are involved.

I compliment my colleague for bringing this matter up again.

Mr. MONTGOMERY. The press have a number of people missing in action or killed in action, more than any other civilian group.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I am happy to yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I would like to join with my many colleagues who have already expressed their commendation of the gentleman from Mississippi. I am only sorry that more Members are not here, but I would like to commend him for bringing this special order before us this afternoon and for his many trips to Vietnam and for the report he has recently compiled.

I would like the record to show, Mr. Speaker, that as I speak, there is no one in the Press Gallery. I think this is something the press should be giving a great deal of attention to, in order to keep the interest of the people and the world focused on this important issue.

I do not think there is anything more tragic than the family of someone missing in action not knowing whether that person is alive or dead, and knowing that there are means available to find out. All we have to do is get the permission of those in control of those territories to do that.

I think we should recognize this as our most pressing unfinished business.

I think it is shocking, perhaps the most shocking of all, that even in those areas where we know and have identified airplane wreckage that may or may not contain bodies of men missing in action, we have been prevented from sending in search teams.

I think it is very important, as Members have pointed out, that we continue to bring all pressure to bear, that we as Members of the Congress can, to bring to the attention of other nations this very important matter to elicit their support in our efforts.

Mr. BIAGGI. Mr. Speaker, I am honored to join with my colleagues in this special order to discuss the continuing plight of our men missing and killed in action in the nations of Southeast Asia.

While the guns of the Vietnam war have been stilled for more than a year, many tragic postwar reminders linger with us today. Unquestionably, the most important of these remains the accounting of our missing personnel. According to recent figures issued by the Department of Defense, more than 1,000 men are officially listed as missing in action while another 1,200, who were killed in action, remain unaccounted for somewhere in the Communist zones of Southeast Asia. These shocking and alarming statistics indicate clearly that the tragedy of the Vietnam war continues to haunt us today, and most especially for the families and loved ones of these men whose anguish and suffering grows with each passing day.

This Congress has enacted numerous pieces of legislation aimed at bringing about a prompt and complete accounting of our MIA's. Last August I sponsored and had passed an amendment to the Foreign Assistance Act which prohibited aid to any nation trading with North Vietnam, unless—and until we received assurances from the latter government that they would fully cooperate in providing a full listing of all remaining personnel killed or missing in action. Yet, as diligent as our efforts have been, the fact remains that very few results have emerged thus far.

This administration has no higher priority before it than to work to secure the fate of our MIA's. While it is admirable to work for peace in the world, let us not forsake those who sacrificed or gave up their lives to help establish this peace. Stronger and more decisive actions must be taken to convince the Governments of North Vietnam and Laos to release the information we need to determine the exact status of these men.

Mr. Speaker, the beleaguered and grieved families of our MIA's have been patient. Yet, understandably they have grown weary, and now want results instead of rhetoric. The challenge is before us. We must respond to it, just as the men we speak of today rose to the challenge of preserving freedom. We must show them and their families that their efforts were not in vain.

Mr. KEMP. Mr. Speaker, I should like to join my colleagues on the floor at this time in commending Representative Montgomery for bringing to the attention not only of this Congress, but of the American people, this extremely importtant issue. I thank Mr. Montgomery for his leadership in this area of human rights.

In January 1973 a promise was made—as a part of the peace negotiations to end direct U.S. involvement in the Vietnam war—by the North Vietnamese and the Vietcong to account for all Americans who were listed as POW's and MIA's. This promise has not been kept. Many American servicemen have returned home, but there are still 1,200 who have not been accounted for.

With each day the tragedy of these men increases. Their families wait and hope that they will hear some word about their loved ones. This agony is compounded by rumors and stories which are neither confirmed or denied.

It is time for this tragedy to stop. I believe that we owe it not only to the families of the missing men but to all Americans to bring about a speedy and complete resolution to this vitally important problem.

It is up to the Congress to make a firm resolve to do everything in its power to bring about a full accounting of these men. We must show the North Vietnamese and the Vietcong that we are not going to abandon these men. In order to do this, it is my belief that we need to demonstrate this resolve through a program of concerted action.

On June 3 the House passed a resolution by which the United States will stop all consideration of aid, trade, and diplomatic recognition with North Vietnam and the Vietcong until they comply with the Paris Agreement. This is a step in the right direction, but it is not sufficient. I, for one, am a great believer that we should not trade with Communist China and Soviet Russia—as the main source of political and military support of North Vietnam—in order to force the North Vietnamese to comply with the Paris agreement.

Furthermore, I believe that we might consider going to the U.N. Security Council in the absence of compliance by the North Vietnamese. We ought to talk about reducing our funding of the United Nations to possibly force other nations of the world to put pressure on North Vietnam.

What else can we do? I am calling upon the Secretary of State, Dr. Henry Kissinger, to lead a factfinding mission to Southeast Asia to demand the fulfillment of the commitment originally made by the North Vietnamese and Vitcong to that commitment.

As I said earlier, for us to fail to bring economic, political and diplomatic pressure on North Vietnam to account for our missing would be the most serious violation of the Paris Agreement I can think of. On behalf of the families of the missing in action of western New York and all American families I urge this Congress to step up its efforts.

Mr. RONCALLO of New York. Mr. Speaker, I join with my colleagues in taking this opportunity to add our voices to those heard throughout the country who continue to express a well-justified concern over the fate of our missing in action in Southeast Asia.

We simply cannot dismiss the missing in action from our hearts and our minds because of the passage of time. As we know, there are still 1,140 Americans listed as missing in action—and the bodies of another 1,266 who were killed in action have not been recovered. Surely, Mr. Speaker, the families of those still

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missing deserve no less than a full accounting of the fate of their loved ones. And simple justice demands that those who died wearing the uniform of the United States of America deserve the dignity of a final resting place in the United States of America.

We must continue to press for a full accounting, and we must insist that the Communists live up to the requirements of the Paris peace accords and let U.S. or neutral country identification teams go into contested areas so that we may recover the remains of our brave men who fell in battle.

It is fitting that the House of Representatives has passed legislation identical to my cosponsored House Concurrent Resolution 281, which emphatically states that no trade, diplomatic recognition, or aid shall be given to the Government of North Vietnam or to the Vietcong until they fulfill their obligations and account for our missing in action. I hope we will see swift action by the Senate in resolving the slight differences in language between our resolution and the version passed by that body.

Our Nation can also use our improved relations with China and the Soviet Union to seek answers and results with regard to the fate of our missing in action.

The tragic war in Southeast Asia has ended—at least so far as active U.S. military involvement is concerned. However, the plight of our missing in action demands an active role by the United States in seeking a final accounting of our fallen heroes. As has been pointed out by our colleagues, it is no fault of the United States or of the government of Vietnam that our missing in action are still unaccounted for. The difficulty and the blame are clear—it is the Communists who have failed to live up to the Paris cease-fire document which they signed more than 18 months ago.

In the hope that we will prevail in securing a more complete accounting of our MIA's. I would urge the Department of Defense to go slow on issuing presumptive findings of death where the sole reason is lack of information regarding the fate of the serviceman. I will shortly introduce legislation which would preclude such a finding in these cases except after a hearing and with the concurrence of the MIA's next of kin.

And so, Mr. Speaker, I add my support to that of many other Members of this House in calling for continued efforts to resolve the tragedy of our missing in action—a tragedy that has become a daily part of the lives of those families who have waited long months and years for definitive word of the fate of their loved ones.

MISSING IN ACTION IN SOUTHEAST ASIA

The SPEAKER pro tempore. The gentleman from Michigan (Mr. HUBER) is recognized.

Mr. HUBER. Mr. Speaker, I am very pleased today to join the gentleman from Mississippi (Mr. MONTGOMERY) in this Special Order on the Missing in Action in Southeast Asia. As the original sponsor of House Concurrent Resolution No. 271, which passed the House last month, this is, indeed, a subject of great importance to me and to all of us I am sure. It bothers me greatly that the other body has not seen fit to ask for a conference on the measure we have already passed, House Concurrent Resolution 271, which was returned to the Senate as Senate Concurrent Resolution 81. Surely these two great bodies can agree on language between ourselves that would express the sense of the Congress again on this vital matter. Is this too much to ask? I think not.

The Vietcong and the North Vietnamese are well aware of the unanimous vote on House Concurrent Resolution 271, as our colleague from Mississippi confirmed in his "Dear Colleague" letter circulated last week. My friend, Congressman MONTGOMERY, also confirmed to me that these recent enemies of ours, beguiled by their own propaganda, had not expected the resolution to pass unanimously. Thus, we know that a resounding message from the Congress will be heard in Hanoi and in the North Vietnamese and Vietcong-held areas in Vietnam.

In the other body, it should also be noted there is an amendment pending to the trade bill relative to the MIA's, which would attempt to give the MIA problem larger attention by forcing the Soviet Union to be of assistance in this matter as yet another precondition to most-favored-nation treatment. This might be helpful. I do not know, but almost anything is better than the present congressional inactivity on the issue.

If the situation regarding the MIA's were already not bad enough, the United Press International datelined a story from Saigon this last weekend to the effect that amateur bounty hunters may now be scouring the jungles of Vietnam looking for remains of MIA's. A rumor, the story said, has swept South Vietnam that the Americans will pay $10,000 or more for remains of dead Americans or for information leading to their recovery. Actually, the United States is only paying native volunteers $2 a day to follow up promising leads in certain unsafe areas. All of this, however, is symptomatic of the overall situation, in my view.

This is going to become a tragedy beyond measure if the United States does not act and act soon on this issue. The problem goes far beyond accounting for the missing in action. The North Vietnamese and Vietcong have to be called to account for those men, military and civilian, that we know were seen captured and were alive. We need to determine what war crimes have been committed by the Communist side against our prisoners in contravention to the rules of war. It has never been determined whether the men who had suffered serious physical or mental injury were simply done away with or really died of natural causes. Such questions can be asked in well over 150 cases, depending upon whose count you accept. Then there is the larger question of the some 1,200 next-of-kin of all the missing in action—their friends and relatives. In the broader view, there is the attitude of the armed services and the Nation as a whole on the question. If we continue to dally we will infect the country with yet another virus from an already unpopular war.

This is not just a "little detail" as our colleague was told by the Vietcong recently, it is a vital issue that will tear at the fabric of this Nation. It is up to the Congress to lead the Nation in this cause.

Mr. Speaker, there was some question about why we are not being allowed to investigate. It seems to me in the last year and a half, when I have had a chance to speak at rallies of those from captive nations, the Estonians, the Latvians, Lithuanians, Hungarians, Polish, Romanians, and Czechoslovakians, there is always a reason as to why they are being treated the way they are. The word is "communism"—always "communism."

It is about time we in this country put the blame where it belongs. It is an ideology that is condemning the free people of the world to slow death and condemning those who have died to be buried forever in the pages of time.

It intrigues me that our returning prisoners of war seem to have two comments, representing viewpoints which we are not taking advantage of. The first comment from the POW's I have talked with—and I have talked with a good many—is this: They have said they would be willing to go back and fight again because they have never lost faith in the cause under which they served.

The second one I heard is that many of the POW's want to see the Fondas and the other fellow travelers who made their lives miserable in prison camps brought to trial and brought before the tribunal of justice and be made to pay for the agony and the intense pain that they caused our POW's during their incarceration.

While we are looking for bodies, we ought to find the bodies of the Fondas and see if they may have a chance to pay the price for what they did to our men who were serving honorably in the service of their country.

So, Mr. Speaker, it seems to me we have a real mission in this Congress. That mission is to see to it that we do not forget our MIA's, and that we do everything within our power to see to it that they and their families have the full support of the United States in attempting to resolve this problem once and for all.

Mr. LANDGREBE. Mr. Speaker, will the gentleman yield?

Mr. HUBER. I yield to the gentleman from Indiana.

Mr. LANDGREBE. Mr. Speaker, I thank the gentleman for yielding.

I would like to point out that it is late at night, and I want to congratulate the gentleman from Michigan for staying here after the full hour taken by the gentleman from Mississippi in order to continue to reiterate the concerns of at

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least some of us for those boys who are missing in action.

I might point out that I am wearing a bracelet that was just given to me recently by Mrs. Ammon, of Muncie, Ind., whose son has been missing since 1966. This woman has reason to believe that her son is alive. She is really frustrated by the fact that there is no one who is really seeming to pay attention to this matter.

I might ask the gentleman if he thinks it is fair that this Congress give consideration to granting amnesty to these people who are now living in Canada and in other places without giving any consideration to those families of MIA's and before we have really accounted for those who are missing in action.

Mr. HUBER. I am certain that there is a priority system somewhere, and the greatest priority we owe is to the missing-in-action. There is no question in my mind that as far as amnesty is concerned, I would think that each one of them would be a separate case, and should be taken up individually. But they are certainly far down the line from the MIA's in priority order.

Mr. LANDGREBE. But there have been a number of Members of the Congress who have expressed great concern over amnesty, and yet those very same people would never consider, and they are certainly not on the floor today, sharing in this Special Order as we probe and try to generate a continuing interest in the fate of these men who went to war, willingly or not, they answered their country's call. Certainly this Congress has got a responsibility to those people.

Mr. HUBER. Mr. Speaker, the point taken by my colleague, the gentleman from Indiana, (Mr. LANDGREBE) is well taken.

Mr. Speaker, I now recognize the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I certainly would like to express my thanks to the gentleman from Michigan for taking this Special Order, and I would like to compliment the gentleman on the very strong statement he just made.

I might say, Mr. Speaker, that as soon as I got to Saigon and met with those Americans who are on this joint commission, that they commented on the Huber resolution and how it had a great effect on the Vietcong and the North Vietnamese that this Congress, this House of Representatives, would pass such a strong resolution speaking up for the MIAs and those Americans killed in action, and that it passed without a single dissenting vote. This had quite an effect on them.

I think the gentleman from Michigan should be commended again, as I have done in private and as I do in public today, for his leadership on this resolution.

The gentleman touched on a subject today, and although I know that the hour is late, I feel that certainly there should be some comments made on it. It concerns what the New York Times pointed out about the bounty hunters, and also that CBS had something in the news several weeks ago about the people from this country and people in other countries going out and in effect looking for remains.

I talked to many people in Saigon about this situation. I did not classify these Americans and the people that I talked to as bounty hunters—I found them to be sincere in trying to go to these locations to recover remains. They did need some expense money to do this. South Vietnamese have to be paid when they take off from their jobs and take their vehicles into these areas. Other than expenses I found no evidence where our Government had been asked for large amounts of money.

However, I am concerned that there are some organizations, I am told, in this country, that are getting funds to have groups go into different parts of South Vietnam and Laos and try to find some remains. I would think this would be a mistake. We have very fine people in the Joint Casualty Resolution Center in Thailand, waiting to get into these areas when permitted to do so. But I am concerned about a few of these amateurs going into these areas for fear that they will come out with unidentifiable remains. They will not come out with the needed identification; they will not come out with the proper evidence that we need to identify these remains or to identify the plane.

It is a skill that has advanced in the last few years. These people can be identified. In fact, we went to the American laboratory in Thailand and saw where they work on identification. They use photographs and pictures, and if these experts can get any evidence, they can put it together and come up with an identification.

So I would hope that groups trying to do good would be very, very careful about going to Southeast Asia and looking for remains. In fact, I think they would probably do more harm than good.

We have started a program in Southeast Asia, that centers around this calendar I am holding. The calendar is done in the South Vietnamese language, and these calendars have been spread all over South Vietnam. It is given to the farmers and villagers and it states that if they know of any aircraft crash sites, notify the American authorities and we will send identification teams into the areas. It is working. From reports received, they have found a number of bodies in the last few months. By "a number," I would say 15 to 20. We have this program going on now in Southeast Asia.

I hope that we would continue to let the American authorities work with the South Vietnamese in trying to recover these bodies.

Moving to another subject, I think it should be pointed out that there is a coalition government now in Laos made up of Pathet Lao and Royal Laotian Government officials. I think it has a fighting chance to make it if the North Vietnamese will leave them alone.

There is a problem, however, that I want to point out here today. I have checked this with the U.S. aid officials in Laos. Since our Government recognizes the new coalition government, all parties connected with the Laotian Coalition Government are eligible for U.S. aid. I talked to Ambassador Whitehouse about this. He was very cooperative, and he agreed with me fully that no aid should go into the Pathet Lao or Communist areas until we have had a complete accounting of the MIA's and until we have been able to send these identification teams into the Communist territories to find out what happened to our Americans.

I only point this out to strengthen Ambassador Whitehouse's position, and the position of the gentleman's resolution, that certainly we should not give foreign aid by building hospitals and building roads in Communist territories when we cannot even go in and bring home our dead. I wanted to point this out, because this would be going completely contrary to the gentleman's resolution and the feeling of the Members of this House, and the feeling, I am sure, of the Senate and of this administration.

In closing, I should like to say that I had complete cooperation from the Pentagon. I had the opportunity to have Capt. Jim Kneale, a Navy captain, go with me as my escort officer. Captain Kneale was most helpful throughout the trip. I thank the Defense Department for sending this capable officer with me.

The American Ambassadors that I visited were very cooperative. The American military was most helpful and I got an honest picture from the Americans. It was all above board and nothing whatsoever under the table. They laid it out and gave me whatever information I wanted. They worked with me in meeting with the Communist officials. I do feel that I have brought back some type of updated factual report on the sad and frustrating situation in Southeast Asia.

I thank the gentleman from Michigan for yielding.

Mr. HUBER. I want, again, to thank my colleague for taking the time tonight to bring this important matter to the attention of the Congress.

Mr. MILLER. Mr. Speaker, I welcome this opportunity to join with my House colleagues in this special order concerning the American servicemen listed as missing in action in Southeast Asia. I see this as occasion for the U.S. Congress to again underscore its firm commitment to direct our Armed Forces to fully investigate the circumstances surrounding each and every case of the MIA's, and make all information tied to such investigations known to the families of these brave men.

In his colleague letter to the Members of the House, my good friend, Representative SONNY MONTGOMERY advised us that the North Vietnamese read the CONGRESSIONAL RECORD and absorb every word printed in it regarding the situation in Southeast Asia. I am glad to know that. I am especially pleased to know that the Communists digest our words relating to the search for the missing in action. I hope they will understand this special order and the many pieces of legislation we have passed regarding the POW's and MIA's for exactly what they are: efforts by the U.S. Congress to do all we can to assure a full accounting of the missing and the safe and speedy return of any and all Americans who remain unreleased from the jungles of Indochina.

It is up to Hanoi, as far as I am concerned. U.S. search teams are in place and are fully trained and willing to cooperate in locating the missing. Hanoi, however, refuses to assist in this humanitarian endeavor.

By way of this occasion, I again call upon Hanoi—and the American public in general—to give to the search for the MIA's the priority that the issue deserves. Read these lines well, if you will. Think of the circumstances under which these men have served their Nation. Exchange places with the families who have waited out the long years of hoping for a loved one to return.

With these thoughts in mind, I believe it is easy to understand the importance of the MIA issue, and equally easy to understand why I consider its significance second to none.

Mr. HANRAHAN. Mr. Speaker, since the end of American involvement in Vietnam and the joy of returning prisoners of war, the public has given little attention to the more than 1,000 Americans still classified as missing in action, and the 1,266 who were killed in action but whose bodies have not been recovered from Communist territory.

However, Congressman Sonny Montgomery, on his recent factfinding tour to the Far East, has brought additional attention to this very serious matter. His travels through South Vietnam, Laos, North Vietnam, and Cambodia shed light on this tragic situation. I am grateful for his efforts and hope he will continue them.

In applauding Mr. Montgomery, I also urge Members of Congress and the public in general to exert pressure to solve the mystery of the forbidden crash sites. Now that our involvement has ended, we must do all we can to discover the whereabouts of our men still listed as missing in action.

For my part, I have strenuously supported such efforts in securing information about these Americans and have worn a bracelet in honor of Capt. William Plassmeyer, who was shot down in September 1970.

Mr. FISH. Mr. Speaker, on January 27, 1973, a Vietnam peace agreement was signed in Paris by our Government, South Vietnam, North Vietnam, and the National Liberation Front. Since that time, 566 American prisoners of war have been returned home. But the heartache continues for the families of the over 1,300 men who are still listed as missing in action as the Government of North Vietnam persists in violating article 8 of the agreement that calls for a detailed accounting of the missing, captured, and dead.

Our Government has taken an active role in attempting to determine the fate of American personnel who have not returned from Southeast Asia and are unaccounted for. To this goal, the four-party joint military team was formed in April 1973. This team is responsible for implementing article 8(b) of the Paris agreement, which provides for an exchange of information about military and certain other personnel who have been listed as missing in action. The U.S. delegation to the FPJMT has consistently requested that Communist countries comply fully with their obligations under the agreement. To date the FPJMT has been obstructed by the lack of cooperation by the Communist members, who frequently boycott the meetings, or use them to give propaganda speeches. The U.S. delegation has repeatedly protested this lack of cooperation by the Communists, but to no avail.

To effectuate discovery of the status of MIA's, the Joint Casualty Resolution Center was established. Located in Thailand, this organization is an outgrowth of U.S. Government efforts to identify and document the fate of MIA's. This documentation includes crash gravesite identification. Search crews from this organization have had success in the resolution of MIA cases, but have been hampered by North Vietnam's refusal to grant search teams permission to enter the country. In December of last year, an American member of a search team was murdered in cold blood by a hostile force during an investigation of a reported crashsite. Such is the Communist response to the efforts of the JCRC.

Mr. Speaker, Congress cannot and has not been silent on the issue of MIA's. Americans who remain unaccounted for in Southeast Asia are a matter of great personal concern to me. I was tremendously impressed by the unanimous vote in the House for House Concurrent Resolution 271, which expressed this Chamber's desire to deny aid, trade or recognition to Southeast Asian Communist countries until there has been a full MIA accounting. In addition, I am hopeful that the Senate will approve an important amendment to the trade reform bill, which is now before the Senate Finance Committee. This amendment provides for the withholding of "most favored nation" status from those Communist countries that do not cooperate in the efforts to locate MIA's in Southeast Asia. It is hoped that this amendment, which I plan to support, will force the Soviet Union to actively encourage North Vietnam to fully comply with the Paris Peace Agreement.

To insure that every opportunity is given to determine the exact fate of our MIA's, I urge this House to give rapid consideration to House Resolution 1093. This resolution calls upon the Secretary of Defense to refrain from reclassifying any MIA's to presumptive death status until the Communists follow the provisions 8(a) and 8(b) of the Paris Peace Agreement.

But have we done enough? I, for one, am not satisfied our Government has used its diplomatic or political leverage to its fullest extent. Nor can we expect a renewed determination to do so. What is needed is congressional initiative and congressional direction. House Joint Resolution 716, introduced by Mr. Gilman of New York supplies this direction. This legislation, which I have cosponsored, would authorize the House Foreign Affairs Committee and the Senate Foreign Relations Committee to conduct a full-scale investigation into the status of American men who are missing in action in Southeast Asia, and to explore the possibilities of obtaining further information concerning these men. These committees would be required to report their findings to their respective Houses, and to recommend to the appropriate branches of Government the best course of action to resolve the current impasse in negotiations to obtain the release of all POW's held in Southeast Asia and to secure all information concerning those still missing in action.

Mr. Speaker, the joy this Nation expressed at the return of its prisoners of war has now been overshadowed by a real sense of frustration with respect to MIA's. We must continue to seek legislative and diplomatic initiatives that can help determine the status of these MIA's. This country must show all nations concerned that we will not quit nor shrink from travelling any road which can resolve the fate of our 1,300 men in Southeast Asia.

Mr. THONE. Mr. Speaker, this body and the American people are indebted to the gentleman from Mississippi for his investigative trip to Southeast Asia and for arranging this special order for today.

America must not forget its service personnel who are listed as missing in action in Southeast Asia. We must take whatever steps are necessary to make the Vietcong in South Vietnam and the Government of North Vietnam to live up to the Paris agreements.

We are not merely engaged in wishful thinking when we presume that some of the American missing in action are alive in Vietnam. There are several dozen cases where we have had eyewitness reports of American servicemen who were alive and well after being shot down by Communist forces. These men were not returned with the prisoners of war and we have had no accounting of them. We must find out if they are still alive.

Most of the Americans listed as missing in action were flying personnel of the U.S. Air Force, Navy, or Marine Corps. To search for these men in the areas where they were shot down would not be like searching for a needle in a haystack. In almost every case, we have exact military records as to where they were shot down. In many cases, opening of parachutes were observed, there were eyewitnesses that these airmen made it to the ground and in some cases there was even radio conversation with the men after their landings. If the Communists would permit it, it would be relatively easy to make thorough searches of the areas where crashes took place.

Under the terms of the agreement in Paris, we must notify the Vietcong when we are going to send out U.S. personnel to attempt to learn what happened to American casualties. In December of last year, the United States informed the Vietcong that we were sending out such an unarmed party. This information may have helped the Vietcong to set up the murder of Captain Rees who led that investigation. Since then, our Nation has sent out no additional teams to investigate crash sites in Vietcong territory.

We must take action to require the Vietcong and the Government of North Vietnam to live up to the treaty they signed.

The Nation of Laos is not subject to the Paris agreement. We must, however, find a way to force the Pathet Lao Communists to permit investigations there. There are perhaps 300 airmen who are missing in action over Laos. Since there is a coalition government in Laos that includes the Communists, we must make certain that no U.S. aid reaches the Pathet Lao while they are maintaining that only one American is alive in their territory.

Members of Congress must make certain that the Department of Defense does not aid the Communists by doing away with our records of those service personnel who are missing in action to killed in action without any apparent rationale for this action. We must keep these records as they were until evidence is available as to the fate of these men.

The Congress of the United States must maintain and increase pressure so that an adequate accounting for all missing in action is obtained.

Mr. SPENCE. Mr. Speaker, it is right that attention should be drawn to the appalling and inhumane record of the Communist forces in Vietnam. The story has been a long saga of repeated violations both of the rules of war, and of their own solemn agreements.

Not only did they make no attempt to implement the Geneva Convention during the conflict, but their record since the Paris cease-fire agreement has been marked by continued obstruction of American attempts to establish the fate of our missing in action. The North Vietnamese and the so-called PRG have shown that they regard the suffering and uncertainty of hundreds of American families as a pawn to be used ruthlessly by them in a wider political game.

Their attitude during the fighting was to claim that the Geneva Convention relating to the treatment of prisoners "did not apply," since no war had been declared. Article 2 of that convention clearly states that it applies to all cases of armed conflict between signatories of the convention, and North Vietnam acceded to it in 1957.

We now know, following the return of our own POW's, that the North Vietnamese practiced systematic maltreatment and torture on our prisoners, in total violation of the Geneva Convention. We know, too, that every visit to Hanoi of those prominent in the "peace movement" was the cue for renewed and intensified torture of our men in attempts to make them cooperate in propaganda interviews.

In contrast to the North Vietnamese attitude, the United States and the South Vietnamese fully applied to the rules of the Geneva Convention. They arranged regular Red Cross visits to POW camps, permitted private interviews with prisoners, allowed a regular flow of mail to reach them, and made lists available. The Communist authorities made no information available until they released a few names toward the end of the conflict.

Even now, some 18 months after the signing of the cease-fire agreement, the issue of our missing in action is still unresolved. This is a direct result of deliberate Communist intransigence. At the time of the cease-fire, we listed some 1,900 Americans captured or missing, whereas their list consisted of some 597 prisoners of United States or third country origin, and the names of 70 persons who were claimed to have died in captivity.

Attempts by the American and South Vietnamese members of the four-party joint military team to determine the fate of the remaining MIAs have met with total resistance from the NVA and PRG delegates. The other side has systematically refused to honor their obligations under article 8(b) of the cease-fire agreement. They have not only refused to cooperate in allowing investigation parties to visit crash sites, but they murdered in cold blood an American teamleader and his Vietnamese colleague who were inspecting such a site. Since advance notice of the visit had been given, and since the two murdered men were wearing the orange FPJMT identification, and had their hands raised at the time, one can draw no other conclusion than that this was a deliberate murder to prevent further investigation.

The majority of the remaining American MIA's were reported missing in air action, and the overwhelming majority of the incidents concerned took place in northern or Communist-held territory, or on ground now in disputed control. Any attempt to determine the fate of these men demands that the Communists honor their agreement to allow inspection of possible crash sites.

What the Communists have done in the FPJMT negotiations is to attempt a link between the issue of the American MIAs and the separate issue of Vietnamese civilian detainees. This is despite their own signature on the Paris cease-fire document which clearly places the issue of Vietnamese civilian detainees as a concern of the two South Vietnamese parties only. Thus they are prolonging the agony of American families of our MIAs in a cheap and sordid attempt to make propaganda points.

We should not be surprised at the Communist attitude. Their humanitarian record is nonexistent, and their record of honoring treaty obligations approaches the same level. Since they have violated almost every other clause of the ceasefire by their repeated acts of aggression, their random murder of Vietnamese civilians, and their infiltration into the South of massive quantities of men and material, it should not surprise us that they have violated those parts of the agreement dealing with our MIAs.

This should not stop us, however, from seizing every opportunity to pillory them before world opinion. It is no fault of the United States or of the Government of Vietnam that our MIA's are still unaccounted for. We have spared no effort, and the Vietnamese Government has cooperated to the hilt in this humantarian venture. The blame for the continued suffering and uncertainty must be placed firmly at the door of the Communists. Only their totally callous attitude and their determination to trade on the tragedy of others prevents further resolution of the agonizing uncertainty.

I fully support my colleagues, and agree that Congress must set the lead. We must apply every pressure which we can exert to bring the NVA and the PRG into line with their own agreed word, and with the laws of human decency. They have betrayed not only their treaties, but their humanity. I am glad of any opportunity to add my efforts to those of others in the attempt to bring a solution to this dreadful problem.

Mr. ADDABBO. Mr. Speaker, I rise to express my deep concern over the status of our efforts to obtain information on American servicemen missing in action in Southeast Asia. At the same time I would like to commend our colleague from Mississippi, the Honorable G. V. (SONNY) MONTGOMERY, whose perseverance has given us a clear and current report on the situation, following his personal visits with officials of North and South Vietnam, Laos, and Cambodia.

A full accounting of those missing in action and the return of known dead are basic demands which must be met. I share Representative MONTGOMERY'S view that public pressure must be brought to bear on the leaders of these Southeast Asian countries to comply with basic international human rights.

The information we are seeking must be forthcoming quickly or the appeals to the conscience of other nations will be less effective. The report we have heard today stresses this point and our statements in this Chamber today reaffirm this Nation's determination not to let this issue rest.

I commend our colleague, SONNY MONTGOMERY, in his request to the Congress on this important issue.

Mr. ZABLOCKI. Mr. Speaker, I am pleased to join with the distinguished gentleman from Mississippi, the Honorable G. V. "SONNY" MONTGOMERY, and other colleagues in once again calling attention to the tragic failure of North Vietnam and the Vietcong to provide a full and accurate accounting of the more than 1,100 Americans who remain missing in Southeast Asia.

This sad fact certainly is one of the bittermost aftermaths of the Vietnam conflict. Our hope and prayer is that it not be etched in history as an example of man's cruelty—a cruelty which springs from a vile mind and a cowardly heart.

In many ways, the stubborn insensitiveness of the North Vietnamese and Vietcong in failing to live up to the pledges they made in signing the Paris Cease-fire Agreement reflects their inhumane attitude. To them honor and commitment are apparently mere words to be exploited for the expedient goals of the moment and then forgotten.

This Congress and this Nation, however, will not forget. Above all, we will not forget our servicemen who remain missing; and we will not forget their families and loved ones for whom this matter remains a deep personal agony.

Nor will we forget that on June 4 the House of Representatives unanimously registered its support for House Concurrent Resolution 271, the provisions of which I urge the North Vietnamese and Vietcong to read carefully.

As chairman of the House Foreign Affairs Subcommittee on National Security Policy, which considered House Concurrent Resolution 271, I sincerely hope that they recognize the firm determination of the Congress to keep its commitment by fully implementing the provisions of that resolution.

Mr. PARRIS. Mr. Speaker, I welcome this opportunity to join with my distinguished colleague from Mississippi (Mr. MONTGOMERY) in taking a few moments to remember and salute the many brave Americans who are still classified as missing in action.

More than 18 months have passed since the momentous day when, after months of painstaking negotiations, several hundred POW's were able to return to this country. I am certain none of us will ever forget our own personal elation at the sight of those men—many of whom had spent years of their lives in Vietcong prison camps—stepping off the planes at Clark Air Force Base in the Philippines.

But for the families of the 1140 American men who are still classified as missing in action, the endless days of agonized uncertainty still go on. I have had the privilege of meeting with several of these courageous families, who continue to hope that they will know the fate of their loved ones, and to work for a full and accurate accounting by the Communists of all MIA's.

It is appalling to realize that the Vietcong have not yet permitted American or neutral country identification teams to go into Communist territory and investigate grave or crash sites to bring back the remains of those who may have perished there—which is a direct violation of the Paris accords. Every day that passes will make these sites less identifiable and the recovery of bodies less probable.

Despite the unstinting efforts of many, among them the distinguished gentleman from Mississippi, we have not been succeessful in determining the fate of these 1,140 men.

Mr. Speaker, I have nothing but disdain for the people we are dealing with here. The Communists do not intend—and in all probability have never intended—to live up to the terms of the Paris agreements.

Unfortunately, the tools we have at our disposal to put pressure on the Communists to release information and to permit onsite investigating teams is severely limited. We do not now supply foreign assistance to the Communists in Southeast Asia, although some reconstruction and military assistance is provided to friendly governments in that area.

I would, however, like to take this opportunity to reiterate my pledge to the MIA families and to my constituents that I will never support trade agreements, diplomatic recognition, or reconstruction assistance for the North Vietnamese so long as there are any American men for whom no accounting has been made. It would be unthinkable to do otherwise.

Mr. Speaker, the plight of our missing servicemen in Indochina, is a vital matter and one which concerns all Americans. The passage of House Concurrent Resolution 271 earlier this year by unanimous vote clearly pointed out the sense of Congress with respect to the MIA's and the outrageous disregard of the Paris agreements which has been demonstrated by the Communists. I know this body and the Federal Government in general will continue to do all in their power to achieve a complete and accurate accounting of our MIA's.

Mr. WOLFF. Mr. Speaker, I want to commend my distinguished colleague the gentleman from Mississippi (Mr. MONTGOMERY) for reserving this time today to discuss once again the fate of our men missing in action in Vietnam.

We must not for one moment lose sight of the fact that there are some 1,140 men listed as missing in action in Vietnam whose fate is unknown. This figure represents the loved ones of over 100 families in my State of New York alone. It is these families who face daily agonizing uncertainty. Compassion dictates that as expeditious and clear a resolution of the fate of these men be made. We cannot allow anyone to hold the fate of the MIA as an instrument of foreign policy or as an element of political gain. The families of these men must not be used as pawns in a political "game plan." Too much suffering has been visited upon next of kin already; we must persist with renewed vigor the job of obtaining a complete accounting as rapidly as possible.

We are all aware that article 8(b) of the Paris accords requires the North Vietnamese to release information pertaining to MIA's. We are also aware that the North Vietnamese have not lived up to this agreement; they have interfered, since the accords were signed, with efforts to obtain a full accounting of these men and to determine their fate. Over a year ago, I held ad hoc hearings in New York on our MIA situation; several of those who testified were next of kin to those listed as missing. A number of those who came before us indicated that they had seen pictures of men listed as missing; yet, the men pictured were not released by the North Vietnamese, their fate still in doubt.

There have been countless conflicting stories on the success or failure of efforts to obtain a complete accounting. The fact remains that the fate of some 1,140 men is still unknown. I think we can all agree that we seek most of all to avoid a repetition of the sad situation that followed the conclusion of the Korean conflict 20 years ago.

Our Defense and State Departments—and they must be assured of congressional support—must redouble their efforts to force the North Vietnamese to live up to the Paris accords and release information pertaining to the fate of MIA's. We must continue to press for a final decision as to the fate of these men. We must put an end to the limbo in which the families of MIA's now find themselves.

Mr. JOHNSON of California. Mr. Speaker, I rise to commend my good friend, the gentleman from Mississippi (Mr. MONTGOMERY) for his comments and for his outstanding service to the Nation through his efforts to obtain some hard facts about the missing-in-action situation which plagues this Nation of ours.

As we all know there are hundreds of victims of the Vietnam war who have not been accounted for. Their families live in agonizing conditions of suspense waiting for the word about their loved ones.

As Mr. MONTGOMERY's report on his efforts and contacts in each of the areas concerned demonstrates so vividly we have received good assistance from those who are our allies—namely the Republic of South Vietnam—but from those on the Communist side of the conflict we have received nothing but obstinate refusal to permit us to perform those duties which we were assured we could perform under the provisions of the Paris accords. Time marches on and if we are not allowed to inspect crash sites personally in the immediate future any site inspections will be useless for the evidence will have been wiped out by the forces of nature. Is this what the North Vietnamese and their allies desire?

The peoples of the world who believe in justice and whose word means something should unite to force those who are blocking our efforts to identify the fate of the missing-in-action, to insist that the North Vietnamese and their allies throughout Southeast Asia live up to the Paris accords and permit the onsite inspections which are needed and needed quickly.

Thank you.

Mr. PRICE of Texas. Mr. Speaker, when are we going to stop kidding ourselves—the Communists in North Vietnam, the Vietcong, the Pathet Lao, as well as their comrades in Russia and China are nothing but a pack of liars, and hoodlums who have risen to power by spilling the blood of the thousands and millions of persons who have stood in the way of their tyranny.

The report that has been furnished by SONNY MONTOMERY ought to give this Congress as well as the administration ample reason to take strong and affirmative action to enforce our right to learn the exact whereabouts of those Americans who are missing in action because of the war in Vietnam. The Congress and the President of the United States asked, or rather ordered hundreds of thousands of young Americans to go to the jungles of Southeast Asia, and to fight for what they were told were the vital interests of this Nation. Many of them came back wounded and severely disabled, others came back in coffins, and still other have never come back. The wounded and disabled have been sent to Veterans' Administration hospitals to be mended and cured; our Vietnam veterans have been the targets of lavish promises by politicians who are out to win their affection and grati-

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tude; and, of course, our servicemen who died in battle have been given the "full military honors" funeral and their widows and children have been presented a flag as the expression of gratitude of the Nation, as if to suggest they have been paid in full for their sacrifice.

But what about those men who have disappeared? For years we allowed American POW's to lie rotting in North Vietnamese concentration camps while the civilian military planners in this country tied the hands of the American military forces serving in Vietnam. And now that we allegedly have peace in Vietnam and our servicemen have all been allegedly returned home, I must ask where are the 1,140 men who are still listed as missing in action in Vietnam? What are the Communists hiding? Why are they afraid to repatriate the bodies of our known dead? Why are they afraid to allow us to inspect the areas where American servicemen were reported lost? Are they afraid that we will find American bodies which show telltale signs of having been tortured or mutilated? Or are they simply so cold-blooded that they would not even allow these servicemen the dignity of being laid to rest on American soil?

The time has come to quit kidding ourselves—détente is a joke and a farce. There is no peace in Vietnam; nor is there any "peace with honor." This Nation and this Congress ought to bury their heads in shame for the gutless and spineless manner in which our MIA's have been written off as expendable cannon fodder. I say this Congress committed the lives of American servicemen to serve in an undeclared, no-win war in Vietnam, and it is time for this Congress to commit the entire resources and will of this Nation to a full accounting of our missing servicemen. If necessary we should not hesitate to exert economic, moral, yes, and military pressure on the Communists in North Vietnam to live up to the requirements for a full accounting and repatriation of American servicemen who fell behind enemy lines. If we are too timid or gutless or self-concerned to do this, then, this Nation has reached a new day of infamy, and this one is of our own making. The time for action is now.

Mrs. HOLT. Mr. Speaker, the Communists of Southeast Asia have displayed a barbarian insensitivity toward American families who have endured suspenseful agony while waiting for some word of the fate of their men reported missing in action in Southeast Asia.

The failure of the Communists to observe the basic decencies was related to me by our colleague, Representative MONTGOMERY of Mississippi, upon his return from a factfinding mission to Southeast Asia during the Fourth of July recess.

I have a keen personal interest in his findings because of the families in my district afflicted with gnawing uncertainty on the fate of their men.

Representative MONTGOMERY performed a valuable service for us in using a recess to work on this important human concern. He spoke with leaders of friendly governments in Laos and South Vietnam, and with the Communist leaders in Laos and South Vietnam.

He was told by all of the Communist officials that they would not permit American or other inspection teams into their territory to seek evidence at crash sites concerning the fate of missing Americans.

There are still 1,140 Americans classified as missing in action, and the bodies of another 1,266 who were killed in action have not been recovered.

Mr. Speaker, the numbers are not large as a proportion of our population, and indeed such losses would scarcely be noticed in collectivist societies where people are slaves of the state.

But the United States regards the life of the individual as important, and this great Nation of 200 mililon is concerned for every missing serviceman and his family.

We will continue persistently to urge the President and the Department of State to apply relentless pressure on the Communist leaders of Southeast Asia to allow American or neutral inspection teams to search for our missing men.

Mr. WON PAT. Mr. Speaker, I rise to speak on behalf of all Americans who are missing in action in Southeast Asia and those who were killed but whose bodies have not been recovered.

I also rise to commend our distinguished colleague, Congressman MONTGOMERY, for his great personal interest and concern over our fellow Americans killed and missing in action in Southeast Asia which prompted him to travel to the Far East during the Fourth of July recess in order to seek information on the fate of these men and bring it to the attention of the Members of the House.

Congressman MONTGOMERY's report on his praiseworthy mission illuminates the problems and obstacles we face in our attempt to find and recover the bodies of men killed and those missing in action. This is magnified by the revelation that some of our men are still alive in Southeast Asia. Of particular interest to me is Mr. Emmit Kay, the only American who is known to be still alive and held captive in Laos, where his plane crashed on May 7, 1973. I knew Mr. Kay on Guam, where he was a long-time resident, and where he was a civilian pilot with the Island Hopping Commercial Aviation airline. Mr. Kay was a great American, and was liked by all who knew him. Earlier this year, in February, I wrote to both the Department of State and Department of Defense, asking them to seek the release of Mr. Kay.

Mr. Kay's tragedy is shared by his wife and family, who are now residing in Laos, waiting hopefully for the day when he will return to them as husband and father.

I realize that American authorities have taken every measure possible to obtain Mr. Kay's release, as well as the release of other Americans still in captivity. The decision to free Mr. Kay, I understand, has to come from the Communist forces in Laos, but until now they have been able to delay freeing him through a series of technicalities.

It is my hope that the Communist forces in Laos and other Southeast Asian countries will heed the appeals of the families of men like Emmet Kay and any others who may be held captive and release them as soon as possible. I also hope that they will permit American authorities to enter crash site areas and verify the fate of the 1,140 Americans classified as missing in action and allow the recovery of the bodies of 1,266 servicemen who were killed in action on their soil. Such a humanitarian gesture would, I am sure, be applauded by all the world and wholeheartedly appreciated by all the American people.

Thank you.

Mr. ASHBROOK. Mr. Speaker, I appreciate this opportunity to join with my distinguished colleague from Mississippi in discussing the situation of the more than 1,100 MIA's in Southeast Asia. In addition to these missing Americans, there are an additional 1,266 Americans who were killed in action and whose bodies have not been recovered. American families do not know what has happened to their loved ones because the Vietnamese Communists refuse to carry out their agreements made with the United States. The Paris accords which both the United States and North Vietnam signed were clear as to the responsibilities of each side. Article 8, paragraph (b) states:

> The parties shall help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action.

The responsibility of the North Vietnamese to aid American efforts in this regard is clear. In the supplemental agreements of June 13, 1973, article 8, paragraph (b) was reemphasized.

The record of the North Vietnamese is also clear. They have been consistently opposing American efforts to gain information. Last December 15 an American without weapons who was searching for bodies of American men was killed by the Communists.

Looking at the historical record, I am sad to say that the record of the Vietnamese Communists is identical after the end of French involvement in Vietnam and it is now after the end of direct American involvement.

On July 20, 1954, during the Geneva Conference, the Vietminh Communists signed a treaty on the cessation of hostilities with the French Government. Article 21 of that treaty reads in part as follows:

> All prisoners of War and civilian internees of Vietnam, French and other nationalities captured since the beginning of hostilities in Viet-nam during military operations or in any other circumstances of war and in any part of the territory of Viet-nam shall be liberated within a period of thirty (30) days after the date when the cease fire becomes effective in each theatre.

Eight years later on November 17, 1962, the North Vietnamese Government announced over radio Hanoi that:

> After a rather long period of negotiations between the DRV (Democratic Republic of Vietnam) Government and the Government of the Republic of France on the repatriation of French soldiers who had surrendered, on 25 October the representation of the Republic of France sent a message to the DRV Ministry of Foreign Affairs stating that it had been authorized to work out a plan for transporting commencing November 1962, French soldiers who had surrendered and who had applied for repatriation. The message proposed that our government approve the French transportation plan.
>
> In its 30 October 1962 message, the CRV of Foreign Affairs replied that it approved the transportation plan drafted by the French representation and asked that the French Government take the necessary steps so that repatriation can be carried out on schedule.

We have been more successful than the French in getting back our prisoners of war, but so far we have been no more successful in learning about our MIA's. We must realize that the Vietnamese Communists only understand strength. As can be seen by the record of torture and murder in both North and South Vietnam, they have no regard for humane policies. I urge the administration to pressure both the Soviet Union and Communist China—the suppliers of North Vietnam—to get an accounting of our MIA's.

Cannot détente even produce news about our American men missing-in-action and killed-in-action?

Mr. SMITH of New York. Mr. Speaker, I would like to thank the gentleman from Mississippi for calling this special order to discuss our missing servicemen. Not long ago we ended our active participation in the war in Southeast Asia and rejoiced in the return of some of our prisoners of war. But our involvement is not finished. We cannot forget that over 1,000 American families are the victims of Communist cruelty. These are the wives, children, parents and relatives of American servicemen still listed as POW's or MIA's. I am personally acquainted with one of these families and I wear a POW bracelet bearing their son's name as a physical reminder to take every possible opportunity to speak out on behalf of these missing men.

I fail to see where the Communists gain any advantage by refusing to at least inform these families of the fate of their loved ones. S. Sgt. James M. Rozo, 25, son of Mr. and Mrs. Samuel Rozo of 269 Mapleview Drive, Tonawanda, N.Y., is listed as a POW. He was last seen in June 1970 being transported into Cambodia by the Vietcong. He was alive then. Since that time, his parents have had no word of his fate. They have never heard from him. Their letters to him have not been returned. If he is alive, why has not he been released? If he is dead, how and when did it happen and where is his body? The Communists would have us believe the POW's do not exist. I choose to agree with returned POW Commander Brian Woods, who said:

> I am not naive enough to believe they are all alive, but I am intelligent enough to know that some are.

My POW bracelet reminds me of a young man who cared enough about his country to go and fight in a foreign land thousands of miles from home. Now is not the time for his country to forget him.

Mr. BAKER. Mr. Speaker, all of us recall the joy of welcoming home many of our men from prison in North Vietnam little more than a year ago. At that time there was hope that more would be following. Failing that, there was the sincere desire to pursue the search for information about the missing in order to close the files on the circumstances of their loss for the families of these men. The agreement in Paris provided for the cooperation of the North Vietnamese in these efforts. It has not been forthcoming. According to all observers, we have been denied permission to enter North Vietnamese territory to search for clues at site crashes. More than that, Captain Rees, a member of an unarmed U.S. identification team of the Joint Casualty Resolution Center, was murdered by the Vietcong on December 15, 1973, at the site of a crash scene in South Vietnam. There seems no doubt that advance notification of the inspection, which is required under the Paris accords, assisted in the setting of the ambush in which Captain Rees was killed.

There is no additional weapon available to us at this time other than that of world opinion. I believe the pressure of world opinion served in large measure to force the North Vietnamese to release our prisoners of war. That same world opinion could very well cause a change of heart in this matter of assistance in getting information on our missing-in-action. Let us send a message to Hanoi. We will not forget the 1,140 families who still await word from a missing father, brother, husband, or son. Let us remind them that this body is determined no trade or aid of any kind will be accorded Hanoi until they have complied with the Paris agreement with reference to the missing-in-action.

Mr. ARCHER. Mr. Speaker, I wish to commend the distinguished Member from Mississippi for requesting this special order.

One of the continuing tragedies of the war in Vietnam has been the lack of cooperation by North Vietnam to account for American servicemen listed as missing in action or listed as being killed in action or dying in captivity.

The Paris agreement was signed in January of 1973. Our hopes were high that peace would come to Indochina. American troops were withdrawn. Our American prisoners of war were returned. The level of violence in Indochina appeared to decline.

These hopes soon faded. The experience of the past year and a half has revealed that the North Vietnamese still remain determined to conquer the South Vietnamese and to bring the entire country under a totalitarian Communist control. The Communists in the north have brought into South Vietnam thousands of troops and war making materials such as tanks and artillery pieces. They have attacked the armed forces of the South Vietnamese and launched attacks on civilians including schoolchildren. One of the most discouraging parts of the continued violation of the Paris agreement by the Communists has been their refusal to acknowledge the humanitarian pleas to provide information on Americans who are listed as missing in action or who died during the war in Communist-controlled areas. In open violation of the agreement they signed in January of 1973, they have refused to allow search teams to effectively inspect areas where American soldiers were shot down or were supposedly buried.

Americans were shocked last December by the brutal attack of the Communists on an unarmed body recovery team authorized under the Paris agreement. The North Vietnamese and the Vietcong had been notified 10 days beforehand of the search mission and had signed receipts that they knew about it. Yet, the Communists ambushed the group killing an American Army captain who had his arms raised in the air as a gesture of surrender and wounded four other American soldiers. Secretary of Defense James R. Schlesinger aptly described it as "a despicable act."

The Communist regime in Hanoi has been described as a harsh and cruel regime lacking humanitarian concern. The actions of the Hanoi regime in the MIA/POW question confirm this characterization.

Reports continue that American servicemen are being held as prisoners throughout Indochina. We do know of gravesites containing the bodies of American soldiers in Communist-controlled areas. The accuracy of these reports can only be verified if search teams are allowed into the Communist-controlled territories. The Communists have openly refused to permit American or neutral search teams to enter their areas of control and have severely limited the activity of the U.S. Joint Casualty Resolution Center team in the recovery of bodies of Americans who died in captivity.

It is essential that these men who risked their lives for the United States should not be forgotten in the aftermath of our experience in Indochina. We have an obligation to these men and to their families and we should not be satisfied until every single man—either dead or alive—is accounted for by the Communists.

There are 1,140 Americans classified as missing in action while there are 1,266 who were killed in action but whose bodies have not been recovered.

The leadership in North Vietnam have violated the Paris agreement by continuing to wage war against the people of South Vietnam and by refusing cooperation in accounting for American soldiers missing in action.

The United States must insist that North Vietnam abide by this agreement. The President and the Secretary of State should continue to press this matter with the North Vietnamese and Vietcong representatives. The United States should bring these violations to the attention of the International Control Commission and our country needs to focus world attention on this matter in the United Nations. We should urge our allies who trade with North Vietnam to bring up this matter in their discussions

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with the leadership in Hanoi. We need to show the world that the North Vietnamese and Vietcong leaders have violated a pledge based on purely humanitarian concern.

It is essential that we continue aid to our allies in South Vietnam and Indochina in order to assure their strength against attacks from the Communists. It has become quite clear that we cannot rely on the word nor the pledges of the Communist regime in Hanoi. We need to keep up pressure on this regime so that they will honor their promise to account for our American servicemen missing in action. I personally shall not be satisfied until every single American serviceman is accounted for by the Communists.

Mr. STEELMAN. Mr. Speaker, I share the concern of my colleague, Mr. MONTGOMERY of Mississippi, in regard to the unaccounted-for servicemen in Southeast Asia.

As a cosponsor of House Joint Resolution 716, I have endeavored to find the information we need to ease the distress of the American families still uncertain about the fate of their men in service.

Those uncooperative governments which unfortunately have turned a deaf ear on our requests for information about any American prisoners of war, missing in action, and dead are blatantly disregarding the Paris Peace Agreements.

Until such questions about our servicemen have been answered to the satisfaction of Congress and the American public, the recently passed prohibition of aid, trade, and diplomatic relations with those nations failing to comply with peace treaty provisions concerning search efforts for missing American servicemen in Southeast Asia should remain in effect.

Again, I would like to commend the gentleman for his efforts.

Mr. FUQUA. Mr. Speaker, I can think of no set of circumstances that have caused me as much anguish and personal concern as has that of seeing American prisoners of war returning from Vietnam and determining the fate of our missing in action.

My concern and anguish is brought about in large measure because a number of these young men were from my district and I have talked with and attempted to console their families.

As I have stated previously, their's is a day without a sunset. The anguish, the hurt, and the pain are with them every moment. There is some comfort in knowing the fate of a loved one, even if that knowledge is that the loved one is gone.

It is quite another thing not to know. These families never know if there might be just one—yes, just one—prisoner remaining. The one prisoner might be their son, their husband, the father of their children.

What if that one prisoner is not their own?

To these valiant few, it would make little difference. They would continue to work with everything at their disposal for that one comrade of those who have fallen.

I put myself in the position of those families and say that we as a nation should take the same attitude. Since their number is not great when we consider the total number of men who served in Southeast Asia, perhaps the country would like to put this out of its mind.

Those who do shame the memory of those who served, those who died, and those whose fate we do not know.

Just recently I introduced a resolution which would ask that the Secretaries of the various services not change the status of these men from missing to dead. These families know that such a change is merely one more nail into abandonment of all hope—and this is the one thing they can and will never accept.

It is difficult to understand the animal-like attitude of the Communists in this regard. These men are no threat to their security. We are not seeking battalions to fight their subversion. We simply seek something that any person with any degree of compassion and integrity would not only willingly grant, but would give their assistance.

To say that I understand their attitude would be the furthest thing from the truth. I cannot conceive of the mental attitude of these people in not helping us in finding out the fate of our sons, particularly in allowing us to search through rubble and debris at a crash site.

There have been many dark days in the time of man. There have been many periods when the inhumanity of one human being for another was manifest. This is one of those periods and will live in infamy as long as there is any spark of decency left in humankind.

This Nation owes it to those families not to swerve from our resolve to learn the fate of these men. As long as one is not accounted for, it should be our national resolve to determine his fate and bring an end to these endless days for their families.

Mr. BROWN of Ohio. Mr. Speaker, it is my pleasure to speak today on behalf of the many Americans who are missing in action, or have loved one who are missing in action, in Southeast Asia.

It has now been over 18 months since the Vietnam peace agreement was signed in Paris, bringing about the end of our commitment of troops in the Vietnam war, and we do not know what has happened to some of our soldiers in that war; 1140 of our men are listed as missing in action, and 1,266 others are classified as killed in action, although their remains have not yet been recovered. Included in this number are four courageous men from my own district that are listed as MIA. They are: Col. Floyd Richardson, U.S. Air Force, Fairborn; Col. David Zook, U.S. Air Force, West-Liberty; Col. John Hamilton, U.S. Air Force, Beavercreek; Col. Burris N. Beagley, U.S. Air Force, Beavercreek. In addition, some doubts exist as to whether or not all of our men who were captured were released to us as the peace accords required.

I am aware of the problems, both emotionally and economically, that the families of these men have endured. It is tragic that many families must still go through the agony and uncertainty of having a loved one missing in action. I share the concern of millions of Americans and urge that pressure be put on the countries of Southeast Asia so that American or neutral identification teams may enter into the Communist zones to determine the fate of the many servicemen who are missing in action. It is imperative that this recovery and identification take place as quickly as possible.

Mr. RARICK. Mr. Speaker, I would like to commend the gentleman from Mississippi (Mr. MONTGOMERY) for taking this special order to once again remind the Members of the House of those Americans still listed as missing in action as a result of the Vietnam conflict.

I certainly join with our colleagues in urging the President to make every effort to account for these men who served our country in the Vietnam conflict.

It is imperative, I feel, that the administration exhaust all possibilities in attempting to determine the fate of these men before the Department of Defense takes action to change their classification and thus affect the benefits paid to their dependents.

Finally, Mr. Speaker, I would urge the administration to make every effort diplomatically for an onsite inspection of the contested areas in Vietnam so that this country can return the remains of the 1,266 known American dead in these areas to this country for proper interment.

Mr. Speaker, it is very important that we, as elected representatives of our people, take this action to reassure the families and loved ones of our MIA's that we do remember the sacrifice that these men made in defense of our freedom and that we do care.

Mr. STARK. Mr. Speaker, I rise to associate myself with the remarks of the gentleman from Mississippi. As that gentleman knows, one of my constituents shares his intense interest and involvement in MIA problems.

Mrs. Maerose Evans of Alameda, wife of Cmdr. James J. Evans, USN, the longest missing in action in naval history at over 9 years, expresses well the difficulties associated with the MIA situation. I wish to thank my colleague from Mississippi and others who met with her during her recent visit to Washington to share her thoughts on the subject. My thanks certainly go to Mrs. Evans, as well. Her letter to me follows:

ALAMEDA, CALIF., *July 15, 1974.*

Congressman PETE STARK,
Longworth Building,
Washington, D.C.

DEAR CONGRESSMAN STARK: I very much appreciate your assistance and that of your staff while I was in Washington last week. I felt it necessary to go to the Capitol so that the Congress and Officials could hear firsthand someone speak up for the majority of men who are missing in action.

My husband, CDR James J. Evans USN, is the man longest missing in action in Naval history, over nine years three mos. I have served on the Board and been Western Regional Coordinator of the National League of Families of American Prisoners and Missing in Southeast Asia for the past four years. I have been active locally and nationally in making the world aware of the prisoner/missing problem, have studied Southeast Asia, the prisoner treatment in other wars, the French Indochina experience, and traveled to Laos in 1972.

The overwhelming majority of missing in action men are professional military men and knew very well what they were doing. They were honorable, were willing to serve this country and their integrity had no cash redemption value. Each knew his military service would do what was necessary when necessary. They did not wish to remain missing in action forever because some families refuse to face facts and are venting their frustration and bitterness on the United States government. It is not the United States that can account for these men.

Congressman G. V. Montgomery's detailed and realistic report only confirms what the Defense and State departments have long noted. Congressman Montgomery has been an outstanding advocate and friend of the men and their families. I thank him for his dedication to this cause.

It is time for the families to face the grim reality of the situation. A man cannot remain missing forever. It is more than time for the Defense Department to obey the law and proceed with determinations on an individual basis recognizing that each case is different and will be reviewed accordingly.

We, the families, have received many considerations and privileges for which we are grateful. No other group in military history has received such concern. There were 80,000 missing in action in World War II, 7,000 missing and prisoner in Korea, and 49,000 killed in Vietnam. Were those men and their families deserving of less than we have received?

Circumstances have changed; the prisoners have come home, there is no evidence that anyone but Emmet Kay is alive, and a change in status does not negate the necessity for North Vietnam to comply with article 8(b) of the Paris agreement.

We are grateful for all you have done for us. It was appropriate for the period due to the peculiar circumstances of this war, but we must move on. Some cases will never be resolved because of the very nature of war and the difficult terrain. Even in Peacetime, it is not possible to account for missing persons as you all are aware of the tragic disappearance of Congressmen Boggs and Begich last year.

The time has come when the Defense department must be allowed to proceed under the law, a law that is reasonable and just. And, perhaps in some way the families will finally obtain peace of mind.

Thank you,

MRS. JAMES J. EVANS.

Mr. DON H. CLAUSEN. Mr. Speaker, at the outset I would like to commend the gentleman from Mississippi for his personal involvement and commitment to determining the status of those men listed as missing in action. It is both proper and important that Congress not forget nor become apathetic to this tragic denouement of a tragic war, and I again commend the gentleman for taking this special order to focus attention on the problem, which hopefully will renew our commitment to finding its resolution.

Mr. Speaker, before the signing of the Paris agreement, there was no doubt that public opinion greatly affected the efforts to obtain information on our POW's—it affected their treatment by the North Vietnamese, and it played an important role in eventually securing their release. If we can generate the same degree of public sentiment; this, coupled with the kind of vigorous and imaginative diplomacy and bargaining which brought an end to the war, can influence the DRV and PRG on this issue.

My heart goes out to the families and loved ones of the 1,200 men who are still unaccounted for. I do not recall who said it, but the very human side of this issue makes it worth repeating: Almost worse than death to those who wait, is the uncertainty of it.

THE EROSION OF OUR ECONOMIC FREEDOM BY INFLATION AND GOVERNMENT SPENDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, our economic freedom is being eroded by both inflation and out-of-control Government spending.

It must be stopped.

Let me use a graphic means to explain just how bad inflation and Government spending are out of control.

Take a dollar bill out of your wallet, purse, or pocket for a moment.

Look at it and pretend that it is 1969.

It is all there—1 dollar, 100 cents.

Now, imagine that 25 percent—a full quarter of the dollar—has been snipped away with a pair of scissors.

If you do, you know that it is the summer of 1974, for the full value of the 1969 dollar is now worth only 75 cents; 25 cents have been lost by inflation.

And, of course, the rate of inflation has been much worse in several major categories of spending.

The cost of living has risen most sharply with respect to the price of food, fuels, and utilities. So, the value of your dollar—as to these items—is even less.

We are told—and I believe it—that if inflation continues at the same rate as the past 5 years the 1969 dollar will be worth only 57 cents by 1979.

Now, take out another dollar bill.

Look at it and pretend that it represents your work—a year of work, or a month, a week, a day, or even an hour. It represents what you are paid—the total amount—for the sweat of your brow or the rigors of your mind—your total income.

Look at it again. Pretend that 43 percent—over two-fifths—is gone—cut off down to the George Washington picture oval.

Where did it go? It went to pay your taxes—Federal, State, and local—income, real estate, sales, inheritance, gift, gasoline, and a myriad more.

The average American wage earner pays an astounding 43 percent of his gross personal income in taxes each year. That means that during each year you work 22.3 weeks for the Government—from January 1 through the last week of May for the Government.

The share of your gross personal income taken by Government in the form of taxes was only 15 percent in 1930, but in 20 years—1950—it has doubled. By 1972 it was in excess of 40 percent.

If present trends continue, Government's share of gross personal income in the United States by 1985 will stand at 54 percent—over half of our earnings.

And, of course, both taxation and inflation hit everyone of us. Taxes are the visible means by which Government takes from the wage earner; inflation is the hidden tax—by eroding your purchasing power—that Government also takes from the taxpayer.

It took this country 185 years to get to an annual Federal spending level of $100 billion, but it took only 9 years more to double that to the $200 billion level, and then only 4 more years to reach the $300 billion level.

If this rate of spending continues at the same accelerating pace, the public sector demands upon the "breadwinners" to produce for their families and futures and on the abilities of private enterprise to produce the wealth of the Nation will lead to a breakdown in our economic system within the next 10 years.

No one can say accurately that our economic freedoms are not being endangered by Government spending and inflation.

Does one have genuine economic freedom when one gives up nearly half his income to Government?

Or, when he involuntarily surrenders his purchasing power because of Government-created and Government-fostered inflation?

Or, when he cannot plan his future and that of his children—for school, for retirement, or for whatever—because Government's policies are so unpredictable and are so corrosive of his livelihood?

I think not.

The essence of economic freedom is freedom of individual choice in the marketplace.

Does one have that freedom when one cannot get a loan—for himself or his business—because the money is so tight and the interest rates so high?

Or, when his life savings can be wiped out in several years' time by double-digit inflation.

Or, when he cannot buy a product or pay a freely negotiated price for it because of Government-control created shortages on one hand or mandatory price regulation on the other?

I think not.

Now, put those $2 you took out back into your pocket, purse, or wallet. Tomorrow, unless Congress acts decisively to bring this pending economic crisis under control, they will be both subject to higher taxes and worth less because of inflation.

We hear talk today about what this country needs is a veto-proof Congress. That slogan does not address itself to the real problems facing our country at all. To the contrary, it may divert us from them.

What this country really needs is an inflation-proof Congress.

We need a Congress which will protect the general well-being of the people through putting the economic interest of all the people in the solidity of their dollars above those particular economic constituencies which seek Government spending only in support of themselves.

We need a Congress which will hold the line on spending, a Congress that recognizes that Government cannot continue to take ever-increasing percentages of the people's wealth—the product of their labors—their livelihood—without jeopardizing the inalienable economic and political freedoms essential to our economic progress.

We need a Congress which will insure the future growth of our economy through an increase in the per capita capital investment in our productive capacity. History shows us clearly that the only real way to boost the standard of living is to increase the per capita investment of capital. It is essential for today and for our future.

We need a Congress which will insist that inflation be slowed and stopped by tieing the increase in the production of additional money supply directly to increases in productivity. When new dollars are added to the economy, and yet production has not been added, the value of each dollar previously held is lessened. We all become a little poorer. This is inflation. Inflation is directly related to an issuance of money for which there is no increase in productivity. That must be brought under control.

We need a Congress which will insure actions—deeds—to reinforce its words in the enactment of the historic Budget Control Act, the bill which provides the Congress with the machinery to play a greater role in the formulation of our Federal budget.

We need a Congress which will insist that no existing Federal programs be refunded, year after year, simply because they were funded previously. We should insist that every program which consumes taxpayer's dollar be required to justify to the Congress why it should continue to be funded. Not because it supports a bureaucracy; not because it hires Federal employees. Rather, because it does a needed job assigned to it by Congress and does it well. Otherwise, we should not fund it.

We need a Congress which recognizes that control of Federal spending is not as effective as controlling the revenue from which that spending is made. If the modern thesis is true, that present spending rises to exceed present income, then, while holding the line on spending is important, it is never as effective as establishing a fixed, revenue ceiling—a percentage of tax dollars computed in terms of gross national personal income—beyond which Government could never go. The people would be assured that Government would never take a percentage of their income greater than that now being taken—and, hopefully, we could start to roll it back. But, once that revenue limitation is established, it would force the Congress—as a self-imposed mechanism—to make those tough, hard decisions on priorities between competing programs—existing and proposed.

This, Mr. Speaker, would be an inflationproof Congress.

This, Mr. Speaker, we very much need.

THE STRATEGIC ARMS IMBALANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 5 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, there has been a great deal of discussion in recent weeks on the growth of an alarming disparity that threatens to upset the strategic nuclear balance between the world's two great superpowers, the United States and the Soviet Union. Similar disparities threaten in other areas and they must be examined to determine future U.S. policies with regard to her primary challenger for world leadership. These include not only the strategic disequilibrium that could lead to a nuclear confrontation, but also a growing gap between United States and Soviet seapower, as well as a sizable disparity in conventional forces. But, in our concern to maintain a strategic and conventional miiltary power parity with the Soviets, we must not overlook the possible development of Russian economic strategies designed to tip the world political balance in their favor. An analysis of these strategies should include an accurate assessment of the Soviet resource and technology base—including potential bilateral trading agreements that might be concluded between the Soviets and the less developed and developing nations of the world. This economic analysis should also include an overview of Soviet energy capability—especially in light of our own problems in this vital area.

DANGER FOR THE UNITED STATES IN GROWING POWER IMBALANCE

There are indications that the Soviets are moving ahead in several areas to close the power gap between the United States and the U.S.S.R. If we fail to grasp the significance of these moves and fail to develop appropriate national and international policies to counter these Soviet initiatives, our position of world leadership will be in great jeopardy. And, I might add, that any erosion of our position as the leading world power will eventually translate itself into cruel economic and political realities with which every American will have to contend. If the Soviets get the edge on the United States in strategic nuclear power, there is no guarantee that some future Kremlin regime would not use this perceived Soviet superiority to force their hand in some future international confrontation. They could do this by one of two means: The first, and perhaps least likely, would be a direct nuclear attack against the United States. The second, and more plausible possibility is the threatened use of Soviet nuclear superiority to force the United States to capitulate to Soviet demands. The international humiliation and loss of prestige the United States would suffer in the international community as a result of such a "backing down" would impact upon every aspect of our American way of life—economic, social, and political. Our allies are just as watchful for signs of weakness as our adversaries. I do not denigrate their motives for being alert to any indication of U.S. weakness. The stability and survival of their own countries must be the No. 1 concern of each of our allies. And stability and survival in the world today is tied very closely to the effective use of power. The United States is almost singular in its national aversion of ostentatious displays of power. We make every effort to play the role of the humble giant. We bear with enormous dignity the outrageous assaults that are made on our national integrity by lesser nations. When they impugn our motives, we turn the other cheek. When we engage in international negotiations, we make every attempt to be self-effacing and conciliatory. And when we enter an armed conflict with a lesser opponent, we tie one hand behind our back, figuratively speaking. We must take care lest this international chivalry be misinterpreted as symptomatic of an inherent national weakness—a reluctance to fight for what we think is right. Chivalry is the prerogative of the strong; it must not be confused with the unassertiveness of the weak. We are dealing with adversaries who have a keen appreciation of power. This is why it is imperative that our on-going negotiations with the Soviets be conducted from a position of strength.

I am not suggesting that the United States need embark on a new, unrestrained arms race. It is precisely to avoid these circumstances and to put boundaries around arms competition that we are engaged with the Soviet Union in SALT II. And it is to achieve a similar objective, through a more stable balance at lower force levels in Central Europe, that we and our NATO allies are engaged in negotiations on mutual and balanced force reductions with the Warsaw Pact states. While we pursue negotiations on mutual reduction of arms in furtherance of détente, however, we must maintain worldwide military equilibrium. There is no incongruity in this position. As I stated earlier, we are dealing with an adversary that appreciates strength. The difficulties we are encountering in the SALT II negotiations are in part a reflection of a Soviet perception of a gradually weakening U.S. position.

CLUES REGARDING SOVIET INTENTIONS CONTAINED IN INITIAL DRAFT TREATY FOR SALT II

It is now apparent in both the new intransigent Soviet attitude in the SALT II talks and in their recent arms buildup, that the U.S.S.R. is intent on upsetting the rough balance established by the interim Russian-American agreement signed in May 1972 by President Nixon and Leonid Brezhnev in their first Moscow summit meeting. That agreement, effective for 5 years until 1977, conceded to the Russians an overall numerical advantage in total missile strength: 2,328 land-based and submarine-based missiles against 1,710 for the United States. Also, a further advantage for the U.S.S.R. was granted to the Soviets in the power of its missiles—the so-called "throw weight."

Counterbalancing these two Soviet advantages has been the substantial U.S. edge in the number of individual warheads that can be fired at targets in the Soviet Union. What made this advantage possible is the lead the United States has in fitting multiple warheads to a large part of its missile force.

But the U.S. advantage in warheads is not explicitly covered by the interim agreement signed in 1972. Presumably, it is covered by a tacit understanding which is not binding. Now that the Soviets have tested successfully four new missiles with their own multiple warheads, they are in a position to challenge this U.S. advantage without technically violating the SALT I agreement.

If Moscow should proceed to deploy these new, heavier, more accurate missiles, armed with multiple warheads, the message would be abundantly clear—that Russia is determined to bid for strategic superiority over the United States and perhaps even bid for the capacity to threaten America's entire land-based missile force in a surprise "first strike."

The initial draft treaty submitted by the Russians in the SALT II negotiations gives some clues as to Soviet intentions. Although it was drawn up to limit competition in offensive nuclear weapons, it would:

First, consolidate permanently Russia's numerical advantage over the United States in missile strength;

Second, prohibit the United States from deploying "new" weapons, such as the Trident submarine, but permit the Soviets to deploy four new missiles that have just been tested;

Third, require the United States to give up its nuclear submarine bases in Holy Loch, Scotland, and Rota, Spain; withdraw from Europe all warplanes that can reach Soviet territory, and close down the bases from which they operate;

Fourth, ban so-called aerodynamic missiles—standoff bombs that would give the U.S. strategic bomber force its real punch; and

Fifth, provide for negotiations to control MIRV—multiple independently targeted warheads—after these other conditions are conceded by the United States. Control of multiple warheads is a primary American aim.

In order to accurately assess the significance of these new Soviet attitudes and actions, we should retrace our steps back to SALT I to review the terms of the agreement, to study the initiatives that have been taken by the United States and the U.S.S.R. under the terms of the interim agreement, and to assess the relative strategic power position of both the United States and the U.S.S.R. at the present time.

SALT I AGREEMENT AND BEYOND

The following chart shows the principal United States and U.S.S.R. ICBM's currently deployed. At the bottom of the chart are the number of ICBM launchers that we associate with the interim agreement. The numbers in parentheses indicate the U.S. estimate of new U.S.S.R silos under construction on the date the agreement was signed:

CHART No. 1.—*Comparison of United States and U.S.S.R. ICBM's*

United States:		
Titan II		54
Minuteman I, II, and III		1,000
Total		1,054
U.S.S.R.:		
SS–7, SS–8		208
SS–9	(25)	313
SS–11, SS–13	(66)	1,096
Total		1,618

The interim agreement established limitations on the deployment of strategic forces by both the United States and the U.S.S.R. Both parties are limited to a relatively large but unequal number of fixed land-based and submarine-launched strategic offensive ballistic missile launchers. With but one important exception—the size of the ICBM silos—the interim agreement places no significant constraints on the qualitative characteristics of the missiles or the launchers. Moreover, it is also important to recall that the agreement places no limitation on other types of strategic offensive weapons—long-range bombers, cruise missiles, and air and sea-based mobile launchers, other than on submarines.

Under the interim agreement, ICBM launchers are classified by age and size. The year 1964 divides launchers for modern ICBM's from older types deployed prior to that date—for example, SS–7, SS–8, and Titan II. There is no agreement on a general definition of "heavy," but a unilateral U.S. statement provides that a "heavy" ICBM is an ICBM having a volume significantly greater than that of the largest "light" ICBM operational on either side at the time the interim agreement was signed. Therefore, under this definition, the SS–11, SS–13, and Minuteman are "light" ICBM's. No additional fixed, land-based ICBM launchers may be constructed by either party after the freeze date of July 1, 1972—but modernization and replacement may be undertaken.

SALT I TERMS ALLOW CONVERSIONS INTO SLBM'S

The agreement prohibits converting any of the older or light launchers into launchers for modern heavy ICBM's, but SLBM launchers may be substituted for the "older" launchers if desired. Under the terms of the agreement, therefore, the United States could modernize all of its 1,000 Minuteman launchers and its 54 Titan II launchers to Minuteman III or any other modern light ICBM, but it could not replace any of the Titan II or Minuteman launchers with modern heavy ICBM's. Similarly, the U.S.S.R. could modernize all of its ICBM's, but only the 313 SS–9 associated launchers—288 operational SS–9's and 25 new silos under construction in SS–9 complexes at the time the agreement was signed—can be converted to new "heavy" ICBM's.

All of the 1,030 SS–11 and SS–13 launchers, operational at the time the agreement was signed, may be modernized for new light ICBM's. New light ICBM's may also be installed in the 66 new silos, under construction at the time of the agreement, provided the dimensions of the launcher are not increased by more than 10 to 15 percent. As previously mentioned, the 209 older SS–7 and SS–8 launchers—and 54 U.S. Titan II launchers—may be replaced by SLBM launchers.

These older SS–7's and SS–8's, deployed in both hard and soft sites, are the first Soviet ICBM's shown on chart 1. The Soviet Union will probably substitute SLBM launchers, under the terms of the interim agreement, for some of these launchers.

The SS–9 is a very large ICBM with four different versions. The SS–9 MOD 2 has a single reentry vehicle—RV—with the largest yield of any known ICBM and constitutes the bulk of the SS–9 force. The MOD 1 also has a single RV, with a slightly higher yield. To date, there are insufficient numbers of these missiles deployed to constitute a significant threat to our total Minuteman force.

The SS–9 MOD 3 has been tested in both a depressed trajectory mode and as a fractional orbital bombardment system—FOBS—but it is not believed to have been deployed at any of the regular SS–9 complexes.

The MOD 4 has received the greatest attention recently because it indicates the Soviet intention to develop MIRV's.

Three versons of the SS–11, viewed as the Soviet counterpart to our Minuteman, have been tested, but only two versions have been deployed—MOD 1 and MOD 3. Extensive testing of the MRV version of the SS–11—MOD 3—has been conducted since 1969, and has been a successful effort for the Soviets. It is believed that the MOD 3 was initially developed to facilitate penetration of ABM defenses by multiplying the number of warheads to be dealt with by a defender. Despite the severe restrictions on ABM defenses imposed by the ABM Treaty, the U.S.S.R. is deploying rapidly the SS–11 MOD 3. Therefore, it must see advantages in utilizing the MOD 3 against undefended targets, as well as defended ones, probably because of greater targeting flexibility and accuracy.

The last Soviet missile shown on chart 1 is the SS–13, the only solid fuel ICBM in the operational inventory. Only 60 SS–13 launchers have been deployed. Chart No. 2, which follows, indicates these new U.S.S.R. ICBM developments. The Defense Department does not yet have sufficient information on the four new U.S.S.R. ICBM's being tested to provide physical comparisons, similar to those shown on chart 1 for currently deployed ICBM's. However, certain characteristics may be noted.

CHART 2.—NEW U.S.S.R. ICBM'S

	SS-X-16	SS-X-17	SS-X-18	SS-X-19
Follow-on	SS-13	SS-11	SS-9	SS-11.
Range [NM]	5,000[1]	5,500[1]	5,500[1]	5,500.[1]
MIRV warhead	Probable	Yes	Yes	Yes.
Estimated number of MIRV's	(?)	4	5 to 8	4 to 6.
Digital computer	Yes	Yes	Yes	Yes.
IOC	1975	1975	1975	1975.

[1] Over.

SS–X–18 is a large two-stage, liquid propellant ICBM, probably intended as a follow-on to SS–9. The most significant new characteristic is the addition of a "bus-type" MIRV system with an onboard digital computer. This new post-boost vehicle (PBV) is similar to the one employed in our Minuteman III and Poseidon. It is believed the SS–X–18's will probably have the capability of dis-

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pensing five to eight independently targeted warheads. Increased accuracy is a definite goal of the new test program. Recent tests have employed a single RV, indicating a continuing interest in a large warhead with greater accuracy.

The SS–X–17 and the SS–X–19 are considered follow-on missiles to the SS–11, with one to be chosen for ultimate deployment to replace the SS–11. Both systems have on-board computers and have been tested with MIRV warheads. One or both of these systems could be deployed in 1975.

The SS–X–16 is the only new solid propellant ICBM being tested by the U.S.S.R. and is a logical successor to replace the 60 SS–13's in silos. The SS–X–16 is about the same size as the SS–13 but has greater range and payload capability. There are indications that the Soviets are developing the SS–X–16 with the option of deploying it as a land-based mobile ICBM.

So far, the SS–X–16 has been tested with only a single RV. Nonetheless, there are indications that the U.S.S.R. plans to develop a MIRV payload for the SS–X–16 similar to the other three new ICBM's.

COMPARISON OF U.S. AND U.S.S.R. ICBM FORCES

Shown on chart 3—not reproduced in the RECORD—are the latest Defense Department projections of U.S. and U.S.S.R. ICBM forces, assuming the limitations incorporated in the interim agreement remain in effect. It is estimated that the U.S.S.R. at mid-1973 had a total of 1,547 operational ICBM launchers—1,527 at the time of the interim agreement in 1972, plus 20 SS–11 MOD 3's now operational in new small silos. The remaining new silos probably will be operational by mid-1974 giving the U.S.S.R., at that time, a total of 1,587—only 31 short of the estimated SAL ceiling. By mid-1975, the new large silos are estimated to become operational with the SS–X–18 missile system.

It is DOD's estimate that the Soviet ICBM force over the next 5 years will be closer to the lower interim agreement limit of 1,409 ICBM's than to the upper maximum limit of 1,618—1,409 ICBM's is the limit if all of the older ICBM's are replaced by SLBM's. This estimate is based on the belief that the Soviet Union will exercise its option to replace the older, less effective ICBM's with modern SLBM's. It is likely that the remaining ICBM's will be modernized by replacing them with the new systems already described.

CHART NO. 4—SIGNIFICANT U.S. AND U.S.S.R. INITIATIVES STATEGIC OFFENSIVE SYSTEMS

ICBM

United States

- Minuteman III.
- Silo modification.

U.S.S.R.

- SS–X–16.
- SS–X–17.
- SS–X–18.
- SS–X–19.
- New Silos.
- SS–11 MRV.
- Silo Modification.

SLBM

United States

- Poseidon conversion.
- Trident.
- C–4.

U.S.S.R.

- SS–N–8.
- Delta.
- SS–N–6 improvements.

BOMBERS

United States

- B–1.
- B–52 modifications.

U.S.S.R.

- Backfire.

SIGNIFICANT U.S. AND U.S.S.R. INITIATIVES IN STRATEGIC OFFENSIVE SYSTEMS

Chart 4 provides a graphic comparison between United States and USSR initiatives in strategic offensive systems. In contrast to the Soviet Union's dramatic program, ongoing U.S. initiatives in the strategic arena are modest and deliberate. The United States is carrying out advanced development work on improved ICBM technology, and continued improvements are being made in both Minuteman II and III systems.

By the end of fiscal year 1975, all Minuteman I's will be replaced by Minuteman III's. Additionally, the harness of Minuteman II and III missiles and silos is being upgraded and a command data buffer system is being installed to permit the rapid remote retargeting of Minuteman III missiles. These improvements are designed to increase the survivability, flexibility, and responsiveness of the U.S. Minuteman force. Work is to begin on technologies for two new missiles that could replace the Minuteman in the 1980's. One is a missile with a big nuclear payload that could be installed in existing Minuteman silos. The other is a mobile missile that could be launched from a moving platform on the ground or from an aircraft. How fast and how far these ICBM programs are carried in the United States will ultimately depend on what choice the Russians make—arms limitation or arms race.

A comparison of United States and U.S.S.R. SLBM forces, strategic bomber forces and conventional forces will be the topic of another statement I will make tomorrow.

TRIBUTE TO KEN GRAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, I am today introducing—on behalf of the entire Illinois delegation—a bill to name the new Federal Office Building in Carbondale, Ill., after Ken Gray. As we all know, our colleague is retiring this year, having represented the 24th District of Illinois since the midfifties. As chairman of one of the Public Works Subcommittees which has ushered through so many valuable projects, I can think of no more fitting tribute to Ken than for Congress to pass the legislation we are sponsoring this afternoon. I urge the bill's immediate and favorable consideration.

HOUSE JOINT RESOLUTION 1059 INTRODUCED TO FOSTER NUCLEAR FREEDOM OF THE SEAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HOSMER) is recognized for 10 minutes.

Mr. HOSMER. Mr. Speaker, the Joint Committee on Atomic Energy has been approached a number of times over the past few years by the Chief of Naval Operations, Admiral Rickover, and officials of the Defense Department and of the State Department about a problem concerning the operation of our nuclear Navy abroad. These concerns arise out of the fact that an increasing number of foreign governments are perplexed about the apparent inability of the U.S. Government to provide the kind of legal assurances that are expected today with respect to the satisfactory disposition of any claims for nuclear accidents that might arise out of the operation of our nuclear navy in the course of its visits to foreign ports.

I recognize that we are dealing with a somewhat nominal situation since our nuclear warships have an unparalleled reactor safety record. I expect this record to be maintained because I am personally aware that this Government has committed itself to building into our nuclear powered warships the kind of devices that have enabled the United States to achieve its outstanding safety record.

At the same time, however, national security considerations dictate that this technology must be stringently controlled and safeguarded.

This in turn raises a dilemma for those who cannot have access to the technology. On the one hand, they have seen the safety record we have achieved and, on the other hand, they are perplexed by our apparent unwillingness to demonstrate our faith in the future of this record by providing them with the kind of legal assurances that have come to be expected in the light of the trend of the law with respect to claims arising from nuclear reactor accidents.

The executive agencies have advised that they believe that those kind of assurances are in order and that they would like to be able to provide them if they had the necessary legal authority. They point out that there is sufficient question as to their authority to deal with any claims that might result from such nuclear reactor damage situations on a strict liability basis that it would be highly desirable for the Congress to enact a provision which would clarify the situation. Indeed, one concern is that existing legislation of possible relevance, may be understood to reflect a congressional policy that the U.S. naval authorities should not be providing the friendly governments of the ports our nuclear fleet are visiting abroad with the desired assurances.

I can assure you that my colleagues

on the Joint Committee never intended to interpose any legal difficulties for our nuclear fleet which carries such a national security burden on behalf of the free world. Indeed, we are prepared to help lead the way in formalizing a declaration of national policy that friendly governments, receiving our nuclear fleet in their ports should be extended the assurance in principle that, in the unlikely event of a nuclear accident arising out of the operation of one of our nuclear warships, the U.S. Government will be strictly liable to honor valid claims for damage sustained from the incident. This is only fundamental and is completely in accord with the good faith strictly liable to honor valid claims for Act of 1954 as amended.

I believe therefore, that the time has come to facilitate the free movement of our nuclear Navy into foreign ports with a general declaration of policy measure, such as the House joint resolution, which I introduced earlier today.

OBSERVATIONS ABOUT U.S. CHEMICAL WARFARE POLICIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 15 minutes.

Mr. FRASER. Mr. Speaker, we have seen in recent months many comments about reevaluating U.S. chemical warfare policies. I would like to add a few observations.

Five days of hearings before the Foreign Affairs Subcommittee on National Security Policy and Scientific Developments were based, in part, on the fact that this Nation, one of the first to lead the world toward a rational treaty prohibiting chemical warfare, still remains the only major world power that has not ratified this treaty, the Geneva Protocol of 1925. It is certainly important that the President, and preceding Presidents, have indicated that it is not the intent of this country to initiate a chemical attack. Nevertheless, we have not ratified the treaty. For this reason, the announcement of U.S. intent to procure a binary chemical weapon has greater significance than it would have if the United States had formally ratified the treaty.

During the recent hearings, as well as in testimony before the House and Senate authorization and Appropriations Committees, the issue of U.S. chemical warfare policies was discussed in a vigorous debate that continues. The chemical threat to our security as described by the Department of Defense during these various hearings is very speculative. The issue is not as simple as these brief public statements indicate. It has been stated that the Soviet Union has a chemical warfare capability superior to the ability of the United States to defend itself. This defensive estimate and an estimate of the Soviet offensive capability have been offered as justification for this country to switch to the new binary chemical weapons system as proposed in current appropriations requests. This threat estimate is not new. It is the same estimate the Congress has been hearing for almost three decades in justification of millions of dollars of chemical warfare materials.

There is a strange ambiguity in many of the arguments supporting the U.S. Army proposal to initiate a multimillion-dollar program for the binary weapon. The rationale for this proposal is ambiguous; perhaps a better word is puzzling. The potential enemy is said to be superior to this country in defensive capabilities. It is held that this same enemy has an intention and a superior capability to launch an offensive war with chemical weapons, and that unless we retain chemical weapons we will lose the battlefield to this superior chemical force. No one explains how a defensively inferior force can counter a defensively superior force simply by retaliating in kind.

The U.S. Congress was advised during the period following the Second World War that powerful new chemical warfare agents were available. We were warned then, as we are being warned today, that if we failed to add these new nerve agents to our arsenal, we would lose a significant battlefield option, seriously handicapping our capability to counter enemy forces.

The Congress responded to the serious tone of these Department of Defense warnings by providing hundreds of millions of dollars for the procurement of chemical weapons and for the construction of two separate nerve agent plants; one for the manufacture of the nerve agent known as GB and the other for the manufacture of the nerve agent known as VX. These plants provided such a tremendous production base that it was necessary to operate them for only a short time. The military need for these agents was met and the chemicals were added to our stockpiles in bulk quantities. The production plants were then shut down.

At the same time, a significant program in CW—chemical warfare—research development, testing, and engineering was launched. A wide range of munitions to deliver these nerve agents under a variety of tactical situations was made available. When available U.S. chemical weapons are examined, one suspects that some of these weapons may even have been considered for use in so-called strategic warfare; the installation of chemical nerve agents in multi-device warheads in missiles for long range attack certainly suggests the potential for strategic use.

In justifying these weapons, the Congress was advised that the best engineering talent and a thorough process of testing would be utilized to insure that these weapons met all military delivery requirements. These weapons were added to our stockpiles of chemical munitions in quantities which were adequate to meet the military requirements as stated during the fifties and sixties. There was little opposition to this weapons procurement program after the Second World War primarily because these weapons were treated with such secrecy. Congress knew very little about their characteristics and still less about the extent and nature of their intended use.

The lid was blown off this secret weapons program when several events received public attention. A serious accident during the testing of a chemical weapons system illustrated the potential for harm to those residents near the test area although there was no harm done to human beings. Public concern about the environment unearthed the information that leaking chemical munitions were being disposed of at sea in a cavalier fashion. The transport of these weapons from stockpiles to dumps at sea, while carefully guarded and routed, exposed Americans to unnecessary risk during a time of peace when such risks were not acceptable.

One reason that weapons disposition was haphazard was poor engineering. The weapons systems had not been designed to take into account the problems associated with demilitarization of the weapon at the end of the maximum storage life.

The fact still remains, however, that the military has a good record of handling, storage and testing of extremely potent weapons. Thus far, no Americans have been hurt by any of these activities. The changes forced on the military by the Congress as a result of these incidents have further improved the maintenance of these weapons. The military must now be responsive to Congress concerning the potential environmental impact which the destruction of obsolescent chemical weapons or the destruction of stockpiles of bulk quantities of nerve agent considered to be excessive to national needs may have. Transportation plans for these weapons require public review. Funds have been provided by the Congress for the design and construction of systems for the destruction on site of many of these toxic weapons. There need be no threat to the public health. Transportation through populated areas is no longer necessary.

It is against this background of an existing and strong CW program that we in the Congress are now being asked to support the initiation of a "modest" new binary chemical weapon program. The sum of $5.8 million is "modest" in a budget of hundreds of billions of dollars. But the $5.8 million is only the beginning of a program which admittedly will cost at least $200 million, and very likely $2 billion. During our hearings, Department of Defense witnesses indicated that they were not sure when they would spend the $5.8 million requested to start the program. The urgency of a program justified in these terms is questionable. Further, it is difficult to believe that the national security would be threatened if this new binary chemical program remained unfunded. No one seriously advocates the immediate destruction of all stockpiles of chemical munitions and stockpiles of bulk quantities of nerve agents. Even those witnesses at the various hearings who have proposed this for consideration usually qualified their remarks by acknowledging the need for

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renewed emphasis and higher priority on the negotiations at the Geneva conference on Chemical Warfare Disarmament.

The request for the binary chemical weapon is presented with the implication that the United States will be helpless unless this weapon is procured immediately. One must ask what has happened to the production plants Congress has already authorized to provide nerve agents to meet this same threat. We have the capability to manufacture more nerve agent than possibly could be required for any conceivable tactical situation.

We have chemical munition stockpiles which have deficiencies but none so serious that the national security is threatened. We have bulk agent stored which could be transferred to munitions while the plants go back into production. Stockpile requirements seem to fluctuate depending upon political circumstances but the United States hardly seems outclassed with regard to current capabilities. No matter what opinion one has with regard to the deterrence value of these CW stockpiles, the fact remains that we do have large stocks. These provide us with the time to examine the issue fully and dispassionately.

The argument that the binary chemical munition is safe to store, handle and ship is the lone solid justification for this procurement. Balanced against this safety factor is a history which shows that to date catastrophies have been prevented. With reasonable caution and particularly with the new congressional requirements, future catastrophies are not likely. If safety were the only consideration, then the argument for the binary for safety means might be determinative.

However, associated with this proposed binary procurement are other unresolved problems. These include: increased difficulty in reaching an acceptable agreement on verification of compliance with any chemical warfare treaty; the possibility that the increased safety of handling such munitions might tempt nonnuclear nations or terrorist groups to acquire these munitions as the technology becomes common knowledge; and the increased difficulty of transporting separate ingredients for the munitions to insure that these ingredients are at the right place at the right time.

In summary, these points force one to ask: What is the real threat to the national security if the binary chemical weapon procurement is delayed until a more reasoned and rational examination of the need can be completed? Even within the executive agencies, hearing testimony indicates that there is no agreement that this procurement is either militarily essential or necessary for national security.

Why is the Soviet Union so far ahead in their defensive capability as compared with the United States? The Congress has appropriated more money for defensive capabilities than it has for research and development on toxic agents; Why are not our troops at a high degree of readiness and fitness to defend in a toxic environment? Is this because our military commanders in the field do not have the same high convictions about the need for chemical weapons in combat or the potential threat as the Chemical Corps intelligence analysts who are the strongest advocates of this need and the danger of the threat? Where is the hard information on Soviet intentions to use chemical agents against us? How do we know that they are not responding to the threat posed by our own production capability and our stockpiles?

What proof beyond speculation or war game models is there that a retaliatory capability with chemical weapons is the only real deterrent to the use of chemical weapons? If our troops are caught with poor defensive equipment, poor training, a poor capability to fight in a toxic environment—this will not be because the Congress has not adequately supported either defensive procurement or the production of toxic agents. And poorly equipped and trained troops will not be saved by a capability to retaliate after an attack has been launched by an enemy with a superior defensive capability. In fact, poor defensive posture may provide the incentive to an enemy to launch a strong offensive CW attack. Witnesses at the hearings were strong in their support of the need to enhance the defensive posture of U.S. forces regardless of the final decision reached with regard to treaties, CW deterrence policies or other aspects of this issue.

The Congress needs to calmly and thoroughly examine U.S. chemical warfare policies. We started this examination in 1969 and have continued this examination again this year in several committees. There has been no convincing evidence presented to my knowledge that postponement of the procurement of the binary chemical weapon during this examination period will jeopardize the national security. The executive agencies have given every indication that they also see the necessity for reexamination of our CW policies and have such an investigation under way.

There is one program which obviously needs more attention at this time regardless of the final outcome of the congressional debate about U.S. chemical warfare policies. The U.S. Army has candidly admitted that our forces do not have the defensive capabilities that it is possible to provide. Analysis of the threat has been essentially unchanged for more than two decades. The Defense Department has not taken this threat seriously enough, although the threat analysis originates in that Department, to have corrected the defensive deficiency. A strong defensive capability, whether East European, NATO, Middle East, or United States is an indication of a concern to protect against an attack, not necessarily an indication of an intent to launch a first strike. A force with a strong defensive capability is much less likely to become the target of a preemptive strike than a weak and ineffectually protected force.

There is evidence from the hearings that U.S. forces do not have the high degree of readiness which current technologies permit. If our forces suffer from a surprise attack from chemical weapons it will not be the inability to retaliate that will cause casualties. It will be the failure of the Armed Forces to properly prepare themselves against the threat they have used to justify the acquisition of an offensive chemical warfare capability.

One question to be examined is whether the increased safety really counters the disadvantages which have been described for the binary system. There is always some risk associated with the storage of chemical weapons. Even the binary weapon offers only a reduction in the degree of risk. Perfect safety is not assured.

The Congress has provided support and direction for reducing the risk of storing existing chemical weapons. There does not appear to be sufficient justification at this time, in the current environment of disarmament negotiations, executive agency disagreement, and the added international risks associated with acquisition of the binary weapon to warrant rushing into a different method of delivering to a target the same nerve agent which we already possess in our weapons inventory. This is not a case of proposing to block a giant step forward in military technology which could provide a major military advantage. The binary is just a new method of delivering an old chemical agent. The binary, in fact, poses disadvantages distinct from the older system while providing only the advantage of the safety referred to previously.

It may eventually be necessary to replace deteriorating munitions if it is decided to retain a deterrent chemical stockpile. But we have and need more time to consider carefully the total impact on domestic and international policies of the binary chemical weapon. The issue of retaining or eliminating a chemical warfare retaliatory capability can be considered separately from the more immediate problem of determining whether funds should be appropriated for the procurement of the binary chemical weapon. It seems to me that we can explore in a less heated environment arms control measures at Geneva if the binary procurement is postponed. Hopefully, we can also resolve the impasse concerning U.S. ratification of the Geneva Protocol. We are not examining this problem from a position of weakness. We do have an offensive CW capability balanced by other weapons. This is a position which we should continue to have while we carefully determine chemical weapons policy this Nation should pursue.

DEALING WITH THE PROBLEMS OF THE AMERICAN ECONOMY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 15 minutes.

Mr. O'NEILL. Mr. Speaker, a panel of eminent economists who are advising the Democratic steering and policy committee has completed its work. The economists have summarized what is wrong with the American economy and have made suggestions for what we in the Democratic Party should do about it.

This action clearly shows that, in the face of abdication of leadership on the economic front by the President, the Democratic Congress is moving to find answers to the severe economic problems which now threaten our well-being.

Mr. Speaker, your statement from this morning's press conference and the report of the economists follows:

STATEMENT OF REPRESENTATIVE CARL ALBERT

Members of the Democratic Steering and Policy Committee met this morning with Dr. Otto Eckstein noted economist and President of Data Resources, Inc. Dr. Eckstein reported to the Committee the findings of a panel of nine eminent economists who met recently in all-day session with Steering and Policy Committee members to review the performance of the American economy and to develop new policy alternatives.

The panel's findigs will come as no surprise to the American people, who have suffered the ill effects of the current Administration's economic policies. The panel concluded that our economy is "in the worst trouble since World War II."

Indeed, the Nixon Administration has, through what the economists described as "massive policy errors," pushed our economy into dire circumstances.

As the economists pointed out, there are "no quick solutions" to our present problems. But the panel had many constructive suggestions to make to the Steering and Policy Committee. The panelists' recommendations would offer some measure of relief to embattled American workers and consumers and would help put our economy back on the road to stability and prosperity.

These recommendations (which are contained in the attached report) will be considered at the next meeting of the Steering and Policy Committee.

STATEMENT OF OTTO ECKSTEIN, JOHN K. GALBRAITH, WALTER W. HELLER, LEON KEYSERLING, ROBERT LEKACHMAN, ARTHUR M. OKUN, PAUL A. SAMUELSON, CHARLES L. SCHULTZE, JAMES TOBIN

(Statement of nine economists prepared at the request of Speaker Carl Albert, chairman of the Democratic Steering and Policy Committee of the U.S. House of Representatives)

On June 27, 1974, we met with Speaker Carl Albert and other members of the Democratic Steering Committee of the House of Representatives. After a thorough review of the economic situation, we generally agreed on the following points. Messrs. Galbraith and Lekachman prepared a separate statement which is attached.

1. The economy is in the worst trouble since World War II. We are in the midst of the biggest peacetime inflation in our history; unemployment is high, and for at least another year, we are likely to grow far less than our potential. Interest rates are at all-time records, and the financial system is in serious danger. Real wages have suffered large declines while profits have been inflating in a nonsustainable way. Now, the danger is that the Administration will seek to end the inflation through recession, without tackling the structural problems that require solution.

2. The economy was put into this condition by a combination of unavoidable misfortunes and massive errors of policy. The years of "gradualism", aimed at halting inflation, produced little but rising unemployment. While the switch to expansionary fiscal policy in 1971 was welcome, an unsustainable boom was allowed to develop in the election year 1972 and into 1973. The five different phases of controls brought us to the point where government appears unable to cope with our problems.

3. There are no quick solutions to the present inflation. Wages and profits are out of balance. Finished goods prices, in many instances, do not yet adequately reflect materials cost increases. Basic industrial capacity will be short for several years. Stabilizing food stocks are gone and foreign resource supplies are insecure. Inflation expectations are aroused and cannot be put to rest quickly.

4. Under these conditions, fiscal and monetary policies must aim to produce a level of aggregate demand that will carefully simmer down the boiling inflation. But it must be recognized that general fiscal and monetary restraint cannot bring an early end to the inflation. If restraints are applied too strongly, the financial system will be seriously damaged and the cumulative forces of recession and depression will be set loose. Further, the general measures must be combined with vigorous actions to relieve the worst of the inequities created by inflation, make credit available more equitably and productively, relieve shortages and bottlenecks, and reduce unemployment.

5. To help undo the decline in real earnings and reduce the need for extraordinary catchup wage settlements, the Congress should enact a balanced tax reform package this year. Low and moderate income families have suffered most from the higher food and energy prices and should be given tax relief. Tax changes aimed at moderate income families could take such forms as: (1) increasing the standard deduction and low income allowance of the personal income tax; (2) changing the standard deduction to a tax credit or (3) reducing the rate structure of employee payroll taxes.

In conjunction with these tax reductions, major revenue-raising tax reforms should be enacted. Some members of the panel favor a full offset of tax reductions with these reforms, other favor a small net reduction in order to provide some consumer stimulus. The prime candidates for reform are (1) a tougher minimum income tax, with no escape hatches, to assure that all high-income families pay a decent share of the Nation's tax burden; (2) tougher treatment of foreign oil production to stop subsidizing foreign oil producers and to make domestic exploration and production more attractive; (3) tougher treatment of hobby farm tax deductions which bid up the price of agricultural land; (4) abolition of DISCs which senselessly encourage the export of scarce commodities and cost the taxpayer hundreds of millions of dollars; (5) taxation of capital gains at death and reform of estate and gift taxes; (6) incentives to State and local governments to issue taxable bonds instead of tax exempts that are a major loophole for the very rich.

6. Federal expenditures must be kept under control and managed with a better sense of priorities. New defense obligations are rising while the social programs are squeezed. There should be adequate support for anti-pollution, anti-poverty, education, energy, health, housing and urban development programs.

7. Since inflation makes it difficult to soon achieve our full employment goals, other approaches must be pursued vigorously to cushion the impact on the unemployed. A greatly expanded program of public service employment would maintain incomes and preserve work habits and self respect while the economy is going through its correction.

8. The Budget Reform Act of 1974 gives the Congress the information and the ability to assess the detailed tax and expenditure decisions in the context of overall fiscal policy goals. The new system will also make it possible to better weigh the priorities of different lines of expenditure. For the first time, the Congress has the ability to control the Budget.

We urge the Congress to quickly go further in this work and to develop the new budget system for long range purposes as well. Congress should set long-term budget revenue and expenditure goals, and should evaluate the multi-year costs of expenditure initiatives or tax reductions in reaching its decisions.

9. Federal Reserve policy must limit money growth to promote gradual disinflation without wrecking the financial system, impairing essential economic growth, or preventing reduction of unemployment. The present 6½% money growth policy entails a sharp decline in real money balances. It has already produced the highest interest rates in our history and curtailed housing, and is threatening to produce massive withdrawals of saving funds out of thrift institutions. The Federal Reserve should begin to gradually lower interest rates to reduce these risks.

The Federal Reserve should use more selective methods of credit and interest-rate policy to reduce the great inequities in the current availability of credit. Housing is still the main victim of tight money. State and local governments are also seeing the markets for their securities disappear. The large, powerful corporate borrower is still able to meet his credit needs. If an excessive expansion of bank loans is the central problem, the Federal Reserve should impose limits on bank loans as numerous other countries have done. It should also restrain the unsound use of credit to finance speculative inventories, enterprise acquisition, and foreign exchange speculation.

10. Millions of families have seen the value of their retirement savings destroyed. The government should provide American families with a savings medium which is secure against the further inroads of inflation. The government should initiate the issue of purchasing power bonds, with limited amounts available to small savers. Their value would be tied to changes in the Consumer Price Index.

11. Economic policy should be put on a longer range basis, with the aid of long range and consistent goals. While part of the present difficulties was unforeseeable, some of the food, energy and industrial shortages should not have been a total surprise. Present economic policy machinery, with its emphasis on the short-term variations in the overall fiscal and monetary policy, is not adequate to the present economic problems. The inflation will not be ended until the capacity structure of primary manufacturing industries is in balance with the other dimensions of our potential, but this does not imply special tax concessions for investors because the additional demand created by the programs recommended herein, and other factors, should provide adequate stimulus to needed investment. The depletion of world food stocks requires the development of a long-term food policy to protect consumers and farm income. The coming new programs in health financing will require assessment of the supply and efficiency of medical care.

12. While an early return to controls is impossible after the recent unhappy experi-

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ence, the problem of defining and achieving responsible price and wage behavior for the largest private economic units remains and cannot be ignored while we seek to move the economy to orderly disinflation. A new dialogue among government, business and labor must begin, looking toward viable new principles and institutions.

13. There also must be the most careful and continuous review of the Government's own policies in such fields as agriculture, energy, transportation, health and defense procurement. Anti-trust policy and other policies of structural reform also should play an important part in improving the unemployment-inflation tradeoff.

STATEMENT BY JOHN KENNETH GALBRAITH AND ROBERT LEKACHMAN

With regret, for we respect the careful efforts of those participating, we are refraining from signing the Report on inflation for the Democratic Steering and Policy Committee. The United States is suffering from the worst inflation since World War I. We are asked for remedies. The Report (for good reason) does not recommend a tighter monetary policy than at present. It proposes a highly justifiable redistribution of tax burdens but no additional tax restraint. It expresses oblique concern about military spending but makes no firm recommendation for a reduction. It is feeble on the subject of wage and price policy—a dialogue but no controls. If the government cannot use fiscal policy, cannot use monetary policy, cannot use controls, the reader will ask what's left. The answer, alas, is nothing. Or, at most, there are prayer and hopeful prediction, both of which the Administration has already exploited to the full.

Inflation can be brought under control. There has been past success under circumstances far more difficult than now. Certainly we should not be discouraged when no real effort has yet been made. The major requirements can be quickly summarized. We need a stiff surtax on upper income—say, above $15,000 or $20,000. This reaches an appreciable share of spending without unsettling the wage bargain. Given the present level of profits, equity also requires a solid increase in the corporate income tax. The excise tax should be reimposed on big automobiles and levied against air conditioners and other heavy users of energy or scarce material for luxury purposes. All tax reduction, however meritorious, must be postponed until inflation is under control. We must take detente seriously and also the certainty that we will not soon again be fighting another jungle war, and cut military expenditures. Inflation does not strengthen our defense posture or improve the reputation of our system. We must, unfortunately, keep restraints on the money supply. We recognize however that of all measures against inflation this, in its effect on industries such as housing which used borrowed funds, is the most discriminatory, the most damaging to public welfare and also the most unpredictable in its results. So, while it must be kept, it should be the first measure eased as others take full effect. There should, it goes without saying, be vigorous government-sponsored action to expand food, fertilizer and fuel supplies and, where appropriate, to conserve use. Finally, in the modern, highly organized economy there must be firm, fair and strongly administered wage and price controls. This is not a matter of preference but of simple necessity. Policy on controls cannot be taillored to the fecklessness and incompetence of the Administration. More generally, we cannot now debate which measures to use against inflation. All are needed.

Against the very real chance of increasing unemployment as inflation is brought to an end, there must, as the Report recommends, be an adequate fund for direct employment in useful civic tasks for those who cannot find jobs. Such directly financed employment is in place of general macroeconomic action to stimulate the economy with its consequent and unacceptable inflationary effect.

Given these steps and given, above all, the tough determined administration which we know from experience can be brought into play against inflation, there is no reason for supposing that it cannot be brought under control. And it should be.

Forty years ago, economists of major repute were deeply seared by the experience of wartime inflation. Accordingly, when asked for action against depression, they warned of the dangers of inflation—and urged that budgets be balanced, monetary policy be conservative so as to minimize that risk. Now history has come half-circle. Present-day economists of similar age and equally high repute have spent their lives devising policy against recession, testing economic performance by its contribution to economic growth and employment. Asked what to do about inflation, they warn accordingly of the dangers of recession. This conditioned response, however understandable, is unuseful when it is inflation that we have. A recession may come; we now know that economic prediction, our own included, is not sufficiently valid to be a basis for action. We must be willing promptly to change course as necessary but we must act on the basis of the present reality. The present reality, one that is deeply distressing to millions of people, is inflation.

FLIGHT PAY IN AIR FORCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 5 minutes.

Mr. ASPIN. Mr. Speaker, I am sure that my colleagues will remember last year's big flight pay flap which cut off the flight pay for nonflying generals, admirals, colonels, and Navy captains. At that time and for a year afterward every Congressman was informed of the catastrophic effect this sudden loss of pay had on the morale of the senior officer force.

The subcommittee of the Armed Services Committee, which held months of hearings on flight pay and reported out a bill that recently became law, included a 3-year, save-pay provision so that these senior officers would not face a sudden pay reduction with no chance to make necessary personal financial adjustments. The subcommittee was, however, convinced that enlisted crew members, who have never received flight pay when not flying, also deserved some protection from sudden pay cuts. We decided, therefore, having given officers 3 years save pay that enlisted crew members who were going to lose flight pay should get at least 4 months' notice to allow them to adjust their personal finances.

Consequently, the committee directed: that the Department of Defense establish, by regulation, a requirement, that enlisted men cannot be involuntarily removed from flying duty with less than 120 days' notice. The committee wants its intentions in this regard very clearly understood. It wants such a regulation placed into effect on a priority basis, and it wishes to be informed of any delay.

But Lt. Gen. Leo Benade, Deputy Assistant Defense Secretary for Military Personnel Policy, claimed in a letter to Chairman HÉBERT that the 120-day notice is "somewhat unrealistic." He further offered to follow the direction of Congress only "to the extent possible." In short, General Benade clearly announced the Pentagon's intent to give enlisted men notice of grounding only when it is convenient.

Obviously, General Benade's offer is not good enough, and I have brought this matter to the attention of the subcommittee which established the 120-day notice requirement. General Benade promised to investigate the situation and to report what exceptions are essential to the management of the Armed Forces. All this was only a few days ago.

Subsequently, I learned from a noncommissioned officer that the Air Force grounded 106 enlisted crewmembers, notifying them on July 11 of their retroactive loss of flight pay effective July 1. This is, of course, not 120-day notice; it is even less than no notice.

As a result I wrote a letter to General Benade asking for an investigation of this obvious disregard of this directive of Congress. The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 11, 1974.

Lt. Gen. LEO BENADE,
Deputy Assistant Secretary of Defense, Manpower and Reserve Affairs, the Pentagon, Washington, D.C.

DEAR GENERAL BENADE: Today 106 enlisted crewmembers of the 552nd AEW&C Group, McClellan Air Force Base, California, were notified of their removal from flying status and incentive pay entitlement. Not only was the House Armed Services Committee's required 120 days notice not given, the personnel had no notice at all since the effective date of grounding is July 1st.

The enlisted men concerned are serving primarily in aviation skills that do not have wide Air Force application. There is little chance that many of them will receive subsequent assignments calling for flying status. It is obvious, therefore, that the no-notice grounding will impose substantial financial hardships on many of these airmen—a sudden change in personal income that will not later be adjusted. What is especially disheartening in this situation is the fact that the majority of them will soon be making a permanent change of station. A move generally costs more than a serviceman can expect to recover from the government.

I am sure that a number of the enlisted men who have been grounded have only lately returned from temporary duty in Southeast Asia where their allowances did not necessarily cover their living costs. To add to the financial difficulties of these men at this time seems particularly unjust.

In view of your recent testimony before the military compensation subcommittee and your expressed interest in insuring observance of at least the spirit of the Committee's directive, I call on you to investigate this matter. Please notify me as soon as possible what will be done about this situation.

Sincerely,

LES ASPIN,
Member of Congress.

After sending this letter I continued to receive telegrams from many of the 106 enlisted men at McClellan who had been arbitrarily grounded. A few of their messages follow:

[Telegrams]

JULY 11, 1974.

Representative LES ASPIN:

Request immediate attention to personnel actions (grounding) of flying enlisted personnel of the 552 AEW and C Group, McClellan AFB, California.

ENLISTED CREWMEMBER, USAF.

JULY 12, 1974.

Representative LES ASPIN:

I solicit your immediate attention to the pending grounding actions with no advanced warning and the rules used for enlisted crewmembers assigned to the 963rd AEW and C Squadron, McClellan AFB, California.

MASTER SERGEANT, USAF.

JULY 12, 1974.

Representative LES ASPIN:

As a chief master sergeant on flying status for 24 years I resent being notified on 10 July of grounding effective 1 July.

CHIEF MASTER SERGEANT, USAF.

JULY 12, 1974.

Representative LES ASPIN:

Considering the job we did in Southeast Asia for our country, I think we are very much mistreated with this grounding action, not to mention how the cut in pay—with no notice—will affect our families and our financial status.

TECHNICAL SERGEANT, USAF.

JULY 12, 1974.

Representative LES ASPIN:

Be advised that a mass rape of enlisted crewmembers is in progress in the 552nd AEW & C Group at McClellan AFB. 107 enlisted airmen grounded without prior notice.

MASTER SERGEANT, USAF.

JULY 12, 1974.

Representative LES ASPIN:

Be advised instant stop pay is in progress at 552nd Group, McClellan AFB. The most highly qualified air crewmembers are in most cases being affected.

ENLISTED AIR CREWMEMBERS, USAF.

JULY 12, 1974.

Representative LES ASPIN:

Your concern for enlisted crewmembers is certainly appreciated but solicit your immediate attention to grounding of enlisted crewmembers assigned to 552nd AEW & C Group, McClellan AFB, California.

Chief Master Sergeant, USAF; Senior Master Sergeant, USAF; Master Sergeant, USAF; Technical Sergeant, USAF; Staff Sergeant, USAF; other enlisted crewmembers.

For the 106, events have worked in their favor. Because of the commotion orders have gone out to restore the flight pay of the airmen and to continue it for a minimum of 120 days. I was notified of this action in the following telegram from one of the NCO's:

JULY 15, 1974.

Representative LES ASPIN:

Thank you for effort on flight pay at McClellan Air Force Base. Contrary to Pentagon reports, all 100 plus were verbally grounded approximately 1400 hours 11 July by Deputy Group Commander. Most were believed restored to status 13 July verbally. Thanks again.

USABLE AIR FORCE WIDE CREWMEMBER

Yesterday the Air Force telephoned my office to confirm the information sent to me from McClellan. The method used to insure continuation of flight pay for the required 120 days is flexible administrative authority available to the Air Force. General Benade, however, has been insisting for several weeks that only legislative relief will guarantee the congressionally mandated notice, a position directly contrary to the information he and other witnesses presented at the time of the flight-pay hearings. In short, we do not know where the situation stands now. Apparently, the Air Force now feels it has always had means to insure 120 days' notice to the 106 airmen it grounded without warning. Does this mean that legislation is not required? What of the other services? Are they also grounding enlisted crewmembers without notice? Do they need legislation to meet the orders of Congress? The Armed Services Committee and Congress should be provided with the answers to these questions.

The fact is that Congress thought it had set a firm rule, but the Department of Defense interpreted it loosely. The result was the threat of sudden disruption of the personal finances of 106 highly trained noncommissioned officers. Had they not protested the injustice, their flight pay would have been immediately lost, Air Force headquarters might never have heard of the incident and Congress would have continued to be ignored.

THE NUTS-AND-BOLTS AMERICAN, MR. AVERAGE, IS THE FORGOTTEN MAN

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 30 minutes.

Mr. PODELL. Mr. Speaker, again today the newspapers are filled with bad news for Mr. Average American, the guy in the crunch of the Nixon administration's economic squeeze. He will work a little harder and at the end of the day he will have a little less. Uncontrolled inflation nibbles away at his hard earned wages, robbing him of the fruits of his labor—like so many ants methodically hauling away his property and giving it to someone else.

The middle-income, middle-class American is the forgotten man in the big business, corporate-controlled Nixon administration. At this moment, for example, the President is meeting with a crowd of the Nation's "top" economists to mull over the problems of the economy.

But Mr. Average American is not represented in that group. Labor is not represented at the White House today. The small businessman, the mom-and-pop shop has no spokesman there. Congress, which has some fine economists in its number, is not represented there.

In a word, the backbone of the Nation, the average guy in the street, the nuts-and-bolts American who does the work, pays the bills, and binds the Nation together is without a voice as the managers of our economy decide what to do next. I hope those learned gentlemen now meeting at the White House do better today than they have in the past.

Five years ago when these economists began making plans for Mr. Middle American, the annual inflation rate was 4.7 per cent. Now it is close to 13 per cent and climbing, with the costs of food, fuel, and housing going out of sight.

Rushing to the aid of the working man who has more bills than his paycheck can cover, Nixon announced this week through Treasury Secretary Simon and Economic Adviser Kenneth Rush, a new scheme to increase rates for private electric companies. This new Nixon idea includes plans by the White House to prod State agencies into granting even further and speedier rate increases for the electric companies and to give them bigger tax breaks.

Private utilities' Federal tax payments have dropped from 12 percent of their operating revenues in 1955 to 3.5 percent in 1972.

How's that for helping the little guy?

I say these reports are more bad news for the average, hard-working American. Who speaks for the man who pays the bills in this country? Not an administration or an economist who jiggled and kicked and perverted our economy so that $10 billion a year is taken from the pockets of moderate-income families and shifted to the wealthy 1 percent of the Americans who own half of all corporate stock.

Today's newspapers had good news for the wealthy. The financial pages carried stories of another round of recordbreaking corporate profits, some of them 500 percent higher than last year. But for bill-paying Mr. Average American, today's newspapers were filled with bad news.

In addition, the announcement of a White House campaign for more money and tax breaks for power companies and the elite corporate giants, we were told by experts at HEW to expect runaway medical costs increases, with doctors' fees climbing about 20 percent a year and hospital costs almost as much.

The New York City Department of Consumer Affairs reported that the market basket for a family of four went up again in May—30 cents this time—with bottled soda, beef, pork chops, coffee, and sugar leading the list.

In 1 month the cost of gasoline has gone up an average of 4 percent. Since last October gas prices have increased more than 35 percent.

Mr. Average American does not stand a chance in the housing market. According to what I read in the papers, the national average price of a new home is $35,000. With the prime lending rate at an alltime high of 12 percent, it now takes almost $400 a month to finance that new house, including mortgage payments, taxes, utilities, and maintenance. Government figures show that the average nonfarm worker with two children currently has aftertax income of about $130 a week. That means the average guy in the street can afford to buy only one-third of a house. In other words, he cannot afford to live here under the Nixon administration.

And, if possible, things are worse for the millions of unemployed—now almost 6 percent of the work force—and for the poor and the elderly, all of whose interests have been pawns in a big game of politics at the White House.

Mr. Speaker, unless the President collected some ideas during his recent trip to Moscow and Yalta, he has no real program to halt inflation. Shortly before he left, he admitted as much, saying there are no easy answers and solutions will be a long time in coming.

The wealthy are discontent because they cannot get more than the hog's share they already have, and workingmen rightly complain because honest, hard labor does not return enough to take care of the family.

By all standards, President Nixon has failed in the management of the Nation's economy.

I propose the leadership formally protest the exclusive, star-chamber handling of the economy by select groups of special interest advisers. I propose that Congress convene its own group of economic advisers—advisers more in tune with the needs of the people than the needs of the corporate giants and expose the administration's fiscal hocus-pocus for what it is.

To date it has been nothing more than a master plan to wreck the economy and redistribute the wealth. I believe we can do better than that. We must rescue the middle American and once more give him a voice in the management of the economy in which he lives.

PROTECTIONISM AND THE U.S. FOOTWEAR INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, it is a sad fact of life that no one seems to pay much attention to the American footwear industry any more. It is sad because the attention we now devote to the footwear industry seems to run in an inverse proportion to the amount of the domestic market foreign imports are swallowing up; the more these imports gain—40 percent of the American market—the less many people seem to care. But the fact of life is that, as more and more American footwear producers are squeezed out of the competition by foreign imports, more and more hardworking Americans lose their jobs. The choice is up to the Government. We can start paying attention to the plight of our American footwear producers now, or we can spend our time dealing with increased unemployment later.

There was a time when the American footwear industry was one of the most stable and proliferous industries in our economy. The American footwear industry was one of the earliest major contributors to our economic growth and only seeks an equal opportunity in the competitive market. The concept of free trade is perhaps the most effective formula for insuring orderly international economic exchange, but you do not have to be an economist to know that the subsidized import invasion of our domestic footwear market is only free trade for one side. I am confident that the American footwear industry remains viable today and know that it seeks not protection but fair competition.

I want my colleagues to take a minute and read a letter from the editorial page of the July 1 Washington Post that I am inserting in the RECORD. The letter is from Mark Richardson, the president of the American Footwear Industries Association and it speaks for itself:

PROTECTIONISM AND THE U.S. FOOTWEAR INDUSTRY

We, of course, read with interest the front page article in the June 10 issue headlined "U.S. Protectionism Urged."

We feel that what was "unsaid" in the article deserves saying—so that there can be a fuller recognition by your readers of the difficult situation facing the domestic footwear industry caused by disruptive imports.

No other major manufacturing industry in the U.S. suffers from an import penetration as large as that of the domestic footwear industry. Over 40% of the U.S. market for nonrubber footwear is held by imports. The situation has been deteriorating over the years as imports have increased, domestic production has declined, factories have been closed, and jobs have been lost.

This matter was called to the attention of the present administration several years ago. An "escape clause" investigation on nonrubber footwear under existing trade laws was initiated by President Nixon in July 1970 (the first President ever to take such an action). The Tariff Commission's split decision in the case was submitted to the White House on January 15, 1971 but no action, affirmatively or negatively, has ever been taken.

In the interim the domestic industry has been able to ascertain that the reason for the sharp and substantial increase in nonrubber footwear imports from Argentina, Brazil, and Spain has been a scheme of government subsidization of the footwear industries in those countries. Our investigations are uncovering similar practices by the governments of other major footwear exporting countries.

Our industry petitioned the Treasury Department under the countervailing duty statutes with regard to Spain in February 1973 and with regard to Argentina and Brazil in July 1973. Only in the latter case (Brazil) has the Treasury Department initiated an investigation to date. No action of any kind has been taken by Treasury in the cases of Spain or Argentina.

We are fully aware of the importance of industrialization to the economic development of the developing countries. We do not believe, however, that the so-called law of comparative advantage contemplates that a country will industrialize in certain lines and capture a foreign market on the basis of government subsidization that creates havoc for those self-same industries in the countries into which the lines are imported.

Congress enacted legislation 77 years ago to prevent this from happening. We are asking the administration to enforce those laws. The credibility of our trade legislation is clearly at stake here.

One final word. The June 10 article says that South American diplomats view access to the U.S. market as a test of Secretary Kissinger's "new dialogue" with our Latin American neighbors. We are asking only that when domestic considerations (the enforcement of the trade laws) and foreign considerations (the "new dialogue") are in conflict, the domestic considerations receive at least equal consideration with the foreign. That has not been the case with the administration's handling to date of the serious import problem faced by American manufacturers of footwear and their workers. No subsidization of the American footwear manufacturers exists. Why should they be asked to compete with subsidized industries abroad?

MARK E. RICHARDSON,
President, American Footwear Industries Association.

INDIA'S NUCLEAR DETONATION IN PERSPECTIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 5 minutes.

Mr. HAMILTON. Mr. Speaker, among the hectic domestic and globetrotting events of the last 2 months is one whose significance was largely overlooked. I refer to the detonation of a nuclear device by India on May 18, 1974.

Both in terms of the reality of nuclear proliferation and the impact and reactions this event may have in neighboring states, India's emergence as a nuclear power has far-reaching consequences and demands a considered and coherent policy response.

Unlike some of my colleagues who believe, and perhaps with good reason and intentions, that the United States must take swift actions against India to show its displeasure, I would like this event to serve as a catalyst for the United States to develop a new global policy designed to come to grips with what will be one of our most important foreign policy dilemmas of the 1980's; namely, how to control nuclear proliferation.

Mr. Speaker, the horse is out of the barn. We must not focus on petty and punitive actions against India for what she has done. Such actions will prove little, will burn bridges behind us and will decrease any leverage we might have in our dealings with India. The problem is not that India "went nuclear": It is how to make nuclear India responsible and helpful in controlling proliferation.

We cannot undo India's device and its blast, its significance, and its global impact. But we can let it serve as the basis for a concerted effort with all other nuclear exporters—including France and India—to tackle the problem of nuclear proliferation.

I urge the Secretary of State to use the occasion of his proposed trip to India in the coming months as a vehicle to launch a major policy effort to deal with the problem of nuclear proliferation. Certainly, a comprehensive test ban treaty is one policy imperative. We must move quickly to seize this opportunity to try to control a problem which we know will get out of hand if we wait until the 1980's. Unfortunately, one reason we know this disturbing fact is that we are ourselves the major exporter of nuclear technology today.

AMENDMENT TO H.R. 15582

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, when the House considers H.R. 15582 later this week, to amend the Atomic Energy Act of 1954 to enable the Congress to pass judgment on international nuclear cooperative agreements, I intend to offer an amendment which will assure that the foreign policy implications of such agreements are fully considered by the Congress.

Under H.R. 15582 the Joint Committee is given responsibility for reporting out a resolution, favorable or unfavorable, within 30 days after a nuclear cooperation agreement is submitted. My amendment would not change that.

But my amendment would require that, in addition the views of the Joint Committee on Atomic Energy, the House would have before it the views of the Foreign Affairs Committee—and the Senate the views of the Foreign Relation Committee—on the foreign policy implications of the proposed agreement.

The text of the amendment follows:

AMENDMENT OFFERED BY MR. BINGHAM TO H.R. 15582

Page 2, line 4, immediately after "Joint Committee" insert ", with copies to the House Committee on Foreign Affairs and the Senate Foreign Relations Committee,".

Page 2, line 19, immediately after "cooperation." insert the following new sentence: "Prior to the expiration of the first thirty days of any such sixty-day period the House Foreign Affairs Committee and the Senate Foreign Relations Committee shall each submit to its respective House of Congress a report stating its views and recommendations respecting the proposed agreement.".

INTRODUCTION OF TWO RESOLUTIONS TO FURTHER CONGRESSIONAL CONTROL OVER CIA ACTIVITIES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, yesterday, I introduced two resolutions, House Resolution 1231 and House Resolution 1232, to further congressional control over CIA activities. While the CIA has been acting with almost unfettered discretion for the past 20 years, recent revelations by the press make clear the full extent of the indiscretion of many CIA activities. Senator BAKER has indicated that the CIA may have had advance knowledge of the destroyed evidence in regard to the Ellsberg break-in and more than likely Watergate case. The lawyer for Bernard Barker and Eugenio Martinez has indicated that the CIA conducted domestic break-ins into Radio City Music Hall and into a Miami home and business office. The vice premier of the new Laotian coalition government announced his fear of "rumors" that the CIA is conspiring with Laotian rightists to sabotage the new coalition government. Possibly most frightening of all, Charles Colson allegedly has told a private investigator that the President felt like a virtual captive in the Oval Office of suspected high ranking conspirators in the intelligence circles against whom he dared not act for fear of international and domestic repercussions. Colson allegedly described the CIA as a frightening power operating with no congressional or executive branch control. In addition, just last week, former CIA agent Philip Agee revealed that CIA pressured Ecuador into ending diplomatic ties with Cuba and admitted that he personally acted as a conduit for funneling $200,000 from a New York City bank into election support activities for Christian Democrat Eduardo Frei.

While it is healthy that the press is increasingly investigating governmental secrecy in general and the CIA in particular, it is unfortunate, that as a Congressman, I must gain my awareness of CIA activities through my daily reading of the Washington Post. Congressional oversight of the CIA, as presently constituted, simply has not worked. I have introduced two resolutions today strengthening congressional oversight of the CIA. The first resolution would establish a standing committee in the House of Representatives to oversee CIA activities. The committee would be comprised of five members of the Armed Services Committee, five members of the Appropriations Committee, and five members of the Foreign Affairs Committee. The resolution for the first time would give members of the Foreign Affairs Committee a role in the oversight of the CIA. Although three members of the Senate Foreign Relations Committee have sat in on joint CIA oversight committee meetings for the past 7 years, in the House, CIA oversight has been under the exclusive province of the Armed Services and Appropriations Committee. In light of the revelations of CIA involvement in Laotian, Guatemalan, Vietnamese, and Chilean political affairs, it is clear that CIA activities directly affect this country's foreign policy and that it is necessary for members of the Foreign Affairs Committee to have both advance and ongoing awareness of the plans and activities of the CIA.

This resolution creates a standing committee to insure that regular meetings will be held to oversee CIA activities. Under rule 734 of the House of Representatives, standing committees must meet not less than monthly for the conduct of their business. Presently, oversight groups, as subcommittees, are under no obligation to meet on a periodic basis. Consequently, in certain years, apparently some oversight committees have failed to meet at all.

By creating a standing committee, there also is no doubt that the committee would have the authority to initiate intelligence-related legislation.

Finally, the first resolution I introduce today requires the proposed intelligence committee to keep complete records and transcripts of its committee hearings. These records and reports would be available to all Members of Congress. Without this provision, the House will continue to delegate its responsibility for formulating much of this country's foreign policy to 12 of its Members, who no matter how able, cannot adequately represent the views and people of 435 different congressional districts.

The second resolution I am introducing today would authorize a study to be conducted by the Foreign Affairs Committee on the effect of foreign intelligence operations on this country's foreign policy. If the CIA did nothing more than gather intelligence, such a study would not be necessary. But the CIA, under the rubric that covert political operations involve intelligence gathering techniques, has apparently been involved in military, economic and political interference with the internal governmental operations of countries around the world. Thus, although, according to President Truman, the CIA was initially envisioned as doing no more than collecting and analyzing intelligence information, it has instead engaged extensively in the formation of foreign policy either under the direction of the National Security Council or under the initiative of overzealous operatives. This second resolution would enable Congress to regain the perspective on foreign intelligence operations that it has lost in the past by considering CIA oversight strictly as a military question.

In every Congress since 1953, a resolution has been introduced which sought to establish some type of standing oversight committee on intelligence operations. I am introducing such legislation today in the hope that in the atmosphere of Congress reasserting many of its powers which have been steadily expropriated by the President, the House of Representatives will pass House Resolution 1231 and House Resolution 1232, resolutions to give the House of Representatives greater control over the CIA and the entire foreign intelligence community.

TOBACCO FARMER FACES DISASTER

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 5 minutes.

UMI

Mr. FUQUA. Mr. Speaker, I would like to call to the attention of the Congress and to the American people the very serious plight that faces tobacco farmers in 1974. They face economic disaster brought on in part by policies of our Government which thus far has shown little concern.

Tobacco is a crop where mechanization has not proven effective and labor must be employed. Those costs have risen astronomically. Fertilizer prices have gone through the roof and everyone knows what has happened to the price of fuel.

It may be that it is costing 30 to 40 percent more to produce a crop this year than last. Yet initial prices in the market are starting at about the same level as last.

Earlier this year, the Department of Agriculture, in its infinite wisdom, announced plans to increase poundage by 10 percent. The purported reason was because of increased exports, but exports in nowise reach that figure.

Thus, it is anticipated that there will be a surplus crop.

Tobacco companies are going to take advantage. Prices are going to be just above the support levels, and very little above that figure. The farmer is going to take the loss.

Mr. Speaker, I submit that the policies of this Administration are bringing havoc to the agricultural economy. The beef industry is in ruin, the dairy industry cannot meet costs, the peanut producer is having difficulty, and on and on.

Unfortunately one segment of agriculture does not seem to support another. They are fragmented and thus susceptible to the pressures they find arrayed against them.

As far as tobacco is concerned, it is vital to my district. I know of no policy decision made by this administration which has been taken to help the farmer. Rather than helping, it seems that every possible thing has been done to bring about destruction of the programs that have worked.

Sometimes it is difficult to get the message across that we are talking about human beings, about families, about children, and their welfare. Tobacco is a major cash-producing crop in our area and when the farmer cannot make a reasonable profit, everyone suffers.

That is what is happening today.

Many of my farmers have told me that the graders on the market are giving the benefit of the doubt to grading down rather than up. Again, this drives down the price.

Mr. Speaker, many of my people are upset. They have a right to be. This one crop is their bread and butter, and they are going to have difficulty in 1974 in making their expenses.

I call upon the Secretary of Agriculture to look at this situation and assist our people. The farmer is the producer, the first man on the economic ladder.

In my district the farmer is being trampled by governmental edicts that show them no consideration and by economic forces which threaten to overwhelm.

DEAN LINDSEY COWEN TESTIFIES BEFORE THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE REGARDING THE NEED FOR NO-FAULT AUTOMOBILE INSURANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, Dean Lindsey Cowen, of Case Western Reserve Law School, both as chairman and member of the Special Committee of the National Conference of Commissioners on Uniform State Laws, has spearheaded a national effort for no-fault auto insurance. His efforts have left a tremendous impact on State law in those States which have already adopted no-fault insurance packages. His expertise is now being utilized by the Congress in preparing Federal no-fault insurance. Dean Cowen is a great credit to the Cleveland area and reflects the high caliber of legal scholarship that has earned Case Western Reserve its national reputation. At this point I would like to insert Dean Cowen's testimony before the Congress:

TESTIMONY OF DEAN LINDSEY COWEN BEFORE THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, JULY 16, 1974

Mr. Chairman, Members of the House Committee on Interstate and Foreign Commerce: I am Lindsey Cowen, Dean of the School of Law of Case Western Reserve University in Cleveland, Ohio, presently a member and formerly Chairman of the Special Committee of the National Conference of Commissioners on Uniform State Laws which drafted the Uniform Motor Vehicle Accident Reparations Act, sometimes known as UMVARA. From 1965 to 1972 I served as a Commissioner on Uniform State Laws from Georgia; I am now a Commissioner from Ohio.

For sixteen months or so, beginning in the late Spring of 1971 and through August 1972, our Special Committee worked diligently to draft a motor vehicle accident reparations act which we could recommend to the National Conference for adoption as a Uniform Act. A few members of our Committee came to our deliberations with a substantial background in the field. Most of us did not, and a very substantial part of the process was one of educating persons like me who had no particular expertise in the field.

During this period the Committee met for three intensive workdays almost every month. We were assisted by two very able reporters and an outstanding consultant along with a knowledgeable and dedicated advisory committee.

As we proceeded in our work, I became convinced, and I remain completely convinced to this day, after our drafting efforts and following a great many appearances around the country to discuss UMVARA and the "no-fault" concept, that a major reform in our system of motor vehicle accident reparations is of very great importance to our society. Indeed, I wonder why in light of the obvious need and of all the effort that has gone into the solution of this problem over the years, reform has not come much sooner. One reason is, of course, that there are many people and organizations with vested interests in the present system. I do not mean that necessarily as an indictment because I am convinced of the good faith of many of the persons who defend the present system. But it is only human to believe in something in which one does have a substantial economic interest, and I suspect that the judgments of some on this point have been subconsciously influenced.

The dual problem of the merits of the case and of a dispassionate approach to the problem were interestingly enough suggested as far back as 1925 by an Ohio judge writing in the American Bar Association Journal. In that article, entitled "Compulsory Automobile Insurance," 11 ABA J. 731 (1925), the Honorable Robert S. Marx, Judge of the Superior Court of Cincinnati, in advancing the basic principle of no-fault automobile insurance called for a *dispassionate* consideration of the subject. He was addressing himself to lawyers, but his words apply equally to all other whose livelihood is tied to the present system. He said in part:

"In presenting the important subject of compulsory automobile insurance to the Ohio State Bar Association, I desire at the outset to petition for a divorce. My prayer is that in consideration of this question you divorce yourself from all selfish interest and from all professional connections as attorneys for either liability insurance companies or personal injury claimants and that you consider this proposal as citizens interested in protecting human life and as lawyers desirous of promoting justice."

Judge Marx set forth the problem in eloquent language. Speaking of injuries resulting from motor vehicle accidents he said:

"In some of the cases the injured are to blame, in some, the automobilist, in others, both are to blame in varying degrees. In many cases, it is impossible to place the blame, and frequently, there is no negligence in a legal sense, but injury or death occurs by reason of weather conditions, latent defects, or the inevitable risks of traffic. From the social side, all of these cases mean that the burden of death or injury must be borne by the crippled or the dependent victims of the accident for whom the law presently offers little or no relief."

Judge Marx was addressing himself to the conditions of 1925. Imagine the dimensions of the problem here in the last third of the 20th Century. Interestingly, the language of the Congress in Public Law 90–313, a joint resolution concerning the deficiencies of the present system of motor vehicle accident reparations, repeated the basic meaning of Judge Marx's comments. Among the Congressional findings set forth in this resolution, two are particularly relevant: the first of these was: " . . . the suffering and loss of life resulting from motor vehicle accidents, and the consequent social and economic dislocations are critical national problems." And the second: "there is growing evidence that the existing system of compensation is inequitable, inadequate, and insufficient, and is unresponsive to existing social, economic, and technological conditions."

The study authorized by this resolution was undertaken, and in March 1971 the Secretary of Transportation issued a final report to the Congress and the President, the conclusions of which were summarized as follows:

"The existing system ill serves the accident victim, the insuring public, and society. It is inefficient, overly costly, incomplete and slow. It allocates burdens poorly, discourages rehabilitation, and overburdens the courts and the legal system. Both on the record of its performance and on the logic of its operation it does little, if anything, to minimize crash losses."

This is a devastating indictment, supported by twenty-five or so individual reports. Action was clearly needed and the Department called for a "suitable period of experimentation and testing" by the states moving toward a reformed system meeting certain criteria set forth at the conclusion of the report.

To provide for the states draft legislation which would meet the DOT criteria a contract was entered into with the National Conference of Commissioners on Uniform State Laws and in June 1971 work on the Uniform Motor Vehicle Accident Reparations Act, UMVARA, was begun.

By August 1972, the Special Drafting Committee had its final report ready for presentation to the Conference, and after lengthy debate and some modifications, UMVARA was approved by the Conference and recommended to the states for adoption.

I do not claim that there is no room for improvement in UMVARA, but I would be less than frank if I did not say to you that I have yet to see a bill which I believe is better designed to produce the true reform which I am confident that millions of people in this country want. People are dissatisfied with the present system—the sharply increasing and continued increases in rates, the cancellations, terminations and refusals to renew. They are concerned about the delay in receiving payments, particularly, when litigation is involved, and many are dismayed by the sometimes peculiar results under the fault system.

The national scope of this ferment is, I believe, best illustrated by the attention which the no-fault concept has received in both state legislatures and the Congress over the last few years. It is true, however, unfortunately, that few states have adopted plans which will produce meaningful reform. Massachusetts and Florida have led the way, but the Michigan act is, in the judgment of no-fault advocates, a much better law although these is a constitutional problem involving the retention of tort in the property area which must be resolved before a final judgment can be made. Elsewhere movement has been on the modest side to say the least.

Major reform is needed now, and in my judgment, major reform requires at least four critical provisions. The first is that motor vehicle insurance must be compulsory. To most of us this position seems so clearly correct that it needs no support, but the idea has been bitterly fought over the years, and there are today very few compulsory liability states yet alone compulsory compensation states. It is in society's interests that all be covered. Quite apart from the humanitarian reasons involved, compulsory insurance will protect welfare rolls and otherwise keep people from becoming objects of public charity. UMVARA is compulsory.

The second item is necessary for needed major reform is assured payment of most, if not all, economic loss of virtually all people injured in motor vehicle accidents. To over-simplify the definition of the term, economic loss consists of reasonable medical expenses, including costs of rehabilitation, and wages lost while out of work or while unable to perform usual work. There are other items: replacement services loss, survivor's economic loss, and survivor's replacement services loss, but there constitute details which need not be set forth here.

UMVARA, for example, provides full reimbursement for medical expense limited only by the concept of reasonableness, much to the distress of the representatives of most insurance companies. With respect to work loss and other types of loss mentioned before, UMVARA provides a weekly maximum of $200 with no limit in time. Additional coverage can, of course, be purchased for an additional premium. Combined these are greater benefits than those provided by any other bill known to me, and they will be bitterly fought, although not by consumers and not by those who are consumer oriented.

The third item which every reform bill worthy of the name must contain is a stiff anti-cancellation, termination, and nonrenewal provision. The right of insurance companies to "get off the risk" has, in the judgment of many people been greatly abused, and so UMVARA, to illustrate, basically takes the position that a company cannot "get off the risk" except at annual intervals.

The fourth item, and in many ways, the most critical one, is the abolition of tort in motor vehicle accidents in whole or in major part. Under existing tort law in most jurisdictions, one who is at fault in an automobile accident must pay the damages of an injured party unless that injured party too was at fault, in which event neither recovers compensation. It should be noted that in a comparative negligence state, compensation is awarded on a percentage basis, depending upon the degree of fault; but there are, in fact, very few comparative negligence states.

The law of negligence may be useful in a great many areas of the law. Many of us, however, think that it has outlived its usefulness, if it ever had any, insofar as motor vehicle accidents are concerned.

In support of this proposition, consider the circumstances under which we all drive every day. Thousands upon thousands of automobiles are driven every day by all sorts of people with all sorts of concerns, sometimes at very high speeds. It is true that the national fuel crisis of this past winter and the resulting lowering of speed limits has saved many lives, but still the cost of our present transportation system geared as it is primarily to highways and motor vehicles is enormous.

Things happen in a twinkling of an eye, and even if the details of each event could be accurately produced before a trier of fact, whether we are talking about an adjuster or a trail judge or jury or any other decision maker, can we in any sense, be sure or reasonably sure who was "at fault" and who was totally free from fault? I submit to you that in a very substantial number of cases it is simply unrealistic to think so. Realistically, in a vast majority of the cases there is no possibiltiy that an accurate picture of what actually transpired be produced. Even if we are talking about an "instant replay," that is, reconstruction of the event immediately after its occurrence, we all know that memories are tricky, and that what one person "saw" another will not have seen, or he will have seen something different. Evidence teachers in law schools frequently demonstrate the unreliability of memory by resorting to "mock" assaults in classrooms and then asking the members of the class to report what they have seen. Differences in what was seen are shocking.

But most of the time, we are not dealing with "instant replays" where one would suppose that accurate reporting would be most likely. Typically, people are asked to remember details weeks, months, even years after they occurred, and the truth is that people begin believing they saw what they hoped they saw (by this I mean what is in their own best interests to have seen) or what someone else wanted them to see. The result is that a finder of fact is most likely to hear strikingly different statements concerning the same situation, and it is possible he will hear statements which do not have much relation to what in fact transpired.

In advocating a major reform in motor vehicle accident reparations—a shift to the no-fault principle—what are we trying to accomplish? We are attempting to provide for the assured prompt payment of most economic losses for virtually all people injured in motor vehicle accidents at no more cost and hopefully at a lesser cost than is paid today.

How is this to be financed? It is to be financed in part by the reduction of overpayments in small claims, it is to be financed in part by the reduction of legal fees paid in tort litigation, and it is to be financed in part by the reduction of the insurance structure including costs of marketing, investigation and fault analysis.

The guaranteed payment of most economic loss of virtually all people is provided by the first three items required for meaningful reform—that is: (1) compulsory insurance, (2) virtually no monetary or temporal limits on payments of benefits, and (3) strong anti-cancellation provisions. As for the cost of such insurance, we who advocate a true no-fault insurance package are convinced that the elimination of tort in whole or major part in motor vehicle accident cases will accomplish the reductions in cost necessary to permit the major increase in benefit payments outlined herein.

The goal is a worthy one, but I am personally of the opinion, as I have indicated, that the "experimentation and testing" proposed by the DOT study are not proceeding at an adequate pace. Most state legislatures in one way or another have been involved with no-fault automobile insurance, but the progress toward reform has been depressingly slow to those of us who had such high hopes in August 1972.

This is a national problem, and apparently, will require a national response. The Congress has before it two possible courses of action. One is to adopt a strong national no-fault bill which will be applicable in those states which do not adopt legislation meeting minimum federal standards. The other is to adopt a strong national no-fault bill which will pre-empt the states and be applicable uniformly in all. Whichever way it goes, I urge the four basic points: (1) compulsoriness; (2) reimbursement of virtually all economic loss; (3) rigid limitations on cancellations, terminations, and non-renewals; and (4) abolition of tort in motor vehicle accidents in whole or in major part. UMVARA does these things and I recommend it to you for your careful consideration.

AMENDMENT TO H.R. 11500 TO REGULATE THE SURFACE MINING OF COAL

(Mr. JOHNSON of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. JOHNSON of California. Mr. Speaker, I am today placing an amendment in the RECORD to section 709 of H.R. 11500, the bill to regulate the surface mining of coal.

Section 709, as reported in the committee bill, now requires the written consent of the owner of surface rights to surface mining where rights in the coal have been severed through a real property conveyance or reserved to the United States when the surface rights were transferred pursuant to Federal homestead laws.

UMI

Briefly stated, my objection is based on the fact that section 709(a) rearranges existing property relationships—which are a matter of State law—and that 709(b) which deals with Federal minerals will assure that a few cattlemen and land speculators may get wealthy, but do little to protect the environment. The arguments against section 709 are fully set out in the additional views of Mr. UDALL, myself and others at page 179 in the committee report.

The amendment and explanation follow:

AMENDMENT TO H.R. 11500

Page 287, line 10, strike out subsections (a) and (b) through line 2, pages 228 and insert in lieu thereof the following and reletter accordingly:

(a) In those instances where the mineral estate proposed to be mined by surface coal mining operations is owned by the Federal government, and the surface rights are held pursuant to patent, the application for a permit shall include either—

(1) the written consent of the owner or owners of the surface lands involved to enter and commence surface mining operations on such land or a document which demonstrates the acquiescence of the owner of the surface rights to thhe extraction of minerals within the boundaries of his property by current surface mining methods; or

(2) proof of the execution of a bond or undertaking for the use and benefit of the surface owner or owners of the land securing the prompt and full payment of any damages to surface estate, to the crops, to the tangible improvements on the land and to secure the income interest of the surface estate owner in those portions of his land affected by coal surface mining and reclamation operations for the time during which said portions of land are affected. The bond established pursuant to this subsection is in addition to the bond required by section 216 of this Act.

EXPLANATION

This amendment makes two important changes:

(1) It deletes the requirement of subsection (a) that the surface owner's consent be obtained where the rights in the coal are severed and held by another party. The rights of the surface owner vis a vis the owner of the mineral estate are presently different in different States—in some States full consent to surface mining is required while in other it is not. While those favoring surface owner consent in these situations argue on a policy basis, the fact is that this is an issue of real property relationship—the rights arising from real property conveyance—and is thus a matter for State courts and legislatures.

(2) The amendment also removes the requirement for consent of the owner of surface lands conveyed pursuant to patent from the U.S. government before coal reserved to the Federal government can be surface mined. In its place, the amendment substitutes a provision similar to that approved by the joint Subcommittees which reported the bill to the full Committee. This provision calls for the consent of the surface owner or the posting of a bond to cover the full damages incurred by the surface owner during the mining process.

TURKEY BEWARE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on July 1, 1974, the Government of Turkey announced a decision that may cost the lives of thousands of Americans in New York City and across the Nation. Turkey has rescinded its pledge to the United States to ban the cultivation of opium poppies. An attack on our shores by a military force could not more directly threaten the welfare of the American people.

In the late 1960's, this Nation faced a heroin crisis of epidemic proportions. In 1969, the number of heroin addicts had reached between 500,000 and 700,000. Approximately half of these addicts lived in New York City. It was estimated that over 60 percent of crime in the city was heroin-related. There was never any mystery about the process by which heroin became available in our streets. Eighty percent of heroin in street traffic had its origin in the poppy fields of the Anatolian Plateau in Turkey. Farmers whose main business was the cultivation of poppies for the legal sale of opium for medical purposes would divert substantial portions of their crops for sale to middlemen representing criminal elements in Istanbul. As black market prices were substantially higher than legitimate prices, farmers were offered an attractive financial incentive to sell illegally. The illicit opium eventually found its way to France, where it was processed into the white powder that laid waste to the lives of thousands in American cities.

The diversion of opium to the underworld was made possible by a combination of weak enforcement by the Turkish Government and the difficulty of estimating crop yields. It became apparent that only a complete cessation of poppy production would stem the tide of illegal sales. In 1971, the Turkish Government announced a ban on opium poppy production. In return, the United States committed $35.7 million in aid to Turkey in compensation for lost foreign exchange and for the development of alternative crops.

Today there is a substantially reduced amount of heroin on the streets of New York and other cities and the heroin that continues to enter the country is of poorer quality. The Drug Enforcement Administration reports a 60-percent reduction in the number of heroin addicts. The rates of overdose deaths, drug-related hepatitis and drug-related property crimes—indicators of heroin dependence—have declined for the first time in 6 years. The continued effectiveness of the poppy ban has sharply reduced the raw materials needed for the production of illicit heroin in Western Europe. We are turning the tide in the war against heroin and the Turkish poppy ban has made it possible.

Now the specter of a heroin epidemic looms again. It is crystal clear that to the Turkish Government the issue is one of expediency. It is easier to allow poppy cultivation than to stimulate the production of alternative crops. In spite of millions of dollars in U.S. aid, the Turkish Government complains of the financial loss to Turkish farmers. According to U.S. officials, this situation is explained by the facts that the Turkish bureaucracy has failed to use U.S. assistance to initiate needed regional development projects. Thus, the Government's callous disregard for the welfare of those in other nations is compounded by its inefficiency in meeting the needs of its own citizens.

Since the Turkish Government sees the issue as a matter of money, the U.S. response must be in the language of dollars and cents. A nation whose selfish financial interests blind it to the suffering of American citizens must no longer benefit from the generosity of the United States. I urge my colleagues to support the amendment to the extension of the Export-Import Bank which would restrict trade credits granted to Turkey by the Export-Import Bank until the Turkish Government reverses its policy on opium poppy cultivation. In my view, this is a necessary first step toward bringing the full weight of U.S. economic power to bear on the Turkish Government. The situation also calls for a reevaluation of our obligations to defend Turkey under the NATO Alliance. A nation whose policies threaten the lives of our children does not deserve our economic assistance or our military protection.

ON ALCOHOL AND MARIHUANA

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the Department of Health, Education, and Welfare has released a disturbing new study linking heavy alcohol consumption with a greater risk of cancer. Citing studies from all over the world, the report concludes that "cancers of the mouth, pharynx, larynx and esophagus and primary cancer of the liver appear to be definitively related to heavy alcohol consumption." This represents the most recent and ominous addition to the wealth of scientific evidence suggesting the detrimental effects of alcohol on health.

The HEW report estimated that 10 million Americans are problem drinkers. When the health of this many Americans is placed in jeopardy, the problem becomes of serious concern to makers of public policy. The question is: What is the appropriate policy response? It is interesting that few would seriously propose invoking the sanctions of the law as part of the solution. After the miserable failure of the prohibition era, it has been thought ridiculous to regard millions of alcohol consumers as criminals. There is today a clear moral consensus that the personal use of alcohol does not fall within the proper province of the criminal law. It is not likely that the HEW study or any other study of the detrimental impact of alcohol will modify the overwheming opposition to prohibition. Even in the face of compelling evidence of harm, we will continue, as a matter of public policy, to tolerate legal alcohol as far less destructive to society than prohibition.

I concur with society's judgment against criminal sanctions applied to alcohol use as, I am certain, do my colleagues in the House. However, it puzzles me that those who would find my views on alcohol uncontroversial refuse to pursue my position to its logical conclusion. The requirements of simple consistency demand that the considerations relevant to the societal response to alcohol also govern our response to the mass consumption of other substances. This is the basis for my conviction that the alcohol question has a crucial bearing on the issue of the decriminalization of marihuana.

The number of Americans who consume alcohol or marihuana makes the analogy between the two drugs important. A 1972 survey by the National Commission on Marihuana and Drug Abuse shows that 26 million Americans have tried marihuana and 13 million are regular users. Although the national consumption of marihuana does not approach that of alcohol, the number of consumers is staggering with respect to both drugs. As in the era of alcohol prohibition, millions of Americans are regarded as criminals by virtue of an act of possession alone. As in the prohibition era, the law has been rendered as a deterrent, while thousands suffer imprisonment.

More interesting, though, is the comparison between evidence of harm induced by the two drugs. Even disregarding the new HEW study, there is little doubt in the medical community that heavy use of alcohol leads to serious and often fatal illnesses such as cirrhosis, pancreatitis, and heart disease. In contrast, every study linking marihuana to adverse health consequences has received serious criticism by qualified scientists. It may be that some of these reports are true. Even if they are, the analogy between the prohibition of the 1920's and the "new prohibition" of marihuana would argue strongly for the decriminalization of marihuana. As matters stand, the ambiguity of current marihuana research makes the case for decriminalization more persuasive than it has ever been with respect to alcohol.

Several years ago, decriminalization of marihuana was considered an "extreme" proposal by the public at large and their Representatives in Congress. This is no longer the case. It is encouraging that the most respected bodies of legal opinion are coming to realize that the time for decriminalization has come. The Bar Associations of New York, Massachusetts, Vermont and, most recently, Illinois, have endorsed the legalization of marihuana possession. It is time, Mr. Speaker, that the Congress follow suit. The Javits-Koch bill, H.R. 6570, would correct the injustice of imprisoning the marihuana smoker while the alcohol drinker remains unfettered. It legalizes the possession of personal use of three or fewer ounces of marihuana, while retaining criminal penalties for the sale, distribution, or transfer for profit of the drug. I invite my colleagues to consider cosponsorship of this measure as a reasonable alternative to current law. The current cosponsors of the Javits-Koch bill are: Ms. ABZUG, Mr. BADILLO, Mr. CONYERS, Mr. EDWARDS of California, Mr. HARRINGTON, Mr. PODELL, and Mr. RANGEL.

RUPPE AMENDMENTS TO H.R. 11500

(Mr. RUPPE asked and was given permission to revise and extend his remarks at this point in the RECORD.)

Mr. RUPPE. Mr. Speaker, I believe that H.R. 11500 is a sound approach to the regulation of surface mining. I wholeheartedly support this committee bill, which is the product of several years of study, many months of hearings, field inspections, and subcommittee and full committee markup. I want to stress that the Department of Interior has had constant and substantial input during all stages of committee markup. I personally offered 25 amendments in the committee which were prepared in cooperation with representatives of the administration. Of these, all but one were adopted by the committee. Since this bill will establish the guidelines for surface coal mining for decades ahead, I think it is important that the Congress try to address the administration's legitimate concerns with this bill. Therefore, I intend to offer four amendments which were drafted with the assistance of the Interior Department and which, I believe, go far toward meeting the administration's remaining objections to H.R. 11500. These amendments will not, I would stress, sacrifice key control provisions.

The following amendments, numbered 1 through 4, are set forth to qualify for the necessary time to present them to the House:

1. Page 146, line 18, insert the words "mountaintop removal" before the word "mining".

Page 146, lines 19 and 20, delete the words "create a plateau with no highwalls remaining" and insert in lieu thereof the words "eliminate all highwalls".

2. Page 163, line 4, strike all through line 7 inclusive and insert therein:

"(2) The State regulatory authority shall designate an area as unsuitable for all or certain types of surface coal mining operations if the State regulatory authority determines that reclamation pursuant to the requirements of this Act is not physically feasible."

Page 169, line 23, delete the words "under study" and insert in lieu thereof the words "as to which an administrative proceeding has commenced pursuant to section 206(a)(4)(D) of this Act."

3. Page 249, line 8, strike all through page 251, line 14 inclusive and insert therein:

"(b) There is authorized to be appropriated to the fund initially the sum of $125,000,000 and such sums as the Congress may thereafter authorize to be appropriated.

(c) The following other moneys shall be deposited in the fund:

(1) moneys derived from the sale, lease, or rental of land reclaimed pursuant to this title;

(2) moneys derived from any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted."

4. Page 282, line 14, strike the period and after the word "Act" insert the following words:

"and except that the general elevation of the mined area may be lower than its original elevation where the removal of coal results in insufficient material being available to return the mined area to its original elevation."

BARTER BILL IS NEEDED NOW

(Mr. MILLER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILLER. Mr. Speaker, I have sponsored legislation that enables the United States to barter its foreign aid in return for strategic minerals that are in short supply or depleted in this country. To date I have 60 cosponsors for these bills. The longer this country waits to implement this concept, the more difficult we will find the road in the future. Already there are alarming signs of the beginning of the formation of foreign cartels that would deny easy access to the minerals we need. I would like to bring to the attention of my colleagues an article that appeared in the Washington Post of July 16. It gives an excellent example of the difficulties the United States faces, especially if we fail to enact barter legislation soon:

U.S. MINES TO BE TAKEN BY GUYANA

GEORGETOWN, GUYANA, July 15.—Prime Minister Forbes Burnham has served notice that the US.-owned Reynolds Guyana Mines Ltd., will be nationalized by the end of the year and integrated into the Government-Run Guyana Bauxite Co.

The announcement came in a speech Saturday to bauxite workers gathered in the town of Mackenzie to celebrate the third anniversary of the government takeover of what was once the Canadian-owned Demerara Bauxite Co.

In his hard-hitting speech, Burnham warned that if Reynolds attempted to reduce production, the government would move in and operate the Reynolds plant pending nationalization.

Burnham told the workers they had "the opportunity to be heroes in a new war, to be flame carriers in a new exercise where the exploited will now confront the exploiter."

AMENDMENTS TO H.R. 11500, TO REGULATE THE SURFACE MINING OF COAL

(Mr. McDADE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McDADE. Mr. Speaker, this week the House will consider H.R. 11500, legislation to regulate the surface mining of coal. This bill represents some of the most important decisions we will make on our national energy policy.

If coal is to play an important role in meeting our national energy needs, and if we are to see coal meet this role and still protect our environment, then H.R. 11500 is an important piece of legislation.

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One particular section of the bill that troubles me however is title four, the provision providing for an Abandoned Mine Reclamation Fund.

At present, the bill contains language establishing a reclamation tax of 1.23 cents per million Btu's per ton of coal. This would amount to a 30-cent per ton increase on the price of high Btu eastern coal, and 15 cents per ton increase on low Btu western coal.

Another approach that has received discussion is the Seiberling amendment, which would levy $2.50 per ton tax on coal with credits for deep mined coal supportive services, such as black lung payments, health and safety equipment, and so forth.

In short, the approaches advanced so far to provide for this reclamation fund are both tax policies. This strikes me as unacceptable.

This taxing policy is the antithesis of what I thought was our policy of increasing coal production to meet our energy needs. The antithesis, because while coal production must greatly increase, a tax is a disincentive to mine coal. A tax discourages our objective and is additionally not necessary to achieve the objective of a reclamation fund.

I will offer an amendment that provides for a reclamation fund consistent with our objectives in this bill. I propose to fund the Nation's Abandoned Mine Reclamation Fund from three sources, including revenues which are presently uncovered, are not earmarked for any specific purpose, and are accrued to the Federal Treasury from the bonus bids and royalties on Outer Continental Shelf Lands. These receipts simply revert to the Treasury and are not currently specifically earmarked for any purpose. OCS revenues are estimated to be $6 billion for fiscal year 1974, $7.6 billion in fiscal year 1975, and $10 billion for fiscal years 1976–1977. These are energy resource dividends and it seems to me a wise investment to take a small portion of these funds for the reclamation of our lands which are disturbed in producing another energy resource.

I welcome the support of any Member of Congress who is anxious to create such a fund. My amendment will avoid the taxing disincentive problem, and avoid any consumer burden that taxing policy would impose. And positively my amendment takes an energy dividend from the OCS revenues and plows a small portion of these funds into reclaiming the land we disturbed in gaining an additional energy resource.

A copy of my amendment follows:

AMENDMENTS TO H.R. 11500, AS REPORTED—OFFERED BY MR. McDADE

Page 249, strike out lines 15 through 16 and insert in lieu thereof the following:

(3) appropriations made to the fund, or amounts credited to the fund, under subsection (d).

Page 250, strike out line 5 and all that follows down through and including line 14 on page 251 and insert in lieu thereof the following:

(d)(1) In addition to the amounts deposited in the fund from the sale, lease or rental of land reclaimed pursuant to this title, there are authorized to be appropriated annually to the fund out of any money in the Treasury not otherwise appropriated, such amounts as are necessary to make the income of the fund not less than $200,000,000 for the fiscal year ending June 30, 1975, and for each fiscal year thereafter.

(2) To the extent that any such sums so appropriated are not sufficient to make the total annual income of the fund amount to $200,000,000 for each of such fiscal years, as provided in paragraph (1), an amount sufficient to cover the remainder thereof shall be credited to the fund from revenues due and payable to the United States for deposit in the Treasury as miscellaneous receipts under the Outer Continental Shelf Lands Act. Moneys covered into the fund under this paragraph shall remain in the fund until appropriated by the Congress to carry out the purposes of this title.

A PLAN TO CONTROL TAY-SACHS DISEASE

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, in August of last year I cosponsored legislation to amend the Public Health Service Act to provide for screening and counseling of Americans for Tay-Sachs disease. The bill has remained dormant in the Committee on Interstate and Foreign Commerce.

In hope of getting some action, I recently wrote a letter to the chairman of the committee requesting expeditious hearings on the Tay-Sachs legislation. The Senate has already held hearings and will soon report a bill. Perhaps by acquainting my colleagues with the problems of the disease it will help to advance the legislation.

Many, I am sure, are unfamiliar with this infant killer. In 1881, Dr. Tay described a familial disease of infants, occurring almost exclusively in Jewish children, in which there appears in the retina during the first year of life a cherry-red spot surrounded by a well-defined white area. The clinical syndrome is characterized by cerebral degeneration which shows itself with greater and greater intensity as the child lives out a very brief life.

After 6 months the baby is listless and apathetic. The mother is no longer recognized. Convulsions are common. Progressive loss of muscle strength and rapidly evident mental retardation leave the child helpless. For roughly 2 years before its inevitable death, the child is moved to a state of complete idiocy.

By the time of its death it is blind, seizuring, and drowning in its own secretions, and spending more time on oxygen and antibiotics than not.

If the child survives for any length of time—the earlier the onset of symptoms, the earlier death—there is increasing blindness, deafness, a completely retarded helpless child.

Parents must watch helpless as the infant dies.

The heartbreak and mental anguish which can often be overcome by parents of retarded children is simply insurmountable for parents of Tay-Sachs children. The difference is the slow, imminent violent death. It is they themselves who must bear the brunt of the financial, medical, and mental burdens. Not only are most retardation centers inappropriate and hospital costs prohibitive but insurance companies generally refuse to cover prolonged hospital care on the basis that it is custodial care.

The chances for preventing Tay-Sachs disease lies in screening and early detection. From the mating of two carriers of the Tay-Sachs gene there is a 25-percent chance that the offspring will show this recessive Mendelian trait. This must be known beforehand.

Even during troubled times as this we must find it in our hearts to prevent the recurring tragedy of Tay-Sachs children. The legislation I have cosponsored along with 20 of my colleagues would establish a program in the Department of Health, Education, and Welfare to provide the necessary testing and screening, on a voluntary basis, for those who may be inheritors of the disease. The bill provides funding in the amount of $55 million over a 10-year period to bring the disease under control.

Mr. Speaker, I urge the House to move on this matter with all deliberate speed. And I ask my colleagues to give the matter their most serious, and most considerate, attention in their deliberations.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ALBERT, for 60 minutes July 18, 1974.

(The following Members (at the request of Mr. LAGOMARSINO) to revise and extend their remarks and include extraneous material.)

Mr. KEMP, for 15 minutes, today.

Mr. HANSEN of Idaho, for 5 minutes, today.

Mr. RAILSBACK, for 5 minutes, today.

Mr. HOSMER, for 10 minutes, today.

Mr. GILMAN, for 5 minutes, today.

(The following Members (at the request of Mr. JONES of Oklahoma) to revise and extend their remarks and include extraneous material:)

Mr. ADDABBO, for 10 minutes, today.

Mr. FRASER, for 15 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. O'NEILL, for 15 minutes, today.

Mr. KYROS, for 5 minutes, today.

Mr. ASPIN, for 5 minutes, today.

Mr. PODELL, for 30 minutes, today.

Mr. BURKE of Massachusetts, for 5 minutes, today.

Mr. HAMILTON, for 5 minutes, today.

Mr. BINGHAM, for 5 minutes, today.

Mr. HARRINGTON, for 5 minutes, today.

Mr. FORD, for 5 minutes, today.

Mr. FUQUA, for 5 minutes, today.

Mr. VANIK (at the request of Mr.

Murtha), for 5 minutes, today; and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Lagomarsino) and to include extraneous matter:)

Mr. Hanrahan.
Mr. Findley.
Mr. Wyatt.
Mr. Zion.
Mr. Ashbrook in four instances.
Mr. Eshleman.
Mr. Shriver in two instances.
Mr. Wyman in two instances.
Mr. Railsback.
Mr. Symms.
Mr. Derwinski in three instances.
Mr. Quillen.
Mr. Widnall.
Mr. Bauman in five instances.
Mr. Hillis.
Mr. Sebelius.
Mr. Andrews of North Dakota.
Mr. Lujan.
Mr. Mizell in five instances.
Mr. Broomfield.
Mr. Abdnor.
Mr. Shoup.
Mr. Bob Wilson in five instances.
Mr. Martin of North Carolina.
Mr. Huber.
Mr. Collins of Texas in three instances.
Mr. Nelsen.
Mr. Hastings.
Mr. Bell.

(The following Members (at the request of Mr. Jones of Oklahoma) and to include extraneous material:)

Mr. Addabbo.
Mr. Mazzoli.
Mr. Carey of New York.
Mr. Harrington in four instances.
Mr. Kyros.
Mr. Murphy of New York.
Mrs. Mink in three instances.
Mr. Gonzalez in three instances.
Mr. Rarick in three instances.
Mr. Anderson of California in two instances.
Mr. McSpadden.
Mr. Young of Georgia.
Mr. Jones of Oklahoma.
Mr. Fisher in three instances.
Mr. Brown of California in 10 instances.
Mr. Lehman in 10 instances.
Mr. Mahon.
Mr. Moakley in 10 instances.
Mr. Nix in two instances.
Mr. Rooney of New York.
Mr. Edwards of California.
Mr. Carney of Ohio.
Mr. Ford.
Mr. Danielson in two instances.
Mr. Mezvinsky.
Mr. Wolff.
Mr. Eckhardt.
Mr. Burke of Massachusetts.
Mr. Evans of Colorado.

SENATE BILLS, JOINT AND CONCURRENT RESOLUTIONS REFERRED

Bills, joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2579. An act for the relief of David Alexander Choquette; to the Committee on the Judiciary.

S. 2749. An act for the relief of Miss Carmen Diaz; to the Committee on the Judiciary.

S.J. Res. 220. Joint resolution to provide for the reappointment of Dr. William A. M. Burden as citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

S.J. Res. 221. Joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as citizen regent of the Board of Regents of the Smithsonian Institute; to the Committee on House Administration.

S.J. Res. 222. Joint resolution to provide for the appointment of Dr. Murray Gell-Mann as citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

S. Con. Res. 98. Concurrent resolution authorizing the printing of additional copies of the Senate committee print entitled "The Recreation Imperative"; to the Committee on House Administration.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that the committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 11143. An act to provide the authorization for fiscal year 1975 and succeeding fiscal years for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3311. An act to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration reported that that committee did on July 15, 1975, present to the President, for his approval a bill of the House of the following title:

H.R. 8543. An act for the relief of Viorica Anna Ghitescu, Alexander Ghitescu, and Serban George Ghitescu.

ADJOURNMENT

Mr. MURTHA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 41 minutes p.m.) the House adjourned until tomorrow, Wednesday, July 17, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2553. A letter from the Office of Management and Budget, transmitting a report on impounded funds and budgetary reserves, purusant to section 3 of Public Law 93-9 (31 U.S.C. 581c-1); to the Committee on Government Operations.

2554. A letter from the Secretary of Transportation, transmitting a report on the study of highway letter with recommendations, pursuant to section 155 of the Federal-Aid Highway Act of 1973 (P.L. 93-87) (H. Doc. No. 93-326); to the Committee on Public Works and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee of conference. Conference report on H.R. 8217 (Rept. No. 93-1197). Ordered to be printed.

Mr. SISK: Committee on Rules. House Resolution 1233. Resolution providing for the consideration of H.R. 13044. A bill to amend the Defense Production Act of 1950 (Rept. No. 93-1198). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 1234. Resolution providing for the consideration of H.R. 15264. A bill to further amend and extend the authority for regulation of exports (Rept. No. 93-1199). Referred to the House Calendar.

Mr. DIGGS: Committee on the District of Columbia. H.R. 11108. A bill to extend for 3 years the District of Columbia Medical and Dental Manpower Act of 1970; with amendment (Rept. No. 93-1200). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 15791. A bill to amend section 204(g) of the District of Columbia Self-Government and Governmental Reorganization Act, and for other purposes; with amendment (Rept. No. 93-1201). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Michigan (for himself, Mr. Johnson of Pennsylvania, Mr. Riegle, and Mr. Shoup):

H.R. 15911. A bill to direct the Secretary of Health, Education, and Welfare to develop and implement a system for the issuance of social security benefit checks on a staggered or cyclical basis; to the Committee on Ways and Means.

By Mr. CARNEY of Ohio (for himself Mr. Dorn, Mr. Teague, Mr. Hammerschmidt, Mr. Brinkley, Mr. Danielson, Mr. Dulski, Mr. Edwards of California, Mrs. Grasso, Mr. Haley, Mr. Roberts, Mr. Satterfield, Mr. Wolff, Mr. Abdnor, Mr. Guyer, Mr. Hillis, Mr. Moorhead of California, Mr. Walsh, and Mr. Zwach):

H.R. 15912. A bill to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions

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pertaining to the dormant farm and business loans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. CHAMBERLAIN:

H.R. 15913. A bill to amend the Internal Revenue Code of 1954 with respect to the excise tax on investment income of private foundations; to the Committee on Ways and Means.

By Mr. CLANCY:

H.R. 15914. A bill to authorize the disposal of lead from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

H.R. 15915. A bill to amend title 38 of the United States Code so as to entitle veterans of the Mexican border period and of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

H.R. 15916. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. CONTE:

H.R. 15917. A bill to obtain adequate information essential to the decisions of the Congress; to the Joint Committee on Atomic Energy.

By Mr. FRASER:

H.R. 15918. A bill to establish an agency for the prevention of child abuse in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. HANLEY:

H.R. 15919. A bill to amend the Bank Holding Company Act of 1956 to provide for the regulation of the issuance and sale of debt obligations by bank holding companies and their subsidiaries; to the Committee on Banking and Currency.

By Mr. LAGOMARSINO:

H.R. 15920. A bill to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology; to the Joint Committee on Atomic Energy.

By Mr. LANDGREBE:

H.R. 15921. A bill to amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution until delivery to the ultimate consumer; to the Committee on Agriculture.

By Mr. McKINNEY (for himself, Ms. Abzug, Mr. Addabbo, Mr. Ashley, Mr. Badillo, Mr. Boland, Mr. Brasco, Mr. Cleveland, Mr. Conte, Mr. Cotter, Mr. Coughlin, Mr. Dulski, Mr. Esch, Mr. Giaimo, and Mrs. Grasso):

H.R. 15922. A bill exempting State lotteries from certain Federal prohibitions, and for other purposes; to the Committee on Ways and Means.

By Mr. McKINNEY (for himself, Mr. Hanrahan, Mr. Mitchell of New York, Mr. Moakley, Mr. Nedzi, Mr. O'Hara, Mr. Riegle, Mr. Robison of New York, Mr. Rodino, Mr. Roncallo of New York, Mr. St Germain, Mr. Sarasin, Mr. Seiberling, Mr. Smith of New York, Mr. Steele, Mr. Studds, Mr. Tiernan, and Mr. Wyman):

H.R. 15923. A bill exempting State lotteries from certain Federal prohibitions, and for other purposes; to the Committee on Ways and Means.

By Mr. MATSUNAGA:

H.R. 15924. A bill to amend the Social Security Act to extend entitlement to health care benefits on the basis of age under the Federal medical insurance program (medicare) to all persons who are citizens or residents of the United States aged 65 or more; to add additional categories of benefits under the program (including health maintenance and preventive services, dental services, outpatient drugs, eyeglasses, hearing aids, and prosthetic devices) for all persons entitled (whether on the basis of age or disability) to the benefits of the program; to extend the duration of benefits under the program where now limited; to eliminate the premiums now required under the supplementary medical insurance benefits part of the medicare program and merge that part with the hospital insurance part; to eliminate all deductible; to eliminate copayments for low-income persons under the program, and to provide, for other, copayments for certain services or items but only up to a variable income-related out-of-pocket expense limit (catastrophic expense limit); to provide for prospective review and approval of the rates of charges of hospitals and other institutions under the program, and for prospective establishment (on a negotiated basis when feasible) of fee schedules for physicians and other practitioners; to revise the coverage of the tax provisions for financing the medicare program and increase the Government contribution to the program; and for other purposes; to the Committee on Ways and Means.

By Mr. MITCHELL of Maryland (for himself, Mr. Brown of California, Mr. Won Pat, Mr. Badillo, Mr. Stark, Mr. Dellums, Mr. Clay, Mr. Moakley, Mr. Luken, Mrs. Schroeder, Mr. Leggett, Mr. Bingham, Mrs. Chisholm, Mr. Matsunaga, and Mr. Stokes):

H.R. 15925. A bill to amend title 28 of the United States Code to permit certain suits against the United States with respect to tort claims arising out of assault, battery, false imprisonment, and false arrest; to the Committee on the Judiciary.

By Mr. OBEY (for himself, Mr. Baker, Mr. Aspin, Mr. Brinkley, Mrs. Burke of California, Mr. Conyers, Mr. Dickinson, Mr. Esch, Mr. Fraser, Mr. Jones of Alabama, Mr. Kuykendall, Mr. Lehman, Mr. Martin of North Carolina, Mr. Gaydos, Mr. Moorhead of Pennsylvania, Mr. Pritchard, Mr. Railsback, Mr. Sarbanes, Mr. Sebelius, Mr. Sikes, Mr. Spence, Mr. Young of Georgia, and Mr. Waldie):

H.R. 15926. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. O'HARA:

H.R. 15927. A bill to extend for an additional year certain authority under title X of the Higher Education Act of 1965, as amended, and for other purposes; to the Committee on Education and Labor.

By Mr. PATMAN (for himself, Mr. Barrett, Mrs. Sullivan, Mr. Moorhead of Pennsylvania, Mr. St Germain, Mr. Gonzalez, Mr. Minish, Mr. Annunzio, Mr. Rees, Mr. Cotter, Mr. Mitchell of Maryland, Mr. Moakley, Mr. McKinney, and Mrs. Boggs):

H.R. 15928. A bill to amend the Federal Reserve Act, the Federal Deposit Insurance Act, and the Federal Home Loan Bank Act to provide for the regulation of the issuance and sale of debt obligations by parents of member banks, nonmember insured banks (including insured mutual savings banks), and savings and loan associations, and for other purposes; to the Committee on Banking and Currency.

By Mr. PATMAN (for himself, Mr. Anderson of California, Mr. Aspin, Mr. Bell, Mr. Broyhill of Virginia, Mr. Conyers, Mr. de la Garza, Mr. Drinan, Mr. Flood, Mr. Fulton, Mr. Giaimo, Mr. Hays, Ms. Holtzman, Mr. Hunt, Mr. Lehman, Mr. Mezvinsky, Mr. Pettis, Mr. Rosenthal, and Mr. Traxler):

H.R. 15929. A bill to amend title 38 of the United States Code so as to entitle veterans of the Mexican border period and of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

By Mr. PEPPER:

H.R. 15930. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

H.R. 15931. A bill to amend title II of the Social Security Act to provide that increases in monthly insurance benefits thereunder (whether occurring by reason of increases in the cost of living or enacted by law) shall not be considered as annual income for purposes of certain other benefit programs; to the Committee on Ways and Means.

By Mr. RONCALIO of Wyoming:

H.R. 15932. A bill to amend the Wild and Scenic Rivers Act of 1968 by designating a portion of the Tongue River, Wyo. for potential addition to the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROYBAL:

H.R. 15933. A bill to amend the Federal Coal Mine Health and Safety Act of 1969 to require the Secretary of Labor to establish a program to assist coal miners in meeting the application and filing requirements for benefits under Title IV of such act, and for other purposes; to the Committee on Education and Labor.

By Mr. SHRIVER:

H.R. 15934. A bill to amend the Federal Water Pollution Control Act as amended by the Federal Water Pollution Control Act Amendments of 1972; to the Committee on Public Works.

By Mr. STRATTON:

H.R. 15935. A bill to amend the Social Security Act to make certain that recipients of supplemental security income benefits, recipients of aid or assistance under the various Federal-State public assistance and medicaid programs, and recipients of assistance or benefits under the veterans' pension and compensation programs and certain other Federal and federally assisted programs will not have the amount of such benefits, aid, or assistance reduced because of post-1973 increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. STRATTON (for himself and Mr. Hunt):

H.R. 15936. A bill to amend chapter 5, title 37, United States Code, to provide for continuation pay for physicians of the uniformed services in initial residency; to the Committee on Armed Services.

By Mr. TIERNAN:

H.R. 15937. A bill to amend title XIX of the Social Security Act to require any nursing home, which provides services under any State program approved under such title, to submit to the State agency administering such program an annual report on the costs incurred in the operation of such nursing home; to the Committee on Ways and Means.

H.R. 15938. A bill to amend the Social Security Act to eliminate the requirement that a recipient of disability insurance benefits under title II of such Act must wait for 24 months before becoming eligible for coverage under medicare; to the Committee on Ways and Means.

H.R. 15939. A bill to limit the medicare inpatient hospital deductible; to the Committee on Ways and Means.

H.R. 15940. A bill to amend title XVIII of the Social Security Act to liberalize the conditions under which post-hospital home health services may be provided under part A thereof, and home health services may be provided under part B thereof; to the Committee on Ways and Means.

H.R. 15941. A bill to amend title XVIII of the Social Security Act to provide for the establishment of a Nursing Home Affairs Advisory Council; to the Committee on Ways and Means.

H.R. 15942. A bill to provide for a Federal income tax credit for the cost of certain motor vehicle emission controls on 1975 model motor vehicles sold in the State of California; to the Committee on Ways and Means.

H.R. 15943. A bill to amend title II of the Social Security Act to provide a 35-percent benefit increase with a $150 minimum, to improve the computation of benefits and eligibility therefor, to provide for payment of widow's and widower's benefits in full at age 50 without regard to disability, to raise the earnings base, to eliminate the actuarial reduction and lower the age of entitlement, to provide optional coverage for Federal employees, and to eliminate the retirement test; to amend title XVIII of such act to reduce to 60 the age of entitlement to medicare benefits and liberalize coverage of the disabled without regard to age, to provide coverage for certain governmental employees, to include qualified prescription drugs and free annual physical examinations under the supplementary medical benefits program, and to eliminate monthly premiums under such program for those whose gross annual income is below $4,800, and for other purposes; to the Committee on Ways and Means.

H.R. 15944. A bill to amend the Social Security Act to extend entitlement to health care benefits on the basis of age under the Federal medical insurance program (medicare) to all persons who are citizens or residents of the United States aged 65 or more; to add additional categories of benefits under the program (including health maintenance and preventive services, dental services, outpatient drugs, eyeglasses, hearing aids, and prosthetic devices) for all persons entitled (whether on the basis of age or disability) to the benefits of the program; to extend the duration of benefits under the program where now limited; to eliminate the premiums now required under the supplementary medical insurance benefits part of the medicare program and merge that part with the hospital insurance part; to eliminate all deductibles; to eliminate copayments for low-income persons under the program, and to provide, for others, copayments for certain services or items but only up to a variable income-related out-of-pocket expense limit (catastrophic expense limit); to provide for prospective review and approval of the rates of charges of hospitals and other institutions under the program, and for prospective establishment (on a negotiated basis when feasible) of fee schedules for physicians and other practitioners; to revise the tax provisions for financing the medicare program and increase the Government contribution to the program, and for other purposes; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 15945. A bill to amend title 37 of the United States Code to eliminate inequities in the payment of special pay to medical officers in the uniformed services who are undergoing initial residency training; to the Committee on Armed Services.

By Mr. YATRON (for himself, Mr. McKinney, Mr. Andrews of North Dakota, and Mr. Traxler):

H.R. 15946. A bill to establish an office within the Congress with a toll-free telephone number, to be known as the Congressional Advisory Legislative Line (CALL), to provide the American people with free and open access to information, on an immediate basis, relating to the status of legislative proposals pending before the Congress; to the Committee on House Administration.

By Mr. FISH:

H.R. 15947. A bill to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land (rather than at its fair market value), and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. MINISH:

H.R. 15948. A bill to suspend U.S. economic and military assistance to Turkey again prohibits the growing of the opium poppy in Turkey; to the Committee on Foreign Affairs.

By Mr. RINALDO (for himself, Mr. Gunter, Mr. Hudnut, Mr. Mitchell of Maryland, Mr. Murphy of New York, Mr. Kemp, Mr. Froehlich, Mr. Long of Maryland, Mr. Clancy, Mr. Ketchum, Mr. Eilberg, Mr. Luken, Mrs. Grasso, Mr. Whitehurst, Mrs. Burke of California, and Mrs. Schroeder):

H.R. 15949. A bill to amend the Export-Import Act of 1945 to prohibit the extension of credit to Turkey until the President reports to the Congress that Turkey is cooperating with the United States in the curtailment of heroin traffic; to the Committee on Banking and Currency.

By Mr. LITTON (for himself, Mr. Fraser, Mr. Madigan, Mrs. Chisholm, Ms. Burke of California, Mr. Adams, Mrs. Collins of Illinois, Mr. Addabbo, Mr. Gilman, Mr. Owens, Mr. Gunter, Mr. Conyers, Mr. Vander Veen, Mr. Badillo, Mr. Danielson, Mr. Dulski, Mr. Biaggi, Mr. Fulton, Mr. Yates, Mr. Preyer, Mrs. Sullivan, Mr. Denholm, Mr. Yatron, Mr. Roybal, and Mr. Biester):

H.R. 15950. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. LITTON (for himself, Mr. Obey, Mr. Andrews of North Dakota, Mr. Thone, Mr. Cronin, Mr. Pepper, Mr. Helstoski, Mr. Symington, Mr. Ketchum, Mr. Rose, Mr. Horton, and Mr. Walsh):

H.R. 15951. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLS:

H.R. 15952. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PATTEN (for himself, Mr. Dominick V. Daniels, Mr. Derwinski, Mr. Rinaldo, and Mr. Roe):

H.R. 15953. A bill to authorize the disposal of lead from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. RAILSBACK (for himself, Mr. Anderson of Illinois, Mr. Annunzio, Mr. Arends, Mr. Collier, Ms. Collins of Illinois, Mr. Crane, Mr. Derwinski, Mr. Erlenborn, Mr. Findley, Mr. Hanrahan, Mr. Kluczynski, Mr. McClory, Mr. Madigan, Mr. Metcalfe, Mr. Michel, Mr. Murphy of Illinois, Mr. O'Brien, Mr. Price of Illinois, Mr. Rostenkowski, Mr. Shipley, Mr. Yates, and Mr. Young of Illinois):

H.R. 15954. A bill to name a Federal office building to be located in Carbondale, Ill., the "Kenneth J. Gray Federal Building"; to the Committee on Public Works.

By Mr. RODINO:

H.R. 15955. A bill to amend section 1114 of title 18 of the United States Code to make the killing, assaulting, or intimidating of any officer or employee of the Federal Communications Commission performing investigative, inspection, or law-enforcement functions a Federal criminal offense; to the Committee on the Judiciary.

By Mr. ROE (for himself, Mr. Roy, and Mr. Wolff):

H.R. 15956. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease; to the Committee on Interstate and Foreign Commerce.

By Mr. HOSMER:

H.J. Res. 1089. Joint resolution assuring compensation for damages caused by nuclear incidents involving U.S. nuclear-powered warships; to the Joint Committee on Atomic Energy.

By Mr. ROUSSELOT:

H.J. Res. 1090. Joint resolution to amend title 5 of the United States Code to provide for the designation of the 11th day of November of each year as Veterans' Day; to the Committee on the Judiciary.

By Mr. BINGHAM:

H. Con. Res. 563. Concurrent resolution expressing the sense of Congress with respect to the autonomy of the Kurdish Nation; to the Committee on Foreign Affairs.

By Mr. RUNNELS:

H. Con. Res. 564. Concurrent resolution to declare the sense of Congress that Smokey Bear shall be returned on his death to his place of birth, Capitan, N. Mex.; to the Committee on Agriculture.

By Mr. ADAMS:

H. Res. 1235. Resolution to create a Select Committee on Aging; to the Committee on Rules.

By Mr. BROWN of Michigan (for himself, Mr. Gilman, Mrs. Green of Oregon, Mr. Gunter, Mr. Roe, Mr. Symms, and Mr. Wolff):

H. Res. 1236. Resolution amending rule XIII of the Rules of the House to require reports accompanying each bill or joint resolution of a public character (except revenue measures) reported by a committee to contain estimates of the costs, to both public and nonpublic sectors, of carrying out the measure reported; to the Committee on Rules.

By Mr. STEELMAN (for himself, Mr. Buchanan and Mr. Cohen):

H. Res. 1237. Resolution providing for the consideration of House Resolution 988; to the Committee on Rules.

UMI

MEMORIALS

Under clause 4 of rule XXII,

513. The SPEAKER presented a memorial of the Senate of the Commonwealth of Massachusetts, relative to improving the welfare of children in South Vietnam; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROOMFIELD:

H.R. 15957. A bill for the relief of Señor Salvador Vanegas V.; to the Committee on the Judiciary.

By Mr. KETCHUM:

H.R. 15958. A bill to authorize the President of the United States to present in the name of Congress a Medal of Honor to Brig. Gen. Charles E. Yeager; to the Committee on Armed Services.

By Mr. ROUSSELOT:

H.R. 15959. A bill to authorize the President of the United States to present in the name of Congress a Medal of Honor to Brig. Gen. Charles E. Yeager; to the Committee on Armed Services.

By Mr. BOB WILSON:

H.R. 15960. A bill to authorize the President of the United States to present in the name of Congress a Medal of Honor to Brig. Gen. Charles E. Yeager; to the Committee on Armed Services.

SENATE—*Tuesday, July 16, 1974*

The Senate met at 8:30 a.m. and was called to order by Hon. GALE W. MCGEE, a Senator from the State of Wyoming.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, as this new day opens before us, help us to master ourselves that we may be the servants of others. Give us grace to distinguish between that which is Nation serving and that which is self-serving. Making us "men for others." In the daily round help us to separate the important from the unimportant, the big concern from the trivial contention. Grant us patience when it is difficult to be patient. Make us cheerful when it is difficult to be cheerful. Use us, O Lord, and all our powers for the betterment of the Nation and the building of Thy kingdom. And when evening comes, grant us the rest of those whose hearts are at peace with Thee.

Through Jesus Christ, our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 16, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. GALE W. MCGEE, a Senator from the State of Wyoming, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. McGEE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, July 15, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, after consultation with the distinguished acting Republican leader, I ask unanimous consent that the time for debate on Calendar No. 910, S. 1566, of 1 hour on the bill be extended to 3 hours on the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed beyond the hour of 9 a.m. with statements limited to 5 minutes.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BAYH, from the Committee on the Judiciary, with an amendment and with additional views:

S. 821. A bill to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes (Rept. No. 93–1011).

By Mr. CANNON, from the Committee on Rules and Administration, with amendments:

S. 2102. A bill to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens who are residing or domiciled outside the United States (Rept. No. 93–1016).

By Mr. MAGNUSON, from the Committee on Commerce, with an amendment:

S. 3569. A bill to amend the Rail Passenger Service Act of 1970, and for other purposes (Rept. No. 93–1015).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 377. An act to authorize the Secretary of the Interior to sell certain rights in the State of Florida (Rept. No. 93–1017).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

H.R. 3544. An act for the relief of Robert J. Beas (Rept. No. 93–1012).

H.R. 7207. An act for the relief of Emmett A. and Agnes J. Rathbun (Rept. No. 93–1013).

By Mr. McGEE, from the Committee on Appropriations, with amendments:

H.R. 15472. A bill making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93–1014).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

James B. Engle, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Dahomey; and

Robert P. Smith, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malta.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS

The following bills were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BENNETT:

S. 3766. A bill to amend section 274(b)(1)(C) of the Internal Revenue Code of 1954 relating to deductibility of gifts by employers to employees in recognition of length of service or achievement. Referred to the Committee on Finance.

By Mr. PROXMIRE:

S. 3767. A bill to amend section 102 of the National Security Act of 1947, as amended, to prohibit domestic intelligence activities by the Central Intelligence Agency, and for other purposes. Referred to the Committee on Armed Services.

By Mr. CHURCH (for himself and Mr. CASE):

S. 3768. A bill to amend the International Economic Policy Act of 1972 to provide for Senate confirmation of the Chairman of the Council on International Economic Policy. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. PELL:

S. 3769. A bill to amend title II of the Social Security Act to increase to $3,000 the annual amount which an individual may earn without suffering deductions from monthly insurance benefits on account of excess earnings. Referred to the Committee on Finance.

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 3770. A bill to provide for the establishment of regional centers for the performing arts, and for other purposes. Referred to the Committee on Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHURCH (for himself and Mr. CASE)

S. 3768. A bill to amend the International Economic Policy Act of 1972 to provide for Senate confirmation of the Chairman of the Council on International Economic Policy. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. CHURCH. Mr. President, today I am introducing on behalf of myself and Senator CASE a bill which amends the 1972 to provide for Senate confirmation International Economic Policy Act of of the Chairman of the Council on International Economic Policy. This bill is a direct response to the refusal of Kenneth Rush, the Chairman of the Council on International Economic Policy, to testify before any committee or subcommittee of Congress.

On June 4, 1974, in my capacity as chairman of the Senate Foreign Relations Subcommittee on Multinational Corporations, I extended an invitation to Mr. Rush to testify before the subcommittee in connection with its hearings on large investment projects in the countries of Eastern Europe and the Soviet Union. Mr. Rush refused to testify, citing his position as counselor to the President for economic policy. He offered to meet informally for breakfast as a substitute for his testifying. He sent similar refusals to Senator PROXMIRE, vice chairman of the Joint Economic Committee, and to every other invitation he received from either House of Congress.

I understand that Mr. Rush has since somewhat tempered his position by offering, in some cases, to testify in executive session. Such secretiveness is unacceptable. Mr. Rush, as Chairman of the CIEP, as Chairman of the East-West Trade Policy Committee, and as the administration's chief economic spokesman, clearly fills a Cabinet-like role. His economic policymaking position is analogous to that which was held by Secretary of Treasury Shultz. If Mr. Rush is to perform a function previously discharged by a Cabinet officer and, therefore, accountable to the Congress, that function should not be withdrawn from congressional review merely by designating the responsible individual a Presidential counselor. The perils of this course should be obvious to everyone. Increasingly, we shall see the real policymaking functions of the executive branch withdrawn from congressional review behind the shield of executive privilege.

In the past, the chief officer of the Council on International Economic Policy has been its Executive Director. This post has been filled by Mr. Peter Peterson who simultaneously was an adviser to the President and currently it is filled by Mr. Peter Flanigan who is also a Presidential adviser. Both men have willingly testified before the Congress. Mr. Peterson, in his capacity of Executive Director of CIEP, testified before the Subcommittee on Multinational Corporations during its hearings on the activities of the International Telephone & Telegraph Co., in Chile in March 1973. Mr. Flanigan testified 14 times before congressional committees on matters relating to his responsibility as Executive Director of the CIEP. Now the administration is trying to sidestep Congress and evade past precedent by designating Mr. Rush as Chairman, rather than the Executive Director of CIEP. In order to assure that this not happen and that instead a useful dialog between Congress and the Chairman of the CIEP be conducted, I have introduced this amendment.

Upon the passage of the amendment, Mr. Rush and his successors will be required to come before Congress to discuss major international economic questions in open session. Anything less would undercut our ability to oversee the making of international economic policy.

We must act to assure that the executive and legislative branches of Government work together in this important area and that frank and open discussion take place on a regular basis between the appropriate committees of Congress and the key executive branch policymakers.

Mr. CASE. Mr. President, I am glad to cosponsor the bill just introduced by Senator CHURCH to require Senate confirmation of the Chairman of the Council on International Economic Policy. I, too, do not consider the offer by Mr. Rush of an informal meeting with Members and committees of Congress, at the White House or elsewhere, to be an acceptable alternative. We wish to hear Mr. Rush's views and to put questions to him with the assistance of our staffs and to receive his answers and record them.

Mr. Rush's position is a shaky one, in any case. Although the Executive Director in office at the time the 1972 Export Administration Act was amended to set up the CIEP was ultimately granted "grandfather clause" exemption from the obligation to be confirmed by Congress, this came only after a Presidential veto followed by two conference committee meetings. The provisions of the law require that—

> Any future Executive Director of the Council on International Economic Policy appointed after the date of the enactment of this bill shall be appointed by the President, by and with the advise and consent of the Senate.

While the post of Chairman of the CIEP was envisaged by the 1972 bill, it was presumed that the President or his designee from among the ex officio members of the Council who are Cabinet officers would fill that role. Hence it was not a post requiring confirmation.

Now Mr. Rush has been appointed, not as Executive Director of the CIEP, but as Chairman. As I first stated in 1967 on the floor of the Senate with regard to another matter, the Tonkin Gulf resolution, use of legislation by the Executive to deny legitimate congressional oversight "conveniently ignores that the American political system requires mutual confidence and trust between the President and the Congress."

It is inconceivable that a man designated as chief economic policy coordinator for the country should not recognize his obligation to report to the Congress on trade negotiations. In effect, whatever his title, as head of the CIEP he is in charge of the Office of the Special Trade Representative, a congressionally created appointment at ambassadorial level which carries the responsibility for all trade negotiations, not just those involving the Soviet Union, but including all those carried out under the General Agreement on Tariffs and Trade.

I therefore, join in cosponsoring the bill to amend the International Economic Act of 1972.

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 3770. A bill to provide for the establishment of regional centers for the performing arts, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. JACKSON. Mr. President, I introduce for appropriate reference a bill to establish a national network of centers for the performing arts in the United States.

In 1976 the United States will celebrate its 200th year as a nation. In order to suitably honor this historic occasion, the American Revolution Bicentennial Administration was created to stimulate, at the grassroots level, involvement and a dynamic interest in our anniversary celebration. In an effort to become an integral part of our National Bicentennial commemoration, and to further enhance the cultural life of America, it is proposed that regional centers for the performing arts be constructed in certain designated areas of the United States.

I would hope that these proposed centers would be similar to the highly successful Wolf Trap Park in Vienna, Va. Mrs. Catherine Filene Shouse, who borrowed this concept in cultural enrichment from the British, envisioned a theater for permanent exhibit where people of all ages would have the unique opportunity to share in a cultural forum of a new and exciting magnitude. To this end, she donated the rolling hills and open air theater that is now Wolf Trap so that her dream might be realized.

I have this same dream for the entire United States—the creation of a national network of community centers for the performing arts. Each center, in its own quest for cultural expansion, could produce and host ballet companies, theatrical productions, symphonic works, jazz combos, films, folk concerts, lectures, chamber music and a wide-range of community activities. It is my intent that these centers be managed in a way that would help alleviate what I believe is a cultural void that the current institutions of our country, however well-intentioned, have been uable to fill. The creation of a network of regional cultural centers such as I propose in this bill, should profoundly alter this situation and greatly improve the level of artistic awareness in the United States.

I envision that each regional center for the performing arts would be designed to blend the talents of performers ranging from the amateur to the professional, in an effort to bring cultural orientation to an audience representative of every age group and economic stratum. The performing arts in this country are becoming more and more popular, but care must be taken to insure that a wider spectrum of our society benefits by public expenditures of this sort. These centers would most certainly enrich the cultural life of every population center affected, by attracting people who might not ordinarily attend a ballet, a concert, or a lecture.

In less than 2 years the United States will celebrate its 200th birthday. I can think of no finer way to honor our Nation and this auspicious occasion than by expanding our educational opportunities and by amplifying our cultural life through the creation of a national network of regional centers for the performing arts.

Mr. President, I ask unanimous consent that the text of this bill be inserted in the Record as follows:

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3770

Be it enacted by the Senate and House of Repersentatives of the United States of America in Congress assembled, That the Congress finds that—

(a) this Nation will celebrate the Bicentennial of the American Revolution in 1976.

(b) In conjunction with the celebration of the two hundredth anniversary of the founding of this Nation there is a renewed interest in our social, economic, and cultural heritage.

(c) An important and vital element of the cultural heritage of this Nation is its creative ability in the performing arts.

(d) Resources and facilities for the training of artists in and the presentation and interpretation of the performing arts in areas readily accessible to the general public are inadequate.

(e) The Congress by Act of October 15, 1966 (80 Stat. 950) authorized the establishment of the Wolf Trap Farm Park as the first unit of the National Park System devoted to the performing arts.

(f) The establishment of a comprehensive program, on a regional basis, for the designation and maintenance of such centers for the performing arts would provide the American people with the opportunity to experience their cultural heritage, would promote local support for the performing arts, would encourage the training of local talent on the performing arts, and would assist in the interpretation of our cultural heritage.

Sec. 2. This Act may be referred to as the National Program for the Performing Arts Act.

Sec. 3. The Secretary of the Interior (hereinafter referred to as the Secretary) is authorized to establish, develop, improve, and maintain, regional centers for the performing arts on such sites as he deems advisable after consultation with the National Council on the Arts, local and national institutions for the performing arts, and interested individuals.

Sec. 4. The Secretary is authorized to accept donations of land and interests in land for the establishment of regional centers for the performing arts. The Secretary may construct such facilities on the land so acquired as he deems necessary for the conduct of performances, including interpretive facilities and means of access thereto: *Provided* that in the location and construction of such regional centers, the Secretary shall consult with the Advisory Committee on the Arts established pursuant to section 4 of this Act and the National Council on the Arts.

Sec. 5. For each center for the performing arts established pursuant to this Act, an Advisory Committee on the Arts (hereinafter referred to as the Committee) shall be established which shall be composed of such members as the President may designate to serve at the pleasure of the President. Persons appointed to each such Committee, including officers or employees of the United States, shall be persons who are recognized for their knowledge of, or experience or interest in one or more of the performing arts. In making such appointments, the President shall consider such recommendations as may from time to time be submitted to him by leading national organizations in the appropriate art fields. Each such Committee shall advise and make recommendations regarding existing and prospective cultural activities. Members of each such Committee shall serve without compensation but each member of such Committee shall be reimbursed for travel, subsistence and other necessary expenses reasonably incurred by him in connection with the work of such Committee.

Sec. 6. Programming of performances at each center established pursuant to this Act shall not be undertaken by the Secretary, but shall be solely the responsibility of State, local, and private individuals and institutions in cooperation and consultation with the Committee for such center.

Sec. 7. The Secretary of the Interior shall administer each center as a unit of the National Park System in accordance with the provisions of this Act and the Act of August 25, 1916 (39 Stat. 535, 16 U.S.C. 1–4) as amended and supplemented.

Sec. 8. The Secretary of the Interior is authorized to accept on behalf of the United States any gift to the United States which he finds has been contributed for use in construction, improvement, operation or maintenance of a center and to pay such moneys to the appropriation or other accounts, including the appropriation accounts established pursuant to appropriations authorized by this Act, as in his judgment will best effectuate the intent of the donor.

Sec. 9. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1036

At the request of Mr. Muskie, the Senator from Minnesota (Mr. Humphrey) was added as cosponsor of S. 1036 to amend the Internal Revenue Code of 1954 with respect to legislative activity by certain types of exempt organizations.

S. 2022

At the request of Mr. Tunney, the Senator from South Carolina (Mr. Hollings), and the Senator from Indiana (Mr. Bayh) were added as cosponsors of S. 2022, the Flexible Hours Employment Act.

S. 2424

At the request of Mr. Fannin, the Senator from New Jersey (Mr. Case) was added as a cosponsor of S. 2424 to authorize the partition of the surface rights in the joint use area of the 1882 Executive Order Hopi Reservation and the surface and subsurface rights in the 1934 Navajo Reservation between the Hopi and Navajo Tribes, to provide for allotments to certain Piaute Indians, and for other purposes.

S. 2938

Mr. ROBERT C. BYRD. Mr. President, at the request of the Senator from Washington (Mr. Jackson), I ask unanimous consent that the Senator from Idaho (Mr. Church) be added as a cosponsor of S. 2938, the Indian Health Care Improvement Act.

The PRESIDING OFFICER (Mr. Nunn). Without objection, it is so ordered.

S. 3470

At the request of Mr. Brock, the Senator from Ohio (Mr. Taft) and the Senator from North Carolina (Mr. Helms) were added as cosponsors of S. 3470 to amend the Interstate Commerce Act in order to promote consumer interests in transportation.

S. 3480

At the request of Mr. Tunney, the Senator from Utah (Mr. Moss) was added as a cosponsor of S. 3480, the National Summer Youth Sports Program.

S. 3515

At the request of Mr. Brock, the Senator from Utah (Mr. Bennett), the Senator from New Jersey (Mr. Case), and the Senator from Ohio (Mr. Taft) were added as cosponsors of S. 3515 relating to the procurement of property for the protection of the President and Vice President at private residences.

S. 3571 AND S. 3572

At the request of Mr. Percy, the Senator from New York (Mr. Javits) was added as a cosponsor of S. 3571, the Higher Education Expenses Tax Deferment Act, and S. 3572, the Higher Education Insured Student Loan Amendments.

S. 3680

At the request of Mr. Tunney, the Senator from New Mexico (Mr. Domenici), the Senator from Michigan (Mr. Hart), the Senator from Massachusetts (Mr. Kennedy), the Senator from Wyoming (Mr. McGee), and the Senator from Pennsylvania (Mr. Hugh Scott) were added as cosponsors of S. 3680 to prevent the unfair taxation of recent college graduates.

S. 3694

At the request of Mr. Hansen, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 3694 to amend the Consolidated Farm and Rural Development Act to prescribe procedural safeguards for the processing of applications for assistance under such act.

S. 3757

At his own request the Senator from West Virginia (Mr. Randolph) was added as a cosponsor of S. 3757 to authorize and request the President to issue a proclamation designating August 18–24, 1974, as "National Deaf Awareness Week."

S. 3759

At the request of Mr. Proxmire, the Senator from Florida (Mr. Gurney) was added as a cosponsor of S. 3759 to amend the Congressional Budget Act of 1974 to require the Congressional Office of the Budget to prepare fiscal notes for bills and joint resolutions.

SENATE JOINT RESOLUTION 224

At the request of Mr. Montoya, the Senator from Wyoming (Mr. McGee), the Senator from Connecticut (Mr. Ribicoff), and the Senator from Ohio (Mr. Taft) were added as cosponsors of Senate Joint Resolution 224, to authorize and request the President to issue annually a proclamation designating January of each year as "March of Dimes Birth Defects Prevention Month."

TRADE REFORM ACT OF 1973—AMENDMENT

AMENDMENT NO. 1555

(Ordered to be printed and referred to the Committee on Finance.)

Mr. NELSON. Mr. President, on behalf of myself and the Senator from Texas (Mr. Bentsen), I submit an amendment to the worker adjustment assistance provisions of H.R. 10710, the Trade Reform Act of 1973; and I ask unanimous consent that the amendment be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. NELSON. Mr. President, the distinguished junior Senator from Texas (Mr. Bentsen) and I are today proposing a major amendment to ease the problems of American workers who lose their jobs due to rising competition from imports. Our proposal will amend H.R. 10710, the Trade Reform Act of 1973, which has already passed the House and is currently being considered by the Committee on Finance, of which both I and Senator Bentsen are members.

Rapidly expanding world trade has become a fact of modern economic life, and continued expansion is inevitable, given the current state of our world resources. Such continued and accelerating expansion of world trade is inevitable because of increasing interdependence of national economies. Proteins, metals, oil, fibers, timber and fertilizers are important to all economies, and no nation is self-sufficient in all of them.

However, we cannot escape the fact that some American workers lose their jobs when imports rise. Out of equity and fairness to our workers we must design a program to adequately protect them from the dislocations generated by expanded trade.

Our economy does make room for most of those workers, although there is often the need for a period of readjustment. And since readjustment is not always easy, private assistance is rarely sufficient to cope with all the retraining and reemployment problems that arise.

Assistance to workers who lose their jobs when imports increase was first proposed by Senator John F. Kennedy in 1954. It became law in the Trade Expansion Act of 1962, but the provisions of that act proved too weak and unworkable.

In Wisconsin, for example, not a single worker has been certified eligible for assistance, although imports have harmed our shoe and dairy industries, among others.

It is easy to see why many workers react bitterly—and call for the isolation of their country from the mainstream of world trade.

But it is important that America maintain her role of active leadership in world economic affairs. And since a trade bill like this comes before Congress just once every 10 years, I believe we must seize upon this opportunity and enact a meaningful program to protect the American worker.

Among other things, the Nelson-Bentsen amendment would raise the level of weekly allowances payable to workers who lose their jobs because of imports, extend the duration of benefits available to older workers and workers engaged in training programs, expand retraining opportunities for affected workers, and protect the health care benefits of those workers and their families. I will include a more detailed description of the major provisions and estimated costs of our amendment at the conclusion of my remarks, and I ask unanimous consent at this time that a comparative print including a section-by-secton analysis of the amendment be printed at that point.

Mr. President, the U.S. needs a new legislative bargaining tool to cope with the rapid and kaleidoscopic changes in the pattern of world trade. But if that tool is to give our country the latitude required to negotiate effectively, safety valves must be found to relieve the economic pressures that build up at home. One of the most important of those safety valves must be a comprehensive and effective program of adjustment assistance for workers.

We do possess a program for adjustment assistance under the current trade law, the Trade Expansion Act of 1962. But the restrictive nature of that program has embittered many workers and badly abused the trust those workers put in adjustment assistance when they supported the free trade policies embodied in that act.

So tightly drawn are the provisions in the current law that from 1962 through mid-1969 the Tariff Commission, whose responsibility it has been to administer the program, refused to grant a single petition for worker adjustment assistance. Following the so-called Cotton Sheeting Workers doctrine, named after the first case to come before the Commission under the 1962 law, the adjustment assistance provisions were construed as narrowly as the industrywide escape clause provisions. This was most unfortunate, since the drafters of the 1962 bill had intended to put severe limitations on the rather drastic escape clause relief, due to the unhealthy atmosphere of international retaliation that had resulted from its use during the fifties.

The worker therefore had to prove that his injury—his job loss—resulted from a complicated series of causes, including absolute economic injury to the firm and the industry caused by imports which had increased as a direct result of tariff concessions negotiated under this act. Absent from the 1962 law and its interpretation was the greater flexibility that had been intended by those who first proposed a domestic policy of adjustment assistance. That flexibility, and the concomitant lack of international impact, had been key to the original adjustment assistance proposals broached by the Randall Commission on foreign economic policy in 1954 and formally proposed at that time by Senator John F. Kennedy. By making immediate and direct relief more readily available at the actual point of injury it was originally intended that trade impact could be eased while avoiding the foreign relations pitfalls of the escape clause.

But only in 1969 did the Tariff Commission begin to find eligibility for adjustment assistance under the 1962 law. Earlier that year Special Representative for Trade Negotiations Roth had released a report strongly critical of the administration of the adjustment assistance provisions, in which he urged changes in what he called the unworkable eligibility requirements. The President formally adopted the Roth report, pointing out that "direct aid to those individually injured should be more readily available than tariff relief for entire industries," and that adjustment assistance "can be more closely targeted; it matches the relief to the damage; and it has no harmful side effects on overall trade policy."

Since 1969, a total of approximately 45,000 workers have been certified as "eligible to apply" for readjustment assistance. Of those, approximately two-thirds have received some kind of benefit, at a total cost of approximately $65 million. Less than $5 million has been spent on training or retraining assistance, however, and the overall administration of the program continues to be undirected and confusing.

It is clear that we need a drastic overhaul of the adjustment assistance program in the new trade legislation, even though we acknowledge that such a program is no super-palliative that will

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bring instant full employment to our reeling economy. What a tough, viable program of adjustment assistance will do is provide adequate temporary aid, and a sensible program for retraining, to individuals whose lives are disrupted due to international economic forces that are beyond their control. What it will not do is make light of those disrupted lives, at a time when manufactured imports account for nearly $45 billion in U.S. domestic purchases.

Mr. President, the adjustment assistance provisions of the House bill currently before the Committee on Finance—H.R. 10710, the Trade Reform Act of 1973—represent a clear improvement over the current law, especially in the more relaxed requirements for certification. The worker no longer must link his injury directly to a negotiated trade concession, and increased imports need no longer be the most important cause of the injury. The level of benefits has also been increased under H.R. 10710, and all in all, our distinguished colleagues in the House have given us a fine base on which to build a truly comprehensive program.

The Nelson-Bentsen amendment will strengthen the House provisions where they merely echo the language of the current law, or where the changes made by the House do not go far enough to effectively alleviate the injuries caused when American workers are thrown out of work because of increased imports. Thus, while we are not proposing to radically alter the nature of the House provisions, our intention is to demonstrate to the injured worker that his job is important to our economy and that we are going to give him a meaningful opportunity to readjust to the adverse effects of our international economic policy.

Under current law, a worker who loses his job due to increased competition from imports receives a weekly readjustment allowance equal to 65 percent of his average weekly wage, not to exceed 65 percent of the average weekly manufacturing wage, for up to 52 weeks. Workers over 60 are eligible to receive an additional 13 weeks of benefits. There are also retraining and relocation provisions in the current law; however, they have been rarely invoked by administrators of the program.

MAJOR PROVISIONS

The major provisions of the proposed Nelson-Bentsen amendment are as follows:

MAJOR PROVISIONS OF THE AMENDMENT

I. QUALIFICATION FOR ASSISTANCE

The qualification provisions of H.R. 10710 represent an improvement over the highly restrictive provisions found in the current law. Under current law, the test for worker adjustment assistance is the same as the test for the far more radical remedy of escape clause relief. It was the intention of the drafters of H.R. 10710 to move away from that position and to make the test for worker assistance less difficult to meet, while streamlining the certification and delivery process by giving the decision-making authority to the Secretary of Labor rather than the Tariff Commission. The changes proposed in this amendment are therefore not intended to open the H.R. 1010 "gate" any wider, but rather to spell out in more detail the clear intention of the drafters that the test should be parallel to, but the injury test less stringent than, that required for "important relief" under section 201. The two changes are:

A. The addition of the words "absolute or relative" before "increases of imports", to ensure that assistance will be available, absent an *absolute* increase in the level of imports, if it can be proved that imports have increased their relative share of the U.S. market at the expense of domestically produced articles; and

B. The definition of the term "contributed importantly" to clarify the intention that it describes a cause which is less than the "substantial cause" required for import relief under section 201 of the Act.

II. LEVEL OF BENEFITS

It is in the interests of the economy as a whole that the level of the adjustment assistance allowance under this Act should accurately reflect the needs of the worker who must readjust to import injury. As large a proportion of adversely affected workers as possible should receive assistance that comes close to their previous after-tax salary. The amendment therefore increases the level of assistance to 75 percent of a worker's average salary, limited by 130 percent of the average weekly manufacturing wage, for as long as he is eligible for such assistance. The two tier system under H.R. 10710, in which a worker's benefit is reduced from 70 percent to 65 percent of his average wage after 26 weeks, is eliminated here; the implication that such a decrease provides additional encouragement for a displaced worker to search for work is considered unrealistic and unjustifiable.

III. OLDER WORKERS

The proposed revision of section 233 greatly increases the protection of older workers who are adversely affected by increased imports. Approximately 26.6 percent of the workers who have actually received adjustment assistance under the 1962 Trade Act have been over the age of 55. The average age of all such workers has been 44, as compared with 32 for all workers in the manufacturing sector. H.R. 10710 simply gives an extra 13 weeks of benefits to workers over 60, which is totally insufficient when the immense retraining and re-employment problems of older workers are taken into account.

The proposed amendment, while it does not go as far as the first proposal circulated last week, provides far more adequate protection for older workers than H.R. 10710. Its provisions would:

A. Make any adversely affected worker over 55 eligible for up to 52 weeks of additional assistance if he cannot find suitable reemployment that is no worse than his adversely affected employment; and

B. Make any adversely affected worker over 60 eligible for additional assistance until he reaches the age of 65.

All older worker benefits would be reduced by any pension or Social Security benefits received by the worker (such as early Social Security benefits at age 62), and the duration of the *additional* assistance would also be limited to the total number of weeks the worker had been employed in the firm or subdivision in which his adversely affected employment occurred.

IV. HEALTH BENEFITS

New provisions added by the proposed amendment would authorize the Secretary of Labor to make federal employee health plan benefits available to protect the family of any worker who would not be eligible for health benefits under any other plan. Under this proposal, the worker would pay the employee's share of any plan he chooses out of his readjustment allowance (which would be increased as noted under II above) and the Secretary would authorize payment of the employer's share from the Adjustment Assistance Trust Fund.

V. TRAINING AND OTHER RELATED ASSISTANCE

The training and retraining, job search and relocation allowance and other related provisions of H.R. 10710 have been strengthened under this amendment, as follows:

A. An additional 52 weeks of eligibility for readjustment allowance have been granted to workers undergoing training authorized by the Secretary of Labor, instead of 26 weeks as under H.R. 10710.

B. The types of training that may be available to an adversely affected worker are spelled out in greater detail, and include on-the-job training, training in a public or private training program or vocational institute or institution of higher learning. In addition, the amendment authorizes full payment of fees associated with the training or retraining of a worker in a public or private training program or vocational institute or institution of higher learning. It also authorizes direct payments to employers who participate in approved on-the-job training programs.

C. The sections dealing with job search and relocation benefits have been altered to give the Secretary perhaps his most important flexibility—the flexibility to offer these services, which cost far less than adjustment assistance benefits themselves, to workers who may not yet have been separated due to importation of foreign goods, but who face the threat of such job loss.

VI. ADDITIONAL PROTECTION OF WORKERS

These provisions include assurances regarding the availability of information to workers, the appealability of adverse determinations, and the power of the Secretary of Labor to subpoena necessary information from uncooperative firms or individuals.

ESTIMATED COSTS

The estimated cost of the proposed amendment must be considered in light of the benefit to our economy of the avoidance of unnecessary import restrictions brought on by the need to protect the jobs of domestic workers. In addition, the savings a liberalized adjustment assistance program will mean for other government programs, such as welfare, unemployment compensation, food stamps, et cetera, should be taken into account.

It is the purpose of our amendment to insure that the unemployment costs of policies that lead to increased imports will be borne directly—and equitably—by the revenues realized under those policies. Customs revenues were estimated at $3.5 billion last year, and they are not expected to decline under any new trade policies that result from this act.

Stanley Ruttenberg of the Manpower Institute, Fred Bergston of the Brookings Institution and other analysts have estimated that we should be spending at least $500 million a year on worker adjustment assistance if we truly want to alleviate the adverse domestic effects of increased world trade.

We estimate the cost of providing assistance under our amendment to be approximately $5.35 million per thousand certified workers in the first year and $7.85 million per thousand in the sixth year. The House has estimated the cost of its provisions at $3.2 million per thousand workers. Since we estimate that as many as 70,000 workers per year might be certified as eligible to utilize the enlarged program, we get a total cost of $374.5 million the first year of our amendment, as opposed to $224 million for the House version. In the sixth year of its existence, when a maximum number of older workers will be eligible for benefits, we estimate the cost at $7.85 million per thousand certified workers, or nearly $550 million annually assuming a certification rate of 70,000 workers per year.

I might note for the record that the Office of Management and Budget suggests that we should expect a certification rate of closer to 100,000 workers per year under the proposed amendment, but they have thus far presented no concrete justification for that estimate. In fact, fewer than 100,000 workers have ever applied for adjustment assistance since the passage of the 1962 act—and nearly two-thirds of them were denied certification of eligibility for assistance.

Mr. President, I urge my colleagues on the Finance Committee and in the Senate to offer their strong bipartisan support for this amendment. I have already been informed by my distinguished colleagues Senator CLARK, Senator CRANSTON, Senator HATHAWAY, Senator MONDALE, Senator JAVITS, and Senator TUNNEY, that they intend to cosponsor our amendment, and I trust many more will add their names to the list as the Senate takes up this vital piece of legislation.

EXHIBIT 1

On page 66, line 8, strike the words "of eligibility to apply" and insert in lieu thereof the following: "that the workers in a firm or appropriate subdivision thereof are eligible".

On page 66, line 13, after the word "petition," insert the following: "or upon his own independent determination that the need for adjustment assistance may exist,".

On page 66, line 15, after the word "investigation" strike the period and insert the following: ", or has initiated an investigation on his own independent determination.".

On page 67, line 1, strike the words "to apply".

On page 67, line 10, after the word "that" insert the following: "absolute or relative".

On page 67, line 14, after the period insert the following: "For purposes of this section the term 'contributed importantly' is defined as a cause which may be less than a 'substantial cause' as defined in section 201 of this title.".

On page 67, line 17, after the word "filed" insert the following: "or an investigation is initiated on the independent determination of the Secretary".

On page 67, line 19, strike the words "petitioning group meets" and insert in lieu thereof the following: "workers in an individual firm or appropriate subdivision of that firm meet".

On page 67, lines 20 and 21, strike the words "to apply".

On page 68, line 8, strike the words "on a petition".

On page 68, line 10, after the word "Register" strike the period and insert the following: ", and shall make full public disclosure of his reasons for such determinations.".

On page 68, line 17, after the word "Register" strike the period and insert the following: "and shall make full public disclosure of his reasons for such termination".

On page 68, line 19, after the period insert the following:

"(e) All final determinations made by the Secretary of Labor under this section shall be appealable in the same manner and to the same extent as is provided by section 205(g) of the Social Security Act (42 U.S.C. sec. 405(g).".

On page 69, line 22, strike the words ", to the extent feasible,".

On page 71, line 9, after the word "be" strike all that appears through the period on line 19 and insert the following: "75 percent of his average weekly wage (but not in excess of 130 percent of the average weekly manufacturing wage), reduced by 50 percent of the amount of the remuneration for services performed during such week.".

On page 73, line 16, after the word "exceed" strike all that appears through the number "80" on line 18 and insert the following: "100".

On page 73, line 20, after the comma strike all that appears through the comma on line 24.

On page 75, line 5, after the comma strike the word "may" and insert the word "shall".

On page 75, line 17, strike the number "26" and insert in lieu thereof the following: "52".

On page 75, line 18, strike the words "to assist him to complete" and insert in lieu thereof the following: "if such worker enrolls in a".

On page 75, line 18, after the word "training" insert the following: "program".

On page 75, line 20, after the word "made" strike all that appears through the period on line 23 and insert the following:

"(A) to an adversely affected worker who had reached his 55th birthday on or before the date of total or partial separation and for whom suitable reemployment cannot be found that is no worse than such worker's adversely affected employment for—

"(i) not more than 52 additional weeks, or

"(ii) until he has received such payments for a total number of additional weeks equal to the total number of weeks for which he had been employed in the firm or subdivision in which the adversely affected employment occurred,

whichever date comes sooner; and

"(B) to an adversely affected worker who had reached his 60th birthday on or before the date of total or partial separation—

"(i) until he has reached his 65th birthday, or

"(ii) until he has received such payments for a total number of additional weeks equal to the total number of weeks for which he had been employed in the firm or subdivision in which the adversely affected employment occurred,

whichever date comes sooner.

"(3) Payments to any adversely affected worker under paragraph (2) of this subsection shall be reduced by—

"(A) the amount of any private pension benefits for which the worker is or becomes eligible,

"(B) the amount of any benefits for which the worker is or becomes eligible under the Social Secruity Act, and

"(C) 50 percent of any remuneration received by the worker for services performed."

On page 76, line 4, after the "(a)" insert the following "(1)".

On page 77, line 4, after the period insert the following:

"PART II—HEALTH BENEFITS

"SEC. 235. HEALTH BENEFITS

"If an adversely affected worker and his family are not covered under any other health plan, such worker shall select a plan from among those available to Federal employees. The employee's share of the premium for such plan shall be deducted from his trade readjustment allowance, and the Secretary shall authorize payment from the Adjustment Assistance Trust Fund of the employer's share of such premium.".

On page 77, line 5, strike "II" and insert in lieu thereof the following: "III".

On page 77, line 6, strike "235" and insert in lieu thereof the following: "236".

On page 77, line 8, strike the words "adversely affected".

On page 77, line 13, after the period insert the following:

"(b) Where the provision of such services involves an expenditure by an agency or institution operating under any other federal law or by a cooperating State agency the Secretary shall authorize the reimbursement of such expenditure from the Adjustment Assistance Trust Fund.".

On page 77, line 14, strike "236" and insert in lieu thereof the following: "237".

On page 77, line 17, after the comma insert the following: "that is no worse than such worker's adversely affected employment,".

On page 77, line 19, after the word "employment" insert the following: "or employment in a service rather than industrial profession".

On page 77, line 20, after the word "training" insert the following: "in a public or private training program or vocational institute or institution of higher learning".

On page 77, line 20, after the period strike all that appears through the period on line 23 and inserting the following:

"(2) Where such training is to occur through a public or private training program or vocational institute or institution of higher learning which charges a fee for its services, the Secretary shall authorize the full payment of such fee from the Adjustment Assistance Trust Fund.

"(3)(A) Where such training is to occur on the job, the Secretary shall authorize payments to an employer offering such training, pursuant to regulations which he shall prescribe, from the Adjustment Assistance Trust Fund.

"(B) On the job training authorized by the Secretary pursuant to this paragraph shall not be considered "employment" for purposes of eligibility for assistance under this chapter, but any remuneration received by an adversely affected worker for services performed in on-the-job training program shall be subject to the provisions of Sections 232 and 233.".

On page 78, line 6, strike "$5" and insert in lieu thereof the following: "$15".

On page 78, line 7, strike "10" and insert in lieu thereof the following: "12".

On page 78, line 14, strike "III" and insert in lieu thereof the following: "IV".

On page 78, line 16, strike "237" and insert in lieu thereof the following: "238".

On page 78, line 17, strike the words "adversely affected".

On page 78, line 18, strike the words "who has been totally separated".

On page 78, line 21, strike "80" and insert in lieu thereof the following: "100".

On page 79, line 1, strike the words "an adversely affected" and insert in lieu thereof the following: "such".

On page 79, line 7, after the "(3)" insert the following: "in the case of a worker who has been totally separated".

On page 79, line 7, after the word "where" strike the word "the" and insert the following: "such".

On page 79, line 12, strike the words "adversely affected".

On page 79, line 14, after the word "separated" insert the following: "or who has not been totally separated but has completed a successful job search under Section 238".

On page 79, line 18, strike the words "adversely affected" and insert in lieu thereof the following: "such".

On page 80, line 3, after "(c)" insert the following: "(1)".

On page 80, line 4, after the word "unless" strike all that appears through "(2)" on line 12.

On page 80, line 17, before the word "under" insert the following: "(2)".

On page 81, line 5, strike "239" and insert in lieu thereof the following: "240".

On page 82, line 6, strike "240" and insert in lieu thereof the following: "241".

On page 82, line 18, strike "241" and insert in lieu thereof the following: "242".

On page 83, line 22, strike "242" and insert in lieu thereof the following: "243".

On page 84, line 9, strike "243" and insert in lieu thereof the following: "244".

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On page 85, line 4, strike "244" and insert in lieu thereof the following: "245".

On page 85, line 11, after the period insert the following:

"SEC. 246. SUBPOENA POWER OF SECRETARY.

The Secretary shall be empowered, on his own initiative or at the request of an interested party, to issue subpoenas requiring the production of any information necessary to make a determination under this chapter, and such subpoenas shall be enforceable in any court of competent jurisdiction.".

On page 85, line 12, strike "245" and insert in lieu thereof the following: "247".

One page 86, line 8, strike "246" and insert in lieu thereof the following: "248".

On page 88, line 9, strike "247" and insert in lieu thereof the following: "249".

On page 90, line 7, strike the words "(75 percent in the case of any week after the first 26 weeks in which he is eligible to receive a trade readjustment allowance)".

On page 91, line 15, strike the words "(75 percent in the case of any week after the first 26 weeks in which he is eligible to receive a trade readjustment allowance)".

On page 92, line 1, strike "248" and insert in lieu thereof the following: "250".

On page 92, line 4, strike "249" and insert in lieu thereof the following: "251".

On page 92, line 8, strike "250" and insert in lieu thereof the following: "252".

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the estimated cost of worker adjustment assistance under the proposed amendment to H.R. 10710.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATED COST OF WORKER ADJUSTMENT ASSISTANCE UNDER PROPOSED AMENDMENT TO H.R. 10710

Type of benefit	Number of workers receiving benefits per 1,000 certified	Average benefit per week	Average duration (in weeks)	Total cost per 1,000 workers in 6th year (millions)
Trade readjustment allowance:				
A. All workers under 55	632	[1] $136.38	29.0	$2.50
B. Older workers 55–60	82	136.38	83.2	.92
C. Older workers over 60, less additional income	86	[2] 103.65	[2] 160	2.32
Health	810	6.00	[4] 47,500	.29
Training	243	[3] 50.00	39.0	.47
Employment services	810	[5] 75.00		.06
Job search allowance	300	[5] 500.00		.15
Relocation allowance	125	[5] 850.00		.115
Administration cost (15 percent)				$1.02
Total cost per 1,000 workers: In 6th year				7.85
Total cost per 1,000 workers: Estimated for 1st year				5.35
Total cost per 1,000 workers: Estimated under provisions of H.R. 10710 (without proposed amendment)				3.20

[1] The average weekly trade readjustment allowance is based on 75 percent of a weighted average weekly wage, comprising 70 percent of the average wage in industries producing durable goods ($190) and 30 percent of the wage in industries producing nondurable goods ($160). The averages allowance also reflects the effect of a maximum payment of 130 percent of the national average manufacturing wage, and includes an automatic $4 worker contribution to the statutory health plan.

[2] Benefits for workers over 60 are adjusted by 40 percent to reflect pension, social security and 50 percent of all other income. These figures represent a theoretical maximum participation by all eligible workers over 60 for 5 yr.

[3] Weekly cost is based on Manpower Administration estimate of $2,600 per year average cost of on-the-job, vocational, higher education, and other training and retraining programs.

[4] Per 1,000 workers.

[5] 1-time benefit.

Mr. NELSON. Mr. President, I ask unanimous consent to have printed in the RECORD a comparative print and section-by-section analysis of this proposal.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

(Comparative Print of Nelson-Bentsen Amendment to chapter 2 of title II of H.R. 10710, the Trade Reform Act of 1973)

(Brackets connote material in H.R. 10710 eliminated by proposed amendment; material in Italic is added.)

CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS

SUBCHAPTER A—PETITIONS AND DETERMINATIONS

SEC. 221. PETITIONS.

(a) A petition for a certification [of eligibility to apply] *that the workers in a firm or appropriate subdivision thereof are eligible* for adjustment assistance under this chapter may be filed with the Secretary of Labor (hereinafter in this chapter referred to as the "Secretary") by a group of workers or by their certified or recognized union or other duly authorized representative. Upon receipt of the petition, *or upon his own independent determination that the need for adjustment assistance may exist,* the Secretary shall promptly publish notice in the Federal Register that he has received the petition and initiated an investigation [.] *or has initiated an investigation on his own independent determination.*

Section-by-Section Analysis

(1) Minor changes have been made in the nature of the petition for eligibility, as follows:

(A) In Sections 221(a), 222 and 223(a), the words "to apply" have been eliminated as superfluous and potentially confusing. The Secretary's certification that imports threaten to affect employment in a firm or subdivision is a final determination of that issue. Once it is made, a worker covered by that certification *is eligible* for assistance provided he meets the quantitative requirements of Section 231. There should be no implication in this section that the worker must meet some further substantive test regarding the effect of imports on his job.

(B) In addition, language added in Section 221 gives the Secretary of Labor the flexibility to initiate his own investigation into potential injury to workers.

(b) If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the date of the Secretary's publication under subsection (a) a request for a hearing, the Secretary shall provide for a public hearing and afford such interested persons an opportunity to be present, to produce evidence, and to be heard.

SEC. 222. GROUP ELIGIBILITY REQUIREMENTS.

The Secretary shall certify a group of workers as eligible [to apply] for adjustment assistance under this chapter if he determines—

(1) that a significant number or proportion of the workers in such workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated,

Trade Adjustment Assistance for Workers—Continued

Proposed amendment	Section-by-Section Analysis
Chapter 2—Adjustment Assistance for Workers—Continued subchapter a—petitions and determinations—Continued Sec. 222. Group Eligibility Requirements.—Continued (2) that sales or production, or both, of such firm or subdivision have decreased absolutely, and (3) that *absolute or relative* increases of imports of articles like or directly competitive with articles produced by such workers' firm or an appropriate subdivision thereof contributed importantly to such total or partial separation, or threat thereof, and to such decline in sales or production. *For purposes of this section the term "contributed importantly" is defined as a cause which may be less than a "substantial cause" as defined in section 201 of this title.*	(2) The qualification provisions of H.R. 10710 are not substantively amended, since it is recognized that the drafters of the House bill intended to make the test for worker assistance easier to meet under H.R. 10710 than it is under current law. However, two clarifying changes are proposed for Section 222(3) to ensure that the House intentions are carried out: (A) The words "absolute or relative" are added before the words "increases of imports" to ensure that assistance will be available, absent an *absolute* increase in the level of imports, if it can be proved that imports have increased their relative share of the U.S. market at the expense of domestically produced articles; and (B) The term "contributed importantly" is defined in order to clarify the drafters' intention that it represents a less stringent test than the "substantial cause" test that must be met before import relief can be imposed under Section 201.
Sec. 223. Determinations by Secretary of Labor. (a) As soon as possible after the date on which a petition is filed *or an investigation is initiated on the independent determination of the Secretary* under section 221, but in any event not later than 60 days after that date, the Secretary shall determine whether the [petitioning group meets] *the workers in an individual firm or appropriate subdivision of that firm meet* the requirements of section 222 and shall issue a certification of eligibility [to apply] for assistance under this chapter covering workers in any group which meets such requirements. Each certification shall specify the date on which the total or partial separation began or threatened to begin. (b) A certification under this section shall not apply to any worker whose last total or partial separation from the firm or appropriate subdivision of the firm before his application under section 231 occurred— (1) more than one year before the date of the petition on which such certification was granted, or (2) more than 6 months before the effective date of this chapter.	
(c) Upon reaching his determination [on a petition] the Secretary shall promptly publish a summary of the determination in the Federal Register[.], *and shall make full public disclosure of his reasons for making such determination.* (d) Whenever the Secretary determines, with respect to any certification of eligibility of the workers of a firm or subdivision of the firm, that total or partial separations from such firm or subdivision are no longer attributable to the conditions specified in section 222, he shall terminate such certification and promptly have notice of such termination published in the Federal Register[.] *and shall make full public disclosure of his reasons for such termination.* Such termination shall apply only with respect to total or partial separations occurring after the termination date specified by the Secretary.	(3) The amendments to subsections (c) and (d) of section 223 simply require the Secretary to make full public disclosure of his reasons for accepting or denying the petition of a group of workers.
(e) All final determinations made by the Secretary of Labor under this section shall be appealable in the same manner and to the same extent as is provided by section 205(g) of the Social Security Act (42 U.S.C. sec. 405(g)).	(4) The new subsection (e) to section 223 is required because the denial by the Secretary of a certification of eligibility to a petitioning group is a final determination of that group's eligibility for assistance and should therefore be appealable in the same manner as would a denial of the actual assistance itself under section 241 (sec. 240 in H.R. 10710) below. The language of the amendment is taken verbatim from that section.
Sec. 224. Study by Secretary of Labor When Tariff Commission Begins Investigation; Action Where There is Affirmative Finding. (a) Whenever the Tariff Commission begins an investigation under section 201 with respect to an industry, the Tariff Commission shall immediately notify the Secretary of such investigation, and the Secretary shall immediately begin a study of— (1) the number of workers in the domestic industry producing the like or directly competitive article which have been or are likely to be certified as eligible for adjustment assistance, and (2) the extent to which the adjustment of such workers to the import competition may be facilitated through the use of existing programs. (b) The report of the Secretary of the study under subsection (a) shall be made to the President not later than 15 days after the day on which the Tariff Commission makes its report under section 201. Upon making its report to the President, the Secretary shall also promptly make it public (with the exception of information which the Secretary determines to be confidential) and shall have a summary of it published in the Federal Register.	
(c) Whenever the Tariff Commission makes an affirmative finding under section 201(b) that increased imports are a substantial cause of serious injury or threat thereof with respect to an industry, the Secretary shall make available [, to the extent feasible,] full information to the workers in such industry about programs which may facilitate the adjustment to import competition of such workers, and he shall provide assistance in the preparation and processing of petitions and applications of such workers for program benefits.	(5) The words "to the extent feasible" are eliminated from Section 224(c). If the Secretary has received information from the Tariff Commission that increased imports pose an economic threat to a domestic industry, his provision of full information to workers in that industry should not be restricted by temporizing language.

TRADE ADJUSTMENT ASSISTANCE FOR WORKERS—Continued

Proposed amendment

CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS—Continued

SUBCHAPTER B—PROGRAM BENEFITS

PART I—TRADE READJUSTMENT ALLOWANCES

SEC. 231. QUALIFYING REQUIREMENTS FOR WORKERS.

Payment of a trade readjustment allowance shall be made to an adversely affected worker covered by a certification under subchapter A who files an application for such allowance for any week of unemployment which begins after the date specified in such certification pursuant to section 223 (a), if the following conditions are met:

(1) Such worker's last total or partial separation before his application under this chapter, occurred—

(A) on or after the date, as specified in the certification under which he is covered, on which total or partial separation began or threatened to begin in the adversely affected employment, and

(B) before the expiration of the 2-year period beginning on the date on which the determination under section 223 was made, and

(C) before the termination date (if any) determined pursuant to section 223(d); and

(2) Such worker had, in the 52 weeks immediately preceding such total or partial separation, at least 26 weeks of employment at wages of $30 or more a week in adversely affected employment with a single firm or subdivision of a firm, or, if data with respect to weeks of employment are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary.

SEC. 232. WEEKLY AMOUNTS.

(a) Subject to the other provisions of this section, the trade readjustment allowance payable to an adversely affected worker for a week of unemployment shall be [—]

[(1) (A) in the case of any such week in the first 26 weeks of such allowances, 70 percent of his average weekly wage (but not in excess of the average weekly manufacturing wage), or

(B) in the case of any subsequent week of such allowances, 65 percent of his average weekly wage (but not in excess of the average weekly manufacturing wage); reduced by

(2) 50 percent of the amount of the remuneration for services performed during such week.]

75 percent of his average weekly wage (but not in excess of 130 percent of the average weekly manufacturing wage), reduced by 50 percent of the amount of the remuneration for services performed during such week.

Section-by-Section Analysis

(6) The amendment to Section 232(a) simply increases the weekly amount that may be paid to an eligible worker. It is in the interests of the economy as a whole that the level of the adjustment assistance allowance should accurately reflect the needs of the worker who must readjust to import injury. As large a proportion of adversely affected workers as possible should receive assistance that comes close to their previous after-tax salary. The amendment therefore increases the level of assistance to 75 percent of a worker's average salary, limited by 130 percent of the average weekly manufacturing wage. Moreover, the amendment also eliminates here, and in Section 232(e) and "the definitions" Section (247 of H.R. 10710 or 249 of the amendment), the two tier system in which a worker's benefit is reduced from 70 percent to 65 percent of his average wage after 26 weeks; the implication that such a decrease provides additional encouragement for a displaced worker to search for a job is considered unrealistic and unjustifiable.

(b) Any adversely affected worker who is entitled to trade readjustment allowances and who is undergoing training approved by the Secretary, including on-the-job training, shall receive for each week in which he is undergoing any such training, a trade readjustment allowance in an amount (computed for such week) equal to the amount computed under subsection (a) or (if greater) the amount of any weekly allowance for such training to which he would be entitled under any other Federal law for the training of workers, if he applied for such allowance. Such trade readjustment allowance shall be paid in lieu of any training allowance to which the worker would be entitled under such other Federal law.

(c) The amount of trade readjustment allowance payable to an adversely affected worker under subsection (a) for any week shall be reduced by any amount of unemployment insurance which he has received or is seeking with respect to such week; but, if the appropriate State or Federal agency finally determines that the worker was not entitled to unemployment insurance with respect to such week, the reduction shall not apply with respect to such week.

(d) If unemployment insurance, or a training allowance under any Federal law, is paid to an adversely affected worker for any week of unemployment with respect to which he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 236(c)) to a trade readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of trade readjustment allowance otherwise payable to him under section 233(a) when he applies for a trade readjustment allowance and is determined to be entitled to such allowance. If the unemployment insurance or the training allowance paid to such worker for any week of unemployment is less than the amount of the trade readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a trade readjustment allowance and is determined to be entitled to such allowance, a trade readjustment allowance for such week equal to such difference.

Trade Adjustment Assistance for Workers—Continued

Proposed amendment

Chapter 2—Adjustment Assistance for Workers—Continued

Sec. 232. Weekly Amounts.—Continued

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a trade readjustment allowance would exceed [—]

[(1) in the case of any such week in the first 26 weeks of such allowances, 80] *100* percent of his average weekly wage (or, if lesser, 130 percent of the average weekly manufacturing wage), [*or*]

[(2) in the case of any subsequent week of such allowances, 75 percent of his average weekly wage (or, if lesser, 130 percent of the average weekly manufacturing wage),]

then his trade readjustment allowance for such week shall be reduced by the amount of such excess.

(f) The amount of any weekly payment to be made under this section which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

(g)(1) If unemployment insurance is paid under a State law to an adversely affected worker for a week for which—

(A) he receives a trade readjustment allowance, or

(B) he makes application for a trade readjustment allowance and would be entitled (determined without regard to subsection (c) or (e)) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under Federal law, be reimbursed from funds the authorization contained in pursuant to section 245(b), to the extent such payment does not exceed the amount of the trade readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he had not received the State payment. The amount of such reimbursement shall be determined by the Secretary on the basis of reports furnished to him by the State agency.

(2) In any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which such payments were made, [may] *shall* be disregarded under the State law (and for purposes of applying section 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law.

Sec. 233. Time Limitations on Trade Readjustment Allowances.

(a) Payment of trade readjustment allowances shall not be made to an adversely affected worker for more than 52 weeks, except that, in accordance with regulations prescribed by the Secretary—

(1) such payments may be made for not more than [26] *52* additional weeks to an adversely affected worker [to assist him to complete] *if such worker enrolls in a* training *program* approved by the Secretary, or

(2) such payments shall be made [for not more than 13 additional weeks to an adversely affected worker who had reached his 60th birthday on or before the date of total or partial separation.]

(A) to an adversely affected worker who had reached his 55th birthday on or before the date of total or partial separation and for whom suitable reemployment cannot be found that is no worse than such worker's adversely affected employment for—

(i) not more than 52 additional weeks, or

(ii) until he has received such payments for a total number of additional weeks equal to the total number of weeks for which he had been employed in the firm or subdivision in which the adversely affected employment occurred whichever date comes sooner; and

(B) to an adversely affected worker who had reached his 60th birthday on or before the date of total or partial separation—

(i) until he has reached his 65th birthday, or

(ii) until he has received such payments for a total number of weeks for which he had been employed in the firm or subdivision in which the adversely affected employment occurred,
whichever date comes sooner.

(3) Payments to any adversely affected worker under paragraph (2) of this subsection shall be reduced by—

Section-by-Section Analysis

(7) The amendment to Section 232(e), in addition to eliminating the two-tiered step-down after 26 weeks (as noted in item (6) above), also increases from 80 percent to 100 percent of his average weekly wage the total amount an adversely affected worker may receive from all sources without a reduction of his trade readjustment allowance. Since the additional limit of 130 percent of the average weekly manufacturing wage is not altered here, the effect of this amendment is to give additional aid to adversely affected workers in the lower income brackets.

(8) The amendment to Section 232(a)(2) is designed to protect the employer of adversely affected workers. It makes mandatory the provision that States not charge an employer's unemployment insurance account with dispersals made under state law to adversely affected workers which are later reimbursed by the Federal government.

(9) As part of an overall strengthening of the training and retraining provisions of this Chapter, the proposed amendment would grant an additional 52 weeks of eligibility for readjustment allowance to a worker enrolled in a training program, instead of the 26 weeks authorized under the House bill.

(10) The proposed revision of Section 233(a)(2) greatly increases the protection of older workers who are adversely affected by increased imports. Approximately 26.6 percent of the workers who have actually received adjustment assistance under the 1962 Trade Act have been over the age of 55. The average age of all such workers has been 44, as compared with 32 for all workers in the manufacturing sector. H.R. 10710 simply gives an extra 13 weeks of benefits to workers over 60, which is totally insufficient when the immense retraining and re-employment problems of older workers are taken into account.

The proposed amendment provides more adequate protection for older workers. Its provisions would:

(A) Make any adversely affected worker over 55 eligible for up to 52 weeks of additional assistance if he cannot find suitable re-employment that is no worse than his adversely affected employment; and

(B) Make any adversely affected worker over 60 eligible for additional assistance until he reaches the age of 65.

All older worker benefits would be reduced by any pension or Social Security benefits for which the worker is eligible (such as early Social Security benefits at age 62), and the duration of the *additional* assistance (after the first 52 weeks) would also be limited to the total number of weeks the worker had been employed in the firm or subdivision in which his adversely affected employment occurred.

TRADE ADJUSTMENT ASSISTANCE FOR WORKERS—Continued

Proposed amendment

CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS—Continued

SEC. 233. TIME LIMITATIONS ON TRADE READJUSTMENT.—Continued

(A) the amount of any private pension benefits for which the worker is or becomes eligible,

(B) the amount of any benefits for which the worker is or becomes eligible under the Social Security Act, and

(C) 50 percent of any remuneration received by the worker for services performed.

(b) Except for a payment made for an additional week specified in subsection (a), a trade readjustment allowance shall not be paid for a week of unemployment beginning more than 2 years after the beginning of the appropriate week. A trade readjustment allowance shall not be paid for any additional week specified in subsection (a) *(1)* if such week begins more than 3 years after the beginning of the appropriate week. The appropriate week for a totally separated worker is the week of his most recent total separation. The appropriate week for a partially separated worker is the week in respect of which he first receives a trade readjustment allowance following his most recent partial separation.

SEC. 234. APPLICATION OF STATE LAWS.

Except where inconsistent with the provisions of this chapter and subject to such regulations as the Secretary may prescribe, the availability and disqualification provisions of the State law—

(1) under which an adversely affected worker is entitled to unemployment insurance (whether or not he has filed a claim for such insurance), or

(2) if he is not entitled to unemployment insurance, of the State in which he was totally or partially separated,

shall apply to any such worker who files a claim for trade readjustment allowances. The State law so determined with respect to a separation of a worker shall remain applicable, for purposes of the preceding sentence, with respect to such separation until such worker becomes entitled to unemployment insurance under another State law (whether or not he has filed a claim for such insurance).

PART II—HEALTH BENEFITS

Sec. 235. Health Benefits

If an adversely affected worker and his family are not covered under any other health plan, such worker shall select a plan from among those available to Federal employees; the employee's share of the premium for such plan shall be deducted from his trade readjustment alowance, and the Secretary shall authorize payment from the Adjustment Assistance Trust Fund of the employer's share of such premium.

PART [II] *III*—TRAINING AND RELATED SERVICES

SEC. [235.] *236.* EMPLOYMENT SERVICES.

(a) The Secretary shall make every reasonable effort to secure for [adversely affected] workers covered by a certification under subchapter A of this chapter counseling, testing, and placement services, and supportive and other services, provided for under any other Federal law. The Secretary shall, whenever appropriate, procure such services through agreements with cooperating State agencies.

(b) Where the provision of such services involves an expenditure by an agency or institution operating under any other federal law or by a cooperating State agency the Secretary shall authorize the reimbursement of such expenditure from the Adjustment Assistance Trust Fund.

SEC. [236.] *237.* TRAINING.

(a) *(1)* If the Secretary determines that there is no suitable employment available for an adversely affected worker covered by a certification under subchapter A of this chapter, *that is no worse than such worker's adversely affected employment*, but that suitable employment (which may include technical and professional employment *or employment in a service rather than industrial profession*) would be available if the worker received appropriate training *on the job or in a public or private training program or vocational institute or institution of higher learning,* he may approve such training. [Insofar as possible, the Secretary shall provide or assure the provision of such training through manpower programs established by law.]

(2) Where such training is to occur through a public or private training program or vocational institute or institution of higher learning which charges a fee for its services, the Secretary shall authorize the full payment of such fee from the Adjustment Assistance Trust Fund.

(3) (A) Where such training is to occur on the job, the Secretary shall authorize payments to an employer offering such training, pursuant to regulations which he shall prescribe, from the Adjustment Assistance Trust Fund.

Section-by-Section Analysis

(11) The new Section 235 [*] is added to authorize the Secretary of Labor to make Federal employee health plan benefits available to protect the family of any worker who would not be eligible for health benefits under any other plan. Under this proposal, the worker would pay the employee's share of any plan he chooses out of this readjustment allowance (which would be increased as noted under item (6) above) and the Secretary would authorize payment of the employer's share from the Adjustment Assistance Trust Fund.

(12) (A) The proposed amendment to Section 236(a) gives the Secretary the authority to provide employment services to all workers who are certified as being in danger of losing their jobs as a result of competition from imports, whether or not they have yet been separated.

(B) The new subsection (b) authorizes the Secretary to reimburse state agencies or other governmental programs for any employment services provided to workers under this section.

(13) The proposed amendment to Section 237 would strengthen the training and retraining provisions as follows:

(A) It would ensure that a worker would not be denied training or retraining simply because he refuses to take a job beneath the general level of skills and/or salary and benefits of his previous job. The Words "no worse than . . ." are taken from the worker provision of the AMTRAK statute, and are designed to be a general rather than a specific test for suitability of re-employment—as is evidenced by the addition of "service" sector employment to the definition of "suitable employment."

(B) The types of training that may be available to an adversely affected worker are spelled out in greater detail by the amendment, and include on-the-job training, training in a public or private training program or vocational institution or institution of higher learning. In addition, the sentence restricting the Secretary's training and retraining flexibility by requiring him "insofar as possible" to use government manpower programs is eliminated.

(C) The new paragraph 237(a) (2) authorizes full payment of fees associated with the training or retraining of a worker in a public or private training program or vocational institute or institution of higher learning. The new paragraph 237(a) (3) authorizes direct

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[*] The addition of a new section at this point requires renumbering of all subsequent sections of this chapter. Hereafter, whenever a section is referred to by number in the Section-by-Section Analysis it will be the amended number rather than the original.

TRADE ADJUSTMENT ASSISTANCE FOR WORKERS—Continued

Proposed amendment

CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS—Continued

SEC. [236.] 237. TRAINING.—Continued

(B) On the job training authorized by the Secretary pursuant to this paragraph shall not be considered "employment" for purposes of eligibility for assistance under this chapter, but any remuneration received by an adversely affected worker for services performed in an on-the-job training program shall be subject to the provisions of Sections 232 and 233.

(b) The Secretary may, where appropriate, authorize supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when training is provided in facilities which are not within commuting distance of a worker's regular place of residence. The Secretary shall not authorize payments for subsistence exceeding [$5] *$15* per day; nor shall he authorize payments for transportation expenses exceeding [10] *12* cents per mile.

(c) Any adversely affected worker who, without good cause, refuses to accept or continue, or fails to make satisfactory progress in, suitable training to which he has been referred by the Secretary shall not thereafter be entitled to payments under this chapter until he enters or resumes the training to which he has been so referred.

PART [III] *IV*—JOB SEARCH AND RELOCATION ALLOWANCES

SEC. [237] *238.* JOB SEARCH ALLOWANCES.

(a) Any [adversely affected] worker covered by a certification under subchapter A of this chapter [who has been totally separated] may file an application with the Secretary for a job search allowance. Such allowance, if granted, shall provide reimbursement to the worker of [80] *100* percent of the cost of his necessary job search expenses as prescribed by regulations of the Secretary; except that such reimbursement may not exceed $500 for any worker.

(b) A job search allowance may be granted only—

(1) to assist [an] *such* [adversely affected] worker in securing a job within the United States;

(2) where the Secretary determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides; and

(3) *in the case of a worker who has been totally separated,* where [the] *such* worker has filed an application for such allowance with the Secretary no later than 1 year after the date of his last total separation before his application under this chapter.

SEC. [238.] *239.* RELOCATION ALLOWANCES.

(a) Any [adversely affected] worker covered by a certification under subchapter A of this chapter who has been totally separated *or who has not been totally separated but has completed a successful job search under Section 239* may file an application with the Secretary for a relocation allowance, subject to the terms and conditions of this section.

(b) A relocation allowance may be granted only to assist [an adversely affected] *such* worker in relocating within the United States and only if the Secretary determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides and that such worker—

(1) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which he wishes to relocate, or

(2) has obtained a bona fide offer of such employment.

(c) *(1)* A relocation allowance shall not be granted to such worker unless [—]

[(1) for the week in which the application for such allowance is filed, he is entitled to a trade readjustment allowance (determined without regard to section 232 (c) and (e)) or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has obtained the employment referred to in subsection (b) (1), and]

[(2)] such relocation occurs within a reasonable period after the filing of such application or (in the case of a worker who has been referred to training by the Secretary) within a reasonable period after the conclusion of such training.

(2) Under regulations prescribed by the Secretary, a relocation allowance shall not be granted to more than one member of the family with respect to the same relocation.

(d) For the purposes of this section, the term "relocation allowance" means—

Section-by-Section Analysis

payments to employers who participate in approved on-the-job training programs, and subparagraph (B) of that paragraph clears up an ambiguity that might otherwise arise under the eligibility provisions of the chapter regarding wages received during on-the-job training.

(D) The amendment to subsection 237(b) increases the level of supplemental subsistence benefits available to adversely affected workers who must undergo training or retraining away from their home. The increased amounts bring these payments more into line with the expenses that might actually be realized by such workers.

(14) The proposed revision of Sections 239 and 240 strengthen the job search and relocation allowance provisions as follows:

(A) Amendments to Section 239 and 240 increase the flexibility of the Secretary in dealing with the potential economic effects of trade policies by allowing him to make job search and relocation allowances available to workers who are not yet separated, but who would be eligible for adjustment assistance if they were. The expenditure of a small amount of money here is expected to avert the expenditure of much larger sums that would have to be paid out if threatened workers were forced to wait until their actual separation to search for a new job.

(B) The proposed amendment also increases the reimbursement of job search expenses to 100 percent (rather than 80 percent) of the worker's actual expenses, although the upper limit of $500 is retained.

TRADE ADJUSTMENT ASSISTANCE FOR WORKERS—Continued

Proposed amendment

Section-by-Section Analysis

CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS—Continued

SEC. [238.] *239.* RELOCATION ALLOWANCES.—Continued

(1) 80 percent of the reasonable and necessary expenses, as specified in regulations prescribed by the Secretary, incurred in transporting a worker and his family, if any, and household effects, and

(2) a lump sum equivalent to three times the worker's average weekly wage, up to a maximum payment of $500.

SUBCHAPTER C—GENERAL PROVISIONS

SEC. [239.] *240.* AGREEMENTS WITH STATES.

(a) The Secretary is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency (referred to in this subchapter as "cooperating States" and "cooperating State agencies" respectively). Under such an agreement, the cooperating State agency (1) as agency of the United States, will receive applications for, and will provide, payments on the basis provided in this chapter, (2) where appropriate, will afford adversely affected workers who apply for payments under this chapter testing, counseling, referral to training, and placement services, and (3) will otherwise cooperate with the Secretary and with other State and Federal agencies in providing payments and services under this chapter.

(b) Each agreement under this subchapter shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

(c) Each agreement under this subchapter shall provide that unemployment insurance otherwise payable to any adversely affected worker will not be denied or reduced for any week by reason of any right to payments under this chapter.

(d) A determination by a cooperating State agency with respect to entitlement to payments under an agreement is subject to review in the same manner and to the same extent as determinations under the applicable State law and only in that manner and to that extent.

Sec. [240.] *241* ADMINISTRATION ABSENT STATE AGREEMENT.

(a) In any State where there is no agreement in force between a State or its agency under section 239, the Secretary shall arrange under regulations prescribed by him for performance of all necessary functions under subchapter B of this chapter, including provision for a hair hearing for any worker whose application for payments is denied.

(b) A final determination under subsection (a) with respect to entitlement to payments under subchapter B of this chapter is subject to review by the courts in the same manner and to the same extent as is provided by section 205(g) of the Social Security Act (42 U.S.C. sec. 405(g)).

SEC. [241.] *242.* PAYMENTS TO STATES.

(a) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each cooperating State the sums necessary to enable such State as agent of the United States to make payments provided for by this chapter. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State from the Adjustment Assistance Trust Fund established in section 245 in accordance with such certification. Sums reimbursable to a State pursuant to section 232(g) shall be credited to the account of such State in the Unemployment Trust Fund and shall be used only for the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.

(b) All money paid a State under this section shall be used solely for the purposes for which it is paid; and money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this subchapter, to the Secretary of the Treasury and credited to the Adjustment Assistance Fund.

(c) Any agreement under this subchapter may require any officer or employee of the State certifying payments or disbursing funds under the agreement or otherwise participating in the performance of the agreement, to give a surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this chapter.

Sec. [242.] *243.* LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

(a) No person designated by the Secretary, or designated pursuant to an agreement under this subchapter, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment certified by him under this chapter.

(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this chapter if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

SEC. [243.] *244.* RECOVERY OF OVERPAYMENTS.

(a) If a cooperating State agency or the Secretary, or a court of competent jurisdiction finds that any person—

TRADE ADJUSTMENT ASSISTANCE FOR WORKERS—Continued

Proposed amendment

Section-by-Section Analysis

SUBCHAPTER C—GENERAL PROVISIONS—Continued

SEC. [243.] *244.* RECOVERY OF OVERPAYMENTS.—Continued

(1) has made or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

(2) as a result of such action has received any payment under this chapter to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary as the case may be, or either may recover such amount by deductions from any sums payable to such person under this chapter. Any such finding by a State agency or the Secretary may be made only after an opportunity for a fair hearing.

(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary under this section shall be returned to the Secretary of the Treasury and credited to the Adjustment Assistance Trust Fund.

SEC. [244.] *245.* PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment authorized to be furnished under this chapter or pursuant to an agreement under section 239 shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

SEC. 246. SUBPOENA POWER OF SECRETARY.

The Secretary shall be empowered, on his own initiative or at the request of an interested party, to issue subpoenas requiring the production of any information necessary to make a determination under this chapter, and such subpoenas shall be enforceable in any court of competent jurisdiction.

(15) The proposed amendment adds a new Section 246 which gives the Secretary of Labor the power to subpoena necessary information from uncooperative firms or individuals.

SEC. [245.] *247.* CREATION OF TRUST FUND; AUTHORIZATION OF APPROPRIATIONS OUT OF CUSTOMS RECEIPTS.

(a) There is hereby established on the books of the Treasury of the United States a trust fund to be known as the "Adjustment Assistance Trust Fund" (referred to in this section as the "Trust Fund"). The Trust Fund shall consist of such amounts as may be deposited in it pursuant to the authorization contained in subsection (b). Amounts in the Trust Fund may be used only to carry out the provisions of this chapter (including administrative costs). The Secretary of the Treasury shall be the trustee of the Trust Fund and shall report to the Congress not later than March 1 of each year on the operation and status of the Trust Fund during the preceding fiscal year.

(b) There is hereby authorized to be appropriated to the Trust Fund, out of amounts in the general fund of the Treasury attributable to the collections of customs duties not otherwise appropriated, for each fiscal year ending after the date of the enactment of this Act, such sums as may be necessary to carry out the provisions of this chapter (including administrative costs).

SEC. [246.] *248.* TRANSITIONAL PROVISIONS

(a) Where a group of workers has been certified as eligible to apply for adjustment assistance under section 302(b)(2) or (c) of the Trade Expansion Act of 1962, any worker who has not had an application for trade readjustment allowances under section 322 of that Act approved or denied before the effective date of this chapter may apply under section 231 of this Act as if the group certification under which he claims coverage had been made under subchapter A of this chapter.

(b) In any case where a group of workers or their certified or recognized union or other duly authorized representative has filed a petition under section 301(a)(2) of the Trade Expansion Act of 1962, more than 4 months before the effective date of this chapter and

(1) the Tariff Commission has not rejected such petition before the effective date of this chapter, and

(2) The President or his delegate has not issued a certification under section 302(c) of that Act to the petitioning group before the effective date of this chapter,

such group or representative thereof may file a new petition under section 221 of this Act, not later than 90 days after the effective date of this chapter. For purposes of section 223(b)(1), the date on which such group or representative filed the petition under the Trade Expansion Act of 1962 shall apply. Section 223(b)(2) shall not apply to workers covered by a certification issued pursuant to a petition meeting the requirements of this subsection.

(c) A group of workers may file a petition under section 221 covering weeks of unemployment (as defined in the Trade Expansion Act of 1962) beginning before the effective date of this chapter, or covering such weeks and also weeks of unemployment beginning on or after the effective date of this chapter.

UMI

TRADE ADJUSTMENT ASSISTANCE FOR WORKERS—Continued

Proposed amendment

Section-by-Section Analysis

SUBCHAPTER C—GENERAL PROVISIONS—Continued

SEC. [246.] *248.* TRANSITIONAL PROVISIONS.—Continued

(d) Any worker receiving payments pursuant to this section shall be entitled—

(1) for weeks of unemployment (as defined in the Trade Expansion Act of 1962) beginning before the effective date of this chapter, to the rights and privileges provided in chapter 3 of title III of such Act, and

(2) for weeks of unemployment beginning on or after the effective date of this chapter, to the rights and privileges provided in this chapter.

(e) The Tariff Commission shall make available to the Secretary on request data it has acquired in investigations under section 301 of the Trade Expansion Act of 1962 concluded within the 2-year period ending on the effective date of this chapter which did not result in Presidential action under section 302(a)(3) or 302(c) of that Act.

SEC. [247.] *249.* DEFINITIONS

For purposes of this chapter—

(1) The term "adversely affected employment" means employment in a firm or appropriate subdivision of a firm, if workers of such firm or subdivision are eligible to apply for adjustment assistance under this chapter.

(2) The term "adversely affected worker" means an individual who, because of lack of work in adversely affected employment—

(A) has been totally or partially separated from such employment, or

(B) has been totally separated from employment with the firm in a subdivision of which such adversely affected employment exists.

(3) The term "average weekly manufacturing wage" means the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year (as officially published annually by the Bureau of Labor Statistics of the Department of Labor) most recently published before the period for which the assistance under this chapter is furnished.

(4) The term "average weekly wage" means one-thirteenth of the total wages paid to an individual in the high quarter. For purposes of this computation, the high quarter shall be that quarter in which the individual's total wages were highest among the first 4 of the last 5 completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases were partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary.

(5) The term "average weekly hours" means the average hours worked by the individual (excluding overtime) in the employment from which he has been or claims to have been separated in the 52 weeks (excluding weeks during which the individual was sick or on vacation) preceding the week specified in the last sentence of paragraph (4).

(6) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had—

(A) his hours of work reduced to 80 percent or less of his average weekly hours in adversely affected employment, and

(B) his wages reduced to 80 percent or less [(75 percent in the case of any week after the first 26 weeks in which he is eligible to receive a trade readjustment allowance)] of his average weekly wage in such adversely affected employment.

(7) The term "remuneration" means wages and net earnings derived from services performed as a self-employed individual.

(8) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico; and the term "United States" when used in the geographical sense includes such Commonwealth.

(9) The term "State agency" means the agency of the State which administers the State law.

(10) The term "State law" means the unemployment insurance law of the State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

(11) The term "total separation" means the layoff or severance of an individual from employment with a firm in which, or in a subdivision of which, adversely affected employment exists.

(12) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, including chapter 85 of title 5, United States Code, and the Railroad Unemployment Insurance Act.

(13) The term "week" means a week as defined in the applicable State law.

(14) The term "week of unemployment" means with respect to an individual any week for which his remuneration for services performed during such week is less than 80 percent [(75 percent in the case of any week after the first 26 weeks in which he is eligible to receive a trade readjustment allowance)] of his average weekly wage and in which, because of lack of work—

TRADE ADJUSTMENT ASSISTANCE FOR WORKERS—Continued

Proposed amendment	Section-by-Section Analysis
SUBCHAPTER C—GENERAL PROVISIONS—Continued	
SEC. [247.] *249.* DEFINITIONS.—Continued	
(A) if he has been totally separated, he worked less than the full-time week (excluding overtime) in his current occupation, or (B) if he has been partially separated, he worked 80 percent or less of his average weekly hours.	
SEC. [248.] *250.* REGULATIONS.	
The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this chapter.	
SEC. [249.] *251.* EFFECTIVE DATE.	
This chapter (other than section 250) shall become effective on the 90th day following the date of the enactment of this Act.	
SEC. [250.] *252.* COORDINATION.	
There is hereby established the Adjustment Assistance Coordinating Committee to consist of a Deputy Special Trade Representative as Chairman, and the officials charged with adjustment assistance responsibilities of the Departments of Labor and Commerce and the Small Business Administration. It shall be the function of the Committee to coordinate the adjustment assistance policies and programs of the various agencies involved and to promote the efficient and effective delivery of adjustment assistance benefits.	
(NOTE: Amendment requires renumbering of section 251–264 in chapter 3.)	

Mr. NELSON. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the legislative director of the United Auto Workers, endorsing this proposal.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 11, 1974.

Hon. GAYLORD NELSON,
Hon. LLOYD BENTSEN,
U.S. Senate, Washington, D.C.

DEAR SENATORS: We are pleased to note substantial improvements in trade adjustment assistance for workers in your proposed amendments to Chapter 2 of Title II of H.R. 10710. The clarification of the language defining eligibility for assistance should correct the injustice of the previous legislation, which made it virtually impossible for workers to qualify. The increase in the maximum payments and retraining allowances go a long way toward cushioning affected workers and their families against the disruption to their lives caused by loss of employment. In this respect, the provisions for health insurance and for protection of older workers represent a significant advance. We regret, however, the omission of any protection of workers against loss of their pension rights, which must be regarded as a serious shortcoming.

While the duration of the benefits has been increased to one year, and an additional year for workers enrolled in training programs, we would wish that more generous provisions comparable to the Amtrak legislation had been adopted.

Sincerely,

JACK BEIDLER,
Legislative Director.

Mr. BENTSEN. Mr. President, the Senate will soon consider legislation to provide the foundation for U.S. participation in multilateral trade negotiations. The challenge of these negotiations is to treat the problems posed by our international economic relationships in ways which strengthen and reformulate the international economic system while also enabling us to pursue critical domestic goals of continued economic growth, high levels of employment, and reasonable price stability. Instead of facing this challenge with confidence and expectation, we are skeptical about what can be achieved and lack a clear idea as to our proper role among the great trading nations of the world. This atmosphere of doubt is evident in the controversy surrounding H.R. 10710, the Trade Reform Act, passed by the House and currently before the Senate Committee on Finance.

This skepticism is, in my view, grounded in the fact that changes in the world economy have become so rapid and multifaceted as to test our analytical and adaptive capabilities. We are forced to take account of changing patterns of trade, of changing productive capabilities of nations, of changing national social policies. Because these realities compel action but nearly defy coherent understanding, we are confronted with numerous and often contradictory approaches to our problems. Furthermore, our long-term vision is clouded by the pressure of crosscurrent and immediate demands. This is the core of our analytical difficulty. Our ability to adapt—which is the subject of the amendment I join Senator NELSON in introducing—is restrained in large part by our failure to provide strong Government support for domestic adjustment to international competition.

Mr. President, the United States now occupies a crucial but no longer a singularly decisive position in the international economy. Our share of world gross national product, trade, and reserve assets has declined as those of the European Community and Japan have increased. Since the mid-1960's we have faced strong competition in both our domestic and international markets. Our balance-of-payments deficits, which throughout much of the postwar period served both United States and global interests, are now a major source of concern. Moreover, our reliance on international transactions has grown at the same time that our relative world economic position has decreased. Even though the foreign sector does not loom large in our economy, with trade representing only 5 percent of our total gross national product, its importance is growing. We are increasingly dependent on a variety of essential raw material imports and exports have become vital to U.S. agriculture as well as to many sectors of industry.

Integral to this situation are developments which are expanding and integrating the world economy. These range from a faster increase in world trade than that of world output through the development of a world capital market to the rise of the multinational corporation. What these developments mean in essence is that changes overseas impinge in important ways on the United States, inevitably creating strains and problems of adjustment.

We may not have answers to all the questions these developments pose, but we do know that some courses of action would be inappropriate. The danger of a widespread revival of protectionism threatens to undo 25 years of assiduous work that has been essential to our peace and prosperity. In view of the U.S. leadership role and the importance of U.S. trade to other countries, American protectionism is both more "catching" and damaging to the world trading system than that of other countries. Efforts to insulate our market may be well-intentioned; but we cannot control the activities of others. There is no guarantee that something like the world economic stagnation of the 1930's, with its contribution to political upheaval, could not happen again. Indeed recent events, such as our 1973 export embargo, demonstrate how quickly one country's ill-considered actions can translate into dangerous counteractions from others.

At the very least, such a reversal would result in a loss of economic benefits and opportunities for the United States. If our economy is to remain strong, we must seek ways of increasing productive efficiency, of maximizing the contribution of limited resources, of encouraging our people to work where they can earn the highest income. Trade has an important role to play in maintaining a flexible, expanding economy. Imports not only make available what we cannot produce at home, but also impose price discipline on domestic industries. This is especially significant when inflation is acknowledged to be our central economic problem. We should also bear in mind that our imports enable other nations to purchase U.S. exports. Our strength in the world economy lies in those areas requiring dynamism, invention, and industrial application. The structure of our exports reflects this ability to innovate and respond to change.

If the solution to domestic dislocation does not lie in reducing prospects for growth and competition, it is nonetheless evident that the concerns by labor adversely affected by international trade are compelling and real. When imports increase rapidly and are heavily concentrated in specific product sectors, serious injury to domestic workers and industries cannot always be alleviated through the normal adjustment process. The Trade Reform Act thus provides for strengthened safeguards against serious import disruptions by providing more timely and effective relief through the escape clause. Constructive public policy requires this improvement. To the extent that increased imports result from unfair trade practices on the part of foreign companies and governments, vigorous offsetting action should be possible under reinforced antidumping and countervailing duty statutes. And finally, new ways of responding to unjustifiable and unreasonable restrictions on U.S. exports are now being studied.

Labor's apprehensions about the effect of multinational corporations have also not gone unheeded. I question, together with many of my distinguished colleagues, whether their activities necessarily maximize U.S. employment or fully promote economic growth and welfare. The Congress is now reviewing the U.S. tax code to see whether provisions dealing with foreign income unwisely encourage U.S. direct investment abroad. There may also be a need for safeguards to deal with abuses or disruptions caused by relocation overseas. Certainly, there are examples of plants whose moves overseas have resulted in unemployment at home. But I wish to emphasize that the true impact of multinational firms on aggregate U.S. unemployment, on effective competition, on our balance of payments and economic growth is not yet known. Serious study is just beginning and we need more research together with accurate data before it is possible to formulate responsible public policy responses. On an issue of such vital importance, the overriding requirement is that we resist becoming doctrinaire.

On the impact of imports, however, I do think we know enough to make sound policy. Import competition frequently imposes considerable hardship on domestic workers—burdens that are exacerbated by the twin problems of unemployment and inflation. If we could operate at full employment without inflation, then workers adversely affected by trade flows could shift with a minimum of disruption into the manufacture of different goods or into service industries. But full employment policy in this country is more myth than reality. In practice, the structural and frictional problems in our labor markets are so serious as to prevent unemployment from reaching an acceptable plateau unless the level of job vacancies is raised so high that inflation results. The structural problems to which I refer are, among others, very high turnover rates, inefficient and long job searches and segmented labor markets resulting in part from geographical distance, training requirements, and various forms of discrimination. Rather than deal forcefully with these problems, our tendency is intentionally to raise unemployment in order to fight inflation. The administration now talks about raising the acceptable norm of aggregate unemployment—a response which I consider socially unacceptable, economically unnecessary, and politically irresponsible. Since it is clear that the regulation of aggregate demand alone cannot solve our poor unemployment-inflation tradeoff, we need better manpower policies of which trade adjustment assistance is an important part.

A soundly conceived trade adjustment program would reduce unemployment by better equipping workers to fill available jobs and would fight inflation by increasing the productivity of the labor force. If emphasis is placed on vocational counseling and employment opportunities; if attention is paid to job matching and speedy placement; if commitment is made to job training and education—then trade adjustment assistance can help our economy maintain its essential dynamism. It can also help alleviate many of the human burdens of adjusting to change. We all realize that it can be difficult to find employment, that different skills may be required, that without adequate financial assistance savings may be wiped out and that lacking health coverage, life's exigencies can overwhelm us.

Having said this much, let me emphasize that it would be illusory and self-defeating to exaggerate the claims for trade adjustment assistance. It is neither a tool for treating across-the-board economic imbalances nor can it operate in isolation from the general problems of the domestic economy. In fact, there is little question but that a comprehensive program designed to alleviate dislocation whatever the source, be it rapid technological change or shifting consumer tastes, would be preferable to a program covering trade-related injuries alone. On the other hand, a viable, substantively sound program is better than no program at all and is preferable to the egregiously inadequate program under the 1962 Trade Expansion Act—TEA. It is my hope that this amendment strengthening the worker provisions of the trade adjustment program will serve as an impulse for reexamining the conversion aspects of our manpower programs and for restoring their forward thrust.

It is not necessary to recount the history of worker adjustment assistance under the Trade Expansion Act. It has been all promise and very little performance. In the desire to limit the program's scope and thus prevent misapplication, Congress unintentionally inhibited its potential contribution to the domestic economy. Our experience demonstrates that in the absence of strong Government support for domestic structural change, it is difficult to conduct an internationally cooperative and successful trade policy. This conclusion is possible without dissecting all the relevant shortcomings of the present program.

Although the House bill improves substantially on existing law, particularly with respect to petitioning and certification procedures, it fails to correct many important deficiencies. The amendment I join in introducing, by strengthening the content and range of the program, should better enable it to achieve its purposes. Mr. President, I will now turn to the major provisions.

QUALIFICATION FOR ASSISTANCE

The qualification provisions of H.R. 10710 are a consequential improvement over the highly restrictive criteria of the TEA which have made it difficult for workers to prove they are eligible for assistance. Current law requires that increased imports, resulting in major part from trade agreement concessions, be the "major" factor causing or threatening under or unemployment. The House bill eliminates the linkage between injury and prior trade concessions and further requires that imports only "contribute importantly" to injury. Although injury is defined, the term "contribute importantly" is not.

The purpose of this amendment is to make clear the intention of the House, as defined in the Report of the Committee on Ways and Means accompanying H.R. 10710, that the words "contribute importantly" represent a less stringent test than the substantial cause test for escape clause relief. Similarly, to insure that assistance will be available if injury occurs when imports increase their relative share of the U.S. market at the expense of domestically produced articles, the words "absolute or relative" and added before the words "increases of imports." With these two clarifying changes, all workers injured by import competition should be able to receive the assistance they deserve.

LEVEL OF BENEFITS

As is often noted, the benefits of international trade are widely diffused among the population while the adverse consequences focus on a relatively small number of people. Considerations of equity dictate generous assistance to those harmed by policies undertaken in the national interest. Actual remuneration under present law has averaged between 50 to 60 percent of net worker earnings. This is inadequate recompense for the loss of skills or the time needed to reemploy or replace those skills.

The amendment, therefore, increases the level of assistance to 75 percent of the worker's average weekly salary, limited by 130 percent of the average weekly manufacturing wage. This should assure, first, that as large a proportion of adversely affected workers as possible receive assistance that comes close to their previous disposable income and, second, that workers in high wage States are not unfairly penalized. The two-tier system under H.R. 10710, by which a worker's benefits are reduced after the first 26 weeks from 70 to 65 percent of his average weekly wage, is eliminated.

The assumption that people work only when forced to do so is not only theoretically questionable, but also unjustifiably underestimates the adherance by the overwhelming majority of American workers to the traditional work ethnic.

OLDER WORKER BENEFITS

Special provision must be made for older workers whose age makes it unlikely that they will be able to obtain suitable new employment. Approximately, 26.6 percent of the workers who have actually received trade readjustment benefits under the current program have been over 55. So high a participation rate reflects the process of adverse selection that has operated due to the very restrictive criteria of the TEA. But it also attests to the obstacles older workers confront when trying to reenter the labor force.

The House bill in no way modifies the 1962 Trade Act provisions which grant to workers who are 60 years of age at the time of separation an additional 13 weeks of benefits above the standard maximum of 52 weeks. Clearly, this is inadequate recognition of the fact that older workers are frequently less skilled, have difficulty securing new employment and, even when reemployed, often end up in jobs substantially inferior to those they lost.

In order to protect older workers who are injured by increased import competition, the amendment offers to any adversely affected worker over 55 an additional 52 weeks of assistance if he cannot find suitable reemployment that is no worse than his previous employment. The need for this provision is manifested by the severity of the problem: the Department of Labor estimates that roughly 60 percent of all trade-impacted workers between the ages of 55 to 60 are unable to find suitable work within the first year of unemployment. This is a warning signal that we should pursue means of limiting age discrimination.

For workers over 60, who are beyond the maximum hiring age of most employers, the amendment provides additional assistance until the age of 65. Any such benefits would be reduced by pension or social security benefits for which the worker is eligible—such as early social security benefits at age 62. The duration of this assistance beyond the standard 52-week maximum would also be limited to the total number of weeks the worker was employed by the firm or subdivision in which his adversely affected employment occurred.

HEALTH BENEFITS

American workers have substantial stakes in their jobs which exceed income considerations alone. In addition to valuable pension and seniority rights, the security of the worker and his family depend on private health insurance coverage that normally is tied to his employment relationship. Thus, when the worker loses his job, he and his family must look to society for a reasonably secure environment. Honestly compels us to acknowledge that our Government has been less than forceful in alleviating workers' fears about the inadequacy of our social insurance system.

National pension reform should soon become a reality. The bill I introduced last year was incorporated into the pension reform bill approved by the full Senate last September. The House-Senate conference expects to report within a month the final version for consideration by both bodies of Congress. This long-required legislation will establish minimum standards of vesting, funding, eligibility, and termination insurance so that every worker, including those injured by import competition, receives his earned retirement benefits.

A program for national health insurance is not as far advanced. To insure that a trade-impacted worker and his family should not face unaided the hazards of illness, they will by this amendment receive health coverage under plans available to Federal employees. The Secretary of Labor is authorized to make Federal employee health plan benefits available to any worker who would not be eligible for health benefits under any other plan. The worker would pay out of his readjustment allowance the employee's contribution to any appropriate plan of his choice and the Secretary would authorize payment of the employer's share from the adjustment assistance trust fund, established by H.R. 10710.

TRAINING AND RELATED SERVICES

A complex, industrialized society, such as our own, should view the continuing education and retraining of its labor force as a national capital investment without which it cannot hope to maintain the basis for economic growth and progressive change. Our approach should begin with the conviction that adults who go back into an educational and training program not only serve their own personal economic and social needs but also enlarge the basis for national productivity gains.

The 1962 Trade Act seems to have embraced this assumption with one hand while hamstringing its execution with the other. Actual procedures have permitted little retraining partly because a significant proportion of expenditures have constituted the retroactive payment of allowances; partly because available programs have been inadequate; and partly because training funds have been limited. These substantial problems are largely ignored by the House bill.

Trade-impacted workers typically have not begun receiving assistance until long after their initial unemployment. Consequently, they have ended up using retroactive benefits to liquidate debts incurred while out of work and have had little available for income maintenance during retraining, when such retraining was available. It is evident that we cannot expect adults to enter education programs if it means stripping themselves of any life savings they have.

The House bill has corrected most time-consuming procedures that have caused these lengthy and wasteful delays. This amendment goes further by raising the level of benefits, as indicated above, and by granting to workers who enroll in an approved training program an additional 52 weeks of eligibility for readjustment allowances instead of the 26 weeks authorized by current law and preserved by the House. For workers who must undergo training away from their homes, the level of supplemental assistance benefits is raised from $5 daily under current law to a $15 daily maximum. Payments for transportation expenses are realistically elevated from 10 to 12 cents per mile. These provisions, together with a few additional modifications in language, should assure that workers who could profit from training will have the opportunity to do so.

Existing manpower services have not uniformly succeeded in securing for import-injured individuals serious educational and training efforts. For reasons already mentioned, it is important that a full range of adequately funded programs be available. The amendment thus authorizes the Secretary of Labor to approve participation in public or private training programs, in vocational institutes, in institutions of higher learning or in programs of on-the-job training. In addition, full payment from the adjustment assistance trust fund is authorized for the payment of fees associated with the training or retraining of workers in any approved program or institution as we as direct payments to employers participating in approved on-the-job training programs. These additions are essential to prevent a cruel deception from being worked on trade-impacted individuals who have promised on a "priority basis" more than programs in their current form can be expected to deliver.

Greater emphasis should also be placed on the early location of jobs that will last and that will be worth keeping. Proper job placement and job satisfaction are critical to reducing both subsequent bouts of unemployment and the underutilization of worker skills. So that workers will have speedy and assured access to counseling, testing, and placement services, the amendment gives the Secretary of Labor authority to provide employment services to all certified workers, with reimbursement for expenditures to cooperating agencies from the Adjustment Assistance Trust Fund. This means that import-injured individuals threatened with imminent loss of work, but not yet actually separated, can begin preparation for new lines of employment. Parallel authority is granted the Secretary in making job search and relocation allowances available to workers who are not yet separated, but who would be eligible for adjustment assistance benefits if they were. Both provisions are expected to avert the expenditure of much larger sums that would be required if threatened workers were forced to wait until they were actually separated before seriously exploring opportunities for new lines of work.

ADDITIONAL PROTECTION OF WORKERS

Various sections of the House bill have been altered to provide assurances regarding the availability of information to workers, to guarantee the appealability of adverse determinations, and to grant to the Secretary of Labor the power to subpena necessary information from uncooperative individuals and firms. These provisions have been added to protect workers in the process of applying for and receiving benefits.

In conclusion, Mr. President, this amendment conforms to the philosophy that certain individuals should not bear a disproportionate share of the cost of measures which benefit the entire society. It affirms that American interests, both domestically and internationally, are best served by strong and humane ways of assisting domestic dislocation to change. I believe that this is a workable and viable amendment and urge the Senate to give it full support.

Mr. JAVITS. Mr. President, I am pleased to cosponsor the amendment to the trade reform bill (H.R. 10710), which would substantially improve our assistance to workers whose jobs are lost due to the immediate impact of increased imports. As we proceed to enact new trade reform legislation, we must be very mindful of our concerns for such workers. As it is right that we avoid protectionism in our trade policies in the interests of other American workers and the American economy, it is equally imperative that we recognize and rectify our past failure to protect adequately our workers who are adversely affected by increased foreign competition.

The only direct relief we now provide to dislocated workers is the readjustment assistance provided by the Trade Expansion Act of 1962. Because of overly restrictive eligibility and benefit provisions, this law has provided virtually no protection to workers whose jobs have been lost as a result of increased import competition. Since 1962, a total of only 30,000 workers have benefited from readjustment assistance, as against the estimate of more than 100,000 workers who should receive such benefits each year.

The amendment I am cosponsoring is designed to meet this need. For the first time workers will be eligible to receive assistance that more realistically meets their actual job readjustment needs, including the provision of retraining and relocation assistance to assist their return as productive members of the labor force.

As improved by this amendment, the new Trade Reform Act would provide for—

Liberalizing eligibility requirements in order to provide genuine access to adjustment assistance for displaced workers.

Increasing benefit levels to provide workers with an adjustment assistance allowance close to his previous after-tax earnings. A worker would be eligible to receive 75 percent of his weekly wage—compared to 65 percent under current law—for 52 weeks, up to a ceiling of 130 percent of the average weekly wage in manufacturing.

Increasing the protection of adversely affected older workers by providing up to 52 weeks of additional assistance for workers between age 55 and 60, and by authorizing assistance to workers over age 60 until age 65. These are substantial improvements over the current law, which provides the older worker, over 60, with only 13 weeks of additional assistance. This is an insufficient amount when the immense retraining and reemployment problems of older workers are taken into account.

Strengthening the training, job search, and relocation assistance under the bill by granting an additional 52 weeks of eligibility for workers undergoing training, by broadening the types of training available and by authorizing job search and relocation benefits to workers threatened by import related job loss.

Authorizing the Secretary of Labor to make Federal employees' health plan benefits available to workers and their families who are ineligible for any other plan.

Although I support this amendment, I wish to state that I have certain technical reservations to the section on health benefits—section 235. The intent of this section is clearly to make adversely affected workers eligible to receive health insurance benefits that are not otherwise available to them. I am in total support of this intent. However, the language of this section is such that the intent of the drafters may be frustrated.

Under the existing amendment, an adversely affected worker who is not covered under any other benefit plan is required to select a plan from those available to Federal employees and pay the premiums out of his assistance allowance. Rather than requiring mandatory coverage under Federal health plans, which could result in needless expense to both the dislocated worker and Federal Government, the amendment should make an adversely affected worker eligible for Federal plan benefits and give him the option of choosing or not choosing such coverage. I am confident that a satisfactory resolution of this matter can be achieved before the bill reaches the Senate floor.

DISCLOSURE OF REAL ESTATE SETTLEMENT COSTS—AMENDMENT

AMENDMENT NO. 1556

(Ordered to be printed and to lie on the table.)

Mr. PROXMIRE (for himself, Mr. MAGNUSON, Mr. MATHIAS, Mr. CASE, Mr. HART, and Mr. TUNNEY) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 3164) to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement services provided in federally related mortgage transactions, and for other purposes.

AMENDMENT NO. 1557

(Ordered to be printed and to lie on the table.)

Mr. BURDICK submitted an amendment intended to be proposed by him to the bill (S. 3164), supra.

CONSUMER PROTECTION AGENCY ACT—AMENDMENTS

AMENDMENTS NOS. 1558 AND 1559

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted two amendments, intended to be proposed by him, to S. 707 to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

AMENDMENTS NOS. 1560 AND 1561

(Ordered to be printed and to lie on the table.)

Mr. METCALF submitted two amendments, intended to be proposed by him, to S. 707, supra.

AMENDMENT NO. 1562

(Ordered to be printed and to lie on the table.)

Mr. METCALF (for himself, Mr. HUMPHREY, and Mr. KENNEDY) submitted an amendment, intended to be proposed by them, jointly, to S. 707, supra.

Mr. METCALF. Mr. President, I have today introduced three amendments to S. 707, the Consumer Protection Agency Act of 1974.

Two of the amendments restore to the bill provisions which were in the bill as introduced, and in the bill approved by the Government Operations Committee, S. 3970, in the 92d Congress. The other amendment deletes language added in committee to an amendment proposed by the Comptroller of the Currency.

My first amendment authorizes the Administrator, in his discretion, to intervene in State or local agency or court proceedings provided he determines that the proceeding may substantially affect the interests of consumers, and he is requested in writing to intervene by: First, the Governor or his appropriate delegate; second, an official State consumer representation agency; or third, the State or local agency or court conducting the proceeding.

PRECEDENT

The Federal Government has for many years intervened in State proceedings, under the Federal Property and Administrative Services Act, through the General Services Administration. GSA on occasion delegates its authority to the Department of Defense. Both the GSA and DOD are required by law to represent the institutional interests of the Federal Government, rather than the interests of consumers generally, who in most States do not have access to the resources and personnel necessary to put their case adequately before the quasi-judicial regulatory commissions.

SUPPORT FROM GOVERNORS

Ten Governors expressed their support for the amendment in 1972, and only one objected. Those who supported it were: Anderson of Montana, Burns of Hawaii, Carter of Georgia, Evans of Washington, Ford of Kentucky, Guy of North Dakota, Hathaway of Wyoming, Shapp of Pennsylvania, Wallace of Alabama, and West of South Carolina. Reagan of California opposed.

NEED FOR AUTHORITY

This amendment would permit State officials to obtain Federal assistance in areas of consumer protection which involve substantial and increasing consumer costs over which the Federal agencies have little control. The areas under which assistance could be made available include the following:

Sector	Annual revenue (billions)	Percent under Federal rate regulation	Amount under Federal rate regulation (billions)
Insurance	$85.8	0	0
Electricity	27.9	7.0	$1.9
Telephone-telegraph	23.7	28.7	6.8
Natural gas	12.5	58.4	7.3
Total	150.		16.0

In sum, the insurance, electric, natural gas, and telephone sectors account for approximately $150 billion in annual revenues. Almost 90 percent of those revenues are subject to State rather than Federal regulations.

PRESENT FEDERAL POSTURE

To the extent that the Federal Government now intervenes in these cases, through GSA and DOD, it represents the Government as the largest consumer of electricity, gas, and communications services. Therefore it traditionally argues alongside large industries before State commissions for a rate structure that benefits industrial users and the Federal Government, at the expense of residential and small commercial users. Consequently the Federal Government appears in opposition to a more equal rate structure and the curbing of energy use through increasing its unit cost to large customers.

Recent surveys by the Associated Press and Christian Science Monitor show that nonpayment of utility bills is increasing because of huge, recent rate increases. In some areas suburban residential consumers are paying monthly electric bills of $200 to $250; they have doubled in 6 months. The chairman of the Federal Power Commission testified recently that electric utility rates could triple "long before 1990."

Automatic fuel clause adjustments have increased as much as 900 percent during the past year. The automatic fuel clause removes a significant portion of utility bills from the regulatory process, not unlike the way in which various types of outlays have been removed from that portion of the Federal budget subject to annual congressional action. The remedy is at the State level, and the amendment would permit the CPA to help those States that wish Federal assistance in these complex and costly matters to receive it.

EXEMPTION OF FINANCIAL INSTITUTIONS

My second amendment deals with information gathering. The bill as reported in section 11(c)(6) permits a Federal agency to deny the Administrator access to and copies of "information contained in or related to examination, operation, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of an agency responsible for regulation or supervision of financial institutions, or any other information relating to the financial transaction of individual customers of such financial institutions."

That language is based upon the suggestion of the Comptroller of the Currency, made just before markup by the full Committee on Government Operations. As he pointed out in his May 9 letter to Chairman ERVIN:

> The approach of the exemptive language in that section, plus a reading of the banking laws, court cases, and regulatory customs protecting bank records and bank regulatory records from disclosure, would probably protect bank examination reports from disclosure, to the CPA. In other words, banks are well protected—perhaps overly protected, I would add—from disclosing much information to anyone except bank examiners. Nevertheless, the Comptroller of the Currency asked for specific language in S. 707.

The committee, however, went beyond his request, and authorized the Administrator to deny access to and copies of the "any other information relating to the financial transactions of individual customers of such financial institutions."

Such language could seriously impair regulatory commissions' collection of data regarding major debtholders of regulated companies. It could even frustrate the intent of regulations recently proposed by the Comptroller of the Currency, dealing with trust holdings and transactions of major financial institutions. If the Senate does decide it is necessary to again restate in statutes the exemptions from disclosure provided financial institutions in the Freedom of Information Act and by other methods, let us at least limit the exemption to that proposed by the Comptroller of the Currency.

GRANT AMENDMENT

My third amendment—cosponsored by the distinguished Senators from Minnesota (Mr. HUMPHREY) and Massachusetts (Mr. KENNEDY)—authorizes appropriation of $20 million and $40 million, respectively, in fiscal 1975 and 1976 for grants to States and local public agencies for consumer protection planning and programs.

This amendment was in the Consumer Protection Organization Act of 1972 as approved by the Senate Government Operations Committee in the 92d Congress—S. 3970, title III. This amendment also was included in S. 707 as introduced last year.

GRANT CONDITIONS

The amendment would provide for Federal sharing of up to 75 percent of the cost of planning and programs undertaken by the grant recipients. The explanation of the amendment, as described by the Senate Government Operations Committee's report—92-1100—on the Consumer Protection Organization Act of 1972, follows:

CONSUMER PROTECTION GRANTS

Section 301(a)

This subsection authorizes appropriations of $20 million and $40 milion in fiscal years 1974 and 1975 respectively to carry out the provisions of this title.

The 2-year authorization, $60 million, is the same as that for the second and third years in S. 1177. In subsequent years, as the CPA gains experience in making grants and evaluating the various programs funded, substantially larger authorizations may be justified. These programs also might be funded through a system of special revenue sharing.

The committee believes that the Administrator should devote his full time and energy to setting up the CPA during the first several months after this act goes into effect. Therefore, funds are not authorized until fiscal year 1974.

Section 301(b)

This subsection provides that appropriations will remain available for obligation and expenditure during both the fiscal year for which appropriated and the next fiscal year.

PLANNING GRANTS

Section 302(a)

This subsection authorizes the Administrator to set aside each year up to 20 percent of the appropriations for this title to make planning grants.

Section 302(b)

This subsection authorizes the Administrator to make grants to state or local public agencies to assist in the preparation, adoption, or revision of a comprehensive consumer protection plan.

This committee intends that planning be truly "comprehensive." The program should represent an effort to assess the overall needs and coordinate all available resources—public and private—in the jurisdiction.

Section 302(c)

This subsection provides for a Federal share of up to 75 percent of the cost of a planning program.

Section 302(d)

This subsection mandates the Administrator, by regulations, to distribute planning funds equitably to the States. It also provides that no State may receive more than 15 percent of the planning funds.

The committee believes that planning funds should be made available to as many jurisdictions as possible. Insofar as practicable, State and local agencies within a particular State should receive an amount based on the proportion of that State's population to the total population of States receiving planning grants.

This subsection does not require mathematical precision in the allocation of grants. All it requires is that the Administrator make a good faith attempt to assure that the recipient States and local agencies receive a fair share of the total grants.

PROGRAM GRANTS

Section 303(a)

This subsection authorizes the Administrator to set aside up to 80 percent of the funds appropriated for this title to make program grants. It also authorizes the Administrator to allocate up to 15 percent of funds appropriated for this title to State agencies for contracts with private nonprofit organizations.

Section 303(b)

This subsection provides that the Administrator may make grants to State and local public agencies to assist in establishing, operating, coordinating, and evaluating programs to—

(1) study and make recommendations concerning consumer protection programs and laws;

(2) improve the enforcement of consumer protection laws;

(3) implement consumer protection programs and laws;

(4) promote consumer education;

(5) develop and test innovative approaches and methods in promoting consumer protection; and

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(6) promote other activities which may have a direct and material relationship to the interests of consumers.

These six categories will give the Administrator the authority to use the funds to support a wide variety of programs affecting a broad variety of consumer interests. As noted above, the committee intends that the funds be devoted primarily to the development, experimentation, and implementation of new approaches and techniques in consumer protection. To the extent that they comply with this purpose, existing agencies and programs are eligible for grants.

S. 1177 provided that each State would designate a single agency to submit a plan, which, if accepted, would entitle the State to a grant based on the proportion of its population to the population of all recipient States. The committee has modified this mechanism for several reasons. First, the major purpose of this title—to serve as a catalyst to State and local efforts—can be realized more fully if the Administrator has authority to judge each application on its merits. Second, this approach will provide more incentive to the States and localities to develop the necessary plans, commitment, resources, expertise, and efficiency in an area in which generally they are only beginning to demonstrate an increased involvement. Third, the authorization provided in this title is not sufficient to guarantee a meaningful minimum grant—to either large or small States—on a population-based formula. Finally, the formula-grant mechanism would not provide sufficient assurances that local communities will receive a fair and reasonable share of a State's grant.

Section 303(c)

This subsection requires the Administrator to reserve 50 percent of the funds set aside for this section to State agencies during the first 9 months of the fiscal year. Any of these funds remaining unobligated at the end of the ninth month may be reallocated to local agencies and special projects under section 304.

The purpose of this subsection is to assure that States have the opportunity to take the lead in establishing consumer protection programs. A strong State role is essential to an effective statewide consumer protection program. The State usually has legal authority, resources, and enforcement capability greater than that of its subdivisions and is therefore in a better position to provide necessary leadership and assistance to them. This subsection provides only that a fixed amount, 50 percent, of the available funds be earmarked for a reasonable time, 9 months, to State agencies. The Administrator is encouraged but not required to obligate this amount within the prescribed time. At the end of 9 months, while he may reallocate any remaining funds to local agencies or special projects, he may, of course, continue to provide such funds to State agencies.

Section 303(d)

This subsection provides that the Federal share shall be 75 percent of the cost of a program.

Section 303(e)

This subsection requires the Administrator, by regulations, to encourage State and local agencies to coordinate their respective applications with the applications of State agencies.

Effective consumer protection requires that the State and its subdivisions coordinate their own day-to-day programs. It also requires coordinated efforts in applying for federal assistance.

SPECIAL PROJECTS

Section 304

This section authorizes the Administrator to reserve 10 percent of the funds appropriated for this title to pilot or demonstration projects which he determines have significant potential national application and show special promise of promoting effective consumer protection.

The committee believes that the Administrator should have broad discretion in making the determination that a project qualifies as a special project under this section. This provision gives him the capacity and flexibility to encourage and test new education, training, research, and other projects at the national level.

The Administrator may make a grant to any Federal, State, local or private nonprofit organization or may operate or contract for a special project.

APPLICATION

Section 305

This section prescribes the conditions which each application for a grant under this title must meet.

They are designed to assure that programs are efficient, effective, and that funds are spent only for authorized purposes.

PAYMENTS

Section 306(a)

This subsection provides that the Administrator may make paymens under this title in advance, in installments or by reimbursement.

Section 306(b)

This subsection authorizes a recipient of a grant to make its payment in cash or kind.

RECORDS AND AUDITS

Section 307(a)

This subsection sets forth the recordkeeping requirements of all recipients of grants under this title.

Section 307(b)

This subsection authorizes access to any books, documents, papers, and records of any recipient of a grant by the Comptroller General of the United States.

WITHHOLDING

Section 308(a)

This subsection requires the Administrator to terminate payments to any program which does not substantially comply with the provisions of this title.

The provisions of this title include any regulations issued by the Administrator pursuant to these provisions.

Before terminating any payment, the Administrator must provide reasonable notice and, upon request, a hearing on his finding and intention to terminate. The committee intends that this hearing should be subject to the provisions of the Administrative Procedure Act in order to protect the interests of both paries.

Section 308(b)

This subsection gives the recipient of a grant the right to appeal to the United States District Court pursuant to the Administrative Procedure Act a decision by the Administrator to terminate funds. It also provides that an appeal shall not, unless ordered by the court act as a stay on the Administrator's action.

The committee intends that, in order to be upheld, the Administrator's action must be supported by substantial evidence on the record of the hearing viewed as a whole. The court may, of course, affirm or set aside, in whole or in part, the Administrator's action or remand the case to him for a further hearing.

Mr. President, in closing I want to emphasize the importance of providing assistance to the States in regulatory matters. The big pocketbook items of consumer protection are decided, for the most part, by State agencies.

Decisionmaking regarding some consumer costs by these State agencies is being eroded by automatic adjustment clauses. These clauses—especially fuel clauses—have removed important areas of regulation from the regulators. The situation is not unlike that which faced Congress until it decided to pass the Congressional Budget and Impoundment Control Act of 1974.

Dr. Douglas N. Jones and Sara Hines of the Congressional Research Service, at my request, have prepared an excellent commentary on automatic adjustment clauses used by regulatory commissions. I ask unanimous consent to insert it at this point in the RECORD, along with the still pertinent article on the same subject written 27 years ago by the late Dr. Arnold Hirsh.

I also ask unanimous consent to insert in the RECORD, a letter I have received from the Honorable Henry E. Howell, Jr., of Virginia, illustrating the need for assistance in cases decided by State regulatory commissions, and a memorandum from Lawrence Kumins of the Congressional Research Service dealing with the magnitude of revenues subject to State regulation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., April 10, 1974.

To: The Honorable LEE METCALF, Government Operations Committee.
Attention: Vic Reinemer.
From: Economics Division.
Subject: A report on automatic adjustment charges in electric utility rate schedules.

This requested report on the current case of automatic adjustment charges in electric utility rate schedules has four parts: (I) a brief sketch of the history and general theory behind automatic adjustment clauses; (II) the types and frequency of automatic adjustment clauses—federal and state; (III) the lines of argument for and against such clauses; (IV) and some of the economic and regulatory consequences of the existence of such devices.

I. HISTORY AND THEORY

The existence of adjustments or escalator clauses in our economy has been a fact of life for some time now. Designed to provide protection against the erosion of income through price level inflation it is perhaps most familiar as a part of collective bargaining agreements and retirement plans. Escalator clauses are found as well as long-term leases for rents and other contracts that take more than a year to complete. Also automatic adjustment clauses (AAC) have increasingly been used in the public utilities sector—the subject of this paper.

The earliest reported cases dealing with AAC were decided in 1917 as the "temporary" wartime fuel adjustment clauses (FAC) granted the electric and gas utilities were brought into question. An (unsuccessful) attempt to make taxes subject to AAC occurred in 1933. Since World War II automatic adjustment clauses have blossomed in utility regulation from fuel and tax clauses to other corporate expenses (New Jersey has become the first state to allow a "comprehensive" adjustment clause). Now telephone companies are making a concerted bid for treatment similar to that long accorded the electric and gas utilities.[1]

Definitionally an AAC is a provision in a utility company's tariff (rate schedule) by which a change in a selected cost item will automatically change the rates charged consumers. By far the most common kind of AAC is based on fuel cost charges. The main purpose of an AAC is to reduce lag during an inflationary period when costs are rising rapidly: the main objection is that it may be incompatible with vigorous and effective consumer-oriented rate regulation.

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[1] See, for example, "Comprehensive Adjustment Clause for Telephone Companies," by Jules Backman and Jack B. Kirsten, *Public Utilities Fortnightly*, March 28, 1974.

II. TYPES OF AAC'S AND THEIR FREQUENCY

The types of automatic adjustment clauses have not changed much since publication of the Arnold Hirsch article in 1947 ("Fuel Clause et al. Versus Effective Rate Regulation"),[2] though a few have been added, and there has been a proliferation in occurrence. AAC's have been instituted for pass-through of cost changes for purchased fuels, taxes, wages, price-level inflation, and comprehensive elements, and are now being urged for imbedded debt and environmental costs. Historically they applied primarily to commercial and industrial sales but more recently have crept into residential rate schedules. It is generally felt that the first three—fuel, tax, and wage adjustment clauses—have a stronger rationale and internal logic to them than the last four.

A price-level inflation clause would allow automatic changes based on the Consumer Price Index. An imbedded debt AAC as proposed in the pending Arkansas Power and Light Co. case would be tied to changes (increases) in the cost of debt as the company goes successively into the new capital markets. The comprehensive AAC (previously mentioned) incorporates a batch of components of costs—wages and salaries, taxes, depreciation, etc. An AAC for allowing the pass-through of environmental control costs was proposed by President Nixon in his 1973 "Energy Message" when he noted that regulatory lags "discourage the use of environmental control technology" and urged "all State utility commissions to ensure that utilities receive a rapid and fair return on pollution control equipment."[3]

Inspection of Table 1 identifies those state (and federal) regulatory commissions which allow automatic rate adjustment clauses in tariffs filed under their jurisdiction in the case of electric and telephone utilities.

TABLE 1.—REGULATORY COMMISSION PRACTICES REGARDING AUTOMATIC RATE ADJUSTMENT CLAUSES IN THE ELECTRIC AND TELEPHONE UTILITIES, 1973

THE REGULATORY COMMISSION

State	Establishes automatic rates adjustment clauses in tariffs	Allows Periodic Adjustments for changes in—	
		Average cost of fuel (electric)	Other items
FPC	×	×	([1] [2])
FCC			
Alabama	×	×	
Alaska	×		
Arizona	×	×	× [3]
Arkansas	×	×	
California	× [4]	× [5]	
Colorado	×	×	
Connecticut	×	×	
Delaware [6]	×	×	
District of Columbia	×	×	
Florida	×	×	× [7]
Georgia	×	×	
Hawaii	×	×	
Idaho	×		
Indiana	×	×	×
Illinois	×	×	
Iowa	×	×	
Jamaica		×	
Kansas	×	×	
Kentucky	×	×	
Louisiana	×	×	
Maine	×	×	
Maryland	×	×	
Massachusetts	×	×	
Michigan	×	×	
Minnesota [8]			
Mississippi		×	
Missouri	×	× [9]	
Montana	×	×	
Nebraska	×		
Nevada	× [7] [10]		
New Hampshire	×	×	
New Jersey	×	×	
New Mexico	×	×	× [11]
New York	× [12]	×	
North Carolina	×		
North Dakota	×	×	× [13]
Ohio	×	×	
Oklahoma [6]	×	×	
Oregon	×	×	
Pennsylvania	×	×	× [14]
Puerto Rico			
Rhode Island	×	×	
South Carolina	×	×	
South Dakota	×		
Tennessee			
Texas			
Utah	×		× [15]
Vermont	×	×	× [16]
Virgin Islands [6]	([17])	([17])	
Virginia	×	×	
Washington	×		
West Virginia	×	×	
Wisconsin	×	×	
Wyoming	×		
Totals: [18]			
Yes	47	40	
No [19]	7	14	

[1] Must be filed for, not purely automatic.

[2] Under special circumstances, e.g. advance payments, taxes.

[3] Taxes based on revenues.

[4] Rate adjustment clause provisions have been established but are subject to Commission review and are not automatic.

[5] Commission has allowed tracking authority on a year-to-year basis for increases in cost of purchased gas.

[6] 1967 data—no response to 1972 survey.

[7] Local taxes.

[8] Electric and gas utilities not regulated.

[9] Industrial customers only.

[10] Large industrial consumers served by contract.

[11] Taxes, other than ad valorem.

[12] Such rates can only be changed by tariff filing and as such are subject to refund.

[13] Local surcharges.

[14] Certain taxes.

[15] Municipal franchise or license taxes.

[16] Tax adjustment.

[17] Electric facilities are Government owned and operated and are not regulated by the Commission.

[18] Totals do not include FPC or FCC.

[19] Includes States without Commission regulation, States in which authority has not been adjudicated or States where authority does apply to a major part of the operations of the utilities.

Source: Federal Power Commission, Federal and State Commission jurisdiction and regulation of electric, gas, and telephone utilities. 1973, p. 10, table 3.

Note the Federal Power Commission does allow AAC devices while the Federal Communications Commission does not. Note also that 47 of the 54 state (and territory) jurisdictions allow such arrangements with various qualifications (see footnotes to Table–1).

Fuel adjustment clauses appear in 40 jurisdictions and only in Missouri are they restricted to industrial rate schedules. Including the FPC, 9 jurisdictions allow some form of tax adjustment clauses. For most utilities increases in fuel costs are the only ones that can be immediately and automatically passed on to customers in the form of higher rates. Most others have to be filed for and are subject to commission review.

In the past FAC's were generally limited to wholesale electric rates and in those covering sales to industrial consumers. Application of these devices to residential and commercial tariffs was not common because it was felt that the cost of administering the clause was not worth it. More recently "as fuel costs have become more volatile, to avoid regulatory lag and assure cash flow there has been a trend in the direction of the inclusion of fuel adjustment clauses in electric rate schedules of all kinds."[4] Data in Table 2 bear out this conclusion.

Table 2 presents a comparison of the occurrence of FAC's in the retail rate schedules of electric utilities in just the three-year period 1970–1973. Note that while 35% of the utilities canvassed had FAC's in residential rate schedules in 1970, 65% had them in 1973. In the case of commercial schedules the percentage went from 58 in 1970 to 77 in 1973; the percentage for industrial schedules grew from 72% to 83% over the same time period.

TABLE 2.—NUMBERS AND PERCENTAGES OF ELECTRIC UTILITIES HAVING FUEL COST ADJUSTMENT CLAUSES IN RETAIL RATE SCHEDULES, JAN. 1, 1970, AND JAN. 1, 1973

	Jan. 1, 1970	Jan. 1, 1973
Residential rate schedules:		
Utilities canvassed	197	196
Utilities with fuel adjustment clauses	69	127
Percent with fuel adjustment clauses	35	65
Commercial and industrial:		
Utilities canvassed	130	135
Utilities with fuel adjustment clauses:		
Commercial	76	104
Industrial	94	112
Percent with fuel adjustment clauses:		
Commercial	58	77
Industrial	72	83

Source: Special FPC staff study offered in testimony of Chairman John Nassikas before the Subcommittee on Consumer Economics, Joint Economic Committee, Mar. 28, 1974.

III. LINES OF ARGUMENT—FOR AND AGAINST

In 1972 a subcommittee on economics of the National Association of Regulatory Utility Commissioners published an "Economic Paper" on automatic adjustment clauses.[5] In it they summarized the advantages and disadvantages of AAC's.

On the plus side AAC's:

(1) ease the administrative burden on the regulatory commission and reduce the cost of regulation by eliminating repetitive petition filings over a short period of time. The need for full scale hearings is less.

(2) protect a company's earnings from the impact of a specific rapidly changing cost item by reducing the lag between the cost change and the compensating rate change.

(3) may help to prevent excess earnings on the part of the company during a period of declining costs, if the AAC is enforced on the down swing.

On the negative side AAC's:

(1) give undue weight to a single cost item while ignoring others thus distorting the relationships of rates to total costs. It assumes that the selected item parallels the charge in the total cost of service.

(2) may generate excess earnings for the companies by focusing on only one item of cost where other items, e.g., labor productivity and scale economies, may allow compensating reductions in cost.

(3) dampen company incentives toward hard bargaining with fuel suppliers (or with labor unions) since additional costs are immediately passed on to the consumer. In fact the procedure may contribute to further price escalation for the item in question (and the economy as a whole).

(4) may become a subsidy for inefficiency where the company is effectively insulated

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[2] Published in *Public Power Magazine*, March 1947.

[3] Message from the President of the United States concerning Energy Resources, April 18, 1973.

[4] Testimony of Chairman John Nassikas, Federal Power Commission, before the Consumer Economics Subcommittee of the Joint Economic Committee, March 28, 1974.

[5] Proceedings of the 84th Annual Convention of NARUC, New Orleans, La., Nov. 27–30, 1972, pp. 341–344.

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from normal business risks and incentives by operating on a kind of "cost plus" basis. There is less need to be efficient if the cost of inefficiency is quickly passed on to the ratepayer and without regulatory review. The result is a transfer of risk from the stockholder to the consumer.

There has also been raised in the past couple of years the broader question of the legality of AAC's in public utility regulation.

The questions are (1) whether regulatory bodies can essentially delegate their ratemaking authorities via the automatic adjustment clause vehicle, and (2) what it the lawfulness of having a fuel adjustment charge operate without the filing of a full cost-of-service analysis supporting the *overall* rate.

FPC Docket No. E-7541, which was decided in 1972, contains the best summary of the legal, as well as the economic policy arguments surrounding the FAC and the AAC's in general.[6] In that proceeding involving the invoking of an FAC on wholesale power supplied by the New England Electric Power Co. (NEPCO) to the Municipal Electric Association of Massachusetts the latter argued that the operation of a FAC is inconsistent with Section 205d of the Federal Power Act which generally contemplates rates being charged only upon notice and showing of justification, with the Commission required to consider whether or not the rate change should be suspended. Municipal Electric claimed that the FAC as an automatic allowance was "uncontrolled" and an attempt "to depart from a cost basis of regulation." However the FPC examiner found in Opinion No. 633 and the FPC reaffirmed in Opinion No. 633-A (Dec. 1972) that "fuel adjustment clauses are lawful under the FPC Act (and) that they are sound as a matter of regulatory policy."[7] NEPCO had argued that FAC's are expressly recognized by the FPC in its regulations (35.14) and by the majority of state utility commissions. They also cited the "end result" standard of ratemaking of the landmark Hope Natural Gas Case (1944) as supportive of that position.

In the same case the diligence of FPC in its surveillance of utility rates was questioned. The argument runs that whenever a FAC is allowed the Commission "will not have the faintest idea whether the results reached are just and reasonable, since the clause [operates] automatically." It was also argued that the framers of the FPC Act had in mind that some semblance of a market economy exists in the utilities industry, and in this context arrangements like the FAC "go far to maximize the opportunities and to minimize the risks for the utilities while commensurately increasing the risks for the consumers."

There is a further asymmetry to recall. A utility can apply for an increase at any time virtually at no cost to itself and the FPC can suspend rate increases for only five months (plus one month notice). The rates then go into effect unless denied by then. On the other hand the existence of large profits and excessive earnings on the part of a utility finds no similar expeditious device for lowering the rates. Complaint proceedings must generally be formally initiated and involve full hearings—a complex procedure requiring one or two years before rates can be lowered without utility consent.

Then there is the problem of possible manipulation of the commission process through the introduction or withdrawal of escalator clauses depending on whether particular costs to the utility are increasing or decreasing. Though improper motives were denied by the New England Power Company in the case previously cited, the record showed that NEPCO filed for removal of its fuel adjustment clause in 1968 just before switching from coal to oil which dropped its fuel cost from 38 cents/million BTU to 27 cents/million BTU. In 1970 when costs were running the other way NEPCO filed to reintroduce a fuel clause.[8]

The fact is that the FPC does not have a fixed policy either requiring or prohibiting FAC's so utilities have the option of inserting or deleting these. However the FPC does have pending a proposed rulemaking change (Docket R-479) to amend its regulations by prescribing a standard form of fuel adjustment clauses in wholesale rate schedules. Its findings should be announced in the near future.

For its part the FPC has generally taken a dim view of all AAC's except the FAC, though it has allowed some others if utility customers agreed. Nuclear fuel has been excluded from FAC treatment due in part to the long-term, almost fixed price nature of its cost. A tax adjustment clause of the volumetric variety has been allowed (not on income tax), but any changes thereunder have to be filed with the FPC and presumably it could suspend or deny them. Price index adjustment changes have been disallowed by the FPC. An imbedded debt adjustment clause proposal was suspended in 1973, but a hearing on the subject has been granted.

The environmental control systems adjustment clause proposed by the President is too recent for the FPC to have taken a position. The Commission is, however, considering what to do with the New England Power Company's January 1974 request for a cost adjustment clause which would include a factor for energy and demand reduction resulting from the fuel conservation program (Docket No. E-8251). Essentially such a clause would penalize consumers for the effectiveness of their recent conservation efforts and compensate utilities for a decline in revenues associated with it.[9]

In the past decade the percent of Electric Operation and Maintenance costs to Electric Operating Revenues in utility accounts has gone up consistently. The fuel element has been a heavy contributor to this rise, accounting for some 39% of total operating expenses and 20% of revenues by 1971. The fuel cost to utilities was $4.36 billion that year. A glimpse of certain other income account relationships and their trends can be had in Table 3. Note that income taxes (though not other taxes applying to utility companies) have been steadily declining as a percent of Electric Operating Revenues. Note also that as the cost of money has risen the percent that interest on Long Term Debt is to Operating Revenues is half again greater in 1971 than it was ten years earlier. Aggregates and trends of this sort give some indication of the occasion for the utility industry to pursue automatic adjustment devices.

IV. ECONOMIC AND REGULATORY CONSEQUENCES

Until 1970 the average charge per kilowatt hour had been declining nationwide. Beginning in 1970 electric bills to the consumer went up both because of increased usage and higher rates.

During 1971 the typical electric bill rose 7.4 percent and in 1972 another 4.9 percent. In particular localities the rise was of course much greater, 20% in 1972 in the District of Columbia, for example. Table 4 presents the picture for the period February 1973 to February 1974 for residential service in selected large cities New York, Boston, Los Angeles, and Long Beach, all experienced a 25% increase or greater (New York almost 48%). Note too the percentage of the increase attributable to the operation of fuel adjustment clauses in the tariffs of utility companies serving those cities ranges from 32% to 96%.

TABLE 3.—INCOME ACCOUNT RELATIONSHIPS FOR SELECTED ACCOUNTS, 1961-71

Relationship	Year ended Dec. 31—						
	1971	1970	1969	1967	1965	1963	1961
Percent of electric operating revenues:							
Federal income taxes—electric	2.3	5.6	8.0	9.0	10.1	10.8	11.1
Other taxes—electric	11.0	11.2	11.0	10.8	10.5	10.3	10.3
Interest on long-term debt:							
Percent of operating revenues	9.3	8.6	7.7	6.5	6.0	6.1	6.2
Average interest rate	5.5	5.1	2.6	2.0	3.8	3.7	3.6

Source: Federal Power Commission, "Statistics of Privately Owned Electric Utilities in the United States," 1971. p. xxx, table 14.

See Table 4 on p. 23423.

There have been several proposals made to minimize the bad effects of FAC devices. One is to place the additional receipts derived from its operation in escrow to be refunded at the end of the year if they are in excess of what is necessary to provide the company with its allowable rate of return. A problem with this is that uncertainty involved, i.e. whether the accrued receipts would actually go to the utility or not, would defeat a main purpose of an adjustment clause—to demonstrate earnings strength and attractiveness to corporate stock and bond issues.

A suggestion more likely of adoption is that the fuel adjustment clause be a partial (e.g. 80%) and not a full coverage of cost changes in order to leave an incentive for utility managers to be more cost conscious. The FPC is now considering some such scheme in (previously mentioned) Docket R-479.

At the 1972 Annual Convention of the National Association of Regulatory Utility Commissioners the Subcommittee on Economics presented its recommendations regarding the place and use of automatic clauses in public utility regulation. Summarized, these were:

(1) that AAC's, "when believed advan-

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[6] FPC Docket No. E-7541, New England Power Company and Municipal Electric Association of Massachusetts, decided Oct. 30, 1972.

[7] FPC Opinion No. 633, issued Oct. 30, 1972 and "Opinion and Order Denying Rehearing, Opinion No. 633-A," Issued Dec. 29, 1972.

[8] This proposition is reminiscent of the on-going argument in public utility valuation issues of whether original cost or replacement costs should be the basis on which earnings are calculated, with utility companies arguing for the latter in periods of inflation and agreeing to the former in times of downturn.

[9] For a further discussion of this issue see the author's article entered in the *Congressional Record* of March 29, 1974 by Senator Humphrey on p. 8888.

tageous to a commission, should be weighted to reflect the relative importance of the particular item in the company cost structure, and should include provisions compensating for economies that may accrue. . . ."

(2) that periodic cost-of-service submissions for commission review be required.

(3) that AAC's be operable in both directions and not just on the upswing.

(4) that AAC's "be established only after careful consideration of all relevant factors from the standpoint of the commission's regulatory responsibilities."

This last would presumably include the basic question of whether or not automatic adjustment clauses are compatible with the public policy goals of effective utility regulation.

TABLE 4.—PERCENTAGES OF INCREASE IN BILLS FOR 500 500 KWH OF RESIDENTIAL SERVICE ATTRIBUTABLE TO OPERATION OF FUEL ADJUSTMENT CLAUSES IN 10 SELECTED CITIES, FEB. 15, 1973 TO FEB. 15, 1974

	Percentage increase in bill	Percentage of increase attributable to fuel adjustment clause
Boston	24.9	67.5
New York	47.5	74.6
Philadelphia	13.1	49.1
Washington	16.1	68.2
Atlanta	17.0	32.1
Chicago	5.3	40.9
Houston	6.7	40.2
San Francisco	16.4	95.6
Los Angeles	27.7	38.5
Long Beach	36.3	46.6

Source: Staff study of FPC offered in testimony of Chairman John Nassikas before the Subcommittee on Consumer Economics, Joint Economic Committee, Mar. 28, 1974.

FUEL CLAUSE ET AL. VERSUS EFFECTIVE RATE REGULATIONS

(By Arnold H. Hirsch*)

Automatic adjustment clauses and effective rate regulation cannot coexist. They are incompatible. This is a practical, if not theoretical, truism. Regulatory bodies have already been prostrated by the plethora of escalator provisions in utility rate schedules, particularly gas and electric. Few States enjoy immunity. While the titles of some commissioners are still honorable, their duties have become honorary. This situation cannot long endure. *Laissez faire* has never been popular with consumers; in fact, they are definitely allergic to that principle of rate-making. Commissions and utilities alike might well give thought to the consequences of an aroused public opinion.

There is no question but that the automatic clause had once served a useful purpose. A quarter of a century ago, during the first World War, the cost of coal had been fluctuating sharply and rapidly. Utilities, with which this item of expense was critical, required prompt relief to avoid financial disaster. Time was of the essence when embryonic rate-making procedures were cumbersome. Thus came the fuel clause—prototype of the current *pot pourri*. Its arrival was greeted with little enthusiasm except, of course, by the utilities. Commissions were frankly apprehensive. They were doubtful of their legal authority to delegate such implied rate-making powers—a doubt which even today has not been fully resolved. Some remembered the fable of the camel and the tent. But practical necessity—the Achilles heel of progress—triumphed, and submerged all other considerations. That this was the decisive influence is abundantly evident: in almost every instance, commissions permitted this excrescence in rate schedules as a *temporary* expedient only—for the duration of the wartime emergency.[1]

Time marches on and regulatory bodies change. Whenever the cause, the record shows that virtually nothing was done to abolish the fuel clause once the emergency had passed. Instead of voluntarily reliquishing their "temporary" powers, the utilities assiduously cultivated their adopted child and the automatic technique of increasing rates soon embraced other operating expenses, such as wages and taxes. Today, the escalator provision is ensconced in the tariffs of hundreds of gas and electric companies *fait accompli*.

Some commissions, during recent years, have disclosed an acute awareness of the implications of the automatic clause and have denied it in specific cases, despite the prevalence of this *carte blanche* among other utilities within their jurisdiction. Thus, in 1941, the Massachusetts Commission declared:[2]

"The approval of a tax clause is tantamount to the granting of a rate increase. A tax clause as proposed gives the company the opportunity to charge its customers the increased taxes without striving to meet them either by effecting operating economies or increasing revenues by increased sales. It removes the incentive which the company otherwise has to seek tax reductions."

The following year the Public Service Commission of New York rendered a cogent opinion which merits thoughtful analysis by all regulatory bodies:[3]

"Whatever may be said regarding the specific plan to vary the rates paid by consumers according to the cost of certain materials used in gas manufacture, there are certain general criticisms of any plan which varies rates according to one element of cost. When purchasing gas, the consumer pays for numerous elements in the cost of service. Besides the manufacturing cost of gas, there are operating and maintenance costs of transmission and distribution systems, the cost of reading meters, keeping accounts, collecting bills, promoting sales and general office expenses, depreciation on all classes of property, taxes, and return on investment. Some of these items are affected to a small degree by output; they certainly are not fixed for each thousand feet of gas delivered. Often certain of these expenses decrease, with the result that increased costs in some directions are offset in whole or in part by decreased costs in other directions. It would obviously be unfair for a rate schedule to be so drawn that whenever the cost of certain elements increased, the price charged for the product would increase to the same degree without considering any offsetting effect of other factors."

The Pennsylvania Commission also has contributed to this enlightened approach to a sound solution of the problem.[4] It is significant that the denial of the adjustment provision in each of these cases is based on substantive grounds; there is little reference to the procedural quetsion which originally germinated the appendage in rate schedules. It is a matter of common knowledge that, during the past 25 years, the rate-making process has been substantially expedited and otherwise improved through legislative streamlining and court opinions. The Johnson Act[5] and *Hope*[6] decision have supplied material aid. As a consequence, it would appear that whatever justification once existed for the clause has now been completely dissipated.

The urgency of remedial action is underscored by a review of several types of automatic adjustments currently effective. The following simplified versions have been taken from present rate schedules:

Fuel clause: The monthly bill will be increased or decreased 0.01 cent per KWH for each 10 cents increase or decrease in the delivered cost of coal of $4 per net ton.

Tax clause: The rates will be automatically increased each month to cover any taxes imposed upon the utility other than those in effect during 1932.

Wage clause: The bill will be increased 0.01 cent per KWH for each 0.01 cent per KWH increase, and proportionately for fractional increases, in the production labor cost above 0.07 cent per KWH of output in the utility's generating stations.

While these three provisions possess a modicum of rationale, there are others which invade the zone of absurdity and indicate the extremes to which some utilities have gone to impose extra charges on their customers. The following are typical:

Commodity-price clause: The monthly bill will be increased 0.5 per cent for each whole point in the "All Commodities" Index above 110, resulting from the average of the three most recent monthly values for the "All Commodities" Index taken from "Wholesale Prices" compiled by the United States Department of Labor on a 1926 base, or adjusted thereto.

Tax and price-level clause: The rates are subject to increase to compensate the utility for increased costs of commodities and labor over those prevailing on July 1, 1935, and of taxes over those for the year 1934, and/or changes in the value or purchasing power of money substantially different from that obtaining on July 1, 1935.

The inequity—or perhaps iniquity—of these latter two surcharges is too patent for further comment.

Of all automatic adjustment devices, the fuel clause is by far the most ubiquitous, especially among electric companies. While the rates generally affected are those of commerical and industrial customers, some of the largest utilities in the country apply this provision to residential customers as well. And there are many instances where, in addition to the fuel clause, tax, wage and commodity-price surcharges are superimposed. As fuel is an important item in the production costs of steam-generated electricity (coal is most commonly used, then gas and oil), the price level which this commodity has reached during the past few years has accentuated its consequences to millions of utility consumers. Unfortunately, a cursory examination of the fuel clause will not reveal its intrinsic character, as it is constructed on a variable base.

A clause which may have been just and reasonable at the time of its inception may be inequitable today. Plant efficiencies are the controlling factor. As these efficiencies change, the clause must be revised accordingly. During the past 25 years, technological and other causes have elevated plant efficiencies with commendable regularity. But many utilities have failed to make appropriate revisions in their fuel clauses. As a result, electric consumers are presently being overcharged millions of dollars annually through superannuated adjustment provisions in their rate schedules.[7]

The following table has been prepared to show the actual effect of improperly-designed fuel clauses, and is based on a detailed study of recent data on file with the Federal Power Commission.[8] A brief explanation is pertinent concerning the composition of the electric companies enumerated. Although fuel clauses are all predicated on the same principle, their form and application differ widely. Many are based on the delivered cost of coal, either long or short tons, with or without a specified BTU content. Others, on the cost of gas or oil, or a combination of all fuels. The use of the more modern BTU base is quite extensive. Then there are some utilities which tie in their fuel clause with purchased power contracts, and a few provide adjustments for purchased- or hydro-power. Finally, a number of companies have several different kinds of clauses in operation, depending on the community served or class of customers. For the purpose of this study, 17 utilities were selected with fuel clauses of system-wide application. They are located in 17 States scattered throughout the country. Both the largest and the smallest companies were omitted in order to obtain a representative cross-section. The annual production of steam-generated electricity for each of the chosen utilities ranges from 55,000,000 KWH to 2,500,000,000 KWH. For the sake of simplicity, technical refinements have been dispensed with.

Footnotes at end of article.

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TABLE SHOWING EXISTING FUEL CLAUSE AND RESULTING EXCESS INCREMENTAL ADJUSTMENT OVER PRESENT-DAY INCREMENTAL COST OF FUEL TO ELECTRIC UTILITY[1]

Electric utility	Existing fuel clause			Present-day plant efiiciency (per KHW)	Excess incremental adjustment (percent)
	Basis of adjustment (1)	Base Price of fuel (2)	Base Plant efficiency (per KWH) (3)	(2)	(5)
A	0.025c/KWH per c/M.Btu	8.5c/M.Btu	25,000 Btu	16,750 Btu	50
B	0.02c/KWH per c/M.Btu	11c/M.Btu	20,000 Btu	16,100 Btu	25
C	0.1c/KWH per $1/Ton(G)	$5.00/Ton(G)	2.24 lbs	1.02 lbs	120
D	0.025c/KWH per c/M.Btu	12c/M.Btu	25,000 Btu	16,700 Btu	50
E	0.0225c/KWH per 10c/Ton	$1.15/Ton	4.5 lbs	1.45 lbs	210
F	0.0245c/KWH per c/M.Btu	16c/M.Btu	24,500 Btu	17,000 Btu	44
G	0.01c/KWH per 10c/Ton	$4.60/Ton	2.0 lbs	1.36 lbs	47
H	0.075c/KWH per $1/Ton(G)	$4.50/Ton(G)	1.68 lbs	1.10 lbs	50
I	0.007c/KWH per 10c/Ton	$4.10/Ton	1.4 lbs	1.0 lb	40
J	0.035c/KHW per 15c/Ton	$3.25/Ton	4.67 lbs	1.5 lbs	210
K	0.007c/KWH per 10c/Ton(G)	$5.75/Ton(G)	1.57 lbs	1.25 lbs	25
L	0.035c/KWH per 50c/Ton	$4.00/Ton	1.4 lbs	0.87 lb	60
M	0.02c/KWH per 20c/Ton	$4.00/Ton	2.0 lbs	1.14 lbs	75
N	0.018c/KWH per 25c/Ton(G)	$5.25/Ton(G)	1.61 lbs	0.95 lb	70
O	0.008c/KWH per 10c/Ton	$3.25/Ton	1.6 lbs	1.0 lb	60
P	0.01c/KWH per 10c/Ton	$3.50/Ton	2.0 lbs	1.33 lbs	50
Q	0.035c/KWH per c/M.Btu	20c/M.Btu	35,000 Btu	13,000 Btu	170

[1] Where free zone exists between incremental and decremental adjustments in base price of fuel, the average has been used. Ton=2,000 lbs. of coal; Ton(G)=2,240 lbs.; M=1,000,000.

It is important to observe that the "Excess Incremental Adjustment" (Column 5) in the table is not the only overcharge to the consumer. As the plant efficiency rises, it automatically reduces the base cost of electricity upon which the fuel clause rests. To be equitable, therefore, the base price specified in the existing clause (Column 2) should be raised correspondingly. In the case of the utilities shown in the table, an upward revision in the base price of fuel would completely eliminate the surcharges now paid by most of the consumers and, in several instances, would result in a net credit instead. Elaboration of this aspect of the fuel clause would unduly prolong this discussion.

If automatic increase provisions are here to stay, a sense of fairness would suggest a special clause for the benefit of the consumer. Why not adopt a universal Rate-of-Return clause?[9] Surely, a utility's allowable return on its net investment is as much a part of its cost of service as fuel, taxes, wages, and other items of expense—probably more so. This return is not static but is dependent, in large measure, upon the prevailing cost of capital.[10] Since the first World War the cost of capital has declined sharply.[11] According to Clyde Olin Fisher, chairman of the Connecticut Public Utilities Commission, in an illuminating article in *Public Utilities Fortnightly* of July 19, 1945, if an 8 per cent rate of return was fair in the 1920's, then a 5 per cent return should be fair today. In fact, the Federal Power Commission only recently limited the return of a large public utility to 5 per cent.[12] With a Rate-of-Return clause in operation concurrently with the other automatic provisions, it is doubtful if many consumers would have been obliged to pay surcharges to the utilities during the past 25 years.

The automatic adjustment clause is anachronous in this age of atomic thought. It has been nurtured to its present stature by the apathy of State regulatory bodies, or by an ingenuous misconception of their authority and duty under the law. Ostensibly designed as a protective mechanism, it has been perverted into an instrument of unjust enrichment. Effective rate regulation cannot thrive in such climate, and a resurgence of adverse public reaction is inevitable. During the recent war years many utilities—particularly electric—have accumulated substantial surpluses, and the reduction in Federal income taxes in 1946 has augmented their earnings. They are in excellent financial position to voluntarily abate the nuisance of the escalator provision or, at least, to remove the existing inequities. Statesmanship and foresight at the moment can earn them a handsome reward, if they would only seize the opportunity. But the primary responsibility for a salutary solution rests with the commissions. They can no longer simulate the ostrich. Supine complacence is rapidly dissolving the *de jure* facade of their *de facto* desuetude. The gauntlet is down. They cannot evade the challenge. The one infallible weapon still at their command, if they would only sharpen it, is the sword of dynamic regulation.

FOOTNOTES

* The views expressed herein are entirely those of the writer, and nothing herein contained is to be construed as the official opinion of the Office of Price Administration, or the American Public Power Association.

[1] Guiding Principles of Public Service Regulation (Spurr), Vol. 1, p. 80.

[2] Re Lawrence Gas & Electric Co., 38 PUR(NS) 89.

[3] Re Brooklyn Union Gas Co., 45 PUR(NS) 54. Also, Re Republic Light, Heat & Power Co., 45 PUR(NS) 374.

[4] Pennsylvania Public Utility Commission v. Edison Light & Power Co., 44 PUR(NS) 275.

[5] 48 Stat. 775 (May 14, 1934).

[6] Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591 (1944). Also, Federal Power Commission v. Natural Gas Pipeline Co., 315 U.S. 575 (1942).

[7] These overcharges do not necessarily mean that in every case the electric utility is earning an excessive over-all return on its net investment. However, they would indicate, at least, unjust discrimination. It should be observed that during the year 1946, on a composite basis. Class A and B electric utility companies (comprising 98 per cent of the privately-owned electric light and power industry in the United States) earned a return of about 8.2 per cent on their net investment, representing over $300,000,000 in excess of a 5 per cent allowable return recently prescribed by the Federal Power Commission in the Safe Harbor Water Power case, *infra*. (Based on *Electrical World* issue of January 18, 1947, and Federal Power Commission statistics.)

[8] As of January 2, 1947.

[9] Using the best features of the so-called "Washington" and "New Jersey" plans.

[10] Bluefield Water Works & Improvement Co. v. Public Service Commission, 262 U.S. 679 (1923); also, Missouri ex rel. Southwestern Bell Tel. Co. v. Public Service Commission, 262 U.S. 276 (1923).

[11] Moody's (1946) Weighted Averages of Yields on Public Utility Bonds and Preferred Stocks.

[12] Opinion No. 143, In the Matter of Safe Harbor Water Power Corporation (October 2, 1946).

NORFOLK, VA.,
April 19, 1974.

Hon. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: As you know, in 1969, when I was a State Senator, I appeared before your Committee of which you were a member to testify to the need for the passage of the bill then being considered which, in substance, would have allocated to cities of a certain population who presented a program of effective consumer protection, funds to set up such an office, hiring competent lawyers and to retain experts, when needed.

The need for the passage of such or similar legislation has been underscored by my participation in behalf of consumers in two public utility cases. One was a request by VEPCO for an increase; its third, I believe, in three years, which was for a $79,000,000.00 a year increase. As Lieutenant Governor I had no significant funds to marshall a case on behalf of the public. The Attorney General intervened on behalf of the public and a group of large businesses hired counsel to object to the increase. I was able to marshall the volunteer services of Mr. John Chesson, who had has experience as a stock and business analyst for Mellon Bank and who was in his second year of law school. He did a brilliant job and for the first time, we were able to show that the customers of VEPCO subject to the jurisdiction of the Virginia State Corporation Commission were paying rates that generated about a 13% return on equity, whereas the VEPCO customers who were not regulated by the Virginia SCC were producing a 4 to 6% rate of return on equity. These would be customers in West Virginia, North Carolina, who are regulated by those two states, and bulk purchasers of electricity such as cities and electric cooperatives regulated by the Federal Power Commission. VEPCO was granted a $41,000,000.00 increase. The SCC for the first time found there was a disparity in the return on equity between SCC jurisdictional customers and non-jurisdictional customers, but made no adjustment saying that it would look to VEP to take action in the future. The Attorney General first noted an appeal, but then withdrew it when in a conference between the Attorney General and VEPCO it was reported that VEPCO was going to appear in the various jurisdictions to obtain rate increases that would procedue a return on equity that would be uniform with Virginia regulated customers. We felt the adjustment should be immediate because the discrimination against Virginia customers had been going on for years.

We sought a record of the transcript, which was extensive, and expensive, and which we had no funds to pay for and we were denied such a transcript by the Commission and appealed the matter to the Supreme Court and notwithstanding substantial federal authorities to the contrary, the Supreme Court of Virginia denied our right to a public interest transcript, the opinion being reported at 214 Va. page 128, a copy of which opinion is enclosed.

We next participated in an application of C&P Telephone Company of Virginia in case #19152 before the Virginia State Corporation Commission. Here C&P of Virginia sought a $36,600,000.00 increase in less than a year after having been granted a substantial increase. Hearings commenced on September 18, 1972, went on for eight days, at which time we made a motion to dismiss for the reason that C&P was asking for an increase before they had permitted a flow through of the profits it would realize from the increase granted less than one year prior to the subject hearings. Hearings were resumed on May 15, 1973, following which, with John Chesson's assistance, I filed a brief as Lieutenant Governor and the Attorney General and the Defense Department and certain business interests who had intervened filed briefs. A $12,000,000.00 increase was granted to C&P.

There is no one appealing the points involved other than myself and, again, I am without funds for the cost of transmitting the record to the Supreme Court which will cost $2,562.00. In addition to this, we will have the cost of preparing briefs and the appendix and, of course, posting a bond to cover costs if we lose the case.

During this hearing, Mr. Chesson, for the first time again established the practice of C&P of Virginia to maintain a zero debt ratio from the 1950's through the 1960's, the only member of the Bell family to get away with such a practice. Needless to say, it caused Virginia rate payers to pay excessive rates during those years. We succeeded in getting the Commission to adopt a hypothetical debt ratio, but the Commission continued to permit C&P of Virginia to file a consolidated financial statement of the entire Bell family.

We contended that it should be required to put on evidence relating to the rate of return and return on equity generated by Virginia intrastate business. The Commission did not agree. We further submitted evidence that indicated there were properties in the rate base paid for by customers' monies rather than by investors funds. We contended that no properties or funds that were not contributed by investors should be incorporated in rate base, which should be the sole criteria for determining the rate of return investors would receive on their investments.

In a dissenting opinion of Judge Bradshaw, he took cognizance of the fact the Commission was permitting the deposits of customers to be included in rate base, which gave them interest free monies until they made a refund and when they made a refund they would only pay 6% interest, whereas the Commission was authorizing an 8.65% rate of return on rate base.

So, in summary, Senator Metcalf, we have a classic record that would test whether or not there should be a rate of return allowed investors on funds or properties that are included in rate base that were not paid for or contributed to by the investors. The second classic point is whether or not C&P of Virginia should be required to keep books that would reflect Virginia business instead of total AT&T business.

I want to re-emphasize that no one is appealing the C&P case other than myself and I am finding it extremely difficult to raise the necessary funds. The C&P customers of Virginia should have their day in court and these points should receive full appellate review.

In conclusion, I want to note that VEPCO has filed for another multimililon dollar rate increase. Since there had been no report as to the results of VEPCO obtaining the same return on equity from non-jurisdictional as jurisdictional customers, I wrote to the Commission and to VEPCO on March 26, 1974, and on April 3, 1974, Mr. T. Justin Moore, Jr., President of VEPCO, replied. My review of his letter indicates that although efforts have been made the Virginia jurisdictional customers are probably still paying rates producing a greater return on equity than the non-jurisdictional customers. This was a question we wanted to review on appeal, but were frustrated from doing by the Supreme Court's denial of a public interest transcript and the withdrawal by the Attorney General of his appeal.

I am writing this letter so it may be introduced into the record, for it is my opinion that those who pay the rates for telephone and electricity services in Virginia are not receiving adequate representation. This is in no way intended to criticize the three members of Virginia's State Corporation Commission, who act as Judges and not as advocates. What is needed is a well funded, well staffed competent office for advocacy in behalf of rate payers, which I understand that the legislation your committee is considering would produce.

With kind regards to you and to the members of your staff, I am

Sincerely,

HENRY E. HOWELL, JR.

[Howell v. Corporation Commission, 214 Va. 128. Opinion. Richmond, August 30, 1973, Record No. 8102.]

HENRY E. HOWELL, JR. v. STATE CORPORATION COMMISSION AND VIRGINIA ELECTRIC AND POWER CO.

PLEADING AND PRACTICE—APPEALS—DUE PROCESS—CONSUMER-INTERVENOR—COSTS

Clerk of Corporation Commission must charge and collect statutory fees for copies of records on file, and for certifying and transferring record on appeal. Procedures prescribed for protection of consumer's interests satisfy requirements of due process under Virginia and United States Constitutions.

Appeal from an Order of the State Corporation Commission. Affirmed.

Henry E. Howell, Jr. pro se.

Richard D. Rogers, Jr.; Evans B. Brasfield (Joel H. Peck; George D. Gibson; John W. Riely; Guy T. Tripp, III; Hunton, Williams, Gay & Gibson, on brief), for appellees.

Per Curiam.

Appellant, Henry E. Howell, Jr., was one of many "consumer intervenors" in the hearings before the State Corporation Commission (Commission) on Virginia Electric and Power Company's (VEPCO) 1971 application for an increase in electric rates. The Commission's order of June 28, 1972, granted VEPCO a rate increase of 52 percent of its request. But that issue is not before us on this appeal.

The questions presented on this appeal are whether the Commission erred in denying appellant's motion requesting (1) that either VEPCO or the Commission furnish him a free transcript of the evidence presented in the hearings on VEPCO's application for use in appealing the Commission's June 1972 decision; and (2) that the Commission certify and transmit the record in that case to this court without charge

Appellant contends that the Commission's order denying his motion violated the statutes of Virginia, the due process clause of her Constitution, and the due process and equal protection clauses of the Fourteenth Amendment to the Constitution of the United States, and is in conflict with other legal authorities cited.

We find nothing in our statutes, the Constitution of the United States and Virginia, or in the legal authorities cited by appellant that requires either VEPCO or the Commission to furnish the appellant with a free transcript of the evidence, or the Commission to make up, certify and transmit the record to this court without charge.

Code § 12.1-19(3) requires the clerk of the Commission, when requested, to make up and certify any record on file in his office, and, except when made at the instance of the Commission or on behalf of the Commonwealth, to charge and collect the fees fixed by Code § 13.1-124. The fees required by § 13.1-124 for making up, certifying and transmitting the record are fifty cents per page for all papers necessary to be copied and, in addition, the sum of five dollars. There are no provisions in the statutes exempting a "consumer intervenor" from the payment of those fixed costs.

Virginia law, however, is not silent in protecting consumers' interests. Article 9, § 2, of the Constitution of Virginia; Code § 12.1-12. Code § 2.1-133.1 provides for the creation of a Division of Consumer Counsel in the office of the Attorney General to represent consumers' interests before the Commission. In addition, Rules 8 and 10 of the Commission permit any party in interest to appear and intervene in hearings before the Commission. Transcripts of the evidence are filed in the office of the clerk of the Commission and with each commissioner, and are available for public inspection and use. The Commonwealth, or any party in interest aggrieved by any final order of the Commission, has an appeal of right to this court, but the method of taking and prosecuting such an appeal must be in the manner prescribed by law or by the Rules of this Court. Article 9, § 4, of the Virginia Constitution; Code §§ 12.1-39, 12.1-40; Rule 5:18.

The Attorney General, as a representative of consumers, participated fully in the rate hearings before the Commission. When VEPCO agreed to meet certain stipulated conditions insisted upon by the Attorney General, but not required by the Commission's order of June 28, 1972, the Attorney General, in the exercise of his judgment that the interests of consumers had been adequately protected, withdrew his announced intention to appeal the Commission's order.

The procedures prescribed for protecting consumers' interests satisfy the requirements of the due process clause of the Virginia Constitution and the due process and equal protection clauses of the Fourteenth Amendment to the Constitution of the United States.

Since there are no statutes or constitutional provisions relieving appellant from the payment of the normal costs of an appeal as a "consumer intervenor" in his individual capacity or as Lieutenant Governor of Virginia, the order of the Commission is

Affirmed.

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., April 23, 1974.

To: The Honorable Lee Metcalf. Attention Vic Reinemer.

From: Economics Division.

Subject: Data supporting Federal intervention into intrastate regulatory body proceedings.

I. SUMMARY

Data have been collected herein delineating the magnitude of regulated industries' annual business. It was possible to make estimates of revenues jurisdictional to Federal regulatory organizations in the areas of electricity, natural gas and telecommunications. Insurance is regulated exclusively at the state level. Segmenting the inter/intra state

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revenues of ICC and CAB regulated firms has proved impossible. An extensive check has been made here and it appears that the required reporting of regulated firms is such that Federal jurisdictional and non-jurisdictional revenues are reported together in a non-separable manner. Not even a meaningful guess can be made on the size of revenues earned by motorcarriers, airlines, and railroads under tariffs authorized by Federal regulators. In short, the transport sectors' inter/intra state revenues continue to be irreparably aggregated, and Federal regulatory bodies seemingly have little interest in the gross revenue performance of firms under their tariffs vis-a-vis under the tariffs of various State PUC's.

The table below highlights the role of Federal regulation and suggests impact on national income.

TABLE I.—SUMMARY STATISTICS DESCRIBING RELATIONSHIP BETWEEN RATE REGULATED INDUSTRIES AND GNP

Regulated sector	Revenue (billions)	Percent GNP	Percent under Federal rate regulations
Electricity	$27.9	2.4	7.0
Natural gas	12.5	1.1	58.4
Telephone/telegraph	23.7	2.1	28.7
Insurance	85.8	7.4	0
Transportation	38.5	3.3	(1)

1 Unknown.

Source: Survey of Current Business; FCC; Gas Facts; FPC.

II. ELECTRICITY

Under the Federal Power Act, the Federal Power Commission regulates the rates of power sold in interstate commerce. This amounts to only 15 percent[1] of total power sold. Because consumers per kwh bill includes distribution and other costs in addition to simple power cost, this 15 percent figure translates into about 7 percent[1] of consumers' electric bills. Gross revenue from electric utilities sales to ultimate customers in 1972, the latest year for which data are available, amounted to $27.9)[2] billion and the portion thereof resulting from sales under FPC tariff was $1.95 billion.

III. NATURAL GAS

The FPC also regulates the price of gas sold in interstate commerce as well as the rates charged by interstate gas transmission pipelines. About 70 percent[1] of produced gas enters interstate commerce and this had a 1972 value of $2.9B.[3] Interstate gas transmission companies' revenues were $7.3 billion[4] during that year and these monies include receipts for the gas sold under FPC regulated prices above. Gross receipts of all gas utilities totaled $12.5 billion[5] for 1972, and the assumption can be made that 58.4 percent are the portion stemming from sales under FPC tariff.

IV. TELEPHONE AND TELEGRAPH

There are over 60 telephone operating companies in the United States, one domestic telegraph carrier, and several relatively small international record carriers. We can, therefore, make the following tabulation.

TABLE II.—COMMUNICATION SUBJECT TO FEDERAL REGULATION

Carrier type	1972 receipts[6] (billions)	Amount under Federal rate regulation	Percent federally regulated
Telephone companies	$23.1	6.3	27.3
Telegraph company	.4	.3	75.0
International record carriers	.2	.2	00.0

Source: FCC Survey of Current Business.

V. INSURANCE

Insurance is regulated at the State level exclusively. State insurance departments are, in general, primarily concerned with the financial well-being of regulated firms. It is widely felt that consumer interests are badly represented in an industry whose net premium income[7] in 1972 totaled $46.5 billion for life and health insurance companies and $39.3 billion for property and liability insurance companies. $85.8 billion in combined revenue is the equivalent of 7.4 percent of 1972 GNP.

VI. TRANSPORTATION COMMON CARRIERS

Motor carriers, airlines and railroads are rate regulated by both State and Federal organizations but no separation along the lines of State and Federal tariff derived revenue can be made. In 1972 these industries derived the following gross operating revenues,[8] all under rates set by various regulatory bodies.

TRANSPORTATION SECTOR REVENUES

[*In billions*]

Air carrier, domestic	$7.753
International	2.292
Motor carriers	15.038
Class I railroads	13.411
Total trans. sector	38.494

Source. Survey of Current Business.

3.3 percent of 1972 GNP originated in this sector.

FOOTNOTES

[1] Statement of John N. Nassikas, Chairman FPC. Hearings Before the Subcommittee on Consumer Economics, JEC, March 28, 1974.

[2] Survey of Current Business.

[3] *Gas Facts,* table 27.

[4] *Gas Facts,* table 104.

[5] Ibid., table 80.

[6] Survey of Current Business.

[7] A.M. Best and Company, phone call.

[8] Survey of Current Business.

CONSUMER PROTECTION AGENCY ACT

AMENDMENT NO. 1563

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM submitted an amendment, intended to be proposed by him, to S. 707, supra.

HAWAII AND U.S. PACIFIC ISLANDS SURFACE COMMERCE ACT OF 1974—AMENDMENT

AMENDMENTS NOS. 1564 AND 1565

(Ordered to be printed and to lie on the table.)

Mr. GRIFFIN submitted two amendments, intended to be proposed by him, to S. 1566, to provide for the normal flow of ocean commerce between Hawaii, Guam, American Samoa, or the Trust Territory of the Pacific Islands and the west coast, and to prevent certain interruptions thereof.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1504

At the request of Mr. CHURCH, the Senator from Kentucky (Mr. COOK) was added as a cosponsor of amendment No. 1504 intended to be proposed to S. 3394, the Foreign Assistance Act of 1961.

AMENDMENT NO. 1536

At the request of Mr. NELSON, the Senator from New Hampshire (Mr. McINTYRE) and the Senator from Maine (Mr. HATHAWAY) were added as cosponsors of amendment No. 1536, intended to be proposed to H.R. 15472 making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

AMENDMENT NO. 1553

Mr. ERVIN. Mr. President, yesterday, I submitted an amendment to S. 1361, a bill to revise the copyright law. My amendment would delete from S. 1361 the recording arts performance royalty which broadcasters and jukebox operators would be compelled to pay for the benefit of record manufacturers and performers. In reporting this bill to the Senate, the Judiciary Committee itself was evenly divided on this issue. Eight of the 16 committee members supported an amendment to eliminate the recording arts performance royalty.

The widespread and increasing opposition to this royalty is manifested by the list of Senators who have already joined in cosponsoring my amendment to delete this royalty from S. 1361.

Mr. President, I ask unanimous consent that the Senator from Florida (Mr. GURNEY), the Senator from Texas (Mr. BENTSEN), the Senator from Oregon (Mr. HATFIELD), the Senator from Mississippi (Mr. EASTLAND), the Senator from Nebraska (Mr. HRUSKA), the Senator from Iowa (Mr. CLARK), the Senator from South Carolina (Mr. THURMOND), the Senator from South Dakota (Mr. McGOVERN), the Senator from Nebraska (Mr. CURTIS), the Senator from Oregon (Mr. PACKWOOD), the Senator from Kansas (Mr. DOLE), the Senator from Wisconsin (Mr. PROXMIRE), and the Senator from South Dakota (Mr. ABOUREZK) be listed as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, I am confident that many other Senators, upon careful study of this matter, will join us in this effort to eliminate from S. 1361 this economically unwise and constitutionally unsound provision.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

A. Roby Hadden, of Texas, to be U.S. attorney for the eastern district of Texas for the term of 4 years. (Reappointment.)

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, July 23, 1974, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Arthur F. Van Court, of California, to be U.S. marshal for the eastern district of California for the term of 4 years. (Reappointment.)

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, July 23, 1974, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ANNOUNCEMENT OF HEARING

Mr. JACKSON. Mr. President, I wish to announce that the hearing scheduled by the Public Lands Subcommittee of the Interior and Insular Affairs Committee on Tuesday, July 16, 1974, has been rescheduled for the following day, Wednesday, July 17, 1974, at 9:30 a.m., in room 3110, Dirksen Senate Office Building. The bills scheduled for July 16 will be considered in conjunction with S. 3530, a bill to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaska Native Claims Settlement Act, and amendment No. 1535, relating to the study of Federal programs benefiting Alaska Natives, as originally scheduled.

ANNOUNCEMENT OF HEARINGS ON THE COMPUTER INDUSTRY UNDER THE INDUSTRIAL REORGANIZATION ACT

Mr. HART. Mr. President, I would like to announce that on Tuesday, July 23, the Antitrust and Monopoly Subcommittee will open hearings on the computer industry under the Industrial Reorganization Act (S. 1167).

Four days of hearings are planned for that week.

NOTICE OF HEARINGS ON BILLS TO CODIFY, REVISE, AND REFORM THE FEDERAL CRIMINAL LAWS

Mr. McCLELLAN. Mr. President, I wish to announce for the information of the Members and the public that the Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary will continue its hearings on S. 1 and S. 1400, bills to codify, revise, and reform the Federal criminal laws.

Hearings are scheduled for July 19 and July 22, beginning at 10 a.m. each day, in room 2228, Dirksen Senate Office Building. Additional information on the hearings is available from the subcommittee staff in room 2204, DSOB, telephone AC 212-225-3281.

HEARINGS ON THE FUTURE SUPPLY-DEMAND OUTLOOK OF ESSENTIAL FARM FUELS, FERTILIZER, ENERGY, AND CHEMICALS

Mr. McGOVERN. Mr. President, I wish to announce that the Agricultural Credit and Rural Electrification Subcommittee of the Senate Committee on Agriculture and Forestry will hold 2 days of public hearings on July 24 and 25, 1974, regarding the future supply-demand outlook for fertilizer, farm chemicals, natural gas, propane and other fuels and energy utilized by U.S. agriculture.

At the moment, the prospects for 1974 harvests of wheat, corn, soybeans, and cotton are lower than earlier anticipated. If these current or lower crop projections prove correct, we can expect not only continued maximum production of these commodities next year, but also maximum demand for fertilizer, farm chemicals, and fuels and energy supply.

Representatives from both the executive branch and from the private sector will be invited to testify at these hearings. In addition, Mr. Nassikas, Chairman of the Federal Power Commission, will be invited to appear.

Mr. President, I and other members of our Senate Committee on Agriculture are extremely concerned about the future supply of food and fiber and the farm inputs that are essential to produce such commodities. And while we are concerned about the adequacy of supply of these essential farm inputs for next year, we are equally concerned about the pricing and equitable distribution of such supplies.

The future food and fiber supply of not only the United States but much of the world will be dependent upon the availability of sufficient amounts of farm fuels, energy, chemicals, and fertilizer during the next few years.

The hearing will commence at 10 a.m. on each day, in the committee hearing room, 324 Russell Senate Office Building.

ADDITIONAL STATEMENTS

PRODUCTIVITY

Mr. JAVITS. Mr. President, I have often stressed the importance of productivity as a key measurement of our society. As the article by J. W. Anderson on productivity in the Washington Post of July 12 makes clear, productivity is rising more slowly in the United States than in Europe and Japan. The result is that these countries are now drawing even with us in economic prosperity. Although that is a result we should welcome, as our prosperity is linked with theirs, it does mean that we must make renewed efforts to improve our productivity, and to develop policies that link wage and price increases to improvements in productivity.

Mr. President, I ask unanimous consent that the article on productivity by J. W. Anderson be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRODUCTIVITY: THE REST OF THE WORLD IS CATCHING UP

(By J. W. Anderson)

Americans are accustomed to the truth that they are more productive at their jobs than anyone else, and that is why our standard of living is the world's highest. But like a good many other favorite old truths, this one is no longer nearly as true as it used to be. Very soon it will not be true at all, if American productivity gains continue to be lower than the other industrial countries.

America's position in the world has changed radically in the past several years: we are no longer the only extremely productive, extremely rich country. As a result, neither the nation's economy nor the world's is working the way it used to or the way that we expect it to.

Productivity is rising everywhere. But it is rising much more slowly in North America than in Europe or Japan. Economists used to brush these disparities aside by observing that, after all wages in North America were still vastly higher than anywhere else. But that too is less true today than several years ago. Consider a comparison of average hourly compensation, in manufacturing industry, for eight rich countries:

	1967	1973
United States	$4.02	$6.10
Canada	2.89	4.90
Japan	.67	2.46
France	1.69	3.95
Germany	1.68	4.90
Italy	1.48	3.73
Sweden	2.51	5.49
United Kingdom	1.46	2.56

These compensation figures count not only cash wages, but fringes. They include certain taxes on employers—for example, the employer's contribution to Social Security in the United States—that economists consider actually part of the worker's wage. You also need to know that compensation in each nation's own currency has been converted into dollars at the current exchange rate. In 1973 the typical German worker could buy almost three times as many dollars' worth of American exports as in 1967, partly because of his own rising productivity but also because of the long slide in the dollar's value in Germany. Incidentally, the figures do not mean that the German worker is living three times as well, since many of his basic needs are items that cannot be traded internationally. Housing is one major example, and medical care is another.

The star performer here, as usual, is Japan, where the dollar value of the worker's compensation has nearly quadrupled over these six years. One of the items that is traded internationally, in dollars, is food. If you have been wondering why we suddenly hear so much about Japan's impact on our food markets, as it buys grain or suddenly stops buying beef, the essence of the answer is in these numbers.

The U.S. Labor Department's Bureau of Labor Statistics published a brief but highly illuminating table recently showing the percentage change in productivity—that is, change in output per man hour—for each of these eight countries from 1972 to 1973. That's the number in the first column of the table. The poor showing of the United States is, unfortunately, typical. Since 1960 productivity increases in this country have been the lowest of any of the major industrial countries, and our rate has been hardly better

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than half the average for all the other industrial countries together.

The second column in the table shows what happened to wages. When wages rise faster than output, as they did in all the countries, the result is wage inflation. The effect is that, despite rising productivity, the labor cost rose per unit of production, as the third column shows. But there is a fourth important number: what happened to unit labor costs of the goods moving in international markets, where prices depend on currency rate exchanges. That's the last column, where we find the effect of the long decline of the U.S. and Canadian dollars. Although North America had the lowest productivity gains on the list, wage increases here were relatively modest and the rise of other currencies kept our prices low on world markets. The other side of the picture is, unforunately, that our purchases of foreign goods cost a lot more—representing an erosion of North American living standards relative to, say, Germany's.

INCREASES IN PRODUCTIVITY AND COSTS, 1972 TO 1973

[In percent]

	Rise in output per man-hour	Rise in cost of labor	Rise in labor cost per unit of production	
			National currency	U.S. dollars
United States	4.7	7.9	3.1	3.1
Canada	4.1	8.7	4.5	3.5
Japan	18.3	24.5	5.3	17.8
France	7.1	15.5	7.9	22.6
Germany	6.5	13.0	6.1	27.7
Italy	7.4	23.0	14.4	14.9
Sweden	7.4	12.2	4.5	14.2
United Kingdom	8.9	17.9	8.3	6.1

Britain, usually the industrial laggard, showed in 1973 the highest productivity gain in Europe. But it lost its advantage and more in a tremendous wave of wage increases which left it, except for hapless Italy, with Europe's worst case of wage inflation. Germany, with lower productivity, held the line better on wages, that is why the mark rose rapidly while the pound fell.

A few qualifications concerning these members: Nations organize their industry and social benefits very differently. International comparisons are always inexact. The figures here accurately portray general trends and the general scale of differences, but they are not precise to the hairline. They are very broad statistical aggregates that sweep together not only apples and oranges, but some bananas and pineapples as well. Productivity comparisons are particularly controversial. Businessmen, labor unions and politicians all dislike them. For the countries at the bottom of the list, they raise uncomfortable questions about the reasons for poor performance.

Sometimes profound changes come over countries silently, without making any news. Eventually it begins to dawn on people that something basic has changed, but only by slow gradations that nobody noticed at the time. There were no shots fired, no alarms rung, no documents signed. News is made mainly by governments, but there are large areas of nation's lives that their governments don't pay much attention to. The long waves of history often pass without much public notice. Accustomed to great and unique national wealth, most Americans have no idea how fast the rest of the world is drawing even with us in the accumulation of economic power.

The emergence of other equally rich peoples brings one obvious advantage to us. By offering us broader markets for the goods we make, it raises our own prosperity. But there is also a danger. Used to its wealth, this country has recently not taken much trouble to improve its productivity. Now we are encountering increasingly stiff competition from countries that, on their struggle upward, have learned to improve it rapidly and continuously. Perhaps the question for Americans is the one that the Smithsonian Institution put in its exhibition last year on productivity: "If we're so good, why aren't we better?"

YES—THE VICE-PRESIDENCY IS NECESSARY

Mr. HUMPHREY. Mr. President, the May issue of the Atlantic Monthly, included an article by Dr. Arthur Schlesinger, on the Vice-Presidency. Dr. Schlesinger concluded that:

> There is no escape, it seems to me, from the conclusion that the vice presidency is not only a meaningless but a hopeless office.

As a former Vice President, I was asked to respond to the Schlesinger article, along with Vice President FORD, Senator JOHN SPARKMAN, Earl Warren, and others. These responses were published in the July issue of the Atlantic Monthly.

In my article, I concluded that Dr. Schlesinger was incorrect and that the Vice-Presidency is necessary.

My reasons for this conclusion are as follows:

First, the Vice-Presidency provides an unencumbered, clear-cut method of succession in case the President is disabled, cannot perform his duties, or dies in office.

Second, the Vice President is a nationally elected officer. And, in being elected rather than appointed, his independence from the Congress and others who might be involved in another type of selection process is preserved.

Third, under our present system, the Vice President is nominated at the same convention as the President, by the same delegates as the President, and conducts his campaign under the same party auspices as the President. All of this tends to assure that the successor is in close harmony with his party.

I also observed that the fact that our Vice Presidents have not always been outstandingly capable men with strong character should not prejudice us against the necessity of having the office itself. It does demonstrate, however, that we must be more careful in selecting our Vice-Presidential candidates.

Mr. President, I ask unanimous consent that my response to the Schlesinger article, from the July issue of the Atlantic Monthly, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Atlantic Monthly, July, 1974]

ON THE THRESHOLD OF THE WHITE HOUSE

ANSWER FROM HUBERT H. HUMPHREY

Professor Arthur Schlesinger, Jr., has posed the question, "Is the vice presidency necessary?" His conclusion, in a brilliant article tracing the office of Vice President from the days of the Constitutional Convention to the present, is that it is not. My response is, "Yes, it is." Let me give you my reasons.

First, the vice presidency provides an unencumbered, clear-cut method of succession in case the President is disabled, cannot perform his duties, or dies in office. Since eight of our Vice Presidents have succeeded Presidents who died in office, it is my judgment that we need some prompt means of presidential succession, so that government can proceed in an orderly manner and the inevitable confusion and possible chaos that could come from any prolonged delay in filling the presidential office can be avoided.

Second, the Vice President is a nationally elected officer. To be sure, it is, as Professor Schlesinger observes, an office that is tied to the presidency. The President and Vice President are elected at the same time on the same ballot. The citizen votes for both when he votes for one. But the fact is that the Vice President is elected, not appointed. He is elected in a national election and, therefore, is the second highest elected officer in the national government. And, in being elected rather than appointed, his independence from the Congress and others who might be involved in another type of selection process is preserved.

Third, under our present system, at least until there is a national primary or some new system of regional primaries, the Vice President is nominated at the same convention as the President, by the same delegates as the President, and conducts his campaign under the same party auspices as the President. All of this tends to assure that the Vice President is in closer harmony with his party and the President than anyone else who might be selected under a different system at a different time, should the presidency be vacated through disability or death.

The fact that in the past the office of the Vice President has not always been occupied by men of outstanding capability or strong character in no way should prejudice us against the necessity of having the office itself. What this demonstrates is that sufficient care has not been taken in the selection of a Vice President by the respective national political parties. This can be remedied by political parties recognizing that, in the selection of a Vice President, they are in fact choosing a possible President.

Then it should be added that, while there were many who have occupied the office of Vice President whom historians call mediocre or less, there were some chosen by the system Professor Schlesinger condemns who were men of great ability and competence, and others who at least gave stability and a sense of direction to the nation.

With the death of James Garfield, President Chester Arthur provided constructive leadership and established a commendable record. Vice President Thomas Riley Marshall, during Woodrow Wilson's disability, was a trusted lieutenant who performed his duties responsibly and honorably. Upon the death of Warren G. Harding, Calvin Coolidge fulfilled the duties of the presidency. To be sure, he was not a dynamic leader, but he was honorable, honest, and in his time commanded the respect of the nation.

When President Franklin Roosevelt died, it was Harry Truman, the man from Missouri, whom many of the intellectuals of his day considered to be inadequate and ill-equipped for the presidency, who proved himself to be a strong President and one of our great leaders. At a critical point in World War II and at a time when the structure of world peace was being created in the form of the United Nations, it was imperative for our country to have a prompt and smooth transition from the presidency of Roosevelt to that of Truman. The constitutional provision for a Vice

President assured that a smooth succession to the presidency could and did take place.

I wonder whether those who feel that we ought to abolish the office of Vice President have faced up to what would have transpired in America in those critical days of World War II, when great decisions had to be made to bring about the end of the war as well as to start the process of peacemaking, if there had been special elections with delay and partisan bickering at that critical hour. No, the system worked well. Harry Truman became President and fulfilled the duties of that office with dignity and honor. He gave America assurance of direction and leadership.

Then again, when the assassin's bullet took the life of John Kennedy, Vice President Lyndon Johnson effectively took over the reins of government and carried on. The terrible shock of the tragic death of a much-loved President could have paralyzed the nation and, indeed, precipitated a serious constitutional crisis. But it was averted, because our system provided for an orderly transition of the executive power from the hands of a slain President to the strong hands of a Vice President prepared to take on the duties of the executive office.

The office of Vice President has changed considerably in the twentieth century, particularly since the 1930s, with many new responsibilities assigned to the person who holds this office. It can be argued that the vice presidency doesn't necessarily prepare anyone for the presidency; it also can be argued that those who are elected to the presidency are frequently not prepared for it either. Some Presidents in the past had little or no experience in government. A Vice President, being a part of the government, is closer to what is transpiring than someone selected from the outside.

Modern Presidents have given greater opportunities to their Vice Presidents—and I don't just mean that a Vice President frequently is the President's political man—even though that within itself surely represents some preparation for the office. After all, Presidents have to run for office. They run on a political platform. They are political men, and frequently they are partisan. There's not a thing wrong with having a Vice President assume some of the political duties.

To be the President's spokesman on national issues acquaints the Vice President with the nation and with the problems that confront our people. Furthermore, it gives the people an opportunity to get a measure of the man, and it brings the Vice President into much closer touch with what's happening, both in Congress and in the country.

So I am unimpressed by the argument used by Professor Schlesinger that Mr. Agnew was Nixon's Nixon. So what? Henry Wallace was at times Roosevelt's Roosevelt. Lyndon Johnson was at times Kennedy's Kennedy. And I am proud to say that I was a good deal of the time Johnson's Johnson. It is part of the political process. We don't appoint Presidents. We do not have some elite personage or royalty in the White House. Our Presidents are elected. They run on a partisan ballot. They are partisans. They have strongly held views on political issues. The fact that a Vice President may take over some of the responsibilities of the President in the political field is not to condemn him but rather to recommend him.

The past history of the vice presidency has little relevance to the present date. To be sure, the office is an awkward one. To be sure, it is vested with more responsibility than it has authority, but that within itself is desirable. There can only be one President at a time. The executive office cannot be one filled with a multitude of voices. There has to be some sense of direction, a policy, a program. And the confusion that would come from having a President and a Vice President on different political wavelengths, going in different directions, surely would not be helpful to the nation.

But, when a Vice President succeeds a President, he is at liberty to pursue his own course, to design an administration in his own image, to carry out the programs that he believes the nation needs. He is under no obligation, when he succeeds to the office of President, to be a rubber stamp to what went before.

Nevertheless, while a person is Vice President, during the time that the President is active and on the job, he should and usually does carry out the wishes of the President and the administration. He is a member of the administration. His duty is to do his level best to see that the results of the election which produced a President and a Vice President are reflected in national policy. He is not expected to be a prima donna, carrying out his own program regardless of the will of the electorate or the direction of the President.

Let us examine for a moment the requirements of the office of President, one of the most unusual and unique ever designed by the mind of man. The demands are unbelievable. The person who serves in this capacity is much more than a prime minister or head of state. He combines the responsibilities of both. Yet he is also an administrator and executive officer, a commander in chief and head of his party. He is the nation's leading spokesman in the area of foreign affairs. Surely, if he could share some of his responsibilities with the Vice President, who is his partner in an administration, it might relieve the President of duties and burdens which would permit him to do a better job of governing and giving direction to the nation.

Many of the social responsibilities of the President could be handed over to the Vice President. Many of the formalities that come with the visitation of foreign dignitaries can and should be given to the Vice President. The Vice President can be the eyes and ears of a busy and closely guarded President generally confined to the environs of the White House and the Executive Office.

A Vice President can help strengthen the federal system by acting as a liaison between federal and state governments. He can share and give direction to a number of ad hoc councils, committees, and commissions that are established by the President who is seeking answers to difficult questions and national problems. A Vice President can be effective and helpful in promoting legislation and keeping open the lines of communication between a busy President and Congress. He can reconcile differences and prevent unnecessary confrontation and struggle. President Johnson entrusted many such responsibilities to me during the period I served as Vice President.

Yes, the office of Vice President is needed. It is necessary. It has contributed significantly to the nation. It is absurd to cast it aside merely because in recent days it has been touched by scandal and because in the past there were men of mediocrity or less who were selected as Vice President and did not live up to the standards that we expected of them. We also have had some weak and ineffective Presidents who have disappointed us, but Professor Schlesinger is not asking, "Is the office of President necessary?"

U.S. Senator, Minnesota,
Vice President of the
United States, 1965–1969.

NUTRITION PROGRAM EXTENSION SIGNED INTO LAW

Mr. BEALL. Mr. President, I am pleased to advise my colleagues that President Nixon has signed into law H.R. 11105, legislation extending the title VII nutrition program for older Americans. At the end of fiscal year 1974, the Administration on Aging's nutrition program was providing over 200,000 hot meals per day—5 days per week—to needy senior citizens. This newly signed law increases the authorizations to $150 million in fiscal year 1975—approximately 319,000 meals per day—$200 million in fiscal year 76—approximately 425,000 meals per day—$250 million in fiscal year 77—approximately 532,000 meals per day. Needless to say, these estimates are based upon the full funding of this provision.

Mr. President, there are other substantive provisions in this law which should directly benefit our Nation's senior citizens. First, this law authorizes a new $35 million transportation program within title III of the Older Americans Act. The 1971 White House Conference on Aging highlighted transportation as one of the top concerns of senior citizens. This program could go a long way toward meeting the specialized transportation need of older Americans.

Second, this legislation contains an amendment I offered to require the Department of Agriculture's food commodity program to cooperate with the title VII projects. Our amendment establishes a specific level of USDA assistance—10 cents per meal—for title VII projects. This level of support is identical to that provided for the national school lunch program. In addition, this amount will be adjusted to reflect changes in the consumer price index on food.

Third, Public Law 93–351 establishes the maximum local contribution for RSVP grants at 10 percent in the first year, 20 percent in the second year, 30 percent in the third year, 40 percent in the fourth year and 50 percent in any subsequent years. This provision should contribute to the continued growth of this interesting and important program.

Mr. President, as a member of the Special Committee on Aging and the ranking minority member on the Labor and Public Welfare Committee's Subcommittee on Aging I am delighted by the President's decision to sign this act into law. After the legislation was transmitted to the White House, I wrote to the President urging him to sign it into law. Mr. President, I ask unanimous consent that the text of my letter be printed in the Record at the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., July 11, 1974.

Hon. Richard M. Nixon,
President of the United States,
The White House,
Washington, D.C.

Dear Mr. President: On June 26, 1974, the Senate completed its consideration of H.R. 11105, legislation to extend and expand the

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Title VII Nutrition Programs authorized in the Older Americans Act of 1965, as amended.

I am pleased that this legislation contains an amendment I offered coordinating the U.S.D.A. Commodity Program with the existing Title VII Programs. The concept of comprehensive delivery of services has been an important objective of your administration, and one that I fully support.

I understand that H.R. 11105 has now been forwarded to the White House and I would hope that you will act favorable on this measure.

Thanking you once again for your cooperation and with best wishes, I am

Sincerely yours,

J. Glenn Beall, Jr.

THE DILEMMA FACED BY THE STATE OF NORTH DAKOTA

Mr. McGEE. Mr. President, in last Sunday's issue of the Washington Post, there appeared an excellent article written by George Wilson discussing the dilemma faced by the State of North Dakota. This dilemma stems from the exploitation of that State's vast coal resources and the need to limit the impact of such development on the fertile grain-producing plains of North Dakota.

North Dakota is not the only State confronted by this problem. Wyoming also possesses large deposits of low-sulfur content coal, as do other Midwestern and Rock Mountain region States.

An energy hungry nation is placing greater and greater pressure on these coal reserves to meet our needs. As a result, we could face a devastating social, political, and economic impact if such development is not approached in a rational and cautious manner.

In April of this year, I prepared an article for one of my State's newspapers, the Riverton Ranger, entitled "The Forthcoming Industrialization of Wyoming." The article expresses the concern I have for development of my State's mineral resources should such development be haphazard and ignore our traditional values.

I ask unanimous consent that both the Washington Post article and my article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE FORTHCOMING INDUSTRIALIZATION OF WYOMING

(By Senator Gale McGee)

There is little doubt that Wyoming stands on the verge of an industrial boom of unparalleled magnitude and scope. Wyoming's wealth in energy resources is indisputable. The need for Wyoming's energy resources has never been more apparent or critical, particularly in light of the energy crisis which gripped the nation last fall and winter—an energy crisis which persists even today, although in a much more subtle and less visible fashion.

The manner in which our resources are exploited and how well-equipped the citizens of Wyoming and their governmental units are able to deal effectively with industrialization will be contingent upon many variables, both at the state and national levels.

The issue of industrialization of Wyoming goes far beyond the question of economic benefits and consequences of such development on a state or regional level. The use of Wyoming's resources becomes rational only when accompanied by a sensible, national energy policy aimed at cutting waste and at developing energy alternatives. This requires a significant re-evaluation for our own value system as a nation and a substantial change in our consumptive habits as a society.

For example, the President's recent announcement, as a result of the Arab oil boycott, that the United States was launching a crash program of energy self-sufficiency does not come to grips with the problem, it only exacerbates it. With only six percent of the world's population, the U.S. consumes 30 percent of its resources. To promote the continued psychology of wasteful uses of finite resources only enhances the prospects for a future catastrophe.

We are being recommitted to high energy activity by the exploitation of Wyoming. This eventually can become a disaster for the nation as well as for our state. Instead of launching a crash program of self-sufficiency with the resulting psychological consequences, we should be addressing ourselves to the question of eliminating waste and high energy consumption in this nation. A national energy policy could cut consumption substantially over the next decade without significantly lowering our standard of living.

In weighing the economic benefits to Wyoming and the energy benefits to the nation in exploiting our resources, we must also take cognizance of the consequences and prepare ourselves to diminish their impact. Industrialization means explosive population growth; widespread disturbance of land surface, not only by strip mining, but also by the less traumatic but wider spread activities such as road building; beleaguered local governments coping with mushrooming communities and strained budgets, to deliver services; impacts on our tourist industry; impacts on our wildlife and recreation grounds; many forms of pollution; and the radical transformation of our traditional culture as a state.

Thus, if Wyoming is required to play a major role in the national energy picture, by the same token, the nation has to respond with a sense of care for, and obligation to, Wyoming. Few would disagree that Wyoming must do its part in providing energy as it has been doing for many decades already. However, Wyoming must not be made a sacrificial goat for the energy profligacy of the nation.

Wyoming's potential problems associated with industrialization are only reflective of the much broader national problems. Throughout our nation's history we have been blessed with vast and productive land resources. For over two centuries our land resources were abundant enough to support the material requirements, the varied activities, and the diverse interests of this nation's growing population. During the 18th and 19th Centuries, if we depleted our land resources, we had the luxury of simply moving further west where we opened new and fertile ground to the plow and vast, untapped natural resources to the shovel and the blade.

With the advent of the 20th Century, relatively free, undeveloped land became increasingly scarce. Mounting pressures of industrialization, technological advances, population growth and rapid urbanization began generating a greater number of land use conflicts and resource allocation controversies. These were largely confined to the urban areas of our nation.

Today, the entire nation is experiencing the pressures once felt only in our major population centers. In all sections of the country, conflicting demands over limited land resources are placing severe strains upon economic, social and political institutions and processes. Nowhere are these demands and strains going to be felt with more trauma than in Wyoming and the Rocky Mountain West.

This development will accelerate an almost inevitable conflict in the socio-economic values of our state and region and directly challenge the viability of one of our leading economic bases—agriculture.

The dilemma is national in scope. The pressures, today, are the greatest they have ever been for producing more and more food and fiber from less and less land. We are confronted with the need to increase agricultural acreage for the production of our food and fiber in an effort to meet increased demand.

In the east, north, south and far west, we have seen some of our richest farmlands become suburbs, highways and shopping center parking lots; never to be reclaimed for their original purpose. Yet, the public interest demands the exercise of our wisdom to insure what remains of our good agricultural land is not destroyed. This places a unique burden of responsibility on all levels of government in Wyoming and the Rocky Mountain region which, if not already, will be increasingly confronted with conflicts over land use.

It is not just urban sprawl or population pressures which threaten our land resources. The land has also been a victim of the destructive and wasteful methods we employ to exploit our national resources. Clearcutting is one example where we have witnessed destruction of watersheds, stream siltation and erosion when such a timber harvest method is utilized in an injudicious and abusive manner. In many areas of our national forests, regeneration will never again occur because of the irreparable damage done to a very delicate ecosystem. Another example has been the uncontrolled strip mining of coal, particularly in the east and midwest. Literally thousands of acres of otherwise productive land have been destroyed by acid from mine run-offs or failures in land reclamation. Not only have the socio-economic impacts of strip mining been particularly devastating (Appalachia in the eastern United States), but also the productive capacity of the land has been destroyed, perhaps forever.

These perceptions of land use and abuse are not the machinations of the so-called "fuzzy-headed environmentalist." These are realities which we can no longer ignore if we are to avoid crises which could become irreversible. We have to avoid land use conflicts if the economic health of our state and nation is to remain viable.

As much as we might like, it is impossible to return to the 18th and 19th Centuries when, once we exhausted the productive capacity of our land, all we had to do was pull up stakes and move just a little further west. We have nowhere else to go today. Thus, a more rational and wise land-use policy must be formulated at all levels of government.

These are potential problems we in Wyoming are going to have to consider as we approach the issue of accelerated mineral exploitation in our state. Gigantic industrialization notwithstanding, there is still time to work on options, conservation, and explorations into economic activity involving low energy inputs.

Therefore, it is necessary that all Wyomingites and their governmental institutions proceed very cautiously and plan adequately to meet the challenges of industrialization. For example, land reclamation after strip mining is a chancey business under the most favorable circumstances. We need to be assured that any element of risk is eliminated in our state. Wyoming also needs to be able to say that if we are to have coal gasification plants, let's build one, see how it works, learn some lessons, and then decide if such an undertaking on such a massive scale is feasible or even desirable.

Although the real impact of industrialization is still a few years away in Wyoming, when it arrives it will come all at once. Therefore, we will have a very small margin for error if we are to profit from mistakes or avoid the disastrous consequences of poor judgment and planning. We must begin opening a reasonable dialogue on what we foresee Wyoming as being in the future; what we want our state to become; and how we, as Wyomingites, can limit the consequences and potential detrimental impacts which are the inescapable realities of industrialization.

[From the Washington Post, July 14, 1974]

DAKOTA'S DILEMMA: STRIP THE COAL BUT SAVE THE LAND

(By George C. Wilson)

BISMARCK, N. DAK.—Gov. Arthur A. Link of this state is a politician in anguish as he contemplates the harvesting of the prairies' new cash crop—coal.

His anguish typifies that of other Midwestern and Western governors who suddenly find themselves confronted with wrenching changes as power shovels and gasification plants threaten to throw a new shadow over the straightforward life of the Plains states.

Their hopes and fears will be reflected in the House debate on Tuesday when the bill to impose federal controls on strip mining starts going through its most significant tests of strength.

"I've been in Washington," said Democratic Gov. Link who served in the House 1971 and '72, "and I can feel for everybody who is going to wrestle with this problem of strip-mining legislation.

"But there is one point—one more important than all the others—that I would like to make if it is deemed necessary that lands must be turned upside down to get out more coal.

"And that is that people representing the cities have as great a stake in restoration of this land as the people of North Dakota. From these lands come the food and fiber their constituents will need long after the coal is removed."

If North Dakota's rich, black topsoil is so valuable because of the wheat, beef and other food it produces for the United States and many other countries, why risk it at all by turning the land upside down to dig out its coal?

The question visibly troubled North Dakota's chief executive. Link, like most North Dakotans, is a man of the soil and has a true reverence for it. And yet, at 60, he knows the agonizing side of living in a state where wheat, as king of the economy, has been a breaker as well as maker of men. His parents came to this North Dakota McKenzie County as homesteaders.

For the Links and families like them there have been through the years the grasshopper invasion, the foreclosures on farms, the droughts, the constant fear of falling wheat and beef prices, and the dark winters of 40 to 60 below.

Television commentator Eric Sevareid, in describing his early life in his native North Dakota, wrote of "the terrible blasting of the summer winds, the merciless suns, through the frozen darkness of the winters when the deathly mourn of the coyote seemed at times the only signal of life . . ."

Link said all this struggle to endure was bound to shape the attitude toward strip mining in North Dakota.

"We came through the dirty '30s pretty badly scarred. We got it instilled in us that we've got to get something else going" besides agriculture which compromised about 85 per cent of North Dakota's total industry.

"Then came rural electrification where we developed a cheap source of energy that was everybody's delight." The energy source was powdered lignite—an inferior coal found in abundance just under the North Dakota topsoil and burned since Indian days like firewood.

Nobody worried about disturbing 400 to 600 acres of North Dakota land every year to get out the lignite to feed the power plants for rural electricity, the governor said. "Man's concern for his environment and his future is so often dependent on the degree of impact."

In 1974, 85 years after becoming a state, North Dakota suddenly finds itself with another option besides farming. It can sell the rest of its country some of its 531 billion tons of coal—19.85 billion tons of which is near the surface where it can be strip mined.

But the impact of digging out and selling that coal will be tremendous, as these points made in an Environmental Protection Agency report indicate:

Instead of only stripping a few hundred acres of land a year, the full exploitation of North Dakota's surface coal will mean ripping up 200,000 acres or more between now and the year 2000.

If that much land were growing wheat, it could mean a yield of 6.8 million bushels, or a cash crop of $34 million at today's prices.

Instead of a sparsely settled state (North Dakota had 8.9 people per square mile in 1970 compared to 116.9 people per square mile in Virginia), it could end up with 18 gasification plants processing 230 million tons of coal a year.

The gasification workers and their families would mean whole new cities on the prairies—perhaps trailer camps instead of the venerable buildings the homesteaders built.

Take Beulah—a tiny prairie town that was credited with 1,318 people by the 1970 census. Michigan and Wisconsin Pipeline Co. (a subsidiary of American Natural Gas. Co. of Detroit) has talked of building 12 gasification plants near there. This could mean a gigantic Beulah—one of 65,000 people who would need schools, sewers, fire departments, roads and shopping centers. And the air overhead would not be as clean and clear as it is today.

The strip mining process could dirty streams and disrupt natural drainage, while the gasification processing could end up taking the main share of the state's water supply.

Gov. Link and other political leaders know all this would mean a new way of life for North Dakota. In many places, young men like John Dwyer of Alexander, N.D., could no longer say "my high school was so small that I was third in my class and didn't make the upper 10 per cent." The city ways might shove aside the traditional Saturday nights of dancing in the park and watching Lions Club movies on sheets draped off the end of a rancher's pickup truck.

On the plus side, the nation would get energy to ease its shortages: North Dakota would know another crop, and the prosperity that goes with it; more young people might be enticed to stay in the state. North Dakota has been losing population, going from 680,845 people in 1930 to 617,761 in 1970.

Anyhow, the federal government owns some of the coal in the state and probably will find a way to dig it out. Many private land owners will decide to sell their coal—gambling that the earth can be made productive again.

Given those dynamics, Link sees himself as a governor trying to control this new development of North Dakota—not stop it outright. He worries most about whether he and others in charge will be able to put the prairies back together again after the strip miners have left "and the landscape is quiet again."

He has made a plea under that title, which says in part, "Let those who follow and repopulate the land be able to say, 'Our grandparents did their job well. This land is as good and, in some cases, better than before.' "

Toward that end, Link is supporting the strip mining bill sponsored by Rep. Morris K. Udall (D-Ariz.). He said in an interview that it offers more protection to the land than the rival measure sponsored by Rep. Craig Hosmer (R-Calif.). Federal controls over strip mining are needed, Link argued, to keep coal companies from "whip-sawing the states" by building plants where the laws are easiest on them.

The Udall bill (HR 11500) would require strippers to return the land to the approximate contour it had before being mined. Also, land could be declared off limits to strip mining if it were deemed impossible to reclaim.

The Hosmer alternative (HR 12898) has more flexibility, its backers argue, by not setting arbitrary environmental standards that could reduce coal production. The minority on the House Interior Committee said the original contour provision in the Udall bill would "impose a very costly and often physically impossible burden of finding enough soil to fill in the area" stripped of its coal.

In North Dakota, once a stronghold of populism, Link's embrace of federal help to control strip mining is not universally applauded.

Bob McCarney, a Democratic candidate for the U.S. Senate, charged in an interview that Link was "a weak pistol" for relying on federal regulations rather than pushing the necessary rules through the state legislature so the problems could be solved at home.

Wheat vs. coal; federal control vs. states right; energy vs. the environment—these are all conflicts within the general question of how to strip mine the West both effectively and tenderly.

It is an issue charged with emotion. The Nixon administration is split, with Secretary of Interior Rogers C. B. Morton and Federal Energy Administration chief John Sawhill opposing the Udall bill, and Administrator Russell E. Train of the Environmental Protection Agency endorsing it.

All this points to close votes in the House this week as Congress reaches for the first set of federal strip mining rules. The Senate already has passed its bill.

EPILEPSY FOUNDATION ENDORSES 55 MILE-PER-HOUR SPEED LIMIT LEGISLATION

Mr. PERCY. Mr. President, just recently I had the great privilege of meeting with Mrs. Ellen R. Grass, senior vice president, and Dr. Leonard G. Perlman, associate executive director, of the Epilepsy Foundation of America.

Mrs. Grass, who has been active in epilepsy organizations since 1946, has provided the following statistics relating to automobile accidents and the incidence of epilepsy:

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The number of persons who sustained disabling injuries in motor vehicle accidents in 1973 was estimated at 2,000,000.[1]

Seventy percent of all persons injured sustain head injuries.[2] This means 1,400,000 had motor vehicle caused head injuries in 1973.

About 95 percent of those with head injuries fall into the usual category in which 10 percent develop post-traumatic epilepsy. (133,000 persons)[3].

The remaining 5 percent have more serious head injuries, and in this group, 35 percent develop post-traumatic epilepsy computing to nearly 25,000 persons.

Therefore, some 160,000 persons would be expected to develop seizures as a result of motor vehicle accidents involving head injuries during 1973.

If the predicted reduction in incidence of motor vehicle accidents continues during 1974 at the anticipated rate of 23 percent then the number of cases of post-traumatic epilepsy would be reduced to about 120,000.

One can estimate that the incidence of post-traumatic epilepsy would be reduced by nearly 40,000 persons per year if the speed limit were permanently reduced to 55 mph and rigidly enforced.

It is recognized that at least one other factor enters into these considerations. Doubtless the reduced number of vehicles on the road at any given time which can be assumed to be the result of the energy crisis, as well as a reduction in the speed limit has contributed to the estimated 23 percent reduction in motor vehicle accidents.

The Epilepsy Foundation of America is the national advocate for an estimated 4 million Americans with the neurological disorder known as epilepsy. Because of the significant relationship between traffic accidents and the occurrence of epilepsy, the foundation's board of directors has expressed its unanimous support for S. 3556, the Highway Energy Conservation and Safety Act of 1974. Senators RANDOLPH, STAFFORD, and WEICKER, and I introduced this measure on May 30. Senator RIBICOFF, CHILES, and GRAVEL also cosponsor the bill, which would extend indefinitely the 55 mph speed limit on the Nation's highways.

At our meeting yesterday, Mrs. Grass presented me with the following resolution expressing the support of the Epilepsy Foundation of America for S. 3556:

RESOLUTION

Whereas, disabling injuries resulting from motor vehicle accidents numbered about 2,000,000 in 1973; and

Whereas, approximately 70 percent of injured occupants of vehicles involved in accidents sustain head injuries; and

Whereas, it is estimated that approximately 5 percent of persons with head injuries develop convulsions; and

Whereas, a decrease in motor vehicle accidents would result in a decrease of head injuries, and thus also in a decrease in the incidence of epilepsy; and

Whereas, in 1973, costs resulting from motor vehicle accidents amounted to $20.8 billion, a figure which includes wage loss, medical expense, administrative and claim settlement costs of insurance, and property damage; and

Whereas, the cost of epilepsy to the nation is indeed high, with an estimated $4.25 billion spent annually for maintenance, care, and treatment; and

Whereas, National Safety Council statistics for the first four months of 1974 indicate an 18 percent decrease in injuries due to motor vehicle accidents; and

Whereas, National Safety Council figures for the first two months of 1974 indicate that the cost of traffic deaths and injuries to the national economy was down 10 percent; and

Whereas, a decrease in the incidence of epilepsy would lower its cost to the nation, in terms of dollars and human suffering; and

Whereas, reduction in the speed limit has been a contributing factor in the reduction of automobile accidents; and

Whereas, a reduction in speed seems to indicate that there would be a reduction in automobile accidents, disabling injuries, and thus in the incidence of epilepsy; and

Whereas, there is evidence to indicate that between 8,000 and 10,000 lives can be saved, and a corollary number of head injuries can be prevented by driving at a reasonable speed:

Now Therefore Be It Resolved That the Epilepsy Foundation of America enthusiastically endorses legislation to enforce a national speed limit of 55 miles per hour.

Mr. President, because the decline in the highway fatality rate has been so impressive, with approximately 1,000 lives spared each month since the 55-mile-per-hour speed limit has been in effect, the decrease in highway injuries has been neglected. For the first 5 months of this year, however, disabling injuries from automobile accidents have been down some 23 percent—a decline as substantial and as important as the decline in highway deaths.

I wish to express the appreciation of all the cosponsors of S. 3556 that the Epilepsy Foundation of America has focused attention on the importance of S. 3556 to the millions of Americans who survive auto accidents each year but whose lives can be so tragically affected. As this resolution so clearly points out, the benefits to human health and to the national economy where nonfatal injuries are concerned make an undeniably compelling argument for the indefinite extension of the 55-mile-per-hour limit.

WORLD FOOD RESOLUTION HEARINGS

Mr. HUMPHREY. Mr. President, at hearings on the World Food Resolution, Senate Resolution 329, held on July 11 by the Senate Committee on Foreign Relations, we were very fortunate to receive the testimony of representatives of the World Hunger Action Coalition.

The group coordinator was James G. Patton, who has been concerned with United States and world food policies for many years, and is now serving as a consultant to the Pennsylvania Secretary of Agriculture.

Others in the group were James A. McHale, Secretary of Agriculture for the State of Pennsylvania, Ed Kinney, Catholic Relief Services, Frank Goffio, executive director of CARE, Milton Hakel of the Minnesota Farmers Union and Bernard Confer of Lutheran World Relief.

These witnesses very eloquently supported Senate Resolution 329 and urged its adoption. Without exception, they felt it imperative that the United States provide strong moral leadership in this area.

The World Hunger Action Coalition has been holding conferences around the Nation to develop citizen interest, support and ideas for the November World Food Conference. The coalition representatives reported that the interest of the American people in this area is at an all-time high.

Mr. President, I ask unanimous consent that the testimony of these distinguished witnesses be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF JAMES G. PATTON

Mr. Chairman, my name is James G. Patton. I am Consultant to the Secretary of Agriculture of the Commonwealth of Pennsylvania, James A. McHale, who is appearing here today.

My role in relation to this hearing has been to arrange for Secretary McHale, Ed Kinney of Catholic Relief Services, Frank Goffio of CARE, Milton Hakel of Minnesota Farmers Union and Bernard Confer of Lutheran World Relief to appear here as participants in World Hunger Action Coalition which supports Senate Resolution 329. Secretary McHale will give you background on the coalition.

Since I have had the privilege of working on food policies in the United States and in the world for the last 30 years, I wish to take this opportunity to thank Senator Humphrey, Senator Aiken, Senator Young and Senator McGee for introducing Resolution 329 and for their many years of devoted work in behalf of farmers and food policies. I also wish to express my appreciation to all of the senators who have added their names in support of Senate Resolution 329.

This is the time when we face a very critical food situation in which the farmers and the consumers of the United States must join hands in developing a national food policy which will assure American farmers adequate income for their production efforts while at the same time providing an ample supply of nutritious food at fair prices to consumers. This will enable the United States to have a national food policy which will provide stable supplies and prices at home and abroad for foodstuffs and production supplies.

The historic roles which the United States has played in supplying food for the war relief operations following World War I, providing foodstuffs to our allies during World War II, Lease Lend Operations, the UNRRA program, the Marshall Plan, our huge Food for Peace program and our numerous emergency food programs are ample proof that the people of the United States are generous and feel a moral responsibility to do their share in providing food for the hungry, malnourished people who are victims of poverty, war or inadequate food production and distribution.

The Congress of the United States has, for the past 30 years, repeatedly set forth policies which provided an ever normal granary and federally held reserves of food. Furthermore, the Congress of the United States has repeatedly followed the policy of providing strategic reserves of raw materials for war and defense purposes.

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[1] *Accident Facts*, 1974 Preliminary Condensed Edition issued February 1974 by the National Safety Council.

[2] "The Body . . . What Happens to it in a Crash," by Denis G. Poleck, April 1967, *Traffic Safety*.

[3] Publications in various sicentific journals by W. Caveness, A. E. Walker, Ercueli, and others.

Without the governmental reserves of food and fiber, we would have not been able to carry out our part of UNRRA, Lend Lease, the Marshall Plan, the huge Food for Peace program, the AID food programs nor the many Disaster Relief food programs.

This country and the industrial countries of the world, whether we like it or not, are engaged in a war against poverty, hunger, malnutrition and starvation. We must win this war if we hope to have any kind of a stable world order.

Senator Humphrey's "World Food Action Program" should be fully implemented immediately.

Senate Resolution 329 is the first step for the United States to take to implement its World Hunger Action Program. The adoption and implementation of actions called for in this resolution would challenge all developed and OPEC countries to do their part.

Statement of James A. McHale

Mr. Chairman and members of the Committee, my name is James A. McHale. I am a farmer by training and occupation. At the present time, I am Secretary of the Department of Agriculture of the Commonwealth of Pennsylvania.

I am appearing here today with the strong encouragement and support of Pennsylvania's Governor Milton J. Shapp.

Governor Shapp became increasingly concerned about the lack of a consistent National Food Policy by actions of Secretary of Agriculture Butz in 1972 and 1973. In 1972, Secretary Butz paid out about $4 billion dollars to encourage farmers not to produce. In 1973 the large multi-national grain trading corporations sold more than $400 million dollars of grains and soybeans to Russia at bargain basement prices. This was done without the U.S. Department of Agriculture's knowledge of what was going on until it was too late for the American farmer to receive some of the benefits of price increases that these large sales, which were followed quickly by scare buying of other nations, brought about. Consumer food prices rose spectacularly as a result of these and other actions.

Governor Shapp convened a National Conference on Food Policy in Hershey, Pennsylvania on December 6 and 7, 1973. At the end of this very successful conference, the participants in the conference requested that I convene an ad hoc committee to explore what steps could be taken to stimulate interest and action at the grassroots in America. Two ad hoc committee meetings resulted in the formation of the World Hunger Action Coalition Herbert Waters. President of American Freedom from Hunger Foundation, was elected Chairman and Martin McLaughlin, from Overseas Development Council, was chosen as Executive Secretary.

At the same meeting, World Hunger Action Coalition voted to ask Governor Shapp and Senator Percy to act as co-chairmen of a National Advisory Commission of Public Officials to advise and assist World Hunger Action Coalition.

I ask permission to insert in the record a copy of the summary conclusions contained in the Report of the National Conference on Food Policy and a copy of the "Working Document of the World Hunger Action Coalition." I wish to also file for the record a list of the organizations, which have indicated their support of the objectives of the World Hunger Action Coalition. New supporters are adding their names to this list almost every day.

The food crisis which the people of the world face has been brought about by several factors. Some of the long-term situations which have helped to bring on the food crisis are:

1. A widening gap between food production and population growth. The largest population increases are in some of the poorest countries.

2. The reduction of the fish population due to excessive fishing and lack of conservation practices. There has not been sufficient development of a systematic breeding and growing of fish.

3. Many scientists feel that we are witnessing large scale changes in climate. These changes affect the ecology and substantially decrease food production.

4. Very inadequate conservation of land and water resources.

5. Failure to dignify farmers and rural people by allowing serf-like conditions to continue in many areas of the world. Land reform, production credit, adequate technical assistance, general education and provision of adequate income incentives have been almost totally lacking in vast areas in the less developed countries. Practically every country in the world, poor or rich, has treated its farming population as second class citizens. Farmers and rural people have endured a much lower standard of living than their countrymen living in the cities.

The very strong emphasis on urbanization and industrialization has emphasized the necessity to increase food production by improvement of farming methods by providing adequate income incentives to working farmers.

Some of the short-range factors are:

1. The disruption of farm production caused by the Indo-Pakistani war and the loss of at least one crop in Bangladesh.

2. The disruption of food production in Indo-China. The United States sent millions of tons of rice, wheat and feed grains to Indo-China to make up for the drop in rice production due to the war.

3. The lack of conservation practices and violation of ecological balances brought about by an excessive population of people and animals in the arid Sahel region of central Africa.

4. The massive sales of grains and soybeans to Russia, which brought about fear-crisis buying of our foodstuffs by many countries at bargain prices due to the dollar devaluation. The massive sales to Russia and the rush to buy our foodstuffs by other countries wiped out our reserves, a year after the U.S. had spent $4 billion to reduce production of wheat and feed grains.

5. The disappearance, at least temporarily, of the anchovetas in Peru.

6. The drastic rise in oil and other raw material prices. This caused a rapid increase in the price of fertilizers and other production supplies. Production of miracle wheat and rice has been and continues to be adversely affected because of a lack of fertilizer and other production supplies.

All of these causes and effects have brought about worldwide inflation in food and energy prices which have in turn severely lowered the food intake and the general standard of living of poor and low income people at home and over the world.

A NATIONAL FOOD POLICY 1929–1972

Notwithstanding its weaknesses, inconsistencies and many changes, the United States had a National Food Policy from the passage of the 1929 Agricultural Act adopted during the Hoover administration, until 1972 when Secretary Butz, through administrative actions scuttled or misdirected most of the policies which had been operating during the last three decades. We did have an ever normal granary reserve which helped us and the world during the World War II, the tragic period following that war, the Korean War and the Vietnam War. This same set of adjustment policies made it possible for the United States to provide the needy people of the world with billions of dollars of foodstuffs through UNRRA, the Marshall Plan, Public Law 480 and other activities.

All of these actions have been carried out while providing the American consumer with ample supplies of food and fiber, at relatively low costs.

These same food policies enabled us to earn large amounts of foreign exchange by selling our food and other farm commodities abroad. These sales helped reduce our unfavorable balance of trade, which was brought about, in part, by four wars in one generation.

NEEDED: A NATIONAL FOOD POLICY

Now we must establish a National Food Policy, which will serve the needs of an entirely different situation than we have faced before.

We do not have reserves of grain or of easily reclaimed land. We are on a highly volatile world market as to food and fiber. American consumers are no longer insulated from the world market. The producers of the United States are dependent to a substantial degree on world market fluctuations and uncertainties. Our dollar and the international monetary system is highly unstable We do not have the market stabilizers, for food and fiber that we had a few short years ago.

At the present time we do not have the components of a National Food and Fiber Policy unless one can call the so-called free world market a policy. I do not.

The magnificent increase in efficiency of production has been brought about by a substantial intervention. First, by the Homestead and other free land grants to farmers by our Federal government. Second, by the provision by our Federal government of a nation-wide system of land grant colleges, the vast network of research and experiment stations demonstrated to farmers by a nation-wide system of federal-state extension services. Third, by a development of the finest and largest cooperative and direct credit system in the world. Fourth, by the encouragement of farmer-owned and controlled marketing processing and supply cooperatives through the Capper Volstead Act and later in the thirties the Farmer Credit Administration system of Banks for Cooperative, Production Credit Associations. Fifth, by the establishment of direct to former Federal government credit through Farmers Home Administration. Sixth, by stabilizing farmers' income, most of the time at inadequate levels, through the ever-normal granary program, CCC loans, price supports, Soil Conservation Payments, ASCS–REAP payment. Seventh, enactment and use of Public Law 480, Food for Peace. Eighth, International Commodity Agreements for wheat.

All of these actions provided the American farmer with enough confidence in his future that he was willing to make the changes; the ever-increasing, very high capital investments in more land, new technology, new seeds, hybrid animals and billions of dollars mechanization, which enable him to far outdistance industry in his productivity per man-hour.

The American farmer must have the equalizer—the bargaining power, if you will—of a federal farm program and a National Food Policy if we are to avoid the multi-nationalization of food and fiber by multi-national private corporations operating in cooperation with state controlled corporations of other governments.

America's rural heartland, once the cradle of isolationism can now be a dynamic force in American foreign policy. The American farmer is the new internationalist. Our farm-

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ers need the expanding world markets for food.

In an address to the United Nations on May 9, 1974, Senator Hubert Humphrey outlined a four-part world food action program which included increased food aid, establishing world and national food reserve programs stepping up fertilizer production and expanding agricultural production. I heartily endorse Senator Humphrey's World Food Action Program.

My purpose here today is to register my strong support for Senate Resolution 329, which was introduced by Senator Humphrey, Senator Aiken, Senator Young, Senator McGee and many others.

Food reserves are low, maybe three weeks' supplies, at least until the new grain crop can be distributed. Hunger and starvation stalks the land in the Sahel region of Africa, Bangladesh, Latin America and India. UNICEF recently reported that hunger, malnutrition and famine is likely to be the fate of four to five hundred million people in these parts of the world.

We should immediately announce to the world that the people of the United States continue to feel a deep moral conviction about helping the less fortunate of the world. We will act now on our convictions. We will ask others who are able to do so to join us in this emergency effort. Especially the newly-rich oil-producing exporting countries.

The neo-classical market economic models of Secretary Butz and the modern day realism and humanitarianism of Secretary Kissinger has divided counsel from our Executive branch as to how or whether we should respond to the crying needs of world hunger by setting up emergency reserves. Secretary Kissinger made an eloquent statement of the World Hunger problem at the United Nations. Unfortunately, a U.S. initiative submitted to the U.N. late in the session was rejected.

Secretary Butz has been quoted as saying, "Hunger is relative. If your larder is empty you cut back some." Senator Humphrey responded to this remark by saying, "I am not sure how you cut back on an empty larder. That sounds like starvation to me."

Since half of the world's people are hungry and malnourished, they need the food produced in the more developed countries of the world.

We must use our imagination and our ingenuity to see that their stomachs are filled and that we help them to help themselves by substantially increasing their own food production.

Because we have not maintained adequate reserves of food, fiber, petroleum, fertilizer and other production supplies, we are now facing the difficult question of whether we will share our short or skimpy supplies of foodstuffs and production supplies with the less fortunate hungry people of the world.

This is the moral question facing the American people. The question to be answered is just how strongly do we believe in the philosophy "food for myself is a material concern, food for my brother is a moral concern." Are we concerned enough about the hungry people here at home and in the world that we are willing to provide the money, the food, and the effort to help feed the starving and the hungry wherever they live? Are we willing to create the emergency reserves as provided in Senate Resolution 329?

I feel that we have the moral conviction and the courage to do our part. But, we must act now—rapidly and with dynamic leadership. We can—we must—we will do it now because it is the humanitarian—the right—the moral thing to do.

A MATTER OF CONSCIENCE

(By Edward M. Kinney)

My name is Edward M. Kinney. I am an assistant to Bishop Edward E. Swanstrom, Executive Director of Catholic Relief Services—United States Catholic Conference, the official overseas relief and development agency of the Catholic hierarchy of the United States.

I have been in charge of CRS P.L. 480, Title II food distribution programs since their inception in 1954. Since that time, almost 11 million tons of dairy products, grains and grain products, dried beans, rice and fats and oils valued at more than $1½ billion have been programmed, shipped overseas and distributed by Catholic Relief Services to as many as 29 million needy men, women and children annually in 70 countries. CRS annual shipments of U.S. Government-donated foods reached a high in the early 1960's of 867,000 tons. I have seen Title II programs evolve from simply a means to dispose of America's crop surpluses to their present day status of thoughtfully planned schemes involving millions of the world's poor in a meaningful and, overwhelmingly, "self-help" way. The part America, and in particular the American voluntary agencies, has played in waging war on world hunger, then, is consequently well known to me.

I consider it a privilege to appear before this Committee to testify on behalf of Senate Resolution 329. I commend Senators Humphrey, Aiken, McGee and Young for thus calling upon Congress to take the leadership in carrying out now the positive and constructive steps so urgently needed to avert a world famine.

I deem this resolution of overwhelming importance for it urges upon America and Americans a course of action which, if adopted and implemented promptly, could literally save the lives of millions of our fellow human beings in the coming months.

The whys and wherefors of the present potentially disastrous global food situation are well known to this Committee: the failure of world food production to keep pace with global food consumption; the present, still spreading, drought in Africa; the disappointing monsoons of the past year or two in India; the failure of the Peruvian anchoveta catch; the almost complete disappearance of exports from the traditionally rice exporting countries of Southeast Asia; the emergence of ecological limitations as a factor in world food supplies; the devaluation of the dollar; the oil embargo and the consequent monetary bind in which the so-called affluent nations find themselves, etc. These and other factors have combined to virtually eliminate the world's surplus of grains. And it is upon grains that the masses of humanity depend for their daily subsistence.

Now, the world finds itself with a dangerously thin margin—a reserve estimated to have dwindled to less than one month's supply—separating millions upon millions in the developing countries from the sinister spectre of starvation. This, then, is the setting for this Hearing today.

Before the Senate is a resolution pertaining to the participation of the United States in an international effort to reduce the mounting risk of a global famine and to act without delay in the long and proud tradition of the American people to alleviate human suffering.

Food, that without which human life cannot be sustained, has become virtually synonymous with power. North America, and principally the United States, has become the granary of the world. And North America, it is said, dominates the world's food supply to a greater degree than the Middle East dominates oil.

Food can be an instrument for good or a weapon for evil. Thus, today, Providence has placed upon America an enormous responsibility. That is, to discharge the trust our magnificent agricultural capacity has thrust upon us wisely and for the good of all humanity. This is the intent of this resolution.

Resolution 329 is singularly timely. Most of America has yet to realize the proportions of the calamity the world will face unless action is taken now to meet this challenge. Many of the Senators on this Committee have been active in furthering the aims of the World Hunger Action Coalition in its attempts to arouse America to the very real and quite imminent threat of massive starvation in the developing world. Two food policy conferences, one in Hershey, Pennsylvania, and one in the Twin Cities of Minnesota, have already attracted wide attention. Two more meetings under the sponsorship of the Coalition to rally grass roots support for an American food policy are planned before the World Food Conference convenes in Rome in November. Still, there is more to be done.

This resolution is of extraordinary importance not alone because of its content, but because of its bi-partisan sponsorship. It is a call to action from both sides of the aisle to *all* Americans, and its message must get through if the people of the United States, weary and Watergated as they are, are to reassume the role of moral world leadership America once held. Through this resolution, Congress can help show the way.

Resolution 329 calls for a joining together of the major food producing nations in a crash effort to combat world hunger by expanding national food aid programs to a degree proportionate to each share of world food exports. It encourages, as indeed it should, the OPEC nations to invest a fair share of the windfall profits the energy crisis has enabled them in this multi-national effort to prevent the poor and hungry of the world from starving to death.

This resolution is practical. It suggests not only food aid but the combining with same of the means and technology to expand the production of food in food deficit countries. It proposes a major effort to increase world fertilizer production and, as a corollary, a self-imposed reduction in non-critical, non-food producing uses of fertilizer on the part of the peoples of the developed world.

This resolution is action oriented. It urges the President and the Secretaries of State and Agriculture to restore P.L. 480 Title I sales and Title II grants to at least 1972 levels. It calls upon the President and his two cabinet members to formulate forthwith within the cooperative framework proposed by it an American response to the world food crisis and the needs of the peoples of the most severely affected countries.

It is most encouraging to note that the actions urged by this resolution include the restoration of P.L. 480 Title II food distributions to at least 1972 levels. (During the last three years, the number of recipients included in such programs has been cut almost 40%.) Such programs are no less important than Title I sales for they are the real measure of America's compassion and concern, reaching as they do through America's voluntary agencies, in a direct and personal way, the needy of those lands in which most of the world's population, and the overwhelming majority of the world's poor, live. The tremendous wheat and corn crops American farmers are now harvesting mean that the foodstuffs to meet our domestic needs, restore our normal reserve, meet Title I demands and return these programs to their former levels, and then some, are readily available.

Recently, on a nationwide morning television newscast, the saintly little Mother Teresa from Calcutta pointed out with sorrow that the help she received as a donation from the people of the United States has, in the past five years, simply disappeared. Not that Title II food aid for the Indian people has been discontinued. What is involved is a classic example of bureaucracy at work. Year after year, changes upon changes are made in category eligibility, per person ration, etc. in Title II programs. Programs begun on the basis of individual need are still being arbitrarily terminated on the basis of country economic viability. Among the categories no longer eligible for Title II donated foods under existing programs are the aged, the unemployable, and the health cases which, unfortunately, in many instances, represent those most in need of our help. Even the school feeding programs, which have contributed so importantly to the health of millions of children overseas, are presently being phased out by bureaucratic edict.

In fact, if today one is not a pregnant mother or a child under five or able to participate in a food-for-work project, one has precious little chance of receiving U.S. food assistance under Title II. This means, of course, that the 46,000 lepers throughout India whom Mother Teresa's helpers accept as their responsibility, and the approximately 3,000 poorest of the poor who are literally being kept alive through food distributions arranged under the auspices of this selfless woman's Calcutta Home for the Dying, are simply shut off from any official assistance from the people of the United States.

I have no quarrel, to be sure, with the importance of feeding the pre-school age child or the pregnant or lactating mother or with utilizing food as payment for work performed on community projects. I do believe, however, there is room in America's heart (and in P.L. 480 Title II programs) for at least a "widow's mite" for the lame, the sick, the aged and infirm, and it is in the belief that this Committee may feel similarly that I bring this situation to its attention.

Last Sunday, Terrence Cardinal Cooke, in asking the Catholics of the Archdiocese of New York to observe Wednesdays as days of fast and abstinence and to contribute the money thus saved to programs on behalf of the starving of Africa and Asia, said:

"The union of God's family on earth demands from each of us a more personal role as we come face to face with a calamity of such proportions, the gravity of which we are only now beginning to realize."

It is to this more personal role each of us must play in meeting the impending world food crisis that I refer in terming America's responsibility a matter of conscience.

The present balance between world food production and consumption is so precarious that, as Senator Humphrey stated before the meeting on the World Food and Energy Crisis at the United Nations, we face a real danger of losing the battle we have been waging for the last twenty-five years against poverty and disease in the developing world. This simply cannot be permitted to happen. We must take action on all fronts—by increasing food aid, by increasing world food production, and through a world food supply security system, and we must do it without delay.

I suggest this Committee might well ask the American delegation to the World Food Conference to call for a "Declaration of International Conscience" to be issued by the Conference itself under which the nations of the world, jointly and severally, would confirm their acceptance of responsibility each for the other in terms of their relative ability to furnish foods and/or funds for a concerted international effort to avert global famine.

Individually, nationally and internationally, to my mind, a prompt, just and equitable response to this world emergency is fundamentally, and without doubt, a matter of conscience which cannot be denied. Adoption of Senate Resolution 329 will go a long way toward reminding America that it should let its conscience be its guide. I heartily endorse such action.

STATEMENT OF MILTON D. HAKEL

One of our foremost specialists on world agricultural problems, the dean of America's agricultural economists, Dr. Theodore W. Schultz, has said:

"It has been convenient to conceal the mistakes in economic policy that account for failures of modern agriculture by blaming the poor performance of the agricultural sector of the disadvantaged countries on the adversity of nature, the perversity of farmers or the fecundity of man. In my judgment the real culprit causing the poor performance of agriculture in the less developed countries is the lack of economic opportunities in agriculture—opportunities that are rewarding to farmers."

What Dr. Schultz said a few years ago about farming in the developing countries is quite as true today—has, in fact, been reinforced by the history of recent years. In our opinion, it is a characterization applicable today to farmers of both developed and developing countries.

Catastrophe has already occurred in one part of the world—the African Sahel—and we are closer to the edge of catastrophe then we care to recognize or to admit to ourselves.

Not just because of hostile weather in many production areas, not just because of the prospect (one which worries many scientists increasingly) that we are in the beginning stages of a change of climate which will be unfavorable for maximum food output.

With the world dependent this year on an all-time record outpouring of food production in order to ease the shortage, weather could easily push many more parts of the world past the edge of catastrophe.

We are in this rather precarious situation not for any single reason, but for a large number of reasons all associated with our lack of a comprehensive national policy on food—and an overall world policy on food.

We have a national food policy in this country only in the sense that the policy is not to have a food policy. We are told it is wrong for the government to plan, to direct, to give farmers incentives to produce, to raise their income in line with costs, or to create and maintain publicly-held food reserves so that shortages can be avoided.

Few people in the nation have benefited from the roller-coaster experience of the past two years in food prices.

American farmers have never faced greater uncertainty—have never farmed in a more precarious time. The ability of many thousands to continue to produce and provide is in great doubt.

Because of this truly hazardous situation, organized farmers and workers of the great Midwestern bread-basket of this country held a regional conference on food policy, in early June, in St. Paul, Minnesota.

Co-chairing the two-day conference were Cy Carpenter, President of the Minnesota Farmers Union, and David K. Roe, president of the Minnesota AFL–CIO. It was my responsibility to act as coordinator of this Midwest Conference on Food Policy.

The Conference was aimed at influencing public opinion on domestic farm policy so that U.S. farmers might have better prospects of surviving and continuing in production—and also in assuring that all of us are more aware of the opportunities and responsibilities associated with the holding of the UN World Food Conference in Rome in November.

It is our intention to place in the hands of every member of the Congress by the first of September, the complete proceedings of the Midwest Food Conference, including not only the major presentations by recognized authorities on agriculture and food production, but also the input of thinking farmers and concerned rural citizens and city consumers.

It is our observation that people of the Midwest are ready for something better than the gambling with destiny, boom and bust policy of recent years. Midwest people are ready—and indeed, at the Midwest Food Conference talked a lot of sense about what it takes to keep farmers in business and return to a condition of security and stability.

In this hearing today, you are dealing with Senate Resolution 329, which addresses itself to the specter of famine—and asks a simple thing—for America to have a definitive policy committing us to international cooperation to cure existing hunger and malnutrition and to avoid its recurrence.

I can testify to the timeliness of this legislation from another standpoint. In April, I visited with government officials, agricultural experts, cooperative officials and farm organization leaders in Japan. In May, I participated as a delegate in the 20th general conference of the International Federation of Agricultural Producers in Baden, Austria where I heard the views of farm organization leaders from 40 nations. In early June, I was an American delegate to the 18th general conference of the International Federation of Agricultural Journalists held in Israel. Here there were farm and rural journalists from more than 20 nations.

I think I have been exposed to a fair sample of the frustrations which people of other nations have about the United States—and also impressed by their receptiveness to any indications that we are ready to cooperate with them as equals in a troubled world.

They are puzzled about us—unsure as to where we stand—unsure that we can be leaders in agricultural policy after having seen us throttle several efforts at international cooperation, the wheat agreement, the coffee agreement, to discourage other measures for orderly marketing of commodities, and now to virtually wreck hopes for renewal of an international sugar agreement.

People in other countries do not know who speaks for America.

They like some of the things they hear from Secretary Kissinger—from Ambassador Eberle—and the Ambassador Malmgren—about scarce resources, food and trade. (Exhibit I)

They would like to rely on what these people are saying about international cooperation.

But, they also hear others—who go around advising the hungry to tighten their belts—who indulge in hard-nosed exploitation of the seller's market—who insist that the U.S. government is never going back into the business of maintaining large food stocks in public hands—and who typically choose confrontation rather than cooperation as their mode of communication.

Because there is a confused image of the United States policy on world food problems around the world, it is my feeling that it would indeed be very helpful for the Congress to debate and approve major policy findings, such as and similar to Senate Resolution 329.

A refinement and restatement of the kind of spirit which characterized us in the Food-for-Peace, Point Four Programme and Peace Corps initiatives would be widely welcomed in the world—and quickly emulated by others.

In the accompanying Exhibits, we submit reports and recommendations which we believe support the proposal for a broad new commitment to wipe out hunger and famine.

In Exhibit II, we present articles dealing with the Japanese White Paper on agriculture, in which that country indicates its preference for international cooperation on food problems; a report on the Japanese ministerial study of the world food crisis; and the Japanese government's tentative recommendations for the World Food Conference.

In Exhibit III, several very relevant documents from the IFAP conference in Austria are included. Among them are the address of Sayed Marei to the IFAP's opening plenary session; the IFAP's action statement on the World Food Conference; the section of the IFAP policy statement dealing with world food problems, particularly of the developing countries; and the text of comments by P.M. Broderick, president of the Jamaica Agricultural Society regarding the need for a change of cropping patterns in the tropical developing countries.

In Exhibit IV, we reprint major portions of the statement of Robert McNamara of the World Bank, setting up a 1974–78 program to raise the productivity of smallholder farms in the least developed nations.

McNamara declares that these smallholder farms have the greatest potential for increasing production. They now are improving their productivity by 2½% a year on the average, but this rate could be raised to 5% a year quite readily and thereby benefit hundreds of millions of people.

To double productivity is readily attainable, says McNamara, citing the fact that smallholder agriculture in Japan produces three times as much grain per hectare as in Latin America, five times that in Africa and four times that in Asia.

Our observations of agriculture in Israel also impressed us with the viability of smallholder agriculture. The miracle of agriculture in Israel is being reproduced in other Middle Eastern countries—and the technology and the system is exportable since it is a people-centered program first—and a food production system second.

In Exhibit V, we reproduce a most recent FAO statement on the fertilizer panic, indicating that the shortfall of fertilizer in the 100 developing nations in the period from the fall of 1974 to the spring of 1975 will be on the order of 2 million tons—with an impact equal to the loss of 16 million tons of grain production.

In summary, we keep coming back to the question of what stance America may take at the World Food Conference and generally on the food crisis.

Sayed Marei has warned that the World Food Conference could fail—if its results are nothing more than rhetoric. He declares that it will be disastrous if the conference is a failure.

Yet, in this country and in this federal government apparently there are some people who are more alarmed that the conference will succeed than that if will fail.

Late in April one of the Washington agricultural newsletters revealed the inside views of some un-named government officials who are very apprehensive about the World Food Conference. This official or these officials, to whom the views were attributed, were concerned about the big risks involved in the conference.

They worried out loud about the possibility that our State Department might get mouse-trapped into some bad deals—expensive ones—that might cost billions.

Of course, we do not know whose opinions were being relayed in the newsletter—but it is entirely possible that this person might be one of the top U.S. delegates to the Rome conference—and all his participation will be colored by the fear that the conference might succeed.

Somewhere among those ministerial or governmental delegates who take part in the debate and decision-making in Rome, there needs to be an agricultural Henry Kissinger—someone who can challenge others to rise above narrowness and differences, who can discourage confrontation and spur cooperation—who can persuade all to concentrate on needs and overcoming difficulties. Perhaps there is an agricultural Henry Kissinger waiting in the wings—perhaps he will emerge as circumstances demand—perhaps a vigorous food policy stance by the United States will help him emerge.

Perhaps the U.S. delegation will go to Rome uninstructed or worse yet, divided.

If would be tragic if the Conference should falter upon the simple failure of the United States to exhibit strong intellectual and moral leadership.

It may be that while the delegates from some 130 nations worry about the immediate shortages of wheat, feed grains, soybeans, proteins, milk or meat products, the most devastating scarcity may show up only as the Conference proceeds. In the words of Richard Gardner, the most damaging scarcity may be the scarcity of political leadership with vision.

The Senate Committee on Foreign Relations and the Congress as a whole can begin with this and similar positive food policy declarations to assure that America rises to the challenge.

This short resolution may be a first step in moving us all back from the edge of catastrophe.

TESTIMONY BY BERNARD A. CONFER

Mr. Chairman and Members of the Committee:

My name is Bernard A. Confer. My office is in New York City. I am the Executive Secretary of Lutheran World Relief, which serves overseas on behalf of The American Lutheran Church, the Lutheran Church in America, and The Lutheran Church-Missouri Synod with a combined United States membership of 8½ million people.

Our agency gathers and distributes material relief supplies and engages in projects of rehabilitation, social service, and community development. Since its organization in 1945, Lutheran World Relief has supported programs in 56 countries, using resources with a total value exceeding $300 million. In most countries we work in a close relationship with indigenous churches and church-related agencies which often initiate or facilitate projects with our assistance. Frequently our agency joins with other religious and secular agencies to promote cooperation in and internationalization of relief and self-help efforts.

My presence here today, along with others associated with the World Hunger Action Coalition, relates to our hope for your favorable consideration of Senate Resolution Number 329. We consider the problem of world hunger to be of such severity as to warrant immediate attention and action.

The urgency of the situation is documented by reports that deaths resulting primarily from starvation ran to six figures in the past eighteen months. The U.S. Department of Agriculture and the United Nations Food and Agriculture Organization have reported the inadequacy of food supplies in many developing countries. This is confirmed by reports from our own field staff in countries such as Bangladesh, Brazil, Ethiopia, India and the Sudan.

We are appalled at the findings of the preliminary study by the World Food Conference staff that 400 million persons are chronically malnourished and that their number might easily double in a year of poor harvests. The study predicts that failure to undertake decisive remedial action in the areas of food production and population will result in increasing rather than lessening the dependence of Third World nations on grain-surplus countries in the coming decade.

The United States is in a unique position to initiate action in meeting this need. As a nation whose agricultural production during the current year will be at near record, if not record, levels, we can clearly provide for *both* humanitarian *and* commercial disposition of our food overseas. As the Resolution notes, we are a nation whose tradition of active response in combating famine is well established. Our historic posture in providing for the hungary and for those oppressed by poverty (and indeed our national integrity) could be undermined if we fail at this critical time to share with others out of our abundance.

The experience of our agency indicates that one of the best ways of attacking hunger is through involving those in greatest need in efforts of community development which will have some lasting benefit on the community and will stimulate their confidence in their ability to help themselves.

Projects we have supported included bringing more land into production, building rural village-to-market roads, developing and expanding irrigation and potable water supplies, and fostering improved agricultural and nutritional practices.

Because of our successful experience in such projects, I want to indicate our hope that in line with the provisions of the Foreign Assistance Act of 1973, a substantial portion of the Title II allotment would go to voluntary agency programs. We also urge that a large portion of any additional amounts of food made available by this Resolution be earmarked for Title II programs since the "payments" plight of many developing nations is particularly acute this year.

I register my appreciation of the emphasis in the Resolution which calls for assistance in dealing with the root causes of hunger. We regard it as imperative to increase agricultural development assistance efforts which can contribute to the integrity, independence and dignity of Third World countries and people.

I express special appreciation for the clear call in the Resolution for an international approach to helping developing countries. We believe a multilateral approach can maximize available resources and can minimize the undesirable elements of patronizing or client relationships. In view of the realities of global interdependence which were highlighted by the recent U.N. Special Session on Raw Materials and Development, we believe a positive stance toward internationalization of world hunger assistance is essential.

In this connection I wish to voice our conviction that food made available pursuant to this Resolution should be used solely on the basis of need and without discrimination as to the ethnic origin or political persuasion of the recipient. In short, we are concerned that food for the hungry not be used as a political tool.

Our recent experience in meeting with

church groups indicates not only a growing awareness of the world hunger problem among Lutheran congregations but also increasing expectation that governmental and private efforts will be enlarged to meet the need. The hunger issue has been a regular agenda item at recent district and synod conventions, with the result that two national church groups have established world hunger task forces. In addition, several regional conventions have produced not only resolutions but financial pledges and goals to challenge constituent response. It would seem that people whose food dollar has shrunk in value can sympathize with those who have neither food nor dollars.

The Board of Directors of Lutheran World Relief adopted a statement at their June 1974 meeting summarizing the basis of our urgent concern and making a number of proposals to the United States Government for positive action. I am pleased to enclose the full statement as an exhibit to this prepared testimony and request that it be filed for the record. Much of it focuses on areas of concern included in the Resolution.

In summary, the Resolution appears to me to be timely and appropriate. Its overall thrust sees the United States taking steps that the richest nation in the world should take under the imperatives of morality and justice. We are eager to see the Senate make clear where it stands.

TOWARD THE DEVELOPMENT OF A U.S. FOOD POLICY

(A Statement by Lutheran World Relief)

THE BACKGROUND OF OUR INVOLVEMENT

For nearly three decades, Lutheran World Relief has been committed to assist in alleviating human suffering stemming from war, disaster, social upheaval, famine, and endemic need. Lutheran World Relief has supported programs in 56 countries, utilizing food, medicine, clothing, equipment, and cash—with a total value in excess of $300 million. More than half of this was provided through voluntary contributions in cash and kind from individual U.S. Lutherans as well as their national organizations, The American Lutheran Church, the Lutheran Church in America, and The Lutheran Church-Missouri Synod. The remainder consisted of gifts of food and fiber from the United States Government and cash reimbursements of ocean freight by the United States and foreign governments.

Through current activities in thirty countries on three continents, Lutheran World Relief has an opportunity to view at close range the intense suffering of poor people and poor nations of the world. Our distinctive motivation as Christian Churches enforces our desire to cooperate with other organizations and with our Government in responding to pressing human needs. Against this background of involvement and concern, the Board of Directors of Lutheran World Relief has approved the following statement.

THE BASIS OF OUR URGENT CONCERN

Lutheran World Relief feels compelled to express its conviction regarding the need for new policies and enlarged programs under which the United States will increase its efforts to meet the needs of hungry and starving persons. At the heart of our concern is the very real possibility that death from starvation may strike down more people in a single year than were killed in World Wars I and II. Equally tragic is the likelihood that each year more than a million children will suffer severe and permanent brain damage for lack of proper food. Their impairment will burden their families and their nations. It ought also to burden the consciences of affluent people and nations throughout the world.

Specific factors which prompt us to register our concern include the following:

The dangerous dwindling of the world's food reserve;

The warning of meteorologists that the United States may experience a severe drought within the next five years similar to those of the 1930's and 1950's, which would work hardship on our own citizens but would result in starvation for millions of persons in other nations who are heavily dependent upon our exportable food supply to meet their needs;

The small but significant change in the world's climate which threatens to make crippling drought a regular occurrence for some parts of the world while bringing excessively high and destructive levels of rainfall to other parts;

The unceasing trend toward increased consumption of food (especially animal protein), fuel and other resources by affluent people and nations without regard for the resultant consequences to poor nations and people;

The prospect that affluent nations which can "pay the price" may corner the market on food, fuel and fertilizer, leaving poorer nations and people to face starvation; and

The recent decline in the availability of food under the Food For Peace program of the United States Government.

The United Nations, in its Universal Declaration of Human Rights, declared on behalf of every human being "the right to food." Yet 25 years after the passage of this declaration this basic right seems frequently to be regarded as an option which may or may not be granted, depending upon economic, political or other factors which may intervene. We reject the idea that "compassion fatigue" from years of overseas assistance should now determine the response of the United States towards the world's poor. The United States, as the greatest consumer-producer nation in the world, must exercise leadership and direct its great strength and resources towards the solution of these massive human problems. Failure to take decisive action would constitute an erosion of the humanity of this nation and its people.

PROPOSALS FOR POSITIVE ACTION

We call for prompt action by the United States Government which will mitigate the ravages of hunger and the concurrent disabling effects it brings upon nations and people enslaved by it. We further urge action which will initiate efforts of preparedness against unforeseen but predictable contingencies which could deprive millions of poor people of food sufficient to support life.

To that end we encourage the adoption now of new policies which will clearly demonstrate the positive commitment of the United States to the hungry people of the world. These policies should:

1. Commit annually at least 10% of food grains available for export for use in programs of humanitarian assistance through inter-governmental, governmental and voluntary agencies to assist endangered children, aging and infirm persons and victims of disaster as well as facilitate human development through self-help;

2. Assure the use of food so designated on the basis of need and without discrimination as to the ethnic origin or political persuasion of the recipients, in order that food not be used as a political tool;

3. Encourage maximum agricultural production in the United States to provide greater assistance in meeting the world's increasing need for food;

4. Establish multi-year (instead of annual) commitments with voluntary agency partners in order to enhance the possibility of sound planning for program development;

5. Give leadership and support for the development of an international network of national food reserves under coordination of the Food and Agriculture Organization of the United Nations to meet emergency needs resulting from crop failures or other disasters;

6. Increase support for the United Nations Children's Emergency Fund (UNICEF), the Food and Agriculture Organization (FAO), and the World Food Program (WFP) as a means of enlisting the cooperation of the world community in meeting essential needs of the whole human family;

7. Establish safeguards against extreme fluctuation of agricultural commodity prices which, in view of full production and development of national food reserves, might place disproportionate responsibility and risk upon the American farmer;

8. Enlist the support of other affluent nations in providing assistance to the poor of all nations;

9. Encourage citizen initiatives in reducing wasteful and excessive use of food, fuel and fertilizer;

10. Provide for the establishment of economic relations and mechanisms which will achieve more effective production and more equitable distribution of food;

11. Support and stimulate research for discovering and developing new food resources and for increased food production through husbandry of the sea.

OTHER ESSENTIAL CONSIDERATIONS

While the foregoing emphasizes the need to establish new policies for the use of food, we also wish to register our conviction that simultaneous and urgent efforts must be directed in other avenues as well. Both government and voluntary agencies must intensify their efforts to enhance agricultural production and social and economic development in poor nations as well as to deal with the problems of energy availability and population growth. Toward each of these areas we believe this nation should continue to provide leadership and should increase its commitment of resources.

OUR COMMITMENT

Lutheran World Relief is committed to continue its assistance to poor and starving people and will seek increased support for its work through voluntary gifts from its constituents. We stand ready to continue, in partnership with the United States Government, to utilize food in constructive ways, meeting poverty at its roots where poor people are directly involved and can benefit.

STATEMENT OF FRANK L. GOFFIO

Mr. Chairman and Members of the Committee:

My name is Frank L. Goffio, I am the Executive Director of CARE, Inc. I am here to speak in support of Senate Resolution 329.

CARE has been privileged to participate in the PL 480 food donation program since its inception (and before that under Section 416 of the Agricultural Act of 1949). I think it most important at this critical time in history that the Senate pass this resolution that will reaffirm our leadership role as a humanitarian nation. It will also give Ambassador Martin and our U.S. delegation to the World Food Congress the leverage they will need to prompt other nations to be more positive in their contributions toward the alleviation of the food crisis that confronts so much of the under-developed world.

I am aware that there are those who feel that any increase in our food assistance abroad will adversely effect our cost of living and the national budget. Frankly, I do not know if this is so, but I do doubt it. I do know this: there is a world food shortage, there are millions of men, women and children already at starvation or near starvation levels. If we are a truly humanitarian nation, and I know we are, we cannot turn our backs on these poorest of the poor, at home or abroad.

This is not a time for negative mathematical calculations. It is a time for rededication to those humanitarian principles that have made us a great nation.

UNFAIR TAX SITUATION FACES CONDOMINIUMS, COOPERATIVES, AND HOMEOWNER ASSOCIATIONS

Mr. BEALL. Mr. President, on June 18, I introduced legislation, S. 3663, designed to exempt from income taxation the membership income in reserve funds of condominiums, cooperatives, and homeowner associations. This legislation was additionally cosponsored by Senators MATHIAS, FONG, MOSS, and STEVENSON.

The measure, which I hope will receive the prompt consideration of the Finance Committee and the full Senate, would overcome recent unfair tax rulings which held that condominiums, cooperatives, and homeowner associations are to be taxed at corporate levels. The practical effect of these rulings, if allowed to stand, would be to severely tax the reserve funds of these organizations which are used to defray high-cost future maintenance.

In the April 1974 issue of Taxes, there appeared an article by Mr. Lawrence M. Brauer, entitled "Federal Income Taxation of the Condominium Management Corporation," which discusses this situation in a most comprehensive manner. Because of the growing interest in this matter throughout the country, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEDERAL INCOME TAXATION OF THE CONDOMINIUM MANAGEMENT CORPORATION

(By Lawrence M. Brauer)

(If condominium owners acting together manage the commonly owned property by themselves or through an agent, does this arrangement constitute a partnership for federal income tax purposes? What are the tax consequences of income earned by the condominium from investments of reserve funds? Does the expenditure of reserves set up in prior years constitute a constructive dividend taxable to each homeowner to the extent that it benefits his share of the commonly owned property? These and other questions are discussed in detail.)

In recent years the condominium has become increasingly popular as the need for more efficient use of land for residential housing became acute. The condominium is a form of multiple unit housing that bears a close resemblance to both the housing cooperative and the privately owned residence.

INTRODUCTION

As a residence, the condominium generally has taken several forms: the highrise, the garden apartment and the townhouse. A recent phenomenon has been the office building condominium.

A condominium has been defined as ". . . simply a plan of ownership which permits individuals to own directly a portion of the building in which they reside and the land underneath it. A condominium provides for the separate ownership by each owner of a unit or apartment in the building for the common ownership of the underlying land and public or commonly used improvements."[1]

Thus the condominium may be regarded as a hybrid. The private ownership portion, which is limited merely to air space within the outside walls, ceilings and floor of each unit,[2] is characteristic of the private unattached residential home. The underlying and adjacent land—the structural elements, hallways, elevators, stairs, and certain recreational facilities, such as playgrounds, parks, tennis courts and swimming pools which are owned in common by the condominium members—is similar to the housing cooperative. In that form of housing, the corporation owns title to the land and the residents have the status of tenant-shareholders vis-a-vis the corporation.[3]

The residents of each condominium unit typically maintain the inside of the structure in which they reside. However, the condominium owners collectively, through the vehicle of a corporation or an association, normally assume the responsibility of repairing, maintaining and replacing the property which is commonly owned. Accordingly, such exterior maintenance and repair activities which traditionally are performed by the owner of a private residence are not undertaken by the condominium homeowner but by the condominium management organization instead. Thus each homeowner is relieved of such tasks as exterior painting and repairs and replacements of walls and roofs, grass cutting and landscape maintenance, repair of sidewalks and garages, and upkeep of recreational areas such as a swimming pool, tennis court and playgrounds. Needless to say, it is the relief from the burden of such chores that has helped make the condominimum so popular.

The responsibility of exterior maintenance is usually contracted by the condominium association to a management company. In some cases, however, the homeowners have chosen self-maintenance. In the case of most newer condominiums, the condominium management organization has taken the form of a corporation, rather than remaining an unincorporated association. It is still possible of course for the condominium owners to manage the condominium and perform maintenance and repair work on the common elements as an unincorporated association; however, with this goes the risk of unlimited liability. As a result, most of the condominiums being marketed today have first achieved corporate status for the management organization before they are offered for sale.

The cost of such repairs and maintenance are borne by the condominium owners themselves using the condominium management organization or its agent as the vehicle for collecting and expending the necessary funds. Typically the condominium owners pay monthly assessments to the corporation. These amounts are generally for two purposes. The bulk of the monthly assessment will be used for utilities, current maintenance and repairs and capital replacements and improvements. The smaller portion will be set aside in a reserve for future capital improvements and replacements, such as for major repairs to roofs, sidewalks, heating and air conditioning equipment and recreational facilities. The funds so held in reserve would probably be invested, usually in more conservative type investments, such as passbook savings accounts or time deposits.

Somewhat similar to the condominium corporation is the homeowners association providing exterior maintenance. The homeowners association is generally organized as a nonprofit nonstock membership corporation and holds title to recreational facilities such as a club house, swimming pool, tennis courts and playgrounds. In addition to its other functions, the homeowners association may perform some degree of exterior maintenance, such as lawn maintenance and landscaping. The advantages of such activities are the same as those associated with the condominium, namely relieving the individual homeowner of these chores, and, by virtue of economies of scale, performing these tasks more economically.

Whether or not exterior maintenance is performed, the activities of the homeowners association, for the most part, will also be financed by dues and/or assessments paid by the residents of the community who are termed members of the association.[4]

DEFINING THE PROBLEM

Although it may appear that the maintenance and repair of one's private residence through the vehicle of a condominium management organization would not pose any income tax problems, further analysis reveals that such problems do in fact exist.

Regardless of the legal form the management organization takes, i.e., an unincorporated association or a corporation, it will collect assessments from persons who directly or indirectly will derive the benefits of the services that are performed. Under Section 61 of the Code such receipts constitute gross income to the organization unless they fall within one of the specifically enumerated statutory exclusions. Where the related expenses are less than the gross income, the resulting net income ordinarily will be subject to federal income taxation.[5] However if the organization is one that qualifies as tax exempt under Section 501(c) of the Internal Revenue Code, it will have no federal income tax liability, except perhaps for the tax liability, except perhaps for the tax on unrelated business income.[6]

If the condominium owners acting together manage the commonly owned property by themselves or through an agent, does this arrangement constitute a partnership for federal income tax purposes? If so, will it be treated as an association taxable as a corporation?

Because of the absence of a profit motive on the part of the homeowners acting together in managing the commonly owned property, it is unlikely that an unincorporated condominium management association would be so characterized. As long as the services provided by this association of homeowners are for their own mutual benefit with respect to the property they own in common, there would not be a partnership for federal income tax purposes.[7]

Thus, a condominium management organization which is an unincorporated association that engages in no business activity will produce no federal income tax consequences for its members, except insofar as investment income might be passed through to them. But because of the risk of unlimited liability, the corporation is usually chosen as the form the organization will take.[8]

Further, what are the tax consequences of income earned by the condominium from investments of reserve funds? Are they taxed to the corporation in the same manner as income earned on investments made by the individual homeowner?

A related inquiry deals with the future expenditure of income received by the con-

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dominium and set aside for capital improvements and replacements. Does the expenditure of reserves set up in prior years constitute a constructive dividend taxable to each homeowner to the extent that it benefits his share of the commonly owned property? These questions will be discussed in detail in the following portions of this article.

THE CORPORATE CONDOMINIUM

Taxation of assessments

Because of the condominium owners' desire to limit their liability, where permitted by state law, most condominiums today are organized as nonprofit nonstock membership corporations. Although the corporation does have the advantage of limiting the liability of its members, it creates significant income tax problems.

These problems stem from two sources: first, the assessments received or accrued which are expended currently or set aside as reserves for future capital improvements and replacements; second, the investment income, such as interest, which may be earned on these reserves.

Section 61 requires the inclusion in gross income of all receipts of a corporation except those which by law are specifically excluded. Thus the assessments received by the condominium, which typically include a portion to cover current expenses and a portion for reserves, will be includible in gross income.[9] But because the amount designated for current operating expenses, such as lawn maintenance, general repairs, etc., will normally be expended on a current basis, perhaps within the same taxable year, it does not generally present a tax problem. This is due to the fact that the gross income will be offset by the deductible expenditure of the funds.

But if a profit should arise, there still might not be a tax liability, according to Rev. Rul. 70–604.[10] This pronouncement was concerned with a condominium management corporation which assesses its stockholder-owners for the purpose of managing, operating and maintaining the common elements of the condominium the stockholder-own- of the condominium property. At an annual meeting of the stockholder-owners, it was decided that any excess assessments over expenditures would either be returned to themselves or applied against the following year's assessments. On these facts the Service held that such excess is not taxable income "since such excess, in effect, has been returned to the stockholders-owners." [11]

This ruling obviates the income tax problems for the condominium corporation which has an excess of current income from assessments over deductible expenses.[12] However it does not avoid the problem of the condominium which sets aside a portion of its assessments in a reserve. The receipt of these amounts, which would not be expended until a future year, by inference falls within the ambit of gross income. Since there would not be a currently deductible expenditure of these amounts to offset this gross income, a large profit could conceivably result which would be exposed to the federal income tax and very possibly the state income tax as well.[13] The effect of such income taxes upon the condominium homeowners is to substantially reduce the funds available to perform the services that are intended. Put another way, it makes the performance of these services more costly to the condominium homeowner than to the non-condominium homeowner.

In determining the amount of profit which the condominium corporation would have for federal income tax purposes, in most cases it would be unable to claim very significant deductions for depreciation. This is because of the very nature of the condominium, whereby title to the common property is in the homeowners themselves and not in the corporation. Thus the buildings, their structural components, and the recreational facilities, such as a pool and tennis courts, are owned in common by the homeowners and not the corporation. As a result, the corporation is not entitled to claim depreciation on this property since depreciation cannot be claimed on property it does not own.[14] Further, each homeowner would be unable to claim depreciation on his pro rata share of the commonly owned elements since this property is neither used in a trade or business [15] or held for the production of income.[16] Thus due to the peculiar nature of the condominium and the management organization, a rather substantial deduction is lost.[17] This has the effect of precluding what could be a rather significant reduction of the condominium's taxable income.

Taxation of investment income

In terms of the amount of income tax liability, the receipt of assessments which are set aside as reserves presents the most significant problem. To a lesser extent is the problem of the federal income tax on the passive income that is earned from investing these accumulating reserves. Interest, dividends and perhaps even capital gains would also be subject to federal (and possibly state) income tax.

To a condominium homeowner the thought of having to pay federal income tax on funds that are set aside for future improvements and replacements on his private residence seems abhorrent. A homeowner who lives in a noncondominium residence is not taxed on such savings, so why should a homeowner who chooses to live in a condominium form of private residence? The answer lies in the use of the corporation as a vehicle for managing the commonly owned property. As previously pointed out, an unincorporated association would not have the income tax problems that are faced by the corporation. But with that form of organization goes the risk of unlimited liability, especially contractual liability, which may not, as a practical matter, be eliminated by insurance. Thus, use of the corporation as the legal entity for the management of the condominium's commonly owned property solves one problem but creates another. It is because of this potential tax problem that relief has often been sought as a tax-exempt organization under Section 501(c)(4) of the Code.[18]

Constructive dividend

As profits are earned by the management corporation from assessments and from investment income, it will derive earnings and profits.[19] Just as in the case of any commercial corporation, if a cash dividend or a dividend in the form of property is paid to the shareholders, the distribution constitutes a taxable dividend to the extent of current and accumulated earnings and profits.[20] Thus if a condominium corporation uses its reserves for the improvement or replacement of commonly owned property, this would constitute a constructive dividend to the condominium homeowners.

For example, a corporation is engaged in the business of building swimming pools. In lieu of paying a cash dividend to its shareholders, it installs a pool in each shareholder's backyard. Clearly the fair market value of the pool would constitute a taxable dividend to the shareholders receiving such a benefit. This is no different from the condominium corporation constructing a swimming pool on commonly owned land by using reserves which had previously been paid to the corporation by the homeowners as assessments and included in the corporation's gross income.[21] Each homeowner would be treated as having received a taxable dividend corresponding to his pro rata share of the commonly owned property. The $100 and $200 dividend exclusion [22] would probably provide very little comfort, since the magnitude of this dividend could be rather substantial.

In addition, certain administrative burdens are placed upon the condominium by this dividend. Each shareholder of the corporation who receives the dividend must be issued an information form if the dividend is $10 or more,[23] a copy of which must be filed with the Service.[24]

Thus a condominum management organization is treated, for federal income tax purposes, no differently from an ordinary commercial corporation. As a result, the corporation and its shareholders are subject to double taxation. Needless to say this causes the condominium to become a more expensive form of residential housing vis-a-vis the noncondominium private residence. This is in contrast to the economies of scale that are generally thought of as being characteristic of the condominium.

EXEMPT ORGANIZATIONS

Before discussing the status of the condominium corporation as a tax-exempt organization, a brief look at several related organizations and their tax exempt status would be helpful to put the condominium management organization in perspective. These organizations are the cooperative housing corporation and the homeowner's association.

Cooperative housing corporation

"A cooperative housing corporation is a corporation organized for the purpose of constructing, maintaining and operating apartment units for the primary benefit of its stockholders. Each stockholder's stock carries with it a lease or other evidence of his right to live in a particular apartment. Title to the land and improvements is in the corporation itself and the individual stockholder has no insurable interest in the title to the property. For this reason construction or improvement loans are generally obtained by the corporation itself, and all of the units in the project are subject to the lien of an over-all mortgage." [25]

Each tenant-stockholder is permitted to deduct his pro rata share of the real estate taxes and mortgage interest paid or incurred by the corporation, if certain requirements are met.[26]

So far as the corporation itself is concerned, it is a taxable corporation in the sense that it is not exempt from income tax under Section 501(c) of the Code.[27] To the extent that its gross income exceeds its deductions, taxable income will result. The gross income generally will consist of assessments paid by tenant-shareholders and its deductions will be expenditures for such purposes as real estate taxes, interest on the mortgage, utilities, maintenance and repairs. Therefore, the cooperative housing corporation will generally not have any taxable income since its expenses will completely offset, if not exceed, its gross income. Thus to a great extent this type of corporation serves as a conduit for the payment of the expenses of operating the apartment building and will be freed from the burden of federal and in many cases state income tax as well as the problems of the constructive dividend discussed above.

The double deduction that seems to result for mortgage interest and real estate taxes (once to the shareholder-tenants and again to the corporation) does not produce any double benefits except insofar as it enables the corporation to be treated for practical

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purposes as a tax-exempt organization. This so-called double deduction is a result of Section 216, since absent this provision the tenant-shareholders would not be able to deduct their aliquot share of real estate taxes and mortgage interest.

By virtue of Section 277, added by the Tax Reform Act of 1969,[28] any amount of investment income would give rise to taxable income, notwithstanding the fact that the corporation's total expenses exceed its total income. Upon the initial acqusition of stock and any subsequent assessments for major improvements and replacements, no taxable income results because these payments are treated as contributions to capital which are not included in gross income under Section 118.[29] And it has been held that payments received by the corporation for the purpose of making principal payments on the mortgage are contributions to capital.[30]

Thus an important characteristic of the cooperative housing corporation vis-a-vis the condominium is the capital contribution aspect of amounts paid by tenant-shareholders to the corporation. Since in the condominium situation each homeowner has his own separate mortgage, there are no principal or interest payments being made to the condominium management corporation. But the condominium homeowner's payment to the corporation for reserves for future capital expenditures are included in gross income. Thus there is a certain amount of inequality between these two forms of home ownership. One commentator suggests that they should be equalized.[31] This possibility will be explored in detail below.

HOMEOWNERS ASSOCIATION

(*A*) *In General.*—As previously noted the homeowners association will usually be organized as a nonprofit corporation. Generally it will hold title to the various recreational facilities such as a club house. If assessments paid by the homeowner are fully expended by the association for deductible operating expenses, ordinarily no taxable income would result. However, assessments will not in all cases be paid or incurred for current operations or for tax deductible purposes. A portion either may be set aside for capital improvements and additions or currently expended therefor. To that extent they will not constitute current deductions, and taxable income will result. Further in some cases a separate mortgage on the real property owned by the corporation will have to be paid, and to this extent taxable income also will arise because the portion of assessments used for this purpose will not be deductible. However, it should not be forgotten that depreciation under Section 167 is a permissible deduction and may have the effect of eliminating or at least significantly reducing the association's taxable income.

Nevertheless, apparently because of the potential income tax exposure, many of these associations have sought tax-exempt status usually under Section 501(c)(4).

According to the Regulations, a 501(c)(4) organization is defined as one which promotes social welfare:

"An organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community. An organization embraced within this section is one which is operated primarily for the purpose of bringing about civic betterments and social improvements."[32]

"The key principle in this area is that, to qualify as a social welfare organization, the activities of the organization must be such as will benefit the community as a *whole*, rather than merely benefit the organization's membership or another select group of individuals or organizations."[33] (Italics supplied.) "A related criterian of the social welfare organization is that it must not be operated primarily for the economic benefit or convenience of its members."[34] The requirement that the benefit be to a "community" rather than "private" benefit is the basis of the distinction made by the Service between the homeowners association, to which it generally grants Section 501(c)(4) status, and the condominium management corporation, to which its present policy is to deny tax exemption under this section. As will be discussed below, it is the author's view that it is inconsistent for the Service to treat these organizations differently.

(*B*) *Rev. Rul. 69–280.*—In Rev. Rul. 69–280,[35] a homeowners association, incorporated as a nonprofit membership corporation, provided specific services for the homeowners in a housing development. These services consisted of maintenance of the exterior walls and roofs of the individual home units (including painting of exterior walls and repair of roofs). The tax status of this organization was important since part of the dues paid by the member-homeowners was for reserves to cover large expenditures, such as replacement of roofs, thereby creating net income. On these facts, the Service denied Section 501(c)(4) exemption to this organization for the reasons that it provided private rather than community benefit:

"The organization here described is performing services that its members would otherwise have to provide for themselves. It is a private cooperative enterprise for the economic benefit or convenience of the members."[36]

In reaching its conclusion, the Service relied on *Lake Forest, Inc.*[37] In that case, Section 501(c)(4) status was denied to a nonprofit corporation that provided housing on a cooperative basis, principally to war veterans. The Fourth Circuit very narrowly construed the concept of "community" and broadly applied the prohibition against "private benefit." It held that the corporation was a private self-help enterprise with only an incidental benefit to the community as a whole.

(*C*) *Lake Forest, Inc.*—In *Lake Forest,* which arose under the predecessor of Section 501(c)(4), a non-profit membership corporation in 1947 purchased two defense housing projects in Wilmington, North Carolina from the United States government. These projects consisted of 249 one-story residential buildings divided into three, four and five-room apartments, a total of 584 dwelling units. The corporation proposed to devote these properties to a cooperative, nonprofit use as homes for its members. Preference in membership was extended to various war veterans.

The total down payment required of each purchaser was designed to equal the down payment required for the corporation to purchase the project from the government. Similarly, the total monthly payments required of each member for the privilege of occupying a particular unit would equal the monthly debt service requirement of the corporation to the government. In addition, each member was required to pay a monthly operating payment to defray the cost to the corporation of operating services and utilities, and to establish reserves. For this payment, the corporation would provide management for the project, pay property taxes and provide insurance, establishing reserves for these items as well as for vacancy and collection costs, repairs and replacements. The corporation's net income was therefore derived from the monthly operating and principal and interest payments by numbers. It is relevant to note that neither the Fourth Circuit nor the Tax Court refers to any profit motive on the part of the organizers of the corporation, nor is it apparent that they expected to derive a profit in the form of a management fee built into the monthly operating payment required of each member.

On these facts, the Fourth Circuit held that because this project produced a private benefit rather than a community wide benefit, the requirement of Section 501(c)(4) were not met. The court stated that ". . . the benefits are not municipal or public in their nature."[38] The corporation ". . . does not propose to offer a service or program for the direct betterment or improvement of the community as a whole."[39]

"Lake Forest does, of course, furnish housing to a certain group of citizens but it does not do so on a community basis. It is a public-spirited but privately-devoted endeavor. Its work in part incidentally redounds to society but this is not the 'social welfare' of the tax statute. . . While the occupancy preferences may contribute to the promotion of social welfare, they do not overbalance the private nature of the project."[40]

The private benefit the court saw in this arrangement was the individual's ownership of a portion of the housing project—an interest which was both redeemable and salable. Thus the court viewed the corporation as not meeting the statutory criterion of "exclusively for the promotion of social welfare, . . . since they partake largely of the nature of an economic and private cooperative undertaking."[41]

(*D*) *Rev. Rul. 72–102.*—In Rev. Rul. 72–102,[42] a homeowners association formed by a developer was operated to administer and enforce covenants for preserving the architecture and appearance of a housing development, and to own and maintain common green areas, streets and sidewalks for the use of the development residents. The organization was supported by membership dues and assessments. The Service stated that "Its activities are for the common benefit of the whole development rather than for individual residents or the developer."[43] The Service also noted that for purposes of Section 501(c)(4), ". . . a neighborhood, precinct, subdivision or housing development may constitute a community."[44] The Service then concluded:

"By administering and enforcing covenants, and owning and maintaining certain non-residential, non-commercial properties of the type normally owned and maintained by municipal governments, this organization is serving the common good and the general welfare of the people of the entire development. Even though the organization was established by the developer and its existence many have aided him in selling housing units, any benefits to the developer are merely incidental. Also, even though the activities of the organization serve to preserve and protect property values in the community, these benefits that accrue to the property owner-members are likewise incidental to the goal to which the organization's activities are directed, the common good of the community."[45]

The ruling goes on to distinguish Rev. Rul. 69–280 on the basis that the organization there was formed to provide maintenance of exterior walls and roofs of members' homes. Therefore that organization was operated "primarily and directly for the benefit of individual members rather than for the community as a whole."[46] It is interesting to note that the ruling does not cite *Lake Forest*.

Taking these two rulings together, the rule set forth by the Service is clear: exterior maintenance to private residences is one factor which destroys the Section 501(c)

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(4) exemption. Consistent with this rule is the position of the Service as set forth in Rev. Rul. 74–17[47] denying 501(c)(4) status to condominium management corporations.

In light of the current shortage of adequate low and moderate income housing, the above portions of the court's opinion seem rather out of place. It is possible that on the same facts a court today might find rather strong community benefit and social welfare and regard the rather tenuous private benefit found in *Lake Forest* instead of merely incidental.

Nevertheless, if the Service follows *Lake Forest*, as it did in Rev. Rul. 69–280 and Rev. Rul. 74–17, that case seems equally applicable to the facts in Rev. Rul. 72–102. If so, Rev. Rul. 72–102 may be regarded as an aberration. The community in *Lake Forest* consisted of 584 units. Although the size of the community in Rev. Rul. 72–102 was not stated, it was described as a housing development. The services provided by the association in that ruling appear not very different from those provided by the corporation in *Lake Forest*. The private benefit complained of by the Fourth Circuit, i.e., enhancing the value of private residences, is equally applicable to the services which the organization in that ruling provided. Clearly these services serve to enhance the value of each homeowner's residence.

In addition, it is difficult to regard these services as other than those which the homeowners would otherwise have to provide for themselves, one of the arguments set forth by the Service in Rev. Rul. 69–280. To this extent, there appears to be no difference between the private benefit which the organization in Rev. Rul. 72–102 rendered and that which the *Lake Forest* organization provided. In light of that case, it is difficult to see that the private benefit accruing to the homeowner in the ruling does not constitute substantial private benefits. Further, any benefit to the common good of the community by virtue of these services appears rather remote.

Also indistinguishable from *Lake Forest* is the homeowners association which does not provide "exterior maintenance," but whose primary function is to own and maintain certain recreational areas and facilities. In that situation there appears to be just as much private benefit and incidental community benefit because each member-homeowner readily has available recreational facilities which he would otherwise have to purchase himself, and the value of his residence reflects the availability and condition of these facilities. In such a situation, perhaps such an organization should more appropriately be exempt as a social club under Section 501(c)(7) rather than under Section 501(c)(4).[48] It is significant whether an organization is exempt under 501(c)(4) or 501(c)(7) because an organization exempt under the former section is not subject to unrelated business income tax on its investment income and other income, whereas under the latter provision it is.[49] Thus a homeowners association exempt under 501(c)(4), whose principal function is to own and maintain recreational facilities, can do so at a lower cost to its members because it can use untaxed investment income to reduce its operating costs. Whereas if exempt under Section 501(c)(7), the investment income is subject to the federal income tax. Since this opportunity was in the mind of Congress in imposing unrelated business income tax on the investment income of a 501(c)(7) organization,[50] it is possible that a re-evaluation is needed of the criteria used by the Service in granting Section 501(c)(4) status to certain homeowners associations.

(*E*) *Rev. Rul. 73–307.*—A further example of the Service's inconsistency in applying the *Lake Forest* doctrine appears in Rev. Rul. 73–307.[51] In that ruling a nonprofit corporation was formed to promote the common interest of tenants who reside in an apartment complex. The organization represented its members in negotiations with the management of the complex in order to secure better maintenance and services, and to secure reasonable rentals. The organization also provided legal representation for members as tenants. In this ruling, the Service, relying on *Lake Forest*, follows that case's rather narrow definition of "community benefit" and holds that the organization was operated essentially for the private benefit of its members and therefore was not primarily engaged in activities for the common good and welfare of the people of the community. In following *Lake Forest*, this ruling is consistent with Rev. Rul. 69–280 and Rev. Rul. 74–17, but does not shed any light on the departure taken by Rev. Rul. 72–102 from the strict tests set forth in *Lake Forest*.

In essence, it is the author's view that *Lake Forest*, relied on by the Service in Rev. Rul. 69–280 and Rev. Rul. 74–17, is just as applicable to the facts of Rev. Rul. 72–102. Thus if that ruling represents a departure from the *Lake Forest* holding, which it must since it is inconsistent with that case, then to be consistent with that ruling the Service should grant Section 501(c)(4) status to the condominium corporation, and Rev. Rul. 74–17 is wrong. On the other hand, if the Service is to apply *Lake Forest* consistently, it should deny Section 501(c)(4) status not only to the condominium but also to the homeowners association. If so, then Rev. Rul. 72–102 is incorrect. In that event, Section 501(c)(7) status may be more appropriate for the latter organization. In any case, in light of the shortage today of adequate housing for low and moderate income individuals, particularly in the urban areas, the development of the condominium, as a means of providing low-cost urban housing, is being thwarted by the Service's failure to grant tax-exempt status to the condominium management organization.[52]

Condominium Management Corporation

Assuming that the Service will continue to deny tax-exempt status to the condominium management corporation, the problem of income tax liability becomes very real. As discussed previously, it is clear that the condominium realizes gross income upon the receipt of assessments from members and upon the receipt of investment income. Thus to the extent that these amounts are not expended currently, or are not currently deductible, taxable income would arise. Limited relief is available by virtue of Rev. Rul. 70–604,[53] which grants tax-free status to excess assessments if they are in effect returned to the condominium members by way of reduced assessments in the following year. By inference, any such excess assessments not so applied and any investment income constitute taxable income, to the extent not offset by current deductions.

The income tax problem facing the condominium management corporation arises because of assessments which are set aside as reserves for future capital expenditures, and because of expenditures from current assessments for capital items. Further, as a nonexempt corporation, the condominium is taxable on its investment income since current expenses incurred in managing the condominium which are otherwise deductible may not be deducted against investment income.[54] And as a taxable corporation there is also the potential problem of each member deriving a taxable dividend upon the expenditure by the corporation of accumulated reserves and investment income to the extent of its current and accumulated earnings and profits.[55]

Recognizing the very significant tax problem facing the condominium management corporation and its members, exemption from income tax under Section 501(c)(4) would be ideal. But as Rev. Rul. 74–17 indicates, the Service is presently denying status under this provision primarily for two reasons. First, the Service relies on the *Lake Forest* rationale. Second, due to the very nature of condominium, each homeowner has common ownership in all the common areas and property. Because of this, says the IRS, any maintenance or repair services to this commonly owned property constitutes private benefit to the individual homeowner members as opposed to promoting the common good and general welfare of the community. And because this economic benefit is for the members as individuals, and not for the benefit of the community as a whole, the organization does not meet the requirements of Section 501(c)(4).

Thus it is due to the common ownership of condominium property which causes the private individual benefit. It is difficult to see why this benefit should defeat the Section 501(c)(4) exemption for the condominimum whereas the benefits accruing to the members of the homeowners association, although not quite so direct, do not adversely affect their exemption. As noted previously based on *Lake Forest*, both types of organizations should be denied Section 501(c)(4) status. But if the Service is not going to apply *Lake Forest* to a homeowners association,[56] to be consistent, it should also be inapplicable to a condominium. The IRS should not grant exemption to one but deny exemption to the other merely because of the different manner in which legal title is held to property used by the members and the maintenance of which benefits all.

ALTERNATIVES TO TAX-EXEMPT STATUS

Since the present policy of the Service is to deny tax-exempt status to condominium management corporations, such an organization is going to have to pursue other methods of achieving tax exemption on its assessments and perhaps even on its investment income. The two possibilities most likely to achieve at least judicial, if not IRS, approval are the contribution to capital and trust fund concepts.

CAPITAL CONTRIBUTION

One of the statutory exemptions to the general rule of Section 61 is set forth in Section 118 which provides that, in the case of a corporation, gross income does not include any contribution to the capital of the taxpayer. Thus, if a member of a condominimum corporation makes a capital contribution to the corporation, that amount is not included in the corporation's gross income.[57] Under this concept, assessments to be set aside in reserves for future capital expenditures, or even special assessments which are to be used currently for major repairs or improvements (and therefore not currently deductible because they are capital in nature[58]), should be designated by the condominimum corporation's board of directors as capital contributions. Since there is substantial authority for this approach, the Internal Revenue Service should publish a ruling to this effect with respect to condominium management corporations. This would provide certainty in the tax treatment of these organizations and assurance that the bulk of their gross receipts does not constitute gross income.

Prior to the enactment of Section 118 in 1954, the Service issued I. T. 1469.[59] In that 1922 ruling, it was held that amounts paid by

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tenant-stockholders under proprietary leases to be used for mortgage amortization and credited to paid-in surplus were contributions to capital and did not constitute income to the corporation.[60] That ruling was in effect affirmed by three decisions of the Tax Court[61] and a fairly recent decision of the Court of Claims, *Eckstein*.[62]

In *Eckstein*, which was factually similar to the three Tax Court cases, the issue of what payments constituted gross income arose in the context of the cooperative housing corporation.[63] The Service treated payments for mortgage amortization from tenant-stockholders as not includible in gross income. The Court of Claims sustained the Services and held that these amounts were not gross income from tenant-stockholders. In reaching this conclusion, the Court of Claims seems to have confused the concepts of gross income under Section 61 and gross income for purposes of qualifying receipts under Section 216(b) (1) (D). In addition, the Court appears to have misconstrued the three Tax Court cases cited with approval. Clearly payments by tenant-stockholders for mortgage amortization are not gross income under Section 61, but they should be included in gross income for purposes of qualifying receipts under Section 216(b) (1) (D). This in fact was the decision of the Tax Court in a 1972 decision, *Park Place, Inc.*,[64] where the court reached its conclusion on the Section 61 issue based on the trust fund concept discussed below.

Based on these authorities, the board of directors of a condominium management corporation could direct that a portion of the assessments for reserves and for capital expenditures constitute contributions to capital. In this manner these assessments would not be taxable to the condominium. Although this alternative to 501(c)) (4) exempt status has occasionally been suggested, or even assumed,[65] there is no specific authority to this effect. In the interest of a fair administration of the income tax laws, the Service should publish a ruling in which it specifically approves this approach.

Trust fund

To a great extent the trust fund and capital contribution concepts overlap, so that both recommendations should not necessarily be regarded as separate and distinct alternatives. Since the IRS is denying Section 501 (c) (4) exempt status to condominium management corporations, if the two concepts are applied together, they should solve most of their income tax problems. Under this concept, amounts received by a corporation with a definite, specific restriction as to their use, and which are held by the corporation and ultimately utilized for the designated purpose, do not constitute gross income. Instead these amounts are held by the corporation in a trustee or custodial capacity, to be expended solely for the prescribed purpose. Thus the corporation serves merely as a conduit for the collection and disbursement of these funds for the intended purpose and acts merely as an agent of the payors. In the case of a condominium, the assessments which are to be set aside in a reserve are held in trust for future expenditures for capital items. So long as this trust is respected and the funds are not used for current operations, these assessments would not constitute gross income to the condiminum corporation. There are numerous cases and rulings sustaining this concept, yet none deals with the condominium corporation. In the interest of fair and uniform administration of the tax laws, the Service should publish a ruling explicitly approving the trust fund concept for condominium management corporations.[66]

The first case to approve this concept was *Seven-Up Co.*[67] In that case, the taxpayer manufactured 7-Up extract which it sold to various franchised bottling companies. Each of the bottlers traditionally did its own local promotion and advertising. In order to undertake a program of national advertising, each bottler agreed to pay an additional amount to the taxpayer per gallon of extract purchased. These additional amounts were to be administered and utilized by the taxpayer solely for advertising purposes. Although not placed in a separate bank account, they were segregated on its books. At the end of the years in question, there was an excess of receipts over disbursements. In holding this excess not gross income, the Tax Court said:

"The payments made by the participating bottlers were not for service rendered or to be rendered by petitioner. Neither were they part of the purchase price of the extract. They did not, therefore, constitute *earnings* received by petitioner under a claim of right and without restriction as to disposition, which petitioner would have had to include in gross income under the rule laid down in *North American Oil Consolidated v. Burnet* [3 USTC ¶943], 286 U.S. 417. While petitioner had the right to receive the bottlers' contributions under its agreements with them, all the facts and circumstances surrounding the transaction clearly indicate that it was the intention of all of the parties concerned that these contributions were to be used to acquire national advertising for the 7-up bottled beverage and for that purpose only, and that petitioner was to be a conduit for passing on the funds contributed to the advertising agency which was to arrange for and supply the national advertising. Cf. *Central Life Assurance Society, Mutual v. Commissioner* [2 USTC ¶784], 51 F. 2d 939. Although funds were not all expended in the year received, for reasons set forth in our findings, petitioner did expend them for national advertising, did not use them for general corporate purposes, treated the amounts on hand in the fund on its books as a liability to the bottlers, and considered itself, as evidenced by its letter of May 2, 1944 to one of the participating bottlers, merely as a trustee, handling the bottlers' money.[68]

In Rev. Rul. 58–209,[69] the Service distinguished *Seven-Up Co.* on the basis that the payments received by the corporation to be used for advertising the member dealers' automobiles could also be used for other general business purposes furthering the general business welfare of the members, not just advertising. Since the corporation had this authority, the Service ruled this precluded a finding that the payments received constituted a trust fund burdened with the obligation to expend them solely for advertising. Thus the payments were gross income to the corporation.

In Rev. Rul. 69–96,[70] a farm production credit association, a taxable corporation, was organized principally to make loans to farmers to finance the current production costs of operating their farms. The association set up a group credit life insurance policy insuring the lives of any of its borrowers who were interested in this coverage. Dividends earned on the group policy were paid to the association in a lump sum without allocation among the various individual policies. In accordance with federal regulations, these dividends were set up by the board of directors as a liability to be used to maintain the present premium rates or if no increase was required and the dividends accumulated to a certain amount, to reduce the current premium rate. Citing *Seven-up Co.* the Rev. Rul. 58–209, the Service ruled that since these amounts were to be used solely for the purpose of maintaining or reducing the borrowers' premium rates and the paxpayer acted as a mere trustee or conduit with respect to the dividends, they were not includible in its gross income.

Several other Tax Court cases have followed along this line of reasoning and held, within their own factual setting, that the amounts in question were not gross income. In addition, the Fifth and Ninth Circuits have held to this effect in affirming the Tax Court.[71]

The most recent case in this area, *Park Place, Inc.*,[72] also follows the line of cases starting with the *Seven-Up Co.* holding that the portion of the annual assessments collected from the tenant-stockholders of a cooperative housing corporation which the corporation may use to pay the mortgage or for expenses of operating the apartment building is not includible in the corporation's gross income under Section 61. However, for the purposes of determining the 80 per cent gross income test of Section 216 (b) (1) (D), such amounts are treated as gross income.

Thus there is a long line of authority to support the conclusion that assessments paid to a condominium by its member-owners, which are set aside by the board of directors in a reserve to be used solely for future capital expenditures, do not constitute gross income to the corporation. But it is imperative that such amounts be used exclusively for capital improvements or replacements and not for current maintenance and repair so as not to run afoul of the trust fund doctrine.[73]

If this concept is coupled with the capital contribution concept so that the assessment for reserves are designated as capital contributions, and are held in trust, there is strong authority for treating these amounts as not includible in gross income. As suggested previously, the Service should make this clear in a published ruling. In light of the very rapid growth of the condominium form of home ownership, the need for such a pronouncement is crucial.

Legislation

A third alternative would require affirmative action on the part of Congress to amend Section 501(c) by specifically creating an exemption from federal income tax for condominium management corporations. In so doing, Congress would in effect abrogate *Lake Forest, Inc.*, insofar as it has been applied by the Service to condominium management corporations. Such legislation could take the form of an amendment to Section 501(c) (4) or an additional paragraph to Section 501(c). During the course of Senate debate on the Tax Reform Act of 1969, Senator Packwood of Oregon proposed an amendment to add Section 501(c) (19) to the Code dealing specifically with condominiums.[74] The amendment was rejected without extensive consideration. In view of the proliferation of condominiums since that time, Congress may now be more receptive to such a change.

TAXATION OF INVESTMENT INCOME

Up to now, the discussion has been limited to the taxation of assessments. There is also the related problem of the taxation of dividends, interest and capital gains, arising from the investment of accumulated reserves. As a taxable corporation, the investment income will be includible in the condominium's gross income just as it would if it were received by the ordinary commercial corporation. But because of Section 277,[75] added to the Code in 1969, the condominium cannot deduct its operating expenses against this investment income. In other words, regardless of its net accounting income or loss, the net investment income will be subject to federal income tax.

Section 277 applies to a nonexempt organization which provides services to members on a nonprofit basis. Such an organization can claim deductions for expenses incurred in providing such services only against the income it receives from these members. Put another way, it cannot deduct such expenses to offset income from nonmembers, such as investment income. Therefore, notwithstanding that such an organization may have a

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Footnotes at end of article.

net operating loss, it will be liable for federal income tax on its nonmember source income, such as investment income and nonmember dues and admissions.

Section 277 was intended to reach those organizations that supply services to their members at less than cost and then offset this book loss against their business or investment income and thereby pay no income tax.[76] The legislative history of this section indicates that it was intended to parallel the amendment made to Section 512(a) with respect to certain exempt membership organizations.[77] Although nonexempt condominium organizations were not specifically intended to be covered, they nevertheless appear to fall within the realm of this provision.[78] Even if the condominium relies on the capital contribution and trust fund concepts to exclude a portion of its assessments from gross income, the result is the same, i.e., the investment income would be subject to federal income taxation irrespective of any operating loss.

In the unlikely event that the condominium could qualify as a Section 501(c)(7) exempt corporation, it would still be liable for federal income tax on its investment income since such income would be taxable as unrelated business income.[79] But as a Section 501(c)(4) organization, the section under which homeowners associations are usually exempt, it too would be exempt from tax on its investment income.[80] It seems patently unfair that a homeowners association can utilize investment income undiminished by federal income tax to subsidize its operations and thereby provide services to its members at less than cost, whereas a condominium corporation, merely because title to the common property is held in common by the homeowners rather than by the corporation, must pay federal income tax on such income. This inequity should be remedied by the Service placing the condominium management corporation in income tax parity with the homeowners association. Alternatively, Congress should be made aware of this inequity and encouraged to enact remedial legislation.

CONSTRUCTIVE DIVIDEND

If a corporation with earnings and profits transfers property or renders services to one or more of its shareholders, the fair market value of these economic benefits constitutes a taxable dividend to the shareholders so benefited.[81] Thus it has been suggested [82] that where a condominium corporation has current or accumulated earnings and profits (because of assessments set aside in a reserve, assessments expended for capital items, or merely because it has net income), and the extent that it expends these funds in a manner which benefits the condominium homeowners, each homeowner would realize a taxable dividend (subject to the exclusions of Section 116) to the extent of his pro rata share of the value of such improvements. The benefit to the condominium members could be a capital improvement on common property, for example, the construction of tennis courts, or the performance of maintenance, landscaping and upkeep of the swimming pool.

Since most condominiums will be organized as nonprofit membership corporations, there will be no stock issued to any of the member-homeowners, and therefore technically no shareholders. Thus it may be argued that since Section 301(a) describes "a distribution of property . . . made by a corporation to a shareholder with respect to its stock," there can be no taxable dividend because there are no shareholders and no stock. Unfortunately there is no direct support for this proposition.[83] Because of this, there remains some doubt as to the tax consequences of the expenditure by a condominium of accumulated reserves. If the corporation is not exempt, even though a nonprofit corporation, it may be deemed to have substantial earnings and profits. However, if it relies on the capital contribution and trust fund concepts to exclude portions of its assessments from gross income, then presumably its only earnings and profits would be its investment income less the applicable federal income tax. The ideal solution to this problem is exemption under 501(c)(4), in which case the corporation would probably be deemed not to have earnings and profits.

A related administrative problem is the requirement that where annual dividends total $10 or more, payors of the dividends must file information returns with the Service [84] and provide shareholders with copies of these returns.[85]

If a condominium can achieve tax exemption on the assessments it receives for nondeductible capital items, it would still be liable for corporate income tax on its investment income, and again a second tax at the individual level on these constructive dividends. While this would not place the condominium management corporation on an equal tax footing with the homeowners association, it would eliminate the most substantial tax burden. In fact, it seems only fair that the condominium owners should not be exempt from tax on investment income for the same reason that a noncondominium homeowner is not exempt. But the equity of a second tax is not quite so apparent. Thus assuming the Service is unwilling to change its policy of denying Section 501(c)(4) status to a condominium, it should rule on the capital contribution and trust fund concepts of excluding portions of assessments from gross income.

SUMMARY AND CONCLUSION

A condominium management corporation must include in gross income all assessments paid by its members and all other income. To the extent that its expenditures are not tax deductible, it will have taxable income.

Under existing IRS policy, a condominium management corporation will not be granted a 501(c)(4) exemption because, in the opinion of the Service, the repair and maintenance services which the corporation performs provide each individual homeowner with a private benefit. This is due to the fact that each homeowner is a tenant-in-common with the other condominium homeowners with respect to the commonly owned property.

A condominium management corporation can avoid the inclusion in gross income of that portion of the assessments set aside for future capital expenditure or currently expended therefor by relying on a combination of two tax concepts. If part of the assessments are designated by the board of directors as contributions to capital they would be excluded from gross income. Similarly, if the board adopts a resolution to hold a designated portion of assessments in a fund to be expended solely for specific capital improvements and replacements, the condominium would be regarded as a custodian of these funds which it holds in trust and therefore they will be excluded from gross income. In any event, the condominium will be liable for tax on its investment income. The only way such a tax can be avoided is if the condominium can qualify for a 501(c)(4) exemption.

Any earnings and profits of the corporation which are expended for improvements or replacements of commonly owned property may be regarded as a constructive dividend to the condominium homeowners. If the corporation is not exempt, this dividend could be quite substantial. However, if the condominium is taxable on its investment income only, the taxable portion of the dividend may not be very large, but this would depend on the amount of accumulated investment income less the applicable expenses and income taxes.

The IRS should not keep condominium developers, potential buyers and existing residents in doubt as to the taxation of the condominium corporation. In addition to the ruling that it is not exempt under Section 501(c)(4), the Service should rule that certain portions of their assessments are not included in gross income under the capital contribution and trust fund concepts, and that there is no constructive dividend problem upon expenditure of assessments set aside in reserves. However if the IRS will not so rule, remedial legislation is in order so that the condominium may remain a viable form of home ownership.

FOOTNOTES

[1] Anderson, "Tax Aspects of Cooperative and Condominium Housing," 25 *New York University Institute on Federal Taxation* 79, 88 (1967).

[2] Curry, "Tax Considerations of Condominiums," 19 *Tulane Tax Institute* 347, 50 (1970).

[3] Anderson cited at footnote 1, at p. 79; Pohoryles, "The FHA Condominium: A Basic Comparison with the FHA Cooperative," 31 *George Washington Law Review* 1014 (1963).

[4] For a discussion of condominiums see. generally, Rohn & Reskin, *Condominium Law and Practice* (1972); Tully, "Castle in the Air—The Condominium," 34 *Alabama Law Review* 28 (1973); Mancuso, "Some Aspects of the Condominium Development," 34 *Alabama Law Review* 45 (1973).

[5] Int. Rev. Code of 1954 Secs. 1–4, 11, 641 (a) (hereinafter cited as IRC).

[6] IRC sec. 511.

[7] Regarding the problem of unlimited liability of unincorporated condominium associations, see generally Tully, cited at footnote 4, at p. 37; Curry, cited at 2, at p. 355; *White v. Cox,* 17 Cal. App. 3d 824, 95 Cal. Rptr. 259 (Ct. App 1971); Note, 25 *Vanderbilt Law Review* 271 (1972); Note, 8 *California Western Law Review* 536 (1971).

[8] Regs. Secs. 1.761–1(a)(1), 307.7701–3(a).

[9] See generally Krasnowiecki, "Townhouse Condominiums Compared to Conventional Subdivision with Homes Association," 1 *Real Estate Law Journal* 323, 343 (1973); Note, "Condominiums: Incorporation of the Common Elements—A Proposal," 23 *Vanderbilt Law Review* 321, 360 (1970); Anderson, cited at footnote 1, at p. 94; Alperin & Hassenfeld, "Condominium: A Functional Freehold in the Metropolis," *American Business Law Review* 127, 137 (1967). But see Rohan & Reskin, cited at footnote 4, Sec. 15.04.

[10] 1970–2 CB 9.

[11] Ibid.

[12] Implicit in this ruling is that assessments do constitute gross income, at least in the eyes of the Service. Further, it is significant to note that under the facts of this ruling, excess assessments are applied against and reduce the following *year's* assessments, not the following *years'* assessments. The placement of the apostrophe has the rather important effect of precluding the use of one or more annual excesses in a noncontiguous future year or years for major improvements or replacements which would otherwise have to be financed by higher assessments.

[13] With the trend today among states toward conformity with the federal income tax law, unless the state legislature or the state income tax administration has specifically considered this question, the state probably would follow the federal income tax approach toward the taxation of condominium corporations.

[14] *Helvering v. F. & R. Lazarus & Co.*, 39–2 USTC ¶ 9793, 308 U.S. 252.

[15] IRC Sec. 167(a)(1).

[16] IRC Sec. 167(a)(2).

[17] The taxability of the management organization is obviously not determined by the ability of the corporation to claim depreciation deductions against the assess-

ments it receives as income. Rather if the corporation is subject to the federal income tax (because it is unable to qualify for tax-exempt status) the magnitude of the profit subject to federal income tax could be significantly greater without the availability of the deduction than if it were available.

[18] The IRS has recently issued Rev. Rul. 74-17, 1974-2 I. R. B. 11, holding that it will not grant a condominium management organization tax-exempt status under Section 501(c)(4). Because of this ruling, which is consistent with the Service's previously unannounced policy, exempt status is no longer a viable alternative.

[19] IRC Sec. 312.

[20] IRC Secs. 301, 316(a), 317(a).

[21] Anderson, footnote 1, at p. 97.

[22] IRC Sec. 116.

[23] IRC Sec. 6042(c).

[24] IRC Sec. 6042(a).

[25] Anderson, footnote 1, at p. 79.

[26] IRC Sec. 216.

[27] Rev. Rul. 70-585, 1970-2 CB 115; *Lake Forest, Inc.*, 62-2 USTC ¶ 9602, 305 F. 2d 814 (CA-4); Rev. Rul. 56-225, 1956-1 CB 58.

[28] P. L. 91-172, 91st Cong., 1st Sess.

[29] Regs. Sec. 1.118-7; *Eckstein,* 72-1 USTC ¶ 9113, 452 F. 2d 1036, 1041-4 (Ct. Cls.); I. T. 1469, I-2 CB 191 (1922).

[30] *Cambridge Apartment Building Corp.*, CCH Dec. 11,836, 44 BTA 617 (1941), acq. 1941-2 CB 2; *874 Park Avenue Corp.*, CCH Dec. 6986, 23 BTA 400 (1931), acq. X-2 CB 21.

[31] Krasnowiecki, cited at footnote 9, at p. 344.

[32] Regs. Sec. 1.501(c)(4)-1(a)(2)(i).

[33] Myers & Hopkins, *Materials on Tax-Exempt Organizations* at 22/2, Education Publications, Inc., 1973.

[34] Id. at 22/6; Regs. Sec. 1.501(c)(4)-1(a)(1)(i); *Consumer-Farmer Milk Cooperative, Inc.*, 51-2 USTC ¶ 9113, 186 F. 2d 68 (CA-2), cert. denied 341 U. S. 931.

[35] 1969-1 CB 152.

[36] Ibid.

[37] Case cited at footnote 27.

[38] 305 F. 2d at p. 818.

[39] Ibid.

[40] Ibid.

[41] 305 F. 2d at p. 820.

[42] 1972-1 CB 149.

[43] Ibid.

[44] Ibid.

[45] Id. at pp. 149-50.

[46] Id. at p. 150.

[47] See footnote 18.

[48] In Rev. Rul. 69-281, 1969-1 CB 155, the Service granted Section 501(c)(7) exempt status to an organization of this type.

[49] IRC Sec. 512(a)(3)(A).

[50] Joint Committee on Internal Revenue Taxation, *General Explanation of the Tax Reform Act of 1969*, at 70 (1970).

[51] 1973-29 I.R.B. 8.

[52] To the effect that the condominium may contribute importantly to the alleviation of this housing shortage, see, generally, Note, "Condominiums and the 1968 Housing and Urban Development Act: Putting the Poor in Their Place," 43 *Southern California Law Review* 309 (1970); Quirk & Wein, "Homeownership for the Poor: Tenant Condominiums, the Housing and Urban Development Act of 1968, and the Rockefeller Program," 54 *Cornell Law Review* 811 (1969); Teaford, "Home-ownership for Low Income Families: The Condominium," 21 *Hastings Law Journal* 243 (1970); Harrison, "FHA Condominium: Use As a Means of Meeting the Need of Moderate Income Housing," 11 *New York Law Forum* 458 (1965); Welfeld, "Condominium: and Median Income Housing," 31 *Fordham Law Review* 457 (1963).

[53] Footnote 10.

[54] Section 121(b)(3) of the Tax Reform Act of 1969 (footnote 28) added Section 277(a) to the Code. That section does to taxable social clubs what Section 512(a)(3)(A) does to social clubs exempt under Section 501(c)(7), i.e., require the organization to pay tax on its income from investments. Section 277(a), however, is not restricted to Section 501(c)(7) organizations, as Section 512(a)(3)(A) is; therefore it applies just as well to taxable condominium management organizations.

[55] IRC Secs. 301(c)(1), 316(a).

[56] Rev. Rul. 72-102, 1972-1 CB 149.

[57] See generally, Krasnowiecki, cited at footnoe 9, at pp. 344-5, 347-8; Note, *Vanderbilt Law Review,* cited at footnote 9, at p. 360 *passim;* Rief, "Condominium and Cooperative Housing: Taxation by State and Federal Governments," 21 *University of Florida Law Review* 529, 535 (1969); Alperin & Hassenfold, cited at footnote 9, at p. 138.

[58] Regs. Sec. 1.162-3; IRC Sec. 263(a); Regs. Sec. 1.263(a)-1, 1.263(a)-2.

[59] Footnote 29.

[60] The ruling stated at p. 192: ". . . that portion of the assessment payments credited to the 'paid-in surplus' account and devoted to the reduction of the corporation's mortgage indebtedness or for other capital purposes is in the nature of a voluntary assessment upon the stock held by the individual proprietary leases, which, . . . represents additional cost of such stock, and does not constitute income to the corporation."

[61] *Lake Forest, Inc.,* CCH Dec. 25,957(M), 22 TCM 156 (1963), enf'g *Lake Forest, Inc.*, cited at footnote 27; *Cambridge Apartment Building Corp.,* cited at footnote 30; *874 Park Avenue Corp.,* cited at footnote 30.

[62] Footnote 29.

[63] IRC Sec. 216(b)(1).

[64] CCH Dec. 31,298, 57 TC 767 (1972).

[65] See, generally, footnote 57.

[66] Rief, cited at footnote 57, at p. 535.

[67] CCH Dec. 17656, 14 TC 965 (1950), acq., 1950-2 CB 4.

[68] *Seven-Up Company,* cited at footnote 67, at pp. 977-8.

[69] 1958-1 CB 19.

[70] 1969-1 CB 31.

[71] *Ford Dealers Advertising Fund, Inc.*, CCH Dec. 30,654, 55 TC 761 (1971), aff'd 72-1 USTC ¶ 9228, 456 F. 2d 255 (CA-5); *Dri-Power Distributors Association Trust,* CCH Dec. 30,001, 54 TC 460 (1970); *New York State Ass'n of Real Est. Bd. Group Ins. Fund,* CCH Dec. 30,186, 54 TC 1325 (1970); *Angelus Funeral Home,* CCH Dec. 28,310, 47 TC 391 (1967), aff'd 69-1 USTC ¶ 9216, 407 F. 2d 210 (CA-9), cert. denied 396 U.S. 824.

[72] Footnote 64.

[73] See Rev. Rul. 58-209, cited at footnote 69.

[74] 115 *Congressional Record* 37942 (1969). That amendment provided for the exemption of:

"Corporations, other than cooperative housing corporations (as defined in section 216 (b)(1)) not organized for profit but operated exclusively for the preservation, maintenance, and repair of houses, apartments, or other dwellings owned by the members of such a corporation, and for the preservation, maintenance, landscaping, and operation of the common area owned by such members or such corporation situated contiguous to such houses, apartments, or other dwellings and used for noncommercial purposes, but only if—

"(A) no part of the net earnings of such corporation inures (other than through the performance of related services for the member of such corporation) to the benefit of any member of such corporation or other person, and

"(B) 95 percent or more of the gross receipts of such corporation consists of amounts received from such members for the sole purpose of providing such services."

[75] Footnote 54.

[76] Joint Committee on Internal Revenue Taxation, cited at footnote 50, at pp. 71-4.

[77] IRC Sec. 512(a)(3); House Ways and Means Committee, Comm. Rept., H. Rept. No. 91-413 (Part I), 91st Cong., 1st Sess., 1969 at 44. Under this provision, the social club exempt under Section 501(c)(7) and the Section 501(c)(9) organization are liable for federal income tax on their investment income. In other words, investment income would not be excluded from the organization's unrelated business income. Note, however, that Section 501(c)(4) organizations were unaffected by this amendment. Joint Committee on Internal Revenue Taxation, cited at footnote 50, at p. 70.

[78] Prop. Regs. Sec. 1.277-1(b)(1).

[79] IRC Sec. 512(a)(3)(A).

[80] IRC Sec. 512(b)(1)(a).

[81] Sec. IRC Secs. 301(b)(1)(A), 301(c)(1), 316(a), 317(a), and the Regulations thereunder; Bittker & Eustice, *Federal Income Taxation of Corporations and Shareholders* ¶ 7.05 (3d ed. 1971).

[82] See Curry, cited at footnote 2, at pp. 355-6; Note, *Vanderbilt Law Review,* cited at footnote 1, at p. 97.

[83] However, it has been held that memberships in a nonstock, nonprofit membership organization are not stock for personal holding company tax purposes. *Stevens Bros. Foundation, Inc., 63-2* USTC ¶ 9820, 324 F. 2d 633 (CA-8); Rev. Rul. 58-556, 1958-2 CB 355.

[84] IRC Sec. 6042(a)(1). Form 1099-DIV is the official Internal Revenue Service form prescribed for this purpose.

[85] See footnote 23.

THE UNITED NATIONS DEVELOPMENT PROGRAM

Mr. McGEE. Mr. President, last month the distinguished Administrator of the United Nations Development Program, Mr. Randolph A. Peterson, delivered an excellent statement before the 18th session of the UNDP Governing Council in Manila, Philippines.

While Mr. Peterson discussed the contributions UNDP has made to the wide-ranging development needs of the poorer nations of the world, he issued a challenge to the Council to strengthen its efforts to meet these needs more effectively.

In noting the increasing interpendence of the world community, Mr. Peterson offered an excellent analysis of the challenges facing us all. It would be my hope that his thoughtful analysis would be given close scrutiny by Members of Congress, for I found it to be illuminating and pacticularly appropriate in these critical times of international economic instability.

In essence, Mr. Peterson was not only challenging the UNDP Governing Council, but he was also challenging the U.S. Congress to open its eyes to the world around it.

I ask unanimous consent that Mr. Peterson's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT BY RUDOLPH A. PETERSON, ADMINISTRATOR OF THE UNITED NATIONS DEVELOPMENT PROGRAM, MANILA, PHILIPPINES, JUNE 5, 1974

I would like to begin by extending our deepest appreciation to President Marcos and to the Government of the Philippines, for inviting the Governing Council to hold its Eighteenth Session in Manila. This meeting has special meaning because it is the first to be held in Asia. Here, where more than half the world's population live, international development co-operation has achieved some great successes, and met some towering challenges.

In many ways, the Philippines exemplifies the potential of technical co-operation, and its vigorous employment by a nation. For example, two years ago, the area where we now meet was struck by devastating floods. Hundreds of lives were lost, and there was massive damage to crops and property. Within weeks, the Philippine Government had drafted a master plan for rehabilitation and development. It incorporated rapid and appropriate assistance from UNDP and from others able to provide those inputs that the Government knew could best be obtained abroad. The Philippines country programme, one of the first, can well stand as a model of sophisticated and realistic planning of assistance. But equally important is this nation's full awareness of the responsibilities of international co-operation. There were last year some 100 international experts working in this country. At the same time, nearly 70 Filipino experts and technicians were abroad on UNDP-supported projects, contributing to the economic and social development of other countries. I believe that it is most appropriate, and most gratifying, that we open our meeting today in a land where the ideals and practices of international co-operation have been tested and strengthened.

The Manila meeting of the Governing Council takes place in an eventful year in the annals of international economic co-operation. Statesmen will be negotiating in Caracas to create the legal foundations for the just and peaceful development of the resources of the sea. A few short weeks ago, in New York, the first round of preparatory talks were completed by the ad hoc Committee for the World Disarmament Conference. Only a few weeks hence, the World Population Conference will convene in Bucharest. A short time later, Rome will be the site of the World Food Conference. Nineteen seventy-four is a year in which alarmed reaction to contemporary crises, including crop failures and energy shortages, merged with a general concern about long-term trends such as population growth and the proliferation of war machines. The result is an astonishing convergence of demands and opportunities for co-operative international action.

This convergence was dramatically illustrated by the Special Session of the General Assembly on raw materials and development. It was an historic session in many ways. For the first time, nations rigorously attempted to set forth the fundamental inter-relationships that exist among poverty, food supplies, trade, disarmament, population growth, the use of natural resources, and the world monetary system. Never before have the people of the world witnessed such a clear affirmation of th interdependence of nations. And to a greater extent than ever before, the Special Session strengthened the role of the United Nations system in searching for more equitable international economic relations. The Declaration on the Establishment of a New Economic Order and the Programs of Action adopted by the Assembly will have a major influence on the future conduct of affairs among nations. The Declaration and the Programme are deeply rooted in the realities of the world we live in. They reflect changes that have been made, and are being made, in the way nations interact with one another. These instruments will exert influence at forthcoming world conferences in both the near and distant future. They also will be keenly examined by development organizations charged with translating the will of the international community into action. Failure to recognize the long-term impact of the special session on international economic relations would be a grave error.

The Manila meeting thus takes place in a context that challenges our experience and our imagination. We must carefully assess our ability to contribute to the long-term objectives of the international action plan. We must also examine our responsibilities in fulfilling the more immediate requirements of the Special Programme to assist developing countries that are seriously affected by economic crises. In both cases, however, I believe that we must fully affirm the necessity of a viable, growing programme of technical assistance to and among developing countries. For we are talking about assistance that provides men, women and their governments with the ability to develop their own resources and their own skills for their own benefit. Emergency assistance is urgently required. But it must be provided in such a way that it sustains and promotes economic growth. Otherwise, these essential and urgently needed aid programmes will only perpetuate dependence by the poorer nations upon richer nations. In short, all programmes launched in support of a new economic order must constantly keep in view the ultimate goal: sovereign nations capable of building their own economic productive structures and of entering into just and mutually beneficial exchanges of goods and services.

The UN development system—in which UNDP performs a unique leadership role—has a prime responsibility for responding to many of the requirements of a new economic order. Our task now is to examine the relevance of our co-operative undertaking to goals set forth in the international Programme of Action, and to explore the potential for initiatives in support of that Programme.

The Declaration, the Programme of Action, and the International Development Strategy are complex documents. Extrapolating from them, however, it is possible to isolate certain agreed-upon requirements for the development and use of resources available to developing countries and report on UNDP efforts and capacity to meet these requirements.

First, then, is the capacity to set priorities in the development and use of national resources. With this, there must evolve ever more sophisticated and sensitive planning mechanisms to ensure that these resources contribute to self-sustaining economic growth. By the end of the current programming cycle, almost every developing country will have had experience with the planning process and discipline involved in country programming. Sectoral planning, too, is taking major steps forward in areas such as minerals, forestry, water and agricultural development.

A second requirement is the identification of productive resources. In this field, UNDP achievements are well-known. To date, they include locating some $20 billion in ores, including bauxite in British Solomon Islands; manganese in Upper Volta; iron in India and Guinea; and copper in Chile, Ecuador, Iran, Panama, Malaysia and a number of other countries. As of last year, UNDP was supporting 117 projects in 69 countries for the improvement or expansion of forestry resources. To find new food sources, especially protein, the Programme last year was sponsoring 126 fisheries projects. And hundreds of other projects were underway to find and develop energy sources, fertile agriculture areas, water supplies and other resources. Even greater efforts are now possible with the creation of the Natural Resources Revolving Fund.

Yet, a variety of factors determine the contribution that these resources will make to national development. If the benefits are to accrue to a nation, then its citizens must acquire the skills, technology and processing facilities to make use of them. There is evidence that UNDP readily responds to these needs. As examples, we need only cite the more than one million men and women trained in UNDP-assisted institutions. There is also the growing proportion of efforts to further the introduction of science, its application in appropriate technologies and the establishment of viable industries.

The mobilisation of investment capital is another requirement. Last year, two-fifths of the Programme's activities were designed to attract follow-up investment, and $3.9 billion in such commitments were reported—a substantial gain over the previous year. These investments will help provide developing countries with nearly 10,000 kilometres of new or improved roads, equal to one stretching from Manila almost to Cairo. They will provide an additional 5.4 kilowatt hours of electricity each year, which is equal to the installed capacity of Denmark, and they will bring a quarter million acres of land under irrigation.

The acquisition of the means of production, with both its capital and human components, is not in itself sufficient to guarantee beneficial results to the people of a developing nation. The ability to profit from these efforts can depend largely on the degree to which they can be translated into exports in exchange for needed development imports—a capacity determined by transport, terms of trade and currency rates. Lengthy, difficult negotiations are required to ensure that developing countries earn a just return on their efforts under conditions favourable to them and non-disruptive to international economic life. Here, too, the UNDP is able to make a contribution. Investment related to Programme activities last year will provide ports of developing countries with additional freight capacities of nearly 17.7 million tons annually, a capacity exceeding that of Bombay or Montreal. To bolster the position of basic commodities, UNDP has assisted efforts to improve the marketability of such natural fibres as jute and cotton, which face stiff competition from synthetic fibres. And UNDP has helped in the establishment of commodity communities, such as those for coconut and pepper. Meanwhile, the volume of assistance aimed at promoting international trade is growing rapidly. These projects include national, regional and inter-regional training programmes for export promotion, and trade and tariff negotiations.

In sum, when we consider the question of resources, the UNDP has extensive experience that ranges from planning and identification to production, processing and trading. This experience takes on even more significance as we recall an overriding theme of the Special Session of the General Assembly—the exercise of permanent sovereignty over natural resources. Such sovereignty exists in law and by international consensus but it becomes fact only when developing countries acquire the varied capacities that I have outlined.

Even as we perceive the linkages that determine the successful exploitation of resources, more inter-relationships become apparent. The discussions at the Special Session, evoking those that led to the International Development Strategy, stress that development is more than increased economic output. The ultimate aim is the quality of human life, and here the inter-relationships embrace health, shelter, nutrition, education and other basic needs that should be birthrights of each human being, regardless of where he or she is born.

But such is not the case, as we know all too well. For a quarter of humankind, what should be rights at birth are perverted into curses because of an absolute, unrelieved poverty: Poverty that kills four out of every ten before the age of six, poverty that stunts the minds and bodies of surviving children; poverty that deprives one out of three of the economic and cultural benefits of literacy.

Even as we perceive the inter-relationships in economic progress, so, too, must we understand the reinforcing relationships of poverty: malnutrition, poor health, unemployment, and the inability to acquire productive skills.

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One hopeful sign that has emerged in recent years is a worldwide acceptance of responsibility to improve the situation of the close to one billion people living in the conditions that I have described. It was evident in the Special Programme endorsed by the General Assembly. It is evident in decisions taken by this Governing Council to redistribute Programme resources for the benefit of the lowest income nations. Momentum is gathering for even more UNDP initiatives to assist the poorest. Last year, the "special measures programme" was launched for least developed countries to provide assistance in addition to their IPFs. By the end of the year, $8.5 million was committed, and projects valued at an additional $15.5 million were well on the way to approval. There also has been a welcome growth in the social content of the Programme, with the increase greatest in those countries where the blight of poverty is most severe. These projects cover a vast range of activities, including, for example, efforts to support youth programmes in the Caribbean, to promote employment throughout Asia, and to strengthen education and health facilities in Africa.

Looking to future development activities, we recognize both the possible contributions and special responsibilities of socially defined groups. Nineteen seventy-five has been designated International Women's Year, and we anticipate that concrete action to improve the status of women, and to benefit from their skills and energy will be reflected in country programmes. We will continue efforts to involve more closely non-governmental organizations, whose development activities total more than one billion dollars a year, with field projects assisted by UNDP. And we see a growing commitment to equip younger people with skills needed for their country's progress, and to find the means to use those skills in the most productive way. In this connexion, the experience with our own UN Volunteers can be applied to domestic youth volunteer movements. We are ready to make far greater efforts to enlist youth from developing countries in the UNV, in order to draw upon their talents and energies for social progress in their own countries.

There is yet another set of inter-relationships that must be examined in connexion with the relevance of the Programme—those links being forged among the developing countries to promote their mutual growth. UNDP began years ago to assist the process of co-operation and mutual reliance that today is gaining such momentum among low-income nations. These relationships have taken many forms, including river basin development, fisheries, institutions for training and planning and many more. In Africa, alone, the Programme is assisting nearly 30 regional or sub-regional inter-governmental institutions. 9 report before the Council indicates further efforts in this field by the Working Group on Technical Co-operation among Developing Countries.

To review briefly, we have evidence that the Programme draws upon strong foundations in fulfilling certain priority development tasks recognised by the international community. Among them are:

The expertise and techniques required to accelerate natural resources exploitation, and to incorporate the resulting benefits into balanced and comprehensive programmes of social and economic progress;

A generally accepted system of allocating resources which—taken together with special measures and the reactivated Capital Development Fund—assures a larger flow of assistance to the poorest countries;

Expertise that is both pragmatic and innovative in providing technical assistance to institutions that promote cooperation among development countries;

The proven ability to assist nations that seek to form co-operative institutions for common development goals, whether on a sub-regional, regional or global level;

A well developed field capacity, made up of 101 offices capable of carrying out an increasing larger share of planning, administrative and operational responsibilities.

In this connexion, it is useful to recognise that the structural and operational capacities of the Programme to assist long-term economic and social programmes, can enable it to help meet crisis situations. This has been demonstrated in a number of instances during our recent history of shortages, climatic disasters and turbulent price movements. We have been compelled to provide rapid, flexible and sensitive responses to situations that could set back—or even wipe out—a developing country's drive for economic progress. The contribution our field representatives could make in response to the Sudano-Sahelian drought . . . to the emergencies in cities like Manila and Managua and to countries like Pakistan and Peru, when struck by natural calamities . . . to the help given Zambia when its traditional economic life-line to the outside world was cut and to Bangladesh when both natural and political storms inundated its people—these measures were possible because UNDP was structurally and operationally prepared. We are ready to render further such assistance wherever fragile economies are subject to sudden shock.

We do, however, recognize certain necessary limitations, including those imposed by IPFs. The Programme possesses a degree of flexibility—but not unlimited resources—to meet these types of situations. Nevertheless, the primary role of UNDP—regardless of the changes required to fulfill it—is the building of technical competence. We must not be rigid in the ways and means of promoting technical capacity but we must be firm in holding to it as our main purpose.

Again, the strength of the Programme, and its seminal role in providing technical assistance take us only part of the way as we move to meet the challenge—a text that goes beyond the expression of a will to act, and beyond the relevance of the institutions charged with that action. I refer to the performance of the international development system. It is the deciding factor in the success of the ambitious programme of international co-operation being charted by the Special Session, by the Population Conference, by the World Food Conference and all other attempts to unite in action for common goals.

As the documents before the Council indicate, the UNDP Administration has placed a high priority on the question of performance. And I would like to share some of our experience in this field. The first and most salient consideration is that performance is the responsibility of the United Nations development system. And I use the word "system" in the strict sense: as being composed of an interacting and interdependent set of components. In a system such as ours, the ability of each component to perform its function affects the performance of the entire system. That system has reason to be proud of the quality of its assistance and of the results it has achieved but we must press for quantitative improvement.

The necessity of a unified approach to performance has been greatly increased with the introduction of country programming. And, as the Annual Report indicates, the policies and procedures that guide the programming process are under rigorous review in preparation for the next programming cycle. So, too, are some of the underlying assumptions about the scope and limits of the programming process.

One fact emerges quite clearly. At its initial stage, each project proposed for inclusion in a country programme must be weighed in terms of the ability to deliver that project to a far greater degree than before. In sum, delivery must be a priority consideration even at the planning state—the earliest phase of the development co-operation cycle.

Second, performance is not only a responsibility of international agencies and their intergovernmental legislative bodies, including UNDP and this Council. It also is the responsibility of individual governments. We recruit experts in more than 100 countries and efforts need to be made by the governments to help us in the search for skills and experience, to increase the pace of recruitment and the quality of the personnel we require. Recipient countries have a major responsibility in improving programme performance. Consistent with their national sovereignty, we urge them to take all possible steps to speed clearances, to provide effective counterpart inputs on schedule, to facilitate the arrival of equipment, and to provide close co-ordination of all ministries and officials responsible for the successful execution of the country programme.

Third, we must not allow ourselves to be shackled by traditional views of what constitutes the components of technical assistance and the means of providing them. The concept of technical assistance has broadened markedly over the last 25 years and in many instances has become infinitely more sophisticated. A country-by-country analysis of delivery data suggests that the conditions required for technical assistance must determine the nature of it. In some countries, for example—particularly those at the lowest income scale—it is useless to provide an agricultural project with experts and equipment unless you can also provide seed, vehicle maintenance and other basic supportive services. In other instances, it might well be that the assignment of national personnel as project managers is the most efficient and effective arrangement. This is particularly true at the upper end of the development scale. Another possibility is to establish close relations between institutions that are working on similar problems. This twinning process can rapidly bring together experts, experiments, appropriate equipment specifications, and easily implemented and continuing research and training relationships. And often at a much lower cost than other arrangements. Again, the emphasis must be on technical assistance in terms of performance and results—not in terms of conventional practice.

Fourth, in the course of programme and project execution, there must be continuing and timely communication that assures that each individual and each organization and each government involved is fully aware of the importance of its responsibility in meeting schedules and goals.

Fifth, in the course of delivery, responsible agencies, including UNDP itself, must have the means—even the encouragement—to take extraordinary steps to overcome barriers that can impede project delivery, programme implementation, and the ultimate development objective.

The documents before the Council give some measure of the intensive and complex efforts being made to enhance the performance of the Programme. Global estimates and appraisals really do not tell us very much. In a Programme such as ours, the real truth lies in enquiry at the project, country and regional level.

Some initiatives already have been taken to deal with the considerations I have outlined. A streamlined approval process has been put into action that delegates far more authority to our Resident Representatives to initiate the many steps required for timely recruitment of experts, delivery of equipment and organization of training facilities. The question of delivery was the foremost issue before the IACB meetings in New York. And I have made a strong plea personally to the executive head of each participating agency, to accord priority to the field projects for which they are responsible.

These are only a few of the actions being taken.

But, as I suggested before, performance is the responsibility of the system. We are dealing with a system composed of more than 140 governments, 18 executing agencies, the central management of UNDP, and the overall policy guidance of this Council as delegated by the Economic and Social Council and the General Assembly. It is a system comprised of nearly 10,000 experts, far more counterpart staff, hundreds of consulting firms and equipment suppliers, as well as the vast number of institutions and non-governmental organizations who contribute to our work. It is a system that is capable of adapting to special tasks and emphases, such as those mandated to the UN Fund for Population Activities and the UN Environment Programme. It is a system that must be capable of addressing itself in spirit and action to innovations that may be required by conferences like those on the world food situation or on human settlements.

It is also a system that must seize all opportunities for larger flows of assistance that can lead to accelerated development. There are new donors emerging in the new economic order who can make a major contribution to alleviating the obstacles to progress. Our system must be ready to create arrangements that will help these donors employ their funds for the maximum benefit of the developing countries they seek to aid.

What is required, then, is a full and total commitment by all parts of this system. This must include a commitment by recipient governments to request and propose projects that can be adequately supported by local resources. And, with that, there is the further commitment that each official and ministry in that government fully understands its necessary role in supporting projects assisted by the international community. There is the responsibility of all countries to improve international development performance through support in terms of financial and other contributions, in particular—human resources. There is a need for procedural support that will speed up the recruitment and clearance of experts, the dispatch and receipt of equipment and other necessary development inputs.

I would urge the Council to take steps that would reinforce these efforts on a far wider scale. It could begin with the Governments represented here and their own determination to make the development system a more effective instrument. Through ECOSOC and the Assembly, and through the legislative bodies of the executing agencies, Governments represented on this Council could further emphasize that delivery and performance—in short, results—must be accorded very high priority in the discharge of each agency's admittedly heavy responsibilities.

Through these same channels, I would also urge the Council to express its unique expertise and wisdom in another way. I refer to your long acquaintance and deep appreciation of the value of technical assistance, whether it is employed for immediate or long-term purposes. The hopes and moral intent of the decisions taken at the special session of the General Assembly will not be attainable unless we continue and strengthen the growth of knowledge, skills and techniques in developing countries. The fundamental role of technical assistance must be in the forefront of our thinking as we devise new programmes of international economic co-operation.

If we can take these initiatives, at this session, then we might well be able to count the Manila meeting as a significant forward step in the difficult effort to translate the will of nations to act together into the ability of nations to work together.

AN EXCEPTIONALLY ABLE ADMINISTRATOR: FDA COMMISSIONER ALEXANDER M. SCHMIDT

Mr. PERCY. Mr. President, when the very able Dr. Charles S. Edwards was promoted from Commissioner of Food and Drugs to Assistant Secretary for Health early last year, he had achieved an enviable record of accomplishments in 3 years.

In view of this, it was natural, I think, for many of us to look with keen interest at the next Commissioner.

I am frank to admit that I was extremely pleased at the appointment of Dr. Alexander M. Schmidt in July 1973. I knew of Dr. Schmidt's reputation as an administrator and scientist, as dean and professor of medicine at the Abraham Lincoln School of Medicine at the University of Illinois College of Medicine, and as a senior official in the Government's regional medical program.

I was certain that under his leadership, the Food and Drug Administration would continue to make substantial and significant progress in its regulatory program. I am happy to report today that my expectations have been exceeded.

Since Dr. Schmidt took over in July 1973, the agency has moved ahead in a positive and healthy manner in all of its programs—food, drugs, devices, veterinary drugs, cosmetics, radiological health, and biologics. This is not to say policies have been adopted and proposals made without controversy, or that some decisions may not prove to be wrong. That is to be expected in any regulatory agency.

But I believe no one can deny that the Food and Drug Administration's actions in this period have been firmly based. Most important, decisionmaking has been out in the open and, increasingly, public participation has been invited and accepted.

I have recently urged the Commissioner to direct his personal attention to the problem of hearing aid abuses in this country and, pursuant to FDA's mandate, to redress the sundry problems of competence and care in the dispensing of these medical devices. The Commissioner's initial response, which I append to these remarks, is characteristic of the thoughtful and thorough attention being given by Dr. Schmidt to this critical problem which directly affects perhaps as many as 20 million hearing-impaired Americans, as well as the heavy agenda of other critical matters under review by FDA.

If there is no objection, Mr. President, I am pleased to enter in the CONGRESSIONAL RECORD Dr. Schmidt's letter to me of June 21, as well as a list of FDA accomplishments under his leadership during the past year.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SIGNIFICANT ACCOMPLISHMENTS AND INITIATIVES BY THE FOOD AND DRUG ADMINISTRATION DURING ITS FIRST YEAR UNDER ALEXANDER M. SCHMIDT, M.D., COMMISSIONER OF FOOD AND DRUGS, JULY 1973–JUNE 1974

FOODS

Signed 18 documents as part of the Food and Drug Administration's (FDA) continuing program to revise food labeling to make it better serve the consumer. These include a standard of identity for dietary supplements, revised regulations covering label statements on foods for special dietary uses, regulations for establishing common or usual names for certain foods, and regulations establishing microbiological quality standards for certain foods.

Approved the fourth in a series of food labeling and composition measures to give the consumer additional food information and to improve the nutritional quality of certain food products. They consist of 13 proposals and 4 final orders.

Prohibited the use of curing premixes in which nitrites or nitrates are combined with flavoring or seasoning in food.

Proposed procedures for determining the validity of testing methods for assuring the absence of residues of compounds used in food-producing animals.

Set limits on the safe use of certain amino acids in foods.

Invited unpublished data and other information from all sources as part of the Food and Drug Administration program to review the safety of substances on the Generally Recognized as Safe (GRAS) list.

Proposed detailed good manufacturing practices for cacao products to assure consumers that these items are safe, pure, and wholesome.

Proposed regulation covering good manufacturing practices and quality standards for bottled water.

Signed a Memorandum of Understanding with one European country which is a major exporter of nonfat dry milk to the United States to assure these imported products are safe and wholesome. Similar negotiations are in progress with four other European countries and agreements are expected in the near future.

Under the provisions of the Interstate Quarantine Regulations which are administered by the Bureau of Foods, proposed additional curbs on the shipment of pet turtles as a move to further protect the public health against salmonellosis.

HUMAN DRUGS

Approved regulation setting forth standards for over-the-counter antacid and antiflatulent drug products. The regulation, the first of its kind, represents a significant milestone toward the FDA's goal of achieving a truly safe and effective system of self-medication.

Set forth conditions under which Digoxin may be marketed to assure required uniform potency and protect the consumer.

Proposed adoption of international standards for acceptance by the Food and Drug Administration of foreign clinical drug studies. The regulation is designed to sharply improve FDA's access to drug studies outside the United States.

Proposed regulation defining vinyl chloride as a new drug and prohibiting its use in aerosol drug products unless accompanied by proof of safety and effectiveness.

Defined Trichloroethane, used in aerosol drug products, as a new drug and required scientific evidence of its safety and effectiveness. Also, as a health protective measure, asked drug firms to submit to the Food and Drug Administration a list of any products they market which contain Trichloroethane.

Proposed regulations to prevent the possible contamination of injectable drugs with asbestos fibers.

Enumerated conditions which over-the-

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counter drugs must meet to be recognized as safe and effective.

Proposed regulations to clarify and define conditions for public disclosure, including advertising, of prices charged by retail pharmacists for prescription drugs. Its purpose is to assure consumers that they will have all information needed to make meaningful price comparisons.

Proposed regulation requiring oral contraceptive manufacturers to include in patient brochures the statement that the drugs have no value in treating venereal disease.

RADIOLOGICAL HEALTH

Proposed regulations involving the assembly and reassembly of diagnostic X-ray equipment.

Strengthened the performance standard for microwave ovens by requiring that specific safety instructions be included in user and service manuals.

Proposed performance standard for laser products to protect persons from radiation hazards.

BIOLOGICS

Set additional standards for human source plasma used in preparing blood derivatives intended for injection.

MEDICAL DEVICES AND DIAGNOSTIC PRODUCTS

Published the first proposed class standard for diagnostic products intended for detecting or measuring glucose in humans.

VETERINARY MEDICINE

Fixed maximum levels of selenium which may be added as a nutrient to the feed of swine and chickens.

Fixed the maximum amount of copper salts that may be added to swine and poultry feed for nutritional purposes.

COSMETICS

Ordered cosmetic manufacturers, in a major step toward more consumer information, to list their product ingredients on the label in a conspicuous manner and in descending order of predominance.

In concert with the Federal Trade Commission developed a proposed definition of "hypoallergenic" cosmetics as those which have been shown through scientific studies to result in significantly fewer adverse reactions than those of other cosmetic products. This will promote the responsible use of the term in future labeling and advertising.

In another move to obtain additional information on cosmetics, manufacturers are to report semiannually, on a voluntary basis, any allergic reactions or injuries resulting from the use of their products.

MANAGERIAL

Established a formal Policy Board for the Food and Drug Administration to insure that the development of internal policy for FDA has the maximum possible participation of the Agency's senior staff.

Established new procedures for the recall of hazardous products from the market. The new policy is designed to promote more and better consumer information about products that affect the public safety. It also will improve methods that FDA and industry will use to insure quick and efficient removal of such products from the market.

Established Bureau of Medical Devices and Diagnostic Products to give greater agency attention to these medically important articales, among them hearing aids.

Department of Health,
Education, and Welfare,
Rockville, Md., June 21, 1974.

Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Senator Percy: Thank you for your letter of May 28 describing some of the health care problems associated with hearing aids. You will be pleased to know that several proposals to remedy abuses associated with the sale, distribution and manufacture of hearing aids are currently under active Food and Drug Administration (FDA) review.

In addition, we are hopeful that the new medical device bill which has already passed the Senate will be enacted this year in order to provide us with needed additional regulatory authority.

Last year the Public Citizen's Retired Professional Action Group (RPAG) undertook a study of the hearing aid industry and published its findings in a report entitled, "Paying through the Ear—A Report on Hearing Health Care Problems." The group contended that (1) the quality of hearing aids and hearing services vary greatly; (2) only a small percentage of those with hearing loss obtain professional diagnosis of their condition before purchasing a hearing aid; (3) the labeling and promotional literature on hearing aids is often misleading and of little use to the consumer in differentiating features of one hearing aid from another; and (4) governmental response to these problems has been minimal.

Dr. Edwards, Assistant Secretary for Health, requested that an Intradepartmental Task Force on Hearing Aids be formed to examine the assertions made in the RPAG report and to review the extent and variety of present Department of Health, Education, and Welfare involvement in hearing aid problems. The Task Force was charged with designing a coherent plan for using Department authorities and resources most appropriately to resolve these problems. Mr. David Link, Acting Director of the newly created Bureau of Medical Devices and Diagnostic Products (BMDDP), Food and Drug Administration, was designated the chairman of the Task Force.

At the first Task Force meeting on May 16, 1974, representatives from BMDDP gave a presentation on the problems with hearing health care as described in the RPAG report and in the Senate Hearings on Hearing Aids and the Older American (September 10, 1973). For discussion purposes, the issues were divided into five major problem areas as follows:

1. Misrepresentation:
High pressure sale;
Misleading promotional material;
Home and mail-order sales; and
Inadequate labeling.
2. Misdiagnosis and Misprescribing:
Inadequate dealer training;
Poor calibration of test equipment;
Inadequate test environment; and
Inadequate fitting.
3. No Hearing Aid Standards:
Poor performance;
Poor quality; and
Poor reliability.
4. Inadequate Hearing Health Care Education:
Fragmented;
Myths; and
Poor distribution.
5. High Costs:
Distribution mechanism and
Low volume sales.

Each Task Force member was asked to identify what resources and authorities their agency could bring to bear on these five problem areas. This approach recognizes that hearing aids present problems that extend beyond individual agency organizational lines and that no single agency is in a position to remedy all of the abuses suggested and referenced in the RPAG study.

The Food and Drug Administration activities are directed primarily at problems associated with the labeling of hearing aids and lack of hearing aid standards.

With respect to the possible misbranding of hearing aids by false and misleading statements on the product labeling or adulteration, FDA is presently conducting inspections of all domestic hearing aid manufacturers to collect hearing aid labeling. The labeling will be reviewed to determine if it is in compliance with the general labeling provisions of the Federal Feed, Drug, and Cosmetic Act as they relate to devices. In addition the Federal Trade Commission (FTC) has undertaken a review of hearing aid advertising and a spokesman from the FTC will be attending the next Task Force meeting on June 27, 1974, to describe FTC proposed trade regulation rules to correct any misrepresentation found in hearing aid advertisements. This approach will minimize the possibility of FDA and FTC taking different positions on misrepresentation remedies with regard to information transmitted to the user by the manufacturer or distributor.

The Food and Drug Administration activities directed at correcting misdiagnosis and misprescription problems involve a review of the present over-the-counter status for hearing aids. Your suggestion that FDA make hearing aids a prescription device and require a "system that guarantees proper diagnosis and treatment" is presently under study. In this regard, we are consulting with the Veterans Administration to obtain information on their requirements for a medical evaluation prior to the prescribing of a hearing aid to a patient. A spokesman from the Veterans Administration's Central Audiology Speech Pathology Program will be attending the next Task Force meeting to provide this information.

The Food and Drug Administration is also undertaking activities to accelerate the development of performance standards for hearing aids. At present, methodologies for testing hearing aid performance exist, but no actual performance standards have been developed. We believe the voluntary standards community should expedite the development of such standards and we will work through the American National Standards Institute. It is our further belief that the development and application of hearing aid performance standards should go a long way toward reducing any wide variations of performance and quality in hearing aids. We are also reviewing the Veterans Administration hearing aid specifications and the National Bureau of Standards testing protocols for hearing aids to determine if these requirements are appropriate and adequate for inclusion in a performance standard. While enactment of new legislation to regulate devices will enhance our ability to properly regulate all types of devices, we clearly intend to take an active role in stimulating the development of performance standards for hearing aids.

The Federal Food, Drug, and Cosmetic Act does not provide the Agency with specific authority to set "Federal Standards for Competence" as referred to in your letter. We do however recognize the need to review and consider recommendations in this area, and I am asking Mr. Link to place your proposal before the Intradepartmental Task Force for their consideration and deliberations in recommending a DHEW policy on hearing health care problems.

We appreciate the interest, concern and support your letter expresses for FDA efforts directed at correcting abuses in the hearing health care delivery system. I hope this information will be useful to you, and I welcome your further inquiry.

Sincerely yours,
Alexander H. Schmidt, M.D.,
Commissioner of Food and Drugs.

BIRMINGHAM WBRC'S PATRIOTIC PROGRAM ON FOURTH OF JULY

Mr. ALLEN. Mr. President, for more than 20 years TV station WBRC in Birmingham has sponsored a televised program on July 4 to the accompaniment of prayers of thanksgiving patriotic music, and a patriotic speech by an outstanding member of the armed services of the United States. July 4, 1974, marked the 198th anniversary of the signing of the Declaration of Independence.

It was the Navy's turn to furnish the speaker for the July 4, 1974 celebration and the speaker chosen was Vice Adm. Malcolm W. Cagle, Chief of Naval Education and Training at the Naval Air Station, Pensacola, Fla. Admiral Cagle is an illustrious and distinguished patriot, well qualified to speak on his chosen subject, "Patriotism: Willingness To Serve—Readiness To Risk."

I ask unanimous consent that a copy of his speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Patriotism: Willingness To Serve—Readiness To Risk

Senator Allen, Mayor Seibels distinguished guests, and those of you in the television audience who are joining us to observe this important day in our Nation's history.

Let me assure you that it is a pleasure to be here as the Navy takes its turn at W.B.R.C.'s annual 4th of July celebration. I commend W-B-R-C, Mr. Bolton, and the city of Birmingham for leadership in perpetuating the rich heritage of America through this positive program emphasizing patriotism and love of country.

Too often this annual celebration of the anniversary of freedom simply means an added holiday, a picnic . . . a trip to the beach or mountains, a doubleheader ball game. Too few of us consider the significance of the day and its deeper meaning. Too few think back to those colonial days when the principles of freedom were being hammered out, debated, decided printed . . . and relayed to a waiting colonist army, and to the cities and capitals of Europe. Too many of us do not relate those great moments of history with patriotism . . . the variety that sustains a nation . . . that nurtures pride . . . that prepares us all for the long-haul job of defending freedom.

What is patriotism? To me, patriotism is a willingness to serve our country and readiness to risk for her in times of need. Freedom is giving—freedom is serving—freedom is sacrificing. Our country became a country, and then became a great country, because citizens like you and me were always willing to serve—and in case of need ready to risk.

I repeat, freedom is giving, not just taking.

And there are two freedoms. The *false* where one is free to do what he *likes*, and the *true* where he is free to do what he *ought*. Although patriotism is more than a state of mind and more than a specific deed, it remains the cornerstone of freedom—for because without patriotism, we soon lose our ability to function in the ways that made America the greatest nation history.

As it has many times in our past freedom and patriotism again stand challenged. Unprecedented change, national turmoil, and apathy are few of the forces contributing to the challenges many Americans face today. Again, as before, free men must be willing to live up to their principles, fight for their freedom—or risk loss of it all. That is why we must all wholeheartedly support every effort that maintains our national strength patriotically, militarily, morally, politically, economically and spiritually.

Of course, the preservation of freedom is of prime concern. To this end, the United States has developed and maintains one of the most modern and powerful military forces in the world. Our technology minded Army, our powerful Air Force, our fighting marines, and our versatile Navy are vigilant and ready to safeguard American freedom and individual rights of Liberty and Justice.

I have been trained to understand the uses of military power, and to assess the potential of military threats from wherever in the world they may be generated. I am concerned today, not with a potential military threat—but with a more subtle and therefore, a greater danger. Freedom is in danger today because there is the real possibility that we, as a nation, seem not to remember that freedom imposes certain obligations on each of us. Nowadays, we seem to expect more from our Government than we're willing to give it.

So it is essential that we realize the demands of freedom. While each of us has rights and privileges that must be respected and protected, we must keep ever foremost, the principle that freedom involves responsibilities as well as rights, obligations, as well as privileges. Once again, I repeat, freedom means giving, not just taking.

Perhaps the enjoyment of freedom, and the passage of time, have dimmed the fact that the coin of freedom has two sides. Every day we hear people insisting on their rights—but how often do we hear citizens speaking about their civic responsibilities to their neighbors, their community, their city, their State, or their country? All over this land today, speakers like me are saying that freedom is a priceless gift. But history proves that freedom is seldom kept by people who do not cherish it, who do not appreciate or understand it, or who do not accept its responsibilities.

Many will say, "I have too many problems to worry about—taxes, inflation, high prices, educating our children, making the payments on the car and on the house; I don't have time to worry about freedom." Others voice the opinion that our basic institutions are in such bad shape that we will never be able to solve our problems.

I would be naive if I stated that all is well. It is not. As we look about our world, we see skyrocketing technology and expanding knowledge advancing faster than we can comprehend. We see turbulence and unrest. We see new nations established, and new governments formed, almost on a monthly basis. At home, we have many concerns. Education, equal rights, drugs, crime, inflation, slums, taxes, energy, poverty, ecology, care for the elderly.

On the other hand, I believe that our institutions are standing, are functioning, and are working to solve the problems you and I know exist. All this is being done despite the varied crises of the past several years.

You and I, as citizens of this great country, have ample reason to be proud. By and large, all of us are better educated, better paid, and living better than any previous generation. I don't know of any other nation in the world with so many two-car families. Nor do I know of any country with so many television sets, bathtubs, power mowers, swimming pools, or other personal luxuries. Our children are not forced to work; our labor force is the best paid in the world; our homes have electricity; our highways are paved; in short, we have so much to be thankful for. We should all think positively about America. Think proudly of our wonderful country, and be grateful we are Americans, and that we have a voice in our country's present, and in her future.

It is an obligation of freedom for each of us to instill in one another, and to imbue in our children those values which have made America great, Freedom's pathway has never been easy or smooth; the price has never been cheap. Each of us must stand willing to serve, and ready to risk whatever is required, if we are to keep our nation free.

You and I and every citizen of our country must continue to regard patriotism and service to America as a good thing; must appreciate and demonstrate that those who serve our country in uniform are worthy of our respect and affection and must hold steadfast to the belief that defense of our country, its institutions, and its values is primary.

And all this, we must do together. Rich and poor, white and black, north-south-east west, farmer and city dweller, male and female.

One of the problems I have with the "all volunteer force" for our military is that the concept assumes that only the *volunteer* need serve his country. No one else need serve *except* the volunteer. This is wrong. All of us have the American citizen's responsibility to serve. It is *everyone's* obligation to serve his country in some way, not just the one who *wants* to and *volunteers* for military service.

History teaches us that the world's great civilizations on the average, have lasted about 200 years. As a reminder to each of us, I would like to repeat the story of how nations progress through a clearly defined sequence of social changes:

From bondage to spiritual faith;
From spiritual faith to great courage;
From great courage to liberty;
From liberty to abundance;
From abundance to selfishness;
From selfishness to complacency;
From complacency to apathy;
From apathy to dependency; and
From dependency to bondage.

I would not presume today to tell you where our Nation fits on this scale of social change—but I would remind each of you, that in just two short years, our great country will be 200 years old.

Let me close with a prayer given by Peter Marshall in his capacity of chaplain of the United States Senate, a few years ago:

"Lord God, thou who are the way, the truth, and the life, hear us as we pray for the truth that shall make men free. Teach us that liberty is not only to be loved but also to be lived. Liberty is too precious a thing to be buried in books. It costs too much to be hoarded. Make us to see that our liberty is not the right to do as we *please*, but the opportunity to do what is *right*"

EDUCATION AND EQUAL EMPLOYMENT

Mr. BROCK. Mr. President, in the past year I have been greatly troubled over developments in the areas of education and equal employment. A recent article in the Washington Post reports a situation that concerns both of these issues.

The article states that Government efforts to manipulate race and sex bias in the employment practices of our Nation's college faculties are causing their academic quality to deteriorate. Richard A. Lester, economist and former dean of faculty at Princeton University, states the problems that combine to create this situation and suggests ways to quickly correct them.

Mr. President, I think that this article would be beneficial to my colleagues and ask that unanimous consent be given for this article to be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Federal Plan Hit: Colleges Said Hurt by Anti-Bias Hiring

Government efforts to overcome race and sex bias in faculty employment practices are threatening academic quality, especially at major universities, a Princeton professor has concluded.

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Princeton economist and former dean of faculty Richard A. Lester said the government's insistence on "affirmative action" employment programs with numerical goals simply is not appropriate for upper-echelon and tenured faculty appointments.

The Deparatment of Health, Education, and Welfare has been requiring universities receiving federal funds to develop such programs campuswide to offset past exclusion of blacks, other minorities and women. Those that balk risk a cutoff of federal aid.

But Lester, in a soon-to-be-published report, said numerical goals shouldn't apply to recruiting, promotion and granting of tenure for professors.

Lester said the pool of top talent in many specialized academic fields—medieval history, for example—is often quite limited. The number of qualified black and female scholars in such specialties is frequently even more limited.

He also concluded that affirmative action programs have led to excessive rivalry among institutions to recruit and retain those minority-group and female professors who are working in various fields.

A third problem with affirmative action programs, Lester said, is that they have led to complaints that black and female scholars get favored pay and promotion treatment—or what has become known as "reverse discrimination."

The Princeton professor said positive steps are needed to enlist more minority and female students in academic careers. He stressed that he supports affirmative action policies for young people starting such careers.

Lester's report is one of a series of special projects sponsored by the Carnegie Commission on Higher Education, which formally disbanded last fall. The commission issued a number of its own reports and recommendations on current campus issues.

Lester reviewed the research of others and personally studied the impact of affirmative action programs at some 20 leading universities across the country.

He was highly critical of the way HEW has been carrying out its affirmative action enforcement responsibilities. He cited inconsistency among various HEW regional offices, lack of sophistication and understanding among enforcement officials, and increasing intrusion on faculty prerogatives in decision-making.

PRIVACY LEGISLATION

Mr. ERVIN. Mr. President, the Ad Hoc Privacy Subcommittee of the Senate Committee on Government Operations and the Subcommittee on Constitutional Rights of the Senate Committee on the Judiciary, both of which I am chairman, recently concluded 3 days of hearings into "privacy, computers, data banks, and Government information systems." Testimony was taken from many distinguished individuals including Congressman EDWARD I. KOCH and BARRY GOLDWATER, JR.; Senator BARRY GOLDWATER, SR.; former Attorney General and Secretary of Defense Elliot L. Richardson; Professor Alan Westin of the Columbia Law School; Arthur E. Sampson, Administrator for the General Services Administration; Clay Whitehead, Director of the Office of Telecommunications Policy; and Philip W. Buchen, Executive Director of the Domestic Council Committee on the Right of Privacy, who spoke for Vice-President FORD, the chairman of the privacy committee.

The focus of these hearings was on five Senate bills—S. 2542, S. 2810, S. 3116, S. 3418, and S. 3633. These bills have attracted the cosponsorship of a bipartisan group of Senators who are possessed with a sense of urgency in the seeking of solutions to the difficulties encountered by public and private invasions of individuals rights to privacy. We will soon be engaged in a markup of the bill to be reported and I am hopeful that Congress will see fit to enact a measure this year.

I have been greatly concerned with this problem for many years and I have seen the unfortunate results that stem from a computerized bureaucracy with largely unchecked power and discretion. The Subcommittee on Constitutional Rights has recently completed a 4-year study of Federal data banks and that effort has provided much of the impetus for these hearings. The Committee on Government Operations is continuing its role of overseeing the development and uses of automatic data processing in the Federal Government.

Mr. President, I continue to be impressed by the large swell of support for these measures among people of differing persuasions. It has been intuitively observed that politics makes for strange bedfellows. I believe it to be apparent that the nearly universal concern for the protection of the right to privacy, one of the most basic and fundamental American constitutional values, has made for several cohesive alliances that many observers would have thought to be nearly impossible.

Mr. President, I ask unanimous consent that my opening statement at these privacy hearings be printed in the RECORD. I also ask unanimous consent that the two major bills under consideration, S. 3418 and S. 3633, be printed in the RECORD. In addition, I ask unanimous consent that an excellent editorial from the New York Times of June 24, 1974, entitled "Protecting Privacy" be printed. Over the next several days, I intend to submit for printing in the RECORD other statements of special significance so that they will be readily available to Members of Congress and to the general public.

There being no objection, the material was ordered to be printed in the RECORD as follows:

OPENING STATEMENT OF SENATOR SAM J. ERVIN, JR., AT HEARINGS ON "PRIVACY, COMPUTERS, DATA BANKS AND GOVERNMENT INFORMATION SYSTEMS," JUNE 18, 1974

This morning the Government Operations Committee, through its ad hoc privacy subcommittee, begins joint hearings with the Constitutional Rights Subcommittee of the Judiciary Committee on a series of bills proposing controls over government and commercial data banks and computers. Each of these bills are aimed at safeguarding the rights of privacy of the individuals who are the subjects of these information systems.

Among the bills we will consider are S. 3418, introduced by Senators Muskie, Percy, and myself; S. 3633, introduced by myself, Senators Goldwater, Ribicoff, Bayh, Mathias, Kennedy; and S. 2810, introduced by Senator Goldwater.

With these legislative hearings, the Government and uses of automatic data processing in the Federal government. The intergovernmental nature of nationwide systems involving electronic and manual transmission, sharing and distribution of data about citizens has significant implications for our federal system. In its attempt to respond to citizens' demands for quality and quantity in services, government and the private sector have turned to the large data banks, computerized information systems and management techniques which will help them get the job done.

Where these practices and systems neglect the administrative and technical concern for privacy, due process, and surveillance over the individual, they are taking a toll, which is yet unmeasured, on constitutional principles of accountability, responsibility and limited government. The cost to the taxpayer in dollars and cents concerns every American, for in the interest of promoting efficient government, the taxpayer may also be paying for loss of his privacy. That may be the price of insufficient monitoring by the public and Congress of the haphazard, ad hoc, ways modern government has found to meet its information needs, and which public officials use to meet their political needs.

Two subcommittees of the Government Operations Committee are presently conducting oversight into major aspects of this problem. For instance, the Permanent Subcommittee on Investigations, chaired by Senator Jackson, is presently conducting an inquiry into surveillance practices in and out of government, including government wiretapping, eavesdropping, recording, industrial espionage and bugging of labor negotiations, and other monitoring practices.

The Intergovernmental Relations Subcommittee, chaired by Senator Muskie, who is also a sponsor of the pending bill, is considering legislation concerning electronic surveillance and the need to reorganize departments and agencies engaging in such practices. That subcommittee is also studying a major aspect of federal administration which affects individual privacy, this is the classification of federal records and the laws and rules governing access, release and withholding of information which government collects about people.

Today as we begin hearings on privacy, computers, data banks and government information systems, I am reminded of the many ways technology has changed our lives during these past twenty years I have served in the United States Senate. When I came to the Senate in 1954, computers were practically unheard of and information about individuals was stored, if at all, on paper in filing cabinets. Now, information about each individual American is contained in literally hundreds of computerized files, both governmental and private. As each new data bank is created and each additional bit of personal information is recorded, that precious sphere of privacy in which an individual can do as he pleases without outside interference is slowly but surely whittled away. Although technology is not to blame for this encroachment on individual privacy, technological advances have made it possible for more institutions to gather, store and use more information about all of us. Through the legislation which is the subject of these hearings, we hope to enact effective controls on the power of governmental and private organizations so that individuals and their privacy are protected from abusive information practices.

Information-gathering techniques are in routine use today which were not even dreamed of twenty years ago. Increasingly sophisticated surveillance devices now include not only wiretaps and tape recorders, but infrared and low-light photography and television, not to mention laser-beam eavesdropping which can, by picking up the vibrations of our windows, record our conversations inside. Psychology and sociology have devised ever more "scientific" means of probing our minds and recording our thoughts and feelings—whether by polygraphs, so-called Psychological Stress Evaluators, or by psychological questionnaires.

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Ink and paper forms, many of them "machine readable," demand from us all kinds of personal data—our social security numbers, the names and ages of our family members, how we spend our leisure time, how many automobiles we own, how much money we make, and countless other bits of data about our personal lives. Computerized mailing lists assault our homes with pleas to buy. Plastic cards replace our money and mangle our credit. Soon cable T.V. may bring as facsimile newspapers and silent surveillance.

Startling as these developments in information-collection techniques are, the development of computers and advanced telecommunications capabilities over the past twenty years has had an even more dramatic impact on what is done with this personal information after it is collected. Once collected and computerized, personal data about an individual is virtually out of that individual's control. The data takes on a life of its own as a part of a file, a dossier, a data bank or an information system. It is valuable, can be bought and sold, stolen, altered, exchanged for other data and used as the basis for decision-making both about the individual subject and about the categories in which the individual is thought to belong. It can be compared and interrelated with other data, and aggregated into a "data profile" of the individual subject. Through advanced telecommunications networks, it can be instantly broadcast to the farthest corners of the earth.

In my twenty years as a United States Senator, I have watched with wonder and dismay as ever more advanced technological tools, such as computers, have increasingly been used to accelerate this process of collecting, storing and using personal information about all of us without adequate legal safeguards. As chairman of the Government Operations Committee and the Constitutional Rights Subcommittee, I have sought effective means to return control of personal information to the individuals to whom that information belongs. Today we begin hearings on a number of legislative proposals designed to do just that—Senator Bayh's S. 2542, Senator Goldwater's S. 2310, Senator Hatfield's S. 3116 and the two proposals, S. 3418 and S. 3633, which I have introduced, along with my colleagues on the two Committees. Each of these bills is intended to safeguard individuals against abusive collection and use of personal information about them. They differ in detail and in scope, but their ends are the same.

One of the main reasons for these joint hearings is to try to find out as much as possible about the various kinds of information systems containing records on individuals, so that our legislative action will be as thoughtful and effective as possible.

It is indeed fortunate, therefore, that the Constitutional Rights Subcommittee has just completed a comprehensive study of "Federal Data Banks and Constitutional Rights." Four years ago the subcommittee set out to survey the various agencies in the executive branch to determine the nature and scope of the federal government's data systems containing personal information about individuals. The results of this survey which are released today in summary form are dramatic. They demonstrate the urgent need for legislation to control the proliferation, as well as the operation, of such data systems.

Through four years of patient effort, the subcommittee was able to uncover some 858 of these federal data banks containing at least one and a quarter billion records on individuals. It was no easy task. The process of extracting information about their data banks from the 54 government agencies was long and arduous. Widespread reluctance on the part of many of the agencies to disclose to the Congress just how many and what kinds of data systems these agencies have, and how they use them underscores the importance of required reporting on a regular basis of all of these data systems.

Although the 858 data banks analyzed in the subcommittee's survey are by no means all of the personal data banks maintained by the federal government, they do indicate some rather startling trends in governmental data systems. To begin with, increasing numbers of these federal data banks are being computerized. Over 86 percent of the reported systems are already computerized, and computerization of many more of these systems is planned for the future.

These 858 data banks vary a great deal in size and type. They contain all sorts of data—from Civil Service personnel records to an inventory of electrical power users' household appliances collected and computerized by the Tennessee Valley Authority. Information about 200,000 gun owners and two million coin collectors is kept on Treasury Department computers. An Army general has computerized his protocol list. The Air Force reports a data bank containing the religious affiliations of all Air Force military personnel.

Although most of the data banks are used for administrative purposes, some of the reported data banks function as blacklists, such as the debarred bidders lists maintained by the Department of Housing and Urban Development and the General Services Administration. Others—such as the Decennial Census—are used solely for statistical purposes.

I am particularly disturbed by the fact that, by and large, these data banks lack express congressional authorization. Only about one-sixth of the reported data banks could cite a specific statute which explicitly authorizes the system. If Congressional oversight and control are to be effective, it is essential that the other 84 percent of the reported data systems which lack express statutory authority, as well as the data banks created in the future, be required to obtain express Congressional authorization. A legislative requirement that every federal data bank be authorized by an explicit Congressional mandate will also set up standards by which the Congress and private individuals can evaluate and police the operation of these systems.

Requiring express statutory authorization will serve an additional purpose of giving some degree of notice to the millions of Americans about whom records are kept in data banks of which these individuals are totally unaware. The subcommittee survey shows that over 42 percent of the data banks for which responses are available give no notice of any kind to record subjects. The survey shows that the nightmare of secret data banks surreptitiously recording data about innocent Americans is, in all too many instances, a reality. The volunteers who participate in many of the experiments conducted by the Natitonal Institutes of Health are not notified that personal information about them is being stored in a federal data bank. The Commerce Department's National Defense Executive Reserve and the Atomic Energy Commission's secret file of nuclear physicists are additional examples of this unacceptable practice of nondisclosure.

Even if an individual does find out that information about him is contained in one of the 858 federal data banks reported in response to the survey, his chances are one in three of being refused access to his own file. Lately, there does appear to be some tendency among government agencies toward a more liberal policy of allowing subjects to review their own files. The FBI has recently promulgated regulations allowing subjects of the Bureau's Criminal Identification files to see their own records. Moreover, the White House has recently written to subjects of the Talent Bank informing them of their inclusion and inviting them to review their file entries. Such a policy of allowing individuals to review the information about them stored in federal data banks should be made a mandatory practice in virtually all federal agencies, unless there is strongly compelling reason not to. If a citizen cannot see his own file, he should be told who can.

Unlike individual data subjects, federal agencies appear to have very ready access to each other's information systems. Over 60 percent of the data bank responses report varying degrees of access by other federal agencies. Roughly two percent of the surveyed systems, mostly those containing law enforcement information, already allow direct, automated access by other agencies. The increasingly sophisticated hardware and telecommunications systems which are now being acquired by various agencies will make this direct computer-to-computer access more widespread in the future. The General Services Administration's proposed FEDNET system, which we will discuss in greater detail with Administrator Sampson on Thursday, would greatly facilitate this type of interagency exchange of data.

By far the most troubling instances of interagency data exchange are those cases in which agencies make personal data available to other agencies despite pledges of confidentiality on the forms which collect the information from individuals. Both the Internal Revenue Service and the Selective Service System follow such a disingenuous practice. Under pain of criminal penalties, individuals are compelled to disclose personal information to these agencies, which promise confidentiality, but in fact share the information with a wide variety of unrelated agencies. It seems to me that legislative controls can and should be placed on such deceptive transfer of data to secondary agencies which use it for purposes other than those for which it was collected. In this connection, it is disturbing to note that over 70 percent of the responding data banks derive their information from "existing records."

The survey shows that public access to personal information stored in government data banks is much less frequently allowed than we anticipated. Over half of the surveyed data banks forbid public access altogether. A little over 10 percent of the data banks are open to unrestricted access as public information. The greatest majority of the data systems which allow public access, regulate that access through various agency procedures and the Freedom of Information Act.

Unauthorized or illegal access is guarded against by most of the surveyed data banks through minimal security precautions, most commonly physical security, such as locked rooms and guarded buildings. However, electronic security devices, such as access codes and logs, are beginning to be employed by an increasing number of the computerized systems. The most severe security problems are posed by those systems with large numbers of remote access terminals. The General Services Administration's proposed FEDNET system, which we will discuss in greater detail on Thursday, would pose enormous security problems because improper access to any one of the remote terminals, which would eventually number in the thousands, could jeopardize the security of the entire system. Legislation mandating effective security precautions is clearly required. We cannot rely on vague administrative controls or "authorized entry" signs alone.

These findings are contained in the Summary and Conclusions from the survey released this morning. Later this month the six volumes containing the fifty-four federal agencies' own descriptions of their 858 data systems containing personal information about individuals will be available to the public. These agency responses provide a unique and important perspective on the federal government's own understanding or

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lack of understanding of its data systems, as well as of the rights of individuals whose records are contained in these data systems.

The detailed agency responses present a mosaic of all types and sizes of data systems which are used for a wide variety of purposes and which provide at best minimal protections for the rights of the individuals whose personal lives are recorded in these systems. The responses document the urgent need for immediate legislative action to protect individual privacy from inadvertent, as well as purposeful unfair information practices on the part of the federal government. I hope that the Congress will use wisely the valuable information contained in this study to take effective action on some of the legislative proposals being considered during this week of hearings on privacy, computers, data banks and government information systems.

The hearings we begin this morning will hear from a wide variety of witnesses, representing government, business, and private citizens. But, as we begin these hearings, we should not forget that amidst the views offered by representatives of large governmental and commercial establishments, it is always people—ordinary citizens—whose rights we are considering. Congress gets many letters and complaints about privacy invasions from citizens every day. Here are a few of the items I received in the past few days.

Item: A form required by the Economic Development Administration of the Commerce Department to be filled out by all officers of local corporations receiving EDA assistance, or community organizations with local businessmen on the governing board. The form asks for every residence and every employment for the past 15 years, or back to age 16, whichever is shorter. I am indebted to Senator Eagleton for bringing this to my attention.

Item: A letter from a Delaware father whose son is a patient in a home for emotionally disturbed children. The home asks for a copy of the father's federal income tax returns. I will check to discover whether this is in some way a requirement imposed on the home by the federal government. If not, it is an example of the commercial invasion of privacy S. 3418 is addresed to.

Item: A notice from the Civil Service Commission stating that Question 29 on Form 171, the Federal Personal Qualifications Statement, will henceforth be deleted. The question asks, "Do you have, or have you had, heart disease, a nervous breakdown, epilepsy, tuberculosis, or diabetes?" No longer will the question be asked routinely of all applicants. This is a small step forward and an encouraging one. It was only a few years ago that the Civil Service Commission, after long years of Congressional effort, finally removed the questions on family health and non-conviction arrests from its application forms.

Item: A letter from a man who works in data processing in California for local government. He writes, in part—

"I do work for a local government agency and know that there is local concern about privacy protection. It appears that the normal citizen is not cognizant of the myriad possibilities of restriction of data, and, through fear of refusal—of job, credit, loans, etc., fills out applications without question.

"I also find it disturbing to know that public data banks and records are open to commercial purposes—such as insurance companies. I once was told by our state Department of Motor Vehicles that we (processing parking tickets) could not receive faster information as parking ticket processing was a lower priority than insurance company requests. This is not to take issue with this one point, but to generally look at the data bank problem, and determine our priorities. From this isolated case it appears that our priorities are misplaced, or that our sight of the goal has been lost in our headlong rush to build information systems.

"Fear is the greatest obstacle to this, and we all feel cowed by a line on an application, drivers license, employment, credit that asks for data, and meekly fill it in, meanwhile feeling that we are being taken. Our schools are continually demanding to know more about the parents, and have gone so far as inquiring into places of employment, job titles, etc. Pressure on the student is applied so that "our class can be 100%. Fortunately, my children are now out of the lower schools and this question won't be asked again—but they are all in some college (state controlled), and so I know that it will not be long before an "analysis is needed" of backgrounds of students at this level. In this way, I feel helpless, and cannot ask my children to resist, at a risk to them, for something I feel strongly about. I guess that it is easier to not resist, and go along with the requests."

I look forward to hearing the testimony of the witnesses. Unfortunately, because of other important obligations in another Committee, I will be unable to attend all of these hearings, much as I would like to. I have asked Senator Muskie to chair the hearings in my absence.

S. 3418

A bill to establish a Federal Privacy Board to oversee the gathering and disclosure of information concerning individuals, to provide management systems in Federal agencies, State, and local governments, and other organizations regarding such information, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

TITLE I—FEDERAL PRIVACY BOARD

ESTABLISHMENT OF BOARD

SEC. 101. (a) There is established in the executive branch of the Government the Federal Privacy Board which shall be composed of five members who shall be appointed by the President by and with the advice and consent of the Senate from among members of the public at large who are not officers or employees of the United States. Not more than three of the members of the Board shall be adherents of the same political party.

(b) The Chairman of the Board shall be elected by the members of the Board every two years.

(c) Each member of the Board shall be compensated at the rate provided for GS–18 under section 5332 of title 5 of the United States Code.

(d) Members of the Board shall be appointed for a term of three years. No member may serve more than two terms.

(e) Vacancies in the membership of the Board shall be filled in the same manner in which the original appointment was made.

(f) Vacancies in the membership of the Board, as long as there are three members in office, shall not impair the power of the Board to execute the functions of the Board. Three members of the Board shall constitute a quorum for the transaction of business.

(g) Members of the Board shall not engage in any other employment during their tenure as members of the Board.

FUNCTIONS OF THE BOARD

SEC. 102. The Board shall—

(1) publish an annual Data Base Directory of the United States containing the name and characteristics of each personal information system;

(2) consult with the heads of appropriate departments, agencies, and instrumentalities of the Government in accordance with section 103(5) of this Act;

(3) make rules to assure compliance with title II of this Act; and

(4) perform or cause to be performed such research activities as may become necessary to implement title II of this Act, and to assist organizations in complying with the requirements of such title.

POWERS OF THE BOARD

SEC. 103. (a) The Board is authorized—

(1) to be granted admission at reasonable hours to premises where any information system is kept or where computers or equipment or recordings for automatic data processing are kept, and may, by subpena, compel the production of documents relating to such information system or such processing as is necessary to carry out its functions, except that the production of personal information shall not be compelled without the prior consent of the data subject to which it pertains;

(2) upon the determination of a violation of any provision of this Act or regulation promulgated under this Act, to, after opportunity for a hearing, order the organization violating such provision to cease and desist such violation;

(3) to delegate its authority under this title, with respect to information systems within a State or the District of Columbia, to such State or District, during such period of time as the Board remains satisfied that the authority established by such State or District to carry out the requirements of this Act in such State is satisfactorily enforcing those provisions;

(4) to conduct open, public hearings on all petitions for exceptions or exemptions from provisions, application, or jurisdiction of this Act, except that the Board shall not have authority to make such exceptions or exemptions but shall submit appropriate reports and recommendations to Congress; and

(5) to the fullest extent practicable, to consult with the heads of appropriate departments, agencies, and instrumentalities of the Government in carrying out the functions of the Board under this Act.

(b) The Board may procure such temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

REPORTS

SEC. 104. The Board shall report, annually, on its activities to the Congress and the President.

TITLE II—STANDARDS AND MANAGEMENT SYSTEMS FOR HANDLING INFORMATION RELATING TO INDIVIDUALS

SAFEGUARD REQUIREMENTS FOR ADMINISTRATIVE, STATISTICAL-REPORTING AND RESEARCH PURPOSES

SEC. 201. (a) Any Federal agency, State or local government, or any other organization maintaining an information system that includes personal information shall—

(1) collect, maintain, use, and disseminate only personal information necessary to accomplish a proper purpose of the organization;

(2) collect information to the greatest extent possible from the data subject directly;

(3) establish categories for maintaining personal information to operate in conjunction with confidentiality requirements and access controls;

(4) maintain information in the system with accuracy, completeness, timeliness, and pertinence as necessary to assure fairness in determinations relating to a data subject;

(5) make no dissemination to another system without (A) specifying requirements for security and the use of information exclusively for the purposes set forth in the notice required under subsection (c) including lim-

itations on access thereto, and (B) determining that the conditions of transfer provide substantial assurance that those requirements and limitations will be observed;

(6) transfer no personal information beyond the jurisdiction of the United States without specific authorization from the data subject or pursuant to a treaty or executive agreement in force guaranteeing that any foreign government or organization receiving personal information will comply with the applicable provisions of this Act with to such information;

(7) afford any data subject of a foreign nationality, whether residing in the United States or not, the same rights under this Act as are afforded to citizens of the United States;

(8) maintain a list of all persons having regular access to personal information in the information system;

(9) maintain a complete and accurate record, including identity and purpose, of every access to any personal information in a system, including the identity of any persons or organizations not having regular access authority;

(10) take affirmative action to establish rules of conduct and inform each person involved in the design, development, operation, or maintenance of the system, or the collection or use of any personal information contained therein, of the requirements of this Act, including any rules and procedures adopted pursuant to this Act and the penalties for noncompliance;

(11) establish appropriate safeguards to secure the system from any reasonably foreseeable threat to its security;

(12) comply with the written requests of any individual who receives a communication in the mails, over the telephone, or in person from a commercial organization, who believes that the name or address or both, of such individual is available because of its inclusion on a mailing list, to remove such name or address, or both, from such list; and

(13) collect no personal information concerning the political or religious beliefs, affiliations, and activities of data subjects which is maintained, used or disseminated in or by any information system operated by any governmental agency, unless authorized by law.

(b)(1) Any such organization maintaining an information system that disseminates statistical reports or research findings based on personal information drawn from the system, or from systems of other organizations, shall—

(A) make available to any data subject or group (without revealing trade secrets) methodology and materials necessary to validate statistical analyses, and

(B) make no materials available for independent analysis without guarantees that no personal information will be used in a way that might prejudice judgments about any data subject.

(2) No Federal agency shall—

(A) require any individual to disclose for statistical purposes any personal information unless such disclosure is required by law, and such individual is informed of such requirement;

(B) request any individual to voluntarily disclose personal information unless such request is specifically authorized by law, and the individual is advised that such disclosure is voluntary;

(C) make available to any person, other than an authorized officer or employee of a Federal agency, any statistical study or reports or other compilation of information derived by mechanical or electronical means from any file containing personal information, or any manual or computer material relating thereto, except those prepared, published, and made available for general public use; or

(D) publish statistics of taxpayer income classified, in whole or in part, on the basis of a coding system for the delivery of mail.

(c) Any such organization maintaining or proposing to establish an information system for personal information shall—

(1) give notice of the existence and character of each existing system once a year to the Federal Privacy Board;

(2) give public notice of the existence and character of each existing system each year, in the case of Federal organizations in the Federal Register, or in the case of other organizations in local or regional printed media likely to bring attention to the existence of the records to data subjects;

(3) publish such annual notices for all its existing systems simultaneously;

(4) in the case of a new system, or the substantial modification of an existing system, shall give public notice and notice to the Federal Privacy Board within a reasonable time but in no case less than three months, in advance of the initiation or modification to assure individuals who may be affected by its operation a reasonable opportunity to comment; and

(5) assure that public notice given under this subsection specifies the following:

(A) the name of the system;

(B) the general purposes of the system;

(C) the categories of personal information and approximate number of persons on whom information is maintained;

(D) the categories of information maintained, confidentiality requirements, and access controls;

(E) the organization's policies and practices regarding information storage, duration of retention of information, and purging of such information;

(F) the categories of information sources;

(G) a description of types of use made of information including all classes of users and the organizational relationships among them;

(H) the procedures whereby an individual may (i) be informed if he is the subject of information in the system, (ii) gain access to such information, and (iii) contest the accuracy, completeness, timeliness, pertinence, and the necessity for retention of such information;

(I) the procedures whereby an individual or group can gain access to the information system used for statistical reporting or research in order to subject them to independent analysis; and

(J) the business address and telephone number of the person immediately responsible for the system.

(d) Any such organization maintaining personal information shall—

(1) inform any individual asked to supply personal information whether such individual is required by law, or may refuse, to supply the information requested, and also of any specific consequences which are known to the organization, of providing or not providing such information;

(2) request permission of a data subject to disseminate part or all of such information to another organization or system not having regular access authority, and indicate the use for which such information is intended, and the specific consequences for the individual, which are known to the organization, of providing or not providing such permission;

(3) upon request and proper identification of any individual who is a data subject, grant such individual the right to inspect, in a form comprehensible to such individual—

(A) all personal information about that individual except that, in the case of medical information, such information shall, upon written authorization, be given to a physician designated by the individual;

(B) the nature of the sources of the information; and

(C) the recipients of personal information about such individual including the identity of all persons and organizations involved and their relationship to the system when not having regular access authority;

(4) at a minimum, make disclosures which are required by this Act to individuals who are data subjects—

(A) during normal business hours;

(B) in person, if the data subject appears in person and furnishes proper identification, or by mail, if the data subject has made a written request, with proper identification, at reasonable standard charges for document search and duplication; and

(C) permit the data subject to be accompanied by one person of his choosing, who must furnish reasonable identification, except that an organization may require the data subject to furnish a written statement granting permission to the organization to discuss that individual's file in such person's presence;

(5) upon receipt of notice from any individual who is a data subject, that such individual wishes to challenge, correct, or explain information about him in such system—

(A) investigate and record the current status of such personal information;

(B) purge any such information that is found to be incomplete, inaccurate, not pertinent, not timely nor necessary to be retained, or can no longer be verified;

(C) accept and include in the record of such information, if the investigation does not resolve the dispute, any statement (not more than two hundred words in length) provided by such individual setting forth his position on such disputed information;

(D) in any subsequent dissemination or use of disputed information, clearly note that such information is disputed and supply the statement of such individual together with such information;

(E) make clear and conspicuous disclosure to such individual of his right to make a request under this paragraph;

(F) at the request of such individual, following any correction or purging of personal information, furnish to past recipients of such information notification that the item has been purged or corrected; and

(G) in the case of a failure to resolve a dispute, advise such individual of his right to request the assistance of the Federal Privacy Board.

(e) Each such organization maintaining a personal information system on the date of the enactment of this Act shall notify by mail each data subject of the fact not later than two years following the date of enactment of this Act, at the last known address of the subject. Such notice shall—

(1) describe the type of information held in such system or systems, expected uses allowed or contemplated; and

(2) provide the name and full address of the place where the data subject may obtain personal information pertaining to him, and in the system.

(f) Data subjects of archival-type inactive files, records, or reports shall be notified by mail of the reactivation, accessing, or reaccessing of such files, records, or reports not later than six months after the date of the enactment of this Act.

(g) The requirements of subsections (a) (3) and (4) and subsections (c) and (d) (1) and (2) of this section shall not apply to any organization that (1) maintains an information system that disseminates statistical reports or research findings based on personal information drawn from the system, or from systems of other organizations, (2) purges the names, personal numbers, or other identifying particulars of individuals, and (3) certifies to the Federal Privacy Board that no inferences may be drawn about any individual.

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EXEMPTIONS

SEC. 202. The provisions of this title shall not apply to personal information systems—

(1) to the extent that information in such systems is maintained by a Federal agency, and the head of that agency determines that the release of the information would seriously damage national defense;

(2) which are part of active criminal investigatory files compiled by Federal, State, or local law enforcement organizations, except where such files have been maintained for a period longer than is necessary to commence criminal prosecution; or

(3) maintained by the press and news media, except information relating to employees of such organizations.

USE OF SOCIAL SECURITY NUMBER

SEC. 203. It shall be unlawful for any organization to require an individual to disclose or furnish his social security account number, for any purpose in connection with any business transaction or commercial or other activity, or to refuse to extend credit or make a loan or to enter into any other business transaction or commercial relationship with an individual (except to the extent specifically necessary for the conduct or administration of the old-age, survivors, and disability insurance program established under title II of the Social Security Act) in whole or in part because such individual does not disclose or furnish such number, unless the disclosure or furnishing of such number is specifically required by law.

TITLE III—MISCELLANEOUS

DEFINITIONS

SEC. 301. As used in this Act—

(1) the term "Board" means the Federal Privacy Board;

(2) the term "information system" means the total components and operations of a recordkeeping process, whether automated or manual, containing personal information and the name, personal number, or other identifying particulars;

(3) the term "personal information" means all information that describes, locates or indexes anything about an individual including his education, financial transactions, medical history, criminal, or employment record, or that affords a basis for inferring personal characteristics, such as finger and voice prints, photographs, or things done by or to such individual; and the record of his presence, registration, or membership in an organization or activity, or admission to an institution;

(4) the term "data subject" means an individual about whom personal information is indexed or may be located under his name, personal number, or other identifiable particulars, in an information system;

(5) the term "disseminate" means to release, transfer, or otherwise communicate information orally, in writing, or by electronic means;

(6) the term "organization" means any Federal agency; the government of the District of Columbia; any authority of any State, local government, or other jurisdiction; any public or private entity engaged in business for profit, as relates to that business;

(7) the term "purge" means to obliterate information completely from the transient, permanent, or archival records of an organization: and

(8) the term "Federal agency" means any department, agency, instrumentality, or establishment in the executive branch of the Government of the United States and includes any officer or employee thereof.

TRADE SECRETS

SEC. 302. In connection with any dispute over the application of any provision of this Act, no organization shall reveal any personal information or any professional, proprietary, or business secrets; except as is required under this Act. All disclosures so required shall be regarded as confidential by those to whom they are made.

CRIMINAL PENALTY

SEC. 303. Any organization or responsible officer of an organization who willfully—

(1) keeps an information system without having notified the Federal Privacy Board; or

(2) issues personal information in violation of this Act;

shall be fined not more than $10,000 in each instance or imprisoned not more than five years, or both.

CIVIL REMEDIES

SEC. 304. (a) The Attorney General of the United States, on the advice of the Federal Privacy Board, or any aggrieved person, may bring an action in the appropriate United States district court against any person who has engaged, is engaged, or is about to engage in any acts or practices in violation of the provisions of this Act or rules of the Federal Privacy Board, to enjoin such acts or practices.

(b) Any person who violates the provisions of this Act, or any rule, regulation, or order issued thereunder, shall be liable to any person aggrieved thereby in an amount equal to the sum of —

(1) any actual damages sustained by an individual;

(2) punitive damages where appropriate;

(3) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney's fees as determined by the court.

The United States consents to be sued under this section without limitation on the amount in controversy.

JURISDICTION OF DISTRICT COURTS

SEC. 305. The district courts of the United States have jurisdiction to enforce any subpena or order issued by the Federal Privacy Board under sections 102 or 103, respectively, of this Act.

RIGHT OF ACTION

SEC. 306. (a) Any individual who is denied access to information required to be disclosed under the provisions of this Act is entitled to judicial review of the grounds for such denial.

(b) The district courts of the United States have jurisdiction to hear and determine civil actions brought under subsection (a) of this section.

EFFECTIVE DATE

SEC. 307. This Act shall take effect one year after the date of its enactment.

AUTHORIZATION OF APPROPRIATIONS

SEC. 308. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

S. 3633

A bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles I, III, IV, V, IX, X, and XIV of amendment to the United States Constitution

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Government Data Bank Right to Privacy Act".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress finds—

(1) that an individual's privacy is directly affected by the extensive collection, maintenance, use, and dissemination of personal information;

(2) that the increasing use of computers and sophisticated information technology has greatly magnified the harm that can occur from these practices;

(3) that an individual's opportunities to secure employment, insurance, credit, and his right to due process and other legal protections are endangered by these personal information systems;

(4) that in order to preserve the rights guaranteed by the first, third, fourth, fifth, ninth, and fourteenth amendments of the United States Constitution, uniform Federal legislation is necessary to establish procedures to govern information systems containing records on individuals;

(5) that these systems are federally operated or controlled, or federally funded, that they contain information obtained from Federal sources or by means of Federal funds, or are otherwise supported by the Federal Government;

(6) that they utilize interstate facilities of communication and otherwise affect commerce between the States;

(7) that the great diversity of statutes, rules, and regulations among the State and Federal systems require uniform Federal legislation;

(8) that the right of privacy is a personal and fundamental right of Federal citizenship granted and secured by the Constitution of the United States; and

(9) that in order to insure the security of information systems, and to protect the privacy of individuals named in such systems, it is necessary and proper for the Congress to regulate the exchange of such information.

(b) The purpose of this Act is to insure safeguards for personal privacy from recordkeeping organizations by adherence to the following principles of information practice:

(1) There should be no personal information system whose existence is secret.

(2) Information should not be collected unless the need for it has been clearly established in advance.

(3) Information should be appropriate and relevant to the purpose for which it has been collected.

(4) Information should not be obtained by fraudulent or unfair means.

(5) Information should not be used unless it is accurate and current.

(6) There should be a prescribed procedure for an individual to learn the information stored about him, the purpose for which it has been recorded, and particulars about its use and dissemination.

(7) There should be a clearly prescribed procedure for an individual to correct, erase, or amend inaccurate, obsolete, or irrelevant information.

(8) Any organization holding personal information should assure its reliability and take precautions to prevent its misuse.

(9) There should be a clearly prescribed procedure for an individual to prevent personal information collected for one purpose from being used for another purpose without his consent.

(10) The Federal Government should not collect personal information except as authorized by law.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "information system" means the total components and operations of a recordkeeping process, whether automated or manual, containing personal information and the name, personal number, or other identifying particulars;

(2) the term "personal information" means all information that describes, locates or indexes anything about an individual including his education, financial transactions, medical history, criminal, or employment record, or that affords a basis for inferring personal characteristics, such as finger and voice prints, photographs, or things done by or to such individual; and the record of his presence, registration, or membership in an organization or activity, or admission to an institution;

(3) the term "data subject" means an in-

dividual about whom personal information is indexed or may be located under his name, personal number, or other identifiable particulars, in an information system;

(4) the term "disseminate" means to release, transfer, or otherwise communicate information orally, in writing, or by electronic means;

(5) the term "organization" means any Federal agency; the government of the District of Columbia; and any authority of any State, local government, or other jurisdiction;

(6) the term "purge" means to obliterate information completely from the transient, permanent, or archival records of an organization; and

(7) the term "Federal agency" means any department, agency, instrumentality, or establishment in the executive branch of the Government of the United States and includes any officer or employee thereof.

SAFEGUARD REQUIREMENTS FOR PERSONAL INFORMATION FOR ADMINISTRATIVE, STATISTICAL-REPORTING AND RESEARCH PURPOSES

SEC. 4. (a) ADMINISTRATIVE REQUIREMENTS.—Any organization maintaining an information system that includes personal information shall—

(1) collect, maintain, use, and disseminate only personal information necessary to accomplish a proper purpose of the organization;

(2) collect information to the greatest extent possible from the data subject directly;

(3) establish categories for maintaining personal information to operate in conjunction with confidentiality requirements and access controls;

(4) maintain information in the system with accuracy, completeness, timeliness, and pertinence as necessary to assure fairness in determinations relating to a data subject;

(5) make no dissemination to another system without (A) specifying requirements for security and the use of information exclusively for the purposes set forth in the notice required under subsection (c) including limitations on access thereto, and (B) determining that the conditions of transfer provide substantial assurance that those requirements and limitations will be observed;

(6) transfer no personal information beyond the jurisdiction of the United States without specific authorization from the data subject or pursuant to a treaty or executive agreement in force guaranteeing that any foreign government or organization receiving personal information will comply with the applicable provisions of this Act with respect to that personal information.

(7) afford any data subject of a foreign nationality, whether residing in the United States or not, the same rights under this Act as American citizens;

(8) maintain a list of all persons having regular access to personal information in the information system;

(9) maintain for a reasonable time related to the purposes of the particular system a complete and accurate record, including identity and purpose, of every access to any personal information in a system, including the identity of any persons or organizations not having regular access authority;

(10) take affirmative action to establish rules of conduct and inform each person involved in the design, development, operation, or maintenance of the system, or the collection or use of any personal information contained therein, about all the requirements of this Act, the rules and procedures, including penalties for noncompliance, of the organization designed to assure compliance with such requirements;

(11) establish appropriate safeguards to secure the system from any reasonably foreseeable threat to its security;

(12) comply with the written request of any individual who receives a communication in the mails, over the telephone, or in person, who believes that his name or address is available because of his inclusion on a mailing list, to remove his name and address from that list; and

(13) collect no personal information concerning the political or religious beliefs, affiliations, and activities of data subjects unless expressly authorized by statute.

(b) SPECIAL ADDITIONAL REQUIREMENTS FOR STATISTICAL-REPORTING AND RESEARCH INFORMATION SYSTEMS.—(1) Any organization maintaining an information system that disseminates statistical reports or research findings based on personal information drawn from the system, or from systems of other organizations, shall—

(A) make available to any data subject or group, without revealing trade secrets, methodology and materials necessary to validate statistical analyses, and

(B) make no materials available for independent analysis without guarantees that no personal information will be used in a way that might prejudice judgments about any data subject.

(A) require any individual to disclose for statistical purposes any personal information unless such disclosure is required by a constitutional provision or Act of Congress, and the individual is so informed;

(B) request any individual voluntarily to disclose personal information unless such request has been specifically authorized by Act of Congress, and the individual shall be advised that such disclosure is voluntary;

(C) make available to any non-Federal person any statistical studies or reports or other compilations of information derived by mechanical or electrical means from files containing personal information, or no manual or computer material relating thereto, except those prepared, published, and made available for general public use; and

(D) publish statistics of taxpayer income classified, in whole or in part, on the basis of a coding system for the delivery of mail.

(3) Any organization maintaining an information system that disseminates statistical reports or research findings based on personal information drawn from the system, or from systems of other organizations, and which purges the names, personal numbers, or other identifying particulars of individuals and certifies to the Federal Privacy Board that no inferences may be drawn about any individual, shall be exempt from the requirements of section 4(a) (3) and (4), and section 4 (c) and (d) (1) and (2).

(c) PUBLIC NOTICE REQUIREMENT.—Any organization maintaining or proposing to establish an information system for personal information shall—

(1) give notice of the existence and character of each existing system once a year to the Federal Privacy Board;

(2) give public notice of the existence and character of each existing system each year, in the case of Federal organizations in the Federal Register, or in the case of other organizations in local or regional printed media likely to bring attention to the existence of the records to data subjects;

(3) publish such annual notices for all its existing systems simultaneously;

(4) in the case of a new system, or the substantial modification of an existing system, shall give public notice and notice to the Federal Privacy Board within a reasonable time but in no case less than three months, in advance of the initiation or modification to assure individuals who may be affected by its operation a reasonable opportunity to comment;

(5) shall assure that public notice given under this subsection specifies the following:

(A) The name of the system.

(B) The general purpose of the system.

(C) The categories of personal information, and approximate number of persons on whom information is maintained.

(D) The categories of information maintained, confidentiality requirements, and access controls.

(E) The organization's policies and practices regarding information storage, duration of retention, and purging thereof.

(F) The categories of data maintained, indicating which categories are stored in computer-accessible files, and the categories of all information sources.

(G) A description of types of use made of information including all classes of users and the organizational relationships among them.

(H) The procedures whereby an individual can—

(i) be informed if he is the subject of information in the system;

(ii) gain access to such information; and

(iii) contest the accuracy, completeness, timeliness, pertinence, and the necessity for retention.

(I) The procedures whereby an individual or group can gain access to the information system used for statistical reporting or research in order to subject them to independent analysis.

(J) The business address and telephone number of the person immediately responsible for the system; and

(6) prepare and publish a privacy impact statement describing the consequences to the individual, including his rights, privileges, benefits, detriments, and burdens, of the proposed data system, or in the case of an existing system, any proposed expansion.

(d) RIGHTS OF DATA SUBJECTS.—Any organization maintaining personal information shall—

(1) inform an individual asked to supply personal information whether he is legally required, or may refuse, to supply the information requested, and also of any specific consequences which are known to the organization, of providing or not providing such information;

(2) request permission of a data subject to disseminate part or all of this information to another organization or system not having regular access authority, and indicate the use for which it is intended, and the specific consequences for the individual, which are known to the organization, of providing or not providing such permission;

(3) upon request and proper identification of any data subject, grant such subject the right to inspect, in a form comprehensible to such individual—

(A) all personal information about that data subject except in the case of medical information, when such information shall, upon written authorization, be given to a physician designated by the data subject;

(B) the nature of the sources of the information; and

(C) the recipients of personal information about the data subject including the identity of all persons and organizations involved and their relationship to the system when not having regular access authority.

(4) comply with the following minimum conditions of disclosure to data subject:

(A) An organization shall make disclosures to data subjects required under this Act, during normal business hours.

(B) The disclosures to data subjects required under this Act shall be made (i) in person, if he appears in person and furnishes proper identification, (ii) by mail, if he has made a written request, with proper identification, at reasonable standard charges for document search and duplication.

(C) The data subject shall be permitted to be accompanied by one person of his choosing, who must furnish reasonable identification. An organization may require the data subject to furnish a written statement granting permission to the organization to dis-

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cuss that individual's file in such person's presence.

(5) if the data subject gives notice that he wishes to challenge, correct, or explain information about him in the information system, the following minimum procedures shall be followed:

(A) The organization maintaining the information system shall investigate and record the current status of that personal information.

(B) If, after such investigation, such information is found to be incomplete, inaccurate, not pertinent, not timely nor necessary to be retained, or can no longer be verified, it shall be promptly purged.

(C) If the investigation does not resolve the dispute, the data subject may file a statement of reasonable length setting forth his position.

(D) Whenever a statement of dispute is filed, the organization maintaining the information system shall, in any subsequent dissemination or use of the information in question, clearly note that it is disputed and supply the statement of the data subject along with the information.

(E) The organization maintaining the information system shall clearly and conspicuously disclose to the data subject his rights to make such a request.

(F) Following any correction or purging of personal information the organization shall at the request of the data subject, take reasonable steps to furnish to past recipients notification that the item has been purged or corrected.

(G) In the case of a failure to resolve a dispute, the organization shall advise the data subject of his right to request the assistance of the Federal Privacy Board.

(e) NOTIFICATION PROCEDURE.—Not later than two years from the effective date of this Act, and not less than once each year, each organization that maintains a personal information system on a data subject shall include, in any regular communication by mail to such data subject, a written notification which includes the following:

(1) The notice shall describe the type of information held in their system or systems, expected uses allowed or contemplated.

(2) The notice shall provide the name and full address of the place where the data subject may obtain personal information pertaining to him, and in the system.

(f) Data subjects of archival-type inactive files, records, or reports shall be notified by mail of the reactivation, accessing, or reaccessing not later than six months after the date of the enactment of this Act.

(g) This Act applies to any information system which—

(1) is operated by the Federal Government; or

(2) is operated by a State or local government and funded in whole or in part by the Federal Government, or relies in whole or in part on interstate channels of communication.

EXEMPTIONS TO APPLICATIONS OF REQUIREMENTS

SEC. 5. The provisions of this Act shall not be applicable to personal information systems—

(1) to the extent that information in such systems is maintained by a Federal agency, and the President determines by Executive order that the application of the Act, or specified parts thereof, would seriously damage national defense; and

(2) which are subject to State or Federal statutes affording substantially the same or greater protection for individual privacy; including but not limited to the right to enforce by appropriate civil action in court any violation of said statute.

USE OF SOCIAL SECURITY NUMBER

SEC. 6. It shall be unlawful for any organization to require an individual to disclose or furnish his social security account number, for any purpose in connection with any business transaction or commercial or other activity, or to refuse to extend credit or make a loan or to enter into any other business transaction or commercial relationship with an individual (except to the extent specifically necessary for the conduct or administration of the old-age, survivors, and disability insurance program) wholly or partly because such individual does not disclose or furnish such number unless the disclosure or furnishing of such number is specifically required by Federal law.

FEDERAL PRIVACY BOARD

SEC. 7. (a) ESTABLISHMENT.—There is an office in the General Accounting Office which shall be called the Federal Privacy Board (hereinafter in this section referred to as the "Board").

(b) MEMBERSHIP.—The Board shall consist of five members, each serving for a term of three years, three of whom shall constitute a quorum. No member shall serve more than two terms. The members of the Board shall be appointed by the Comptroller General of the United States. No more than three of the members appointed to serve at the same time shall be of the same political party. Each member shall be appointed from the public at large and not from among officers or employees of the United States. Membership on the Board shall be the sole employment of each member.

(c) COMPENSATION.—Members of the Board shall be compensated at the rate provided for GS–18 under section 5332 of title 5 of the United States Code.

(d) CHAIRMAN.—The Chairman of the Board shall be elected by the Board every two years.

(e) STAFF.—The Comptroller General shall appoint and fix the compensation of such personnel as are necessary to the carrying out of its duties.

FUNCTIONS OF THE BOARD

SEC. 8. The Board shall—

(1) publish an annual Data Base Directory of the United States containing the name and characteristics of each personal information system covered by section 4(g);

(2) make rules to assure compliance with this Act;

(3) perform or cause to be performed such research activities as may become necessary to implement this Act, and to assist organizations in complying with this Act;

(4) be granted admission at reasonable hours to premises where any information system is kept or where computers or equipment or recordings for automatic data processing are kept, and may by subpena compel the production of documents relating to such information system or such processing as is necessary to carry out its duties but no personal information shall be compelled to be produced without the prior consent of the data subject to which it pertains. Enforcement of any subpena issued under this section shall be had in the appropriate United States district court;

(5) upon the determination of a violation of a provision of this Act or regulation promulgated under the Act, the Board may, after opportunity for a hearing, order the organization violating such provision to cease and desist such violation. The Comptroller General may enforce any order issued under this paragraph in a civil action in the appropriate United States district court;

(6) shall delegate its authority under this Act, with respect to information systems within the Federal Government, a State, or the District of Columbia, to such State or District, which are governed by express statutory law which affords the minimum standards for the protection of privacy provided for by this Act;

(7) conduct open, public hearings on all petitions for exceptions or exemptions from provisions, application, or jurisdiction of this Act. The Board shall have no authority to make such exceptions or exemptions but shall submit appropriate reports and recommendations to Congress;

(8) issue an annual report of its activities to the Congress and the President; and

(9) recommend to Congress that a particular Federal data bank proposed to be created, expanded or modified, because of its size, scope, sensitivity of data, or impact on privacy, should not be established except by specific legislative authorization.

TRADE SECRETS

SEC. 9. In connection with any dispute over the application of any provision of this Act, no organization shall reveal any personal information or any professional, proprietary, or business secrets; except as is required under this Act. All disclosures so required shall be regarded as confidential by those to whom they are made.

CRIMINAL PENALTY

SEC. 10. Any organization or responsible officer of an organization who willfully—

(1) keeps an information system without having notified the Federal Privacy Board; or

(2) issues personal information in violation of this Act;

shall be fined not more than $10,000 in each instance or imprisoned not more than five years, or both.

CIVIL REMEDIES

SEC. 11. (a) INJUNCTIONS FOR COMPLIANCE.—The Attorney General of the United States, on the advice of the Federal Privacy Board, or any aggrieved person, may bring an action in the appropriate United States district court against any person who has engaged, is engaged, or is about to engage in any acts or practices in violation of the provisions of this Act or rules of the Federal Privacy Board, to enjoin such acts or practices.

(b) CIVIL LIABILITY FOR UNFAIR PERSONAL INFORMATION PRACTICE.—Any person, system, or agency which violates the provisions of the Act, or any rule, regulation, or order issued thereunder, shall be liable to any person aggrieved thereby in an amount equal to the sum of—

(1) any actual damages sustained by an individual plus $100 for each violation;

(2) punitive damages where appropriate;

(3) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney's fees as determined by the court.

The United States consents to be sued under this section without limitation on the amount in controversy.

(c) No action shall lie under subsection (b) of this section with respect to any system subject to a statute which satisfies the provisions of section 12 or of subsection 5(b).

PRECEDENCE OF OTHER FEDERAL AND STATE LAWS

SEC. 12. Any Federal or State law, or regulation which places greater restrictions upon the dissemination of personal information or the operation of personal information systems or which affords to any individuals, whether juveniles or adults, rights of privacy or protections greater than those set forth in this Act shall take precedence over this Act or regulations issued pursuant to this Act.

SEVERABILITY

SEC. 13. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of the provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 14. This Act shall take effect one year after the date of its enactment.

[From the New York Times, June 24, 1974]

PROTECTING PRIVACY

The American capacity to collect and to store information about individuals and the American tendency to express ineffectual alarm at that development have grown enormously in the last decade and a half. Unfortunately, Congress's ability to develop legislation safeguarding the individual's right to privacy has lagged far behind computer technology. The nation is left with a vague sense that information monsters inevitably threaten to transform the society in which we live.

The threat is real. The size and the extent of the data banks and information systems now in existence serving Federal, state, local and private organizations are staggering. A survey done for the Senate Judiciary Committee shows that there are 858 Federal data banks operated by 54 agencies of Government. At least 29 of those are primarily concerned with collecting derogatory information on individuals.

The initiation of new information-keeping systems is rarely inhibited by concern over their potential for invasion of privacy because they are usually established as aids to achievement of some private or governmental goal which is deemed desirable in itself. The massive $100-million FEDNET system now being planned by the General Services Administration is a case in point. G.S.A. views it simply as part of its responsibility to establish efficient and economical computer services for the Government. The threat to privacy was apparently a minimal part of the programing decision, if it was ever considered at all.

As Congress has stood by bemused at such developments, its legislative plate has begun to overflow. It now has before it general legislation on privacy, covering such issues as providing individuals with access to the information being held about them, giving them the right to review and correct that information, and developing rules limiting access to and dissemination of such stored information. In addition to general privacy legislation, a number of specific bills are pending, including measures to curb army surveillance of civilians, limit police "no knock" authority, enlarge the civil rights of Government employes, define student and parental rights to school information and more carefully limiting the uses to which criminal justice data bank information may be put.

Perhaps because of Watergate, these issues that have languished for so long are receiving strong bipartisan attention. This is a hopeful sign, for if this latest round of legislative activity is to be more than an exercise in futility, national concern will have to be sustained. Heretofore, Congress has exuded the sense that the privacy problem has been too complex to handle. If it doesn't act now, that soon may be the case.

THE OIL INDUSTRY

Mr. BROCK. Mr. President, I would like to share with my colleagues today a talk given by one of my constituents. Mr. Ronald W. Waschka, of Germantown, Tenn., recently spoke before a Germantown civic group on the oil industry.

Mr. Waschka points out several important facts about the industry. He traces the history of the Organization of Petroleum Exporting Countries—OPEC—and shows how it has grown in strength as a price-fixing cartel. He notes that stock in the seven leading companies is held by approximately 2 million stockholders. As he says, this represents considerably more widows and orphans than robber barons.

I strongly recommend Mr. Waschka's talk to my colleagues and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the talk was ordered to be printed in the RECORD, as follows:

IN PERSPECTIVE

In the continuing energy crunch many Americans have suffered inconvenience. Some industries have suffered financial losses. Federal, state and local revenues have declined or remained static in the petroleum products area. Not to downgrade the problem involved to the user of petroleum products there is, nevertheless, another side to the issue.

It is simple enough for politicians to rise to the occasion and seize on this issue for headline-grabbing purposes. At least one is apparently running for the presidency by proclaiming that the industry is "gouging" as regularly as the television cameras capture his image. Myriad lesser public figures have seized on this issue perhaps to distract the populace from other more embarrassing subjects. The media have superficially examined the subject, condensing it unrecognizably so that it will fit into the 110 word per minute format of broadcasting and the best headline expose journalism. Private individuals cuss and discuss the issue, frequently after only having been exposed to apocalyptic media pronouncements.

In preparing this defense of the industry, I have avoided making it an industry defense by confining my research in this instance to materials not controlled by the industry. (*Moody's, Forbes, Fortune, Wall Street Journal, M. A. Adelman, The World Petroleum Market,* etc.)

Ever since the Organization of Petroleum Exporting Countries (OPEC) was organized in 1960 it has grown in strength and power as a price-fixing cartel. Since the Mid-East members control the spare oil in the world industrial economy it has flexed its muscles recently with great effect. As far back as 1970, when the United States began its career as a net oil importer, the Mid-East oil producers were allowed by the importing industrial nations (with the acquiescence of the United States State Department) to increase crude prices. The State Department declared that the international oil business was merely stabilizing and the major oil companies were powerless to resist the host-nation's pricing without government diplomatic support in a world suddenly approaching full oil consumption. In addition, the Mid-East oil nations sought to increase demand pressure by cutting production allotments to the companies. The importing nations caved in. The European industrial nations are producers of expensive energy such as nuclear power, coal, and North Sea oil and do not want lower prices. A substantial portion of their tax revenues are from petroleum products sources.

The so-called Third World nations are standing by watching the political-economic Mid-Eastern oil monopoly operate on the industrial nations with the peculiar idiocy of those who do not understand that they will be the first to find bankruptcy particularly since many of them enjoy a limited solvency only by virtue of present or past United States' aid programs.

The recent oil importer meeting in Washington was heralded as a failure in the press because of French intransigence but there is a ray of light. A few days after the meeting one of the Mid-Eastern producers held an auction of oil from its share of the country-company production and it was bid in by the importers at less than half the price of recent such auctions. The low bid was not accepted but the incident may show an increasing maturity of the importer's foreign offices in these matters and also a better spirit of cooperation than expected. One oil expert has suggested that such "spare" or auction oil may find its way into the market at less than specified prices thus tending to force the world price down.

This pressure also may be a partial cause of the recent "reasonableness" of the Organization of Arab Petroleum Exporting Countries (OAPEC) in removing the embargo against the United States. It may be interesting to see how the other importing nations pay for all the oil they use in the future, particularly the oil that some have contracted for long term at high rates.

In 1972, the United States had only 5.5% of the proven world oil reserves but is pumping 9.4% of its proven reserves annually. This figure points out that the United States had lagged behind in exploration and drilling. There is one thing that motivates the fantastic investment necessary for a turnaround of this situation and that is return on that investment. This income was reduced when the depletion allowance was reduced. It is simple enough to defend tax shelters and difficult to see why this investment incentive is so savagely attached by people who undoubtedly enjoy other tax advantages. It is a very effective incentive since it is success oriented and not effort oriented. It benefits production only. The other way to generate the necessary cash flow and return for investment is by price increases. Unfortunately the average 12¢ increase in a gallon of gasoline had mostly been pass-through increases reflecting increased crude oil production, purchase, or distribution costs.

Since we value free enterprise, we should take a look at the industry and see what is under attack and see what the industry is trying to do to fulfill its role in energy development. It has been said that the so-called "Big Seven" oil companies actually are the industry so I will focus on Exxon, Gulf, Mobil, Shell, Standard Oil of Indiana (Standard & Amoco), Standard Oil of California (Chevron), and Texaco.

When I hear an attack on big oil companies I often wonder whether the attacker has any idea of whom he attacks. The seven leading companies have outstanding shares numbering well over one billion. Even allowing for duplication these are held by approximately two million stockholders including an average 413 institutional holders which hold over eighty-three million shares for employee pension funds, investment advisory accounts, and personal trusts and estates. Morgan Guaranty alone holds nearly $600,000,000 of only two of the top seven oil companies. These figures represent considerably more widows and orphans than robber barons. The majors employ nearly one half million people. Can you imagine this number of people suddenly added to the Civil Service rolls should the extreme course of nationalization be taken?

Big oil spent over $5 billion in 1972 in exploration and capital expansion and plans to spend a great deal more as we have seen announced. No doubt the sector that wishes to tax profit increases in a confiscatory manner will follow these expenditures closely. Every one of the large companies is greatly involved in so-called "safe-area" exploration where United States control of the resource is more certain. Several are involved in nuclear, shale oil, tar sand, and other energy source developments. Exxon and Gulf have a major interest in the Alaska North Slope activity and also in the Aleyska Pipeline Company which will bring the crude to warm water ports for tanker shipment. Speaking of tankers, the majors own or control over 850 tankers and have more than 65 on order. These should be ample with planned additions for the job in Alaska. Can you imagine the difficulty with which the government would make such high risk investment should it follow the lead of those who call for more than regulation of the industry?

UMI

It would be pointless to rehash the conflicts over the building of the Alaska pipeline and the refineries recently blocked by the ecological movement in the United States except to note that the ecologists are alive and well and blocking Aristotle Onassis' efforts to build a refinery in New England, the area of the nation that has screamed the loudest over petroleum product shortage. We do not have a single port capable of handling the deep-draft supertankers because such development has been blocked. We are paying for our stubborness on this in higher transportation costs. Our oil companies own a number of the giant tankers and for us to make the best use of North Slope and new North Sea oil we need several such ports.

Although this respect focuses on the large companies, there is much more to the industry. In exploration, production, transportation, distribution, and retailing there are many thousands of companies, each with their own investments and employees. There are the people who own the mineral rights to the oil producing lands. Their royalties, the dividends paid to the stockholders, salaries of employees, and the profits of the companies all yield major tax revenues to the various levels of government. The remainder, the income after taxes of all of these, is spent or reinvested and is a powerful spur to the economy. As some would prepare to destroy this industry, we should ask whether or not this is the way we want our economy to go.

THE MULTISTATE TRANSPORTATION CORRIDOR ADVISORY BOARD

Mr. ALLEN. Mr. President, the Multistate Transportation Corridor Advisory Board held a meeting in Washington on June 25, 1974. The project under discussion is of vital interest to all of the States involved, and to the Nation. The plan would provide a system of various transportation modes, including a highway, a railway, and a pneumatic pipeline that would extend from America's heartland to the Atlantic Ocean. It is a forward looking project which would benefit the entire Nation. The minutes of this meeting will serve to point up the progress which has been made on the project, and I ask unanimous consent that these minutes be printed in the RECORD.

There being no objection, the minutes were ordered to be printed in the RECORD, as follows:

MINUTES OF MULTISTATE TRANSPORTATION CORRIDOR ADVISORY BOARD MEETING

ADDRESS BY SENATOR JAMES B. ALLEN

Ladies and Gentlemen, I am Jim Allen one of Alabama's United States Senators. I am indeed honored to be able to call this meeting to order, and I am delighted you are meeting again in the nation's capitol to promote the Multi State Transportation Corridor You've come a long way since the first meeting of your group on February 12, 1972 in Callaway Gardens. Subsequent meetings have been held up and down the line of the corridor, and public opinion is being formed and is being molded on behalf of this corridor. Back in September, September 19, 1972, you had progressed to a point that the United States Senate included in the Highway Act of 1972 provision for the feasibility study of this corridor concept. That bill was not successful, but the next year the Highway Act of 1973 was enacted and called for a feasibility study by the FHWA of the corridor The feasibility study is progressing well and we are hopeful that a favorable report will be made. The route of the corridor, was actually part of the planning of the original route for the interstate and defense highway system as planned back in the late 1930's but somewhere along the line changes were made. Examining the map, it's easy to see this is an area that the interstate system overlooked and we certainly want to do whatever is necessary to correct that oversight or omission. I believe this corridor concept is greatly needed.

I do not know of any other area of the country that can justify a corridor of this sort as well as our own area. The area extends from Kansas City to Brunswick, Georgia. It will benefit the entire country, it will benefit of course the eight states directly involved; Kansas, Missouri, Arkansas, Mississippi, Alabama, Georgia and Florida. It would be a great boom to this area stemming from America's heartland all the way to the Atlantic Coast. It would do so much to develop the economy of some of our regions. Public opinion has formed throughout this corridor to the point that our concept is being supported by all eight of the governors and a large party of public opinion in each state. What you need now is legislation, I'm sure that is the purpose of this meeting today. The Senators from the eight states directly involved are either here in person or represented by members of their staff.

We are delighted to be here today and participate in this discussion. I am hopeful that we can introduce and push to passage legislation that will make this great corridor a reality. We believe that each and every one of you is performing a real public service for the nation and your individual states by working on this fine project. We welcome you to Washington, we welcome you to the Senate side of the Capitol and we look forward to the discussion of the corridor. With these remarks I would like to turn the meeting over to Mr. Elton B. Stephens of Birmingham who is the Chairman of this Advisory Board and who will chair the meeting. We are here on the path of a great project, a much needed project, a project I hope we can see to fruition. At this time it gives me great pleasure to introduce Mr. Elton B. Stephens of Birmingham, Chairman of this Board.

REMARKS BY MR. ELTON B. STEPHENS

Thank you Senator Allen. I was a little amused at the modesty of Senator Allen in introducing himself to this audience. I know that some of you in our neighboring and other states have noted the progress being made in Washington and I feel sure that Senator Allen could stand before any of you and be recognized without introducing himself.

We are glad to hear, Senator Allen, that we have your full support and the support of the other senators up and down the corridor. We know we will be successful. I would like to make a special acknowledgement of the fact that Mayor Wheeler of Kansas City flew in from San Diego, a trip that took most of the night, in order to be at our meeting and we are delighted that he could be with us this morning. I was asked by Mayor George Siebels of Birmingham and Mayor Bob Hydrick of Columbus, Georgia to express their support and tell the people here that they were sorry they couldn't be with us.

Our Board is honored to have the opportunity today to present a program to you that we feel is one of the highest priority projects for our region and the nation. You have been furnished a brief history to refresh your memory on our accomplishments so far. I am glad to report that the study is, at this time, well underway. Without devoting further time to what has transpired we want to briefly point up some pertinent data and facts regarding this transportation project and at this time I wish to present Mr. John Edwards, President of Traffic Planning Associates, Incorporated, the principal consultant firm that produced the parametric study on the multi-mode transportation corridor.

BRIEF REPORT BY JOHN EDWARDS, JR.—PARAMETRIC STUDY, MULTIMODE TRANSPORTATION CORRIDOR

In a cooperative effort, the States of Alabama, Arkansas, Georgia, Mississippi, Missouri and Tennessee, in conjunction with the U.S. Department of Transportation have undertaken a preliminary parametric study of a multi-state transportation corridor linking the southeastern Atlantic Coast with the midwestern region of the country. In summary format, the results of this preliminary study are presented as: 1) Study background and objectives; 2) Summary of facts; 3) Summary of findings. In addition to this summary, it is to be noted that study design for subsequent and more detailed investigation of the feasibility of the development of the multi-state corridor has been prepared as part of this study, but has been published as a separate technical report.

Study background and objectives

During the past decade, feasibility studies relating to the development of limited access highways along segments of the proposed corridor have been conducted. Specific studies involved the South Georgia Limited Access Highway Study and the Ozark Express Route Study.

The 1973 Highway Act, Section 143 requires the Secretary of Transportation to report to the U.S. Congress by January 1, 1975 on the feasibility and necessity for constructing, to appropriate standards, a highway along the following route:

"A route from Brunswick, Georgia or its vicinity to Kansas City, Missouri, or its vicinity so aligned to serve the intermediate cities or the vicinities thereof: Columbus, Georgia; Birmingham, Alabama; Tupelo, Mississippi; Memphis Tennessee; Batesville and Jonesboro, Arkansas; and Springfield, Missouri."

For purposes of this preliminary parametric study, two study areas were considered: 1) The entire six-state region traversed by the designated study corridor, and 2) an area about 100 miles wide following the alignment specified in the 1973 Highway Act.

The objective of the preliminary parametric study is summarized as follows: Determine the parameters and sensitive areas within the general corridor region which must be considered in detail in anticipated subsequent study phases of the corridor and delineate a broad study design program for such subsequent studies.

Summary of facts

Population

The study corridor extends for a distance of about 1,200 miles from the Atlantic Coast in Georgia to the metropolitan area of Kansas City, Missouri and traverses six states.

The six-state region comprises a population of 20.7 million, or about 9 percent of the U.S. population. The population growth in the region during the 1960–1970 period is lower than the U.S. average growth rate. Similarly, the rate of urbanization in the six-state region is well below the U.S. average, 48 percent as opposed to 68 percent.

The personal per capita income within the six-state area tends to be substantially lower than that of the U.S. average. Three of the individual states have personal per capita incomes which are ranked as the three lowest in the entire country.

Transportation

Nearly 13 percent (5,440 miles) of the total Interstate Highway System is located within the six-state area.

There is a closely spaced network of railways within the region, which are operated by 34 independent companies. Rail lines are within 30 miles from any point within the six states.

There exists an extensive network of inland waterways within the region. The Mississippi River system alone accounted for 7 percent of the total domestic intercity ton-miles of freight transport in the country.

The major network of pipelines tend to traverse the corridor region from the southwesterly producing and refining areas to the northeasterly consume markets.

Economy

Using total personal income as an approximation of the Gross National Product, the six-state region was found to be 20 to 25 percent less "productive" than the remainder of the nation.

The six-state region lags the U.S. average in manufacturing productivity on the basis of Value Added Per Capita by about 17 percent.

The region lags the U.S. average in wholesale trade activity on the basis of Wholesale Trade Per Capita by about 6.5 percent.

In terms of Farm Product Value Per Capita, the six-corridor states exceed the U.S. average by about 16 percent.

The annual value of natural resources extraction within the six states amounted to $1,615 million.

Environment

Lands designated as state parks and local recreational areas constitute only 7 percent of the total land area within the six states and constitute a scarce resource while the use and demand for these areas increases.

There are a total of 34 major military bases situated within the region and of this total about 29 are located with ready accessibility to the Interstate Highway Network.

The geographic character within the general corridor area includes the following basic land forms: coastal plains, foothills of the Appalachians and Ozarks, and the mountainous areas of the Ozarks.

Summary of findings

Review of Selected Parameters and Transportation Facilities

Within the study region, one S.M.S.A., Albany, Georgia, is not served by the Interstate Highway System.

The basic orientation of the Interstate Highway Network is generally North-South, without any major freeway facility aligned along the proposed corridor to link the urban centers of Kansas City, Memphis, and Birmingham. Each of these three metropolitan areas has a population of more than 700,000.

There is significant correlation between the location of major military installations and their accessibility via the Interstate Highway System. Low service, in terms of accessibility between military bases, is near the Atlantic Coast and the installations in the States of Alabama, Mississippi, and Arkansas.

Manufacturing activities tend to be concentrated in and adjacent to S.M.S.A.'s and this generally has the benefit of improved transportation. The impact of manufacturing expansion in the region through improved transportation, in addition to other factors, will need to be examined thoroughly in any subsequent studies.

Within the corridor areas substantial concentration of environmentally sensitive areas exist, which will limit the locational alternatives for the corridor transportation facilities.

In the western segment of the corridor, the topographic conditions and the Mississippi River barrier will similarly limit the number of alternatives routings of transportation facilities.

Goals, Objectives and Parameters

A matrix of interrelationships which involve both beneficial and detrimental impacts of the corridor have been delineated for consideration in the subsequent feasibility studies of the corridor.

Areas to be examined are outlined in categories by mode and by broad goals and objectives, relating areas such as:

The impact of road transportation on resources.

The impact of road transportation on environment.

The impact of road transportation on the economy.

Similarly, the other major modes are considered.

Within each of the categories outlined above, specific parameters are delineated to measure the degree to which the corridor will benefit, or under certain locational conditions, detract from the attainment of the region's goals.

Opportunities

The scope, regional variation, diversified industrial and agricultural activities within the 1,200 mile corridor area provide a unique opportunity to explore, and develop advanced concepts in transportation.

The extensive availability of major transportation modes in transverse alignments to the proposed corridor creates a most exemplary environment for implementing advanced concepts on inter-modal transfers.

With the purpose of providing regional accessibility to major urban areas, several of which range from nearly ¾ million to 1 million population, the corridor development plan must incorporate new ideas and concepts in providing service without perpetuating the existing major environmental conflicts between land use and intended amenities and the transport facilities themselves. This regional coordination of land-use functions and transportation can become the opportunity of significantly aiding the reestablishment of our urban areas as environmentally attractive as well as economically desirable places to live.

The next presentation will be on the multi mode concept and at this time I would like to call on Dr. Paul S. Jones who is one of the nation's leading authorities in the field of transportation—Dr. Jones.

REMARKS BY DR. PAUL S. JONES—OPPORTUNITIES AFFORDED BY MULTIMODE CONCEPT CORRIDOR

The Multi State Corridor now supports a wide diversity of demands for transportation for passengers and freight. These include a few high volume movements such as: Midwesterners traveling to and from Florida, fresh fruits and vegetables moving from Florida and the southeast to mid-western markets, grain moving from the midwest to the southeast, and many low volume movements. Few passengers and freight shipments move the entire length of the corridor, and both originate and terminate at points off of the corridor, but could take advantage of efficient movement over a sector of the corridor.

In the aggregate, present demands are not overly impressive, but the potential to develop transportation demand in the corridor is impressive. An efficient transportation corridor can attract industry and business. Recreational facilities can be developed and exploited. These developments, in turn, will provide new opportunities to present and future residents. One need only look a little ways north to see what TVA has done for Tennessee. The impact of the Multi State Corridor will be no less dramatic. Looking back a century, the railroad corridors played vital development roles, and recently, the interstate highway program has been as important to communities and regions that it serves. The Multi State Corridor has more than ample development potential to take full advantage of a multi mode transportation corridor. Transportation modes in this country have been urged to develop independently and to offer competitive services—much of the intercity competition is destructive. It is now time to explore ways to use the different modes to complement one another by exploiting the strengths of each. We can begin by looking at the resources needed to create a transportation service. By far the most costly resource required by a land transportation service is the traveled way—the roadway over which people and goods move.

When creating a new service, it is important to maximize the use of the traveled way.

We can do this by providing a traveled way that serves more than one mode—automobiles, trucks, railroad, new high speed systems, pipelines and perhaps others.

This multi-mode traveled way needs to be more carefully augmented with access and egress points for passengers and freight to serve the many journeys that move only partway along the corridor. Thus a freight shipment might originate, move through a terminal, enter the corridor through another terminal or transfer point, move along the corridor a ways, leave it and proceed to its destination. To be attractive to shipper and consignee, the movement must have these characteristics: efficient pick up and delivery, rapid response to needs, predictable travel and delivery time, and efficient use of all carriers resulting in low cost.

Following the same line of reasoning, the first and perhaps the most important step in establishing the Multi-State Corridor is to begin very soon to acquire the necessary right-of-way along the route, and to acquire enough right-of-way to serve all potential uses. Highway experience tells us that it does not pay to skimp.

Technology is available or emerging that will support a high quality, multi-mode transportation facility along the corridor. Research on automated highways suggests that all or a portion of the highway mode can be designed to move passengers and freight without the need for drivers. Automatic vehicle carriers could transport passengers at high speed, eliminating the many serious accidents caused by sleepy drivers. Automatically guided highway trailers can eliminate the high cost of intercity drivers—some three-fourths of the cost of highway transport.

A grade separated rail line can support high speed automated train operations with improvements in traffic density and service. The Japanese have inaugurated such a service with their New Tokaido Line. The significant characteristic of this line is that it is completely new—built from the ground up. The trains can and do operate at 150 m.p.h. because they are not impeded by an antiquated road bed. This system is not automated, but it could be. The Japanese are planning a comprehensive network of high speed rail lines to serve all important centers on the islands of Honshu and Kyushu.

Amtrak operates metroliners between Washington and New York that are capable of high speed service. However, their speed is severely hampered by the quality of the existing road bed.

High speed intercity transport is a possibility for the corridor. The Federal Railroad Administration has developed and is testing a tracked air cushion vehicle that is capable of speeds approaching 300 m.p.h. This vehicle is wheelless. It rides on a cushion of air. At present, it is propelled by aircraft type turbine engines, but it could be propelled by a non-polluting linear induction motor.

The Japanese and Germans are experimenting extensively with magnetic levitation as an alternative to air cushion support. Magnetically levitated vehicles are supported by magnetic attraction or repulsion and can operate with four inches or more from the guideway. Some work on this technology has been performed in the United States. More needs to be done.

Pipelines can also play an important role in the Multi-State Corridor. Conventional pipelines can move a variety of liquids. Some solids can move in slurry pipelines such as the 280 mile coal slurry pipeline operated by the Southern Pacific Company. A wider variety of freight can move in capsules. These capsules may be small wheeled vehicles that move through pipelines by pneumatic pressure just like the message systems seen in department stores and office buildings.

Before the Multi-Mode Transportation Corridor can be a reality—before work can begin—we must carefully identify potentially attractive opportunities to move people and goods economically over all or parts of the corridor in a manner that assures a high level of service.

Having identified the potential future need, we can select those modes that best serve the need, and determine the capacity of each that can be efficiently used. Then we can apply our ingenuity to demonstrating the potential of developing technology in a setting where: capital costs are low because it is essentially virgin territory, and many people can benefit from the development in very substantial ways.

REMARKS BY MR. STEPHENS

Gentlemen, we have the support of the governors up and down the corridor and we would like to show a short film of the governors at this time.

A movie strip recorded at the Southern Governors' Conference at Pt. Clear, Alabama on September 26, 1973 was shown. The Honorable Governor George Wallace of Alabama led off with a strong endorsement of this proposed multi mode corridor through Alabama. He was followed by the Honorable Governors, Bumpers of Arkansas; Carter of Georgia; Waller of Mississippi; Bond of Missouri and Dunn of Tennessee. They each announced their support and demonstrated a unanimous position for seeing this project through to a successful completion.

Gentlemen, you have just heard some powerful politicians who, who knows, might be future presidents or vice-presidents of the United States.

I would like for you to ponder with me the question "Why Certain Sensible Public Projects Do Not Get Done."

Kenneth Clark, the British historian, believes that the characteristic shared by the people who participated in the great civilizations of history is—simply stated—"confidence". Where you find attachment to the status quo and an unwillingness to take the risk of development, you have "no confidence".

History shows that achievement comes to people who believe with mind and soul in their goals and activities. Our Board asks you to be confident that this great multi mode corridor will enhance our nation's infrastructure in its fastest developing area. While today's sophisticated technology in communications and transportation is impressive, a major roadway cannot be beat as a means of bettering the average American's welfare.

Our region badly needs its major northwest to southeast artery. We have an opportunity to produce an investment which can touch millions and compound itself quickly in social, cultural and economic growth.

And now with a brief summation by our Board's Executive Director, Colonel Kermit B. Blaney, we will ask you Senators to sponsor this project—Colonel Blaney.

REMARKS BY KERMIT B. BLANEY, COLONEL, RETIRED

The Multi State Transportation Board is of the firm opinion that the Multi Mode Concept warrants sound and objective evaluation. The Board is confident the feasibility study for the highway route to be reported to Congress as called for in the 1973 Highway Act will be favorable. Such data would lend credence to our anticipation that some other modes of transportation would likewise be feasible.

The Board visualizes that once the corridor is developed each state segment would be state controlled for operation, administration and maintenance. With no proposal to disturb the Highway Trust Fund, it is conceivable several considered modes should provide worthwhile remuneration to each state. Such remuneration could conceivably be used to assist in financing the development of multi-modal transportation services to meet requirements throughout the nation and eventually be utilized to supplement the Highway Trust Fund.

The Board is anxious to move forward with an objective multi-mode feasibility study. In the conduct of the study we plan to utilize the services and input of technical representatives of railroads, utilities, automotive industry, and research institutes which we identify as the "transportation family". Additionally, we would like to invite expertise from foreign countries such as: England, France, Germany, Switzerland, Japan etc. Our goal is to have this study accomplished to validate the project for you and your colleagues early in the next Congress.

Throughout the Southeastern region where over 45 percent of our Americans are trying to survive on poverty level incomes it is well known that New York City is screaming for operational monies for their mass transit, other major cities are loudly demanding construction equipment monies for their urban transit problems, fuel and distribution is of recurring concern, railroads are experiencing multiple problems and recently an excessive number of derailment accidents have occurred undoubtedly due to maintenance on aged road beds.

This Board, during the Kansas City Meeting in March of this year, passed a unanimous resolution to seek Congressional legislation in the next Congress to have this project a federally sponsored commission type program similar to the Tennessee Valley Authority or Appalachia program. We recognize that our nation's transportation problems present an enormously frustrating task to you in the Senate, and we are aware legislation is being acted upon in the *UTAP* and *UMTA* bills to attempt to arrive at some degree of understanding toward a national transportation policy.

It is with this thought in mind that we respectfully ask for your guidance and assistance in providing the vehicle through which this much needed project can become a reality. The multi mode program enjoys widespread support because hundreds of people have worked long and hard to get us where we are today. The next step—the actual legislation—represents our most important endeavor to date. That is why we are here today . . . . to ask each of you to put your knowledge and influence behind this project that will mean so much to so many Americans, especially those in the Southeast and those who travel to and from the Southeast.

In closing I wish to add that we are here to emphasize that each of our states are an integral part of this regional project that is totally justified and will be a prelude of things to come as we gear our transportation and communication needs to the fast approaching 21st century.

REMARKS BY MR. STEPHENS

A book, "Plain Speaking", about Missouri's very notable Harry S. Truman, the distinguished 33rd President of the United States, makes terrific reading. I was impressed that Mr. Truman repeatedly emphasized that the key motivation of men in public life must be *"their interest in the welfare of the people"*. He believed very strongly that the fundamental means of achieving good in public life had to be the basic motivation of improving the welfare of people. As you Senators know, he was a man of the people. He had his interests which he advocated forthrightly and struggle, but he was not allied continuously with any special interest group. He would fight John L. Lewis and the unions or big business if it was necessary to achieve what he considered to be the public interest.

In reading President Truman's biography, I was struck by two things:

1. There is nothing more noble and worthwhile than the advocacy of an idea.

2. Progress most often comes when men are willing to advocate and accomplish ideas which aim at improving human welfare.

The Multi State Transportation Corridor will certainly be tangible and physical when completed. Now, it is intangible, and we are at the idea stage. I do not believe that any of us in the room who are interested in the success of this idea will be able to look back on any accomplishment with greater pleasure and satisfaction.

The Multi State Transportation Corridor is the very essence of an improvement in human welfare. Commerce and industry are the root of good health in our society and a healthy society is absolutely necessary for the perpetuation of our free and democratic institutions. The people who live in our states will see commerce and industry compound as a result of this public work. The Multi-State Multi-Mode Transportation Corridor is a public work for the benefit of all citizens in the truest sense.

This project will release over one billion dollars in each of our Southern states over a ten-year period. I ask you, what would an added six to seven billion dollar economy do for your state in this ten year period?

You Senators, in adopting this vision and determination and basic interest, can improve human welfare and bring this idea to fruition. We hope you will. If you do, we sincerely believe this project will become a reality.

We are delighted that you could be with us this morning. Thank you for taking time from your busy schedule to come to the meeting.

REMARKS BY SENATOR THOMAS EAGLETON

I'll be very brief and to the point. This is a very important meeting to discuss the Multi State transportation problem that will have a beneficial effect to Missouri as well as many other states. For the benefit of those in attendance, the Missouri delegation is headed by the distinguished mayor of Kansas City, Mayor Charles Wheeler, accompanied by Mr. Victor Swyden of the City Council of Kansas City, Mr. Max Norman and Mr. John Olson of the Missouri Highway Department. Missouri is well represented and I know it will be a good meeting.

REMARKS BY SENATOR SAM NUNN

I would just like to join with my good friend Jim Allen and all the people who are interested in the highway study and the multi mode concept. I found it very interesting. I personally am very, very familiar with the area through which this corridor passes in Georgia and I don't know of any area that needs improvement and development more than this area does. It has great potential, great potential for development, and I think something like this would be a tremendous asset throughout the whole corridor.

I look forward to working with Senator Allen and Senator Dole and other members of the Senate to see this project to fruition. I congratulate all of you on the efforts you have put forward.

REMARKS BY SENATOR ROBERT DOLE

I will be very happy to accept the challenge just tossed out to the Senate in the previous remarks and pass it on to my colleagues. You have presented an outstanding project and certainly we're concerned with it. Kansas sort of is on the fringe of the eastern terminus of the corridor but we're always willing to help our neighbors in distress.

WOMEN IN THE BANKING INDUSTRY

Mr. BROCK. Mr. President, an article appeared in the Baltimore Sun newspaper on June 16 which deals with the success women are experiencing in their efforts to participate in the labor force on an equal level with men. This specific article deals with women in the banking industry, previously a man's profession.

With the enormous growth in the number of women in every branch of business, there is no longer any profession that is exclusively male or female. I am very glad to be able to say this, as I consider the actual acknowledgment of women's equality to be the most difficult barrier to overcome. There should be no delineation between a man's or a woman's aptitude for any type of employment. Whoever is better suited and more qualified surely deserves the job. It gives me great satisfaction to see these barriers being removed. We still have not reached a state of complete satisfaction, however. Often women are paid less than a male counterpart. Equal ability and equal jobs deserve equal pay.

I ask unanimous consent that this article from the Baltimore Sun be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Baltimore Sun, June 6, 1974]

A Woman's Place May Be in Banking

Mortgage banking appears to be an exception to the rule women cannot attain high executive positions in industry.

A number of women in the United States have organized, and successfully operate, their own mortgage banking companies. Women hold positions in mortgage banking companies ranging from underwriters to president and executive vice president.

Sarah Crim, editorial assistant of the Mortgage Banker magazine, reports in the publication the number of women holding professional position in mortgage banking "has increased dramatically in the last few years."

Female mortgage bankers have even organized their own professional trade association, the National Association of Professional Mortgage Women. The organization began in Seattle in 1964 with only nine members, but today it has already expanded to 14 chapters with 775 members.

The Mortgage Banker conducted a random sampling of women mortgage bankers. Of the 41 women who responded to the questionnaire, 80 per cent said they experienced no unequal treatment from their male peers at the office. However, 42 per cent said they encountered some sex discrimination from clients. Also, 58 per cent said their salaries were not comparable to what men would get in the same positions.

Ms. Crim assessed the woman mortgage banker as "an energetic, independent person who demands the respect of peers and clients and who usually gets it.

"The future for women in mortgage banking looks optimistic; women appear to be entering the ranks of mortgage banking in greater numbers as the old conventions about mortgage banking being a man's profession fade under the combined forces of law and new social attitudes about women's role."

THE DÉTENTE BETWEEN THE UNITED STATES AND THE U.S.S.R.

Mr. FULBRIGHT. Mr. President, the importance of continuing efforts to achieve a détente between the United States and the Soviet Union has been underscored by creation of a committee of 38 prominent American citizens to work for closer American-Soviet relations. All of us concerned with improving international relations and putting a definite end to the cold war should welcome establishment of this committee as a clear indication that détente is in the interest of the United States and that this is recognized by business and intellectual leaders representing both political parties.

The new American Committee on United States-Soviet Relations includes among its members heads of leading corporations, outstanding diplomats, presidents of great universities, our most distinguished nuclear scientists and recognized experts on Soviet affairs. This is an eminently respectable group, with diverse interests and political orientations and considerable expertise. The committee's public statement deserves widespread attention and I ask unanimous consent, Mr. President, to have it printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

[From the American Committee on United States-Soviet Relations]

Public Statement

We herewith announce formation of an American Committee on U.S.-Soviet Relations. The purpose of the Committee is to provide a vehicle for responsible citizens to support the present trend toward improvement of American-Soviet relations and to help insure that it continues irrespective of partisan politics or personalities. The Committee is entirely private, unofficial and without political affiliation of any kind.

The Cold War conflict between the United States and the Soviet Union has been a seriously corrupting influence on both domestic and international affairs. Moreover, it has involved the continuing danger of thermonuclear war—the gravest danger the United States, and the world, have ever faced. We regard the current movement away from this Cold War conflict as perhaps the most important development in international relations since the end of World War II.

The long overdue improvement in American-Soviet relations has occurred because both the United States and the Soviet Union have seen the necessity for mutual accommodation. The new American-Soviet relationship has entailed foreign policy changes on both sides. It has already made possible the following positive accomplishments:

1. Agreements on nuclear arms limitation and control.
2. Promulgation of the SALT II Talks for nuclear arms reduction.
3. Settlement of the dangerous disputes involving the two German states.
4. Negotiations on European security and troop reduction.
5. Progress toward peace in the Middle East.
6. Establishment of bilateral trade relationships of great significance for our economy.
7. Mutually advantageous cooperation in science and other fields.

The primary concern of members of this Committee is the interest of the United States. But we realize that in today's world the American national interest can be truly served only if we are able to work mutually beneficial international arrangements with the Soviet Union. Such arrangements, of course, must not be against the interest of any other country. We are convinced that the contribution of an American-Soviet detente to a peaceful and stable world climate can only be to the advantage of all nations and peoples. This is particularly so now that shortages of vital resources and other environmental problems make international cooperation at all levels even more important.

The United States and the Soviet Union have many differences. Certain aspects of the Soviet system are unacceptable to us, and vice versa. But aggressive tactics designed to influence changes in Soviet domestic policies would be unwise and unproductive. We are persuaded that our best course is to cooperate with the U.S.S.R. to eliminate the sources of international conflict and the dangers of war which have so poisoned the policies of all countries. Several times during the past 20 years there seemed to be real progress toward this end, only to have developments in one country or another interfere. Today we have in hand the opportunity to make such cooperation an accomplished fact.

It is still too early to say whether a meaningful detente relationship between the United States and the Soviet Union can in fact be achieved. As always in foreign policy matters, where issues of national security are involved, it is necessary to proceed with care, but it is also necessary to proceed expeditiously, especially because new weapons technology can rapidly change the situation. We have already made significant progress toward a detente relationship. We must now see to it that, from our side, everything possible is done to bring it to fruition.

Mr. FULBRIGHT. Mr. President, at its organizational meeting July 10, the committee set forth in detail its position on two matters of particular importance. First, with regard to the trade bill, the committee declared:

> The Committee will strongly support steps to improve trade relations with the Soviet Union, including the granting of most favored nation status and the provision of supporting financial arrangements. We believe that close trade—as close cultural and political relations—are indispensable for progress toward stable, peaceful relations and prospects for arms control. We should accord our support to liberal and Jewish writers and scholars and will press for permission for their emigration where this is sought. We do not believe that their position is improved in any effective way by making it a part of our bargaining over trade.

Having thus made the clear connection between the most-favored-nation status and credits on the one hand and nuclear arms agreements on the other, the committee then stated:

> The Committee has welcomed bilateral initiatives toward reaching meaningful agreements on nuclear arms limitations and controls. It is aware, however, that the progress achieved had little effect on the continuing arms race which threatens ever more the security of both countries.
>
> The Committee believes that maximum efforts must be made to reach agreements which would slow down this race and thus make progress toward greater security. The arms race inevitably creates and enhances mutual tensions which make the world ever more dangerous. The agreements reached thus far could be interpreted as a license to continue the race.
>
> Preoccupation in the United States Gov-

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ernment with the technicalities of military technology and "sufficiency" should yield to active concern with the substance of the arms race.

During the past 2 years the United States has made some pioneering efforts toward working out a détente with the Soviet Union. The new committee describes these as "perhaps the most important development in international relations since the end of World War II." But implicit in the committee's statement is the belief that détente must move forward if it is to succeed, and that it is not now moving forward because of two impediments. The first impediment is in the Congress. Here the trade bill, which is such a necessary part of the developing American-Soviet relationship, is being held up by amendments which, whatever the purpose of their sponsors, are de facto blocks to détente. The second impediment is in the administration, which is allowing its military-oriented components to prevent our having a clear and meaningful negotiating position on nuclear arms agreements.

The American Committee on United States-Soviet Relations points out that in the past certain beginnings toward détente were underway, but that developments in one country or the other intervened. It would be tragic if the progress made thus far was destroyed by those Members of Congress who insist on trying to tie trade relations to unrealistic conditions and by the inability of the present administration to control its own cold warriors.

Mr. President, I ask unanimous consent to have printed in the RECORD the list of members of the American Committee on United States-Soviet Relations.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZING MEMBERS—THE AMERICAN COMMITTEE ON UNITED STATES-SOVIET RELATIONS

Mr. Charles Benton, President, Encyclopedia Britannica Films, Inc.

Mr. Harold J. Berman, Story Professor of Law, Harvard Law School.

Mr. Benton Cancell, former President, Potlatch Forest Paper Company.

Mr. A. W. Clausen, President, Bank of America.

Mr. Richard W. Colburn, Rolled Alloys, Inc.

Mr. Patrick Crowley, Attorney, Chicago.

Dr. William Davidson, Director, Institute for Psychiatry and Foreign Affairs.

Mr. Kirk Douglas.

Dr. Jerome D. Frank, Professor of Psychiatry, Johns Hopkins University.

Mr. Edward L. Freers, Formerly Minister-Counselor, U.S. Embassy, Moscow, and Political Adviser to Commander-in-Chief of U.S. Strategic Air Command.

Professor John Kenneth Galbraith, Former Ambassador, Harvard University.

Philip S. Gillette, Professor of Political Science, Rutgers University.

Professor Marshall I. Goldman, Chairman, Economics Department, Wellesley College.

The Rev. Theodore M. Hesburgh, C.S.C., President, University of Notre Dame.

Dr. Robert M. Hutchins, Chairman, Center for the Study of Democratic Institutions.

Mr. Donald M. Kendall, Chairman, Pepsi-Cola Co., Inc.

Dr. George B. Kistiakowsky, Department of Chemistry, Harvard University.

Honorable Edward Korry, Former Ambassador.

Professor Wassily Leontief, Nobel Laureate In Economics, Harvard University.

Honorable Eugene McCarthy.

Mr. Michael Michaelis, Manager, Washington Operations, Arthur D. Little, Inc.

Honorable Sheldon T. Mills, Former Ambassador.

Professor Fred Warner Neal, Chairman, International Relations Faculty, Claremont Graduate School.

Rabbi Stanley Rabinowitz, Adas Israel Synagogue.

Professor Edwin O. Reischauer, Former Ambassador, Harvard University.

Mr. Charles Rhyne, Attorney, Rhyne and Rhyne.

Dr. Howard P. Rome, Mayo Clinic, President, World Association of Psychiatrists.

Mr. Robert V. Roosa, Brown Bros., Harriman Company.

Honorable Terry Sanford, President, Duke University.

Dr. Kenneth W. Thompson, Director, International Council for Educational Development.

Honorable Raymond L. Thurston, Former U.S. Ambassador Counselor, U.S. Embassy, Moscow, and Director Office of Eastern European Affairs, State Department, Chapman College.

Honorable James J. Wadsworth, Former Ambassador.

Mr. Thomas Waston, Jr., IBM.

Dr. Jerome B. Wiesner, President, Massachusetts Institute of Technology.

Mr. Harold Willens, Chairman, Factory Equipment Corporation.

Dr. Herbert F. York, Department of Physics, University of California, San Diego.

Mr. Paul Ziffren, Attorney.

Mr. Nicholas Nyary, President, Fund for Peace.

THE PROBLEM OF THE AMERICAN RAILROADS

Mr. BROCK. Mr. President, despite the Northeast Railroad Act and its 11th-hour emergency bailout, American railroads still remains a political and economic problem of enormous dimensions. Yet, paradoxically, they also have a potential for improvement which is just as large. They are extraordinarily efficient at carrying large bulk loads long distances. They are also perhaps the most "energy efficient" carrier available—carrying four times as much freight per gallon of fuel as big trucks with far less exhaust emission of pollutants.

Railroads play an essential and virtually irreplaceable role in the transportation network of the Nation. Given sound legislation to remove restrictions and impediments to innovation, together with imaginative management by the railroads themselves, their presently precarious situation can be transformed beyond recognition.

Mr. Robert Stuart, Jr., the president and chief executive officer of the Quaker Oats Co., obviously shares this feeling. As the head of a company intimately involved with, and dependent upon our transportation network, his opinions deserve close attention. Last month Mr. Stuart addressed the Traffic Club of Chicago on the future of railroads.

I ask unanimous consent that his speech entitled "The Opportunity for Railroads" be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE OPPORTUNITY FOR RAILROADS

(Speech by Robert D. Stuart, Jr., May 16, 1974)

Now let me tell you something about your new President. Our friend Sam Flint, who now serves in a broadened role at Quaker as Vice President—Corporate Operations, was the person who hired Jim and recognized his talents. They have worked together for many years. Last month Jim Mann celebrated his 20th anniversary with Quaker. So we agree that you have made an excellent choice for President of the Traffic Club of Chicago.

Jim began as a freight-rate analyst in our Traffic Department and now, as General Traffic Manager for Grocery Products, he has full transportation responsibility for more than half of our billion-dollar business—all of our grocery products in the U.S. I don't think I need to advise any of you on the significance of that responsibility.

Beyond being President of Jim's company, my first thought in preparing these remarks was that I have no special expertise as a dinner speaker on the condition of the American transport system. As I thought about it further, though, I wondered if maybe the objectivity which that affords could be a good reason why I should be speaking here.

Let me make it very clear that I am speaking just as a businessman—a layman—but one who has a vital interest in an effective transportation system. You people keep our company going by moving some 200,000 carloads of Quaker materials a year—as well as thousands of truck, water and airline shipments. More than three-fourths of our raw material and finished goods shipments are by rail. If there should be a shutdown of U.S. rail transportation, our operations would close in a matter of days.

If that is not enough evidence as to why chief executive officers like myself are paying more attention to your business, let me add that during the past two years our plants have been short 16,000 freight cars, requiring diversion from the rails of an average of 35 trucks per day. And occasionally this has shut down some of our plants. So I'm going to concentrate on the railroads tonight because of their tremendous significance both to our company and to our country.

The word "crisis" has become an all-too-familiar one in recent years. Every few months another "crisis" of huge magnitude seems to surface—and we are told that the world will never be the same again. History suggests that hard decisions are taken only at the last moment to save somebody or something from a fatal plunge.

Henry Poor, a noted railroad industry expert, is quoted as saying "The Country is now at its lowest depths so far as the railroads are concerned. The evil done, the remedy must now be applied." (end quote) If you're wondering why you can't immediately bring Henry Poor's identity to mind, you may be relieved to learn that he spoke those words in 1885! Poor was a noted economist, one-time editor of the American Railroad Journal and with his son, founder of "Poor's Manual," a bible of railroad statistics.

In trying to learn more about the railroad business during the past several weeks, I have come up with four conclusions which I would like to share with you:

1. Parallel lines and systems are wasteful and unnecessary. Regional consolidations should be hastened . . .

2. A considerable number of obsolete rules . . . survive in the railroad wage restructure.

3. The existing regulatory mechanism of the Interstate Commerce Commission is inadequate and should be improved . . .

4. Whenever there is fair economic competition, it will decide the rate question, and it should be permitted to do so freely.

If you agree with me on those four conclusions, you will be pleased to know that they are actually direct quotes from a 1933 report by a blue-ribbon panel which included Calvin Coolidge, Bernard Baruch and Al Smith.

From the time of Henry Poor, through 1933, right up to the present, it has become a cliche to say that the railroads are in big trouble. Many have prophesied their eventual death, or nationalization, or both. At the same time, as was pointed out in a *Business Week* article last fall, the railroads (quote) "have the worst credibility in industry. Neither labor unions or regulators nor the public believe their arguments. Railroads have been threatening collapse for so long without collapsing that nobody listens to them any more." (End quote)

Perhaps it is true that the railroads have cried wolf too often. Perhaps, in one way or another, they will survive.

But at least three factors now seem to be different from the conditions of earlier crises.

1. The energy shortage, which will be with us for at least a decade, draws sharp focus on the energy-efficiency of railroads. They are only slightly less energy-efficient than the waterways, and of course much more flexible. They're also vastly more energy-efficient than any other form of transportation.

2. No further plundering of the landscape with concrete is necessary to bring added capacity to the railroads. Ample lines (not necessarily adequate tracks) are already in place for handling any conceivable volume increases. Thus, railroads are highly desirable environmentally.

3. The last couple of years seem to have disproved the conventional wisdom that if the railroads only had enough volume, they would be highly profitable. For the past two years, with fewer miles of track, the railroads have handled more volume than in the peak World War II period. Yet last year, the industry's consolidated return on book investment was 3 percent, before income taxes and interest. The railroads operating in the East had a return of only one-half of one percent. Even the 5½ percent return for the "prosperous" southern lines doesn't look so robust alongside today's 11 percent short-term interest rates and the 9 percent plus cost for long-term borrowing.

These poor returns on investment are occurring in a time of heavy volume, when it is highly anomalous to witness bankruptcies and near bankruptcies. As you know, 13 of 64 leading railroads operated in the red during 1973.

So I accept the fact that there is a crisis that calls for action now, and that the time is right to do something. Looking at the main issues from my point of view, they seem to fall into six categories.

The first issue is the shortage of capital to renovate much of the physical plant which is in deplorable condition. We all read the horror stories about the Penn Central, and those 2,150 derailments in a fourth-month period, and the necessity for crawling at 8 miles an hour over much of its trackage. But this condition is not limited to the Penn Central. We have carriers right here in the Midwest with roadbeds so badly deteriorated that hundreds of thousands of cross ties and miles and miles of new rail are urgently needed.

Like many other people, I had assumed that the car shortage was the most urgent problem confronting the railroads, and certainly confronting shippers such as ourselves. It amazed me to learn, in preparing these remarks, the extent to which the car shortage my be less important than other capital needs.

Perhaps even more important are adequate tracks and roadbed, modern terminals where cars do not get jammed up, modern classification yards, better signaling systems, and industrywide computer control of cars. A more efficient plant would alleviate a good part of the car shortage by making better use of cars in existence and the new ones being built.

This leads to another question that presumably affects the railroad industry's ability to attract capital. At a time of two-digit inflation, when most of us in business are worrying about the adequacy of our present rates of depreciation, wouldn't the railroads be better off changing from a so-called betterment accounting policy, which doesn't recognize any depreciation on trackage, to one which more nearly reflects the inevitable need for replacement—undoubtedly at a higher cost?

While the betterment accounting required by the I.C.C. may have served its purpose when it was originally adopted to help build up the asset base for rate-making purposes, isn't it one of the reasons why some railroads have let their physical facilities run down so badly?

Another facet of the capital problem is the apparent absence of any clear standard of return on investment as the basis for railroad rate-making. What that should be—particularly in relation to railroad accounting—is outside my competence. But there are return rates in other regulated industries. Regulatory commissions have established appropriate rates of return for the nation's utility companies. The Civil Aeronautics Board about a year ago established a 12 percent return on investment as reasonable for the airline industry. But the vague rules of rate-making for railroads under the Interstate Commerce Act have clearly handicapped the railroad industry's ability to attract capital.

Second on my list of issues is the issue of excess plant. The railroads are simply operating too many lines of track. Some of it shouldn't be maintained because there just isn't enough potential business to justify it. In many other cases, though, two or more companies are operating over parallel and almost duplicative roadbeds. The several lines between Omaha and Chicago serve as a good example.

All forms of transport are adversely affected when there is too much competitive route mileage for anyone to handle the available freight at a profit. But the railroads—unlike trucks, air lines and barge lines—also suffer from being compelled to maintain and pay taxes on uneconomical track and roadbed.

Consolidation of railroads and parts of railroads would seem to be a logical way to eliminate excessive and duplicative mileage. But, when merger approval may take ten years or more, as I'm sure Bob Downing of the Burlington-Northern and Bill Dixon of the Rock Island are all too aware, mergers become a rather frustrating route to improved efficiency.

The third issue, and one that is most difficult for me to understand, is the persistence of the railroads in marketing transportation at less than the variable cost of producing it. Transportation Secretary Brinegar estimates that this is true at least 20 percent of the time, and others have pegged it as high as 35 percent.

As head of a marketing company, I am keenly aware of the impact of pricing on the bottom line. For this reason, I make it a policy to be part of practically every major pricing decision. In these difficult days of escalating costs, it's awfully easy for our younger managers to become so mesmerized with market share that they overlook operating profit—the object of the whole exercise.

While I realize that our business is much simpler than railroading, in view of the volume of business done at less than variable cost, I wonder whether the senior managements of most railroads pay enough attention to pricing their product. I also understand—from our recent and painful experience with price controls—how governmental regulation can force a business to operate at a loss. But my advisors tell me that only a small part of the railroads' below-cost-pricing is required by regulation.

It is unclear to me why the railroads have not taken aggressive steps to remedy this situation. While there may be some short-term cost savings for us as shippers, from a longer-range perspective, it is sure to hurt us all. I know that we at Quaker expect to make a profit, and we fully hope and expect that those with whom we do business will do likewise.

As long as pricing is equitable to our competitors, we support eliminating below-cost pricing, even though in the short term that could be against our self-interest.

In the long term it is in your and our interest.

At the other end of the spectrum, some transportation is overpriced, in large part because of regulatory inhibitions on reducing rates. Even where a railroad can demonstrate that a rate reduction would clearly be profitable, I'm told that the I.C.C.—with approval of the courts—has, in some cases, refused to permit the reduction because it was thought to damage a competing mode of transportation.

The fourth issue I would like to highlight is labor. No description of railroad problems would be complete unless it included mention of railway labor and the unusual work rules with which the industry has had to contend. Railroads have made huge strides in increasing productivity, as measured by output per man-hour. Most of this improvement has been brought about, of course, through investments in automated and more efficient equipment, and reduction in the size of the work force. This is certainly commendable.

However, despite some recent encouraging signs of progress in labor relations, the railroads still have far more than their share of problems, and the constant threat of work stoppages continues to hamper transportation dependability.

The fifth issue is the myth that nationalization is a satisfactory last resort.

Regardless of all the problems which Henry Poor saw in 1885, Bernard Baruch and his friends saw in 1933, and I am still seeing today, railroads just don't seem to disappear. It is significant that until recently our bankruptcy laws did not even contemplate the liquidation of a railroad. However, that should not be a comfort, but another cause for concern. In Britain, and in one country after another throughout the world, when the railroads came upon hard times, were no longer viable private enterprises, and could not attract new capital, they were not abandoned. They were nationalized. But nationalization does not solve the problem; it simply shifts the burden. Indeed, the problems and the burden are generally aggravated.

Al Chesser, President of the United Transportation Union, is reported as recognizing this. (Quote) "When the British Railways were nationalized in 1947, there were about 20,000 miles of track, train service was good, and the operating employees had the best jobs in England. Today there are 11,000 miles, and our guys have the sorriest jobs in England with half the force. I don't want to buy any of that for the United States."

There is plenty of evidence that the closer government gets to management of supposedly productive enterprises, the worst the result.

For those who look to Canada, England and Europe as favorable indications for rail nationalization, I think we should perhaps pay more attention to examples in this country. Amtrak and the Postal Service might indicate the kind of service we could expect. The private U.S. economy is unique in its cost effectiveness.

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There is a major role for government to play in helping the U.S. railroads. But it should be selectively limited to what is in the public's best interest—which means a strong, competitive railroad system, properly regulated and supported by government, yet not dominated by any special political group or private interests.

The sixth issue, as I look at the situation, is properly defining the meaning of competition for railroads and doing something about it. Despite the fact that railroads operate parallel tracks and many do serve the same communities, they compete in a manner which seems foreign to a businessman in consumer products, where competition is truly unrestrained—despite any allegations to the contrary by our friends in the FTC.

Consequently, I wonder whether the unique antitrust exemption enjoyed by railroads and truck lines is another deterrent to competition and efficient operations. Jim Mann and Sam Flint tell me the rate bureaus, where railroads can meet and agree on prices, serve worthwhile functions with respect to non-competitive transactions involving more than one line. But it is awfully hard to make a case for getting together on rates in instances where one railroad is able to perform all the services.

I am a fundamental believer in the concept that the maximum acceptable competition with constraints to assure protection of the public interest will produce both the best results and the most progressive management.

With these six comments as background, I have been impressed by the usefulness of the proposed Transportation Improvement Act of 1974. While far from perfect, realistically it addresses a good part of the six concerns I've expressed. It would apply federal money where it is most needed: 2 billion dollars to gain financing for new plant. It would remove, fully or partially, many of the impediments to real competition. It would establish a procedure by which railroads could weed out unprofitable operations, without an incredible bureaucratic delay they now experience. And it would attract the problem from an overall point of view, striking at fundamental interdependent causes, rather than at isolated, independent solutions.

Again, it is not perfect; the conflicting constituencies and interests doubtless rule out ever getting anything approaching perfect legislation. But it is a sound approach and deserves our support. We will do our part in encouraging its approval by Congress.

So, let me conclude on a note that may surprise most of you, and undoubtedly would surprise all financial analysts: I believe the railroads can be a growth industry! When volume in tons is moving ahead at an 8–10 percent annual rate, there can be no definition other than "growth."

Of course, "growth," when used to describe an industry, means profit growth—and that would seem to be at least a potential for the railroads. Serving as a director of United Air Lines, I have witnessed how aggressive management under Eddie Carlson can improve profitability of one airline in another highly regulated industry. There are also some fine examples in railroad management, a good many of them here in this room.

If you get the capital, you will renew your plant, and if you get the competitive latitude to price wisely so that outstanding management can produce results, we may yet see railroads being called a growth industry—in profits as well as in volume.

I do not plan to hold my breath waiting for the day, but if it comes, it will be a great one for the country!

EXCESSIVE GOVERNMENT REGULATION

Mr. TALMADGE. Mr. President, there was recently brought to my attention an excellent article from the February edition of the Reader's Digest by Walter B. Wriston, chairman of the Citicorp.

Mr. Wriston addresses himself to the perils of excessive Government regulation of private business in our free enterprise society. I found the article interesting and thought provoking, and I bring it to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE TROUBLE WITH GOVERNMENT REGULATION

(By Walter B. Wriston)

Anyone in our society whose eyesight and hearing are not totally impaired is likely to believe that we Americans are on a collision course with Doomsday. Certainly, the energy shortage has produced no scarcity in the rhetoric of crisis.

The compulsion of the media to turn every scrap of bad news into a full-blown crisis distorts our perspective, however. For prophets of doom fail to appreciate man's inherent ability to adjust and innovate.

The British economist Thomas Malthus, for example, predicted in 1798 that the imbalance between population growth and food production would bring the world to the verge of starvation. The doomsayers called it the iron law. As time has proved, it was neither iron nor law. Like many of our current crop of transient experts, Malthus underestimated everyone's intelligence but his own; he was incapable of imagining that out of the Industrial Revolution would come reapers, threshers, combines and tractors. He did not foresee the era of cheap energy. Nor did he envision chemicals and fertilizers creating such abundance that foolish governments would pay farmers *not* to cultivate the soil.

A second reason why doomsayers are so frequently unable to predict accurately what will happen is that they cling to the belief that there are accepted absolutes in a rapidly changing world. Examples abound. A commission appointed by President Herbert Hoover in 1929 later reported to Franklin D. Roosevelt on how to plot our course through 1952. The report was in 13 volumes prepared by some 500 researchers.

Yet the two-volume, 1600-page summary contained not a word about the development of atomic energy, jet propulsion, antibiotics, transistors or other significant advances. The World's Fair of 1939, which was dedicated to the World of Tomorrow, didn't envision the impact of these steps forward. The people who have come closest to predicting the future are some of the science-fiction writers, unencumbered by elaborate research or prestigious committees, but with the courage to dream.

Our latter-day Malthusians appear oblivious to the fact that man, given the proper incentive and freedom to act, has repeatedly found substitutes for dwindling materials. The United States was denied 90 percent of its sources of natural rubber during World War II, but technological ingenuity created synthetic rubber, which is now more widely used than the natural product. Coal was not even considered a resource before the Steam Age, nor was uranium highly valued before the Atomic Age. These experiences of yesterday are relevant today. I do not assert that history repeats itself, but offer a reminder that the human story did not begin with today's crisis.

Energy is no exception. Few Americans even remember that, from the time of the American Revolution until the Civil War, a major source of artificial lighting was the whale-oil lamp. The Civil War disrupted whale-oil production, and its price shot up to $2.55 a gallon—almost double what it had been in 1859. Naturally, there were cries of profiteering and demands for Congress to "do something about it." The government, however, made no move to ration whale oil or to freeze its price, or to put a new tax on the "excess profits" of the whalers. Instead, prices were permitted to rise.

The result, then as now, was predictable. Consumers began to use less whale oil, and the whalers invested more money in new ways to increase their productivity. Meanwhile, men with vision and capital began to develop kerosene and other petroleum products. The first practical generator for outdoor electric lights was built in 1875. By 1896, the price of whale oil had dropped to 40 cents a gallon. Whale-oil lamps now sit in museums to remind us of the impermanence of crisis.

The whale-oil "energy crisis" is one of an infinite series demonstrating the ability of the free market to solve problems of scarcity. Shortages, then and now, can often be eliminated when prices are allowed to exercise their age-old functions—that is, to motivate the consumer to consume less and the producer to produce more, and to spur someone on to develop a new product that is better and cheaper. Shortages become a crisis when government intervenes to frustrate the ability of the free market to function.

But government seems loath to learn from experience about intervention. The result is non-economic. No one who saw it on television last year will soon forget the wholesale drowning of baby chicks. It was done because the government froze the price of grown chickens at a level which made it uneconomic for farmers to raise and sell them. But this drowning was only a rerun of the plowing-under of "surplus" cotton and grain, and the slaughter of piglets a generation ago—a slaughter predicated on the proposition that governments are smarter than markets, which all history refutes. Anyone observing the consequences in our country of price and wage controls can have few illusions left about the efficiency of government-controlled markets.

Substituting bureaucratic regulation for the marketplace has always served first to produce a shortage and then to intensify it. Whenever our system appears to falter by not providing our accustomed relative abundance at a low price, the people who distrust freedom stand ready with the simplistic solution: the government should intervene.

Paradoxically, many of those who look to government to remedy every economic grievance in our society also want government to get out of their personal lives. They cannot have it both ways; they cannot ask more and more government intervention in what ought to be a free market and still insist on more and more freedom for themselves as individuals. No people have ever preserved political liberty for long in an environment of economic dictatorship. We often learn too late that freedom is indivisible.

Although in America we have what is described as a free-enterprise economy, our government today regulates more business practices than most other democracies. Listen to the roll call: the utilities which produce heat, light and power; the railroads (what's left of them); trucking companies, airlines, broadcasters, drug firms, dry cleaners, auto manufacturers, meat packers, film makers, farmers, brokers, banks and a host of other enterprises. Most of these industries are highly competitive, but government has decreed that they must serve a variety of objectives other than selling their products at the lowest price.

The government regulator is always adjured to serve the public interest. Sooner or later, however, he usually develops into both judge and jury, and often into prosecutor as well. Congress should legislate. The Executive should enforce the law. The courts should interpret the conflict. Instead of this, Congress does its best to bypass the other branches and create separate institutions that combine legislative, executive and judicial functions. The new regulatory body then makes rules with the force of law, substituting its opinion for the judgment of the free market. As time goes on, the bureaucracy changes the active verb "to compete" into the passive "to be regulated." This process tends to create a rigid, backward-looking system—which is neither business-oriented nor consumer-oriented. Instead, it is bureaucracy-oriented.

Many industries continue to be regulated as though they were monopolies, whereas, in fact, new competitors have long since taken away a good share of their business. The railroads were put at a disadvantage when the truckers began to siphon off revenues; so were the scheduled airlines when the chartered flights entered the markets. Instead of welcoming the competitive challenge, the initial regulatory reflex was to reach out and regulate the new industries—permitting no industry to either win or lose on its merits, but causing the public to pay the check for higher costs.

Consider the railroads, which, before the Interstate Commerce Commission clapped them into a regulatory straitjacket, were pioneers in technology—creating the standard track gauge, new freight cars and safety devices. After the ICC stepped in, the efforts of the railroads to improve efficiency through new technology were time after time hampered by costly delays in regulatory decisions. Instead of concerning themselves with key issues, the regulators expended their efforts on such trivia as setting tariffs which distinguished between horses for slaughter and horses for draft. Predictably, many railroads chugged slowly down the road to ruin.

Our current energy crisis furnishes another fork in the road. If you look beyond the panic and concentrate on the problem, there are a number of ways we can go. We can create a new ICC for oil and gas, with the absolutely predictable result that the current market dislocations will become institutionalized, and temporary scarcity will be regulated into permanent shortages.

Or we can permit the enormous innovative talents of the American people to function. Just as the invention of kerosene and practical electric generators took the whale-oil lamps out of the homes of America and put them in the museum, our current energy problem will also be solved in myriad ways that no one now can foresee—if we let the free market operate. Whether it is whale oil, baby chicks or energy, control by a bureaucracy is no match for the free market in the allocation of human and material resources for the good of everybody.

INFLATION AND ITS HIDDEN IMPACT ON OUR TAXES

Mr. BROCK. Mr. President, Sylvia Porter, in her syndicated column, recently evaluated inflation and its hidden impact on our taxes. She discusses different ways to deal with this problem, and encourages the Congress to do the same.

I recommend Miss Porter's article to my colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Jackson (Tenn.) Sun,
July 12, 1974]

INFLATION'S EVIL FORCES STRIKE AT TAX BILLS

(By Sylvia Porter)

On top of all the evil that runaway inflation is doing to your standard of living, your cost of borrowing, your dreams of a house of your own, the value of your stocks and bonds, is the fiendish impact it is having on your total tax bill.

This tax impact is largely "hidden" and so, you may not fully realize how awful it is. To explain:

As your cost of living has skyrocketed in recent years, tens of millions of you have received higher incomes via new contracts, escalator clauses, merit raises, etc. And other millions have received higher incomes from capital gains on assets bought years ago or from profits reflecting strictly higher price tags. Under our graduated tax system, the rates which your income is taxed go up as your total income goes up.

Your total dollar income as a taxpayer may be way up and may seem to have kept pace with the accelerated pace of inflation. But the higher tax rates on your earned dollars have put you on a treadmill, and you actually have experienced no real increase in your buying power and in fact, you probably have fallen back.

Illustration No. 1: Consider, says the Institute for Business Planning in its privately circulated newsletter "Tax Planning Ideas," a business executive who in 1960 earned $30,133 from his employment and investments. Assume the executive files a joint return, has four exemptions and takes the standard deduction.

Over the years, while inflation has chipped away at the buying power of his dollars, the executive's income always has kept pace with this erosion, rising to $49,000 in 1974. But his tax liability has risen even more sharply.

On a gross income of $30,133 and taxable income of $26,733 in 1960, he paid a federal income tax of $7,975 and Social Security taxes of $144—a total of $8,119 in federal tax or 26.95 per cent of his income. On his gross income of $49,000 and taxable income of $44,000 in 1974, he is paying a federal income tax of $14,060 and Social Security taxes of $772—a total of $14,832 in federal taxes or 30.27 per cent of his income.

Measured in constant dollars—meaning dollars with inflation eliminated—his disposable income in 1960 dollars was $21,012 in 1974 against $22,014 in 1960.

If today's inflation rates persist, his salary five years from now will produce a 1979 tax bite of nearly 40 per cent and "real" disposable income of $18,194—lower still in 1960 dollars. Illustration No. 2: Say that the businessman inherited $88,000 in March 1960, which he used to buy unimproved realty for investment purposes. In March 1974, he was offered $120,000—an actual loss of more than $6,000 on the deal because of the dollar's decline in value. Yet, says the IBP, if he sells, he'll have to pay a capital gains tax of $8,000.

How do we deal with this? One proposal being offered with increasing frequency by economists and some Congressmen is "indexing"—and the device has been introduced in five countries, most recently Denmark, the Netherlands, and Canada.

In brief, indexing would tie certain otherwise fixed measures to the cost of living. In Brazil, for instance, where indexing is applied across the board, all significant economic measures are periodically adjusted to changes in the cost of living.

If, say the cost of living in Brazil rises 20 per cent in a year, all contracts vary with it: wages, rents, insurance benefits, interest, pensions, etc.

In Canada, only the tax structure is indexed—with exemptions, deductions, ceilings, etc. rising with living costs.

If indexing were applied to our tax structure, explains the Business Planning Institute, with a 10 per cent rise in the cost of living, our standard deduction would increase to $2,200; personal exemptions to $825; the 50 per cent bracket for single taxpayers would increase from $32,000–$38,000 to $35,200–$41,000 etc.

It is not a healthy answer! It would temporarily moderate some of inflation's harshest effects but it easily could intensify and prolong inflation too. It would probably be a popular gimmick but it almost surely would lead us into an even worse mess at the end. But as the IBP says "Inflation cannot be tamed, we must live with it, and some method of tax adjustment will be necessary."

Meanwhile, maybe a post-Watergate Congress will have at least the courage to study the ideas.

MASSIVE TAX INJUSTICE

Mr. TUNNEY. Mr. President, on June 20 of this year, I introduced S. 3680, a bill to correct a massive tax injustice to thousands of recent college graduates. Under the terms of my bill, the portion of student loans forgiven because certain loan conditions were met after graduation may not be deemed taxable income, either now, retroactively or in the future.

I recently received a letter from Mr. John Crowly, the associate executive secretary of the Association of American Universities, an organization representing some of the most prestigious universities in the Nation. Mr. President, I ask unanimous consent that Mr. Crowly's letter, the list of universities represented by the Association of American Universities and the text of S. 3680 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ASSOCIATION OF
AMERICAN UNIVERSITIES,
Washington, D.C., July 1, 1974.

Senator JOHN V. TUNNEY,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR TUNNEY: The Association of American Universities (list attached) supports your efforts to remedy the inequitable imposition by the Internal Revenue Service of taxes, both retroactively and prospectively, on student education loans which incorporate forgiveness provisions. The provisions of S. 3860, as introduced by you on June 20, would greatly assist students who hold National Direct Loans, National Defense Loans, Health Professions Loans, State Teaching Loans, State Medical Education Loans and Law Enforcement Education Loans. Students who have participated in these programs in recent years would be protected against the sudden and, we feel, unwarranted assessment of back taxes and interest on the forgiveness provision of their education loans, while other students, who participated in these programs in an earlier period covered by the Statute of Limitations, will not be so taxed.

The 1973 IRS ruling defining the loan forgiveness provision as taxable income imposes an inequitable burden and financial hardship on many students who properly assumed that these loans were being forgiven in the national interest. A retroactive tax imposes unexpected financial burdens on many students and arbitrarily discriminates against individuals whose loans would have been forgiven within the 3-year limit of the Statute of Limitations.

The intent of the Congress in providing forgiveness of these loans, insofar as we are able to determine it, was to provide incentives to students to enter fields of particular social need. In exchange for their services over a period of years the Congress provided a forgiveness of their loans. However, it may well be that circumstances have sufficiently changed to warrant a reconsideration of the national need for such student manpower incentives. We would respectfully suggest, however, that such fundamental amendments to the authorizing legislation should prop-

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erly be considered by the appropriate authorizing committees of the Congress and not, in effect, by the Internal Revenue Service through tax rulings. Until a comprehensive Congressional review of these loan provisions is completed we urge the Congress to follow the intent of the law as enacted and to prohibit the imposition of taxes on the forgiveness portion of these student loan programs.

The Association of American Universities urges the Congress to give its prompt attention to this pressing problem and to adopt the provisions of S. 3680.

Sincerely yours,
JOHN C. CROWLEY,
Associate Executive Secretary.

ASSOCIATION OF AMERICAN UNIVERSITIES MEMBERSHIP

Brown University, Providence, R.I., 02912.
California Institute of Technology, Pasadena, Calif., 91109.
University of California, Berkeley, Calif., 94720.
Case Western Reserve University, Cleveland, Ohio, 44106.
Catholic University of America, Washington, D.C., 20017.
University of Chicago, Chicago, Ill., 60637.
Clark University, Worcester, Mass., 01610.
University of Colorado, Boulder, Colo., 80302.
Columbia University, New York, N.Y., 10027.
Cornell University, Ithaca, N.Y., 14850.
Duke University, Durham, N.C., 27705.
Harvard University, Cambridge, Mass., 02138.
University of Illinois, Urbana, Ill., 61801.
Indiana University, Bloomington, Ind., 47405.
Iowa State University, Ames, Iowa, 50010.
University of Iowa, Iowa City, Iowa, 52240.
The Johns Hopkins University, Baltimore, Md., 21218.
University of Kansas, Lawrence, Kans., 66044.
University of Maryland, College Park, Md., 20742.
Massachusetts Institute of Technology, Cambridge, Mass., 02139.
McGill University, Montreal, Quebec, Canada.
Michigan State University, East Lansing, Mich., 48824.
University of Michigan, Ann Arbor, Mich. 48104
University of Minnesota, Minneapolis, Minn. 55455
University of Missouri, Columbia, Mo. 65202
University of Nebraska, Lincoln, Nebr. 68508
New York University, New York, N.Y. 10003
University of North Carolina, Chapel Hill, N.C. 27514
Northwestern University, Evanston, Ill. 60201
Ohio State University, Columbus, Ohio 43210
University of Oregon, Eugene, Oreg. 97403
Pennsylvania State University, University Park, Pa. 16802
University of Pennsylvania, Philadelphia, Pa. 19104
Princeton University, Princeton, N.J. 08540
Purdue University, Lafayette, Ind. 47907
University of Rochester, Rochester, N.Y. 14627
University of Southern California, Los Angeles, Calif. 90007
Stanford University, Stanford, Calif. 94305
Syracuse University, Syracuse, N.Y. 13210
University of Texas, Austin, Tex. 78712
University of Toronto, Toronto, Ontario, Canada
Tulane University, New Orleans, La. 70118
Vanderbilt University, Nashville, Tenn. 37203
University of Virginia, Charlottesville, Va.
University of Washington, Seattle, Wash.
Washington University, St. Louis, Mo. 63130
University of Wisconsin, Madison, Wis. 53706
Yale University, New Haven, Conn. 06520

S. 3680

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 117 of the Internal Revenue Code of 1954 (relating to scholarship and fellowship grants) is amended by adding at the end thereof the following new subsection:

"(c) Cancellations of Student Loans.—

"(1) In general.—In the case of an individual, no amount shall be included in gross income by reason of the discharge of all or part of the indebtedness of the individual under a student loan if such discharge was pursuant to a provision of such loan under which all or part of the indebtedness of the individual would be discharged if the individual worked for a certain period of time in certain professions or certain geographical areas or for certain classes of employers.

"(2) Student loan.—For purposes of this subsection, the term 'student loan' means any loan to an individual to assist the individual in attending an educational institution (as defined in section 151(e)(4))—

"(A) by the United States, or an instrumentality or agency thereof, or a State, a territory, or a possession of the United States, or any political subdivision thereof, or the District of Columbia, or

"(B) by any educational institution (as defined in section 151(e)(4)) pursuant to an agreement with the United States, or an instrumentality or agency thereof, or a State, a territory, or a possession of the United States, or any political subdivision thereof, or the District of Columbia under which the funds from which the loan was made were provided to such educational institution.".

Sec. 2. The amendment made by the first section shall apply with respect to all taxable years.

CAREER EDUCATION

Mr. BROCK. Mr. President, we spend billions of dollars in this Nation on the education of our children. However, I still believe that we ignore one of the most helpful areas—that of career education. In a recent edition of the Reader's Digest, there appeared an article by Lester Velie and I thought it such an excellent one that it should be shared with my colleagues. I believe Mr. Velie points out very clearly some of the problems that education faces today and how career education is being ignored, and how it can help. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Reader's Digest, January 1974]

The $32 Billion Misunderstanding

(By Lester Velie)

The slowest learners in our schools are not the pupils. They're the educators who run them. Consider:

Of the four million youngsters who end their schooling yearly, more than half have no salable skill or training with which to earn a living. About one fourth of these drop out of elementary or high school. Another third graduate from a "go nowhere" general high-school course of watered-down math, science and history that prepares them neither for a job nor for further education. Of those who go on to college, only half graduate with a bachelor's degree. The money invested in inadequate schooling comes to some $28 billion a year. (We spend about $90 billion on education.) But the schools won't learn.

Largely for want of work skills, idleness among the young runs at three times the adult rate. In New York City poverty areas, 40 percent of all black youngsters 16 through 19 are out of school and out of work. Indeed, our unemployment rate for those under 21—white and black—is the highest in the Western world. The cost in lost wages, estimates Prof. Sar Levitan of George Washington University, comes to about $1.4 billion yearly—not to mention the cost in crime and welfare. But the schools won't learn. In good times and bad, youth idleness persists.

To provide the desperately needed job training the schools neglect, the federal government spends some $2.6 billion yearly on emergency, catch-up, manpower training programs. But the schools won't learn.

Put all these together, and they spell a $32-billion misunderstanding of our children's needs.

Besides offering basic education, public schooling should help prepare each child for a niche in life at whatever level his talents and energy can reach. But, in practice, most high schools gear their teaching to the 20 percent who will make it to a college degree. Vocational education—some of it excellent, much of it inadequate—serves another 25 percent. More than half of our children, then, fall through the educational cracks.

Actually, a new kind of schooling that would plug these cracks already exists; career education. This is not merely a new name for vocational education, which usually teaches a single occupation (key-punching, auto mechanics) to those, chiefly, who will not go beyond high school. Rather, it helps the child explore trades and professions, and teaches him salable skills, while keeping the door open to further education. The ideal is the high-school class from which *every* graduate leaves by one of two exits only; to a job (or apprenticeship) in a skill learned in high school, or to continuing education.

WHITE ELEPHANT

A model of this new concept was launched two years ago at a Dallas, Texas, high school. Of the first graduating class last year, 97 percent went directly from classroom to a job or were accepted into technical schools or colleges.

In Oregon, new career-directed education is on its way into every high school in the state.

But is the whole education world watching? No. Yearly, federal and local school bureaucracies lay out millions of research-and-development dollars to develop schooling that has already been invented and is operational here and there.

Let's look first at Dallas. When Nolan Estes, a former Assistant U.S. Education Commissioner, came to town as the new school superintendent in 1968, construction contracts had just been let for the world's biggest, most lavishly equipped, citywide vocational school. But, as the walls rose, he kept seeing, instead of a giant school, a white elephant. Parents and students generally shun vocational education as a dumping ground for those who can't make it in academic courses. And minority groups distrust it as a middle-class plot to relegate them permanently to second-class status.

In Estes' view, these objections weren't altogether unfounded. Traditional vocational training tracks the high-school student into a narrow occupation, and slams the door on college entrance by eliminating college-preparatory courses. But what about those who want to explore more than one occupation or career? And those with innate but late-blooming abilities? The need was to open up the student's options.

The new superintendent reached for a concept that had been kicking around in educational journals for a decade. Instead of teaching a single occupation such as key-punch operation, you incorporate it into a family of occupations or careers clustering around the computer. Presto! The student's options increase a dozenfold. He can opt—if he goes no further than high school—for jobs as a key-punch operator, or as a data-control clerk, or as a librarian. An additional year at technical school or community college will qualify him for programmer. Or, he can go to college and become a systems analyst.

To keep the door open, Estes required that three hours of the student's day be spent at his own high school in pursuit of traditional college-prep courses. Then three more hours are spent exploring and learning career skills at the giant new Skyline High School. And, to attract the town's brightest students, he offered—along with such bread-and-butter clusters as business machines, printing, metal trades—clusters in advanced math, advanced language, music and drama. There were even clusters for such professions as the ministry, teaching, clinical psychology. When Skyline opened in 1971, its first class included—along with future carpenters, aviation mechanics, air-conditioning repairmen—college-bound students from some of the town's most prestigious families.

HIGHER OR LOWER

The reporter who makes the rounds of Skyline's career-development clusters—28 of them, ranging from aeronautics, to child-related professions, to business administration, to fashion, to metal technology—is impressed by the seriousness of the students and by their enthusiasm. One student, in the television cluster, groped for a word that would sum it up. "This school," he said, "it's . . . it's Camelot!"

I visited the aeronautics cluster. Here, in a hangar big enough to wheel in a jet airliner, I saw students pursuing a course which, in two high-school years plus a summer session, would prepare them for Federal Aviation Administration license examinations and $12,000-a-year jobs as airframe and engine mechanics. Did they want to shoot higher? The door was open to further education and careers as technicians or aeronautics engineers. Shoot lower? They could. All in the cluster were learning such skills as welding, woodwork, sheet-metal work. Even if they don't make it to an FAA license, they will still have skills to sell on graduation from high school.

There are options everywhere. Theodora Humphrie, a black factory laborer's daughter who has always wanted to work with her hands, spent afternoons of her senior year in Skyline's dental-technology laboratory learning how to make dental molds, crowns, bridges. This spring she could have gone immediately into a job in a commercial dental laboratory. Instead, she chose to continue her training—with a scholarship—in a two-year technical institute. Thanks to her Skyline training, she has received advanced placement, and may go on to get a bachelor of technology degree, which requires four or five years. She might then eventually earn more than $20,000 a year as manager of her own lab.

Career exploration and training go on outside the school walls, too. College-bound John Clinchy, in the social-sciences cluster, tried out a job that Skyline found for him as a social-agency caseworker. Later, trying another job at the Dallas Department of Planning and Urban Development, he found that he would like his life's work to be in city planning.

Students heading for jobs in law enforcement do clerical work in the police department, on high-school time. Some ride nights in patrol cars. Several future psychologists and psychiatrists are employed in a hospital psychiatric ward for children.

NO FLUKE

To keep the career teaching abreast of the times, Superintendent Estes hired Jack Andrus of the Dallas Chamber of Commerce to organize industrial and professional advisory groups for each of the career clusters. They meet frequently with students and instructors to answer career questions, review the curriculum and find training jobs. One advisory committee has guaranteed every graduate of the air-conditioning cluster a job, whether as a service mechanic at the end of high school or as a refrigeration engineer after college.

Starting with 1700 students from all over the city, the Skyline Career Development Center has almost doubled its enrollment. Estes hopes to extend career education to all of Dallas's 70,000 high-school students by exporting the cluster concept to the traditional schools and by launching additional career-development centers.

Proof that the Dallas program is no fluke can be found in Oregon. There, State Superintendent of Instruction Dale Parnell, in a completely separate effort, expects to achieve his goal of providing cluster-type career education for 75 percent of his state's high-school students by 1975.

As part of his program, Parnell is developing a partnership with the state's 13 two-year community colleges. At Portland's community college, for example, I found 500 high-school students enrolled in technical training courses for which they were getting both high-school and college credit. Parnell's target: to telescope two years into one (senior year in high school and the first year in community college) and get the student out into the adult world of work sooner.

THE LESSON

Creating a new model of public schooling, like creating a new-model airplane, requires substantial outlays in research and development. Relatively few communities can afford to do this by themselves. It would therefore seem logical that school districts elsewhere would copy the existing models and adapt their career-cluster curriculums to local needs.

But the schools won't learn. Of the country's 4000 school districts, only one—that of Mesa, Ariz., with 26,000 students—has opened a high school similar to Dallas's Skyline (though on a smaller scale). Albuquerque, N.M., has brought in Skyline administrators to help plan a "mini Career Development Center" as the first step toward citywide career education. But that's about all. The big cities—which need change most—have sent investigators to see what Dallas is doing. But the investigators have been middle-level administrators who don't make policy and have not been able to persuade higher-ups to try new approaches.

The administrators of the federal educational establishment are also laggard learners. The $4 billion budgeted for aid to elementary and secondary schools is appropriated in 30-odd slivers: $28 million for neglected and delinquent children; $53 million for strengthening state departments of education; $9 million for bilingual-education projects; a sliver for reading; a sliver for migrant children. It has thus been difficult to assemble a large chunk of federal money to effect real change. Instead, innovation funds are used to launch hundreds of small research projects, and nourish them for several years; these are then allowed to die without a trace, and without impact on public schooling. But worse, when Office of Education searchers hunting for innovative career-education models looked in on Skyline at Dallas, they could see nothing to emulate. Nor did they see anything in Oregon. Neither was tapped as a demonstration site. The U.S. Office of Education, instead, tried to build its own models from scratch, wasting at least $11 million in the process.

The lesson? The $32-billion misunderstanding of our children's needs will be solved when educators are willing to learn by example. The Dallas and Oregon way seems a good way to go.

SOME PERSONAL OBSERVATIONS OF SENATOR SAM J. ERVIN, JR., RESPECTING WATERGATE

Mr. ERVIN. Mr. President since the Senate Select Commission on Presidential Campaign Activities is filing with the Senate its final report concerning the investigation that body authorized and directed it to make, I deem it appropriate to state as succinctly as possible some of my personal observations respecting the tragic events known collectively as the Watergate, which disgraced the Presidential election of 1972.

In doing this, I ask and endeavor to answer these questions: What was Watergate? Why was Watergate? Is there an antidote which will prevent future Watergates? If so, what is that antidote?

Before attempting to answer these questions, I wish to make these things plain:

First. I am not undertaking to usurp and exercise the power of impeachment, which the Constitution confers upon the House of Representatives alone. As a consequence, nothing I say should be construed as an expression of an opinion in respect to the question of whether or not President Nixon is impeachable in connection with the Watergate or any other matter.

Second. Inasmuch as its Committee on the Judiciary is now studying whether or not it ought to recommend to the House the impeachment of the President, I shall also refrain from making any comment on the question of whether or not the President has performed in an acceptable manner his paramount constitutional obligation "to take care that the laws be faithfully executed."

Third. Watergate was not invented by enemies of the Nixon administration or even by the news media. On the contrary, Watergate was perpetrated upon America by White House and political aides, whom President Nixon himself had entrusted with the management of his campaign for reelection to the Presidency, a campaign which was divorced to a marked degree from the campaigns of other Republicans who sought election to public office in 1972. I note at this point without elaboration that the White House and political aides were virtually without experience in either Government or politics apart from their association with President Nixon.

Fourth. Life had not subjected these White House and political aides to the disadvantaged conditions which are glibly cited as the causes of wrongdoing. On the contrary, fortune had smiled upon them. They came from substantial homes, possessed extraordinary talents, had had unusual educational opportunities, and occupied high social positions.

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Fifth. Watergate was unprecedented in the political annals of America in respect to the scope and intensity of its unethical and illegal actions. To be sure, there had been previous milder political scandals in American history. That fact does not excuse Watergate. Murder and stealing have occurred in every generation since Earth began, but that fact has not made murder meritorious or larceny legal.

WHAT WAS WATERGATE?

President Nixon entrusted the management of his campaign for reelection and his campaign finances to the Committee for the Reelection of the President, which was headed by former Attorney General John W. Mitchell, and the Finance Committee to Re-Elect the President, which was headed by former Secretary of Commerce Maurice Stans. Since the two committees occupied offices in the same office building in Washington and worked in close conjunction, it seems proper to call them for ease of expression the Nixon reelection committees.

Watergate was a conglomerate of various illegal and unethical activities in which various officers and employees of the Nixon reelection committees and various White House aides of President Nixon participated in varying ways and degrees to accomplish these successive objectives:

First. To destroy insofar as the Presidential election of 1972 was concerned the integrity of the process by which the President of the United States is nominated and elected.

Second. To hide from law enforcement officers, prosecutors, grand jurors, courts, the news media, and the American people the identities and wrongdoing of those officers and employees of the Nixon reelection committees, and those White House aides who had undertaken to destroy the integrity of the process by which the President of the United States is nominated and elected.

To accomplish the first of these objectives, the participating officers and employees of the Reelection Committees and the participating White House aides of President Nixon engaged in one or more of these things:

First. They exacted enormous contributions—usually in cash—from corporate executives by impliedly implanting in their minds the impressions that the making of the contributions was necessary to insure that the corporations would receive governmental favors, or avoid governmental disfavors while President Nixon remained in the White House. A substantial portion of the contributions were made out of corporate funds in violation of a law enacted by Congress a generation ago.

Second. They hid substantial parts of these contributions in cash in safes and secret deposits to conceal their sources and the identities of those who had made them.

Third. They disbursed substantial portions of these hidden contributions in a surreptitious manner to finance the bugging and the burglary of the offices of the Democratic National Committee in the Watergate complex in Washington for the purpose of obtaining political intelligence; and to sabotage by dirty tricks, espionage and scurrilous and false libels and slanders the campaigns and reputations of honorable men, whose only offenses were that they sought the nomination of the Democratic Party for President and the opportunity to run against President Nixon for that office in the Presidential election of 1972.

Fourth. They deemed the departments and agencies of the Federal Government to be the political playthings of the Nixon administration rather than impartial instruments for serving the people, and undertook to induce them to channel Federal contracts, grants, and loans to areas, groups, or individuals so as to promote the reelection of the President rather than to further the welfare of the people.

Fifth. They branded as enemies of the President individuals and members of the news media who dissented from the President's policies and opposed his reelection, and conspired to urge the Department of Justice, the Federal Bureau of Investigation, the Internal Revenue Service, and the Federal Communications Commission to pervert the use of their legal powers to harass them for so doing.

Sixth. They borrowed from the Central Intelligence Agency disguises which E. Howard Hunt used in political espionage operations, and photographic equipment which White House employees known as the Plumbers and their hired confederates used in connection with burglarizing the office of a psychiatrist which they believed contained information concerning Daniel Ellsberg which the White House was anxious to secure.

Seventh. They assigned to E. Howard Hunt, who was at the time a White House consultant occupying an office in the Executive Office Building, the gruesome task of falsifying State Department documents which they contemplated using in their altered state to discredit the Democratic Party by defaming the memory of former President John Fitzgerald Kennedy, who as the hapless victim of an assassin's bullet had been sleeping in the tongueless silence of the dreamless dust for 9 years.

Eighth. They used campaign funds to hire saboteurs to forge and disseminate false and scurrilous libels of honorable men running for the Democratic Presidential nomination in Democratic Party primaries.

During the darkness of the early morning of June 17, 1972, James W. McCord, the security chief of the John Mitchell committee, and four residents of Miami, Fla., were arrested by Washington police while they were burglarizing the offices of the Democratic National Committee in the Watergate complex to obtain political intelligence. At the same time, the four residents of Miami had in their possession more than 50 $100 bills which were subsequently shown to be a part of campaign contributions made to the Nixon reelection committees.

On September 15, 1972, these five burglars, E. Howard Hunt, and Gordon Liddy, general counsel of the Stans committee, were indicted by the grand jury on charges arising out of the bugging and burglary of the Watergate.

They were placed on trial upon these charges before Judge John Sirica, and a petit jury in the U.S. District Court for the District of Columbia in January 1973. At that time, Hunt and the four residents of Miami pleaded guilty, and McCord and Liddy were found guilty by the petit jury. None of them took the witness stand during the trial.

The arrests of McCord and the four residents of Miami created consternation in the Nixon Reelection Committees and the White House. Thereupon, various officers and employees of the Nixon Reelection Committees and various White House aides undertook to conceal from law enforcement officers, prosecutors, grand jurors, courts, the news media, and the American people the identities and activities of those officers and employees of the Nixon Reelection Committees and those White House aides who had participated in any way in the Watergate affair.

Various officers and employees of the Nixon Reelection Committees and various White House aides engaged in one or more of these acts to make the concealment effective and thus obstruct the due administration of justice:

First. They destroyed the records of the Nixon Reelection Committees antedating the bugging and the burglary.

Second. They induced the Acting Director of the FBI, who was a Nixon appointee, to destroy the State Department documents which E. Howard Hunt had been falsifying.

Third. They obtained from the Acting Director of the FBI copies of scores of interviews conducted by FBI agents in connection with their investigation of the bugging and the burglary, and were enabled thereby to coach their confederates to give false and misleading statements to the FBI.

Fourth. They sought to persuade the FBI to refrain from investigating the sources of the campaign funds which were used to finance the bugging and the burglary.

Fifth. They intimidated employees of the Nixon Reelection Committees and employees of the White House by having their lawyers present when these employees were being questioned by agents of the FBI, and thus deterred these employees from making full disclosures to the FBI.

Sixth. They lied to agents of the FBI, prosecutors, and grand jurors who undertook to investigate the bugging and the burglary, and to Judge Sirica and the petit jurors who tried the seven original Watergate defendants in January 1973.

Seventh. They persuaded the Department of Justice and the prosecutors to take out-of-court statements from Maurice Stans, President Nixon's chief campaign fund raiser, and Charles Colson, Egil Krogh, and David Young, White House aides, and Charles Colson's secretary, instead of requiring them to testify before the grand jury investigating the bugging and the burglary in conformity with the established procedures governing such matters, and thus denied the grand jurors the opportunity to question them.

Eighth. They persuaded the Department of Justice and the prosecutors to refrain from asking Donald Segretti,

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their chief hired saboteur, any questions involving Herbert W. Kalmbach, the President's personal attorney, who was known by them to have paid Segretti for "dirty tricks" he perpetrated upon honorable men seeking the Democratic Presidential nomination, and who was subsequently identified before the Senate Select Committee as one who played a major role in the secret delivery of "hush money" to the seven original Watergate defendants.

Ninth. They made cash payments totaling hundreds of thousands of dollars out of campaign funds in surreptitious ways to the seven original Watergate defendants as "hush money" to buy their silence and keep them from revealing their knowledge of the identities of the officers and employees of the Nixon Reelection Committees and the White House aides who had participated in the Watergate.

Tenth. They gave assurances to some of the original seven defendants that they would receive Presidential clemency after serving short portions of their sentences if they refrained from divulging the identities and activities of the officers and employees of the Nixon Reelection Committees and the White House aides who had participated in the Watergate affair.

Eleventh. They made arrangements by which the attorneys who represented the seven original Watergate defendants received their fees in cash from moneys which had been collected to finance President Nixon's reelection campaign.

Twelfth. They induced the Department of Justice and the prosecutors of the seven original Watergate defendants to assure the news media and the general public that there was no evidence that any persons other than the seven original Watergate defendants were implicated in any way in any Watergate related crimes.

Thirteenth. They inspired massive efforts on the part of segments of the news media friendly to the administration to persuade the American people that most of the members of the Select Committee named by the Senate to investigate the Watergate were biased and irresponsible men motivated solely by desires to exploit the matters they investigated for personal or partisan advantage, and that the allegations in the press that Presidential aides had been involved in the Watergate were venomous machinations of a hostile and unreliable press bent on destroying the country's confidence in a great and good President.

One shudders to think that the Watergate conspiracies might have been effectively concealed and their most dramatic episode might have been dismissed as a "third-rate" burglary conceived and committed solely by the seven original Watergate defendants had it not been for the courage and penetrating understanding of Judge Sirica, the thoroughness of the investigative reporting of Carl Bernstein, Bob Woodward, and other representatives of a free press, the labors of the Senate Select Committee and its excellent staff, and the dedication and diligence of Special Prosecutors Archibald Cox and Leon Jaworski and their associates.

WHY WAS WATERGATE?

Unlike the men who were responsible for Teapot Dome, the Presidential aides who perpetrated Watergate were not seduced by the love of money, which is sometimes thought to be the root of all evil. On the contrary, they were instigated by a lust for political power, which is at least as corrupting as political power itself.

They gave their allegiance to the President and his policies. They had stood for a time near to him, and had been entrusted by him with great governmental and political power. They enjoyed exercising such power, and longed for its continuance.

They knew that the power they enjoyed would be lost and the policies to which they adhered would be frustrated if the President should be defeated.

As a consequence of these things, they believed the President's reelection to be a most worthy objective, and succumbed to an age-old temptation. They resorted to evil means to promote what they conceived to be a good end.

Their lust for political power blinded them to ethical considerations and legal requirements; to Aristotle's aphorism that the good of man must be the end of politics; and to Grover Cleveland's conviction that a public office is a public trust.

They had forgotten, if they ever knew, that the Constitution is designed to be a law for rulers and people alike at all times and under all circumstances; and that no doctrine involving more pernicious consequences to the commonweal has ever been invented by the wit of man than the notion that any of its provisions can be suspended by the President for any reason whatsoever.

On the contrary, they apparently believed that the President is above the Constitution, and has the autocratic power to suspend its provisions if he decides in his own unreviewable judgment that his action in so doing promotes his own political interests or the welfare of the Nation. As one of them testified before the Senate Select Committee, they believed that the President has the autocratic power to suspend the fourth amendment whenever he imagines that some indefinable aspect of national security is involved.

I digress to reject this doctrine of the constitutional omnipotence of the President. As long as I have a mind to think, a tongue to speak, and a heart to love my country, I shall deny that the Constitution confers any autocratic power on the President, or authorizes him to convert George Washington's America into Gaius Caesar's Rome.

The lust for political power of the presidential aides who perpetrated Watergate on America blinded them to the laws of God as well as to the laws and ethics of man.

As a consequence, they violated the spiritual law which forbids men to do evil even when they think good will result from it, and ignored these warnings of the King James version of the Bible:

> *There is nothing covered, that shall not be revealed; neither hid, that shall not be known.*
>
> *Be not deceived; God is not mocked: For whatsoever a man soweth, that shall he also reap.*

I find corroboration for my conclusion that lust for political power produced Watergate in words uttered by the most eloquent and learned of all the Romans, Marcus Tullius Cicero, about 2,100 years ago. He said:

> Most men, however, are inclined to forget justice altogether, when once the craving for military power or political honors and glory has taken possession of them. Remember the saying of Ennius, "When crowns are at stake, no friendship is sacred, no faith shall be kept."

As one after another of the individuals who participated in Watergate goes to prison, we see in action an inexorable spiritual law which Rudyard Kipling phrased in this fashion in his poem about Tomlinson's Ghost:

> For the sin ye do by two and two you must pay for one by one.

As we contemplate the motives that inspired their misdeeds, we acquire a new awareness of the significance of Cardinal Wolsey's poignant lament:

> Had I but serv'd my God with half the zeal
> I serv'd my King, he would not in mine age
> Have left me naked to mine enemies.

THE ANTIDOTE FOR FUTURE WATERGATES

Is there an antidote which will prevent future Watergates? If so, what is it?

The Senate Select Committee is recommending the enactment of new laws which it believes will minimize the danger of future Watergates and make more adequate and certain the punishment of those who attempt to perpetrate them upon our country.

Candor compels the confession, however, that law alone will not suffice to prevent future Watergates. In saying this, I do not disparage the essential role which law plays in the life of our Nation. As one who has labored as a practicing lawyer, a judge, and a legislator all of my adult years, I venerate the law as an instrument of service to society. At the same time, however, I know the weakness of the law as well as its strength.

Law is not self-executing. Unfortunately, at times its execution rests in the hands of those who are faithless to it. And even when its enforcement is committed to those who revere it, law merely deters some human beings from offending, and punishes other human beings for offending. It does not make men good. This task can be performed only by ethics or religion or morality.

Since politics is the art or science of government, no man is fit to participate in politics or to seek or hold public office unless he has two characteristics.

The first of these characteristics is that he must understand and be dedicated to the true purpose of government, which is to promote the abiding good of the people, and entertain the abiding conviction that a public office is a public trust, which must never be abused to secure private advantage.

The second characteristic is that he must possess that intellectual and moral integrity, which is the priceless ingredient in good character.

When all is said, the only sure antidote for future Watergates is understanding of fundamental principles and intellectual and moral integrity in the men and women who achieve or are entrusted with governmental or political power.

Josiah Gilbert Holland, a poet of a bygone generation, recognized this truth in a poem which he called "The Day's Demand," and which I like to call "America's Prayer". I quote his words:

God give us men! A time like this demands
Strong minds, great hearts, true faith and ready hands;
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who have honor—men who will not lie;
Men who can stand before a demagogue
And damn his treacherous flatteries without winking;
Tall men, sun-crowned, who live above the fog
In public duty, and in private thinking.

CHILD CARE LEGISLATION

Mr. PERCY. Mr. President, for some time now I have had a deep and continuing interest in child care legislation. During the 91st Congress, I authored the day care facilities construction amendment to provide needed construction grants for day care centers. As cosponsor of the Comprehensive Head Start, Child Development, and Family Services Act, I was deeply disappointed to see the legislation, after two successful passages in the Senate, fail to become law. It is, therefore, with great pleasure that I cosponsor the Child and Family Services Act of 1974 introduced in the Senate last Thursday by Senators Mondale and Javits in the hope that the bill will provide the basis for the establishment of a strong national commitment to quality family centered child care and development services.

If child care legislation was needed in 1971, changing life styles have created an environment where such legislation is needed now more than ever. Despite substantial declines in the birth rate, more and more children in this country have mothers who work or look for work. With increasing frequency, women, particularly those with young children, are joining the labor force. In 1973, 41 percent of mothers of school-age children worked, and 20 percent of mothers with children under age 3 worked all year, full time. Divorce is becoming commonplace in this country, and broken marriages involving children are also on the rise. Figures for 1973 show that 8.3 million American children, or 13 percent, live in one-parent families. These are facts of American life we cannot ignore.

Socioeconomic data on working women show without a doubt that women who work do so not for pin money or for self-fulfillment but for compelling economic reasons. In 1972, children under 18 years of age were 31 percent of the total population of this country, but they comprised 41 percent of the low-income population. Children were over one-third—36 percent—of all white persons and over half—52 percent—of all blacks who fell below the poverty level. Children in "mother only" families, whether white or black, were poorer than those in families with fathers. In 1973, of 5 million white children in families headed by women, half were in families whose 1972 income was less than $5,000. Of the 3.2 million black children in familes headed by women, 70 percent were supported on less than $5,000.

I believe it is both accurate and fair to say that child care programs in this country have traditionally been developed to meet the needs of the adult world and not necessarily to benefit children. During both world wars, when women were needed in the labor force, the Government subsidized day care services. When the war ended, Federal funds disappeared, and day care centers around the country closed. The primary objective of day care has always been to free women for employment outside the home—not to meet the needs of children. The devastating figures on the poor children of this country, if nothing else, indicate that we need some new thinking about child care services. Child care programs must be developed first and foremost because of concern for our children's welfare.

Experts generally agree that the first 5 years of a child's life are critical to his cognitive, personality and physical growth, and that the early years determine to an overwhelming extent the entire future pattern of life. I support the Child and Family Services Act of 1971 because it does not lose sight of the inestimable value that early developmental experiences and preschool training have on the lives of our children. The Child and Family Services Act of 1974 can initiate programs for our young that will allow them to grow into responsible adults who will utilize their energies and talents in happier, more productive lives.

As more and more women join the labor force, parents will need to find suitable care for their children outside of the home. Children from middle-income as well as poor families need developmental child care services. Ask any parent today who has tried to find competent household assistance, and he will tell you what a difficult task it can be. From March 1965 to March 1971, while the number of working mothers with children under 6 increased from 3.7 million to 4.6 million, the number of full-time year-round household workers dropped from 500,000 to 300,000.

As we move toward a possible breakthrough in child care legislation in this 93d Congress, we should also keep in mind the concerns of those who question a major Government role in child care. There is nothing mandatory about the child and family services proposed here; we have only the best interests of children and parents in mind. The services we suggest in this legislation would be provided only to those families who desired them.

The most vital components of our great Nation are our families, which must continue to perform their traditional functions. But we must realize that the Federal Government can provide many necessary services that are otherwise unavailable to families who need them. The Child and Family Services Act of 1974 can assist in providing such services where they are truly needed and wanted. Such assistance can serve only to benefit our families and our society.

The need for quality day care is highlighted by a recent Washington Post article reporting on the unsafe and unsanitary conditions uncovered by HEW auditors in a preliminary study of Government-financed private day care centers in the District of Columbia. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, July 11, 1974]

HEW Study Calls Private Care Centers Unsafe

(By Judy Luce Mann)

District of Columbia youngsters in U.S.-financed private day care centers are imperiled by unsafe and unsanitary conditions, such as stopped-up toilets and broken window panes within a child's reach, according to an evaluation of the centers by federal officials.

The evaluations are contained in a preliminary report prepared by auditors from the Health, Education and Welfare office. The report has been given to officials in the District's human resources department for comment. A spokesman for HEW stressed that the audit is "in the draft discussion stage. It is only a preliminary draft. After D.C. makes its formal response, then the formal draft will be prepared and the final draft will be made public."

She said that federal authorities would not discuss specific complaints against the District day care centers while the report was in its preliminary stages. However, it was learned that the report cites instances of live and dead cockroaches in food preparation areas, unsafe exit situations, broken windows and toilet seats, floors and ceilings that are in need of plaster and paint, and poor ventilation.

The HEW auditors also found the centers were understaffed, which leads to an inadequate staffing ratio, a problem in federally funded day care centers throughout the country.

Joseph Yeldell, director of the human resources department, stressed that the report is "extremely preliminary." He said the audit covers the period of 1970 to 1973 and that "much of this (the findings) has already been corrected, if not all of it."

"I'm not trying to imply that all of our centers are in A–1 condition, but we're working on that," he said, adding that the auditors concentrated on areas in Northeast and Southeast and that "on any given day a window could be broken."

There are about 4,000 chidren in federally funded day care centers in the city, according to Yeldell. In all, he said, there are more than 10,000 youngsters in day care facilities that are subsidized by either federal or revenue-sharing money. The city enters into contracts with private groups who run the centers.

Mary Dublin Keyserling, president of the National Child Day Care Association, blamed some of the problems on a shortage of money. "It would be nice if the federal government came across with a little more money so these federally-subsidized centers could be of high quality." Quality day care programs, she said, are "the best investment of taxpayer money that there is."

The National Child Day Care Association is a nonprofit group that provides day care for about 1,200 children in 26 centers with a mixture, of HEW grant and revenue sharing money, Mrs. Keyserling said.

In testimony before the City Council

Monday on new day care regulations, Mrs. Keyserling cited in a 1970 study of 100 day care centers in the city done by Kirschner Associates, a national research and consulting firm.

That study found that more than half of the centers were either very poor or fair, which was defined as "not detrimental but not developmental—they were custodial," Mrs. Keyserling said.

"The number of centers has doubled since, but there is no reason to believe there has been any great change in the quality of care. The same code is in effect," she said, regulating "physical facilities, protection against fire, qualification of personnel, ratio of children to providers of care. That code needs improvements. We do know the code is in the process of improvement, but we need a better code and we need better enforcement."

She said there are 32,000 children under the age of 6 who currently are living in households with working mothers. "That's an awful lot of kids whose mothers aren't home."

She said many of the children are being cared for in their own homes by a relative or by neighbors and said there is a "great shortage of quality facilities."

Evelyn Shidler, head of the day care branch of the social rehabilitation administration of the human resources department, which runs a federally funded program for 1,478 children in day care, said the auditors did find infractions but that "all along" efforts were made to correct the problems as the auditors commented on them. "We pay great attention to an HEW auditor's report," Miss Shidler said.

EX-OEO DIRECTOR ALVIN J. ARNETT

Mr. KENNEDY. Mr. President, I am disturbed to learn of the sacking of OEO Director Alvin J. Arnett by the White House. It is tragic because it reflects the administration's continuing lack of concern for the Nation's 23 million poor.

Mr. Arnett was not fired for his failure to carry out his responsibilities under the law to seek ways of reversing the cycle of poverty. He was dismissed for speaking out on behalf of the poor and for refusing to knuckle under to the administration policy to abolish the Federal antipoverty agency.

It is ironic that in an administration where officials have been indicted and some convicted for their failure to carry out the law and their failure to abide by their oath of office, it appears that Mr. Arnett was fired precisely because he was carrying out the intent of Congress and fulfilling his sworn obligation to uphold the law.

OIL DEPLETION ALLOWANCE SHOULD NOT BE REPEALED

Mr. FANNIN. Mr. President, those who advocate abolishing the oil depletion allowance like to make it sound as though they will be striking a big blow against the major oil companies. It is my conclusion that if the depletion allowance were repealed, the major oil companies would somehow survive and probably even prosper, although oil production would suffer, bringing higher than necessary prices and causing future shortages of greater severity than those we have just experienced.

The real loser in the petroleum industry would be the independent and the small-time oil operators who perform a great service by first locating oil and finally by squeezing the last possible drop out of the ground.

Mr. President, the Arizona Republic on June 20, 1974, carried a story by the Associated Press concerning the operators of the marginal or "stripper" wells. The concluding paragraph in this story quotes a stripper well operator as saying:

> If they're gonna cut depletion out, the oil situation is going to be worse than it's ever been in history, because it's going to wipe out the small operators.

Mr. President, if we want to eradicate small operators and diminish oil supply, we can do that by doing away with the depletion allowance. I ask unanimous consent that the article be printed in the RECORD for the benefit of my colleagues who may be asked to vote once again on this issue in the near future.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TEN-BARREL-A-DAY WELLS PRODUCE 13 PERCENT OF OIL IN UNITED STATES

ALBANY, TEX.—On the windswept ranchlands of West Texas and in oil patches around the country, stripper well operations are being pieced together to squeeze a few more drops of oil from the ground.

Stripper wells seem small-time, their ancient, creaking equipment giving up only a dribble of oil. Worked seven days a week, they may reap less than a barrel of crude oil per well daily. But put them all together and you've got 412 million barrels of oil a year, or nearly 13 per cent of all the petroleum produced in the country.

"The majors couldn't operate anything like this," says Carl Schkade, a stripper well operator. "Stripping is pretty much a family deal."

Schkade, 44; his wife, Marilyn, and their son David, 17, are, in effect, an oil company. The Schkades and thousands of others like them in the country are their own drillers, pipe fitters, haulers, riggers, welders and bookkeepers. They frequently nurse back to life abandoned wells that the major companies have plugged as unprofitable.

A stripper well is one that pumps 10 barrels of oil or less per day. Strippers have been freed from federal price controls and oil from them has jumped from just under $3 a barrel to about $10 in less than a year. The new price has made stripper wells profitable again, provided operators don't have to drill too deep to restart the flow.

Schkade owns an interest in 80 such wells, of which more than 50 are in the field where he was working one recent sultry, windy afternoon.

These 50-plus wells, once forsaken, pump an average of three-quarters of a barrel per well, he said. That's roughly a gross of $450 daily.

Mrs. Schkade, besides keeping books, often works with her husband and usually rides herd alone on four family-owned wells at nearby Baird.

She also finds time to coach a softball team, teach a Lutheran Sunday school class and look after the four children: David, valedictorian of his graduating class; Carolyn, 20, bound for the University of Texas: Karen, 11, and James, 8.

This day, Schkade (pronounced Scottie) and David were pulling pipe with the reluctant aid of a 1946 truck and pipe-pulling unit running on a 1934 flathead Ford motor.

The grimy, grunting relic, last licensed in 1956, is fairly typical of the makeshift equipment in stripper operations.

"I'd trade this whole mess for one well that would make the same amount of oil," Schkade said. "I'd get four times as much profit with considerably fewer headaches.

"With the price we're getting for stripper oil now, I'm making a little money. Before the price increase, I was making wages—now I'm making a little extra . . .

"The reason we got our own pulling unit and everything out here is because if you don't do it yourself, you just don't make a profit."

Schkade flashes anger when he discusses those in Congress and elsewhere who would cut the price of oil or eliminate the 22 per cent depletion tax allowance.

"I don't think we're getting too doggone much considering the expense and labor for what we're doing," he said. "I'll bring anybody out here and let him work for one week and see if he still thinks we're getting too much for stripper production . . .

"And I say this: If they're gonna cut depletion out, the oil situation is going to be worse than it's ever been in history, because it's going to wipe out the small operators."

ADVERTISING: FOSTERING CONSUMER SAFETY

Mr. PERCY. Mr. President, a consultive panel of the National Advertising Review Board recently released a report which I feel is of great value to advertisers, advertising agencies, and to the buying public. The report is entitled "Product Advertising and Consumer Safety."

Appointed last year, the panel was headed by John O'Toole, president of Foote, Cone & Belding. Members were Benny Kass, of Boasber, Hewes, Klores & Kass; William Carpenter, vice president of PPG Industries; F. Kent Mitchell, vice president of General Foods Corp.; and, Walter Roberts, Jr., president of the Consumer Products Division of Abbott Laboratories. Serving as consultant and special counsel to the panel was Arnold Elkind, former Chairman of the National Commission on Product Safety whose extensive knowledge of consumer problems and overall guidance contributed substantially to the report.

Each year 1 in every 10 Americans suffer painful or disabling injury, often due to carelessness or misuse in handling consumer products. The report points out that while "no hard evidence" exists which directly correlates poorly planned advertising with the frequent occurrence of injuries, it is clear that advertising can do much more than it is now doing to safeguard the users of advertised products.

The panel reported that it found only a few examples of advertising in blatant disregard of normal safety precautions. At present, however, a number of advertisements tend to foster unsafe consumer practices and behavior. Children are particularly susceptible to advertising's profound power of suggestion. For example:

One ad depicted a small child finding a toy in the medicine chest in the midst of drug bottles. In the process of searching for toys in medicine chests in their own homes, children might ingest harmful quantities of drugs.

Of this ad, the report notes:

> The product is harmless, but the situation is not.

Another ad shows children operating a microwave oven in the absense of adults. The panel reports that such an ad gives children the impression that microwave ovens are play things which may be used without supervision.

An ad for an aerosol oven-cleaner represents the user casually applying the product and magically wiping off stains and burned-on grease seconds later. The oven-cleaner, however, is highly alkaline. Safety in its use requires careful handling. The panel points out:

> This casual presentation . . . does not conform with label warnings not to get the material in the eyes and to avoid contact with the skin.

The panel concludes that advertisers and ad agencies should design advertisements which warn consumers of a product's potential hazards and educate the public in using the advertised product prudently and safely. To accomplish this task, the panel recommends that senior corporate and agency officials form voluntary safety-in-advertising panels. The panels would undertake the specific task of "evaluating advertising for its safety implications and its potential for consumer education."

I wholeheartedly endorse these recommendations. Advertising with its unique ability to persuade has great potential to reduce product-related injuries.

Mr. President, because I believe that the National Advertising Review Board's report of last month, entitled "Product Advertising and Consumer Safety," contains valuable information for legislators, advertisers, advertising agencies, and consumers alike, I ask unanimous consent that its complete text be printed in the Record at the end of my remarks.

There being no objection, the report was ordered to be printed in the Record, as follows:

Product Advertising and Consumer Safety—A Report on Product Advertising as a Factor in Unsafe Consumer Practices and Behavior

INTRODUCTION

Each year at least one of every ten Americans suffers a painful or disabling injury resulting from an accident associated with a consumer product. The magnitude of the problem has prompted the Federal Government to allocate more than $100 million annually to a drive to improve the quality and safety characteristics of consumer products.

The role of advertising

There is no hard evidence that advertising contributes to this product-related consumer injury toll. But a communications medium as powerful and pervasive as advertising clearly has the capacity to foster unsafe consumer practices and behavior. It also is capable of positive influences on consumer safety.

Advertising's ability to inform and persuade can create an awareness of potential hazards associated with some advertised products and encourage a greater degree of care in their handling and use. This is especially important in view of evidence that carelessness or product misuse on the part of the consumer are major factors in product-related injuries.

It was this recognition by members of the National Advertising Review Board of advertising's potential for both positive and negative influences on consumer safety that led to the formation of this panel and the preparation of this Report.

Background

Shortly after the formation of NARB in November 1971, its members endorsed a proposal to broaden the Review Board's activities beyond their original limits of truth and accuracy to include questions of social responsibility in advertising.

NARB procedures were amended in January 1972 to provide for the appointment of five-member consultive panels to explore these more subjective advertising questions.

Our assignment was to study advertising that may tend to foster unsafe consumer practices and behavior. With the approval of NARB members, the panel's findings would be published in the belief that they would serve as useful guidelines for advertisers and agencies.

This study, and the supplementary educational materials and programs developed for advertisers, are the end products of the efforts of this panel, the NARB staff and a number of individuals and organizations whose assistance is gratefully acknowledged at the end of this Report.

Some basic questions

In undertaking this study, the panel set out to answer these basic questions:

To what degree does advertising appear to contribute to the problem of consumer safety?

What audiences and types of products require a greater awareness on the part of the advertiser of the safety implications in his advertised message?

How can the advertising industry contribute more effectively to consumer product safety?

Safety warnings in advertising

The panel also reviewed this question: Is mass-media advertising an appropriate vehicle for conveying product safety warnings to consumers? Possible approaches ranged from the statement-type warning now used in cigarette print advertising to the standardized symbols required on chemical products advertised in Canada.

The panel concluded that warning statements are more appropriately and effectively displayed on packaging and labelling. However, advertising for products that can be seriously hazardous when misused or whose dangers are not obvious or well-known—i.e., household chemicals—should draw the attention of the consumer in clear and adequate ways to warnings supplied with the product.

Advertising is only part of the product-related communications process. It is the function of other elements of the communications process (packaging, labelling, care-and-use instructions) to fully inform the buyer.

Structure of the report

In preparing this Report, we have excluded as not within the scope of our study questions of product design, factory testing and inspection, product identification and certification, safety standards, legislation and other factors related to consumer product safety.

Drugs and certain other government-regulated products usually omitted from product safety studies are discussed. They are included because the panel's inquiry focused on the way in which products are advertised and not on the products themselves.

FINDINGS AND RECOMMENDATIONS

The panel's study revealed few examples of print and broadcast advertising in blatant disregard of normal safety precautions. It did uncover some advertisements and commercials that raised questions of consumer safety, generally in moderate, unthinking ways but nevertheless of a type that is potentially harmful, especially to children and other vulnerable groups.

These are the panel's general findings and the recommendations it makes based on those findings:

Findings

Advertising can do more than it is now doing to safeguard the users of advertised products without impairing its ability to merchandise those products effectively.

The number one problem is the "inadvertent safety error," the unsafe situation in which the product is presented rather than the claims made for the product itself.

Advertisers and agencies occasionally fail to "think safety" during the planning, creation and review of national advertising.

From time to time, common sense safety considerations are overlooked completely in the production of advertising or sacrificed for some desired dramatic effect.

Advertisers and agencies do not always recognize that some consumers are particularly vulnerable to suggestion or have limited capacities for judging risks.

Advertisers and agencies have not always placed sufficient emphasis on the education of consumers in the safe and prudent use of products that are potentially hazardous when misused.

Recommendations

Safety in advertising requires a degree of focus comparable to the attention paid by advertisers and agencies to matters of legality, truth and accuracy and minority group representation.

Advertisers and agencies should establish within their organizations "safety in advertising review panels" charged with responding to the public interest in matters of product safety and responsible for compliance with the guidelines and philosophy of this report.

Membership of these Review Panels should include advertiser and agency people who are parents of young children (children are most vulnerable to advertising that raises questions of safety) and managers most familiar with actual consumer experiences with the products involved.

All product advertising must be planned, created, reviewed and approved with consumer safety in mind.

Advertisers should provide their agencies with all available test results on their consumer products.

Advertisers and agencies should take steps to assure that all personnel involved in the planning and creation of product advertising make use of applicable voluntary and mandatory safety standards.

Standard operating procedures should include communications between the advertiser and agency concerning the potential for consumer misuse of advertised products.

Where feasible, internal Review Panels should be consulted during the creative process for their views and insights.

Advertisers and agencies should be alert to opportunities, available within the framework of written or visual presentations, to promote the safe use of consumer products. But care should be taken that attempts to promote safety do not actually create unsafe situations.

Advertising intended to visually demonstrate what not to do could, if the voice over were not understood, have the opposite effect. Example: A commercial showing a child trying to open an aspirin bottle with a safety lid. The danger is that the child might try it and succeed, not understanding what the message was supposed to be.

Review and evaluation of advertising should involve the situations and activities depicted in the advertising as well as what is said about the advertised product. It is what the consumer takes away from the advertising that is important.

Results of focus-group sessions and other consumer testing should be analyzed for what they may say about the safety implications in the advertising.

Strong reliance should not be placed on legal assurances. An advertising claim that is "legally defensible" does not clear it of potential hazards to the consumer.

The advertising agency should be the watchdog against the "inadvertent safety error," the most common problem.

Advertisers have the responsibility to reject advertising prepared on their products which may raise questions of consumer safety.

Media copy acceptance departments have the responsibility to apply standards of safety at least as rigorous as those applied to the substantiation of advertising claims.

THINKING SAFETY

The findings and recommendations in this Report are intended to stimulate within the advertising industry a greater awareness of the dimensions of the consumer safety problem and of the role advertising plays, or can play.

They are intended specifically to encourage advertisers and their agencies to "think safety" when planning, creating and reviewing advertising compaigns, asking themselves questions like these:

Is anything shown, described or claimed in the advertisement that raises questions of consumer safety?

Is everything known that should be known about the product's performance under both normal and misuse circumstances?

Is there anything in the advertisement that might prove harmful to children who cannot comprehend the most familiar hazards in consumer products and tend to imitate what they see?

Is allowance made in advertising situations for the susceptibility to suggestion of the elderly, the foreign born or the consumer predisposed toward risk-taking?

Safety is good business

In an era of product safety consciousness, "thinking safety" offers tangible benefits for the advertiser and agency. For the advertiser it makes good marketing sense, enhancing product acceptability and reducing the possibilities of unfavorable publicity and safety-related lawsuits. And it can save time and money spent producing replacements for questionable advertising. For the agency "Safety-proofed" advertising eliminates problems that erode the advertiser's confidence in the agency.

Getting the facts

"Thinking safety" begins with basic information on the safety characteristics of advertised products: available test data from manufacturers, applicable industry and government standards and safety-related advertising codes and guidelines. Sources of safe-use and other information are identified in the product categories of this Report. An important additional source of information on all products mentioned in this Report is the Consumer Product Safety Commission, Washington, D.C. Area offices of the Commission are listed below:

Atlanta: 1430 West Peachtree Street, N.W., Atlanta, Georgia 30309.

Boston: 408 Atlantic Avenue, Boston, Massachusetts 02110.

Chicago: 433 West Van Buren Street, room 1222, Chicago, Illinois 60607; c/o Food and Drug Administration.

Cleveland: 5225 Warrensville Center Road, Maple Heights, Ohio 44137.

Dallas: P.O. Box 15035, Dallas, Texas 75201.

Denver, 513 U.S. Custom House, Denver, Colorado 80202.

Kansas City, 911 Walnut Street, room 1905, Kansas City, Missouri 64106, c/o Food and Drug Administration.

Los Angeles: 1521 West Pico Boulevard, Los Angeles, California 90015.

Minneapolis: Fort Snelling Federal Building, room 650, Twin Cities, Minnesota 55111.

New Orleans: room 323, Gateway Building, 124 Camp Street, New Orleans, Louisiana 70130.

New York: 850 Third Avenue, Seventh Floor, Brooklyn, New York 11232, c/o Food and Drug Administration.

Philadelphia: room 502, U.S. Custom House, Second and Chestnut Streets, Philadelphia, Pennsylvania 19106.

San Francisco: room 518, 50 Fulton Street, San Francisco, California 94102.

Seattle: 1131 Federal Office Building, 909 First Avenue, Seattle, Washington 98104.

MEASURING PRODUCT HAZARDS FOR ADVERTISING PURPOSES

Consumer product safety involves a number of factors generally regarded as more crucial than advertising. Among these are product design, hazard analysis, quality control, packaging and labelling, factory testing and inspection, standards-setting, certification programs, consumer education and government regulation.

Nevertheless, advertising plays an important role in safeguarding the user of consumer products. And two of the above-mentioned factors—hazard analysis and consumer education—should be fundamental considerations in the advertising of those products

Degree and Quality of Risk

There probably are as many ways to classify consumer products on the basis of their relative safety as there are products. But generally they fall into these broad groups:

Products that are safe under all but the most flagrant and unaccountable circumstances of misuse. (Examples: leather goods, perfumes.)

Reasonably safe products whose use by unsupervised children, by the elderly and by the foreign born who may not understand label directions and cautions can pose safety problems. (Example: appliances.)

Products that are reasonably safe but can be hazardous in circumstances well-known and understood by consumers. (Examples: boats, automobiles.)

Products that are openly and notoriously hazardous in normal use. (Example: firearms.)

Products incorporating latent, not readily apparent hazards in normal use. (Example: products containing economic poisons, such as arsenic or carbon tetrachloride.)

Products characterized by potential hazards of both an evident and latent nature. (Example: power equipment.)

The critical question for the advertiser is how much actual or potential hazard is associated with the product.

For example, is the product of a type whose misuse might lead to serious or even lethal consequences? Is the product of a type in which a hazard to the consumer is not readily apparent? Is the product typically used by children?

Questions like these point up a basic challenge facing advertising: Can it draw attention to potential hazards and still merchandise products as effectively as before?

Probably not, in any total way. But advertising can do much more than it is currently doing to safeguard the users of advertised products without discouraging consumers from buying the product.

The Advertiser's Obligation

Advertising must be involved in a more positive way in the education of consumers in the safe and prudent use of products with clear or latent hazards in circumstances of misuse.

The advertiser should recognize that the safe use of some products will require a greater degree of consumer education than others. The extent of his obligation to educate and inform the consumer will depend on an analysis of the quality of the hazard associated with the advertised product and identification of the group most likely to use it.

If, for example, the product is intended for children and can be hazardous if misused, e.g., a toy oven, consumer education should involve advertising in a direct and positive way.

If the product is a firearm, which has obvious and lethal characteristics and is used by adults presumed to have a knowledge of its hazards, the advertiser's obligation can be met by complying with generally accepted quidelines on the advertising of weapons.

What about a reasonably safe product shown in advertising in an abuse situation? The problem can usually be avoided if the advertisement is reviewed in advance for its safety implications.

Example:

One advertisement brought to the panel's attention showed a child finding a toy among medicine bottles in a medicine cabinet. The product is harmless but the situation is not. The advertising could prove dangerous to an impressionable child who might opt for an item in the medicine cabinet more hazardous than a toy.

And what about the advertisement for an oven cleaning product whose ingredients are highly caustic and require careful handling under the best conditions? The product is effective for the purpose intended and the advertiser says so. Beyond that, what is his responsibility?

There is no simple answer suitable for every situation, but there are realistic guidelines that can be followed:

Complete assurances of safety cannot be given for a product that is not safe unless it is handled with great care.

The advertiser's message, written, aural and visual, must be credible and, at the least, in conformance with industry advertising standards for the product.

The product should not be shown being used in a casual, unconcerned manner or without protective clothing or devices where such safeguards would normally be recommended.

The advertising situation—the way in which the product is presented—should not add questions of safety to those that might already be posed by the product itself.

GUIDELINES FOR ADVERTISERS OF HIGH-RISK PRODUCTS

Some consumer products require a higher degree of consumer education than others and a greater awareness on the part of the advertiser of the safety implications in his message.

This section deals with types of products whose safe use by consumers can be advanced by the willingness of advertisers to analyze and make allowances for the degree and quality of potential hazards associated with their products. Adherence to generally accepted guidelines is necessary but this, in itself, will not meet all obligations consistent with responsible advertising.

Products mentioned in this section are representative. The listing is not intended to be all-inclusive.

APPLIANCES: MICROWAVE OVENS VAPORIZERS

Many appliances, to one degree or another, represent potential hazards to the user who may be careless or allow himself to become distracted. The homeowner knows that a hot iron will burn, that a spilled coffeepot will scald, that overexposure to a sun lamp has its consequences. But some appliances, like microwave ovens and hot-water vaporizers, embody hazards not always evident to the user and represent areas of special concern for the advertiser. Some 15,000 people, mostly children, suffer burns in accidents involving hot-water vaporizers each year.

Key Problems

The panel's study revealed two principal problems in the advertising of appliances: (1) presentations showing children using the product, and (2) copy that gives complete assurance of safety to the consumer.

Examples:

A television commercial showing a boy and girl—both seven to ten years of age—taking just-cooked hot dogs out of the microwave oven. The dialogue describes how easy it is to use the product.

Evaluation:

The absence of adults in the commercial suggests that children can operate the oven by themselves. Microwave ovens are not playthings and should not be treated or advertised as such. Adult supervision is required to make certain that oven safety devices operate properly.

One company advertised its hot-water vaporizer as tipproof, foolproof and safe.

Evaluation:

Any such assurance of complete safety might cause the buyer to exercise less than normal care in using the appliance.

Guidelines for advertisers

Appliances should not be shown in operation with doors open.

Never show children using appliances.

Avoid claims of safety that might lead the user to ignore normal safety precautions.

For safe use information contact:

Association of Home Appliance Manufacturers, 20 North Wacker Drive, Chicago, Ill. 60606.

Underwriters' Laboratories, Inc., 207 East Ohio Street, Chicago, Ill. 60611.

AUTOMOTIVE PRODUCTS: AUTOMOBILES, MOTORCYCLES, TIRES

Hazards associated with the use of automobiles, motorcycles and other vehicles are presumed to be known and understood by anyone with an operator's license. Many people are also familiar with the broad outlines of the highway safety problem (about two million people injured and 55,000 killed in highway accidents in a recent year) and with some of the many reasons for this toll.

The role of advertising

Motor vehicle advertising has the capacity to foster unsafe consumer practices and behavior, particularly among people susceptible to suggestion, when it fails to conform in all respects with highway standards and to distinguish between the legitimate romantic or attractive portrayal of driving and the risk-producing portrayal. Advertisers also have raised questions of consumer safety by showing vehicles as escapist devices in ways that run counter to the needs and realities of highway safety and by the emphasis on speed, power and performance.

Behavorial factors

Advertising of automobiles and motorcycles is also typical of safety problems related to behavorial factors. Danger is an unavoidable fact of life and many people are proud of their ability to cope with it. But some commercials may encourage others to commit themselves to hazardous situations which, for the lack of experience, knowledge or skill, they cannot manage.

Example:

A television commercial showing an automobile driven by a professional driver executing tight turns between a line of trucks.

Motor vehicles and alcoholic beverages

Advertising should never associate the operation of motor vehicles with drinking.

Example:

A beer commercial based on a motorcycle race which features the product as reward after the contest. Even if there were not an assumption that the drivers have to return home on their motorcycles, such association is imprudent.

Product durability

Some automobile, motorcycle and automobile tire advertising involves unreasonable misuse episodes intended to demonstrate that the products satisfactorily survived the misuse.

Examples:

A print ad showing a motorcyclist trail-riding over rocks and logs (without, incidentally, the benefit of protective helmet or glasses).

Tire commercials showing steel belted radial tires being driven over a road strewn with nails, discarded metal, steep spikes and other objects.

Evaluation:

These, and other similar advertisements, convey effectively the message of performance and durability but simultaneously create the impression that mistreatment will not affect safe performance.

Guidelines for Advertisers

Manufacturers of automobiles and other vehicles should exercise caution in preparing advertising that places a strong emphasis on speed, power and performance in ways that suggest that fast acceleration, skidding turns and speeding are prudent.

Advertisers should avoid presentations keyed to risk-taking or performance under circumstances that might give the consumer predisposed toward risk-taking more confidence in his own car or his ability than would be realistic.

The use of cars and motorcycles in a road situation must be consistent with proven and legally required highway safety practices and vehicle safety requirements.

Advertisers should reveiw all print and broadcast advertising for its safety implications and conformance with highway safety standards.

Automotive advertising represents an opportunity for the advertiser to go beyond simple adherence to general guidelines and encourage the safe use of automobiles and other vehicles through the depiction in advertising of good safety practices.

For safe use information contact:

National Safety Council, 425 North Michigan Avenue, Chicago, Illinois 60611.

Center for Automotive Safety, 800 National Press Building, Washington, D.C. 20004.

For highway safety regulations contact:

Department of Transportation, Washington, D.C.

FIREARMS

Advertising of firearms and ammunition—obviously acceptable only when it focuses on the products as sporting equipment—must conform with recognized standards of safety as well as with all applicable laws and regulations.

Advertisements using firearms as props in a way that ignores safety standards serve only to sanction the careless habits of some of the nation's 40 million gun owners.

Guidelines for advertisers

Advertising sequences should never involve horseplay with firearms.

Guns not in use should be broken down or have their actions open.

People should not be shown carrying loaded guns while climbing trees or fences or jumping ditches.

Gun muzzles should always be shown pointed in a safe direction.

Sequences showing target practice with firearms should involve a safe and adequate backstop.

Guns and ammunition should be shown safely stored beyond the reach of children.

For safe use information contact:

National Shooting Sports Foundation, 1075 Post Road, Riverside, Connecticut 06878.

HOUSEHOLD PRODUCTS: HOUSEHOLD CHEMICALS, LAUNDERING, CLEANING AND POLISHING PRODUCTS, PESTICIDES, LADDERS

Household chemicals rank high on the list of consumer products regarded as potentially hazardous when misused. Consumers are generally aware that a household chemical may be hazardous, but they are not always familiar with the severity of the hazard or the degree of care and caution that should be taken in using the product.

Food and Drug Administration estimates place ingestions of potentially harmful household substances in the range of 500,000 to one million annually. About 75,000 people are poisoned or otherwise injured through the improper use of pesticides alone.

Hazards to children

Such laundering, cleaning and polishing products as detergents, bleaches, disinfectants, deodorizers, furniture polishes, liquid bowl cleaners and aerosol oven cleaners, all caustics and corrosives, pose a major hazard to young children. These potential dangers are compounded by the fact that some household chemicals look like food, are attractively packaged and pleasantly scented. Some times of liquid furniture polish resemble milk or lemon soda.

Guidelines for advertisers

Advertisers should exercise extreme caution in making claims for the safety of household chemicals and in showing these products being used in a casual way.

Example

A television commercial for an aerosol oven cleaner suggests to the homemaker that all you need do is squirt the product onto oven surfaces and burned-on grease wipes away like magic.

Evaluation:

Dispersal of caustic cleaning products cannot be adequately controlled and this casual presentation of the use of a highly alkaline substance does not conform with label warnings not to get the material in the eyes and to avoid contact with the skin.

Household chemicals, in new safety packaging, should be shown being taken from locked cabinets or from high shelves beyond the reach of children. They should not be shown lying on tables, counter tops or in other easily-accessible household locations.

LADDERS

An estimated 125,000 to 200,000 injuries are caused annually by falls from ladders. Consumers are generally aware of the risk of injury in using a ladder but seemingly do not realize how often common practices can create danger.

Guidelines for advertisers

Advertising presentations involving the use of ladders should conform with normal safety precautions:

Users should not be shown on the top step of a ladder. Most accidents involving stepladders occur when the user is so positioned.

Users should not be shown without their weight centered on the ladder or reaching out and around. Such movements impose twisting and bending forces which the ladder may not withstand.

If you use ladders in advertising as props, be certain they have non-slip treads, sufficient tread width and non-slip tips on the upper ends.

POWER TOOLS

More than 125,000 homeowners are injured each year in accidents involving power tools, largely as a result of their use in a careless, reckless manner. Power tools expose the user to certain open and obvious risks which he accepts willingly so long as the advantages make the risks worthwhile. But these known hazards are sometimes compounded by dangers which are not always evident or understood. Many people, for example, do not realize that a power saw is capable of throwing the object being sawed unless it is held firmly by a vise or by hand.

Guidelines for advertisers

Advertisers of power tools should be involved in a positive way in the education of consumers, incorporating in their advertising presentations that would maximize the probability of safe use of their products.

Advertising should also conform to generally accepted guidelines:

Power tools should be shown being operated with protective hoods and guards and by people wearing safety glasses.

Advertising sequences on power tools should not involve situations likely to cause electrical shock to the operator.

For safe use information contact:

Power Tool Institute, P.O. Box 1406, Evanston, Indiana 60204.

Underwriters' Laboratories, Inc., 207 East Ohio Street, Chicago, Illinois 60611.

HEALTH CARE PRODUCTS

Some advertised drugs, medications and nutritional supplements can be dangerous when taken in too large quantities or otherwise abused. These and others may also present hazards if their use delays necessary medical care. All such products are dangerous in the hands of small children.

Diet plans and dieting products and devices also can be hazardous to good health if abused, used to excess or substituted for essential nutrition or professional medical care.

It is essential that advertisers and agencies exercise extreme caution in advertising health care products so as not to promote the abuse of such products or their use in place of needed professional medical treatment.

Guidelines for advertisers [1]

Avoid the use of such words as "safe," "harmless," "without risk" in advertising.

Advertising of health care products should comply with provisions of the Federal Trade Commission Act and should encourage the consumer to read and follow label instructions.

Proprietary drugs are intended for the treatment of symptoms that can be self-diagnosed. The advertising should never suggest a cure for a disease requiring treatment by a physician.

Commercials should point up, by example, the necessity of keeping medicines of all kinds out of a child's reach, of replacing the cap and removing the container when it is no longer being used.

Avoid presentations which show on-camera pill-taking or imply a casual attitude toward the use of drugs.

Diet plans, products and devices should not be advertised as panaceas and no implication should be made that they may be substituted for professional medical advice on weight reduction.

Avoid presentations which depict consumers relying on medicines as simplistic solutions to emotional or mood problems.

Avoid scare tactics likely to create fear or apprehension on the part of the consumer that he or she is suffering from a serious ailment.

Advertisers and agencies also are advised to avoid showing the transfer of hazardous products from original containers to cups, glasses and soft drink bottles which young children have learned to associate with food and drink.

For further information refer to:

Code of Advertising Practices, The Proprietary Association, 1700 Pennsylvania Avenue, NW., Washington, D.C. 20006.

The Code Authority, National Association of Broadcasters, 1771 N Street, NW., Washington, D.C. 20036.

RECREATIONAL EQUIPMENT

Some eight million people are injured each year in accidents involving recreational equipment, largely from predictable misuse. Toys injure 700,000 children annually, with approximately one million injured in accidents involving bicycles.

TOYS

If there is doubt that a toy is safe under normal conditions, it should not be advertised. If there is a question of its safety under foreseeable misuse circumstances, the advertising must be adequately and clearly qualified.

Safety claims should not be made for plug-in electric toys that have not been tested for safety under accidental misuse conditions.

Advertisers should avoid demonstrations, dramatizations or use of animation that show toys in a manner that is not authentic and may encourage unsafe practices.

Demonstrations of children's use of toys must be consistent with generally accepted standards of safety.

For further information contact:

The Code Authority, National Association of Broadcasters, 1771 N Street, N.W., Washington, D.C. 20036.

Toy Manufacturers of America, 200 Fifth Avenue, New York, New York 10010.

BICYCLES

There are twice as many injuries linked to bicycles as the next most frequently cited product. Collisions between bicycles and motor vehicles accounted for some 800 deaths and 36,000 injuries in a recent year. The problem is largely one of misuse but novel bicycle designs, like styles with "high rise" handlebars, have increased the acknowledged risks in cycling. Advertising has undoubtedly contributed to the problem by emphasizing speed and stunting and by presenting the product in situations that encourage unsafe practices and behavior.

Guidelines for advertisers

Advertising presentations should not be based on claims of safety and must conform with all highway traffic rules and regulations.

There should be no emphasis in advertising on drag racing, speeding and stunting or other unsafe use of bicycles.

For safe use information contact:

The National Safety Council, 425 North Michigan Avenue, Chicago, Illinois 60611.

Bicycle Institute of America, 122 East 42nd Street, New York, New York 10017.

MINIBIKES

The minibike has exposed young people to the acknowledged risks of motorcycles before they are old enough to be licensed to operate motor vehicles on public highways.

Guidelines for advertisers

Minibikes are not registered motor vehicles and should not be shown in use on public streets and highways.

Users should be shown wearing protective helmets and safety glasses.

For safe use information contact:

The National Safety Council, 425 North Michigan Avenue, Chicago, Illinois 60611.

SWIMMING POOLS/EQUIPMENT

About 750 people drown each year in backyard swimming pools for two principal reasons: the lack of a suitable pool enclosure and the absence of adult supervision.

Guidelines for Advertisers

Advertising presentations showing children in a pool or involving diving sequences must include the presence of an adult.

Children or adults should not be shown pushing one another into the water or otherwise engaging in horseplay on diving boards or at the edge of pools.

There should be no implication in advertising that swimming equipment frees the parents from supervising young children while the latter are swimming.

Example:

A television commercial for a pair of plastic devices designed to be attached to the arms of a swimmer to help keep him afloat depicted the mother being startled by the troubled screaming of a child. Accompanying audio indicated. "This would not have happened with (product name) . . . don't worry anymore about the safety of your children."

Evaluation:

This is scare copy. No product can provide complete assurance of safety. While parents may not necessarily have to "worry" about their child's safety, they should always be concerned about it.

For water safety information contact:

American National Red Cross, 17th and D Streets, N.W., Washington, D.C. 20006.

YARD AND GARDEN EQUIPMENT: LAWN MOWERS, GARDEN TRACTORS, SNOW BLOWERS

An estimated half-million people are injured each year in accidents involving yard and garden equipment. Power lawn mowers injure about 140,000 homeowners, with about 70 per cent of the injuries resulting from the cutting and crushing action of the rotary blades. In addition, high-velocity ejections of wire, glass, stone and debris can puncture vital body parts.

Guidelines for Advertisers

Advertising for outdoor power equipment should be reviewed to assure that there are no representations which disregard normal safety precautions:

Children or pets should not be nearby when power equipment is in use.

Operators of power equipment should be properly dressed, not shown barefooted or wearing sandals, shorts or loose-fitting clothing.

Children should not be shown operating garden tractors or riding as passengers.

Advertising situations should not promote racing, hotrodding or other unsafe use of power equipment.

For safe use information contact:

The National Safety Council, 425 North Michigan Avenue, Chicago, Illinois 60611.

Outdoor Power Equipment Institute, 734 15th Street, N.W., Washington, D.C. 20005.

ADVERTISING SITUATIONS FOSTERING UNSAFE CONSUMER PRACTICES

"If we have difficulty in attempting to persuade man to act prudently then we do our best to create the kind of environments that will maximize the probabilities for prudent behavior . . ."[2]

Applied to product advertising, this observation would mean presenting the product in a way that conforms with good safety practices rather than in a way that makes unsafe behavior seem commonplace, almost acceptable, and, to the individual predisposed toward risk-taking, suggestive.

The major problem

The panel's study disclosed that it is in this area of advertising situations that national advertising is most obviously flawed. And it is this area that affords the best opportunities for quick and easy solutions.

For example, the cigarette advertisement showing a homeowner relaxing with a cigarette only a few inches from an open can of highly flammable adhesive he is using to tile the kitchen floor would have been just as effective in a situation that didn't involve a safety hazard.

Or the automobile commercial that shows the advertised car passing a long line of competitive models on a narrow two-lane mountain road while approaching a curve. Couldn't the point be made just as effectively on a divided highway?

A lack of awareness

The panel's findings that it has been the unsafe situation, "the inadvertent safety error," that has proved the most common abuse does not suggest a callous disregard of safety precautions on the part of the advertiser so much as a lack of awareness of safety during the planning and production of an advertisement.

Examples:

A commercial showing a woman placing a fly killer product on the kitchen table when the label clearly states the product is dangerous and must be hung out of the reach of children.

Advertising presentations associating motor vehicles with alcoholic beverages visually or aurally. Any association of alcoholic beverages and cars, motorcycles or vehicles of any other type must be avoided.

Motor vehicle sequences:

Shoulder straps and seat belts not in evident use while the vehicle is in motion.

Driver shown reading at the wheel while the car is in operation.

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[1] Code of Advertising Practices, The Proprietary Association.

[2] Professor H. A. Mendelsohn, University of Denver.

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Scenes showing people hitchhiking and being picked up. (44 states have laws against hitchhiking and several have laws against drivers picking up hitchhikers.)

Motorcycles being driven along a highway using both lanes of a road with two-way traffic.

Motorcycle passengers riding sidesaddle or hanging on with one arm while holding portable television sets, umbrellas, etc. with the other.

Car with rear view vision blocked by materials carried in the rear seat.

Guidelines for advertisers

Consumer product advertising should be reviewed for its safety implications from the standpoint of the average person's interpretation and, in particular, for its possible influences on that segment of the population predisposed toward risk-taking.

Use of cars, motorcycles, roads and drivers in advertising should be consistent with highway safety regulations.

ADVERTISING SITUATIONS AND THEIR POTENTIAL EFFECTS ON CHILDREN

About 7,000 children under 15 years of age die each year in home accidents. A major reason is that children cannot be counted on to use a product only in its normal and intended manner.

Because television is one of the dominant factors in communicating with children, and because many initial exposures to products and services are through the medium, advertising can and should contribute directly and indirectly to sound and safe habits in children.

Ads raising safety questions

A television commercial showing, in animation, small figures inside a refrigerator making ice cubes.

Evaluation:

Anything that gives children the idea of getting inside a refrigerator, freezer or washer is obviously hazardous. Children don't read the copy, they just look at the pictures.

Animation showing a human-type washing machine ingesting a liquid detergent.

Evaluation:

No child is shown, but the hazard of imitation is real.

Commercial showing the announcer hiding himself in the trunk of a car with the lid closed.

Evaluation:

The situation involves a needless risk of stimulating young children to duplicate the announcer's feat.

Ad for household glue showing a child holding a paper bag (into which, supposedly, the glue has been placed) up to his face.

Evaluation:

Obviously the copy was saying, "Don't do this," but the danger is that the child might try it, not understanding the verbal message. The advertiser must look at the commercial from the standpoint of the average child's interpretation.

Commercial showing a father tasting a bead that he and his young daughter pretended is food she cooked.

Evaluation:

This would encourage small children to put objects into their mouths.

A chewing gum commercial showing a child in a park accepting gum from an outstretched hand, presumably of an adult.

Evaluation:

This is contrary to the advice given children never to accept anything from strangers.

Commercials showing children hanging out of car windows, standing in a moving school bus, riding in cars without seat belts and shoulder harnesses fastened.

Guidelines for advertisers

All product advertising must be "child-proofed," reviewed and evaluated from the standpoint of a child's interpretation of what he sees and hears. Advertising directed to children must be scrupulous in its adherence to accepted standards of safety. Advertising directed to adults must also be prepared with the child in mind. What might be suggested to a child should be a fundamental consideration during the creation of all advertising—whatever the product, whatever the audience.

For additional information refer to:

"Children's Television Advertising Guidelines" Association of National Advertisers, Inc., 155 East 44th Street, New York, New York 10017.

The Code Authority, National Association of Broadcasters, 1771 N Street, N.W., Washington, D.C. 20036.

EXECUTIONAL DEVICES USED IN BROADCAST ADVERTISING

For small groups of people, alarming sound effects and other executional devices used in broadcast advertising may represent real hazards. People prone to epilepsy, for example, are vulnerable to a seizure if flashes occur on television in a frequency range of 12 to 22 per second.

Guidelines for advertisers

Avoid sound effects calculated to mislead, shock or alarm the listener. Sirens and other alarming sounds normally associated with emergency vehicles and situations, in the frequency range used in television, can be realistic enough to cause emotional upsets or even panic.

Sound effects and visuals normally associated with news programs should be reserved for announcements of actual news and not feature in broadcast advertising.

For additional information refer to:

The Code Authority, National Association of Broadcasters, 1771 N Street, N.W., Washington, D.C. 20036.

SUMMARY

The findings and conclusions of this panel underscore the need for a greater awareness of consumer product safety on the part of advertisers and agencies.

Advertising can do much more than it is now doing to safeguard the users of advertised products. It can do so by eliminating advertising that raises questions of consumer safety and, given its ability to inform and persuade, by educating consumers in the safe and prudent use of advertised products.

To accomplish these ends, senior corporate and agency managers must recognize the importance of voluntary efforts to eliminate from national advertising all copy, sound and visual presentations that may tend to foster unsafe consumer practices.

They also must give high priority to the formation of "Safety in Advertising Review Panels," as recommended in this Report, assigned the specific task of evaluating advertising for its safety implications and its potential for consumer education.

New disciplines and procedures relating to advertising and its effects on consumer practices and behavior are needed today. This Report was prepared to assist advertisers and agencies in meeting that need.

RETIREMENT INCOME CREDIT NEEDS UPDATING

Mr. CHURCH. Mr. President, on June 27, the Senate approved my proposal to update the retirement income credit as an amendment to H.R. 8217.

This 15-percent credit was first adopted in 1954 to place Government pensioners on an equal footing with social security beneficiaries.

Payments under the social security program are, of course, exempt from Federal income tax. Persons with little or no social security coverage can receive comparable tax relief by claiming a tax credit on their qualifying retirement income—pensions, annuities, rents, interest, and dividends.

But the retirement income credit no longer provides similar assistance, because it has not been updated since 1964. Social security benefits, on the other hand, have more than doubled during this same period to protect older Americans from the cruel impact of inflation.

My amendment, however, could provide a long-overdue element of tax justice for many retired teachers, policemen, firemen, and other Government annuitants.

First, it would raise the maximum amounts for computing the credit from $1,524 to $2,500 for elderly single persons and from $2,286 to $3,750 for aged couples. This change alone could provide a tax savings up to $146 for individuals and $220 for couples. For older Americans struggling on fixed incomes, this relief would be most welcome—especially during this period of near unprecedented inflation.

Second, my proposal would allow persons to earn more before the maximum base for computing their credit would be reduced. For retired persons aged 62 to 71, the earnings ceiling would be increased from $1,200 to $2,100. Moreover, the $1-for-$2 reduction would apply to all earnings above $2,100, instead of just a $500 band—from $1,200 to $1,700—as under present law. For public pensioners under age 62, the exempt from $900 to $1,200.

As the chairman of the Senate Committee on Aging, I consider modernization of the retirement income credit to be one of the foremost legislative priorities for older Americans.

And my amendment can be an important beginning step to provide equitable and fair treatment for Government annuitants and others with little or no social security. The need for this action is long overdue.

Mr. President, I am also pleased to report that my amendment has the enthusiastic backing of the National Retired Teachers Association-American Association of Retired Persons and the National Association of Retired Federal Employees.

For these reasons, I urge the House and Senate conferees to retain my amendment in H.R. 8217.

THE HEALTH OF OUR NATION

Mr. FANNIN. Mr. President, there is nothing more important than the health of our Nation. By this, I mean both the economic and physical health of our society. It is my strong belief that we cannot provide for the ultimate in physical care for our people unless we have an underlying economic strength.

During the past several months there have been hearings and a great deal of discussion about national health care proposals. Among the bills which have been introduced is S. 3353, my own proposal for a rational approach to insuring adequate health care for all Americans.

Mr. President, it has been evident to fiscally responsible legislators that a cradle-to-the-grave national health program would impose impossible burdens on the U.S. economy. I have been encouraged that information developed during hearings has demonstrated the folly of some grandiose proposals. There has been a growing realization that we simply cannot afford some of the programs which have been proposed.

Now, Mr. President, the grave economic questions facing our Nation create even more doubt about how far we can and should go. The Wall Street Journal in an editorial Friday suggested that due to the economic uncertainties and other problems facing our country, now is a poor time to try to enact health care legislation. I ask unanimous consent that this editorial be printed in the RECORD for the benefit of my colleagues who are working on this issue.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HEALTH INSURANCE ON HOLD

Congressional ardor has cooled for pushing through a comprehensive federal health insurance bill this year, which is all to the good. There are few issues more deserving of calm and measured deliberation.

The cooling off is itself significant, suggesting as it does that there is no insistent clamor from voters that the federal government plunge deeper into health care. It already is in pretty deeply, to the tune of some $25 billion a year for Medicare, Medicaid and other programs. There are compelling reasons, both fiscal and political for the nation to consider carefully when, and even whether, to take the next step.

The most immediate problem is money. There are no fewer than eight theoretically serious health insurance bills before Congress and maybe a couple of dozen altogether. Even the cheapest would cost the Treasury another $3.6 billion a year, conservatively estimated. This is the Fannin bill, which has the support of the U.S. Chamber of Commerce. It sets minimum standards, including coverage of catastrophic illnesses, for private insurance and provides for federal purchase of insurance for the poor.

From there the price goes up, to a modestly estimated $6.5 billion for the President's Comprehensive Health Insurance bill, on up to $18 billion for the Ullman-American Hospital Association bill and finally to the ultimate in fiscal and political profligacy, the Kennedy-Griffiths Health Security bill, which is priced at an estimated $60 billion a year to start with and might end up eventually costing $60 trillion for all we know.

Few of these price tags, with the possible exception of the sky's-the-limit Kennedy-Griffiths figure, cover full economic costs. Most of the bills also involve higher costs to industry, which would certainly be passed along in higher prices, an increasingly popular way in Congress for financing programs the government can't afford to support directly. The Fannin bill, which not only is the most modest of the bunch but also the most sensible looking would raise industry's health insurance costs $2.7 billion. The Nixon bill would add some $9 billion.

In other words, the combined overt and covert cost of even the most limited proposals are almost certain to aggravate the nation's number one problem, inflation, which demands solution ahead of almost any other consideration short of clearcut questions of national security. Even without any significant new spending plans, the administration has projected a $9.4 billion deficit for fiscal 1975 and it would like to find some way, as part of its inflation fighting efforts, to cut that by $5 billion or so. As to the industry costs, they would be added to all the other costs—pollution control, safety, etc., etc.—government has loaded on recently.

Under these circumstances, it is prudent to put expensive new federal health insurance plans on hold for the time being and try to restore health instead to the national economy. For the longer term, it would be useful to reexamine the problem.

As with so many national issues these days, it is difficult to sort out the substance from the rhetoric, but the public question here would seem to revolve around some 20 million people who do not now have some form of health insurance coverage, either through Medicare, Medicaid or private sources. The ones who would seem to be the core of the problem would come under the heading of working poor—casual laborers and the like—who seem to get the short end of almost everything these days. But the number of people who are being denied medical treatment because of inability to pay probably is small; there is little evidence of an acute problem. The other insurance gap is catastrophe care, for the kind of long-term costly illness which might ruin anyone but the wealthy.

The two problems can undoubtedly be solved, albeit at some considerable cost. They do not justify a sweeping nationalization of the nation's medical industry, which serves the nation quite well on the whole. It may soon be serving the nation even better, given a little time, as a result of legislation to break down barriers to group practice and other possibly more efficient means of health care delivery.

It won't hurt if Congress puts health care on hold and addresses itself to more urgent problems. And maybe when it looks again it will have a clear view of what it should do.

THE PLIGHT OF THE HANDICAPPED IN AIR TRAVEL

Mr. TUNNEY. Mr. President, in today's society, traveling by air is not merely a convenience. It is a necessity and a right.

Often, given the accelerated pace of life in our modern world, one simply cannot hold a job if he cannot fly to meetings and conferences. To deny one's right to fly is to deny him equal opportunity of employment. It is to deny him his fundamental right to travel, a right guaranteed by the equal protection clause of our Constitution.

All too frequently, however, handicapped persons are denied their right to fly.

In one case, a young lady, a paraplegic, had to catch a connecting flight to a very important meeting in Oklahoma City. She had been allowed on board for the first leg of the trip, but the ticket agent barred her from the plane going to Oklahoma City. Fortunately, a vice president of the airline was on the same flight. He said he would take personal responsibility for her, and she finally got on board.

Another case, one which has received considerable attention, involved Patricia Thoben, a paraplegic employed by the U.S. Civil Service Commission here in Washington. She had to fly to Philadelphia to deliver a speech, but both Allegheny and Eastern refused to let her board.

Under present Civil Aeronautics Board Tariff Rules, a handicapped person who wants to lead a life as normal as possible is at the mercy of the airline. Fortunately, many airlines and airline employees offer consistently good service to the handicapped, and they should be commended for it.

A recent Federal Aviation Administration study reveals, however, that wide variations exist among the airlines. Also, variations exist among employees of the same airline. Now, a handicapped person may be refused a ticket just because he is in a wheelchair. If he gets past the ticket counter, he may still be barred from the plane by the pilot. If he gets onto the plane and to his destination, he may be barred from the return flight.

Whether or not a handicapped person gets onto a plane must not be a matter of unfettered airline or airline employee discretion. That the handicapped have an equal right to fly was written into law when Congress passed section 404 of the Federal Aviation Act of 1958, stating:

> No air carrier . . . shall subject any particular person . . . to any unjust discrimination or any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Now we must have implemention of that section.

On October 14, 1971, the Civil Aeronautics Board instituted a rulemaking to secure the rights of the handicapped air traveler. A year later, the CAB decided that before continuing, it needed to have the Federal Aviation Administration issue safety standards on air transportation of the handicapped.

On June 5, 1973, the FAA issued an advanced notice of proposed rulemaking on those standards. In the advanced notice, the FAA recognized that—

> There has been a lack of uniformity among the different carriers in the type of handicapped persons accommodated. The F.A.A. believes there is a need for an operational standard by which the acceptance of a maximum number and type of handicapped passengers, commensurate with an acceptable level of safety, may be achieved.

Finally, on July 2, 1974, more than a year later, the FAA issued a notice of proposed rulemaking.

This notice, I regret to say, contains neither a truly operational standard, providing clear and concise guidelines for the airlines, nor does it allow for the maximum number of handicapped passengers which would be commensurate with safety.

A handicapped person is defined in the notice as being "a person who may need the assistance of another person to expeditiously move to an exit in the event of an emergency evacuation." That definition is so vague and general that anyone from one's grandmother to a skier with a sprained ankle could be classed as "handicapped."

Such a vague definition completely fails to provide adequate guidelines for airlines and their personnel. One employee may find a person to be handicapped while another may not. Thus, we are left with a problem of uneven treatment and arbitrariness similar to what we have now.

According to the proposal, only one un-

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accompanied handicapped person per floor level exit is to be allowed on the plane. There is no reason to place the same restriction on all persons who might be classed as handicapped. A policy that the maximum number of handicapped persons commensurate with safety be allowed to board aircraft would best be implemented by a rule which would categorize the handicapped according to the severity of handicap.

The Flight Standards Technical Division of the FAA Aeronautical Center in Oklahoma City recently reported that a totally disabled person would delay evacuation of an aircraft by 6.7 seconds. A paraplegic, on the other hand, would delay evacuation only by 2.0 seconds.

This strongly suggests that more persons with a less severe type of handicap should be allowed on an aircraft than persons with a more severe form of handicap, and that there should be several categories of handicapped persons with different safety restrictions as appropriate for each category. It is wrong to include all the handicapped in one category, subjecting all to restrictions formulated with the most severely handicapped in mind.

Instead, there should be several categories of handicapped persons. Those categories should be well-defined by easily administrable standards. This would be in the interest of achieving uniform interpretation and application of the FAA rules by the airlines and their personnel.

Another difficulty with the proposed regulation has to do with seating restrictions. First, though no limit is placed on the number of blind persons who may board an aircraft, there is a restriction on where they may sit. This appears to be unnecessary. The FAA gave no justification for this restriction. Furthermore, in a crash situation, smoke or darkness may obscure the vision of the sighted so that the blind, who are accustomed to handling themselves in a darkened world, may actually be better able to assist the others.

Second, the proposed regulations stipulate that each handicapped person must be seated in a row of seats immediately adjacent to a floor level exit. Additionally, he must be in the seat in that row which is furthest from the exit. If a floor level exit does not have a row of seats adjacent to it, then the handicapped person must be in a seat so that he would not block any person's access to an exit.

We have been informed by FAA that this means that a person defined as being handicapped must be in a window seat on the far side of the fuselage away from a floor level exit. On most planes, a wheelbound person would not be able to get to such a seat directly from his wheelchair. Instead, he would either have to bounce himself across armrests to get to the seat, or he would have to have someone try to lift him across to the seat. In either case, not only would there be an inconvenience, but there would be a possibility of injury in getting across rigid armrests to the window seat.

In the interest of the safety of the handicapped person, I recommend that the FAA revise its seating proposal so that a handicapped person can get into his seat directly from his wheelchair.

In the June 5, 1973, Department of Transportation News, the FAA Administrator, Alexander P. Butterfield said:

> The physically handicapped are one of our most neglected minorities. As the victims of a great deal of indifference, as well as a certain amount of prejudice, their special needs have been ignored for too long by society as a whole. I think all of us have a responsibility to do everything in our power to correct this situation.

Clearly, the FAA has it in its power to assure the right to travel by air to a maximum number of handicapped persons by reconsidering the proposal it has put forth. It should adopt a categorization approach such as I have just suggested, and it should improve the regulations with regard to seating restrictions. I strongly urge the FAA to do so.

Also, I urge that the FAA promptly begin hearings on this vital rulemaking so that the hearings can be concluded and reviewed by October 7, 1974, the deadline for receipt of comments on the FAA's proposed rule.

As for the CAB proceeding, though the CAB advanced notice of proposed rulemaking was issued in 1971, we have yet to see anything further from the Board. I wrote to the CAB and on June 26, 1974, the Chairman, Robert D. Timm, replied:

> Our staff has been working in conjunction with the F.A.A. on this matter and we intend to issue a Notice of Rulemaking shortly after the publication of the F.A.A. proposal. I can assure you that the Board views the problem of the transportation of handicapped persons as a pressing one and we intend to move forward as expeditiously as possible.

I was very happy to receive this expression of the Board's concern about the problem. I am informed that now that the FAA has issued its notice of proposed rulemaking, within a few weeks the CAB will be issuing its own notice of proposed rulemaking, proposing that carriers' tariff rules conform to whatever final safety standards the FAA lays down. It is a relief to find that, after 3 years, the CAB proceeding is finally approaching conclusion.

THE PROBLEM OF INFLATION

Mr. **BROCK**. Mr. President, since the passage of the Full Employment Act of 1946, the Federal Government has assumed the responsibility for guiding economic policy in general and for assuring full employment in particular. Each year we have had a comprehensive economic report by the President's Council of Economic Advisers, complete with analysis and policy recommendations. And yet, almost 30 years later, the Nation finds itself facing the worst inflation in its history, while unemployment levels average 1 to 2 percent above the postwar level. The average rate of real economic growth over any extended number of years has not declined, but neither has it increased. And recurrent shortages of vital resources, food and oil, have begun to plague us.

Given our intensified efforts to improve economic performance, the results are disappointing. Considering the effort we have made, results have not been up to expectation.

I do not believe we need look far to learn what has gone awry. We have come to view the relationship between Government and the market in a false light. It is reasonable to assume that one economic function of government is to perform tasks which are totally beyond the capability of the market. However. Increasingly we have turned to Government to do that which the market finds difficult, rather than impossible.

I believe this is incorrect. My understanding of the relation between Government and market is that the task of the former is to protect and strengthen the latter, not to replace it. Today I hope to expand upon this concept with greater detail.

A. MAJOR GOALS

The major goals of an economy are to increase the output of real goods and services and to distribute the output equitably.

Few will quarrel with this generally. Surely it is not unreasonable to say that one major objective of any economy is to maximize some measure of production. As long as people have needs, it is better to produce more than to produce less. If one considers leisure as a productive output, the statement is virtually unassailable. The concept that an economy should be equitable in its distribution is similarly difficult to challenge.

B. RELATIONSHIP OF OTHER GOALS

Other goals are of supplementary importance in that they are not solely ends in themselves, but means to the above mentioned ends. Thus, we wish to contain inflation, maintain balance in international trade and finance, and hold unemployment rates down, but always with an eye on the ultimate goals of increasing output and distributing it equitably. In so many words, without production and equity, these other goals are either not achievable, or achievable, at unacceptable human cost.

That control of inflation is an aid to increasing output and in equitable distribution is apparent. Inflation prevents businessmen from confident planning of production; thus, output is endangered. Simultaneously, inflation harms most those living on fixed incomes and is therefore inequitable.

Unemployment also affects both major goals. An unemployed person is an unproductive one. And he or she is obviously not receiving an adequate share of the economy's output if wages have been discontinued.

The international position of the dollar must be strong if the United States is to be able to plan on purchasing the productive inputs we desire from abroad.

It is unnecessary to belabor the point. Other economic goals are clearly subsidiary to maximizing the value of productive output and to distributing the output equitably.

C. MEASUREMENT PROBLEMS

Several difficulties are involved in precise specification and measurement of productive output. The two most common measures are the Federal Reserve Board's index of Industrial Production and the Gross National Product. The former we can dismiss immediately as insufficiently inclusive. For example, the entire service area of our economy is not represented.

Yet the GNP has its weaknesses as well. In the first place under GNP the aggregation of all types of production does not properly account for the relative importance of the differing types of output. And perhaps most seriously, the Government sector of GNP is measured by the amount the Government spends, using expenditures as a proxy for productive output. Thus, since the Government accounts for about 25 percent of the GNP, if the Government doubles its spending, the GNP rises by one-eighth, regardless of the nature of the expenditure. To put it another way, if the Government hires away an employee being paid $10,000 in private industry and pays him $11,000 to dig and fill ditches, GNP as presently defined would rise by $1,000.

There exist other difficulties as well. The goals of an economy are diverse and not infrequently contradictory. We can increase the Gross National Product, but often that will entail increasing pollution as well. Industrial production can be increased, but sometimes at the cost of displacing labor with capital equipment. We must increase productivity—output per worker—if the economy is to grow, yet too rapid an increase is socially disruptive.

Let us turn to the traditional mechanism through which such difficulties are resolved, to try and indicate its basic logic and note as well its flaws.

D. PRICE SIGNALS

We can review quickly the ways in which price movements serve as signals to an economy, instructing it how to optimize the use of its scarce resources.

When prices raise for a particular good vis-a-vis other goods, the economy reacts as though that good is in relatively short supply. The higher price should encourage increased production in the long run to relieve the shortage. Simultaneously, it will reduce purchases in the short run to provide immediate relief. Price declines operate analogously.

The mechanism does not work perfectly. Price indicators do mislead for reasons we will examine below. Yet historically the price system has so far outperformed its rivals that those who have attempted to do without it inevitably give up.

Two major price signals are profits and wages. Ideally high profits in general indicate that a firm is selling the goods and services people most desire and doing so at relatively low cost. Profit is the difference between revenue and cost. Revenue represents the purchaser's willingness to pay for the product. Cost represents the use of scarce resources. To produce that for which consumers are most willing to pay and to do so using a minimum of scarce resources is socially beneficial. Thus, high profits represent the value of a firm's output to society and as such, profits are the signal par excellence to allocate resources, notably capital, among industries.

A similar situation exists with wages and labor. Firms with high profits can afford to pay high wages. In this way labor is attracted into industries in which it is most socially beneficial.

Before turning to the three problems which distort this ideal operation, it should be noted that to abandon the mechanism by redirecting capital and labor into industries which are low in profit and wages is certainly inequitable to the owners of these resources.

E. FAILURES OF PRICING

The first problem with the ideal market mechanism just described is macroeconomic. The economy suffers from periodic cycles of inflation and the unemployment of capital and labor. At these times, there is a general disturbance affecting the Nation's output in which the total of the Nation's resources are not used optimally.

The second problem concerns monopoly elements in the economy. Some profits are high because the producing firms may hold prices high—or input costs low—only because there is no reasonable alternative source of production—or employer of resources.

The third problem is that of externalities, the production of goods and services that are never priced and therefore not considered by profit seekers. Negative externalities are those which should be considered costs, for example, pollution. Positive externalities are spillover effects in which nonproducers obtain free benefits, for example, research findings which are not patented or copyrighted.

Any economy has two basic choices for handling these problems. One is to abandon the price system. The other is to correct for its deficiencies. We choose the latter for the pragmatic reason that it works better.

Consequently, turn now to an analysis of the major governmental policies with the idea of developing the specific recommendations for dealing with unemployment and inflation, monopoly, and externalities.

II. POLICY RECOMMENDATIONS

To reach the goals of increasing the value of real output and distributing the output equitably, there are several major policy tools available to Government. These include monetary policy, fiscal policy, price and wage regulations, production and employment regulation, and assistance to private organizations. Each will be examined in turn.

A. SUMMARY OF MONETARY AND FISCAL POLICY

Monetary and fiscal policy have, as their major goals, the promotion of economic stability so that the private sector can plan in confidence for future growth.

Since over the years, the economy expands at about 3 percent annually, the money supply should grow at about the same rate. If the money supply grows more rapidly than the economy, more dollars will be chasing fewer goods and services, prices will be bid up; that is, we will have inflation. Historically, long-term inflation has invariably been the result of a rapid growth in the money supply. The latter is a necessary and sufficient cause for the former. Certain groups, such as unions, can influence where inflation will be felt, but not its overall level.

When the money supply grows at a lower rate than the economy, there is a lack of funds to carry out the needed increase in exchange. A growing economy implies more market exchanges which in turn require money to facilitate them. When the money supply is cut off, the exchanges cannot occur and the economy cannot grow. Historically, there has not been a serious peacetime recession without a preceding nonincreasing money supply.

The steady annual increase in the money supply avoids both the dangers of inflation and recession. By alternating the growth rate in the money supply, from no increase to a 10 percent annual increase, we have suffered from both inflation and recession. By changing this policy to the steady one matching economic growth the private economy can make its plans for expression without disruption.

Before examining monetary and fiscal policy in detail, an overview may be useful.

Fiscal policy involves spending, taxing and borrowing. The ordinary consequence of spending more money than is obtained by taxes is an increase in the money supply. But if the deficit is made up by borrowing from the private economy, no increase in the money supply occurs. The money is removed from the economy as effectively by borrowing as by taxing. There are, of course, differing long term consequences.

The crucial impact of deficits comes when the money is borrowed from the Federal Reserve System—FRS. No money is then withdrawn from the private sector. The increase in the money supply is a function of borrowing from the FRS.

Here, monetary policy, the name given to the FRS operation, enters the picture. As just noted, the Government borrows from—sells securities to—both the private sector and the FRS. But it is only borrowing from the latter that increases the money supply. The FRS in turn, using its Open Market Operations, buys and sells these Government securities. When purchasing them, it injects money into the economy in exchange for the securities and the money supply is increased. When it sells the securities, the FRS receives money in exchange and the money supply is decreased.

This is the essence of the interaction between fiscal and monetary policy. As clearly seen, monetary policy bats last. Thus, monetary policy can be more potent in the short term than fiscal policy, for the overall purpose of stabilizing the economy.

B. MONETARY POLICY

A sound monetary policy is necessary to increasing output and lowering unemployment. Increased output implies more economic transactions which in turn imply the need for more dollars to facilitate those transactions. And historically, there has never been a serious peacetime recession in the United States which was not preceded by a nonincreasing money supply. At the same time too much of an increase in the money supply

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causes inflation and uncertainty in the economy. The proper monetary policy is to increase the money supply at approximately the average annual rate of increase in the real GNP over the long run.

The two principal mechanisms for controlling the money supply are the open market operations—OMO—and the reserve requirement. Open market purchases of Government securities from the private sector inject dollars into the economy—in exchange for the securities. Open market sales reduce the money supply. Similarly, reducing reserve requirements increases the money supply and vice versa. A low-reserve requirement implies that for every dollar deposited, a high multiple of that dollar can be loaned—that is a 20-percent reserve requirement can lead to a five-fold expansion of the money supply. The discount rate, the interest charged by the central bank to the member banks, is much less potent, and is in fact a result more than a cause of economic conditions.

Monetary policy is clearly of great importance and yet is not well understood by policymakers either in Government or in the private sector. The place of the OMO is certainly not appreciated. One reason it is foolhardy to project, say, the unemployment rate even 1 year into the future is that the OMO during the year has such a profound influence and OMO can and does change abruptly and without notice.

The reserve requirement is also a potent tool, but it is used to alter policy only rarely. Its well known multiplier effect, not to be confused with the Keynesian investment multiplier, brought the 1938 economic expansion to a halt, and played a role in current economic developments. When a new deposit is made to the banking system, perhaps via OMO, the money supply increases by a multiple of that deposit. With a 20 percent reserve requirement, 80 percent of the new deposit may be loaned. If that loan is then deposited in the system, 80 percent of this deposit may be loaned, and so forth. What we get is 1.00 plus .80 plus .8(.08) plus—equals 5.00. The money supply increases by 5 times the original Government loan.

The relatively passive role of interest rate policy was understood well enough by Keynes, yet many of us still think of it as the prime mover in the economy. Basically, if using OMO, the money supply is increased, the effect is to reduce short term interest rates. So far, so good. But there exists a more powerful long-term effect. The increased money supply promotes long-term inflation. Interest rates, the price of money, rise along with other prices. Since the timelag between implementing a policy and its effect varies, we simply do not know how to predict the behavior of short-term interest rates. How much will be the result of last year's policy and how much will be the result of this year's?

Here is another reason for stabilizing the growth of the money supply. By coordinating policy over time, we increase the potential predicability of interest rates and allow for confident business planning.

The following table summarizes the ways in which monetary policy tends to expand and contract economic activity.

	To expand the economy	To deflate
OMO	Buy Government securities.	Sell.
Reserve requirements	Lower	Raise.
Discount rate	do	Do.

C. FISCAL POLICY

Fiscal policy concerns Federal spending, taxing, and borrowing. Its immediate impact on aggregate economic activity may be less than that of monetary policy, but it can be used selectively on various parts of the economy.

Insofar as it does affect the total economy, Federal spending tends to increase output, taxing tends to reduce it. Borrowing from the Federal Reserve System tends to increase output—because every Federal dollar deposited in the banking system leads to many new dollars entering the economy as per the reserve requirements. Borrowing from the public tends to reduce output as it withdraws dollars from the economy.

In table form:

	To expand the economy	To deflate
Expenditures	Increased	Decreased.
Borrowing from FRS	do	Do.
Taxation	Decreased	Increased.
Borrowing from the private sector.	do	Do.

But fiscal policy can operate selectively on the economy to accomplish at least four objectives.

First. Through the use of tax credits, various sectors of the economy can be stimulated. Investment tax credits for business and for labor—occupational training—can accelerate economic growth. The concept is to tax those who conserve less heavily than those who consume in order to encourage greater production, investment, and competition. Over the long term, taxes on production to pay for programs enhancing consumption are counterproductive. To put it another way, we cannot continue to eat our seed corn, but must adjust our policy to encourage greater savings in order to finance future growth.

But fiscal policy has too often been used counterproductively to subsidize inefficient firms, via loans and in the purchase of frills. No economy can afford to be continuously weakened in this manner.

Second. Fiscal policy could be used to tax polluters. This would bring profits into line as more truly representing the value—in cost—of the firm to the economy.

Third. Fiscal policy could be used to increase competition and this, if successfully effected, in conjunction with second, above, would make profit a genuine representation of the value of a firm to the economy.

The most direct scheme would be to halt double taxation of dividends and enforce the tax on surplus retained earnings which are not reinvested in new research or production facilities.

Such a policy has one clear advantage over antitrust enforcement. The latter operates largely by guesswork when it comes to questions of optimum firm size. The basic question always is—will efficiency be disrupted if the firm is broken up? The statistical evidence available indicates that antitrust action historically correlates only with firm size, not with actual monopoly profit. The preceding tax incentive scheme leaves decisions to stockholders. They would want their dividends, but not at the cost of sacrificing their firm's long-run efficiency. An economy operates most smoothly when private and public interest coincide. Section 531 of the Internal Revenue Code prohibits unjust accumulation of surplus profit, but it is rarely successfully prosecuted.

Fourth. Finally, fiscal policy can be used to deal efficiently with poverty. Current welfare programs suffer from two basic defects. First, they discourage people from working, and they undermine family and community solidarity—as when benefits are denied if able-bodied adult males are living at home. The consequence is that children learn that this is the normal way to live. Second, the poor are deprived of freedom by social workers who manage their lives and by grants in kind, as for housing; they are denied the opportunity to learn how to manage for themselves. Consequently, they do not mature, that is, learn how to make decisions, and how to be productive.

Ultimately, some form of a negative income tax might prove to be not only a more efficient, but more importantly, a more human means of attempting to solve this problem.

D. PRICE AND WAGE REGULATION

Price and wage policies set maximum levels for wages and prices for the purpose of controlling inflation. Historically, they have not worked, here or abroad, and conceptually they cannot work.

If the rate of increase in the money supply exceeds that of the real GNP, the ratio of dollars to goods and services increases and prices must rise. If price controls are set either, first, black markets develop, that is, trade goes on as it would have without controls, except that it is then illegal, or second, prices are kept low in industries in which policing is easy, forcing prices even higher in other industries.

In the latter case, in the industries in which prices are kept down, the profit potential is reduced. Consequently, less is produced and the initial situation is aggravated.

This is analogous to what happens with rationing. If, under rationing X is willing to pay for more than he is allotted and Y is willing to trade some of his allotment for dollars, then both are in a worse condition—and no one is in a better one—unless they trade, that is, wind up where they would have been without rationing.

Price increases ration automatically. Government rationing serves only to redistribute the product involved in a nonoptimal manner, as evidenced by the willingness of people to trade to better their circumstance. If the Government wishes to transfer income, both equity and efficiency criteria suggest giving money and allowing people to spend it to optimize their own situation.

The minimum wage, a special type of wage control, prevents marginal workers from obtaining employment. It has been shown that subsequent to each extension of this law, unemployment increases. Furthermore, it is not heads of households who are affected, but teenagers—especially black teenagers—and middle-aged women reentering the labor force.

The effect on teenagers is to preclude their learning on the job to a point at which they will be worth much more than the minimum wage. Often unsuited for formal schooling, and denied the opportunity of employment, some turn to crime. The effect on middle-aged women is to deny to their families the income they could have earned.

In sum, price and wage controls are extremely counterproductive and indeed have reduced output and employment in the Nation. Holding prices down makes output less profitable, and supply declines. Since lower prices also lead to more purchases, shortages develop. Less supply and more demand led to our recent shortages.

Holding prices up reduces purchases in general and this applies to labor in particular. Price ceilings and floors alike discourage economic activity.

E. PRODUCTION AND EMPLOYMENT REGULATION, AND SUPPORT FOR PRIVATE ORGANIZATION

General regulatory policies to control pollution, monopoly and consumer safety are important to the Nation; some have been beneficial, others have been detrimental.

Controlling pollution can be partially affected by tax incentives. But Government support of private groups acting in unison may also be constructive. Such bodies may act effectively as consumer protection unions which may negotiate with polluters, or if necessary bring legal action.

Similarly, this type of countervailing consumer power can be strengthened to combat monopolies. As labor organizations have an important place in the economy, so, too, may consumer organizations.

At the same time, certain policies now in force have proven damaging to the economy. One is a real inadequacy in enforcement of anti-trust legislation.

There are two reasons for not using antitrust power without careful investigation. One is the danger of destroying efficiency which large size may promote. The computer industry may be an example. Secondly, incentives for growth may be undermined if the result of success is punishment by antitrust.

It is insufficiently appreciated that every firm must attempt to gain some degree of monopoly power. If a firm offers nothing unique, a better quality, a lower price, a more convenient location, that is, is in no way a monopoly, there will be no reason for anyone to deal with it. The better it is, the more unique, the more of a monopoly it becomes. We would not wish to destroy the motivation to be unique in this way.

Yet in general it may be said that except for the use of violence on behalf of monopoly interests, monopoly power is difficult to maintain. Monopoly profits are a signal to investors to support new competition and thus obtain some of that monopoly profit. But where the monopoly is of such character that competition is precluded, then antitrust should and must step in to reestablish competition. As antitrust must be used with care, so must other Government means to regulate the economy.

In some industries it would be inefficient to have more than one firm. Fixed costs are so great, it would be wasteful to duplicate them. These so-called "natural monopolies" are mainly utilities and are publicly regulated. Unfortunately these regulatory commissions historically have become friendly with the firms they regulate and so serve more to protect these firms from potential competition than to protect the public from monopoly abuse. Most or all economists now agree that less of this type of regulation would promote competition and be in the public interest.

In general, it is inefficient to restrict various forms of production and exchange. Except for the direct protection of legitimate property rights, the ultimate goals of increasing production and equity are adversely affected by tight controls.

Very serious are the various restrictions on hiring, such as licensing requirements—which are often purchaseable by fees and have nothing to do with competence. Among industries severely damaged are trucking and construction. When legal means of restricting employment are not used, special interest groups may use violence to eliminate competition. The Government has long failed its obligations in this regard.

SUMMARY

Our national economic goals have been cast in the framework of increasing the value of total output and distributing that output equitably.

In a perfectly competitive economy, this is accomplished automatically by the market. Consumers pay more for what they value more. This increases profits and wages in the producing industry and capital and labor are attracted there. Furthermore, using scarce resources efficiently reduces costs, which in turn increases profits. Profits are the just reward to those who produce what consumers desire and do so while conserving scarce resources.

Three basic problems prevent the economy from operating in this optimal manner. First, the money supply which is necessary to facilitate the increased trade of a growing economy often expands too rapidly or not rapidly enough. The former causes inflation, the latter causes recession. Alternating the growth rate of the money supply causes both and weakens the economy by making careful economic planning difficult or impossible.

Second, there are monopolistic elements in the economy which alter optimal production patterns and distribute what is produced in an inequitable fashion by distorting profits and wages.

Third, externalities, notably pollution, represent real values not now included in cost on profit estimates or in measures of total production.

If we are to retain an essentially free economy, we must devise policies which will meet these three challenges. Successful policies would allow us to use profit and wage figures as guides to economic planning.

We have suggested five basic types of policies:

First. Monetary policy. Keep the money supply growing at a steady rate.

Second. Fiscal policy. In addition to providing support for monetary policy, fiscal policy can be used selectively to place a tax on pollution which reflects the true cost of the pollution; encourage firms to reduce uninvested surplus—which is the source of much monopoly power—by eliminating the double taxation on dividends and adjusting the tax on the surplus; encourage growth by providing tax incentives to invest in research, development and improved equipment and by refraining from subsidizing inefficient firms; and use some form of negative income tax as the basis for handling poverty in a way which will not reduce incentive or the dignity and freedom of the poor.

Third, Price and wage controls. All of these, ceilings and floors, reduce output, equity and efficiency, and should be eliminated.

Fourth. Restrictions of production and employment and all Government granted monopoly privileges, including those afforded by regulation, should be eliminated except for certain incentive mechanisms, as copyrights.

Fifth. Support to consumer groups for purposes of promoting countervailing market and legal power should be encouraged to handle monopoly and externality problems.

III. HISTORICAL DATA AND FUTURE PROJECTIONS [1]

Since the end of the Civil War, real GNP has grown at an annual rate of about 3 percent. Since World War II, this rate has increased somewhat.

But individual years vary greatly from that average, for example in 1933 the GNP declined. Unemployment rates also vary greatly from year to year, but the average has increased from about 3 percent at the end of World War II to about 5 percent today. The key factors in the growth of GNP include more capital equipment, technologically superior capital equipment, more labor, and more highly skilled labor.

The secular rise in unemployment is not a well-understood phenomenon. Part of the answer may be found in an increase in the frictional unemployment component. In a dynamic economy, people change jobs more frequently and in a complex economy, they may remain unemployed longer.

The minimum wage law may contribute substantially, to higher unemployment among the young and less skilled, and labor union restrictions and licening requirements may contribute to a higher overall rate, but monetary and fiscal policy must also be highly suspect.

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[1] Statistical data provided by National Planning Association, Chase Econometrics and the Wharton School. Tables compiled by Charles S. Sexton.

There is evidence that monetary policy especially has been destabilizing in recent years. This has been due to rapidly alternating the rate of increase in the money supply.

These issues are dealt with in the section on policy. Turning to the tables, we note that agricultural output actually fell somewhat during the period 1967–73. This, of course, is a grave situation. But the explanation is quickly found—in table III. After decades of rapidly increasing productivity, agriculture had been first among all industries in this regard, the rate of increase declined sharply. Since almost 400,000 people left the industry during this time, total production fell. Either new advances in productivity must occur or the exodus of farmworkers must stop. The former may require investment incentives, the latter wage incentives, as the rates of profit and wages are low.

A similar, albeit not identical, situation appears in mining—which includes oil. The decline in employment here slowed in the 1967–73 years, but it is expected to increase again. Production incentives are clearly needed if we are not to rely even more on imports from abroad.

This must be taken in conjunction with petroleum refining which has suffered a decline which is projected to continue. Output, employment, and productivity are all down.

The answer to this problem is equivocal. If sufficient incentives are provided, for example investment tax credits, the trend can be reversed.

This, of course, places a burden on the rest of the economy, since resources would be diverted from other industries to mining and refining. It can be argued that the United States should utilize its resources where they have the greatest comparative advantage vis-a-vis other nations and then trade for petroleum. This requires merely that the Government pursue a policy of simply avoiding impediments to international trade. This undoubtedly will be a major issue in the immediate future.

Productivity gains in construction continue to be negative. Given union restrictions on hiring and the introduction of labor saving innovation, this is to be expected. If the trend is not reversed, output will decline between now and 1978. Profits in this industry are continuously low.

Construction is historically an atypical industry. While in manufacturing, large firms came to dominate first and labor unions then arose as a countervailing force to equalize the power of industry and labor, in construction strong unions arose as an original force. There have not been giant construction firms of the General Motors type. Yet construction trade unions then arose as a countervailing cians, have exhibited more effective power than have automobile and steelworkers. This may be explained in part by the former's reliance on restricting supply, a more effective device than the collective bargaining technique of the latter.

The power imbalance between labor and management in construction is further aggravated by the recurrent periods of "hard" money in which interest rates are high. Most major manufacturing firms have huge financial reserves to draw upon regardless of monetary conditions. But when monetary policy destabilizes interest rates, as it so often does, construction firms cannot find the capital funds they need.

It is clear that this industry has severe and unusual problems which will no doubt continue.

Utilities comprise transportation, communication, and power. The latter two are in generally good health and even transportation suffers less than many believe. Nevertheless, expert consensus is that all are over-regulated and that profit rates could go higher to stimulate innovation and better service.

The regulatory agencies, the Federal Power Commission, the Interstate Commerce Commission and the rest provide an area which brings economists together. Virtually all agree that these agencies are on balance counterproductive. Once it was believed that firms in these industries held a natural monopoly power which required close regulation. As is developed the regulatory agencies became the hand maidens of the firms they were supposed to regulate. The consensus is that the forces of competition would have served the public interest better, providing better service at lower prices.

Wholesale and retail trade is a source of many of the best relatively less skilled jobs. Output and employment here generally reflect overall economic conditions.

The finance industry has not traditionally been one of technological innovation, but with more computerized operations this is expected to change. However, employment opportunities will decline. This situation is paralleled in service industries which also have been a source of large numbers of jobs, but mostly of the lower paying sort, profits are far greater in finance than in service industries.

The trade and service industries pose a special danger. Profit margins in these sectors are traditionally low. Any increase in costs threaten to reduce output and employment. And close to 3 million of the 8½ million new jobs expected between 1973 and 1978 are in these industries. With the increased coverage and level of the minimum wage laws, some domestics are now included, employment opportunities may severely decline. As has long been pointed out, it is better to be employed at $1 an hour than unemployed at $2 an hour.

The argument that at low hourly rates a family cannot survive decently is not cogent. Adult males are seldom at the minimum. Those affected are teenagers, especially black, and middle-aged women returning to the labor market to enhance family income. Neither group are primary sources of income for their families. By excluding them from employment—and the statistics clearly indicate that every time the minimum wage increases, unemployment rates for these groups increase—we merely prevent them from acquiring the skills which would later earn wages far in excess of the minimum wage.

Productivity in Government, always low, will continue to decline. Yet the rate of increase in Government employment will decline, too, as output is not expected to rise.

Soft goods manufacturing industries overall will continue to expand output and productivity, but chemicals is the only major category to provide the better paying jobs in any significant number. Apparel and textiles are not as competitive worldwide as they might be and either technological advance must accelerate or relative wages must fall if the situation is to be corrected. As noted, output in petroleum refining is projected to slow unless productivity advances here are stimulated.

Hard good manufacturing advances in technology are also expected to slow, although output and employment should continue to gain. These are, along with drugs, chemicals and refining, among the highest profit and wage industries. But continued investment stimuli will be required.

The two major avenues for Government to keep manufacturing industries advancing are via monetary and fiscal policy. General economic stability via a steady growth rate in the money supply and investment tax credits are the specific means through which these policies are affected. Relying on Government as purchasers of manufactured goods weakens the economy. A firm must be subjected to the abrasive of the market without the Government acting as over protective mother, or become sluggish and noncompetitive in the world economy.

We can turn briefly to the occupations which provide the best investments for those acquiring labor market skills. This is a very important area for promoting equity.

The return on investment in labor continues to be highest in medicine and dentistry. Most professional occupations are superior in this regard to most other white collar, blue collar and service occupations. But there are exceptions. Elementary and secondary schoolteachers, even with the opportunity of summer employment, do poorly vis-a-vis many blue collar occupations.

The best of the blue collar jobs are in manufacturing as tool and die makers and machinists, though there may not be as many of these as there were historically. Other top investment opportunities include airplane mechanics, telephone linemen and repairmen, computer systems analysts, insurance salesmen—if Government programs do not obviate the need for them—and construction workers, especially plumbers, electricians, and heavy equipment operators.

There are more of the less skilled jobs available than is generally recognized, and many of these have promotional opportunities. Construction, health services, appliance repair, and sales positions are examples. But as noted, these are threatened by certain trade union practices and by the increasing of the statutory minimum wage.

Black people continue to fare less well in all areas, but do better in occupations that service white communities. For example, they do relatively better as engineers than as physicians and as technicians than as salesmen. To get money into the black community, it is important they enter into white dominated fields. Once a certain income level is reached in the black community, attention can be turned to occupations which service the community.

In general, the outlook for women is similar to that for men providing they can gain access. That is, ambitious women should look to professional and technical fields and shun such traditional areas as teachers, sewing machine operators, domestics and nurses. Secretarial positions still make a good investment, partially because they may lead to managerial positions.

If we extrapolate current trends, it appears that discrimination against women will be effectively overcome in a couple of decades, something much to be desired not only ethically, but economically.

Mr. President, I ask unanimous consent to have several tables to which I have referred printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

GROSS OUTPUT BY INDUSTRY

[Millions of 1958 dollars]

	1962	1967	1973	1978 (projected)
Agriculture	23, 290	25, 190	24, 770	27, 510
Mining	13, 570	15, 970	17, 460	19, 500
Construction	21, 690	23, 080	25, 460	24, 600
Utilities	48, 880	66, 490	92, 690	118, 570
Trade	88, 930	113, 920	149, 380	181, 510
Financial and real estate	91, 620	98, 800	11, 680	128, 430
Service and other	47, 430	60, 220	74, 040	88, 070
Government	107, 500	140, 200	144, 800	156, 068
Food	67, 080	78, 700	87, 080	102, 680
Apparel	16, 670	21, 240	28, 520	32, 390
Chemicals	14, 530	20, 130	24, 590	37, 930
Petroleum refining	17, 400	21, 850	28, 900	32, 960
Other soft	91, 800	120, 750	169, 800	203, 770
Transportation manufacturing	50, 660	64, 510	88, 550	94, 810
Machinery	79, 260	120, 610	150, 790	214, 370
Scientific instruments	5, 320	8, 650	12, 370	16, 880
Other hard	54, 470	72, 230	78, 610	90, 140
Total manufacturing	397, 190	528, 670	669, 210	825, 930
Total	840, 100	1, 072, 540	1, 308, 490	1, 570, 188

PERCENT CHANCE IN GROSS OUTPUT

	1962-67	1967-73	1973-78 (projected)
Agriculture	8. 2	−1. 7	11. 1
Mining	17. 7	9. 3	11. 7
Construction	6. 4	10. 3	−3. 4
Utilities	36. 0	39. 4	27. 9
Trade	28. 1	31. 1	21. 5
Financial and real estate	7. 8	12. 0	16. 0
Service and other	30. 0	22. 9	18. 9
Government	30. 4	3. 3	7. 8
Food	17. 3	10. 6	17. 9
Apparel	27. 4	34. 3	13. 6
Chemicals	38. 5	22. 2	54. 2
Petroleum refining	25. 6	32. 3	14. 0
Other soft	31. 5	40. 6	20. 0
Transportation manufacturing	27. 3	37. 3	7. 1
Machinery	52. 2	25. 0	42. 2
Scientific instruments	62. 6	43. 0	36. 5
Other hard	32. 6	8. 8	14. 7
Total manufacturing	33. 1	26. 6	23. 4
Total	27. 7	22. 0	20. 0

EMPLOYMENT

[Thousands of wage and salary]

	1962	1967	1973	1978 (projected)
Agriculture[1]	4, 944	3, 844	3, 452	3, 420
Mining	650	614	608	540
Construction	2, 902	3, 208	3, 633	3, 706
Utilities	3, 542	3, 855	4, 136	4, 287
Trade	11, 482	13, 575	16, 211	18, 529
Finance and real estate	2, 723	3, 148	3, 962	4, 422
Service and other	9, 661	11, 803	15, 609	16, 054
Government	8, 890	11, 398	13, 659	15, 789
Food	1, 763	1, 786	1, 751	1, 829
Apparel	1, 264	1, 397	1, 363	1, 564
Chemicals	849	1, 001	1, 008	1, 158
Petroleum refining	195	183	188	180
Other soft	3, 824	4, 253	4, 590	4, 514
Transportation manufacturing	1, 547	1, 947	1, 874	1, 916
Machinery	3, 060	3, 929	3, 144	5, 179
Scientific instruments	359	451	513	631
Other hard	2, 885	3, 309	3, 321	3, 751
Total manufacturing[2]	15, 746	18, 256	17, 752	20, 722
Total	60, 540	79, 701	79, 022	87, 469

[1] Not wage and salary.

[2] Not included in total.

PERCENT CHANGE IN EMPLOYMENT

	1962-67	1967-73	1973-78 (projected)
Agriculture	−22. 3	−10. 2	−0. 9
Mining	−5. 5	−1. 0	−11. 2
Construction	10. 5	13. 2	2. 0
Utilities	8. 8	7. 3	3. 6
Trade	18. 2	19. 4	14. 3
Finance and real estate	15. 6	25. 9	11. 6
Service and other	22. 2	32. 2	2. 8
Government	28. 2	19. 8	15. 6
Food	1. 3	−2. 0	4. 4
Apparel	10. 5	−2. 4	14. 7
Chemicals	17. 9	. 7	14. 9
Petroleum refining	−6. 2	2. 7	−4. 3
Other soft	11. 2	7. 9	−1. 7
Transportation manufacturing	25. 9	−3. 8	2. 2
Machinery	28. 4	−20. 0	64. 7
Scientific instruments	25. 6	13. 7	23. 0
Other hard	14. 7	. 4	12. 9
Total manufacturing	15. 9	−2. 8	16. 7
Total	15. 1	13. 4	10. 7

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PRODUCTIVITY

[Percent change in output per employee]

	1962-67	1967-73	1973-78 (projected)
Agriculture	39.2	9.5	12.1
Mining	24.5	10.4	25.8
Construction	−3.8	−2.6	−5.3
Utilities	25.0	29.9	23.5
Trade	8.4	9.8	6.3
Finance and real estate	−6.8	−11.1	3.9
Service and other	6.4	−7.1	15.7
Government	1.7	−13.8	−6.8
Food	15.8	12.8	12.9
Apparel	15.3	37.6	−1.0
Chemicals	17.5	21.3	34.2
Petroleum refining	33.9	28.8	19.1
Other soft	18.2	30.3	22.1
Transportation manufacturing	1.1	42.7	4.8
Machinery	18.5	56.2	−13.7
Scientific instruments	29.5	25.8	11.0
Other hard	15.6	8.4	1.6
Total manufacturing	14.8	30.2	5.7
Total	10.9	7.6	8.4

Source: These figures were based on studies kindly provided by the National Planning Association and Chase Econometrics.

JAMES H. KOCHER

Mr. CHURCH. Mr. President, it was with great sadness that I learned of the recent passing of my fellow Idahoan, James H. Kocher, who has been national director of the food stamp program since 1972, and who had previously devoted a decade to this program.

Jim Kocher's career was one one of helping the poor and the hungry of America. It was a career of compassion. In short, his was a life dedicated to helping people.

It is a mark of Jim Kocher's abilities that he won nearly universal praise for his management of the food stamp program. Over the past dozen years, the number of persons receiving food stamps increased from 50,000 to over 13 million. Yet, in the process, Jim Kocher was responsible for economies which have saved the taxpayers millions of dollars.

With countless others, I mourn the death of Jim Kocher.

THE PROFESSOR BECOMES A COP

Mr. HANSEN. Mr. President, Dr. George L. Kirkham, assistant professor, school of criminology, Florida State University, Tallahassee, has recently published a study on the job of a police officer and the problems of law enforcement.

The weekly publication, Life Lines, recently published Dr. Kirkham's observations, subtitled "Reflections in a Silver Badge," and I found them of very real interest.

I wanted to share them with my colleagues and ask unanimous consent that they be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PROFESSOR BECOMES A COP—REFLECTIONS IN A SILVER BADGE

(By Dr. George L. Kirkham)

As I write this, I have completed over 100 tours of duty as a patrolman. Although still a rookie officer, so much has happened in the short space of six months and I will never again be either the same man or the same scientist who stood in front of the station on that first day.

I had always personally been of the opinion that police officers greatly exaggerate the amount of verbal disrespect and physical abuse to which they are subjected in the line of duty. As a college professor, I had grown accustomed to being treated with uniform respect and deference by those I encountered. I somehow naively assumed that this same quality of respect would carry over into my new role as a policeman.

I quickly found that my badge and uniform, rather than serving to shield me from such things as disrespect and violence, only acted as a magnet which drew me toward many individuals who hated what I represented.

Several hours into my first evening on the streets, my partner and I were dispatched to a bar in the downtown area to handle a disturbance complaint. Inside, we encountered a large and boisterous drunk who was arguing with the bartender and loudly refusing to leave.

As someone with considerable experience as a correctional counselor and mental-health worker, I hastened to take charge of the situation. "Excuse me, sir," I smiled pleasantly at the drunk, "but I wonder if I could ask you to step outside and talk with me for a minute?"

The man stared at me through bloodshot eyes in disbelief for a second, raising one hand to scratch the stubble of several days' growth of beard. Then suddenly, without warning, it happened: He swung at me, luckily missing my face and striking me on the right shoulder.

I couldn't believe it. What on earth had I done to provoke such a reaction? Before I could recover from my startled condition, he swung again—this time tearing my whistle chain from a shoulder epaulet. After a brief struggle, we had the still-shouting, cursing man locked in the back of our cruiser. I stood there, breathing heavily with my hair in my eyes as I surveyed the damage to my new uniform and looked in bewilderment at my partner, who only smiled and clapped me affectionately on the back.

"Something is very wrong," I remember thinking to myself in the front seat as we headed for the jail. I had used the same kind of gentle, rapport-building approach with countless offenders in prison and probation settings. It had always worked so well there.

What was so different about being a policeman? In the days and weeks which followed, I was to learn the answer to this question the hard way. As a university professor, I had always sought to convey to students the idea that it is a mistake to exercise authority, to make decisions for other people or rely upon orders and commands to accomplish something.

As a police officer myself, I was forced time and again to do just that. For the first time in my life, I encountered individuals who interpreted kindness as weakness, as an invitation to disrespect or violence. I encountered men, women and children who, in fear, desperation or excitement, looked to the person behind my blue uniform and shield for guidance, control and direction. As someone who had always condemned the exercise of authority, the acceptance of myself as an unavoidable symbol of authority came as a bitter lesson.

I found that there was a world of difference between encountering individuals, as I had, in mental-health or correctional settings and facing them as the patrolman must: when they are violent, hysterical, desperate. When I put the uniform of a police officer on, I lost the luxury of sitting in an air-conditioned office with my pipe and books, calmly discussing with a rapist or armed robber the past problems which had led him into trouble with the law.

Like crime itself, fear quickly ceased to be an impersonal and abstract thing. It became something which I regularly experienced. It was a tightness in my stomach as I approached a warehouse where something had tripped a silent alarm. I could taste it as a dryness in my mouth as we raced with blue lights and siren toward the site of a "Signal Zero" (armed and dangerous) call. For the first time in my life, I came to know—as every policeman knows—the true meaning of fear.

I recall particularly a dramatic lesson in the meaning of fear which took place shortly after I joined the force. My partner and I were on routine patrol one Saturday evening in a deteriorated area of cheap bars and pool halls when we observed a young male double-parked in the middle of the street. I pulled alongside and asked him in a civil manner to either park or drive on, whereupon he began loudly cursing us and shouting that we couldn't make him go anywhere.

An angry crowd began to gather as we got out of our patrol car and approached the man, who was by this time shouting that we were harassing him and calling to bystanders for assistance. As a criminology professor, some months earlier I would have urged that the police officer who was now myself simply leave the car double-parked and move on rather than risk an incident.

As a policeman, however, I had come to realize that an officer can never back down from his responsibility to enforce the law. Whatever the risk to himself, every police officer understands that his ability to back up the lawful authority which he represents is the only thing which stands between civilization and the jungle of lawlessness.

The man continued to curse us and adamantly refused to move his car. As we placed him under arrest and attempted to move him to our cruiser, an unidentified male and female rushed from the crowd which was steadily enlarging and sought to free him. In the ensuing struggle, a hysterical female unsnapped and tried to grab my service revolver, and the now-angry mob began to converge on us.

Suddenly, I was no longer an "ivorytower" scholar watching typical police "overreaction" to a street incident—but I was part of it and fighting to remain alive and uninjured. I remember the sickening sensation of cold terror which filled my insides as I struggled to reach our car radio. I simultaneously put out a distress call and pressed the hidden electric release button on our shotgun rack as my partner sought to maintain his grip on the prisoner and hold the crowd at bay with his revolver.

How harshly I would have judged the officer who grabbed the shotgun only a few months before. I rounded the rear of our cruiser with the weapon and shouted at the mob to move back. The memory flashed through my mind that I had always argued that policemen should not be allowed to carry shotguns because of their "offensive" character and the potential damage to community relations as a result of their display.

How readily as a criminology professor I would have condemned the officer who was now myself, trembling with fear and anxiety and menacing an "unarmed" assembly with an "offensive" weapon. But circumstances had dramatically changed my perspective, for now it was my life and safety that were in danger, my wife and child who might be mourning. Not "a policeman" or Patrolman Smith—but me, George Kirkham!

I felt accordingly bitter when I saw the individual who had provoked this near riot back on the streets the next night, laughing as though our charge of "resisting arrest with violence" was a big joke. Like my partner, I found myself feeling angry and frustrated shortly afterward when this same individual was allowed to plead guilty to a reduced charged of "breach of peace."

As someone who had always been greatly concerned about the rights of offenders, I now began to consider for the first time the rights of police officers. As a police officer, I felt that my efforts to protect society and maintain my personal safety were menaced by many of the court decisions and lenient parole-board actions I had always been eager to defend.

An educated man, I could not answer the questions of my fellow officers as to why those who kill and maim policemen, men who are involved in no less honorable an activity than holding our society together, should so often be subjected to minor penalties. I grew weary of carefully following difficult legal restrictions while thugs and hoodlums consistently twisted the law to their own advantage.

I remember standing in the street one evening and reading a heroin pusher his rights, only to have him convulse with laughter halfway through and finish reciting them word for word, from memory. He had been given his "rights" under the law, but what about the rights of those who were the victims of people like himself? For the first time, questions such as these began to bother me.

As a corrections worker and someone raised in a comfortable middle-class home, I had always been insulated from the kind of human misery and tragedy which become part of the policeman's everyday life. Now, the often-terrible sights, sounds and smells of my job began to haunt me hours after I had taken the blue uniform and badge off.

In my new role as a police officer, I found that the victims of crime ceased to be impersonal statistics. As a corrections worker and criminology professor, I had never given much thought to those who are victimized by criminals in our society. Now the sight of so many lives ruthlessly damaged and destroyed by the perpetrators of crime left me preoccupied with the question of society's responsibility to protect the men, women and children who are victimized daily.

The same kinds of daily stresses which affected my fellow officers soon began to take their toll on me. I became sick and tired of being reviled and attacked by criminals who could usually find a most sympathetic audience in judges and jurors eager to understand their side of things and provide them with "another chance." I grew tired of living under the ax of news media and community pressure groups, eager to seize upon the slightest mistake made by myself or a fellow police officer.

As a criminology professor, I had always enjoyed the luxury of having great amounts of time in which to make difficult decisions. As a police officer, however, I found myself forced to make the most-critical choices in a time frame of seconds rather than days: to shoot or not to shoot, to arrest or not to arrest, to give chase or let go—always with the nagging certainty that others, those with great amounts of time in which to analyze and think, stood ready to judge and condemn me for whatever action I might take or fail to take.

I found myself progressively awed by the complexity of tasks faced by men whose work I once thought was fairly simple and straightforward. Indeed, I would like to take the average clinical psychologist or psychiatrist and invite him to function for just a day in the world of the policeman, to confront people whose problems are both serious and in need of immediate solution. I would invite him to walk, as I have into a smoke-filled pool room where five or six angry men are swinging cues at one another. I would like the prison counselor and parole officer to see their client—not calm and composed in an office setting but as the street cop sees him—beating his small child with a heavy belt buckle, or kicking his pregnant wife.

I wish that they, and every judge and juror in the country, could see the ravages of crime as the cop on the beat must: innocent people cut, shot, beaten, raped, robbed and murdered. It would, I feel certain, give them a different perspective on crime and criminals, just as it has me.

For all the human misery and suffering which police officers must witness in their work, I found myself amazed at the incredible humanity and compassion which seems to characterize most of them. My own stereotypes of the brutal, sadistic cop were time and again shattered by the sight of humanitarian kindness on the part of the thin blue line.

As a police officer, I found myself repeatedly surprised at the ability of my fellow patrolmen to withstand the often-enormous daily pressures of their work. Long hours, frustration, danger and anxiety—all seemed to be taken in stride as just part of the reality of being a cop. I went eventually through the humbling discovery that I, like the men in the blue with whom I worked, was simply a human being with definite limits to the amount of stress I could endure in a given period of time.

I recall in particular one evening when this point was dramaticized to me. It had been a long, hard shift—one which ended with a high-speed chase of a stolen car in which we narrowly escaped serious injury when another vehicle pulled in front of our patrol car.

As we checked off duty, I was vaguely aware of feeling tired and tense. My partner and I were headed for a restaurant and a bite of breakfast when we both heard the unmistakable sound of breaking glass coming from a church and spotted two long-haird teenage boys running from the area. We confronted them, and I asked one for identification, displaying my own police identification. He sneered at me, cursed and turned to walk away.

The next think I knew I had grabbed the youth by his shirt and spun him around, shouting, "I'm talking to you punk" I felt my partner's arm on my shoulder and heard his reassuring voice behind me, "Take it easy, Doc!" I released my grip on the adolescent and stood silently for several seconds, unable to accept the inescapable reality that I had "lost my cool."

My mind flashed back to a lecture during which I had told my students, "Any man who is not able to maintain absolute control of his emotions at all times had no business being a police officer."

As a police officer myself, I found that society demands too much of its policemen; not only are they expected to enforce the law but to be curbside psychiatrists, marriage counselors, social workers and even ministers and doctors.

I have often asked myself the questions: "Why does a man become a cop? What makes him stay with it?" The only answer to this question I have been able to arrive at is one based on my own limited experience as a policeman. Night after night, I came home and took off the badge and blue uniform with a sense of satisfaction and contribution to society that I have never known in any other job.

For too long now, we in America's colleges and universities have conveyed to young men and women the subtle message that there is somehow something wrong with "being a cop." It's time for that to stop.

DEATH OF FORMER SENATOR ERNEST GRUENING

Mr. KENNEDY. Mr. President, at a recent memorial service for Ernest Gruening held at the Washington Cathedral on July 1, 1974, a number of distinguished Americans, both public and private spoke in behalf of the late Senator. Each in its own way, these eulogies are remarkable testaments to Senator Gruening's extraordinary life and cause. A few lines from each of the tributes demonstrates the respect and affection that so many citizens, representing all parts of America, had for the Senator.

Canon Leslie Glenn of the Washington Cathedral quoted from the 44th chapter of Ecclasiasticus:

> Let us now praise famous men . . . The Lord hath wrought glory by them through his great power from the beginning. . . . There be of them that have left a name behind them that their praises might be reported . . . Their seeds shall remain forever and their glory shall not be blotted out. Their bodies are buried in peace but their name liveth forevermore.

Justice William O. Douglas said:

> A lawless government was to him even a worse result than vigilantes who took the shaping of the law into their own hands, for government sets an example for all the people.

Governor Egan of Alaska said:

> The essence of the man was an unceasing quest for dignity and justice for all people. He knew that the attainment of these was not through precious abstract theorizing about the lot of man, but through the betterment of people's everyday lives.

Representative Claude Pepper said:

> I know of no better way to describe this noble man, this beloved friend, than to apply to him the words that Marc Anthony in "Julius Caesar" applied to noble Brutus as he found him dead in his tent on the field at Philippi, when he said: "His life was gentle and the elements so mixed in him that nature might stand up and say to all the world, this was a man."

Representative John Conyers said:

> This is the spirit of a man who created a state out of a wilderness; who stood almost alone against our rush to disaster in Asia; and whose commitment to racial justice

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kindled a light which, however dimly, spread across the country.

Senator Ted Stevens said:

Following the great battle of statehood, Ernest Gruening realized that the war was not over: the war was not over for Alaskans so long as there were Alaskans living in conditions worse than the 19th Century and so long as Alaska's resources remained locked up so that Alaskans were denied this very vital capital base for their future.

Mr. Robert Atwood, of the Anchorage Times, said:

It's as though President Roosevelt handed him Alaska and said: "Here's yours, now go see what you can do with it." And see what he has done with it, and what he has done with the people.

Mr. Ira Hirschmann said:

In these days, when the very fibre of the nation's moral sinews is being tested, when the cry for the truth is heard throughout the land, how reassuring and how heartening that we can now turn to the enduring values and the example of life of one truly great citizen, our cherished friend, Ernest Gruening.

The Reverend John Welles said:

Ernest Gruening is dead. He is no longer with us to guide us; he is no longer with us to set the example we would all aspire to follow; yet, by his life are we led; by his example we find inspiration to continue for that which is the truth, that which is just, that which is beautiful.

And, finally, Senator Wayne Morse said of Senator Gruening:

He recognized and warned that if our government, through its policies, violates the moral and legal principles upon which our system of constitutional self-government was founded. American citizens, once they become convinced of such wrongdoing, will demand and obtain a return of their constitutional freedoms and rights.

Mr. President, I believe that the full text of these tributes will be of interest to all of us in the Senate, and I ask unanimous consent that they may be printed in the Record.

There being no objection, the tributes were ordered to be printed in the Record, as follows:

Tributes for the Late Ernest Gruening at the Washington Cathedral, Washington, D.C., July 1, 1974

Canon Leslie Glenn:

A lesson is found in the 44th Chapter of Ecclesiasticus. Let us now praise famous men and our Fathers that begat us. The Lord hath wrong great glory by them through his great power from the beginning. Such as did bear rule in their kingdoms, men reknowned for their power, giving counsel by their understanding and declaring prophesies, leaders of the people by their counsels and by their knowledge of learning meet for the people, wise and eloquent in their instructions, rich men furnished with ability, living peacably in their habitations.

All these were honored in their generations and were the glory of their times. There be of them that have left a name behind them that their praises might be reported. These were merciful men whose righteousness hath not been forgotten. With their seeds shall continually remain a good inheritance, and their children are within the covenant. Their seeds standeth fast, and their children for their sakes. Their seeds shall remain forever and their glory shall not be blotted out. Their bodies are buried in peace but their name liveth forevermore. Here endeth the lesson.

Justice William O. Douglas:

Members of the Gruening family and friends of Ernest Gruening. Ernest lived in turbulent times, and to his eternal credit and to the welfare of the nation he stood tall above the crowd. He stood up and was counted on all the great public issues of his day, and happily he finished and published, before his death, his great autobiography. The beautiful Dorothy Elizabeth Smith, whom he married in 1914, was his first love, and he was devoted and dedicated to her to the very end. After Dorothy and the children and the grandchildren came Alaska.

Alaska was enormous geographically and scant with people and ready to be exploited by a few canny men, and he felt intensely that it should not suffer the fate of the other western states at the hands of the robber barons. More important than Alaska was the Constitution and the Bill of Rights. I never knew a person more dedicated to our Constitutional principles than Ernest Gruening. He believed, of course, in law and order, but in his view it was important that it be constitutional law and order.

By that he meant the government, like individuals, should not take short-cuts. A lawless government was to him even a worse result than vigilantes who took the shaping of the law into their own hands, for government sets an example for all the people. If the government takes short-cuts, it's an invitation to individuals to do likewise. He spoke movingly about Brandeis and his sense of governmental properties, of the right of privacy, of the curse of electronic surveillance, of the tragedy when people become merely items for the computer. He worked mightily against the growing obeisance of people to big government. He considered every man and woman a sovereign when it came to philosophy and religion, ideas and beliefs. With John Stuart Mill he honored the minority of one.

His minorities were not only social and religious but they were political and ideological as well. There was no voice he would still, yet it was the voice of Jefferson and Madison that he most respected I have never known one more dedicated to First Amendment values than Ernest Gruening, who takes his place alongside of Hugo L. Black and Alexander Meikeljohn.

In the last two decades of his life the issues of war and peace loomed large. He heard much about peace but had come to believe it was mostly fraudulent talk by men who really looked on peace as a subversive word. He was stung by the devious means used to foment wars. He saw people possessed, as if seized by a compulsion to do a mad death dance. He wanted issues of war and peace exposed in the great public forum of the Congress. The Constitution, he said over and again, gave only Congress the power to declare war. In his ideas a Presidential war took place in Vietnam, and he could find no Constitutional basis for it. There were no foreign invaders to repel. We were sending precious young lives and fortunes we needed at home in a senseless, wasteful, unconstitutional venture in Asia. That was the big issue in his life.

Ernest Gruening, from the very first, always voted "nay" on all issues of this Presidential war. His voice was not alone at the start. He had only one other to join him, Wayne Morse. But as time passes, and history is written, Ernest Gruening's name hopefully will energize oncoming generations, first to reject wars as their number one priority and rejoin the human race.

The Honorable William Egan, Governor of Alaska:

Dorothy, Hunt, all other members of the family, friends of Ernest Gruening.

In our history books, in the retrospective accounting of our great nation's fateful times of trial and triumph, the human essence of the men and women shaping its destiny too often withers away under the written word. It is sometimes difficult for us to gain some glimpse, some feeling of the person of these people. I feel this will never happen to Ernest Gruening because to write about his accomplishments, of his concern for his fellow human beings, and his tireless dedication to making life better for people, necessarily is to write of the man and his manner.

While we gather here today in memory of him, and while his memory will be honored in many ways over the years to come, Ernest Gruening built his own memorial. It is found not only in his life's work, but also in the conviction of his ways which enabled him to accomplish that life's work. He was not a man to deal with life from a safe distance. There was controversy to be faced. If there was a need to be met, there was no holding back and worrying about the personal liabilities involved where Ernest Gruening was concerned.

He knew that the answers as well as the problems lay at the center of things, and he charged head-on into the issues at hand. That was where the people were, and that was how he learned of their needs and desires and aspirations. He enjoyed people. Alaska legislators will tell you that if Ernest Gruening stomped the campaign trail with you that more likely than not you would end up meeting some new people, even in your own home district. If, for example, at the end of a long day of campaigning he would see the lights of a home far off the road or highway you likely would find yourself parking the car and then hiking with him towards those distant lights. Upon being told that the people who lived there were just Republicans anyway, he would suggest that they might well be turned into Democrats. Or, upon it being pointed out that they were ultraconservatives who might not be too excited about the intrusion of his liberal presence, he would kindly suggest then that there was nothing to lose just by visiting for awhile. People and their needs were the abiding force in his life and the sustenance of his being.

The genius of Ernest Gruening lay not in the complexities of his great mind. It derived from the human compassion which drove that great mind. The essence of the man was an unceasing quest for dignity and justice for all people. He knew that the attainment of these was not through precious abstract theorizing about the lot of man, but through the betterment of people's everyday lives. He believed that people, properly fed and housed and clothed, and in good health, were fully up to looking after their own destinies.

In this regard, I well remember when during Ernest Gruening's first legislative session as Territorial Governor of Alaska, which was also my first session—I was honored to be a legislator serving under him at that time—he recommended in his message various measures relating to a gross mining tax, a territorial income tax, and a territorial property tax, and a number of other recommendations which did not set so well with the powers that be. Right away those recommendations ran head on into very serious trouble in the Alaska Territorial Legislature.

Keep in mind, too, that at that time the Territorial budget for education and health, and all the Territorial programs, was, as I recall, only between $4 and $5 million dollars for the entire biennium. The money available for public services and programs just was not within the bounds of reason from the standpoint of the needs that the people of Alaska had when Ernest Gruening assumed his role as Governor of that great territory. He saw this immediately. He saw that much money was being made in Alaska from Alaska's fisheries and mining resources and by the shipping industry transporting those resources, and that the people of Alaska were hardly getting back even any pennies from the development of their natural wealth.

It was not until the 1949 session of the legislature—eight years later—that we were able to get some of his measures through the legislature. It took a long time; but he was a man who, when he became convinced of something being in the interest of bettering the way of life of people, he just vigorously pursued that particular idea until he saw it culminate in the accomplishment which he thought should take place.

Governor Gruening quickly saw that Alaska's future was in its great natural resources wealth and its beauty, and he was determined that the people of Alaska should benefit fully from the development of those resources. Though the Territorial Government of Alaska had little real jurisdiction because of the very restrictive Federal Organic Art under which the Territory was organized, Ernest Gruening nevertheless fought hard to create a Territorial Department of Fisheries and to strengthen the Territorial Department of Health. In the field of education he was ever working to help make our University of Alaska an institution that would contribute meaningfully to the nation's academic posture and achievements.

He knew that no matter how difficult it was to wrest away nor how long it took, that control over their lives was essential in order for Alaskans to chart their own destiny.

In so many ways Ernest Gruening worked for the everyday betterment of life for Alaskans. He worked hard, too, to correct injustices in Alaska to minority groups. In this he not only was fully convinced that great changes had to be made, but he also strictly believed and practiced what he preached. He recognized the need for establishment of an effective tuberculosis control program, an effort in which it was my privilege to work with him. In those years tuberculosis was a terrible scourge in Alaska, particularly in the Eskimo native villages. The programs initiated had the result, during just a three or four-year period of time, of achieving a dramatic turnaround in the saving of lives of people who had tuberculosis.

Governor Gruening initiated the establishment of voting precincts in the native villages which caused quite some uproar among many of the interest groups. For this, and I am happy to say that such is no longer the case in Alaska, he was considered by some of those interests as being a scoundrel in the minds of many for "rocking the boat". I can only say "hurray" for Ernest Gruening. We could have used many more "scoundrels" like him.

In so many ways he was truly ahead of his time. In fact, as he told it, that was a characteristic of his that helped him end up in Alaska. Previously, as Director of United States Territories, he recalled he visited Puerto Rico and saw a burgeoning population of impoverished people. So, in San Juan and in Washington, D.C., he began extolling the need for a birth control program in Puerto Rico. He preached it because that was what he saw and that was the way he felt about it. His friend, the President, became a little upset about this and took Ernest to task. Soon after, Ernest became the newly-appointed Governor of the then Territory of Alaska. Who knows, perhaps the President thought that was about as far away as he could send him. Washington, D.C.'s loss was truly Alaska's great gain.

On through the years of Alaska's fight for statehood and its first decade as a State, Ernest Gruening continued to serve the people of Alaska and the nation with great dedication and distinction.

I want to say to Dorothy, his wife, and to Hunt Gruening, his son, and to his grandchildren, that Alaskans are proud of this great man who was yours and who was ours. We will always remember that. From the day he came to Alaska, things changed. From the day he came to Alaska, attitudes changed. That's the manner of man that he was. His wisdom and foresight were matched by an endless energy and tremendous personal drive that enabled him to accomplish day after day, year after year, more than most people dare even dream of or hope for. His life over these last thirty-five years was devoted to the well-being of Alaska and Alaskans, and of all the nation, and we are going to miss him.

Rep. CLAUDE PEPPER, Congressman from Florida:

Canon Glenn, Mrs. Gruening, and members of the family, fellow friends of Senator Gruening.

This noble man, this good and great man, this man of rare integrity and concern for people—Senator Ernest Gruening—after almost nine decades of a beautiful and meaningful life, has gone to his Maker and to his reward.

There were two principles which all of his long life dominated Ernest Gruening. One was integrity, and the other was concern for people. Perhaps it was his concern for people which led him originally to choose medicine as a profession and to graduate with a medical degree from Harvard University in 1912. But, as he said later, he chose, instead of attempting to cure the ills of the human body, to make an attempt to cure the ills of the body politic—and how magnificently, through nearly half a century, he pursued that noble ideal. It was integrity which dominated his career as a publicist, as an editor. When he was editor of the Boston Traveler he printed an article in favor of birth control in which he conscientiously believed because of his concern for the mothers in the poor areas of Boston whom he had seen bringing forth one child after another which the family was unable to support. The editorial that he wrote was taken out of the presses which were stopped by the proprietor. But he defended his integrity. He also believed in the principle of the integrity of a paper by not writing reviews for theatrical performances based upon the volume of advertising which the theatre producers provided to the paper. He had battles over that, too. He also fought with proprietorship when he attempted to expose a corrupt judge, and it was discovered the proprietor had an obligation to that corrupt judge. And again he resigned.

He defended his principles of integrity when later he went to Santo Domingo and to Haiti; and when he saw the outrageous wrongs perpetrated by our country upon those two small nations, his soul resisted and resented that action on the part of our country, and he initiated efforts which led to a Senatorial investigation, and later to the removal of our troops from those two small Caribbean republics.

He carried out that battle for integrity when he also sought to bring back into peaceful relationship the United States and Mexico, the natural resources of which had been too often exploited by American selfish business interests. And he wrote a magnificent book out of that experience, "Mexico and Its Heritage", which was loudly proclaimed.

He also believed in integrity as editor of The Nation, when he sought to put forth and to defend principles which he thought were wholesome for our country and for mankind; and when he became the Director of the Bureau of Teritories and Island Affairs in the Department of the Interior, he went to the poor people of Puerto Rico because of his concern for them and laid the foundation and the groundwork for the subsequent prosperity and progress which our people have enjoyed.

And when he became Governor of Alaska he carried on more of those many battles to preserve fairly the natural resources of that rich land, to prevent their exploitation to the detriment of the people, to provide better schools and living conditions for the people of that great State. And his concern for those people led him to become the champion of statehood for that splendid part of what is now America, our country, and more than all other people combined, the credit is due to Ernest Gruening for the passion and the fervor and the conviction, and the indefatigable energy that he employed, in contacting public opinion and the Congress, inducing finally, in 1958, the admission of Alaska to the Union.

And the integrity was expressed by Ernest Gruening, as well as concern, when he started in the Senate again the battle that he had started fifty years before, to make birth control information available to the mothers of this country and the world who wanted and needed such information. He held over thirty-four hearings as Chairman of a subcommittee of the Senate. He fought again glorious and great battles, and is responsible today for the government of the United States making available hundreds of millions of dollars worth of material and information to the mothers of the world who need and who call for, such information, as well as making similar information available to the mothers of this country.

And then, perhaps, his crowning glory was the integrity of a career as a Senator, his oath under the Constitution, his integrity as an American citizen, his concern for the thousands who were dying or about to die in South Vietnam. He pioneered, with a noble compatriot whom you will hear today, Senator Morse, the battle against the perpetration of what he sincerely and deeply felt was the outrage of American intervention in Southeast Asia. Remember that his first appeal was in 1963, when we had only 12,000 so-called advisory troops in Vietnam, and his great eloquent oration came on March 10, 1964, when we were just at the threshold of a great enlargement in that war, when he called upon his President, his fellow-members of Congress, and his fellow-countrymen, to avoid the tragedy of that bloodshed, and making the strong statement that one American life was worth more than all that mess, and the tragedy of the perpetration of that war would eventually be characterized as a crime. And he, with Senator Morse, was the only Senator to vote against the Tonkin Resolution which escalated the war, until eventually some 50,000 Americans died, and over 300,000 Americans were seriously wounded, and over $100 billion of the American treasury was poured into that conflict.

Even after he left the Senate, Ernest Gruening did not discontinue his struggle for those same principles. He carried on his fight for birth control, he carried on his fight for integrity in the government of our country, he carried on his fight for our country to stand with integrity before the world.

In Eagle River Landing, 27 miles from Juneau, in Alaska, that he and his lovely wife, Dorothy, so much loved, and to which they gave so much of their beautiful lives, the Gruenings had a cottage, and towering above that cottage 6,500 feet was a mountain, unnamed. When the Senator left the governorship of Alaska, the Chamber of Commerce of Juneau said, when he passes away—because we cannot do it in his lifetime—that mountain will bear the name "Ernest Gruening". And so, as long as time shall endure, we can foresee that noble mountain towering above all the surrounding countryside, bearing the illustrious, noble name of Ernest Gruening. And how fitting that is, because Ernest Gruening towered over his fellow-Americans. He towered over his time.

I know of no better way to describe this noble man, this beloved friend, than to apply to him the words that Marc Anthony and Julius Caesar applied to noble Brutus as he found him dead in his tent on the field at Philippi, when he said: "His life was gentle and the elements so mixed in him that na-

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ture might stand up and say to all the world, this was a man."

And so, to this Prince among men, may we not say farewell in the words that Hamlet's friend beared to him as he passed away: "Goodnight, sweet Prince, and may flights of angels sing thee to thy rest."

Representative John Conyers, Congressman from Michigan:

Reverend Clergy, Mrs. Gruening, family and friends:

What would Ernest Gruening have us say here today? Certainly he would not want us to recite his record of accomplishments. Instead, he might say, "Well, go on, of course. You press forward and you never lose faith in the people." That was his spirit—that of a tireless champion of the people, a humanitarian who rose above political pragmatism. His life work affirms his belief that one man could make a difference, and he certainly did. The most appropriate tribute we can pay him is to follow his example and to live our lives as if mankind depended on us alone.

A year ago last July, Ernest Gruening wrote: "The great experiment begun so daringly and so hopefully two centuries ago, the great legacy bequeathed to us by the patriots of that day, is too precious and priceless to be destroyed. I intend to devote my remaining years, however few they may be, to alerting my fellow-countrymen, and to try to help restore the America that has been and has served us so well."

This is the spirit of a man who created a State out of a wilderness; who stood almost alone against our rush to disaster in Asia; and whose commitment to racial justice kindled a light which, however dimly, spread across the country.

Only two weeks ago, in high spirits, Ernest said to me with the characteristic optimism that was always his and always made me smile: "Did you hear about the victory in Oregon? I think Wayne Morse is going to make it back."

As a patriot, as a statesman, and as a humanitarian, Ernest Gruening leaves a record to which all men and women in government may justly aspire, for his was an articulate voice heard throughout the land, speaking in the name of national dialogue and about national purpose.

Canon Glenn:

Now, let us read responsively Psalm 23, on page 368 of the Prayer Book. Will you stand, please.

Psalm 23. "The Lord is my shepherd, therefore can I lack nothing. He shall feed me in a green pasture and lead me forth beside the waters of comfort.

He shall convert my soul and bring me forth in the paths of righteousness for his name's sake.

Yea, though I walk through the valley of the shadow of death, I will fear no evil for thou art with me; thy rod and thy staff comfort me.

Thou shalt prepare a table before me in the presence of them that trouble me; thou hast annointed my head with oil and my cup shall be full.

Surely, thy loving kindness and mercy shall follow me all the days of my life, and I will dwell in the House of the Lord forever."

Senator Ted Stevens, from Alaska:

Mrs. Gruening, members of the Gruening family, and friends of Ernest Gruening:

I knew Ernest Gruening as a Governor, as an author, as a Senator, as a political opponent, and as a good friend. Following the great battle of statehood, Ernest Gruening realized that the war was not over; the war was not over for Alaskans so long as there Alaskans living in conditions worse than the 19th Century and so long as Alaska's resources remained locked up so that Alaskans were denied this very vital capital base for their future.

We have lost a great champion, and those of us who worked with him, as well as those opposed him at times, know that well. Even after Ernest left the Senate you could see Ernest Gruening on the floor of the Senate when something came up that concerned Alaska. When the Alaska Native Land Claims Bill was before the Senate, he was there. He was there on the floor of the House when that was debated. When the Alaska pipeline battle was raging, Ernest was back on the floor of the Senate, and again he was back on the floor of the House.

The beauty of Alaska did not blind Ernest Gruening to the fact that Alaska's resources were vitually nedeed not only by Alaskans but by our whole nation.

Ernest Gruening has left a legacy for Alaska's Senators and you will hear a great deal about that Alaska legacy. He had the courage to stand and do battle, even though he stood almost alone, with the sole thought that he knew what he was doing was right—right for the nation, and right for his State.

I was thinking as I came down here today of the fact that Ernest Gruening went to Alaska at a time in his life when he was a year older than I am now; and yet he has left behind him 3½ decades of service to our people and to the whole nation. That is a great mark that he has left. I can assure you that those of us who are trying to serve our State now realize the scope and the depth that this man had as he approached the great issues of the day.

Longfellow said about Charles Sumner: "When a great man dies, for years beyond our ken the light he leaves behind lies brightly on the path of men."

Robert Atwood, Publisher of Anchorage Times in Alaska:

Dorothy, Hunt, and Clark, and other members of the family, and friends of Ernest Gruening:

I have come here as an Alaskan, and I want to comment particularly on the thirteen years that we had Ernest Gruening as our Governor, as our leader, and as our friend. He came to us as an appointed Governor, and was greeted with the usual skepticism of any appointee from Washington. He was appointed by President Roosevelt and was responsible to the people in Washington. He wasn't our man; he wasn't our selection; but we got him. He found us living in happy isolation, I'd call it, limited in our narrow economy and unimaginative in our planning and certainly captive to the absentee interests that controlled the politics and economy of Alaska.

Regardless of the handicaps of being an appointed Governor, and being in a far-off land, far from Washington, misunderstood in Washington, and probably beyond the perimeter of interest of most of the people in Washington, Governor Gruening showed us how to lift ourselves by our bootstraps. We rejoiced that we had him for thirteen years as our Governor. In that time every community, every family, indeed, I think it is safe to say every individual, had his life enriched by association with him, exposure to his great leadership, and having the inspiration of his zeal and enthusiasm. He took our little Teritory with a handful of people—about 72,000—and over the years built it to a point where we were accepted into the Union as a full-fledged State. And our Governor Gruening was the key man in that.

For thirty-six years he dominated our lives in a marvelous way. His spirit is bigger than Mount McKinley. I am one of the thousands who mourn this loss, and even though the loss is very personal to me, I don't think I'm any different from many, many more in Alaska. He was in many ways a father to me; and certainly my instructor and my leader; and had it not been for the inspiration of association with him, I am sure Mrs. Atwood and I would not have remained in Alaska as long as we have.

Ernest Gruening led Alaskans in breaking down that isolation, showed them how they could build roads to join up their communities so they aren't isolated, establish telephone systems and the very basics for civilized life . . . transportation systems, airmail—all that introduced while he was our Governor. He showed us how to improve our public services and our public facilities through the construction of community halls, schools, hospitals, water systems, and all the basics to make life more agreeable. And he advanced our culture in all the fields of arts with programs that enriched us. He gave us new educational opportunities and many new choices in how we wanted to live and what we wanted to do. And he taught us a great appreciation of the wonders of nature that we have around us, the gorgeous scenery, the massive mountains and the sweeping valleys, and the wildlife and the waterfalls. Ernest Gruening had a great appreciation for all the good things in life, and he injected it in our lives.

Words are feeble in expressing this great loss, for no other one man has done so much for Alaska, and those who love Alaska, as he did. It's as though President Roosevelt handed him Alaska and said: "Here's yours, now go see what you can do with it." And see what he has done with it, and what he has done with the people.

In behalf of Alaskans, I say: "Well done, thou good and faithful public servant."

The Honorable Ira Hirschmann, author and Ambassador:

Dorothy, family, friends of Ernest Gruening:

I suppose that a man's nearness to God can be measured by his ability to stand alone in a troubled world against many odds and battles. In these days, when the very fibre of the nation's moral sinews is being tested, when the cry for the truth is heard throughout the land, how reassuring and heartening that we can now turn to the enduring values and the example of the life of one truly great citizen, our cherished friend, Ernest Gruening. One must search the annals of American history to find any one human who added so much to his fellowman in this society than this great and noble citizen. To have known him as a friend is to have added an extra dimension to one's life, to my purpose, and to my direction.

How very grateful I am to be here to say these few halting words at the true summit of his life, for only now will we begin to know and feel the full radiance of that personality from whom sublime courage and joy of friendship we take nourishment in a world wanting today so much in truth and the compassion for which he stood. It was Ernest Gruening who offered me his guidance as a young man, and who involved me, with him, in some of his many battles—always for the rights of others against the immense odds of predatory interests, always for a better life for America, for the many instead of the few. In this tireless search he literally made the impossible possible, as an almost singlehanded achievement of bringing Alaska into the Union and his dual effort with Senator Morse in proclaiming to the world the indignity and the destruction of human life and civilization in Vietnam.

Ernest treated friendship and the problems of state not daintily but with the roughest of courage. What do we know of destiny and all the folly that now pursues us so relentlessly in our nation? I say here that Ernest Gruening's citizenship and example are the very guarantee of the durability of the greatness and future of this nation and its people. And how he hated sham and adornment. His rugged simplicity is in the greatest American tradition.

May I be permitted to tell, in conclusion, one personal episode that typifies his unique personality and independence and quality. In one of his last visits to New York he arrived at my home carrying his own luggage, a heavy battered suitcase that he bore with the kind of independence and stalwartness that was his mark and his style. I like to think that his voyage is now lightened by the love and devotion that he carries in his extra luggage from those countless friends here, in Alaska, in New England, and throughout the breadth of this land, for the better life that he made possible for so many which will be Dorothy's, his son Huntington's, and his family's richest heritage.

In this hallowed hour and place, may I be permitted also to pay humble homage to his partner in life, Dorothy, whose nobility, unswerving loyalty, and love to all that Ernest and his family stood for are an unending part of the immortality that he breathes.

The Reverend John Welles, Minister of the Unitarian Church in Reston, Va.

I, too, speak to Dorothy Gruening, to the family, and to the friends of Ernest Gruening:

My only regret is that I did not know him all of my life, but that portion which I did know him has been so meaningful to me, as it has to all whose life he touched. And I would ask that may each of us, as we walk down the pathway of life, so live that we may hold open to all our life; may we say to all, come into the circle of our love and partake of justice and truth. Come into the brotherhood of our holiness; come and partake of our peace and joy. May each of us permit that which we desire of the universe to penetrate us, and may forever loving kindness and mercy pass through us, so that forever truth and love may be the pathway of our life.

We have gathered together here today, at this great cathedral, to pay honor and respect to Ernest Gruening, and such a gathering is in the best tradition of man. From the earliest age man has sought to understand the mystery of life and the mystery of death. The riddle is not answered and the mystery is not solved. With each birth there is the promise of unfolding life; there is the prediction of deaths.

Ernest Gruening is dead. He is no longer with us to guide us; he is no longer with us to set the example we would all aspire to follow; yet, by his life we are led; by his example we find inspiration to continue to struggle for that which is truth, that which is just, and that which is beautiful. Ernest Gruening's life has been set before us, from New England, to Alaska, to Washington, a life of adventure. His religion was his life; his life was his religion. In the near-perfect molding of all that is good in our Judea-Christian heritage, Ernest Gruening followed that simple principle that seeks to establish on this earth the fatherhood of God, the brotherhood of man, under the leadership of Jesus. Such a religion is all-encompassing. It places its focus in this world. It requires of its adherents their utmost in achievement. The fatherhood of God unites all men in their guest for equal justice. The brotherhood of man demands mercy and compassion, and the leadership of Jesus of Nazareth demonstrates that love is the methodology of such a life's adventure. If ever there was one who sought to so live, it was Ernest Gruening. He was a model to us all, and now we must face our lives without him. May we be sad; may we grieve; may we ponder the mystery of life and the tragedy of death; but may we be affirmed in our own lives as we pursue our tasks with renewed vigor, with increased courage, and with the sustaining knowledge that all the world is better for having had in it Ernest Gruening. And now, may that eternal restlessness that moves within the heart and soul and mind of each human being cause each of us to know and to feel that all persons are precious, all human beings worthy; may we be thankful for this life that did come and reside with us, reside with us as husband, father, leader, teacher, and friend. May we return to the scenes of our daily life with the faithfulness to bear our own trials in the patience of faith, the comfort of hope, and with the courage of our convictions that the world—the whole world—can some day be a place where each of us may reach our own potential, where the dream of Ernest Gruening comes true. Amen.

Senator Wayne Morse:

Ernest has left us, but we should not grieve because he would not want us to do that. We are all diminished because he is gone, but we are all enriched because he lived. From the memory of his great spirit we must find renewed strength to fight the many battles and the causes of human freedom which lie ahead. His brilliantly written autobiography entitled: "Many Battles" spells out the ethical and moral principles that directed his public service in defense of the public interests as he moved from one embattling issue to another.

Ernest Gruening personified truthfulness, honesty, integrity and courage throughout his public service. He has been warning us for the past many years that these attributes of good character have been lacking in many high places in all three branches of our government. He recognized and warned that if our government, through its policies, violates the moral and legal principles upon which our system of constitutional self-government was founded, American citizens, once they become convinced of such wrongdoing, will demand and obtain a return of their constitutional freedoms and rights. It was to this issue of honest government that Ernest Gruening dedicated much of his time for the past 10 years.

Ernest Gruening was a very effective political evangelist in the cause of peace through enforceable rules of international law. He did not oppose but supported adequate national defense, but he did oppose vigorously undeclared wars by our country, or any other country. He opposed military balance of power diplomacy, military intervention into the internal affairs of other nations, even though it is done under diplomatic guise of a detente.

He warned over and over again that nuclear proliferation and the leaving of nuclear war-making power in the name of national security and sovereignty to a few nations, including our own, without complete international enforcement control, increases the danger of a nuclear arms race ending in a worldwide catastrophic nuclear war. He urged that we not leave that lagacy to oncoming generations of mankind. History will record Ernest Gruening as being far ahead of his time, but above all else he will go down in history as a statesman in support of peace in our time through enforcement by world law. Our nation will be enriched increasingly by his historic greatness.

When historians in the years ahead finish their documented evaluations of the public service record of Ernest Gruening, he is certain to be ranked among the list of greatest Senators ever to serve in the United States Senate.

Canon Glenn:

Let us pray, Our Father who art in heaven, Hallowed be thy name, Thy kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil, for thine is the kingdom, and the power, and the glory, forever and ever, amen.

Almighty God, we remember this day before thee, thy faithful servant Ernest, and we pray thee that having opened to him the gates of larger life, thou wilt receive him more and more into thy joyful service, that he may win with thee and thy servants everywhere, the eternal victory. Deal gracefully, we pray thee, with all those who mourn, that casting every care on thee they may know the consolation of thy love. We give thee thanks for all those thy servants who have spent their lives and are spending their lives in the service of our country; grant to them thy mercy and the light of thy presence that the good work which thou has begun in them may be perfected. And now, O Lord, support us all the day long until the shadows lengthen and the evening comes and the busy world is hushed and the fever of life is over and our work is done; then, in thy mercy, grant us a safe lodging and a holy rest and peace at the last.

Unto God's gracious mercy and protection we commit you. The Lord bless you and keep you. The Lord make his face to shine upon you and be gracious unto you. The Lord lift up his countenance upon you and give you peace and strength in his service and in the service of these ever-more dear United States. Amen.

CAPTIVE NATIONS WEEK

Mr. PERCY. Mr. President, as we observe Captive Nations Week this year, I believe we should emphasize our continuing concern for the rights of all mankind to full freedom under just law.

Toward this end, we should dedicate our best efforts to influence the restoration of basic human rights—religious, political, economic, and social—in all the countries where such rights are not allowed to the people.

Many Americans have involved themselves in various aspects of the international effort for human rights. At this time I would like to pay special tribute to the officers and members of those national organizations which are especially active in this field and to the hundreds of devoted men and women who sacrifice their time and resources to carry on the struggle.

Let the people of the captive nations know that we share their legitimate aspirations for freedom and a better life. Let them know that we deeply care about them, and that we pray for their deliverance.

HEW'S CHILD HEALTH FAILURE

Mr. RIBICOFF. Mr. President, 7 years ago, when the Finance Committee was considering amendments to the Social Security Act, I urged adoption of an amendment to provide necessary health care for eligible children under medicaid. I was gratified that the amendment became law and provided for a new basic service under title XIX of the act. The intention of the amendment was to encourage States to reach out to poor children to make available early detection, diagnosis, and treatment services so that some of the poor children of this Nation—those eligible for medicaid—could receive the health care they need. In this fiscal year, HEW estimates that 13 million children will be eligible for the program's benefits.

At the time of the amendment's consideration, data available to Congress

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indicated that in many respects low-income children were in poorer health than other, more affluent youngsters. The early and periodic screening, diagnosis and treatment program—"EPSDT" as it is now called—was supposed to help alleviate that inequity. However, my concern for the health of poor children has not diminished. Data available now indicate the need is as great as ever. A poor child has only half the chance of a more affluent child to live to his first birthday. His chances of contracting communicable diseases are also far greater; for example, only half of all poor children are now immunized against polio. If adequately implemented, the amendment I introduced would help eradicate not only these inequities, but others as well: poor children have five times more mental illness than their more affluent contemporaries, seven times more visual impairment, six times more hearing defects, and three times more heart disease.

The 1967 amendment was aimed at attacking these disparities. But the Department of Health, Education, and Welfare—in a shocking disregard for both the health care of needy children and the express wishes of Congress—has continually stalled in implementing this program. HEW took 2 years to release final regulation, 6 more months for guidelines, and has since failed to accomplish more than administrative footdragging. It even has failed to release rules on how a new congressionally imposed penalty—effective this past July—will be administered. Department resources should be put behind a health program that can provide the kind of care which makes the most dollar-sense; early detection and early treatment for the young. It is time this shameful administrative footdragging came to a halt.

Mr. President, on June 29, 1974, National Journal Reports published an excellent article by Mr. John Iglehart, senior health editor, analyzing the Department's lack of support for the EPSDT program under medicaid. I urge my colleagues to read it, and to press the Department to faithfully execute the law. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEALTH REPORT HEW, STATES' CHILD CARE RECORD MAY AFFECT AGENCY'S INSURANCE ROLE

(By John K. Iglehart)

(After nearly seven years, the HEW Department has not fully met the terms of a program approved by Congress to provide health care for children of poor families. Despite personal intervention by HEW Secretary Caspar W. Weinberger, internal arguments and state concerns over cost have stopped the program short of its goals. HEW's performance is raising doubts on Capitol Hill about the agency's ability to handle national health insurance and about the administration's insistence on a major role in health insurance for the states.)

Nearly seven years ago, Congress directed the Health, Education and Welfare Department to design a plan for finding poor children with medical problems and providing treatment for them.

Two years ago, HEW still had not come up with a workable program and Congress imposed a July 1, 1974, deadline on the department, hoping to force faster action.

But despite the personal interest and involvement of HEW Secretary Caspar W. Weinberger, the department has no hope of meeting the deadline.

And its inability to cope with a relatively small slice of the total national health problem is raising doubts on Capitol Hill that it would deal effectively with a national health insurance program.

The program in question is Eary and Pewould deal effectively with a national health insurance program.

The program in question is Early and Periodic Screening, Diagnosis and Treatment (EPSDT), a small element in HEW's vast array of health missions.

It is difficult to pinpoint any single reason for the department's failure to meet the deadline.

Part of the delay has been caused by internal HEW bickering over the best approach. States partly are responsible because of their concern that they cannot afford a fully implemented program, which eventually could cover as many as 13 million children.

Either way, the delay has hurt HEW on Capitol Hill.

The department's unwillingness to persuade states to comply with the law raises questions about the department's ability to launch a national health insurance plan, a medical task of far greater magnitude.

The unwillingness of some states to implement EPSDT largely because of potential costs works against the Administration's argument that states should play a major role in administering and monitoring national health insurance.

"The performance of HEW and the states on EPSDT doesn't leave much to your imagination on how they might perform under health insurance," said an aide to Sen. Abraham Ribicoff, D.-Conn., who was a leading sponsor of the child health plan in 1967.

"For all intents and purposes, Congress has given up on HEW's implementation of EPSDT within the context of the present medicaid program," said a House Ways and Means Committee official. "Congress now is prepared to federalize medicaid."

In its health insurance legislation (H.R. 12684, S. 2970), the Administration has called for establishing two financing programs, one for the working population and another for nonworking and low-income groups.

The states would play a key role in financing the second program, a task that would give them more incentive to control costs, according to the Administration analysis.

Sen. Russell B. Long, D.-La., chairman of the Senate Finance Committee, and Rep. Wilbur D. Mills. D.-Ark., chairman of the House Ways and Means Committee, are advocating health insurance bills that call for federal administration of the program. States would have only a secondary role.

Mills told Weinberger at a health insurance hearing April 24:

"You are going to have a hard time convincing me that any state has administered medicaid as well as the Social Security Administration has administered medicare," Mills said. The EPSDT program is a part of medicaid.

Standing: On paper at least, the EPSDT program enjoys priority standing with Weinberger. He has emphasized his interest in it at staff meetings and voiced concern in private conversations with ranking department officials that HEW's programs may be overemphasizing the older population at the expense of the young.

Moreover, implementation of EPSDT is one of the Secretary's program objectives for fiscal 1974.

In reality, though, the department never has committed the resources necessary to aid or prod states to implement the program. A telling statistic is the number of staff members which HEW has assigned to the task.

Seven professional staffers work on EPSDT in Washington, but four have decided to leave or have left HEW. In the department's 10 regional offices, one staffer, on the average, is responsible for working with the States in each region.

HEW never has been able accurately to estimate how much states spend for EPSDT because the funds flow from a general pot of medicaid money that will total in excess of $10 billion in fiscal 1975. The department does estimate that 30 per cent of these monies are spent for children's health services of all kinds.

Under the program, which was first authorized by the Social Security Amendments of 1967 (81 Stat. 821), states must inform all recipients of Aid to Families With Dependent Children (AFDC) of "the availability of child health screening services." The eligible child population is estimated to number 13 million.

States also must "provide or arrange for the provision of such screening services" and "arrange for . . . corrective treatment." The services are financed under a medicaid formula which obligates the federal government to pay from 50 to 83 per cent of the cost; the states pay the rest.

Pressures: Pressures are mounting on HEW to account for its efforts to implement EPSDT six and a half years after Congress authorized creation of the program.

Sen. Ribicoff asked Weinberger in a letter dated June 11 to describe in detail what the department has done to implement the program.

Further, court suits have been brought against 10 states, claiming they have failed to implement the program fully. The states are California, Colorado, Connecticut, Illinois, Indiana, Michigan, New York, Ohio, Pennsylvania and Vermont.

Thus, with hope of meeting the statutory deadline of July 1 gone, with Ribicoff's expressed interest, and with the pending court suits, the department is going to have to develop a strategy for enforcing the stiff penalty which Congress mandated as a part of the Social Security Amendments of 1972 (86 Stat. 1329).

Under the provision, HEW "shall" reduce by 1 per cent the federal payment to the Aid to Families with Dependent Children (AFDC) program of any state which fails to implement the EPSDT program.

With federal expenditures of $4.1 billion provided for the AFDC program in the President's fiscal 1975 budget, the financial pain of a 1 per cent reduction in a state's payment could be substantial.

Problems: Full implementation of EPSDT has been stymied by a number of factors, the most important being concern at HEW and in the states over the potential cost of screening some 13 million eligible children for medical ailments and then providing corrective services.

States—The federal-state medicaid program itself has been a significant impediment to the full implementation of EPSDT. Although financed primarily with federal dollars, medicaid really is a state program, or, more accurately, 50 state programs.

Within general federal guidelines, states select the kind and amount of services they wish to provide, determine the groups eligible for assistance, dictate the standards health-care providers must follow, set the levels of reimbursement and administer the program.

The commitment that states have made to the medicaid program varies widely. California and New York offer a broad range of benefits to medicaid recipients. In New York, the medicaid budget now exceeds that of the budget for aid to needy children (AFDC).

A number of states offer only the minimum range of benefits required by law: inpatient and outpatient hospital care, skilled nursing home care, physician care, home health services, laboratory and X-ray services, family planning services and screening and treatment of individuals under the age of 21.

Although EPSDT is one of medicaid's mandatory services, states have implemented it with the same varying degrees of enthusiasm that they have shown for the total medicaid program.

SRS—The child health care program is only one of several that has been hindered by bureaucratic warfare between the director of the Social and Rehabilitation Service (SRS) and his career staff.

SRS Administrator James S. Dwight Jr. has established priorities which features efforts to improve management of the welfare system and to purge the public assistance rolls of ineligible recipients of welfare funds. Dwight's prescription includes relentless budget cutting, both within SRS and in the programs it administers.

The SRS career staff has a totally different set of priorities, which favor liberalizing the agency's programs so that more, rather than fewer, low-income families receive federal help.

The conflict between Dwight and the SRS bureaucracy has generated turmoil within the agency. Staff morale is low and a number of recent resignations have resulted, including those of Howard N. Newman, medicaid commissioner; Karen F. Nelson, medicaid's chief of program planning and evaluation; Joseph Manes, medicaid's long-term care specialist; and Barney F. Sellers, head of EPSDT.

Congressional discontent with Dwight's stewardship of SRS also is mounting. The best reflection of it was in the passage May 21 by the House of a bill (HR 14225) that would remove the Rehabilitation Services Administration, the most popular SRS program, from that agency and place it in Weinberger's office. The vote was 400–1.

Earlier in the year, Congress removed the Administration on Aging from SRS and placed it in the Secretary's office because, in the view of legislators, Dwight's support of the program was weak.

EVOLUTION

The history of the EPSDT program is a textbook example of what happens to a program which Congress authorizes—and then rarely tends to—and to which the executive branch never fully commits itself.

The problems of a lack of financial resources, an absence of available screening services and the inability of states effectively to link eligible children with services which are available all have stood in the way of fulfilling a commitment which President Johnson first articulated in a message to Congress on Feb. 8, 1967.

Mr. Johnson outlined a 12-point welfare program which included a commitment to "expand our programs for early diagnosis and treatment of children with handicaps."

The President noted that nearly 500,000 children were receiving treatment at that time under HEW's health program for crippled children, but he said "more than twice that number need help."

"The problem is to discover, as early as possible, the ills that handicap our children. There must be a continuing follow-up and treatment so that handicaps do not go neglected," Mr. Johnson said.

EPSDT was sold to the President by former HEW Secretary (1968–69) Wilbur J. Cohen, when he was the department's undersecretary.

Chairman Mills scheduled hearings before the Ways and Means Committee a week after the message. And by Aug. 17, the House had passed the Social Security Amendments of 1967, which included a provision that required states to screen, diagnose and treat the medical ailments of children of low income families starting July 1, 1969.

The Senate Finance Committee approved similar legislation and the program cleared Congress on Dec. 15 of that year. President Johnson signed the bill into law Jan. 2.

HEW dragged its feet in developing regulations to implement the program. But two and a half years later, the former SRS administrator, John D. Twiname, proposed "tentative" regulations for EPSDT which interpreted the law quite broadly.

The regulations stipulated that states were to provide screening services for all eligible children under 21. If ailments were found, the states were obligated to correct them regardless of whether the necessary treatment was a service normally provided under the medicaid program.

States strongly objected to the proposed regulations, arguing that the comprehensiveness of the services required would have a dramatic impact on state budgets.

As a result, HEW rewrote the regulations and watered them down. The new regulations instructed states to provide services to children that normally were a part of medicaid benefits which they offered.

HEW also said that states were obligated only to screen, diagnose and treat children under age six at the start, eventually expanding the program to serve all children under 21 years.

The Senate Finance Committee gave its blessing to the department's more restrictive interpretation of the law by including a provision in the Social Security Amendments of 1970 which conformed with the proposed regulations. These amendments, however, never became law.

Finally, almost four years after President Johnson signed into law the Social Security Amendments of 1967, former HEW Secretary (1971–1973) Elliot L. Richardson approved EPSDT regulations on Nov. 4, 1971, to become effective 90 days later.

Congress showed its concern over the lack of movement on the part of HEW and the states to implement EPSDT when it approved as part of the Social Security Amendments of 1972 a provision imposing a tough penalty on jurisdictions that did not meet the statutory requirements.

But, on the whole, Congress has paid little attention to the program. Besides Ribicoff's letter, the most recent expression of congressional interest in EPSDT was voiced by Rep. David R. Obey, D-Wis., a member of the House Appropriations Subcommittee on Labor-HEW.

At a hearing April 24, Obey pressed Dwight to explain why HEW's implementation of EPSDT never has gotten off the ground.

CONFLICT

HEW policy makers always have been at odds over the degree to which the department should commit itself to implementing the EPSDT program. There are essentially two schools of thought on the question.

One school advocates an aggressive approach to implementation, "beating the bushes to link the children with the services," said one HEW official who supports this approach.

The other school frowns on such tactics and maintains that HEW should adopt a passive role, not going out of its way to advertise the program and not forcing states to implement it fully.

The two schools clashed last year through internal department memoranda and the result has been a middling approach to the implementation of EPSDT.

Newman memo: The seeds of conflict were planted by a memorandum dated Dec. 12, 1973, from medicaid commissioner Newman and Saul R. Rosoff, acting director of the Office of Child Development, to their program chiefs in HEW's 10 regional offices.

Newman and Rosoff announced that they had agreed to fund some 200 demonstration projects that would utilize private, nonprofit Head Start agencies "in making EPSDT services available to medicaid eligible children ages 0–6."

Newman and Rossoff noted that the medicaid and Head Start programs had "common bases" which could facilitate implementation of the EPSDT program. They continued:

"Both agencies serve low income families. Both are concerned with continuity of health care and have the similar objective of integrating services provided through all available state and local resources. These similarities set a common frame of reference that can generate a wide range of local collaborative activities. Therefore, medicaid and Head Start are initiating a collaborative effort."

Although the language was bureaucratic, Newman and Rossoff were saying that HEW would institute an aggressive program that would seek out low-income youngsters to undergo medical screening and receive corrective services, if necessary.

"Head Start will refer potentially eligible Head Start children to medicaid for enrollment and medicaid will pay for needed health services as required by EPSDT regulations," the memorandum said.

Dwight rebuff: SRS Commissioner Dwight learned of the Newman-Rosoff memorandum some weeks after it had been sent to the department's regional offices. Several states, an HEW staffer said, including Connecticut and Texas, had expressed concern to Dwight that the new EPSDT-Head Start project would force these jurisdictions, against their will, to expand the screening program.

On Jan. 10, 1974, Dwight wired SRS's regional commissioners: "Disregard the 12–12–73 memorandum from Howard Newman and Saul Rosoff, 'collaboration between selected Head Start grantees and state local medicaid agencies for delivery of EPSDT services.' That memorandum has not received SRS clearance and should be considered only as a recommendation to me."

Dwight also asked regional commissioners to comment on the Newman-Rosoff proposal. One month later, he issued another memorandum to SRS regional commissioners which essentially outlined the passive approach toward implementation of the EPSDT program.

Dwight said that "SRS has a primary interest and obligation under the law to insure the availability of EPSDT services," but he maintained that the statute does not require the kind of aggressive outreach program that Newman and Rosoff envisioned.

"The federal government will not directly engage in outreach and will not require any state to engage in outreach to secure additional eligibility for the Title XIX (medicaid) program," Dwight said in his memorandum, dated Feb. 14. "This is a prerogative and a choice which should be strictly limited to the states. The states are the operator of Title XIX and their choice determines the scope of service and eligibility for Title XIX."

Dwight directed that the "primary emphasis" of the 200 Head Start demonstration projects be to make EPDST services "available to medicaid eligible children who are also enrolled in Head Start" rather than encouraging these children to enlist in the program.

But recognizing, as Dwight put it, that "out reach is inevitable in such a project," he directed that state medicaid directors and Governors would have to approve individ-

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ual demonstration projects "before this activity is initiated in any state."

Dwight oversees medicaid and SRS' other programs while adhering to a view that for HEW to prod states to take actions they essentially do not want to take is an unproductive exercise.

"I have an affinity for how to get states to do something—otherwise I have wasted five years of my life," Dwight said in an interview. "If we start dictating procedures to the states then we will get ourselves in trouble."

Dwight came to Washington in 1972 to work as an associate director of the Office of Management and Budget. Before that, he served in California as a deputy finance director in the administration of Gov. Ronald Reagan, R.

Dialogue: Dwight's plan for limited implementation of the program, as outlined in his Feb. 14 memo and as evidenced in the number of people he has assigned to the task, is the subject of mounting debate within HEW.

The issue has been a topic of discussion at two of the Secretary's recent management meetings. Weinberger regularly holds such sessions to keep track of objectives which HEW's agencies establish through a system of management that the Administration has adopted in most executive departments.

The system is known as management by objective (MBO). Under MBO, the departments each year must set objectives and, once they are approved by the Office of Management and Budget, mold their operations to accomplish the stated goals. (For a report on MBO, see Vol. 6. No. 17, p. 609.)

Weinberger meetings—At the Secretary's management meeting Jan. 15, Stanley B. Thomas Jr., assistant HEW secretary for human development, brought up the issue which had arisen over utilizing Head Start grantees to implement EPSDT.

Dwight explained that he had rescinded the Newman-Rosoff memo because of complaints from a number of states about the use of private Head Start grantees as an outreach vehicle for state-run EPSDT programs.

The ensuing discussion revealed that the key issue was the extent to which the availability of EPSDT services should be advertised by HEW, and thus generate additional demands on state medicaid programs without state consent.

Weinberger concluded the discussion by directing Newman, Rosoff and Dwight to reconcile their differences or, failing that, submit a memo to the Secretary on the issues involved.

The concern expressed by Thomas about the implementation of the EPSDT program was echoed two and a half months later by Bernice L. Bernstein, director of HEW's New York regional office, at another management meeting March 28.

Dwight led off the discussion on EPSDT by reporting that his agency had been overly optimistic in setting a goal of screening two million children in fiscal 1974. A more realistic estimate, Dwight said, would be the screening of from 1.2 million to 1.4 million children.

At that point, Mrs. Bernstein, who was speaking for all of HEW's regional directors, said that a lack of commitment on the part of SRS to provide adequate field staff to implement EPSDT was a major problem. She also called for more active involvement in the task by the office of Dr. Charles C. Edwards, assistant HEW secretary for health.

Dwight replied that SRS was not able, unfortunately, to provide additional medicaid staff members to the regions because all employees were fully committed to higher priorities until July 1975. He said the situation could worsen for EPSDT implementation.

Weinberger concluded the meeting by emphasizing his strong commitment to implement EPSDT. The official minutes of the meeting read:

"The Secretary stressed that this is an extremely important objective which should not fall short of achievement due to inaction or delay on the part of HEW. He expressed his strong desire that regional PHS (Public Health Service) personnel take an active role in assisting states to implement this program. . . ."

Young memo—More recently, John D. Young, HEW's assistant secretary-comptroller, also has questioned whether the department's implementation of the EPSDT program complies with the law.

Young, according to several SRS staffers, sent a memorandum to John R. Ottina, assistant HEW secretary for administration and management, suggesting that, in light of the July 1 deadline. SRS's management objective for implementing the EPSDT program be strengthened.

Young said in the June 5 memo:

"The SRS proposal to make available EPSDT services to eligible children and to screen three million children should be reconciled with the legal mandate to provide screening for all children, in other words eight million plus.

"Now that push has come to shove, as far as the financial penalty is concerned, we suggest that SRS invest much more than $40,000, which in budget terms represents two man years, in the effort.

"Also, the OPS (Operational Planning System) objectives should detail how SRS will monitor EPSDT and apply financial sanctions where necessary. The plan should also include development of a tracking system to indicate whether health screenings are actually followed up with by diagnosis and treatment."

Young was making reference to the MBO management system. Ottina and Thomas S. McFee, his deputy for management planning and technology, are responsible for administering the internal management system.

The implementation of the EPSDT program was a management objective established by the SRS in fiscal 1974. McFee said in an interview that because of Weinberger's commitment to the goal it likely would be upgraded in fiscal 1975.

It was SRS' first crack at upgrading the objective which Young questioned. Dwight had suggested that the "resources required" to operate EPSDT in fiscal 1975 totaled $2.6 million, including $40,000 for the salaries and expenses of two staff members.

STATES

HEW's grudging commitment to the children's health program has been reinforced to a large degree by the states, which have feared from the beginning that EPSDT would only add to what was already an onerous financial burden—medicaid.

States have recognized the problems which exist, according to Howard Newman, but they have failed to correct most of them because of a concern over the potential cost.

In a speech March 12 to the National Health Forum, Newman said:

"There was universal acknowledgement of the need for comprehensive health services for poor children, and that such services were not readily available or accessible to the needy.

"Today, many of those problems still exist. In certain areas, a child in a poor family has only half the chance of those with higher incomes to live to his or her first birthday. Half of all poor children are not immunized against polio. About two-thirds have never been to a dentist. And poor children have three times more heart diseases, seven times more visual impairment, six times more hearing defects, five times more mental illnesses than the more affluent," Newman said.

He said that EPSDT got caught in the squeeze between rising welfare expenditures and the states' concern over the potential cost of the screening program.

"States were reluctant to embark on this venture, and the federal government was reluctant to insist. The number of welfare program recipients had been increasing steadily and the bulk of this increase was in the addition of children whose families needed public assistance. . . . Despite its obvious long run, and even short run, benefits, EPSDT posed a problem for public budgets," he said.

Links: Beyond the problem of its potential costs, EPSDT posed a significant obstacle for medicaid programs that never had been called upon to develop services. To make the vital link between providers of care and the intended recipients was a new and foreign task for state medicaid programs.

Medicaid was established in 1965, primarily as a federal-state mechanism to finance the cost of the basic health needs of some 27 million poor Americans. Many state programs are not equipped to manage the development of new service programs within the context of medicaid, even if they had the money.

But pressed by court suits, a number of states now are committing new resources to develop the EPSDT program. The states which have most impressed HEW with their efforts to implement EPSDT are Alabama, Iowa, Michigan, Missouri, Mississippi and Virginia.

In California, the EPSDT program helped influence the state legislature to enact a law which directed the state government to make screening services available to all children.

Texas has made a special effort to extend dental services to children eligible for the EPSDT program. Dental services are generally the most difficult to attain of those services provided under the program.

New York. New York has decided to step up its implementation of EPSDT, in the face of a court suit which charges the state with not developing a program and, as the result of the recent appointment to a high state post of Beverlee A. Myers, a former HEW official committed to EPSDT.

In a project that will start in September, New York's State Department of Social Services and Department of Health will strive to link children eligible for EPSDT with a comprehensive range of health services.

"The program began in 1972 in New York, but to date it has not been effective in reaching the target population," according to a state document which outlined plans to upgrade EPSDT implementation.

Through a marriage of New York's medicaid program and the regional medical program (RMP), another HEW enterprise which seeks to improve the health delivery system in a variety of ways, the state agency hopes to make the vital link between eligible children and screening services.

The agency plans to focus its efforts initially on approximately 450,000 eligible children in upstate New York. Medicaid funds would finance the screening, diagnosis and treatment services. But RMP monies would be used to identify the children and educate their parents to the merits of EPSDT.

New York spends more than $2 billion a year to finance health services under medicaid. It spends an average of $300 a year on individuals who participate in medicaid.

Mrs. Myers, a deputy commissioner of the State's Department of Social Services, rejects the notion that the SPSDT will be a costly endeavor for states. "We may well be able to reduce that $300 figure, or at least control how it is spent better, through EPSDT because it will encourage the delivery of more primary care and less hospital care."

"The program should demonstrate that a relatively small amount of flexible RMP funds can be used as leverage to make the expenditure of relatively large amounts of medicaid funds more effective," Mrs. Myers said in an interview.

In New York City, the state agency plans to follow two approaches to implementation. One is to inform parents of preschool children through letters of the availability of screening services, which are provided by New York City's Health Department.

Second, New York plans to screen older children through a linkage with the schools they attend, an approach which has not been used widely in other jurisdictions. Before New York can move forward with this approach, though, HEW must grant its approval because it will require the department to waive a program regulation.

OUTLOOK

Come July 1, Dwight said, HEW would be prepared to assess the penalty provided by law on states that have failed to implement the EPSDT program. But he said that "assessment of the penalty is an admission of failure" to put EPSDT in place.

SRS's apparent strategy, as reflected in Dwight's comments and the agency's MBO statement, is to grant states the benefit of the doubt on the question of implementation.

SRS's proposed MBO statement on implementing EPSDT indicates that the agency does not plan to move precipitately to impose the penalty.

For one thing, a lot of money is involved and a quick cut-off would bring screams of indignation from the states and their representatives on Capitol Hill.

Second, a reduction in the funds would only hurt those individuals who can least afford it—the welfare recipients. And third, Dwight is prepared to give states every benefit in finding ways to comply with the law, such as phasing in programs over time.

SRS's proposed MBO statement on implementing EPSDT shows that the agency plans to use the first three months of fiscal 1975 to assess which states have not complied with the law.

On Capitol Hill, meanwhile, a spokesman for Sen. Ribicoff said that he is prepared to take HEW to task if it fails to require states to comply with the EPSDT law.

PUBLIC BROADCASTING

Mr. BAKER. Mr. President, I have been notified that Clay T. Whitehead, Director of the Office of Telecommunications Policy, today forwarded to Congress on behalf of the administration legislation that would, for the first time, provide long-range funding for the Corporation for Public Broadcasting.

As ranking Republican on the Communications Subcommittee of our Committee on Commerce, I have long been concerned with the financing problems faced by public broadcasting, and I am gratified that earlier reports that the President would not approve long-range financing legislation have proven to be untrue. In view of the long record of support given public broadcasting by the Committee on Commerce, I am hopeful we will be able to schedule hearings on this landmark legislation before the year is out.

I ask unanimous consent that a press release outlining this proposed legislation be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

OTP SUBMITS LONG-RANGE FUNDING BILL FOR BROADCASTING

Clay T. Whitehead, Director of the Office of Telecommunications Policy, today sent to Congress legislation that would, for the first time, provide long-range funding for the Corporation for Public Broadcasting. He stated that the proposed legislation, which was recently approved by the President, recognizes the progress and potential of public broadcasting. In letters to the President of the Senate and the Speaker of the House, Whitehead said that many of the concerns expressed in Congress and the Administration for not including a long-range financing plan in the Public Broadcasting Act of 1967 have now been substantially resolved. As examples, Mr. Whitehead cited growing diversity and excellence in programming and the assurance that the local radio and television stations will have a significant role along with the CPB in the programming and operational decisions of the public broadcasting system.

Mr. Whitehead noted that the President has long considered that the availability of substantial Federal subsidies for the production and distribution of television and radio programming poses the threat of Federal control of program content and the possibility of public broadcasting becoming a propaganda vehicle. The extremely sensitive relationship between Government and a Federally funded mass communications medium calls for some means of insulating that medium from the possible pressures that might result from the annual appropriations and budgeting processes of the Congress and the Executive Branch. The Director of OTP stressed that the needed insulation must be achieved through long-term appropriations and through substantial involvement of local educational stations in the decision-making of the public broadcast system.

As to long-term appropriations, Mr. Whitehead stated that solving the dilemma presented by large-scale Federal financing of a medium of communication called for a departure from the usual funding mechanisms employed by the Federal Government. Rather than annual appropriations, the legislation would provide for a full five-year appropriation. Public broadcasting would be one of the few activities funded by the Federal Government that would not be subject to the annual review of the congressional appropriations committees. Mr. Whitehead stated that the Congress should be willing to loosen control of its pursestrings, as the White House has done in proposing this legislation, in order to insulate programming decisions from governmental intrusion.

Mr. Whitehead also stated that innovative financing mechanisms are not alone sufficient to assure a free and independent public broadcasting system. To achieve this goal, the local educational stations must have a voice and role in the decisions regarding public broadcasting programs and operations. The legislation would accomplish this by requiring that a substantial portion of the Federal appropriation be distributed directly to the local stations for use at their discretion. In this way, Mr. Whitehead stated, the principle of local station autonomy in public broadcasting system will be fostered.

Finally, Mr. Whitehead noted that proposed legislation would up-date the 1967 Public Broadcasting Act by making Federal funding available for the development and use of non-broadcast communications technologies for dissemination of educational radio and television programming.

In submitting the legislation today, Whitehead pointed out that key Congressional leaders had expressed their interest to move forward with the bill as soon as the Administration submitted it. Given these assurances and the general support the bill has among public broadcasters, the CPB and PBS leadership, Whitehead said that he expects the bill to pass and be signed by the President before the end of this congressional session.

(Specifics of Legislation.)

The bill has three principal purposes relating to the Corporation for Public Broadcasting and the system of non-commercial educational radio and television stations.

1. The bill would provide long-term Federal financing for the CPB by means of a 5-year authorization and appropriations. Here is how the Federal money would go to the CPB:

A. A Public Broadcasting Fund would be established in the Treasury Department.

B. Into this Fund Congress would appropriate EITHER 40% of the entire public broadcasting system's non-Federal income (this matching formula amounts to one Federal dollar for every $2.50 the system raises from other sources), OR a set amount as described below—whichever amount is less.

C. The maximum amount authorized and appropriated by Congress:

Fiscal year 1976—$70 million.
Fiscal year 1977—$80 million.
Fiscal year 1978—$90 million.
Fiscal year 1979—$95 million.
Fiscal year 1980—$100 million.

(NOTE.—According to CPB figures published in the Long-Range Financing Task Force Report, the entire public broadcasting system's non-Federal, non-duplicated income for Fiscal year 1974 was estimated at $200 million. Hence, for the first year under the bill, fiscal year 1976, the CPB would be entitled to the maximum $70 million from the Fund (the Federal match is based on the system's non-Federal income for the second preceding fiscal year).)

2. A second major purpose of the bill is to assure that a reasonable portion of Federal funds is distributed directly to local non-commercial educational broadcast stations. Here is how the CPB would be required to distribute Federal funds to the stations:

A. The following minimum amounts of the Federal grant to CPB would go to stations:

40%—at $70 million to $89 million appropriation level.

45%—at $90 million to $99 million appropriation level.

50%—at $100 million.

B. There would be a limit on the amount of funds CPB may distribute to any station—no more than ½ of licensee's total non-Federal money.

The stations may use this money for local program activities or to contribute to the PBS national programming cooperative to get programming from other public TV stations.

3. The scope of existing law governing public broadcasting would be expanded to include the development and use of non-broadcast communications technologies for the distribution and dissemination of educational radio and television programming. Examples include cable and communications satellites. The bill would permit stations to use the Federal funds distributed to them by the CPB for the development of such technologies and also would authorize the CPB to conduct research, demonstrations or training in their use.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, once again I rise to urge ratification of the Genocide Convention Accords. There is one thing about the Genocide Convention with which everyone will agree—that is, that it has come under exceedingly close scrutiny both by this august

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body and the world community at large. Clearly, all treaties which come before this body should be given careful examination, so as to insure that our national interest as well as international order and justice, are upheld.

Unfortunately, these accords have been given prolonged and redundant scrutiny. The same arguments have been made time and again. Most of these arguments have focused on technical and minor points dealing with a seemingly never-ending stream of legal minutiae. While it is proper that these matters be carefully scrutinized, it is unfortunate that this type of legal nitpicking has meant that the larger principles involved have been almost forgotten, at least by those opposed to the treaty.

Ratification of the Genocide Convention by this body would be a declaration that the United States is opposed to mass murder and that it intends to do its share in insuring that the horrors of Nazi Germany are not repeated. We are all against genocide. Now we have a chance to do something about it. Further delay would be inexcusable.

Mr. President, the time has come for the Senate to ratify the Genocide Convention.

PROPOSED RAIL LINE ABANDONMENT IN ILLINOIS

Mr. PERCY. Mr. President, the Congress passed the Rail Services Act of 1973 last December. That legislation is designed to restructure and revitalize this Nation's rail system. As a part of that legislation, the Department of Transportation proposed that certain segments of rail line be abandoned. Although that report was a very preliminary one, and two more are to follow before Congress acts on the proposals, there has been a great deal of feedback concerning these proposed abandonments.

I have received hundreds of letters from constituents concerned about this report. Many of those who were concerned met at my office in Springfield to discuss their concerns. As a result of that meeting, the Rail Services Planning Office extended the number and location of hearings on the proposals in the State of Illinois. One thing that came through loud and clear from these hearings is the very critical danger to the economy of Illinois and its residents should the proposals be adopted as first submitted. Although I realize that all parties now generally concede that many revisions are needed before these proposals become final, it is nonetheless necessary to make sure that everyone concerned understands the grave impact such rail line abandonment would have.

Consequently, I ask unanimous consent that a resolution adopted by the House of Representatives of the State of Illinois on June 14, asking that the proposals not be implemented, because of their adverse effect on the economy of Illinois, be printed in the Record.

Mr. President, today I was visited by a distinguished Illinois delegation on this very issue, including Senator Tom Merritt, chairman, Mason Rowell, Bob Waddell, Senator Stanley Weaver, Representative Paul Randolph, Representative Roland Tipsword, Representative Ralph Dunn, and Robert Mattson, executive director, all representing the Illinois Commission for Economic Development, expressed their concern to me and presented to me a report entitled "Illinois Rail Abandonment Impact." I ask unanimous consent that this very comprehensive report be printed in the Record also.

There being no objection, the joint resolution and report were ordered to be printed in the Record, as follows:

Resolution

Resolved, by the House of Representatives of the Seventy-eighth General Assembly of the State of Illinois, the Senate concurring herein, that it is the sense of the General Assembly that the proposed reduction of railroad service proposed by the federal Department of Transportation is damaging to the economy of the State of Illinois and should not be implemented; and, be it further

Resolved, That a copy of this resolution be forwarded by the Secretary of State of Illinois to President Richard M. Nixon, the Office of Secretary of the Department of Transportation of the United States, and to each member of the Congressional delegation from Illinois.

Illinois Rail Abandonment Impact

INTRODUCTION

The Illinois Commission for Economic Development was appalled to learn of a Federal plan for rail abandonment which, if implemented, would mean disaster for the entire State of Illinois.

This plan—as outlined by the U.S. Department of Transportation report of February 1, 1974—identified about 25% of the rail track in Illinois as "potentially excess"—most of it in Central and Southern Illinois where, under the DOT plan, service would be entirely eliminated from many areas.

The Commission is deeply concerned with the crippling damage that agriculture, industry and rural community development in Illinois would suffer if the DOT "abandonment philosophy" is allowed to proceed. Even the possibility of rail abandonment and uncertainties surrounding the DOT report have had some stifling effects on the Illinois economy.

Testimony presented to this Commission overwhelmingly opposed the DOT plan, and emphasized the desperate need for improved rail efficiencies and good rail service.

This is "a must" if Illinois is to continue its healthy economy.

BACKGROUND

The objective of the Rail Reorganization Act, enacted January 2, 1974 is to develop an efficient system of rail transportation that is economically sound. The Act directed the U.S. Department of Transportation to submit a report and recommendations for rail service in 17 northeastern States.

The intent was to provide a viable system and profitable basis for operation of bankrupt rail lines. The DOT, however, included profitable lines as well, in a report which identified 2600 miles—or 24% of Illinois trackage—as excess. In Illinois only a small percentage of the total trackage—that of Penn Central—is of bankrupt carriers.

"Potentially excess"—a phrase used throughout the report for trackage that could be abandoned—was interpreted by the public as a recommendation from Washington for abandonment. This was particularly hard to accept, considering the shortage of rail cars and lack of service from the railroads that has plagued Illinois for some time.

In making abandonment recommendations, the DOT was also severely criticized for basing them solely on the criteria of carloads per mile, using a small sampling of out-of-date data. This presented a distorted view and ignored completely the economic, environmental and social impact on the communities involved.

Alarming now is the tight time schedule forced by the Federal legislation which makes it almost impossible to conduct a comprehensive study and develop the recommendations that are needed for meaningful rail reorganization. A final plan is to be presented to Congress by the U.S. Rail Administration on October 29, 1974. Of concern is that this will be only a slight dress-up of the present DOT scheme. Unless Congress acts to reject it the plan automatically becomes effective in May of 1975.

ECONOMIC IMPACT

In jeopardy is the health and future growth of the Illinois economy. Illinois is the number one State in the nation in export of agricultural products, and a leading coal producing State in the nation. Illinois agricultural products are distributed throughout the U.S. and the world, and play a significant role in the U.S. balance of trade.

It is ironic that at a time when the U.S. is being asked to increase agricultural production, expand exports, and develop its own energy resources, the DOT is laying the groundwork for a plan that would severely cripple these efforts. At the same time we are spending money to attract industry in Illinois and to encourage business to locate and grow here, the DOT provides a shortsighted plan which renders impossible community and industrial development.

Illinois coal and energy

With the energy shortage, coal production is being encouraged as an important part of America's goal toward self-sufficiency. Illinois is being looked to in this effort because Illinois has the largest deposit of bituminous coal in the U.S. Illinois currently produces 65 million tons of coal (11% of the nation's total) per year. About half of this is shipped outside the State—mainly to utilities or the energy market.

The Illinois coal industry employs 11,000 miners. Thousands of other persons throughout the State are employed in sales, engineering and transportation of coal. Many communities and whole counties in Illinois depend on coal for a major portion of their economy. The proposed rail abandonment plan affects major segments of this industry.

Current production of coal will suffer since both available trackage and the supply of cars will be reduced as a result of the DOT plan. Lost almost entirely to coal would be the services of the Penn Central—owner of the largest fleet of coal cars which Illinois mines depend on to keep operating.

Truck transport of massive volumes of coal at many locations is not possible unless we are willing to accept an endless chain of semi-trailers on Illinois roads. Furthermore, conversion to truck use of coal loading/unloading equipment designed for rail use would be prohibitively expensive.

Abandonment of rail facilities will also prevent the future development of coal reserves, as well. Illinois could be constructing 5 to 10 new mines in the very near future. The assurance of rail lines and service—and rail cars—is a "a must" for investment in such expansion.

Much evidence has been given showing how Illinois coal production will suffer under the DOT plan of abandonment. The following are examples:

Up for abandonment is the rail track between Sparta and Nashville, Illinois—the only track serving a coal mine which produces approximately 1 million tons of coal annually. It is also the only rail track available for developing the vast coal resources of a new coal mine in Randolph County which would produce 1.5 million tons of coal annually for 25 years.

A coal company with three mines producing 2.2 million tons of coal in Saline County would be forced to close two of those mines and reduce production at the third. Only ⅓ of current production could be shipped.

An Illinois coal company in 1973 supplied 1.6 million tons of coal to power plants in five States. Two-thirds of this was over Penn Central lines now listed for abandonment.

Presently under construction at Newton is a generating plant that will require 1.8 million tons of coal—18,000 rail car units per year—to be supplied from a Harrisburg mine. This would be impossible if the track of the Illinois Central Gulf Railroad there is abandoned.

A mine near Keensburg on the Penn Central is scheduled to commence shipping two 80-car trains per day to an Indiana generating station just across the river from Mt. Carmel, Illinois. 3.6 million tons—36,000 cars—per year would be moved, and the Penn Central has just completed extensive upgrading of railroad track for the purpose of handling this train. The DOT plan designates this line "potentially excess."

Illinois agriculture

With the developing world food shortage, and the need for U.S. food exports to help alleviate it, Illinois is being looked to for increased agricultural products. Illinois has an abundance. It can supply U.S. needs as well as export—thereby greatly assisting in reducing this nation's foreign trade deficit. Illinois can meet this responsibility—but rail transportation and the transportation options that rails offer are "a must" in order to do so.

Illinois agriculture cannot rely on trucking as an alternative to rails for movement of grain—even if the thousands of trucks, loading/unloading facilities, and highways were available. Reliance to that extent on motor transportation would mean wall-to-wall trucks on our highways, immeasurable congestion at the terminals, an unbearable burden on rural roads, and a fourfold increase in fuel usage.

On the other hand, one 100-ton rail hopper car will move as much grain as four large semi-trailer trucks. When combined in a 100-car train, this is an efficient means of moving grain and affords up to 25¢ bushel premium for the farmer. The difference could be millions of dollars lost to the economy and a severe limitation of marketing capabilities.

Fertilizer materials also such as potash and phosphates from Canada and the southern States—so necessary to agriculture—are prohibitive in cost if shipped other than by rail. Even in-State truck transport of fertilizer adds about $7-10 per ton to the cost because of the additional handling and product shrinkage.

The effects on the economy quickly multiply, and agricultural economists in the State project that with the rail cuts planned by DOT, farm costs will increase 4 to 5 percent—even with other factors remaining constant. On a net basis this could mean a reduction in income to Illinois farmers by as much as 20 percent.

In the Bloomington area—the largest producer of corn and soybeans in the State—41 out of 42 grain elevators would lose rail service. The thought of the 40,000 heavily laden semi-trailers needed to move their yield converging on the one remaining elevator in central Bloomington illustrates the irrationality of the DOT plan.

A major grain elevator operator would lose rail service at eight sites in Illinois under the DOT plan. Relocating elevators to locations where rail service would be available would cost an estimated $4.0 million. Even if trucks were available for this volume, costs of transportation are estimated to increase 7-10c per bushel.

A Vermilion County grain elevator handling over a million bushels per year—mainly for export—will lose access to rail service. The Norfolk & Western—the only rail line in the area providing loading facilities—has been declared "potentially excess."

A Moultrie County grain elevator is in the process of installing a private siding and a 300,000 bushel storage tank for loading 100-car trains. Present volume is in excess of 3 million bushels per year, and after the siding is installed will increase to 4 million bushels per year. Availability of trucks to handle this volume of grain is questionable.

An Iroquois County grain elevator handling about one million bushels of grain estimates that 1100 to 1200 truckloads would be required to ship this volume by truck—impossible considering the rural roads in the area.

A farm service company in McLean County handling 4 million bushels of grain—30,000 tons of fertilizer—and 11 million gallons of petroleum fuels—will lose service to seven of eight fertilizer dealers and to all four grain elevators.

The DOT plan would leave town after town without any rail service, including such rural communities as Carmi, McLeansboro, Newton, and Delavan. Many Illinois cities such as Paris, Robinson, and Eldorado would be left at the stub of branch lines with greatly reduced service. Rail routes through such important rail centers as Decatur, Bloomington, and Mattoon would be closed, resulting in substantial roundabout shipments and lost time.

In many cases there is no viable alternative to rail transportation. Because of the quantities of trucks needed to replace the lost rail lines and the lack of roads good enough to support such an amount of traffic; because of the cost of converting loading/unloading facilities from rail to truck use; and because of size, volume, weight, or destination of shipments—many businesses in Illinois would be forced either to cease operating or greatly curtail operations if rail service is taken away.

The primary users of rail service in small towns—the grain elevators, fertilizer dealers and lumber yards—are faced with a decision to either ship by truck or relocate. The higher costs or substantial investments required can only mean further decline in the typical small community of rural Illinois.

Even the threat of rail abandonment has caused a halt in plans for expansion in many Illinois communities. New industry—so vital to economic development in the State—will not locate in an area which may possibly lose its rail service. Businesses on lines listed for possible abandonment will not consider further investment.

A few of the many cases brought before the Commission are cited showing the impact DOT recommendations could have on the community:

In Decatur—a city of 100,000 population—five key rail lines are recommended for abandonment. Affected are several major industries employing 60 percent of the work force. The city's new industrial park—expected to employ 5,000 people—is serviced by a rail line scheduled for abandonment in the DOT plan. Even if trucks were available, their use in such quantity, with present road conditions, would choke the city.

A brick manufacturer in LaSalle County shipping 300 railcar loads would be forced to cease most of its operations without rail service, since the plant would no longer be competitive with out-of-state manufacturers.

A Bloomington scrap iron recycling business and a paper recycling plant on the same line require 250 rail cars per year serviced now by the Penn Central. Because of the type of shipments involved, elimination of rail service would mean these companies could no longer operate.

In Peoria the remaining rail lines could not handle the carload requirement. An additional 450,000 truck loads per year would be required—which is completely unrealistic. This would cause two thirds of the existing businesses dependent on rail service to curtail expansion and would affect about 1600 existing jobs in the area.

A viable and profitable railroad providing the only through East-West service via The Peoria Gateway is shown with most of the trackage declared excess by the DOT. Also, vital rail connections to this railroad could be eliminated. This would mean the demise of the railroad. Many communities and industrial parks would be isolated, and a strategic link in East-West rail movement for Central Illinois would be removed.

The Shawneetown Port District has an $8.3 million development underway to provide needed facilities for transporting coal from southeastern Illinois. The main lines servicing the Port—the B&O and the L&N—are shown as excess by the DOT.

A manufacturer of heavy machinery in Wabash County is located on Penn Central tracks now proposed for elimination. Without rail service the plant would have to close since because of size, most of the shipments could not be handled by truck.

An implement dealer in Montgomery County receives about 250 tons of combines and other heavy equipment by rail on the L&N line scheduled for abandonment. Due to size and weight of equipment, discontinuance of rail service would probably force the business to close.

SUMMARY

Clearly presented by the citizens of Illinois is that the rail lines are not over-built. Rather—when the need and potential for service in many areas is recognized—it is suggested that addition of lines and vast improvements in present equipment could pay off handsomely for the railroads. Nowhere in its study does the DOT consider this possibility—only abandonment.

Removal of rail lines and consolidation may seem profitable to the railroads, but such wholesale abandonment as suggested by the DOT would create many severe economic and other consequences:

For the farmer it means almost insurmountable difficulty and higher costs for transporting grain and fertilizer. Ultimately, production will suffer.

For the grain dealer and businesses on the abandoned lines it means either sizable investment—which cannot be recovered—to convert facilities for handling by motor transport, or cease operating. The resulting centralization of grain operations will mean the end to the country grain elevator and the competitive cash grain market we know today.

For agriculture as a whole, removal of rail lines places a severe restriction—or in some cases even renders impossible—the movement of product to market.

For the coal industry, the DOT proposal leaves no way to effectively operate.

For industry a lack of rail service means curtailing expansion, investigating elsewhere, or even ceasing to operate in certain areas.

For the community the effects are compounded in terms of loss of jobs, disruption of industry, decreased land values, and loss of tax base. Furthermore, the increased use of motor transportation adds greatly to fuel consumption and places a heavy traffic burden on already inadequate rural roads and on the communities involved. Community growth will be stifled and expansion curtailed.

For the nation, development of valuable energy resources, agricultural production, and industry will suffer. Also, weakening a valuable link in the country's inter-modal transportation system is foolhardy in terms of the vital interests of national defense.

The many and diverse economic situations presented demonstrate the complexity of rail abandonment, and that a solution should not be hastily made. Indeed, the planners must proceed with caution and sound rationale.

UMI

The testimony of concerned Illinoisans was more than a long list of complainers or of those whose "ox was being gored." Underscored was the desperate need in Illinois for good rail service if we are to continue to enjoy a healthy economy.

RECOMMENDATIONS

The Illinois Public demands that good rail service be given first priority, not rail abandonment. This is the objective of the U.S. Rail Reorganization Act—to provide needed rail service—but seemingly ignored by DOT in its study.

What was so repugnant to the public was the apparent DOT belief that a viable railroad system could only be achieved by cutting back lines and service, using car count as the sole criteria.

Of concern now is that the DOT "abandonment philosophy" may have so permeated the U.S. Rail Administration's planning process that in the final plan we will have nothing more than a continuation of the same DOT thinking.

In response to the overwhelming testimony and sentiment expressed by Illinoisans who seek good efficient service, the Commission for Economic Development offers these recommendations:

1. We urge Congress to extend the schedule for considering and implementing the plan of reorganization to allow for thorough analysis of facts and preparation of an Illinois plan.

The timetable of the Rail Reorganization Act is unrealistic and places an impossible burden on the planners to properly consider the goals, criteria and implications of rail reorganization. The right answers must be found, rather than rushing to meet an arbitrary time schedule and then find a vital part of our transportation system has been destroyed.

2. Legislation should be enacted to ensure good rail service and rail cars where needed. No abandonment should be allowed until proof is shown that the requested new equipment can be provided.

As pointed out so vividly in the hearings, demand for rail cars in many cases was up to ten times greater than that actually supplied. It is ridiculous to talk of abandonment when the need for rail transportation on those lines is so great.

3. Serious consideration should be given to eliminating Illinois from the present Federal plan to allow time for the State to fully develop a plan for efficient rail service covering the entire State. In the U.S. DOT report much of the trackage in the State and great rail centers of Chicago and St. Louis were omitted as too complicated to analyze.

4. The General Assembly of the State of Illinois should in every way encourage and fully support The Illinois State Department of Transportation in its preparation of a constructive rail reorganization plan for Illinois.

5. We would encourage the solvent rail lines operating in Illinois to come forward with firm commitments to continue service. This would do much to lessen the misunderstanding and uncertainties surrounding the DOT report which discourages business expansion and investment.

PLAYING POLITICS WITH THE LIVES OF AMERICAN WORKERS

Mr. WILLIAMS. Mr. President, in the last several days proof positive has been made public confirming what some of us in the Congress have long maintained—that this administration, despite window dressing to the contrary, has consistently refused to commit its full resources for the protection of the health and safety of the American worker.

The proof I refer to is a Department of Labor internal memorandum dating back 2 years, which was obtained in the course of the investigation by the Senate Select Committee on Presidential Campaign Activities. The memorandum deals with the enforcement—more precisely the nonenforcement—of the Occupational Safety and Health Act. It is both startling in its candor, and callous in its hypocrisy.

As author of the Occupational Safety and Health Act of 1970, and as chairman of the committee charged with monitoring its implementation, I must say that the attitude embodied in this memorandum should perhaps come as no surprise. When Congress was going through the long and arduous business of shaping this landmark legislation, the administration's position became very clear. Publicly, the President and his aides spoke in sanctimonious terms of the long neglected need to reduce the appalling rate of on-the-job accidents and illness. But privately, Mr. Nixon and his agents did all they could to block enactment of legislation that would have any measurable impact on the situation. At one point, they even hinted a Presidential veto if meaningful legislation was passed.

Fortunately, a solid majority in both Houses of Congress recognized the compelling need for a strong bill, and in the end the President signed it into law with a great deal of fanfare. But from the time of that signing ceremony nearly 4 years ago, until this day, the administration has engaged in what often seems to be a calculated campaign to cripple this law through indifferent and inept implementation.

Although the administration has repeatedly denied it, the fact is that they have dragged their feet at every turn. Never has there been evidenced a determination from the policymaking level of this administration to really make this momentous worker-protection legislation work. On the contrary, they have delayed the issuance of health and safety standards; refused to budget the funds needed to support a meaningful enforcement program: actually tried to reduce the already inadequate research and training budget for the National Institute of Occupational Safety and Health; and rushed to turn the entire program over to State agencies with little regard for their ability or determination to do a good job.

I and other Members of Congress have spoken out often and strongly on what we viewed as a clear dereliction of duty by this administration in implementing a major law. Repeatedly, the administration has denied our allegations. But this memorandum shows clearly that we were right.

The memorandum was written in June 1972, by the man who was in charge of implementing OSHA—then Assistant Secretary of Labor George C. Guenther. It came in answer to the odious "Responsiveness Program" under which the White House was trying to harness the entire apparatus of our National Government to the cause of reelecting Mr. Nixon. In his memorandum Mr. Guenther promised that his administration would do nothing "controversial" that might rock the President's campaign boat. As a matter of fact, he suggested that the administration pay even greater attention to "the great potential of OSHA as a sales point for fundraising and general support by employers." And, he asked his superior for suggestions on "how to promote the advantages of 4 more years of properly managed OSHA for use in the campaign."

Surely, this is hypocrisy carried to an almost unbelievable extreme, and cynicism at its ultimate worst. Here we see the individual—the highly placed official of our National Government—charged with faithfully implementing this law, suggesting ways in which the law's intent can be circumvented. Surely, Mr. President, there can be no defense for this despicable behavior which, as I have said, is at the very least a clear dereliction of duty.

The attitude toward OSHA summarized by this memorandum is just another of the tragedies which have been revealed by turning over the Watergate rock. But hopefully, they are now behind us. I have no desire to now revive the ignominious scenes of the past 4 years. Rather, I can only hope that this administration will now finally, and much belatedly, turn with some vigor to the task of making OSHA work, and launching an effective attack on the killers and cripplers that haunt our workplaces.

Mr. President, I think it appropriate to inform my colleagues that the Subcommittee on Labor will begin its previously scheduled hearings on the implementation of OSHA next Monday. These will be continued on July 29, 30, and 31, and into the month of August.

Mr. President, I ask permission that the full text of the Guenther memorandum, as well as an article about it from today's Washington Post, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OSHA PROGRAM ACTIONS FROM NOW THROUGH NOVEMBER

In considering this subject, I have assembled an informal group of seven staff members whose loyalty and political credentials are certain. This group and I have conceived the following program actions. We plan to meet from time to time to assess progress and determine additional initiatives.

ACTION

1. *Standards setting*. While promulgation and modification activity must continue, no highly controversial standards (i.e., cotton dust, etc.) will be proposed by OSHA or by NIOSH. A thorough review with NIOSH indicates that while some criteria documents, such as on noise, will be transmitted to us during this period neither the contents of these documents nor our handling of them here will generate any substantial controversy.

While the activities of the Standards Advisory Committee on Agriculture will commence in July, the Committee will concentrate on priorities and long-range planning, rather than on specific standards setting, during this period. Other standards advisory committees may be proposed during this period but again their activities will be low-keyed.

2. *Inspections.* OSHA will continue, administratively, to concentrate inspection activity on other than tiny establishments.

We are working on a proposal for a late summer or early fall mailing to all employers (using the Social Security list as for our first mass mailing) in which we would hope to clarify misconceptions about the program and make available a maximum of simple information on what it means to employers, especially small ones. I emphasize this is only in the proposal stage and you will be hearing more about it.

Assuming OMB clears the letter to Senator Williams on the Curtis amendments we will, at or after the Small Business hearings, publicize to the maximum extent possible the positive positions we are taking with regard to small businesses and farmers.

3. *State programs.* I will personally call the designees in the 11 key States regarding more assistance from us, which will include additional grants, exchange of OSHA personnel under the Intergovernmental Personnel Act, special provisions for training State inspectors from the key States at our Training Institute in Chicago, and other matters.

We are drafting for the signature of the President a letter to Barry Brown, President of IAGLO, for Brown to read at the annual IAGLO Conference in July. This letter will stress the President's commitment to New Federalism and his pleasure with the broad response of the States to the OSHA program. You will receive the draft shortly.

Otherwise, we are maximizing our relations with all States.

4. *Personnel.* We are drafting an outline of OSHA's recruiting and hiring plan for the next six months. Subject to your approval, it is our intention to provide copies of this detailed plan to the Republican National Committee and the Committee to Re-elect the President. We can then consider applicants they propose.

5. *Recordkeeping by employers.* The proposal to exempt employers of fewer than eight from all recordkeeping requirements is being drafted. This proposal should be well received by employers in such tiny establishments.

BLS will provide us with their first major report on injuries, illnesses and statistics sometime in late November.

6. *Speeches and appearances.* My key group of seven will concentrate on appearances in the 11 key States. I have already lined up several days of speeches and appearances for myself in Texas, New York, Pennsylvania, and Illinois.

7. *The National Safety Congress in last week of October.* Timed as it is drawing very large crowds, the Congress offers an excellent sales opportunity which we shall take full advantage of. As in last year, OSHA has one full morning with no other competing Congress activity.

8. *Mailings to trade associations, organized labor, insurance companies and others.* We plan a regular flow of such broad mailings emphasizing the positive aspects of the program.

9. *Field staff.* I am having the registration of all RA's and ADs checked. When this reading is complete, we will consider further actions to be taken by the Republicans.

There are undoubtedly other ideas for action which we will come up with. You will be advised.

While I have discussed with Lee Nunn the great potential of OSHA as a sales point for fund raising and general support by employers, I do not believe the potential of this appeal is fully recognized. Your suggestions as to how to promote the advantages of four more years of properly managed OSHA for use in the campaign would be appreciated.

[From the Washington Post, July 16, 1974]

SAFETY RULES DELAY LINKED TO CAMPAIGN

(By Bob Kuttner)

The Labor Department delayed or toned down its implementation of worker health and safety standards in 1972 as "a sales point" to attract corporate donations to the Nixon re-election campaign, according to administration memorandum cited in the Senate Watergate committee's final report.

The strategy was outlined in a memorandum from George C. Guenther, then assistant secretary of labor in charge of the Occupational Safety and Health Administration (OSHA) to his boss, Labor Under Secretary Laurence H. Silberman, who has since become deputy attorney general.

At the time, Silberman was directing the Labor Department's contribution to the "responsiveness program," a White House plan to use federal agencies to help re-elect President Nixon.

In his memorandum, Guenther assured Silberman that no controversial worker health and safety standards would be issued "during this period." Pointing to the "great potential of OSHA as a sales point for fund raising," he asked Silberman for additional suggestions "as to how to promote the advantages of four more years of properly managed OSHA for use in the campaign."

Silberman has testified that he never responded to the memo, and that he decided against passing along any ideas to the White House. "When I saw the memos I was getting, it became clear to me that it would be improper," he said in a brief telephone interview. Guenther said that the memo was only intended "as a statement of my views," and was not put into effect.

An examination of OSHA regulations implemented since 1972, however, suggests an unusual degree of delay.

In letters yesterday to Attorney General William B. Saxbe and Watergate Special Prosecutor Leon Jaworski, the Ralph Nader-affiliated Health Research Group charged that the delay is continuing, and requested an investigation of OSHA.

Under the 1970 worker health and safety legislation, the National Institute of Occupational Safety and Health (NIOSH) run by the Department of Health, Education and Welfare conducts studies of occupational hazards and recommends exposure standards in reports called "criteria documents." Using these, OSHA is supposed to issue regulations.

In his letter to Attorney General Saxbe, Dr. Sidney Wolfe, director of the Health Research Group, noted that since 1972 NIOSH has sent the Labor Department criteria documents recommending more stringent exposure standards for 14 different workplace substances but that OSHA has issued regulations governing only one, asbestos, and that after being petitioned by the AFL–CIO.

The substances include lead, mercury, arsenic, sulfur dioxide, and carbon monoxide. In all, according to the Health Research Group, about 5 million workers are exposed to the substances for which OSHA has failed to issue new standards. In one case, arsenic, the Labor Department's present legal standard is 10 times higher than the safe level recommended by HEW.

Daniel P. Boyd, who became director of OSHA's standards office last April, said he had "no explanation" for why the regulations had been delayed as long as two years. "They were here when I walked in," Boyd said, adding that he considers action on them a priority to be completed by the end of 1974.

In setting final worker exposure standards, Boyd said, HEW's health findings must be balanced against economic and technological considerations.

Boyd's predecessor, Gerhard F. Scannell, said OSHA had delayed issuing the regulations in order to collect additional information. He said the final decision whether to publish proposed regulations was up to the chief of OSHA, the position held by George Guenther, author of the campaign memorandum.

Sources at HEW's NIOSH criticized the Labor Department's delays. "We put the information into these criteria documents," said one official, "and nothing happens."

According to these sources, the Labor Department is applying pressure to have NIOSH exclude specific numerical standards for the future criteria reports, to spare the Labor Department embarrassment when less stringent standards are eventually issued.

OSHA official Boyd confirmed that he would prefer that HEW's findings be kept confidential. "It's only one input among many," he said.

MEMORIAL DAY IN ILLINOIS

Mr. PERCY. Mr. President, I ask unanimous consent that a letter I have received from Illinois State Representative George Ray Hudson, as well as a copy of the resolution passed by the Illinois General Assembly memorializing Congress and the President to enact a law returning the annual observance of Memorial Day to May 30, be printed in the RECORD.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

JULY 1, 1974.

Hon. CHARLES H. PERCY,
U.S. Senator, New Senate Office Building, Washington, D.C.

DEAR SENATOR PERCY: On Friday, June 14, 1974, the members of the Illinois General Assembly, by an overwhelming voice vote, passed a resolution memorializing Congress and the President to enact a law returning the annual observance of Memorial Day to May 30.

A copy of the resolution is enclosed for your reference, and I invite your attention to its preamble wherein the reasons for this proposed action are set forth.

Since it was an action of Congress in approving the Monday Holiday Law, passed in 1968 and effective January 1, 1971, that initially caused the unnecessary alteration of the century-long tradition of our Memorial Day observance, Congress possesses the capacity and the responsibility to remedy the unwelcome results of that act.

As the sponsor of the resolution, may I respectfully urge that you take positive action on the matter.

Sincerely,

GEORGE RAY HUDSON,
State Representative.

RESOLUTION

Whereas, the Congress and the President of the United States have enacted a change in the observance of Memorial Day to the last Monday of May; and,

Whereas, the State of Illinois for one year followed the example of the United States government in celebrating Memorial Day on a floating Monday; and,

Whereas, in their wisdom, the General Assembly and the Governor of the State of Illinois in 1973 enacted a statute returning the observance of Memorial Day to the traditional day, May 30, in Illinois; and

Whereas, it is the sense of this body that the celebration of a holiday on a fixed date encourages the recognition by the citizenry of the reason and basis for the holiday and that its celebration on a floating "long weekend" basis encourages the casual treatment of holidays as mere "days off work"; and,

Whereas, the artificial creation of long weekends annually results in unnecessary loss of lives on the nation's highways because of the convenience of travel; and,

Whereas, it is the sense of this body, as illustrated by its action in 1973, that holidays should be regarded as commemorations and not as "days off work" to be linked whenever possible to weekends; and,

Whereas, a great deal of confusion reigns among Illinois citizens with respect to the observance of Memorial Day; and,

Whereas, Memorial Day is a holiday of great importance to all Americans, as we commemorate our valiant servicemen who have given their lives that we may remain a free people; now, therefore, be it

Resolved, by the House of Representatives of the Seventy-Eighth General Assembly of the State of Illinois, that we do memoralize the Congress and the President of the United States of America to enact a law calling for the annual observance of Memorial Day on May 30.

Be it further resolved, that a copy of this preamble and resolution be transmitted to the President of the United States and to the members of the Illinois delegation to the United States Congress.

FINANCIAL STATEMENT OF SENATOR McGEE

Mr. McGEE. Mr. President, on July 12, I made available to the Wyoming news media a statement of my personal finances, including my holdings, taxes paid for this year and the past 5 years, my income and my liabilities.

I am not a candidate for election this year, Mr. President, but I am pleased to join an ever-growing list of public officials who are voluntarily making these statements public—out in the open for all to see. Many of my colleagues in this Chamber have preceded me in making personal financial statements, Mr. President, and I hope that many more will follow.

I ask unanimous consent, Mr. President, that the news release containing my financial statement be printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

FINANCIAL STATEMENT

WASHINGTON, D.C., July 12—Sen. Gale McGee (D-Wyo.) today issued a statement of personal finances, including his holdings, taxes paid, income and liabilities.

Noting that he is not a candidate for election this year, McGee nevertheless said he feels the trend of public officials in voluntarily making their finances public "is commendable and very much the public's business."

The Wyoming Senator said his basic income in 1973 was $42,500, his U.S. Senate salary. In addition, as already reported to the Secretary of the Senate, he received $17,025 in honorariums for speaking engagements and $9,188 in interest income on savings. McGee also received $1,458 in rental income on a house in Laramie, and Mrs. McGee received $222 in dividends from a small amount of common stock.

Taxes paid in 1973, including federal income tax and Maryland income, personal property and real estate taxes, totalled $14,581, according to McGee.

McGee lists as assets a house and acreage near Dubois for which he paid $75,000, a home in Washington, D.C. for which he paid $42,500, an automobile for which he paid $4,450 and an additional automobile for which he paid $4,701.

Liabilities, McGee said, total $47,500 owed for the Dubois property.

The Wyoming Senator also listed the taxes he has paid in the last five years, 1969 through 1973. They are as follows: 1969–$8,789; 1970—$16,860; 1971—$15,744; 1972—$18,509; and 1973—$14,581.

THE WATERGATE INVESTIGATION AND RELATED ISSUES

Mr. GOLDWATER. Mr. President, this week's issue of Newsweek magazine is almost totally devoted to the subject of the Watergate investigation and related issues. Just for my information, I counted 39 full pages of type devoted to testimony and individuals who have figured in this investigation.

We know, Mr. President, from public opinion surveys that the American people are fed up with this issue and believe the news media is devoting entirely too much attention to it. I agree. I believe that the Watergate scandal is being blown out of all proportion to its importance as a news story. And I would hold that belief if it were not being done at a time when this Nation is desperately in need of official attention and legislation to handle more urgent problems.

Understand, Mr. President, that I deplore everything that the word "Watergate" stands for. I have made my position clear on this time and time again. But I believe that the time has come to cut back on all our concern over Watergate and get on with the job of facing more burning issues of our times. If we do not, the problem of inflation could wreck our economy.

Mr. President, to read the news sections of our papers and magazines and listen to the news content of our radio and television commentaries, you would think there was not anything wrong with the Nation's economy. You would think that world peace was a guaranteed condition and that energy all of a sudden had stopped presenting us with future concerns.

Mr. President, Watergate is a matter of crucial importance. None of us deny that. But I do believe that the duly constituted agencies of our Government are handling it the way it should be handled. I do not believe Watergate comes close to comparing with inflation as a matter of interest and importance to the average American. The Watergate problem involves Government and men in Government. Inflation involves the individual and his pocketbook. And I can assure you that when it comes to issues that matter, the pocketbook issues get top consideration every time.

Mr. President, I recently received a copy of a letter written by Mr. W. R. Persons, of St. Louis, Mo. He complained that the American voters are now getting 100 pounds of publicity for every ounce of action out of a large section of the Congress and the bureaucracy of the United States. He pointed out that while he deplores all that "Watergate" stands for, he nevertheless recognizes that it is no longer an issue in Washington.

He wrote:

> It is an alibi for a weak, inflation-sponsoring, free-spending Congress who deserts its duty and points to Watergate as an excuse.

Mr. President, inflation is no product of Republican imagination. It is on our doorstep and threatening to become a "runaway hazard" to millions of American workers unless something is done. It is time to start figuring out—and right now—how we can undo some of the harm done by a long succession of liberal Congresses who made deficit spending a regular habit.

Mr. President, I ask that Mr. Persons' letter, which was sent to the editor of the St. Louis Globe-Democrat and published on June 15, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 12, 1974.

To the Editor:

I am writing to publicly protest bitterly about the latest round of political-media stupidity which has hit our national headlines.

Much as I deplore all that "Watergate" stands for, it has now become apparent that American voters are getting 100 pounds of publicity for every ounce of action out of a large section of the Congress and the bureaucracy of the United States today.

The latest attack on Henry Kissinger provides all the proof necessary. Preserving our National Security has now become secondary to counter measures against illegal leaks of security material! Communists around the world must be rolling on the floor laughing at us!

Consider this—Great issues face the Congress today.

One—*Campaign Financing*. Not one constructive piece of legislation has passed this Congress in two years as they unctuously point to "Watergate" and play politics to protect their favorite campaign fund sources. Hypocrisy!

Second—*National Energy*. No constructive legislative program has yet passed this Congress to protect the public against the next wave of brownouts and gasoline lines which are sure to come! Instead, a deluge of "Public Hearings" and publicity releases combined with plans to penalize—not reward—discovery of new petroleum and gas!

Third—*World Peace*. On the eve of an opportunity to settle the most explosive Area in five generations of Americans—the Middle East—these same faceless, gutless Media-Politicos attack Henry Kissinger, who has created a modern miracle with incredible personal effort for his country. These little men need a closeup look at a hydrogen bomb blast to sharpen their perspective. Small men, small aims, small worth as Americans.

Four—*Inflation*. While tens of millions of workers face frightening expanding costs—and devastating sacrifices to millions of elderly people—the Congress passes a "social security plan" which has been called a fraud and gleefully spends billions beyond our ability to pay (not for the public, mind you—but for an all expanding socialized political bureaucracy—aimed at ignoring National Security.) Meanwhile, they gleefully point to "Watergate." How stupid can we Americans be?

Watergate is no longer an issue in Washington—it is an Alibi—for a weak, inflation sponsoring, free spending Congress who desert their duty and point to "Watergate" as an alibi.

And finally—to top it all—when three unctuous Broadcast-Telecast figures, Cronkite, Rather and Osgood, gather on the air to "analyze" Henry Kissinger today and find him "arrogant." How insultingly arrogant and reckless can they be with the future safety of our children and grandchildren? What is sacred to these Jackals? Certainly not 5,000,000 Boy Scouts. How—in God's name?

Yours truly,

W. R. PERSONS.

THE SITUATION IN CYPRUS

Mr. CRANSTON. Mr. President, this morning's papers carry accounts of the coup which yesterday toppled the government of Archbishop Makarios in Cyprus. At this moment the fate of Archbishop Makarios remains uncertain. Some reports indicate that he was killed in the coup. Others contend that he has succeeded in taking refuge. Reports later in the day may confirm his fate.

But whatever the personal fate of Archbishop Makarios, the gravity of the situation in Cyprus cannot be underestimated. The strategic importance of the Eastern Mediterranean is clear. And Cyprus, a crucible of intensely emotional antagonisms between Turkey and Greece, has long been a world trouble spot.

In the past, only the presence of a United Nations peacekeeping force has kept the lid on that bubbling cauldron of complex and emotional national and religious antagonisms. The potential for violence is great.

And with yesterday's coup, all bets are off. The situation has been seriously destabilized. So much so that the New York Times quotes unnamed diplomats in Athens as saying that the coup may bring Turkey and Greece—both NATO allies—to the point of war.

Clearly this is a time for restraint. I would urge both Turkey and Greece to restrain from any actions which might engender further violence. The potential is there for severe disruption—with major worldwide ramifications—and the ever-present possibility of outside intervention. Such a disaster must be avoided. I deeply hope it can be, and call upon all involved to exercise the utmost caution.

Regrettably, reports of the coup raise very serious questions about the extent of involvement of the Athens government in the overthrow of Archbishop Makarios. Greek Army officers were reportedly the leaders of the Cypriot troops which perpetrated the coup. And it is no secret that the Greek junta of Brig. Gen. Demetrios Ioannides openly and vocally disliked Archbishop Makarios. Recently the streets of Athens were filled with apparently officially sanctioned posters denouncing Makarios as a "power-hungry monk," and accusing him of "treason against the Greek nation."

Two weeks ago, Archbishop Makarios accused the Ioannides regime of trying to overthrow him, using the Greek Army officers who command the Cypriot National Guard.

I do not want to draw any hasty conclusions. Nor would I wish to comment on the validity of these accusations. But yesterday's events certainly raise serious questions and would seem to lend credibility to the archbishop's charges.

For the Senate's consideration I think the text of these accusations should become part of the public record. I ask unanimous consent that the full text of a letter dated July 2, 1974, from Archbishop Makarios to the Greek President, Lieutenant General Gizikis, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LETTER BY PRESIDENT MAKARIOS TO GENERAL GIZIKIS

(His Beatitude the President of the Republic, Archbishop Makarios, last Wednesday sent the following letter to the President of the Greek Republic, General Phaedon Gizikis:)

NICOSIA, *July 2, 1974*.

The President of the Greek Republic,
Gen. PHAEDON GIZIKIS,
Athens.

MR. PRESIDENT: It is with profound grief that I have to set out to you certain inadmissible situations and events in Cyprus for which I regard the Greek Government responsible.

Since the clandestine arrival of General Grivas in Cyprus in September, 1971, rumors have been circulating and there have been reliable indications that he came to Cyprus at the urge and with the encouragement of certain circles in Athens. In any case, it is certain that from the first days of his arrival here Grivas came into touch with officers from Greece serving in the National Guard from whom he received help and support in his effort to set up an unlawful organisation and allegedly to fight for Enosis. And he established the criminal EOKA B organisation, which has become the cause and source of many sufferings for Cyprus. The activity of this organisation, which has committed political murders and many other crimes under a patriotic mantle advancing Enosis slogans, is well known. The National Guard, which is staffed and controlled by Greek officers, has been from the outset the main supplier of men and material to EOKA B, the members and supporters of which gave themselves the nice ringing title of "Enosists" and "Enosis campy".

I have many times asked myself why an unlawful and nationally harmful organisation which is creating divisions and discords cleaving rifts in our internal front and leading the Greek Cypriot people to civil strife, is supported by Greek officers. And I have also many times wondered whether such support has the approval of the Greek Government. I have done a great deal of thinking and made many hypothetical assumptions in order to find a logical reply to my questions. No reply, under any prerequisites and assumptions, could be based on logic. However, the Greek officers' support for EOKA B' constitutes an undeniable reality. The National Guard camps in various areas of the island and nearby sites are smeared with slogans in favour of Grivas and EOKA B' and also with slogans against the Cyprus Government and particularly myself. In the National Guard camps propaganda by Greek officers in favour of EOKA B' is often undisguised. It is also known, and an undeniable fact, that the opposition Cyprus press, which supports the criminal activity of EOKA B' and which has its sources of finance in Athens, receives guidance and line from those in charge of the 2nd General Staff Office and the branch of the Greek Central Intelligence Service in Cyprus.

It is true that whenever complaints were conveyed by me to the Greek Government about the attitude and conduct of certain officers, I received the reply that I ought not to hesitate to report them by name and state the specific charges against them so that they would be recalled from Cyprus. I did this only in one instance. This is an unpleasant task for me. Moreover, this evil cannot be remedied by being faced in this way. What is important is the uprooting and prevention of the evil and not merely the facing of its consequences.

I am sorry to say, Mr. President, that the root of the evil is very deep, reaching as far as Athens. It is from there that the tree of evil, the bitter fruits of which the Greek Cypriot people are tasting to-day, is being fed and maintained and helped to grow and spread. In order to be absolutely clear I say that cadres of the military regime of Greece support and direct the activity of the EOKA B' terrorist organisation. This explains also the involvement of Greek officers of the National Guard in illegal activities, the conspiracy and other inadmissible situations. The guilt of circles of the military regime is proved by documents which were found recently in the possession of leading cadres of EOKA B'. Plenty of money was sent from the National Centre for the maintenance of the Organisation and directives were given concerning the leadership after the death of Grivas and the recall of major Karousos, who had come to Cyprus with him, and generally everything was directed from Athens. The genuineness of the documents cannot be called in question because those of them which are typewritten have corrections made by hand and the handwriting of the writer is known. I indicatively attach one such document.

I have always adhered to the principle and I have on many occasions stated that my co-operation with the Greek Government for the time being is for me a national duty. The national interest dictates harmonious and close cooperation between Athens and Nicosia. No matter which Government of Greece was in power it was to me the government of the mother country and I had to co-operate with it. I cannot say that I have a special liking for military regimes, particularly in Greece the birth-place and cradle of democracy. But even in this case I have not departed from my principle about co-operation. You realise, Mr. President, the sad thoughts which have been preoccupying and tormenting me following the ascertainment that men of the Government of Greece are incessantly preparing conspiracies against me and, what is worse, are dividing the Greek Cypriot people and pushing them to catastrophe through civil strife. I have more than once so far felt and in some cases I have almost touched a hand invisibly extending from Athens and seeking to liquidate my human existence. For the sake of national expediency, however, I kept silent. Even the evil spirit which possessed the three defrocked Cypriot Bishops who have caused a major crisis in the Church emanated from Athens. However, I said nothing in this connection. I am wondering what the object of all this is. I would have continued to keep silent about the responsibility and role of the Greek Government in the present drama of Cyprus if I had been the only one to suffer on the scene of the drama. But covering things up and keeping silent is not permissible when the entire Greek Cypriot people are suffering, when Greek officers of the National Guard, at the urge of Athens, support EOKA B' in its criminal activity, including political murders and generally aiming at the dissolution of the state.

Great is the responsibility of the Greek Government in the effort to abolish the state status of Cyprus. The Cyprus state should be dissolved only in the event of Enosis. However, as long as Enosis is not feasible it is imperative that the state status of Cyprus should be strengthened. By its whole attitude toward the National Guard issue, the Greek Government has been following a policy calculated to abolish the Cyprus state.

A few months ago the National Guard General Staff consisting of Greek officers submitted to the Cyprus Government for approval a list of candidates for cadet reserve officers who would attend a special school and then serve as officers during their military service. Fifty seven of the candidates on the list submitted were not approved by the Council of Ministers. The General Staff was informed of this in writing. Despite this, following instructions from Athens, the General Staff did not take at all into account the decision of the Council of Ministers, which under the law has the absolute right to appoint National Guard officers. Acting arbitrarily, the General Staff trampled upon laws, showed contempt for the decision of the Cyprus Government and enrolled the candidates who had not been approved in the Officers Training School. I regard this attitude of the National Guard General Staff, which is controlled by the Greek Government, as absolutely inadmissible. The National Guard is an organ of the Cyprus state and should be controlled by it and not from Athens. The theory about a common area of defence between Greece and Cyprus has its emotional aspect. In reality, however, the position is different. The National Guard, with its present composition and staffing, has deviated from its aim and has become a hatching place of illegality, a centre of conspiracies against the state and a source of supply of EOKA B'. It suffices to say that during the recently stepped up terrorist activity of EOKA B', National Guard vehicles transported arms and moved to safety members of the organisation who were about to be arrested. The absolute responsibility for this improper conduct of the National Guard rests with Greek officers, some of whom are involved heads over ears and participants in the activity of EOKA B'. And the National Centre is not free from responsibility in this connection. The Greek Government could by a mere beckon put an end to this regrettable situation. The National Centre could order the termination of violence and terrorism by EOKA B' because it is from Athens that the organisation derives the means for its maintenance and its strength, as confirmed by written evidence and proof. The Greek Government, however, has failed to do so. As an indication of an inadmissible situation I note here in passing that in Athens also slogans were recently written against me and in favour of EOKA B' on the walls of churches and other buildings, including the building of the Cyprus Embassy. The Greek Government, even though it knew the culprits, did not seek to arrest and punish anybody, thus tolerating propaganda in favour of EOKA B'.

I have a lot to say, Mr. President, but I do not think that I should say any more. In conclusion I convey that the Greek officered National Guard, the plight of which has shaken the Cypriot people's confidence in it, will be restructured on a new basis. I have reduced military service so that the National Guard ceiling may be reduced and the extent of the evil may be limited. It may be observed that the reduction of the strength of the National Guard due to the shortening of the military service, does not render it capable of carrying out its mission in case of national danger. For reasons which I do not wish to set out here I do not share this view. And I would ask that the officers from Greece staffing the National Guard be recalled. Their remaining in the National Guard and commanding the force would be harmful to relations between Athens and Nicosia. I would, however, be happy if you were to send to Cyprus about one hundred officers as instructors and military advisers to help in the reorganisation and restructuring of the armed forces of Cyprus. I hope, in the meantime, that instructions have been given to EOKA B' to end its activities, even though, as long as this organisation is not definitely dissolved, a new wave of violence and murders cannot be ruled out.

I am sorry, Mr. President, that I have found it necessary to say many unpleasant things in order to give a broad outline with the language of open frankness of the long existing deplorable situation in Cyprus. This is, however, necessitated by the national interest which has always guided all my actions. I do not desire interruption of my co-operation with the Greek Government. But it should be borne in mind that I am not an appointed prefect or locum tenens of the Greek Government in Cyprus, but an elected leader of a large section of Hellenism and I demand an appropriate conduct by the National Centre towards me.

The content of this letter is not confidential.

With cordial wishes,

MAKARIOS of Cyprus.

PRESIDENT SIGNS CONGRESSIONAL BUDGET REFORM

Mr. PERCY. Mr. President, on Friday, the President in the presence of a large number of the Senators and Representatives who took an active role in this legislation, signed the Congressional Budget and Impoundment Control Act of 1974. This was an historic occasion, the culmination of months of very hard work by the Congress, the enactment of one of the most important congressional reforms of this century.

The President in his remarks also recognized the importance of the budget legislation, and at the same time made clear that it is the Congress, not the Executive, that must implement it. I ask unanimous consent that the President's remarks, and a fact sheet prepared by the Office of the White House Press Secretary, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT

I take special pleasure today in signing H.R. 7130, the "Congressional Budget and Impoundment Control Act of 1974." I commend the Congress for this landmark legislation and I pledge the full support of the executive branch in helping fulfill the great promise of this bill.

In each of my five Budget Messages I have urged the Congress to review and reform its procedures for considering the Federal budget and pledged the support and cooperation of this Administration in achieving this vital national goal. During the past year, the Congressional Committees concerned worked energetically and effectively with this in mind. H.R. 7130 is the result.

Under this legislation, the Congress will, for the first time, focus on overall budget totals early in the legislative process and then relate individual appropriation items to each other within a general set of spending priorities.

Budget Committees in the House and Senate, assisted by a new Congressional Budget Office, will be established to develop overall spending levels and priorities.

A tight timetable is established for Congressional action on authorizing legislation and appropriation bills, and a reconciliation process is provided to bring appropriation bills into line with prescribed overall budget totals.

In short, this bill will allow the Congress to step up to full and equal responsibility for controlling Federal expenditures.

Prior to the enactment of this bill, the Congress has had to consider a large number of separate measures with no system for establishing priorities relating to an overall spending goals. This system did not impose sufficient disciplines on the Congress to stop the passage of pork-barrel legislation or to resist the pressure of special interest groups seeking a disproportionate share of the tax dollar. Costly programs could be enacted without adequate consideration of their added burden to the taxpayer. This lack of discipline in Congressional procedures has been one of the major factors behind the sizable increases in Federal spending over the past decade.

The Congress has wisely recognized these weaknesses and taken steps to correct them through the passage of this legislation.

There are provisions in this bill I hope will be simplified if the requirements imposed by them prove to be restrictive. The impoundment control provisions, in particular, may well limit the ability of the Federal Government to respond promptly and effectively to rapid changes in economic conditions.

Nevertheless, this bill represents a major step toward reform of the Congressional budgetary system. Its enactment is especially timely because an excessive rate of inflation makes the need for careful consideration and control over Government spending more crucial than ever. Already the Congress has enacted, or has pending, programs which could add some $4 billion dollars to our 1975 budget proposals of $305 billion. I will have no choice but to veto bills which substantially exceed my budget.

The 1976 budget also gives us the opportunity to work together to face our fiscal responsibilities. In the near future, I will send to each department and agency their preliminary budget guidance for 1976. It will reflect a balanced budget in 1976. To achieve this balance, I plan to propose a broad range of legislation which will be needed to cut back individual programs.

I am confident that the Congress will assist me in this effort to keep spending from exceeding my proposed budget levels. H.R. 7130 will permit the high level of cooperation which will be required to achieve this critical goal.

FACT SHEET—CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

The President today signed into law the Congressional Budget and Impoundment Control Act of 1974, which will remedy many of the major shortcomings of the Congressional budgetary process and strengthen the ability of Congress to exercise responsible control over that process.

BACKGROUND

In all five of his Budget Messages, the President has encouraged the Congress to review and reform its procedures for consideration of the Federal budget. This bill, which has been in development for more than a year and has involved fruitful collaboration between the Congress and the Administration, is tangible evidence of the Congress' move toward genuine budgetary reform.

The bill passed both Houses by overwhelming votes:

—401 to 6 in the House of Representatives, on June 18, and

—75 to 0 in the Senate, on June 21.

MAJOR PROVISIONS

This legislation will:

—require the Congress to focus on overall budget totals, as well as individual items in appropriation bills;

—establish House and Senate Budget Committees and a Congressional Budget Office to coordinate this overall focus;

—establish a tight timetable for Congressional action on authorizing legislation and appropriation bills;

—change the fiscal year start from July 1 to October 1 beginning in 1976 with a transitional 3-month period from July 1, 1976 through September 30, 1976;

—provide for a Congressional reconciliation process to bring appropriation bills into conformance with overall budget totals;

—bring certain types of new advance budget authority ("backdoor spending") within the discipline of the appropriation process;

—result in a substantial increase in the flow of fiscal and budgetary information from the Executive Branch to the Congress; and

—require Congressional agreement on deferrals in the use of funds and reductions in funding levels.

EFFECTIVE DATES

Most changes pertaining to the Congressional budget process and timetable will first apply to the budget for fiscal year 1977, which begins October 1, 1976 and ends September 30, 1977. Most changes affecting the substance of the President's budget will become effective with the budget for fiscal year 1976, which begins July 1, 1975, and ends June 30, 1976. The requirement for Congressional agreement on withholding funds is effective immediately.

NEW EARTH RESOURCES STUDIES

Mr. MOSS. Mr. President, last Friday NASA announced the selection of 93 research teams in Federal, State and foreign governments, international organizations, universities, and private industry to study the earth's resources and our use of them over the next year.

These studies, based on data returned to earth from the first two Earth Resources Technology Satellites, will involve the natural resources of 34 States and 48 foreign countries. Foreign governments will provide the funding for the investigations in their respective countries.

Although we heard sometime ago that there is little interest in ERTS data, and that earth resources satellite systems may not be cost effective, it is clear that this view is not widely shared. I say that with the following facts in mind:

First, the 93 investigating teams were chosen after review of 669 proposals.

Second, the investigations will include work in agriculture, forestry, range land, in the environment, in land use, in marine resources, in meteorology, in mineral resources, oil, civil works, hazards, and in water resources.

Third. Data products used by the investigators will flow from NASA's satellite through Federal Data Centers operated by three Departments of the Federal Government—Interior, Agriculture, and Commerce.

Fourth. Data from the first satellite, ERTS–1, is already being used for such diverse purposes as:

Monitoring urban development and planning future land use;

Locating air and water pollution;

Mapping strip-mine and forest-fire scars;

Locating geologic formations that may indicate the presence of minerals and petroleum;

Updating maps and coastal and navigation charts;

Estimating crop acreages;

Surveying the breeding grounds of migratory waterfowl;

Monitoring the advance of glaciers;

Studying flood hazards and managing water resources; and

Helping to locate underground water supplies.

Fifth. While ERTS data may not seem important to the Office of Management and Budget, it apparently is to the governments of Nicaragua and Yemen, of England and Bolivia, of Botswana and Korea, of Libya and Australia, of Finland and France, of Brazil and Japan, of Canada and Lesotho, of Gabon and Mexico, of New Zealand and Malaysia, of Pakistan, Peru, Switzerland and Thailand, and of Turkey, Upper Volta and Zaire to name a few.

Mr. President, I ask unanimous consent that the NASA announcement and the list of investigations being undertaken be printed in the RECORD for the information of my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEW ERTS INVESTIGATIONS SELECTED

Space satellite pictures will be used in a broad range of new studies of Earth's natural resources and man's use of them, NASA announced today (July 12).

Investigations in the United States and 48 other countries will be conducted by 93 research teams in Federal, state, and foreign governments, international organizations, universities, and private companies.

The investigators will analyze remotely sensed data in the form of imagery or on magnetic tape from NASA's first Earth Resources Technology Satellite (ERTS–1), launched two years ago this month: July 23, 1972, and from ERTS–B, carrying the same sensors, which is expected to be launched early next year.

The studies, selected from 669 proposals, include work in eight disciplines or categories:

Agriculture, forestry, range land;

Environment;

Interpretive techniques;

Land use;

Marine resources;

Meteorology;

Mineral resources, oil, civil works, hazards; and

Water resources.

More than half the domestic and three-fourths of the foreign investigations will demonstrate potential applications for operational use of Earth resources monitoring from space.

Data products will be furnished to the investigators through the Federal Data Centers operated by the Departments of Interior, Agriculture, and Commerce.

NASA will fund the domestic investigations at a cost of approximately $5.9 million. Foreign investigators will be supported by their own countries.

The new studies, called ERTS Follow-on Investigations, replace or extend approximately 200 domestic and 100 foreign investigations conducted with data from ERTS–1.

ERTS circles the globe 14 times a day, scanning a swath of Earth's surface 185 kilometers (115 miles) wide in green, red, and two near-infrared spectral bands.

From a 912-kilometer (567-mile) circular, near-polar, sun-synchronous orbit, the satellite passes over almost the entire globe every 18 days and can view each cloud-free area repetitively at the same local time of day and thus at the same Sun angle.

In its two years, ERTS–1 has returned some 100,000 pictures, including imagery with less than 30 per cent cloud cover of all the United States and three-fourths of the world's land masses and coastal areas.

The imagery is provided to investigators and to several U.S. government agencies and put on public sale through Federal Data Centers.

The repetitive multispectral imagery of Earth taken by ERTS–1 has been used for such wide-ranging practical purposes as:

Monitoring urban development and planning future land use;

Locating air and water pollution;

Mapping strip-mine and forest-fire scars;

Locating geologic formations that may indicate the presence of minerals and petroleum;

Updating maps and coastal and navigation charts;

Estimating crop acreage;

Surveying the breeding grounds of migratory waterfowl;

Monitoring the advance of glaciers;

Studying flood hazards and managing water resources; and

Helping to locate underground water supplies.

The ERTS project is managed for NASA's Office of Applications by the Goddard Space Flight Center, Greenbelt, Md. The spacecraft prime contractor is the General Electric Company.

DOMESTIC ERTS FOLLOW-ON INVESTIGATIONS

Test Site * principal investigator, and Investigation:

Alaska, Larry D. Gedney, University of Alaska, Fairbanks, Tectonic structure of Alaska as evidenced by ERTS imagery and ongoing seismicity.

William J. Stringer, University of Alaska, ERTS survey of near-shore ice conditions along the Arctic Coast of Alaska.

Peter C. Lent, University of Alaska, Use of ERTS imagery for wildlife habitant mapping in northeast and east-central Alaska.

Arizona, G. Russell Bentley, Bureau of Land Management, Denver Feasibility of monitoring growth of ephemeral and perennial range forage plants and effects of grazing management.

Larry K. Lepley, University of Arizona, Tucson, ERTS–B and supporting data for technology transfer to local agencies.

Arkansas, Harold C. MacDonald, University of Arkansas, Fayetteville, Land use change detection with ERTS–B data for monitoring and predicting regional water quality degradation.

California, Robert N. Colwell, University of California, Berkeley, a statewide inventory of California's irrigated lands based on ERTS–B and supporting aircraft data.

A. Earl Davis, State of California, Sacramento, water resources control investigation in California.

Douglas M. Pirie, U.S. Army Corps of Engineers, San Francisco, California coast near-shore processes study using ERTS–B data.

Donald R. Wiesnet, National Oceanic & Atmospheric Administration, Washington, D.C., evaluation of ERTS–B data for selected hydrologic applications.

Colorado, Kenneth L. Cook, University of Utah, Salt Lake City, remote sensing in mineral exploration from ERTS imagery.

Paula V. Krebs, University of Colorado, Boulder, multiple resources evaluation of Region 2 U.S. Forest Service lands utilizing ERTS multispectral scanner data.

Claude D. Peters, State of Colorado, Denver, application of ERTS data to delimitation of avalanche and landslide hazards in Colorado.

Connecticut, Saul Cooper, U.S. Army Corps of Engineers, Waltham, MA, Use of ERTS

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* Where investigations have multiple test sites, they are included under more than one state.

UMI

and Data Collection System imagery in reservoir management and operation.

Delaware, Robert Dolan, University of Virginia, Charlottesville, Application of remote sensing to shoreline form analysis.

Vytautas Klemas, University of Delaware, Newark, DE, Application of ERTS-B to the management of Delaware's marine and wetland resources.

Florida, John W. Hannah, Brevard County Development Administration Titusville, FL, Regional planning in east central Florida.

Aaron L. Higer, U.S. Geological Survey, Miami, Subtropical water-level dynamics distribution.

Georgia, Robert C. Heller, U.S. Dept. of Agriculture, Forest Service, Berkeley, CA, Monitoring forest and range resources with ERTS-B and supporting aircraft imagery.

Illinois, Marvin E. Bauer, Purdue University, West Lafayette, IN, Crop identification and acreage estimation over a large geographic area using ERTS multispectral scanner data.

Ravinder K. Jain, U.S. Army Corps of Engineers, Champaign, IL, Investigation of the effects of construction and stage filling of reservoirs on the environment and ecology.

Indiana, Marvin E. Bauer, Purdue University, West Lafayette, IN, Crop identification and acreage estimation over a large geographic area using ERTS multispectral scanner data.

Iowa, James V. Taranik, Iowa Geological Survey, Iowa City, Land classification of southcentral Iowa from computer enhanced images.

Kansas, Marvin E. Bauer, Purdue University, West Lafayette, IN, Crop identification and acreage estimation over a large geographic area using ERTS multispectral scanner data.

Robert M. Haralick, University of Kansas, Lawrence, A comprehensive data processing plan for crop calendar multispectral scanner signature development from satellite imagery.

Richard F. Nalepka, ERIM, Ann Arbor, MI, Proposal to make wheat production forecasts using ERTS and aircraft remote sensing data.

John W. Rouse, Texas A&M University, College Station, TX, Regional monitoring of the vernal advancement and retrogradation of national vegetation in the Great Plains corridor.

Kentucky, Robert E. Nickel, State of Kentucky, Frankfort, A feasibility analysis of the employment of satellite data to monitor and inspect surface mining operations.

Louisiana, William H. Stevenson, National Marine Fisheries Service, NOAA, Bay St. Louis, MS, ERTS-B/Gulf of Mexico thread herring resource investigation.

Maine, Saul Cooper, U.S. Army Corps of Engineers, Waltham, MA, The use of ERTS and Data Collection System imagery in reservoir management and operation.

Maryland, Robert Dolan, University of Virginia, Charlottesville, Application of remote sensing to shoreline form analysis.

Massachusetts, Saul Cooper, U.S. Army Corps of Engineers, Waltham, MA, The use of ERTS and Data Collection System imagery in reservoir management and operation.

Michigan, Robert H. Rogers, Bendix Aerospace Systems Division, Ann Arbor, MI, Application of ERTS to surveillance and control of lake eutrophication in the Great Lakes Basin.

Minnesota, Robert H. Rogers, Bendix Aerospace Systems Division, Ann Arbor, MI, Application of ERTS to surveillance and control of lake eutrophication in the Great Lakes Basin.

Joseph E. Sizer, State of Minnesota, St. Paul, ERTS-B applications to Minnesota resource management.

Donald R. Wiesnet, National Oceanic & Atmospheric Administration, Washington, DC, Evaluation of ERTS-B data for selected hydrologic applications.

Mississippi, Preston T. Bankston, State of Mississippi, Jackson, Application and evaluation of ERTS data and automatic data processing techniques for land use and resource management.

William H. Stevenson, National Marine Fisheries Service, NOAA, Bay St. Louis, MS, ERTS-B/Gulf of Mexico thread herring resource investigation.

Missouri, Marvin E. Bauer, Purdue University, West Lafayette, IN, Crop identification and acreage estimation over a large geographic area using ERTS multispectral scanner data.

Ravinder K. Jain, U.S. Army Corps of Engineers, Champaign, IL, Investigation of the effect of construction and stage filling of reservoirs on the environment and ecology.

James A. Martin, Missouri Geological Survey, Rolla, MO, Structural and ground pattern analysis of Missouri and the Ozark dome using ERTS-B satellite imagery.

Montana, Terrence J. Donovan, U.S. Geological Survey, Denver, Study of alteration aureoles in surface rocks overlying.

Nebraska, Marvin P. Carlson, University of Nebraska, Lincoln, Application of ERTS-B imagery in land use inventory and classification in Nebraska.

John W. Rouse, Texas A&M University, College Station, TX, Regional monitoring of the vernal advancement and retrogradation of national vegetation in the Great Plains corridor.

Nevada: Kenneth L. Cook, University of Utah, Salt Lake City, Remote sensing in mineral exploration from ERTS imagery.

Lawrence C. Rowan, U.S. Geological Survey, Denver, Detention and mapping of mineralized area and lithologic variations using computer enhanced multispectral scanner images.

New Hampshire: Saul Cooper, U.S. Army Corps of Engineers, Waltham, MA, The use of ERTS and Data Collection System imagery in reservoir management and operation.

New Mexico: Karl Vonder Linden, State of New Mexico, Socorro, NM, Earth Resources evaluation for New Mexico by ERTS-B.

New York: Donald R. Wiesnet, National Oceanic & Atmospheric Administration, Washington, D.C., Evaluation of ERTS-B data for selected hydrologic applications.

North Carolina: Robert Dolan, University of Virginia, Charlotesville, Application of remote sensing to shoreline form analysis.

North Dakota: David S. Gilmer, Bureau of Sport Fishing and Wildlife, U.S. Dept. of Interior, Jamestown, ND, Improving methodology for inventory and classification of wetlands.

John W. Rouse, Texas A&M University, College Station, TX, Regional monitoring of the vernal advancement and retrogradation of national vegetation in the Great Plains corridor.

Ohio, David C. Sweet, Ohio Department of Economic & Community Development, Columbus, Development of a multidisciplinary ERTS user program in the State of Ohio.

Oklahoma, Bruce J. Blanchard, U.S. Dept. of Agriculture, Chickasha, OK, Spectral measurement of watershed runoff coefficients in the southern Great Plains.

Richard F. Nalepka, ERIM, Ann Arbor, MI, proposal to make wheat production forecasts using ERTS and aircraft remote sensing data.

John W. Rouse, Texas A&M University, College Station, TX, Regional monitoring of the vernal advancement and retrogradation of national vegetation in the Great Plains corridor.

Oregon, G. Russell Bentley, Bureau of Land Management, Denver, Feasibility of monitoring growth of ephemeral and perennial range forage plans and effects of grazing management.

Pennsylvania, Daniel J. Deely, Earth Satellite Corporation, Washington, D.C., Implementation of the Pennsylvania surface mining conservation and reclamation act through ERTS-B support.

Rhode Island, Saul Cooper, U.S. Army Corps of Engineers, Waltham, MA, The use of ERTS and Data Collection System imagery in reservoir management operations.

South Dakota, John W. Rouse, Texas A&M University, College Station, TX, Regional monitoring of the vernal advancement and retrogradation of national vegetation in the Great Plains corridor.

Fred A. Schmer, South Dakota State University, Brookings, SD, Investigation of remote sensing techniques as inputs to operational models.

Texas, Bob Armstrong, General Land Office, State of Texas, Austin, Development and application of operational techniques to inventory and monitor resources and uses in Texas coastal zone.

Bruce J. Blanchard, U.S. Dept. of Agriculture, Chickasha, OK, Spectral measurement of watershed runoff coefficients in the southern Great Plains.

John W. Rouse, Texas A&M University, College Station, TX, Regional monitoring of the vernal advancement and retrogradation of national vegetation in the Great Plains corridor.

Craig L. Wiegand, U.S. Dept. of Agriculture, Weslaco, TX, Soil, water, and vegetation conditions in south Texas.

Utah, Kenneth L. Cook, University of Utah, Salt Lake City, Remote sensing in mineral exploration from ERTS imagery.

Lawrence C. Rowan, U.S. Geological Survery, Denver, Detection and mapping of mineralized areas and lithologic variations using computer enhanced multispectral scanner images.

Vermont, Saul Cooper, U.S. Army Corps of Engineers, Waltham, MA, The use of ERTS and Data Collection System imagery in reservoir management and operation.

Virginia, Robert Dolan, University of Virginia, Charlottesville, Application of remote sensing to shoreline form analysis.

West Virginia, Ira S. Latimer, Dept. of Natural Resources, State of West Virginia, Charleston, Contribution of ERTS-B to natural resource protection and recreational development in West Virginia.

Wisconsin, Robert H. Rogers, Bendix Aerospace Systems Division, Ann Arbor, MI, Application of ERTS to surveillance and control of lake eutrophication in the Great Lakes Basin.

Wyoming, Terrence J. Donovan, U.S. Geological Survey, Denver, Study of alteration aureoles in surface rocks overlying.

Paula V. Krebs, University of Colorado, Boulder, Multiple resource evaluation of Region 2 U.S. Forest Service lands utilizing ERTS multispectral scanner data.

DOMESTIC ERTS FOLLOW-ON INVESTIGATIONS USING FOREIGN TEST SITES (TENTATIVE)

Test Site, principal investigator, and investigation:

Nicaragua, Donald H. Von Steen, U.S. Department of Agriculture, Washington, D.C. Area sampling frame construction for an agricultural information system with ERTS-B data.

South America, William D. Carter, U.S. Geological Survey, Washington, D.C., Evaluation of ERTS-B images applied to geologic structures of South America.

Yemen, David F. Davidson, U.S. Geological Survey, Washington, D.C., Preparation of a geologic photo map and hydrologic study of the Yemen Arab Republic.

England, Froelich Rainey, University of

Pennsylvania, Philadelphia, Pa., Detection of crop mark contrast for archeological surveys.

DOMESTIC ERTS FOLLOW-ON INVESTIGATIONS NOT DIRECTLY RELATED TO SPECIFIC TEST SITES

Principal investigator, investigation:

Robert E. Cummings, NASA Marshall Space Flight Center, Huntsville, Ala., automatic change detection of ERTS–B data.

Michael Griggs, Science Applications, Inc., La Jolla, Calif., determination of the atmospheric aerosol content from ERTS–B data.

Archie M. Kahan, U.S. Bureau of Reclamation, Denver, Colo., use of the ERTS–B Data Collection System in the upper Colorado River basin weather modification program.

Hugh B. Loving, U.S. Geological Survey, McLean, Va., processing of ERTS imagery for dissemination purposes.

Earl S. Merritt, Earth Satellite Corporation, Washington, D.C., study of mesoscale exchange processes utilizing ERTS–B air mass cloud imagery.

Paul E. Scherr, Environmental Research & Technology, Inc., Lexington, Mass., investigation to use ERTS–B data to study cumulus cloud banding and other mesoscale cloud features.

Joe F. Wilson, National Oceanic & Atmospheric Administration, Rockville, Md., ERTS-B imagery as a data source for producing vegetation overlay information on visual aeronautical charts.

FOREIGN ERTS FOLLOW-ON INVESTIGATIONS

Country and principal investigator, investigation:

Australia, N. H. Fisher, Bureau of Mineral Resources, Canberra, survey of capeweed distribution in Australia; Daly Basin development monitoring; study of structures in granitic bathyliths and associated fold belts in relation to mineral resources; water utilization-evapo-transportation and soil moisture monitoring in the south eastern region of South Australia; assessment of beach sand mining operations; mapping islands, reefs, and shoals in the oceans surrounding Australia; terrain analysis in western Queensland and Australia.

Co-I's: Leonard G. Turner, Div. of National Mapping, PB 667 Canberra.

Raymond L. Whitmore, Dept. of Mining & Metallurgical Eng., Univ. of Queensland, St. Lucia.

John S. Gerney, Engineering & Water Supply Dept., Adelaide SA.

Hilary Harrington, Div. of Mineral Physics, CSIRO, North Ryde NSW.

Anthony D. Hooper, Dept. of Northern Territory, Darwin NT.

Bolivia, Carlos E. Brockman, Servicio Geologico de Bolivia, La Paz, ERTS data investigation towards mineral resources development and land use survey.

Botswana, William L. Dickson, Dept. of Surveys and Lands, Gaborone, evaluation of ERTS–B imagery as an aid to the development of Botswana's resources.

Brazil, Fernando de Mendonca, Instituto de Perguisas Espaciais, San Jose dos Campos: Applications of satellite imagery for natural resources survey of Brazilian territory; analysis of Earth Resources and factors governing environmental quality in Septentridnal Brazil.

Co–I: L. H. A. Azevedo, Sensora Ltda. rua Urbanon Santos, no. 20 Urca.

Cento, J. A. Snellgrove, Central Treaty Organization, Ankara, Turkey; Regional investigations of tectonic and igneous geology in Iran, Pakistan, and Turkey.

FAO, J. A. Howard, United Nations Food and Agriculture Organization, Rome; Application of ERTS imagery to the FAO/UNESCO soil map of the world; monitoring of high forest cover in Nigeria.

Finland, Heikki V. Tuominen, University of Helsinki, Helsinki; Investigation of ERTS–B imagery on correlations between ore deposits and major shield structures in Finland.

France, Fernand H. Verger, Ecole Pratique des Hautes Etudes, Paris; Multidisciplinary studies of the French Atlantic littoral and the Massif Armoricain.

Gabon, Serge Gassita, Ministry of Mines, Libreville: Mapping and developing Gabon's natural resources.

Guinea, Ibrahima Soumah, Bureau of Mines and Geology, Conarky; Mineral and other natural resources investigations in Guinea.

Iran, Khosro Ebtehadj, Plan and Budget Organization, Tehran, Utilization of ERTS data for resource management in Iran.

Italy, Carlo M. Marino, University of Milan, Milan, Geomorphic and landform survey of northern Appennini.

Luigi G. Napolitano, University of Naples, Naples, Landslides investigation in southern Italy.

Bruno Ratti, Telephazio, S.P.A., Rome, Terra Experiment—Techniques for collecting and processing Earth Resources data.

Japan, Takakazu Maruyasu, University of Tokyo, Tokyo, Investigation of environmental change pattern in Japan.

Kenya, Joab Omino, Ministry of Natural Resources, Nairobi, The development of methods for quantifying multispectral satellite images for use in rangeland habitat.

Korea, Jae Hwa Choi, National Construction Research Institute, Seoul, Land use survey and mapping and water resources investigations in Korea.

Lesotho, A. A. Jackson, University of Botswana, Lesotho and Swaziland, Roma, Natural resources research and development in Lesotho using ERTS imagery.

Libya, Muftah M. Unis, Ministry of Planning, Tripoli, Comparison between geophysical prospecting and satellite remote sensing in south Libya.

Liptako-Gourma Authority, C. Matthew Samake, Liptako-Gourma Authority, Ouagadougou, Upper Volta, Earth Resources inventory and assessment of Upper Volta and Niger.

Malaysia, S. K. Chung, Geological Survey of Malaysia, Ipoh, Geological and hydrological investigations in west Malaysia.

Mali, Bakary Toure, Director General, Geologie et des Mines du Mali, B. P. 223, Bamako, Mali, Hydrologic research using ERTS–B data for the central delta of the Niger River.

Mekong, William J. Van der Oord, Mekong Committee, Bangkok, Thailand, Agricultural and hydrological investigations for water resource development planning in the lower Mekong Basin.

Mexico, Jorge F. Vaca, Comision de Estudios, del teritorio Nacional Mexico, D. F., Comprehensive study of Leon-Queretaro area.

New Zealand, M. C. Probine, Physics and Energy Lab., DSIR, Lower Hutt, Seismotectonic, structural, volcanologic, and geomorphic study of New Zealand; indigenous forest assessment in New Zealand; mapping, land use, and environmental studies in New Zealand.

Co–I's: M. G. Mcgreevy, New Zealand Forest Service, Private Bag, Rotorua.

I. F. Stirling, Dept. Lands and Surveys, Wellington.

Richard P. Suggate, New Zealand Geological Survey, Lower Hutt.

Norway, Helge A. Odegaard, NVE—Statskraftverkene, Oslo, Hydrological investigations in Norway.

Olav Orheim, Norsk Polarinstitutt, Oslo, Glaciological and marine biological studies at permimeter of Dronning Maud Land, Antarctica.

Torgne E. Vinje, Norsk Polarinstitutt, Oslo, Sea ice studies in the Spitsbergen Greenland area.

Pakistan, Chaudari Umar, Pakistan Water and Soils Investigations Division, Lahore, Water resources investigation in West Pakistan with help of ERTS imagery—snow surveys.

Peru, Jose C. Pomalaya, Instituto Geofisico, del Peru, Lima, Application of remote sensing techniques for the study and evaluation of natural resources.

South Africa, Denzil Edwards, Botanical Research Institute, Pretoria, Monitor fire extent and occurrence in the different veld types of South Africa with reference to ecology and range management.

Sweden, Bengt-Owe Jansson, Unversity of Stockholm, Stockholm, Dynamics and energy flows in the Baltic ecosystems.

Switzerland, Harold Haefner, University of Zurich, Zurich, National resources inventory and land evaluation in Switzerland.

Thailand, Sanga Sabhasri, National Resources Board, Bangkok, Thailand national program of the Earth Resources Technology Satellite.

Turkey, Sadrettin Alpan, Mineral Research and Exploration Institute (MTAE) Ankara, national project for the evaluation of ERTS imagery applications to various Earth Resources problems of Turkey.

Co-I's: Tuncer Iplikci, Etibank.

Nihal Atuk, Turkish State Water Works.

Dr. Altan Gumus, Karadeniz Technical Univ.

United Kingdom, Eric C. Barrett, University of Bristol, Bristol, Mesoscale assessment of cloud and rainfall over southwest England.

Venezuela, Alberto Enriquez, Ministerio de Obras, Publicas, Caracas, Application of ERTS data to regional planning and environmental assessment in northern Venezuela; development of techniques for regional-ecological studies and technology for thematic mapping of a large and unkown area.

Co-I: Adolfo C. Romero, Cartografia Nacional, Caracas.

South Vietnam, Nguyen Duc Cuong, Ministery of Commerce and Industry, Saigon, Comparative evaluation of ERTS imagery for resources inventory and scientific research in Vietnam.

Zaire, Kasongo Ilunga Sendwe, Bureau du President, Kinshasa, Participation of the Office of the President, Republic of Zaire, in the ERTS and Skylab projects.

POOR NATIONS FACE STARVATION WHILE RICH NATIONS FIDDLE

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of colleagues a very informative July 15 Washington Post article, "Poor Nations Face Starvation as Rich Ones Delay Aid."

The article points out in some detail the problems faced by the poor countries such as India in terms of the escalated foreign exchange requirements for the purchase of petroleum, fertilizer and food.

It is alleged by the article that the rich nations are some time away from adopting a plan to deal with the situation. "The rich countries," said one official, "are engaged in a fast-moving shell game, each waiting to see who will chip in first, and how much."

Last week hearings were held on Senate Resolution 329, the world food resolution, by the Senate Foreign Relations Committee. It was clear at the time that, while increased food is being considered by the administration, no firm decisions have yet been reached.

Mr. President, it is a sad day when the United States is unwilling to provide leadership to deal with this problem. I am not suggesting that we alone can or

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should try to meet the world's food needs. But, we are the natural leader in this area, however, since we are the world's chief food surplus Nation, and we have provided effective leadership in the past.

We cannot expect to remain an island of prosperity surrounded by an ever growing sea of famine and despair.

The problems faced by the poor nations are extremely serious, and it is in our own interest to help find solutions.

Mr. President, I ask unanimous consent that this article by Mr. Dan Morgan be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POOR NATIONS FACE STARVATION AS RICH ONES DELAY AID

(By Dan Morgan)

In India, the rains that fell on this spring's wheat crop were lighter than hoped, and in places there was drought.

But heavier rains would not have mattered, they fell on a crop already doomed not to fulfill its early promise because of unparalleled changes in the world's economy.

India's oil-import bill is up a billion dollars this year, and fuel shortages idled irrigation pumps in some parts of the country.

Worse than that, India suddenly found itself priced out of the world fertilizer market, so a million tons less than planned was applied to the land.

While the rich countries of the world bought up the high-priced fertilizer, or cancelled export contracts, India revised its early crop estimates downward. Instead of 30 millions tons of wheat, India harvested only 24 million.

Then, when the country went into the international grain markets to make up some of the difference, it paid twice as much for a bushel of wheat as it had a year earlier.

The significance of this food, fuel and fertilizer price squeeze on India—as the world's other poor nations—is basic. More may die of hunger this year. Around the world, the United Nations says, 20 million people may starve to death in 1974.

India's food reserves are down to almost nothing. If the summer rice crop is poor, it may have to import still more to head off even worse malnutrition in the world's second most populous country.

But India does not have the money to buy much food on the commercial market. Its money reserves, now about $1 billion, are enough to last only three months.

The rising costs of basic commodities means that there will be much less left to buy the technology and techniques that are essential to economic growth.

This is also serious, because experts say the only sure way to control the population spread which brings on hunger is to build such growth. Some pessimists predict that India's economy will not grow at all between 1974 and 1980.

Thus, the price hikes threaten to undermine the gains of the "Green Revolution."

That revolution was promoted by rich countries. Those same countries are now embroiled in political maneuvering to see which, if any, will take the first step to help.

Almost every expert agrees that massive loans on easy terms are needed. But the newly rich oil countries are wary that they might lose control of their funds if they join in any Western rescue effort; the United States is worried about the domestic impact of increased food aid, and the Europeans have their own problems with severe inflation.

While the oil-producing nations are raking in some $60 billion more in revenues this year, and the United States and other grain producers are profiting from the higher world prices for food, low-income countries have moved a step closer to economic ruin.

According to updated studies by the U.S. government and the World Bank, more expensive fuel, food and fertilizer will cause a net drain of at least $1 billion this year from the poor nations' foreign exchange reserves.

And officials in Washington concede that the United States, the European Common Market and the newly wealthy oil-producing countries are still months away from adopting a plan for a concerted rescue operation.

The rich countries, said one official, are engaged in a "fast-moving shell game," each waiting to see who will chip in first, and how much.

The Nixon administration, under increasing international pressure to take the lead, has not decided whether to expand its food aid sharply as its contribution to the relief effort.

Last Thursday, Secretary of State Henry A. Kissinger's top adviser on the world food problem told senators he could not yet give an assurance the United States will undertake such a "major food initiative."

Such an initiative is essential leverage in setting the Europeans and the oil producers to follow suit, according to diplomats who see a close link between the politics of oil and the politics of food.

Kissinger told the United Nations in April, "A global economy under stress cannot allow the poorest nations to be overwhelmed."

But fears of higher domestic food prices, and pressure to hold down this year's budget deficit have produced political caution. "We don't want another grain deal," said one official.

Meanwhile, the other rich countries are holding back.

On June 28, the nine-nation Common Market cabled U.S. Secretary General Kurt Waldheim that it was prepared to give aid—provided "other industrialized countries," and the oil exporters, gave five-sixths of the total assistance, and the European share didn't exceed $500 million.

The European offer was "written like an insurance contract," said one U.S. official.

Other officials say the main thrust of the American effort on behalf of the hardest-hit countries should be to get the oil producers to lower prices. By removing its old restrictions on grain production in hopes of pushing food prices down, they say the United States has set an example which the oil exporters should now follow, with or without expanded American food aid.

American officials also want the oil exporters to come through with massive loans at easy terms for the stricken countries. So far, no oil producer has made a concrete commitment.

The once highly touted conference of oil producing and consuming countries, which was to have dealt in part with the problem, has been shoved far into the future, perhaps never to take place because neither the United States nor the exporting countries are anxious for a "confrontation."

Instead, attention is now focused on the Sept. 30 annual meeting of the finance ministers of the World Bank and the International Monetary Fund. The joint directorate, which includes oil countries, is expected to formally establish a "Joint Committee on the Transfer of Real Resources" to work on the problem.

The committee will deal with what World Bank officials call the "biggest and fastest shift of wealth in the history of the world."

The shift has struck at the world's poor countries in many ways.

The benefits of foreign development assistance have been eroded by the global inflation. Political support for increased foreign aid has sunk to a low point in Western countries hit by inflation.

To deal with their severe internal problems, industrial countries such as Italy are cutting back on their imports from the less developed countries.

According to still unpublished findings circulating in Washington, the possibility of some affected countries' offsetting the damage by forming cartels to market their minerals is limited.

That finding is challenged by some economists who predict mineral cartels like the oil producers' powerful price-setting organization will soon be a reality.

But according to World Bank experts, the benefits still will be small compared with the world oil bill.

In many cases, substitutes are available for the minerals, or other sources can be tapped.

Chile and Zaire can now take advantage of higher copper prices; Brazil can cash in on higher coffee, and iron ore revenues and Bolivia can get more for its tin.

World Bank experts contend that "even if they get together politically, the prices of those minerals will be eroded much faster than oil."

The shift of wealth has caused an erratic reordering of the world's money flow which is still not fully understood.

Not all poor countries have been seriously affected. Some, such as Afghanistan, have been only marginally set back because their predominantly rural economies don't yet depend heavily on energy from oil. Some rich countries, such as Britain and Italy, have been hurt badly.

Some modestly well-off nations, such as Costa Rica have been jolted unexpectedly because of their heavy dependence on imported oil, while others whose economies were not far ahead, such as Venezuela, will triple their revenues from oil exports alone in 1974.

Officials in Washington say most rich countries can blunt the blow by exporting more technology and commodities, digging into reserves, or turning to commercial banking sources and international money markets.

Medium-income countries such as South Korea, Brazil, and the Philippines—with per-capita annual income of between $300 and $700—can weather the storm by scaling down their high rates of growth, tightening their belts, taking loans at commercial rates and seeking to increase exports.

However, those alternatives are not open to a number of other countries, now facing economic stagnation or even ruin, officials say. The most affected countries include South Vietnam, Cambodia, India, Bangladesh, eight central African countries including Kenya, and some in Latin America, including Chile, Uruguay, Honduras and possibly Costa Rica.

The price impact is less disastrous than feared in January, government studies have concluded. But the impact will get steadily worse as the decade progresses, the same detailed studies show.

James P. Grant, president of the private Overseas Development Council, told a Senate panel Thursday that "barring major international action, the combination of quadrupling food and energy prices and the cutback on fertilizer exports dooms millions in these countries to premature death from increased malnutrition and even outright starvation."

He said the 40 poorest countries will have to pay some $3 billion more for essential imports than was foreseen a year ago.

"The lives of millions are threatened by the inability of the developing countries to purchase essential quantities of fertilizers—even as Americans are continuing to use scarce fertilizer for such clearly nonpriority purpose as lawns, golf courses and cemeteries in ever increasing amounts," Grant said.

A preliminary World Bank study issued in March shows low income countries will need additional capital of $2.5 billion to $3 billion a year between 1976 and 1980 "at highly concessional terms" to offset the higher costs of essentials.

The bank estimated that these same countries will experience an additional net drain of $1.4 billion this year and $1.9 billion next year—only a small part of which could be financed from reserves or loans.

Experts say countries with dwindling reserves are least able to take advantage of the various pools of capital which have been set up to cope with the wealth transfer.

The International Monetary Fund has established a special "oil" fund with a value of about $3.6 billion supported by a number of oil-producing countries. However, officials say the interest rates and payment terms would be beyond the means of many poor countries.

Last week, William J. Casey, chairman of the Export-Import Bank, said the deteriorating credit position of the underdeveloped countries could be a "factor that will reduce our loans" to them.

South Asian countries such as India and Bangladesh, with bleak possibilities of increasing their immediate export revenues, may be the hardest hit of all.

Several weeks ago, the Department of Agriculture's food intelligence service picked up reports that representatives of Bangladesh were shopping for 300,000 tons of wheat on the international grain market.

As of today, the sale has not taken place.

"They don't have any money," explained an American diplomat.

Indian monetary reserves are down to about $1 billion—an estimated three months' supply.

India has not yet officially sought a resumption of U.S. food sales on easy terms, which ended in 1971. As a result of India's explosion of a nuclear device May 18, congressional enthusiasm for increased aid to India is lukewarm.

Congress is considering an amendment to block American approval of "soft" loans through the International Development Association to countries which explode nuclear devices outside the controls of the nuclear non-proliferation treaty.

At a recent meeting of the World Bank's Aid to India Consortium, $1.4 billion in help was approved. The United States is offering $200 million through IDA, $75 million in bilateral foreign aid, $45 million in food giveaways and $29 million in debt refinancing.

THE SPIRIT OF CHIEF JUSTICE EARL WARREN

Mr. PACKWOOD. Mr. President, late in his life Thomas Paine wrote, "I believe that religious duties consist in doing justice, loving mercy, and endeavoring to make our fellow creatures happy."

It was just this sort of creed that shaped the life of former Chief Justice Earl Warren—a life which in turn shaped, as it will continue to mold, the human rights of all Americans.

Earl Warren was a dutiful man. His early career as district attorney of Almeda County, and later as attorney general and Governor of California, was replete with the "doing [of] justice" from Thomas Paine's exhortation of 180 years ago. This in itself was a laurel which any man could take pride in, and yet Earl Warren's achievements in California—what would have been a career pinnacle for other men—merely served as a foundation from which to build a greater edifice for the Nation.

It was upon this rock of public service that the Supreme Court found its touchstone in turbulent times. "Doing justice," a coveted goal for the public spirited, with Earl Warren became "creating justice" for the 16 years of his Chief Justiceship. It was a creation already to be found in the Constitution and the Bill of Rights, but more than at any other similar length of time in our history the Supreme Court breathed life into that creation of nearly 200 years ago.

More than once the Court's resuscitation became a wind stirring storms of controversy across the land. But they were remedial winds that necessarily blew the lid off injustice, that maelstrom of greater destructive force to the whole of society.

The impact of opinions rendered by the Warren Court give meaning to the words of a Persian poet included in the very beginning of the book "Go East, Young Man," authored by the Chief Justice's brother of 16 years, Justice William O. Douglas. Seven hundred years ago, Jalal-Ud-Din Rumi wrote, "All your anxiety is because of your desire for harmony. Seek disharmony; then you will gain peace." Disharmony was bound to surface because of the Warren Court's historic decisions, but through their basic intent this Nation will ultimately find peace.

Last Friday, the body of Earl Warren, 14th Chief Justice of the United States, was laid to rest. And just as the sword of justice has no scabbard, the spirit of Earl Warren shall know no tomb. His justice and mercy live with us, and our future shall be happier because of this great man.

TECHNOLOGY EXPORT

Mr. MOSS. Mr. President, a thought-provoking article appeared recently in the June 1974 issue of Government Executive concerning the export of American technology. Technology is truly one of our greatest resources. As a major resource of this country, we need to carefully consider its "sale" overseas and handle these sales in a manner which will bring the greatest benefits to our citizens. I recommend the article, "Technology Export" to my colleagues and request unanimous consent that it be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TECHNOLOGY EXPORT

Three years ago, the Canadian government gave Control Data Corp. a grant of $20 million to help create an indigenous computer industry including a facility near Toronto. It now employs 430 persons, mostly Canadians, and is already delivering two economic results—technological developments at the new plant are being incorporated into CDC computer advances in the U.S. and CDC is now a major manufacturer of large scale computer systems in Canada.

At about the same time all this was happening, CDC was being hammered by a handful of Congressmen on Capitol Hill for "selling our technology to the Russians and (thus) jeopardizing our national security."

U.S. born and raised, CDC must wonder who their friends are.

In late April, before the International Trade Subcommittee of the House Banking and Currency Committee, here's what CDC Chairman and Chief Executive Officer, Bill Norris, had to say about what one friendly Congressman called "that silly charge:"

"Since 1945, the restrictive nature of export legislation and the lengthy administrative procedures which surround export licenses for computers have served the United States poorly. We have violated the cardinal rule (of export success) by being difficult to do business with."

In contrast, he points out, under Russian leadership the communist-governed European countries have developed a family of machines popularly called the *Ryad* series. Result: U.S. computer firms dragging a Government anchor are seeing potential East European customers being directed to use *Ryad* equipment rather than U.S. or West Europe-made computers.

On top of that, "Western Europe and Japan are rapidly approaching, and in some cases have achieved, a technological parity with the U.S." In addition, "Peripheral equipment technology now available in Eastern Europe is only three to four years behind the U.S."

The result: "To avail ourselves of dwindling opportunities, it is essential to move rapidly into the USSR and East European marketplace which hold significant potential over the next ten years. Otherwise, our foreign competitors and the indigenous industry that I referred to will preempt the opportunity."

BEYOND MERE BUSINESS

But Norris' concern is far more basic than just making a sale. "There is a basis for a natural marriage on projects with the USSR. It is important to keep in mind that Russia has more basic scientists than any other country. In the U.S., most of our technical talent resides in applied scientists and engineers as opposed to Russia, where many of the better ones have gone into the pure sciences of physics, mathematics, chemistry, etc."

As to computers, themselves, "Computer hardware has reached the stage of development where it is quite adequate for most applications—the pacing element now is applications software."

In addition, as the May, 1972, U.S.-USSR summit agreement on scientific and technological cooperation supports, "We believe the U.S. should rapidly and aggressively pursue cooperative programs with the USSR as well as other countries.

"Otherwise, we will deny ourselves the opportunity to add significantly to the timeliness and adequacy of solutions to many long-term problems, including energy, environmental protection, transportation, education and health care.

"It is becoming increasingly clear that the U.S. by itself does not have the resources to adequately solve long-term energy and environmental problems . . . present sources of U.S. funds are strained merely to support the present inadequate educational system . . . what does the U.S. pay for better medical care?

"Technological development could provide it—if there were additional resources to commit to it. Cooperative efforts with the USSR could provide more effective and less costly solutions much sooner . . . I am pleased to see some significant progress already in cooperative efforts in the medical health field."

Another plus for the U.S.: "The USSR has a highly structured system for health care, while in the U.S. our system is highly decentralized . . . (Because of that) they can (quickly, in a comparative sense) make tremendous efforts to determine the status of the health of their citizens as well as the health care they receive.

"This type of sweeping systems approach (literally questioning and examining upwards of one million persons) is possible in the USSR in the field of education as well.

"It makes the USSR an extremely attractive partner for cooperative activities in health and education, since they have the structure to implement pilot procedures on a substantial scale—a necessary ingredient, we believe, to major progress in applying computer technology to these fields."

But even at that, Norris told Congress, that before CDC will get involved, several key concepts have to exist. Among them:

"Basic to our concept of cooperation is our policy that Control Data does not normally sell technology for cash. We will offer technology where improved access to the market is realized or where technology of equivalent or greater value is received or some combination thereof."

Moreover, "We advocate long term arrangements. We're not interested in one-shot deals because it's very hard to evaluate where the technology will lead . . . program phasing is a key ingredient of technology interchange. By that I mean the transfer of CDC technology will be related to the flow-back of technology to Control Data . . . in order to assure the desired reciprocal benefits are attained by both sides."

The most likely early payoffs to the U.S. Norris sees are in education and medicine where the USSR could "easily provide technology of a value greater than that which we will be furnishing the USSR."

Among Norris' recommendations that would make Government a help, not a hindrance:

A four-year extension of the life of the Export-Import Bank because "the extension of credits and loan guarantees is the very essence of international trade."

Strengthen the role of the technical advisory committees (to the Secretary of Commerce) in determining which commodities and technical data should no longer be subject to export controls for national security reasons. "To date, these committees have been misused or not used at all in that role."

"The Office of Export Administration is seriously undermanned in numbers of people and in technical competence to process export license applications expeditiously."

In similar vein, he listed for the committee some administrative-type suggestions mostly designed to upgrade Governmental talent and cut down the currently horrendous mass of duplicative paperwork and reports.

Finally, against the charge that he was being the instrument "to make a sale" for giving away U.S. military security, nee technology, he had a pair of answers:

The computer power ("thruput") capacity than has been sold to the Russians by all U.S. manufacturers put together is considerably less than that owned by any one of several U.S. universities and individual companies.

"I have asked repeatedly, in the Pentagon and elsewhere, and have yet to hear of a single instance where the USSR was unable to carry out any important military project for lack of computer technology."

NUTRITIONAL LABELING REGULATIONS

Mr. NELSON. Mr. President, the Food and Drug Administration's regulations on vitamins, minerals, and food supplements, issued in 1973 and effective January 1, 1975, have generated substantial public concern.

In order to clarify a number of matters regarding the regulations, five Members of Congress wrote the FDA May 7, 1973, with a series of questions. The FDA responded July 9, 1973. This exchange was printed in the CONGRESSIONAL RECORD, volume 119, part 18, page 23529.

However, the responses to a number of questions seem to create considerable confusion as to the actual intent of the regulations.

To further clarify the issues, we have addressed additional questions to the FDA.

I ask unanimous consent that the text of a July 10, 1974, letter to the FDA be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE
ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

ALEXANDER SCHMIDT, M.D.,
Commissioner, Food and Drug Administration, Rockville, Md.

DEAR COMMISSIONER: This office continues to receive communications of concern over the FDA's nutritional labeling regulations and standards of identity for food supplements.

In an effort to clarify a number of issues, five Members of Congress, in a letter dated May 7, 1973 to Mr. Peter B. Hutt, General Counsel, FDA, requested specific responses from the FDA to questions that had been posed about the regulations.

The responses that were received contained certain assurances, which seem to contradict what the regulations promulgated.

While strongly endorsing the efforts of the FDA to insure that no fraudulent claims are made for any products, we nevertheless continue to have questions about the apparent contradictions between the FDA's assurances regarding the food supplement regulations and the regulations themselves.

In this regard, it would be helpful to have answers to the following:

1. The FDA's letter states: "All products containing a vitamin or mineral at a level higher than 150% of the U.S. Recommended Allowance (RDA) (except for vitamins A and D and folic acid which have a maximum dietary supplement level of 100% of the U.S. RDA) are classified as drugs." (Page 3, item 3.)

It is clear that a certain number of vitamin-mineral preparations now on the market will be classified as Over-the-Counter (OTC) or prescription drugs. They will then be subject to the mandatory drug provisions of the Food, Drug and Cosmetic (F,D&C) Act and will be required to undergo New Drug Application (NDA) or Investigational New Drug (IND) application procedures, showing that they are safe and effective.

If a vitamin-mineral cannot show that it is effective for a specific intended purpose, but is found to be safe in the proposed dosage level, it will not pass the IND or NDA approval, and therefore will not be allowed on the market in that dose level. Is that correct?

2. The FDA's letter states: "The only vitamin-mineral products now on the market that will be 'forced off' because of the FDA regulations are those that have inherently irrational formulations or rest solely upon unsupportable claims. The vast majority of the vitamin-mineral products affected by the new regulations will require only reformulation and relabeling." (Page 7, item I–E, Concerning Standards of Identity for Food Supplements.)

The regulations, however, as described above, require INDs or NDAs for all vitamin-mineral products above 150% of the RDA, rather than just reformulation or relabeling. Further, if the answer to our question above is 'Yes,' it would appear that any number of such products may not be allowed on the market if they are not shown to be effective for an intended purpose. Is that correct?

3. The FDA's letter further states: "High-potency OTC vitamin-mineral products have been available for many years, and FDA does not intend to require all high-potency vitamin-mineral products to be sold on prescription." (Page 3, Item 3.)

However, the regulations do not say that. The FDA will rely on the decision of an OTC review panel to determine whether high-potency vitamin-mineral products will be prescription or OTC drugs. Is that correct?

What is the status of the OTC review panel decisions at this time? When is the panel's final report expected?

4. The FDA's letter states: "In short, no American consumer will be deprived of his freedom to choose to continue to consume these products." (Page 8, Item I–E.)

The regulations specifically state that certain combinations of vitamin-minerals will not be allowed, nor will certain ingredients such as bioflavonoids be permitted in combination with vitamin-mineral products, but will be available separately. Thus, the regulations do specifically deprive the consumer of certain existing vitamin-mineral combinations. Is that correct?

5. The FDA's letter states: "Thus, these substances (vitamin-mineral products, dietary food supplements) may be marketed by themselves or in combination with other similar substances with truthful and informative labeling, just as any other food product." (Page 12, item III–D, Concerning Labeling of Special Dietary Products.)

The regulations do not specify what constitutes a "claim" that can be made for a product. The FDA letter indicates that FDA would prohibit "such disclaimers as 'the need for this ingredient in human nutrition is not established.'" Is that correct? If so, what "claims" or labeling statements (please provide examples) does FDA intend to permit for dietary food supplements and vitamin-mineral products?

6. The FDA's letter states: "We know of no economic hardship on consumers or manufacturers that could result from handling high-potency vitamin-mineral products as drugs . . . It is doubtful that any increase in cost whatever could be justified on this basis." (Pages 12–13, Item III–A, Concerning the Vitamin Supplement Market and Regulation.)

The regulations and the letter's response fail to take into account 1) that limitations on dosages per tablet will require taking more tablets, thus purchasing more tablets: and 2) that tablets containing higher than 150% of the RDA will require a product to undergo NDA or IND drug clearance and thus presumably at increased cost to the producer and the consumer. Is that a correct assumption?

The FDA letter further states: "The initial cost of changes in formulation and labeling will be amortized over the entire life of the product." (Page 13, Item III–A.)

Does this mean that you concur that increases in production costs will occur? Could this work hardship on small businesses forced to keep up with changes in RDA levels?

7. The regulations state that any amount of vitamins or minerals over 150% of the RDA is not necessary, and that inclusion of additional amounts in a preparation is therefore fraudulent.

During hearings on food additives September 19, 20, and 21, 1972, before the Senate Select Committee on Nutrition and Human Needs, Assistant Secretary of HEW for Health and Scientific Affairs, Dr. Charles Edwards, then FDA Commissioner, testified:

"It is our position that the consumer has the right to purchase and use 'unnecessary' foods if he so desires provided, of course, these items are safe and properly labeled. For example, there are many non-essential, highly-purified foods, such as the bioflavonoids, which certain individuals believe beneficial but which are of no proven nutritional significance in our diet. Another category of 'unnecessary' foods is the so-called delicacies. Some may find chocolate covered ants a great treat but it is highly unlikely they will ever become a dietary staple. And we should not overlook certain snack foods. Many of these add calories and little else to the diet. I would oppose banning these 'unnecessary' foods. The proper function of the FDA is to make certain they are not adulterated or misbranded.

". . . Requiring the FDA to make value judgments in this area would only lead to extended controversy and adjudication in areas where health and safety are not involved. We agree with the declared intent of the Congress in passing the Food Additives Amendment (in 1958), that these value judgments should be decided in the market place. People should be free to choose whatever safe food they want." (Page 1229, Part 4B, Food Additives, September 20, 1972, Senate Select Committee on Nutrition and Human Needs.)

How does the FDA justify the demand that vitamins and food supplements, or essential nutrients, be shown to be "necessary", while at the same time rejecting the concept of "necessity" for non-essential food additives?

The National Academy of Sciences/National Research Council's "Recommended Dietary Allowances" Handbook, Eighth Edition, 1974, warns that:

"RDA should not be used as a justification for reducing habitual intakes of nutrients." (Page 13)

"While a diet made up of ordinary foods meeting the RDA standard should maintain health, we are well aware that present knowledge of nutritional needs is incomplete. Requirements of man for many nutrients have not been established" (Page 2).

"RDA are appropriate standards for all of these purposes (food fortification, nutritional labeling), but their limitations should be recognized. It is important to re-emphasize that RDA have been established for only about one third of the essential nutrients; that foods are ordinarily analyzed for only a small number of nutrients; and that interactions of various types between nutrients and food constituents may reduce the availability of some nutrients and, hence, the accuracy of information about food composition." (Page 19).

The proposed vitamin regulations seem to be inconsistent with this view of the NAS/NRC Committee on Recommended Dietary Allowances, because the regulations set arbitrary limits for non-prescription essential vitamin-mineral nutrients. Would you agree that there are inconsistencies between the NAS/NRC report and the FDA regulations?

Do you believe that the NAS/NRC recommendations on how to use RDAs provide adequate scientific support for applying the RDAs as they are in the vitamin-mineral regulations? If so, please explain why.

The regulations prohibit the variation of amounts of vitamin-mineral substances above 150% of the RDA, which are allowed in combinations. The regulations also set (in separate regulations) maximum limits of allowable safe levels of vitamins A and D, based on scientific evidence that higher dosages are unsafe.

At the same time, however, the FDA has stated that "no American consumer will be deprived of his freedom to choose to continue to consume these products" (Page 8, Item I–E, FDA letter to Members of Congress), and that one may consume as many vitamins or vitamin combinations as one wishes.

Isn't this inconsistent? Isn't it possible that someone seeking to increase the dosage of one vitamin substance might inadvertently and/or unknowingly consume unsafe amounts of vitamins A or D by increasing the intake of combination products, perhaps on a regular basis, thus seriously endangering his health?

Thank you for your cooperation in responding to these inquiries.

Sincerely,

GAYLORD NELSON,
U.S. Senator.
DAVID R. OBEY,
Member of Congress.

WHITE HOUSE FIRES OEO DIRECTOR—SEEKS "YES-MAN" FOR REPLACEMENT

Mr. HUMPHREY. Mr. President, last night the White House demonstrated once again that it prefers conformity to ability. In forcing the resignation of Alvin Arnett from his position as director of the Office of Economic Opportunity, the Administration shows that it has not lost the penchant for "yes men" that lies at the root of much of the Watergate mess.

I believe that Mr. Arnett did an admirable job of holding together a beleaguered organization, while the decisions on the future of the antipoverty programs were being laboriously worked out by Congress and the administration.

As the decision last night demonstrates, the tightrope Mr. Arnett had to walk was a dangerous one. Regrettably, any attempt at evenhanded treatment of those in Congress with different views from those of the White House, is seen as disloyalty and grounds for dismissal.

While Mr. Arnett's evenhandedness will be missed, he can take pride in his contribution to passage of a Legal Services Corporation Act and legislation extending most of the current antipoverty programs.

Mr. President, I ask unanimous consent that an article by Jules Witcover in this morning's Washington Post, describing Mr. Arnett's dismissal, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONTROVERSIAL OEO CHIEF ARNETT FIRED

(By Jules Witcover)

President Nixon yesterday fired Alvin J. Arnett, the Office of Economic Opportunity director accused of lobbying against Mr. Nixon's plans to kill the antipoverty agency.

Arnett was summoned to the White House late yesterday afternoon by Dean Burch, the President's political adviser, and asked to submit his resignation by 10 o'clock this morning, to be effective as of July 31.

Burch told Arnett he will be replaced by Bert Gallegos, OEO general counsel, as acting director. Gallegos served as acting deputy director in 1973 under Howard J. Phillips, Arnett's controversial predecessor whose aggressive dismantling of OEO without congressional sanction was voided by a federal judge, who also threw Phillips out. A new deputy acting director also is to be appointed.

"I was not following the President's program," Arnett last night said Burch told him. "He just laid it out. The pressures on them were just absolutely inordinate to move me on. I have not been on the reservation. I've been out there trying to save something they just do not want to save."

Arnett said he agreed to submit his resignation after being assured by Burch that one of the antipoverty actions for which he had been fighting—creation of a new Legal Services Corporation—will be signed into law by the President. A proposal to achieve a final compromise on the bill comes before the Senate today.

Burch declined to give Arnett any assurance, however, that Arnett's major focus, a bill transferring OEO's community action and few other remaining programs to the Department of Health, Education and Welfare, would be signed. The White House already has indicated Mr. Nixon plans to veto the bill. OEO was to be closed by June 30 for lack of funds, but has been extended for 90 days by Congress in the effort to salvage the remaining functions.

Arnett informed Burch that he would submit the letter of resignation on the understanding that it would include Arnett's strongest argument for enactment of the HEW transfer bill. He was in his OEO office late last night working on the letter.

The HEW transfer bill crystallized Arnett's troubles last May 29 when the House resoundingly voted for it, 331 to 53—a margin considered large enough to make it vetoproof over the President's threat to reject it.

Critics immediately charged that Arnett had been going around the country rallying governors, mayors and local antipoverty officials to pressure Congress to keep federally supported community action programs alive through the transfer to HEW.

Burch acted, OEO sources said last night, after reviewing a memorandum critical of him submitted by four Office of Economic Opportunity subordinates, all political appointees and self-styled conservatives. Among them was William Buchanan, an Arnett assistant and brother of presidential assistant Patrick J. Buchanan.

Burch's recommendation went to the President despite a fierce holding action by Arnett himself and numerous supporters in Congress and governors, who argued that OEO was serving them well in the states.

Buchanan and his three OEO colleagues, George Bullock, Morgan J. Doughton and Robert Jungmann, charged in their memo that Arnett "has not only lost control of OEO to the old-line bureaucracy, but has done so deliberately, as a matter of conviction and policy in which he sides with the Union-led move for its continuance, and more seriously, has lost his party compass."

They charged Arnett with "extensive travel to line up support for OEO continuance coupled with use of money to reward its supporters," many of whom were Democrats, including Mayor Richard J. Daley of Chicago.

"We are not suggesting that the agency should be a Republican fiefdom, an impossibility in an agency of this nature," the four political appointees, holdovers from earlier OEO directors, wrote. "What we are suggesting is that as part of the Executive Office of the President, there could be far better responsiveness to the administration and the party it represents."

The memo urged that someone inside OEO with clear Republican loyalties and a cool style as contrasted to the "glandular activism" of Phillips, be appointed. Phillips resigned after much criticism that he wielded an ideological meat-ax in hastening to close down OEO.

"We are united in the feeling that no rhetorical points, as during the Phillips days, should score," the anti-Arnett forces wrote. "Quiet Republican management can and should be imposed here. No policy statements and verbal vendettas should take place; servicing of White House wishes and Republican congressional desires will and should be handled expeditiously."

Gallegos is regarded as just such an administrator. Under Arnett, Phillips and earlier OEO directors, he has served from time to time as acting director in their absence.

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Burch reportedly had been urged by Republican congressional leaders to move cautiously in dealing with Arnett, lest there be another political outcry similar to what occurred last Oct. 20, when then Attorney General Elliot L. Richardson and his deputy William D. Ruckelshaus, resigned over the firing of Watergate Special Prosecutor Archibald Cox.

In a meeting with Burch on June 21, Arnett is said to have offered his resignation but was told then the administration did not want the public relations risk of another "Saturday night massacre"—the name given to the Richardson-Ruckelshaus-Cox departure.

Last night, as word of Arnett's imminent departure reached Capitol Hill, reaction came from Sen. Jacob K. Javits (R-N.Y.), ranking minority member of the Senate Labor and Public Welfare Committee.

"Arnett is a good man doing a good job," he said. "It looks like the long knives are out and it's another disturbing instance of a tendency on the part of the administration to conduct impeachment politics."

THE SPIRIT OF '76

Mr. McGOVERN. Mr. President, we are as a Nation planning for the 200th birthday of our Nation in 1976. Unfortunately, the liberating spirit of the Declaration of Independence has been lost sight of in crucial areas of our national life.

Mr. Russell Baker, the brilliant journalist of the New York Times, has succinctly diagnosed the contrast between our historic revolutionary ideals and our present tendency to cling to the status quo even in the face of urgent problems that cry out for fundamental change.

I ask unanimous consent that Mr. Baker's article in the June 30, 1974, issue of the New York Times magazine be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOMAGE TO GEORGE

(By Russell Baker)

We are going to celebrate revolution again this week. It has become a curious rite, this annual 4th of July bow to bloody upheaval, for most of us are ill at ease with Washington, Adams and Jefferson, are only slightly less Tory than Lord North and pay huge tax bills each year to suppress revolutionary movements around the earth.

We are, in fact, much closer in sympathy to King George III than George Washington, who overthrew the Government by force and violence. This sympathy for the tyrannical party is quite natural. We are now the great world power that England was in 1776 and it is the destiny of great world powers to collaborate in the oppression of the unruly.

And so we give our sympathy and our money to dictators in Greece, Chile, Saigon, Spain and a dozen Latin states with generalissimos willing to maintain gun rule while freighting boodle to Swiss banks.

At home, we yearn for the monarchy of strong Presidents and tolerate the incumbent's claim to privileges which King George himself would have been reluctant to assert.

Though some may be restive with Mr. Nixon's insistence that he is the law, most of us would be appalled by a proposal to revolt against him. We are quite comfortable with the ruin of Madison's separation of powers and probably concede, though perhaps a bit unhappily, that Caesarism in the White House is preferable to the blunderings of democracy in the Congress.

Large numbers of us sympathize with the Government's demand that the press confine itself to printing only what the Government wants known. Most of us are indifferent when some small rabble is jailed by the troops for expressing revolutionary sentiment at the doors of the Justice Department or the gates of a national convention.

We abide and even praise an economic order that makes the rich richer by bilking the middle class and keeping the poor impoverished. We uncomplainingly pay taxes to subsidize vast corporations, yet abuse the poor for shiftlessness.

We excuse our richest men and most powerful companies from taxation, and pay more taxes ourselves to compensate for the amounts not paid by the great.

We tolerate a legal system which most of us cannot afford to use because the rich and the powerful have priced us out of the market in their demands for its services. In consequence, we see the law's favors bestowed on the rich and the powerful and its scourge laid upon those who cannot afford to buy into it.

In short, like all good conservatives, we like things the way they are. Nothing is more likely to set the hair upright on the back of the national neck than a call for revolution. We are Tory to the core.

Why then must we go on with these annual tributes to the glory of revolution? George Washington, after all, is not a man we feel emotionally involved with. He is too remote, too severe.

His rigorous honesty is largely joke material these days, like his 11th-rate false teeth. How can we possibly feel anything in common with an honest politician, with a man who didn't even know about $5,000 dental caps? Who wore wigs and knee breeches?

And Jefferson, with that business about periodically refreshing the tree of liberty with the blood of patriots—ah, Jefferson. If you were alive today, talking like that, we would happily see you do hard time in Attica.

Unnatural effort is required to generate enthusiasm for the Revolution. It is already much more remote from us than the English Revolution was from George III by 1776. If Englishmen could go from revolutionaries to conservatives in slightly more than a hundred years, why should Americans not accept the fact that they have traveled from revolution to reaction in 200?

It is time to close the book on the 4th of July. It was splendid once, but it no longer becomes us. If we must go ahead celebrating it for years to come, it would make more sense to treat it as a day for honoring King George III, whose principles we so roundly endorse.

Far better to abolish it altogether, perhaps by turning it into one of those four-day holiday weekends which could be celebrated at the start of August, and by renaming it the Sentimentality Day Weekend (S.D.W.).

There is no likelihood of early abolition, unfortunately. The Government is determined to preserve it through the bicentennial celebration in 1976, which everybody believes can be a good shot in the arm for business.

THOUGHTS ON THE BICENTENNIAL

Mr. CRANSTON. Mr. President, we Americans will begin our third century as a nation in less than 2 years.

We should stop and take an honest look at who we are and what we have become—to measure how well we have fulfilled some 200-year-old dreams amid the mixed blessings of our modern superstate.

Americans have been through wars foreign and civil. We have alternately experienced economic collapse and unparalleled economic prosperity. Our history has been shaped by great migrations from without and within our own borders, east to west, south to north; from farms to the cities and to suburbia and beyond.

Americans have condensed, into a relatively brief time in human history, the full evolution from an agricultural to an industrial society to what Prof. Alvin Tofler calls the superindustrial revolution which daily bombards our lives with rapid-fire technical and social change.

Our current economic and political crises are not to be minimized. Some critics even question whether the American experiment in government will bear faithful resemblance in 1976 to the original concept born in 1776.

I firmly believe it will. Inflation, unemployment, energy and food shortages, pollution, and political scandal are not peculiarly American problems. To one extent or another, they are common to most countries of the world these days. But I believe that our country—with our open constitutional processes, our dedication to fairplay and equal opportunity, our belief in individual worth, progress and improvement—has the world's best chances for overcoming these crises while retaining a free, democratic system.

Even with our greatest political scandal clouding our national life, I still believe it is correct to say that Americans will not only endure all this, they will prevail.

In Washington, in 50 State capitals, in countless city halls, school auditoriums, and storefront meeting rooms, the work of the world's oldest continuous democratic government goes on. The people who make up our courts, schools, legislatures, news media, and other institutions are working harder to do their jobs better than ever before.

We cannot afford to waste time on despair when the immediate future holds such potential for good, if we work at it.

One Federal agency, the U.S. Department of Interior, is pushing an antipollution, antilitter campaign with the slogan: "Let's clean up America for our 200th birthday."

I like that kind of spirit. I would like to see it extended to some other areas, like "Let's clean up our Government, our election campaigns and the whole political process for our 200th birthday."

We could use the next 2 years to redeem our pledge of racial, religious and sexual dignity and equality of opportunity; we could live up to our goals of adequate housing, reasonably priced health care and a decent standard of living for all Americans for our 200th birthday.

The next 2 years would be an appropriate time to say again that we will brook no infringement on freedoms of speech and press—and mean it.

We should make civilian control over the military establishment a working reality in time for our third century.

I also believe we would well serve the ideals of the Bicentennial by reinvigorating efforts to narrow the privilege gap between the very rich and very poor, and by pledging ourselves—individually and collectively—to pursuit of the nonviolent life.

America is challenged by its own history. We can meet the challenge by conducting our private lives and our public business during the next 2 years in a way that will put a proud face on the land by July 4, 1976.

BRITAIN'S WHITE PAPER ON NORTHERN IRELAND—A CONSTITUTIONAL CONVENTION

Mr. KENNEDY. Mr. President, earlier this month, Britain promulgated a new white paper on Northern Ireland. In this document, Britain announced her intent to introduce future legislation calling for a Constitutional Convention, to be elected by the people of Northern Ireland, in order to provide an opportunity for the people themselves and their elected leaders to shape their own future.

The fall of the Northern Ireland Executive last May at the hands of the militant Protestant strikers was a tragedy for the cause of peace in Ulster and for every person of good faith on both sides, Protestant and Catholic alike, who had worked so hard over the past 2 years to soothe the bitterness of the past and to build a decent government representing all people.

Yet, the spirit of partnership and power-sharing evolved by the Executive is a legacy that augurs well for the future of representative government in Northern Ireland. As the white paper put it in discussing the Executive:

> In the political history of these islands, few men had ever undertaken a more arduous yet honourable task, with a full awareness of the political and even personal dangers to which they were exposing themselves. . . . Yet, if the Executive failed, the men who served in it did not fail. They disproved forever the idea that it is not possible for Protestant and Roman Catholic to work together for the good of Northern Ireland and its people.

I share this sentiment. My hope is that, difficult and obscure as the road ahead now seems, the proposed Constitutional Convention will be a success, and that this tragic era of unending bloodshed and violence and destruction will be ended, so that at last, Northern Ireland will be at peace.

Mr. President, I believe that the new British proposals for Northern Ireland will be of interest to all of us in Congress, and I ask unanimous consent that the white paper, entitled "The Northern Ireland Constitution," may be printed in the RECORD, together with recent editorials from the London Times and the New York Times on the proposals.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE NORTHERN IRELAND CONSTITUTION

PRESENTED TO PARLIAMENT BY THE SECRETARY OF STATE FOR NORTHERN IRELAND BY COMMAND OF HER MAJESTY, JULY 1974

(London, Her Majesty's Stationery Office, 17p net, Cmnd. 5675)

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PART 1—THE PROBLEM

1. About one-and-a-half million people live in Northern Ireland. History produced a divided community and has led it to have divided views about its form of government. The whole community has not yet found a way of living and working together. Northern Ireland is a part of the United Kingdom and Parliament has the ultimate responsibility for its future. By the efforts of the people themselves, and with the help and encouragement of the nation as a whole, Northern Ireland has made in recent years significant economic advances. But the bright prospects this created for future economic progress have been clouded by political instability and violence. In the past five years over 1,000 people—men, women and children; soldiers, policemen and civilians—have died by violent means. There has been great, continuous and widespread suffering and destruction.

2. In that same period, Northern Ireland has experienced four different patterns of government:-

(*a*) devolution of powers to the Parliament and Government of Northern Ireland under the Government of Ireland Act 1920, up to March 1972;

(*b*) "direct rule" under the Northern Ireland (Temporary Provision) Act 1972, with the Government of Northern Ireland suspended and its Parliament prorogued, executive powers exercised by a Secretary of State and laws made by Order in Council, from March 1972 to January 1, 1974;

(*c*) a new system of devolution of powers to an Assembly and Executive under the Northern Ireland Constitution Act 1973, from January to May 1974; and, since then

(*d*) discharge of functions of that Executive under the Constitution Act by Northern Ireland Office Ministers, with the Assembly prorogued.

3. The main impact of this violence and political instability has been upon the people of Northern Ireland themselves, but the United Kingdom as a whole has also had burdens to bear. Recognizing the "ultimate responsibility for the protection of those who live in Northern Ireland" to which the Downing Street Declaration of August 1969 referred, successive Governments have committed large numbers of troops to keep the peace, involving them in a policing as well as a strictly military role. In August 1969 there were only 2,500 stationed in Northern Ireland. This figure rose to 22,500 by the end of July 1972 and has never been fewer than 14,500 since that time. From August 1969 to the end of June 1974, 216 soldiers of the Regular Army and 44 of the locally-recruited Ulster Defense Regiment have been killed on duty, as well as 46 members of the Royal Ulster Constabulary and 8 of the RUC Reserve.

4. Expenditure in Northern Ireland has increased significantly in recent years and has required an increased subvention from the Westminster Exchequer over and above Northern Ireland's share of taxation. In 1969–70 this subvention (excluding loans) amounted to about 16 per cent of Northern Ireland's public expenditure and in 1973–74 to about 36 per cent.

5. The achievement of peace and political stability in Northern Ireland requires a major contribution by the people of Northern Ireland themselves. When the fear and instability of these wasted years is ended the Army will be relieved of its present role.

PART 2—THE CONSTITUTION OF 1973

6. In March 1972 a period of "direct rule" was instituted, with the support of the three major parties in the Westminster Parliament. It was made clear that the new system of government was intended to be transitional. The aim was to allow all concerned to discuss how to bring into being a more permanent system, commanding the broadest possible support.

7. The consultative document "The Future of Northern Ireland: A Paper for Discussion" (October 1972) and the White Paper "Northern Ireland Constitutional Proposals" (Cmnd. 5259, March 1973) record the various discussions which took place. In summary the consultative process involved the following stages:

(*a*) intensive discussions between the then Secretary of State for Northern Ireland and a wide range of interests in Northern Ireland—political parties, community groups, representatives of social, economic and other interests;

(*b*) an invitation to individual citizens in Northern Ireland to submit proposals and suggestions;

(*c*) an invitation to each of the seven political parties which had representation in the prorogued Northern Ireland Parliament to take part in a conference to discuss suggestions for the future. Three parties attended this conference, held at Darlington in September 1972, and put forward proposals for discussion. Other parties and groups also published suggestions for the future;

(*d*) comprehensive consultative document "The Future of Northern Ireland: A Paper for Discussion" was published in October 1972, and formed the basis for further discussions with representatives of a wide range of interests;

(*e*) the people of Northern Ireland were given an opportunity, in the Border Poll of March 1973, to indicate by their votes whether they wanted Northern Ireland to remain part of the United Kingdom or to be joined with the Republic of Ireland, outside the United Kingdom. An overwhelming majority of those who voted, and a clear majority of the electorate as a whole, voted to remain within the United Kingdom;

(*f*) in the White Paper of March 1973, the then Government set out fully its proposals for the constitutional future of Northern Ireland. The Northern Ireland Assembly Act 1973 and the Northern Ireland Constitution Act 1973 were published and then passed into law in Westminster.

8. Throughout this process great efforts were made to find common ground between the Northern Ireland parties. This was made more difficult by the decisions taken by various interests at various times not to participate in discussions.

9. After the Assembly elections held at the end of June 1973, a further stage of consultation got under way. All the parties represented in the Assembly were asked to take part in discussions as to how a broadly-based Executive, likely to be widely accepted throughout the community, might be formed. Under section 2 of the Northern Ireland Constitution Act 1973, the ability to bring such an Executive into being was a prerequisite of devolution of legislative and executive powers to the new Northern Ireland institutions.

10. Paragraph 72 of the White Paper (Cmnd. 5259) referring to the formal appointment of political Heads of Departments in Northern Ireland made it clear that: "when an agreed understanding on the formation of an Executive is reached in discussion with elected representatives, it would be the intention to make appointments in accordance with that understanding".

Certain of the parties and members returned to the new Northern Ireland Assembly stated that they were opposed in principle to the formation of an Executive on the basis laid down in the Constitution Act. They therefore refused to take part in any discussions, either with the then Secretary of State or with other Northern Ireland parties, to seek an agreed understanding on the formation of an Executive. The Alliance Party, the Social Democratic and Labour Party and the then Official Unionist members, representing between them almost two-thirds of the total membership of the Assembly, eventually agreed to consider together whether such an understanding could

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be reached. Discussions were initiated upon the basis that all concerned fully accepted the Northern Ireland Constitution Act 1973, and continued for a period of seven weeks.

11. Finally, on November 22, 1973, the then Secretary of State for Northern Ireland was able to report to the House of Commons that substantial progress had been made. The three Northern Ireland parties had reached agreement on a statement of aims and policies in the social and economic sphere and on the shape and balance of an Executive and Administration in which they would be prepared to serve together. This required a small amendment to Section 8(3) of the Northern Ireland Constitution Act 1973. This progress had made possible the nomination of an Executive-designate. It had, however, always been understood among the parties engaged in these discussions that it would be undesirable actually to form an Executive unless and until there was agreement on all the major issues under discussion.

12. One of these matters was the possible formation of a Council of Ireland, which required discussions with the Government of the Republic of Ireland. The Secretary of State therefore informed the House of Commons (Official Report, November 22, 1973, Col. 1576):

"If we are to make the advances on a Council of Ireland to which I have referred, it is essential that there should now be urgent discussions between representatives of the Government of Ireland and those persons who will be members of the Northern Ireland Executive. This conference will be held as soon as possible and will, I hope, reach a clear understanding. I also intend to invite the leaders of those parties in the Northern Ireland Assembly who have indicated that they are not prepared to participate in an Executive to discuss with me their views on a Council of Ireland, so that these will be known at the time of the conference. It will be necessary, therefore, to hold a formal conference between Her Majesty's Government, the Government of the Republic and the Northern Ireland Executive, which will have been appointed by then."

13. The leaders of those parties who had indicated they were not prepared to take part in an Executive, the Democratic Unionist Party and the Vanguard Unionist Party, protested that their parties should be invited to participate in the conference on the same basis as the other Assembly parties. They argued, as did the then leader of unofficial Unionists opposed to official Unionist policies, that the terms of paragraph 112 of the White Paper (Cmnd. 5259) were not being fulfilled. This had stated that:

"following elections to the Northern Ireland Assembly, the Government will invite the Government of the Republic of Ireland and the leaders of the elected representatives of Northern Ireland opinion to participate with them in a conference. . . ."

Those leaders did not accept the proposal that they should discuss their views on a Council of Ireland with the Secretary of State. On December 5, 1973, the leaders of the Democratic Unionist Party and the Vanguard Unionist Party were invited to attend the first session of the conference and to address it. This too was unacceptable to them.

14. The Sunningdale Conference took place, from December 6 to 9 1973, between representatives of Her Majesty's Government, of the Government of the Republic of Ireland and of the three parties involved in the Northern Ireland Executive-designate. The principal features of an Agreed Communique issued on December 9 were:

(*a*) declarations by Her Majesty's Government and by the Government of the Republic of Ireland on the constitutional status of Northern Ireland. These were to be incorporated in a formal agreement to be signed at the formal stage of the Conference and registered at the United Nations;

(*b*) outline agreement on the basis for setting up a Council of Ireland, to be implemented after further detailed study of functions and finance;

(*c*) agreement to establish a joint British-Irish Commission to recommend, as a matter of extreme urgency, the most effective means of dealing with those who commit crimes of violence, however motivated, in any part of Ireland.

(*d*) agreement to give a Council of Ireland a recommendatory role in relation to human rights in Ireland, and consultative role in relation to appointments to Police Authorities, North and South;

(*e*) a re-affirmation by Her Majesty's Government of its firm commitment to bring detention to an end in Northern Ireland for all sections of the community as soon as the security situation permitted;

(*f*) Parliament would be asked to devolve full powers to the Northern Ireland Assembly and Executive as soon as possible. The formal appointment of the Executive would then be made;

(*g*) early in the New Year the British and Irish Governments and the Northern Ireland Executive would hold a formal conference "to consider reports on the studies which have been commissioned and to sign the agreement reached.

PART 3—THE NORTHERN IRELAND EXECUTIVE, JANUARY–MAY 1974

15. By a Devolution Order, January 1, 1974 was appointed as the day for the devolution to the Northern Ireland Assembly of legislative powers over a very wide range of matters, and to the Northern Ireland Executive and Administration of executive powers relating to these matters. At a ceremony on December 31, 1973, the 11 members of the Executive and the four additional members of the Administration took the Oath or made the Affirmation required by law to: "uphold the laws of Northern Ireland and conscientiously fulfill my duties under the Northern Ireland Constitution Act 1973 in the interests of Northern Ireland and its people".

The following day, for the first time in the history of Northern Ireland, elected representatives of the majority and minority communities took up office as a government. While all those participating retained their long-term aspirations, they all accepted the principle embodied in section 1 of the Constitution Act, that Northern Ireland would not cease to be a part of the United Kingdom without the consent of a majority of its people.

16. The newly-appointed Executive at once took two important decisions which were communicated to the Assembly by the Chief Executive on January 24, 1974. The first was that, although the Constitution Act did not so provide in terms, the Executive would hold itself responsible to the Assembly, and would therefore at once seek a Vote of Confidence there. The second was that the Executive would be bound by the principle of collective responsibility.

17. On January 24, 1974, the statement of social and economic aims agreed during the inter-party talks was published. As soon as it took up office the new Executive set about the task of converting these broad policy objectives into comprehensive proposals for the future development of Northern Ireland. The new Heads of Departments assumed control of the various services for which they were responsible, and from the earliest days the new system showed itself capable of coping with difficult, controversial and potentially divisive matters.

18. The Assembly members of the "loyalist coalition" refused to play any part in much of the business of the Assembly and did not take up their role as the Opposition in the lawfully constituted Assembly.

19. The agreement reached at the Sunningdale Conference became the centre of deepening political controversy. Conscious that legal proceedings in the Republic of Ireland, which had not been concluded until February 22, 1974, had given rise to ambiguities about that part of the Agreed Communique which included the declarations on the Constitutional status of Northern Ireland, the Taoiseach made a statement in Dail Eireann on March 13, 1974, which included these words:

"The factual position of Northern Ireland is that it is within the United Kingdom and my Government accepts this as a fact. I now therefore solemnly re-affirm that the factual position of Northern Ireland within the United Kingdom cannot be changed except by a decision of the majority of the people of Northern Ireland."

20. The Law Enforcement Commission (see paragraph 14(c) above) was appointed on December 21, 1973. It reported on April 25, 1974 (Cmnd. 5627). Its members were not able to agree unanimously as to the best method of dealing with the problem. Those members drawn from Great Britain and Northern Ireland recommended an amendment of the extradition laws but those drawn from the Republic of Ireland did not; they recommended a scheme of extra-territorial jurisdiction. The British and Northern Irish members agreed that if extradition were not available they would recommend extra-territorial jurisdiction.

21. On February 1, 1974, a meeting took place in Northern Ireland at Hillsborough Castle between members of the Northern Ireland Executive and of the Government of the Irish Republic, and decided how further studies of possible functions for a Council of Ireland should be conducted.

22. The comparatively slow progress in these meant that, when the United Kingdom General Election took place on February 28, 1974, a number of important aspects of "Sunningdale" remained unresolved, and the formal Conference, which had been envisaged as taking place "early in the New Year," had not been held. Candidates of Northern Ireland opposed to the Sunningdale agreement and particularly the Council of Ireland received over 50 per cent of the vote and won 11 out of the 12 seats.

23. The Executive discussions on how to make progress in implementing the Sunningdale agreement were still in progress when, on May 16, a vote in the Assembly to reject a "loyalist coalition" Motion calling for renegotiation of the constitutional arrangements was made the occasion for a general stoppage of work by the non-elected Ulster Workers' Council. This started in the electricity industry and spread into other essential services. The Executive brought to a successful conclusion its discussions on implementing the Sunningdale agreement on May 22, when the Chief Executive announced in the Assembly that the Executive now proposed that the agreement should be implemented in two phases. In the first, immediate phase, a Council of Ministers would be established as a forum for consultation, co-operation and co-ordination of action between the Northern Ireland Executive and the Government of the Republic of Ireland in relation to various social and economic matters. The other aspects of the Council of Ireland scheme—a "second tier" Consultative Assembly; transfers of functions to the Council; appointment of a Secretary General, etc.—would be part of a second phase, to be introduced only after the opinion of the people of Northern Ireland had been tested at a further general election to the Assembly.

24. Her Majesty's Government had been faced in the weeks before the strike by a renewed bombing campaign by the IRA. It made it clear that the IRA would not be allowed to bomb its way to the conference table. Similarly, throughout the stoppage, it held firmly to the principle that there could be no negotiation on constitutional issues with those who had not been elected as part of the normal democratic processes. The stoppage of work continued with the Ulster Workers' Council, the various paramilitary associations, and the "loyalist coalition" politicians associated with them demanding early Assembly elections as a basis for re-negotiating the constitutional arrangements. The effects of the stoppage were severe. A large part of the labour force, particularly in urban areas, stopped work and many business and commercial undertakings co-operated with those who had brought about the stoppage. The organizers progressively reduced the electrical power output; secured a virtual stranglehold upon the distribution of petrol and oil; and gained virtual control of other vital services and supplies. Many main and minor roads were blocked. The Army re-opened the main traffic routes and, on Monday May 27, successfully took over control of the main petrol and oil depots together with the means of distribution. The Army then began to distribute petrol and oil, with great competence, to essential users.

25. In response to this action taken by Her Majesty's Government following requests received from the Executive, the organizers of the stoppage started to shut down completely the electricity system and withdraw labour from other essential services. On Tuesday May 28 the Chief Executive informed the Secretary of State that he, and his Unionist colleagues on the Executive, had come to the conclusion that some form of negotiation or mediation must be considered, and that if this could not be agreed, they should resign. The Alliance Party also favoured mediation, but not resignation. The SDLP members remained opposed to negotiation or mediation. The Secretary of State told Mr. Faulkner that the principle which had animated the Government's conduct must be maintained and Mr. Faulkner then offered his own resignation and that of his Unionist colleagues. The necessary broad basis for maintenance of the Executive accordingly ceased to exist, and on May 29 the Warrants of the remaining members of the Executive and Administration were revoked.

26. In plain terms the Ulster Workers' Council in association with the paramilitary organizations brought down the Executive, which, in a spirit of partnership, had undertaken the tasks of government in Northern Ireland since January 1. In the political history of these islands, few men had ever undertaken a more arduous yet honourable task, with a full awareness of the political and even personal dangers to which they were exposing themselves. What they attempted to do was undoubtedly distorted and misrepresented and they found it difficult to establish themselves an their policies against a background of continuing violence. The unremitting campaign of the Provisional IRA and the violent actions of other extremist organisations, including the sectarian murders of Roman Catholics, created an atmosphere of growing polarisation and distrust, unreceptive to the politics of conciliation and compromise. Yet, if the Executive failed, the men who served in it did not fail. They disproved for ever the idea that it is not possible for Protestant and Roman Catholic to work together for the good of Northern Ireland and its people.

PART 4—THE PRESENT POSITION

27. When the Executive came to an end, other provision had to be made urgently for the government of Northern Ireland. Under the Northern Ireland Constitution Act 1973, the powers devolved since January 1, 1974, to the Assembly and Executive did not automatically revert to Parliament and to Her Majesty's Government. Section 27 of the Act, however, enables the Assembly to be prorogued by Order in Council if it appears impossible at that time to appoint a new Executive on the statutory power-sharing basis; and such an Order can be made for a period of four months or less without parliamentary approval. Her Majesty's Government was satisfied that the circumstances for such a prorogation existed. Accordingly on May 29 Her Majesty by Order in Council directed that the Northern Ireland Assembly should stand prorogued for four months.

28. Section 8(6) of the Constitution Act provides a means for dealing with devolved executive powers under these circumstances by enabling the Secretary of State to appoint, for periods of up to six months, persons who do not comply with the normal statutory requirements—namely that there should be a broadly-based Executive, drawn largely from the Assembly. Using these powers, the Secretary of State has appointed the two Ministers of State and two Parliamentary Under Secretaries of State at the Northern Ireland Office to be political Heads of the various Government Departments and Offices in Northern Ireland formerly headed by members of the Northern Ireland Executive and Administration.

29. These very temporary arrangements, necessary though they were to preserve a framework of orderly government in Northern Ireland and adequate in the short term, would have two serious flaws if applied for a longer period. In the first place, on devolution day, January 1 1974, the simplified legislative procedures for Northern Ireland business, under the Northern Ireland (Temporary Provisions) Act 1972, lapsed. In the second place, the position of Northern Ireland Office Ministers as Heads of Northern Ireland Departments or Offices is anomalous in that under the Constitution Act they are responsible for these duties not to Parliament but to an Assembly which is prorogued, and of which they are not themselves members.

30. There is therefore a need to make better temporary arrangements for the orderly government of Northern Ireland.

31. In the short term, the most pressing problem is that of legislation. The Northern Ireland Executive had prepared an extensive programme of future legislation over a wide range of the matters devolved to them. To proceed with a programme of this kind entirely by way of Bills in the United Kingdom Parliament is out of the question. Inevitably, any less pressing legislative proposals for Nothern Ireland, however desirable in themselves, will now have to be deferred, to the disadvantage of various groups in the Northern Ireland community. There are, however, measures which cannot be put off if orderly government is to be carried on, for example to appropriate money for the public services. The Government will therefor be bringing forward legislation which would re-introduce temporarily procedures for making laws for Northern Ireland by Order in Council on matters within the legislative competence of the Assembly.

32. The temporary legislation will also make the Secretary of State responsible to Parliament for the devolved services.

33. These temporary arrangements will supersede, for the time being, various provisions of the Constitution Act concerned with the legislative functions of the Assembly and the executive functions of Heads of Departments and others. All other provisions of the Constitution Act, such as those dealing with the constitutional status of Northern Ireland, with financial arrangements, with the prevention of discrimination, and with appointments to various offices, will remain in full force and effect. The temporary arrangements will come into operation on the passing into law of the legislation providing for them, and will operate for a period of one year (which may be reduced, or extended for a further period of not more than one year, by order of the Secretary of State, and subject to the approval of Parliament).

34. Initially, the Assembly will remain prorogued but the legislation will provide for dissolution on the date of calling a further election for the purposes described in paragraphs 50 to 56 below. On that day the first Northern Ireland Assembly, elected in June 1973, will be dissolved, but the powers necessary to prescribe a date for further Assembly elections, should this be considered desirable, will not be affected.

PART 5—FINANCE

35. Although Northern Ireland is physically separate from Great Britain, and has had its own political institutions for more than 50 years, its economy is an integral part of the British economy. All parts of the United Kingdom share a common currency, the same external tariff structure and the same taxation systems. Northern Ireland is no different in this respect from Scotland or the North-East of England.

36. But, because Northern Ireland has separate political institutions and a separate budget, the support given through the public sector to the Province emerges clearly, as is not the case with other parts of the United Kingdom. Until recently, the financial relationship was that laid down in the Government of Ireland Act 1920 and in a number of special agreements and arrangements. The arrangements in the Constitution Act of 1973 acknowledge the reality of the situation, namely that public finance in Northern Ireland is worked on an expenditure basis, that is to say that money is provided to the extent necessary to pay for approved programmes of expenditure. Under that Act, all taxes, though not the local rates, in Northern Ireland are levied and collected by the United Kingdom authorities. Northern Ireland's share of tax revenue is handed over to Northern Ireland; the amount to be handed over is calculated by the Treasury under rules which take full account of the fact that tax revenue properly attributable to Northern Ireland may not be collected there. This includes corporation tax on the profits of companies based in Great Britain which operate in Northern Ireland. In calculating Northern Ireland's share no deduction is made for the cost of defence, the diplomatic service or overseas aid; nor for the cost of the Army's operations in Northern Ireland.

37. The expenditure of Northern Ireland Departments, plus expenditure in Northern Ireland by United Kingdom Departments, considerably exceeds Northern Ireland's share of United Kingdom taxation. Expenditure by United Kingdom Departments takes various forms: the Northern Ireland Office meets the cost of the law and order services such as police, courts and prisons; money is paid into the Northern Ireland National Insurance Fund; and various agricultural and food subsidies are paid. In addition, to bridge the gap between receipts and expenditure, there is a direct transfer of funds from the United Kingdom in the form of a grant-in-aid towards the general expenditure of Northern Ireland.

38. The amounts required to supplement Northern Ireland's tax revenue have, in fact, considerably increased in recent years. Excluding loans, the total for 1971–72 was £126 million, for 1972–73 £181 million and for 1973–74 £310 million; and for 1974–75 the estimate is £350 million. Including loans, the corresponding figures are as follows: for 1971–72 £195 million, for 1972–73 £283 million, for 1973–74 £376 million; and for 1974–75 £430 million. In both sets of figures that for 1974–75 is subject to adjustment. A fuller

explanation of the financial relationship and of the financial assistance will be published separately at a later date.

39. Within the constraints applicable to public expenditure in the United Kingdom as a whole the underlying principle determining Northern Ireland's public expenditure programmes, the acceptance of which has led successive United Kingdom Governments to supplement Northern Ireland's tax revenue, has been that of parity. This has meant that rates of benefit in the cash social services have been the same in Northern Ireland as in Great Britain; that Northern Ireland's progress towards overall standards of services and welfare as high as those prevailing in Great Britain has not been frustrated through lack of finance; and that Northern Ireland has had industrial incentives greater than those available in the assisted areas of Great Britain to compensate for its relative disadvantages. The principle of parity has brought great benefits to Northern Ireland. While Northern Ireland has been recognized and helped by the United Kingdom Government as a region with economic and development problems as serious as any other in the United Kingdom, it is not the case that uniformly depressed standards of life, service and environment are to be found there. For example, proportionately more houses have been built post-war in Northern Ireland than in Great Britain; there are more doctors and hospital beds per inhabitant; and there is almost 10 times as good a chance of a place in a Government Training Centre as in Great Britain.

40. Nevertheless there are still gaps in standards of living, employment, housing and social conditions between Northern Ireland and Great Britain. The present Government is concerned with the welfare of those United Kingdom citizens who live in Northern Ireland. It wishes to make further progress towards closing these gaps, but it has to be appreciated that events in Northern Ireland itself, not least any resumption of industrial action for political ends, could frustrate that intention. The willingness of the Westminster Parliament responsible to the United Kingdom electorate as a whole to transfer additional money to Northern Ireland and to continue to invest resources in Northern Ireland will inevitably be affected by the progress of events there.

PART 6—LAW AND ORDER

41. The Downing Street Declaration of August 1969 stated:

"The United Kingdom Government have ultimate responsibility for the protection of those who live in Northern Ireland when, as in the past week, a breakdown of law and order has occurred. In this spirit, the United Kingdom Government responded to the request of the Northern Ireland Government for military assistance in Londonderry and Belfast in order to restore law and order. They emphasize again that troops will be withdrawn when law and order has been restored.

"The Northern Ireland Government have been informed that troops have been provided on a temporary basis in accordance with the United Kingdom's ultimate responsibility."

As long as the United Kingdom has ultimate responsibility for the government of Northern Ireland, its consequential responsibility for the protection of those who live there is inescapable.

42. The "temporary basis" has continued for almost five years. The burden upon the Army is heavy. It has responded magnificently. The nature of the present conflict is, however, very different from 1969. The problem now is essentially that of dealing with relatively small numbers of ruthless and vicious killers and bombers who care nothing for human life or human rights. The Army has in consequence had to respond and to change its tactics to deal with this threat. The Army cannot, however, replace the Police, nor should it be asked to be a substitute. The effectiveness of any police service stems from the fact that it lives within the community which it serves and draws its strength and support from that community. The community knows it and it knows the community. The people of Northern Ireland can make an essential contribution to ending violence, not by seeking to take the law into their own hands, but by showing their determination to create a just and stable society and by accepting and supporting the Police Service. Nothing would transform the security stuation more quickly than a determination by the whole community to support the Police Service and co-operate with it. This is not happening. If it did take place, it would also have a fundamental effect on the need for Emergency Powers in Northern Ireland, including detention, the operation of which is currently being examined by the committee sitting under the chairmanship of Lord Gardiner. It would also enable the Army to make a planned, orderly and progressive reduction in its present commitment and subsequently there would be no need for the Army to become involved again in a policing role. This is the aim of the Government and must be the wish of the overwhelming majority of the people in Northern Ireland and elsewhere.

43. Political progress will help to produce a constitution in which the community will positively support the Police Service but peace, law and order are not bargaining counters, nor are they matters for indifference; they concern the very fabric of society. The Government welcomes the holding of discussions within various groups in the community which have extended towards establishing peace and withdrawal from violence. It would equally welcome such discussions being extended throughout the whole community on a wider basis provided that the aim is equal security for all.

PART 7—THE NEXT STEPS

44. Since the fall of the Executive, the Secretary of State for Northern Ireland has had extensive discussions with political leaders, with leaders from many other walks of life, and with representatives from a number of groups and interests. It is clear from these discussions that many people would welcome the chance of seeing whether they could resolve the problems of Northern Ireland themselves. The people of Northern Ireland must play a crucial part in determining their own future. No political structure can endure without their support and no just and stable society can be created without their full participation. Political structures should not be confused with political relationships. If the Northern Ireland community can reach a broad consensus of agreement any one of a number of possible patterns of government might well be workable. If agreement is not reached, the troubles in Northern Ireland will not only remain but could intensify. No-one will be able to turn this defeat into a victory. This is reality.

45. It is only part of the reality which must also include recognition of a number of facts:—

(*a*) history has caused divisions within the Northern Ireland community. Events of the past few years have amply demonstrated that no part of that community can, let alone should, be coerced into accepting the others' view. Events have also shown that a consensus can be obtained on the basis of serving the interests of the whole community. There must be some form of power-sharing and partnership because no political system will survive, or be supported, unless there is widespread acceptance of it within the community. There must be participation by the whole community;

(*b*) any pattern of government must be acceptable to the people of the United Kingdom as a whole and to Parliament at Westminster. Citizenship confers not only rights and privileges but also obligations;

(*c*) Northern Ireland, unlike the rest of the United Kingdom, shares a common land frontier and a special relationship with another country, the Republic of Ireland. Any political arrangements must recognize and provide for this special relationship. There is an Irish dimension.

46. It would be premature at this stage to say that the approach embodied in the Constitution Act 1973 is untenable. Indeed, much of the content of that Act is not a matter for dispute. What is apparent is that there is little prospect of forming from the present Northern Ireland Assembly another Executive which meets the terms of that Act.

47. The temporary arrangements for the government of Northern Ireland outlined in paragraphs 31 to 33 above offer no permanent solution. The Government believes it would now be right, as a first stage in further considerations of Northern Ireland's future, to provide a forum in which elected representatives of the people of Northern Ireland may have the widest possible discussions with the aim of determining what measure of agreement can be reached among themselves. No possible solution need be excluded from such discussions but any proposed solution must recognize the realities outlined above. Moreover, a majority does not have the right to impose its will in all circumstances; nor does a minority have any absolute right to veto. For its part, the Government must weigh respect for majority and protection for minorities.

48. The Government continues to believe that the best and most desirable basis for political progress in Northern Ireland would be the establishment of local institutions enjoying broadly-based support throughout the community. It has always been recognised that there is no means to impose such a system upon Northern Ireland if substantial sections of its population are determined to oppose it. Indeed, the final paragraph of the White Paper of March 1973 (Cmnd. 5259) included these words:

"These, then, are the Government's proposals to Parliament, to the country, and above all to the people of Northern Ireland themselves for a way forward out of the present violence and instability. At every point, they require the co-operation of these people themselves if they are to have any prospect of success. They can be frustrated if interests in Northern Ireland refuse to allow them to be tried or if any section of the community is determined to impose its will on another."

49. Local institutions in Northern Ireland cannot be established on a basis unacceptable to broad sections of opinion there; equally they cannot be established on a basis unacceptable to the United Kingdom as a whole or to Parliament as representing it. Any system which results in the permanent exclusion from any real and substantial influence in public affairs of a whole section of the community is inherently unstable and would be unacceptable to Her Majesty's Government.

50. Against this background the Government proposes to introduce legislation for the election of a Constitutional Convention, to consider what provisions for the government of Northern Ireland would be likely to command the most widespread acceptance throughout the community there.

51. The legislation will provide for the Convention to be based upon the constituencies and the methods of election prescribed by the Northern Ireland Assembly Act 1973. It will accordingly consist of 78 members, elected on a multi-member basis from the 12 parliamentary constituencies in

Northern Ireland by the Single Transferable Vote system.

52. The Convention will be required to make a report or reports on its conclusions which will be laid before Parliament. It will be dissolved on the date of laying its final report, or six months from the date of its first meeting, whichever is the earlier; but the dissolution may be postponed or further postponed by order subject to parliamentary control for periods not exceeding three months at a time. Provision will also be made for reconvening the Convention within six months of its dissolution, if it appears desirable that any matter should be considered or further considered.

53. The Government proposes that there should be an independent Chairman of the Convention, a person of high standing and impartiality from Northern Ireland. He will not be a member of the Convention. The appointment will be made by Her Majesty the Queen. Provision will be made for him to have any necessary supporting staff, who would also be available to assist any group or groups of members of the Convention if this were so desired. It will, of course, be open to any member or group in the Convention to obtain other advice from any quarter they wish.

54. The intention is that the Convention will be entirely a forum for elected representatives of the people of Northern Ireland. The Government will play no part in its proceedings but will, of course, be willing to make available factual information and to assist the Convention in any way which is likely to bring its deliberations to a successful conclusion.

55. In the event of the Convention producing recommendations which command majority and widespread support from its members, the Government will give the most serious consideration to them. In any event, it may prove to be desirable for the Government to test directly the opinion of the Northern Ireland electorate on their attitude to particular or to alternative proposals before any course is recommended to Parliament. The proposed legislation will therefore make provision for the Secretary of State to direct the holding of a referendum or referenda on questions arising out of the work of the Convention.

56. In short, the Government proposes that the following steps should be taken in order to allow the fullest discussion of the future:

(*a*) temporary arrangements to be made for the government of Northern Ireland;

(*b*) a consultative Northern Ireland Constitutional Convention to be elected, to consider what provisions for the government of Northern Ireland would be likely to command the most widespread acceptance throughout the community there;

(*c*) the Convention to have an independent Chairman and 78 members elected under the Single Transferable Vote procedure;

(*d*) the Government to lay the Convention's Report before Parliament and also the results of any referendum.

This course offers the people of Northern Ireland every opportunity to take the lead in shaping their own future in accordance with the realities described earlier.

57. It has become clear during recent discussions in Northern Ireland that many people will welcome an opportunity of this kind. This belief has been strengthened by a new awareness in the Protestant and Catholic working class of their real interests and by their wish to play a real part in political activity. It is clear that adequate time for preparation is needed. Indeed, in recent months, various groups within the Northern Ireland community have shown an increased desire to participate in the political processes and a growing belief that they can best find for themselves political relationships which will be acceptable to them. The Government believes it essential that participation in these processes should take place not only between like-minded groups, but equally between groups which hold apparently strongly opposed views. Some time is required for political groupings to emerge and develop, to engage in discussion with other parties and interests, and to clarify but not foreclose their positions. The Government considers that this process of discussion and consultation is a necessary preliminary to the holding of the election of members to the Constitutional Convention. It would not, therefore, propose to hold an immediate or early election and would aim to give about four weeks' notice of an election. In the meantime, Her Majesty's Government would hope that the process of discussion and consultation leading to an election to the Convention would develop on as wide a basis as possible.

58. Her Majesty's Government believes that these proposals offer a new opportunity to all the people of Northern Ireland to contribute directly, and in their own way, to the solution of their own problems. The need is for a joint and stable society. It can be achieved by the people of Northern Ireland with their awareness of the realities of the situation. Failure will bring defeat to all. Success will bring the only real victory.

[From the London Times, July 5, 1974]

A CONVENTION FOR ULSTER

When the Northern Ireland Executive collapsed at the end of May the British Government had no alternative but to resume direct responsibility for running the province. There was no possibility of putting together a new Executive from that Assembly and orderly administration had to be continued somehow. But this could be no more than a temporary expedient. It offends constitutional principle, in that it makes British Ministers technically responsible for their conduct of Northern Irish business to an Assembly that no longer exists, and it offers no satisfactory means of dealing with Northern Irish legislation. If continued indefinitely it would transform Northern Ireland into a colonial situation, which it has not been up to now at any time during these troubles and which no British Government would wish it to become.

Direct rule can be acceptable only as a transitional arrangement leading either to the full integration of Northern Ireland within the United Kingdom, with increased representation at Westminster and with Northern Irish legislation going through the normal processes of the British Parliament, or to a further attempt to devise constitutional arrangements in Northern Ireland which would command sufficient support among the people there. No matter what its theoretical merits may be, integration is not a practical proposition. There is not the political will for it in Britain and it would be contrary to the new trend in opinion which can be discerned in Northern Ireland after the collapse of the Executive. This is the belief that the problems of the province can be handled only by the people there: that only Northern Irishmen can speak to Northern Irishmen. This is the belief that is now to be put to the test.

The White Paper published yesterday proposes certain improvements to the present constitutional arrangements, which are necessary but not of lasting significance, and elections in presumably a matter of months to a new constitutional convention. There are obvious dangers in this course. There is the risk that the more extreme representatives of each community will be elected, even though that possibility is somewhat reduced by the system of the single transferable vote. There is the prospect of no agreement emerging from the convention but with the majority pressing for a constitution to which the British Government could not agree. As Mr. Heath pointed out in the House of Commons yesterday, there is the danger of a direct conflict between the British Parliament and the convention. But no policy on Northern Ireland could be without its dangers.

There will have to be elections in the province before any real progress can be made in determining the political future of Northern Ireland. The Executive was brought down by an action that was both an unjustifiable exercise of trade union power and a popular uprising. No mater how deplorable it was, the effect was to destroy the power base of the members of the Executive, particularly of the Protestant members. If they are to play an effective role in the future they need a new lease of authority, which can only be conferred by the voters at the polls. Until new elections are held nobody can be sure who represents what political forces in Northern Ireland. The Protestant workers' strike destroyed the previous democratically elected administration but it did not confer a democratic mandate on those who ran it. In a democracy that can be done only by free elections.

But should these elections be for another assembly under the 1973 Act rather than for a completely new constitutional convention? A persuasive case can be made for this. The powersharing arrangements in fact worked remarkably well and might well have lasted if fears had not been aroused over the long-term implications of the proposed Council of Ireland. Should the Northern Irish electorate not be given the chance of electing another assembly which could produce a new executive to work the same system of government with either no council or one so watered down that it would have no implications for the future? But the chances of being able simply to go back to what might be termed the pre-May situation are not bright. If there is to be a new exercise in power-sharing it will have to be the product of a new bargain struck between the newly elected representatives of the two communities.

This does not in any way rule out a return to the government arrangements in the 1973 Act. One of the conditions specified in the White Paper for the agreement of the British Government to the convention's conclusions is that there must be some form of power-sharing and partnership. The whole purpose of the convention is to seek a formula that would be acceptable to the two communities. Another condition is that the Irish dimension must be recognized. That is reasonable if what is to be recognized is simply a fact of life. The Republic exists, it will not go away and civilized life demands practical cooperation between north and south But the Irish dimension does not mean, and there should be no pretense that it can mean within the foreseeable future, the establishment of a united Ireland. If the events of May proved one thing it was this is not now on the agenda of peaceful practical politics. What the people of Northern Ireland are now being given is the chance to work out among themselves an agreed constitution for them to live peacefully within the United Kingdom. It may not succeed, but the effort must be made.

[From the New York Times, July 7, 1974]

NEW TRY IN ULSTER

The deteriorating situation in Northern Ireland clearly demanded a fresh initiative from the British Government. While it is difficult to muster much optimism about Britain's new proposals for Ulster, they offer at least as much hope for advancing a solution to the problem as any of the alternatives suggested so far from any other quarter.

Former Prime Minister Heath fears that the proposal for election of a 78-member constitutional convention in Ulster will "sweep away everything" his Government

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had worked out for the sharing of political power between the province's Protestant and Catholic communities. In fact, however, the power-sharing machinery was swept away when the 15-member Northern Ireland Executive collapsed in late May from pressures generated by a crippling strike led by Protestant extremist organizations.

Members of the convention will be elected under the proportional representation system used a year ago to elect the now-suspended Northern Ireland Assembly, thus insuring fair representation for Ulster's Catholic minority. But having decided to play no part in the convention, Britain can only insist that any draft constitution drawn up must provide for "some form of sharing of power and partnership," as the official announcement says.

Yet the official Unionist party, which claims with some justification to represent the largest body of Ulster Protestants, has ruled out in advance any sharing of power with the Social Democratic and Labor party, the main spokesman for the province's 500,000 Catholics. The Unionists also reject the British requirement of an "Irish dimension," meaning some formal links, however modest they may be at the beginning, between a future Northern Ireland administration and the Republic of Ireland.

Thus, as Mr. Heath says, the recommendations of a constitutional convention dominated by the Unionists are likely to be unacceptable to the British Parliament, which must finally approve them. Britain's Secretary for Northern Ireland, Merlyn Rees, hopes that the Unionists will moderate their positions and that the delegates to the convention will "talk together as Northern Irishmen" in an effort to find a way to stability and peace.

Unfortunately there is no evidence to suggest that the representatives of the two communities—let alone the terrorist groups at the two extremes—will find a better path to cooperation on their own than they have up to now under British auspices.

EXPORT-IMPORT BANK AND U.S. CREDIT MARKETS

Mr. PACKWOOD. Mr. President, earlier this month, the Washington Post printed an editorial highly critical of the operations of the Export-Import Bank. Of particular concern to the Post's editors appears to be the extent to which the Bank "subsidizes" exports in its operations.

There seem to be an awful lot of people who have lost sight of the basic purpose of the Bank. The Export-Import Bank Act of 1945 states quite clearly that it is the policy of the United States "to foster the expansion of exports of goods and related services, thereby contributing to the promotion and maintenance of high levels of employment and real income and to the increased development of the productive resources of the United States." How much more clear can an agency's charge be?

Of critical importance in this debate is the use of the word "subsidy." Whether fortunate or not, that word has come to be associated in the minds of millions of Americans with some form of wasteful Federal largess. Such certainly is not the case with the Eximbank. In fact, as should be known, the Bank turns a profit on its operations each year. Each and every year, the Bank deposits a dividend of $50,000,000 in the Treasury as a repayment to the American people for the trust placed in the Bank nearly three decades ago. How many Federal agencies can lay claim to such a record of profitability and economy? I daresay, not many, if any.

By inference, the Post seems to be critical of the fact that the Bank borrows in American credit markets. The Bank, as does any Federal agency, State or local government, private enterprise, or individual borrows from time to time in the credit markets to finance its operations. However, it should be known that the scope of these borrowings is extremely slight. Since 1968, Eximbank's net borrowings have been no greater than 1 percent of those undertaken by consumers and business. How can anyone view that as a major impact on American credit markets? In fact, during 2 recent years, 1970 and 1971, Eximbank actually infused capital into those markets with its repayment of outstanding debt.

Mr. President, the Post suggests that the Bank ought not extend direct credit at a rate less than that currently prevailing in commercial credit markets. In one brief reference, they seek, in effect, to overturn years of legislative history by declaring that Congress never intended the Bank to extend credit. Rather, the Post's editors seem to have discovered some hitherto unknown legislative history that indicates the Bank was originally established to just provide guarantees and insurance of private financing.

In reality, it was not until relatively recently that the Bank even got involved in any substantial degree in the practice of guaranteeing and insuring private financing of exports. For many years, from 1934 until the early sixties, about all the Bank did was direct lending. Furthermore, that lending was generally at 100 percent of the value of U.S. goods and services.

Much has happened in recent years to change the focus of the Bank's participation in export financing. First under Henry Kearn's excellent leadership, and now under Bill Casey's admirable guidance, the Bank has slowly but surely increased the role of private financial institutions in export financing. The days of 100-percent Eximbank financing—with very few exceptions—are long since past. Only recently, the Bank set out on a new program to provide a variable amount of direct credit—between 30 and 45 percent—tailored to the specific needs of individual transactions. This is just another example of the flexibility with which the Bank approaches its paramount responsibility—to provide export financing on such terms and conditions as are necessary to enable American exporters to compete in world markets. Again, allow me to cite from the Export-Import Bank Act:

> The Export-Import Bank is directed in the exercise of its functions to provide guarantees, insurance, and extensions of credit at rates and on terms and conditions which are competitive with the Government-supported rates and terms and other conditions available for the financing of exports from the principal countries whose exporters compete with United States exporters.

There are two key words in the law: "directed" and "competitive." The Bank is directed by law to operate in such a manner as to enable American exporters to remain competitive with foreign firms which benefit from much more generous financial support from their governments.

In order that our colleagues may be able to better understand the nature of this interest rate debate, I ask unanimous consent that the Post editorial and a reply by Eximbank Chairman Bill Casey be printed at this point in the RECORD. I also ask unanimous consent that a table outlining the impact that Eximbank has on domestic credit markets be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 2, 1974]

THE EXIMBANK AND EXPORT SUBSIDIES

The Export-Import Bank and its troubles demonstrate the rising force of foreign trade as a political issue in this country. The bank is, for the moment, out of business because its authorizing legislation expired last Sunday. Normally a 30-day extension might have been expected to slide through Congress by unanimous consent but, it turned out, consent in the House was far from unanimous. The administration had to take the extension to a floor vote which was embarrassingly close for a temporary reprieve of this nature. Meanwhile, in the Senate, a broad coalition led by Sen. Adlai Stevenson III (D-Ill.) has written a series of sharp new restrictions into the bill that will presumably put the bank back into operation, later this summer, for another four years. One reason for this unusual challenge to the bank is its widening role as the vehicle for financing very large projects in the Soviet Union. Another reason is the suddenly massive scale of the subsidies that the bank offers through its low-interest loans to foreign companies, some of which are in direct competition with American industry.

To begin with a relatively small example, consider the Eximbank's loan last March of $22 million to a refinery in the Bahamas for oil desulfurization equipment. The loan was granted at the bank's 6 per cent interest rate. Since the commercial banks' prime rate then was about 9 per cent, the Eximbank loan represents a clear subsidy of at least 3 per cent, or $670,000 a year, to the Bahamian operation. This subsidy was granted at a time when the Nixon administration is trying to launch its Operation Independence to develop this country's domestic energy resources. The American companies that own the Bahamian refinery could not have obtained that $670,000 subsidy to build the same desulfurization plant in the United States. The desulfurization equipment will add to the volume of American exports as it goes out. But since it will produce oil for the American market, adding to our imports as it comes in, it is hard to believe that this subsidy is going to bring any very lasting benefit to the American balance of trade.

There are far more important examples of this mindlessly lavish pattern of export subsidies. The most spectacular was the bank's decision in late May to extend $180 million in loans to the Soviet Union for a vast complex to produce natural gas and fertilizer. The prime commercial rate was hovering just under 12 per cent at the time, while Eximbank's rate was still 6 per cent. Even assuming that the project could have obtained financing at the prime rate, the Eximbank loan represents a subsidy of 6 per cent, of $10.8 million a year. Why is the United States providing multi-million-dollar support to industrial development in the Soviet Union? The Eximbank's standard answer is that we are only providing an inducement to them to buy American equipment which, in turn, means jobs for the Americans who produce it. But, to go a step further, some of the fertilizer will eventually come back to American markets. Perhaps by this point the reader will see why the administration is finding it an uphill job to get the Eximbank bill through Congress.

Some Congressmen oppose any trade benefits to the Soviet Union as long as they impede the emigration of Jews. Others oppose any benefits to Soviet trade at all. Still others, and these are standing on the firmest ground of all, oppose export subsidies in general. The Eximbank's only real defense of the practice is to observe, with a shrug, that after all most of the other industrial countries also subsidize their exports and, if we stop doing it, our exporters will be at a competitive disadvantage. While superficially attractive, that argument does not apply to many of the goods that the bank is most prominently subsidizing.

The chief categories of exports supported by Eximbank loans have generally been jet airliners, nuclear generators and fuel, oil and gas production gear, and agricultural commodities. In the field of the big jet airliners, all of the manufacturers are American and the question of international competition does not arise. Nuclear reactors are built under elaborate international agreements in which price is only one factor. For many types of oil and gas equipment, American companies are again the sole sources. As for agricultural commodities, foreign demand has been so strong in the last two years that it has been pushing up American prices.

For most of its long life, the Eximbank has served a modest but useful purpose to which it now needs to be returned. During the Depression and in the years after World War II, it helped American companies sell abroad to buyers whose credit was at best shaky. It offered guarantees and insurance on the loans that made export sales possible. For most of the bank's life, the spread between its interest rates and the normal commercial rates was minor. It is only with the recent drastic rise in interest costs that the difference between normal commercial credit and Eximbank loans has turned into a tremendous subsidy. As one might expect, the industries with the least claim to this kind of aid—the aircraft and oil industries—have been the quickest to exploit it.

Congress can quickly resolve the most vexing of the issues in the Eximbank bill by a simple surgical operation to remove the interest subsidy. Congress can merely require its loans to be offered at prevailing commercial rates. The bank's other role, of guaranteeing and insuring loans, is valuable and needs to be preserved. Selling abroad, even for the small and inexperienced manufacturer, ought to be no more risky than selling at home. That is what Congress had in mind when it originally set up the Eximbank. It did not have in mind an open-ended system of subsidized loans to multinational corporations. The Eximbank bill gives Congress the opportunity to return to the rule that export subsidies are wrong in principle.

[From the Washington Post, July 12, 1974]

EXIMBANK RESPONSE

Your July 2 editorial loses its balance in calling Eximbank financing a "mindlessly lavish pattern of export subsidies". For 40 years Eximbank has provided American exporters with financing which Congress has directed the Bank to keep competitive with that provided their competitors by official export credit agencies maintained by all other industrial nations. Your editorial does recognize that "it is only with the recent drastic rise in interest costs that the difference between normal commercial credit and Eximbank loans has turned into a tremendous subsidy".

Eximbank has been moving its interest rates up and taking other steps to adapt to the rising cost of money. We believe that the cost of money and not the rate charged by commercial banks is the more appropriate guide for Eximbank lending in light of the congressional mandate to provide competitive financing, the jobs and the revenues generated by Eximbank financing and the Bank's record of operating profitably and distributing $856 million in dividends to the Treasury. We believe this record together with the billion and a half dollar reserve Eximbank has accumulated justifies us in not reacting precipitously to the precipitate rise in interest costs.

To require that Eximbank loans be made at prevailing commercial interest rates, as your editorial recommends, would immediately put American exporters at a sharply increased disadvantage with their foreign competitors who are already backed with interest rates running as low as 5½% on loans running to twice as large a slice of the export price as Eximbank permits. This would result in the loss of markets, jobs and revenues, which have been developed over the years.

We believe that Eximbank is responding to the increased cost of money in a more prudent manner. Until just about a year ago, Eximbank's cost of money remained less than 6%. This February, the Directors increased the rate Eximbank charges for its money from 6% to 7%. Until May of this year, Eximbank's cost of money was less than 7%. During May, the Directors began, on a case by case basis, to scale down the percentage of the export price it finances. Beginning this month, Eximbank will no longer limit the interest rate it charges to 7%, but will be prepared to charge as high as 8½% where longer maturities, the need to finance a larger portion of the export price and other factors in the competitive situation and the financing package indicate a higher rate.

We remain sensitive to the need to provide American exporters with competitive and workable financing for their products. This week we will be meeting in Washington with representatives of Japan and the Common Market countries to see if understandings can be developed which will permit all of us to perform our financing tasks on a basis which reflects the cost of money and still makes it possible for Eximbank to help other countries acquire, on competitive financial terms, the U.S. equipment and technology they need to develop their resources and their economies.

We believe this will help Eximbank and other official credit agencies to use their assets more effectively to contribute to the liquidity needed to keep the channels of world trade open in the face of higher oil bills and other pressures to restrict imports.

Finally, let me give further perspective to some factual matters noted in your editorial. American companies are able to borrow at less than commercial rates to acquire desulfurization equipment for use in the United States as well as in the Bahamas. All they have to do is buy British equipment and borrow from the British counterpart of our Eximbank. That Bahama refinery could have been desulfurized with equipment available in a number of countries. The same oil products would come to the U.S. but the equipment sales, the jobs and the revenue would go elsewhere.

International competition does exist in jet airliners. The European Airbus is competing very aggressively at a time when sales projections and employment in our airplane industry depends almost entirely on foreign sales. It is true that the U.S. has competitive advantages in high priced items like jet planes, nuclear reactors and other specialized equipment, but these large-scale, expensive projects require financing beyond the capabilities of the commercial banks—sometimes in volume of credit required, sometimes in length of repayment term, sometimes in terms of commercial or political risk posed by the buyer or buyer's country. In these transactions, Eximbank seeks to maximize the share of the credit being loaned by the commercial banks at market interest rates and to limit its role to supplementing this financing to make possible an export which otherwise would not occur.

WILLIAM J. CASEY,
President and Chairman, Export-Import Bank of the United States.
WASHINGTON.

IMPACT OF THE EXPORT-IMPORT BANK ON U.S. CREDIT MARKETS

Year	Net Eximbank borrowings from (millions)—			Eximbank borrowings as a percent of—			
	Treasury	Other	Total	Consumer Credit[1]	Mortgage credit[2]	Business credit[3]	Total of the 3
1968	($307)	$846	$539	5.4	3.6	1.8	1.0
1969	1,120	(628)	492	4.7	3.2	1.2	.7
1970	255	(311)	(56)	(4)	(4)	(4)	(4)
1971	372	(462)	(90)	(4)	(4)	(4)	(4)
1972	(719)	1,205	486	2.5	1.3	.9	.4
1973	896	20	916	4.0	2.2	1.4	.7

[1] Additions during the year to consumer credit outstanding.
[2] Additions during the year to nonfarm, 1-4 family houses mortgage credit outstanding.
[3] Private domestic business investment LESS business' retained earnings.
[4] There was a net Eximbank contribution to U.S. credit markets in 1970 and 1971.

Note: Figures in parenthesis represent net repayments of the Bank.

Source: Export-Import Bank, Council of Economic Advisors ("Economic Indicators").

OIL ALLOCATION PROGRAM

Mr. EAGLETON. Mr. President, at a meeting of the Independent Gasoline Marketers Council, a group of nonbranded independent marketers doing business in all 48 of the continental United States, and Mr. John Sawhill, Administrator of the Federal Energy Administration, a position paper was submitted to the Federal Energy Administration by the council urging several steps that need to be taken to maintain and protect competition within the marketing segment of the oil industry.

Since the fall of 1971, various sections of the country have experienced shortages with regard to a number of petroleum products. Insufficient production capabilities for crude oil and a domestic shortage of refining capacity made it impossible for us to meet all of our oil demands internally. But while our petroleum needs were increasing, so were the needs of other industrial countries. It was

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for this reason that I offered the first legislative allocation proposal to the Economic Stabilization Act in 1972. The survival of the nonbranded marketing segment of the industry is essential if competition is to be maintained in the retailing of gasoline, home heating oil, and other necessary petroleum products. The Emergency Petroleum Allocation Act of 1973 was passed by Congress in November of last year for two basic purposes:

First, to protect the American public from unconsciously high prices; and

Second, to maintain and promote competition within the oil industry.

One of the primary reasons for the mandatory allocation program is to assure that the nonbranded independent marketers of gasoline are able to obtain adequate supplies to operate competitively in the marketplace. The legislative history of the allocation act is clear in that Congress recognized that unless independent marketers could obtain adequate supplies at reasonable prices, that competition would be severely injured, with the consumer being the major victim.

Recent announcements in the press concerning the Federal Energy Administration's position with regard to allocation is of substantial concern to me. It is hard to visualize how an agency can effectively carry out its legislative mandate, if the key officials in the agency are in basic opposition to the legislative goals stated in the laws that they are required to enforce. In the Sunday, July 14, 1974, issue of the Washington Post, an article appeared indicating that Mr. John Sawhill, the Administrator of the Federal Energy Administration, has already prepared a detailed memorandum entitled "Petroleum Deallocation Strategy" which was sent to top officials in the administration proposing a method to gut the allocation program.

Mr. President, the Federal Energy Administration was created by Congress as an independent agency and is not a department within the executive branch. I would urge Mr. Sawhill to recognize his legislative responsibility and to enforce aggressively the Allocation Act.

The Independent Gasoline Marketers Council in their position paper submitted to the Federal Energy Administration clearly indicated that they have serious reservations with regard to the elimination of allocations at this time. Since mandatory allocations were legislatively adopted by Congress to protect the consumer and the independent marketer, it would seem strange that the Federal Energy Administration would not give serious consideration to the position taken by a council composed solely of nonbranded independent marketers. In view of the action of the Federal Energy Administration in preparing a strategy on how to deallocate petroleum products, I would urge my colleagues to make a clear showing of congressional interest in protecting the consumer and preserving the competitive position of the independent sector of the oil industry by extending the Emergency Petroleum Allocation Act.

Mr. President, I request unanimous consent that the position paper I referred to be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

[Independent Gasoline Marketers Council, Suite 900, 1747 Pennsylvania Avenue N.W., Washington, D.C. 20006]

POSITION PAPER ON THE OPERATION AND EFFECTIVENESS OF THE MANDATORY GASOLINE ALLOCATION REGULATIONS PROMULGATED BY THE FEDERAL ENERGY ADMINISTRATION

I.—THE NECESSITY OF EXTENDING MANDATORY ALLOCATION AUTHORITY

An analysis of the facts supportive of the action taken by Congress in passing the Emergency Petroleum Allocation Act of 1973 (PL 93-159) clearly show that if competition within the gasoline marketing segment of the petroleum industry is to be maintained, an extension of the present allocation authority is necessary. Gasoline supply problems began to develop in the Fall of 1972 and deteriorated progressively throughout 1973. Given the present demand projections for gasoline and the relative inability of domestic refining capacity to meet total petroleum demand, it is clear that an extension of the present legislative authority is essential. While the Council recognizes that this issue is primarily one for Congress to resolve, it is also important that the Federal Energy Administration, as the agency responsible for petroleum supply and pricing, support legislative efforts to extend the allocation authority. Recent press reports indicating that the Administration supports early removal of individual petroleum product allocations causes substantial concern for nonbranded independent marketers and it is the position of the Council that precipitous action by the Federal Energy Administration with regard to removing or altering mandatory gasoline allocation procedures will have a serious detrimental effect on the consumer and on the competitive situation within the marketing segment of the oil industry.

II.—GASOLINE PRICING REGULATIONS AND THEIR IMPACT ON COMPETITION

Members of the Council have found that it is increasingly more difficult to compete in the marketing of gasoline because of the fact that price increases to nonbranded independent marketers have been disproportionately higher than average price increases to all marketers. The Independent Gasoline Marketers Council has established a comparative wholesale price movement analysis which shows that price increases in 1974, when compared to 1972 base period costs are now substantially higher than rival branded marketers. The attached statistical analysis indicates that while costs for all marketers of gasoline have increased on an average of 109% since the 1972 base period, that nonbranded independent marketers costs for gasoline have increased by 136%. This pricing problem is compounded when it is taken into consideration that branded marketers also received the benefit of nationwide brand name advertising and major company credit card services. One of the primary benefits to the consumer and to competition within the marketing segment has been the competitive pricing policy of nonbranded gasoline marketers. Through high volume—low markup sales and efficient marketing operations nonbranded independents have afforded the consumer an alternative source for the retail purchase of gasoline.

Historically, nonbranded independent marketers have relied substantially on independent refineries for gasoline supplies. The present three tier crude oil pricing system, however, has created serious price and competitive inequities. In view of the wide disparity in the pricing of old domestic crude oil, new domestic crude oil and imported crude oil, those companies having a high percentage refinery input of old domestic crude oil receive, through the operation of the crude oil pricing regulations, a competitive advantage over competing refiners who must place greater reliance on new domestic crude oil and imports for refinery input.

Section (4)-(b)-(1)-(D) of the Emergency Petroleum Allocation Act of 1973 states that in administering mandatory allocation and pricing regulations such regulations, to the maximum extent practicable, shall provide for: "preservation of an economically sound and competitive petroleum industry: including the priority needs to restore and foster competition in the producing, refining, distribution, marketing, and petrochemical sectors of such industry, and to preserve the competitive viability of independent refiners, small refiners, nonbranded independent marketers, and branded independent marketers."

If the Federal Energy Administration is to comply with the intent of Congress as expressed in the Emergency Petroleum Act of 1973, then it is necessary to immediately implement procedures designed to equalize crude oil costs to competing refiners.

III.—FEDERAL REQUIREMENTS REGARDING THE SALES OF UNLEADED GASOLINE

The Council is concerned with the issue of whether the implementation of unleaded gasoline marketing regulations by the Environmental Protection Agency may have a counterproductive impact on the competitive position of marketers of gasoline. While the Council recognizes the public policy purposes in providing adequate supplies of unleaded gasoline to the motoring public, it is also concerned that unrealistically stringent requirements could force a large number of nonbranded marketers to severely restrict their marketing activities. It is unclear, at this time: 1.) the extent of demand of unleaded gasoline; 2.) the availability of this product; and 3.) the availability of storage tanks, pumps, nozzles and other construction equipment in sufficient quantities to meet Environmental Protection Agency deadlines. The Council hopes that all concerned Federal agencies would give serious consideration to each of the three aforementioned factors in developing unleaded gasoline regulations.

IV.—SALES VOLUME AND MARKET SHARE OF NONBRANDED INDEPENDENT MARKETERS

The attached sample statistical information prepared by the Council entitled "Sales Volume Analysis" and "Market Share Analysis" indicate that: 1.) Sales volume of nonbranded independent marketers have declined substantially while at the same time total industry sales have remained relatively constant. In comparing 1972 base period sales to current sales, nonbranded independent marketers' sales have declined approximately 21% whereas total industry sales are averaging somewhat above 100%. 2.) That in comparing the market share of nonbranded independent marketers between the 1972 base period and 1974, the nonbranded share has declined by over 22%. Section (4)-(c)-(2)-(A and B) of the Emergency Petroleum Allocation Act of 1973 require monthly market share reports by the President to Congress and also establishes as public policy that any increase in allocation should be made on an equitable basis. The attached Council figures show a consistent sales volume and market share loss through 1974. This loss of market share is partially the result of the manner in which Federal Energy Administration regulations provide for adjustments for growth in the marketing segment of the industry. Under present reg-

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ulations market share growth is based on 1972 base period volumes plus 1973 increases.

If a refiner-supplier has an increase in available products stocks, he may automatically make adjustments based on Section 211.13 of the Mandatory Petroleum Allocation Regulations entitled "Adjustments to Base Period Volume". This regulation was promulgated to compensate for unusual growth of wholesale purchasers between the 1972 base period and the corresponding months of 1973. The problem is that this regulation deals primarily with unusual growth and does not give similar and equal consideration to marketers experiencing substantial decreases in monthly sales volume in 1973. Congress in passing the Mandatory Petroleum Allocation Act of 1973, stated that one of its primary concerns was the maintenance of competition within the marketing segment of the oil industry. Congressional attention was first focused on petroleum product shortages in the latter part of the 1960's. The northeastern part of the United States was the first section of the country which faced an apparent inability to meet product demand and in recent years this problem has expanded throughout many sections of the country. Original allocation authority was included in the Economic Stabilization Act in early 1973. This action was initiated by Congress because of shortages and tight supply conditions first experienced in the marketing segment and involving primarily gasoline and No. 2 distillate. Particularily with regard to nonbranded independent marketers, their inability to obtain adequate supplies became acute early in 1973 and the situation deteriorated for the remainder of the year. The substantial loss of market share experienced by the nonbranded independent marketers in 1973 prompted Congress to establish in the Mandatory Petroleum Allocation Act, as a base period for allocations, calendar year 1972. It should be pointed out, that the difficulty in obtaining product by nonbranded independent marketers in calendar year 1973, coincided with a corresponding difficulty of independent refiners to obtain adequate crude oil supplies. By providing sales volume adjustments based on a 1972 base period plus 1973 growth, it becomes clear that the effect of the regulation is to reward those wholesale purchasers whose suppliers experienced growth in gasoline stocks in 1973 and penalize those wholesale purchasers (primarily nonbranded independent marketers) who suffered a loss of supply during that period. If the Petroleum Allocation Regulations are to meet the legislative requirement in Section (4)-(c)-(2)-(B) for an equitable adjustment in allocations, then it is necessary for the Federal Energy Administration to amend the allocation regulations in a manner that will accurately reflect market share loss as well as market share growth.

V.—COUNCIL APPROVAL OF GENERAL WORKABILITY OF THE REGULATIONS

The Council wishes to make it clear that while difficulties have been encountered regarding the operation and effectiveness of the allocation regulations that it is in general support of the efforts of the Federal Energy Administration to administer this terribly difficult and complicated problem. Suggested changes to the regulations are made in a constructive effort to aid the Federal Energy Administration. While difficulties can be expected with any type of price and allocation program, the Council's position is that, given the present competitive situation that allocations are essential.

INDEPENDENT GASOLINE MARKETERS COUNCIL, MARKET SHARE ANALYSIS, JUNE 28, 1974

The market share of nonbranded independent marketers during current periods of 1974, measured in each period as a percentage of the comparable period of 1972. The sample consists of sales of motor gasoline by more than 2,700 retail outlets from coast to coast.

Percent of base period market share

1974:	Percent
January	81.5
February	88.8
March	78.7
1st quarter	82.2
April	77.7

INDEPENDENT GASOLINE MARKETERS COUNCIL, SALES VOLUMES ANALYSIS, JUNE 28, 1974

Comparison of sales of motor gasoline by sample of nonbranded independent marketers, representing more than 2,700 retail outlets from coast to coast and, sales of motor gasoline by total industry, as reported by the Federal Energy Administration:

SAMPLE OF NONBRANDED SALES

Time period	Base period 1972	Current 1974	Percent of base period
January	156,385,023	133,457,685	85.3
February	149,150,279	129,918,573	87.1
March	176,010,430	136,085,432	77.3
1st quarter	481,545,732	399,461,690	82.9
April	174,699,612	138,014,540	79.0

TOTAL INDUSTRY SALES

Time period	Base period 1972	Current 1974	Percent of base period
January	7,226,016,000	7,563,150,000	104.7
February	6,955,998,000	6,835,584,000	98.3
March	8,348,760,000	8,190,294,000	98.1
1st quarter	22,530,774,000	22,589,028,000	100.3
April	7,905,870,000	8,058,582,000	101.9

INDEPENDENT GASOLINE MARKETERS COUNCIL, WHOLESALE PRICE MOVEMENT ANALYSIS, JUNE 28, 1974

Comparison of the average cost of regular gasoline, excluding taxes, to nonbranded independent marketers, representing more than 2,700 retail outlets from coast to coast, and the average cost of regular gasoline excluding taxes, to all marketers, as reported by Platt's Oilgram for 1972 (average of 55 markets) and by the Federal Energy Administration for 1974:

NONBRANDED AVERAGE COSTS PER GALLON[1]

Time period	Base period 1972 cents per gallon	Current 1974 cents per gallon	Percent of base period
January	12.7	23.3	183
February	12.7	26.9	212
March	12.7	29.7	234
1st quarter	12.7	26.6	209
April	12.8	30.2	236

ALL MARKETERS AVERAGE COSTS PER GALLON[2]

Time period	Base period 1972 cents per gallon	Current 1974 cents per gallon	Percent of base period
January	13.0	20.2	155
February	12.9	22.5	174
March	12.0	24.2	201
1st quarter	12.6	22.3	183
April	12.2	25.5	209

[1] Nonbranded costs do not include national brand name advertising and refiner credit card services as do branded jobber costs

[2] Cost figures are based on "dealer tankwagon prices," less 5 cents to reflect jobber margins, but without adjustment for refiner advertising and credit card services

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

AUTHORITY FOR SECRETARY OF THE SENATE TO MAKE TECHNICAL AND CLERICAL CORRECTIONS IN H.R. 11537

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 11537 passed yesterday.

The PRESIDING OFFICER (Mr. NUNN). Without objection, it is so ordered.

SUSPENSION OF DUTIES ON CERTAIN BICYCLE PARTS AND ACCESSORIES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to consider Calendar No. 950, H.R. 6642.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 6642) to suspend the duties of certain bicycle parts and accessories until the close of December 31, 1976.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments on page 1, in line 3, after the word "That" insert "(a)".

On page 1, at the beginning of line 7, strike out "SEC. 2." and insert in lieu thereof "(b)".

On page 1, at the end of line 7, strike out "the first section of".

On page 1, line 8, after the word "this", strike out "Act" and insert in lieu thereof "section".

On page 2, beginning at line 1, insert the following new language:

SEC. 2. APPLICATION OF SECTION 22 AND SECTION 217 TO MEMBERS OF UNIFORMED SERVICES

(a) IN GENERAL.—Notwithstanding the provisions of section 82 (relating to reimbursement for expenses of moving) and section 217 (relating to moving expenses), of the Internal Revenue Code of 1954, the Secretary of the Treasury, in the administration of those sections, is authorized—

(1) to enter into an agreement with the Secretary of Defense under which the Secretary of Defense will not be required to withhold tax on, or to report, moving expense reimbursements made to members of the uniformed services;

(2) to permit any taxpayer who is a member of the uniformed services not to include in adjusted gross income the amount of any reimbursement in kind of moving expenses made by the Secretary of Defense; and

(3) to permit any taxpayer who is a member of the uniformed services to deduct any amount paid by him as moving expenses in connection with any move required by the Secretary of Defense, in excess of any reimbursement received for such expenses, without regard to the provisions of section 217(c) (relating to conditions), to the extent it is otherwise deductible under section 217.

(b) DEFINITIONS.—For purposes of this section, the term "uniformed service" has the meaning given it by section 101(3) of title 7, United States Code, and the terms "adjusted gross income" and "moving expense" have the meanings given them by sections 62 and 217(b), respectively, of the Internal Revenue Code of 1954.

(c) Effective Date.—The provisions of this section shall apply with respect to taxable years ending before January 1, 1975.

Sec. 3. Repeal of Regulatory Taxes on Filled Cheese

(a) In General.—

(1) Part II of subchapter C of chapter 39 (relating to regulatory provisions affecting filled cheese) is repealed.

(2) The table of parts of such subchapter is amended by striking out the item relating to part II.

(b) Technical and Conforming Changes.—

(1) Section 7236 (relating to false branding, etc.) is repealed.

(2) The table of sections of part II of subchapter A of chapter 75 is amended by striking out the item relating to section 7236.

(3) Section 7266 (relating to offenses relating to filled cheese) is repealed.

(4) The table of sections of subchapter B of chapter 75 is amended by striking out the item relating to section 7266.

(5) Section 7303 (relating to property subject to forfeiture) is amended by striking out paragraphs (4) and (5) and inserting in lieu thereof the following:

"(4) Purchase or receipt of adulterated butter.—All articles of adulterated butter (or the full value thereof) knowingly purchased or received by any person from any manufacturer or importer who has not paid the special tax provided in section 4821.

"(5) Packages of oleomargarine.—All packages of oleomargarine subject to the tax under subchapter F of chapter 38 that shall be found without the stamps or marks provided for in that chapter.".

(6) Section 6808 (relating to cross references) is amended by striking out paragraph (5).

(7) Section 7103(d)(3) (relating to cross references) is amended by striking out subparagraph (C).

(c) Effective Date.—The repeals and amendments made by this section shall apply to filled cheese manufactured, imported, or sold after the date of enactment of this Act.

Sec. 4. Application of Section 4942 Tax on Failure to Distribute Income

(a) In General.—Section 101(l)(3) of the Tax Reform Act of 1969 (relating to savings provisions under section 4942 of the Internal Revenue Code of 1954) is amended by—

(1) striking out "and" in subparagraph (D),

(2) striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and", and

(3) adding after subparagraph (E) the following new subparagraph:

"(F) apply, in the case of an organization described in paragraph (4)(A) of this subsection,

"(i) by applying section 4942(e) without regard to the stock to which paragraph (4)(A)(ii) of this subsection applies,

"(ii) by applying section 4942(f) without regard to dividend income for such stock, and

"(iii) by defining the distributable amount as the sum of the amount determined under section 4942(d) (after the application of clauses (i) and (ii)), and the amount of the the dividend income from such stock.".

(b) The amendment made by this section shall apply to taxable years beginning after December 31, 1971.

COMBINED OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE-INCOME TAX REPORTING AMENDMENTS

Sec. 5. (a) This section may be cited as the "Combined Old-Age, Survivors, and Disability Insurance-Income Tax Reporting Amendments of 1974".

(b) Title II of the Social Security Act is amended by adding after section 231 the following section:

"PROCESSING OF TAX DATA

"Sec. 232. The Secretary of the Treasury shall make available information returns filed pursuant to part III of subchapter A of chapter 61 of subtitle F of the Internal Revenue Code of 1954, to the Secretary for the purposes of this title and title XI. The Secretary and the Secretary of the Treasury are authorized to enter into an agreement for the processing by the Secretary of information contained in returns filed pursuant to part III of subchapter A of chapter 61 of subtitle F of the Internal Revenue Code of 1954. Notwithstanding the provisions of section 6103(a) of the Internal Revenue Code of 1954, the Secretary of the Treasury shall make available to the Secretary such documents as may be agreed upon as being necessary for purposes of such processing. The Secretary shall process any withholding tax statements or other documents made available to him by the Secretary of the Treasury pursuant to this section. Any agreement made pursuant to this section shall remain in full force and effect until modified or otherwise changed by mutual agreement of the Secretary and the Secretary of the Treasury.".

(c) Section 232 of the Social Security Act, as added by subsection (b) of this section, shall be effective with respect to statements reporting income received after 1973.

(d)(1) Section 201(g)(1) of such Act is amended to read as follows:

"(g)(1)(A) The Managing Trustee of the Trust Funds (which for purposes of this paragraph shall include also the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund established by title XVIII) is directed to pay from the Trust Funds into the Treasury—

"(i) the amounts estimated by him and the Secretary of Health, Education, and Welfare which will be expended, out of moneys appropriated from the general fund in the Treasury, during a three-month period by the Department of Health, Education, and Welfare and the Treasury Department for the administration of titles II, XVI, and XVIII of this Act and subchapter E of chapter 1 and subchapter A of chapter 9 of the Internal Revenue Code of 1939, and chapters 2 and 21 of the Internal Revenue Code of 1954, less

"(ii) the amounts estimated (pursuant to the method prescribed by the Board of Trustees under paragraph (4) of this subsection) by the Secretary of Health, Education, and Welfare which will be expended, out of moneys made available for expenditures from the Trust Funds, during such three-month period to cover the cost of carrying out the functions of the Department of Health, Education, and Welfare, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1954 other than those referred to in clause (i).

Such payments shall be carried into the Treasury as the net amount of repayments due the general fund account for reimbursement of expenses incurred in connection with the administration of titles II, XVI, and XVIII of this Act and subchapter E of chapter 1 and subchapter A of chapter 9 of the Internal Revenue Code of 1939, and chapters 2 and 21 of the Internal Revenue Code of 1954. A final accounting of such payments for any fiscal year shall be made at the earliest practicable date after the close thereof. There are hereby authorized to be made available for expenditure, out of any or all of the Trust Funds, such amounts as the Congress may deem appropriate to pay the costs of the part of the administration of this title, title XVI, and title XVIII for which the Secretary of Health, Education, and Welfare is responsible and of carrying out the functions of the Department of Health, Education, and Welfare, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1954 other than those referred to in clause (i) of the first sentence of this subparagraph.

"(B) After the close of each fiscal year the Secretary of Health, Education, and Welfare shall determine the portion of the costs, incurred during such fiscal year, of administration of this title, title XVI, and title XVIII and of carrying out the functions of the Department of Health, Education, and Welfare, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1954 (other than those referred to in clauses (i) of the first sentence of subparagraph (A)), which should have been borne by the general fund in the Treasury and the portion of such costs which should have been borne by each of the Trust Funds; except that the determination of the amounts to be borne by the general fund in the Treasury with respect to expenditures incurred in carrying out such functions specified in section 232 shall be made pursuant to the method prescribed by the Board of Trustees under paragraph (4) of this subsection. After such determination has been made, the Secretary of Health, Education, and Welfare shall certify to the Managing Trustee the amounts, if any, which should be transferred from one to any of the other of such Trust Funds and the amounts, if any, which should be transferred between the Trust Funds (or one of the Trust Funds) and the general fund in the Treasury, in order to insure that each of the Trust Funds and the general fund in the Treasury have borne their proper share of the costs, incurred during such fiscal year, for the part of the administration of this title, title XVI, and title XVIII for which the Secretary of Health, Education, and Welfare is responsible and of carrying out the functions of the Department of Health, Education, and Welfare, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1954 (other than those referred to in clause (i) of the first sentence of subparagraph (A)). The Managing Trustee is authorized and directed to transfer any such amounts in accordance with any certification so made.".

(2) Subsection (g) of such section is further amended by adding at the end thereof the following new paragraph:

"(4) The Board of Trustees shall prescribe before January 1, 1977, the method of determining the costs which should be borne by the general fund in the Treasury of carrying out the functions of the Department of Health, Education, and Welfare, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1954 (other than those referred to in clause (i) of the first sentence of paragraph (1)(A)). If at any time or times thereafter the Boards of Trustees of such Trust Funds deem such action advisable they may modify the method so determined.".

(e) Any persons the Board of Trustees finds necessary to employ to assist it in performing its functions under section 201(g)(4) of the Social Security Act may be appointed without regard to the civil service or classification laws, shall be compensated, while so employed at rates fixed by the Board of Trustees, but not exceeding $100 per day, and, while away from their homes or regular places of business, they may be allowed traveling expenses, including per diem in lieu of subsistence, as authorized by law for persons in the Government service employed intermittently.

(f) The Secretary shall not make any estimates pursuant to section 201(g)(1)(A)(ii) of the Social Security Act before the Board of Trustees prescribes the method of determining costs as provided in section 201(g)(4) of such Act. The determinations pursuant to section 201(g)(1)(B) of the Social Security Act with respect to the carrying out of the functions of the Department of Health, Education, and Welfare specified in section 232 of such Act, which relate to the administration of provisions of the Internal Revenue Code of 1954 (other than those referred to in clause (i) of the first sentence of section 201(g)(1)(A) of the Social Security Act), during fiscal years ending before the Board of Trustees prescribes the method of making such determinations, shall be made after the Board of Trustees has prescribed such method. The Secretary of Health, Education, and Welfare shall certify to the Managing Trustee the amounts that should be transferred from the general fund in the Treasury to the Trust Funds (as referred to in section 201(g)(1)(A) of the Social Security Act to insure that the general fund in the Treasury bears its proper share of the costs of carrying out such functions in such fiscal years. The Managing Trustee is authorized and directed to transfer any such amounts in accordance with any certification so made.

(g) Section 6103 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(g) DISCLOSURE OF INFORMATION TO SECRETARY OF HEALTH, EDUCATION AND WELFARE.—The Secretary or his delegate is authorized to make available to the Secretary of Health, Education, and Welfare information returns filed pursuant to part III of subchapter A of chapter 61 of subtitle F for the purpose of carrying out, in accordance with an agreement entered into pursuant to section 232 of the Social Security Act, an effective information return processing program.".

(h)(1) Section 230(b)(2) of the Social Security Act is amended to read as follows:

"(2) the ratio of (A) the average of the wages of all employees as reported to the Secretary of the Treasury for the calendar year preceding the calendar year in which the determination under subsection (a) with respect to such particular calendar year was made to (B) the average of the wages of all employees as reported to the Secretary of the Treasury for the calendar year 1972 or, if later, the calendar year preceding the most recent calendar year in which an increase in the contribution and benefit base was enacted or a determination resulting in such an increase was made under subsection (a),".

(2) Section 230(b) of such Act is further amended by adding at the end thereof the following new sentence: "For purposes of this subsection, the average of the wages for the calendar year 1976 (or any prior calendar year) shall, in the case of determinations made under subsection (a) prior to December 31, 1977, be deemed to be an amount equal to 400 per centum of the amount of the average of the taxable wages of all employees as reported to the Secretary for the first calendar quarter of such calendar year."

(i)(1) Section 203(f)(8)(B)(ii) of the Social Security Act is amended—

(A) in clause (I) thereof, by striking out "taxable wages of all employees as reported to the Secretary for the first calendar quarter of the calendar year", and inserting in lieu thereof "wages of all employees as reported to the Secretary of the Treasury for the calendar year preceding the calendar year", and

(B) in clause (II) thereof, by striking out "taxable wages of all employees as reported to the Secretary for the first calendar quarter of 1973, or if later, the first calendar quarter of the most recent calendar year", and inserting in lieu thereof "wages of all employees as reported to the Secretary of the Treasury for the calendar year 1972, or, if later, the calendar year preceding the most recent calendar year".

(2) Section 203(f)(B)(ii) of such Act is further amended by adding at the end thereof the following new sentence: "For purposes of this clause (ii), the average of the wages for the calendar year 1976 (or any prior calendar year) shall, in the case of determinations made under subparagraph (A) prior to December 31, 1977, be deemed to be an amount equal to 400 per centum of the amount of the average of the taxable wages of all employees as reported to the Secretary for the first calendar quarter of such calendar year.".

SEC. 6. IMPOSITION AND RATE OF TAX ON STILL WINES

(a) IN GENERAL.—The last sentence of section 5041 (a) of the Internal Revenue Code of 1954 (relating to tax on wines) is amended by striking out "0.277" and inserting in lieu thereof "0.392".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the first day of the first calendar month which begins more than 90 days after the date of enactment of this Act.

Mr. ROBERT C. BYRD. I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to, en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93-986), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

I. SUMMARY

House bill.—The House-passed bill would continue from January 1, 1974, through December 31, 1976, the suspension of duties on certain bicycle parts and accessories. The committee bill does not substantively modify the House bill, but includes a number of additional provisions.

Committee amendment.—The first provision added by the committee deals with the application of the moving expense provisions to members of the armed services. The Tax Reform Act of 1969 made certain revisions with respect to the deduction for moving expenses. Several of the changes made in the 1969 Act present significant problems with respect to their application to members of the armed services. In addition, changes dealing with reporting and withholding would improve administrative burdens on the Department of Defense. Since the enactment of the 1969 changes, the Internal Revenue Service has, by administrative determination, provided a moratorium with respect to the application of the new moving expense rules to members of the armed services and to the Department of Defense. The most recent extension of this moratorium expired at the end of 1973. The committee has by legislation extended this moratorium one more year until January 1, 1975, pending the development of a legislative solution.

The second committee provision repeals the tax and other regulatory provisions on filled cheese in the Internal Revenue Code. These provisions, which were originally enacted to regulate the wholesomeness and purity of cheese products, presently serve no internal revenue purposes. Regulations as to the wholesomeness and purity of filled cheese products are now enforced by the Food and Drug Administration outside of the provisions of the Internal Revenue Code.

The third committee provision permits certain private foundations whose assets are largely invested in the stock of a multi-state regulated company (described in section 101(l)(4) of the Tax Reform Act of 1969) to exclude the value of this stock in computing the amount of their required charitable distributions under the private foundation provisions. This amendment is designed to effectuate the intent of Congress in the 1969 Act by preventing the charitable distribution provisions from resulting in a forced divestiture of stock that Congress determined certain types of foundations should be permitted to retain.

The fourth committee provision is designed to reduce the tax reporting burden of the Nation's employers by making it possible to change social security tax reporting from a quarterly basis to an annual basis.

The fifth committee provision increases the amount of carbon dioxide that may be contained in still wines from 0.277 to 0.392 gram per 100 milliliters of wine. This increase is intended to improve the shelf life of wines with low alcoholic content. This is because as the alcoholic content of a wine decreases, the wine tends to deteriorate more quickly since there is less alcohol to act as a preservative. This amendment does not change the tax rates of these wines nor is it expected to result in reduced sales in carbonated and sparkling wines or champagne.

II. GENERAL EXPLANATION

A. BICYCLE PARTS

H.R. 6642 would continue the suspension of column 1 duties on certain bicycle parts, including generators, derailleurs (derailers), and caliper brakes, which terminated as of December 31, 1973. The duty suspensions on these bicycle parts were first enacted in 1971 in order to improve the ability of domestic producers of bicycles to compete with foreign manufacturers of bicycles. The bicycle parts covered by the bill are not generally available from domestic sources. Such parts would normally be subject to rates of duty ranging from 15 to 19 percent. Accordingly, the bill would help to reduce the landed cost of certain imported bicycle parts and accessories necessary for the manufacture of certain types of bicycles.

The domestic bicycle producers are strongly in favor of this legislation. There is no domestic production of the parts covered by the bill, except in the case of stick shift levers. And in this latter case, the firm manufacturing this item is not opposed to the enactment of the temporary duty suspension.

The Committee has received favorable reports on this bill from the Department of Commerce and the Office of the Special Representative for Trade Negotiations. Furthermore, no objection on H.R. 6642 has been received by the Committee from domestic producers of bicycle parts or any other interests.

B. APPLICATION OF MOVING EXPENSE PROVISIONS TO MEMBERS OF U.S. MILITARY SERVICES

The Tax Reform Act of 1969 made a series of revisions in the tax treatment of moving expenses. Some of these allowed more generous treatment than prior law and some were more restrictive. In the first category the Act broadened the categories of deductible moving expenses to include three new categories of deductible moving expenses (under sec. 217): (1) pre-move househunting trip expenses; (2) temporary living expenses for up to 30 days at the new job location; and (3) qualified expenses of selling, purchasing or leasing a residence. These additional deductions were limited to an overall limit of $2,500, with a $1,000 limit on the first two categories. Prior law already allowed deductions for the moving of household goods to the new location and the traveling expenses for the family (including meals and lodging) to the new location.

On the other hand, however, the 1969 Act

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in certain respects restricted the tax treatment of moving expenses. First, it provided that all reimbursements of moving from one residence to another were to be included in the taxpayer's adjusted gross income as compensation for services (under sec. 82) but with offsetting deductions allowed to the extent they were the type of moving expenses deductible under section 217. Second, the 1969 Act increased the minimum 20-mile test to 50 miles for a move to qualify for the deduction and third it modified the existing 39-week rule, the rule requiring a taxpayer to be employed full time for 39 weeks out of the year following the relocation in order to be eligible for the moving expense deduction.[1]

According to the Department of Defense, the restrictive changes made in the 1969 Act present significant problems with respect to their application to members of the military services. It is reported that this is especially the case with the requirement (under sec. 82 and the regulations thereunder) that all moving expense reimbursements, whether in-kind or cash, be included in gross income as compensation and reported both to the individual and the Internal Revenue Service for withholding tax purposes. The Department of Defense has indicated that identification of in-kind "reimbursements" for each serviceman where the Department of Defense pays for the moving expense to the mover, or does the moving itself, would involve substantial administrative burdens for the department as well as increasing their costs at no revenue gain to the Treasury.

The Department of Defense also has indicated that the requirements that the new place of work be at least a 50-mile move and that the individual work for at least 39 weeks at the new location represented hardships for military personnel since many mandatory personnel moves are made for less than 39 weeks and for less than 50 miles. As a result, the servicemen involved would not be allowed any deduction for their moving expenses, but still would be required to report the moving expense "reimbursement," whether paid by the Government or paid directly to them as a cash reimbursement.

Since the enactment of the 1969 changes, the Internal Revenue Service has by administrative determination provided a moratorium on withholding and reporting with respect to the application of the new moving expense rules to members of the military services.[2] The most recent extension of this Internal Revenue Service moratorium expires at the end of 1973. The moratorium does not apply to cash reimbursements of moving expenses, which are still required to be reported. In addition, where the moving expenses paid by a serviceman exceeds his reimbursements for his expenses, the excess amounts may be allowable as a deduction if they are otherwise deductible under section 217.

The Department of Defense submitted legislative proposals to Congress in 1973 dealing with the application of the deduction for moving expenses to the military. Since the moratorium expired at the end of 1973, there was not sufficient time in this session of Congress to analyze these proposals. As a result, the committee by legislative action is extending this moratorium as to the application of the 1969 changes in the moving expense rules to members of the military services for one more year, or until January 1, 1975. In the meantime, the committee has instructed the staff of the Joint Committee on Internal Revenue Taxation to review the proposed legislation and present an analysis to the committee for its consideration.

This provision will not have any effect on revenues since it continues existing administrative rules.

C. TAXATION AND REGULATION ON THE MANUFACTURE AND SALE OF FILLED CHEESE

Under present law an excise tax is imposed on the sale of filled cheese at a rate of one cent per pound for domestically manufactured cheese and at a rate of eight cents per pound on imported cheese. In addition, an occupational tax of $400 per year is imposed on each factory of a manufacturer of filled cheese, a $250 annual tax is imposed on each wholesale distributor and a $12 annual tax imposed on each retail dealer. The code also provides certain other requirements as to the packaging, labeling and the posting of signs with respect to the marketing of filled cheese. Criminal penalties are provided for failure to pay these taxes or for violation of the stamping and labeling requirements.

Filled cheese is defined in the Internal Revenue Code (sec. 4846) to include "all substances made of milk or skimmed milk, with the admixture of butter, animal oils or fats, vegetable or any other oils, or compounds foreign to such milk, and made in imitation or semblance of cheese."

The filled cheese taxes and regulatory requirements were originally enacted in 1896. That legislation was one of a number of provisions enacted to insure purity and to inhibit the sale of factory-prepared foods in competition with natural foods.

Since the taxes imposed on filled cheese are relatively low, the taxes alone have not inhibited the production of filled cheese. It is the packaging and labeling requirements which have had the effect of preventing all but a small amount of filled cheese from being sold, although there is presently an increasing interest in its marketability.

The committee believes that one of the original purposes of the filled cheese laws—to inhibit competition of factory-prepared foods with natural foods—is no longer appropriate. The second of the original purposes—to insure food purity—is no longer an appropriate activity to be carried on by the Internal Revenue Service. Any requirements as to the quality and labeling of cheese products fall clearly within the jurisdiction of the Food and Drug Administration and can be administered by that agency separate from the tax laws. Furthermore, the committee understands that the Food and Drug Administration presently has the authority to regulate the marketability of filled cheese. Since the provisions in the Internal Revenue Code serve no internal revenue purposes and since appropriate regulation as to the wholesomeness and purity of products falling in the filled cheese category are enforced by the Food and Drug Administration outside of the provisions of the Internal Revenue Code, the committee believes that these provisions are no longer needed as part of the Internal Revenue Code and should be repealed.

This provision is to become effective after the date of enactment.

Since the filled cheese provisions were not intended for revenue raising purposes and actually only resulted in approximately $10,000 in revenues in fiscal year 1973, the enactment of this provision will result in a negligible effect on revenues.

D. EXCEPTION TO THE CHARITABLE DISTRIBUTION REQUIREMENTS FOR CERTAIN PRIVATE FOUNDATIONS

Present law limits the involvement of private foundations in business enterprises by divestiture of business holdings in excess of certain precribed percentages. An exception to this rule was provided in the Tax Reform Act of 1969 (sec. 101(1)(4)). That exception permitted the retention of 51 percent of a business' stock in the case of any foundation incorporated before January 1, 1951, where substantially all of its assets on May 26, 1969, consisted of more than 90 percent of the stock of an incorporated business enterprise which is licensed and regulated, the sales and contracts of which are regulated, and professional representatives of which are licensed, by State regulatory agencies in at least 10 States. In addition, in order to qualify for the provision the foundation must have received its stock solely by gift, devise or bequest.[1]

Under this exception, the Herndon Foundation is permitted to retain up to 51 percent of the stock in the Atlanta Life Insurance Company. However, it has come to the committee's attention that the charitable distribution provisions, which require a private foundation to distribute currently the greater of its adjusted net income or a stated percentage of its investment assets (the minimum investment return), are forcing divestiture of the stock that Congress determined the Herndon Foundation should be permitted to keep.

As a result, the intent of Congress in 1969, that foundations like the Herndon Foundation should be able to retain 51 percent of the stock of a company, is being frustrated because of the operation of the minimum investment return provision. To overcome this result, the committee has provided that in the case of a private foundation of the type referred to above (described in sec. 101(1)(4) of the Tax Reform Act of 1969) the minimum investment return and the adjusted net income are to be determined without regard to the foundation's stock holdings (or divided income on such holdings) in the company in question. The dividend income derived from such stock, however, is to be added to the amount that the private foundation is otherwise required to distribute currently.

This provision shall apply with respect to taxable years beginning after December 31, 1971.

This provision will not have any effect on the revenues to the Treasury.

E. ANNUAL WAGE REPORTING FOR SOCIAL SECURITY

The Committee added a provision to the House-passed bill which is designed to reduce the tax reporting burden of the Nation's employers. Under the Committee provision, the Secretaries of the Treasury and of Health, Education, and Welfare would be provided with the authority they need to exchange information on a basis which would make it possible to change social security tax reporting from a quarterly basis to an annual basis. The Committee provision originated in the recommendations of several Government study groups and its adoption would conclude approximately two decades of study and negotiation between the two departments involved.

Under existing Treasury department regulations, employers are required to submit quarterly reports of the wages paid to their employees which are subject to social security taxes. These reports, on Treasury Form 941–A, must list each employee by name, social security account number, and total wages paid to the employee with respect to which social security taxes are payable. The preparation and filing of this quarterly report involves considerable effort and expense on the part of employers particularly in the case of small and medium-sized companies which do not have the advantage of com-

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[1] The 39-week test is waived if the employee is unable to satisfy it as a result of death, disability, or involuntary separation (other than for willful misconduct). The Act also made the moving expense deduction available to the self-employed. Self-employed individuals have a 78-week rule, instead of the 39-week rule.

[2] Internal Revenue Service, Public Information, Fact Sheet, November 30, 1970 (letter to Secretary of Defense).

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[1] Stock of a company placed in trust before May 27, 1969, with provision for the remainder to go to the foundation also is treated as coming under this provision if the foundation held on May 26, 1969, without regard to such trust, more than 20 percent of the stock of enterprise.

puterized payroll systems. An April 17, 1973 report issued by the Select Committee on Small Business stated that its Subcommittee on Government Regulation had found studies indicating that the annual cost to small employers of submitting this form might total as much as $235 million (Senate Report No. 93–125, p. 49).

The Committee provision would make possible the elimination of this report by changing certain technical requirements of the social security program which currently depend on data from the Form 941–A and by providing the Internal Revenue Service and the Social Security Administration authority which would enable them to enter into an agreement for cooperative processing of a revised annual wage reporting form (i.e. Form W–2) in a manner which will most effectively and efficiently provide each agency with the information it requires. Thus, in place of the present requirement that each employer submit 5 reports per year with respect to each employee (4 quarterly reports on Form 941–A and 1 annual report on Form W–2), the Committee provision makes possible a revision in Treasury Department regulations to permit employers to file a single consolidated annual wage report for each employee which will show both his total earnings for the year and the quarterly breakdown of his social security earnings.

The present Form 941–A provides for wage information used by the Social Security Administration as the source of data for computing the automatic increases in the amount of annual earnings subject to social security taxes (the social security "wage base") and in the amount of annual earnings which a beneficiary may have without any reduction in his social security benefits (the "exempt amount.") Under exising law, whenever an increase in the cost of living triggers an automatic social security benefit increase, the Secretary of Health, Education, and Welfare is required to promulgate regulations increasing the wage base and the exempt amount.

Under current law these increases are based on the percentage rise in the average amount of taxable wages up to the first quarter of the year in which the determination of the amount of the increase is made, and the increases become effective as of the start of the following year. If employee wages are reported annually rather than quarterly, however, the necessary data to compute the increase in wage base and exempt amount would not be available until well after the beginning of the year in which the increases are to be effective. The Committee provision, therefore, moves back by one year the base period to be used for determining the amount of increases in taxable wages so that the Secretary of Health, Education, and Welfare will have sufficient time to make his determinations on the basis of an annual wage report. (However, no change is made in the benefit increase provisions of present law.) Thus, for example, the increase in the wage base and exempt amount which is to be effective as of January 1, 1975 would be computed according to the growth rate in average taxable wages from the first quarter of 1972 to the first quarter of 1973 rather than according to the growth rate from the first quarter of 1973 to the first quarter of 1974.

Current law bases the automatic increases in the wage base and exempt amount on the rise in average taxable wages from the first quarter of one year to the first quarter of the next year rather than on the annual increase in wage levels generally because the Social Security Administration does not now receive the information necessary to make a determination based on average annual wages in all employment. When the revised reporting regulations made possible by the Committee provision are implemented, this information will become available. Accordingly, the Committee bill provides that, starting in 1978, determinations as to the amount of future automatic increases in the annual amount of earnings subject to social security taxes and in the amount of annual earnings a beneficiary can have without reduction in benefits will be based on the growth from year to year in average annual wages in all employment rather than on the growth of the amount of wages subject to social security taxes in the first quarter of each year. As a practical matter, it is estimated that there will be negligible impact on the way in which the automatic increase provisions will operate, since the annual rate of growth is approximately the same for average first quarter taxable wages, average annual wages in employment covered by social security, and average annual wages in the national economy.

The Committee provision would not affect the responsibility of employers for the collection and payment of social security taxes nor would it alter in any way the requirements as to the dates on which payments of these taxes are due. The provision would make no change in the amount of work required in order to qualify for social security benefits and no change would be made in the way benefits are computed. Moreover, it would not have any impact on the financial status of the social security program.

In addition, the Committee notes that the amendment would have no effect on the way in which States and local governments report earnings to the Social Security Administration. The situation with respect to State and local government employment covered by social security is different than the situation with respect to private employment, and the procedures for reporting wages are governed by agreements between the States and the Secretary of Health, Education, and Welfare. A wide variety of patterns exists with respect to the types of State and local employment which are or not covered under a multiplicity of agreements between the States and the Federal government and, in turn, between the States and local governmental entities. The existing reporting procedures, therefore, serve not only the requirements of the Social Security Administration but also the requirements of the State social security agencies which are responsible for coordinating the activities with respect to social security of the various governmental employers within each State. Accordingly, Committee expects that the Secretary of Health, Education, and Welfare will not modify the regulations and procedures with respect to the reporting of social security wages in the case of State and local employees except to the extent that modifications may be agreed upon between him and the States involved.

F. INCREASE IN AMOUNT OF CARBON DIOXIDE THAT MAY BE CONTAINED IN STILL WINES

Present law imposes a tax on wines at different rates depending on the alcoholic content of the wine and whether it is a still wine or a sparkling wine. Still wines are defined as those which contain not more than 0.277 gram of carbon dioxide per 100 milliliters of wine. Still wine is taxed at 17 cents a gallon if it contains not more than 14 percent of alcohol, 67 cents a gallon if it contains more than 14 percent but not more than 21 percent of alcohol, and $2.25 a gallon if it contains more than 21 percent but not more than 24 percent of alcohol. Champagnes and other sparkling wines are taxed at $3.40 a gallon and artificially carbonated wines are taxed at $2.40 a gallon.

Prior to the Excise Tax Technical Changes Act of 1958, there was no tolerance as to the carbon dioxide content of still wines. This resulted in compliance and administrative difficulties because a certain amount of carbonation is a normal consequence of the fermentation process by which wine is produced. The 1958 Act provided that still wines could contain not more than 0.256 gram carbon dioxide per 100 milliliters of wine. In the Excise Tax Reduction Act of 1965, this permissible carbon dioxide content of still wine was increased to 0.277 gram per 100 milliliters of wine. The committee stated at that time (Senate Report No. 324, 89th Cong., 1st Sess., p. 52) that "the existing definition of still wines was adopted to clarify the distinction between still wines and effervescent wines and to make it clear that some carbon dioxide can be added to, or retained in, still wines to improve its character and flavor without changing its tax status." The increase in the carbon dioxide content in 1965 was made because it was believed that the level then was too restrictive to serve adequately the purpose intended.

The committee provision increases the amount of carbon dioxide that may be contained in still wines from the present 0.277 level to 0.392 gram per 100 milliliters of wine. This increase is intended to improve the shelf life of wines with low alcoholic content by permitting the addition of a little more carbon dioxide. The committee understands that wine tends to deteriorate more quickly as the alcoholic content decreases because there is less alcohol to act as a preservative. If still wine with low-alcoholic content were produced with a greater volume of carbon dioxide than now is permitted, this would help preserve the color and flavor by displacing some of the oxygen which reacts with the bacteria in the product.

This provision is to become effective on the first day of the first calendar month which begins more than 90 days after the date of enactment of this Act.

The committee provision does not change the tax rate of these wines nor is it expected to result in reduced sales in carbonated and sparkling wines. It is expected that this provision will have no revenue effect.

III. COSTS OF CARRYING OUT THE BILL AND EFFECT ON THE REVENUES OF THE BILL

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, the following statement is made relative to the costs to be incurred in carrying out this bill and the effect of the revenues of the bill. The Committee estimates that the extension of the existing suspensions of duties on bicycle parts provided by the bill will not result in any additional revenue loss or administrative costs. The committee estimates that the provisions of the committee amendment involve a negligible revenue effect.

Mr. CURTIS. Mr. President, may I inquire from the distinguished leader whether this measure has been cleared for passage with the minority leadership?

Mr. ROBERT C. BYRD. It has.

Mr. CURTIS. And with the distinguished minority member of the Finance Committee, Mr. BENNETT?

Mr. ROBERT C. BYRD. I am informed it has been cleared with the Senator's side of the aisle.

Mr. CURTIS. I thank the Senator.

The **PRESIDING OFFICER.** The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 6642) was read the third time and passed.

The title was amended so as to read:

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"An act to suspend the duties on certain bicycle parts and accessories until the close of December 31, 1976, and for other purposes."

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which Calendar No. 950, H.R. 6642 was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to table was agreed to.

TRADE REFORM ACT

Mr. ROTH. Mr. President, I am pleased to participate in this bipartisan colloquy on the Trade Reform Act. Unfortunately, the importance of international trade to our economy and way of life has not been as widely appreciated as it should be. Trade is a bread-and-butter issue to all Americans. It is important to farmers, workers, and consumers. It accounts for billions of dollars of our gross national product and millions of jobs. Historically, we have been a trading nation and our economy has been prosperous when we have had a healthy balance of trade. In my home State of Delaware for 1971, the most recent year for which estimates are available, exports of manufactured and agricultural products amounted to $157 million. This was almost twice the $79 million exported just 5 years earlier in 1966.

It has been 12 years since the Congress last passed comprehensive trade legislation. The new legislation now under consideration in the Senate Finance Committee will set the general direction of our foreign economic policies over the next decade. It involves a very basic question—whether the United States will play a role of leadership in building strong and fair international economic institutions and promoting world trade or whether we will take the route of protectionism.

I believe that it is essential to pass legislation to permit the United States to engage in trade negotiations and work toward improving international economic institutions.

There is no question but that the world is facing very serious economic challenges. There are shortages of vital raw materials, double-digit inflation in most of the industrialized nations including our own, and severe strains on the international monetary system under the burden of excessive accumulations of foreign exchange by oil producers. It may very well be that few new agreements will come out of the trade negotiations. But it is imperative that the momentum be kept going in order to avoid slipping into the kind of nationalistic policies which spelled depression in the 1930's.

What we need from the Trade Reform Act is legislation to support a major effort to put American agricultural and industrial products on an equal footing with those of other countries. This legislation must provide the stimulus for new negotiations to reform GATT by removing the inequities that are a relic of the late 1940's. It must provide authority for tackling the nontariff barriers which have become the greatest obstacle to enlarging our markets overseas.

Trade legislation must also improve the protection of the United States from unfair competition and economic boycotts. The Trade Reform Act strengthens safeguards against dumping, against unfair export subsidies, and patent theft. Some of these laws date from the 1930's and are in urgent need of revision to make them effective in this decade.

It is essential that new trade legislation provide protection for industries vital to our national security and our status as a great power. We cannot allow a further deterioration of our industrial base. A healthy economy requires a strong agricultural sector and a prosperous service sector.

It is the responsibility of Congress to act on this legislation to see that it meets these needs. To date the record of Congress in regard to this bill has been a good one. Practically all observers agree that the House of Representatives made substantial improvements in the original bill, and I am confident that the Senate will also. I have a number of amendments to offer relating to tariff negotiating authority, adjustment assistance, and trade with the Soviet Union.

It is important to recognize, however, that legislation only sets the framework. We also need tough negotiators and a continuing process of close consultations between these negotiators and American agriculture, industry, and labor to insure the best possible representation for our interests. If we approach these negotiations in this spirit, we will be helping ourselves at the same time as we play a responsible role in the world economy.

Mr. President, I yield back the remainder of my time.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McGEE. Mr. President, I would like to make a brief comment on title V of the Trade Reform Act of 1973. This little-known provision of the bill deals with a generalized system of tariff preferences which is another way of saying that it would enable the United States to help poor countries by buying more of their exports.

To be precise, this provision would grant the President 10-year authority to extend duty-free treatment to imports from developing nations subject to certain exceptions to prevent injury to a U.S. industry. The list of imports to be given duty-free treatment would be developed at hearings designed to determine products that are "import sensitive," and thus are not available for preferences. Neither would tariff preferences be provided to less developed countries who in turn provide tariff preferences of their own to imports from industrial countries other than the United States.

There is a long history to this title of the trade bill. Poorer countries have been seeking such an arrangement for more than a decade. They regard it as a supplement to foreign assistance and in some cases as a substitute. When the countries of Europe decided to support this idea in international bodies like the United Nations Trade and Development Conference, the United States followed suit. Unfortunately, the Europeans have come through on their promises but the United States has not. I believe it is time we did so.

As part of my legislative responsibilities, I have followed the effect of foreign trade on economic development. One observation is inescapable; the countries that have done the best job of raising their living standards and ending dependence on foreign aid are those who have built up a healthy export trade. This should not come as a surprise. Export industries are often the most efficient enterprises in a developing country. When the United States ended economic aid to Taiwan in the 1960's it was because the Taiwanese economy had been bolstered by an export industry that was paying for essential imports attracting foreign investment from Europe, Japan, and the United States.

The same is true in parts of Latin America. There too, export industries can help the rest of a nation's economy. Through exports, Brazil has been able to earn the foreign exchange needed to import capital equipment to develop the nation's infrastructure and improve the climate for foreign private investment.

There are other good reasons for encouraging exports from developing countries. Foreign exchange earned by exports does not have the stigma of foreign aid. It is the same as helping someone get off the welfare roles except that it does not cost anything. In fact, when we reduce tariffs on an imported product from a poor country, one of two things can happen. If the tariff was not high enough to block imports, the savings will go from the U.S. Government to the American consumer. If the lower tariff increase imports, both the consumer and the U.S. Treasury will benefit. The only possible damage would be increased competition for American producers. The trade bill provides ample remedies for such an eventuality.

If the poorer countries in the world are enabled to develop a larger stake in a range of exports to the United States rather than rely on a small number of commodities, the temptation to form producer cartels in commodities could be lessened. This threat bothers many Americans and well it should after the experience we have had with the oil producers cartel last year. When a country develops a healthy export market in a wide range of products, it is more apt to move cautiously in offending customers and jeopardizing sales.

The granting of tariff preferences to poor countries, like the opening of trade with Socialist countries, represents an effort by the United States to complete the construction of a worldwide trading system that was envisioned at the end of World War II.

We learned then after intensive negotiations that it was impossible to build a world trade organization that would perform a function in the trade field similar to that of the International Monetary Fund in monetary policy and the World Bank in foreign assistance. At the time, we settled wisely for a trading system that would accommodate the developed countries of North America, Europe, and Japan. That system has brought great benefits to the participants. So successful has it been that the Socialist countries who originally wanted no part of it are now beginning to participate. This is fine if the proper arrangements can be worked out.

It would be even better if the world trade system could be extended to the rest of the world, largely the poor countries of Asia, Africa, and South America. It will not be easy. Many of the new industries in these countries are too vulnerable to measure up to international standards on trade. It is very much in our interest that eventually the developing countries take their place as full-fledged trading partners abiding by all the rules of the General Agreement on Tariffs and Trade and contributing to the international well-being of all countries. To reach this goal, they will need help. The help that is offered in the title V of the Trade Reform Act seems essential and the sooner we are able to provide it the better.

The ACTING PRESIDENT pro tempore. On the time now running, the Senator from Tennessee (Mr. BROCK) and the Senator from Massachusetts (Mr. KENNEDY) have been on the schedule, but their time has been running.

Mr. ROBERT C. BYRD. Very well. Mr. President, how much of Mr. KENNEDY's time remains?

The ACTING PRESIDENT pro tempore. One minute.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that Mr. JAVITS may be recognized without prejudice to other Senators.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from New York is recognized.

Mr. JAVITS. Mr. President, I am pleased to join my colleagues in speaking today on the urgency of action on the Trade Reform Act of 1973, the trade bill. This legislation, now being considered by the Finance Committee, is one of the most important pieces of legislation before this body, and is perhaps the single most important piece of legislation on international economic policy before this Congress in a decade or more.

We are reminded of a few lines from Shakespeare's Julius Caesar:

> There is a tide in the affairs of men,
> Which, taken at the flood, leads on to fortune;
> Omitted, all the voyage of their life
> Is bound in shallows and in miseries.

Now is the moment to seize the initiative on the trade bill. It has been pending here for months. It was passed by the House.

I know very intimately and personally how shaky is the international economic situation, particularly on the trade and monetary front, and how deeply worried Western Europe is—and we are, too—about confidence in the instruments of credit. I know of few things which would restore that confidence more than the enactment of the trade bill. It is a measure which is greatly needed. It will materially help our economy, whereas inaction will permit the world to slide backward into increasing protectionism and economic nationalism and, thereby encourage a world recession and a further loss of confidence in the instruments of credit which are being threatened even now.

It is clear that there is a rising tide of protectionism on the part of the developed nations of Europe and Japan, and a sharp increase in economic nationalism among the developing countries.

Mr. President, I wish to interject parenthetically at this point that the alleged objections made to bringing up the trade bill on the ground of the so-called Jackson amendment, to which I am a very active party, in my judgment are invalid. If the matter is brought up, we will then face the issue, bite the bullet, as the saying goes, go to conference with the House; a measure will result, and some finality will occur.

It may very well be that the Soviet Union, which says that it is so deeply offended by the Jackson amendment, will not be quite so offended if the amendment is in the context of a piece of trade legislation so meaningful to the whole world, including the Soviet Union. But, in any case, we never know about these things until we face them, and the longer we defer facing them, the longer we defer a solution.

So even on that ground there should be no scare tactic and no avoiding the basic issue of bringing up the bill and dealing with it, and I am confident that we will find a way out.

As I point out, there is no assurance whatever that even if the amendment is included—and from every determination I have it will be included—that that will mean the President will veto the bill or that the Soviet Union will repudiate trade with the United States or any other hypothetical matter.

So, including that, which has been thrown up as a reason for not acting on the trade bill, I strongly feel that we should act.

Now, other factors involved, Mr. President, are a rising tide of protectionism on the part of the developed nations of Western Europe and Japan, and a sharp increase in economic nationalism among the developing countries. In the developed countries, that is, the industrial countries, essentially the so-called 10, the situation is the direct outgrowth of the colossal oil price increases imposed by the oil-producing nations. All of us know that these oil price increases have created an enormous shift in wealth and consumption power from the oil-consuming to the oil-producing nations, a shift that will produce balance-of-payments deficits in virtually all developed countries, with the impact being especially severe on Italy and the United Kingdom.

It is important to focus attention, for the purpose of the colloquy in which we engage today, on the measures that the oil-consuming countries have taken to deal with this reversal in their fortunes, and in every case it represents protectionism, and an effort to unload on other countries one's own exports when that other country itself is suffering a serious imbalance of payments. It represents bilateral deals in which, for example, countries like Japan and France seek to get in on the ground floor to provide oil for themselves, even if that means that others are being deprived of it. Italy offers the example of an import deposit scheme to limit imports, sharply higher taxes, and credit curbs to squeeze demand. France has made a number of bilateral deals with oil-producing countries, the most recent being a $4 billion deal with Iran trading nuclear reactors for oil. Japan is making a major new export drive, which has resulted in substantial export increases to the developing countries and the Communist countries. There may be nothing necessarily wrong with any of these actions by themselves and, indeed, most of them were required to deal with the situation.

But together they represent a pattern of attempting to foist individual national trade deficits on to other oil-consuming nations, and these policies reduce very materially domestic demand, that is, these high prices which, in turn, make it more difficult to absorb the exports and only worsen the whole problem. Since policies that reduce domestic demand, such as higher taxes, limit imports as well as the consumption of domestically produced goods, a concerted effort by all industrial nations to reduce domestic demand while boosting exports cannot work, and could induce a general recession. Also, the problem cannot be solved by an increase in demand from oil-producing countries equal to the increase in revenues from higher oil prices, because many of the oil-producing countries have limited populations and a fairly undeveloped infrastructure, not conducive to the huge import increases required.

Now, to deal with this situation, two major policy measures are required. One is the development of a variety of monetary mechanisms to permit the recycling of oil revenues into productive investment and into the economies of the countries suffering the worst balance-of-payments deficits.

This can be accomplished, in my judgment, by a commitment from the central bankers of the type which was announced last week in Basel to maintain the viability of their financial institutions and multinationally to deal with this question of huge balance-of-payments credits in the hands of the Arab countries which do not have the population or the consumption power to contribute to the world's monetary stability, and recycle that money themselves.

Therefore, the central bankers will have to do it, and they are well able to do it, as the Arabs really have no other place to put their money that they would consider relatively safe except with the central banks. So that is measure No. 1.

Measure No. 2 is the passage of the Trade Reform Act and the subsequent undertaking of trade negotiations to re-

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duce barriers to trade. This authority which is contained in this bill for the first time giving power in respect to both of exports and imports, enabling us to cushion the effect of a sudden influx of imports, and enabling us to do it on a phased-in basis, with the greatest efficiency from the point of view of the executive direction, is so critically important as to deserve the No. 1 priority in terms of economics in our country.

This new grant of authority is needed to negotiate reciprocal tariff reductions and the removal of nontariff barriers, which while it may open the U.S. market to more competitive foreign goods, will permit greater U.S. penetration of foreign markets with resulting greater benefits to our manufacturers and workers. This legislation will also grant the President power to deal with economic assaults on our economy, such as unfair foreign trade practices in both imports and exports and such authority is very badly needed.

One should emphasize that the objective of the trade bill is an overall increase in trade. This is in sharp contrast to present efforts to limit demand while passing trade deficit from one country to another. The trade bill will actually increase production and consumption by rationalizing world production, an especially important objective now when the pressure on resources requires their more efficient use. Reducing artificial impediments to trade and rationalized world production should have the effect of increasing competition and the more optimum use of resources, which will pay off in lower prices. The trade bill represents a major means of fighting inflation, and conversely the various restrictive or protectionist measures will give inflation a boost.

Protectionist measures would increase the cost of goods for all Americans, including the rank and file of labor. Increased protectionism would also worsen our declining productivity by insulating U.S. industry from the very healthy effects of world competition. Indeed, the trade bill very properly makes provision for the specific harm that might be caused to certain firms and workers by imports through an expanded program of adjustment assistance. I have just joined with Senators BENTSEN and NELSON in an excellent measure that would further strengthen the program of adjustment assistance provided for in the trade bill. It is these measures that will cushion the impact of imports and provide the basis for retraining workers in more productive industries. Trade restrictions cost the consumers of this Nation from $3.3 to $5 billion per year, far more than even a greatly expanded program of adjustment assistance.

My colleagues will focus on many of the important provisions of the trade bill and will develop in greater detail the arguments I have touched on in my remarks.

Indeed, Mr. President, I believe that if we pass the Trade Act, it would represent the greatest single contribution that we could make to restoring confidence in the economy and beginning to bring the economy back from the fear-inspired apparition of recession under which it now labors and, I believe, also that the moderation of prices which will come from import competition will be critically important.

So, Mr. President, in order to avoid more protectionism than we already have, in order to deal with the grave crisis of confidence both here and in Europe in the instruments of credit, and in order to again, through the forces of competition engendered by trade, bring into the world the beneficent impact of a reduction in consumer prices and an increase in productivity, the trade bill deserves absolutely No. 1 priority in the world, and there is so much speculation today, particularly in intellectual quarters, respecting the danger of a world recession, that this is the most critically important thing we could do.

I would also mention parenthetically the materially improved adjustment assistance provisions for workers or businesses which are hurt in the first instance by a particular concentration of imports. These provisions are very much superior to anything we have on the books today.

Mr. President, I would like to close by quoting two paragraphs from a very brilliant article by Leonard Silk in the New York Times in which he drew a parallel between conditions just before the Great Depression which did not end until World War II, and this is what he said:

> We must do better this time than we did in the nineteen-thirties. This necessity comes at a time when the American public is turning towards isolationalism. The inner failures of the United States are breeding indifference or even hostility toward the outer world, and the rest of the world is, in any case, fractious and reluctant to follow the American lead.
>
> Yet a way must be found to break the spell of fatalistic millenialism. The world community needs to be drawn together, to develop a unified program to deal with the most urgent threats, if the disaster seen by intellectuals is to be avoided.

And that disaster, incidentally, is a predicted world depression—

> But at this point it is difficult to see what the modalities of such a program will be and who will organize and lead it.

Mr. President, I agree with Mr. Silk's very serious assessment of the problems that face us, but I feel they are not insurmountable. The trade bill is one of the urgent tasks we must undertake, both on its own merits and as a signal to the rest of the world that the United States intends to give leadership to the international economy commensurate with its strength in that economy.

Mr. President, I strongly urge the Committee on Finance to get on with the business and bring it to the floor of the Senate.

Mr. President, I yield back whatever time I have remaining.

Mr. PEARSON. Mr. President, the Congress will consider few bills which have greater impact, touch more Americans, and affect broader sectors of our economy than the Trade Reform Act. The trade bill, which has been pending before this Congress for 15 months, should be approved, and approved promptly, if our Nation is to gain the benefits of another round of worldwide reductions in trade barriers.

Mr. President, with double-digit inflation rampant in the industrialized West, food shortages in the underdeveloped South and producer cartels forming around the world, we must seek multilateral solutions to our global economic problems. We must improve the code of international trading rules and build the institutional framework which encourages prompt consultation on all urgent trading conflicts or crises which might develop. Unless we are able to negotiate improved trading procedures, the forces buffeting the international economy could well force upon the nations of the world, a climate of retrenchment and protectionism.

Today, 103 nations are meeting in Geneva to work out some of the solutions to our economic difficulties. But Mr. President we must understand that there will be no agreements if the Senate does not act on the trade bill.

The negotiating authority granted for the Kennedy round is exhausted. Now, we must provide our negotiators with the new authority they need to reach agreements on reduction in tariffs, nontariff barriers and safeguards against unfair trade practices. And we must provide that authority soon.

Mr. President, I have been particularly encouraged by the farsighted goals which the United States adopted at the beginning of the Tokyo round. Our negotiators will seek a substantial expansion of duty-free trade; further reductions in the average tariff on remaining items subject to duty; an agreement to remove nontariff barriers; a system of multilateral safeguards to protect domestic markets against rapid increases in imports; and a reduction of barriers to agricultural trade.

If these goals are achieved, American producers and American consumers will receive billions of dollars in economic benefits and international stability will be greatly strengthened.

Mr. President, I want to take particular note of the goal of improving agricultural trade. Strong and expanding export markets are vitally important to the welfare of American agriculture. Our grain producers are particularly dependent upon the international market. For example, with the current levels of production we must export approximately 50 percent of our wheat crop in order to prevent the accumulation of price depressing surpluses.

Last year the United States exported $11 billion worth of agricultural products and imported $7 billion. This balance of trade surplus in the agricultural sector paid for the deficit created by the expensive oil imports. Thus our foreign agricultural sales have tremendous value for the entire economy.

With much of American industry losing its edge over Western Europe and Japan in manufacturing efficiency and technology the importance of agricultural exports in our overall trading mix will be increasingly important in the years ahead.

An expansion of agricultural exports is, in considerable part, dependent upon the reduction of trade impediments around the world. Agricultural trade barriers are among the most complex of the nontariff barriers. The Trade Reform Act is needed to give our negotiators the authority to deal with these barriers.

But agriculture's interest in developing a fair international trading code is not limited to the export side. Foreign countries have not only adopted barriers against imports of our products, but have adopted the policies of subsidizing the export of certain products to this country, thus placing our farmers at a particular disadvantage. For example, dairy farmers have been especially hard hit by imports of subsidized products. I, also, note that given the fact that Japan and the European community have placed embargoes on meat imports, the U.S. livestock producers face the possibility of price depressing imports as the meat producing countries search for a market for their surplus production.

Mr. President, I am confident that the U.S. negotiators will seek agreements to assure that domestic agricultural markets are not subject to disruption by subsidized imports or the dumping of surplus commodities. But it may be desirable for the Senate to write into the trade bill some provision to assure that these special agricultural problems are properly dealt with.

Mr. President, 40 years of experience with multilateral trade negotiations have clearly demonstrated their benefits to both consumers and producers. For consumers, lower import duties and the removal of nontariff barriers mean lower prices and a wider choice of products. For producers, lower duties abroad mean more access to foreign markets and higher returns on their investments.

I understand the concern of those who fear that lower American tariffs will lead to the loss of American jobs. However, with the much-improved adjustment assistance provisions of the Trade Reform Act, the economic transition for workers and investors who may be adversely affected by increased imports will be eased. In addition, we must remember the lower trade barriers abroad lead to the creation of more jobs at home. On balance, the American worker and the American investor gain, not lose, from reduced trade barriers.

I also realize that some critics of the Trade Reform Act question the wisdom of granting broad negotiating authority to the President. However, I am convinced that the bill's provisions for congressional review authority for nontariff barrier agreements and the work of the Advisory Committee for Trade Negotiations will provide adequate safeguards against arbitrary or unsound concessions.

While the economic benefits of trade agreements may be apparent, we should take time to consider the political rewards of these negotiations at a time of worldwide economic dislocations.

A sound multilateral trade relationship is a cornerstone of our relations with our principle allies, the industrialized nations of the West. Our growing economic interdependence has been a key element in the development of a broader community of interest among the great Western democracies. Any deterioration of our trading relations which lead to the development of competitive trade blocs would jeopardize our economies and our alliance.

Mr. President, our multilateral trade negotiations of the past have produced enormous economic and political benefits. But we all know that there will be no important new trade agreements at Geneva unless the U.S. Congress passes the Trade Reform Act. Time is running out in Washington and Geneva. I urge the Senate Committee on Finance to proceed expeditiously with its consideration of this legislation. American consumers, American manufacturers, and American farmers need this bill.

Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the soon-to-be senior Senator from Iowa (Mr. CLARK) is recognized.

THE NEED FOR TRADE REFORM

Mr. CLARK. Mr. President, every American knows that the economy is in trouble. The list of problems—inflation, unemployment, the energy crisis, poverty, tax inequity—is a seemingly endless one. Much can and should be done to get the economy on the right track again. One such step is rapid enactment of a good trade reform bill that generates trade expansion and provides a good system of adjustment assistance for labor and business.

The advantages of expanded trade in the fight against inflation are substantial. It will provide jobs in this country and the increased income which comes with new jobs. It will generate the funds necessary to buy the oil required to keep the economy going and growing. In short, a properly designed and implemented trade reform bill can help turn the economy around and benefit all Americans in the process.

Expanded trade permits each country to increase its output of the goods it produces most efficiently. Just as specialization and mass production have enabled the United States to achieve an unprecedented standard of living, inincreased trade will help the country take even greater advantage of our technology.

There is no industry where this is more true than agriculture. American agriculture is the most progressive and technologically advanced in the world. In fiscal year 1974, because of fantastic farm productivity, this country had an agricultural balance of trade surplus of $11.5 billion. This not only provided additional income to the 3 million individuals directly employed in farming, but to the millions more employed to provide manufactured goods and services to farmers and to market agricultural products here and abroad.

Additionally, this income raised the demand for the products of the other American industries, thereby raising their employment and income.

Trade reform will make it possible to increase our trade surplus in agriculture even more. It has been estimated that trade liberalization can result in a net gain of $8 billion annually for American agriculture. In addition to the already mentioned benefits, this also will help insure that farm program costs not rise farther.

These potential gains are dramatic and substantial. Even before the OPEC nations raised the price of oil, it would have been difficult to justify not taking advantage of such an opportunity. Today, given the impact of high oil prices on our balance of payments, failure to take advantage of the opportunity would be tragic.

Similar potential benefits exist in many other industries. Perhaps no single industry has the potential that agriculture does. But as a whole, the potential in nonagricultural industries is enormous.

It would be a mistake, however, to argue that the only reason for increased trade is to increase exports. If this were the only effect, there would be more dollars to spend, but not necessarily anything to buy with those dollars—except the additional domestic production generated by this extra buying power. The fundamental reason for increasing trade is that it will enable the citizens of this country to benefit from the production of other countries. People can then obtain products at lower prices or products which would not be available at all without trade.

It has been estimated that the annual cost of trade barriers is $10 billion—a cost which is borne by 95 percent of the American people. The 5 percent who do benefit from these barriers receive only a small fraction of the $10 billion cost. The remainder is simply lost income. Certainly, a program of adjustment assistance must be devised to insure that this 5 percent does not suffer from increased trade.

One final point should be emphasized: delay in enacting a trade reform bill is quite dangerous. In the current unstable economic situation, it is unlikely that even the tenuous status quo can be maintained without trade reform legislation. The pressures for restrictions on international trade are growing daily. Inflation, balance of payments deficits, and other domestic economic problems are causing many nations to attempt to protect themselves with actions that may well lead to a trade war. As the international economic picture becomes more uncertain, these pressures will intensify. It is absolutely essential that we stop, and reverse, this trend now—by taking immediate action to insure the passage of a sound, responsible trade reform act.

Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from California (Mr. CRANSTON) now be recognized out of order, without prejudice to the Senators who are listed ahead of him.

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The ACTING PRESIDENT pro tempore. The Chair recognizes the senior Senator from California (Mr. CRANSTON) for no more than 10 minutes.

WHY WE NEED THE TRADE BILL

Mr. CRANSTON. Mr. President, I have heard it said that Congress does not care about passing a trade bill. It is said that the bill is a ho-hum subject—a political bore.

This colloquy here today should puncture these myths. The participation of so many Senators from both political parties should demonstrate to all that Senate interest in the trade bill is alive and well.

In my home State of California, trade is never a bore. It is a $6.7 billion a year business. It bears on thousands and thousands of jobs.

On another occasion I will comment on the specific provisions of the bill. Today I want to confine myself to discussing our need for the trade bill in very general terms.

Mr. President, we have gotten along without a trade bill so far because the President already has authority to negotiate trade agreements. But that authority will not go very far without the authority contained in this bill: the authority to implement those agreements where implementation would require a change in the law.

So until now we have been participating in exploratory talks at the Tokyo round and elsewhere. But without the authority to sit down and make some real progress, our negotiators will keep circling around and around the same old problems.

Country X puts up barriers to keep out our chickens, or our citrus, or our wheat, or whatever. Country Y subsidizes its exports and floods our market. Country Z skillfully wields a whole range of seemingly harmless non-tariff barriers to fend off our products. These countries in turn may complain about some of our trading practices. And so a vicious circle keeps turning.

By failing to enact a trade bill, we would simply prolong these distortions, many of which add up to job losses or higher prices for people everywhere.

Passage of the bill, on the other hand, would move the debate from the newspapers to the conference table. There would be no more excuses for inaction.

Until we take this step, other governments just are not going to invest the necessary political capital to work out a detailed negotiating position. The Europeans and the Japanese are already impatient, and justifiably so.

Mr. President, there are other reasons why we need to pass the trade bill quickly.

In the last few years a whole new set of problems has been added to the trade picture. In the past, the dominant questions always centered on access to markets. That problem is still with us. But now we have another one: access to supplies.

You do not have to look very far to see the evidence. The oil embargo was only the most spectacular of a whole range of cartel-like actions abroad. Here in the United States, we have imposed export restrictions on soybeans and scrap steel.

But whatever the means employed—price-fixing, nationalization, tax boosts, or outright embargoes—the results highlight the world's growing dependence on access to supplies.

And in the absence of fair international agreements governing such access, these restrictions will be passed on to the consumer and to workers whose jobs are dependent on a steady supply.

What is wrong with turning inward and trying to become completely self-sufficient?

It just cannot be done. That is what is wrong. Our economy requires too many materials that we do not have.

A few examples: The United States now imports nearly all of its platinum, which is used not just for jewelry but for laboratory containers and as a catalyst in chemical processes.

The same is true for cobalt, manganese, and bauxite.

Only four countries control more than 80 percent of the world's copper. Another four control more than half the supply of natural rubber. The United States is heavily dependent on five nations for tin. Coffee, tea, and jute are concentrated in similar ways.

Any talk of a Project Independence in these areas would be totally unrealistic. We just do not have the raw materials.

Building rigid barriers against imports, without regard to domestic employment or to world trading patterns, would not help either. Such barriers could raise the prices of a wide range of goods at a time when inflation is suffocating enough as it is. Foreign retaliation against these barriers could severely damage the job market for the thousands and thousands of workers whose jobs are related to exports. In California, it has been estimated that over 12 percent of all jobs are export related.

These two results—more inflation and more unemployment—would increase the chances of further devaluation of the dollar. And a devalued dollar means that we get less for our money when we buy imported oil and other urgently needed commodities.

Mr. President, if managed properly and administered fairly, the world's trading system can help a lot of people.

But trade anarchy can hurt a lot of people. And that is what we have now: a boom-or-bust, get-rich-quick explosion in world trade.

We cannot wait for textbook-pure free trade to help the people who have been hurt by this sudden expansion. We cannot tell workers in a shoe factory to settle for unemployment because classical economic theory says they should. We cannot sit by while other nations prop up their exports with special subsidies and tax breaks.

We need a trade bill which will help Americans compete under fair conditions.

The trade bill will add teeth to our long-standing efforts to move toward a more equitable trading system. It would include the authority to restrict imports, where such a step is necessary and appropriate.

In sum, Mr. President, we are going to be doing a lot of trading with a lot of countries. We might as well give ourselves a good, sound bill that will help our negotiators to make sure that we are not the ones who are making all the concessions.

And we might as well try to develop a consistent policy, rather than the formless, stop-and-start set of random decisions that have governed us since the last trade bill expired in 1967.

For all these reasons, Mr. President, I hope to see prompt passage of H.R. 10710.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. HATFIELD now be recognized, out of order, without prejudice to any Senator whose name was ahead of his.

The PRESIDING OFFICER (Mr. NUNN). Without objection, it is so ordered.

THE NEED FOR TRADE LEGISLATION AND THE GLOBAL FOOD SHORTAGE

Mr. HATFIELD. Mr. President, I am pleased to join in this colloquy this morning to discuss the need for trade legislation. Because of its complexity and, because of its ramifications, it is a topic that Congress could be tempted to just ignore, hoping the current problems would disappear. Today's problems are immense in international trade, with runaway inflation and floating exchange rates creating great uncertainty on all fronts.

Ambassador William Eberle worked for a long time to convince the Europeans to lower some tariffs to compensate the United States for the enlargement of the common market. Suppose, however, Arab oil-producing nations were to invest a huge amount of oil-moneys in New York banks, and the price of the dollar goes up. Does this not wipe out the concessions the Europeans made? It is a tough question, and there are those who say we are better off with no bill, and that we should wait to see how things "shake out" in the international arena. As appealing as this may appear, it is the wrong position. A trade bill should be considered and approved.

If all the trade bill offered was the possibility of adjusting tariff rates, then the desire by some to postpone its review would have more merit. Some day, when the monetary system settles down, a modest change in the tariff on a product will be more important than today, when changes in currency values can have a greater impact on trade than tariffs. We hope such a day is coming. The long period of fixed exchange rates that occurred following World War II would have been much more difficult to maintain if adjustments in the tariff rates had not been available to keep the international balance system better tuned. Certainly, successful trade negotiations can make a contribution to other negotiations, and would be justified on that count alone.

We should keep in mind, though, the proposed trade legislation deals with far more than changes in tariffs. An important provision concerns nontariff barriers to trade. These troublesome measures, often embodied in domestic law, can be used to curtail trade regardless of what currencies are worth.

Of the five titles in the bill, only the first deals with negotiating authority on tariff and nontariff barriers to trade. Title II is just as important in providing a workable system of helping domestic producers adversely affected by foreign competition. Without such a system, the only place where those faced with injury can come is to Congress. Years ago, we decided that special interest legislation on trade matters was not desirable. Our job is to frame a good system to administer solutions to this problem. The bill also provides means in title III for dealing with unfair competition, and in title IV for East-West trade. Title V offers an opportunity to strengthen our ties with the poor countries of the world by offering them a better break in the American market. They need this break, and we need to maintain the kind of relationship with them that will avoid ugly disputes over the price and availability of the commodities we buy from them.

The question of commodities brings up what I think is the central reason for considering the trade bill: we must negotiate solutions to the "commodity crunch," and the trade bill, while not solving the question, helps create the framework for such negotiations. Entwined with the question of commodities is the issue of food.

GLOBAL FOOD SHORTAGES

Meeting the food needs of the world is a critical issue whose magnitude has not been grasped by most people in this country. While the terms of the trade bill do not relate directly to the question of food shortages, I think the interrelationship of trade, commodities, and food is clear. Only through the kind of international agreements that the trade bill will help begin can the proper framework, the trust, and the working relationships, be established in a manner that will lead to workable solutions to the world food crisis.

In a broader sense, we must exercise moral leadership to help ease the food shortages that are growing around the world. Because I believe it is such a critical matter, I would like to add some further comments about the world food situation.

Let me be candid. There is no problem faced by this world more likely to breed instability and conflict, and increase the magnitude of mankind's suffering in the years directly ahead of us, than the shortage of food.

International politics, relationships between the "superpowers" and the poor countries, the durability of political regimes, and the political character of nations, including our own, will be shaped by the growing scarcity of the world's basic resources, and especially food, more than by any of the other factors that have monopolized our attention.

Here is the picture that we are facing.

Before World War II, most all countries of the world had all the grain they needed, and frequently some to spare. Only Western Europe was dependent upon buying grain from other nations. Today, much of the world needs grain, but only North America and Australia have substantial surpluses to export.

The United States produces half of the world's corn and two-thirds of the world's soybeans. Out of 1.2 billion tons of grain produced by the world, 90 million tons is traded between countries, and the United States provides 70 million tons of that amount.

Yet, what is our situation? Two-thirds of the world's population fights for one-third of the world's total protein.

Recently we have put idle land into production, and depleted our reserves. But the world demand has increased. Our long standing surpluses are no longer present to provide a cushion against outright famine.

The shortage of energy worsens the shortage of food. With the increasing mechanization of farming, both here and abroad, it takes about 80 gallons of gas to raise an acre of corn. Far more is required to produce fertilizer, which is essential to the hoped for green revolution. Thus, while Americans waited in line a few hours for gas for their cars, Indian farmers waited in line for 5 days for gas to run their irrigation pumps or other machines for growing and harvesting their crops.

More troubling is the report of some scientists who study the climate. They have ascertained that the world's temperature has dropped by 2.7 degrees since 1945, and that this apparent cooling trend will cause desert areas to advance toward the equator, expanding the region of drought. We have already seen the effects of this in the Sahel region of Africa, where the Sahara Desert has expanded southward 30 miles each year of the current drought. For the first time in the memory, the Niger River can be crossed by foot. And at least 250,000 people have died from starvation. Continuing changes in climate such as this would affect India, South Asia, China, and Central America.

Changes in climate can also affect our own capacity for food production. Many of us have memories of the last major drought in the United States, which created the Dust Bowl. Scientists sense that dry periods come in cycles, and may be mild—such as in the 1950's—or far more severe. But what many predict is that the next drought period is due just about now, and could last for 5 to 6 years. Even a slight reduction in harvests of grain from North America could have a devastating effect on a world trying to fight against famine.

Because of the way you and I have become accustomed to eating, it takes five times the limited resources of land, water, and fertilizer to support our diet than to support the diet of a Nigerian, or Colombian, or Indian, or Chinese.

The amount of food and protein consumed by the diets of you and me and all 210 million Americans could feed 1.5 billion Africans and Indians on a stable, though vastly different diet.

Our vast consumption of world energy resources is also related directly to the way we produce food. In a poor nation, or primitive culture, each calorie or unit of energy invested produces anywhere from 5 to 50 food calories. But in the rich nations it takes between 5 to 10 calories of energy to get just one food calorie.

Apply that to just one country such as India. If all of India's 550 million people were to be fed at our level of 3,000 calories each day, it is estimated that this would require the expenditure of more energy than India currently uses for all other purposes. On a larger scale, to feed the entire world on our diet would require 80 percent of the world's total energy.

So what does all this mean? We can no longer suppose that our extra abundance can feed the hungry of the world. Rather, the world will be fed only by the sharing of resources which the rich of the world have assumed to be their unquestioned possession, and through the changing of values and patterns of life which the affluent have barely even questioned.

Some have already warned that with the fertilizer shortage alone, Asia may be faced this year with the largest food deficit of any region in recent history. The failure of the monsoons and a resulting poor harvest would almost insure famine. But even now, without those developments, over half of India's population, more than the total population of the United States, lives below the subsistence level, eating only one meager meal a day. Thus, just the slightest deterioration from the status quo would mean starvation for hundreds of thousands, and even millions.

At least 60 percent of all those 2.5 billion people living in the poorer, developing world are malnourished. We have not even touched on how malnutrition leads to death through disease for millions of people. One can have enough food to keep himself alive, but malnourished, making him far more susceptible to disease and death. Even more tragic is the evidence that malnutrition during a mother's pregnancy and the first months of an infant's life can cause permanent damage to the mental abilities of the child.

Famine cannot be averted by simply thinking we can increase the "size of the pie," so those who have little may have a little more. What we are discovering is that the pie itself has limits. Most all arable land around the globe is in use. Increased protein production once hoped for from the sea has not materialized, and now most scientists fear the seas are being overfished, which would deplete this resource. The simple truth, then, is that the pie must be shared more equitably.

The world produces enough food to feed all its inhabitants. But when one-third of the world's population—all those who are comparatively the rich—consume two-thirds of the world's protein resources, then millions of the other two-thirds of the world suffer, starve, and die.

Gandhi put it cogently and well:

> The earth provides enough for everyman's need, but not for everyman's greed.

I am reminded of the Bible story of Joseph and the 7 years of plenty that were followed by 7 years of famine. Let us hope we have not entered into the era of the symbolic 7 years of famine. Our

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past policies of paying farmers not to grow crops, and allowing grain to rot in silos, has helped leave us unprepared to meet the future food needs in time of global food shortages.

Two other areas exist where the trade bill would improve our relations with the less-developed countries: The first is the generalized system of preferences included in title I of the bill. The other area is access to supply.

Mr. President, most other developed countries already have introduced generalized system of preferences—GSP—in favor of the less developed countries. The basic objective of the United States in this area is to help developing countries build self-reliant productive economies in order to become more stable members of the world community. The preference system envisioned by the bill would accomplish this in a number of ways. It would enable the less-developed countries—LDC's—to expand their foreign earnings and, with them, acquire more capital and consumer goods from other countries. It would enable them to share in the economic growth that the industrial countries have experienced over the past decade.

Enactment of the GSP would help narrow the widening gap between the Northern "have nations" and the "have-not nations" of the Southern Hemisphere. Lastly, it will help decrease the defensive needs these countries now feel for high duties, strict exchange controls, and, in some cases, producer cartels.

The bill's GSP scheme would decrease the discriminatory effect of the preferential trading arrangements which have proliferated in recent years. Countries having such agreements which discriminated against U.S. exports would not be eligible to benefit from this program. On the other hand, the benefits of the program would be extended to the Latin American countries which now do not discriminate against U.S. exports in favor of those from other industrial countries. The key here is that we are trying to develop a trading system in which the industrial countries extend preferences to all or most developing countries and not just to those who are willing to grant discriminatory preferences in return. It is a step toward a more open trading system between the industrial and the developing countries.

The cost of this program would not be great. It is designed to benefit developing country exports of manufactured goods. While this is very important to the LDC's, it is estimated that imports to the United States due to this system would amount to only about 1 percent of our total imports of manufactured goods. Even then, there is an escape clause available to cover unforseen circumstances.

The other area where the trade bill touches directly our relations with the LDC's is in the area of access to supply. In past trade negotiations, our emphasis has been on gaining access to markets for American goods. Since the oil embargo, we have become much more aware of access to raw material supplies. As we look at oil first, we then see a host of other commodities, especially minerals and certain tropical food products. The "commodity crunch" has created a new era for trade negotiations.

The United States is in the rather unique position of being both a raw material importer and a raw material exporter. As such, we can understand the position of the importers, most of which are industrialized countries, as well as the position of the raw material exporters, most of which are the LDC's.

The multilateral trade negotiations are coming at an opportune time. The raw material exporters have just realized their strength, and are beginning to flex their new muscles. Many at least are considering producer cartels for some of their raw material exports. Such cartels are not in our interest or, in the long run, in the best interests of the LDC's. The multilateral trade negotiations will offer the LDC's a forum where they can bargain on the basis of their advantages with the industrial countries, who will bargain on the basis of theirs. In the long run, both will benefit. Both groups of countries can bargain for the removal of each others trade barriers and for access to the supplies which are vital to them. The key here is that this bargaining is done in the context of an orderly negotiation, and not in the context of threats, ultimatums, or embargos.

I think it can be seen therefore, that one of the principal benefits from approval of the trade bill will be to bring the less developed countries into the world trading system as full participating and responsible members.

Lastly, I would be remiss in discussing the bill if I did not mention that the citizens of Oregon have a great stake in foreign trade. They recognize the need for meaningful trade legislation. We have many trade contacts from our State, principally with the Pacific rim countries. Japan's ties with Oregon are numerous in the trade area. Oregon businessmen who are knowledgeable in trade matters tell me and my staff that foreign businessmen and government officials all want to know when the United States will enact the trade bill. We in Oregon want to implement further international ties, in trade and in related areas. Until the trade bill passes, and the United States evidences leadership in the trade area, expansion of Oregon trade is more difficult. In the past, I have spoken in detail about Oregon's trade ties, and trade's impact in our State, and I will not do so again today. I will note, however, that this is not just a cerebral or intellectual issue. It is a "people issue," and it concerns jobs, and a host of other factors in Oregon.

In closing, let me repeat that the picture painted by the food statistics is grim. We must ease the shortage. Acting on a trade bill will create a framework that should help generate increased international attention to global food needs. A trade framework, with meaningful negotiations, mutual understanding, trust, and a willingness to try and meet the common goal, should stimulate accelerated international efforts to ease the world food shortages.

Mr. President, I ask unanimous consent that some recent newspaper articles on the world food situation, including one from yesterday's Washington Post, appear at this point in the RECORD.

There being no objection, the newspaper articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 15, 1974]

POOR NATIONS FACE STARVATION AS RICH ONES DELAY AID

(By Dan Morgan)

In India, the rains that fell on this spring's wheat crop were lighter than hoped, and in places there was drought.

But heavier rains would not have mattered; they fell on a crop already doomed not to fulfill its early promise because of unparalleled changes in the world's economy.

India's oil-import bill is up a billion dollars this year, and fuel shortages idled irrigation pumps in some parts of the country.

Worse than that, India suddenly found itself priced out of the world fertilizer market, so a million tons less than planned was applied to the land.

While the rich countries of the world bought up the high-priced fertilizer, or cancelled export contracts, India revised its early crop estimates downward. Instead of 30 million tons of wheat, India harvested only 24 million.

Then, when the country went into the international grain markets to make up some of the difference, it paid twice as much for a bushel of wheat as it had a year earlier.

The significance of this food, fuel and fertilizer price squeeze on India—as the world's other poor nations—is basic. More may die of hunger this year. Around the world, the United Nations says, 20 million people may starve to death in 1974.

India's food reserves are down to almost nothing. If the summer rice crop is poor, it may have to import still more to head off even worse malnutrition in the world's second most populous country.

But India does not have the money to buy much food on the commercial market. Its money reserves, now about $1 billion, are enough to last only three months.

The rising costs of basic commodities means that there will be much less left to buy the technology and techniques that are essential to economic growth.

This is also serious, because experts say the only sure way to control the population spread which brings on hunger is to build such growth. Some pessimists predict that India's economy will not grow at all between 1974 and 1980.

Thus, the price hikes threaten to undermine the gains of the "Green Revolution."

That revolution was promoted by rich countries. Those same countries are now embroiled in political maneuvering to see which if any, will take the first step to help.

Almost every expert agrees that massive loans on easy terms are needed. But the newly rich oil countries are wary that they might lose control of their funds if they join in any Western rescue effort; the United States is worried about the domestic impact of increased food aid, and the Europeans have their own problems with severe inflation.

While the oil-producing nations are raking in some $60 billion more in revenues this year, and the United States and other grain producers are profiting from the higher world prices for food, low-income countries have moved a step closer to economic ruin.

According to updated studies by the U.S. government and the World Bank, more expensive fuel, food and fertilizer will cause a net drain of at least $1 billion this year from the poor nations' foreign exchange reserves.

And officials in Washington concede that the United States, the European Common

Market and the newly wealthy oil-producing countries are still months away from adopting a plan for a concerted rescue operation.

The rich countries, said one official, are engaged in a "fast-moving shell game," each waiting to see who will chip in first, and how much.

The Nixon administration, under increasiing international pressure to take the lead, has not decided whether to expand its food aid sharply as its contribution to the relief effort.

Last Thursday Secretary of State Henry A. Kissinger's top adviser on the world food problem told senators he could not yet give an assurance the United States will undertake such a "major food initiative."

Such an initiative is essential leverage in getting the Europeans and the oil producers to follow suit, according to diplomats who see a close link between the politics of oil and the politics of food.

Kissinger told the United Nations in April, "A global economy under stress cannot allow the poorest nations to be overwhelmed."

But fears of higher domestic food prices, and pressure to hold down this year's budget deficit have produced political caution. "We don't want another grain deal," said one official.

On June 28, the nine-nation Common Market cabled U.N. Secretary General Kurt Waldheim that it was prepared to give aid—provided "other industrialized countries," and the oil exporters, gave five-sixths of the total assistance, and the European share didn't exceed $500 million.

The European offer was "written like an insurance contract," said one U.S. official.

Other officials say the main thrust of the American effort on behalf of the hardest-hit countries should be to get the oil producers to lower prices. By removing its old restrictions on grain production in hopes of pushing food prices down, they say the United States has set an example which the oil exporters should now follow, with or without expanded American food aid.

American officials also want the oil exporters to come through with massive loans at easy terms for the stricken countries. So far, no oil producer has made a concrete commitment.

The once highly touted conference of oil producing and consuming countries, which was to have dealt in part with the problem, has been shoved far into the future, perhaps never to take place because neither the United States nor the exporting countries are anxious for a "confrontation."

Instead, attention is now focused on the Sept. 30 annual meeting of the finance ministers of the World Bank and the International Monetary Fund. The joint directorate, which includes oil countries, is expected to formally establish a "Joint Committee on the Transfer of Real Resources" to work on the problem.

The committee will deal with what World Bank officials call the "biggest and fastest shift of wealth in the history of the world."

The shift has struck at the world's poor countries in many ways.

The benefits of foreign development assistance have been eroded by the global inflation. Political support for increased foreign aid has sunk to a low point in Western countries hit by inflation.

To deal with their severe internal problems, industrial countries such as Italy are cutting back on their imports from the less developed countries.

According to still unpublished findings circulating in Washington, the possibility of some affected countries' offsetting the damage by forming cartels to market their minerals is limited.

That finding is challenged by some economists who predict mineral cartels like the oil producers' powerful price-setting organization will soon be a reality.

But according to World Bank experts, the benefits still will be small compared with the world oil bill.

In many cases, substitutes are available for the minerals, or other sources can be tapped.

Chile and Zaire can now take advantage of higher copper prices; Brazil can cash in on higher coffee, and iron ore revenues and Bolivia can get more for its tin.

World Bank experts contend that "even if they get together politically, the prices of those minerals will be eroded much faster than oil."

The shift of wealth has caused an erratic reordering of the world's money flow which is still not fully understood.

Not all poor countries have been seriously affected. Some, such as Afghanistan, have been only marginally set back because their predominantly rural economies don't yet depend heavily on energy from oil. Some rich countries, such as Britain and Italy, have been hurt badly.

Some modestly well-off nations, such as Costa Rica have been jolted unexpectedly, because of their heavy dependence on imported oil, while others whose economies were not far ahead, such as Venezuela, will triple their revenues from oil exports alone in 1974.

Officials in Washington say most rich countries can blunt the blow by exporting more technology and commodities, digging into reserves, or turning to commercial banking sources and international money markets.

Medium-income countries such as South Korea, Brazil and the Philippines—with per capita annual income of between $300 and $700—can weather the storm by scaling down their high rates of growth, tightening their belts, taking loans at commercial rates and seeking to increase exports.

However, those alternatives are not open to a number of other countries, now facing economic stagnation or even ruin, officials say. The most affected countries include South Vietnam, Cambodia, India, Bangladesh, eight central African countries including Kenya, and some in Latin America, including Chile, Uruguay, Honduras and possibly Costa Rica.

The price impact is less disastrous than feared in January, government studies have concluded. But the impact will get steadily worse as the decade progresses, the same detailed studies show.

James P. Grant, president of the private Overseas Development Council, told a Senate panel Thursday that "barring major international action, the combination of quadrupling food and energy prices and the cutback on fertilizer exports dooms millions in these countries to premature death from increased malnutrition and even outright starvation."

He said the 40 poorest countries will have to pay some $3 billion more for essential imports than was foreseen a year ago.

"The lives of millions are threatened by the inability of the developing countries to purchase essential quantities of fertilizers—even as Americans are continuing to use scarce fertilizer for such clearly nonpriority purpose as lawns, golf courses and cemeteries in ever increasing amounts," Grant said.

A preliminary World Bank study issued in March shows low income countries will need additional capital of $2.5 billion to $3 billion a year between 1976 and 1980 "at highly concessional terms" to offset the higher costs of essentials.

The bank estimated that these same countries will experience an additional net drain of $1.4 billion this year and $1.9 billion next year—only a small part of which could be financed from reserves or loans.

Experts say countries with dwindling reserves are least able to take advantage of the various pools of capital which have been set up to cope with the wealth transfer.

The International Monetary Fund has established a special "oil" fund with a value of about $3.6 billion supported by a number of oil-producing countries. However, officials say the interest rates and payment terms would be beyond the means of many poor countries.

Last week, William J. Casey, chairman of the Export-Import Bank, said the deteriorating credit position of the underdeveloped countries could be a "factor that will reduce our loans" to them.

South Asian countries such as India and Bangladesh, with bleak possibilities of increasing their immediate export revenues, may be the hardest hit of all.

Several weeks ago, the Department of Agriculture's food intelligence service picked up reports that representatives of Bangladesh were shopping for 300,000 tons of wheat on the international grain market.

As of today, the sale has not taken place.

"They don't have any money," explained an American diplomat.

Indian monetary reserves are down to about $1 billion—an estimated three months' supply.

India has not yet officially sought a resumption of U.S. food sales on easy terms, which ended in 1971. As a result of India's explosion of a nuclear device May 18, congressional enthusiasm for increased aid to India is lukewarm.

Congress is considering an amendment to block Americans approval of "soft" loans through the International Development Association to countries which explode nuclear devices outside the controls of the nuclear non-proliferation treaty.

At a recent meeting of the World Bank's Aid to India Consortium, $1.4 billion in help was approved. The United States is offering $200 million through IDA, $75 million in bilateral foreign aid, $45 million in food giveaways and $29 million in debt refinancing.

[From the New York Times]

1974 World Food Prospect Shaky Despite U.S. Hopes

(By Kathleen Teltsch)

United Nations, N.Y., June 20.—The new report to Senate committee that the needy in the United States are angrier and poorer than they were four years ago has raised doubts that a bountiful American harvest may forestall the threatened world food shortage.

In effect the report by a group of experts to the Senate Select Committee on Nutrition and Human Needs, published yesterday, makes it clear that neither increased spending nor rising agricultural output is sufficient answer, domestically or internationally, to an increasingly critical food problem.

Agriculture Department policy-makers had estimated a harvest of 2.1 billion bushels of wheat, which they insisted should be ample for domestic needs, put at 750 million bushels, and for a billion-bushel provision for profitable sales abroad—leaving a carryover of 350 million bushels for emergency foreign assistance.

However, economic analysts outside government and some members of Congress object that such calculations are perilously dependent not only on American harvests as good as forecast but on the absence of major crop failures in other grain-producing regions. World food stocks have fallen to their lowest levels in 20 years, it is emphasized.

And with population growing at 2 per cent a year and with rising pressure for richer diets, demand is increasingly outrunning productive capacity.

The immediate outlook abroad is not reassuring. Poorer countries such as India have had to cut back on fertilizer imports because of quadrupled prices and scarcities. The

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same is true for diesel fuel for tractors and for irrigation pumps. Capricious weather has damaged Soviet winter wheat, hit Ukrainian fields with dust storms and slowed spring sowing in Canada.

"The world situation in 1974 remains more difficult and uncertain than at any time since the years following the devastation of the Second World War," the Food and Agriculture Organization concludes in a report for the World Food Conference to be held in Rome in November.

The difficulties and uncertainties cited by the United Nations specialized agency are reflected in a survey by The New York Times, which also suggests that sketchy and frequently contradictory information is being provided by many governments because of pride or politics or simply inadequate data.

INDIA SEEKS WHEAT

According to New Delhi officials, India will be able to meet food requirements without much difficulty; they assert that there is no dearth of fertilizer and no danger of famine. At the same time an Indian supply mission has been sent to Washington to buy as much wheat as possible to offset deficits expected to reach 10 million tons.

The food agency warns that the drought-ravaged countries extending in a wide belt across Africa south of the Sahara are experiencing acute shortages and that drought is spreading east and south and can be expected to reduce harvests in Dahomey, Egypt, Guinea, Kenya, Nigeria, Somalia, Tanzania and Zaire. However, some qualified authorities returning from the area south of the Sahara say original estimates that 10 million people were threatened by famine were grossly inflated.

"Photographs of bleaching animal carcasses in the desert, which are offered around as current evidence, are no longer valid and the situation has improved radically," according to Dr. Pascal J. Imperato, First Deputy Commissioner of the New York City Health Department, who recently revisited the area, where he had spent five years.

He and others acknowledge that foreign assistance will be needed for years. A new United States report said it would take decades after the emergency relief phase to carry out rehabilitation and irrigation projects to halt the deserts's advance.

SUPPRESSION CHARGED

Some relief experts here note that the full dimensions of the famine last year in Ethiopia were suppressed by the Cabinet in Addis Ababa—since ousted—and maintain that United States officials were lax in reporting the disaster because they were unwilling to antagonize the Ethiopian Government.

Concern for the Indian subcontinent and the sub-Sahara area in Africa prompted recent warnings by the director of the United Nations Children's Fund, Henry R. Labouisse, that 400 million to 500 million children were threatened by severe malnutrition. For the first time in many years there are reports of severe malnutrition in Central America.

Theoretically, according to the experts, global grain production of 1.2 billion tons should be enough to meet minimum needs if supplies were spread evenly, which, of course they are not. To attain bare minimums for the 30 to 40 poorest countries would require radical cuts in consumption in affluent countries, which consume a ton of grain per capita a year, mainly as feed grain to build costly protein in meat, milk and eggs. The prospect of such redistribution is slim.

The first signal that the world was once again veering toward a food crisis came in 1972, when disastrous weather cut production in the Soviet Union, China, India, Australia, Southeast Asia and the sub-Sahara region.

The Soviet Union, which in previous shortages had tightened its belt, chose to go to the world market, largely for feed grains for expanded livestock production. It was principally its purchase of 20 million tons from the United States that pulled down American reserves and pushed prices up.

SOVIET SETBACK REPORTED

Any assessment of this year's food outlook is complicated by the Soviet practice of withholding forecasts and China's refusal to disclose output. Recent reports have said winter wheat was hard hit by bad weather in the Soviet Union and spring planting delayed. So far there has been no indication, according to American agricultural experts, that Moscow will again be buying on the world market.

Although 1973 was a good year and the United States put idle cropland back under the plow, reserves have not been rebuilt. The experts, maintaining that the shortages are not the result of temporary conditions such as the poor 1972 weather, point to long-term trends that are not yet fully understood. They suggest that the world food economy, after decades of abundance—albeit maldistributed, so that many were hungry while some had surpluses—is moving into an era of chronically tight supplies.

Scarcities are developing because the global system is overloaded, according to the Overseas Development Council, a private group. As growing populations and improved diets raise demand, it notes, prices soar and competition for scarce energy and fertilizer intensifies.

The United States has had an agreement with the fertilizer industry since October barring new export sales, which is having damaging effects, particularly on developing countries.

While Agriculture Department spokesmen tend to belittle gloomy forecasts on world output, the F.A.O. report supports the gloom to the extent of estimating that by 1985 the poorer countries will face grain shortages they will be unable to meet with imports. Assuming that increases in population and demand will continue, the agency estimates that by then the majority of developing countries will be left with a big cereals gap.

Senator Hubert H. Humphrey recently proposed a food action program that has bipartisan support. Formulated after consultation with Secretary of State Kissinger, it could be a basis for American policy at the Rome conference.

BIG RISE IN AID URGED

The program, elements of which will stir domestic opposition, urges substantial increase in assistance to needy countries, which has been scaled down as American surpluses disappeared, calls for helping the poorer countries increase production and provides for participation in a global system of food reserves.

Many proposals are being offered to ease the food shortage, ranging from the advice of the economist Barbara Ward that the more affluent forgo a hamburger a week, to the urgings of Dr. Jean Mayer, the nutritionist that a worldwide campaign restore breast-feeding. Another proposal is that the family pet be fed with scraps from the table instead of commercial food, a $1.5-billion item in the American budget. Senator Humphrey is appealing to Americans to change their rich diet and affluent life-style to save grain and asking that the three million tons of fertilizer spread on lawns and golf courses be sent abroad.

Some of the suggestions evoke from specialists the reaction that they would be merely symbolic. Among farm interests there is fear that the principal effect of big crops and reduced domestic consumption would be a sag in prices. "It's tough to make the bread and gravy come out even," a farm spokesman remarked.

[From the New York Times]

EXPERT FINDS APATHY IN FERTILIZER CRISIS

UNITED NATIONS, N.Y., JUNE 20.—Dr. Norman E. Borlang, the noted developer of high-yield grains, said here last week that during a recent tour of Asia and Africa he found few governments concerned about the need to accelerate fertilizer production.

During an interview after his four-and-a-half-month tour, he explored this apathy, saying that action could mean staving off famine for millions.

He said that the Chinese were an exception, building more fertilizer plants than any other country. The Chinese he said, have put leading Japanese and American concerns under contract to help.

$7 BILLION NEEDED

Dr. Borlaug, often called the father of the green revolution, a rice development, which brought him the Nobel Peace Prize in 1970, estimated that it would take an annual investment of $7-billion to $8-billion to meet increased demands for fertilizers. The estimate covers the costs of additional nitrogen-producing factories, the operation of potash and phosphate mines and the costs of distribution.

A major problem, the agronomist said, is that there is a shortage of chemical engineers trained for this kind of technology.

"Governments willing to spend $220-billion yearly for destructive armaments should be willing to invest in securing more food for their people," he declared.

Dr. Borlaug said the green revolution was never expected to solve the food problems for an expanding population but to "buy time" while governments acted to stabilize what he called this "monstrous population growth."

Instead, he complained, governments have frittered away the time. He said he looked on the possibility of increasing fertilizer production as a chance to "buy more time."

The vastness of food needs in terms of population increases is not something people grasp easily, he said. He likened global grain needs to a highway of grain stretching around the world at the Equator, 55 feet wide and 6 feet deep. Each year, the population grows by 76 million and that means annually adding a 625-mile link for a second highway.

A FIGHT ALL THE WAY

He said he believed that with technology progress could be made in feeding the world and averting famine but "it's a fight every step of the way."

Dr. Borlaug noted that the world was lulled into a false complacency about its food stocks because it had abundant supplies at its disposal for decades before 1972, and the United States, Canada, Australia, France and Argentina were warehousers, brokers and bankers. A sudden need such as that in 1967 caused by India's drought, could be handled by such reserves.

He said that in 1971 the United States, under domestic pressure to reduce the cost of carrying big surpluses, had cut back on acreage.

The PRESIDING OFFICER. Under the previous order, the Senator from Ohio (Mr. TAFT) is recognized for not to exceed 10 minutes.

Mr. TAFT. Mr. President, I am pleased today to join in calling for action upon the Trade Reform Act. I believe that it is as crucial as ever and that we should end the delay in bringing it to Senate consideration.

The proposed Trade Reform Act of 1974 rewrites international trade laws to provide the President the necessary power to negotiate with our trading partners for reduction of barriers to trade and fair treatment of American products.

In the aftermath of the Arab oil embargo with several countries suffering from severe economic and balance-of-payments problems, there is great danger that the world's trading nations will erect barriers to imports, compete to subsidize exports and otherwise look for increasingly isolationist solutions to their economic ills.

Mr. President, such policies can only have a serious negative economic impact, with both recessionary and inflationary aspects. The Trade Reform Act can help head off these policies, by providing the framework for nations at least to negotiate seriously and to explore for mutually acceptable solutions to trade-related problems.

I would point out that action of the Trade Reform Act has been stalled in the Senate Finance Committee, which has jurisdiction over it, for 7 months.

The bill is also important because it strongly rejects the notion that our trade problems could be solved through drastic protectionist actions, such as across-the-board import quotas. Import restrictions already cost American consumers $10 billion per year in increased prices of the products which they purchase.

Certainly, however, a congressional determination of policy for assisting workers, firms, and communities affected by imports is also necessary.

In that regard, the distinguished Senator from Illinois (Mr. PERCY) and I have had pending for a considerable period of months, S. 1156, the Trade Adjustment Assistance Act. I hope that the committee, in considering measures in this field, will consider carefully the suggestions made in that particular draft.

I also understand that the distinguished Senator from Wisconsin (Mr. NELSON) and the distinguished Senator from Texas (Mr. BENTSEN) are in the process of introducing, if they have not already introduced, a bill of similar nature, and I look forward to cooperating with them and with the committee in any way possible in order to bring about affirmative action on adjustment assistance.

Mr. President, much more help is needed for workers, firms, and communities hurt by imports so that they do not bear the full cost of a liberal trade policy. However, I believe that the Government should protect them by enacting an expanded program of adjustment assistance rather than imposing much more detrimental import restrictions.

The present trade adjustment assistance program of grants, loans and tax credits to help affected workers and businesses is a dismal failure, because it provides retroactive compensation rather than preserving jobs. Although benefit levels are obviously important, workers do not simply want burial benefits followed by unemployment; they want to keep their jobs, and if this is impossible, to move painlessly to new and hopefully better jobs. Any adjustment assistance program which fails to address these concerns will be simply an unsuccessful attempt to buy off labor support for international trade, resulting largely in a waste of taxpayer's money.

To revamp the present trade adjustment assistance program, I suggest changes along the lines of those proposed months ago by myself and the Senator from Illinois (Mr. PERCY). In addition to the provision of more generous benefit levels for workers, based on former fringe benefits as well as wages, I would recommend that the Trade Reform Act be amended to provide liberalized allowances for job relocation assistance, an extension of eligibility for benefits throughout job retaining periods, eligibility for benefits of workers who quit to look for other jobs before they are actually laid off, and benefits for workers over 60 until they find new jobs or become eligible for social security. In addition to much more timely delivery of present benefits for affected businesses, I believe that Government and industry should have "early warning" efforts to provide the data and analysis necessary to detect problems related to import competition in their early stages. I would also recommend adjustment assistance to help whole communities, such as Massillon and East Liverpool in Ohio which are hurt very drastically by imports in the pottery field, to diversify industries in response to import competition.

The legislation should also provide a framework for other important actions. These include expanded authority for retaliation against unfair trade practices, because Government should continue to help obtain a fair deal for American industry in the world economy; negotiations to assure better access to materials such as petroleum, in short supply, though Congress should retain a role in any decision to retaliate against embargoes rather than delegating this power totally to the President; expanded trade with developing nations and fulfillment of our trade obligations with them.

These are tough issues, but I believe the time has come to face up to them, because time is running out. Time is running out to meet the exigencies which we face and which cannot be met under present authority.

We can, and I believe that we must, come to an agreement on these issues as quickly as possible.

Mr. President, I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Nebraska (Mr. CURTIS) now be recognized, without prejudice to other Senators scheduled for this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nebraska is recognized for 10 minutes.

WHY A TRADE BILL IS NECESSARY

Mr. CURTIS. Mr. President, we need a rational approach to world economic problems.

We need trade negotiations now, more than ever, because the energy shortages and the continuing worldwide inflation are placing great pressure on our trading partners to solve their economic problems with unilateral measures and bilateral deals. Such solutions are not an answer. The problems troubling the trading world require the longer-range solutions that multilateral negotiations can bring to bear.

Recently, in response to energy pressures, countries have taken some protectionist actions and we fear an increasing temptation to resort to restrictive measures. For example, the Italians have imposed restrictions on imports of some key industrial and agricultural products. Consumers in many countries, resisting the high prices of beef, reduced demand and governments responded by cutting off imports. The adjustment burden was shifted to other markets such as those of the United States.

Only last year the world was faced with commodity shortages and the United States responded with temporary limitations on soybeans.

The actions just cited are short term measures that highlight the need for a cooperative approach to the world's economic problems.

In the area of agriculture, problems have arisen because governments have implemented agricultural policies without due regard for the global effects. Many importing countries have pursued restrictive import policies which have prevented the full deployment of the productive capacity of efficient export countries. A number of exporting countries have restricted exports at a time when they were most needed.

The solution of this problem calls for a more open trading environment than has existed in the past, leading to a better allocation of resources, increased productivity and specialization permitting efficient producers to respond quickly to the growing and changing pattern of consumer demand worldwide. Such a system will lead to a better and more stable balance of supply and demand.

To achieve such an open trading system, our negotiators need the authority to deal with the broad range of governmental measures which impede and distort international trade flows.

The United States has responded with farm policies consistent with this approach.

We have reoriented our farm policies toward the market after 40 years of price supports and surpluses. We have made substantial progress for our farmers but without export markets our producers would be in serious trouble. Without export markets as an outlet the burden of maintaining excessive surpluses would once again fall on the U.S. Government.

We have expanded our farm production to meet the strong demand for our agricultural exports but we do not expect it to continue at the same level as the past 2 years. Now, we need assurances that access to these markets will continue. These assurances can be attained only through negotiated concessions.

We have also kept our markets open for other countries to have access to our supplies. A notable exception was the temporary experience we had last year in limiting the export of soybeans. All countries have not been as generous in sharing their available supplies of commodities in short supply with the importing countries of the world.

It is clear why we need a cooperative, international, and rational approach to

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the world's problems. The authority to work toward these objectives is contained in the Trade Reform Act now before the Senate Finance Committee.

That bill would provide the authority for our negotiators to seek solutions to some of these problems by reducing impediments to expanded trade at the border and to insure that the markets gained by our agricultural exporters will be maintained and not disappear. In addition, our negotiators need the authority to tackle the long and complex list of nontariff barriers that impede a full expansion of world agricultural trade. Export subsidies, for example, are a thorny problem. This problem has been with us for a long time, but there is now greater urgency that there be international rules to police these practices. As nations are faced with astronomical oil import costs, they may increasingly turn to this device to promote exports and earn more foreign exchange.

New markets have been opened up in recent years with the Communist countries. We also need the assurances that these markets will be retained.

The trade negotiations cannot go forward unless the U.S. negotiators have the necessary authority. The ministerial meeting in Tokyo last September set the stage for these negotiations. Since then, a great deal of preliminary work has been carried on. This work will be lost if our negotiators are not given the authority to carry it forward. Our trading partners are waiting for us. The negotiations cannot go forward without full U.S. participation. A great deal depends upon whether the Congress passes the Trade Reform Act soon.

Mr. KENNEDY. Mr. President, world events of the last year have made the need for a major international round of trade negotiations even more urgent than before. The facts speak for themselves.

The world economic system set up at the end of the Second World War is in disrepair. In the midst of a most difficult period, with rampant two-digit inflation in dozens of countries, the industrialized nations are groping to reconstruct a new and stronger economic order.

We now see economic interdependence among nations more clearly as a fact of our present life, rather than as a somewhat remote possibility. Part of this process—a rather painful one—is the realization that our economy and way of life now depend on events in the outside world in a number of key areas. Most dramatic has been energy. Last year's fourfold increase in the price of petroleum, coupled with the 5-month Arab embargo on its export, has shown that fulfilling our national energy needs can be directly affected by economic and political decisions made in other countries.

Interdependence is also a two-way street. When the United States unilaterally declared a ban on the exports of soybeans last summer, the result was havoc in the world's agricultural and meat markets. And we took this disruptive action after years of encouraging Western Europe and Japan to cut down on their own soybean production in favor of American imports.

Thus for both the United States and its trading partners, the focus of concern has increasingly shifted from gaining access to markets, to securing dependable access to supplies.

At the same time, accelerating inflation has emerged as the most intransigent common problem plaguing modern economies. Despite all efforts, it has so far defied solution. But the disturbing fact remains: That as conflicts increase between national political and economic priorities on the one hand and international relations on the other. A rash of nationalistic beggar-thy-neighbor policies may afflict the international economic system.

Already, some of the most seriously affected countries—including Italy—have taken steps to decrease their imports. Several major industrialized countries, and almost all poor countries, project sizeable balance-of-payments deficits for this year thus raising the threat of spreading unilateral national policy decisions that will lead to a trade war.

It is critical, therefore, for the major trading nations to act with the same foresight and wisdom that led to the creation of today's economic system. They must give substance to the belief that, since our economic problems are common ones, then the most beneficial and least disruptive solutions must be common ones as well. We need new international rules and standards to meet these issues and to develop an agreed framework that will help us deal with them. We must engage in serious trade discussions, not only to promote the flow of trade and to deal with particular problems that may stem from changing trade patterns, but also to prevent the growth of competitive and self-defeating protectionism, and to ensure that all sectors of American society will benefit.

Sometimes maintaining the status quo in international relations is the wisest and safest policy for all concerned. But this is not such a time. Events compel action on these major economic problems. Will each State make these decisions unilaterally and in conflict with one another? Or will each of us join together to pursue our common interests cooperatively?

Mr. President, the Senate Finance Committee is now considering the trade reform act of 1973, passed by the House last December. My distinguished colleague from Louisiana (Mr. LONG) and his committee have held extensive hearings on this bill. They have received advice from experts in government, labor, business and the academic community. Wisely, they have recognized the seriousness of the issues involved, and the impact that this bill will have on the direction of our foreign economic policy. Their efforts have been unstinting and exhaustive and I commend them.

It is important for the Senate to debate and decide this legislation with dispatch, once it is reported from committee. For if we do not, events in the world may overtake us. Our immediate concern is not so much to open new vistas for world trade—although we hope that may be possible—but rather to stabilize the world economic system: to keep nations talking about our common problems instead of fighting about them.

Mr. President, I take this opportunity to stress the importance of H.R. 10710, for the future of our Nation's economy and that of the world.

Mr. President, I yield the balance of my time to the distinguished acting majority leader. I thank him.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

Mr. President, I ask unanimous consent that the Senator from Illinois (Mr. PERCY) now be recognized without prejudice to Senators whose names appear on the list.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I stand before the Senate today as an unabashed exponent and proponent of freer trade. This is a position that I have maintained as a public official, a position consistent with the position that I have taken for many, many years as a member of American industry.

When I was in business, I lived in a highly protected industry, the photographic industry. Yet I felt that there was no company in the United States that had the right to ask this country to change its national policy to suit the economic needs of that particular company. For this reason, for many, many years I came down to Washington to testify before the Ways and Means Committee and the Senate Finance Committee. I spoke against the testimony of the National Association of Photographic Manufacturers and against the testimony of certain other industries in which our company was engaged.

Back in the early 1950's, at the instigation of then President Dwight D. Eisenhower, a committee of businessmen was formed called the Committee for a National Trade Policy. The first chairman was John Coleman, the chief executive officer of the Burroughs Corp. Charlie Taft was a very strong member of that committee and worked as an officer of the committee. I became the legislative chairman, and in the early 1950's we began work on a trade bill that would take the leadership in showing that the American business community truly believed in a free market.

Now the rhetoric is very great in the American business community in favor of the free market. But many really say, "The free market, except for my particular case." I say that because whether a businessman is in the strawberry business in Florida or in the dairy business in Illinois or Wisconsin and he needs protection from imports, he says, "I am for free trade except for strawberries or except for dairy products." We, of course, are then asked to restrict strawberries or dairy products from coming into this country; or textiles, or shoes, or machinery. Mr. President, individual American businessmen cannot have it both ways. They cannot have a principle apply to everyone but themselves.

I suppose I was a rather interesting phenomenon in a highly protected industry with something like a 40-percent tariff protecting photographic products coming from abroad. My friends in the industry referred to cheap competitive labor from Japan and Germany and said, "How can we conceivably compete with that economic force?" Yet, at that particular time my modest company was doing about $13 million business and had about 1,500 employees.

Tariffs in photographic products have gradually come down to where they are minuscule now, probably 5 percent at most. Yet I noticed recently that Bell & Howell Co. had its largest single quarter in history in the third quarter last year, with 12 consecutive quarters of increased earnings and company sales exceeding $400 million. It now employs to 12,000 people. Mr. President, my association with the company ended when I came into public life, but I have noted with great interest the ability of the company to survive. It moved its capital and its resources into those things the Nation needed and did not ask for governmental aid to protect its domestic sales. I think this is the principle that must govern all industry. No firm should ask this country to change its trade policy solely for reasons of company survival.

This policy of freer trade has been supported by every administration since Dwight D. Eisenhower, both Democrat and Republican. It has been supported by every Congress since that time when we took the dramatic steps and passed the trade bill that opened up the doors of every nation in the world to American production. They opened their doors because we, in turn, opened up our doors to their trade. We cannot expect to ship exports from this country and have the boats come back empty. It is impossible; trade must be a two-way street.

It is for this reason, for my commitment to freer trade, that I am delighted and honored to participate in this colloquy on the Trade Reform Act of 1973 with my distinguished colleagues.

I represent the interests of a constituency, the State of Illinois, which ranks first in agricultural exports, third in industrial exports, and second in overall exports. To say that the continued expansion of the U.S. trade relationships is in their interest is an understatement. I presume the State of Illinois also is one of the largest consumers of imports. As a consumer it also receives benefits from world trade. Every consumer in my State and every consumer in America benefits from lower costs and the more efficient production generated by freer trade.

Given these interests, I can only voice grave concern that this body has not begun to debate the first comprehensive trade initiative brought before it in over a decade. By our inaction, we stand to lose the momentum for worldwide trade reform generated by the President's bold move on August 15, 1971. During the negotiations that immediately followed August 15, the United States struggled mightily to link the necessity for trade reform with monetary reform. It was only with great reluctance that the Europeans and the Japanese succumbed to this pressure. Yet today the United States stands alone as the only major trading nation of the world whose legislative branch has yet to grant its executive branch authority to negotiate on trade reform.

All indicators are that if the U.S. Congress does not grant negotiating authority in the next few months, the effort toward worldwide trade reform will die. The parliamentary majorities of the ruling governments in Europe are not strong. They are faced with growing political pressure to turn inward, to solve their economic problems in the more narrow confines of economic nationalism. We have seen too well how destructive this approach was in the 1930's when the world was far less interdependent than it is today.

To let the momentum of the last 2 years die in our hands would be to turn our backs on 30 years of international economic growth. Over these years the economies of the western world have experienced unprecedented growth and unprecedented interdependence. A system of open flow of trade and investment has been structured to replace the colonial mercantilism that dominated the globe for more than 400 years. This system of open trade and investment, in a world of growing scarcity, has allowed a more efficient use of the world's economic resources. Because of its sheer size in the system, no nation has benefited more than the United States. Yet it is the very existence of this system that we threaten by not moving forward on the Trade Reform Act of 1973.

Every institutional system, whether it be a trading system or a government, must evolve and change over time in order to adapt to the shifting needs of the constituencies it serves. If an institution does not adapt, it becomes an anachronism and it dies. The mechanism for evolution in our international trading system is worldwide negotiations.

There are a number of trade issues in the Western World which must be addressed. Tariffs still remain an impediment to the free flow of trade, especially new devices such as the variable levy used so effectively by the European Common Market to hold lower-priced American agricultural products out of the European markets. The growing obstruction of trade by non-tariff barriers must be negotiated away. The question of how to integrate more equitably the less developed countries into our trading system must be debated. Finally, and possibly with the greatest amount of difficulty, we must begin the process of developing trade and economic relationships with the state trading nations.

These are complicated problems. They are not easily resolved nor will they be politically pleasant for many of us. But we may also be assured that they will not disappear and that the political problems associated with their solution will grow with time, not diminish.

We must start now and we must move now in this Congress, on this floor. We must move this process of negotiations forward. To let the initiative of worldwide trade reform die in this chamber would be to negate our responsibilities to our constituencies and our Nation.

Mr. President, we take great pride in Congress in pointing out continually that our workflow has been steady, that the number of rollcalls we cast has been in excess of preceding years, that our calendar has been relatively clear, that we can move forward, and that we are not immobilized by Watergate. Certainly, Watergate has nothing to do with the trade bill, but I think we have a problem of communication. It will be very difficult for us to explain to the rest of the world, when all they hear of from Washington is Watergate, that we actually are moving ahead and carrying on the work of the Nation if we are the only nation in the world that does not enfranchise our executive branch with the authority to carry forward our national trade policy.

Mr. President, I think it is a great responsibility of our leadership, a great responsibility of the Members of the Senate, to see that we now move forward expeditiously. There are some controversial issues involved. There is no question but what those controversial issues can best be resolved by an up or down vote right here on the Senate floor. I would certainly hope we could move now with dispatch in seeing that this legislation comes before us so that we can act on this trade legislation and not be held responsible for impeding the progress of world trade at a very crucial period in our history.

We are, Mr. President, in a period of international economic readjustment, evidenced by efforts to retain both the monetary and trade systems. History has shown us that periods of prosperity in the United States and the world have always been marked by expansions in trade. Conversely periods of economic adversity have always seen world trade contract. The free flow of capital technology and management of American and world resources have always benefited this Nation. World trade and world investment allow us to accelerate our own economic growth by sharing in the more rapid expansion of the economies of other nations.

The bill, Trade Reform Bill of 1973, will in general result in promoting world trade and investment. There are, however, several specific aspects of the bill I would like to address today.

U.S. TRADE ADJUSTMENT PROGRAMS

The entire concept of open trade is premised on the assumption that this Nation as a whole will benefit through job-generating exports and through imports which will lower prices, bring more competition to our markets and provide a wider variety of goods for the American consumer. While this premise is true in the aggregate we must recognize that there will be specific economic sectors, industries, firms, communities and individuals, who will be forced to make adjustments. The benefits of trade fall to all, the cost of trade should not be borne by a few. No policy of open trade can be complete without an adequate program of adjustment assistance whose cost is shouldered by the government, on behalf of the people as a whole.

In 1973 Senator TAFT, and I introduced a Trade Adjustment Assistance Act, S. 1156. Many of the provisions of that act

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are now contained in the present bill. However, I believe that the compensation the present bill provides to firms, communities and workers is inadequate. For instance the present bill provides that a worker be compensated for 70 percent of his average weekly wage. While this is adequate for short-term readjustment, I believe that this figure should be increased, to 75 percent or 80 percent and even to a higher level, perhaps 90 percent, if the worker enrolls in a training or retraining program.

Special benefits would provide an incentive for a worker to begin a training program. They could gradually be phased downward to 75 percent in stages through the duration of the training period. The government should also pay the employer's portion of such fringe benefits as health insurance. Special compensation programs should also be developed for the older members of our work force, those 60 and older, who find it especially difficult to retrain at the end of their careers. Full benefits should accrue to these people until they are eligible for social security. An adequate adjustment assistance program should also provide for assistance to communities as well. And, we should consider expanded credit and technological help for small businesses, and specific credits to communities whose economic base is severely affected by imports.

TRADE WITH INDUSTRIALIZED NATIONS

To a great degree the stimulus for this bill is written in the evolution of our continuing relationship with other free-world industrial nations. Congress should emphasize its continuing belief in the principle of nondiscriminatory trade practices. On the other hand we should establish that we will not allow predatory commercial practices such as dumping or subsidizing of exports for the purpose of penetrating our domestic markets.

While the concept of protection from unfair trade practices has long been present in trade bills, protection for the consumer has been lacking. There is a great need to work out among trading nations, and specifically the industrialized nations, common international standards for safety, labeling, sizes, etc. so that these provisions do not become non-tariff barriers that inhibit trade, protect inefficient domestic production and thereby harm rather than help the consumer. This same holds true for environmental legislation affecting products that enter international trade.

Furthermore, I suggest that the Tariff Commission provide Congress on an annual basis a report estimating the cost to the American consumer of specific tariff and nontariff barriers by product group. The American people have a right to know how much they are paying and who is benefiting.

S. 1156 provides that when the Tariff Commission recommends an increase of tariffs, or a quota, on an imported product, that the Commission include in its report an analysis of the effect of the additional protection on the price and availability of the product to the American consumer.

TRADE WITH THE DEVELOPING NATIONS

The entire concept of our trade with the developing nations is shortsighted. We set up elaborate aid programs and credit schemes to promote capital goods exports of these countries, demand hard currency repayment of these credits, and then often close off our markets to important manufactured exports, such as textiles. By inhibiting the development of manufacturing sectors in less developed countries we force them to rely for foreign exchange on raw material exports, thereby making it attractive for them to group together into producer cartels in order to raise their prices. We want a diversified economy, and so do they.

It is not in our interest to keep less developed countries less developed. We want them to have higher per capita incomes because that means more world growth and more markets for our industrial and agricultural products.

The present bill is in many respects desirable, an improvement over the bill requested by the administration because it more clearly defines the congressional role in the implementation of foreign trade policy. It adds improved adjustment assistance programs which should, I believe, be further improved in the ways I have suggested. With the addition of further consumer safeguards, I think the bill is an important, constructive new link in the progression of U.S. reciprocal trade acts that have resulted in a continued expansion of world trade.

What we need now is action.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Minnesota (Mr. HUMPHREY) now be recognized without prejudice to the Senators whose names appear ahead of his.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. ACTION ON TRADE LEGISLATION NECESSARY TO RESTORE WORLD ECONOMIC ORDER

Mr. HUMPHREY. Mr. President, yesterday I placed the letter into the RECORD which was circulated announcing this colloquy today on the need for foreign trade legislation.

That letter was signed by a number of our colleagues and appears on page 23169 of the RECORD for July 15, 1974.

Mr. President, I am indeed concerned that the Congress has now delayed trade legislation for well over a year.

Without a bill providing the President with tools for bargaining, substantive negotiations with our trading partners are not possible.

The alternative could be the temptation by some countries to protect themselves by raising trade barriers rather than through internationally agreed upon solutions.

Mr. President, almost a half a century ago the world embarked on a course of trade liberalization which, with only minor interventions, has led to the tremendous expansion of world commerce since that period.

In many ways, our modern standard of living can be traced to the break with the mercantilism which had dominated trade policy during the previous century. No longer did countries feel they could pay the high cost of economic self-sufficiency.

It was clear that the benefits of rapidly expanding technology and production could be effectively tapped only by providing a free and open climate for world commerce.

Yet it took a wave of protectionism and a worldwide depression to shock the world into a fresh review of trade policy.

The late twenties and early thirties saw a steady deterioration of the international trade order.

Individual countries moved to establish unilateral trade barriers to correct monetary and commercial pressures.

In 1930 the United States passed the Smoot-Hawley Tariff Act which has since represented a high point in U.S. protectionism.

This action was soon followed by many other industrial nations setting the world off into a new course characterized by protectionist trade restrictions.

Mr. President, we all know now the tragic results of this protectionist activity. It brought the world economy to its knees in a worldwide depression which caused great hardship to hundreds of millions of people, and, according to many historians set the stage for the political instability which led to the Second World War.

By 1934 it was clear that protectionist policies were not solving economic problems anywhere and that world economic recovery would be possible only if countries would agree to rebuild the framework for more open world commerce which had by then almost totally collapsed.

At this particular juncture in our national history, Franklin Roosevelt, with the able direction and leadership of the late and beloved Cordell Hull, then Secretary of State, initiated what is known as the reciprocal trade agreements program. That policy of reciprocal trade liberalization did much to bring the world out of the economic disorder of the great depression period and into a new era of expanded world trade and commerce.

Yet the human species has often had to learn the hard way. And sometimes the benefits of our own experiences become lost as our memories fade away. I am afraid that we are beginning to forget the painful lessons in trade policy which consumers around the world suffered during the 1930's.

New economic problems now plague the developed and most of the developing world. And once again, countries are taking unilateral measures affecting foreign trade to relieve the strains of balance-of-payments deficits and domestic inflation.

In other words, Mr. President, we seem to be somewhat like the old French kings: we never seem to forget anything, and we never seem to learn anything.

In the past few months:

Italy has introduced an import bonding system which requires importers to place a large deposit on all imports.

Japan has placed a partial ban on imports of beef.

Iceland has placed a surcharge on most imports.

Canada has placed quotas on U.S. egg imports and a ban on U.S. cattle and beef imports.

The European community has severely tightened import restrictions on beef.

Mr. President, I might add that this is just a sampling of the restrictions which are beginning to threaten the world economic order.

This threat is particularly important for the American economy.

While foreign trade amounts to less than 5 percent of our gross national product, its impact on the total economy is significantly greater.

Exports and imports together account for about 25 percent of our domestic demand.

Large sectors of our economy depend on foreign sources for industrial raw materials. And the jobs of millions of Americans, about 8 percent of the total workforce, can be traced directly to our foreign commerce.

The continued deterioration of the world commercial order is of particular concern to American agriculture.

Currently we are selling over two-thirds of our wheat crop, 20 percent of our feed grains, half of our oilseeds, 40 percent of our cotton, and 60 percent of our rice to markets abroad. Yet the proliferation of new tariff and nontariff barriers is making it ever difficult to maintain and expand our foreign markets.

Over the past decade and a half, exports of our U.S. farm production have been one of the biggest positive contributors to our balance of payments.

In 1974, for example, earnings from farm exports will just about pay for our energy imports of $21.6 billion, or, to put it another way, if we did not have these agricultural exports and we had to continue to import what we do in energy, in a few years this country would be close to bankruptcy.

Our overall trade was running at a deficit of $8.5 billion in 1971 and 1972 combined, yet agricultural exports were in surplus for those years by over $5½ billion. And while 1973 brought an overall trade surplus of a modest $1.7 billion, most of this can be accounted for by the huge $9.3 billion surplus in our agricultural trade.

I think it is about time that we understood the importance of foreign trade, particularly as it relates to agriculture.

In a recent address, Mr. Fred J. Ludwig, chairman of the board of the U.S. Feed Grains Council, remarked that:

> If the U.S. was to withdraw from the farm export market it would have to reduce production by 20% and would eliminate jobs of about 8% of our nation's work force.

And U.S. exports have helped us keep our food prices relatively low over the past 30 years. The huge demand for American farm production abroad has allowed our farmers to reach economies of scale which make us the world's most efficient producers of foodstuffs.

But agricultural trade still remains the area most encumbered with barriers to foreign trade.

Countries throughout the world have continued to restrict their market from foreign farm exports by a complex variety of tariff and nontariff barriers.

Quotas, health and packaging standards, variable levies, customs procedures, and border taxes discriminate and discourage the expansion of U.S. markets for farm production abroad.

New problems are arising in regard to maintaining open and reasonable access to the world's basic commodities. And these problems have implications which can go deep into our domestic economy.

We are now painfully aware of the relationship between the outrageous prices we are now paying for gasoline and the action by the oil-producing countries to increase the price of posted crude oil.

But we may not be aware of the fact that this action has ricocheted through our entire economy, resulting in higher costs of production for food and manufactured goods. In agriculture, for instance, higher fuel costs have meant that it cost significantly more to plow, harvest, and dry food crops. The increased fuel costs have meant that it costs more to transport, store, and process farm production. The net result is that the housewife is paying a lot more in the supermarket to feed her family.

Yet the Middle East action to curtail oil output and to raise crude prices may be only a beginning. Countries or groups of countries with a monopoly or near monopoly control of specific raw materials are moving more and more to use their position to control the supply and price of their products.

Recently, producer cartels, following the lead of the oil-producing countries, have taken action to exploit their monopoly over basic commodities.

Brazil announced that it will withhold part of its coffee production from export trade in order to boost the price of coffee on world markets.

Morocco precipitously raised the price of its phosphate rock, a basic component of fertilizer, by 150 percent.

Jamaica increased its tax on bauxite exports eight times and has played a leading role in the creation of a cartel of producing countries to control the price of bauxite on world markets. Since bauxite is the source of aluminum this simply means that the price of aluminum and products made of aluminum will go up.

The banana-producing countries of Central America banned together into a producers organization to gain leverage over world markets and have raised their tax on exports.

Last September over 100 countries initiated a new forum under the General Agreement on Tariffs and Trade to rebuild the framework for maintaining orderly world trade.

Yet the commencement of active discussion has been stalemated over a lack of a negotiation mandate on the part of the United States. That mandate is not possible until Congress acts on trade legislation.

We can no longer afford to put off international consultations in foreign trade.

We must check the growing tendency of countries to find unilateral solutions to balance-of-payments strains and domestic inflation.

We must find agreements to deal with access to the world's raw materials before the monopoly holders define our terms for access to their resources.

Finally, we must create rules to harmonize and eliminate nontariff barriers to trade if we are to curb the proliferation of completely new and uncontrolled vehicles of protectionism.

Therefore, it is with the utmost sincerity and concern that I join with my colleagues today in urging prompt and positive action on foreign trade legislation. I would emphasize that this legislation is part of our national security. National security is meaningless in this day and age without a policy relating to the open and orderly flow of commerce between nations.

Therefore, the actions we take in the coming weeks on foreign trade legislation will have important implications for the continued economic productivity of our Nation and the security of the citizens of this country and many other countries throughout the world.

THE NEED FOR TRADE REFORM LEGISLATION

Mr. BENTSEN. Mr. President, I welcome this opportunity to join my distinguished colleagues here today in a discussion of the importance of multilateral trade negotiations and the urgency with which the Congress must approach the Trade Expansion Act. From a position of dominance, the United States saw its international trade position deteriorate in the 1960's, and only recently have we seen a reversal of that trend. That experience with a series of trade deficits allowed us to witness at first hand the resultant adverse impact on American workers, industries, and communities. Therefore, it is essential that our competitive position in world trade be strengthened and it is with this in mind that the Senate Finance Committee, of which I am a member, will move to mark up the Trade Expansion Act later this month.

I am pleased that there will be action taken on the trade bill and I am hopeful that Congress will have enacted a trade reform bill by the end of this session of Congress for this is one of the most important pieces of legislation facing Congress in some time. In the past few years the world has witnessed a series of damaging blows to the confidence of the international political and economic order: The Arab oil embargo, increasing export subsidies by a number of countries, huge increases in the prices of raw materials, unilateral impositions of export embargoes, double-digit inflation, the formation of regional trade blocs. These actions evidence the urgent need for a new multilateral round of negotiations, negotiations which cannot seriously get underway until the Congress provides the authority to the President to negotiate.

Whereas the focus of previous multilateral talks has been on access to markets, a new and very significant phase of the new negotiations will be access

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to supplies. It has been said frequently that the United States is an integral part of an international system. Whatever one's view on the U.S. international political role might be, it is certainly obvious that our economic role is global and will continue to be, whether we like it or not. We do not and cannot live in isolation from the rest of our trading partners. We are not and cannot be totally dependent on domestic supplies of natural resources. We are part of an interdependent world and the strength of our economy, of our industrial base, of our productivity lies on negotiating a new and more satisfactory international economic order, a new trading system.

The unacceptable practice of export subsidies, embargoes, collusion on pricing of raw materials, reverse preferences, such restrictive trade practices increasingly resorted to by many of our most important trade partners must be eliminated and a more equitable trading system inaugurated. And efforts must be taken to reduce floods of imports into our own country where those trade flows result in serious displacement of U.S. production and employment.

Mr. President, economic and financial problems are increasingly dominating our foreign policy. The old international trading system is no longer relevant to the realities of today and a new order must be developed. I am optimistic that a new and satisfactory set of multilateral commercial relations can be developed and will be developed—under the leadership of the United States. I am optimistic about the future of the U.S. economic position in world trade and I am sure my colleagues share my conviction that the Trade Expansion Act is an essential ingredient in insuring that continued strength.

TRADE REFORM BILL NEEDED TO STRENGTHEN THE NATION'S ECONOMY

Mr. CHILES. Mr. President, I am pleased to have this opportunity to speak on the need for trade legislation as I have long had an interest in our trade policy and in how it is executed. As time goes on, I think it is clearer and clearer that the need for a strengthened trade policy is an urgent requirement. As the world has tumbled from one crisis to the next, from one shortage to the next, we have seen how inadequate our institutions and policies have been in anticipating and managing these problems. The time has come where a fresh statement by the Congress of American purposes and policies for world trade would help address these problems and strengthen our own economy, both domestically and internationally.

The trade reform bill will provide the authority necessary for the United States to enter into international negotiations on tariffs and other barriers to trade. Without this authority other nations will not be able to take the United States at its word in these negotiations, and the negotiations themselves will simply not get off the ground without U.S. participation. So, for there to be a concerted international effort to deal with world trade problems, there needs to be a trade reform bill passed by the Congress.

The last time we had a worldwide effort on trade was in the Kennedy round in the early 1960's. The Kennedy round achieved very real results, but these results were limited to changes in tariff policies, mostly those affecting relations between the major nations. Other barriers to trade and problems affecting many other nations were left out of these negotiations. So some of the problems that existed in the 1960's were not addressed in the Kennedy round and still need attention now. On top of this we have new problems that have arisen over the last several years.

The authority for the United States to participate in global trade negotiations expired in 1967. For over 6 years this country has lacked a statement by the Congress of our global trade goals and the necessary legislation to achieve them. The time has come for the Congress again to exercise its constitutional responsibility to "regulate foreign commerce" and to legislate the Nation's trade policy.

There is perhaps a greater need today to engage in an international effort to promote and regulate trade than there was in the early 1960's. Then, the United States was the predominant power in the world economy almost towering over others. Then, the cold war divided the world into blocs and unified each bloc into a tight team. Then, the institutions were available to deal with the kind of international problems that arose.

Now, the world looks very different. Now, other nations have found their place in the world economy and play a major role in it, most notably West Germany, Japan, France, and others. Now, the cold war has ceased to dominate world attention and the Soviet Union and Eastern Europe, and even China are becoming more important in world trade. Now, we have come to ask whether the world has not changed so much as to require fundamental changes in institutions and rules that will enable them to more adequately cope with world economic problems.

We have, in effect, a totally changed world economy over that which we have had in the period since the Second World War. The agreements after World War II gave us a set of institutions and procedures for dealing with economic issues which lasted for 25 years. This framework began to unravel in 1971 when the dollar became unhinged from gold, and currency values began to float rather than remaining fixed as had been the case since the war. This was a basic change in the monetary underpinnings of the world trade system to which adjustments are still being made.

At the same time trade has become increasingly important for the economies of all countries. Free world exports alone have doubled since 1969, and have quadrupled since 1960. This means that world trade has become increasingly important in the lives of all of us, just in terms of availability of things that we want and depend on. But it also means that trade is becoming a tremendous source of growth and employment for our economy. We need to be in a position to take full advantage of the possibilities for trade as a means of giving our economy a stimulus which will help our growth, our employment and our rate of inflation.

Inflation is not only the biggest problem on people's minds but also the biggest problem affecting people's pocketbooks. Trade policy is an important means of dealing with inflation. We have all seen how the wheat deal with the Soviet Union affected the price we pay for meat and milk and cereal at the supermarket. We have all seen how the price of oil imports from the Middle East, Canada, and Venezuela have affected the price we pay at the pump for gas. We have all seen other nations who produce copper and bauxite and bananas begin to see the advantage of banding together to get a better price and how that is going to affect our prices here at home.

In order to better deal with inflation at home, we need to be able to get a better deal on goods we import from abroad and to get better access to foreign markets for our exports. To do this we need to have a tough bargaining hand to gain access to foreign markets and at the same time to protect our market from subsidized exports from other countries and unfair trade practices. We have to be tight fisted enough with our exports and with our import policies to get what we want in return from other countries. This trade legislation can provide strong negotiating authority and tough policy measures to back up U.S. participation in trade negotiations.

One of the strongest arguments for this legislation is that it provides significant incentives for international negotiation while at the same time it provides for policy measures to advance our interests on our own if international cooperation fails to produce results. I strongly prefer that through U.S. leadership international negotiations will be the principal means for addressing world trade problems. A fundamentally changed world requires that the world's nations sit down together to discuss and decide where we go from here.

But given the politics of trade and the strains of worldwide inflation and resource shortages, many nations may be tempted to deal with trade problems in a highly protective and selfish way. We have to be prepared to protect ourselves from this kind of action by others. Hopefully, too, having the policy authority clearly spelled out on how we can deal with our imports and exports and our balance of payments will keep other nations from acting in an injurious fashion toward us and help bring them to the conference table as the best means of dealing with mutual trade relations.

So, Mr. President, I am strongly in favor of the trade reform bill and its further consideration by the Senate and the Congress as a whole.

This should be the first step by the Congress, but not the last, in establishing the direction of trade relations. I do not think Congress can just legislate the authority for trade to the Executive and let it go at that. What is required is some continuous involvement by Congress as trade negotiations and trade policies evolve so that the constitutional responsibility that rests with the Congress to regulate foreign commerce is fully realized.

I think we need new trade legislation to strengthen our economy at home and to assure that the United States gets the maximum benefit from world trade. This legislation should be a shot in the arm to worldwide efforts to cooperate in dealing with world trade problems. I am hopeful that through these negotiations progress can be made in dampening inflation at home and in the world at large by lowering tariffs and taxes which affect prices and access to vital goods and services. This legislation is crucial. It is time for Congress to act.

The PRESIDING OFFICER (Mr. HUGHES). The Chair recognizes the Senator from Illinois (Mr. STEVENSON).

NEW ECONOMIC REALITIES REQUIRE NEW POLICIES

Mr. STEVENSON. Mr. President, for the past four decades, the United States has sought to expand foreign trade and international economic cooperation. We did not take this course until after the hard experience of the depression and the Smoot-Hawley tariff. Indiscriminate trade barriers, economic nationalism, political isolation, and the disarray of the democracies in the thirties taught the United States a lesson it dare not forget. International trade wars lose more jobs than trade barriers save—and the stakes are far higher than that. The depression of the thirties led to the war of the forties.

Since the enactment of the reciprocal Trade Act in 1934, the United States has encouraged cooperative international economic policies. In the aftermath of World War II, the United States supported the creation of the IMF and GATT; in the 1950's, we participated in the Dillon round of multilateral trade negotiations; and in the 1960's we witnessed the passage of the Omnibus Trade Expansion Act of 1962 and the Kennedy round of trade talks.

Now the post-World War II economic era has come to a close. The European economic community and Japan have become our economic equals in foreign markets.

The dollar is no longer the universal currency. Access to world food and energy supplies underscores the growing interdependence of all nations.

The new international economic realities test the relationships of all nations. Nations competing, as never before for access to supplies, as well as for markets, are tempted to go their own ways in a scramble to make their own deals, each to save itself with import and export restrictions, export subsidies, currency devaluations, and the like. These temptations signal that the United States and its trading partners must work together to develop new international economic policies, relationships, and institutions. The drift toward trading blocs, export embargoes and subsidies, artificial price increases for raw materials and worldwide runaway inflation underscore this urgency. Given the state of the world today, trade negotiations must not only be directed toward removing barriers to markets, but barriers to supply—and to keeping new ones from being erected.

The shape of trade legislation will have momentous consequences for our economy and our foreign policy. Many sectors of the economy face increased competition from abroad. Some of this competition has resulted from unfair trade practices by foreign companies and governments, such as foreign export subsidies, dumping and excessive tariff and nontariff restrictions on U.S. exports.

There is also a strong, and justified, feeling in the United States, that the Government has not sufficiently protected the interests of workers and industries faced with unfair trade practices. The United States must also take stronger measures to see that its exports are treated fairly. Japanese import restrictions on U.S. manufactured goods, the Common Market's barriers to agricultural imports and the recent oil embargo are evidence that we have not relied to the extent possible on hard negotiations backed up by adequate retaliatory authority.

Some would react to these trends by withdrawal from the world. That course will not eliminate the problems which confront us and would deny workers, industries, and consumers the benefits of expanding world trade. The people of Illinois know the benefits of trade. In 1972, Illinois ranked second only to California in overall exports—we were first in agricultural exports and third in the export of manufactured goods.

In 1973, Illinois exported over $5 billion in goods and services and may now be the largest exporting State in the Nation. In farm communities throughout Illinois and in our major industrial cities, over 400,000 people are working in jobs related to foreign trade.

In addition to its effect on the economy, trade legislation will cause countries to assess U.S. foreign policy—whether we are concerned with the development of balanced commitments to Europe, Japan, and the less-developed countries or are unrealistically attempting to devise some modern forms of political and economic isolation.

This Congress must face up to these challenges. And the key element in dealing with these problems is new trade legislation. We may not have another opportunity to pass a comprehensive trade bill for several years, and the world's economic problems will not wait.

How the Congress handles the trade bill will determine the confidence our economic and political partners place in our economic good sense, stability, and power.

The House passed the Trade Reform Act in December. The Senate Finance Committee completed its hearings in early April.

Since then there has been little action on the trade bill. Senate delay is due, in large measure, to the Jackson-Vanik amendment which ties most-favored-nation treatment and export credits for the Soviet Union to open emigration policies.

The President has indicated that he would veto the Trade Reform Act if it is passed with the Jackson-Vanik amendment. He should reconsider this position.

What, after all, is more important to our national interest—reform of the trading system and fair international trade or export subsidies for the Soviet Union?

Détente will not collapse if the amendment becomes law. Détente with the world's second most powerful nation will not be purchased with 7-percent Eximbank loans. Trade can help build a solid relationship between the United States and the Soviet Union, but trade does not require the United States to subsidize its exports to a nation second only to itself in wealth. The trade negotiations could begin without the purchase of détente and without a forfeit of the U.S. commitment to human rights.

Europe, Japan, and the less developed countries are, and for the foreseeable future will remain, more important to the economic stability of the United States than the Soviet Union. The free world requires a Nixon round and it can have it—plainly so—if the Nixon administration compromises its quest for 7-percent credits in the Soviet Union. The President should reassess his position on the Jackson-Vanik amendment and put the national interest in trade negotiations and a solid détente ahead of any short-term plusses that might be bought with still more credits for the Soviet Union.

We know from experience that trade negotiations will require patience, persistence, and judgment. We also know that the clock will not begin to run until the Congress passes a trade bill. The United States and the world cannot withstand the deterioration of the international trading system for many more years. It is my hope that the Senate will act in this Congress and pass trade legislation which will build a new and stable trading system for the next decade.

WORLD TRADE

Mr. HARTKE. Mr. President, with the turmoil in our domestic economy—double digit inflation, recordbreaking high interest rates, and consistent high unemployment—little notice may have been given to our seriously deteriorating trade position in the world. The skyrocketing price of oil imports and a severe falloff in proceeds from U.S. farm exports pushed the U.S. balance of trade dramatically into the deficit last month. Imports outran exports by a whopping $776.9 million; the second largest monthly deficit on record, surpassed only in October 1971, when the bottom seemed to fall out of our trading position.

It was in 1971, when I stood in front of this distinguished body and warned of the interantional trade and investment crisis which was then beginning to engulf us. At that time, I stated that disorder in our foreign trade, and I quote from my 1971 remarks, "would threaten the livelihood of most Americans and the status of this country as a world industrial leader."

Today, after two devaluations, the loss of thousands of domestic jobs, and oil blackmail in the international marketplace, we are in the very throes of that crisis. Its destructive effects continue unabated because we have failed to adopt a comprehensive course of assertive self-interest in world trade.

America has been challenged by its powerful trading partners and has not met the challenge responsibly. The administration's trade bill contains no provisions to remove huge tax breaks on overseas investment, to regulate the wholesale exodus of America's newest

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technology and production units, and to combat the rising prices in the United States caused by trade and investment problems.

Trade legislation which I have sponsored in the trade field directly addresses the major irregularities and problems of international finance and their effect upon the American economy.

I might say, parenthetically, Mr. President, for 3 years the Burke-Hartke bill was the only trade legislation that was even before Congress let alone any of the proposals to address themselves to the problems which were involved.

Let me provide just two examples where my legislation would meet the challenge of the international marketplace head on.

TAX LOOPHOLES, THE INTERNATIONAL OIL MONOPOLY, AND THE U.S. DEPENDENCE ON ARAB OIL

The United States is now dependent upon the Arab world for its supplies of oil and gas, because our present tax structure provides an economic incentive for gigantic U.S.-based multinational petroleum companies to go abroad rather than to produce more oil at home.

The single most direct tax loophole available to corporations which move abroad is the foreign tax credit. Our tax laws provide that foreign subsidiaries of U.S. corporations may credit their foreign taxes paid against the foreign source income tax liability of the parent corporation.

The multinational oil companies earned $1.85 billion on mining and oil operations abroad in 1970, but because of their use of the foreign tax credit loopholes, these firms paid not 1 cent in U.S. taxes on that income.

The Arabian American Oil Co.—commonly known as Aramco—which is a huge oil producing consortium consisting of Exxon, Texaco, Mobil, Standard Oil of California, and the Saudi Arabian Government, is the world's largest petroleum producer and the world's largest moneymaker. In 1973, the company had profits after taxes of $3.25 billion. How much did the U.S. Government get from them in taxes? Not 1 penny of income tax and a meager $2.7 million in payroll taxes.

Mr. President, Aramco is no exception. I ask unanimous consent to have printed in the RECORD at this point as exhibit No. 1, a table which contains information to show how little U.S.-based oil companies paid in taxes to the United States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT NO. 1

U.S. TAXES PAID BY U.S.-BASED MAJOR OIL COMPANIES IN 1972/1962-1971

[Dollars in billions]

Company	Net income before taxes 1972	Percent paid in U.S. taxes 1972	Net income before taxes 1962–71	Percent paid in U.S. taxes 1962–71
Exxon	$3.700	6.5	$19.653	7.3
Texaco	1.376	1.7	8.702	2.6
Mobil	1.344	1.3	6.388	6.1
Gulf	1.009	1.2	7.856	4.7
SoCal	.941	2.05	5.186	2.7

Mr. HARTKE. Mr. President, I also ask unanimous consent that a table which depicts an example of how three major international oil firms significantly reduced their tax burdens in 1970 via the important mechanism of the foreign tax credit, be printed in the RECORD at this point as exhibit No. 2.

The PRESIDING OFFICER. Without objection, it is ordered.

(See exhibit No. 2.)

EXHIBIT NO. 2

NET TAX BEFORE AND AFTER FOREIGN TAX CREDIT IN 3 MAJOR OIL COMPANIES IN 1970

[In millions]

Oil corporations	Total income	Net tax before FTC	Foreign tax credit	Net tax after FTC
A	$2,798	$168	$133	$35
B	2,651	231	213	18
C	2,135	114	101	13

Mr. HARTKE. Mr. President, the data in exhibit No. 1 is based upon information supplied my staff by the Senate Subcommittee on Multinational Corporations. That table makes very clear that the petroleum industry paid very little in U.S. taxes. Exxon paid the most with an effective rate of 6.5 percent. The other giant multinational firms paid less than 2 percent. Most taxpayers in this country are taxed at least at five times that rate.

The data in exhibit No. 2 comes from the public tax records of the petroleum industry. This table shows, without identifying specific firms by name, just how much the foreign tax credit reduces the domestic taxes of these giant corporations. A company with almost $3 billion in profits would pay $168 million in taxes if it made those profits here at home, but winds up paying only $35 million—about one-fifth the taxes—after use of the foreign tax credit.

Mr. President, the shift of the foreign tax credit to a deduction for foreign producers of petroleum would have the beneficial effect of putting domestic production of oil in a more competitive position with foreign development. This is exactly what my legislation—S. 3060—would do. The U.S. Geological Survey states that there are still 440 billion barrels of producible and undiscovered oil in the United States. This is enough to meet America's need well into the next century. What we have to do is make an investment in its exploration and production as beneficial as investment abroad.

In industry after industry, plants have folded up in the United States as multinational corporations simultaneously opened plants in other countries.

In the electronics industry, for instance, the Standard Kolman Co. closed its plant in Oshkosh, Wis., with 1,100 employees, and shifted the jobs to Mexico in 1970. Emerson closed a plant of several thousand employees and set up shop in Taiwan. Bendix deserted 600 employees in York, Pa., and Long Island, N.Y., to open a plant in Mexico. Warwick Electronics transferred 1,600 jobs from Zion, Ill., to Mexico and Japan. General Instrument recently closed down two plants in New England and moved to Taiwan for the manufacture of television parts; 12,000 Americans lost their jobs. RCA transferred an operation from Cincinnati—2,000 workers—to Belgium and Taiwan.

One of the most painful stories, related by Paul Jennings, president of the International Union of Electrical, Radio and Machine Workers, is about an RCA plant of 4,000 employees in Memphis, Tenn. In 1966, Robert Sarnoff, RCA president, boasted that this plant "was destined for a key role in the unfolding story of RCA." The installation was already providing meaningful employment to people living in the ghettos of Memphis. Four years later, 1970, RCA closed down the plant and moved its operations abroad.

Two thousand machinists lost their jobs in the General Electric plant at Utica, N.Y., between 1966 and 1972 as the company phased this operation out of the United States and into its subsidiary in Singapore where labor works for 18 cents an hour.

In 1971, International Silver exported more than 1,000 steelworkers' jobs from their plant in Meriden-Wallingford, Conn., to Taiwan. The stainless steel flatware formerly made in Connecticut is now imported from International Silver's affiliate in Nationalist China.

More than 19,000 shoe workers in Massachusetts lost their jobs in the 1960's as American footwear industries succumbed to cheaper imports and large conglomerate multinationals like Interco and Genesco which began producing shoes in France, Belgium, England, Italy, and South America. Spain alone exported $289 million in shoes last year and the United States purchased $210 million, or three-fourths of them.

And the story goes on and on.

What is the solution?

As long as America's tax policy makes it more profitable to invest abroad than at home, plants will continue to move abroad and the foreign export market will be increasingly supplied from foreign-based plants instead of from domestic-based industry. The Hartke trade proposals provide dramatic new tools for meeting this challenge. Tax advantages for investing abroad would be removed so that domestic investment would be on an equal economic footing.

My approach would shift the foreign tax credit to a simple deduction and eliminate tax deferral on foreign source income.

That is exactly the way the domestic corporations have to compete. Public opinion strongly supports this approach.

PUBLIC OPINION STRONGLY SUPPORTS HARTKE GOALS

Finally, Mr. President, I would like to point out that public opinion supports the goals of my legislation. In a recent survey taken by Mr. Roper, 67 percent of those polled thought that U.S.-based multinational firms should not be allowed a foreign tax credit. Full U.S. taxes should be paid on foreign earnings.

My proposals are designed specifically to put our industry on an even footing with foreign competition and make domestic investment just as attractive as investment abroad. By controlling predatory trade practices and regulating the American based multinational firm, the Hartke approach to trade policy will put America back on the path to a world of free and fair trade.

Mr. President, if we are to deal with trade policies, we must deal with them in terms that are real and not as textbook economics which went out of style in 1902.

I ask unanimous consent to have printed in the RECORD a summary of that finding by the Roper organization.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

ROPER REPORTS

[Issued First of April, 1973]

LOYALTIES OF MULTINATIONALS CHALLENGED

66%, in damning indictment, say U.S. companies operating abroad put own interests above those of U.S.

NO TAX CREDITS FOR U.S. COMPANIES ABROAD

67% think U.S. multinationals should not be allowed to deduct foreign taxes from U.S. taxes owed. Full U.S. taxes should be paid.

PUBLIC COOLISH TOWARD FOREIGN TRADE

Only one-fifth want more foreign trade, 3 in 10 want less. Greatest resistance to more trade among union members.

MOST WANT EXPORT-IMPORT BALANCE

65% want exports to equal imports.

FOREIGN COMPANIES HERE?

By modest margin, public favors foreign companies operating in U.S. 50% think government should encourage them, 39% would discourage them.

MORE JOBS FOR AMERICANS

60% say foreign firms here would mean more jobs.

On another subject, would you like to see more trade between the United States and foreign countries than we now have, less trade than we now have, or about the same amount of trade we now have? More trade, 21 percent; Less trade, 30 percent; Same amount, 33 percent; and Don't know, 15 percent.

What do you think the long range goal of the United States should be when it comes to foreign trade—to export more than we import, or to import more than we export, or to have exports just about equal imports? Export more, 18 percent; Import more, 4 percent; Have exports about equal imports, 65 percent; and Don't Know, 13 percent.

When American companies have operations in another country they usually have to pay taxes on their profits to that country. Do you think they should be allowed to deduct the amount of those taxes from what they are required to pay in United States taxes, or that they should be required to pay full taxes on their profits to the United States? Should be allowed to deduct foreign taxes, 19 percent; Should pay full taxes to the U.S., 67 percent; and Don't know, 14 percent.

Consonant with other signs of a national drawing inward noted in recent surveys, public sentiment in coolish toward increased foreign trade. Three out of ten favor less trade between the U.S. and other countries, while only two in ten want more foreign trade. One-third would keep trade at current levels. Greatest support for increased foreign trade is among executive/professionals (37%), the college educated (34%), the affluent (33%), and the politically and socially active (32%). Greatest resistance to foreign trade is found among union members and blue collar workers (37%), probably because they are job threats.

EXPORTS VS. IMPORTS

Two-thirds of the public think exports and imports should be in balance. However, higher than average support for an export surplus comes from the affluent (31%), the college educated (28%), executives/professionals (27%), and the politically and socially active (26%).

OVERSEAS COMPANIES PAY FULL U.S. TAXES?

Perhaps influenced by recent reports on high oil company profits, and general suspicious about U.S. companies operating abroad (see I), two-thirds of the public thinks that American companies operating overseas should not be allowed to deduct foreign taxes from their U.S. tax bill, but rather pay full taxes on their profits to the U.S. Government. Again, the affluent, the better educated, and executives/professional are most likely to concede the point of subtracting foreign taxes, but even these groups favor full U.S. tax payments by two to one.

The tax credit feature of Burke-Hartke has strong public support.

AMERICAN COMPANIES ABROAD

The legend of "the ugly American" abroad extends in many minds to the American corporation. Two-thirds of the public believes it likely that American companies operating abroad put their own interests above those of the United States. This is a damning indictment indeed, and only two out of ten would defend overseas companies from it. Most convinced that companies abroad place corporate above national interest are Westerners (77%), political and social activists (76%), executives/professionals (74%), the college educated (74%), and the affluent (72%).

FOREIGN COMPANIES: AMERICAN OPERATIONS

By contrast, foreign companies should be encouraged to establish operations in the United States, say half the public. Another two-fifths thinks such operations should be discouraged. This is rather lukewarm acceptance, and in tune with general lack of enthusiasm about increasing foreign trade and relations.

Last October the public expressed itself as against encouraging U.S. companies to operate overseas (50% to 26%). If the public's wishes were carried out, it would mean all multinational companies would be *foreign*, a conclusion not all who answered may have thought their way through to. Some education on international trade seems to be needed.

How widespread fears are of foreign "takeovers" was not measured; but another probable effect of foreign companies building plants here was: impact on American jobs. By a margin of six to one, Americans see foreign companies operating here as bringing more jobs to Americans, undoubtedly the main reason for favoring such operations.

There has been speculation to the effect that when large American companies have operations abroad they sometimes make agreements with other countries that are in conflict with U.S. foreign policy and not always in the best interests of the United States. Most of these large companies have denied this, and say they do not do anything that conflicts with U.S. foreign policy. What do you think is likely to be true—that American companies operating abroad put their own interests above those of the United States, or that they place the interest of the United States first? Put their inerests above those of the U.S., 66 percent: Place interests of U.S. first, 20 percent; and Don't know, 14 percent.

There has been interest expressed recently by some foreign companies in building plants here in the United States. For example, a German automobile company might want to build a plant here to make its cars here instead of making them in Germany and shipping them here for sale. Generally speaking, do you think it should be our government's policy to encourage foreign companies having operations in the United States or to discourage them? Encourage, 50 percent: Discourage, 39 percent; and Don't know, 10 percent.

If more foreign companies *did* have operations in this country, do you think it would mean more jobs for Americans than there now are, or fewer jobs, or don't you think it would have any effect on the number of jobs for Americans? More, 60 percent; Fewer, 10 percent; No effect, 20 percent; and Don't know, 10 percent.

TRADE REFORM ACT

Mr. DOLE. Mr. President, the fun and games days of international trade agreements are over, and no one should harbor any illusions. We are going to have to bargain hard when we sit down to the bargaining table from now on and the trade bill gives the President the authority he needs to do that.

We cannot afford another tariff-cutting exercise like the Kennedy round which left U.S. markets overexposed to foreign imports without providing corresponding benefits for U.S. exporters. Our businessmen are going to have to compete on an even basis. But what appears to be an "even" basis on paper does not always turn out to be so in actual practice, as we have seen, especially in our trade with Japan. The President needs the authority to deal with those situations.

When we talk about the need for a trade bill, we should bear in mind that we have been running a trade deficit, on a "C.I.F. basis," since 1966. Obviously, we cannot afford to stay in this position.

COMPETITION CHANGED

While the problem may be simple, the solution is not. There are many technical terms which could be used to describe the complexities of international trade. But for shorthand purposes, we can use just two words: Europe and Japan.

The countries we helped to rebuild after World War II are now our strongest competitors. We are well aware of the difficulties of penetrating those markets to achieve a fair trade position.

It is sufficiently clear, however, that one of the essential requirements to achieving a fair trade position is giving the President adequate bargaining authority. That authority is provided in the trade bill. I believe that we in the Senate should get on with our part in running this country, and that includes passing a workable version of the trade bill to permit us to achieve a viable position in the world economy.

HIGH STAKES

The stakes are large. The great State of Kansas has a tremendous interest at stake, as undoubtedly every other State in the Union does.

Kansas is the Nation's No. 1 wheat growing State. For the past 2 years, we have exported nearly two-thirds of our wheat crop. Those export sales have helped strengthen the market tremendously. And it has been only that market strength that has allowed Kansas farmers to stay in business in the face of greatly inflated prices for the industrial goods and services they depend on.

That inflation, incidentally, is partially due to the "chickens coming home to roost" on the trade deficit we have been running.

Kansans are doing their share of im-

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proving our trade position, but they need help in dealing with the European Economic Community, Japan, and other nations. The trade bill would hopefully provide the authority necessary to give them that help.

Since 1934, the Congress has delegated the authority for negotiating reciprocal trade agreements with foreign countries to the executive branch of Government. And in the intervening years, a variety of bilateral and multilateral reciprocal agreements have been concluded. The first, of course, was Bretton Woods in 1944. Between 1944 and 1962, we had a series of trade negotiations which substantially reduced tariff barriers around the world. In 1962, the Congress authorized the so-called Kennedy Round which led to the largest tariff reductions in the post-war period.

But based on hard evidence in a number of important export sectors of our economy, it is clear that these trade agreements have neither been reciprocal nor fair. Indeed, most of them have been deliberately designed to transfer our resources to other countries.

Now the motives for these agreements may have been of the highest and most praiseworthy nature, as we sought to rebuild and strengthen a war-torn and depressed world economic order. But times have changed. As we have noted, the United States has large trade and balance-of-payments deficits, and the new round of trade negotiations is needed to reverse this situation. The trade bill is an essential prerequisite.

A FAIR SHAKE FOR AMERICA

The President proposed the trade bill in order to have the necessary flexibility to deal with the complexities of trading with other countries. It would give the executive branch authority to raise or lower all tariffs in the United States, and to deal with the difficult, but important, nontariff trade barriers which U.S. exporters face, particularly in the Japanese and European markets. He seeks maximum negotiating authority and flexibility to achieve, as he said, "a fair shake" for America in our international trade relationships.

I believe the United States has more than a reasonable expectation of receiving that fair shake. We have a right to it. But having a right to it and getting it are two entirely separate matters.

NO ILLUSIONS

I certainly hope our trading partners will enter into these negotiations with the realization that the United States cannot trade horses for hares anymore. We are going to have to bargain hard, and our overall bargaining position is going to include the threat that the U.S. market will be free only to those who give our exporters reciprocal advantages in their markets.

As I noted before, the fun and games days of international trade agreements are over. For their part, our trading partners should neither expect unearned concessions, nor be upset when we refuse to offer them. The United States can no longer afford unjustifiable and unilateral trade giveaways and generosity, and when we sit down to the bargaining table from now on, everyone should be on notice that we are playing for keeps.

On our part, we cannot expect to furnish any undeserving shelter to American industries which cannot compete on an even basis—and I stress, on an even basis—with their counterparts in other countries.

Since the end of the Kennedy Round, our trade and balance-of-payments deficits have grown by leaps and bounds, while industry after industry has complained of foreign nontariff barriers which were neglected in those negotiations. More than 70 American industries requested import protection in 1970, and I doubt that their numbers have dwindled since then.

So let us turn for a moment to the two principal economic powers and see how the negotiations stack up.

UNITED STATES-JAPAN

Let us start with Japan, the source of our biggest trade deficit in 1972—$4.5 billion on an f.o.b. basis, and over $6 billion on a c.i.f. basis. Last year, we had a trade deficit of $1.4 billion on an f.o.b. basis. Obviously, the situation is improving, but we have a long way to go.

Of course, it is a fact that two devaluations have changed the relationship between the U.S. dollar and the Japanese yen by over 35 percent in recent years. If the laws of economics were able to operate freely, this would mean a rapid shift in our trade imbalance with Japan. United States imports from Japan would tend to slow down.

But the laws of economics are not operating freely. The Japanese Government has cozy cartel arrangements with its great trading houses and industries. The net result has been that the dollar devaluation in regard to the yen has not and will not, in itself, bring about a corresponding degree of change in the trade imbalance between the two countries.

CLEAR MESSAGE

But sooner or later, we are going to have to tell our good friends in Japan that they cannot enjoy this advantageous situation for as long as they can sustain it, for, as much as we may be opposed in principal to doing so, we will be forced to impose restrictions on their exports to our market.

It is well-known that Japan is a monolithic economic structure in which the government, banks, and business community set specific export targets on a sector-by-sector basis and adopt policies to insure that those targets are met. I am not critical of their system. It obviously works a lot better than ours, in some significant ways. But I am suggesting that either we are going to have to tell the Japanese that they can export to our market only to the extent that they import from us, or the Japanese are going to have to use their ingenious trading system to set targets on imports from us, which would be in balance with their targets on exports to the United States.

ARTIFICIAL OBSTACLES

This is not a matter of the Japanese being forced to pay a penalty in support of inefficient or uncompetitive American industries. The ideal solution, of course, would be for U.S. firms to increase their exports to Japan to make up the difference. But frequently, American businessmen seeking to do business in Japan have encountered a system of official and nonofficial burdens which make doing business there a near impossibility.

There is no reason in the world why we could not be selling a lot more to Japan, both in industrial and agricultural commodities. Yet, in areas in which we are competitive in agriculture and industry, the Japanese have reserved many of those markets for their own producers. To be fair, I must say that the Japanese have liberalized their economy and their import structure to some extent. And they appear willing to change their priorities and give their consumers some of the benefits of living in a modern industrial economy. But, the progress has been painfully slow, and trade deficits of the United States with Japan will continue to grow as long as this progress remains at a leisurely pace. The trade bill is the starting block to insuring that it does not.

LIMITATIONS OF MULTILATERAL AGREEMENTS

But how do we open up the Japanese economy to American products through a trade negotiation on a multilateral basis? And what are we in turn likely to have to give up in our own tariff and nontariff barriers to achieve such a result? The Japanese have been liberalizing their import structure for years without any improvement in the United States overall competitive position. Obviously, in such negotiations, the Japanese are going to ask for a reduction in U.S. tariffs and nontariffs against them. I imagine textiles and steel will be on that list.

If the Japanese trading system were like ours, I would not fear reciprocal reductions in tariffs and nontariff barriers. But it is not, and even if the Japanese eliminated all other tariffs, I do not think it would have a significant impact on the volume of U.S. exports going to Japan. And here another unique Japanese factor must be taken into account.

The Japanese distribution system is such that an American Pinto which lands in Japan costing about $3,000, ends up at the dealer with a $5,000 sticker on it. The problem is not the tariff at all; the problem is the mysterious distribution system in Japan, which marks up imported products by over 100 percent.

This example stresses the problem of dealing with factors other than tariffs—the so-called nontariff barriers. It shows that these negotiations will have to break new ground if progress is to be achieved. We will simply have to get into such previously unexplored territory as foreign business practices and limitations on foreign investments and operations. This is why the President needs the authority which would be provided under the trade bill.

UNITED STATES-EUROPEAN COMMUNITY

Now, let us look at the European Common Market. In 1972, the United States ran a trade deficit with the European community of $600 million on an f.o.b. basis, and at least twice that on a c.i.f. basis. Last year, we edged into a surplus of $900 million on an f.o.b. basis. But we had a deficit of military expenditures in Europe of $2.2 billion in 1973, and these expenditures are rising, not declining.

So the problem is not resolved. In spite of some of the concessions the Europeans have given us, their import barriers and export subsidies are still causing numerous difficulties. And it is not only their bilateral balance with us that contributes to our problem—their third-country transactions must be counted in, too. In a real sense, the Europeans and Japanese are both reaping the commercial fruits of our generosity in foreign aid and security payments, while complaining to us about our deficits.

COMMON MARKET TRADING PRACTICES

But let us examine the trading practices of the European community, and how sincere they are in trade negotiations—on anything but their terms.

The community has proliferated its discriminatory preference system to many countries. One might suggest the way to eliminate their discrimination is to end all tariffs—if you do not have any tariff, you cannot have a discriminatory one.

But there is some evidence from the European community that they are interested in negotiating on the tariff issue. They and many other nations are waiting on us for the GATT negotiations. We will not be there until the trade bill is passed.

AGRICULTURE—A KEY QUESTION

Agriculture is, of course, vitally important to the United States, both in terms of the food and fiber it supplies for our domestic economy and as a major contribution to our exports. It is, after all, one of the few areas in which we enjoy a real competitive advantage, and we must harness it to the greatest possible extent.

Farm products have been responsible for the extent of the turnaround we have enjoyed in our trade position this year. But a great potential remains to be tapped. That is why, in approaching negotiations with Europe, our negotiators have put at the top of their list the community's common agriculture policy.

This does not mean "trading off" our dairy industry or some other sector for a special advantage. On the contrary, our dairy industry is one of the most efficient in the world. All they are asking for is fair competition. And that does not mean competition against subsidized dairy products.

But, at the same time, we must recognize the domestic problems of the European and Japanese governments. They have their farm constituents just as we do. But the facts of life dictate that we cannot afford to give their industries better access to our markets without receiving better access for our agricultural exports to their market.

I believe the President defined the issue as clearly as words can put it when he said in his international economic report last year:

> Indeed, if there is no commitment to meaningful and realistic negotiations in the agricultural sector, it would be difficult for the United States to proceed with multilateral trade negotiations in other sectors.

Our grain trade offers a vast potential in Europe, Japan and all over the world, as we have seen in the past 2 years. Before we can exploit our production efficiency and quality, we must be able to trade on equal terms. That is what the trade bill is all about.

DIFFICULT NEGOTIATIONS

At this time, I believe the only legitimate conclusion we can draw is that very difficult negotiations with our European and Japanese friends lie in store.

We simply must receive equal treatment in their markets. Indeed, given the military burdens which the United States carries and which cost us billions of dollars a year to protect our European and Japanese friends and ourselves, I believe we should receive more than reciprocal treatment in their markets.

The markets of many other nations offer us opportunities, just as our markets offer them in a reciprocal manner. They are waiting on us at GATT, while we have yet to pass the trade bill.

I would hope, on behalf of the State of Kansas and every other State in the Nation, that we can begin to make some progress on this measure. Without it, we will continue to see the instability in the world economy we have seen in recent years. The trade bill could have an impact on every man, woman and child in this Nation and I believe we should give its passage the highest priority.

Mr. GOLDWATER. Mr. President, I would like to add my voice to those of my colleagues who are suggesting today that the Senate should resume its legislative activities on the President's trade agreements legislation. I am not committing myself to accept each and every provision of this complex legislation, but I do share with the administration its goal of achieving freer trade between and among this country and the other trading nations of the world.

For at least 3 years now, I have been warning of the disturbing nature of trade conflicts which were putting the entire international system of multilateral trading relationships in jeopardy. In particular, I was disturbed at violations of our existing trade agreements which were injuring American exports.

As one who backs a policy of freer trade accompanied by the expansion of American exports, I felt and still feel it is incumbent upon our Government to assure American business that both sides of the trade avenues will be kept open. If an American industry is willing to accept the challenge of free competition within its own market, then it should be allowed to compete on equal terms with other producers in foreign markets. There must be a fair and equal application of the international rules we have or the whole system will collapse in a self-perpetuating series of conflicts and reprisals.

Recently our Government made great progress toward demonstrating that there is a developing international climate of mutual trust and good faith in the field of trade. I am referring to the concessions granted to U.S. negotiators by the European Community which resolved longstanding U.S. claims for tariff compensation as a result of the enlargement of the Common Market. I was particularly impressed that U.S. negotiators achieved a major trade victory on behalf of U.S. fresh citrus exports.

Mr. President, I believe the solid results achieved recently by American negotiators are adequate proof that this Nation is warranted in going forward with major new international talks with the aim of reaching a mutually beneficial worldwide trade structure. In order to provide the Executive with the authorities needed to conclude such trade expansion agreements with foreign nations, it is necessary for the Congress to act upon new legislation in this field. Accordingly, I believe the Senate as an entity should have an opportunity to consider this major legislation before the end of this year.

ESTABLISHMENT OF LEGAL SERVICES CORPORATION—CONFERENCE REPORT—TIME LIMITATION AGREEMENT ON MANSFIELD MOTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that beginning at the hour of 12 o'clock noon today there be 30 minutes allotted for debate on the Mansfield motion that the Senate further insist on its amendments to H.R. 7824, the time to be divided between and controlled by the distinguished majority leader and the distinguished minority leader.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (S. 2510) to create an Office of Federal Procurement Policy within the Executive Office of the President, and for other purposes, with amendments, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the joint resolution (H.J. Res. 910) asking the President of the United States to declare the fourth Saturday of September 1974, "National Hunting and Fishing Day," in which it requests the concurrence of the Senate.

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HOUSE JOINT RESOLUTION REFERRED

The following joint resolution was read twice by its title and referred to the Committee on the Judiciary:

H.J. Res. 910. A joint resolution asking the President of the United States to declare the fourth Saturday of September 1974, "National Hunting and Fishing Day."

The message further announced that the Speaker has affixed his signature to the following enrolled bills:

S. 3311. An act to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000; and

H.R. 11143. An act to provide the authorization for fiscal year 1975 and succeeding fiscal years for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, and for other purposes.

The ACTING PRESIDENT pro tempore (Mr. McGEE) subsequently signed the enrolled bills.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that July 16, 1974, he presented to the President of the United States the following enrolled bill:

S. 3311. An act to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. HUGHES) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

POPULATION CONTROL CONFERENCE AT BUCHAREST, ROMANIA—APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. HUGHES). The Chair, on behalf of the Vice President, appoints the Senator from Illinois (Mr. PERCY) to attend the Population Control Conference, to be held in Bucharest, Romania, August 19–30, 1974.

RECESS TO 12 NOON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 12 noon today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, at 11:41 a.m. the Senate took a recess until 12 noon; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HUGHES).

ESTABLISHMENT OF LEGAL SERVICES CORPORATION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, H.R. 7824.

The clerk will state the pending question.

The legislative clerk read as follows:

A motion that the Senate further insist on its amendments to the bill (H.R. 7824) to establish a Legal Services Corporation.

Mr. NELSON. Mr. President, the pending motion offered by Senator MANSFIELD and myself is the next step necessary to change the Legal Services Conference agreement so as to secure final enactment of the legislation. On last Wednesday, the previous version of the conference agreement was tabled. The pending motion will set in motion the process for making the one change of removing the authority to make grants and contracts for backup centers.

The motion which the Senate will shortly vote upon is a procedural motion to send the Legal Services Corporation bill back to the House of Representatives. The vote is technically phrased as a motion to insist upon the Senate amendment to the bill, H.R. 7824. The motion is in this form only because it is the only motion under the rules of procedure which would send the bill directly to the House of Representatives—since the rules do not permit the Senate to amend its own amendments at this stage. It is therefore necessary for the House of Representatives to initiate the change in the conference agreement. Upon the bill's return to the House, the managers of the bill there will move to concur in the Senate amendment with a further amendment: To substitute the text of the conference agreement, with the exception of the authority to make grants and contracts for backup centers which would be eliminated.

Following House action, the conference agreement as modified will return to the Senate for final passage. The legislation will then be cleared for the President's signature.

Mr. President, this legislation to transfer the legal services program from the Office of Economic Opportunity to a new independent Legal Services Corporation has been under consideration by the Congress since the 91st Congress. In fact, legislation for a Legal Services Corporation has passed both the Senate and the House three times in the last 4 years.

It is time to bring to completion final congressional action on this legislation with the assurance that it is the best we can do. The administration has indicated that the legislation will be signed. It is the best accommodation we can reach.

For nearly a decade now, this Nation has challenged itself on many fronts to improve the lives of those of its citizens who live in poverty, by committing itself to a war on poverty. Among the most effective of these antipoverty programs has been the legal services program.

We live in a nation of laws. Poor persons face the same problems and have the same rights and claims under those laws as do persons who can afford to pay for legal assistance. By providing such assistance through federally funded programs to the poor person, we are permitting that person to live with dignity and respect within our Nation's laws—rather than with frustration outside of them.

To that end, the Congress has worked for more than 3 years to insure the continuation of the legal services program by enacting legislation to transfer that program from the Office of Economic Opportunity to an independent national Legal Services Corporation.

Mr. President, let me point out that in striking the authority to make grants and contracts for backup centers, the Corporation will still be authorized, under the House-passed language, to undertake directly through its own employees the backup research and training activities.

Mr. President, the conference agreement contains substantially every restriction on legal services activities requested by the administration, including the prohibition on legal assistance in criminal proceedings and on participation in partisan and nonpartisan political activities. The conference bill further adds several restrictions which, although not requested by the administration, were adopted by the House or Senate in acting upon the legislation. Among these provisions are a preference for hiring legal services attorneys from the local community and prohibitions against legal assistance in school desegregation and military selective service and desertion cases.

This legislation was proposed by President Nixon in May of last year and has received careful and extensive congressional consideration. The previous legislative efforts to establish a Legal Services Corporation in 1971 and 1972 were unsuccessful because the administration objected to provisions requiring Presidential consideration of members of the board of directors. The pending legislation has met the administration's concern in that respect by providing simply for all board members to be named by the President, subject only to confirmation by the Senate.

Mr. President, I urge the Senate to adopt the pending motion to send the bill back to the House of Representatives so that the final change can be made in the conference agreement. We can then proceed to set up the Legal Services Corporation to ensure the continuation of this vital program of legal services for the poor.

Mr. President, how much time do I

have remaining? Is the 30 minutes equally divided?

The PRESIDING OFFICER (Mr. HATHAWAY). The time is equally divided. The proponents of the motion have 8 minutes remaining.

Mr. NELSON. Mr. President, I yield 3 minutes to the distinguished Senator from New York (Mr. JAVITS).

Mr. JAVITS. Mr. President, I will not go over the same ground that Senator NELSON went over, except to say that we had some debate on the floor of the Senate the other day as to whether or not the President would sign this bill. I think that is a very serious matter which was brought up. I have done my utmost to run it down.

We now have a letter, a copy of which is on the desk of each Senator, signed by Senator NELSON, Senator TAFT, and myself, reading in part as follows:

> The undersigned sponsors of the Legal Services bill have received assurances from the administration that the bill will be signed into law by the President if the authority to make grants and contracts for backup centers is dropped, (leaving intact the authority for the corporation to undertake backup research in support of activities directly through its own employees, as in the House-passed bill).

Mr. President, we have done our utmost to ascertain the continued validity of that statement, and we stand by it. I hope very much that those who may have had some doubts about it will have made their own inquiries. I trust that if we are to be challenged on it, we may be so advised. But we do not really see that there is any reason to challenge us. Obviously, this is a statement which Senator do not make lightly.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CURTIS. Are these the same assurances that were pronounced by the proponents of this measure last week, when it was under discussion?

Mr. JAVITS. They are the same, plus reiterated assurances thereafter, enabling us to say immediately and currently, under date of July 15, which was yesterday, what we have said in this letter.

Certainly, the Senator from Kansas and I and others who have served in the Senate a long time have no pride of place about this matter. I did not feel hurt or insulted when that statement was somewhat challenged.

I am convinced that this is so. I have really done my utmost to run it down. So have Senator NELSON and Senator TAFT, and we are stating this to the Senate as the reason we are going through all this procedure.

I am sure my colleague knows I am deeply devoted to the backup centers, key ones of which are in my own State of New York. This represents a big hole in this bill to me, in fact the backup centers are currently funded as a result of action which I urged, so it is no pleasure for me to come around and say we are stepping down from what I really consider to be the critical part of the bill and an extremely important part of the program, but that was the thing we had to do in order to arrive at an agreement in this matter which is somewhat analogous to what we did in the comprehensive job training bill where, again, the same assurances were given to the Senate and the President did sign that bill.

That is the best we can do under the circumstances of an expected veto otherwise, with continuation of the existing program in doubt in the House. I just wish to emphasize, Senator CURTIS, there is no pride of place or hurt feelings.

Mr. CURTIS. I understand that, but I have a different understanding.

Now, in the last several days I have attempted to ascertain what would be the disposition of this legislation.

The PRESIDING OFFICER. The Senator from New York's 3 minutes have expired.

Mr. JAVITS. May I have an additional minute?

Perhaps the opponents will yield.

Mr. CURTIS. Yes, I will yield a couple of minutes.

The best information I got was that while there were some ideas pointing toward the signature or approval of this legislation that it was not positive yet and that the matter would be under open consideration until it was laid on the President's desk.

That is the distinct feeling I have because I believe that upon examination there will be many who will feel that what it proposed here will not totally eliminate backup centers. All it does is say that we cannot finance them, but grant their contract. It does not leave the corporation——

Mr JAVITS. May I explain that?

Mr. CURTIS. Because the amendment merely goes to the question of how they are financed. It has nothing to do with the powers or the scope of their work.

Mr. JAVITS. May I differ, most respectfully, with the Senator?

I think it has everything to do with the powers and scope of their work.

For this reason, we are dealing with an established situation in which these existing centers have been working in many cases with law schools and they have had a certain type of approach.

What is left here is simply, are in-house operations like those of any law firm, and that is what the House of Representatives contended for and what the administration has indicated will be signed.

After all, we cannot have a Legal Services Corporation where the people who are working in these various legal services cannot do any research.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. JAVITS. Mr. President, we have made a representation to the Senate, and we have made it in good faith, and we are convinced.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HELMS. Mr. President——

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I ask unanimous consent that Dr. James Lucier have the privilege of the floor during consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, even though the vote scheduled momentarily is only—as the sponsors themselves, put it—"a purely technical step necessary in order to send H.R. 7824 back to the House of Representatives," there is really more significance to this vote than that.

This is another step toward implementation of virtually the same conference report that has already been tabled by this Senate.

So really, the choice still before us is not whether there shall be legal services for the poor, subsidized by the Federal Government. Congress and the President have made clear their combined will that such Federal support shall continue.

The question is, rather, how shall such legal services be provided. In the first instance, shall the program be conducted under the aegis of appointees accountable to the Congress and the executive branch, as virtually all other programs are run, or shall it be assigned to an independent, corporation, operationally controlled by private organizations, and unaccountable to elected officials.

In the second instance, the question is whether legal services for the poor shall be furnished by private practitioners of the sort available to those of greater means, or shall the poor be required to rely on a system of salaried staff attorneys. I might say that the money for this comes out of the taxpayers' pockets, some $100 million of it.

There has been much debate over the restrictions placed on staff attorneys in the bill which passed the House more than a year ago and about the loopholes in the apparent restrictions contained in the Senate and Conference versions of the bill.

As one who believes in limited Federal intervention in our lives, I would prefer a situation in which it were not necessary to place any restrictions on Legal Services attorneys. Indeed, I would oppose any such restrictions on attorneys in private practice, relying instead on the ability of the individual client to serve his own interest by choosing or discarding lawyers as might seem appropriate. Unfortunately, H.R. 7824 would preserve the unfair and trouble-causing practice which has grown up at OEO of denying the poor the equal chance to hire and fire their own attorneys. Instead, if they are lucky enough to be chosen as a client, they are stuck with whichever staff attorney is assigned to represent them.

This is an important distinction. It gives power not to the needy client, but to the attorney-social worker.

The attorney's power, under this staff system, derives not from his client—as is true of private attorneys—but from the Government which pays his salary. Furthermore, because normal client-based market constraints are not present to direct the staff attorney's conduct, or

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to govern the use of his time, it becomes necessary for the Government which pays his salary to so direct the uses of his time.

I urge that we reject the staff attorney approach embodied in H.R. 7824 and move instead toward judicare—a system wherein private attorneys will be reimbursed for representing clients who choose to retain them. But if we do not choose judicare, let us at least be sure that we know what kind of activities we wish to underwrite on the part of staff attorneys.

Do we want Legal Services attorneys to represent persons under the age of 18 without the consent of their parents? Such would be sanctioned under H.R. 7824.

Do we want to freeze in the existing control of many Legal Services programs by such groups as the American Civil Liberties Union and the National Lawyers Guild and the National Welfare Rights Organization? H.R. 7824 would do that.

Do we wish to permit the funding of public interest law firms, which use the courts to achieve changes in public policy along lines favored by those who control such firms? Such funding is permitted under H.R. 7824.

Do we wish to prevent State and local governments from providing legal services under this act, except to supplement programs controlled by private organizations? H.R. 7824 includes that restriction.

Do we wish to require a trial-type hearing before any private group funded to deliver legal services may be replaced by another. H.R. 7824 makes it virtually impossible not to renew funding for a particular organization once it has been granted.

Shall we permit legal aid lawyers to represent and assist private groups which act in the name of the poor—groups like the American Indian Movement and the Berkeley Anti-Police Youth Coalition or the National Tenants Organization. H.R. 7824 concedes such permission.

Shall we permit staff attorneys to aid boycotts, strikes, picketing, ballot referendums, or other activities in support of causes they personally prefer? H.R. 7824 permits it.

Do we want taxpayer subsidized vehicles, office equipment, and resources to be placed at the disposal of groups and individuals favored by local staff attorneys? H.R. 7824 permits it.

Do we wish to prevent the reimbursement of innocent parties who successfully defend against suits brought by Legal Services attorneys? H.R. 7824 permits such just reimbursement only when the aggrieved party can prove harassment or malice on the part of the Legal Services program.

Do we want staff attorneys to take advantage of their guaranteed annual incomes, and their freedom from economic concern, by using their project as a base for lego-political activities conducted under the guise of outside practice of law? H.R. 7824 would countenace it, despite the conclusions of the Commission which, in 1971, studies the California rural legal assistance program, and recommended tighter controls on outside practice.

Do we want taxpayer-subsidized attorneys and support staff to be engaged in legislative and administrative lobbying, the drafting of legislation and regulations, or the rendering of staff support to favored legislators and favored causes? H.R. 7824 permits it, whenever done in the name of a client, or by request of a single legislator, or bureaucrat—depending on whether it involves legislative or administrative rulemaking.

Do we wish to surrender to the grantees themselves control over policymaking in such areas as appeals and class action suits? If it costs nothing to appeal and there is no policy constraint to restrict it, a local project determined to achieve changes in the law of the land can hardly be expected not to appeal in every instance where an issue of policy is at stake, even if a private attorney would not. Such will be the case under H.R. 7824.

Do we want legal services for the poor to be a driving force in the organization of prisoners and mobilization of inmate dissent? Such is authorized by law under H.R. 7824, whereas at OEO it has simply been a matter of practice on which the law has been silent.

Do we want to see those restrictions we have enacted thwarted by the conduct of prohibited activities by projects using funds received from other unregulated sources? Such is allowed by H.R. 7824.

Mr. President, in 25 key respects this bill as approved by conference is weaker than the bill adopted by the House of Representatives in 1973, and that bill was weaker, in 13 key respects than the bill introduced by the Nixon administration.

Under this bill it is not required that lawyers be admitted to practice law; there is no provision for citizens to sue the corporation to see that the law is followed by local projects—or to provide reimbursement of costs for such law-enforcing activity; the American Bar Association—whose committees and staff are increasingly influenced by legal services project attorney members—is accorded control over policy governing attorney conduct and behavior; procedures for disciplining project attorneys who violate regulations are removed from control of the national board; aid to boycotts and strikes is permitted; eligibility is so defined as to permit students, teenagers alienated from their parents, and persons who voluntarily opt for an economically nonproductive lifestyle to get free representation; the list is endless.

This bill translates into taxpayer subsidy for busing suits—as have been brought in Boston and Detroit; for involvement in union jurisdictional disputes, as on behalf of Cesar Chavez against the Teamsters; for urging that States be required to give convicted felons the right to vote, as in a recent case before the Supreme Court; for pushing to give noncitizens proportional rights to civil service employment, as argued for in California; for organizing American Indian Movement and National Welfare Rights chapters as in South Dakota and elsewhere; for bringing abortion test cases as in Utah and Massachusetts; for implementing quotas in education and employment, as in the DeFunis case and in suits against small businesses; for defending May Day rioters, as the National Juvenile Law Project did in 1972. The list has literally thousands of outrageous examples.

H.R. 7824 does not contain the safeguards needed under a staff attorney system and, by shutting out prospects for judicare, and the use of private lawyers, it denies the poor the equality of choice and us the market protections which come with the private practice of law.

Mr. President, I urge that we defeat this motion.

Mr. President, I ask unanimous consent that a brief analysis prepared by me, entitled "Why the 'Back-up Center' Compromise Has Not Been Achieved," be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

WHY THE "BACK-UP CENTER" COMPROMISE HAS NOT BEEN ACHIEVED

1. The language to be adopted allows the Corporation "to undertake directly" the same functions now done by contract. This may be done at one location or several, so long as done by the Corporation itself.

2. The conference report already allows grants to public interest law firms that spend less than 50% of their time litigating issues "in the broad interests of a majority of the public."

3. The conference report does not forbid funding public interest law firms that act "in the collective interest of the poor," which could include abortion law, welfare law, property tax law, busing for integration, etc.

4. Many of the functions of the back-up centers have already been transferred to other grantees, a process that is continuing.

Mr. HELMS. I am delighted to yield to the Senator from Idaho (Mr. McClure).

Mr. McCLURE. I thank the Senator for yielding.

I think it important we put two matters in very clear context. One is that I do not question the good faith of the Senator from New York (Mr. Javits) or the Senator from Ohio (Mr. Taft) and I do not question that they got commitments from some spokesman in the White House.

I think it is important for us to understand what those commitments were and where they came from. I have endeavored to track them down, because others of us had commitments also. I believe the facts to be true and I will state them in spite of the fact that I think it is dangerous to attribute specific statements to specific spokesmen for the White House, but in this instance I think it is necessary.

My understanding is that the commitment to the Senators that I have referred to in favor of this compromise came from General Haig. I think that General Haig either was unaware of prior commitments made by the President or the President himself changed his mind and did not desire to any longer honor those prior commitments.

I think perhaps it is the former case, that General Haig was not aware of the President's position when he made those commitments, because of the visit which Senator CURTIS has referred to in the colloquy already, and then his meeting with the President last week, and the assurances given to Senator CURTIS and Representative BAKER that, indeed, the matter was not resolved and there would be further consideration prior to the time the President made a decision.

I think it is important for us to understand the evolution of events so that we may understand properly the statements emanating from the White House staff.

Now, in that connection, I understand that there was an article in the paper today with regard to the firing of OEO chief Arnett in which he is quoted as saying that Dean Burch, of the President's staff, had assured him the deal had already been made and that Legal Services would be signed.

I talked to Mr. Burch less than 20 minutes ago and he says that that statement by Mr. Arnett as reported in the Washington Post today is absolutely false, that no statement of that nature was made by him to Mr. Arnett and that no such assurances were given Mr. Arnett and no such decision has been made.

Mr. CURTIS. Would the Senator yield?

Mr. McCLURE. I would be happy to yield to the Senator from Nebraska.

Mr. CURTIS. I am very pleased to have the distinguished Senator state the facts with reference to his telephone call with Dean Burch. I was surprised when that appeared in the news. I could not quite comprehend it, because in the last several days I have been interested and I have made inquiry about this proposal for legal services.

I had the distinct understanding that at the time I got my information, which was quite recently, the matter was still an open question and had not been decided; and I understood that it would not be decided and would remain an open question until the papers were delivered on the desk and ample time had been taken.

I cannot go so far as to say that the words were used as to the delivery of the papers, but certainly I had the clear picture, the clear understanding that the matter was not closed.

Mr. McCLURE. That was the assurance given to the Senator from Nebraska by the President himself, and not by any intermediary?

Mr. CURTIS. I got it from very high authority.

Mr. McCLURE. That was last Thursday afternoon, as I recall?

Mr. CURTIS. That is correct.

Mr. McCLURE. So in any chronology of events, I think that is important to keep in mind.

Mr. President, the story has somehow spread throughout Washington that the only opposition to the legal services bill is directed against the backup centers. Someone, who apparently was considered a spokesman for the other side, gave the impression that with the simple removal of the centers, opposition to the bill would cease.

Mr. President, a great many Senators have very patiently explained in considerable detail their desire to get legal services for the poor without passing the bill before us today. Our objections, explanations, and statements are all in the RECORD, but there is perhaps one aspect of the bill which no one has pointed out, and it renders the entire bill unacceptable. That is the language in which it is written.

The general method employed by the writers was that of outlining broad restrictions and then devising exceptions to the restrictions—exceptions which were so broad as to completely evicerate them.

For example, it is all very well to say that no corporation funds may be used to provide criminal legal assistance, or for any political activities, or to make grants to public interest law firms or to provide legal assistance to those under 18. But these restrictions are absolutely useless in the face of the appended exceptions. Each restriction can be done away with in the face of objection by guardians, parents, and others. The last and most sweeping exception says that no such funds shall be dispensed except:

> (D) where necessary for the protection of such person for the purpose of securing, or preventing the loss of, benefits or services to which such person is legally entitled, or (E) in other cases pursuant to criteria which the Board shall prescribe for the purpose of insuring adequate legal assistance for such persons under eighteen years of age;

There is obviously no protection here against filling the courts with frivolous and time consuming litigation, removing the child from the protective atmosphere of his family, or in effect doing anything else that the Board's criteria permit. Once the Board is set up and running, those criteria will not be subject to evaluation by the President, the Congress, or the voter.

I consider it more honest to vote on a bill which comes right out and says that all decisions about legal services should be made by a Washington corporation rather than to use this language with its exceptions.

Far from being an isolated example of muddy language a reader would find that this is the only kind of language in the bill. The bill prohibits the use of Corporation money—

> (5) to support or conduct training programs for the purpose of (A) advocating, as distinguished from disseminating information about, particular public policies, or (B) encouraging political activities, labor or antilabor activities, or any illegal boycotts, picketing, strikes, or demonstrations.

Now that sounds just fine. But the sentence goes on to add:

> (Except that, for the purposes of this title, "encouraging" or "encourage" does not include the rendering of legal advice and representation by an attorney as an attorney for any eligible client with respect to such client's legal rights and responsibilities);

The lawyers can in effect do exactly those things if they consider it necessary. I could go on for hours enumerating what is wrong with the way this bill is written, unfortunately it is too late. But let me make one thing clear: Anyone who believe the controversy over this measure rests entirely on the issue of backup centers is dead wrong. There are at least a hundred other reasons why the measure should be vetoed.

Mr. HELMS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HELMS. Mr. President, I want to reiterate, in the final minutes I have remaining before the vote, that here we have a bill on which not 1 minute of hearings was held; it was marked up in secret session and reported out as a fait accompli, even though there was at least one other Legal Services Corporation bill introduced and referred to the Committee on the Judiciary. That bill was cosponsored by the Senator from Tennessee (Mr. BROCK) and me.

If the situation were reversed, and if the conservatives in the Senate were to have reported out a bill under such circumstances, I imagine tomorrow morning's Washington Post and New York Times would have had banner headlines condemning such legislative activity. But, no, in this case, it was all right, because the Washington Post and the other big city liberal newspapers favor absolute Government control of providing legal services for the poor; so the tactics used in this matter have not even been mentioned. It was not considered news.

Therefore, I can understand, Mr. President, that the Members of this body do not understand the implications of this legislation and, therefore, many of them will make a grievous error in supporting it.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. HELMS. I am glad to yield to the Senator from Nebraska.

Mr. CURTIS. I think it is important at this point that we clarify just a little bit what we mean by "legal services."

If we had before us a proposal that poor persons would be given legal services when they were needed, I think it would have an almost unanimous vote in this Chamber.

Mr. HELMS. Exactly.

Mr. CURTIS. The poor people of this country face many problems. Sometimes the problem is eviction. Sometimes it is the forcible collection of a debt. Sometimes it is a matter within their household that causes them great worry, and they need legal advice and legal assistance.

If we had before us a bill that provided legal services to individuals and families in need, it would receive the same general support as legislation that provides that poor people who are hun-

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gry shall have food, and poor people shall be helped with their housing.

I thank the distinguished Senator, and I wish the committee would hold hearings on his bill to do that very thing.

Mr. HELMS. I thank the distinguished Senator from Nebraska.

The PRESIDING OFFICER. The Senator from North Carolina has 1 minute remaining.

Mr. HELMS. Mr. President, for the purpose of obtaining a parliamentary ruling from the Chair, and to demonstrate—though I hope I am wrong in this—that probably there is no willingness to have a real study of this legislation by anyone except the committee that reported it out, I move that the bill be referred to the Committee on the Judiciary, with instructions to report back to this body in not less than 30 days.

Mr. JAVITS. Mr. President——

Mr. HELMS. Let us have a display of good faith. Let the proponents show their good faith—and their confidence in their bill—by letting it be studied by the Judiciary Committee.

The PRESIDING OFFICER (Mr. HATHAWAY). The Chair will state that the motion is not in order, because under the unanimous-consent agreement we are going to vote on the Mansfield amendment at 12:30, and if the bill were recommitted that vote could not take place.

Mr. HELMS. In that case, Mr. President, I ask unanimous consent that the previous order be set aside so that the Senate can vote on the question of referral. In 15 minutes we can have an answer.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, I object.

Mr. NELSON. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HELMS. Of course, they object. I thank the Chair; I have proved my point.

The PRESIDING OFFICER. The Senator from Wisconsin has 5 minutes remaining.

Mr. NELSON. Mr. President, the Senator from North Carolina is absolutely correct.

Does the Senator from Ohio request time?

Mr. TAFT. Yes; will the Senator yield?

Mr. NELSON. I yield 3 minutes to the Senator from Ohio.

Mr. TAFT. Mr. President, I think it is important to clarify the matter somewhat again at this point. The representations I made at the time the bill was passed and sent to conference are reconfirmed. They have been reconfirmed today. I do not think there is any change in the situation, but I want to make it absolutely clear that the representation I had made earlier, which was repeated today, stands, that if the House language with regard to backup centers is adopted, the President will sign this bill; if it is not, he will not sign the bill. That is the way the matter stands at the present time.

The language in the House bill, again, I think it might be important to review. It states:

(3) To undertake directly, and not by grant or contract, the following activities related to the delivery of legal assistance:

(A) Research,

(B) Training and technical assistance, and

(C) To serve as a clearinghouse for information.

That is the language that will be accepted. That is the language that will be proposed on the House side.

Apparently some question has also been raised in the interim as to whether or not there might be some out insofar as having some public interest law firm undertake backup center functions. I say with regard to that that there is no intentional out. There is no loophole involved in the language of the bill as it will be adopted by the House after the change involved.

In any event, I would call attention to the fact that in H.R. 7824 as introduced, as passed by the House of Representatives, as passed by the Senate, and as approved by the conference, there is a strict restriction against funds being made available either by grant or by contract to be used by private law firms who expend 50 percent or more of its resources and time litigating issues in the public interest area.

There is an attempt here to becloud the issue in some way, I think, to arouse our opposition to this bill. I do not think there should be any further confusion. I think the matter is patently clear, and that by taking the steps outlined, we can enact what I think is a very important piece of legislation.

Mr. NELSON. Mr. President, I yield myself 15 seconds. I do not think anyone can complain about this bill not being referred to another committee and not having adequate consideration. We have been on the legal services business since 1969. A bill was vetoed in 1971; we went to conference with a bill and could not agree in 1972; and we are passing this bill this year. It has had more detailed and extended consideration than almost any other piece of legislation we have had around here for the last half dozen years.

I ask unanimous consent that a list of the witnesses who have appeared since 1969 on the legal services section of the legislation be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CHRONOLOGICAL LIST OF WITNESSES

MAY 23, 1969

Staats, Elmer B., Comptroller General of the United States, accompanied by Robert F. Keller, General Counsel; Gregory J. Ahart, Deputy Director, Civil Division; Richard Kelley, Assistant Director, Civil Division; Keith Marvin, Associate Director, OPSS; James Masterson, attorney, Office of the General Counsel; Ellsworth H. Morse, Director, OPSS; George Staples, Associate Director, Civil Division; A. L. Patterson, Assistant Director, OPSS; and Harry Kensky, Director, Program Planning Staff.

Prouty, Hon. Winston, a U.S. Senator from the State of Vermont.

Robb, John D., chairman, American Bar Association's Committee on Legal and Indigent Defendants, accompanied by Maynard Toll, president, National Legal Aid and Defender Association, and John P. Tracey, assistant director, Washington office, American Bar Association.

Sander, Prof. Frank E. A., chairman, Council on Legal Education Opportunity, accompanied by Dean William B. Lockhart, president, Association of American Law Schools; Prof. Michael H. Cardozo, executive director, Washington, D.C.; and Peter L. Wolff, assistant to executive director.

FRIDAY, NOVEMBER 14, 1969

Kennedy, Hon. Edward M., a U.S. Senator from the State of Massachusetts.

Mondale, Hon. Walter F., a U.S. Senator from the State of Minnesota.

Rumsfeld, Donald, Director, Office of Economic Opportunity, accompanied by Terry Lenzner, OEO Legal Services Director.

Massell, Sam, mayor-elect of Atlanta, Ga., representing the U.S. Conference of Mayors and National League of Cities; accompanied by Tom Cochran, legislative representative, U.S. Conference of Mayors; and John Gunther, executive director, U.S. Conference of Mayors.

Lockhart, William B., University of Minnesota; Jefferson B. Fordham, University of Pennsylvania; and Murray L. Schwartz, University of California at Los Angeles; all deans of law schools.

Fordham, Jefferson B., dean, University of Pennsylvania Law School.

Schwartz, Murray L., dean, University of California School of Law, Los Angeles, Calif.

Lorenz, James D., Jr., California Rural Legal Assistance; and Bruce S. Rogow, Miami, Fla.

Robb, John D., Albuquerque, N. Mex., representing the American Bar Association, the National Legal Aid & Defender Association, and the National Bar Association, accompanied by Mr. Tracey.

STATEMENTS OF WITNESSES

California Law School Deans, prepared statement.

Fordham, Jefferson B., dean, University of Pennsylvania Law School.

Kennedy, Hon. Edward M., a U.S. Senator from the State of Massachusetts.

Lockhart, William B., University of Minnesota; Jefferson B. Fordham, University of Pennsylvania; and Murray L. Schwartz, University of California at Los Angeles; all deans of law schools.

Prepared statement.

Lorenz, James D., Jr., California Rural Legal Assistance; and Bruce S. Rogow, Miami, Fla.

Massell, Sam, Mayor-elect of Atlanta, Ga., representing the U.S. Conference of Mayors and National League of Cities; accompanied by Tom Cochran, legislative representative, U.S. Conference of Mayors; and John Gunther, executive director, U.S. Conference of Mayors.

Mondale, Hon. Walter F., a U.S. Senator from the State of Minnesota.

National Advisory Commission on Civil Disorders, excerpt from report.

National Commission on the Causes and Prevention of Violence and Law Enforcement, November 1969, excerpt from.

Robb, John D., Albuquerque, N. Mex., representing the American Bar Association, the National Legal Aid & Defender Association, and the National Bar Association, accompanied by Mr. Tracey.

Rumsfeld, Donald, Director, Office of Economic Opportunity, accompanied by Terry Lenzner, OEO Legal Services Director.

Schwartz, Murray L., dean, University of California School of Law, Los Angeles, Calif.

WEDNESDAY, OCTOBER 7, 1970

Rumsfeld, Donald, Director, Office of Economic Opportunity; accompanied by Terry F. Lenzner, Director, Legal Services.

Javits, Hon. Jacob K., a U.S. Senator from the State of New York.

Cummiskey, John W., Grand Rapids, Mich., representing the American Bar Association; Donald Stocks, Washington, D.C., executive director, National Bar Foundation; and Dean E. Clinton Bamberger, Washington, D.C., Catholic University Law School, representing National Legal Aid and Defenders Association; comprising a panel.

FRIDAY, OCTOBER 9, 1970

Reynoso, Cruz, San Francisco, Calif., director of California rural legal assistance program, representing Mexican-American Bar Association.

Dugan, David H., director, Camden, N.J., Legal Services Corp., representing Poverty Lawyers for Effective Advocacy (PLEA).

Cook, Willie, Neighborhood Legal Services, Washington, D.C., representing Reginald Heber Smith caucus.

Spangenberg, Robert L., director, Boston (Mass.) legal assistance project, representing Project Advisory Group (PAG).

Moore, George W., Brooklyn, N.Y., representing OEO Legal Services National Clients Council, accompanied by John J. McGonagle, Esq., Urban Law Institute, and Edgar S. Cahn, Esq., Citizens Advocate Center.

Hannum, Mrs. Edwin, Member, Committee on Human Resources, League of Women Voters' National Board.

STATEMENTS

Cook, Willie, Neighborhood Legal Services, Washington, D.C., representing Reginald Heber Smith caucus.

Cummiskey, John W., Grand Rapids, Mich., representing the American Bar Association; Donald Stocks, Washington, D.C., executive director, National Bar Foundation; and Dean E. Clinton Bamberger, Washington, D.C., Catholic University Law School, representing National Legal Aid and Defenders Association; comprising a panel.

Prepared statement.

Dugan, David H., director, Camden, N.J., Legal Services Corp., representing Poverty Lawyers for Effective Advocacy (PLEA).

Prepared statement.

Hannum, Mrs. Erwin, member, Committee on Human Resources, League of Women Voters' National Board.

Prepared statement.

Javits, Hon. Jacob K., a U.S. Senator from the State of New York.

Jones, Frank N., upon removal as Deputy Associate Director of the Office of Legal Services of the Office of Economic Opportunity.

League of Women Voters of the United States, Washington, D.C.

Lenzner, Terry F., upon removal as Director of Legal Services, Office of Economic Opportunity.

McKenzie, Taylor, M.D., president, Dinebeiina Nahiilna Agaditahe, a legal service program for the Navaho, Window Rock, Ariz.

Moore, George W., Brooklyn, N.Y., representing OEO Legal Services National Clients Council, accompanied by John J. McGonagle, Esq., Urban Law Institute, and Edgar S. Cahn, Esq., Citizens Advocate Center.

National Conference of Black Lawyers, New York, N.Y.

National Staff of the Office of Legal Services, OEO and the OEO Legal Services Regional Directors, regarding the dismissal of Terry F. Lenzner and Frank N. Jones.

National Tenants organization, Inc., Washington, D.C.

Neier, Aryeh, executive director, American Civil Liberties Union.

Reynoso Cruz, San Francisco, Calif., director of California rural legal assistance program, representing Mexican-American Bar Association.

Prepared statement.

Robb John D., chairman, ABA Standing Committee on Legal Aid and Indigent Defendants.

Rumsfeld, Donald, Director, Office of Economic Opportunity; accompanied by Terry F. Lenzner, Director, Legal Services.

Spangenberg, Robert L., director, Boston (Mass.) legal assistance project, representing Project Advisory Group (PAG).

TUESDAY, MAY 11, 1971

Wright, Edward, president, American Bar Association; accompanied by John D. Robb, chairman standing committee on legal aid and indigent defendants; Jacob D. Fuchsberg, American trial lawyers association; John C. Douglas, National legal aid and defenders association; and James W. Cobb, president-elect, National bar association.

Fuchsberg, Jacob D., member, executive committee of National Advisory Committee for Legal Services Program of the Office of Economic Opportunity.

Douglas, John W., president, National Legal Aid and Defender Association.

Cobb, James W., president-elect, National Bar Association.

Hamilton, Mrs. Maryellen, president, National Clients Council, Inc.

Spangenberg, Robert, Boston Legal Assistance Project; David Dugan, Camden, N.J., Regional Legal Services; Glenn Carr; Reginald Heber Smith Program, Howard University, accompanied by Alfonso Gonzalez, Deputy Director, panel representing legal services attorneys.

Dugan, David, representative, Camden, New Jersey, Regional Legal Services.

Carr, Glenn E., executive director, Reginald Heber Smith Community Lawyer Fellowship Program, Howard University.

Gonzalez, Alfonso, deputy director, Reginald Heber Smith Program at Howard University.

WEDNESDAY, MAY 12, 1971

Carlucci, Frank, Director, Office of Economic Opportunity; accompanied by Fred Speaker, director of legal services program, and Donald Lowitz, general counsel.

Lenzner, Terry E., Clinton Bamberger, Earl Johnson, Jean Camper Cahn, and Burt Griffin, panel consisting of former directors of OEO legal services programs.

Lockhart, William B., Dean, former president of the Association of American Law Schools; accompanied by Michael H. Cardozo, executive director, Association of American Law Schools; and Peter L. Wolff, assistant to the executive director, Association of American Law Schools.

Shestack, Jerome J., Philadelphia, member, Legal Services National Advisory Committee, and William P. Mahoney, Jr., Phoenix, member, Legal Services National Advisory Committee, and chairman, Maricopa County Legal Aid Society.

Mr. NELSON. I yield the remainder of my time to the Senator from New York (Mr. JAVITS).

Mr. JAVITS. On this, Mr. President, I do not believe——

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. JAVITS. I do not believe there is any real controversy on the attitude of the White House. The most that has been said in opposition is that the question is still open.

We say we have assurances if the Senate and House proceed as they do that the bill will become law. It does not seem to me there is any confrontation there at all.

Second, Mr. President, we are told that legal services are desirable but now for 3 years this whole matter has been held up in the air, and we at least now have a bill which is as close to anything the President has ever asked for as any person, including the President, could require. So we are voting on the merits. This is the best bill that can be turned out of Congress under the circumstances with the chance of becoming law. It is on that substantive ground that we appeal to the Senate to support this motion and to approve it.

Mr. STEVENS. Mr. President, Alaska Legal Services is a good example of the value of a well-run legal services program to the poor people served by such an agency. Since 1966, Alaska Legal Services has provided quality legal representation to the poor of a vast and primitive area where no service of this kind is provided by any other public or private agency.

Alaska Legal Services has been deeply involved in representing the subsistence interest of Alaskan Native people. In 1972, ALS assisted the village of Little Diomede as well as many individual Native people in protecting arts and crafts and subsistence usage of marine mammals by an amendment of the Federal marine mammals bill. In 1973, ALS continued to represent the subsistence interest of its Native clients by its participation in the promulgation of regulations under the Marine Mammal Act and amendments to the Federal Endangered Species Act.

Alaska Legal Services has been instrumental in implementing legislative intent and Federal policy under the Alaska Native Claims Settlement Act.

Since the Alaska Native culture is essentially subsistence and communal in nature, many technical and legal mechanisms of the Alaska Native Claims Settlement Act are not widely understood. ALS has prepared an educational handbook about corporations for individual village people, and is currently developing visual aids to supplement the written materials.

ALS also assisted seven remote villages which were considered Native reserves to hold valid elections to determine whether to retain their reservation or take over benefits under the act. Without ALS assistance, the elections would not have been held within the required time, and the options would have been lost forever.

Alaska Legal Services has been heavily involved in essential economic development projects. In the past, ALS has assisted in the creation of four fishing cooperatives. In 1973, ALS assisted the village of Hydaburg's co-op in developing and negotiating a lease for the operation of a cannery and cold storage essential to the economic vitality of this Haida

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community. ALS further assisted in the formation of Tlingit Readers, Inc., of Sitka, Alaska, which publishes bilingual materials important to southeast Alaska Native cultures. In Ketchikan, ALS has helped establish an Indian arts and crafts co-op this year.

Alaska Legal Services was one of the first agencies to respond to the economic disaster in Bristol Bay, opening an office well before the region was declared a disaster area. Unfortunately, the program has had to stretch an already tight budget to cover the emergency, leaving the program extremely thin in other areas.

The uncertainty of the legal services program nationally has severely hampered retention and recruiting of qualified attorneys. If Alaska Legal Services is to maintain its caliber and range of services, national legislation must be passed this year before the program's momentum is lost.

Mr. CLARK. Mr. President, the Senate is about to consider one of the most significant pieces of legislation in this session of Congress—the Legal Services Corporation Act. The bill is the result of careful study and countless compromises in an effort to enact the best possible legislation to provide legal assistance to those who cannot afford it. Specifically, the proposal includes each of the major features proposed by the President in his statement to the Congress calling for the establishment of this type of corporation.

Mr. President, over the past several months a considerable portion of the debate over this legislation has centered on the most controversial efforts of the Nation's existing legal servicecenters—from various efforts at legal reform, suits against the Government, divorce matters, and other issues. I would like to take just a moment to review another aspect of these services in Iowa—services which have not received the attention they deserve.

In July of 1968, a disastrous flood struck Waterloo, Iowa, causing loss of life and property. The Black Hawk Legal Air Society responded to that crisis by quickly setting up an emergency office to help people fill out the necessary disaster relief forms, offer legal advice, and assist other agencies in serving the victims of the disaster. Similarly—and more recently—on June 18, a devastating tornado hit Ankeny and the northeast area of the city of Des Moines. The Polk County Legal Aid Society immediately responded to this emergency as well, and an article in the June 21 edition of the Des Moines Tribune tells the story:

> Robert Oberbillig, director of the Polk County Legal Aid Society, said Friday that the society is providing free emergency legal services to "all residents of Polk County who have suffered losses as a result of the tornado and severe wind storm."
>
> The society will have lawyers available to answer questions and give advice at the Ankeny City Hall, or at the society's offices at 101 E. Grand Ave. in Des Moines.
>
> Oberbillig said the services will be available throughout the weekend and "as long as necessary" to provide assistance to people who have questions or problems.

Mr. President, these are just two examples of the success of legal service centers in Iowa. I have found in our State that this assistance consistently has been available to help people in need. This bill will assure the continuation of these vital services. I sincerely hope the Senate will approve the bill and the President will fulfill his pledge to support this concept "to give the poor the help they need" and sign the bill into law.

Mr. NELSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to further insist on its amendments to the bill (H.R. 7824) to establish a Legal Services Corporation.

The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), and the Senator from Missouri (Mr. SYMINGTON), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Hampshire (Mr. COTTON), and the Senator from Florida (Mr. GURNEY), are necessarily absent.

I also announce that the Senator from South Carolina (Mr. THURMOND is absent on official business.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. COTTON), and the Senator from South Carolina (Mr. THURMOND), would each vote "nay."

The result was announced—yeas 75, nays 18, as follows:

[No. 303 Leg.]

YEAS—75

Abourezk
Aiken
Bartlett
Bayh
Beall
Bellmon
Bentsen
Bible
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Dole
Domenici
Dominick
Eagleton
Fong
Fulbright
Griffin
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Taft
Talmadge
Tunney
Weicker
Williams

NAYS—18

Allen
Bennett
Buckley
Byrd, Harry F., Jr.
Curtis
Eastland
Ervin
Fannin
Goldwater
Hansen
Helms
Hruska
McClellan
McClure
Scott, William L.
Stennis
Tower
Young

NOT VOTING—7

Baker
Cotton
Gravel
Gurney
Long
Symington
Thurmond

So the motion was agreed to.

Mr. NELSON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE STAFF PARTICIPATION IN EDUCATIONAL EXCHANGE PROGRAMS

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Republican leader, the Senator from Pennsylvania (Mr. HUGH SCOTT) and myself, I make the following joint statement:

Mr. President, this Nation has in operation a number of exchange programs and leadership grants which bring to the United States, among others, political leaders, parliamentarians, and government employees, and military personnel of many foreign governments. While these programs are financed at the expense of the Federal Government, they can hardly be regarded as U.S. gifts to the foreigners who participate in the programs. Certainly they are not improper. Their purpose is to promote better understanding and to improve relationships between ourselves and the governments of other nations. If these U.S.-sponsored programs are to continue to be effective and, most important, acceptable to others and to our own people—and it is our hope that they will—they must derive from the principle of reciprocity and mutuality. They can hardly be deemed highly desirable when foreign personnel come to this Nation and then frowned on when American personnel go abroad under similar arrangements.

It is against this background that there have come to our attention certain comments and informal opinions casting doubt on the propriety of staff personnel of the Senate participating in exchange programs which appear to be comparable with U.S. programs for bringing foreign officials and civil servants and military personnel and others to this country. Without passing judgment on any particular instance of Senate staff participation in any particular program, it seems to us that participation by Senate staff personnel is proper in programs which serve such purposes as the following:

First, their principal objective is educational;

Second, they serve to enhance the capacity of the Senate employee to perform his duties in the Senate and to serve the government and people of the United States with greater understanding;

Third, knowledge of the program is not withheld from the public;

Fourth, the staff employee, in every instance, participates only with the full awareness and approval of his employing Senator, committee, or Senate officer; and

Fifth, reference in detail to the participation is inserted by the authorizing person in the CONGRESSIONAL RECORD.

It would seem to us that when these criteria are met, participation is in the interest of the Senate and the Federal Government and the Nation.

If any rule changes are necessary to establish a procedure for Senate staff participation in these bona fide exchange programs, it is the responsibility of the Committee on Ethics to propose such changes, formally, and for the Senate to approve or disapprove them. In the absence of such changes, the five points listed above should be sufficient. In our judgment, to provide a framework for determining when participation in educational exchange programs is valid for Senate staff personnel. We are confident of the integrity and good sense of Senate employees participating on the basis of these criteria and of the Committees, Members, and officers who supervise them.

REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974

The **PRESIDING OFFICER**. Under the previous order the Chair lays before the Senate Calendar No. 838, S. 3164, which the clerk will state by title.

The second assistant legislative clerk read as follows:

A bill (S. 3164) to provide for greater disclosure of the nature and cost of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement service provided in federally-related mortgage transactions, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing and Urban Affairs with an amendment to strike out all after the enacting clause and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Real Estate Settlement Procedure Act of 1974".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that significant reforms in the real estate settlement process are needed to insure that consumers throughout the Nation are provided with greater and more timely information on the nature and costs of the settlement process and are protected from unnecessarily high settlement charges caused by certain abusive practices that have developed in some areas of the country. The Congress also finds that it has been over two years since the Secretary of Housing and Urban Development and the Administrator of Veterans' Affairs submitted their joint report to the Congress on "Mortgage Settlement Costs" and that the time has come for the recommendations for Federal legislative action made in that report to be implemented.

(b) It is the purpose of this Act to effect certain changes in settlement process for residential real estate that will result—

(1) in more effective advance disclosure to home buyers and sellers of settlement costs;

(2) in the elimination of kickbacks or referral fees that tend to increase unnecessarily the costs of certain settlement services;

(3) in a reduction in the amounts home buyers are required to place in escrow accounts established to insure the payment of real estate taxes and insurance; and

(4) in significant reform and modernization of local recordkeeping of land title information.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "federally related mortgage loan" includes any loan which—

(A) is secured by residential real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of from one to four families; and

(B) (i) is made in whole or in part by any lender the deposits or accounts of which are insured by any agency of the Federal Government or is made in whole or in part by any lender which is regulated by any agency of the Federal Government; or

(ii) is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by the Secretary or any other officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary or a housing or related program administered by any other such officer or agency; or

(iii) is eligible for purchase by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation or from any financial institution from which it could be purchased by the Federal Home Loan Mortgage Corporation; or

(iv) is made in whole or in part by any "creditor", as defined in section 103(f) of the Consumer Credit Protection Act (15 U.S.C. 1602(f)), who makes or invests in residential real estate loans aggregating more than $1,000,000 per year;

(2) the term "thing of value" includes any payment, advance, funds, loan, service, or other consideration;

(3) the term "settlement services" includes any service provided in connection with a real estate settlement including, but not limited to, the following: title searches, title examinations, the provision of title certificates, title insurance, services rendered by an attorney, the preparation of documents, property surveys, the rendering of credit reports or appraisals, pest and fungus inspections, services rendered by a realtor, and the handling of the processing, and closing or settlement; and

(4) the term "Secretary" means the Secretary of Housing and Urban Development.

UNIFORM SETTLEMENT STATEMENT

SEC. 4. The Secretary, in consultation with the Administrator of Veterans' Affairs, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, shall develop and prescribe a standard form for the statement of settlement costs which shall be used (with such minimum variations as may be necessary to reflect unavoidable differences in legal and administrative requirements or practices in different areas of the country) as the standard real estate settlement form in all transactions in the United States which involve federally related mortgage loans. Such forms shall conspicuously and clearly itemize all charges imposed upon the borrower and all charges imposed upon the seller in connection with the settlement and shall indicate whether any title insurance premium included in such charges covers or insures the lender's interest in the property, the borrower's interest, or both. Such form shall include all information and data required to be provided for such transactions under the Truth in Lending Act and the regulations issued thereunder by the Federal Reserve Board, and may be used in satisfaction of the disclosure requirements of that Act, and shall also include provision for execution of the waiver allowed by section 6(c).

SPECIAL INFORMATION BOOKLETS

SEC. 5. (a) The Secretary shall prepare and distribute booklets to help persons borrowing money to finance the purchase of residential real estate better to understand the nature and costs of real estate settlement services. The Secretary shall distribute such booklets to all lenders which make federally related mortgage loans.

(b) Each booklet shall be in such form and detail as the Secretary shall prescribe and, in addition to such other information as the Secretary may provide, shall include in clear and concise language—

(1) a description and explanation of the nature and purpose of each cost incident to a real estate settlement;

(2) an explanation and sample of the standard real estate settlement form developed and prescribed under section 4;

(3) a description and explanation of the nature and purpose of escrow accounts when used in connection with loans secured by residential real estate.

(4) an explanation of the choices available to buyers of residential real estate in selecting persons to provide necessary services incident to a real estate settlement; and

(5) an explanation of the unfair practices and unreasonable or unnecessary charges to be avoided by the prospective buyer with respect to a real estate settlement.

Such booklets shall reflect differences in real estate settlement procedures which may exist among the several States and territories of the United States and among separate political subdivisions within the same State and territory.

(c) Each lender referred to in subsection (a) shall provide the booklet described in such subsection to each person from whom it receives an application to borrow money to finance the purchase of residential real estate. Such booklet shall be provided at the time of receipt of such application.

(d) Booklets may be printed and distributed by lenders if their form and content are approved by the Secretary as meeting the requirements of subsection (b) of this section.

ADVANCE DISCLOSURE OF SETTLEMENT COSTS

SEC. 6. (a) Any lender agreeing to make a federally related mortgage loan shall provide or cause to be provided to the prospective borrower, to the prospective seller, and to any officer or agency of the Federal Government proposing to insure, guarantee, supplement, or assist such loan, at least ten days prior to settlement, upon the standard real estate settlement form developed and prescribed under section 4 and in accordance with regulations prescribed by the Secretary, an itemized disclosure in writing of each charge arising in connection with such settlement. For the purposes of complying with this section, it shall be the duty of the lender agreeing to make the loan to obtain or cause to be obtained from persons who provide or will provide services in connection with such settlement the amount of each charge they intend to make. In the event the exact amount of any such charge is not available, a good faith estimate of such charge may be provided.

(b) If any lender fails to provide a prospective borrower with the disclosure as required by subsection (a), it shall be liable to such borrower in an amount equal to—

(1) the actual damages involved or $500, whichever is greater, and

(2) in the case of any successful action to enforce the foregoing liability, the costs of the action together with a reasonable attorney's fee is determined by the court;

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except that a lender may not be held liable for a violation in any action brought under this subsection if it shows by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures adopted to avoid any such error.

(c) The provisions of subsection (a) shall be deemed to be satisfied with respect to any settlement involving a federally related mortgage loan if the disclosure required by subsection (a) is provided at any time prior to settlement and the prospective borrower executes, under terms and conditions prescribed by regulations to be issued by the Secretary after consultation with the Federal Reserve Board, a waiver of the requirement that the disclosure be provided at least ten days prior to such settlement.

(d) With respect to any particular transaction involving a federally related mortgage loan, no borrower shall maintain an action or separate actions against any lender under both the provisions of this section and the provisions of section 130 of the Consumer Credit Protection Act (15 U.S.C. 1640).

PROHIBITION AGAINST KICKBACKS AND UNEARNED FEES

SEC. 7. (a) No person shall give and no person shall accept any fee, kickback, or thing of value pursuant to any agreement or understanding, oral or otherwise, that business incident to or a part of a real estate settlement involving a federally related mortgage loan shall be referred to any person.

(b) No person shall give and no person shall accept any portion, split, or percentage of any charge made or received for the rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan other than for services actually performed.

(c) Nothing in this section shall be construed as prohibiting (1) the payment of a fee (A) to attorneys at law for services actually rendered or (B) by a title company to its duly appointed agent for services actually performed in the issuance of a policy of title insurance or (C) by a lender to its duly appointed agent for services actually performed in the making of a loan, or (2) the payment to any person of a bona fide salary or compensation or other payment for goods or facilities actually furnished or for services actually performed.

(d)(1) Any person or persons who violate the provisions of this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

(2) In addition to the penalties provided by paragraph (1) of this subsection, any person or persons who violate the provisions of subsection (a) shall be jointly and severally liable to the person or persons whose business has been referred in an amount equal to three times the value or amount of the fee or thing of value, and any person or persons who violate the provisions of subsection (b) shall be jointly and severally liable to the person or persons charged for the settlement services involved in an amount equal to three times the amount of the portion, split, or percentage. In any successful action to enforce the liability under this paragraph, the court may award the costs of the action together with a reasonable attorney's fee as determined by the court.

LIMITATION ON REQUIREMENT OF ADVANCE DEPOSITS IN ESCROW ACCOUNTS

SEC. 8. No lender, in connection with a federally related mortgage loan, shall require the borrower or prospective borrower—

(1) to deposit in any escrow account which may be established in connection with such loan for the purpose of assuring payment of taxes and insurance premiums with respect to the property, prior to or upon the date of settlement, an aggregate sum (for such purpose) in excess of—

(A) in any jurisdiction such taxes and insurance premiums are postpaid, the total amount of such taxes and insurance premiums which will actually be due and payable on the date of settlement and the pro rata portion thereof which has accrued, or

(B) in any jurisdiction where such taxes and insurance premiums are prepaid, a pro rata portion of the estimated taxes and insurance premiums corresponding to the number of months from the last date of payment to the date of settlement,

plus one-twelfth of the estimated total amount of such taxes and insurance premiums which will become due and payable during the twelve-month period beginning on the date of settlement; or

(2) to deposit in any such escrow account in any month beginning after the date of settlement a sum (for the purpose of assuring payment of taxes and insurance premiums with respect to the property) in excess of one-twelfth of the total amount of the estimated taxes and insurance premiums which will become due and payable during the twelve-month period beginning on the first day of such month, except that in the event the lender determines there will be a deficiency on the due date he shall not be prohibited from requiring additional monthly deposits in such escrow account of pro rata portions of the deficiency corresponding to the number of months from the date of the lender's determination of such deficiency to the date upon which such taxes and insurance premiums become due and payable.

ESTABLISHMENT ON DEMONSTRATION BASIS OF LAND PARCEL RECORDATION SYSTEM

SEC. 9. The Secretary shall establish and place in operation of a demonstration basis, in representative political subdivisions (selected by him) in various areas of the United States, a model system or systems for the recordation of land title information in a manner and form calculated to facilitate and simplify land transfers and mortgage transactions and reduce the cost thereof, with a view to the possible development (utilizing the information and experience gained under this section) of a nationally uniform system of land parcel recordation.

REPORT OF THE SECRETARY ON NECESSITY FOR FURTHER CONGRESSIONAL ACTION

SEC. 10. (a) The Secretary, after consultation with the Administrator of Veterans' Affairs, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, and after such study, investigation, and hearings (at which representatives of consumers group shall be allowed to testify) as he deems appropriate, shall, not less than three years nor more than five years from the effective date of this Act, report to the Congress on whether, in view of the implementation of the provisions of this Act imposing certain requirements and prohibiting certain practices in connection with real estate settlements, there is any necessity for further legislation in this area.

(b) If the Secretary concludes that there is necessity for further legislation, he shall report to the Congress on the specific practices or problems that should be the subject of such legislation and the corrective measures that need to be taken. In addition, the Secretary shall include in his report—

(1) recommendations on the desirability of requiring lenders of federally related mortgage loans to bear the costs of particular real estate settlement services that would otherwise be paid for by borrowers;

(2) recommendations on whether Federal regulation of the charges for real estate settlement services in federally related mortgage transactions is necessary and desirable, and, if he concludes that such regulation is necessary and desirable, a description and analysis of the regulatory scheme he believes Congress should adopt; and

(3) recommendations on the ways in which the Federal Government can assist and encourage local governments to modernize their methods for the recordation of land title information, including the feasibility of providing financial assistance or incentives to local governments that seek to adopt one of the model systems developed by the Secretary in accordance with the provisions of section 9 of this Act.

(c) Section 701 of the Emergency Home Finance Act of 1970 (12 U.S.C. 1710, note) is repealed.

FEE FOR PREPARATION OF TRUTH-IN-LENDING AND UNIFORM SETTLEMENT STATEMENTS

SEC. 11. No fee shall be imposed or charge made upon any other person (as a part of settlement costs or otherwise) by a lender in connection with a federally related mortgage loan made by it (or a loan for the purchase of a mobile home), for or on account of the preparation and submission by such lender of the statement or statements required (in connection with such loan) by sections 4 and 6 of this Act or by the Truth in Lending Act.

JURISDICTION OF COURTS

SEC. 12. Any action to recover damages pursuant to the provisions of section 6 or 7 may be brought in the United States district court for the district in which the property involved is located, or in any other court of competent jurisdiction, within one year from the date of the occurrence of the violation.

VALIDITY OF CONTRACTS AND LINES

SEC. 13. Nothing in this Act shall affect the validity or enforceability of any sale or contract for the sale of real property or any loan, loan agreement, mortgage, or lien made or arising in connection with a federally related mortgage loan.

EFFECTIVE DATE

SEC. 14. The provisions of this Act, and the amendments made thereby, shall become effective one hundred and eighty days after the date of the enactment of this Act.

Mr. SPARKMAN. Mr. President, I shall make a very brief statement and then defer to the Senator from Tennessee, who is the author of the bill, to explain it in greater detail.

This bill was reported out of the Committee on Banking, Housing and Urban Affairs, and it has for its purpose doing something about the closing costs in real estate transactions.

One particular, which I should like to point out, is that it eliminates the payment of kickbacks, unearned fees, in connection with settlement services provided in federally related mortgage transactions, and for other purposes.

Mr. President, I think it is well simply to call it legislation having to do with settlement costs. It tries to bring order out of the degree of chaos that has existed heretofore, and which still exists. There are great differences existing from one area to another on closing costs.

I commend the Senator from Tennessee for having brought forth this measure.

Mr. President, the bill was recommended by the Committee on Banking, Housing and Urban Affairs. There was not a great deal of difference concerning this subject, as I construe it. The Senator from Wisconsin (Mr. PROXMIRE) did object to one provision, as I recall. I assume that he will offer an amendment along the line that he discussed in the committee.

Mr. President, we have tried in the past to get a bill on closing costs. We have never been able to work it out. I would not say that this bill pleases every member of the committee—not at all—but I think it is just about the best that we can arrive at with a consensus that makes it likely that we can pass it through the Senate, and, hopefully, through the House.

Mr. President, that is about all I care to say about the bill at this time.

Mr. BROCK. Mr. President, I appreciate the gracious remarks of the Senator from Alabama, and I particularly appreciate his leadership in scheduling this matter for the committee and seeing it to fruition. The Real Estate Settlement Procedures Act of 1974 is truly a pioneering piece of consumer legislation.

Not only does it provide the home buyer protection from excessive costs of real estate settlement services, but also, it goes a long way in providing fundamental reforms in the recordation of land title information.

This problem has been with Congress and the American people for a long time, and I am particularly grateful to the Senator from Alabama for his leadership in seeing that remedial legislation has finally reached the floor of the Senate. I might point out that similar legislation has been reported by the House Banking Committee, so we are close to effecting a resolution of the problem. I believe that is evidence of the concern of the Senator from Alabama and of our committee for a problem that has sorely beset the American people for a long time.

The consumer today faces a serious problem in purchasing a home. Interest rates are at a historic high and building costs continue to escalate. To top this off, at the time of closing, the home buyer is faced with a long list of settlement costs. Too often, these are inflated and almost always they are mystifying. The Real Estate Settlement Procedures Act is designed to relieve the consumer of much of the burden from the settlement cost procedure.

Over the last 2 years, the Senate has received testimony from approximately 25 witnesses on this subject in three different sets of hearings. The House of Representatives has held extensive hearings on various proposals for reform in the area as well. In addition, in the early months of 1972 the Department of Housing and Urban Development and the Administrator of the Veterans' Administration submitted a detailed report to Congress on "mortgage settlement costs." The provisions of S. 3164 are responsive to the various points and suggestions made at these hearings and continued in the HUD–VA report.

The Real Estate Settlement Procedures Act would attack the problems and abuses that have been demonstrated to exist in the real estate settlement process in four basic ways.

First, there are a number of provisions that would provide greater and more timely information to home buyers on the nature and costs of settlement services. A special information booklet to be developed by HUD would have to be given by the lender to the home buyer at the time he files a mortgage loan application. The lender would also have to give the home buyer a detailed estimate of his settlement costs at least 10 days in advance of settlement. This disclosure would be made on a uniform settlement statement to be developed by HUD that would also be the form used as the final statement that would be given to the buyer at the time of settlement. These provisions should help insure that home buyers will no longer be surprised to first learn of certain costs at the time of settlement and that they will be in a much more knowledgeable position to negotiate for the most reasonable charges for the services that they need.

Second, sections 7, 8, and 11 of S. 3164 will deal effectively with certain abuses that exist in the real estate settlement process in some areas of the country. Section 7 would prohibit any kickback or referral fee that is paid or received for the mere referral of settlement business and would prohibit any fee-splitting among persons who render settlement services unless the fee is paid in return for services actually rendered. These kickbacks or referral fees increase the cost of settlement services to the home buyer without providing any benefits to him. Section 7 will deal with these problems in the most comprehensive manner ever considered by the Senate.

Section 8 would limit the amount that lenders can require home buyers to pay into escrow accounts established to insure the payment of real estate taxes and insurance. In areas where unreasonable escrow requirements are imposed on the buyer, this provision should result in a reduction of hundreds of dollars in the amount that must be paid by the buyer at the time of settlement. Section 11 would prohibit a lender from charging the home buyer any fee for the preparation of truth-in-lending statements or the disclosure statements called for by sections 4 and 6 of the bill.

Third, in order to deal with what many witnesses have described as the underlying cause of unnecessarily high title transfer costs, section 9 directs HUD to develop and place in operation a model system or systems for the recordation of land title information. In many areas of the country, local governments continue to maintain land title records in accordance with systems designed for use in the 19th or 18th centuries. The costs of title searching in these jurisdictions are invariably higher than in areas where local records are maintained in accordance with more modern methods. The model systems developed information and experience to help local governments modernize their recordkeeping and help us achieve real savings that will result in lower title transfer costs.

Finally, section 10 is designed to achieve two purposes. First, subsection (c) would repeal section 701 of the Emergency Home Finance Act of 1970. This is the section of law that authorized and directed the Secretary of HUD and the Administrator of Veterans' Affairs to prescribe standards governing amounts of settlement costs allowable in connection with charges of hundreds of thousands of attorneys, title companies, surveyors, pest and fungus inspectors, and others who provide settlement services in FHA and VA assisted mortgage transactions. Testimony presented by various consumer, industry, and government witnesses in congressional hearings held during the past year have demonstrated that Federal rate regulation of settlement charges would be both unwise and unworkable. Both the Department of Housing and Urban Development, and the Federal Home Loan Bank Board has testified in opposition to Federal rate regulation of settlement charges and have urged the repeal of section 701 of the Emergency Home Finance Act of 1970.

Second, section 10 would direct the Secretary of HUD to monitor the implementation of the various antiabuse and disclosure provisions of the bill and report back to the Congress no sooner than 3 and no later than 5 years from the effective date of the act on whether there is any necessity for further legislation in this area. If he concludes that there is need for further congressional action, he is to report on the specific practices or problems that should be the subject of such legislation and the corrective measures that need to be taken. Specifically, section 10 would direct the Secretary to include in his report to the Congress his recommendations on the desirability of requiring lenders of federally related mortgage loans to bear the costs of particular real estate settlement services presently paid for by borrowers and recommendations on whether Federal regulation of settlement charges is necessary and desirable. If he concludes that such regulation would be necessary and desirable, he is to provide the Congress with a description and analysis of the regulatory scheme he believes the Congress should adopt. The Secretary is also directed to report on the ways in which the Federal Government can encourage and assist local governments to improve and modernize their land title recordkeeping systems.

This report will insure continuing congressional and administrative attention to the problems of unnecessarily high settlement charges even after the passage of the bill. This continuing concern itself will help to ensure that changes are effected in the real estate settlement process over the next 3 years. Moreover, the report called for by section 10 will provide Congress with the information it needs to make a reasoned judgment as to the various alternatives that might be considered if the provisions of the bill are not totally effective in ensuring that home buyers pay only reasonable charges for necessary settlement services.

Mr. President, the Real Estate Settlement Procedures Act offers the consumer immediate relief from high closing costs and deserves to be enacted this year. I ask the Senate to pass this measure at its earliest opportunity, so that we may proceed with a fundamental reform that has been long overdue.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BAYH). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROCK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, I ask unanimous consent that during the course of the debate and votes on S. 3164, Mr. Thomas Brooks and Mr. Patten Abshire have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I have an amendment at the desk and I ask that it be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

> At the end of the bill insert a new paragraph as follows:
>
> "After July 1, 1974, appropriations by the Congress of the United States shall be limited not to exceed $295,000,000,000.

Mr. PROXMIRE. Now, Mr. President, I should have amended that amendment to show that for the fiscal year 1975, beginning on July 1, 1974.

I offer this amendment and I do not intend to press it at this time.

This is the same amendment the Senate passed once by a 2-to-1 vote, and once by a 6-to-1 vote.

I think it is in the public interest and it is a vital step if we are going to fight inflation and show we mean business.

I offer it now to have an opportunity to speak within the germaneness rule of the Senate.

In the recent announcement by Chairman Arthur Burns of the Federal Reserve Board that he favors exactly this action—Mr. Burns is an extraordinarily able economist and a man who, when he speaks, speaks with considerable force and care—he spoke yesterday and urged that the President's budget be reduced by $10 billion, and that is what this amendment would, of course, do.

Mr. President, the Chairman of the Federal Reserve Board has the extraordinarily difficult task of trying to manage our money supply in a way that will not so contract the economy that we will be precipitated into a recession or depression, but, also in a way, that limits the amount of money available so that we do not aggravate inflation.

The great majority of economists see at least a very significant relationship between the amount of money that is available and the level of prices.

The classic definition of inflation is too much money chasing too few goods.

The simple-minded answer is to reduce the amount of money. If the Federal Reserve Board does that interest rates go up because with the supply of money down the price of money or interest rates rise. The less money available in relationship to the demand, the higher the interest rates.

The fact is that Chairman Burns has been, in my view, too generous in making money available. That is one of the reasons why prices are so high.

At the same time, if he were less generous and reduced the available supply of money, it would mean interest rates would be even higher than they are, and one of the retarding elements in our inflation, although it is working in a most unfair way to many people and in a cruel way to many, is the high interest rates we have and the unavailability of credit.

If interest rates were lower and credit more widely available, obviously, people would borrow more, spend more, prices would go up.

So, what does the Chairman of the Federal Reserve Board suggest?

Well, he suggests the perfectly logical answer that the Federal Government reduce its spending, and in doing so it would have a number of desirable effects.

No. 1, it would mean that the pressure on prices exerted by Federal spending would be reduced and, of course, that would help ease inflationary pressures.

No. 2, and of course closer to Mr. Burns' problem, is that it would mean the Federal Government would be borrowing less, $10 billion less, and that $10 billion of additional demand for money is one of the elements that drive up interest rates. So that if the Federal Government will modify its spending it would have the double effect of easing the pressure on prices and easing the pressure on interest rates.

Mr. President, this is very germane to the bill we are offering, but I was afraid it may not be germane in the judgment of the Parliamentarian because the $10 billion I have been discussing is not anywhere discussed in the bill itself, but it is germane to housing and, of course, this bill is designed to provide some control over closing costs in housing transactions.

Mr. President, the reason I wanted to discuss this, however, is that I would want to go farther than the $10 billion suggestion of Mr. Burns, which is what caught the headline and the attention of the American people.

Over this past weekend, I have been reading a great deal of material on what we can do about inflation and there has been a considerable amount published in the newspapers and the magazine articles and in recent books on it.

The dilemma that we are in is that many people say we need the old-time religion if we are going to cope with inflation, that is, what we need to do is everything we possibly can to increase production and productivity, to increase supply in this case, and at the same time to put as much pressure as possible on holding down spending, both public spending and private spending.

Well, the dilemma that puts many of us in is that the way you do that, usually, is to have tax provisions that encourage investment, and when you provide tax provisions that encourage investment, you make it easier for people who invest their money, easier for them to hold on to their income. You encourage them to hold on to their income by providing, for example, greater capital gains benefits and more generous investment credit and by making it more attractive to save and less attractive to borrow.

But when you do that, of course, you may do something where many people would say that we are discriminating in favor of unearned income and providing an opportunity for those who already enjoy privilege on taxes to enjoy even greater privilege, and you open tax loopholes.

What do you do about it?

Well, Chairman Burns in testimony yesterday before the Ways and Means Committee had what I think is an ingenious approach.

He said that we should reduce the long-range capital gains tax and, of course, the reaction of many of us to that is negative because we think the long-range capital gains tax is already too generous. After all, this is unearned income, this is income enjoyed with high income, and why should they get a break over those people who work for a living?

Well, he would compensate, and this is the advantage of Mr. Burns' proposal, that reduction in long-range capital gains by increasing the corporation income tax, he would increase that from 48 to 50 percent and bring as much into the treasury as went out of the treasury because of the long-range capital gains tax.

His reasoning would go through that process because this would encourage long-range investment. It would encourage people to hold into their investment, to make money available in the equity markets, to provide more funds where they are needed in our society today if we are going to have the savings and the investment and the production and the productivity that we need.

So I think this was an ingenious concept of Mr. Burns. It would provide a partial answer to our inflationary problem by increasing production without increasing the privilege which people who enjoy large incomes will receive.

The second action he would take is similar. He would increase the investment credit from 7 to 10 percent. That obviously would encourage business to invest more in plant and equipment, and that is very desirable for a number of reasons.

First, we would produce more. The more we have in plant, the more we can produce. Our supply increases, and when our supply increases, prices tend to ease.

Second, it encourages people to invest in more efficient equipment, and as equipment is introduced that is more efficient and lower cost, prices tend to go down because costs go down.

That is fine, but at the same time you increase the investment credit and, of course, the business people and stockholders in this country are enriched, because their taxes are reduced, and so we have to make that up in some way.

Chairman Burns suggests that we do so by increasing the minimum tax from 10 to 20 percent, so that everyone with high income would pay at least 20 percent of their income, no matter what loopholes or what advantage they would be able to take of the present law. Incidentally, this would restore the equity we would lose by increasing the investment credit, and I think Chairman Burns deserves great credit for what I consider an ingenious series of suggestions to cope with inflation.

It is most desirable that we have a man of his intellectual quality and economic competence speak out on inflation as he has. We have many criticisms of the administration and of Congress, and much bewailing and moaning about inflation, but very few thoughtful, intelligent, constructive suggestions as to what to do about it. Here, Mr. President, are a series of three.

First, that we cut the Federal budget by $10 billion. We have debated that in Congress and, as I say, in the Senate, and passed it twice, both times by big margins, the last time 6 to 1.

Second, that we reduce the long-range capital gains tax, but we would increase the corporate income tax, so there is no loss in revenue, and so that the effect on the taxpayers is not, in general, changed.

In the third place, that we increase the investment credit, so that we get more investment in productivity and production, and increase the minimum tax so that the loss in funds from increasing the investment credit would be made up by increasing the minimum tax.

It happens that I am not on the Finance Committee, and, of course, this testimony was before the Ways and Means Committee in the House of Representatives, but I am very hopeful that the House will act and the Senate will have an opportunity to act, and I am sure we will, because Chairman WILBUR MILLS has indicated that he expects action within the next few weeks on some kind of bill.

I think it is good news for the country and good news for Congress that the Chairman of the Federal Reserve Board has made these most constructive and helpful suggestions.

Mr. President, I now withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. PROXMIRE. I do so without prejudice. I may possibly put it in on this bill, but I doubt if I will. I may put it in on a later bill. The proposal is now pending on a bill that is in conference with the House of Representatives, but the House has not indicated that they will come to conference on that particular bill, and I think it is important that we have, as soon as possible, an agreement on what the ceiling on spending is, so that the Senate can control its spending and not have the President impound funds and make the decision for us.

Mr. President, what I have just discussed is very germane to the bill itself. I have been discussing the attempt by the Chairman of the Federal Reserve Board for Congress to take action that would cope with inflation and do so in a way that would ease interest rates.

The principal victim of high interest rates is housing. Anyone who has given any thought or consideration to the matter can see it, but let me take a minute to show why this is the case.

This is a closing-cost bill, dealing with housing, so I think the matter is most germane. Anyone buying a house, unless he is an extraordinary person, has to borrow money to buy that house. Very few people are going to go in and put down $35,000 or $40,000 for a house unless they just held up a bank or are Howard Hughes or someone so affluent he does not have to worry about money. The overwhelming majority of us have to buy housing on the basis of a mortgage over a long period of time.

When you borrow for 30 years, the interest rate is enormously important. Obviously a 10-percent interest rate—and the mortgage rates are approaching that now; they are over 9 percent—means that if you pay it off in equal installments over a period of 30 years, the cost of the interest will be 1½ times the cost of the house. So the interest becomes extremely important in the monthly payments, so much so that the present high interest rates have literally cut millions of people out of the housing market.

We now have a situation when, I think for the first time in our history, two-thirds of our people cannot afford to buy a new house. All costs have gone up, but the cost of housing has gone up more, and interest rates have gone up so much more that it means the great majority of our people cannot afford to buy a house at the present time. That is why the action I have discussed here, as suggested by the Chairman of the Federal Reserve Board, is so important.

Mr. President, the Brock bill, S. 3164, is a major defeat for consumers and a stunning victory for the real estate settlement lobby. After tossing consumers a few crumbs in the way of increased disclosure and other cosmetic reforms, S. 3164 repeals the only authority now on the books for regulating settlement charges on FHA-VA mortgage transactions. If this bill becomes law, the great settlement charge rip off not only will continue, it will get worse. The principal victims will be moderate-income home buyers and sellers who are served by the FHA-VA program and who could be forced into paying hundreds of millions of dollars in higher settlement charges as a result of S. 3164.

The best way of judging the impact of S. 3164 is to examine who is for it and who is against it. The main supporters of S. 3164 are title insurance companies, State bar associations, mortgage lenders, real estate agents, and other participants in the real estate settlement process. During hearings by the Senate Banking Committee, 15 witnesses representing the real estate settlement industry testified on S. 3164. All 15 supported the bill. During recent hearings held by the House Banking Committee, 29 witnesses representing the real estate settlement industry testified in support of the House counterpart to S. 3164—H.R. 9389—introduced by Representative STEPHENS.

By way of contrast, consumer and labor organizations are strongly opposed to the Brock-Stephens bill. Here is just a partial list of those who oppose S. 3164, the bill now pending before us:

The Consumer Federation of America.

The National Consumer Congress.

The Congress Watch.

The AFL-CIO.

The Amalgamated Meatcutters and Butcher Workmen.

The Communications Workers of America.

The International Ladies Garment Workers.

The United Steelworkers of America.

Members of Congress have received many complaints over the years about excessive settlement charges imposed on home buyers and sellers. In many cases, high settlement charges have depressed the housing market by making it impossible for moderate income families to afford to purchase a home. Congress dealt with the problem in 1970 by enacting section 701 of the Emergency Home Finance Act of 1970—Public Law 91-351.

Section 701(a) of the Emergency Home Finance Act authorized and directed the Secretary of HUD and the Administrator of the VA to prescribe standards governing the amounts of settlement costs allowable on FHA-VA mortgage transactions. Such charges were to be based on the Secretary's and the Administrator's estimate of the reasonable charges for necessary services involved in settlements for particular classes of mortgages and loans. Section 701(b) directed HUD and the VA to undertake a joint study of settlement costs and to report to Congress with respect to legislative and administrative actions which should be taken to reduce mortgage settlement costs.

A little later I intend to read at some length from the findings of the study.

HUD and VA released the results of their joint study on February 17, 1972. In presenting this study to Congress, former Secretary Romney testified that "settlement costs are unreasonably high in many areas, but not in all." Shortly before the release of the HUD-VA study, the Washington Post ran a series of arti-

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cles about excessive settlement charges, kickbacks, and other abusive settlement practices in the Washington metropolitan area.

Following the HUD-VA report and the Post articles, the Senate approved on March 2, 1972, as part of the omnibus 1972 housing bill, legislation to prohibit real estate kickbacks, to expand HUD's authority to regulate settlement charges to include certain conventional mortgages, and to require that regulations limiting settlement charges be issued within 6 months. Similar legislation was approved by the Housing Subcommittee of the House Banking Committee on May 11, 1972. The House subcommittee bill also required that all settlement charges be fully disclosed in a timely manner. Finally, on July 4, 1972, HUD published proposed regulations which would have reduced certain settlement charges on FHA transactions by an average of 30 percent in six metropolitan areas.

Despite the progress achieved by the House and Senate and by HUD, the real estate settlement industry was still hopeful of sidetracking Federal regulation of settlement charges. On August 4, 1972, 22 large title insurance companies retained the Washington law firm of Sharon, Pierson, Semmes and Finley to help them fight Federal regulation. The Sharon firm devised a strategy for overturning the House and Senate bills and the proposed HUD regulation. This strategy called for the repeal of section 701(a) authorizing the regulation of settlement charges. The effect of this blatantly anticonsumer move would be concealed by including the section 701(a) repealer in a so-called reform bill which adopted the least offensive disclosure and other reforms contained in the House and Senate bills. Those who voted for such a bill could then claim they were for reducing settlement charges while at the same time they repealed the only law on the books for regulating these charges.

On September 13, 1972, Congressman STEPHENS of Georgia introduced a substitute amendment to the House subcommittee bill on settlement charges generally along the lines of the recommendations made by the Sharon law firm. The Stephens substitute was approved in full committee and included in the omnibus 1972 housing bill. This bill failed to obtain a rule from the Rules Committee and the entire matter thus died in the 92d Congress.

Following the death of all settlement cost legislation in 1972, the Department of Housing and Urban Development withdrew its proposed regulations limiting settlement charges. The new Secretary of HUD, James Lynn, and the new FHA Commissioner, Sheldon Lubar, expressed a generally negative attitude toward Federal regulation of settlement charges compared with their predecessors. However, section 701(a) still remained on the books, and from the point of view of the real estate settlement industry, it represented a threat that the authority might be used by a future Secretary of HUD, just as it had been used by, to some extent—would have been used, in my view, to some extent by Secretary Romney; at least, you had that action that I referred to previously on July 4, 1972, when HUD published proposed regulations would have reduced settlement charges and/or FHA transactions by an average of 30 percent in six metropolitan areas.

Accordingly, the Sharon firm renewed its campaign to repeal section 701(a) on behalf of its large title insurance companies.

On July 23, 1973, almost a year ago, Senator BROCK introduced S. 2228, which was generally similar to the Stephens substitute amendment of 1972. A comparable bill, H.R. 9989, was introduced by Congressman STEPHENS on August 3, 1973.

Then on May 22, 1974, the committee reported S. 3164, a slightly revised version of the Clark-Stevens bill.

Mr. President, it is my understanding that the Senator from Maine (Mr. HATHAWAY) has an appointment and he would like to, if possible, engage in a colloquy with the Senator from Tennessee. I will be willing to relinquish the floor with the understanding that I not lose my right to the floor so that the Senator from Maine can engage in that colloquy.

Mr. HATHAWAY. Mr. President, I want to thank the Senator from Wisconsin for yielding to me the time to ask the Senator from Tennessee (Mr. BROCK) a few questions with regard to the bill.

First of all, on page 20 of the bill, where there is a description of the items that would be included in the special information booklet, let me say, that I think the special information booklet is a good idea, but that item 1 on line 3 of page 20 should be expanded to include the customary amount of the costs in the county where the settlement is made.

It seems to me that although the prospective borrower may gain a considerable amount of information from reading the booklet, if he does not know what the customary costs are in the area in which he is borrowing money to purchase the land or the house or whatever, then it is possible for him to be taken.

I would like to ask the Senator from Tennessee if an amendment to that effect, which would include the customary amount of the cost, would be acceptable to him.

Mr. BROCK. Mr. President, I think the Senator's point is reasonable. I am not sure I could accept an amendment because, first of all, I am not sure that I think it is necessary. In the special information booklet section, section 5, under the first line of (b), it is stated:

> **Each booklet shall be in such form and detail as the Secretary shall prescribe and, in addition . . .**

Then, it goes on and lists these various component parts. So it is my understanding that if the Secretary felt such a procedure were feasible he could proceed.

The problem with mandating such a section into law is the difference in methods of computing the differences in the component parts.

The Senator from Maine is probably one of the more able Members of this body on this subject matter. He knows, having had some experience in the field, that settlement costs do vary from one area to another area and that the types of services vary from one area to another area. It is hard to write into law language to encompass all those situations. I would hope that the Secretary might in some instance test this concept to see if it is possible and practical and of benefit to the consumer, without doing violence to the service industry.

As the Senator knows, in the remainder of the bill we require a report from him on further standards of regulations that could be required. That could be included in his report as a result of that test.

I am a little reluctant to jump into full-scale mandation for that reason.

I would hope the Senator would forbear on his amendment and let the legislative history express to the Secretary our concern with this matter. I hope that in at least some parts of the settlement cost there may be sufficient consistency of cost so that they provide the consumer with some basis of information so he could make a valued judgment.

Mr. HATHAWAY. I thank the Senator for his complimentary remarks. Perhaps I could modify my amendment to say that whenever practical the Secretary shall include the cost, because in most instances the local FHA administrator knows that information could be supplied in a matter of minutes, since he is dealing with it on almost a daily basis.

Mr. BROCK. I think there must be maximum flexibility. As the Senator knows, the transfer of title can be done by an attorney; it can be done by a real estate firm; and it can be done by a title firm. There are three or four diferent ways to do it. That is the problem where we are trying to mandate a particular cost system.

However, as I say, I think the bill is sufficiently broad to allow for the Senator's intention to be tested by the Secretary and for him to report back to us. If he wanted to require such a test, I would not object. I would object to language that mandated a national standard of some sort. But I do not think either the Secretary or the industry could adhere to a mandate. In many instances we can use a local system of instruction.

Mr. HATHAWAY. Let me see what I can do with regard to making the language broader than at the present time and perhaps we can agree to it.

Let me ask the Senator another question. With respect to advance disclosure of settlement costs, which item appears on page 21 of the bill, in section 6, section 6(b), it seems to me that the penalty is unnecessary, and may simply be a basis for some harassment. I presume that under section 6(a) the parties doing the title search and other work necessary for preparation of the final settlement are going to have to submit their costs or estimated costs. If they do submit their costs 10 days before the settlement date, the borrower might say "That is too much. I am not going through with it, if that is what it costs." At that point I presume whoever was going to do the title work would not have done any work, and there would not be any loss at all.

If the person doing the search does not submit the costs within the 10 days, and the time of settlement is the first time the borrower sees the estimated costs, I presume at that time he could say, "Well, it is too much and I don't want to go through with it." At that point the person who has done the work would just be stuck with not getting paid for what he has done because he did not submit the statement 10 days in advance.

It does not seem to me there is any necessity for providing for a suit for damages of $500 penalty as provided in section 6(b). Subject to what the Senator from Tennessee has to say, I am tentatively thinking of offering an amendment to strike that section, and spell out the right of the borrower to refuse to go through with the transaction if he is not provided in advance with the estimate of the settlement costs.

Mr. BROCK. The Senator has pointed to one of the sections of the bill which I think affords the consumer his greatest amount of protection. That is advanced knowledge of what he is going to be required to pay when he sits down to pay the bill.

Both of us know, time and time again, of people who come in on the settlement day and do not know what they are going to pay. Here it is, closing day, and all of a sudden they are presented with a bill for $1,200 or $1,300 which they did not know they were going to be asked to pay. Now, this does not go on the mortgage. It is not something they can amortize over 30 years or so. They have to pay it right then and there.

Under all the pressures that are placed on them in that last 15 or 20 minutes of closing, and attempting to wrap up this deal, everybody is somewhat excited about buying a new house. They want this house, but here they must suddenly pay a $1,200 bill, something which they had not anticipated being forced to pay, even though the house they are buying is going to cost them $30,000 or $40,000.

That is what we are trying to avoid. The Senator has put his finger on one of the parts of the bill which I think is the one that affords the highest protection for the consumer. They must let them know 10 days before they sit down in a statement of charges what they are going to have to pay in closing costs.

Therefore, they have 10 days in which to decide whether or not they can afford it; 10 days in which to call other attorneys and title companies to find out if they are being taken.

Part (b) imposes, in effect, a $500 fine on a lender who, in my interpretation, maliciously fails to provide that kind of information.

We stated it rather carefully that he will not be held liable for violations if he can show by a preponderance of evidence that the violation was not intentional, and resulted from a bona fide error, notwithstanding the maintenance of procedures adapted to avoid such error.

All we are saying, in effect, is that when you get some lender who wants to abuse a particular family, he has to be kicked real hard in the shins so that he does not do it any more. We are not intending to deal with a legitimate lender that deals with all borrowers on a continuing and regular basis with people in the community, and through some happenstance or inadvertence does not provide the settlement sheet in advance.

First of all, we allow the Federal Reserve to waive that requirement in that kind of a situation.

Second, the individual could waive it.

Third, we would provide this protection in the language on lines 9 and 10 which requires a preponderance of the evidence.

Mr. President, I am really not sure that $500, with those kinds of safeguards, is going to damage the process or damage the rights of the lenders. It certainly is not intended to do so. It is intended to deal only with those situations of malfeasance or deliberate fraud where I think the culpability is easily established. That we do want to stop, and I think we have an obligation.

Mr. HATHAWAY. The only point I was making was this: Say the borrower has not been furnished the settlement costs 10 days before the settlement date, with the result that he cannot check the statement. You would give him the option of suing for $500. It seems to be something that is really unnecessary. The more I think about it, the more I think I would either eliminate altogether the waiver provisions or tighten them up so that the borrower—who is understandably not a very wealthy person and who is eager, I suppose, to buy this home or this land—will not be in a position to be coerced into signing a waiver at the time of settlement and thereby getting stuck with large closing costs.

If you eliminated the waiver provision altogether, then you would have an absolute guarantee that he would get the settlement cost at least 10 days ahead of time.

Mr. BROCK. What worries me is if you take the $500 fine out of this thing, plus attorney fees and court costs, then you do put the borrower or the home buyer in the position where he could be pressured without really any recourse. If he gets in there and his wife says, "Come on, Joe, let's buy this thing; we want it so badly; we have to go ahead and do it or somebody else might buy it; they might sell it to somebody else," that is an enormous amount of pressure to place upon a man. If he signs that and the waiver, he has no protection, unless we keep that $500 penalty in there.

Mr. HATHAWAY. In that case, if he signs the waiver, he cannot turn around and sue the man for $500.

Mr. BROCK. Mr. President, let me point out that the purpose of the waiver is not to give himan out in that situation. It is so that if he comes in and sees a house and decides to buy it, and wants to close the next day, he can, on that previous day, sign a waiver saying, "I have my settlement cost now and 24 hours is adequate. I still want to settle tomorrow." Or it can be 5 days from then, or something other than the 10 days.

In other words, it allows for a quicker settlement at the consumer's request.

Mr. President, he still has to have advance notice of the settlement cost. I do not think he can waive that, as I understand the way it is written now. We are not trying to do that We are trying to let him settle it faster, if that is the consumer's desire. But he does have to have advance notice.

Mr. HATHAWAY. It says simply that the waiver of the requirement must be provided at least prior to 10 days after settlement. That would mean that he could sign a waiver at the time of settlement. That is a position I would not like to see him in. If he is so anxious to buy that property, he can certainly execute a contract at the time that he agrees, to buy and the seller agrees to sell.

Mr. President, he can protect his rights in that way and not have to waive his 10-day notice, which I think is an excellent idea.

Mr. BROCK. What we are trying to do is to avoid the situation where our desire to protect the consumer results in delaying all real estate transactions for 10 days. We do not want to do that either. We have to have some mechanism for saying that if the buyer, seller, and lender have all the advance information that they need on which to make a decision, they can go ahead and make it.

Maybe we could rewrite the waiver section so as to take that into account.

Mr. President, I just do not know quite how to do it in this setting. I see what the Senator is reaching for. I do not think we are far apart, honestly.

Mr. HATHAWAY. I just do not want the borrower to be put into the wrong position at the last minute. Maybe we could put in a provision that it would have to be subject to the local FHA approval. They would stand as a kind of referee in the matter and protect the unwitting borrower against coercion on behalf of the lender's attorney, the title company, or whoever else is providing the legal services.

Mr. BROCK. That is not a bad thought. The problem I foresee there is in a small rural community in west Tennessee where there is no local FHA official. The buyer might have to go to Memphis, which would be a time-consuming process.

The FHA in Memphis may not know a whole lot about the transaction which is underway.

I think we can work our way out of the situation. I think the Senator has raised a valid point. I do think we have to think about some way of modifying it in some fashion so as to protect against the situation which the Senator describes.

Mr. HATHAWAY. I thank the Senator.

I have a couple of other questions. At the bottom of page 22——

Mr. BROCK. Before the Senator leaves

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that subject, may I suggest to the Senator that he think about some language on this waiver section and offer it. The Senator from Alabama, the Senator from Wisconsin, and I could take it to conference. That would give us a few days to work on it and refine it. I think we are both seeking the same end.

Mr. HATHAWAY. Does the Senator think we will have a few days to work on it?

Mr. BROCK. I hope so.

Mr. HATHAWAY. I understand we will not finish it today, but I do not know when it will come up again.

Mr. BROCK. That depends upon the Senator from Wisconsin, not upon the Senator from Tennessee.

Mr. HATHAWAY. Not until later in the week?

Mr. BROCK. Probably not.

Mr. HATHAWAY. That gives us ample time, then.

On page 22, at the bottom, subsection d, I know that the Senator from Tennessee intends that the borrower may maintain an action either under this bill or under the Consumer Credit Protection Act, but not both.

Mr. BROCK. That is correct.

Mr. HATHAWAY. It is to obviate using both provisions of law.

Mr. BROCK. That is correct.

Mr. HATHAWAY. I would like the Senator to clear up some questions I have on page 25 with respect to the escrow provision.

On page 25, the bill states various alternatives with respect to the amount that a lender can require to be deposited in escrow. I am not completely clear as to why the provisions are there. It seems to me that in some jurisdictions, whether or not taxes will be paid by the seller or by the buyer depends upon their agreement as to whether they are going to prorate them or whether one is going to pick up the whole tab for that year.

Such a provision with respect to escrow may not be necessary at all. Presumably, in most cases, there will be no tax or insurance liability on behalf of the borrower until such time as he signs the papers and acquires the land at the time of settlement. Presumably, if he does not come in with the money to pay whatever tax is necessary at that particular time, then the deal just does not go through. Why is it necessary for him to put up money in advance, which may be months in advance—depending upon when he initiated the proceedings to buy the land—if we can enable him to avoid doing so?

Mr. BROCK. This does not require the setting up of those advance escrow accounts. It simply permits an escrow and with a specific limit.

Where we have had the abuse has been in the major escrow accounts—a year in advance, and all these costs. Quite honestly, the escrow accounts can afford the recipient institution a fairly large bag of cash with which to deal on an average daily deposit basis for a considerable time in the future, and sometimes at no interest cost.

That is what we are trying to stop. We are trying to deal with this situation in a way that limits such sums to one-twelfth of the pro rata cost of taxes, insurance premiums, and so forth. Under no circumstances do we require an escrow at all, as I understand it.

Mr. HATHAWAY. I understand that the Senator is not requiring one, but he is saying that a lender can require it, that certain limitations can be imposed.

Mr. BROCK. That is correct.

Mr. HATHAWAY. It seems to me that perhaps even these limitations are too stringent or that they may be inequitable both ways, depending on the time the transaction happens to go through.

If the buyer, for example, has agreed to pick up the taxes on the property for 1974, and the transaction is going to go through the day before the taxes are due, I suppose it would not be inequitable to require the borrower to put up the total amount of the taxes in advance, to make sure that they are paid the next day.

Mr. BROCK. That is allowable, under this language.

All we are trying to do is to set a limit on the escrow payment, because that is where the abuse has been. In the instance cited by the Senator, where we have all the taxes due the following day and an agreement by the purchaser that he pay those taxes, that would be allowable.

Mr. HATHAWAY. It would be allowable to pay the entire amount.

Mr. BROCK. Yes.

All we are talking about is prohibiting escrows which go beyond one-twelfth of future obligations, because that is where we have had the abuse.

I grant that this is an enormously complicated matter, and I do not like complicated things. I like to read a bill and understand what it says. If the Senator can suggest some way of dealing with the problem by simplifying it, I would like to have it.

Our intention is to stop the abuse by saying, "You can't hit a family with an escrow that runs 12 or 15 months into the future." That is not fair.

Mr. HATHAWAY. Perhaps I can come up with some language that will make it more equitable and will be acceptable.

With regard to page 26, section 10, which refers to the Secretary being required to conduct a study and report on the necessity for further congressional action, it seems to me that the 5-year limitation is quite a long enough period of time. I wonder whether that could be accomplished in less time—say, 3 years. I am going to submit an amendment which I think the Senator from Tennessee will accept, because he already has language in here, in section 10(b)(2), with respect to what regulations are necessary and desirable in connection with regulating closing costs.

I am particularly concerned that the report of the Secretary with regard to that matter, as well as others he is going to be required to report on, should be done as expeditiously as possible. I realize that he needs a considerable amount of time to look into the matter, but it seems that 5 years is a long time.

Mr. BROCK. I agree.

I made this point in the committee, in debate with the Senator from Wisconsin, and suggested that 2 years, so far as I was concerned, was enough time to make this kind of study; that, since the Secretary was not using 701 now to regulate settlement costs, we eliminate 701 and reduce the study to a period of 2 years and then act up or down, either way, whatever the findings are. Today, we cannot act either way, because we do not know. We do know there are kickbacks; we know there is a lack of disclosure. We deal with those problems in this bill. We deal with the escrow abuse.

We do not know how and by what technique we can, under any circumstances, regulate these costs.

It is my utter conviction that the best of all compromises would be to shorten the allowable time of the study, strike 701 until it is completely restudied, that we even look at new ideas, such as lender financing, and then act. I think 2 years is perfectly adequate for that purpose.

My view did not prevail in the committee—at least, insofar as the time of the study is concerned.

Mr. HATHAWAY. I hope that the Senator will go along with reducing the time to 2 years and still allow section 701 to remain, because that means that for another 2-year period, the Secretary will have authority to regulate closing costs, if he desires. I understand that he has not done so as yet. But at least with that hanging over the heads of the various individuals and agencies engaged in title searches and what-not, they are more apt to stay within reasonable bounds than if we take it out altogether.

Mr. BROCK. The Senator from Maine and the Senator from Wisconsin are asking me, under those circumstances, to take the worst of all possible worlds. The Senator wants me to leave a sword of Damocles hanging over the head of the industry which will skew out their rates and use the time period during which the sword is hanging in which to study their rates. If the Senator wants an honest study, take the sword from above their heads, let the rates go as the market will, study the problem for these 2 years, and then act. If the Senator then can prove to me that his approach is better than mine, the Senator will have my support, but not until then. What the Senator is doing by leaving in 701, as he proposes, is to destroy the quality of the very study he finds necessary.

Mr. HATHAWAY. Is the Senator saying that since 701 is in there, attorneys and title insurance companies are not charging as much as they would otherwise?

Mr. BROCK. I do not know whether they are. They may be charging more. I have seen price control do that. I have seen industries raise prices beyond what they normally would do because they anticipated the reimposition of wage and price controls. I am suggesting the same thing could happen here; 701 could cost the consumer a great deal of money.

Mr. HATHAWAY. Since the authority contained in 701 has never been exercised, I would doubt that any title insurance company or attorney, or whoever is doing title searches and other work necessary for a settlement, have altered their fees at all.

Mr. BROCK. The Senator may or may not be right. I do not know, and I am not sure that anybody else knows. I suggest to the Senator that it is possible that some people may withhold cost increases that they would like to pass on. Others will ask for excessive increases in order to protect against a future regulation that they may fear. That is why I think the test becomes an unfair one, which is out of line.

It seems to me that if we really want to do a job, first of all, let us admit that this bill has more protection for the consumer than any bill we have brought out of Congress for a long time, in this field. Nobody disagrees with that.

Mr. HATHAWAY. The Secretary still can do a study, because section 701 does not apply to any transaction that does not involve Federal funds. Many transactions involve no Federal money.

Mr. BROCK. I expect him to make a study. As a matter of fact, our bill requires that he make such a study.

Mr. HATHAWAY. So, it seems to me necessary to maintain the section in there because if the Senator is correct, if we take it, if fees go up, then we will hurt the borrowers during that 2-year period and during the additional time that is necessary for congressional action.

Mr. BROCK. As far as the Senators of this body, I would hate to see them advocate a position to force costs up for the American people, but I think that is what they are doing.

Mr. PROXMIRE. Will the Senator from Maine yield?

Mr. HATHAWAY. Yes, I am glad to yield.

Mr. PROXMIRE. I am sure the Senator from Maine would consider that there is a great difference between price control on the one hand and the possibility that these regulations may be upset on the other.

If a businessman has an inventory and expects the prices to be controlled or rolled back, he is going to take advantage of the situation and increase prices under many circumstances.

Here, however, we do not have an inventory, we have these settlement situations occurring at one time and then we do not have an inventory to hold them up for 6 months or a year or two. We act on them at the time.

So it would seem to me, if there is any effect of this study overhanging the settlement market, the tendency would be on the part of the industry to charge a lower amount because it does not want to create a situation in which regulations might take in the future from their profits.

Obviously, if they charge too much, if they gouge the consumer, as we pointed out in many cases they have, they are much more likely to provide action by HUD to regulate carrying costs.

So it seems to me the case is just overwhelming that not repealing this law, knocking this out of the Brock bill, which is what my amendment would do, is going to save the consumer. It is going to mean settlement costs are going to tend to be lower than they would otherwise be.

Mr. BROCK. Would the Senator mind if I asked if he supports the rest of my bill?

Mr. PROXMIRE. If the Senator would join me, knocking out that section, I would be happy to have a vote on the Senator's bill today.

Mr. BROCK. No, I just wondered, with or without 701, if the Senator does not think we ought to prohibit kickbacks?

Mr. PROXMIRE. May I say to the Senator, how I characterized the rest of the bill, when I opened my remarks and I said there were a few crumbs to the home buyer, I am not adverse to crumbs, if I am hungry, I eat them, I like them, and I want more of them, but I think these are crumbs, they do not really do the job.

Mr. BROCK. In other words, it is better to swallow our desire for reform and to engage in extensive and wonderful acts of rhetoric on the floor than it is to do something about a problem; 701 is not being used today, yet the Senator says it is more important than specific reform components of the bill that would do something for the consumer that cannot be done with the laws on the books today.

What the Senator is saying is, let us keep on doing nothing, and that is better reform than doing something that deals with the problem.

Mr. PROXMIRE. May I say to the Senator that the people who have been taking advantage of the closing cost situation to enrich themselves, the title insurance companies, the State bar associations, mortgage lenders, real estate agents, they all unanimously support the Brock bill.

They do not support it because they think they will have their incomes reduced, but because they think it will save them from a meaningful bill, something that will provide real consumer protection, and that is why they support it unanimously, that is why the consumer and labor organizations unanimously, overwhelmingly oppose it.

Mr. BROCK. That just simply is not factual.

Mr. PROXMIRE. Well, it is factual. Can the Senator tell me anybody in this industry who opposes the Brock bill and anybody on the——

Mr. BROCK. Can the Senator tell me how many real estate outfits the Washington Post owns, how many settlement firms they own?

What kind of profit is the Washington Post making out of the gouging that is going on now because the Senator has delayed action on a bill that should have been passed months ago?

Mr. PROXMIRE. I know the Senator is going to rely on that editorial. The Washington Post is often right and sometimes wrong in a case such as this.

Mr. BROCK. So is the Senator from Tennessee.

Mr. PROXMIRE. They are human, just like the Senator from Tennessee, the Senator from Wisconsin, and the Senator from Maine. We all make mistakes sometimes. This is a real blooper on their part.

The Washington Star in this case is right. They report that this would be a rip-off to the consumer.

Mr. BROCK. That is utterly ridiculous.

Mr. PROXMIRE. It is correct.

Mr. BROCK. Let me read the last paragraph of the Post editorial, and the Star editorial is pretty good, too.

> S. 3164 is important consumer legislation that deserves passage this year—for Americans are having a hard enough time buying homes today without being gouged at the settlement table. Surely responsible members of the legal profession recognize the need for federal as well as local reforms to eliminate the outdated, enormously expensive procedures that currently confront and fleece the hapless home buyer.

Now, is the Senator honestly saying that debate on the Senate floor is more effective in getting that kind of relief to the homebuyer than a bill that would deal with those particular problems?

Mr. PROXMIRE. In the first place, I intend to describe in spades the abuses that have resulted because of the present settlement cost situations and the failure to provide for Federal regulation.

In the second place, the fact remains, the only people who favor the Brock bill are the people who would benefit from continuing the present gouging, plus an error made by an editorial writer for the Washington Post. As I said, the Washington Post may be right most of the time, maybe not, but in this case, they are wrong, they are wrong.

Now, whoever talked to them, whether some title people and lawyers, they just did not, it seems to me, study this enough.

I think it is very persuasive to say the Washington Post, a splendid newspaper which has a fine reputation for integrity and honesty supports the Brock position, but I think because one of these great newspapers takes a position does not mean they can assume that position is always right or in the consumer's interest.

I think they did not study it nearly as much as the title companies or consumer organizations have studied this.

Mr. BROCK. I never criticize someone for his argument simply because he is not on the same side of the argument. I do not think that makes any difference at all insofar as the merit of the case is concerned.

I happen to agree with the Post, but I do not use the editorial support of the Post as the sum and substance of my posture here.

Mr. PROXMIRE. The only answer which was given this Senator when I pointed out consumer organizations are opposed to this bill unanimously, labor organizations opposed this unanimously, this section of the bill, and that the title companies and the bar associations and so forth, favor it, the Senator's only answer is the Washington Post, he has not given me any other answer.

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Mr. BROCK. I will give you plenty more.

I have no more faith in the absolute consistency of the Washington Post than I do of my own posture. I can make mistakes once in a while. Ralph Nader can make one or two. He has been known to.

I must point out in that context that even his representative delivered what I considered to be devastating testimony against the Senator's own argument when he testified in the House.

Alan Monison, representing Ralph Nader's Public Citizen Project said:

> Moreover, there is no evidence so far that indicates that mandatory price regulation by the Federal Government is required and thus it seems appropriate to experiment with solutions short of government price regulation in this field at least for the present.

That is pretty strong language. So maybe it is not just the Washington Post and the title insurance companies and Bill Brock that disagree with the Senator from Wisconsin.

Maybe there are a few million homebuyers out there who might realize now that they are not getting this because the Senator from Wisconsin does not agree with the concept in this particular bill, or does not think it has one concept with which he very much does agree. No bill at all, no reform at all, unless the Senator has his total way on one section which is not being used now, will not be used in the future, and has no prospect of being used in this administration and he knows it. This reform measure that we have encompasses a mandate, a study, which would lead to final resolution of the problem—a solution which neither he nor I have.

Mr. PROXMIRE. I am surprised at the Senator from Tennessee. The fact is, I do not say I do not want a bill. I want a bill very much. I want to knock out of the Brock bill the cancellation which this bill would provide of the right of HUD to regulate closing costs.

I think that is important. The Senator says, "I do not want a bill." I want to say to the Senator from Tennessee, who does not want a bill on my terms, that I want a bill that will really do a job for the consumer, the kind the consumers say they need.

Mr. BROCK. Do not mistake me: If the Senator prevails on this floor, the Senator from Tennessee will vote for this bill under any circumstances, because he wants to get some help for the home buyer, who is being had now. But it is not the Senator from Tennessee who has had a hold on this legislation for the last several weeks. It is the Senator from Wisconsin, not the Senator from Tennessee.

Mr. PROXMIRE. I have a hold on it because I think the Senator has a provision here that just guts the present law, and will leave it in a situation where the consumer will be a lot weaker than he is under the present law. The Senator makes the situation worse, not better. He is not helping the consumer, he is hurting the consumer.

Mr. BROCK. The present law is not being implemented. The Secretary says he cannot implement it. He says it is not legal to implement, it is not efficient, it is not possible, there are no standards, and there is no way that they can acquire the cost data necessary to implement it. So how can the Senator criticize him, or me, for striking a section that is not being implemented today? What do we accomplish by leaving it in a bill——

Mr. PROXMIRE. If that is the situation, why is the Senator from Tennessee, and why is this whole group of people who benefit from settlement costs, so terribly anxious to knock it out? Why do they want to knock it out? Why are they afraid of it, if it is not going to be implemented and not going to hurt them?

The answer is, they are afraid it may be used. I think it might have been used by George Romney, if he had remained in the situation he formerly occupied. It may be used by a future director of HUD, or a future President. I think it must be used if we are going to save the home buyer from being gouged.

Mr. BROCK. What the Senator is saying is that he wants something on the books so he can use it as a blackjack against whoever the Secretary of Housing and Urban Development may be. So all the Senator is asking for is a political tool he can use.

Mr. PROXMIRE. Mr. President, we are not talking about political tools or blackjacks. I have not used this as a blackjack against Secretary Lynn. I think he should use it, and that he is wrong in not using it, but it is no political blackjack against Secretary Lynn. Does the Senator think he is serving the consumers' interests by not using it?

Mr. BROCK. That is a matter of disagreement on terms or attitude between the Senator from Wisconsin and the Secretary of Housing and Urban Development. I do not know whether he should use it or not. I do not think he should. I do know he cannot use it as it is written today.

I do know you can read the language of the recent HUD statement on the regulation of settlement costs:

> Settlement costs vary in each of the 50 States and over 3,000 counties. Settlement costs vary within a given county depending upon location within the county and the nature of the various providers of settlement services.

And on and on and on. I ask unanimous consent to have printed in the Record this statement from Robert Elliott, general counsel of HUD.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Regulation of Settlement Costs

Section 701 of the Emergency Home Finance Act of 1970 authorized HUD and VA to prescribe standards governing the amounts of settlement costs allowable in connection with financing under HUD and VA programs. The Department studied possible use of this authority extensively and in July of 1972 issued for comment proposed maximum allowable charges for six settlement items to be applied in six metropolitan areas. HUD received over 800 comments, the most extensive public response to any issuance ever made by the Department. Most responses opposed the issuance. A variety of grounds for opposition were forwarded. Some critics raised the question whether the Department had the legal authority to engage rate-making under Section 701. Some contended that the authority could not be exercised without ascertaining actual costs of the regulated providers of settlement services under due process requirements.

Comprehensive regulation of settlement costs by the Department is not desirable for the following reasons:

1. Settlement costs vary in each of the 50 States and over 3,000 counties. Settlement costs vary within a given county depending upon location within the county and the nature of the various providers of settlement services. It would be an enormous and costly administrative task to attempt to ascertain the expenses of such an enormous number and variety of providers of settlement services throughout the nation.

2. In light of local variations in the title laws, customs and practices, and in view of the nature of residential real estate transactions, the States are in better positions to determine what, if any, regulation should be exercised over settlement costs.

3. Analysis of the costs of providing settlement services is extremely complex, particularly with respect to title insurance companies. Regulation of settlement costs is not an area which is readily adaptable to rate-making.

4. The provisions in S. 3164 prohibiting kickbacks and unearned fees and the provision providing adequate disclosure of settlement costs are a better approach to protecting the consumer than direct Federal regulation or rate-making. These provisions together with applicable antitrust law will enhance greater competition and buyer awareness.

5. S. 3164 applies to all Federally related mortgages. Any exercise of regulatory authority under Section 701 of the Emergency Home Finance Act of 1970 would be limited to FHA and VA mortgages, and would therefore add further additional requirements to the FHA and VA programs which are not applicable to other mortgages.

There is accordingly no present intention to exercise whatever authority is provided by Section 701. We therefore support repeal of Section 701.

Mr. BROCK. It simply seems to me that we are arguing, in a sense, as if we were jousting at windmills. We have a bill which deals with a problem. The Senator says the bill requires a lot of education, and he is going to educate us on abuses. I do not object to that. We have had a lot of education in our committee, and there have been a lot of abuses. I do not object at all, if there is any case for reform.

But I hope the Senator, in making his case, will present the fact that we have a bill before us today that deals with the abuses that have been identified. I hope he will acknowledge that the one reform that he proposes as an addition to this bill is a matter of current law today, and is not being used today, and thus is no reform at all, but absolute window-dressing.

If he will deal with the subject in that light, then I am prepared to vote, and if I lose, the Senator will have my support on the passage of this legislation, because I want a reform bill through the Senate of the United States.

Mr. PROXMIRE. Let me just say the

Senator from Tennessee has to make up his mind: Either this is a sword of Damocles or it is not. The Senator has argued it is both. He says it is a sword of Damocles hanging over the heads of the poor people who make this money out of closing costs.

Mr. BROCK. The Senator uses his own adjective. He is not quoting me.

Mr. PROXMIRE. He says it is going to reduce the small fees they are now able to take from the home buyer. But then, on the other hand, he says it is nothing. If it is nothing, why raise such a fuss about it? Why not accept my amendment, and leave the law as it is at the present time?

Obviously, it is something. Obviously it can be used. Obviously it will be used in the future, as we build our case and as the consumers' cause becomes better known by HUD and better understood and sympathized with by HUD.

As I say, what I am going to document this with is not a study by the Kennedy administration or the Johnson administration; it is a study by the Nixon administration, by George Romney's department, which shows there are very serious abuses that call for this kind of regulation. Without it, we are not really going to relieve the home buyer from the burden of having to pay an average of 10 percent of the cost of his home in closing costs, and from having that percentage fluctuate enormously, and without reason, in many areas.

Mr. President, I yield to the Senator from Maine.

Mr. HATHAWAY. Mr. President, I want to ask the Senator from Tennessee if his only purpose in eliminating section 701 was to allow the Secretary to conduct an objective study, as provided in section 10.

Mr. BROCK. No. That is one reason, but——

Mr. HATHAWAY. Because the objective study could be conducted by studying transactions which did not involve Federal money, where there is no section 701 provision.

Mr. BROCK. No, I understand that, and I do not argue that point, really. I think that the study, if it is VA and FHA housing, though, would be more objective without section 701 hanging over the industry's head.

But let me be more specific in my criticism of this section, which I honestly believe to be fraudulent. That is that under any other regulatory program that I know of anywhere in Government—the ICC, the CBA, the FTC—whenever we set rates or regulate an industry, we write an extensive piece of legislation, we set up all kinds of safeguards and procedures, due process, hearings, procedures to protect both the consumer and the industry, to afford equal protection under the law.

There is no such protection whatever under section 701.

Mr. HATHAWAY. Would the Senator accept section 701 if we put in those safeguards?

Mr. BROCK. No, because we do not have time to write, here on the Senate floor, such safeguards.

Mr. HATHAWAY. This matter will be postponed for 2 or 3 days. That would certainly be enough time for hearings and whatnot.

Mr. BROCK. It took a whole lot longer than 2 or 3 days to write an Atomic Energy Act or the act creating the Federal Communications Commission.

Mr. HATHAWAY. The only safeguard we need is a hearing procedure, whereby parties in interest could come in and state their views.

Mr. BROCK. In my opinion, the only safeguard we need is against incompetence on the part of the bureaucrats. The people have been sorely abused, confused, maligned, mistreated, and overcosted by a regulation that had the effect of costing more money than it could ever have saved them.

Mr. HATHAWAY. Section 701 is to the contrary, because it has never been used at all.

Mr. BROCK. If they have not used it, it is the first power we ever gave them that they did not use. Maybe they have gotten smarter in recent years. I do not know how long it will last. But I know if they are going to have regulatory authority, it has got to be couched in language to safeguard the people from being harassed by the agencies that are supposed to protect them. That is one of the reasons why the Secretary said, "I cannot implement it."

Mr. HATHAWAY. I disagree with the Senator that it would need an elaborate procedure. We have delegated other similar regulatory powers where procedures under the Administrative Procedure Act are sufficient to protect the interests of all parties involved. We could simply provide that any regulation promulgated by the Secretary would be subject to the Administrative Procedure Act.

Mr. BROCK. The Senator still has not answered my question. How do we protect against incompetence?

Mr. HATHAWAY. That question pertains to all Federal agencies.

Mr. BROCK. Well, with respect to other regulatory agencies such as the ICC, the reason we set up the ICC was because we gave an exclusive franchise, if you will, a protected almost monopoly position to a particular company or a particular industry where we do not have competition.

The same thing is true of utilities; the same thing is true of television. We have only three channels in most cities, so we regulate them. That is different.

Where is there any limitation on competition under Federal law in that situation? What we are doing is, we are saying, "We are going to regulate you because we do not like you. We are going to regulate you because there have been some abuses, because there have been some fly-by-nights, some idiots, some ne'er-do-wells, people in the industry who have abused public confidence, and we are going to come in and we are going to hit the whole industry with a meat axe," as the Senator from Wisconsin (Mr. PROXMIRE) is going to suggest, regardless of whether they are good, bad, fair or not.

There is a difference between a regulated industry that is in a monopoly and a highly competitive industry that is not. If we have a highly competitive industry, competition is a whole lot better than regulation.

Mr. HATHAWAY. Yes, but the laws that circumscribe the activities of the ICC or the Federal Power Commission or any other commission or agency that is regulating an essentially noncompetitive industry still do not protect against the incompetence of the members of a particular board. They can make whatever decision they want and that can only be appealed to a court.

Mr. BROCK. I am not talking about the competence of the board. I am talking about the competence of Government.

Where do we have the competence to substitute our judgment for that of the marketplace in a competitive situation?

Mr. HATHAWAY. I would be willing to put in the exception; if there is a finding that there is competition, which I do not believe exists in many parts of this country in title work, then the Secretary would not be able to impose any regulations.

Mr. BROCK. How many communities does the Senator know of that have only one lawyer?

Mr. HATHAWAY. If the circumstances are such that the consumer does not know the prices of different lawyers, if there is no shopping among lawyers similar to the medical profession——

Mr. BROCK. Would the Senator support an amendment——

Mr. HATHAWAY. There are situations where one can say by numbers that there should be competition but, as a matter of fact, there is no competition because people, through custom or otherwise, are inhibited about finding out and comparing prices of various people.

Mr. BROCK. I see, that applies to buying a home.

Let me take it a step further. Would the Senator allow us to pass legislation which would require lawyers to publish their fees for divorce cases, or for accident cases? How about criminal cases?

Mr. HATHAWAY. Well, I think it would be a good idea if similar——

Mr. BROCK. Even though it is true the cost is not as traumatic as buying a home.

Mr. HATHAWAY. How much it would cost him vis-a-vis other agencies that he could go to in any particular purchase of either a service or a product.

Mr. BROCK. Does the Senator think the Federal Government should set lawyers' fees in a divorce proceeding?

Mr. HATHAWAY. No, I do not think the Federal Government should set the fees.

Mr. BROCK. That is what the Senator is suggesting here.

Mr. HATHAWAY. The only time we have a true competitive situation in any industry or any service is to have complete disclosure of what the costs or prices are so that the consumer can compare. I am not saying the Federal Government ought to tell the lawyer he ought

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to charge x number of dollars for a divorce case in this situation.

Mr. BROCK. That is what the Senator's bill would do.

Mr. HATHAWAY. I am saying that where the Secretary finds the costs charged for closing are unreasonable, he has the option of regulating the costs in that area. I will go along with the Senator and make that subject to the Administrative Procedure Act in order that no regulation could go into effect until published in the Federal Register, with an opportunity for hearing by all parties in interest.

Mr. BROCK. By what criteria does the Senator establish lack of competition?

Mr. HATHAWAY. Well, I suppose various criteria. One is that, if there is no information available to the general public as to what the closing costs are, or as to the number of closing cost agencies in a particular area, or if there is only one in that area, obviously there is not much competition.

The discrepancy between prices in adjoining counties would indicate that there was not competition if one county in the same State were charging three or four times the amount another county was charging.

Mr. BROCK. In other words, let us first assume the total incompetence of the American people which do not accept; second, let us assume the total evil intent of the great majority of the American business community; and, third, let us assume that there is a source of ultimate wisdom in Washington which says, "We can do better for those people who inhabit our communities than they can do for themselves."

Then, having made all those assumptions, you can come to the conclusion that the Federal Government is not only competent, but morally sanctified in asserting its judgment and will over this particular business transaction; and, if that is the case, then perhaps we have nothing to argue about. The problem is, Senator, that that just is not the case. The problem is that there is no adequate definition for the degree of competition in industry; there is no justification for saying that Government is a better regulator of the marketplace than the economy is; and certainly there is no justification for saying that we have some degree of competence that does not exist among the American body politic.

We have extensive regulation today on the State level. Thirty-two States regulate closing settlement costs. We have found that when we try to do it on a national basis it does not work, and that is the finding of the Secretary, and so we are back to the basic question of why then do it. Why then put it into a law when we do not know how to make it work. Who can make it work, and under what circumstances it might work. We frankly think it might do more harm than good; why then include it in the law?

Mr. HATHAWAY. Well, let me say to the Senator, I am not making any of the three assumptions the Senator made.

Mr. BROCK. I know the Senator is not making such assumptions.

Mr. HATHAWAY. That the industry is evil, the consumer is ignorant or the Federal Government is all knowledgeable in this area. But I think the Senator will agree there are certain parts of the country, certain areas, certain locations where the closing costs are, in my opinion, exorbitant.

We are designing this bill—this is generally for low-income people. We are trying to protect them. Just as we are giving them in other parts of the Housing Act itself various subsidies to protect them, I think we are obligated also to give them some protection with respect to the other costs involved in the purchase of a home.

Mr. PROXMIRE. Mr. President, will the Senator yield just on that point?

Mr. HATHAWAY. I will be happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. With respect to the incompetence of people, of course, we know, we had better know, of it, or we will not stay in office very long, that the American people, if they do not have all the education in the world in all cases, they have a great deal of commonsense. And, after all, if they have the commonsense to elect the Senator from West Virginia (Mr. BYRD) and the commonsense to elect the Senator from Maine (Mr. HATHAWAY) and the commonsense to elect the Senator from Tennessee (Mr. BROCK), we are all here because we trust the people. They trusted us, and we cannot argue with that.

But, Mr. President, the point is with respect to closing costs this is a highly complicated, highly technical situation in which the typical home buyer has one or two or maybe three experiences in a lifetime.

What is he up against? He is up against professionals who handle this every day. Several times a week they have these closing costs. They know all the ins and outs. They know all the complexities.

The home buyer is making the most important expenditure he is going to make in his lifetime. In many cases, in most cases, it is $30,000, $40,000. He does not know whether that $2,000 or $3,000 or $4,000 he is going to have to pay in closing costs is too great or too little. He is a victim of the greater, superior knowledge, competence, understanding, of the lawyers of the bankers, and so forth, who are in on the closing costs situation. This is why he does need protection. It is not an equal situation. He does not bargain on the basis of equal competence. He does not have the competence. He has a great deal of commonsense. He may have far more ability in many regards than the people he is dealing with, but in this particular respect he is at a tremendous disadvantage, and that is why he does need this protection.

Mr. BROCK. I completely agree. That is why we treated them as we did in the bill. The Senator proposes to give him authority which is on the books today and that is not being used.

Mr. PROXMIRE. The Senator proposes to give him the protection, with all the provisions in the bill, if the Secretary of HUD advises the consumer he still is being exploited. If there are still wholly unjustified abuses—in some cases for a very similar house there will be charges that are three or four times as much—under these circumstances HUD would be able to move in and provide some kind of regulation.

The Senator from Maine makes an excellent point in trying to establish a criteria. I am surprised the Senator from Tennessee forthrightly rejected the criteria being competition and saying where there is competition, under those circumstances, the Secretary would be constrained from using the power he has. I am not sure that is adequate.

In most cases there may be competition and the home buyer could settle, but where he is in a position where he can be so easily victimized there is an entirely different kind of situation than we usually have between buyer and seller.

Mr. BROCK. I hope the Senator will not put me in a position of disagreeing with him on competition. I am very much in agreement. I am surprised. I have not been noted as being the lawyer's best friend in this body.

Mr. PROXMIRE. Does the Senator say he has or has not?

Mr. BROCK. I have not been. I have been somewhat critical of the profession once in a while. I am glad to see the Senator taking up for them as embodied in this proposal, but that is an entirely different matter.

I wish to point out a couple of things to the Senator from Maine that I am sure he recalls but which I wish to bring to his mind again.

Section 701 applies only to FHA and VA mortgages. Is that correct?

Mr. HATHAWAY. That is correct.

Mr. BROCK. Apparently the assumption of the Senator from Maine is that if we strike section 701 from the law, there is no protection left. It is not so.

Under longstanding regulations promulgated by HUD—24 CFR 203.27—HUD presently has the authority to refuse FHA insurance for mortgages where fees have been charged for settlement services that are in excess of the "reasonable and customary" charges for that service in the local area. Similar regulations—83 CFR 36.4312(d), part I—are applicable to VA-guaranteed mortgages.

In responding to a question on this point in the House hearings, Sheldon Lubar, the FHA Commissioner, stated—page 74 of the hearings:

> HUD insuring offices are responsible for maintaining and periodically updating lists of reasonable and customary settlement costs in each area. . . . [T]he HUD insuring office has an obligation to review the fees actually charged against its list to determine whether they are reasonable and customary. If they are not reasonable and customary, HUD suggests to the mortgagee that such charges be eliminated or reduced to the home buyer.

Mr. Lubar indicated that under this authority, HUD could refuse to insure specific mortgages if the settlement charges are not reasonable or customary.

The authority for this administrative practice is contained in the section of the National Housing Act—12 U.S.C. 1709 (a)—that authorizes HUD to insure eligible mortgages "upon such terms as the Secretary may prescribe." This statutory authority and administrative practice would be unaffected by repeal of section 701 of the Emergency Home Finance Act of 1970.

What I am saying to the Senator is that despite the claim of the Senator from Wisconsin if we strike section 701 as I propose, there remains adequate safeguards to protect against any fee which exceeds what the Secretary calls reasonable and customary charges in an area. That is why I cannot see what the argument is all about. It looks to me that the argument is made for the purpose of delay and not reform.

Mr. HATHAWAY. The argument on my part is not made for delay.

Mr. BROCK. I know that.

Mr. HATHAWAY. The Senator's suggestion is a good one, as far as it goes. I think section 701 can remain in. As the Senator knows, I think my amendment, which I offered in committee provides a mechanism for control in closing costs. The acceptance would be a substitute for section 701, and we do not need it.

My concern is that we have either my amendment or section 701, because, even though, as the Senator points out, there are regulations which enable the HUD official to disallow closing costs if he deems them to be unreasonable, I do not know what the evidence shows in that regard.

It seems to me better to have the section 701 authority to impose regulations with respect to what reasonable closing costs should be. Then, we are less likely to have unreasonable closing costs charged and they would be in accord with regulations promulgated by the Secretary.

Mr. BROCK. If the Secretary promulgates regulations.

Mr. HATHAWAY. Then if you have the regulation just cited by the Senator from Tennessee, why does 701 hurt?

Mr. BROCK. 701 hurts, because if applied it would be unfair. If applied, it would be inefficient and adminstratively unworkable, and there is no reason to have on the books a law that simply cannot be fairly applied to the American people.

If the Senator wants regulation, and if he can see the justification for it, and I do not think he can, but if he can, then for goodness sake, let us take it to the committee, hold hearings on it, and write a complete regulatory bill, including all the due process requirements that go with it, and pass it into law, and tell the American people, "Here it is," and let them see it. But to say we are going to keep a law on the books that is unworkable, inefficient, and unfair does not seem justified to me.

Mr. HATHAWAY. I do not see how, if applied, it would be unfair, if he agrees that the regulations now in existence are fair, because under the HUD regulation, the Secretary can set, in certain cases, the fees and specify those fees that are unreasonable.

If he simply says that the regulation is that there should be x number of dollars which he finds to be unreasonable, and if that would apply throughout that community, then how could that be unfair?

I do not anticipate that any regulation would come out that would say, first, "You can charge no one more than $100 or $200 for a title search." Undoubtedly there are variations with respect to title searches. Some may take as much as 20 hours, and there may be petitions in court and whatnot, before title is cleared. And then others may take somewhere like 10 or 15 minutes, and certainly any regulation promulgated must take into consideration the variation in the amount of time necessary to be spent.

Mr. BROCK. Does the Senator remember when Secretary Romney was in charge of HUD and there were proposed similar regulations? They would have imposed limits on charges well below the prevailing limits, and they subsequently admitted that those limits were not based on an examination of cost for providing settlement services, or the reasonable profits that might be or must be permitted. Even they admitted that their own regulations were not based either on fact or fairness. That is the problem with it, because it is an administrative procedure.

Mr. HATHAWAY. I would suggest we make it subject to our Administrative Procedure Act, so that there would be an opportunity for interested persons to come in to testify, and so that we have a good chance of getting a reasonable regulation if, and only if, it is found to be necessary.

Mr. BROCK. My point is, let us study the matter; let us find out what the objections are; let us find out what the alternatives are; and let us get on the job of reforming it. When the American people need help, let us give it to them. Let us study it, and if the Senator prevails, then that would be fine.

Mr. HATHAWAY. I want to say to the Senator from Tennessee, I hope the amendments I suggested in our colloquy are accepted and will prevail, but if they do not, I will still support the Senator's bill, because I think that it does help some, although it does not go as far as we would like to see it go.

Mr. BROCK. I thank the Senator very kindly for his comments.

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, following the remarks of Mr. Talmadge, and prior to the period for the transaction of routine morning business, the following Senators may be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. Proxmire, Mr. Domenici, Mr. Griffin, Mr. Javits, and Mr. Robert C. Byrd.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION AGENCY ACT

Mr. ROBERT C. BYRD. Mr. President, in accordance with the order of yesterday, I ask unanimous consent that at this time S. 3164 be temporarily laid aside until such time as the distinguished majority leader or his designee again calls it up, and that the Senate proceed to the consideration of S. 707.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER. Is there objection to the requests of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment in the nature of a substitute, and from the Committee on Government Operations with amendments.

The amendments of the Committee on Commerce are as follows: Strike out all after the enacting clause and insert:

That this Act may be cited as the "Consumer Protection Agency Act".

STATEMENT OF FINDINGS

SEC. 2. The Congress hereby finds that—

(1) Federal agencies administer many laws, programs, and activities which substantially affect the health, safety, welfare, and other interests of consumers.

(2) Federal agencies often fail to consider adequately the interests of consumers, in part because consumers lack effective representation before such agencies.

(3) Each year, as a result of this lack of effective representation before Federal agencies and courts, consumers suffer personal injury, economic harm, and other adverse consequences in the course of acquiring and using goods and services available in the marketplace.

(4) A governmental organization to represent the interests of consumers before Federal agencies and courts could help the agencies in the exercise of their statutory responsibilities in a manner consistent with the public interest and with effective and responsive government.

(5) A new independent Federal agency should therefore be established for the purpose of representing and with the authority to represent the interests of consumers before Federal agencies and courts and for related purposes.

DECLARATION OF PURPOSE

SEC. 3. The Congress hereby declares that—

(1) It is the purpose of this Act to protect and promote the interests of the people of the United States as consumers of goods and services which are made available to them through commerce or which affect commerce by establishing an independent Consumer Protection Agency.

(2) It is the purpose of the Consumer Protection Agency to represent the interests of consumers before Federal agencies and courts, receive and transmit consumer complaints, develop and disseminate information of interest to consumers, and perform other functions to protect and promote the in-

terests of consumers. The authority of such Agency to carry out this purpose shall not be construed to supersede, supplant, or replace the jurisdiction, functions, or powers of any other agency to discharge its own statutory responsibilities according to law.

(3) It is the purpose of this Act to promote protection of consumers with respect to the—

(A) safety, quality, purity, potency, healthfulness, durability, performance, repairability, effectiveness, dependability, availability, and cost of any real or personal property or tangible or intangible goods, services, or credit;

(B) preservation of consumer choice and a competitive market;

(C) prevention of unfair or deceptive trade practices;

(D) maintenance of truthfulness and fairness in the advertising, promotion, and sale by a producer, distributor, lender, retailer, or other supplier of such property, goods, services, and credit;

(E) furnishing of full, accurate, and clear instructions, warnings, and other information by any such supplier concerning such property, goods, services, and credit; and

(F) protection of the legal rights and remedies of consumers.

(4) To achieve the foregoing purposes, this Act should be so interpreted by the executive branch and the courts as to give effect to the intent of Congress to protect and promote the interests of consumers.

DEFINITIONS

SEC. 4. As used in this Act, unless the context otherwise requires—

(1) "Administrator" means the Administrator of the Consumer Protection Agency;

(2) "Agency" means the Consumer Protection Agency;

(3) "agency action" includes the whole or part of an agency rule, order, license, sanction, relief, or the equivalent or the denial thereof, or failure to act;

(4) "agency activity" means any agency process, or any phase thereof, conducted pursuant to any authority or responsibility under law, whether such process is formal or informal;

(5) "agency proceeding" means agency "rulemaking", "adjudication", or "licensing", as defined in section 551 of title 5, United States Code;

(6) "commerce" means commerce among or between the several States and commerce with foreign nations;

(7) "consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, or household purposes;

(8) "Federal agency" or "agency" means "agency" as defined in section 551 of title 5, United States Code. The term shall include the United States Postal Service and any wholly owned Government corporation and, unless otherwise expressly provided by law, any Federal agency established after the date of enactment of this Act, but shall not include the Consumer Protection Agency;

(9) "Federal court" means any court of the United States, including the Supreme Court of the United States, any United States court of appeals, any United States district court established under chapter 5 of title 28, United States Code, the District Court of Guam, the District Court of the Virgin Islands, and the United States Court of Claims;

(10) "individual" means a human being;

(11) "interest of consumers" means any health, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration;

(12) "participation" includes any form of submission;

(13) "person" includes any individual, corporation, partnership, firm, association, institution, or public or private organization other than a Federal agency;

(14) "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

(15) "submission" means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

CONSUMER PROTECTION AGENCY

SEC. 5. (a) There is hereby established an independent nonregulatory agency of the United States to be known as the Consumer Protection Agency.

(b)(1) The Agency shall be directed and administered by an Administrator. The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, for a term coterminous with the term of the President, not to exceed four years. The nominee shall be an individual who, by reason of training, experience, and attainments, is especially qualified to represent independently the interests of consumers. On the expiration of his term, the Administrator shall continue in office until he is reappointed or his successor is appointed and qualifies. The Administrator may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

(2) All authorities, duties, and functions granted to the Administrator by this Act shall be exercised in accordance with the provisions of this section.

(c)(1) The functions and powers of the Agency shall be vested in the Administrator.

(2) The Administrator may from time to time delegate such of his functions as he deems appropriate.

(3) The Administrator shall exercise all executive and administrative functions of the Agency, including (A) the appointment and supervision of personnel employed by the Agency, (B) the distribution of business among such personnel and among administrative units of the Agency, and (C) the use and expenditure of funds.

(d) There shall be in the Agency a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator shall perform such functions and duties and exercise such powers as the Administrator may prescribe and shall be Acting Administrator during the absence or disability of, or in the event of a vacancy in the office of, the Administrator.

(e) There shall be in the Agency a General Counsel who shall be appointed by the Administrator. He shall, subject to the supervision and direction of the Administrator, be the chief legal officer of the Agency and shall perform such functions and duties as the Administrator may prescribe.

(f) The Administrator is authorized to appoint within the Agency not to exceed five Assistant Administrators.

(g) No officer or employee of the Agency, while serving in such position, may engage in any business, vocation, other employment, or have any other interests, inconsistent with his official responsibilities.

FUNCTIONS OF ADMINISTRATOR

SEC. 6. (a) The functions of the Administrator shall be to—

(1) represent the interests of consumers before Federal agencies and Federal courts in accordance with this Act;

(2) receive and transmit complaints from consumers in accordance with section 10 of this Act;

(3) conduct, support, and assist research and other information-gathering activities related to the interests of consumers in accordance with section 11 of this Act;

(4) disseminate to the public information of concern to consumers consistent with section 12 of this Act;

(5) publish, in language readily understandable by consumers, a consumer register which shall set forth the time, place, and subject matters of actions by Congress, Federal agencies, and Federal courts, and other information useful to consumers;

(6) encourage private enterprise in the promotion and protection of the interests of consumers;

(7) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

(8) encourage the adoption and expansion of effective consumer education programs;

(9) inform the appropriate committees and Members of Congress of the activities of the Agency and testify, when asked or on his own initiative, before the committees of Congress on matters affecting the interests of consumers;

(10) encourage meaningful participation by consumers in the activities of the Agency;

(11) encourage the development of informal dispute settlement procedures involving consumers; Provided, That the Administrator shall not intervene or participate in any agency or judicial proceeding or activity directly concerning a labor dispute within the meaning of section 13 of the Norris La Guardia Act (29 U.S.C. 113) or a labor management contract within the scope of section 301 of the Labor Management Relations Act, 1947 (29 U.S.C. 185);

(12) perform such other related activities as he deems necessary for the effective fulfillment of his duties and functions.

(b) The Administrator shall prepare and submit simultaneously to the Congress and the President, not later than April 1 of each year beginning April 1, 1976, an annual report, which shall include—

(1) the activities of the Agency, including its representation of the interests of consumers before Federal agencies and Federal courts;

(2) the major Federal agency actions and Federal court decisions affecting the interests of consumers;

(3) the assistance given the Agency by other Federal agencies in carrying out the purposes of this Act;

(4) the performance of Federal agencies and the adequacy of their resources in enforcing consumer protection laws and in otherwise protecting the interests of consumers, and the prospective results of alternative consumer protection programs;

(5) the appropriation by Congress for the Agency, the distribution of appropriated funds for the current fiscal year, and a general estimate of the resource requirements of the Agency for each of the next three fiscal years; and

(6) the extent of participation by consumers and the effectiveness of representation of consumers before Federal agencies, together with recommendations for new legislation, new budget authority for the Agency, and administrative actions to deal with problems discussed in the report, to pro-

tect and represent the interests of consumers more effectively, and to carry out the purposes of this Act.

(c)(1) Whenever the Administrator submits any budget estimate or request to the President or the Office of Management and Budget, he shall concurrently transmit a copy of that estimate or request to the Congress.

(2) Whenever the Administrator submits any legislative recommendations, or testimony, or comments on legislation to the President or the Office of Management and Budget, he shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require nor shall require the Administrator to submit his legislative recommendations, or testimony, or comments on legislation, to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

REPRESENTATION OF CONSUMER INTEREST BEFORE FEDERAL AGENCIES

SEC. 7. (a) Whenever the Administrator determines that the result of any Federal agency proceeding which is subject to the provisions of section 553, 554, 556, or 557 of title 5, United States Code, relating to administrative procedure, or which involves a hearing pursuant to the administrative procedural requirements of any other statute, regulation, or practice, or which is conducted on the record after opportunity for an agency hearing, or with public notice and opportunity for comment, may substantially affect the interests of consumers, he may intervene as of right as a party or otherwise participate for the purpose of representing the interests of consumers in such proceeding. The Administrator shall comply with agency statutes and rules of procedure of general applicability governing (1) intervention or participation in such proceeding and (2) the conduct of such proceeding. In any such proceeding, the Administrator shall refrain from intervening as a party, unless he determines that such intervention is necessary to represent adequately an interest of consumers. The intervention of the Administrator in any such proceeding shall not affect the obligation of the Federal agency conducting such proceeding to assure procedural fairness to all parties thereto.

(b) With respect to any Federal agency proceeding not covered by subsection (a) of this section, or any other Federal agency activity, which the Administrator determines may substantially affect the interest of consumers, the Administrator may participate by presenting written or oral submissions, and the Federal agency shall give full consideration to such submissions of the Administrator. Such submissions shall be presented in an orderly manner and without causing undue delay.

(c) Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with the Administrator, issue any additional rules which may be necessary to provide for the Administrator's orderly intervention or participation in accordance with this section, in its proceedings and activities which may substantially affect the interest of consumers. Such additional rules shall be published in proposed and final form in the Federal Register.

(d) Whenever the Administrator determines that it would be in the interest of consumers to do so, he may request or petition any Federal agency to initiate a proceeding or activity or to take such other action as may be within the authority of such agency. If such agency fails so to act in any civil matter, it shall promptly notify the Administrator in writing of the reasons therefor and such notice shall be a matter of public record.

(e) In any Federal agency proceeding or activity in which he is intervening or participating, the Administrator is authorized to request the Federal agency to issue such orders as are appropriate under the agency's rules of practice and procedure consistent with subsection (c) of this section with respect to the summoning of witnesses, copying of documents, papers, and records, production of books and papers, and submission of information in writing. Such Federal agency shall issue such orders unless it reasonably determines that any such order requested is not relevant to the matter at issue, would be unnecessarily burdensome to the person specified, or would unduly interfere with such Federal agency's discharge of its own statutory responsibilities.

(f) The Administrator is authorized to represent an interest of consumers which is presented to him for his consideration upon petition in writing by a substantial number of persons or by any organization which includes a substantial number of persons. The Administrator shall notify the principal sponsors of any such petition within a reasonable time after receipt of any such petition of the action taken or intended to be taken by him with respect to the interest of consumers presented in such petition. If the Administrator declines or is unable to represent such interest, he shall notify such sponsors and shall state his reasons therefor.

JUDICIAL REVIEW

SEC. 8. (a) The Administrator shall have standing to obtain, in the manner prescribed by law, judicial review of any Federal agency action reviewable under law. The Administrator may intervene as of right as a party or otherwise participate in any civil proceeding in a Federal court which involves the review or enforcement of a Federal agency action if he determines that such action substantially affects the interests of consumers and he intervened or participated in the Federal agency proceeding or activity out of which such court proceeding arises; or where he did not so intervene or participate, unless the court determines that intervention or participation under this subparagraph would adversely affect the interests of justice.

(b) Before instituting a proceeding in a Federal court to obtain review of any Federal agency action where he did not intervene or participate in the agency proceeding or activity out of which such action arose, the Administrator shall file, in the manner prescribed by law, a petition before such agency for rehearing or reconsideration if a petition for rehearing or reconsideration is authorized by law of any person. Such agency shall act upon such petition within 60 days, except where otherwise expressly provided by statute.

(c) The participation of the Administrator in a proceeding for judicial review of a Federal agency action shall not alter or affect the scope of review otherwise applicable to such agency action.

NOTICE

SEC. 9. (a) Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon request by the Administrator, notify him of any proceeding or activity at such time as public notice is given.

(b) Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon specific request by the Administrator, promptly provide him—

(1) a brief status report which shall contain a statement of the subject at issue and a summary of proposed measures concerning such subject; and

(2) such other relevant notice and information, the provision of which would not be unreasonably burdensome to the agency and which would facilitate the Administrator's timely and effective participation under section 7 of this title.

(c) Nothing in this section shall affect the authority or obligations of the Administrator or any Federal agency under section 11(c) of this Act.

CONSUMER COMPLAINTS

SEC. 10. (a) Whenever the Administrator receives from any person any signed complaint or other information which discloses—

(1) an apparent violation of law, agency rule or order, or a judgment, decree, or order of a State or Federal court relating to an interest of consumers; or

(2) a commercial, trade, or other practice which is detrimental to an interest of consumers;

he shall, unless he determines that such complaint or information is frivolous, promptly transmit such complaint or information to any Federal, State, or local agency which has the authority to enforce any relevant law or to take appropriate action. Federal agencies shall keep the Administrator informed to the greatest practicable extent of any action which they are taking on complaints transmitted by the Administrator pursuant to this section.

(b) The Agency shall promptly notify producers, distributors, retailers, lenders, or suppliers of goods and services of all complaints of any significance concerning them received or developed under this section unless the Administrator determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

(c) The Agency shall maintain a public document room containing, for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), an up-to-date listing of all signed consumer complaints of any significance which the Agency has received, arranged in meaningful and useful categories, together with annotations of actions taken in response thereto. Unless the Administrator, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, That—

(1) the complainant's identity is protected when he has requested confidentiality;

(2) the party complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint; and

(3) the agency to which the complaint has been referred has had a reasonable time to notify the Administrator what action, if any, it intends to take with respect to the complaint.

INFORMATION GATHERING

SEC. 11. (a) The Administrator is authorized to conduct, support, and assist research, studies, plans, investigations, conferences, demonstration projects, and surveys concerning the interests of consumers.

(b)(1) In exercising the authority under subsection (a) of this section, the Administrator is authorized, to the extent required to protect the health or safety of consumers or to discover consumer fraud or other unconscionable conduct detrimental to an interest of consumers, to obtain data by requiring any person engaged in a trade, business, or industry which substantially affects interstate commerce and whose activities he determines may substantially affect an interest of consumers by general or specific order setting forth with particularity the consumer interest involved and the purposes for which the information is sought, to file with him a report or answers in writing to specific questions concerning such activities

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and other related information. Nothing in this paragraph shall be construed to authorize the inspection or copying of documents, papers, books, or records, or to compel the attendance of any person. Nor shall anything in this subsection require the disclosure of information which would violate any relationship privileged according to law. Any such reports or answers shall be made under oath, or otherwise as the Administrator may prescribe, and shall be filed with him within such reasonable period as he may prescribe. Any district court of the United States within the jurisdiction of which such person is found, or has his principal place of business, shall issue an order, on conditions and with such apportionment of costs as it deems just, requiring compliance with a valid order of the Administrator, upon petition by the Administrator or on a motion to quash, upon the Administrator's carrying the burden of proving in court that such order is for information that substantially affects the health or safety of consumers or is necessary in the discovery of consumer fraud or other unconscionable conduct detrimental to an interest of consumers, and is relevant to the purposes for which the information is sought, unless the person to whom the interrogatory is addressed shows that answering such interrogatory will be unnecessarily or excessively burdensome. Where applicable, chapter 35 of title 44, United States Code, shall govern requests for reports under this subsection in the manner in which independent Federal regulatory agencies are subject to its provisions.

(2) The Administrator shall not exercise the authority under paragraph (1) of this subsection if the information sought (A) is available as a matter of public record; (B) can be obtained from another Federal agency pursuant to subsection (c) of this section; or (C) is for use in connection with his intervention in any pending agency proceeding against the person to whom the interrogatory is addressed.

(c) Upon written request by the Administrator, each Federal agency is authorized and directed to allow access to all documents, papers, and records in its possession which the Administrator deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny the Administrator access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under the terms of Executive Order 10501 of November 5, 1953, and Executive Order 11652 of March 10, 1972, or any orders amending or superseding such orders, and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.A. 2011 et seq.);

(2) policy and prosecutorial recommendations by agency personnel intended for internal agency use only;

(3) information concerning routine executive and administrative functions that are not otherwise a matter of public record;

(4) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(5) information which such agency is expressly prohibited by law from disclosing to another Federal agency; and

(6) trade secrets and commercial or financial information described in subsection (b)(4) of section 552 of title 5, United States Code—

(A) obtained prior to the effective date of this Act by a Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Administrator that, taking into account the nature of the assurances given, the character of the information requested, and the stated purpose for which access is sought, to permit such access would constitute a breach of faith by the agency; or

(B) obtained subsequent to the effective date of this Act by a Federal agency, if such agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of his reasonable determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair the carrying out of the agency's program, and access to which is likely to cause substantial competitive injury to the person who provided the information.

Before granting the Administrator access to any such trade secrets and commercial or financial information, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall afford such person a reasonable opportunity, not to exceed 10 days, to comment or seek injunctive relief. Where access to information is denied to the Administrator by a Federal agency pursuant to this paragraph, the head of the agency and the Administrator shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the agency's objections.

(d) Consistent with the provisions of section 7213 of title 26, United States Code, nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known in any manner whatever to the Administrator the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit any Federal income tax return filed pursuant to the provisions of title 26, United States Code, or copy thereof, or any book containing any abstracts or particulars thereof, to be seen or examined by the Administrator.

INFORMATION DISCLOSURE

SEC. 12. (a) The Administrator is authorized, subject to the provisions of this section, to disclose to the public or any member thereof so much of the information subject to his control as he determines appropriate to carry out the purposes of this Act.

(b) The Administrator or any officer or employee of the Agency shall not disclose any information which has been obtained from a Federal agency or as a result of access to its records where such agency has specified that such information is exempted from disclosure under section 552 of title 5, United States Code, or any other applicable Federal statute, and should not be disclosed. If such agency has specified that information is exempted from required disclosure, but that it may be disclosed in accordance with a particular form or manner of disclosure which such agency has prescribed, the Administrator shall follow such form and manner.

(c) The Administrator or any officer or employee of the Agency shall not disclose any trade secret or other confidential business information described by section 1905 of title 18, United States Code, which it obtained other than pursuant to section 11(c) of this Act, except that such information may be disclosed (1) to the public only if the Administrator determines it necessary to protect health or safety; and (2) in a manner designed to preserve confidentiality, to duly authorized committees of the Congress, to courts and Federal agencies in representing the interests of consumers, and to other officers and employees of the Agency or other Federal officials concerned with the subject matter in issue.

(d) In the release of information to the public, the Administrator shall take all reasonable measures to assure that such information is accurate and not misleading or incomplete. If such information is inaccurate, misleading, or incomplete, the Administrator shall promptly issue a retraction, take such other reasonable action to correct any error, or release significant additional information which is likely to affect the accuracy or completeness of information previously released. Where the release of information is likely to cause substantial injury to the reputation or goodwill of a person or company, or its products or services, the Administrator shall notify such person or company of the information to be released and afford an opportunity for comment or injunctive relief, unless immediate release is necessary to protect the health or safety of the public.

(e) In the release of information which discloses names of products or services, the Administrator shall—

(1) make clear that all products of a competitive nature have not been compared, if such is the case;

(2) make clear that there is no intent or purpose to rate products compared over those not compared or to imply that those compared are superior or preferable in quality to those not compared; and

(3) not indicate expressly that one product is a better buy than any other product.

(f) In any suit against the Administrator to obtain information pursuant to the provisions of section 552 of title 5, United States Code, where the sole basis for the refusal to produce the information is that another Federal agency has specified that the documents not be disclosed in accordance with the provisions of subsection (b) of this section, the other Federal agency shall be substituted as the defendant, and the Administrator shall thereafter have no duty to defend such suit.

ADMINISTRATION

SEC. 13. (a) The Administrator is authorized, in carrying out his functions under this Act, to—

(1) determine the qualifications of, appoint, assign the duties of, and fix the compensation of, in accordance with civil service and classification laws, such officers and employees, including attorneys, as are necessary to perform the functions vested in him;

(2) employ experts, expert witnesses, and consultants in accordance with section 3109 of title 5, United States Code, and to compensate such persons at rates not in excess of the maximum daily rate prescribed for GS-18 under section 5332 of title 5, United States Code, for each day they are so employed;

(3) appoint advisory committees composed of such private citizens and officials of Federal, State, and local governments as he deems desirable to advise him, and to compensate such persons, other than those employed by the Federal Government, at rates not in excess of the maximum daily rate provided for GS-18 under section 5332 of title 5, United States Code, for each day they are engaged in the actual performance of their duties as members of a committee and to pay such persons travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code: *Provided*, That all meetings of such committees shall be open to the public and interested persons shall be permitted to attend, appear before, or file statements with any advisory committee, subject to such reasonable rules or regulations as the Administrator may prescribe;

(4) promulgate such rules, regulations, and procedures as may be necessary to carry out the functions vested in him and to delegate authority for the performance of any such function only to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, personnel, and facilities of Federal, State, regional, local, and private agencies and instrumentalities, with or without reimbursement therefor, and to transfer funds

made available under this Act to Federal, State, regional, local, and private agencies and instrumentalities as reimbursement for utilization of such services, personnel, and facilities;

(6) accept voluntary and uncompensated services, except where such services involve administrative proceedings, investigations, or enforcement powers, notwithstanding the provisions of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665);

(7) adopt an official seal, which shall be judicially noticed. The provisions of section 709 of title 18, United States Code, shall apply to the use of the seal, after its adoption and publication in the Federal Register, except as authorized under rules or regulations issued by the Administrator;

(8) establish such regional offices as the Administrator determines to be necessary to serve the interests of consumers;

(9) conduct conferences and hearings and otherwise secure data and expressions of opinion;

(10) accept unconditional gifts or donations of services, money or property, real, personal, or mixed, tangible or intangible, except that the acceptance of donations of services shall be subject to the provisions of paragraph (6) of this section;

(11) without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), enter into contracts, leases, cooperative agreements, or other transactions with any public agency or instrumentality or with any person;

(12) designate representatives to serve or assist on such committees as he may determine to be necessary to maintain effective liaison with Federal agencies and with State and local agencies carrying out programs and activities related to the interests of consumers; and

(13) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(b) The Administrator of General Services is authorized and directed to furnish the Administrator with such offices throughout the United States as are necessary to the proper execution of the purposes of the Agency, together with such equipment, supplies, and services as are necessary, to the same extent as the Administrator of General Services is authorized to furnish to any other Federal agency.

GENERAL

SEC. 14. (a) Nothing in this Act shall be construed to prohibit the Administrator from communicating with Federal, State, and local agencies and courts at any time and in any manner consistent with the law.

(b) Nothing in this Act shall be construed to limit the discretion of any Federal agency or court, within its authority, to grant the Administrator additional participation in any proceeding or activity, to the extent that such additional participation may not be as of right, or to provide additional notice to the Administrator concerning any agency proceeding or activity.

(c) Appearances by the Agency under this Act shall be in its own name and shall be made by qualified representatives pursuant to subsection (d) of this section.

(d) Except as otherwise provided in this subsection, the Administrator shall be represented by attorneys designated by him. The Department of Justice shall represent the Administrator in all court proceedings authorized by this Act or otherwise, except that in any case in which the Administrator seeks to challenge an agency action or any part thereof by intervention or by invoking judicial review, or in which the Department of Justice is representing or may represent a department, agency, officer or employee of the United States whose interests conflict with those of the Administrator, then the Administrator may be represented by attorneys he designates for such purpose. Unless the Attorney General notifies the Administrator within a reasonable time that he will represent the Administrator, such representation may be made by attorneys designated by the Administrator. In all litigation in the Supreme Court of the United States, the Solicitor General shall represent the Administrator; except that in any case in which the Solicitor General is representing a department, agency, officer, or employee of the United States whose interests conflict with those of the Administrator, then the Administrator may be represented by attorneys he designates for such purpose. In any court proceeding in which the Department of Justice or the Solicitor General is representing the Administrator, the Attorney General or the Solicitor General, as appropriate, shall consult with the Administrator concerning the most effective means of representing the interest of consumers in such proceedings. Upon the written request of the Administrator, the Attorney General or the Solicitor General shall advise the court of any substantial policy disagreements with the Administrator concerning the interest of consumers.

(e)(1) No act or omission by the Administrator or any Federal agency relating to the Administrator's authority under sections 7, 9, 10, 11, and 12 of this Act shall affect the validity of any agency action or be subject to judicial review: *Provided,* That

(A) the Administrator may obtain judicial review to enforce his authority under sections 7, 9, and 11 of this Act: *Provided,* That he may obtain judicial review of the Federal agency determination under section 7(e) of this Act only after final agency action and only to the extent that such determination affected the validity of such action;

(B) a party to any agency proceeding or a participant in any agency activity in which the Administrator intervened or participated may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review following such final agency action on the ground that the Administrator's intervention or participation resulted in prejudicial error to such party or participant based on the record viewed as a whole; and

(C) any person who is substantially and adversely affected by the Administrator's action pursuant to section 7(e), 11(b), or 12 of this Act may obtain judicial review, unless the court determines that such judicial review would be detrimental to the interests of justice.

(2) For the purposes of this subsection, a determination by the Administrator that the result of any agency proceeding or activity may substantially affect the interests of consumers or that his intervention in any proceeding is necessary to represent adequately the interests of consumers shall be deemed not to be a final agency action.

(f) In exercising the authority of section 6(a) (2), (4), (5), 7(f), 10, 11, and 12 of this Act, the Administrator shall act in accordance with rules designed to assure fairness to affected persons, issued as soon as practicable after the effective date of this Act pursuant to section 553 of title 5, United States Code (notwithstanding the exception therein for procedural rules).

(g) Whenever the Administrator intervenes or seeks review under the provisions of section 7(a) or 8(a) of this Act, he shall explicitly and concisely set forth in a public statement the interest of consumers which he is representing. He shall also, to the extent practicable, set forth any other substantial interest of consumers which he is not representing.

TRANSFER OF CONSUMER PRODUCT INFORMATION COORDINATING CENTER

SEC. 15. (a) All officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Consumer Product Information Coordinating Center in the General Services Administration are transferred to the Agency and all functions of the Administrator of General Services administered through the Consumer Product Information Coordinating Center are transferred to the Agency.

(b)(1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this section shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to subsection (a) of this subsection shall be without reduction in classification or compensation for one year after such transfer.

PUBLIC PARTICIPATION

SEC. 16. (a) After reviewing its statutory authority and rules of procedure, relevant agency and judicial decisions, and other relevant provisions of law, each Federal agency shall issue appropriate interpretations, guidelines, standards, or criteria, and rules of procedure, to the extent that such rules are appropriate and are not already in effect, relating to the rights of individuals who may be affected by agency action to—

(1) petition the agency for action;

(2) receive notice of agency proceedings;

(3) file official complaints (if appropriate) with the agency;

(4) obtain information from the agency; and

(5) participate in agency proceedings for the purpose of representing their interests. Such interpretations, guidelines, standards, criteria, and rules of procedure shall be published in proposed and final form in the Federal Register.

(b) Each Federal agency shall take all reasonable measures to reduce or waive, where appropriaate, procedural requirements for individuals for whom such requirements would be financially burdensome, or which would impede or prevent effective participation in agency proceedings.

(c) Any rules of procedure issued by any Federal agency pursuant to this section shall be published in a form and disseminated in a manner designed to inform and able to be understood by the general public.

SAVINGS PROVISIONS AND EXEMPTIONS

SEC. 17. (a) Nothing in this Act shall be construed to affect the duty of the Administrator of General Services to represent the interests of the Federal Government as a consumer pursuant to section 201(a)(4) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(a)(4)).

(b) Nothing in this Act shall be construed to relieve any Federal Agency of any responsibility to protect and promote the interests of consumers.

(c) Nothing in this Act shall be construed to limit the right of any consumer or group or class of consumers to initiate, intervene in, or otherwise participate in any Federal agency or court proceeding or activity, nor to require any petition or notification to the exercise of such right, nor to relieve any Federal agency or court of any obligation, or affect its discretion, to permit intervention or participation by a consumer or group or class of consumers in any proceeding or activity.

(d)This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions of the Department of Defense (including the Departments of the Army, Navy, and Air Force).

(e) This Act shall not apply to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license.

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COMPENSATION

SEC. 18. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(59) Administrator, Consumer Protection Agency."

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(97) Deputy Administrator, Consumer Protection Agency."

(c) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(132) General Counsel, Consumer Protection Agency.

"(133) Assistant Administrators, Consumer Protection Agency (5)."

SEPARABILITY

SEC. 19. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 20. There are authorized to be appropriated to carry out the provisions of this Act not to exceed $15,000,000 for the fiscal year ending June 30, 1975, not to exceed $20,000,000 for the fiscal year ending June 30, 1976, and not to exceed $25,000,000 for the fiscal year ending June 30, 1977.

EFFECTIVE DATE

SEC. 21. (a) Except as provided in subsection (b) of this section, this Act shall take effect when the Administrator first takes office, or on such earlier date as the President may prescribe, but no later than 90 calendar days after the date of enactment of this Act. The Administrator may not intervene or otherwise participate as a matter of right in any Federal agency or Federal court proceeding which is pending on the effective date of this Act if argument has concluded or the record has been closed and all that remains before completion of such agency or court proceeding is the rendering or issuance of a decision or the promulgation of a final order or rule by such agency or court.

(b) Any of the officers provided for in this Act may be appointed in the manner provided for in this Act at any time after the date of enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

The amendments of the Committee on Government Operations are as follows:

In the amendment of the Committee on Commerce, on page 59, line 12, after the word "dispute", strike out "within the meaning of section 13 of the Norris La Guardia Act (29 U.S.C. 113) or a labor management contract within the scope of section 301 of the Labor Management Relations Act, 1947 (29 U.S.C. 185);" and insert "involving wages or working conditions affecting health or safety"; on page 62, line 22, after the word "delay.", insert "Such submission need not be simultaneous with that of any other person."; on page 67, after line 19, strike out:

(1) the complainant's identity is protected when he has requested confidentiality;

At the beginning of line 22, strike out "(2)" and insert "(1)"; on page 68, at the beginning of line 1, strike out "(3)" and insert "(2)"; after line 3, insert:

(3) if the complainant requests that his identity be protected, his complaint shall not be maintained for public inspection and copying.

On page 71, line 8, after the word "agency", strike out "and"; after line 8, insert:

(6) information contained in or related to examination, operation, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of an agency responsible for regulation or supervision of financial institutions, or any other information relating to the financial transactions of individual customers of such financial institutions; and

At the beginning of line 17, strike out "(6)" and insert "(7)"; on page 82, after line 19, insert:

(h) It is the sense of the Congress that small business enterprises should have their varied needs considered by all levels of government in the implementation of the procedures provided for throughout this Act.

(i)(1) In order to carry out the policy stated in subsection (h), the Small Business Administration (A) shall to the maximum extent possible provide small business enterprises with full information concerning the provision of the procedures provided for throughout this Act which particularly affect such enterprises, and the activities of the various departments and agencies under such provisions, and (B) shall, as part of its annual report, provide to the Congress a summary of the actions taken under this Act which have particularly affected such enterprises.

(2) To the extent feasible, the Administrator shall seek the views of small business in connection with establishing the agency's priorities, as well as rules and regulations which will be promulgated for the purpose of implementing this Act.

(3) In administering the programs provided for in this Act, the Administrator shall respond in an expeditious manner to the views, requests, and other filings by small business enterprises.

(4) In implementing this Act, the Administrator shall insofar as practicable, treat all businesses, large or small, in an equitable fashion; due consideration shall be given to the unique problems of small businesses so as not to discriminate or cause unnecessary hardship in the administration or implementation of the provisions of this Act.

On page 88, line 9, after "1977.", insert "Any subsequent legislation to authorize appropriations under this Act for the fiscal year beginning on July 1, 1977, shall be referred in the Senate to the Committee on Government operations and to the Senate Committee on Commerce."; after line 13, insert a new section, as follows:

EVALUATION BY THE COMPTROLLER GENERAL

SEC. 21. (a) The Comptroller General of the United States shall audit, review, and evaluate, the implementation of the provisions of this Act by the Consumer Protection Agency.

(b) Not less than 30 months nor more than 36 months after the effective date of this Act, the Comptroller General shall prepare and submit to the Congress a report on his audit conducted pursuant to subsection (a), which shall contain, but not be limited to, the following:

(1) an evaluation of the effectiveness of consumer representation activities;

(2) an evaluation of the effect of such agency activities on the efficiency, effectiveness, and procedural fairness of affected Federal agencies in carrying out their assigned functions and duties;

(3) recommendations concerning any legislation he deems necessary, and the reasons therefor, for improving the implementation of the objectives of this Act as set forth in section 3.

(c) Copies of the report shall be furnished to the Administrator of the Consumer Protection Agency, the chairmen of the Senate Committees on Commerce and on Government Operations, and the chairman of the Committee on Government Operations of the House of Representatives.

(d) Restrictions and prohibitions under this Act applicable to the use or public dissemination of information by the Agency shall apply with equal force and effect to the General Accounting Office in carrying out its functions under this section.

And, on page 89, at the beginning of line 21, change the section number from "21" to "22".

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 707. The clerk will report the first committee amendment of the Committee on Government Operations.

The legislative clerk read as follows:

On page 59, line 12, after the word "dispute", strike out "within the meaning of section 13 of the Norris La Guardia Act (29 U.S.C. 113) or a labor management contract within the scope of section 301 of the Labor Management Relations Act, 1947 (29 U.S.C. 185);" and insert "involving wages or working conditions affecting health or safety";

Mr. RIBICOFF. Mr. President, I move to table the amendment.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. Has the substitute amendment of the Commerce Committee been adopted?

The present amendment would not be in order until the Commerce Committee substitute had at least been laid before the Senate.

The PRESIDING OFFICER. The Chair is advised that the Commerce Committee amendment in the nature of a substitute is before the Senate.

Mr. ALLEN. Well, no reference has been made to it. What is the present amendment and to what is it an amendment?

It is not to the bill, because if it were we would leapfrog the substitute of the Commerce Committee.

The PRESIDING OFFICER. This is an amendment to the Commerce Committee's substitute.

Mr. ALLEN. Well, no reference has been made to that, then. I wish the Chair would state just what the parliamentary situation is so that we can be advised. It seems passing strange to me that the motion to table a committee amendment is made before there is any explantion of an amendment.

The PRESIDING OFFICER. When the bill was laid before the Senate, the Chair is advised, the amendments from both committees became the pending business.

The motion to table, the Chair is advised, is in order, and not the bill. The question is on the motion to table.

Mr. ALLEN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. ALLEN. I object.

The PRESIDING OFFICER. Objection is heard.

The rollcall was resumed and the following Senators entered the Chamber and answered to their names:

[No. 304 Leg.]

Allen
Byrd, Harry F., Jr.
Byrd, Robert C.
Cranston
Fong
Griffin
Hart
Hartke
Helms
Inouye
Percy
Ribicoff
Talmadge

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Aiken
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Cannon
Case
Chiles
Church
Clark
Cook
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fulbright
Goldwater
Hansen
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Tower
Weicker
Williams
Young

The PRESIDING OFFICER. A quorum is present.

Mr. ALLEN. Mr. President, I ask for the yeas and nays on the pending motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 305 Leg.]

Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Griffin
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Tower
Weicker
Williams
Young

The PRESIDING OFFICER. A quorum is present.

Mr. ALLEN. Mr. President, I move to table S. 707 and all pending amendments, and I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that if present and voting, the Senator from New Hampshire (Mr. MCINTYRE) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) and the Senator from Florida (Mr. GURNEY) are necessarily absent.

I also announce that the Senator from South Carolina (Mr. THURMOND) is absent on official business.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 25, nays 66, as follows:

[No. 306 Leg.]

YEAS—25

Allen
Bartlett
Bellmon
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Curtis
Eastland
Ervin
Fannin
Goldwater
Hansen
Helms
Hruska
McClellan
McClure
Nunn
Scott, William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Tower

NAYS—66

Aiken
Baker
Bayh
Beall
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Dole
Domenici
Dominick
Eagleton
Fong
Fulbright
Griffin
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevenson
Weicker
Williams
Young

NOT VOTING—9

Abourezk
Cotton
Gravel
Gurney
Long
McIntyre
Symington
Thurmond
Tunney

So Mr. ALLEN's motion was rejected.

Mr. RIBICOFF. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RIBICOFF. What is the next order of business?

The PRESIDING OFFICER. The next order of business is the Senator's motion to table the first committee amendment by the Committee on Government Operations to the substitute of the Committee on Commerce.

Mr. RIBICOFF. The yeas and nays have been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. MCINTYRE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) and the Senator from Florida (Mr. GURNEY) are necessarily absent.

I also announce that the Senator from South Carolina (Mr. THURMOND) is absent on official business.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The result was announced—yeas 49, nays 42, as follows:

[No. 307 Leg.]

YEAS—49

Aiken
Allen
Bayh
Bentsen
Brooke
Burdick
Byrd, Robert C.
Case
Church
Clark
Cranston
Eagleton
Fulbright
Hart
Hartke
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stevens
Stevenson
Williams

NAYS—42

Baker
Bartlett
Beall
Bellmon
Bennett
Bible
Biden
Brock
Buckley
Byrd, Harry F., Jr.
Cannon

UMI

Chiles
Cook
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Hansen
Haskell
Hatfield
Helms
Hollings
Hruska
McClellan
McClure
Nunn
Roth
Scott,
William L.
Sparkman
Stafford
Stennis
Taft
Talmadge
Tower
Weicker
Young

NOT VOTING—9

Abourezk
Cotton
Gravel
Gurney
Long
McIntyre
Symington
Thurmond
Tunney

So the motion to table the first committee amendment was agreed to.

Mr. ALLEN. Mr. President, before I conclude my remarks, having voted for the prevailing side on this issue, reluctantly I must say, but in order to move to reconsider, I will make a motion to reconsider the vote by which the committee amendment was laid upon the table.

My reason for doing so, Mr. President, is that this is a committee amendment. It was voted in the committee, by a yea-and-nay vote. It was reported out by the committee as an amendment to the Commerce Committee substitute, and then the manager of the bill, the distinguished Senator from Connecticut (Mr. RIBICOFF), as he had a right to do, without giving any explanation whatsoever of the nature of the amendment, without giving the Senator from Alabama any opportunity to ask any questions, without any explanation of why he, as the floor manager, representing, I assume, the committee, moved to table this amendment without one word of discussion.

Mr. President, it seems passing strange to the Senator from Alabama that we would have a procedure of that sort, for the representative of the committee to come in, without any explanation of why he wanted to table the amendment, without any opportunity for any Senator to find out what the amendment is about, and move to lay the amendment on the table.

I believe that Senators, having voted so closely before, and being advised of the nature of the amendment, will see fit to reconsider the vote by which the committee amendment was tabled—not the amendment of the Senator from Alabama; I know that would not stand any chance of passage, but it was the committee amendment, Mr. President, of the Committee on Government Operations, which sent this amendment out to the floor with the recommendation that it be adopted.

What would it do? Well, the procedure on this matter is a fairly complicated procedure. The bill, S. 707, was referred jointly to the Committee on Commerce and the Committee on Government Operations. The Committee on Commerce reported it first in the form of a substitute. The Committee on Government Operations made about eight amendments to the Commerce Committee version. This is the first one of those amendments. Let us see what it is about, and why, in the judgment of the Senator from Alabama, this motion to lay on the table was made without any explanation of the amendment.

I ask Senators to turn to page 59 of the star print of S. 707. If the Senator from Alabama is not mistaken, from having heard the amendment read—and knowing how much attention is ordinarily paid to the reading of an amendment by the clerk—the Committee on Commerce saw fit to give a blanket exemption from coverage by this bill to organized labor. On page 59, the bill has this proviso:

> *Provided*, That the Administrator shall not intervene or participate in any agency or judicial proceeding or activity directly concerning a labor dispute within the meaning of section 13 of the Norris La Guardia Act (29 U.S.C. 113) or a labor management contract within the scope of section 301 of the Labor Management Relations Act, 1947.

Citing the code section.

So the Committee on Commerce gave a blanket exemption to labor-management disputes and to agency or judicial proceeding activity directly concerning a labor dispute. Thus labor-management relations were left completely out from under coverage by the Commerce Committee version.

Of course, we all know the reason why that was done. If that language had not been put in there, we would find big labor opposing this bill except for that.

Mr. ERVIN. Mr. President, will the Senator from Alabama yield for a question?

Mr. ALLEN. Yes, I will be glad to yield.

Mr. ERVIN. Is it not the understanding of the Senator from Alabama that a very fine study of the Congress entertains the view that the cost of the average product consists of about 75 percent labor other than materials?

Mr. ALLEN. I am not familiar with that particular study. I would say that the actions of labor and management both have contributed to the increase in prices.

Mr. ERVIN. Does the Senator from Alabama not agree with the Senator from North Carolina that the interest of the consumer in the purchase of products is twofold: first, that he receive a good product and, second, that he receive it at the cheapest possible price?

Mr. ALLEN. Yes. I would say those are two of the major considerations. How one can say that labor-management relations and labor disputes could have no effect on consumers and consumer prices is beyond the comprehension of the Senator from Alabama.

So I am sure the Senator has noticed an editorial in the Washington Star-News just the other day in which it took a position against the so-called Consumer Protection Agency and it commented on the statement of one national labor leader.

Assuming that the labor-mangement relations had been left under the bill, he said he did not want the nose of the Federal Government being stuck into labor-management relations affairs. So it is the price of labor's support to give them a blanket exemption from this bill.

If this bill is good for the man in the street, if it is good for the average citizen, if it is good for business, it is also good for labor as well.

This amendment, I will say to the distinguished Senator from North Carolina, did not put labor-management relations squarely under this provision. All it did was to just barely put its nose under the tent, just barely in this language here, because labor-management relations are covered, but the committee amendment does except disputes regarding wages or working conditions affecting health and safety. I do not know what relations other than those would be covered, possibly pension plans or things of that sort. That would be included, would not be excluded, by its terms probably. But in the Government Operations Committee this language suggested by the distinguished Senator from Florida (Mr. CHILES) and the distinguished Senator from Kentucky (Mr. HUDDLESTON) was in the committee and voted in favor of this Government Operations Committee amendment.

So, Mr. President, I just feel some little better consideration should have been given to this amendment by the Government Operations Committee than was given, and I hope the Senate will reconsider that vote. Whether it wants to kill the amendment on an up or down vote, all right, but do not carelessly and cavalierly lay the amendment on the table without ever hearing it discussed. That it what the Senator from Alabama wishes.

Mr. ERVIN. Mr. President, will the Senator yield for another question?

Mr. ALLEN. Yes.

Mr. ERVIN. Regardless of the percentage of cost, does not the Senator from Alabama agree with the Senator from North Carolina that one of the interests of the consumer is to secure goods at the cheapest possible price?

Mr. ALLEN. The best goods for the least price.

Mr. ERVIN. Yes.

Does not the Senator from Alabama——

Mr. ALLEN. Produced by organized labor in this country, I will also add to the distinguished Senator.

Mr. ERVIN. Does not the Senator from Alabama agree with the Senator from North Carolina that the cost of any product is composed of three items: Namely, the raw materials that go into the manufacture of the product; second, the labor which takes these raw materials and converts them into the finished product; and, third, if business is going to continue in existence, a reasonable profit for the investors in the business?

Mr. ALLEN. Yes. And I assume he considers in the cost of production the long arm of the Federal Government reaching in for its share of the pie in the form of confiscatory taxes.

Mr. ERVIN. Does not the Senator from Alabama agree if the Consumer Protection Agency is to do anything of a substantial nature for the protection of the consumer that the Consumer Protection Agency is going to have to have the power to take into consideration all three of these essential elements in behalf of the consumer?

Mr. ALLEN. Yes, I think so.

Mr. ERVIN. Does not the bill which exempts any one of these three items from consideration on the part of the Consumer Protection Agency absolutely nullify the proclaimed purposes of the bill?

Mr. ALLEN. It would seem so to the Senator from Alabama. It would be a lopsided bill.

Mr. ERVIN. I thank the Senator.

Mr. PERCY. Mr. President, will the distinguished Senator from Alabama yield?

Mr. ALLEN. The distinguished Senator from Arizona caught my eye first, and I yield to him.

Mr. GOLDWATER. Mr. President, in view of the fact that labor, by the action just taken, has been exempted from any investigation by the Consumer Protection Agency, would this situation now hold: Let us say that a consumer bought an article from a store, and the consumer was unhappy with what he bought because the article was inferior, there was something wrong in its manufacture. There is no way that the Consumer Protection Agency now can go in and find the fault.

I might say that the fault often lies in labor, particularly in the automobile field, of people who do not do the job correctly. In other fields we find the same thing, men working on assembly lines who do not put in a full day's work or a proper day's work, and there is no way for these men to be singled out and punished.

So what we are doing, in effect, by accepting this vote without any question—and this is the question I pose—the Consumer Protection Agency will have to find the merchant at fault, and he can be fined and, possibly, placed in jail, his business can be ruined through no fault of his own at all; would I be correct in that assumption?

Mr. ALLEN. Well, I do not believe this amendment has anything to do with who was at fault in the manufacture of an article. The effect of the tabling of this minor committee amendment was to take labor-management relations completely out from under coverage by the bill, and that is what the Senator from Alabama objects to.

Mr. GOLDWATER. This is what I am getting at. It does not involve labor-management relations or having the Consumer Protection Agency settle a dispute between management and labor. I am talking about poorly manufactured material, poorly manufactured because of the fault of some man or men who belonged to a union. It may not be the union's fault. It may be the man's fault, or the woman's fault, I have to admit now.

But would not the Consumer Protection Agency be bound to put the blame on the shoulders of a person who had absolutely no blame in it?

Mr. ALLEN. I do not believe this amendment affects that, I will say to the distinguished Senator, in all fairness.

I agreed to yield to the distinguished Senator from Ohio for a question.

Mr. TAFT. I thank the Senator for yielding.

I have been trying to understand the differences that led the committee to make the change which is now being made but now wiped out.

It seems to me the principal areas that I can think of just offhand—and I ask the distinguished Senator if he has any others that he particularly studied that he might call to the attention of the Senate, that he do so—we are talking about are the areas of labor disputes in which there are jurisdictional questions involved, on the one hand, in which two unions are battling against each other in representational rights, where there is a very real interest of the public often involved; there is no dispute at all existing between labor and management in connection with the situation, yet it is under the National Labor Relations Act, and there is a tremendously long work stoppage. Many of our longest work stoppages indeed have come, as I would see it, because of the fact that there is some sort of a jurisdictional dispute between two labor unions seeking to represent the employees or seeking to keep control over a certain area of work that that union has done previously or seeks to do in the future.

These very cases, it seems to me, if there ever was a case—if we are for a Consumer Protection Agency at all—in which one should have somebody come in and take a look at it from the point of view of the public, it is that type of case. Would the Senator from Alabama agree with me on that?

Mr. ALLEN. I would certainly agree that is a proper area of coverage that would be excluded from the bill if this tabling motion is allowed to stand.

Mr. TAFT. It would not be excluded if the tabling motion is not allowed to stand. I understand they would be covered. I wondered what the committees think.

Mr. ALLEN. In the judgment of the Senator from Alabama they still would be covered under the bill if we can adopt the committee amendment rather than tabling it.

Mr. TAFT. If the Senator will indulge me further, the other practice to which I was going to refer is the other area of labor relations where there are no wages involved, and wages stand in the committee amendment. But the other area we are talking about excluding if we table the committee amendment would be an area such as featherbedding, or practices which are wasteful to the employer, wasteful to the economy, and wasteful to the public. Is this not an area in which there is a primary interest in having representation?

I am against the bill. I will not hesitate to say that I am. If ever there was an area in which the National Labor Relations Board has a duty not just with labor-management it is here. This amendment was designed to do something to permit a consumer agency.

Does the Senator agree that is the situation?

Mr. ALLEN. Yes. I would feel if the committee amendment is allowed to stand that this area could well be covered and probably would be covered by the remaining language of the amendment.

Mr. TAFT. I thank the Senator for his comments. I think there are a myriad of other labor-management relations that are still included in the committee amendment that deserve very serious consideration by the Senate. I hope the motion is agreed to.

Mr. GOLDWATER. Mr. President, will the Senator yield for an unanimous-consent request?

Mr. ALLEN. I yield for that purpose.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that Tom Shroyer, a member of the staff of the Senator from Arizona (Mr. FANNIN) be permitted to be on the floor during the discussion of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, will the Senator yield for a similar request?

Mr. ALLEN. I yield.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that Mr. Arthur Pankopf, Jr., and David Clanton of the staff of the Committee on Commerce be allowed on the floor during the consideration and vote on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. ALLEN. I yield.

Mr. PERCY. Mr. President I ask unanimous consent that Stewart Statler of the staff of the Committee on Government Operations be permitted on the floor during the discussion and votes on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

Mr. ALLEN. Mr. President, I have no objection to yielding for these requests, provided I do not lose my right to the floor. I have not yet made the motion to reconsider, and I shall not do so until I have completed my remarks. With that understanding, I am prepared to yield the floor for unanimous-consent requests.

Mr. BAKER. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. ALLEN. I yield.

Mr. BAKER. Mr. President, I ask unanimous consent that Lynne Davis and Mike Adams of the staff of the Committee on Commerce be granted the privilege of the floor during the discussion and vote on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that Fred Rose of my staff be permitted on the floor during the discussion and vote on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I ask unanimous consent that Robert Hunter of the staff of the Committee on Labor and Public Welfare be permitted on the floor during the discussion and vote on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the following staff members of the Committee on Government Operations be permitted on the floor during the discussion and vote on this matter: Richard A. Wegman, Paul Hoff, Brian Conboy, Mariyln A. Harris and David Johnson; and the following staff members from the Committee on Commerce; Michael Pertschok, Edward Meris, Mal Sterrat and Shari Leber; and, in addition, Martha Wise and John Rector.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Frank Gorham and Charles Gentry of my staff be permitted on the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, I ask unanimous consent, with the understanding that the distinguished Senator from Alabama does not lose his right to the floor, that Robert Smith, Eli Nobleman, and Gage Holliday, and Lyle Ryder be permitted to be on the floor of the Senate during the consideration and votes on the Consumer Protection Agency bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent that James Roberts of my staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Will the Senator yield? This is not unusual, but it is a little unusual. I just wonder if we will have room on the floor for those who have been given permission to use the premises during the course of the debate. I say that seriously.

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. ALLEN. I plan in just a moment to make a motion to reconsider the vote by which the first committee amendment, of the Committee on Government Operations, was laid on the table. If that motion is carried, then the vote will recur again on the motion to table. So that if we could vote to reconsider it and vote down the motion to table, then let us consider the amendment on its merits. Do not necessarily vote for it if the Senators do not want to, but let us not allow this procedure to stand.

Mr. ERVIN. Will the Senator yield, with the understanding that he does not lose the floor?

Mr. ALLEN. I will yield to the distinguished Senator from North Carolina.

Mr. ERVIN. During the 20 years I have been in the Senate, I have never known a motion to table a committee amendment to be passed in this manner. As I understand the situation, if the motion of the Senator from Alabama to reconsider the vote by which the committee amendment was tabled is adopted by the Senate, then we vote on the motion to table again?

Mr. ALLEN. Unless it is withdrawn.

Mr. ERVIN. Then, if that motion is defeated, we will have an opportunity at least to discuss this question, which seems to me to be one of the most serious considerations that could arise in connection with it.

Mr. ALLEN. I have no objection to extending the time limit on the amendment, as far as that is concerned.

Mr. GRIFFIN. Will the Senator from Alabama yield?

Mr. ALLEN. Without losing my right to the floor.

Mr. GRIFFIN. I want to indicate my agreement with the distinguished Senator from North Carolina that this is one of the most important considerations, so far as the Senate is concerned.

I think it should be noted that at least in the earlier versions of this so-called Consumer Protection Agency legislation, which were considered in the past by the Senate in 1970, and which was considered again in 1972, as my research indicates, there was no exemption for labor unions in the legislation.

In this bill, as it comes to the floor, not only are labor unions exempt outright, but also proceedings before the Federal Communications Commission with respect to license renewals, which certainly involve very important consumer interests. I just wonder if the Senator from Alabama would agree with me that instead of this being entitled a Consumer Protection Agency bill, this should now be considered a special interests protection bill. This bill, in the form it is now before us, does not protect consumers, it protects special interests—labor unions.

Mr. ALLEN. And the media who come before the FCC would be exempt. They would be exempt from this coverage.

Mr. GRIFFIN. I certainly agree this is one of the most important considerations that we would consider. I voted against the motion to table the bill and all amendments because I thought this question should be debated, and it is very important to me what happens to this particular provision.

Mr. ALLEN. Mr. President, this is just one illustration of the steamroller at work. It shows to me some need for discussing at length all of the issues to see how much chance a minority here in the Senate would have against a steamroller tactic of this sort.

Mr. President, tactics of this sort make extended discussions very popular, and requires resort to extended discussions from time to time to protect the rights of the minority.

Mr. President, having said this—and hoping that we will get back to the point where we can have an up and down vote on this amendment rather than to have it tabled—I move that the vote by which the committee amendment was laid upon the table be reconsidered, and I call for the yeas and nays.

Mr. MANSFIELD. Will the Senator withhold that?

Mr. ALLEN. Yes.

Mr. MANSFIELD. I hope this meets with the approval of the interested parties. Will the Senator consider an up and down vote on the first amendment at the hour of 5:30?

Mr. ALLEN. Why wait so long?

Mr. MANSFIELD. 5:15? Would the Senator like it now?

Mr. ALLEN. It would be up to the other Senators.

Mr. ERVIN. Mr. President, if the Senator will yield, it seems to me it ought to be debated longer than that. There is not much difference between that and tabling.

Mr. ALLEN. Mr. President, the Senator from Alabama would not wish to prejudice the rights of other Senators.

Mr. RIBICOFF. Mr. President, I move to table the motion.

Mr. JAVITS. Mr. President, would the Senator withhold that motion?

Mr. RIBICOFF. Yes.

Mr. JAVITS. Mr. President, I ask unanimous consent that the Senator not lose his right to the floor while I put this matter to him.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, the reasons why the committee acted as it did are set forth in the supplemental views of Senator RIBICOFF and myself at page 47 of the committee report.

I will ask Senator RIBICOFF if that is correct.

Mr. RIBICOFF. That is correct.

Mr. JAVITS. So any idea, Mr. President——

Mr. CHILES. Would the Senator yield?

Mr. JAVITS. I do not have the floor. Senator RIBICOFF has the floor, and he just yielded to me.

Mr. CHILES. I thought the Senator said the reason the committee acted the way it did was set forth in the supplemental remarks.

Mr. JAVITS. I will accept that. The reason that we take the position we do is the Senator moved the successful amendment which we voted against. That is a fact, is it not?

Mr. RIBICOFF. That is correct.

Mr. JAVITS. There is no reason in the world why this matter should not be discussed or why anybody should be rushed into it. But we thought, and I think it is fair to say this for Senator RIBICOFF and myself, that the matter was very clear. I know Senators are too sophisticated to be bedazzled by the argument that it has not been discussed and it should be discussed.

Mr. President, there are a lot of ways to kill a bill. This bill was killed once before by talk. All we are seeing now is the effort to do it again. There is nothing illegitimate about that, but let us call it by its right name—filibuster. Whatever guise you put it under, whether it is a motion to reconsider or a motion to table, or anything else, it comes to the same point. But all of that is legitimate. I am not complaining about it, except let us understand it.

Mr. President, every Senator knows the delicacy of labor-management relations, and every Senator knows the strength of the parties in the labor-management relation situation.

We are accused of foisting this Consumer Protection Agency bill on the American businessman who does not need this kind of protection, or the American consumer who does not need this kind of protection. That argument lies triply against this effort. Of all the people who do not need the Consumer Protection Agency, it is big unions and big management before the National Labor Relations Board.

So they should not be in this bill any more than these proceedings for granting licenses before the FTC, or—and I would like to call my colleagues' attention to page 86 of this bill—the Central Intelligence Agency. Would my colleagues like to include that? Or the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions of the Department of Defense?

There are some things that just do not fit.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. JAVITS. Not yet.

Mr. President, these NLRB proceedings are one of those things. If we are going to let ourselves be bedazzled by this shiny mirror that is put before our eyes, sure, anything will serve to try to kill this bill. But if we are going to be realistic Senators who understand a thing or two about life, about trade unions, about the NLRB and about the law, we are not going to be bedazzled by any such argument.

Mr. President, the fact is that the way in which to put a stone around the neck of the Consumer Protection Agency is to involve it in these highly complex NLRB proceedings. That is why we feel, as far as we are concerned—I am not the committee, but as far as we are concerned—that it does not belong in the bill and, hence, this provision.

Mr. President, by the way, this provision came to us from the Commerce Committee, and the Commerce Committee agreed that there should be this inclusion.

As far as we are concerned here in the Senate, it is not without the support of a committee, to wit, the Commerce Committee, although we were overruled, Senator Ribicoff and I and others in our committee.

I think it would be useful if the Senator could give the vote on that amendment. I think it would be useful to show what the division was.

Mr. ALLEN. Will the Senator yield for a question?

Mr. JAVITS. Senator Ribicoff has the floor.

Mr. ALLEN. Will the Senator yield that I might ask a question of the Senator from New York?

Mr. RIBICOFF. I will yield without losing the right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. The Senator said that big labor and big business do not need any consumer protection. I believe the distinguished Senator misses the point. We are not trying to protect big labor or big business. We are trying to protect the interest of the consumer who certainly could very easily and naturally be affected by the actions of big business and big labor. It is the consumer who needs protection, I will say to the Senator from New York, rather than big business and big labor.

Mr. JAVITS. Mr. President, the agency proceedings to which this amendment refers are collective bargaining proceedings between management and labor unions. That is the exclusion which we made. If any labor union engages in business for itself, as, for example, there is a labor union that owns a Washington bank, that would come perfectly under the CPA, or any other proceedings involving the FTC.

Mr. President, suppose a trade union was trying to sell something to its members. This bill would apply. The only thing we exempt is this delicate, highly complex, highly juridical relationship relating to the collective bargaining before the NLRB.

That is the thrust of what I meant when I said that these are not the parties who are within the ambit of this bill and, therefore, the exemption would be proper.

Mr. RIBICOFF. Mr. President, I move to table the motion to reconsider.

Mr. ALLEN. I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Iowa (Mr. CLARK), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), the Senator from New Hampshire (Mr. McINTYRE), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) and the Senator from New Hampshire (Mr. McINTYRE) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) and the Senator from Florida (Mr. GURNEY) are necessarily absent.

I also announce that the Senator from South Carolina (Mr. THURMOND) is absent on official business.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The result was announced—yeas 44, nays 46, as follows:

[No. 308 Leg.]

YEAS—44

Bayh
Bentsen
Brooke
Burdick
Byrd, Robert C.
Case
Church
Cranston
Eagleton
Hart
Hartke
Hughes
Humphrey
Inouye
Jackson

Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson

Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stevens
Stevenson
Tunney
Williams

NAYS—46

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bible
Biden
Brock
Buckley
Byrd,
 Harry F., Jr.
Cannon
Chiles
Cook

Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Hansen
Haskell
Hatfield
Hathaway
Helms
Hollings

Hruska
Huddleston
McClellan
McClure
Nunn
Roth
Scott,
 William L.
Sparkman
Stafford
Stennis
Taft
Talmadge
Tower
Weicker
Young

NOT VOTING—10

Abourezk
Clark
Cotton
Fulbright

Gravel
Gurney
Long
McIntyre

Symington
Thurmond

So the motion to table the motion to reconsider the vote by which the first committee amendment was agreed to was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendments of the Senate to House Concurrent Resolution 223 requesting the President to proclaim the 7-day period of July 16 through 22, 1973, as "United States Space Week."

The message also announced that the House disagrees to the amendments of the Senate to H.R. 14012 making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CASEY, Mr. EVANS of Colorado, Mr. GIAIMO, Mrs. GREEN of Oregon, Mr. FLYNT, Mr. ROYBAL, Mr. STOKES, Mr. MAHON, Mr. WYMAN, Mr. CEDERBERG, Mr. RUTH, and Mr. COUGHLIN were appointed managers of the conference on the part of the House.

CONSUMER PROTECTION AGENCY ACT

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER (Mr. HART). The motion to table the motion to reconsider the vote by which the first committee amendment was tabled has been rejected. The question now recurs on the motion of the Senator from Alabama to reconsider the vote by which the first committee amendment was tabled.

Mr. ALLEN. I ask for the yeas and nays.

Several Senators addressed the Chair.

Mr. ERVIN. Mr. President, is that motion debatable?

The PRESIDING OFFICER. The motion is debatable. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

Mr. JAVITS. Mr. President, a point of order; the rollcall has begun.

Mr. HUGHES. Mr. President, a parliamentary inquiry, a point of order.

Mr. ALLEN. There has been no response to the rollcall.

The PRESIDING OFFICER. The Chair rules that a response had not been heard and the suggestion of the absence of a quorum is in order. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask unanimous consent that the motion to reconsider and the order for the yeas and nays thereon be vacated, and that an up or down vote on the amendment occur at the hour of 4 o'clock tomorrow afternoon.

The PRESIDING OFFICER. Is there objection?

Mr. ERVIN. Mr. President, I do not understand about the yeas and nays.

Mr. MANSFIELD. Nullifying the motion to reconsider. Just getting a vote up or down on the amendment.

The PRESIDING OFFICER. This relates to the first committee amendment?

Mr. RIBICOFF. That is correct.

Mr. ALLEN. Mr. President, reserving the right to object, when would we proceed to the consideration of the amendment? In other words, if we did not get to it until 5 minutes to 4, we would not have much time to discuss it. When would we get to the amendment?

Mr. MANSFIELD. How about getting to the amendment at 3:30 tomorrow afternoon, with the time to be equally divided between the majority and minority leaders or their designees.

Mr. ALLEN. I do not think 15 minutes would be sufficient to take care of it.

Mr. MANSFIELD. One hour?

Mr. ERVIN. I would suggest an hour.

Mr. MANSFIELD. All right.

The PRESIDING OFFICER. One hour, to be equally divided, beginning at 3 o'clock?

Mr MANSFIELD. Beginning at 3 o'clock.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the Ribicoff amendment.

Mr. ALLEN. That would be the first committee amendment.

Mr. MANSFIELD. The first committee amendment.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, there will be no further rollcall votes today.

Mr. RIBICOFF. Mr. President, legislation to create a Consumer Protection Agency, S. 707, is once again before the Senate. The present bill represents a culmination of 13 years of study by the Congress. It is landmark legislation which I urge the Senate to support wholeheartedly.

The most important function of the Consumer Protection Agency will be to represent consumer interests before Federal agencies and courts. It will participate as an advocate in Federal agency proceedings to speak for the financial, safety, and health interests of consumers. The CPA Administrator will also be authorized, where necessary to protect consumer interests, to seek judicial review of an agency proceeding which by law is subject to review.

The CPA will in no respect have the power to regulate the activities of businesses. It will have no authority to issue regulations and orders governing the way individuals and businesses live or work. It will have no authority to force other Federal agencies to take any particular regulatory actions.

Rather, it will act solely as an advocate and spokesman for consumer interests.

The need for this legislation is great. Too often today, consumers feel a great sense of helplessness. What can one individual consumer do when an automobile manufacturer charges him large sums of money to replace parts that cost only a fraction of that to make? What can one individual consumer do when the cost of heating his home doubles or triples in price? What can she do when deceptive packaging misleads her into buying one size when she is really getting something much smaller? What can an individual consumer do to make sure the meat or poultry he is eating has not been contaminated with dangerous chemicals? It is in Washington that many of these consumer problems must be solved. But the Federal regulatory agencies cannot do the job alone. They rely, as is traditional under our American system, on the adversary system to reach their decisions. But consumers, isolated and fragmented as they are, cannot participate adequately before these agencies. Every consumer cannot participate in agency proceedings, or hire the lawyers and other experts necessary to match the legal power hired by business.

As a result, the consumer viewpoint is simply not adequately represented before Federal agencies. Mr. Pitofsky, a former high FTC official, disclosed at the hearings my subcommittee held on this bill that business representatives exceed consumer representatives before Federal agencies by a ratio of about 100 to 1. This is not good for consumers. This is not good for business. This is not good for America.

This legislation will guarantee that henceforth there will be someone in Washington to speak for consumers in the halls and hearing rooms of the Federal Government. This should help end some of the public's mistrust of Government.

And when the Administrator speaks for the consumer, he will speak with knowledge of what really concerns the consumers, and where his consumer preference really lie. The legislation assures this. Consumers will be free to petition the Agency continually to express their views and to request the Agency to become involved in particular issues. In its capacity as a clearinghouse for consumer complaints, the Agency will be continually receiving and reviewing complaints from the public about individual consumer problems. Its information-gathering powers will provide yet a further means for the Agency to learn where the trouble spots are for consumers, and why. Finally, the Agency will be free to conduct surveys and other studies to assure that it is acquainted with the needs and desires of consumers.

The bill thus represents a new concept of government. It will not be just another large Government agency. It will not dictate to people, or ignore their wishes. With no regulatory powers of its own, its role will be to bring the 210 million consumers in this country and the large, and too often unwieldy, Federal Government closer together. It will make the Federal Government more responsive, not less.

The report of the Committee on Government Operations on this bill (Rept. No. 93-883) explains each of the bill's provisions. In addition, on June 27 I described in considerable detail for the Senate why I differ from the views filed by a minority of my colleagues on the Government Operations Committee. I will not now attempt to repeat everything that I said on these previous occasions.

Let me summarize briefly, however, the bill's major provisions.

The most important function of the Agency will be to represent consumer interests before Federal agencies and courts—sections 7 and 8. In formal adjudicative or rulemaking proceedings under the Administrative Procedure Act, the CPA is authorized to intervene as a party. As an intervenor in such cases the Agency will be subject to the same rules as any other person who is a party to the proceedings.

When a Federal agency considers a decision affecting the interests of consumers outside a formal adjudicative or rulemaking proceeding, the act gives the CPA the right to submit data and other relevant information or arguments. Such submission will be in either written or oral form and presented in such a way as not to hinder the Agency's ability to act expeditiously.

The CPA Administrator is authorized, where necessary to protect consumer interests, to seek judicial review of an agency proceeding reviewable under law. He may also intervene in any judicial proceedings reviewing or enforcing such agency action—section 8.

The Agency is authorized to act as a clearinghouse for consumer complaints—section 10. It is required to notify businesses of all complaints concerning them, to transmit such complaints to appropriate Federal or State agencies where action is warranted, and to maintain an up-to-date file for public inspection of all complaints, together with any comments which are received.

In order for CPA to obtain the information it needs, the Administrator is authorized to request information from persons engaged in trades or businesses substantially affecting consumer interests—section 11(b). However, the Administrator may only use this authority where the information is not publicly available and cannot be obtained from another Federal agency. The request may only be enforced if the Administrator sustains the burden of showing that they are relevant to a substantial interest of consumers. If the requests are unnecessarily or excessively burdensome, they need not be answered.

The CPA may obtain information from other agencies—section 11(c). But CPA is expressly prohibited from collecting information from other agencies concerning national security, tax records, internal policy recommendations, and certain other types of sensitive information. There are specific limits on the Agency's right to gain access to trade secrets. Even if the CPA does get trade secrets from another agency, the bill contains a flat prohibition against public disclosure of such information—section 12(b). Disclosure of trade secrets obtained from other sources will also be barred in almost all cases—section 12(c).

Detailed and lengthy discussions have been held during this Congress with the administration and a large number of diverse interests in the private sector to perfect as fine a bill as possible. These discussions have resulted in many important changes.

As a result, S. 707, as amended, differs in many respects from the CPA legislation considered by the Senate 2 years ago:

S. 3970 provided for a Council of Consumer Advisers, in the Executive Office of the President, to set priorities on consumer matters and review the impact of Federal programs;

S. 707 deletes the Council entirely;

S. 3970 provided for a three-man commission to administer the Consumer Protection Agency;

S. 707 provides for a single Administrator to head the CPA;

S. 3970 provided that the Administrator of the Consumer Protection Agency could "as of right participate" in informal Agency proceedings which substantially affect consumers;

S. 707 does not contain similar wording. It limits the CPA's involvement in such proceedings to "written and oral submissions." Federal agencies must give "full consideration" to such CPA submissions;

S. 3970 authorized CPA to intervene or participate in State or local agency or court proceedings, on request of State officials or the State or local agency or court;

S. 707 does not authorize CPA to intervene or participate as a party in such proceedings;

S. 3970 allowed the CPA full access to Federal agency records, with exceptions only for national security information, policy recommendations, and administrative and personnel records;

S. 707 imposes more stringent limitations. It also prohibits CPA from obtaining trade secrets which the other agency could only obtain by agreeing to keep the material confidential;

S. 3970 authorized grants to State and local public agencies to promote consumer interests and education. It provided for $20 million in the fiscal year and $40 million in the second fiscal year;

S. 707 contains no State grant program;

S. 3970 contained no special protection for small businesses; and

S. 707 requires the CPA to take the views and special needs of small business into account in setting the CPA's priorities, and requires the CPA to solicit advice from small business before promulgating any rules or regulations under the act.

This legislation cannot by itself guarantee the public will regain its faith in the integrity of the Government. Nor can it cure inflation all by itself, or guarantee that no consumer will ever be overcharged again. But it represents an important effort in that direction.

At the same time, the great majority of American businesses have nothing to fear from the bill. The CPA will help to protect their good name and promote the consumer's faith in American business generally. It will help end the practices of a few that may give a whole industry a bad name.

The Senate has twice before, in 1970 and 1971, considered on the floor legislation creating a consumer protection agency. The Senate passed legislation in 1970 by a vote of 74 to 4. In 1972, a final vote on the merits of the bill was prevented by a filibuster.

This year, the House has already passed its version of the CPA bill by a vote of 293 to 94.

The bill is supported by 31 State Governors. It is supported by the U.S. Conference of Mayors and the National Association of Attorneys General. It is supported by a large number of National, State, and regional organizations. A partial list of 109 such groups was included in my remarks on June 27.

Mr. President, I ask unanimous consent to insert in the RECORD, at the conclusion of my remarks, a sampling of the editorial support that has been voiced in favor of the legislation. The editorials I have here appeared in the New York Times, the Durham, N.C., Herald, Business Week, the St. Louis Post-Dispatch, the Los Angeles Times, the Providence Rhode Island Bulletin, the Atlanta Journal, the Washington Post, the Birmingham Post Herald, the New Orleans States-Item and the Nashville Tennessean. Among other newspapers that have enclosed the bill are the Denver Rocky Mountain News, Evanston Press, Cincinnati Post-Times Star, Cleveland Press, Pittsburgh Press, Knoxville News Sentinel, Memphis Press Scimitar, El Paso Herald Post, Fort Worth Press, the Hollywood Florida Front Tattler, and the Stuart Florida News.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIBICOFF. Mr. President, the time has now come for the Congress to make the concept of a consumer Protection Agency at last a reality.

I hope that the Senate, after a reasonable time for debate, will act favorably on this important legislation.

EXHIBIT 1

[From the New York Times, July 16, 1974]

CONSUMERS' VOICE

For the third time in four years the Congress is attempting to create an institutional voice for consumer interests in Washington, to balance the well-organized activities of business lobbies and trade associations. Only the prospect of a filibuster, perhaps starting today, seems to stand between this much-needed legislation and Senate passage, following last April's overwhelming approval by the House of Representatives.

The bill would create a Consumer Protection Agency, a relatively small bureau whose function would be to present the consumer viewpoint in hearings and other proceedings before Federal regulatory agencies. It would have no regulatory power of its own.

In any administrative procedure, the presentation of adversary voices is the best guarantee against domination by one or another vested interest. "Consumers" are no monolithic or exclusive bloc of society, any more than is "business." Yet for too long an imbalance has existed in Washington that allowed the business-financed trade organizations to present their viewpoints on any issue pending in regulatory proceedings, without an equally coherent and informed presentation of how decisions might affect consumers. The Consumer Protection Agency is aimed at correcting this imbalance, not at imposing a veto power or superagency control.

In 1972 similar legislation passed the House, but was filibustered to death in the Senate. The leader of that filibuster, Sen. James B. Allen of Alabama, has signaled his intention of trying to repeat his previously successful obstructionism. But this issue cannot be allowed to fail once again on a procedural ploy; the Senate owes the electorate a straightforward vote on its merits.

[From the Durham, N.C., Herald, Mar. 2, 1974]

NEEDED: CONSUMER VOTE

Efforts over the last several years to create an independent Consumer Protection Agency unfortunately have run into roadblocks. Congress has not been enthusiastic. The Nixon administration's attitude has ranged from hostile toward some proposals to lukewarm toward others.

Reports earlier this year indicated that things were looking up in Congress. The House Government Operations Committee had resolved internal conflicts and had nearly completed action. Prospects in the Senate were termed promising.

But now comes word that the administration has tried to throw a monkey-wrench into the machinery. Roy L. Ash, the President's budget director, has asked for several changes in the final language of the bill.

"We view this as backing away from our previous joint efforts on this legislation and as a knuckling under the White House to some business lobbyists," said Reps. Chet Holifield, D-Calif., and Frank Horton, R-N.Y., the chairman and the senior minority member of the House committee.

If the White House is playing games again, it is not surprising. Certainly the administration is not known as a champion of the consumer. But why should business oppose the proposed agency?

The chief function would be representation of consumer interests before federal regulatory agencies. Business has an organized and a powerful voice in rate requests and other proceedings. Why shouldn't the consumer have a voice, as the agency would provide, to present his side of the case?

If business wants a fair deal for all concerned, it has no reason to oppose a federal agency that would speak in the consumer's behalf.

Creation of a Consumer Protection Agency has been delayed too long already. This Congress should brush aside the roadblocks and give consumers an effective agency to represent them in federal proceedings.

[From Business Week, April 6, 1974]

A CONSUMER SPOKESMAN

Businessmen understandably are somewhat nervous about the drive to create a federal agency charged with looking out for the interests of the U.S. consumer. But the legislation taking shape this week in the House deserves the support of business as well as the various groups that now speak for the consumer.

Basically, the bill would create an "ombudsman" to represent consumer interests before Congress and most federal regulatory agencies, including the Federal Trade Commission, the Food & Drug Administration, the Interstate Commerce Commission, and the new Product Safety Commission. Con-

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sumer interest as defined in the bill would include everything from quality to availability and adequacy of choice.

There is a danger, of course, that another agency would simply multiply the red tape and increase the delays that already frustrate businessmen when they deal with the government. But it is also possible that the new agency could help speed the regulatory process by improving input and clarifying issues.

Beyond that, a consumer agency could improve the level of debate between business and the consumerists. By putting a sharp focus on the vague charges the consumer groups now feel free to make, it could show business where its real problems are. And by equalizing the balance between well-financed, well-organized business groups and the often disorganized consumer spokesmen, it could help restore public confidence in the regulatory process.

The chances of getting a fair and workable bill adopted may be better now than they will be after election. There is no telling what part consumer unrest will play in next November's voting. But as Representative Frank Horton (R-N.Y.), a co-sponsor of the bill, says, "Prudence dictates moving when the situation is stable and the factors understood."

[From the St. Louis Post-Dispatch, Apr. 13, 1974]

A Bill for Consumers

Once again, a bill to establish a federal Consumer Protection Agency has advanced in Congress, and once again the same tired arguments, which in the past have proved successful, are being raised in opposition to it. Since legislation to create such an agency first passed the Senate in 1970 (only to be killed that year by the House Rules Committee), the fundamental question has been whether the office should have sufficient authority to adequately represent the interest of consumers or whether it should exist in little more than name only.

Under a bill approved by the House, the agency would have an array of considerable powers. While it would lack regulatory authority of its own, the CPA would take part in formal rate-making proceedings of such agencies as the Interstate Commerce Commission and it would participate informally on policy-setting deliberations of the Federal Food and Drug Administration and other such offices. Most importantly, it would be authorized to intervene on behalf of consumers in court cases, although to do so it would need the judge's approval.

As usual, the agency is being opposed by business groups led by the U.S. Chamber of Commerce. Principally the objections center on the court powers that would be given the CPA, a grant of authority that its critics say would be abused by endless appeals of regulatory rulings. Yet the House bill is carefully drawn to prevent irresponsible litigation. As things now stand, consumers, unlike big business, have no special advocate among the federal agencies. It is far past time to remedy this unequal situation and the way to do this is through passage of the CPA bill.

[From the Los Angeles Times, Apr. 14, 1974]

The Consumer Deserves To Be Heard

The Senate should do this year what it did in 1970, and pass legislation to establish a consumer-protection agency. The House has already acted, approving a strong and carefully drawn bill providing that the interests of consumers will be represented in proceedings of other federal regulatory agencies.

The need for such representation is clear. Everything done by regulatory agencies directly or indirectly affects consumers. The consumer viewpoint deserves to be heard.

Under the House bill, the consumer agency would simply have the rights currently available to other parties in federal administrative procedures. The agency would serve as advocate, not regulator. Private consumer groups are free to appear now in many proceedings, but the new agency would have the expertise, resources and access to information that these groups frequently lack.

For example, the consumer agency could request that products whose safety or efficacy had been seriously questioned be tested by appropriate government agencies, and the results made public. It could testify and seek information when hearings are held on such things as sanitation standards in food-processing plants, or on petitions to increase airline fares. It could ask another government agency to initiate a proceeding, and if that request were denied, the reasons would have to made public.

Among other things, the agency would serve as a central registry for consumer complaints and industry responses, and its files would be open to the public. The agency would have access to all information within other federal agencies but, quite properly, special restrictions would be placed on access to trade secrets or information received on a confidential basis.

Both the powers given to and the limitations imposed on the consumer agency in the House bill make sense. It is hard to think of any good reason why there should not be competent and vigorous advocacy on behalf of consumers—and that is all of us—in the proceedings of regulatory agencies, which annually make hundreds of decisions touching on how much the public will pay for things or how well public health and well-being will be safeguarded.

The consumer interest is seldom completely ignored in these proceedings, but neither is it always forcefully represented. A consumer protection agency would serve that necessary function.

[From the Providence (R.I.) Bulletin, Apr. 15, 1974]

Hope for CPA

For more than 10 years consumer advocates have sought to establish an independent Consumer Protection Agency (CPA) funded by Congress. Last Wednesday, the House of Representatives voted 293 to 94 to move ahead with caution and meanwhile the Senate is considering similar legislation.

This may be the year in which Congress ends its vacillation on this issue but it is still too early to forecast. In 1970, the Senate passed a similar measure overwhelmingly only to see the House counterpart killed in the rules committee. In 1971, positions reversed. The House gave strong support to CPA but in 1972 three attempts to end a Senate filibuster failed.

Opponents argue on two main fronts: one, that at least 33 federal agencies are now engaged in activities related to consumer interests and this constitutes adequate protection in the marketplace; and two, that further allocation of governmental power to consumers could lead to unwarranted harassment of business and industry and to a resulting backlash with unfavorable consequences for the consumer himself.

Why, then, is there a need for CPA? Is it another political boondoggle to win votes back home, another concession to the empire-building of bureaucracy? Neither possibility can be dismissed out of hand. The political implications of consumerism are awesome for the senator or representative forced to take a stand. And there is little question that CPA would require a staff of several hundred initially and that the agency's workload could be expected to grow.

But CPA can be justified on other grounds. Despite the wide diversity of consumer activity in government, including the Federal Trade Commission, Food and Drug Administration, Securities and Exchange Commission, Office of Consumer Affairs, the President's Committee on Consumer Interests, and numerous other departmental offices and divisions, not one has the scope or political independence to function as a national consumer spokesman and to coordinate the aims and activities of other government agencies.

The House-passed bill would grant no regulatory powers to CPA. To obtain information from other agencies it would have to prove relevance to consumer affairs. Its right to seek judicial review would be limited, and initially funding would be for three years, enabling Congress to re-evaluate the agency at the end of that time.

CPA would be authorized to receive and evaluate complaints, gather and disseminate consumer product information and promote research.

Several years ago, Atty. Gen. Louis J. Lefkowitz of New York State, voiced the view held by many Americans and since supported by glaring examples of corruption in government. "Existing fragmented and piecemeal enforcement and regulation by scores of federal bureaus and agencies," he said, "plays into the hands of special interest groups with vested interests who are more concerned with the status quo than with new programs designed with the consumer in mind. It is absolutely imperative that the federal government take appropriate action now to regulate and police the economy of our affluent society for the benefit and protection of the consumer."

CPA, in our view, should be regarded as an experiment, not a panacea, aimed at balancing commercial and consumer interests with greater precision and fairness. The milk price scandal, the wheat deal with Russia, the current indictments charging high government officials with exercising improper influence over regulatory agencies—these are some of the reasons why many believe that CPA is needed to advocate and press for the rights of consumers. It ought to be given a chance.

[From the Atlanta Journal, May 28, 1974]

Necessary Voice

There has been a long history of efforts to establish a consumer office in Washington, effectively opposed for a variety of reasons.

But it is an idea whose time may be about to arrive after years of adjustments and debates.

The Consumer Protection Agency Act has been passed out of the House, come out of two committees in the U.S. Senate and is expected to be on the Senate floor for consideration around June 10.

There is some speculation that the bill will face a filibuster in the Senate once it is brought up. The time and effort put into struggling for evolution of a consumer agency since Sen. Estes Kefauver introduced a bill in 1961, deserve a better fate than that.

The legislation before the Senate would establish a Consumer Protection Agency as an independent, nonregulatory body, representing the interests of consumers before other federal agencies and courts.

The bill has drawn strong support from consumer groups who feel it necessary because consumer interests have lacked the continuing effective representation that other interests have produced in arguing their cases.

An independent advocate agency of the kind proposed would be a far better approach than the creation of Cabinet-level Department of Consumer Affairs proposed at one time in 1969 by Sen. Gaylord Nelson. Nelson's department would have been cast in both an advocate and regulatory role.

The combination of the two would have led to numerous attacks on the department's credibility and heavyhanded bureaucracy.

The Senate Committee on Commerce in its report on the pending Consumer Protection Agency Act emphasized that the pending legislation specifically avoids combining the two roles. "It has no authority to alter any other agency's regulatory authority. It has no authority to initate a judicial proceeding for the enforcement of any other agency's authority. The CPA is primarily an advocate."

That is as it should be. Regulatory agencies themselves can supply only a modicum of consumer advocacy. In some cases, in fact, they have appeared genuinely unaware that important consumer interests are affected by their decisions.

There is a strong desire for better representativeness and checks and balances in Washington. The creation of a consumer advocate agency will at least assure citizens that important consumer issues will be given full attention and consideration when regulatory agencies weigh the balance of interests in their decision making.

[From the Washington Post, Apr. 3, 1974]

FAIRNESS FOR THE CONSUMER

Although the protection of consumers was enhanced considerably when the Consumer Product Safety Commission was recently created, balance in the marketplace is still more a goal than a reality. Many in Congress realize this, and insist that more legislation on behalf of the consumer is needed. As a result, interest in the proposed Consumer Protection Agency has been kept not only alive the past four years but kept going with a strong momentum. Legislation on the agency is scheduled for debate this week on the House floor. Rep. Chet Holifield (D-Calif.), chairman of the House Government Operations Committee, and Rep. Frank Horton (R-N.Y.), the committee's ranking minority member, have stated jointly that "this measure is the most important piece of consumer legislation in recent years."

The idea for the Consumer Protection Agency is not to have still another bureaucratic muscle to be flexed in Washington, but instead to give the consumer a voice where it is often least heard: before those regulatory agencies that deal with consumer matters. The proposed agency would be an advocate (it would have no regulatory powers) that could perform any number of services: go before agencies to petition for actions, participate in agency rulemaking, seek judicial review of agency decisions which it sees as anti-consumer. Ideally, there should be no need for an agency to make the consumer's case for him, since that should be the role of the federal regulatory agency in the first place. But the record is filled with evidence that the special interests all too often can dominate or control an agency in ways which prevent it from seeing that strong decisions are made in such public interest areas as flammable fabrics, auto safety, food inspection or household hazards.

Opposition to the proposed agency is coming from many parts of the business community. Somehow, giving the consumer a measure of power before the regulatory agencies is seen as threatening. Actually there is no threat at all for the merchant who is marketing honest products; in trying to gut this legislation, the opposing businessmen are merely telling us they prefer sleepy, uninformed consumers.

But too many marketplace outrages and deceits during recent years have awakened too many consumers. The current legislation has survived several attempts to weaken it in committee. One strength of the House bill is that peace has been made between Chairman Holifield and Rep. Ben Rosenthal (D-N.Y.); in the last session, this pair waged a bitter struggle over the bill, much to the delight of the business lobbyists who saw the disunity as aiding their cause. In the floor debate this week, the House has an opportunity to give consumers a right they should have had all along—the right to be heard when crucial decisions are being made. A large coalition of consumer and union groups support the compromise bill worked out by Reps. Holifield and Rosenthal. Rather than being a dangerous idea whose time should never come, the proposed Consumer Protection Agency will help achieve a balance of power long needed in the marketplace.

[From the Birmingham (Ala.) Post Herald, June 29, 1974]

CONSUMER PROTECTION BILL

Responsible businessmen should have nothing to fear from the proposed new legislation creating an independent consumer protection agency.

The main objection to the new agency seems to be that it is not needed—that the existing federal regulatory agencies already adequately protect the public.

But the truth is that the existing agencies often are so industry-oriented and bogged down in red tape that in many instances consideration of the interests of consumers get lost in the shuffle.

The new agency would try to correct that situation—not by adding another layer of regulation to harass businessmen and require more paperwork but by being an independent force to prod the other agencies to give full consideration to consumer interests in the cases before them.

The bill, which sailed through the House by a 3-to-1 margin earlier this year, is expected to pass the Senate next month if its foes ever let it come to a vote.

This would be a good time for businessmen who support the bill to step forward and say so publicly.

As Sen. Charles H. Percy, R-Ill. said the other day: "The complaints of consumers are real, and I think they need to be taken seriously."

Presumably the new agency would pay particular attention to cases involving deceptive practices, price-gouging and shoddy workmanship.

[From the New Orelans States-Item, June 28, 1974]

CONSUMER AGENCY NEEDED

Most government decisions affecting the consumer, who is being nibbled to death by inflation these days, are made in regulatory agencies where the consumer has little influence. This situation would be changed, if Congress passes the Consumer Protection Agency bill. This bill would give the consumer a representative in the deliberations of federal regulatory agencies, although the agency it would create would not have the power to regulate, impose penalties, grant or deny licenses or make rules.

HR13163, which would establish such a consumer protection agency, already has been passed by the U.S. House of Representatives. Senate bill S707, practically the same as the House bill, has been reported favorably without amendment by both the Commerce Committee and the Government Operations Committee. Sen. Russell Long of Louisiana voted for the bill in the Commerce Committee.

After the July 4th recess, the Senate will vote on a motion to cut off debate on the bill. Proponents are ready to vote for cloture, that is, to end debate, and pass the bill intact.

Efforts to establish a federal consumer protection agency long have been in the works in Congress, and the present bill is the product of years of refinement.

It is time the American consumer had a voice in deliberations which affect his health, safety and family budget.

CONSUMER PROTECTION BILL NEEDS PUBLIC AID

Congress probably will not consider more important legislation this year than the proposal to establish an independent consumer protection agency.

The agency, which would be provided with a budget, director and staff, would serve to protect the interests of consumers in numerous ways. But its most important function, perhaps, would be to serve as the consumer's advocate in the deliberations and decisions of the established federal regulatory agencies.

These agencies—such as the Food and Drug Administration, the Civil Aeronautics Board, the Federal Trade Commission and many others—set standards and issue regulations affecting the life and welfare of almost every American citizen.

The quality of food the citizen eats, the safety and effectiveness of the medicines he takes, the price he pays for an airline ticket and many other aspects of his every day life are determined by one or another of the federal regulatory agencies.

It may seem to some that this should be enough to protect the consumer's interests without creating another agency to keep an eye on the regulatory agencies. But what appears to be the case in theory and what is actually the case in practice are two entirely different things.

The regulatory agencies are subject to powerful political pressures from the industries they were created to regulate. There is no counterbalancing political pressures exerted in behalf of the consumer.

The business interests that stand to be adversely affected by a decision of a regulatory agency have bountiful financing and fact-gathering facilities at their disposal, so that when a regulatory agency sits down to make a decision it may be overwhelmed by a one-sided set of facts and arguments supporting the business interest concerned. The consumer has no such base of financing and expert counsel to represent him.

The existing regulatory agencies are often made up largely of members taken from the industries they are supposed to regulate. There is frequent exchange of personnel between the agencies and the management level of the regulated industries.

The result is that the regulatory agencies often end up representing the interests of the industries they created to regulate rather than the consumers and taxpayers who foot the bills.

All of this makes it obvious why it is desirable to create an independent consumer agency with its own budget—and with a director and staff working for and answerable to the consumer.

Under the proposed bill, the CPA would be the consumer's advocate in the deliberations of the regulatory agencies. With a budget and staff, the CPA would have the ability to gather facts and present arguments to balance those of the business interests, giving the consumer a better chance for an even break in the final decision.

Establishment of the CPA would be in the public interest and should be approved. The bill, now being considered by the Senate, is being opposed by powerful business interests which have had their own way in the regulatory agencies for too long. And if the people are not alert to the threat—and fail to make known their desires to their elected representatives—the special interests are likely to have their way in Congress as well as in the regulatory agencies.

Mr. PERCY. Mr. President, we have before us at this moment landmark legislation aimed at assuring that American consumers are listened to in matters affecting their health, safety, and their pocketbooks. The measure marks the beginning of the end of consumers being

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taken for a ride and robbed of their dignity and dollars.

The Consumer Protection Agency legislation, S. 707, reflects a growing awareness within Government and business that consumers are voicing legitimate complaints about important safety and economic concerns, and that they intend to be taken seriously.

It seems that whenever we have sky-high mortgage rates or highly inflated price rises or fare hikes, whenever we have a meat shortage or a gas crisis, whenever we have a political milk deal or a badly-handled international wheat deal—the consumer is the first to suffer and the last to be heard. The CPA is meant to say goodby and good riddance to that by promoting open honest Government responsive to the broader public interest rather than narrow special interests. In doing that the CPA should help to restore integrity to the marketplace, stability to the economy, and dignity to the American consumer.

That is what this legislation is all about, and undoubtedly that is what all the shouting and talk about "extended debate" is all about.

The real question before us is not whether we need a Consumer Protection Agency, but how much longer we can afford to be without one. How much longer are we to ignore the deeply-felt grievances about health, safety and economic matters that impact on the daily lives of some 200 million Americans?

And, how much longer are important segments of business going to "stonewall" in the face of very legitimate consumer complaints as to products that do not work or are dangerous, services that are deficient, and practices that are a discredit to the American business community?

As I have consistently said, the overwhelming majority of U.S. businesses know and understand that their own success depends upon serving the real interests of the consumer. But the existence of such agencies as the SEC, FTC, and FDA demonstrates that a need exists for the Federal Government to play a role. For it is the unscrupulous actions of the minority which stain the good name of the great majority of businesses that are reputable.

The complaints of consumers are real and need to be taken seriously. The list of consumer abuses that I personally know of seems much too long, and in almost every case the consumer has not had a sufficient advocate to protect him against neglect by Federal agencies or corporate disregard of his interests. A few examples should suffice:

Millions of doses of ineffective, even dangerous flu vaccines sold in the late sixties;

Yellow tin can schoolbuses that are unsafe for children to ride in;

Hearing aid frauds that victimize older persons in particular;

Corruption in FHA-financed housing;

Interstate land scandals;

Deathtrap infant cribs;

Unsafe cargo doors on DC–10 aircraft;

Diseased blood used in transfusions;

Toxic leaded paint in federally financed housing;

Filth-laden food warehouses;

High-risk intrauterine contraceptive devices; and

Assembly lines of defective and thus dangerous automobiles.

Need I go on? Sadly, I could, with so many other examples of one-sided lobbying or sweetheart deals that sell out the consumer.

As a former businessman, it is beyond my comprehension why some segments of the business community—with some notable exceptions—are so dead set against an agency whose first, foremost, and final responsibility would be to speak out loudly and clearly for consumers in the day-to-day deliberations before Government agencies and courts. The CPA is meant to offset the weighty lobbying resources of special interests, to redress the present imbalance of representation, and to make sure that the views of consumers are at least considered before a Federal agency or court decides to act or not act on an important health, safety, or economic matter.

What does responsible business have to fear over consumers being better informed, and better able to have their grievances brought to the attention of the very agencies of Government that can do something about them? Why fear a concerted and informed voice signaling the beginning of the end for false and misleading advertising, empty warranties and guarantees, deceptive packaging, bait and switch merchandising, and shoddy or unsafe goods and services.

We are not talking here about some monster dreamed up by consumerists to torment business. Some of the letters I have received from highly respected businessmen, who have clearly been getting their misinformation from their trade associations, have described the legislation as "vicious" or "the most serious threat to the free enterprise system ever to come before the Congress." Many describe the CPA as a "super agency" and others a "Communist plot."

All of this is pure unadulterated poppycock. The bill is expressly designed to insure that in protecting the consumer, the Agency does not unduly burden business, and that the regulatory process is made more fair, expeditious, accountable, and responsive to the needs of consumers. Toward this end, we have provided for a series of safeguards against undue interference with responsible business practices and the orderly processes of Government. Included among them are the following:

1. *The CPA will have no regulatory authority*. The CPA can not overrule, veto or impair any Federal agency's final determinations. CPA cannot institute enforcement proceedings against alleged violators of law, or impose fines or other penalties. No authority granted to the CPA may be construed to supersede, supplant, or replace the jurisdiction, functions or powers of any other agency to discharge its own statutory responsibilities. Sec. 3(2), Sec. 17(b).[*]

2. *Limitations on CPA intervention*. CPA may intervene as a party in formal agency proceedings, but the Administrator must exercise discretion to avoid unnecessary involvement. He must refrain from intervening as a party unless he determines that participation to that extent is necessary to adequately represent an interest of consumers. Where the submission of written views or information or the presentation of oral argument would suffice, he must limit his involvement accordingly. Sec. 7(a).

3. *Protection against disruption and delay of agency proceedings and activities*. When intervening or participating in agency proceedings, the Administrator must comply with the host agency's statutes and rules of procedure. Sec. 7(?) When submitting oral or written views in an informal agency activity, the Administrator must do so in an orderly manner and without causing undue delay. Sec. 7(b).

4. *Protection against misuse of a host agency's compulsory process*. Where CPA seeks to use an agency's subpoena authority for discovery purposes, the host agency retains discretion and control over the CPA's access to such authority. The host agency has discretion to deny CPA's request if it "reasonably determines" either that (1) it is not relevant to the matter at issue, (2) it would be unnecessarily burdensome to the person specified, *or* (3) it would unduly interfere with the host agency's discharge of its own statutory responsibilities. Sec. 7(   ).

5. *Limitations on CPA's Power to Issue Interrogatories to Business*. The Administrator's authority to gather information from businesses through the use of interrogatories may not be exercised to obtain data which (1) is available as a matter of public record, (2) can be obtained from another Federal agency, or (3) is for use in connection with his intervention in any pending agency proceeding involving the person to whom an interrogatory is addressed. Sec. 11 (b)(2). Interrogatories may not be directed to businesses unless required to protect the health or safety of consumers or to discover consumer fraud or other unconscionable conduct detrimental to consumers. Moreover, any interrogatory must be relevant to a legitimate inquiry and not unnecessarily burdensome to the person to whom it is addressed.

6. *Protection against arbitrary, capricious or vindictive intervention by the CPA*. The Administrator is required to set forth explicitly and concisely in a public statement the interest of consumers which he is representing, and, to the extent practicable, any substantial interest of consumers which he is not representing, in any formal agency or court proceeding. Sec. 14(g). Any party to a proceeding or participant in any activity in which the Administrator took part may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review on the ground that the Administrator's intervention or participation resulted in prejudicial error. Sec. 14(e) (1)(8).

7. *Protection against publicity of frivolous consumer complaints against a business, its products or services*. Upon receipt of consumer complaints which the Administrator has determined are not frivolous, the CPA must notify the companies named and afford them a reasonable time to comment before complaints may be publicly displayed. When placed on public display, these complaints must be displayed together with any comments received. Sec. 10(c).

8. *Limitations on CPA's access to information held by other federal agencies*. Federal agencies may deny CPA access to classified information and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act; policy and prosecutorial recommendations intended for internal agency use only; information concerning routine executive and administrative functions, personnel and medical files, and information which agencies are expressly prohibited from disclosing to another federal agency.

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[*] All Section references to bill as reported by the Government Operations Committee, May 28, 1974.

9. *Protection against CPA access to income tax records.* There is no authorization in this act to any federal agency to divulge the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit the Administrator access to any Federal income tax return. This will insure that records which are now treated as confidential by the IRS with respect to access by other federal agencies will be treated in the same manner with respect to the CPA. Sec. 11(d).

10. *Protection against disclosure of confidential information relating to business practices and trade secrets.* Federal agencies may deny CPA access to trade secrets and other confidential business information if the agency could not have obtained the information without an agreement to keep it confidential and if the failure to obtain the information would seriously impair the carrying out of the host agency's program and CPA's access to it would be likely to cause substantial competitive injury to the person who provided it. Sec. 11(c) (6). Where CPA is given access to this information by another agency, CPA may *not* disclose it to the public. Where CPA obtains this data from a source other than another agency, it may disclose it only in two very limited circumstances: (1) when required to protect the public health or safety, or (2) in a manner designed to preserve confidentiality, to Congress, the courts, or another agency. Sec. 12(c).

11. *Protections against disclosure to the public of false or misleading information regarding a business.* CPA is directed to take all reasonable measures to insure that any information it discloses is accurate and not misleading or incomplete. If it is, CPA is required to promptly issue a retraction, take other reasonable action to correct the error, or release significant additional information which is likely to affect the accuracy or completeness of information previously released. Sec. 12(d).

12. *Protection against "surprise" disclosures to the public of information likely to injure the reputation or good will of a business.* The CPA is required, as a matter of course, to give prior notice to businesses likely to sustain injury due to release of information and to afford an opportunity to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. Sec. 12(d). In releasing information naming products or services CPA must make clear when all products have not been compared and CPA may not indicate expressly that one product is a "better buy" than another.

In this effort, we have worked long and hard with experts in the field of agency procedure, with the White House, and with numerous segments of industry who have cared enough to approach this legislation with an open mind. As a result of many months of discussions with administration representatives, the following important changes in the bill as originally introduced were agreed to by the Senate sponsors:

IMPORTANT CHANGES IN THE BILL

1. COUNCIL OF CONSUMER ADVISERS

Original S. 707

3-Member policy/priorities White House unit.

Revised S. 707

Eliminated.

2. PARTICIPATION IN INFORMAL ACTIVITIES

Original S. 707

CPA may participate *"as of right"* in informal agency activities as well as formal proceedings.

Revised S. 707

CPA may participate by making submissions; host agency to give "full consideration" to CPA submissions in informal activities. Sec. 7(b).

3. GRANT PROGRAM

Original S. 707

CPA grants to state and local consumer protection agencies.

Revised S. 707

Eliminated.

4. ACCESS TO AGENCY RECORDS

Original S. 707

Full access with limited, specified exceptions.

Revised S. 707

More stringent safeguards included for trade secrets and other privileged or confidential information, and prosecutorial recommendations of law enforcement agencies. Sec. 11 (c) (2) and (6).

5. COURT REPRESENTATION

Original S. 707

CPA represents itself, but may request Justice Dept. representation.

Revised S. 707

Justice Dept. to represent CPA except where CPA appeals host agency action, but must advise court of CPA position as to disagreements; CPA represents itself if Justice has a conflict of interest representing both host agency and CPA. Sec. 14(d).

6. INTERVENTION IN STATE AND LOCAL PROCEEDINGS

Original S. 707

Right to intervene upon request from designated state officials.

Revised S. 707

Eliminated, but CPA can communicate views to state and local agencies and courts. Sec. 14(a).

It is this end result of several years of effort that has led to endorsement of the Senate measure by Governors in 31 States, by the National Association of Attorneys General, by the American Bar Association, the American Trial Lawyers, the Association of the Bar of the City of New York, and by the national platforms of both political parties.

Also, by the Administrative Conference of the United States—an independent Federal agency set up for the explicit purpose of overseeing the administrative process.

It is for the same reason that the President's Special Assistant for Consumer Affairs Virginia Knauer, has expressed her very strong support, and the support of the President, in saying just yesterday that the measure would be—

> A powerful antidote to the poison of alienation and helplessness affecting many of our citizens (who) believe their pleas for help or understanding are unheeded . . . that only the big and powerful have access to decision makers.

The complete text of Mrs. Knauer's important statement follows my remarks.

It is for this reason that Business Week magazine has strongly endorsed the kind of CPA outlined in this legislation, with the observation that—

> By equalizing the balance between well-financed, well-organized business groups, and the often disorganized consumer spokesmen, it could help restore public confidence in the regulatory process. A consumer agency could improve the level of debate between business and the consumerist. By putting a sharp focus on the vague charges the consumer groups now feel free to make, it could show business where its real problems are.

And it is for this reason that three outstanding national corporations—Zenith, Motorola, and Marcor, and its subsidiary Montgomery Ward—have been willing to step out in front and endorse the legislation as good for business. In a letter to me of June 3, 1974, Ed Donnell, chairman of the board of Montgomery Ward explained the basis of his company's support:

> Montgomery Ward did not take an affirmative position on the Consumer Protection Agency bill for publicity purposes—nor solely because Aaron Montgomery Ward promised his customers, a century ago, "Satisfaction Guaranteed or Your Money Back." We did it because we believe that the consumer's trust is an invaluable business asset.
>
> In our opinion, consumers who don't feel suspicious of business and government—who don't feel shut out and unrepresented in government proceedings that affect their pocketbooks, their well-being, and the quality of their lives—will be better customers of ours and of other businesses which are in fact trying to serve them well. We believe that the creation of a new Consumer Protection Agency, as an advocate for consumer interests in government, will contribute to consumer trust and ultimately to better economic results for business.

If a part of the business community is going to continue to keep its head stuck in the sand and to do everything possible to defeat this legislation, with the same kind of negativism that characterized past opposition to the securities legislation of the 1930's, social security, truth-in-lending, and the rest—then let it be known that this too shall be enacted into law.

This consumer bill before us—as modified in the Government Operations Committee and the Commerce Committee—is a precise and balanced measure which provides the authority and resources needed to effectively represent consumer interest in the day-to-day deliberations before Federal agencies and courts. The measure does not tip the scales for the consumer or against business, but is needed because the regulatory agencies we have set up to protect the consumer have simply not been doing the job. Too often in the past, agencies established as watchdogs for the public interest have become lapdogs for private interests.

As a result, the housewife who buys tainted tuna or flammable baby wear, or whose children are inoculated with ineffective flu vaccine, is as much a victim whether her husband is a truck driver or a corporation president. Surely, as a nation, we can do better.

Passage of the Consumer Protection Agency legislation will be seen as a beacon to Government and industry that the day of the consumer is finally at hand. The CPA would be viewed as a signal for improved quality of goods and services, for fairness in advertising and promotion, and for honesty in the marketplace.

In its broadest sense, the CPA, and a larger consumer movement of which it is a part, reflects a yearning for an improved quality of life—for an America that works again, for an America that cares again, for people, products, and governmental institutions that support the society rather than embitter it or tear it apart.

Mr. President, in addition to appending to my remarks the complete text of the statement of Virginia Knauer, the President's Special Assistant for Consumer Affairs, I also ask unanimous consent to include a summary comparison of S. 707 with H.R. 13163. The House passed Consumer Protection Agency legislation, which was approved by that body by a overwhelming margin of 293-94, 3 months ago.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Department of Health, Education, and Welfare]

STATEMENT OF VIRGINIA KNAUER

Soon the Senate begins its debate on legislation to establish a Consumer Protection Agency. It is the most important consumer matter to come before the Congress in the five years I have served as the President's Consumer Advisor. It is the first answer by Congress to years of criticism by Congress that government agencies too often do not adequately reflect consumer interests.

I believe that if the CPA becomes a reality, it will have a profound, positive effect for the public on government, consumer, and business institutions. It will be a problem-solving force for the consumer, undertaking programs and making recommendations to resolve or minimize some of the major problems facing the public, such as inflation. My reasons for these beliefs are as follows:

The CPA will be a tremendous aid to our regulatory agencies. The CPA will not be a regulator. It will not have any enforcement powers. It will not take away the decision-making powers of government regulatory agencies. It will help the agencies listen to consumers.

Our agencies too often have been under attack for lack of cohesive consumer contributions to their basic decision-making process. Critics have said that the legal machinery of consumer participation is much too complex to be used to advantage by the average consumer in a regulatory proceeding; that the individual, in contrast to business, is at a basic disadvantage in becoming aware of and gaining access to the kinds of public policy considerations, data, and information vital to his or her interest; and that, unlike the business community, the average individual, limited by lack of funds, time, and information, cannot without help overcome the cumbersome and burdensome steps needed to participate in a regulatory proceeding.

Our regulatory agencies today receive many letters from the public which are emotional and filled with rhetoric. The agencies understand this; they do not expect the average citizen to be an economist, an engineer, a lawyer, or whatever other specialist is needed to comment effectively on an issue. Further, emotional arguments are important in understanding the temper and the desires of the public; but they are not effective substitutes for the type of complex problem-solving recommendations the agencies need and will get through a CPA staffed with the specialists necessary for knowledgeable representation. CPA will be able to make these recommendations and thus help the regulatory agencies focus on the central issues of importance. Thus, the CPA will be a unifying and orderly force.

Any one given consumer issue may involve various consumer interests. However, a specific regulatory agency may be Congressionally directed to emphasize one of these interests. In important program areas such as energy, pollution, housing, food, or drugs, where more than one agency is working on different but related aspects of a single problem area, CPA would be a unique repository for a wide range of consumer views and concerns. It will thus be able to present a broad and balanced point of view and will provide an efficient, economical means of channeling various complex aspects of consumers' interests, where no such means currently exist.

CPA will be an aid to those institutions now working on behalf of the consumer.

Any effective organization has to set priorities and act on those priorities. CPA will be of incalculable value in stimulating the basic research and analysis needed to set priorities for the consumer movement as a whole. Some consumer groups today are highly sophisticated, others are inexperienced in the problem-solving process. CPA will act as an aid to these organizations, giving them a vehicle they do not have today.

CPA will do much to help business institutions.

Business representatives have made the point over and over again that they suffer from too much government regulation, from rule proceedings too narrowly based, and that in many cases competition can solve consumer problems more effectively than regulation. CPA should be able to ask hard questions and hopefully provide recommendations as to where regulation can be removed to benefit the consumer by allowing the free market to operate. It can act to strengthen business incentives to make maximum use of efficient cost-saving technologies and standards.

For those areas of the economy where some regulation must take the place of competition, CPA should contribute significantly to the types of analysis and data available to assist in difficult pricing and rate-making decisions made by the regulatory agencies. These pricing and rate-making decisions have a profound effect on business as well as consumer costs. A significant number of the price and output decisions in the economy are made through forces of regulation rather than competition. A strong consumer voice in seeing that the determinants for agency decisions are fair and equitable, cannot help but benefit the economy as a whole.

CPA will be a powerful force against major consumer problems such as inflation.

CPA will help agencies identify areas of the economy where lack of competition contributes to inflation; it will help facilitate public understanding of price-quality options in promoting competition; and it will assist agencies in developing proposals to attack inflation through increased competition.

CPA will help agencies identify outmoded rules that should be eliminated or modified to better combine consumer protection with increased economies, productivity, and efficiency.

CPA will work with the agencies to develop their anti-inflation programs. As an example, the Department of Housing and Urban Development has expressed concern about the lack of a requirement for advance disclosure of settlement and closing costs and about the prevalance of referral fees, kickbacks, rebates, and unearned fees that add to consumers' costs. An effective program to eliminate these abuses would be an inflation deterrent, and an aid to buyers and sellers of homes.

By being a powerful force against fraud and deception, the CPA could act against inflation by saving the consumer valuable dollars.

The CPA will help consumers fight inflation through sponsoring research that will aid in obtaining higher quality, more relevant information about the key characteristics of the products they purchase. CPA could sponsor studies of factors in product performance and durability which will help consumers make more sensible choices about key budget decisions.

The CPA could help to increase support for needed and effective programs and help the Administration, Congress, and the public identify programs that are not cost effective.

The CPA will be a leader in providing essential consumer education and information.

One major problem in today's complex marketplace relates to the lack of consumer education.

Helena Z. Lopata, Chairman of the Department of Sociology at Loyola University in Chicago, in her book, *Occupation Housewife*, published the results of a five-year study of women at all economic levels. One major finding was the sense of frustration women felt because they had not been taught how to cope with the modern marketplace. In short, we are taught how to earn money but not how to manage it.

CPA will be able to promote and provide educational and informational programs to help fill this void.

CPA is mandated to help resolve individual consumer complaints.

One of the most frustrating problems for the consumer is to have a legitimate complaint about a product or service and not be able to do anything about it. Regulatory agencies have been unjustly criticized for not resolving the individual's complaint, a role for which they were not designed. The CPA will be a powerful ally in this regard, taking steps to insure that the proper agency or the top management of a firm is aware of the consumer's problem. CPA will also work with business to establish voluntary complaint-handling systems. CPA's complaint-filing system will be able to provide an early-warning system on emerging problems so appropriate action can be immediately taken to correct the cause.

CPA will be able to provide a major assist to state and local government agencies.

By acting as a clearing house and liaison between the Federal, state, and local governments, the CPA will be available to help develop and implement programs designed to eliminate problems on the local level. Note, for example, the recent resolution passed by the National Association of Attorneys General urging the passage of the CPA.

CPA should give much credibility to our major institutions.

Today, tragically, there has been a great loss of faith in our institutions—most have come under criticism and attack. Some of this criticism is justified; some is not. CPA would, in effect, be a healing and unifying force.

Finally, and perhaps most important, the CPA could be a powerful antidote to the poison of alienation and helplessness affecting many of our citizens. Too many of our citizens believe that their pleas for help or understanding are unheeded; that only the big and powerful can count on effective and responsive representation; that only the big and powerful have access to decision makers.

The United States Senate has the opportunity to counteract this belief—it can give the American public a vivid demonstration that the individual in America is not the forgotten person—that he or she is represented and represented well—and that with the establishment of a CPA, the feelings of hopelessness and alienation no longer will have reason to exist.

The President, in his September, 1973 Message to Congress, called for the establishment of a Consumer Protection Agency. He promised to work with Congress to this end, which we have been doing. We hope this spirit of cooperation and compromise continues. The House has already passed a CPA bill.

Now I hope and pray that before the debate is over, the Senate will have the opportunity to vote on the merits of a Consumer Protection Agency.

COMPARISON OF CONSUMER PROTECTION AGENCY LEGISLATION

S. 707 AS LAST REPORTED IN THE SENATE AND
H.R. 13163 AS PASSED HOUSE

S. 707	*H.R. 13163*
Sec. 1. Cited as the "Consumer Protection Agency Act."	*Sec. 1.* Short title, "Consumer Protection Act of 1974."
Sec. 2. Statement of Findings: (1) Interests of consumers are significantly affected by the administration of Federal agencies of laws, programs, and activities which affect the health, safety, and welfare of the public; (2) interests of American consumer are inadequately represented and protected within the Federal Governments; and (3) vigorous representation and protection of consumer interests require establishment of an independent Federal agency with authority to represent the interests of consumers before Federal agencies and courts.	*Sec. 2. Statement of Findings:* (1) Interests of consumers are inadequately represented and protected within the Federal Government; and (2) vigorous representation and protection of consumer interests are essential to the fair and efficient functioning of a free market economy.
Sec. 3. Declaration of Purpose: (1) To promote and protect the interests of U.S. consumers of goods and services provided them through commerce by establishing an independent Consumer Protection Agency; (2) the CPA is to represent the interests of consumers before Federal agencies and in courts, receive and transmit consumer complaints, develop and disseminate information of interest to consumers, and perform other functions necessary to protect and promote interests of consumers; and (3) to promote protection of consumers with respect to safety, quality, effectiveness, cost, etc., of real or personal property or tangible or intangible goods, services, or credit, including preservation of consumer choice and a competitive market, prevention of unfair or deceptive trade practices, maintenance of truthfulness and fairness in advertising and promotion, the furnishing of accurate and clear instructions, warnings, etc., by suppliers, and the protection of legal rights and remedies of consumers.	No comparable provision.
Sec. 4. Definitions:	*Sec. 15. Definitions:*
(1) "Administrator"—Administrator of CPA.	No comparable provision.
(2) "Agency"—CPA.	(1) Same as S. 707.
(3) "agency action"—same as in Administrative Procedure Act (5 U.S.C. 551).	(2) "agency," "agency action", "party", "person", "rulemaking", "adjudication", and "agency proceeding"—same as in Administrative Procedure Act (5 U.S.C. 551).
(4) "agency activity"—any agency process, or any phase thereof, conducted pursuant to any authority or law, whether formal or informal.	No comparable provision.
(5) "agency proceeding"—any agency "rulemaking", "adjudication", or "licensing" as defined in section 551, title 5, U.S. Code.	Same as S. 707 [see (2) above].
(6) "commerce"—commerce among, between, or within the several States, and commerce with foreign nations.	No comparable provision.
(7) "consumer"—any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, or household purposes.	(3) "consumer"—any person who uses for personal, family, or household purposes goods and services offered or furnished for a consideration.
(8) "Federal agency"—as in section 551, title 5, U.S. Code, except specifically includes any wholly owned government corporation and the U.S. Postal Service.	Similar to S. 707 [see (2) above].
(9) "Federal court"—any court of the United States.	No comparable provision.
(10) "individual"—a human being.	No comparable provision.
(11) "interest of consumers"—any health, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or advertising or description thereof, which is or may become subject of any business, trade, commercial, or marketplace offer or transaction, or which may be related to any term or condition of such offer or transaction, whether or not payment or the promise of consideration is involved.	(4) "interest of consumers"—any concerns of consumers involving the cost, quality, purity, safety, durability, performance, effectiveness, dependability, and availability and adequacy of choice of goods and services offered or furnished to consumers; and the adequacy and accuracy of information relating to consumer goods and services (including labeling, packaging, and advertising of contents, qualities, and terms of sale).
(12) "participation"—any form of submission.	No comparable provision.
(13) "person"—any individual, corporation, partnership, firm, association, institution, or public or private organization other than a Federal agency.	Similar to S. 707 [see (2) above].
(14) "State"—States of U.S., D.C., Puerto Rico, Virgin Islands, Canal Zone, Guam, American Samoa, and Pacific Trust Territory.	(5) Same as S. 707.
(15) "submission"—participation through the presentation or communication of relevant evidence, documents, arguments, or other information.	No comparable provision.
Sec. 5. Consumer Protection Agency: Establishes the Consumer Protection Agency as an independent, non-regulatory agency of the United States.	*Sec. 3. Establishment:* Establishes the CPA as an independent agency in the Executive Branch.
Agency shall be directed and administered by an Administrator, appointed by the President with the advice and consent of the Senate, for a 4-year term coterminous with the term of the President.	Same as S. 707 except that term not set by H.R. 13163.
The nominee shall be a person who by training, experience, and attainment is exceptionally qualified to represent the interests of consumers.	Same as S. 707.
On expiration of term, Administrator shall continue in office until reappointed or his successor is appointed and qualifies. May be removed by President only for inefficiency, neglect of duty, or malfeasance in office.	No comparable provisions.
All authority, duties, and functions granted to the Administrator shall be in accordance with provisions of Act; all functions and powers are vested in the Administrator, although he may delegate such of his functions as he deems appropriate. Administrator is also	*Sec. 4. Powers and Duties of the Administrator:* Administrator is given the usual administrative powers and responsibilities conferred upon Federal agency heads, such as appointment and supervision of personnel, including experts and consultants, in accordance

COMPARISON OF CONSUMER PROTECTION AGENCY LEGISLATION—Continued

S. 707	*H.R. 13163*
granted the power to exercise all executive and administrative functions of the Agency, including the appointment and supervision of personnel employed by the Agency, the distribution of work among such personnel and among administrative units of the Agency, and the use and expenditure of funds.	with the civil service and administrative expense laws; appointment of members of advisory committees; promulgation of rules necessary to carry out his functions; delegation of responsibilities; entering into contracts; and accepting voluntary services. In addition, he is to encourage the development of informal dispute settlement procedures involving consumers. Other Federal agencies on Administrator's request, to provide services to CPA.
Deputy Administrator shall be appointed by the President with the advice and consent of the Senate, to perform such functions and duties and exercise such powers as the Administrator may prescribe, and who shall serve as acting Administrator during the absence or disability of, or in the event of a vacancy in the office of, the Administrator.	Same as S. 707 (see section 3).
General Counsel shall be appointed by the Administrator to serve as chief legal officer of the CPA.	No comparable provision.
As many as 5 Assistant Administrators shall be appointed by the Administrator and shall have such responsibilities as the Administrator designates.	No comparable provision.
Prohibits any officer or employee of the CPA from having any conflict of interest while serving in his official position.	Same as S. 707 (see section 3).
Sec. 6. Functions of Administrator: (Powers given to the Administrator, rather than to the Agency. Net effect of both bills the same.)	*Sec. 5. Functions of the Agency:* (Powers given to the Agency, with usual administrative powers and responsibilities conferred on Federal agency heads given to the Administration [see section 4]. Net effect of both bills the same.)
(1) represent the interests of consumers before Federal agencies and Federal courts;	(1) represent the interests of consumers before Federal agencies and the courts as authorized;
(2) receive and transmit complaints from consumers;	(See section 7.)
(3) conduct, support, and assist research and other information-gathering activities related to the interest of consumers;	(2) in the exercise of its responsibilities under section 9 (relating to product testing), support and encourage research studies and testing leading to better understanding and improved products, services, and information;
(4) disseminate to the public information of importance to consumers;	(4) publish and distribute material developed pursuant to the exercise of its responsibilities which is of interest to consumers;
(5) publish a Consumer Register to provide consumers with information useful to them, including impending Federal governmental actions which may affect the interests of consumers and written in language readily understandable by consumers;	[See (4) immediately above. No specific reference to a Consumer Register.]
(6) encourage private enterprise in the promotion and protection of the interests of consumers;	(6) cooperate with State and local governments and private enterprise in the interests of consumers;
(7) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;	[See (2) above.]
(8) encourage the adoption and expansion of effective consumer education programs;	No comparable provision.
(9) inform the appropriate committees and Members of Congress of the activities of the Agency and testify, when asked or on his own initiative, before the committees of Congress on matters affecting the interests of consumers;	(7) keep appropriate committees of Congress fully and currently informed on all its activities;
(10) encourage meaningful participation by consumers in the activities of the Agency;	No comparable provision.
(11) encourage the development of informal dispute settlement procedures involving consumers: Provided, that the Administrator shall not intervene or participate in any agency or judicial proceeding or activity directly concerning a labor dispute involving wages or working conditions affecting health or safety;	Section 4(b)(9) provides that the Administrator shall encourage the development of informal dispute settlement procedures involving consumers. (For labor dispute and other exemptions, see section 17.)
(12) perform such other related activities as he deems necessary in order to fulfill his duties and functions.	No comparable provision.
Requires the Administrator to submit an annual report simultaneously to the Congress and the President. Report to be submitted directly by the Administrator without prior clearance or review by any other agency. In addition to reviewing the CPA activities, report will cover major Federal administrative and court actions affecting the interests of consumers, and the assistance given to the CPA by other Federal agencies in carrying out its statutory mission. Also, will address the performace of Federal agencies and the adequacy of their resources in enforcing consumer protection laws and in otherwise protecting the interests of consumers. Purpose of annual report is to provide Congress, on a yearly basis, with a detailed document which will facilitate congressional oversight of the CPA. Expected that report will include whatever information is necessary for the President and Congress to evaluate the effect of the Federal Government's policies on the interests of consumers.	(3) make recommendations to the Congress and the President. [Also, section 4(d) requires that the Administrator shall transmit annually to the President and the Congress a comprehensive report of activities of the CPA, including recommendations for legislation and an evaluation of selected major consumer programs of each Federal agency.]
The Administrator shall concurrently transmit a copy of any budget estimate or request to the President, the Office of Management and Budget, and the Congress. Also, whenever the Administrator submits any legislative recommendations, testimony, or comments on legislation to the President or OMB, he shall concurrently transmit a copy to the Congress.	Comparable provision.

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Sec. 7. Representation of Consumer Interests Before Federal Agencies: Defines the Administrator's authority to represent consumers before Federal agencies. (*Intervention*)	*Sec. 6. Representation of Consumers:* Authorizes the CPA to represent the interests of consumers in proceedings or activities conducted by Federal agencies (*intervention*), and in action before courts of the United States.
(a) States Administrator's right to intervene or participate in so-called formal, or structured, proceedings of Federal agencies. Such proceedings are set largely within the framework of the Administrative Procedure Act.	Essentially same as S. 707.
(b) Describes the right of the Administrator to participate, by written or oral submissions, in agency activities which are informal or unstructured, covering those agency activities or proceedings not covered in Subsection (a).	Essentially same as S. 707.
(c) Requires Federal agencies to review their rules of procedure and, where appropriate, issue such other rules as will facilitate CPA intervention or participation.	Essentially same as S. 707.
(d) Grants the Administrator authority to initiate petitions for agency activities.	Essentially same as S. 707.
(e) Grants the Administrator authority to seek a Federal agency's discovery (subpena) power when the CPA participates or intervenes in either an agency proceeding or an agency activity.	Similar to S. 707, EXCEPT CPA may request another Federal agency's discovery (subpoena) power only in agency proceedings, not informal agency activities.
(f) Authorizes the CPA to represent an interest of consumers when petitioned to do so by persons or organizations, but it is under no obligation to act in accordance with such a request. Administrator must notify the principal sponsors of the petition within a reasonable period of time with respect to any action taken on the request. If he declines to act, must provide a written statement of his reasons.	No comparable provision. When the CPA decides to intervene or participate in a proceeding, a public statement shall be issued setting forth supporting findings and identifying the interests of consumers to be protected.
To exercise his rights under section 7, the Administrator must determine that the result of a Federal agency proceeding or activity may substantially affect the interests of consumers.	Same as S. 707.
No specific exception is made for adjudicatory proceedings primarily imposing a fine or forfeiture.	In adjudicatory proceeding primarily imposing a fine or forfeiture, CPA can participate only as an *amicus curiae*.
Sec. 8. Judicial Review:	
(a) The Administrator shall have standing to initiate or, as a matter of right, to intervene in any judicial proceedings to review any Federal agency action which he feels affects consumer interests. Specifically gives Administrator right to interevene or participate in any proceeding involving the *enforcement* of agency action. Cannot initiate such, however.	Same as S. 707. EXCEPT that in cases involving enforcement, or imposing fine or penalty, CPA can participate only as an *amicus curiae*. (Leaves CPA's status doubtful in those cases which involve both enforcement and judicial review.)
(b) If CPA did not participate in proceeding or activity subject to review, Administrator's institution of or intervention in judicial proceeding permitted *unless* court finds such participation adverse to the interests of justice.	Similar to S. 707, EXCEPT, if CPA had not been involved in agency proceeding or activity, its institution of or intervention in judicial proceeding permitted *if* court finds such participation necessary to the interests of justice.
No authority granted to the Administrator to initiate, or intervene in, State court proceedings.	Specifically states that the the CPA is not authorized to intervene in proceedings before State or local agencies and courts, although CPA is not prohibited from communicating with Federal, State, or local agencies.
Sec. 9. Notice: (a) Provides that every Federal agency considering any action which may substantially affect the interests of consumers shall, upon request of the Administrator, notify him of any proceeding or activity at such time as public notice is given. (b) Sets forth responsibility of Federal agencies to provide other notice to the Administrator in cases where public notice is not given.	*Sec. 13. Protection of Consumer Interest in Administrative Proceedings:* Every Federal agency considering any action substantially affecting interests of consumers must give notice of such action to the CPA at such time as notice is given to the public, or at a time and in a manner fixed by agreement with the CPA, or when specifically requested in writing by the CPA.
Sec. 10. Consumer Complaints:	*Sec. 7. Consumer Complaints:*
(a) The Administrator will receive, evaluate, transmit, and act on consumer complaints which involve: (1) an apparent violation of law, agency rule, or Federal or State court order; or (2) a practice detrimental to a consumer interest. Must transmit same to appropriate Federal, State, or local agencies if they are signed complaints.	(a) CPA is directed to receive, evaluate, develop, act on, and transmit to the appropriate Federal or non-Federal entities complaints concerning actions or practices which may be detrimental to the interests of consumers. (b) When CPA receives, or develops on its own initiative, any complaint or other information affecting consumer interests and disclosing probable violations of Federal laws, agency rules, or court decrees, it shall take appropriate action within its own authority, or report the matter to the proper law enforcement officers. Could include recommendations for remedial legislation.
Requires Federal agencies to keep the Administrator informed to the greatest practicable extent of any action they are taking on complaints he has transmitted to them.	(c) CPA is directed to ascertain the nature and extent of action taken with regard to complaints and other information transmitted as above.
(b) Requires the Administrator to notify any producer, retailer, distributor, or other supplier of goods and services of all complaints which he has received concerning them, *unless* he determines to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.	(d) CPA shall promptly notify producers, distributors, retailers, or supppliers of goods and services of all significant complaints concerning them.
(c) A public room for the display of consumer complaints will be maintained. Complaints displayed may be anonymous. Unless the Administrator, for good cause, determines not to make a specific complaint available, complaints shall be made available provided that : (1) party complained against has had a reasonable time to	(e) Similar to S. 707, EXCEPT complaints shall be available for public inspection only: (1) if the complainant's identity is protected when he has requested confidentiality; (2) after the party complained against has had 60 days to comment and such comment is displayed with the complaint; and (3) the entity to which a com-

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comment and such comment is displayed with the complaint; (2) the agency to which the complaint has been referred has had a reasonable time to notify the Administrator what action it intends to take on the complaint; and (3) if the complainant requests that his identity be protected, his complaint shall not be maintained for public inspection and copying.	plaint has been referred has had 60 days to notify the CPA what action it intends to take on the complaint.
Sec. 11. Information Gathering:	*Sec. 10. Information Gathering:*
(a) Authorizes the Administrator to conduct, support, and assist research, studies, investigations, conferences, and surveys concerning the interests of consumers.	(See section 9 on *Testing and Research* for related provision.)
(b) *Interrogatories:* The Administrator is authorized to extent required (1) to protect the health or safety of consumers, (2) to discover consumer fraud, or (3) to discover unconscionable conduct detrimental to an interest of consumers, to require individuals or businesses to answer, under oath, questions put by the CPA. A recipient of an interrogatory may be required to supply the information within such reasonable time as the Administrator may determine. The Administrator may enforce these requests by petitioning a U.S. district court having jurisdiction over the recipient. Recipient may bring an action to quash an order by the Administrator in any such district court of the District Court for the District of Columbia. The Administrator shall not exercise this authority if the information sought (1) is already a matter of public record, (2) can be obtained from another Federal agency, or (3) is for use in connection with his intervention in any pending agency proceeding against the person to whom the interrogatory is addressed.	(a) *Interrogatories:* CPA may request Federal agencies having such authority to gather information through written interrogatories or requests for information from individuals and businesses. CPA may make such requests of agencies where required to (1) protect the health or safety of consumers, (2) discover consumer fraud, or (3) discover substantial economic injury to consumers. The host agency is then required to transmit the requests to the persons specified if it determines that the interrogatories or requests meet the requirements stated above, are relevant to the purposes sought, or are not unnecessarily burdensome to the host agency or the persons affected. If the Federal agency decides not to transmit the interrogatories or requests, they shall inform the Administrator as to the reasons. A recipient of an interrogatory or a request has 30 days to petition the host agency for reconsideration. If the agency receives no response, it must initiate action to compel the response. In any judicial proceeding which may arise, the host agency may move in court to substitute the Administrator for itself, the assumption being that the host agency should not be required to litigate for the CPA. Nothing in this subsection authorizes the inspection or copying of documents, papers, books or records, or to compel attendance of any person, or require the disclosure of information which would violate any privilege relationship. Nor can the CPA make a request if the information sought is available as a matter of public record, can be obtained from another Federal agency, or is for use in any pending agency proceeding against the person to whom the interrogatory is addressed.
(c) Federal agencies are required to allow the CPA access to information and furnish copies, if requested, at cost, with several exceptions:	(b) Essentially same as S. 707.
(1) information classified in the interests of national defense or security under applicable executive orders or statutes and data restricted pursuant to the Atomic Energy Act;	(1) Same as S. 707.
(2) policy and prosecutorial recommendations made by agency personnel and intended for internal use only;	(2) Similar to S. 707, except prosecutorial recommendations not included.
(3) information concerning routine executive and administrative functions not otherwise a matter of public record;	(3) Same as S. 707.
(4) personnel and medical files disclosure of which would clearly invade personal privacy;	(4) Same as S. 707.
(5) information the agency is expressly prohibited by law from disclosing to another Federal agency;	(5) Same as S. 707.
(6) bank examinations and similar financial reports prepared by or for Federal banking agencies; and	No comparable provision.
(7) trade secrets and commercial and financial information (a) obtained by agency before enactment of bill if receiving agency had agreed to treat it as privileged or confidential, or (b) obtained after enactment of bill if the agency had agreed in writing as a condition of receipt to treat the information as confidential. (Therefore, trade secrets and commercial and financial information voluntarily given to Federal agencies could be disclosed.) If such information is given to CPA, person supplying information must be so notified.	(6) Same as S. 707.
(d) Nothing in the Act is to be construed as allowing any Federal agency to divulge income, profits, losses, expenditures, or other details from tax returns, or to permit any income tax returns or abstracts or details thereof to be seen or examined by the Administrator.	(c) Same as S. 707.
Sec. 12. Information Disclosure:	*Sec. 11. Limitations on Disclosures:*
(a) Establishes the basic obligation of the Administrator to disclose to the public as much information as possible and as he deems appropriate.	(See section 8 on *Consumer Information and Services* for related provision.)
(b) Administrator or any officer of employee of CPA shall not disclose information which is obtained from a Federal agency and which that agency has specified is exempted from disclosure under the Freedom of Information Act or any other law. If agency decides that information may be disclosed in a particular form or manner, Administrator required to comply with form and manner so prescribed.	(a) (2) and (b) Essentially same as S. 707.
(c) Places limits on Administrator to disclose information from sources other than Federal agencies, limiting disclosure of trade secrets and other confidential business information. Except, such information may be disclosed (1) to the public *if* Administrator determines it necessary to protect health or safety or (2) to committees of Congress and to courts and Federal agencies in a manner designed to preserve confidentiality.	(a) (1) Essentially same as S. 707. H.R. 13163 does not contain the two narrow exceptions in S. 707 whereby such information may be disclosed.

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(d) Assures that the Administrator will act fairly in releasing information to the public by providing that he take all reasonable measures to assue that such information is accurate and not misleading or incomplete. In case of a serious misstatement adversely affecting a person, retraction must be promptly issued. When information is about to be released likely to cause substantial injury to a person (company), noticfication must be given so that person may comment or seek injunctive relief, unless immediate release is necessary to protect health and safety of the public.	(c) (1), (3), & (4) Essentially same as S. 707.
(e) Provides that when information, which expressly discloses the names of products and services and reflects on the comparative characteristics of such products, is released, Administrator shall (1) make clear that all competitive products have not been compared, if that is the case; (2) make clear that products which have not been compared are not by implication any better or worse; and (3) not indicate that one product is a "better buy" than another.	(c) (2) Essentially same as S. 707. [For "better buy" provision, see section 9(c).]
(f) When the Administrator is sued to disclose information that he has obtained from another agency, and that agency has specified that such information is not to be released, then that agency will be substituted as the defendant in the case.	No comparable provision.
Sec. 13. Administration:	
The Administrator is empowerd to select personnel for the Agency; direct and supervise the personnel so selected; employ experts and consultants; constitute advisory committees; utilize the services, personnel and facilities of other Federal agencies; enter into and perform contracts, leases, cooperative agreements, and other transactions as may be necessary; accept gifts, and voluntary and uncompensated services; designate representatives to serve or assist on committees; conduct public hearings; promulgate rules, regulations, and procedures to carry out functions of the CPA; and undertake such other activities as are necessary to carry out his duties.	Same as S. 707. (See section 4, *Powers and Duties of the Administrator,* on page 3 of this comparison.)
Sec. 14. General:	
(a) Affirms the Administrator's authority to communicate with Federal, State, and local agencies and courts in connection with his functions under this Act.	Similar to S. 707. [See section 6(h) & (i), *State or Local Proceedings* and *Communications,* page 6 of this comparison.]
(b) Nothing in Act shall be construed as limiting an agency or court from allowing further participation by the CPA in proceedings and activities over and above what is authorized by Act, consistent with proper, fair, and orderly conduct.	No comparable provision.
(c) Appearances by CPA shall be in its own name and are to be made by qualified representatives designated by Administrator.	Same as S. 707. [See section 6(f).]
(d) Confers upon Justice Department authority to direct the conduct of litigation in which CPA is involved except in any case in which the Administrator is challenging Federal agency action or in which the Justice Department is representing another Federal entity whose interests conflict with CPA's. Then, Administrator appoints own attorneys. Solicitor General shall represent CPA before Supreme Court, except when he is representing another Federal entity whose interests conflict with CPA's. Then, Administrator appoints own attorneys.	No comparable provision.
(e) Establishes that actions of the Administrator and other agencies under sections 7, 9, 10, 11, and 12 shall not be subject to judicial review except as provided by section 14. (A) Administrator may obtain judicial review to enforce his authority under sections 7, 9, and 11; (B) concerns review by other parties of the Administrator's intervention in an agency proceeding or acticvity; (C) grants a right of review to any person substantially and adversely affected by Administrator's action under section 7(e) (discovery by the Administrator), 11(b) (information-gathering), and 12 (public disclosure of information), unless court determines judicial review would be detrimental to interests of justice.	No comparable provision.
(f) Provides that in exercising his authority related to receiving and transmitting consumer complaints, disseminating information to consumers, publishing a Consumer Register, determining which consumer interests to represent and which not to represent, forwarding consumer complaints and making them available to the public, gathering information, and disclosing such information to the public, the Administrator shall act in accordance with rules designed to insure fairness to affected persons.	*Sec. 12. Procedural Fairness:* In exercise of powers conferred by sections 5(b) (functions of the Agency) and 7 (consumer complaints), the CPA shall act pursuant to rules issued after notice and opportunity for comment by interested persons, in accordance with administrative procedures—rulemaking. This is to assure fairness to all affected parties and provide opportunity for comment on the proposed release of product test data, containing product names, prior to such release.
(g) Provides that whenever Administrator intervenes as a formal party or seeks to initiate judicial review under the provisions of sections 7(a) or 8(a), he must explicitly and concisely set forth in a public statement the interest of consumers which he is representing.	Similar to S. 707. [Section 6(b) provides that at such time as the CPA decides to intervene or participate in a *proceeding,* a public statement setting forth supporting findings and identifying the interests of consumers to be protected shall be issued.]
(h) Sense of Congress that all Federal agencies should take the varied needs of small businesses into account when implementing the provisions of this Act.	No comparable provision.
(i) Small Business Administration is directed to provide small businesses with information concerning this Act and its implementation, and to provide Congress with a summary of the effect of the Act on small businesses. To extent feasible, Administrator of CPA	No comparable provision.

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is required to consult with small businesses before establishing CPA's general priorities or policies, and before implementing general procedural rules or regulations which may affect small businesses. Also, Administrator should give due consideration to unique problems of small businesses and should respond in an expeditious manner to views, requests, etc., made by small businesses.	
Sec. 15. Transfer of Consumer Product Information Coordinating Center: Transfers officers, employees, assets, liabilities, contracts, property, and records used in connection with functions of CPICC within GSA to CPA. OMB will have responsibility for determining what should be transferred, and CPICC will become first operating entity of CPA. Employees so transferred shall serve in positions within CPA without reduction in grade or salary, except for cause, for at least 1 year.	No comparable provision.
Sec. 16. Public Participation: (a) All Federal agencies are required to conduct a complete review of their applicable rules, interpretations, guidelines, standards, etc., in order to determine whether they can be changed to increase participation by private representatives of consumers. Each agency shall have rules that describe the rights of persons to (1) petition the agency for action; (2) receive notice of agency proceedings; (3) file official complaints with the agency; (4) obtain information from the agency; and (5) participate in agency proceedings. Any such changes must be published in Federal Register.	No comparable provision.
(b) Requires each Federal agency to take all reasonable measures to reduce or waive procedural requirements for individuals for whom such requirements would be financially burdensome, or which would impede or prevent effective participation in agency proceedings.	No comparable provision.
(c) Requires that rules of procedure herein described be published and disseminated in a manner best designed to inform and be understood by the general public.	No comparable provision.
Sec. 17. Savings Provisions and Exemptions: (a) Nothing in Act shall be construed to affect the duty of the Administrator of GSA to represent the interests of the Federal Government in its role as a consumer of goods and services.	*Sec. 14. Saving Provisions:* (a) Same as S. 707.
(b) Nothing in Act shall be construed to relieve any Federal agency of any responsibility to protect and promote the interests of consumers.	(b) Same as S. 707.
(c) Nothing in Act shall be construed to limit right of any consumer or group or class of consumers from intervening and participating in Federal agency or court proceedings.	No comparable provision.
(d) Provides that Act shall not apply to the CIA, FBI, the National Security Agency, or to the national security or intelligence functions of the Department of Defense. [For labor dispute exemptions, see section 6(a)(11), only those labor disputes involving wages or working conditions affecting health or safety.]	*Sec. 17. Exemptions:* Same as S. 707, except H.R. 13163 also exempts intelligence functions of Department of State and the Atomic Energy Commission. Also, *all* labor disputes are specifically exempted from jurisdiction of CPA.
(e) Provides that Act shall not apply to any agency action in the Federal Communications Commission with respect to renewal of radio or TV broadcasting license.	No comparable provision.
Sec. 18. Compensation: (a) Places Administrator on Executive Schedule at Level III ($40,000 per year).	*Sec. 16. Conforming Amendments:* (a) Same as S. 707.
(b) Places Deputy Administrator at Level IV ($38,000 per year).	(b) Same as S. 707.
(c) Places General Counsel and 5 Assistant Administrators at Level V ($36,000 per year).	No comparable provision.
Sec. 19. Separability: If any part of Act is declared invalid, remainder of Act will continue in force.	*Sec. 21. Separability:* Same as S. 707.
Sec. 20. Authorizations of Appropriations: Authorizes appropriations of $15 million for FY 1975, $20 million for FY 1976, and $25 million for FY 1977. Subsequent legislation authorizing appropriations shall be referred in the Senate to both the Government Operations Committee and the Commerce Committee. (3-year program of $60 million.)	*Sec. 19. Appropriations:* Authorizes appropriations of such sums as may be required to carry out the provisions of the Act for FY's 1975, 1976, and 1977. No dollar amounts are specified and fixing of amounts will be done in the annual appropriations process. (3-year program, unspecified amount.)
Sec. 21. Evaluation by the Comptroller General: GAO is required, within 30 to 36 months, to submit to the Congress a report on the CPA. Report is to be detailed and comprehensive with regard to how provisions of this Act have been carried out by CPA. It should include, where appropriate, recommendations such as (1) possible additional or substitute means of achieving effective representation of the interests of consumers in Federal agency proceedings, or (2) expanding, ending, or restricting any of its authorities.	No comparable provision.
Sec. 22. Effective Date: Legislation takes effect 90 days after enactment, or earlier if President so prescribes.	*Sec. 20. Effective Date:* Same as S. 707.
In order to prevent unduly prolonging proceedings already nearly complete, prohibits CPA from intervening or otherwise participating in Federal agency or court proceedings where final agency action or a court decision on the action is pending at the time legislation becomes effective. A Federal agency or court *may*, in its discretion, permit such intervention or participation.	No comparable provision.

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[See action 12(a) on *Information Disclosure* for related provision.]	*Sec. 8. Consumer Information and Services:* (a) CPA is required to develop on its own initiative, gather from other sources—both Federal and non-Federal—and disseminate in effective form to the public, information concerning its own functions; information about consumer products and services; information about problems encountered by consumers generally, including annual reports on interest rates and commercial and trade practices which affect consumers; and notices of Federal hearings, proposed and final rules and orders, and other pertinent activities that affect consumers. (b) All Federal agencies which possess information which would be useful to consumers are authorized and directed to cooperate with the CPA in making such information available to the public:
No specific provision governing product testing. [However, section 6(a)(3) has related provision.]	*Sec. 9. Testing and Research Support:* (a) CPA is required to (1) encourage and support, through both public and private entities, the development and application of methods and techniques for testing materials, mechanisms, components, structures and processes used in consumer products and for improving consumer services; (2) make recommendations to other Federal agencies on research and analyses which would be useful and beneficial to consumers; and (3) investigate and report to Congress on the desirability and feasibility of establishing a National Consumer Information Foundation to administer a voluntary self-supporting tag program under which any manufacturer of a non-perishable consumer product to be sold at retail could be authorized to attach to each product such a tag on which would be information based on uniform standards relating to performance, safety, durability, and care of product. (b) All Federal agencies possessing testing facilities are authorized and directed to perform promptly to the greatest practicable extent within their capabilities such tests as the Administrator may require. Results of such tests may be used or published only in proceedings in which CPA has participated or intervened. Tests are to be conducted in accordance with generally accepted methodologies or procedures, which shall be available with published test results. Federal agencies may perform the functions under this section without regard to present law prohibiting advances of public monies without prior statutory authorization. Also, Federal agencies, in giving test support to CPA, may acquire facilities and equipment and may request other Federal agencies to cooperate by furnishing information to the CPA.
[See section 12(e).]	(c) Neither a Federal agency engaged in testing products nor CPA is permitted to declare one product better, or a better buy, than another.
No comparable provision.	*Sec. 18. Sex Discrimination:* No person shall on ground of sex be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under Act. Enforced through agency provisions and rules similar to those already established under Title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to those discriminated against.

Mr. JAVITS. Mr. President, as the Senate once again takes up legislation to establish the Consumer Protection Agency, we again have the opportunity to help to restore public confidence in Government by assuring that the voice of the American consumer is heard by Federal Government officials. For more than a decade, we have debated the need for this legislation. And during that time consumers have not had adequate representation in connection with the determination of actions critically important to their health, safety and economic welfare.

Undoubtedly, the CPA bill is among the most important pieces of consumer legislation ever to come before the Congress. It has been exhaustively considered for nearly 5 years, and greatly refined since I and my colleagues originally introduced this bill in 1969.

As we begin this debate, I am mindful of the fact that while there are many voices speaking for the interests of business and industry in the chambers of our Federal regulatory agencies, we are still without a Federal Government voice which speaks exclusively for the consumer. In fact, in many instances the consumers' voice is often only a distant murmur. What we now once again propose is to bring the voice of the American consumer into the policymaking complex of the regulatory agencies.

Virtually all decisionmaking in the public as well as the private sector is, in the broadest sense, adversary. At the heart of the regulatory system is a requirement that formal decisions and findings be supported by evidence developed in an adversary process. The arguments in support of an independent CPA are now well known. The fact that agencies and departments of the Federal Government have often failed to have adequately put before them the needs and concerns of the consumer in the decisionmaking process—in contrast to the problems of other private interests—have been all too well established.

And, this failure has resulted too often in very real injury to the American consumer's interests. He has, for example, suffered from inadequate enforcement of Federal law designed to protect his interests involving certain products including flammable fabrics, impure health vaccines and unsafe toys and even infant cribs. By providing for the institutionalization of a "consumer advocate" within the Federal system, our bill will help the Government to correct these serious failings. It will not be a "superagency" of Government. In the exercise of its role before other agencies, it will have procedural rights, but cannot grant or deny rates, routes, applications, or other substantive rights and remedies.

I appreciate the fact that in the business community there is a body of opinion concerned that the CPA, in its advocate's role would disrupt the orderly processes of government and unduly interfere with legitimate businesses, but this is not the design, the intention or the effect of this bill which is balanced and responsible legislation and is not antibusiness.

Important as are our efforts in the Congress and in the consumer movement itself, we cannot achieve the most far reaching consumer goals without the full cooperation of American business and industry. I am confident that its past cooperation—founded upon the principle that what is good for the consumer is good for business—will continue and will grow in the years ahead.

The consumer movement in 1974

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America is only part of a much larger social movement which will have important and lasting benefit for all public and private institutions in this country, including business.

Many forces have helped to produce and propel the consumer movement—including most importantly the cooperation and good faith efforts of thousands of small and large businesses. We have a right to expect that the rapidly changing environment for business in the United States will give continued impetus to the consumer movement in the coming years. The movement away from private contractual relationships to what are larger community and consumer interests will have an influence on tomorrow's marketplace where the consumer and the producer interest will be more effectively joined.

Mr. President, the enactment of this bill is a necessary foundation stone to insure that that joinder will become a reality. In the future, American business and industry will confront increasingly a consumer who is more knowledgeable and sophisticated in terms of his determination to trade in the marketplace on the basis of the three elemental variables: price, quality and service. This bill will greatly assist in the realization of the American objective of a consumers' economy.

Our bill and the bill (H.R. 13163) which passed the House by more than a 3-to-1 vote were carefully developed after the widest possible discussions with business, consumer and professional groups, such as the Administrative Conference of the United States, and the American Bar Association; and giving consideration to the views of the administration. The Governors of 32 States support the bill as does the Conference of Mayors and the Association of State Attorneys General. Business can and should support the bill also. The following questions and answers address some business comments on the bill:

Q. Would CPA create more unnecessary bureaucracy unresponsive to consumers?

A. CPA is a response to the fact that the existing bureaucracy has been closed to those without power, money, and organization. CPA would "break in" to the bureaucracy, carrying the views of consumers who have been unable to penetrate the agencies making crucial decisions affecting them. Rather than increase bureaucracy, CPA would help to make it more responsive to citizen interests.

Q. Would CPA be a super agency with powers never before given to a Government agency?

A. CPA would have absolutely no power to regulate, to impose penalties, to grant or deny licenses, or to make rules. It would serve simply as an advocate. CPA would have no greater right to obtain information from business or from other agencies than other government agencies.

Q. Would CPA radically alter the way Government relates to business?

A. To the extent that Government and business have reached closed-door decisions without giving due consideration to the consumer viewpoint, CPA would change the present relationship. However, CPA would not change the regulatory responsibilities of other agencies nor would it prohibit business and other interested parties from communicating with these agencies. CPA would simply open the door on these deliberations, exercising its right to participate to the same extent as other interested parties.

Q. Would CPA mean more delay and red tape for business?

A. CPA would be bound by the same procedural rules and time limits which apply to business and other parties to agency proceedings. CPA would simply enter an ongoing agency proceeding or activity, in accordance with the rules of the host agency. Also, the CPA will have limited resources ($15 to 25 million)—less, for example, than the Defense Department's public relations office; and it would therefore be able to participate in only a relatively few carefully chosen cases.

Q. Would CPA be a "dual prosecutor"?

A. CPA would have no power to decide the outcome of a case or to impose any fines or other penalties. Its rights in enforcement proceedings would be the same as those of other parties, i.e., the same rights to advocacy, discovery, cross-examination of witnesses, and presentation of evidence.

Q. Would CPA harass business with "fishing expeditions"?

A. CPA is given limited power to gather consumer-related information by sending interrogatives (i.e., questionnaires) to those engaged in business activities which substantially affect consumers' interests. Business can challenge these requests in court and they will be enforced only if CPA can show that they seek information that substantially affects consumer health or safety or which is necessary to discover consumer fraud or other unconscionable conduct detrimental to consumers. They will not be enforced if the recipient shows that they are excessively burdensome. Moreover, CPA can not use this power if the information is already available publicly or from another agency. CPA has no independent subpoena power, but it does have the same right to ask a host agency to use its subpoena power during an agency proceeding as any other party has under the Administrative Procedure Act. CPA may also request that an agency issue a subpoena relevant to an informal agency activity, but the host agency will issue the subpoena only if it is relevant and not excessively burdensome either to the host agency or to the recipient.

Q. Could CPA expose trade secrets?

A. CPA employees would be subject to the same criminal penalties for unauthorized disclosure of trade secrets and other confidential information which apply to employees of other federal agencies. CPA would not be authorized to disclose trade secret or other information acquired from another agency if that agency stated that the information is exempt from disclosure under the Freedom of Information Act. Where CPA acquired trade secret information from another source, it could be disclosed only if necessary to protect the public health and safety.

Q. Would CPA have unique rights to seek judicial review of agency decisions which would open all agency decisions to "second guessing"?

A. No. CPA can seek judicial review of decisions in which it did not participate. However, participation in an agency proceeding is not a prerequisite for standing to seek review of the agency's decision. Any person who is "aggrieved" by a decision may seek judicial review of that decision whether or not he participated below. Where consumer interests are aggrieved, CPA is given statutory standing and it may initiate judicial action or intervene in an ongoing case, as any "aggrieved" party could. Prior to initiating judicial review of decisions in which he did not participate, however, CPA must petition the host agency for rehearing or reconsideration, even in cases where other interested parties would not be required to so petition. Thus, CPA's ability to seek review of these decisions is not unique, and would not open decisions to "second guessing" to which they are not already subjected.

Question. *Would CPA make informal negotiations between Government and business impossible?*

Answer. No, but CPA could participate in these non-structured activities by presenting written or oral submissions in an orderly manner and without causing undue delay. The Federal agency would have to give full consideration to these submissions. Such orderly participation does not make negotiations impossible. It merely assures that the decision-makers are cognizant of the impact proposed negotiated agreements will have on consumers before negotiations are concluded.

Question. *Would CPA result in less consumer protection by increasing costs and reducing choice in the marketplace?*

Answer. CPA would have no power to take products off the market or to set standards which products must meet. To the extent that products on the market are unsafe or ineffective, the consumer interest may warrant bringing these facts to the attention of the appropriate regulatory agency. CPA could petition the agency to act, but the regulatory agency would decide whether action was warranted, as they do today. If in fact a product is unsafe, consumer interests and common justice require that this fact be raised.

Mr. President, since the CPA bill was considered in the Senate in 1972, my colleagues and I have undertaken extensive efforts to answer the criticisms expressed about the bill; the bill contains many safeguards to protect the responsible businessman and not obstruct the orderly process of government. At the risk of repetition, I emphasize what they are:

1. *The CPA will have no regulatory authority.* The CPA can not overrule, veto or impair any Federal agency's final determinations. CPA cannot institute enforcement proceedings against alleged violators of law, or impose fines or other penalties. No authority granted to the CPA may be construed to supersede, supplant, or replace the jurisdiction, functions or powers of any other agency to discharge its own statutory responsibilities. Sec. 3(2), Sec. 17(b).

2. *Limitations on CPA intervention.* CPA may intervene as a party in formal agency proceedings, but the Administrator must exercise discretion to avoid unnecessary involvement. He must refrain from intervening as a party unless he determines that participation to that extent is necessary to adequately represent an interest of consumers. Where the submission of written views or information or the presentation of oral argument would suffice, he must limit his involvement accordingly. Sec. 7(a).

3. *Protection against disruption and delay of agency proceedings and activities.* When intervening or participating in agency proceedings, the Administrator must comply with the host agency's statutes and rules of procedure. Sec. 7(a). When submitting oral or written views in an informal agency activity, the Administrator must do so in an orderly manner and without causing undue delay. Sec. 7(b).

4. *Protection against misuse of a host agency's compulsory process.* Where CPA seeks to use an agency's subpoena authority for discovery purposes, the host agency retains discretion and control over the CPA's access to such authority. The host agency has discretion to deny CPA's request if it "reasonably determines" either that (1) it is not relevant to the matter at issue, (2) it would be unnecessarily burdensome to the person specified, *or* (3) it would unduly interfere with the host agency's discharge of its own statutory responsibilities. Sec. 7(b).

5. *Limitations on CPA's Power to Issue Interrogatories to Business.* The Administrator's authority to gather information from businesses through the use of interrogatories may not be exercised to obtain data which (1) is available as a matter of pub-

lic record, (2) can be obtained from another Federal agency, or (3) is for use in connection with his intervention in any pending agency proceeding involving the person to whom an interrogatory is addressed. Sec. 11 (b)(2). Interrogatories may not be directed to businesses unless required to protect the health or safety of consumers or to discover consumer fraud or other unconscionable conduct detrimental to consumers. Moreover, any interrogatory must be relevant to a legitimate inquiry and not unnecessarily burdensome to the person to whom it is addressed.

6. *Protection against arbitrary, capricious or vindicative intervention by the CPA.* The Administrator is required to set forth explicitly and concisely in a public statement the interest of consumers which he is representing, and, to the extent practicable, and substantial interest of consumers which he is not representing, in any formal agency or court proceeding. Sec. 14(g). Any party to a proceeding or participant in any activity in which the Administrator took part may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review on the ground that the Administrator's intervention or participation resulted in prejudicial error. Sec. 14(e)(1)(B).

7. *Protection against publicity of frivolous consumer complaints against a business, its products or services.* Upon receipt of consumer complaints which the Administrator has determined are not frivolous, the CPA must notify the companies named and afford them a reasonable time to comment before complaints may be publicly displayed. When placed on public display, these complaints must be displayed together with any comments received. Sec. 10(c).

8. *Limitations on CPA's access to information held by other federal agencies.* Federal agencies may deny CPA access to classified information and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act; policy and prosecutorial recommendations intended for internal agency use only; information concerning routine executive and administrative functions, personnel and medical files, and information which agencies are expressly prohibited from disclosing to another federal agency.

9. *Protection against CPA access to income tax records.* There is no authorization in this act to any federal agency to divulge the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit the Administrator access to any Federal income tax return. This will insure that records which are now treated as confidential by the IRS with respect to access by other federal agencies will be treated in the same manner with respect to the CPA. Sec. 11(d).

10. *Protection against disclosure of confidential information relating to business practices and trade secrets.* Federal agencies may deny CPA access to trade secrets and other confidential business information if the agency could not have obtained the information without an agreement to keep it confidential and if the failure to obtain the information would seriously impair the carrying out of the host agency's program and CPA's access to it would be likely to cause substantial competitive injury to the person who provided it. Sec. 11(c)(6). Where CPA is given access to this information by another agency, CPA may *not* disclose it to the public. Where CPA obtains this data from a source other than another agency, it may disclose it only in two very limited circumstances: (1) when required to protect the public health or safety, or (2) in a manner designed to preserve confidentiality, to Congress, the courts, or another agency. Sec. 12(c).

11. *Protections against disclosure to the public of false or misleading information regarding a business.* CPA is directed to take all reasonable measures to insure that any information it discloses is accurate and not misleading or incomplete. If it is, CPA is required to promptly issue a retraction, take other reasonable action to correct the error, or release significant additional information which is likely to affect the accuracy or completeness of information previously released. Sec. 12(d).

12. *Protection against "surprise" disclosures to the public of information likely to injure the reputation or good will of a business.* The CPA is required, as a matter of course, to give prior notice to businesses likely to sustain injury due to release of information and to afford an opportunity to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. Sec. 12(d). In releasing information naming products or services CPA must make clear when all products have not been compared and CPA may not indicate expressly that one product is a "better buy" than another.

Many Federal regulatory agencies were created to redress demonstrated imbalances of power between sellers and buyers in unregulated markets. When railroads were the Nation's most important and powerful industry, they were able to use the vast weight of their economic power to force farmers and other shippers to pay unreasonably high rates. Congress responded in 1887 by creating the Interstate Commerce Commission to regulate the rates which an interstate carrier could charge. When investigators discovered shocking conditions in food processing plants in 1906, Congress established an agency, now known as the Food and Drug Administration, to regulate the purity of food shipped in interstate commerce. When it was revealed that there had been widespread fraud in the sale and promotion of securities, Congress created the Securities and Exchange Commission in 1934 to regulate the securities market.

It has been widely argued that one reason for the failure of regulatory agencies to protect consumers adequately is that they have been too heavily influenced by the industries they are supposed to regulate. The committee recognizes that, to some degree, a close relationship between regulatory agencies and regulated industries is inevitable. This is true for many reasons.

First, industry often requires a close relationship with a regulatory agency. Regulatory policies can be a major factor in the success or failure of a business enterprise. Regulatory agencies may have the authority to provide premarket clearance of a product, to set standards for the production, marketing, distribution, sale, or labeling of a product, or to construe and enforce administrative standards.

Second, industry has the resources to maintain effective advocates. Many businesses are in a position to employ the best talent available in presenting their views to regulatory agencies.

Third, a regulatory agency may often need a close relationship with industry. In order to do its job well an agency must be familiar with the industry it is to regulate. This proximity usually results in daily contact between the agency and representatives of industry.

Fourth, the law mandates that the arguments of industry be heard. Constitutional and statutory requirements guarantee a regulated industry the right to seek to have its views heard in the agency's decisionmaking process and the right to appeal an adverse determination to the courts.

Fifth, many regulators are former businessmen, and vice versa. The value of an employee with Government experience to an industry and the corresponding value of an employee experienced in industry to an agency have worked to maximize mutual understanding and cooperation between regulatory agencies and regulated industries.

The committee does not regard the familiar close relationship between regulatory agencies and regulated industries as necessarily harmful per se to the public interest. Similar relationships exist in our judicial system between the bench and members of the bar without producing any systematic denial of justice. It is detrimental to the public interest, however, when the close relationship between a regulatory agency and a regulated industry is not balanced by effective representation of other affected interests—the consumer.

It is this imbalance of representation which this bill seeks to redress.

Mr. President, the most important function of the Agency will be representation of consumer interest before Federal agencies and courts—sections 7 and 8. In formal adjudicatory or rulemaking proceedings under the Administrative Procedure Act, the CPA is authorized to intervene as a party. In such cases the Agency will be subject to the same rules as any other person who is a party to the proceedings. The act directs CPA to refrain from participating in such proceedings unless intervention is necessary to adequately represent the interests of consumers.

When a Federal agency considers a decision affecting the interests of consumers outside a formal adjudicatory or rulemaking proceeding, the act gives the CPA the right to submit data and other relevant information or arguments. Such submission will be in either written or oral form and presented in such a way as not to hinder the agency's ability to act expeditiously. This means that if the lead tinsel manufacturers have a meeting with the Commissioner of FDA on the schedule for removing lead tinsel from the market, the Administrator of CPA is entitled to present his views on the subject to FDA officials. The section does not give him the right to be present at the tinsel manufacturers meeting and argue his case at the same time they do.

JUDICIAL REVIEW

The CPA Administrator is also authorized, where necessary to protect consumer interests, to seek judicial review of an agency proceeding reviewable under law. He may also intervene in any judicial proceeding reviewing or enforcing such agency actions—section 8. This right to seek review is the same as the right now enjoyed by private persons aggrieved by agency action. If the Administrator did not participate in the agency proceeding below, he may appeal the agency decision only if he first files a timely petition before the Federal agency for rehearing and reconsideration and the agency fails to act favorably on the petition.

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CLEARINGHOUSE FOR COMPLAINTS

The Agency is authorized to act as a clearinghouse for consumer complaints—section 10. CPA is required to notify businesses of all complaints concerning them, to transmit such complaints to appropriate Federal or State agencies where action is warranted, and to maintain an up-to-date file for public inspection of all complaints together with any comments which are received.

GATHERING INFORMATION

In order for CPA to obtain the information it needs, the Administrator is authorized to submit written interrogatories to persons engaged in trade or business—section 11b. However, the Administrator may only use this authority where the information is not publicly available and cannot be obtained from another Federal agency. Moreover, he may not use this authority in an agency proceeding in which the Administrator has intervened. The interrogatories may only be enforced if the Administrator sustains the burden of showing that they are relevant to the purpose for which they are sought and not unnecessarily burdensome.

INFORMATION FROM OTHER AGENCIES

The CPA may obtain information from other agencies—section 11c. But CPA is expressly prohibited from collecting information from other agencies concerning national security, tax records, internal policy recommendations, and other similar private information. There are also strict limits on the Agency's right to have access to trade secrets. The Agency is prohibited from publicly disclosing any information obtained from another Federal agency if the information is exempted from disclosure by the other agency.

FUNDING

The bill authorizes $15 million for fiscal year 1975, $20 million for fiscal year 1976, and $25 million for fiscal year 1977. By way of contrast, the U.S. budget for fiscal year 1975 provides $1.433 billion in Federal funds under the category "advancement of business."

EXAMPLES

Mr. President, I wish to point out several examples of the types of cases in which CPA could participate, and how it might affect the outcome.

First. In 1972, after a DC–10 passenger plane was involved in a near fatal accident, the FAA discovered that the plane's cargo door was at fault. The FAA drafted a directive requiring the manufacturer, McDonnell Douglas, to correct the defect in the cargo door. McDonnell Douglas intervened directly with the FAA Administrator, urging that FAA make the notice permissive, rather than mandatory. The FAA did so, and the result was that the modification was not made on all DC–10's.

In March 1974, a DC–10 crashed near Paris killing 344 people. It was a plane on which the cargo door had not been modified. The FAA believes that the faulty cargo door caused the crash.

Had CPA been in existence in 1972, it could have participated and urged FAA to issue the airworthiness directive requiring that the cargo door be modified.

Second. In 1971, the Justice Department quietly issued a business review letter to six of the major oil companies. The letter granted the companies a special exemption to the antitrust laws to permit them to jointly bargain with the oil producing—OPEC—countries. No consumer representative was heard before the Justice Department acted on this issue of such importance.

One of the most significant effects of this joint bargaining has been the spectacular rise in the price of imported crude, which has swelled profits for both OPEC countries and the six U.S. oil companies.

The estimated cost of a barrel of foreign oil rose from $0.99 in 1970 to $1.88 in 1973, even before the Arab embargo. Although the special antitrust exemption is not the only factor, it has contributed significantly to higher imported crude prices. A CPA might have opposed such consumers' interest.

Third. Each year an estimated 1,300 to 6,000 cancer deaths are caused from exposure to X-ray machinery. To improve the safety of X-ray machines, Congress passed the Radiation Control Act of 1968. The FDA, however, postponed issuing the regulations needed to implement the act until 1972. Then the FDA postponed the deadline for complying with the act until August 1, 1974. The Consumer Protection Agency could have monitored FDA's actions, and prodded the agency into acting much more quickly. Unnecessary deaths could have been avoided.

Fourth. In September 1973, the Cost of Living Council permitted domestic automakers to raise their prices an average of about $70 per car. Although this cost the American public approximately $54 million a month in increased costs, the COLC notified the public of its proposed action only 1 day before the deadline for requesting an opportunity to appear and only 4 working days before the hearings themselves. The Council also failed to provide the public with the basic information it needed to prepare meaningful comments. A Consumer Protection Agency official familiar with Government cost and pricing decisions would have had the necessary knowledge and expertise to uncover the necessary background information, develop meaningful comments, and seek the additional time needed to adequately represent the consumer's interests.

Mr. PELL. Mr. President, I am happy to add my support, as a cosponsor, to S. 707.

We have been considering these legislative concepts—to assist our Nation's consumers—for more than a decade. It is time we took constructive action.

I would like to stress the nonregulatory basis of the proposed Consumer Protection Agency. In this respect, the CPA would be unlike such regulatory agencies as the Federal Trade Commission, the Interstate Commerce Commission, the Federal Power Commission, the Civil Aeronautics Board, and others of this kind. These others are intended to be impartial in their regulations. In contrast, the nonregulatory CPA is intended to champion the cause of consumers. It would be their advocate, and I believe they can benefit from such advocacy.

Similarly, I believe business can benefit from this legislation—reliable businesses, businesses which have the consumers' interests at heart. Such businesses, and we would hope that they would constitute the great majority in this country, would have nothing to fear from this legislation. Indeed, it would appear to me that their reputations would be enhanced through their relationships with the CPA.

Let me point out that the Administrator of the proposed CPA is required to forward to businesses copies of complaints received by the Agency. This procedure can help businesses to take self-corrective measures where appropriate, and thus eliminate the need for formal regulatory action.

Mr. President, this is not an antibusiness bill, as some would suggest. We are all consumers. We can all benefit from this legislation. I support the fundamentals of this bill and the basic concepts it contains.

NATIONAL HOUSING CRISIS

Mr. MATHIAS. Mr. President, for the past 12 months, with both interest rates and inflation soaring at a rate unprecedented in our recent history, the housing market throughout the Nation has come to a virtual standstill. Particularly hard hit have been the citizens of Maryland who have been engaged in the increasingly frustrating process of trying to buy their own homes.

Consider the obstacles they face:

Inflation has put the purchase price of many homes well beyond the reach of families who could easily have afforded them only 2 or 3 years ago. In addition, maintenance and utility costs continue to rise so much so that families who were fortunate enough to be able to buy a home before the current inflationary wave set in, now face utility bills which sometimes—for example in the case of some "all-electric" homes—now outstrip even the mortgage payments.

The current tight money situation, with the prime interest rate at or above 12 percent in some parts of the country, has made mortgage credit scarce at best, nonexistent at worst. This is a particularly grave dilemma for home buyers in Maryland.

In addition to both increased costs and decreased credit, Maryland home buyers face a third hurdle of major dimensions in the form of the complex and expensive process known as "settlement" or "closing." Unusually high settlement costs are now becoming a source of concern throughout the Nation, but they are of particularly great concern in Maryland, where they typically range well above the national average.

I am delighted to see, therefore, that Congress is now moving toward enactment of legislation which would at least begin to deal with this problem on a national scale.

REAL ESTATE SETTLEMENT COSTS

The legislation before us today, Mr. President, S. 3164, includes some useful preliminary steps in this direction, by providing for greater disclosure of the nature and costs of real estate settlement services, and by prohibiting such unscrupulous practices as kickbacks and referrals fees. These are worthy reforms, and share a broad range of supporters in the real estate settlement industry, including, to their credit, bar associations, realtors, title insurance companies and mortgage lenders. Full disclosure and the prohibition of corrupt practices are in everyone's legitimate interests, and I am heartened to see the kind of support which has been generated for enactment of these reforms.

As reported by the Committee on Banking, Housing and Urban Affairs, however, S. 3164 does include one crucial flaw—section 10(c), which would repeal section 701 of the Emergency Home Finance Act of 1970. Therefore, I am pleased to join my colleagues, the Senator from Wisconsin (Mr. PROXMIRE), the Senator from New Jersey (Mr. CASE), the Senator from Washington (Mr. MAGNUSON), and the Senator from Michigan (Mr. HART), in offering an amendment to strike section 10(c) from S. 3164, and thus to keep section 701 of existing law on the books.

It would be a great mistake to allow section 701 to be repealed, Mr. President, for the simple reason that it represents the only statutory authority on the books today for the limitation of settlement costs of any kind. As my colleagues well know, this authority only applies to the limitation of settlement costs in connection with VA and FHA mortgages, and it is authority which the Department of Housing and Urban Development has not yet seen fit to utilize. Indeed, it may not be actually utilized in the foreseeable future. I have myself been reluctant to see the invasion of the profession of law by bureaucrats and pettifogging regulators. The discipline of the profession in this, as in other matters, is the prime responsibility of the bar and the bench. I have stated as much to Secretary Romney on several occasions. Nevertheless, it would be crucially shortsighted for us to repeal this authority at this time, if for no other reason than that it remains as one of the most potent weapons which HUD has at its disposal, should abuses and costs continue to rise in connection with real estate settlement services. This is true if it remains only as a standby power and a dormant deterrent. Repeal of such authority might well be interpreted as an invitation to some with little regard for the public interest, to increase settlement charges at will, as soon as the last threat of firm government action has been removed.

I am advised that one reason for HUD's reluctance to use this authority to date has been its observation that most of today's alleged abuses in connection with settlement services take place with conventional, rather than FHA or VA mortgages, and that these abuses would in no way be touched by implementation of HUD's existing authority. If this is true, however, it constitutes ample testimony as to the effectiveness of this authority—even when not implemented—as a deterrent to abusive or excessively costly settlement practices. Conversely, preservation of this potential power would, by this argument, cause no damage, while repeal risks danger.

In any case, Mr. President, I believe that it would be most premature for us to repeal the authority, before Congress has a full opportunity to assess the impact of the disclosure provisions of the bill we are considering today, and to consider alternative regulatory approaches should these provisions prove inadequate in dealing with a problem facing home buyers across the Nation.

I strongly urge my colleagues, therefore, to join us in supporting this amendment to strike section 10(c) from this bill, and to approve the remaining provisions of S. 3164. In this way, we can take an important first step in bringing a rational Federal approach to the problems posed by real estate settlement practices, without undermining the only existing statutory authority now available to deal with it.

THIRTY-ONE GOVERNORS SUPPORT CONSUMER PROTECTION AGENCY

Mr. PERCY. Mr. President, a major point made at the recent Governors' Conference in Seattle, Wash., was that preoccupation with Watergate and world affairs has eroded Federal responsiveness to the real needs of the people of this Nation. One key area mentioned as having been woefully neglected was the protection of American consumers.

In a telegram to my office, 31 State Governors—Republican and Democrats alike—expressed support for Federal legislation to create a Consumer Protection Agency. S. 707, which I am sponsoring along with Senators RIBICOFF, JAVITS, MAGNUSON, COOK, MOSS, and many others, proposes to do just that. It will be on the Senate floor shortly.

The Governors expressed their concern that "consumers presently lack effective representation before Federal regulatory agencies." They regretted that "this lack of positive representation has resulted in a system of Federal regulations that do not adequately reflect interest of consumers."

I wholeheartedly agree with the Governors' statement and intend to do all in my power to see that S. 707 becomes law during the 93d Congress.

Mr. President, I ask unanimous consent that the telegram from 31 State Governors be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SEATTLE, WASH.,
June 5, 1974.

SENATOR CHARLES H. PERCY,
House Senate Building,
Washington, D.C.:

Because of our concern that consumers presently lack effective representation before Federal regulatory agencies and because this lack of positive representation has resulted in a system of Federal regulations that do not adequately reflect interest of consumers we support legislation that would create an independent nonregulatory consumer protection agency.

Governor Daniel J. Evans, Washington State, Governor David Hall Oklahoma, Governor Milton Shapp Pennsylvania, Governor Jimmy Carter Georgia, Governor Otis R. Bowen Indiana, Governer William G. Milliken Michigan, Governor J. James Exon Nebraska, Governor William A. Egan Alaska, Governor Marvin Mandel Maryland, Governor Philip W. Noel Rhode Island, Governor Malcolm Wilson New York, Governor Tom McCall Oregon, Governor Dale Bumpers Arkansas, Governor Branden T. Byrne New Jersey, Governor Patrick J. Lucey Wisconsin, Governor Thomas L. Judge Montana, Governor Dan Walker Illinois, Governor Reubin Askew Florida, Governor Mills E. Godwin Jr., Virginia, Governor James E. Holshouser, Jr., North Carolina, Governor Thomas P. Salmon Vermont, Governor John C. West South Carolina, Governor John J. Gilligan Ohio, Governor Wendell H. Ford Kentucky, Governor Arthur A. Link North Dakota, Governor John M. Haydon American Samoa, Governor Melvin H. Evans Virgin Islands, Governor Bruce King New Mexico, Governor Cecil D. Andrus Idaho, Governor Richard F. Kneip South Dakota, Governor Wendell R. Anderson Minnesota, Governor Kenneth M. Curtis Maine, Governor Francis W. Sargent Massachusetts.

CHIEF CPA SPONSOR CLARIFIES INTENT; UNFORTUNATELY THE BILL REMAINS THE SAME

Mr. ALLEN. Mr. President, the distinguished senior Senator from Connecticut devoted nine pages of the June 27 RECORD to his interpretation of the minority views submitted by Senators ERVIN, BROCK, NUNN and myself on S. 707, the Consumer Protection Agency bill.

Senator RIBICOFF's statement is very important for the legislative history of this complex and controversial bill. The respected Senator is the primary sponsor of the bill, conducted the hearings on it for the Government Operations Committee, reported it to the floor, will be the floor manager of the proposal during its extended debate, and is, wihout a doubt, a major motivating force in the Senate behind the bill and a sincere champion of consumer rights.

The Senator found what he considers to be errors in the minority views. Upon review of his legal interpretations, we find that we disagree with them, and we shall in these remarks demonstrate why the minority views are correct. But that is not the most important thing to be gained from such a dialog.

The most important thing to be gained from the statement by the distinguished gentleman from Connecticut is that it contains many indications of intent which have never before been set forth with respect to this bill.

Assuming that Senator RIBICOFF speaks for his cosponsors, we have a ratification of at least two issues which many opponents of the bill consider major danger points, and we have many other areas of the bill which need amendment to conform the legislation to the stated intent of its sponsors.

On that last point, we shall indicate those areas in need of amendment to conform the bill to its sponsors' intent, as evidenced by Senator RIBICOFF's remarks—amendments which we assume its sponsors would be willing to introduce to conform the bill to their stated wishes or at least to put their stated intent into clear statutory language so we can all understand the bill.

EFFECTS ON FOREIGN RELATIONS

Before considering areas of legal interpretation wherein the distinguished Senator from Connecticut and we disagree, let us review two areas where we both agree on the bill's application—and these areas, alone, in my opinion, warrant opposition to S. 707.

The first involves CPA participation as of right in negotiations with foreign countries which include both trade matters affecting consumers and matters of national security. Recent negotiations with the Soviet Union and Secretary of State Kissinger's negotiations with the Middle Eastern nations are two current examples.

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In the minority views, at pages 8 through 11, we explained how the CPA would participate in such activities under subsection 7(b) of S. 707, and we used Secretary Kissinger's negotiations as an example. We were worried that those not familiar with the legislative history of this bill might consider this a far-reaching example of CPA target areas. We need worry no longer.

Senator RIBICOFF agrees wth the minority views on this point, saying that the example of Secretary Kissinger's recent negotiations with the Middle Eastern nations "perfectly illustrates the need for participation by CPA". He also acknowledges that these negotiations affect both national security and substantial consumer interests, and he states that current high oil prices are in large part due to the State Department's failure to take an active and informed part in oil negotiations.

Further, in the opinion of the distinguished Senator from Connecticut, "Oil is not the only area where foreign trade deals negotiated by this Government have cost the American public great sums of money." And, in this regard, Senator RIBICOFF cites the sale of wheat to the Soviet Union.

It is difficult for me to understand how the sponsors of this bill can justify the creation of a CPA to intrude into matters such as trade negotiations and most favored nation decisions, while at the same time exempting, as they have, federal activities concerning labor disputes which also affect consumers substantially and yet have no such national security relationship.

EFFECTS ON NEWSMEN

Another area of agreement between Senator RIBICOFF and the minority views concerns the ability of the CPA to issue court-enforceable orders to reporters under which sources would have to be revealed.

The minority views pointed out with concern that the bill had not been amended pursuant to a suggestion by a lawyer representing Consumers Union which publishes the magazine Consumer Reports. His concern was that, under the proposed interrogatory power to be granted to the CPA, the CPA could force reporters to divulge sources. This is so because there is, under current court interpretations, no legal privilege to protect such sources.

Thus, for example, if a reporter such as Morton Mintz of the Washington Post publishes a story based upon a "leak" by someone in the Food and Drug Administration about a harmful drug, and the CPA is unable to substantiate that information at FDA but wishes to take action to prevent a possible public danger, the CPA will—and can, under subsection 11(b) of S. 707—order the reporter to divulge what he knows about the matter.

Senator RIBICOFF agrees with us that this is a problem, but he states that:

> A bill creating the CPA is not the place, however, to pass new legislation in this difficult and controversial area giving newsmen greater protection than they claim in other, similar instances.

It is on this point that we disagree—we feel that the CPA should be prevented from ordering reporters to divulge sources—but we are at least agreed as to the issue.

EFFECTS ON ORGANIZED LABOR

Returning briefly to the labor exemption issue, we find it interesting that the spokesman for the sponsors of the Consumer Protection Agency bill did not take issue with one of the major objections raised in the minority views.

Perhaps this indicates a change of heart and agreement with the minority views that Federal activities involving both labor issues and a substantial interest of consumers should not be exempted if we are to have any CPA bill. To do otherwise would be rank hypocrisy and a blatant example of antibusiness bias.

In this regard, we can turn to a very recent article by Mark R. Arnold in the July 6 National Observer for an explanation of the issue. This article, by the way, is one of the most balanced and complete newspaper articles that has been published on this subject.

In reviewing Mr. Arnold's report on the labor exemption issue, you should note two things: First, the AFL–CIO says that it now opposes this bill until labor is exempted as originally suggested by organized labor; and second, the reasons for labor wishing such a broad exemption are made surprisingly candid —labor does not want another Federal agency "sticking their nose in our affairs." It sounds like the chamber of commerce, does it not? Here is what Mr. Arnold reports on the labor exemption issue:

> **BID FOR LABOR SUPPORT**
>
> The original Senate bill excluded all labor issues from the CPA's scope. The Government Operations Committee amended the bill, exempting matters involving wages or health or safety but allowing the CPA to intervene in Federal proceedings dealing with other matters, such as union restrictions on prefabricated-housing parts and other inefficient work practices.
>
> The AFL–CIO says it will oppose the bill unless the original labor exemption is restored. Asked why labor should be exempted, Andrew Biemiller, legislative director of the AFL–CIO, replies: "We don't regard labor relations as having a consumer interest. We don't want another Government agency intervening in labor-management relations, sticking their nose in our affairs."

I might note that we expect to see an AFL–CIO supported amendment to restore the full exemption for labor interests, and we also expect an amendment supported by those who feel they cannot compromise principles in this area to remove even the present labor exemption in the bill.

It is not clear from Senator RIBICOFF's remarks of June 27 which way the majority of sponsors of S. 707 intend to vote on these amendments; that is, whether they wish the CPA to tell us what is in the interests of consumers, or whether they will allow the AFL–CIO to dictate this to them and the CPA.

AREAS OF DISAGREEMENT

Having disposed of the principal areas in our minority report to which the sponsors' spokesman agreed or found no objection, let us now turn to the areas in which there is disagreement in legal interpretation of the sponsors' bill.

If we prove, as I think we shall, that the minority views are correct on all major points of contention raised by the sponsors' spokesman, we shall therefore prove that the CPA bill does not reflect adequately the intent of its sponsors and is in need of major amendment.

Therefore, the singular question is whether we should attempt to complete such an amendatory process on this highly controvesial and complex bill during an extended floor debate, or whether it should be returned to committee for this purpose.

To facilitate review, we have prepared the discussion of the areas of disagreement for presentation in table form. This will allow all concerned to judge for themselves whether the minority views are correct and whether the intent of the bill's sponsors, as evidenced by the remarks of Senator RIBICOFF, is carried out in the bill. The order of arguments follows as closely as possible that of the minority views.

I ask unanimous consent that this table be printed in the RECORD at this point, in the form submitted.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?

(Footnotes will appear at the end of this comparative)

*Stated views of bill sponsors**	*Stated views of Senators Ervin, Allen, Brock and Nunn***	*Provisions of S. 707,*** its legislative history or cited material*	*Necessary interpretations*
I. JUDICIAL REVIEW OF CPA FINDINGS			
A. "The minority views are not correct when they claim that by this bill: 'Congress would be delegating to the CPA the administrative expertise to decide what is best for consumers an expertise which, by virtue of paragraphs (1) and (2) of subsection 14(e), could be challenged by no one anywhere, including in court.'[1]	A. "Under S. 707, as explained in more detail earlier, Congress would be delegating to the CPA the administrative expertise to decide what is best for consumers, an expertise which, by virtue of paragraphs (1) and (2) of subsection 14(e), could be challenged by no one anywhere including in court."[2] [This is the material referred	A. *S. 707 § 14(e)(2)*: "For the purposes of this subsection, a determination by the [CPA] Administrator that the result of any agency proceeding or activity may substantially affect the interests of consumers or that his intervention in any proceeding is necessary to represent adequately the interests of consumers shall be deemed not to be final agency ac-	A. 1. The Minority Views are correct; 2. S. 707 does not reflect the intent of its sponsors; 3. The Majority Report on S. 707 does not reflect the intent of its sponsors; 4. S. 707 is in need of major revisions to conform it to the intent of its sponsors.

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

I. JUDICIAL REVIEW OF CPA FINDINGS—continued

"A brief look at the bill's major provisions demonstrates the ample opportunity there will be to contest the CPA's determinations."	to in the opening clause, above which was omitted without indication by the sponsors.]	tion." (Of course, as most lawyers know, agency action that is not final may not be appealed).[5]	
"First an agency may deny the CPA the right to participate in an agency activity if it does not accept the CPA's finding that the activity is one that substantially affects the interests of consumers. In such event, the CPA would have to go to court and persuade the court it has met all applicable preconditions for participation in the proceedings. If it could not support its finding that the matter substantially affected the interests of consumers, it could not participate. The other agency's familiarity with its own activity, and its possible consequences, would allow it to contest CPA's contention that a particular matter substantially affected the interests of consumers."[2]	"The Power To Decide What Is Best For Everyone "To understand the vast powers this CPA Administrator would have, it is necessary to begin with two definitions set forth in S. 707. The first takes five lines to define 'consumer' as meaning every human being in this world (and, considering space flights, beyond). For those who may find difficulty believing this here is the definition of consumer as it appears in section 4(7) of S. 707; no human being could possibly be left out: [omitted] "The next definition is that of the 'interest of consumers,' a much more complicated and lengthy provision which can be reduced, for practical purposes, to one word: 'anything.' Here is the definition, as found in section 4 (11) of S. 707. [omitted] "What could possibly be omitted? The real clincher, however, is found in section 14(e)(1) and (2) which explicitly provide that the CPA Administrator's determination of what is in the interest of consumers is not reviewable in court by anyone."[4]	S. 707 § 14(e)(1): "No act or omission by the [CPA] Administrator . . . under sections 7 [intervention], 9 [notice], 10 consumer complaints], 11 [information gathering], and 12 [information disclosure] of this Act shall . . . be subject to judicial review. . . ." [Hereafter follow three exceptions, *none* of which would allow anyone, including a forum agency, to challenge the CPA's determination upon intervention of what is the consumer interest at stake.] *Majority report on S. 707:* "[T]he Federal agency cannot exclude the [CPA] Administrator from intervening or participating . . . . ***The [CPA] Administrator's initial determination [concerning what is a consumer interest] which he must make in order to exercise this authority to intervene or participate in agency activities under Section 7, is deemed not to be final agency action and thus not subject to *judicial review* . . . ."[6] [Emphasis added.]	
B. "Second, section 14(e)(1)(B) states that any person who participates in an agency activity in which the CPA intervened or participated may obtain judicial review of CPA's actions if the agency action is itself reviewable. If the person can show that CPA's participation was prejudicial to the party, the action will be reversed."[7]	B. [This is an incorrect interpretation of § 14(e)(1)(B), a provision which is not material to the point of the CPA deciding without challenge what is in consumers' best interest. In fact, § 14(e)(1)(B) was not even discussed in the Minority Views because the provision is a contrived limitation (not a protection) and one of many sham "safeguards."	B. *S. 707§14(e)(1)(B):* "a party to any agency proceeding or a participant in any agency activity in which the [CPA] Administrator intervened or participated may, *where judicial review of the final agency action is otherwise accorded by law*, obtain judicial review *following such final agency action* on the *ground that the Administrator's intervention or participation resulted in prejudicial error* to such party or participant *based on the record viewed as a whole*". [Emphasis added.] *Majority report on S. 707:* "Subparagraph (B) concerns review by other parties of the Administrator's intervention or participation in an agency proceeding or activity. It makes judicial review of the Administrator's actions available *only on the grounds that the Administrator's intervention or participation results in prejudicial error* to another party or participant. It requires that such review *await the outcome of the proceeding or activity and be considered by the court in reviewing the entire proceeding or activity. Judicial review is available only where the proceeding or activity is of the type reviewable by law.*"[8] [Emphasis added.]	B. This silly provision (1) does not, as intended by the sponsors, allow for judicial review of CPA actions, it provides for review of another agency's actions in relation to the CPA's activities, and, then, (2) only on the highly restrictive and limiting ground that the CPA's actions forced the forum agency to commit prejudicial error to the party challenging—one of the most difficult things to prove against another agency, an impossible test in light of § 14(e)(2) ("non-finality") discussed above, and something available to *anyone*, anyway.
		[5 USC § 706 (current law on scope of review): "* * * The reviewing court shall—* * * (2) hold unlawful and set aside agency action, findings, and conclusions found to be— (A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; (B) contrary to constitutional right, power, privilege, or immunity; (C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right;	Further, (3) the adversely affected party must await the final outcome of the whole proceeding or activity—which may be months or years of expensive defense—before taking advantage of this provision, thus allowing the CPA to commit the most egregious impudence in intervening where is does not belong. For example, if the CPA intervened in the recent SALT talks, nothing could be done about it until after the final decisions. Thus,

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

I. JUDICIAL REVIEW OF CPA FINDINGS—continued

		(D) without observance of procedure required by law; **(E) unsupported by substantial evidence in a case subject to sections 556 and 557 of this title or otherwise reviewed on the record of an agency hearing provided by statute; or** (F) unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court. In making the foregoing determinations, the court shall review the whole record or those parts of it cited by a party, *and due account shall be taken of the rule of prejudicial error.*" [Emphasis added.]	**1. The Minority Views are correct;** **2. S. 707 does not reflect the intent of its sponsors;** **3. The Majority Report on S. 707 does not reflect the intent of its sponsors;**
C. "Similarly, section 14(e)(1)(c) specifically provides for review of the CPA's actions by any person substantially and adversely affected by the Administrator's use of discovery in an agency proceeding, under section 7(e), its request for information, under section 11(b), or its decision to disclose information in its possession under section 12."[9]	C. [This, again, is a straw man irrelevancy as far as the point in the Minority Views which is being contested by the sponsors is concerned—and another incorrectly interpreted one at that. It is discussed in a different portion of the Minority Views, and, therefore, will be discussed below again. This portion of the chart will merely address the sponsors' major oversight in describing the provision.]	C. *S. 707* ***§14(e)(1)(C):*** **"Any** person who is *substantially and* adversely affected by the Administrator's action pursuant to section 7(e) (discovery), 11(b) (interrogatories), or 12 (information disclosure) of this Act may obtain judicial review, *unless the court determines that such judicial review would be detrimental to the interests of justice.* [Emphasis added.] ***Minority report on S. 707:*** **"This** condition is designed to *relieve the/CPA/Administrator from the burden of devoting scarce resources to unnecessary and time-consuming litigation.*" [10]/5 USC § 702 (current law on right of review): "A person *suffering legal wrong* because of agency action, or *adversely affected or aggrieved* by agency action within the meaning of a relevant statute, is entitled to judicial review thereof." [Emphasis added.] 4. S. 707 is in need of major revision to conform it to the intent of its sponsors.	C. Again, this equally silly provision is not a safeguard for citizens as apparently intended—it is just the opposite, an attempted limitation of current rights of review—a person must not only be adversely affected but must also be substantially so. An unusual condition concerning detriment to justice is inserted to relieve *the CPA* of its burden of devoting re- **Thus,** **1. The Minority Views are correct;** 2. S. 707 does not reflect the intent of its sponsors; 3. The Majority Report on S. 707 does not reflect the intent of its sponsors; 4. S. 707 is in need of major revision to conform it to the intent of its sponsors.
D. "Section 14(e)(2) governs review of the CPA's determinations that a particular agency activity substantially affects the interests of consumers. Pursuant to accepted principles of judicial review, this paragraph provides that such a determination may not be challenged by a party adversely affected by the CPA's action until completion of the proceedings. At the completion of the agency activity such person can challenge the CPA's right to participate in the proceedings, as well as any other matters it wishes. The provision simply follows the normal practice of preventing interlocutory appeals of a portion of an agency's actions prior to completion of the entire proceeding. This is a well-established rule based on the needs of judicial efficiency. Even in such cases, the only question that must be deferred is the correctness of the CPA's determination that activity in which it is participating or intervening substantially affects the interests of consumers."[11]	D. [See Minority Views material under point A, above.]	D. [See **legislative material** under points **A, B, and C, above.]**	D. This is the most **surprising statement in the sponsors' views. It not only flatly con**tradicts the sponsors' first argument (see A), it again misstates the bill and current law. Many of the errors will be perceived through **reading the prior material. One new factor should be noted, however.** The sponsors seem to think that it is one of the "accepted principles of judicial review" to allow anyone into an agency proceeding, and await the final outcome before challenging his right to be there. This is nonsense. If Ralph Nader attempted to intervene in the SALT talks, he would be thrown out immediately. This is a *standing* question, and—absent a statute such as S. 707—a Federal agency may exclude inappropriate parties, and the parties, themselves, must appeal that exclusion to the courts; not the reverse, which is proposed in S.707.

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

I. JUDICIAL REVIEW OF CPA FINDINGS—continued

			Thus, 1. The Minority Views are correct; 2. S. 707 does not reflect the intent of its sponsors; 3. The Majority Report on S. 707 does not reflect the intent of its sponsors; 4. S. 707 is in need of major revision to conform it to the intent of its sponsors.
E. "Third, even if the CPA does gain the right to participate in agency proceedings, the scope of the CPA's involvement will rest *in large part* on determinations which the Federal agency, not the CPA will make. * * * The agency, not the CPA, will have the final word on these matters *unless the CPA wishes to contest the agency's determination in court.*" [12] [Emphasis added.]	E. [Another straw argument not material to the point contested in the Minority Views. Although we would probably differ over interpretation of "large part" (e.g., is 25% large?). We also note that there is no attempt to limit the CPA's right of review, just that of other parties in relation to the CPA.]	E. [Not material.]	E. [Not material.]
F. "Fourth, section 12(b) contains an even more *extreme example* of how the CPA will not, under any circumstances be a law unto itself. That provision gives the other agency *complete responsibility* for deciding whether the CPA may or may not disclose information provided by such agency to the CPA. The CPA will have no option in such cases but to accept the other agency's determination. Nowhere is the CPA given the same right to dictate decisions to other Federal agencies." [13] [Emphasis added.]	F. [This, again, is not material to the point it is supposed to support, but since the sponsors consider it the "extreme example" of their intent to put safeguards into the bill, we shall point out here potential major loopholes in their intent.]	F. *S. 707 § 12(b):* "The Administrator or any officer or employee of the Agency shall not disclose any information which has been obtained from a Federal agency or as a result of access to its records where such agency has specified that such information is exempted from disclosure under section 552 of title 5, United States Code, or any other applicable Federal statute, and should not be disclosed. If such agency has specified that information is exempted from required disclosure, but that it may be disclosed in accordance with a particular form or manner of disclosure which such agency has prescribed, the Administrator shall follow such form and manner."	F. [Not material, but note the following.] The CPICC, the major federal agency collecting consumer product information from other agencies will become *part of the* CPA upon enactment.[15] Thus, under the "extreme" § 12(b), *the CPA will* have the "complete responsibility" to decide *for the CPA* whether any of this vast material collected from other agencies shall be disclosed.
		S. 707 § 15(a): "All . . . records as are determined by the Director of the Office of Management and Budget to be employed, held or used primarily in connection with the functions of the Consumer Product Information Coordinating Center in the General Services Administration are transferred to the [Consumer Protection] Agency and *all functions* of the Administrator of General Services administered through the Consumer Product Information Coordinating Center are *transferred to the* [Consumer Protection] *Agency.*" [Emphasis added.] Majority report on S. 707: "The CPICC will become the first operating entity of the Consumer Protection Agency upon transferral of this responsibility." [14]	Examples of the CPA being given the right to dictate decisions to other Federal agencies are too lengthy to set forth in detail here. The reader is respectfully asked to review them himself; see §§ 7 (a) and (b) [force agencies to allow CPA to intrude even where agencies feel this is not appropriate]; 7(c) [force all agencies to rewrite their rules of practice]; 7 (d) and 9 [force notice and public statements]; 11(c) [force agencies to give access to information]. Thus, 1. The Minority Views are correct; 2. S. 707 does not reflect the intent of its sponsors; 3. The Majority Report on S. 707 does not reflect the intent of its sponsors; 4. S. 707 is in need of major revisions to conform it to the intent of its sponsors.

II. CPA'S RIGHTS IN TRADE NEGOTIATIONS AND OTHER INFORMAL ACTIVITIES

A. "First. Section 7(b) of the bill provides that the CPA may participate in each of the various stages of a Federal agency proceeding. Thus, it may participate at the stage when an agency undertakes to settle informally with a party. Or, it may participate during *the stage when a Government agency seeks to negotiate a trade agreement.* "The minority views, however, are in error when they *suggest that everything happens within or during one of these stages, such as during the give and take of negotiations, is in itself a separate stage of the agency's activity.*	A. "[T]he bill recognizes that informal activities move from stage to stage, and that the CPA's participation rights in them move right along and are renewed at each stage." * * * "It should also be noted, as the Majority Report states in its explanation of section 9, 'Whenever there is any dispute between the Federal agency [i.e., in this case, State Department] and the CPA over whether a particular action or type of action may substantially affect the interests of consumers, the Federal agency [i.e., State Department] shall *defer to the CPA's determination.*" [Emphasis added.]	A. *S. 707 § 7(b):* "With respect to any . . . Federal agency activity, which the [CPA] *Administrator determines* may substantially affect the interests of consumers, the Administrator may participate by presenting written or oral submissions, and the Federal agency *shall give full consideration* to such submissions of the Administrator. Such submissions *shall be presented in an orderly manner and without causing undue delay*. Such submission [sic.] need not be simultaneous with that of any other person." [Emphasis added.] *S. 707 § 4(4):* "'agency activity' means *any* agency process, or	A. As can be seen, whatever new "detail" the CPA considers important—such as a counter-offer in a negotiation—is a new stage in which the CPA may participate. Thus, 1. The Minority Views are correct; 2. S. 707 does not reflect the intent of its sponsors; 3. The Majority Report on S. 707 does not reflect the intent of its sponsors; 4. S. 707 is in need of major revisions to conform it to the intent of its sponsors.

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

II. CPA'S RIGHTS IN TRADE NEGOTIATIONS AND OTHER INFORMAL ACTIVITIES—continued

"The majority report of the committee clearly makes the distinction: 'The Administrator, under Subsection (b), has the right to participate through submission of oral information at all stages of an agency activity. The fact that he has participated in the investigatory phase of an activity does not impair his right to participate in a later phase of the activity, *such as the reaching of a settlement, the decision to initiate formal proceedings, or even a decision to discontinue the investigation.*' [Italics added by sponsors.]	"In exercising its advocacy functions to participate in the trade negotiations, the CPA is given the rights, under subsections 7(b) and 7(d), to participate in this agency activity and to request or petition the State Department to take action which the CPA feels to be best for consumers.	*any phase thereof,* conducted pursuant to *any authority or responsibility* under law, whether such process is formal or informal." [Emphasis added.] *Majority report on S. 707* [applicable material *not* mentioned by sponsors in their first argument (see their reference in first column)]:
"This sentence in no way suggests that a decision about a *detail* of the investigation process—or the negotiating process—would itself constitute a new stage of the agency activity, giving rise to a new right to participate in the agency's activity." [16]	"These rights, it should be reemphasized, are continuing in nature with each new phase of the negotiations. As the Majority Report states in its explanation of section 7, 'The Administrator [of the CPA], under subsection (b), has the right to participate . . . at all stages of an agency activity. The fact that he has participated in the investigatory phase of an activity does not impair his right to participate in a later phase of the activity.' "Participation by the CPA in trade negotiations or any other informal activity under this subsection 7(b) may be by "presenting written or oral submissions" to the forum agency *at each stage* of the activity. These submissions need not be simultaneously submitted with those of another person, but 'the Federal agency [e.g., State Department] shall give full consideration' to these submissions of the CPA before taking action. "The Majority Report crystallizes, for those who are not familiar with this bill's intricate legal provisions, how extraordinary a right of advocacy this is to be. In its explanation of subsection 7(b), the majority notes that the CPA, and *not* the forum agency such as the State Department, decides whether the CPA's submission is to be oral or written, and that—	"Among the activities which might be described as informal actions are . . . the initiation of action of *any* kind with respect to negotiation, . . . application of informal pressure, . . . dealing, disclosing, planning . . .; also, a decision *not* to undertake any of the proceedings. * * * "Thus, the [CPA] Administrator will have *continuous authority* under Subsections 7 (a) and (b) to represent the interests of consumers in an agency activity. "The provision [7(b)] gives the [CPA] Administrator considerable flexibility in determining how CPA should submit its views. * * * The [CPA] Administrator may in his discretion, and subject to applicable agency rules, determine whether the submission will be written, oral, *or both.*
	'The provision does require, however, that the *CPA have a full opportunity* to submit its views to the decisionmaking authority before any decision is made either to take or not to take, certain action, where the CPA determines that a substantial consumer interest is at stake. * * * Each agency is required to afford the CPA as *equal an opportunity* to present its views as are afforded business representatives and *other parties* interested in the same agency activity.' "Has anyone seriously considered the implications of these powers? In our example, Secretary Kissinger must * * * listen to the CPA before making a decision at each stage, and must give the CPA an opportunity equal to any other party—equal opportunity to the person negotiating for a foreign nation, be he king or minister." [17] [Emphasis in the original.]	* * * *"The provision* [7(b)] *does require, however, that the CPA have a full opportunity to submit its views to the decisionmaking authority* [*i.e., the negotiator*] *before any decision is made either to take, or not take, certain action, where the CPA determines a substantial consumer interest is at stake.* * * * *Each agency is required* to afford the CPA *at least as equal an opportunity to present its views* as are afforded business representatives and *other parties interested in the same agency activity* [e.g., other negotiators, including foreign ministers]. The agency's obligation to afford full consideration to CPA's submission is not dependent upon the extent of participation if any, by other persons." [18] *Commerce Committee report on identical provisions in S. 707:* "It is important to note here that a Federal agency proceeding is a *series of events, not a particular event.* Thus, while agency proceedings or activities may include

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

II. CPA'S RIGHT IN TRADE NEGOTIATIONS AND OTHER INFORMAL ACTIVITIES—Continued

		such diverse things as . . . negotiating . . . *it does not include any particular event within any of these processes.* * * * "It is intended that those persons to whom the Administration submits his information, briefs, and arguments be *officials with decision-making authority in the particular case.*" [19]	
B. "Second. The contention in the minority views that a representative of the CPA would have to fly around with the Secretary of State ignores the specific wording in section 7(b) of the bill. This subsection provides that the CPA's submission 'need not be simultaneous with those of any other person.' "This states flatly that the CPA does not *have to be* present, or in the next room, or even the same country, every time the Federal agency talks to anyone else. This provision further confirms that the bill does not require a Federal agency to solicit new views from the CPA every time another person makes any statement during the course of any agency activity. "Third. The minority views also contend that the Secretary of State would have to *interrupt negotiations* with Arab leaders on practically an hourly basis to talk to the CPA. This totally ignores the specific wording in section 7(b) requiring that the CPA participate in informal agency activities in an 'orderly manner and without causing undue delay.'" [20] [Emphasis added.]	B. [See also material above.] "Can anyone imagine the Secretary of State telling some sheik, 'Excuse me, before I decide on your *new proposition,* I must contact the Administrator of the Consumer Protection Agency or one of his agents.' It would appear that an advocate of the CPA will have to fly around with the Secretary of State—that would be the only way possible to comply with the letter of this proposed law." [21]	B. [*See also material above, especially* that relating to (1) the CPA's having discretion to determine whether submissions are to be oral, written, or both, (2) equal opportunity to negotiating parties [e.g., the "sheik" mentioned], (3) presentations having to be made to the "decision making authority" [e.g., Secretary of State], (4) the CPA's unchallengeable determination of what affects consumer interests.] "Subsection (b) also specifically requires that in exercising his right to participate through written or oral submissions, the Administrator shall do so in an orderly manner and without causing undue delay. This provision *recognizes the need of a Federal agency to perform its job without unreasonable delay or disruption.* A Federal agency has a legitimate interest in preserving the orderly conduct of its process. *The [CPA] Administrator should not, for example, be able to demand unreasonably lengthy delays while he prepares his arguments in situations where prompt agency action is required. Nor should the Administrator be able to present information in a piecemeal and disorganized manner.*" [22] [Emphasis added.] *Commerce Committee report on identical provisions in S. 707:* "In presenting his material, the [CPA] Administrator is exepected to do so with due regard to the time and resource limitations of the Federal agency [e.g., State Department], and the agency's interest in maintaining orderly procedures. The [CPA] Administrator and Federal agencies are expected *to cooperate* to assure the preservation of each other's legitimate interests." [23] [Emphasis added.]	B. 1. The Minority Views are correct; 2. S. 707 does not reflect the intent of its sponsors; 3. The Majority Report on S. 707 does not reflect the intent of its sponsors; 4. S. 707 is in need of major revisions to conform it to the intent of its sponsors.
C. "Finally, the minority views are incorrect when they contend that under section 7(d) the State Department would have to *continually* respond in writing to CPA's latest submissions of views. *Since the CPA would not be entitled to continually submit new views during negotiations,* there would be nothing for the agency to reply to under section 7(d). Moreover, *nothing* in section 7(d), or in *any other* section requires a Federal agency to *submit a written explanation* to the CPA each time it adopts a decision that is not in conformity with the CAP's views. The requirements of section 7(d) apply only when a Federal agency fails to initiate a particular proceeding or action in response to a petition by the CPA. It has no applicability to decisions taken once the trade negotiations or other proceedings are initiated." [24] [Emphasis added.]	C. [The *only* statements made in this record are as follows.] "In exercising its advocacy functions to participate in the trade negotiations, the CPA is given the rights, under subsections 7(b) and 7(d), to participate in this agency activity and to request or petition the State Department to take action which the CPA feels to be best for consumers. * * * "If the CPA under subsection 7(d), requests the Secretary of State to take particular action during these trade negotiations, and the Secretary fails to take the requested action—the Secretary must notify the CPA in writing why he refused to act, and this writing is to be a matter of public record.	C. *S. 707 § 7(d): "Whenever* the [CPA] *Administrator determines* that it would be in the interests of consumers to do so, he may *request or petition any* Federal agency [e.g., State Department] to initiate a proceeding or activity *or to take such other action as may be within the authority of such agency.* If the agency *fails so to act* in *any* civil matter, it shall *promptly notify the [CPA] Administrator in writing* of the reasons therefor and such notice shall be a matter of public record." [Emphasis added.] *Majority report on S. 707:* "The subject matter of the request or petition can concern *any* action—whether substantive or procedural—that the Federal agency [e.g., State Department] has the legal authority to undertake.	C. Thus, 1. The Minority Views are correct; 2. S. 707 does not reflect the intent of its sponsors; 3. The Majority Report on S. 707 does not reflect the intent of its sponsors; 4. S. 707 is in need of major revision to conform it to the intent of its sponsors.
	"Then to top that, the CPA is	* * * "The host agency [e.g.,	

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DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

II. CPA'S RIGHT IN TRADE NEGOTIATIONS AND OTHER INFORMAL ACTIVITIES—Continued

	"Then to top that, the CPA is authorized, under subsections 8 (a) and 14(e), to take Secretary Kissinger to court to seek review of the Secretary's refusal to act as requested by the CPA or to give the CPA a full opportunity to participate." [25]	* * * "The host agency [e.g., State Department] should respond as soon as possible to the Administrator's request. * * * The [CPA] *Administrator may appeal a final agency action denying his request* or petition, to Section 8." [26] [For examples of other provisions under which existing agencies would have to give notice to the CPA—of which the sponsors may be unaware (see their statement in first column)—see §§ 8 (b) (action on petition for rehearing), 9 (notice of actions to CPA), 10(a) (agency actions on complaints forwarded by CPA), 11(c)(7) (notice of withholding requested trade secret information from CPA), 12(b) (notice of exemptions from disclosure for information requested by CPA), 14(d) (notice by Attorney General as to representation in court).]	
D. *"Since the CPA would have no right to submit views to the country's trade negotiators on a continual basis,* it is equally incorrect to suggest that section 9 requires the State Department to constantly report to the CPA on the negotiating sessions. "Section 9 is, by its own terms, simply designed to give the CPA the basic information it needs to decide whether or not to participate in any stage of any agency proceeding. The threshold role that section 9 will play is reflected in the language in section 9(B) (2). This subsection states that the CPA may request such information about the agency activities, in addition to notice and a status report, 'as would facilitate the Administrator's timely and effective participation in an agency activity under section 7.' "The purpose of section 9 is to assure the CPA the right to receive information when the CPA first becomes interested in an agency activity, or when an agency initiates a new activity. *Since each new offer or counter-offer in trade negotiations does not represent a new stage in an agency's activity* for purposes of section 7, the Federal agency would not be required to provide the CPA with continual notice. "In summary, the bill would not require the State Department to do more than: First notify the CPA at the outset of an impending negotiation; second, provide the agency with a brief status report and other relevant information on where matters stand as of that time; and third, consider the views the CPA submits in return.[27] [Emphasis added.]	D. "The first thing the CPA might do [before intruding into negotiations] would be to specifically request, under subsection 9(b), information which this provision of S. 707 requires the State Department to 'promptly provide' to the CPA; namely— '(1) a brief status report which shall contain a statement of the subject at issue and a summary of proposed measures concerning such subject [such as, in this example, fall-back negotiating positions of the U.S.]; and '(2) such other relevant notice and information, the provision of which would not be unreasonably burdensome to the agency [i.e., State Department] and which would facilitate the [CPA] Administrator's timely and effective participation under section 7 of this title.' " [28] "Has anyone seriously considered the implications of these powers [of participation under § 7(b) and *notice under § 9*]? In our example, Secretary Kissinger must *keep the CPA continually informed of all expected and actual activity* at each stage of the negotiations, must listen to the CPA before making a decision at each stage, and must give the CPA an opportunity equal to any other party—equal opportunity to the person negotiating for a foreign nation, be he king or minister." [29]	D. *S. 707 § 9(b)*: "Each Federal agency considering *any* action which may substantially affect an interest of consumers *shall,* upon specific request by the [CPA] Administrator, *promptly provide* him— (1) a brief status report which shall contain a *statement of the subject at issue* and a *summary of proposed measures* concerning such subject; *and* (2) such other relevant notice *and information,* the provision of which would not be unreasonably burdensome to the agency and which would *facilitate the [CPA] Administrator's timely and effective participation* under section 7 of this title." [Emphasis added.] *Majority report on S. 707:* "Paragraph (1) requires that the Federal agency promptly provide the Administrator a brief status report. The report is to contain a *full statement of the subject at issue and a summary of any previous or proposed procedures and actions concerning it.* This report may be written or oral, and may be as simple as a single telephone conversation depending on the complexity of the subject matter and the degree of the Administrator's interest. *Federal agencies are expected to be as responsive as possible in complying with this paragraph.* "Paragraph (2) allows the Administrator to request such other relevant notice and information, the provision of which would not be unreasonably burdensome to the agency. *Such information could include sending the Administrator requested documentary material from agency files, summaries of meetings, notice of outside contracts* [sic; should read "contacts"], *and other data.* This additional notice and information may be requested *when the Administrator deems it necessary in order to facilitate his participation under Section 7.* "Under both section 9(a) and	**D. [Note, especially, the false premises in the sponsors' views, which we put in italics in the first column. These premises were proven wrong in the previous portions of this comparison.]** **1. The Majority Views are correct;** **2. S. 707 does not reflect the intent of its sponsors;** **3. The Majority Report on S. 707 does not reflect the intent of its sponsors;** **4. S. 707 is in need of major revision to conform it to the intent of its sponsors.**

Footnotes at end of article.

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

II. CPA'S RIGHT IN TRADE NEGOTIATIONS AND OTHER INFORMAL ACTIVITIES—Continued

		(b), agencies in determining when to notify the Administrator, will inevitably be involved in deciding whether an action may substantially affect an interest of consumers. *The Committee expects agencies to construe this language broadly and to resolve doubted cases in favor of notifying the Administrator. Whenever there is any dispute between the Federal agency and the CPA over whether a particular action or type of action may substantially affect the interests of consumers,* the Federal agency shall defer to the CPA's determination."[30] [Emphasis added.]	
E. "The example [concerning Secretary Kissinger's recent negotiations in the middle east] cited by the minority views *perfectly illustrates the need for all the restrictions described above, in some trade matters affecting both national security and substantial consumer interests.* "The country's recent experience with the energy crisis has dramatically illustrated the importance of imported oil. Senator Church's Subcommittee on Multinational Corporations has determined, on the basis of extensive hearings that the skyrocketing costs of imported oil since 1971 was in large part due to the *State Department's failure to take an active and informed part in negotiations between oil companies and the Arab exporting countries.* * * * "*Sections 135 (c) and (d) of the House-passed trade bill* presently pending before the Senate (H.R. 10710) would permit the President to establish special advisory committees representing sectors of industry, labor, or agriculture, *but not consumers.* These advisory committees would meet 'before and during any trade negotiations' to provide policy and technical advise on the negotiations. *The access S. 707 provides the CPA on behalf of consumers is less than the right these other interests would thus have under the trade bill to participate on a continuing basis in trade negotiations.* "The CPA will not be able to dictate this country's trade policies, let alone its overall foreign policy. Yet recent history has conclusively proven the need for greater participation of consumers in this area."[31] (Emphasis added.)	E. [Note that the sponsors *agree* with the Minority Views that negotiations by high-level officials such as the Secretary of State (and presumably even the President) are subject to intrusion by the CPA if the CPA makes its unchallengeable determination that substantial consumer interests are at stake—whether or not substantial national security interests are also at stake.] "There can be no doubt that these negotiations [by Secretary Kissinger] may substantially affect the interests of consumers in this country, and the fact that these negotiations may involve other, overriding factors of the public's interest in national security is irrelevant under this bill. The CPA cannot under any circumstances be stopped from participating in these negotiations."[32]	E. [The sponsors cite H.R. 10710, the House-passed trade bill and draw the conclusion that the ad hoc advisory committee which *might* be created thereunder would have more access to negotiations as of "right" than the CPA. The sponsors also state that H.R. 10710 does not specifically provide for establishment of an ad hoc special advisory committee for consumers, but they overlooked the provisions of § 135(b) which provide for a *permanent* Advisory Committee which is to be composed of "representatives of government, labor, industry, agriculture, *consumer interests, and the general public.*" [Emphasis added.]	E. [Note that the special advisory committees which *might be created* under H.R. 10710 have absolutely *no* rights; if the sponsors intend that the CPA have "less" access to Federal activities than these committees (as their views in column one suggest), perhaps we can agree and draft proper language patterned after the provisions of H.R. 10710 cited favorably by the sponsors.]
		H.R. 10710 §§ 135 (c) and (d): "(c) In addition to the Committee established under subsection (b), the President shall, on his own initiative or at the request of organizations in a particular product sector, establish such industry, labor, or agricultural advisory committees *as he (the President) determines to be necessary* for any trade negotiations referred to in section 101 or 102. Such committees shall, so far as practicable, be representative of all industry, labor, or agricultural interests in the sector concerned. In organizing such committees the President, acting through the Special Representative for Trade Negotiations and the Secretary of Commerce, Labor, or Agriculture, as appropriate, (1) shall consult with interested private organizations, and (2) shall take into account such factors as patterns of actual and potential competition between United States industry and agriculture and foreign enterprise in international trade, the charter of the nontariff barriers and other distortions affecting such competition, the necessity for reasonable limits on the number of such product sector advisory committees, the necessity that each committee be reasonably limited in size, and that the product lines covered by each committee be reasonably related. "(d) Committees established pursuant to subsection (c) shall meet at *the call of the Special Representative for Trade Negotiations,* before and during any trade negotiations, to provide the following: (1) policy *advice* on negotiations;	Thus, 1. The Minority Views are correct; 2. S. 707 does not reflect the intent of its sponsors; 3. The Majority Report on S. 707 does not reflect the intent of its sponsors; 4. S. 707 is in need of major revision to conform it to the intent of its sponsors.

Footnotes at end of article.

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

II. CPA'S RIGHT IN TRADE NEGOTIATIONS AND OTHER INFORMAL ACTIVITIES—Continued

		(2) technical *advice* and information on negotiations on particular products both domestic and foreign; and (3) *advice* on other factors relevant to positions of the United States in trade negotiations."	

III. CPA STATUS IN AGENCY ADJUDICATIONS OF VIOLATIONS OF LAW

A. "The minority views suggest this legislation would deny due process to other parties to the agency proceeding because it would subject them to 'dual prosecutors.' This not so. [sic] **"At the outset it should be noted that use of the word "prosecutor" incorrectly suggests that the proceedings in which the CPA will intervene are criminal proceedings. This is not so. Proceedings before Federal agencies are not criminal trials."** [33]	A. "Moving from the informal to the more formal agency proceedings in which the CPA is given extraordinary rights to advocate its special interests in public interest forums, let us again just focus on *one area—adjudications of alleged violations of law by Federal agencies.* "An example of such a proceeding most often cited by proponents of a CPA is found in the Federal Trade Commission: The FTC's proceedings to determine whether a deceptive act or practice has been committed in violation of the Federal Trade Commission Act. Under that Act, Congress has delegated to the FTC quasi-judicial powers to adjudicate such violations because such adjudications take a special form of expertise which would more efficiently be handled administratively than in a court of general jurisdiction. "This is a proceeding subject to 5 U.S.C. 554, and, therefore, one in which the *CPA may, as of unchallengeable right, intervene as a party* to represent consumer interests under subsection 7(a) of S. 707. "The FTC has consistently refused to all consumerists the right to intervene as full parties in such adjudications, and is on record in a letter to Senator Allen during the last Congress as not being able to support such an extraordinary right in its adjudications. Why this is such an extraordinary power might not be readily apparent to those who are unfamiliar with this type of adjudication and the rights of a party in it. "These adjudications, as are all formal agency adjudications subject to the Administrative Procedure Act, are required to be mini-trials conducted with a record of the proceeding and decided upon the basis of evidence contained in that record. This is to preserve the due process rights of the party charged with the alleged violation.[34]	A. [Although the term "prosecution" is often used in connection with criminal trials, *Black's Law Dictionary* (4th Revised ed.) points out that, "The term is also frequently used respecting civil litigation (citing), and includes each step in action from its commencement to its final determination (citing)." "In FTC adjudications of violations of law, the agency, its friend, its critics and those who practice before it commonly refer to its Complaint Counsels as prosecutors—and, indeed, that is what they are; they are enforcement officials in an enforcement action. The only difference between their actions and those of another Government attorney in a criminal case is the nature of the penalty. There can be no doubt, in addition, that important due process rights are at stake and significant penalties may be imposed as a result of an FTC adjudication of violations of law. In fact, the legislative history of the CPA bill is rife with references to the FTC's "prosecutions"—by, for just two examples, (1) FTC officials when they last testified, in the House during the 91st Congress (and by the Congressmen holding the hearing), and by Ralph Naders's associates in the so-called "Nader Report on the FTC" which appears in our hearings record for that same Congress. In addition, the terms "prosecute" and "prosecutor" are frequently used in other agency civil actions, such as, for example, the Civil Aeronautics Board attorney who acts as a "prosecutor" in license revocation proceedings. See *Lee* v. *CAB*, 225 F. 2d 950 (D.C. Cir. 1955).]	**A. The Minority Views are correct.**
B. "The bill provides that the CPA cannot intervene as a full party *unless* the Administrator finds he cannot adequately protect the interests of consumers by means short of such full intervention. In short, there is always a presumption against the CPA's need to intervene as a party—section 7(a). The CPA could not meet this requirement if its intervention was solely for the purpose of repeating evidence already introduced into the case. *Intervention will only occur when necessary to introduce evidence that would not otherwise be intro-*	B. "Neither competitors of the respondent nor consumers of his products or services have a right to appear as a party, although they may be allowed to intervene at certain levels as limited intervenors for a particular evidentiary purpose, or as amicus curiae. * * * "The FTC staff, through its Complaint Counsel, prosecutes its charge with use of these powers [cross-examination, subpena, introduction of witnesses, etc.]	B. *S. 707 § 7(a)*: "Whenever the [CPA] Administrator determines that the result of any Federal agency proceeding [here are described the formalized proceedings covered, including FTC adjudications of alleged violations] may substantially affect the interests of consumrs, he may intervene *as of right as a party* or otherwise participate for the purpose of representing the interests of consumers in such proceeding. The Administrator shall comply with agency statutes and *rules of*	**B. Thus,** **1. The Minority Views are correct;** **2. S. 707 does not reflect the intent of its sponsors;** **3. The Majority Report on S. 707 does not reflect the intent of its sponsors;** **4. S. 707 is in need of major revision to conform it to the intent of its sponsors.**

Footnote at end of article.

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

III. CPA STATUS IN AGENCY ADJUDICATIONS OF VIOLATIONS OF LAW—continued

***duced.* Section 7(a) also specifies that when the CPA intervenes it will be *subject to all the agency's rules governing the conduct of hearings.* The CPA will not in any way be able to burden the record of the respondent by introducing evidence which is repetitive or cumulative or irrelevant to the issues at stake in the proceedings. If the CPA tries, the agency or the court will prohibit it as just that.**	and the respondent has an equal opportunity to defend. Under subsection 7(a) of this bill, the CPA could enter such a proceeding as of right, as a full party—the FTC could not throw the CPA out or downgrade its intervention status, no matter who complained.	*procedure of general applicability governing* (1) intervention or participation in such proceeding and (2) the conduct of such proceeding. In any such proceeding, the Administrator *shall refrain from intervening as a party, unless he determines that such intervention is necessary to represent adequately* an interest of consumers. The intervention of the Administrator in any such proceeding shall not affect the obligation of the Federal agency conducting such proceeding to assure procedural fairness to all parties thereto." [Emphasis added.]
"Section 7(a) states that the CPA's intervention in any proceedings may not *affect the obligation of the Federal agency to assure procedural fairness to all parties.* This represents a specific charge to all agencies to in fact make sure that CPA's participation in a proceeding does not impinge upon the due process rights of another party." [illegible]	* * * "The real probability . . . is that the CPA will intervene on the side of the FTC prosecutor as *another* full party-prosecutor—whether or not the FTC prosecutor thought this was a good idea. "Now, consider what happens once the CPA orders the FTC to let it in as a dual prosecutor: To the extent that the CPA follows a line of prosecution identical to that of the FTC prosecutor, we have useless, expensive and delaying duplication; to the extent that the CPA's line of prosecution diverges from that of the FTC, we have an outsider not only usurping FTC's congressionally mandated responsibility, but subjecting a citizen (as of yet innocent) to conflicting prosecutions. Very serious due process questions are raised when two prosecutors see who can outprosecute whom.	*S. 707 § 7(c): "Each* Federal agency shall review its *rules of procedure of general applicability,* and, after consultation with the [CPA] Administrator, *issue any additional rules which may be necessary to provide for the Administrator's orderly intervention or participation in accordance with this section,* in its proceedings and activities which may substantially affect the interest of consumers. Such additional rules shall be published in proposed and final form in the Federal Register." [Emphasis added.]
	"There is a hortatory clause in subsection 7(a) which proponents rely on to assure us that the CPA will rarely intervene as a party. It says that the CPA shall refrain from intervening as a party, *unless* the CPA determines it is necessary to intervene as a party to represent consumers. This is not only meaningless, it is misleading when offered to calm the business community, because an even more insidious power relative to this point is contained in a later advocacy provision. [§ 7(e), discussed below.] * * * "In addition, there is a reference to the fact that a forum agency will issue only orders which are 'appropriate' with respect to its rules of practice and procedure. On first glance, one would think that this would give the forum agency some additional discretion in the matter to prevent abuse; but on closer examination of this subsection, one will find that such rules of practice and procedure by a forum agency must be 'consistent with subsection (c) of this section' 7 of the bill. "A look at subsection 7(c) will show that proponents of an overreaching CPA need not worry about the CPA's not having more rights than anybody else in any formalized proceeding. This subsection (c) requires each Federal	*Majority report on S. 707:* "As a condition to exercising his rights under section 7 the [CPA] Administrator must determine that the result of a Federal agency proceeding or activity may substantially affect the interests of consumers. It is expected that the Administrator will *construe this language broadly, affording himself an opportunity to present his views to the decision-making agency.* * * * "A host agency *could not,* for example, apply a flat rule against intervention by third parties [as, apparently, the FTC at least does in practice now] or against participation of any kind by anyone other than a party to exclude intervention or participation by the [CPA] Administrator. *If such a rule existed, it would be inconsistent with the provisions of this bill.* [That is, no agency rules will be allowed if they are inconsistent with the extraordinary powers conferred upon the CPA.] * * * "Subsection 7(c) provides that each agency shall review its general rules of procedure in consultation with the Administrator and shall issue such additional rules as may be necessary to provide for orderly intervention or

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DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

III. CPA STATUS IN AGENCY ADJUDICATIONS OF VIOLATIONS OF LAW—continued

	agency, as soon as this bill is enacted, to rewrite its rules of practice and procedure in consultation with the CPA. "What is the purpose of such a massive rewriting of all agency rules of advocacy? The answer is also found in subsection 7(c): 'to provide for the [CPA] Administrator's orderly intervention or participation in accordance with this section that is, in accordance with the unprecedented powers in section 7. So much for the myth that advocacy will be as usual in all federal agencies, with nothing being changed by this bill.[36]	participation by the Administrator. This should include rules governing the Administrator's discovery rights in accordance with Subsection (e). It is recognized that some Federal agencies may wish to operate under more specific rules of procedure to govern the Administrator's intervention or participation. *These rules* may elaborate the standards under Subsection 7(a) and (b), and they may facilitate implementation of the Administrator's rights, but they *may not limit these rights in a manner inconsistent with Section 7 (a) and (b)*, or in derogation of these rights of other parties of interest. "The subsection is intended to *direct* the Federal agencies to work out with the Administrator the most efficient means of structuring the Administrator's intervention or participation. It can also serve to adapt the CPA's involvement to the respective practices and procedures of each Federal agency." [37] [Emphasis added.] [The provision in § 7(a) relating to assuring procedural fairness to all parties upon which the sponsors now put heavy reliance is not even mentioned in the Report. Perhaps this is because it may wreak havoc when viewed in light of the CPA's powers.—Must a forum agency give *all* parties the same rights as the CPA or even allow in new parties representing consumers who have a different view than the CPA?]	
C. "Section 7(e) states that when the CPA participates in agency proceedings it may only summon such witnesses, and only obtain such discovery, as are appropriate *under the agency's rules of practice and procedure* and consistent with the Administrator's rights to participate in an orderly fashion in the proceedings. The CPA's requests for discovery against *other parties* to the proceedings will thus be subject to the same rules concerning relevance, burdensomeness, and the like as any *other party*. In addition, the agency may reject the CPA's discovery request, whenever the request would unduly interfere with the agency's discharge of its own statutory responsibilities.	C. "Under subsection 7(e) the CPA can achieve many of the important rights of a party without intervening as a party and subjecting itself to like powers by an opposing party. This well-camouflaged provision would grant the CPA the power order a forum agency such as the FTC to, in turn, issue orders with respect to the summoning of witnesses, production and copying of papers and books of a party or witness and to issue interrogatories which must be answered by a party. "Thus, the CPA could intervene as an amicus curiae, insulated from examination by an opposing party, and force the FTC to proceed down a line of prosecution to the CPA's liking. A prosecutor's dream.	C. *S. 707 § 7(e)*: "In any Federal agency proceeding or activity in which he is intervening or participating, the Administrator is authorized to request the Federal agency to issue such orders as are appropriate under the agency's rules of practice and procedure *consistent with subsection* (c) of this section with respect to the summoning of witnesses, copying of documents, papers, and records, production of books and papers, and submission of information in writing. Such Federal agency *shall issue such orders unless* it reasonably determines that any such order requested is not relevant to the matter at issue, would be unnecessarily burdensome to the person specified, or would unduly interfere with such Federal agency's discharge of its own statutory responsibilities." [Emphasis added.]	C. [Note that no other person or agency has ever been granted such sweeping rights, and that the sponsors, in their views in the first column, equate the CPA's non-party status with party status—this is because, under the bill, the CPA will have the rights of a party but not the responsibilities.]
"The CPA will be fully subject to all procedural rules protecting the rights of *other parties*. Therefore, when it participates in an agency proceeding as less than a full party, it will be subject to the same disadvantages as any other person participating in the proceeding to the same degree. The *CPA could not, as the minority views suggest, intervene as an amicus, 'insulated from examination by an opposing party, and force the FTC to proceed down a line of prosecution to the CPA's liking.'* *"If the CPA only participated in an amicus status, it could not introduce evidence into the record. All it could do would be to present briefs and other argument*	"Subsection 7(e) would allow the forum agency only the same amount of discretion to refuse such a CPA demand for party powers as the forum would have in relation to actual parties, themselves. That is, there is no added protection against unfairness or disruption, merely the general rules as to relevancy, burdensomeness and the like which, under the Administrative Procedure Act, apply to all real parties when they attempt to seek greater discovery." [39]	[Note that the referenced rules of procedure under subsection (c) are those, discussed above, which all Federal agencies must issue to conform their rules to the unprecedented rights of the CPA.]	Thus, 1. The Minority Views are correct; 2. S. 707 does not reflect the intent of its sponsors; 3. The Majority Report on S. 707 does not reflect the intent of its sponsors; 4. S. 707 is in need of major revision to conform it to the intent of its sponsors.

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DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

III. CPA STATUS IN AGENCY ADJUDICATIONS OF VIOLATIONS OF LAW—continued

which, untested by cross-examination, would not be admitted into the record as evidence. Even if the CPA were permitted to cross-examine parties as an amicus, it could only pursue matters raised during the witness's direct testimony. It would be unable on cross-examination to force an agency to proceed down a new line of prosecution." [39] [Emphasis added.]		*Majority Report on S. 707:* "The language in Section 7(a) is intended to allow the [CPA] Administrator *full discretion* to participate in *any* manner short of full party status, *including participation as an amicus curiae* or participation as a party for limited purposes. The choice of the manned *and extent* of participation is the [CPA] Administrator's. * * * "The Committee's formulation does not require the [CPA] Administrator to be a party before being allowed to have discovery. * * * "Because the [CPA] Administrator has authority to use discovery where *he is not a full party* or where the proceedings are *still informal,* authority to use the discovery authority is limited. The Administrator is not entitled to discovery if a Federal agency determines that the request (i) is not relevant to the matter at issue, (ii) is unnecessarily burdensome to the person to whom the request is issued, or (iii) would unduly interfere with the conduct of the agency proceeding or activity. "The Federal agency should deny CPA's discovery request on the grounds of burdensomeness *only where the request is so obviously going to be burdensome to the recipient that a court is virtually certain to strike it down. Whenever there is doubt, however, as to whether or not the request is unduly burdensome, the host agency's threshold determination should be resolved in favor of granting CPA's discovery request."* [39a] [Emphasis added.] *Commerce committee report on identical provision of S. 707:* "The extent of discovery [under § 7(e)] is dependent upon the extent of the Federal agency's statutory power (e.g., *in proceedings before the FTC, discovery could be extensive,* . . . The extent of the CPA in discovery would be the same as any other party [Comment: even though the CPA is not a party with party responsibilities] . . . . * * * "The authority granted to the [CPA] Administrator by this section [7(e)] is similar to the authority granted to any *party* [Comment: even though the CPA is not a party with party responsibilities] by the Administrative Procedure Act (5 U.S.C. 554(d)]. * * * *Nor, in a formal proceeding, must the [CPA] Administrator become a full party in order to utilize discovery."* [40] [Emphasis added.]	

IV. CPA'S RIGHT TO JUDICIAL REVIEW—continued

A. "The minority views suggest that the right the CPA will have to participate in court actions reviewing Federal agency actions will have a disastrous effect upon public policymaking as mandated by Congress. *Both the present bill, and past precedents are proof that this will not happen."* [41] [Thereafter follow ten arguments and a summary (which is not supported by the arguments). Only one of the arguments and the summary are material to the concerns expressed in the Minority Views; these follow.]	A. "Under section 8 of this bill, the CPA would be granted legislative standing as an expert agency to challenge in court the final decisions of its sister expert agencies. The significance of legislative standing is this: heretofore, the courts generally determined, based upon the facts and law in each case, whether a party bringing a suit was the proper party to bring it.	A. S. 707 § 8(a): "The [CPA] Administrator shall *have standing* to obtain, in the manner prescribed by law, judicial review of *any* Federal agency action reviewable under law. [This is the *only* authority in the entire bill in reference to CPA initiation of judicial review where the CPA participated in the agency action below; the remainder of this provision applies to CPA intervention in a court case initiated by others; there is no limitation of this authority anywhere in the bill; nor are there powers or	A. Thus, 1. The Minority Views are correct; 2. S. 707 does not reflect the intent of its sponsors; 3. S. 707 is in need of major revisions to conform it to the intent of its sponsors.

Third, the CPA can only institute or participate in review of Federal agency proceedings if the Administrator determines that such action substantially affects the interests of consumers. *If the court finds that this determination is without basis, the CPA will be denied the right to institute or participate in the court proceedings.*

* * * In summary, section 8 does *not permit the CPA to appeal a decision on any grounds, nor is the CPA's finding that the matter involved in the court proceedings substantially affects the interests of consumers nonreviewable, nor does the section change "the standard of review" of Federal actions.*[43] [Emphasis added.]

* * * "Turning to that subsection 8(a), we note that it contains what is either a drafting error or another attempt to usurp power. This subsection grants to the CPA a right to appeal any "action" of any agency. ("Action," by the way, includes failure to act under subsection 4 (3).) *Yet, this subsection does not require that the CPA's appeal be in relation to an action which would adversely affect consumer. That is, subsection 8(a), if taken literally, grants the CPA power to appeal a decision on any grounds.*

"This subsection 8(a) quite clearly provides that, "The [CPA] Administrator shall have standing to obtain, in the manner prescribed by law, judicial review of any agency action reviewable under law." Grounds for such review are not mentioned anywhere in the bill.

"A provision in a later subsection *adds to the confusion but does indicate that this sweeping grant in subsection 8(a) was not intended.* Subsection 14(g), requires the CPA, upon appealing, to issue a public statement in which it sets forth the consumer interest it intends to represent in court. *Perhaps it was intended that this later provision applying to an extra-judicial duty would modify the clear right of the CPA in judicial proceedings.*

"More significantly at this point, perhaps it is worthy to remember that the definition of "interest of consumer" is broad enough to cover virtually anything which might be affected by a Government decision, and, of course, whatever the CPA says is an interest of consumers would be, as a matter of law if this bill is enacted, an interest of consumers."

"Considering the scope of the CPA's jurisdiction and its rights to interpret its own jurisdiction, this is the most far-reaching right to judicial review ever conceived by Congress, stripping the courts of any shred of discretion to control their own calendars.

"This power will not only change the standards of review of Federal actions (although not the scope), it will place a confusing and confounding burden upon our Federal courts, a burden which can only result in the courts making public policy contrary to the very essence of American administrative law.

"In practical terms, the courts will be faced with two congressionally-ordained expert agencies; one agency being mandated to balance all special interests and come to a final decision on the basis of the public interest, and another agency challenging that public interest decision on the basis of its explicit right to seek judicial review of such decision under which a court could throw the CPA out on any grounds if the CPA has filed its appeal on time and followed other procedural rules and if the agency action were reviewable by anyone.]"

Majority report on S. 707: [There is nothing in the Majority Reports' explanation of § 8(a) pertaining to CPA initiation of judicial review where the CPA participated below, except a gratuitous statement that the actions appealed will be ones which "may substantially affect the interest [sic] of consumers."[44] There is no substantiation for this statement, except for the fact that it is the CPA (and not the court) who makes that determination initially below when it intervened in the agency action.]

Footnotes at end of article.

	sions as a representative of a special interest. "The Chenery case, mentioned above (and still the law until this incomprehensive bill is enacted), held, in pertinent part, that the courts cannot disturb a final decision of an administrative agency where— It is the product of administrative experience, appreciation of the complexities of the problem, realization of the statutory policies, and responsible treatment of the uncontested facts. It is the type of judgment which administrative agencies are best equipped to make and which justifies the use of the administrative process * * *. Whether we agree or disagree with the result reached, it is an allowable judgment which we cannot disturb.[43]	
B. "The minority views also suggest that the provision will place a "confusing and confounding burden upon our Federal courts." These fears are unfounded.	B. "If one recognized expert [agency] says in court that another recognized expert [agency] did not give the proper or sufficient weight to the evidence presented in an administrative hearing, it is elemental that the court, on review, must go through all of the evidence and assign its *own* values to the evidence, perhaps even coming up with a decision that neither expert agency agrees with.	B. In addition there is another unsupported statement which appears in the discussion of § 8(b) concerning judicial review of actions where the CPA did not appear below, but it may show intent as to the whole section. This statement says that the standard of review will not change.[45] This is wishful thinking; [except where indicated, none of these arguments are subject to a definite "right" or "wrong", but all the remaining arguments of the sponsors in this Section IV should be read together, and then the question asked: "Why, then, should we want to give the CPA judicial review power, if the CPA will hardly ever use it and, when it does, it will hardly ever succeed?"]
"Opponents of this bill fear that a court would be forced to choose between the arguments of two Federal agencies, each with an equal claim to expertise on the same matter. This will not be the case. When the CPA participates in a review of an agency proceedings it will appear as an advocate for a particular point of view. As such it will be in the posture of any other advocate, for the CPA is granted no authority by this bill to make any decision as to how the interests of consumers should be weighed with other interests, and the final agency decision reached. Only the Federal agency charged with responsibility for acting in the public interest can do that. Thus, that agency's claim to expertise will be far more relevant, and much more determinative, with respect to the lawfulness of its final decision, than any expertise the CPA may claim."[46]	* * * "Consider the problem in relation to NEPA, as Judge [Henry J.] Friendly makes it clear: 'A court cannot decide whether an agency gave sufficient weight to environmental factors without making up its own mind what would be sufficient weight. This involves each judge's making his own value judgment, and these will differ in accordance with his particular tastes.' "[47] [Chief Judge, USCA, 2d Cir.]	Without reading the cited FPC decision, one wonders how it falls within "those few instances when the agency's action [being appealed by CPA] does raise a significant point of *law*" which we are supposed to assume will be the only ones the CPA challenges.
C. "This legislation will not significantly increase the caseload of Federal courts. Other parties to an agency decision can be counted on to appeal most agency decisions raising substantial questions suitable for resolution by the courts. In many, if not most, cases, the CPA will simply intervene in court cases already brought by other parties to the proceedings. Most of those cases not appealed by another party will not be appealed by the CPA because of the unlikelihood of the CPA reversing a decision which none of the other parties thought worth appealing.	C. "There are those who predict that the CPA will not appeal many final agency decisions. The only reason for supposing such a prediction to be true would be that the CPA has enough power, including the threat of suit, to coerce any other agency into acting in accord with the CPA's views. Otherwise, the CPA's initial determination would be a shallow fraud. "That is, when the CPA intrudes into a proceeding being conducted by another agency, it must make a determination that that proceeding 'may substantially affect the interest of con-	

The bill permits the CPA to institute action on its own, to take care of those few instances when the agency's action does raise a significant point of law, but the other parties do not appeal because the agency decision was favorable to them, though not to consumers. For instances in a recent FPC decision—Opinion No. 686—a majority of the Commission approved, on an expedited basis, an application of certain producers to sell gas to a pipeline at a price determined by the parties. In a dissenting opinion, Chairman Nassikas attacked the majority's approval of the rate proposed by the parties "as a travesty of justice." He lamented the fact that since the parties obtained all they had sought, there was no one who could appeal in court the Commission's actions. The CPA could fill this gap." [48]	sumers' (sec. 7(a)), and it must issue a public statement to this effect in which the CPA sets forth the substantial interest of consumers it is going to represent (sec. 14(g)). "Having done all that as the publicized champion of the consumer, does anyone seriously believe that a decision by the forum agency with which the CPA has publicly disagreed will be left unchallenged? Does anybody believe this extraordinary and overreaching judicial review right is going to go abegging in the hands of a Washington bureaucrat, especially one with his reputation on the line?" [49]	
D. "Third. The minority views suggest that this legislation will spawn great numbers of court suits because the National Environmental Policy Act did so. This overlooks the difference between the two bills. The Consumer Protection Agency Act gives the CPA—and by the express terms of section 14 only the CPA—the authority to enforce in court its right to participate in proceedings, obtain discovery, and so forth. This bill creates no new general right of review. Only agency proceedings that were reviewable before will be reviewable under the act, and only to the same extent. In contrast, *the NEPA legislation placed a new imposition on every agency in the Government—the environmental impact statement—and made it possible for any person interested in environmental protection to make this the basis of a suit in Federal court.*" [50] [Emphasis added.]	D. "Santayana observed that those who are disposed to ignore history must be prepared to repeat it. Yet, we have heard these two soothing but erroneous arguments before—*few suits will be brought*, and most of these will be won by existing agencies. We heard them in debate on the National Environmental Policy Act which has many striking parallels to this CPA legislation. "In relation to these two soothing arguments which we are hearing now again, consider the recent remarks by one of the leading jurists in this country and an acknowledged expert and scholar on administrative law, Henry J. Friendly, Chief Judge of the U.S. Court of Appeals for the Second Circuit. On the subject of congressional omniscience about litigation he states: 'One must wonder whether the framers of the seemingly simple formulation [in NEPA] that any Federal agency which proposes any action that "would have a significant effect upon the quality of the human environment" must prepare an impact statement, could have remotely conceived the volume of litigation it would spawn. In practical effect it has come to mean that any proposed federal action having a conceivable effect on the environment will become the subject of a suit, whether successful or not.' [51] [Emphasis added.]	**D. To paraphrase the emphasized sponsors' statement in column one: "the CPA legislation placed a new imposition on every agency in the Government—change your rules of practice to allow for extraordinary intervention (§§ 7(c) plus 7 (a), (b), and (e) by a CPA who determines what is in the interests of consumers in your proceedings—and made it possible for the CPA to make this the basis of a suit in Federal court (§§ 8, 14(e)).**
E. Fourth. The proven difficulty of overturning an *agency* decision on appeal should further guarantee that the CPA will not flood the courts with appeals from agency actions. *To challenge successfully an agency action, the CPA would have to show that the decision was unsupported by substantial evidence in the record as a whole.* (See the Administrative Procedures Act, 5 USC 709; Davis,	E. "We also fail to recognize any merit in the argument that the forum agency will always win such court fights. This argument does not recognize the fact that the CPA is to be a congressionally ordained expert *agency* fighting another Congressionally ordained expert *agency* in an embarrassing U.S. v. U.S. court battle to determine who speaks for the Government.	**E. 1. There is no "5 U.S.C. 709," and the sponsors misstate the law pertaining to scope of review, see 5 U.S.C. 706, reprinted above under I B, there are many other grounds upon which a reversal may be based besides the substantial evidence test.** **2. The sponsors keep forgetting we are talking about a Federal *agency*, the CPA, which is deemed an *expert* by this bill (and which**

Footnotes at end of article.

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

IV. CPA'S RIGHT TO JUDICIAL REVIEW—Continued

Administrative Law Text, section 29.01 et seq. (1972). Agency decisions are in fact accorded great deference. The difficulty of overturning *agency decisions* is borne out by the record. The facts indicate that the agency wins well over 90 percent of the cases appealed.		has other duties besides advocacy). If, for example, the FTC another expert consumer protection agency says that a certain act is *not* deceptive (just for an example let's say putting marbles in the bottom of soup dishes to show ingredients during a TV commercial, even the FTC prohibited this practice), and the CPA says it *is* deceptive, the question turns on subjective evaluations—which must be made *by a judge* if the CPA appeals.
For instance, **(citing data for appeals of FTC and CAB decisions, none of which apparently were appeals brought by another agency)**. Thus, the mere threat that CPA may take an agency into court will not give the CPA, even when combined with its other authority, the power to "coerce" any other agency into acting in accord with the CPA's views. The CPA will surely be aware of this record of court affirmations of agency actions *and appeal only those rare cases not appealed by other parties which raise substantial and important questions about the lawfulness of the agency's actions. Of course, the bill's provision may well result in some undetermined number of additional agency actions being reversed in court*. But that is hardly an argument against the bill. If the host agency acts unlawfully, the decision should be reversed.[52] [Emphasis added.]	"No matter who wins a U.S. v. U.S. suit, the Government, by definition, always loses and the courts always find these suits among the most burdensome and difficult. This is so because they have to substitute their judgment where it was never intended to be substituted, or they have to remand and, thereby, cause great delay with no guarantee that another appeal would not be taken from the subsequent agency action." * * * "If one recognized expert [agency] says in court that another recognized expert [agency] did not give the proper or sufficient weight to the evidence presented in an administrative hearing, it is elemental that the court, on review, must go through all of the evidence and assign its *own* values to the evidence, perhaps even coming up with a decision that neither expert agency agrees with."[53]	3. Note that the sponsors admit that there will be an increase in court cases and that they have no idea as to what that increase will amount to.
F. "Fifth. The American Bar Association after thorough study of the question, has concluded that permitting the CPA to seek judicial review of final agency decisions causes no legal or practical problem. The ABA concluded that:	F. "There are two additional arguments made by proponents of S. 707, arguments which are spurious, but not clearly so upon first examination. The first is that Federal agencies, right now in some instances, can take a sister agency to court for a judicial review of its final decision. What these proponents always fail to point out is that (a) *it is a rare occurrence, and (b) it only happens between agencies which have regulatory or proprietary congressional mandates which are in conflict. The CPA has no such mandates.*	F. This argument and other recent implications of American Bar Association support for this bill (even from a certain few within the ABA) are gross distortions of the facts. *Indeed, if we are to rely on this 1972 ABA study and its accompanying resolution, the only conclusion possible is that the ABA opposes S. 707 as now drafted and the study cited supports the Minority Views.*
'Interagency litigation over the validity of administrative action has been commonplace since the early days of the administrative process; that *no new problems, whether doctrinal or practical* are presented by the proposal to give the Consumer Protection Agency the right to initiate or intervene in proceedings for judicial review of other agencies' actions, and that the *feasibility and desireability of inter-agency litigation should accordingly be recognized in this statutory context as well.* (Emphasis added.) (See Congressional Record, September 21, 1972, vol. 118, pt. 24, p. 31774 et seq.)' "This study notes that established principles of law permit Federal agencies to seek judicial review of the decision of another agency, even where there was no specific statutory provision authorizing it, and *even where the proprietary interests of an agency are not involved.*	"The courts are the proper place to resolve a conflict in duties imposed by Congress upon two different agencies. For example, the Justice Department was given authority to prevent anti-competitive mergers, and the Federal Home Loan Bank Board was given authority to approve mergers. It is one thing for the Justice Department to challenge such an FHLB-approved merger in court; it is entirely another thing for the CPA, a nonregulatory agency, challenge such a merger where the Justice Department has failed to do so. The CPA is to be a gadfly with no substantive duties or responsibilities.	*Here are the facts:* 1. After *reconsidering* a similar statement of support because the Solicitor General of the United States raised serious objections, the ABA house of delegates adopted, in August of 1972, a resolution based upon a "report" (the sponsors' "study") of the Administrative Law Section, which, in turn, was based upon an interim report of the Consumer Protection Committee of that section. 2. That 1972 resolution stated that the ABA *"supports in principle* the enactment of Title II of H.R. 10835, 92d Congress., 1st Sess. ("The Consumer Protection Act of 1971'), *as passed by the House of Representatives on October 14, 1971;"*[54] [Emphasis added] *with two reservations.* 3. Before getting into the reservations, several things be noted first— (a) This is the *only* action of the ABA on this bill

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

IV. CPA'S RIGHT TO JUDICIAL REVIEW—Continued

"The minority views suggest that when such instances have occurred in the past it has been different than if the CPA sought judicial review because such suits in the past have involved the conflicting proprietary or regulatory mandates of the two agencies. Yet, the ABA study points out that for years the Secretary of Agriculture, under the Agricultural Adjustment Act of 1938, has been authorized to seek judicial review of decisions reached by the Interstate Commerce Commission where necessary to protect farmers from exorbitant and discriminatory freight rates. In such instances, the Secretary of Agriculture is in exactly the same posture as the CPA. Like the CPA, the Secretary of Agriculture has no direct responsibility for setting interstate freight rates. Like the CPA, the Secretary of Agriculture is participating in such suits solely as an advocate for the interests of consumers of a service which is regulated by another Federal agency.

"The minority views suggest that one agency has only rarely sought judicial review of another agency's action. Yet the study notes that the Secretary of Agriculture 'has repeatedly attacked a wide variety of ICC orders viewed as contrary to the interests of farmers.'[54] [Emphasis added.]

Footnotes at end of article.

* * * "Thus, we shall not know whether any 'final' decision of the Government is realy final until we know whether the Government, through the CPA, is going to appeal itself or seek a further delaying rehearing prior to appealing."[53] [Emphasis added.]

b) Title II of the 1971 House bill, the CPA portion, is the very *same title that Ralph Nader termed a fraud on Consumers* and that the chief CPA advocate in the House, Rep. Benjamin Rosenthal, opposed and *voted against* on the final vote;

c) That CPA title is entirely dissimilar to either S. 707 or the CPA bill which passed the House this Congress;

d) Statements solicited from ABA members to the effect that this 1972 resolution can be interpreted as ABA support for either the text or the principles of S. 707 or the 1974 House bill are without authority and, if made in the ABA's name, a deception—if these lawyers interpreted any other specific legal document in such a cavalier manner, they could be sued for malpractice

4. *The two reservations* in the 1972 ABA specific endorsement of the 1971 House bill include (a) a specific provision on Freedom of Information Act judicial review initiated by the CPA when agencies refuse the public information "that the ABA *recommends* inclusion" of; and (b) *opposition* (*"The ABA opposes . . ."*) to preliminary findings by a court in any CPA initiated review of agency action or CPA intervention in an ongoing judicial review under which the CPA's standing could be questioned.

5. *None* of the CPA bills, including the 1971 House bill, the 1974 House bill *and S. 707,* meets these reservations. There is no such specific Freedom of Information Act provision, and all the bills contain preliminary finding language under which the CPA could be thrown out of court where it had not participated in the agency decisionmaking being challenged. (See, e.g., Sec. 8(b) of S. 707.)

6. The ABA, and its "study" in support of its only resolution, must, if anything, *be opposed* to S. 707 as presently drafted.

7. The Report of the Administrative Law Section accompanying the resolution in favor of the 1971 House bill consists principally of arguments about why these changes are necessary, readers are referred to that report.

8. The "ABA" conclusion which the sponsors quote in column one, is not the ABA conclusion, but that of its Administrative Law Section and is found in that Section's Report, followed by a reference to the Section's Consumer Protection Committee interim report "supporting our conclusion—thus, the "study" relied upon by the sponsors is this interim report.

9. That interim report, which contains the same conclusion, cannot be read to support the conclusion drawn from it or the

arguments advanced by the sponsors of S. 707 in reliance upon it, for the following reasons:

a) The report does not substantiate the statement that "interagency litigation over the validity of administrative action has been *commonplace* since the early days of the Federal administrative process." It supports the opposite conclusion if, by "commonplace," the word "frequent" is meant. [The memorandum shows that such litigation has happened since the early part of this century, but a comparison of the case of interagency litigation cited in the report with the actual members of *all* litigation will show inter-governmental litigation to be a relative rarity.]

b) The report groups together three classes of such inter-agency litigation—(1) where an agency intervenes in an ongoing case in which another agency is present; (2) Where two agencies are already present in court as *codefendants* and (3) where an agency *initiates judicial review* of another agency's action. This last category is the *only* one discussed in the minority views, and the number of examples cited in the survey of this type agency versus agency litigation—13, if we count correctly—since 1914 (the earliest case cited) shows it to be a rarity within a rarity.

c) And, with one exception, *all* of the examples cited in the interim report apply to agencies defending the proprietary or regulatory policy interests *given them by Congress* against another agency exercising conflicting proprietary or regulatory interest given them by Congress—the CPA, as we pointed out in the minority views, has no such mandates. (See second column.)

d) *The exception*, referred to above, involves a suit by one of the experimental new deal CPA-type agencies—agencies which Congress and President Roosevelt let lapse because they were miserable failures; and this we also pointed out in the Minority Views.[56]

e) Actions by the Secretary of Agriculture against ICC-approved freight rates under the AAA of 1938 are in defense of the agency's proprietary interest in billions of dollars loaned annually to farmers which is adversely affected by discriminatory freight rates.

f) Further, as to the USDA having "repeatedly attacked" the ICC since 1938, the "study" endorsed by the sponsors cites only *one* example where the USDA initiated such a suit. It also cites five examples in which USDA intervened in on-going reviews of ICC orders, three of which to side with the Justice Department.

g) And, finally, the "study" endorsed by the sponsors found only *one* statutory precedent of Congress granting one agency explicit authority to (using an apt description in the "study") *attack* decisions of other agencies—the very same 1938 Agricultural Adjustment Act provision.

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

IV. CPA'S RIGHT TO JUDICIAL REVIEW—continued

G. "Sixth. *The minority views are concerned that forcing a Federal district to choose between the arguments of two different Federal courts* (*sic*) *would place a difficult burden on the court.* "But Federal judges are commonly called on to review and master difficult cases where the record is voluminous and the evidence conflicting. *The American Bar Association study of the CPA concluded that having the CPA and another Federal agency vigorously advocating their point of view in court would not make the court's jobs more difficult. Rather, it would help to highlight and develop the issues in the case and promote more informed decisionmaking by the court.* [Emphasis added.] [57]	G. [We are confused by this sixth argument, but it apparently relates to the following material, especially the illustration in support of it at the end.] "The second argument demonstrates an unfortunate insensitivity to one of the basic principles under which this country was founded. It goes like this: If businessmen, environmentalists and consumerists can sue a Federal agency in court, how can we not give the CPA such a power? "Those who make this argument are confusing private rights with public duties—a very dangerous thing to do in this day and age. "The rights of citizens representing their own special interests to challenge a Government action which adversely affects them is a right to be cherished, a measure of the liberty which has made this country great. Extending that right of challenging the Government to the Government itself, such as this bill does, is a mockery of that right which will lend to its erosion and a division of the Government. "We can guard, perfect and expedite the exercise of private rights, but we should never make the mistake of thinking that we do this by letting the Government exercise these same rights either by proxy or predilliction. The Federal Government should concentrate more on doing for citizens what they cannot do for themselves, rather than patronizingly poaching private rights, thereby depleting them. *"To illustrate the point, suppose a bill were introduced to grant any Federal District Court judge the unchallengeable right to intervene in the proceedings of any other District Court for the purpose of protecting the interests of consumers. Now suppose this bill also granted these intervening judges the additional right to appeal to the Court of Appeals any decision of his brother judge, as any adversely affected party could. If Members could not support such a bill, look again at S. 707. It follows the same principle."* [58] [Emphasis added.]	G. The sponsors do not address themselves to this point in the minority views, but instead repeat their first argument citing in support thereof that ABA "study" again. On that last point, and keeping in mind the facts above which show that there is no such *"ABC study,"* it should be noted that the Administrative Law Section's report on this subject contains no such conclusion, and that the Consumer Protection Committee interim report has to be stretched to infer such a conclusion from it.	

V. CPA INFORMATION—GATHERING AND DISCLOSING

A. "Sections 11 and 12 describe in considerable detail the conditions under which the CPA may obtain information from other Federal agencies, or other persons, and the limitations or prohibitions on public disclosure of such information. *The minority views, in criticizing these sections, overlook these safeguards, as well as the distinction made in the bill between the CPA's right to obtain information, and its more limited right to publicly disclose information it has obtained.*[59] [emphasis added.]	A. [The sponsors views are completely erroneous.] "This is indeed a bill full of superlatives, and we shall now discuss another one: Under S. 707, the CPA would have the most far-reaching *information-gathering powers* of any existing Federal agency, bar none. And, when coupled with its broad *powers to disseminate* what it has gathered, the CPA, clearly becomes a threat to privacy. "The CPA is granted authority to compel other agencies and private citizens to *divulge information* that no other agency would even ask for, and then to *publish it*. "Again, we are asked to have faith in this totally independent,	A. [See below, but note that *when convenient*, the sponsors equate the CPA's powers with those of *regulatory* agencies; yet they stoutly refuse to acknowledge that the CPA will, in effect, be a regulatory agency.]	A. 1. The minority views are correct. 2. The sponsors have failed to understand the minority views.

Footnotes at end of article,

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

V. CPA INFORMATION—GATHERING AND DISCLOSING—continued

	unknown future Administrator of the CPA, but we are told he is needed because we cannot trust other bureaucrats. We are assured that he will not use all of the powers granted to him, but we are told that they are so necessary that they cannot be trimmed back." [60] [Emphasis added.]		
B. "The Bill contains a number of safeguards which will assure that the CPA will not be able to go on a fishing expedition or harass businesses with numerous requests for information.	B. "Under subsection 11(a), the CPA is granted general power to gather information. This is done in very broad terms, terms which, according to the Majority Report, allow the CPA to conduct its own product testing in its own laboratories. During the early years of this bill's proposal there was general agreement that such product testing power should not be vested directly within the CPA, and should specifically be prohibited.	B. *CITED POWERS OF REGULATORY AGENCIES: Not one* of the cited "Statutes which confer such additional authority" on regulatory agencies confers the over-reaching general interrogatory authority provided the CPA in Sec. 11(b) of S. 707 (the subject of this argument) and all the powers conferred in these cited provisions upon *regulatory* agencies are available to the CPA in Sec. 7 of S. 707. [The CPA's powers to gain access to information exceed those of every agency listed in this first argument, in fact, to our knowledge, they exceed those of *every regulatory* agency, as well as the Federal Bureau of Investigation, when read within the entire context of the bill.]	B. 1. The minority views are correct. 2. The sponsor's views are either misleading or the bill does not conform to their intent (in which case it should be amended in major respect.)
"First. *The minority views suggest that the CPA's information gathering in section 11(b) is unprecedented in scope. The fact is that the CPA's information gathering powers are far less than those of other Federal agencies.* The CPA may ask business to supply it with information in writing, but so may the Federal Trade Commission (15 U.S.C. 46) *and other Federal regulatory agencies. But the CPA will have no additional power to inspect or copy documents. It will have no power to require any person to appear and testify before the CPA as part of its information-gathering powers.* Many other agencies do have these powers. *Statutes confer such additional authority, for example,* on the Securities Exchange Commission (sic) (15 U.S.C. 77(s)(b) and 77 uuu(a)); the Agriculture Department (7 U.S.C. 2115); the Interstate Commerce Commission (49 U.S.C. 20); the Veterans' Administration (38 U.S.C. 3311); and the Federal Communications Commission (47 U.S.C. 409). This list does not even begin to exhaust the number of such statutes.[61] [Emphasis added.]	"Subsection 11(b) of S. 707 provides the partisan CPA advocate with something no special interest advocate ever had, which no *non-regulatory agency* ever had, which *very few substantive agencies have*—the power to require citizens to file, under oath, reports or answers to questions put to them by the CPA." [62] [Emphasis added.]		
C. "Two. *It has been suggested that the CPA may obtain any information it wants, free of any restrictions.* In fact, section 11(b) of the bill contains a large number of restrictions on the CPA's information-gathering powers: "First. The CPA may *only* request information to the extent required to protect the health or safety of consumers, or to discover consumer fraud or other unconscionable conduct detrimental to the interest of consumers.	C. "Under this provision, the CPA clearly could force businessmen to *divulge* trade secrets, and, indeed, a reading of section 12 of the bill confirms that such was intended. Section 12 authorizes the CPA under certain circumstances, to *disclose* trade secrets to the public—something no other agency may do, to our knowledge.	C. *S. 707 Sec. 11(a) and (b)*: 11(a) The Administrator is authorized to conduct, support, and assist research, studies, plans, investigations, conferences, demonstration projects, and surveys concerning the interest of consumers.	C. 1. The minority views are correct. 2. The other "safeguards" are hardly worthy of that title, as the minority views demonstrate.
"Second. The CPA may only request information from persons engaged in activities which substantially affect interstate commerce and whose activities may substantially affect an interest of consumers. These are significant limitations that will prevent the CPA from requesting information from many companies, espe-	"Under this provision, the CPA might even be more able to force reporters to divulge their sources. Whether or not this was intended, is not clear. However, it is significant that a lawyer from Consumers Union, which publishes the magazine *Consumer Reports*, expressed fear at one of our hearings that such could happen, and	11(b)(1) In exercising the authority under subsection (a) of this section, the Administrator is authorized, to the extent required to protect the health or safety of consumers or to discover consumer fraud or other unconscionable conduct deterimental to an interest of consumers, to obtain data by requiring any person en-	3. [*Note also* that the Majority Report on S. 707 states: *"This act gives a person no right to decline to provide information sought by the CPA on the grounds that such information pertains to trade secrets or is otherwise confidential."* (p. 32; emphasis added).]

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DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

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cially small businesses and almost all individuals. The section will not threaten the rights of individual citizens. "Third. Before requesting any information the CPA must set forth with particularity what consumer interest is involved, and the purpose for which the information is sought.	nothing was changed in this regard. "The subject matter of these information orders from the CPA is 'limited' to whatever information the *CPA considers* is required 'to protect the health or safety of consumers or to discover consumer fraud or other unconscionable conduct detrimental to an interest of consumers.' *In short, the scope of the orders is limited to anything the CPA Administrator wants.*	gaged in a trade, business, or industry which substantially affects interstate commerce and whose activities he determines may substantially affect an interest of consumers, by general or specific order setting forth with particularity the consumer interest involved and the purposes for which the information is sought, to file with him a report or answers in writing to specific questions concerning such activities and other related information.
"Fourth. If the person from whom the information is sought declines to provide the information, the CPA has the burden of proving in court that the information sought concerns the health or safety of consumers or relates to the "discovery of consumer fraud or other unconscionable conduct detrimental to the interest of consumers." It is by no means certain that the CPA will be able to meet its burden on this point. "Fifth. If the CPA meets this burden of proof, the person from whom the information is sought can still refuse the CPA the information if it would be unnecessarily or excessively burdensome to provide it. "Sixth. *A district court is authorized to place whatever conditions it deems just on the CPA's right to collect information from private persons.* "Seventh. The subsection further prohibits CPA from seeking any information from a private person if the same information is already available from a public source, or another Federal agency.	"If a person who is on the wrong end of one of these orders wishes to quash it in court, the Administrator is likely to prevail by merely showing that the information substantially affects health or safety of consumers or falls within the other areas of scope mentioned above, and is relevant to those purposes. *Considering the fact that the CPA is the congressionally-endowed expert in this area, that is hardly a test.* The only other hope of the citizen is that he can prove that answering will be unnecessarily or excessively burdensome; a slight hope." [64] [Emphasis added.]	Nothing in this paragraph shall be construed to authorize the inspection or copying of documents, papers, books, or records, or to compel the attendance of any person. Nor shall anything in this subsection require the disclosure of information which would violate any relationship privileged according to law. Any such reports or answers shall be made under oath, or otherwise as the Administrator may prescribe, and shall be filed with him within such reasonable period as he may prescribe.
"Eight. In addition to the particular protection spelled out in the subsection itself, section 11 (b) also provides that the Federal Report Act will apply to the collection of information by the CPA to the collection of information by the CPA to the same extent as it applies to independent Federal regulatory agencies. This means that any questionnaires the CPA wishes to send to 10 or more businessmen must first be submitted to the General Accounting Office. It will be the GAO's responsibility under 44 U.S.C. 3512, to assure that the CPA obtains needed information with a minimum burden on business enterprises, especially small businesses, and in a way that avoids duplication of effort with other Federal agencies. If the GAO determines that the information sought is available from other Federal sources, the CPA will be prohibited by terms of this bill, and the Federal Reports		Any district court of the United States within the jurisdiction of which such person is found, or has his principal place of business, shall issue an order, on conditions and with such apportionment of costs as it deems just, requiring compliance with a valid order of the Administrator upon petition by the Administrator or on a motion to quash, upon the Administrator's carrying the burden of proving in court that such order is for information that substantially affects the health or safety of consumers or is necessary in the discovery of consumer fraud or other unconscionable conduct detrimental to an interest of consumers, and is relevant to the purposes for which the information is sought, unless the person to whom the interrogatory is addressed shows that answering such interrogatory will be unnecessarily or excessively burdensome. Where applicable, chapter 35 of title 44, United States Code, shall govern requests for reports under this subsection in the manner in which independent Federal regulatory agencies are subject to its provisions

Footnotes at end of article.

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

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Act, from soliciting the information.[63] [Emphasis added.]		(2) The Administrator shall not exercise the authority under paragraph (1) of this subsection if the information sought (A) is available as a matter of public record; (B) can be obtained from another Federal agency pursuant to subsection (c) of this section; or (C) is for use in connection with his intervention in any pending agency proceeding against the person to whom the interrogatory is addressed."	
D. "Third. The CPA cannot use its information-gathering powers under this section in connection with any agency proceeding he has intervened in which is pending against the person from whom the information is sought. It is argued that the CPA should be barred from using any information obtained under this subsection in any subsequent proceedings, but this would only subject private persons to duplicative discovery requests. If this were the law, the CPA in any subsequent proceeding would have to go through the pointless exercise of using the agency's discovery procedures to obtain from the same person, for a second time, the information it already had."[65]	D. "The CPA cannot use information received under this power against the person who supplied it in a *pending* agency proceeding, but it can use the information in a *subsequent* proceeding. Thus, the non-regulatory CPA can have regulatory power by proxy—it can force information out of a businessman, present that information to a regulatory agency, demand a proceeding against the person (and appeal any decision not to hold a proceeding), enter the proceeding as a dual prosecutor, and appeal any decision made as a result of the proceeding which is not to the liking of the CPA. *Thus, the CPA will have all the rights of a regulatory agency and none of the responsibilities.*[64] [Emphasis added.]	D. [See Sec. 11(b) above.]	D. [Note that, for practicality purposes, we are expected to grant the CPA superparty status.]
E. "Fourth. The CPA's information-gathering powers will not pose a threat to privacy. In fact, section 11(b) clearly prohibits CPA from requiring private persons to submit any information which would violate any relationship privileged according to law. If the law holds that a reporter's sources are privileged, the CPA could not obtain the information. A bill creating the CPA is not the place, however, to pass new legislation in this difficult and controversial area giving newsmen greater protection that they claim in other similar instances."[67] [Emphasis added.]	E. "Under this provision, the CPA might even be able to force reporters to divulge their sources. Whether or not this was intended, is not clear. However, it is significant that a lawyer from Consumers Union, which publishes the magazine *Consumer Reports*, expressed fear at one of our hearings that such could happen, and nothing was changed in this regard.[66]	E. [See bill provision, above.]	E. [This bill is *not* the place for difficult and controversial provisions?] The Minority Views are correct.
F. *The CPA's right to obtain information from other Federal agencies under section 11(c) is not, as the minority views suggest, either unprecedented, or likely to hinder the ability of other agencies to obtain information from other sources.* First, it is first important, once again, to put this provision in perspective. The CPA's power extends only to the right to obtain information held by other agencies. This section has nothing to do with public disclosure of such information. As discussed below *an agency which gives the CPA any information may prohibit the CPA from disclosing that information if it wishes.*	F. Subsection 11(c) of the bill gives the CPA virtually untrammeled access to any Federal agency file and record which the CPA Administrator, in his discretion, "deems necessary for the performance of his functions." *This power is subject to seven extremely narrow exceptions, most of which evaporate right out of sight when you read their intent in the majority Report.*	F. [*No* other agency, regulatory or not, has such vast power to order *any other* agency to turn over almost anything in its files.]	F. The Minority Views are correct.
"Second. The provision for such sharing of information does not	One of these exceptions is worth noting, however, because it will result in making the jobs of existing Federal agencies far more difficult. The exception is	*S. 707 § 11(c):* "Upon written request by the Administrator, each Federal agency is authorized and directed to allow access to all documents, papers, and records in its possession which the Administrator deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and rec-	

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

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give the CPA extraordinary powers. Under the Federal Reports Act of 1942 (44 U.S.C. 3501–3511) and other statutes, information may be and often is exchanged among Federal agencies. A number of opinions (sic), including Federal Power Commission (16 U.S.C. 797) and the Federal Energy Administration, have been given specific authority to obtain information, such as that relating to oil and gas reserves, from other Federal agencies.

Third. Serving (sic) the CPA access to information already acquired by other agencies would only place an unnecessary burden on the persons outside Government from whom most of the information was developed in the first place. Without section 11(c), the CPA would have to ask these persons to duplicate for them the information already supplied another Federal agency.

"Fourth. The bill specifically exempts seven categories of information from the disclosure requirements. These seven categories, modeled after provisions in the Freedom of Information Act, exempt, first, national security matters; second, agency personnel policy and prosecutorial recommendations; third, routine executive and administrative functions; fourth, personnel, medical, and similar files; fifth, information an agency is expressly prohibited by law from disclosing to another Federal agency; sixth, information in bank examination reports; and, seventh, certain trade secrets and commercial or financial information.

"The conditions under which one Federal agency may withhold information from the CPA under the seventh exception, relating to trade secrets, are spelled out in detail in section 11(c)(7). The Federal agency in possession of the information, not the CPA, will decide whether the information fits the conditions described in this subsection. Before any agency hands over such confidential information, the party who originally supplied the information must be notified. In this way he can seek injunctive relief if he feels the agency is acting in violation of this bill or any other act.

Fifth. The CPA's ability to obtain confidential information from other Federal agencies will not destroy the ability of other agencies to obtain the information in the first place. In its treatment of information which could injure a company if disclosed to the public, the bill distinguishes, on the one hand, between information which an agency must have to carry out its programs, but which it has no legal right to obtain from a business, and on the other hand, information

found in paragraph (7) (B) of subsection 11(c). This exception allows a Federal agency to deny to the CPA trade secrets and other confidential business information which it has received subsequent to the enactment of this bill, *but* the Federal agency may deny the CPA access to these secrets *only* under the following conditions:

(a) The original agency must have gotten the secrets pursuant to a written agreement not to divulge them; *and*

(b) The information must not have been obtainable without such an agreement (that is, the original agency has no subpoena or other mandatory power to obtain it); *and*

(c) The failure to obtain the secret information would have seriously impaired the original agency in carrying out its program, *and*

(d) Access to the information is likely to cause substantial competitive injury to the person who supplied the secrets.

This is not only an extremely narrow exception, but also it will clearly result in businessmen failing to voluntarily surrender confidential information to assist the Government in its programs.

It may seriously be doubted whether a businessman who does not want his trade secrets shown to the CPA would volunteer such information to an agency which could procure it by subpoena or other means—the CPA could have access to the secrets just for the asking, because the information could have been obtained by the original agency without an agreement to keep it confidential.

Perhaps those who advocate this idea do not realize how extensive a practice it is for businessmen to save a Federal agency the trouble of a suit by volunteering confidential information under a protective agreement.

If this provision remains such a practice would probably no longer be extensive, and it is likely that all Federal agencies will have to go into court to get the information they need.

We should note that this provision would allow the owner of a trade secret to seek a court injunction against granting the CPA access to it. But the bill is silent with respect to any grounds upon which the injunction could lie, thus forcing him to plead the conditions listed above—an obviously hopeless task.[70] [Emphasis added.]

Footnotes at end of article.

ords. Notwithstanding this subsection, a Federal agency may deny the Administrator access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under the terms of Executive Order 10501 of November 5, 1953, and Executive Order 11652 of March 10, 1972, or any orders amending or superseding such orders, and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(2) policy and prosecutorial recommendations by agency personnel intended for internal agency use only.

(3) information concerning routine executive and administrative functions that are not otherwise a matter of public record;

(4) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personnel privacy;

(5) information which such agency is expressly prohibited by law from disclosing to another Federal agency;

(6) information contained in or related to examination, operation, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of an agency responsible for regulation or supervision of financial institutions, or any other information relating to the financial transactions of individual customers of such financial institutions; and

(7) trade secrets and commercial or financial information described in subsection (b)(4) of section 552 of title 5, U.S.C.—

(A) obtained prior to the effective date of this Act of a Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Administrator that, taking into account the nature of the assurances given, the character of the information requested, and the stated purpose for which access is sought, to permit such access would constitute a breach of faith by the agency; or which an agency has a legal right to obtain and which it needs to carry out its functions.

In the case of information which an agency needs and which it has a right to obtain anyway, enactment of the CPA bill will make no difference. In such instances a business would be doing the agency no favor by agreeing to turn over such information without a court fight. It would, in fact, be only obeying the law. There is no reason why a business would go through the pointless and expensive exercise of challenging an agency's order to produce certain data where it was clear that in the end it would lose, and the Federal agency would obtain the information. Even if businesses act in this way, the Federal agencies can still order disclosure of such material.

If the agency does not have a lawful right to obtain confidential information which could cause competitive injury if disclosed to the public, the powers granted the CPA by section 11 (c) will in no way interfere with the ability of the agency to obtain such information on a voluntary basis. Under the bill's specific provisions, a business can in such event, continue to voluntarily cooperate with the agency. Such information will not be disclosed to the CPA, so long as the agency also finds that it must have the information to carry out its activities. Wherever the agency cannot so find that it needs the information, the business will have to decline to turn the material over to the agency if it does not want the CPA to get it. But in such a case the work of the agency will not, by definition be seriously impaired by failure to obtain the information.

Thus the provisions of the bill fully protect an agency's ability to pledge not to disclose information received to any other agency so long as such agreements are necessary to obtain needed information.

(B) obtained subsequent to the effective date of this Act by a Federal agency, if such agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of his reasonable determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair the carrying out of the agency's program, and access to which is likely to cause substantial competitive injury to the person who provided the information.

Before granting the Administrator access to any such trade secrets and commercial or financial information, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall afford such person a reasonable opportunity, not to exceed 10 days, to comment or seek injunctive relief. Where access to information is denied to the Administrator by a Federal agency pursuant to this paragraph, the head of the agency and the Administrator shall seek to find a means of providing the information in such other form, or under such conditions, as wil meet the agency's objections."

Letter stating opinion of administration of May 15, 1974, from Mr. Roy Ash, to Chairman Ervin: "Section 11(c) of the bill would provide limitations on the availability to CPA of certain classes of information acquired by other Federal agencies. Trade secrets and commercial or financial information might, under Section 11(c)(6)(B), be withheld from CPA only where the acquiring agency determined that the information was not obtainable without a promise of confidentiality. This information fails to treat those many instances where a Federal agency might be empowered to obtain such information on a mandatory basis, but—in the interests of efficient and sound administration—the agency relies on the voluntary cooperation of private citizens and entities instead of compulsory process. *This means of acquiring information is crucial to prompt acquisition of accurate information for statistical and other purposes, and must not be compromised by mandatory disclosure to other Federal agencies where such disclosure is not required under current law.*" [Emphasis added.]

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

V. CPA INFORMATION—GATHERING AND DISCLOSING—continued

G. "I come next to the points raised by the opponents of the bill in connection with the CPA's right to disclose information to the public under section 12.

"First. The minority views state that the exceptions from the right of the CPA to disclose information under this section are "narrow, contorted, and ill-fitting." The first exception, contained in section 12(b), however, *flatly* prohibits the CPA from disclosing any information obtained from another Federal agency where that agency states that the material is the type that is exempted from disclosure to the public under the Freedom of Information Act or other law.

Thus, disclosure of any trade secrets obtained from another Federal agency is flatly prohibited. If the agency does not make such a finding, the CPA may disclose the information. But in that case, the CPA's action will not provide the public with any additional information it could not also obtain from the agency that supplied the information to the CPA. To permit the CPA to disclose another agency's information only where the public could also get the information directly from the other agency is both a clear and reasonable exception.

"Second. Trade secrets or confidential information the CPA obtains from sources other than another Federal agency may not be disclosed *in most cases to the public*. Any official of the CPA who violates this prohibition could be imprisoned for up to 1 year under the criminal penalty provisions of 18 U.S.C. 1905.

"Third. The only time the CPA may disclose confidential information obtained from sources other than another Federal agency is when necessary to protect the public health or safety. *Unlike other Federal regulatory agencies* who can take direct action when they learn of a threat to the public's health or safety, the CPA would have no similar option. Public disclosure would be the only action *it could take to avert the danger*. In most instances the CPA will not be able to justify disclosure of trade secrets under the limited exception in section 12(c).

It will be enough simply to disclose to the public the fact of the danger, without any detailed explanation that might require disclosure of actual trade secrets. This exception is included in the

G. "*As to disclosure* of information obtained by the CPA, subsection 12(a) grants to the Administrator the right "to disclose to the public or any member thereof so much of the information subject to his control as he determines appropriate to carry out the purposes of this Act." The subsection makes it clear that the only limitations to be placed upon such CPA disclosure are those listed in this section 12. No other existing legal limitations on Federal agency disclosure would apply.

"Needless to say, after such a broad delegation of power to disclose information, one might expect numerous and tightly drawn exceptions to such an unbridled right to disclose the vast amount of information which the CPA will gather. Unfortunately, this section follows the pattern of its predecessors—narrow, contorted, and ill-fitting limitations upon an overwhelming grant of power.

"Subsection 12(b) applies to information which the CPA has gotten through its access to the files and the records of other agencies. More specifically, it applies to information exempted from mandatory public disclosure by these agencies under the Freedom of Information Act or any other applicable statute. Even more specifically, this subsection applies only to such information where the original source agency has specified in writing to the CPA that information is exempted from public disclosure by statute, and that the CPA should not disclose it. In such a case, the CPA may not disclose that particular information. Or, if the original source agency has specified a particular form or manner for the disclosure of such information, the CPA must comply with that specification. Otherwise, the CPA has a full disclosure right, subject to some minor inconveniences, but not prohibitions, in later subsections which will be dealt with below.

"Subsection 12(c) creates a broad loophole in existing trade secret law (18 USC 1905) which now prohibits all Federal agencies and their employees from using to their own advantage and disclosing trade secrets and other confidential business information.

G. [Several aspects of the sponsors' views in the first column are so important as to require these preliminary notes before setting forth the bill.

1. The sponsors finally admit, in their third argument, that the CPA is to be a regulatory agency, with power to take substantive action to protect the public.

2. The intent of the sponsors in their third and fourth arguments to make the CPA's disclosure of business-injuring information subject to prior court challenge is not, as the minority views point out, reflected in the bill—the CPA may release this material immediately upon its *own* finding. (See the last sentence in § 12(d).)

3. Restatement, in the sponsors first argument, about the "flat" prohibition in § 12(b) again overlooks the fact that what is perhaps the Federal government's major consumer product information gathering agency will become part of the CPA and the information it has collected will *not* be subject to the prohibition. (See the discussion under IF, above).[72]

S. 707 § 12: "(a) The Administrator is authorized, subject to the provisions of this section, to disclose to the public or any member thereof so much of the information subject to his control as he determines appropriate to carry out the purposes of this Act.

"(b) The Administrator or any officer or employee of the Agency shall not disclose any information which has been obtained from a Federal agency or as a result of access to its records where such agency has specified that such information is exempted from disclosure under section 552 of title 5, United States Code, or any other applicable Federal statute and should not be disclosed. If such agency has speci-

Footnotes at end of article.

G.

(1) The Minority Views are correct.

(2) S. 707 does not reflect the stated intent of its sponsors.

(3) The Majority Report on S. 707 does not reflect the stated intent of its sponsors.

(4) S. 707 is in need of major revision to conform it to the intent of its sponsors.

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

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bill, however, because it is impossible to justify prohibiting the disclosure of confidential information where it is the only way the CPA has to prevent injury to the health or safety of Americans.

As an added safeguard, section 12(d) requires that before the CPA discloses any trade secrets likely to cause substantial injury to a person or a company, it must notify the person affected and afford him an opportunity to comment or obtain injunctive release. *If the CPA cannot prove the necessity of disclosing the trade secret the court will bar disclosure.*

"Fourth. Finally, section 12(d) of the information disclosure provision contains very extensive safeguards to assure the accuracy of any information disclosed. The safeguards go beyond the provisions found in almost any other statute. Even if the information the CPA wishes to disclose is not a trade secret, the agency must first take all reasonable measures to assure its accuracy. *It must also notify any person or company whose reputation or goodwill is likely to be substantially injured by the disclosure of the information. In effect, such person will have a full right to review and challenge—in court if necessary—any such information before it is disclosed.* If, despite this, the information released is still inaccurate, misleading, or incomplete, the section imposes on the Administrator the duty to do all that is necesasry to redress the wrong."[71] [Emphasis added.]

S. 707 would allow the CPA to publicly disclose such trade secrets and confidential information if the CPA in its discretion decided that such disclosure was necessary to protect health and safety generally (no relation to a consumer transaction or interest is necessary).

"This regulatory function for the nonregulatory CPA applies to information received from private citizens who either volunteered it or were forced to surrender it under the CPA's information order power which would allow discovery of trade secrets. It also probably applies to information volunteered by a Federal agency, so long as the CPA did not exercise its authority under section 11(c) to force the agency to surrender the trade secrets. But the disclosure function does not apply to information which the CPA has forced a Federal agency to divulge under subsection 11(c).

"The CPA is also allowed to disclose any such trade secrets or confidential information to congressional committees, courts and Federal agencies when the CPA is representing an interest of consumers, but it must do so in a manner designed to preserve the information' confidentiality. In addition, the CPA is allowed to generally divulge such confidential information to other Federal offcials concerned with its subject matter in the same manner.

"In all other cases, the CPA would be bound by the same law as other Federal officials, and would not be allowed to disclose such secrets or confidential information. But the loophole which this subsection creates is big enough to frighten anyone who has millions of dollars invested in a secret formula or process.

"Subsection 12(d) of S. 707 makes it clear that the nonregulatory CPA's regulatory function is complete with respect to protecting the public. Where, in the sole opinion of the CPA, "immediate release is necessary to protect the health or safety of the public," the CPA is authorized to disclose immediately such trade secret information or any other disclosable information in its possession.

"In other cases, where release of information might cause substantial injury to reputation or good will, the CPA will allow the affected person or company time to comment or seek injunctive relief. Again, we wonder about what grounds such a person or company would plead in court in light of the clear statutory right of the CPA to divulge the information.

fied that information is exempted from required disclosure, but that it may be disclosed in accordance with a particular form or manner of disclosure which such agency has prescribed, the Administrator shall follow such form and manner.

"(c) The Administrator or any officer or employee of the Agency shall not disclose any trade secret or other confidential business information described by section 1905 of title 18, United States Code, which it obtained other than pursuant to section 11(c) of this Act, *except that such information may be disclosed (1) to the public only if the Administrator determines it necessary to protect health or safety;* and (2) in a manner designed to preserve confidentiality, to duly authorized committees of Congress, to courts and Federal agencies in representing the interests of consumers, and to other officers and employees of the Agency or other Federal officials concerned with the subject matter in issue.

"(d) In the release of information to the public, the Administrator shall take all reasonable measures to assure that such information is accurate and not misleading or incomplete. If such information is inaccurate, misleading, or incomplete, the Administrator shall promptly issue a retraction, take such other reasonable action to correct any error, or release significant additional information which is likely to affect the accuracy or completeness of information previously released. Where the release of information is likely to cause substantial injury to the reputation or goodwill of a person or company, or its products or services, the Administrator shall notify such person or company of the information to be released and afford an opportunity for comment or injunctive relief, *unless immediate release is necessary to protect the health or safety of the public.*

(e) In the release of information which discloses names of products or services, the

DIFFERING VIEWS ON CPA BILL, S. 707—WHO IS CORRECT?—Continued

V. CPA INFORMATION—GATHERING AND DISCLOSING—continued

"Subsection 12(e) originally began as a provision designed to guard against the CPA telling consumers what to buy, eat and do. It applies to CPA-released information which names products and services. Now, together with its intent as laid out in the Majority Report, this subsection achieves the opposite result.	**Administrator shall—** **(1) make clear that all products of a competitive nature have not been compared, if such is the** case;
"This subsection 12(e) provides, in pertinent part, that the CPA shall "not indicate *expressly* that one product is a better buy than any other product." The Majority Report in its explanation of the subsection fleshes this out as follows:	**(2) make clear that there is no intent or purpose to rate products compared over those not compared or to imply that those compared are superior or preferable in quality to those not compared; and**
This provision should not be read as prohibiting the [CPA] Administrator from making any statement comparing the relative characteristics of any product or service. He may make objective comparisons of performance or of service. Frank, factual and meaningful discussion of various products and services by the Administrator are not precluded by this subsection.' "That is, the CPA can determine what characteristics of competing products it should test, and publish the results in order of performance of the characteristics chosen by the CPA as most important. It will be a message to consumers as to what the CPA recommends should be purchased, but it will not be labeled as such. "The one happy note in this subsection is that, for the first time, the bill recognizes that consumers are not complete idiots—they will be able to recognize a good-better-best rating when they see one, even if it is not labeled as such."	**(3) not indicate expressly that one product is a better buy than any other product.** **"(f) In any suit against the Administrator to obtain information pursuant to the provisions of section 552 of Title 5, United States Code, where the sole basis for the refusal to produce the information is that another Federal agency has specified that the documents not be disclosed in accordance with the provisions of subsection (b) of this section, the other Federal agency shall be substituted as the defendant, and the Administrator shall thereafter have no duty to defend such suit."** **[Emphasis added.]**

FOOTNOTES

[1] Sponsor's Views (hereafter "SV"), at p. 21520.

[2] Ibid.

[3] See Minority Views (hereafter "MV"), at 14.

[4] MV, at 5–6.

[5] See, e.g., 5 USC § 704 and cases thereunder.

[6] Sen. Report No. 93–883, Part I (hereafter Gov. Ops. Rept.), at 19 and 40.

[7] SV, at p. 21520.

[8] Gov. Ops. Rept., at 40.

[9] SV, at p. 21520.

[10] Gov. Ops. Rept., at 40.

[11] SV, at p. 21520.

[12] Ibid.

[13] SV, at p. 21521.

[14] Gov. Ops. Rept., at 42.

[15] See. Exec. Order 11566. Note that the CPICC is given authority to demand and receive from other agencies "information . . . which the center desires to review for possible distribution", and note that neither the center nor agencies who must release information to the center are required to release to the center or to the public material within the 5 USC § 552(b) exclusions, but that release of such material to the center is encouraged.

[16] SV, at p. 21519.

[17] MV, at 9–10.

[18] Gov. Ops. Rept., at 20–22.

[19] Sen. Report No. 93–792, Committee on Commerce (hereafter "Commerce Rept"), at 18–19.

[20] SV, at p. 21519.

[21] MV, at 10.

[22] Gov. Ops. Rept., at 21.

[23] Commerce Rept., at 19.

[24] SV, at p. 21519.

[25] MV, at 9 and 10.

[26] Gov. Ops. Rept., at 22 and 23.

[27] SV, at pp. 21519–21520.

[28] MV, at 9.

[29] MV, at 10.

[30] Gov. Ops. Rept., at 27–28.

[31] SV, at p. 21520.

[32] MV, at 8–9.

[33] SV, at p. 21521.

[34] MV, at 11.

[35] SV, at p. 21521.

[36] MV, at 11–13.

[37] Gov. Ops. Rept., at 18, 20 and 22.

[38] SV, at p. 21521.

[39] MV, at 12–13.

[39a] Gov. Ops. Rept., at 19 and 23.

[40] Commerce Rept., at 20 and 21.

[41] SV, at p. 21521.

[42] SV, at pp. 21521–21522.

[43] MV, at 14 and 15 and 13.

[44] Gov. Ops. Rept., at 24.

[45] Ibid, at 26.

[46] SV, at p. 21522.

[47] MV, at 16.

[48] SV, at p. 21522.

[49] MV, at 15.

[50] SV, at p. 21522.

[51] MV, at 16.

[52] SV, at p. 21522.

[53] MV, at 15 and 16.

[54] SV, at p. 21522.

[55] MV, at 17 and 18.

[56] MV, at 22.

[57] SV, at pp. 21522–21523.

[58] MV, at 17–18.

[59] SV, at p. 21523.

[60] MV, at 18.

[61] SV, at p. 21523.

[62] MV, at 18.

[63] SV, at p. 21523.

[64] MV, at 18–19.

[65] SV, at p. 21523.

[66] MV, at 19.

[67] SV, at p. 21523.

[68] MV, at 19.

[69] SV, at pp. 21523–21524.

[70] MV, at 19–20.

[71] SV, at p. 21524.

[72] MV, at 20–22.

*Remarks of Senator Ribicoff, 120 Cong. Rec. at p. 21518.

**Minority Views on S. 707, Sen. Report No. 93–883, Part II.

***As Reported by the Committee on Government Operations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 2296) to provide for the Forest Service, Department of Agriculture, to protest, develop, and enhance the environment of certain of the Nation's lands and resources, and for other purposes, disagreed to by the Senate, and agree to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Poage, Mr. Rarick, Mr. Vigorito, Mr. Goodling, and Mr. Baker were appointed managers on the part of the House at the conference.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11295) to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such act, and for other purposes.

CONSUMER PROTECTION AGENCY ACT

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. McCLURE. I ask unanimous consent that Mr. Tom Cantrell, of the staff of the Senator from Nebraska (Mr. Curtis), be accorded the privilege of the floor at all stages of the proceedings on the pending legislation.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. MATHIAS. Mr. President, I make a similar unanimous-consent request in behalf of Mr. Colby King.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. I ask unanimous consent that during the consideration of the Consumer Protection Agency legislation, Mr. Peter Hughes of my staff be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I believe as is usual, Senators may wish to read overnight what this particular controversy is about.

Mr. ROBERT C. BYRD. Mr. President, may we have order while the Senator is addressing the Senate?

The PRESIDING OFFICER (Mr. Hart). The Senate will be in order. The Senator from New York will suspend until order is restored.

The Senator may proceed.

Mr. JAVITS. Mr. President, Senators may wish to read overnight what this controversy is all about. For that reason, since the Senator from Connecticut (Mr. Ribicoff) and I have analyzed this particular question in our supplemental views attached to the committee report at pages 47 and 48, I ask unanimous consent that those views be printed in the Record.

There being no objection, the excerpt from the committee report (No. 93–883) was ordered to be printed in the Record, as follows:

Supplemental Views of Senator Ribicoff and Senator Javits

During the Committee's consideration of this legislation, the language governing the exemption of certain specified labor-management disputes from the scope of CPA's authority was modified. In the bill reported out of the Government Operations Subcommittee on Reorganization, Research and International Organizations, the exemption was tied to the applicable Federal statutes governing the Federal agency's involvement in labor-management relations. The language exempted disputes "within the meaning of section 13 of the Norris-La Guardia Act (29 USC 113) or a labor-management contract within the scope of section 301 of the Labor Management Relations Act, 1947 (29 USC 185)".

The bill's present language, proposed for the first time during the Committees' consideration of the legislation, instead adopts far more general and imprecise language exempting labor disputes "involving wages or working conditions affecting health or safety". (Section 6(a)(11)).

We believe this amendment to be a most unwise change that could cause endless confusion and uncertainty.

The purpose of exempting certain labor-management activities from the bill, as the Subcommittee did, is to assure that the CPA will not become involved in collective bargaining proceedings before the NLRB. This exemption is consistent with the purpose of the Consumer Protection Act. It has never been the intention of the sponsors to reach proceedings and activities which are so far removed from the direct concerns of the consumers. The focus of CPA's concern is the marketplace transaction. Regulatory decisions which affect marketplace transactions are included so that the consumer interest may be represented during the decision-making process. Labor disputes, whether before the NLRB, the Mediation and Conciliation Service, the Mediation Board or the Railroad Adjustment Board, are simply too far removed, in time, space and effect, from the commercial transaction.

Since 1932 Congress has endeavored to guard against a repetition of the ear of "government by injunction" by drafting narrow and specific substantive labor regulations and by entrusting the administration of those regulations to experts in the field. It would be entirely contrary to this philosophy to allow the CPA, whose basic concerns are with transactions in the marketplace which affect consumers immediately and directly, and whose overall duties are spelled out in broad terms, to intervene in labor-management matters, or in legal proceedings concerning federal laws such as the Fair Labor Standards Act which are designed to protect basic working conditions.

In NLRB cases, unlike most regulatory proceedings there are two strong parties capable of preventing and advocating their own positions. The role of the Federal agency in such cases is unlike that of other Federal agencies, such as the FTC. The responsibility of the NLRB or other agencies directly concerned with labor-management disputes is not to prosecute or regulate according to specific standards designed to protect consumer interests. Rather the role of such agencies is more as an impartial arbiter to assure that both sides follow the procedural rules established by law to assure that the labor and management work out their differences among themselves and that they do so in an amicable fashion.

In reality, the original exemption was a narrow one confined to cases in which a union is operating as collective bargaining agent for its members. If a union steps out of this role and conspires with an employer to violate the antitrust law, the CPA could intervene in the proceedings. Similarly, if the union becomes an employer or operates a business it would be subject to CPA advocacy arising out of marketplace transactions involving such businesses. For example, the UMW owns a majority interest in the National Bank of Washington. If the bank violates the truth-in-lending law, the CPA could intervene in a proceeding brought by the FTC to enforce it. Thus, the exception excludes only a certain area, not all union activities, and is based on sound public policy.

Most members of the Committee were agreed upon the necessity of exempting direct labor-management bargaining from the scope of the Act. However, in an effort to adopt language recognizing the specific limits of the exemption, the Committee drafted language which is inordinately vague and which does not clearly and definitely exempt labor-management negotiations from the Act. If the present wording is retained, endless litigation could result over the meaning of the phrase "involving wages or working conditions affecting health or safety."

To avoid future confusion and provide a clear, but limited exemption to labor-management issues, the wording contained in the bill reported out of the subcommittee should be retained.

Abraham Ribicoff.
Jacob K. Javits.

Mr. JAVITS. Mr. President, though this will be restated tomorrow, so that Senators who read the Record may see the issue clearly, the particular item to which we address ourselves today, about which the vote will take place at 4 o'clock tomorrow, is contained at page 59 of the bill, lines 12 to 17.

As the bill came to the Government Operations Committee from the Committee on Commerce, the language which is stricken there was included as a part of the bill sent to us by that committee. That language effectively would bar the Consumer Protection Agency from participating in labor-management collective bargaining disputes before the National Labor Relations Board. An amendment was added in our committee which sought to restore some of that authority to the Consumer Protection Agency, which had been barred from that activity by the Commerce Committee's draft. Hence the motion which is now before us is a motion, on the first committee amendment, to have the Senate approve that amendment.

I shall vote "no" on that motion, for the reasons stated in the views set forth in my supplemental views, which I have now inserted in the Record.

If what the Government Operations Committee added is stricken out, then

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the language sent to us by the Committee on Commerce will be the language of the bill, and that will effectively bar the Consumer Protection Agency from National Labor Relations Board proceedings relating to collective bargaining agreements.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PERCY. I should also like to indicate to my colleagues that I will be voting with Senator RIBICOFF and Senator JAVITS on this matter, and I certainly hope that between now and the vote tomorrow, Senators will read pages 47 and 48 of the report of the Committee on Government Operations, where the views of Senator RIBICOFF and Senator JAVITS are given.

I would like to emphasize only one other point. No one in his wildest imagination could conceive of the interests of organized labor and business management not being represented in their ability to present their opposing points of view. There is an advocacy, and a loud advocacy, for the points of management attempting to hold down costs, and there is an equally forceful voice from labor indicating that they have a right to increase their wages, and the advocacy on the part of both of them is loud, clear, and well organized.

What we are attempting to do is strip out simply those elements that do not require a CPA. No one would conceive that a CPA is necessary to represent the interests of labor or of management, both of whom are well-organized.

But as against a producer, the consumer is not well organized. The consumer is some 210 million individuals who many times feel frustrated. How many letters do Senators receive, how many letters do Congressmen receive about products that do not work, products that are not safe to be used, complaints that they have? They simply do not know where to send these complaints.

The Consumer Protection Agency was designed to be a focal point and an advocate, a spokesman, for the consumer to represent the consumer's interests in agencies, so I believe the statements of Senator RIBICOFF and Senator JAVITS are extremely good statements. I think it sets out the issue very clearly.

We have heard the opposing point of view very clearly from the distinguished Senator from Alabama (Mr. ALLEN), but I would certainly join with my distinguished colleagues in the recommendation on the vote tomorrow that they have made.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. JAVITS. I yield, of course.

Mr. RIBICOFF. Now, the issues that typically affect the consumer are negotiations over a new contract. If we are talking about labor-management—and these are private negotiations, and we are not any place in this bill using the CPA participation in private negotiations between people—labor-management issues which are subject to Federal regulation come before the NLRB. Most typically these cases usually revolve around recognition of union elections or unfair labor practices.

Such issues are usually extremely far removed from consumer transactions and, as the distinguished Senator from Illinois points out, both sides are effectively represented and they have balanced viewpoints presented to the Federal decisionmaker.

We are not talking here in the CPA where the consumer is not represented before a Federal agency in marketplace transactions, where the only way you can get the consumer's point of view or the other side is through the CPA, so there is a difference.

During the hour that we have tomorrow I am sure that both sides, the distinguished Senator from Alabama and the Senator from North Carolina, our distinguished chairman, and ourselves, will point out the differences. But this is not a private transaction that we are talking about in CPA. We are not involved in private transactions. We are not telling any business what to do or how to do it.

What we are doing is coming in in front of Federal agencies and presenting the consumer's point of view. I certainly will join my colleagues in voting "no" tomorrow.

Mr. PERCY. Mr. President, will the distinguished Senator yield for just a moment?

Mr. JAVITS. Yes, I yield.

Mr. PERCY. In all of the years now on the hearings we have had on this bill, and we have had proponents and opponents appear before the House, before the Senate, and before a number of committees, the Commerce Committee, the Government Operations Committee, Committee on Rules and Administration, at no time, if my memory is correct, have I ever heard the argument raised that the consumer interest, involving labor-management relationships and negotiations, is a legitimate concern of the CPA. At no time did anyone advocate it or even oppose it. It was never thought of as a possible problem.

But we certainly did have problems, and we discussed in great detail the examples of doses of ineffective and dangerous flu vaccines; yellow tin can schoolbuses that are unsafe for children to ride in; hearing aid frauds; corruption in FHA-financed housing; and interstate land scandals. Those are the kinds of things that should be dealt with.

That was the whole intention and design of the CPA. That is what was in mind in the political platforms of both great political parties, the Republicans and the Democrats; the hearings that I recall on the Republican platform, those are the kinds of concepts that both political parties have enthusiastically endorsed for a CPA. It was simply to remove a diversion that this amendment was considered desirable, and it is why I also, the Senator from Illinois, will vote "no" tomorrow.

Mr. RIBICOFF. If we get ourselves into the position of the CPA coming into labor-management negotiations, for all practical purposes, we have cast aside the entire 30 years of labor-management relations and what it means with labor and management dealing with one another. They have established their rights and their methods, their rules and regulations, and certainly what is contemplated throughout the CPA is far removed in any of its sections from what we are talking about in this particular section that we seek to strike.

Mr. PERCY. Mr. President, if the Senator would yield further, I would ask my distinguished colleague if these matters would be legitimate concerns of the CPA, and the CPA would attempt to provide the staff, the lawyers, the investigators, to go out into the field, to get involved in every single labor dispute that might be brought up as a consumer item, what would the size of the staff be, what would the size of the budget have to be, if the CPA is to be called upon to perform this function? Would $15 million even be a downpayment on what would be required?

Mr. JAVITS. If it actually happened, it would break the back of the bill and break the back of the CPA. We have seen an example of that. We would have the Equal Employment Opportunity Commission, which has some 65,000 suits as a backlog, and that is just with respect to discrimination in employment. That is not with respect to collective bargaining agreements.

We have the NLRB, which operates one of the most trying operations of quasi-judicial character in the Government. Obviously, there are many ways by which to kill a bill. One way is to break its back, and that is what this bill is all about.

Mr. RIBICOFF. What we are talking about is an agency of 250 people. That is about the size of it.

Mr. JAVITS. Exactly.

Mr. RIBICOFF. An agency of that size, trying to handle every labor-management relations dispute in 50 States, with hundreds of thousands of employees involved, and thousands and thousands of businesses, would never be able to accomplish at all the objectives of the CPA.

Mr. JAVITS. May I say that I will produce tomorrow, because I am the ranking member of the Committee on Labor and Public Welfare, the details on the NLRB, its budget, its staff, the number of its cases, the number of its hearing examiners. I deeply believe that if the Senate will listen to us in terms of the facts, the whole case will be self-evident.

Mr. PERCY. Mr. President, will the Senator yield further?

Mr. JAVITS. I yield.

Mr. PERCY. Mr. President, because the procedure has been somewhat unusual today, no opening statements were made at the outset, I think it would be extraordinarily valuable, and for our colleagues, who would like to have as full a story as possible, updated now as to where the Senate stands, that in the RECORD tonight I would like to make note of the fact that the distinguished floor manager of the bill has inserted a complete statement; the Senator from Illinois, as the ranking minority member on the Government Operations Committee, has inserted a statement; and in that statement I call attention to what I really would have to consider to be the poppycock that has been distributed by, regretfully, many of my former colleagues in business.

I have not said anything on the floor of the Senate that I have not said directly face to face to some of these men who otherwise I consider highly responsible members of the business community, but in this regard I think that they have been taken in, in a sense, by the zeal of executive directors of trade associations who have misrepresented and misled many members of the business community as to the nature of this bill.

I have included what this bill is not. For instance, it is not a regulatory authority. It has limitations on its intervention, and so forth.

Also in the statement that I have incorporated in the Record I have included the difference in summary form between the original S. 707 and the revised S. 707; and also a summary of the difference between the House-passed bill, which was passed by a margin of 3 to 1, ably managed by Chairman Holifield and ranking minority member Frank Horton, and the differences between the House-passed bill and the present revised S. 707 now being considered on the floor of the Senate.

So that an analysis will be available in the Record in the morning for all Members of the Senate and their staffs to analyze and study leading up to a very important vote set now for 4 o'clock tomorrow afternoon.

Mr. JAVITS. Mr. President, I thank the Senator.

I will introduce the statement in respect to this measure also. In essence, Mr. President, it will indicate that our Government is so organized that every agency should be protecting the public interests and the consumer. In fact, we have seen a specialized representation for the consumer interests generally not adequately voiced or implemented.

Millions of Americans feel very strongly on that score, and I hope very much that the Congress will agree that the time has come for this to be done, and it means nothing but organizing in one agency of the Government, the Government's consumer protection function. It so properly comes out of our committee because it is really Government reorganization which is long overdue.

Mr. President, I yield the floor.

ORDER OF BUSINESS FOR THURSDAY, JULY 18, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday at the hour of 2:30 p.m. the unfinished business be laid aside temporarily and that the Senate proceed to the consideration of the agricultural appropriation bill, with the unfinished business to remain in a temporarily laid aside status until the disposition of the appropriation bill or until the close of business that day, whichever is earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that further proceedings under the call might be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that John Scales may have the privilege of the floor for the rest of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask that proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Larry Gage, John Steinberg, and Dick Johnson be permitted the privilege of the floor during the rest of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE—LEGAL SERVICES CORPORATION

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 7824) to establish a Legal Services Corporation, and for other purposes, with an amendment, in which it requests the concurrence of the Senate.

Mr. GRIFFIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRIFFIN. Mr. President, is it not correct that no unanimous consent is needed for a message from the House to be laid before the Senate, that it is a privileged matter?

The PRESIDING OFFICER. It is a privileged matter. No request is required.

Mr. GRIFFIN. I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 7824.

The PRESIDING OFFICER laid before the Senate the message from the House announcing that it agrees to the amendment of the Senate to the bill (H.R. 7824) to establish a legal Services Corporation, and for other purposes, and agrees thereto with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment to the text of the bill, insert:

That this Act may be cited as the "Legal Service Corporation Act of 1974".

Sec. 2. The Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new title:

"TITLE X—LEGAL SERVICES CORPORATION ACT

"STATEMENT OF FINDINGS AND DECLARATION OF PURPOSE

"Sec. 1001. The Congress finds and declares that—

"(1) there is a need to provide equal access to the system of justice in our Nation for individuals who seek redress of grievances;

"(2) there is a need to provide high quality legal assistance to those who would be otherwise unable to afford adequate legal counsel and to continue the present vital legal services program;

"(3) providing legal assistance to those who face an economic barrier to adequate legal counsel will serve best the ends of justice;

"(4) for many of our citizens, the availability of legal services has reaffirmed faith in our government of laws;

"(5) to preserve its strength, the legal services program must be kept free from the influence of or use by it of political pressures; and

"(6) attorneys providing legal assistance must have full freedom to protect the best interests of their clients in keeping with the Code of Professional Responsibility, the Canons of Ethics, and the high standards of the legal profession.

"DEFINITIONS

"Sec. 1002. As used in this title, the term—

"(1) 'Board' means the Board of Directors of the Legal Services Corporation;

"(2) 'Corporation' means the Legal Services Corporation established under this title;

"(3) 'eligible client' means any person financially unable to afford assistance;

"(4) 'Governor' means the chief executive officer of a State;

"(5) 'legal assistance' means the provision of any legal services consistent with the purposes and provisions of this title;

"(6) 'recipient' means any grantee, contractee, or recipient of financial assistance described in clause (A) of section 1006 (a)(1);

"(7) 'staff attorney' means an attorney who receives more than one-half of his annual professional income from a recipient organized solely for the provision of legal assistance to eligible clients under this title; and

"(8) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and any other territory or possssion of the United States.

"ESTABLISHMENT OF CORPORATION

"Sec. 1003. (a) There is established in the District of Columbia a private nonmembership nonprofit corporation, which shall be known as the Legal Services Corporation, for the purpose of providing financial support for legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance.

"(b) The Corporation shall maintain its principal office in the District of Columbia and shall maintain therein a designated agent to accept service of process for the Corporation. Notice to or service upon the agent shall be deemed notice to or service upon the Corporation.

"(c) The Corporation, and any legal assistance program assisted by the Corporation, shall be eligible to be treated as an organization described in section 170(c)(2)(B) of the Internal Revenue Code of 1954 and as an organization described in section 501(c)(3) of the Internal Revenue of 1954 which is exempt from taxation under section 501(a) of such Code. If such treatments are conferred in accordance with the provisions of such Code, the Corporation, and legal assistance programs assisted by the Corporation, shall be subject to all provisions of such Code relevant to the conduct of organizations exempt from taxation.

"GOVERNING BODY

"SEC. 1004. (a) The Corporation shall have a Board of Directors consisting of eleven voting members appointed by the President, by and with the advice and consent of the Senate, no more than six of whom shall be of the same political party. A majority shall be members of the bar of the highest court of any State, and none shall be a full-time employee of the United States.

"(b) The term of office of each member of the Board shall be three years, except that five of the members first appointed, as designated by the President at the time of appointment, shall serve for a term of two years. Each member of the Board shall continue to serve until the successor to such member has been appointed and qualified. The term of initial members shall be computed from the date of the first meeting of the Board. The term of each member other than initial members shall be computed from the date of termination of the preceding term. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of such term. No member shall be reappointed to more than two consecutive terms immediately following such member's initial term.

"(c) The members of the Board shall not, by reason of such membership, be deemed officers or employees of the United States.

"(d) The President shall select from among the voting members of the Board a chairman, who shall serve for a term of three years. Thereafter the Board shall annually elect a chairman from among its voting members.

"(e) A member of the Board may be removed by a vote of seven members for malfeasance in office or for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

"(f) Within six months after the first meeting of the Board, the Board shall request the Governor of each State to appoint a nine-member advisory council for such State. A majority of the members of the advisory council shall be appointed, after recommendations have been received from the State bar association, from among the attorneys admitted to practice in the State, and the membership of the council shall be subject to annual reappointment. If ninety days have elapsed without such an advisory council appointed by the Governor, the Board is authorized to appoint such a council. The advisory council shall be charged with notifying the Corporation of any apparent violation of the provisions of this title and applicable rules, regulations, and guidelines promulgated pursuant to this title. The advisory council shall, at the same time, furnish a copy of the notification to any recipient affected thereby, and the Corporation shall allow such recipient a reasonable time (but in no case less than thirty days) to reply to any allegation contained in the notification.

"(g) All meetings of the Board, of any executive committee of the Board, and of any advisory council established in connection with this title shall be open to the public, and any minutes of such public meetings shall be available to the public, unless the membership of such bodies, by two-thirds vote of those eligible to vote, determines that an executive session should be held on a specific occasion.

"(h) The Board shall meet at least four times during each calendar year.

"OFFICERS AND EMPLOYEES

"SEC. 1005. (a) The Board shall appoint the president of the Corporation, who shall be a member of the bar of the highest court of a State and shall be a non-voting ex officio member of the Board, and such other officers as the Board determines to be necessary. No officer of the Corporation may receive any salary or other compensation for services from any source other than the Corporation during his period of employment by the Corporation, except as authorized by the Board. All officers shall serve at the pleasure of the Board.

"(b)(1) The president of the Corporation, subject to general policies established by the Board, may appoint and remove such employees of the Corporation as he determines necessary to carry out the purposes of the Corporation.

"(2) No political test or political qualification shall be used in selecting, appointing, promoting, or taking any other personnel action with respect to any officer, agent or employee of the Corporation or of any recipient, or in selecting or monitoring any grantee, contractor, or person or entity receiving financial assistance under this title.

"(c) No member of the Board may participate in any decision, action, or recommendation with respect to any matter which directly benefits such member or pertains specifically to any firm or organization with which such member is then associated or has been associated within a period of two years.

"(d) Officers and employees of the Corporation shall be compensated at rates determined by the Board, but not in excess of the rate of level V of the Executive Schedule specified in section 5316 of title 5, United States Code.

"(e)(1) Except as otherwise specifically provided in this title, officers and employees of the Corporation shall not be considered officers or employees, and the Corporation shall not be considered a department, agency, or instrumentality, of the Federal Government.

"(2) Nothing in this title shall be construed as limiting the authority of the Office of Management and Budget to review and submit comments upon the Corporation's annual budget request at the time it is transmitted to the Congress.

"(f) Officers and employees of the Corporation shall be considered officers and employees of the Federal Government for purposes of the following provisions of title 5, United States Code: subchapter I of chapter 81 (relating to compensation for work injuries); chapter 83 (relating to civil service retirement); chapter 87 (relating to life insurance); and chapter 89 (relating to health insurance). The Corporation shall make contributions at the same rates applicable to agencies of the Federal Government under the provisions referred to in this subsection.

"(g) The Corporation and its officers and employees shall be subject to the provisions of section 552 of title 5, United States Code (relating to freedom of information).

"POWERS, DUTIES, AND LIMITATIONS

"SEC. 1006. (a) To the extent consistent with the provisions of this title, the Corporation shall exercise the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act (except for section 1005(o) of title 29 of the District of Columbia Code). In addition, the Corporation is authorized—

"(1)(A) to provide financial assistance to qualified programs furnishing legal assistance to eligible clients, and to make grants to and contracts with—

"(i) individuals, partnerships, firms, corporations, and nonprofit organizations, and

"(ii) State and local governments (only upon application by an appropriate State or local agency or institution and upon a special determination by the Board that the arrangements to be made by such agency or institution will provide services which will not be provided adequately through nongovernmental arrangements),

for the purpose of providing legal assistance to eligible clients under this title, and (B) to make such other grants and contracts as are necessary to carry out the purposes and provisions of this title;

"(2) to accept in the name of the Corporation, and employ or dispose of in furtherance of the purposes of this title, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise; and

"(3) to undertake directly and not by grant or contract, the following activities relating to the delivery of legal assistance—

(A) research,

(B) training and technical assistance, and

(C) to serve as a clearinghouse for information.

"(b)(1) The Corporation shall have authority to insure the compliance of recipients and their employees with the provisions of this title and the rules, regulations, and guidelines promulgated pursuant to this title, and to terminate, after a hearing in accordance with section 1011, financial support to a recipient which fails to comply.

"(2) If a recipient finds that any of its employees has violated or caused the recipient to violate the provisions of this title or the rules, regulations, and guidelines promulgated pursuant to this title, the recipient shall take appropriate remedial or disciplinary action in accordance with the types of procedures prescribed in the provisions of section 1011.

"(3) The Corporation shall not, under any provision of this title, interfere with any attorney in carrying out his professional responsibilities to his client as established in the Canons of Ethics and the Code of Professional Responsibility of the American Bar Association (referred to collectively in this title as 'professional responsibilities') or abrogate as to attorneys in programs assisted under this title the authority of a State or other jurisdiction to enforce the standards of professional responsibility generally applicable to attorneys in such jurisdiction. The Corporation shall insure that activities under this title are carried out in a manner consistent with attorneys' professional responsibilities.

"(4) No attorney shall receive any compensation, either directly or indirectly, for the provision of legal assistance under this title unless such attorney is admitted or otherwise authorized by law, rule, or regulation to practice law or provide such assistance in the jurisdiction where such assistance is initiated.

"(5) The Corporation shall insure that (A) no employee of the Corporation or of any recipient (except as permitted by law in connection with such employee's own employment situation), while carrying out legal assistance activities under this title, engage in, or encourage others to engage in, any public demonstration or picketing, boycott, or strike; and (B) no such employee shall, at any time, engage in, or encourage others to engage in, any of the following activities: (i) any rioting or civil disturbance, (ii) any activity which is in violation of an outstanding injunction of any court of competent jurisdiction, (iii) any other illegal activity, or (iv) any intentional identification of the Corporation or any recipient with any political activity prohibited by section 1007(a)(6). The Board, within ninety days after its first meeting, shall issue rules and regulations to provide for the enforcement of this paragraph and section 1007(a)(5), which rules shall include, among available remedies, provisions, in accordance with the types of procedures prescribed in the provisions of section 1011, for suspension of legal assistance supported under this title, suspension of an employee of the Corporation or of any employee of any recipent by such recipient, and, after consideration of other remedial measures and after a hearing in accordance with section 1011, the termination of such assistance or employment, as deemed appropriate for the violation in question.

"(6) In areas where significant numbers of eligible clients speak a language other than English as their principal language, the Corporation shall, to the extent feasible, provide that their principal language is used in the provision of legal assistance to such clients under this title.

"(c) The Corporation shall not itself—

"(1) participate in litigation on behalf of clients other than the Corporation; or

"(2) undertake to influence the passage or defeat of any legislation by the Congress of the United States or by any State or local legislative bodies, except that personnel of the Corporation may testify or make other appropriate communication (A) when formally requested to do so by a legislative body, a committee, or a member thereof, or (B) in connection with legislation or appropriations directly affecting the activities of the Corporation.

"(d)(1) The Corporation shall have no power to issue any shares of stock, or to declare or pay any dividends.

"(2) No part of the income or assets of the Corporation shall inure to the benefit of any director, officer, or employee, except as reasonable compensation for services or reimbursement for expenses.

"(3) Neither the Corporation nor any recipient shall contribute or make available corporate funds or program personnel or equipment to any political party or association, or the campaign of any candidate for public or party office.

"(4) Neither the Corporation nor any recipient shall contribute or make available corporate funds or program personnel or equipment for use in advocating or opposing any ballot measures, initiatives, or referendums. However, an attorney may provide legal advice and representation as an attorney to any eligible client with respect to such client's legal rights.

"(5) No class action suit, class action appeal, or amicus curiae class action may be undertaken, directly or through others, by a staff attorney, except with the express approval of a project director of a recipient in accordance with policies established by the governing body of such recipient.

"(e)(1) Employees of the Corporation or of recipients shall not at any time intentionally identify the Corporation or the recipient with any partisan or nonpartisan political activity associated with a political party or association, or the campaign of any candidate for public or party office.

"(2) Employees of the Corporation shall be deemed to be State or local employees for purposes of chapter 15 of title 5, United States Code.

"(f) If an action is commenced by the Corporation or by a recipient and a final order is entered in favor of the defendant and against the Corporation or a recipient's plaintiff, the court may, upon motion by the defendant and upon a finding by the court that the action was commenced or pursued for the sole purpose of harassment of the defendant or that the Corporation or a recipient's plaintiff maliciously abused legal process, enter an order (which shall be appealable before being made final) awarding reasonable costs and legal fees incurred by the defendant in defense of the action, except when in contravention of a State law, a rule of court, or a statute of general applicability. Any such costs and fees shall be directly paid by the Corporation.

"GRANTS AND CONTRACTS

"SEC. 1007. (a) With respect to grants or contracts in connection with the provision of legal assistance to eligible clients under this title, the Corporation shall—

(1) insure the maintenance of the highest quality of service and professional standards, the preservation of attorney-client relationships, and the protection of the integrity of the adversary process from any impairment in furnishing legal assistance to eligible clients;

(2)(A) establish, in consultation with the Director of the Office of Management and Budget and with the Governors of the several States, maximum income levels (taking into account family size, urban and rural differences, and substantial cost-of-living variations) for individuals eligible for legal assistance under this title;

"(B) establish guidelines to insure that eligibility of clients will be determined by recipients on the basis of factors which include—

"(i) the liquid assets and income level of the client,

"(ii) the fixed debts, medical expenses, and other factors which affect the client's ability to pay,

"(iii) the cost of living in the locality, and

"(iv) such other factors as relate to financial inability to afford legal assistance, which shall include evidence of a prior determination, which shall be a disqualifying factor, that such individual's lack of income results from refusal or unwillingness, without good cause, to seek or accept an employment situation; and

"(C) establish priorities to insure that persons least able to afford legal assistance are given preference in the furnishing of such assistance;

"(3) insure that grants and contracts are made so as to provide the most economical and effective delivery of legal assistance to persons in both urban and rural areas;

"(4) insure that attorneys employed full time in legal assistance activities supported in major part by the Corporation refrain from (A) any compensated outside practice of law, and (B) any uncompensated outside practice of law except as authorized in guidelines promulgated by the Corporation;

"(5) insure that no funds made available to recipients by the Corporation shall be used at any time, directly or indirectly, to influence the issuance, amendment, or revocation of any executive order or similar promulgation by any Federal, State, or local agency, or to undertake to influence the passage or defeat of any legislation by the Congress of the United States, or by any State or local legislative bodies, except where—

"(A) representation by an attorney as an attorney for any eligible client is necessary to the provision of legal advice and representation with respect to such client's legal rights and responsibilities (which shall not be construed to permit a recipient or an attorney to solicit a client for the purpose of making such representation possible, or to solicit a group with respect to matters of general concern to a broad class of persons as distinguished from acting on behalf of any particular client); or

"(B) a governmental agency, a legislative body, a committee, or a member thereof requests personnel of any recipient to make representations thereto;

"(6) insure that all attorneys engaged in legal assistance activities supported in whole or in part by the Corporation refrain, while so engaged, from—

"(A) any political activity, or

"(B) any activity to provide voters or prospective voters with transportation to the polls or provide similar assistance in connection with an election (other than legal advice and representation), or

"(C) any voter registration activity (other than legal advice and representation);

and insure that staff attorneys refrain at any time during the period for which they receive compensation under this title from the activities described in clauses (B) and (C) of this paragraph and from political activities of the type prohibited by section 1502(a) of title 5, United States Code, whether partisan or nonpartisan;

"(7) require recipients to establish guidelines, consistent with regulations promulgated by the Corporation, for a system for review of appeals to insure the efficient utilization of resources and to avoid frivolous appeals (except that such guidelines or regulations shall in no way interfere with attorneys' professional responsibilities);

"(8) insure that recipients solicit the recommendations of the organized bar in the community being served before filling staff attorney positions in any project funded pursuant to this title and give preference in filling such positions to qualified persons who reside in the community to be served;

"(9) insure that every grantee, contractor, or person or entity receiving financial assistance under this title or predecessor authority under this Act which files with the Corporation a timely application for refunding is provided interim funding necessary to maintain its current level of activities until (A) the application for refunding has been approved and funds pursuant thereto received, or (B) the application for refunding has been finally denied in accordance with section 1011 of this Act; and

"(10) insure that all attorneys, while engaged in legal assistance activities supported in whole or in part by the Corporation, refrain from the persistent incitement of litigation and any other activity prohibited by the Canons of Ethics and Code of Professional Responsibility of the American Bar Association, and insure that such attorneys refrain from personal representation for a private fee in any cases in which they were involved while engaged in such legal assistance activities.

"(b) No funds made available by the Corporation under this title, either by grant or contract, may be used—

"(1) to provide legal assistance with respect to any fee-gathering case (except in accordance with guidelines promulgated by the Corporation), to provide legal assistance with respect to any criminal proceeding, or to provide legal assistance in civil actions to persons who have been convicted of a criminal charge where the civil action arises out of alleged acts or failure to act and the action is brought against an officer of the court or against a law enforcement official for the purpose of challenging the validity of the criminal conviction;

"(2) for any of the political activities prohibited in paragraph (6) of subsection (a) of this section;

"(3) to make grants to or enter into contracts with any private law firm which expends 50 percent or more of its resources and time litigating issues in the broad interests of a majority of the public;

"(4) to provide legal assistance under this title to any unemancipated person of less than eighteen years of age, except (A) with the written request of one of such person's parents or guardians, (B) upon the request of a court of competent jurisdiction, (C) in child abuse cases, custody proceedings, persons in need of supervision (PINS) proceedings, or cases involving the initiation, continuation, or conditions of institutionalization, or (D) where necessary for the protection of such person for the purpose of securing, or preventing the loss of, benefits, or securing, or preventing the loss or imposition of, services under law in cases not in-

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volving the child's parent or guardian as a defendant or respondent;

"(5) to support or conduct training programs for the purpose of advocating particular public policies or encouraging political activities, labor or antilabor activities, boycotts, picketing, strikes, and demonstrations, as distinguished from the dissemination of information about such policies or activities, except that this provision shall not be construed to prohibit the training of attorneys or paralegal personnel necessary to prepare them to provide adequate legal assistance to eligible clients;

"(6) to organize, to assist to organize, or to encourage to organize, or to plan for the creation or formation of, or the structuring of, any organization, association, coalition, alliance, federation, confederation, or any similar entity, except for the provision of legal assistance to eligible clients in accordance with guidelines promulgated by the Corporation;

"(7) to provide legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system:

"(8) to provide legal assistance with respect to any proceeding or litigation which seeks to procure a nontherapeutic abortion or to compel any individual or institution to perform an abortion, or assist in the performance of an abortion, or provide facilities for the performance of an abortion, contrary to the religious beliefs or moral convictions of such individual or institution; or

"(9) to provide legal assistance with respect to any proceeding or litigation arising out of a violation of the Military Selective Service Act or of desertion from the Armed Forces of the United States.

"(c) In making grants or entering into contracts for legal assistance, the Corporation shall insure that any recipient organized solely for the purpose of providing legal assistance to eligible clients is governed by a body at least 60 percent of which consists of attorneys who are members of the bar of a State in which the legal assistance is to be provided (except that the Corporation (1) shall, upon application, grant waivers to permit a legal services program, supported under section 222(a)(3) of the Economic Opportunity Act of 1964, which on the date of enactment of this title has a majority of persons who are not attorneys on its policymaking board to continue such a nonattorney majority under the provisions of this title, and (2) may grant, pursuant to regulations issued by the Corporation, such a waiver for recipients which, because of the nature of the population they serve, are unable to comply with such requirement) and which include at least one individual eligible to receive legal assistance under this title. Any such attorney, while serving on such board, shall not receive compensation from a recipient.

"(d) The Corporation shall monitor and evaluate and provide for independent evaluations of programs supported in whole or in part under this title to insure that the provisions of this title and the bylaws of the Corporation and applicable rules, regulations, and guidelines promulgated pursuant to this title are carried out.

"(e) The President of the Corporation is authorized to make grants and enter into contracts under this title.

"(f) At least thirty days prior to the approval of any grant application or prior to entering into a contract or prior to the initiation of any other project, the Corporation shall announce publicly, and shall notify the Governor and the State bar association of any State where legal assistance will thereby be initiated, of such grant, contract, or project. Notification shall include a reasonable description of the grant application or proposal contract or project and request comments and recommendations.

"(g) The Corporation shall provide for comprehensive, independent study of the existing staff-attorney program under this Act and, through the use of appropriate demonstration projects, of alternative and supplemental methods of delivery of legal services to eligible clients, including judicare, vouchers, prepaid legal insurance, and contracts with law firms; and, based upon the results of such study, shall make recommendations to the President and the Congress, not later than two years after the first meeting of the Board, concerning improvements, changes, or alternative methods for the economical and effective delivery of such services.

"RECORDS AND REPORTS

"Sec. 1008. (a) The Corporation is authorized to require such reports as it deems necessary from any grantee, contractor, or person or entity receiving financial assistance under this title regarding activities carried out pursuant to this title.

"(b) The Corporation is authorized to prescribe the keeping of records with respect to funds provided by grant or contract and shall have access to such records at all reasonable times for the purpose of insuring compliance with the grant or contract or the terms and conditions upon which financial assistance was provided.

"(c) The Corporation shall publish an annual which shall be filed by the Corporation with the President and the Congress.

"(d) Copies of all reports pertinent to the evaluation, inspection, or monitoring of any grantee, contractor, or person or entity receiving financial assistance under this title shall be submitted on a timely basis to such grantee, contractor, or person or entity, and shall be maintained in the principal office of the Corporation for a period of at least five years subsequent to such evaluation, inspection, or monitoring. Such reports shall be available for public inspection during regular business hours, and copies shall be furnished, upon request, to interested parties upon payment of such reasonable fees as the Corporation may establish.

"(e) The Corporation shall afford notice and reasonable opportunity for comment to interested parties prior to issuing rules, regulations, and guidelines, and it shall publish in the Federal Register at least 30 days prior to their effective date all its rules, regulations, guidelines, and instructions.

"AUDITS

"Sec. 1009. (a)(1) The accounts of the Corporation shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants who are certified by a regulatory authority of the jurisdiction in which the audit is undertaken.

"(2) The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Corporation and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to any such person.

"(3) The report of the annual audit shall be filed with the General Accounting Office and shall be available for public inspection during business hours at the principal office of the Corporation.

"(b)(1) In addition to the annual audit, the financial transactions of the Corporation for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the General Accounting Office in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States.

"(2) Any such audit shall be conducted at the place or places where accounts of the Corporation are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Corporation and necessary to facilitate the audit; and full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to such representatives. All such books, accounts, financial records, reports, files, and other papers or property of the Corporation shall remain in the possession and custody of the Corporation.

"(3) A report of such audit shall be made by the Comptroller General to the Congress and to the President, together with such recommendations with respect thereto as he shall deem advisable.

"(c)(1) The Corporation shall conduct, or require each grantee, contractor, or person or entity receiving financial assistance under this title to provide for, an annual financial audit. The report of each such audit shall be maintained for a period of at least five years at the principal office of the Corporation.

"(2) The Corporation shall submit to the Comptroller General of the United States copies of such reports, and the Comptroller General may, in addition, inspect the books, accounts, financial records, files, and other papers or property belonging to or in use of such grantee, contractor, or person or entity, which relate to the disposition or use of funds received from the Corporation. Such audit reports shall be available for public inspection, during regular business hours, at the principal office of the Corporation.

"(d) Notwithstanding the provisions of this section or section 1008, neither the Corporation nor the Comptroller General shall have access to any reports or records subject to the attorney-client privilege.

"FINANCING

"Sec. 1010. (a) There are authorized to be appropriated for the purpose of carrying out the activities of the Corporation, $90,000,000 for fiscal year 1975, $100,000,000 for fiscal year 1976, and such sums as may be necessary for fiscal year 1977. The first appropriation may be made available to the Corporation at any time after six or more members of the Board have been appointed and qualified. Appropriations shall be for not more than two fiscal years, and, if for more than one year, shall be paid to the Corporation in annual installments at the beginning of each fiscal year in such amounts as may be specified in appropriation Acts.

"(b) Funds appropriated pursuant to this section shall remain available until expended.

"(c) Non-Federal funds received by the Corporation, and funds received by any recipient from a source other than the Corporation, shall be accounted for and reported as receipts and disbursements separate and distinct from Federal funds; but any funds so received for the provision of legal assistance shall not be expended by recipients for any purpose prohibited by this title, except that this provision shall not be construed to prevent recipients from receiving other public funds or tribal funds (including foundation funds benefiting Indians or Indian tribes) and expending them in accordance with the purposes for which they are provided, or to prevent contracting or making other arrangements with private attorneys, private law firms, or other State or local entities of attorneys, or with legal aid societies having separate public defender programs, for the provision of legal assistance to eligible clients under this title.

"SPECIAL LIMITATIONS

"Sec. 1011. The Corporation shall prescribe procedures to insure that—

"(1) financial assistance under this title shall not be suspended unless the grantee, contractor, or person or entity receiving financial assistance under this title has been given reasonable notice and opportunity to show cause why such action should not be taken; and

"(2) financial assistance under this title shall not be terminated, an application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the grantee, contractor, or person or entity receiving financial assistance under this title has been afforded reasonable notice and opportunity for a timely, full, and fair hearing.

"COORDINATION

"SEC. 1012. The President may direct that appropriate support functions of the Federal Government may be made available to the Corporation in carrying out its activities under this title, to the extent not inconsistent with other applicable law.

"RIGHT TO REPEAL, ALTER, OR AMEND

"SEC. 1013. The right to repeal, alter, or amend this title at any time is expressly reserved.

"SHORT TITLE

"SEC. 1014. This title may be cited as the 'Legal Services Corporation Act'."

TRANSITION PROVISIONS

SEC. 3. (a) Notwithstanding any other provision of law, effective ninety days after the date of the first meeting of the Board of Directors of the Legal Services Corporation established under the Legal Services Corporation Act (title X of the Economic Opportunity Act of 1964, as added by this Act), the Legal Services Corporation shall succeed to all rights of the Federal Government to capital equipment in the possession of legal services programs or activities assisted pursuant to section 222(a)(3), 230, 232, or any other provision of the Economic Opportunity Act of 1964.

(b) Within ninety days after the first meeting of the Board, all assets, liabilities, obligations, property, and records as determined by the Director of the Office of Management and Budget, in consultation with the Director of the Office of Economic Opportunity or the head of any successor authority, to be employed directly or held or used primarily, in connection with any function of the Director of the Office of Economic Opportunity or the head of any successor authority in carrying out legal services activities under the Economic Opportunity Act of 1964, shall be transferred to the Corporation. Personnel transferred to the Corporation from the Office of Economic Opportunity or any successor authority shall be transferred in accordance with applicable laws and regulations, and shall not be reduced in compensation for one year after such transfer, except for cause. The Director of the Office of Economic Opportunity or the head of any successor authority shall take whatever action is necessary and reasonable to seek suitable employment for personnel who do not transfer to the Corporation.

(c) Collective-bargaining agreements in effect on the date of enactment of this Act covering employees transferred to the Corporation shall continue to be recognized by the Corporation until the termination date of such agreements, or until mutually modified by the parties.

(d)(1) Notwithstanding any other provision of law, the Director of the Office of Economic Opportunity or the head of any successor authority shall take such action as may be necessary, in cooperation with the president of the Legal Services Corporation, including the provision (by grant or otherwise) of financial assistance to recipients and the Corporation and the furnishing of services and facilities to the Corporation—

(A) to assist the Corporation in preparing to undertake, and in the initial undertaking of, its responsibilities under this title;

(B) out of appropriations available to him, to make funds available to meet the organizational and administrative expenses of the Corporation;

(C) within ninety days after the first meeting of the Board, to transfer to the Corporation all unexpended balances of funds appropriated for the purpose of carrying out legal services programs and activities under the Economic Opportunity Act of 1964 or successor authority; and

(D) to arrange for the orderly continuation by such Corporation of financial assistance to legal services programs and activities assisted pursuant to the Economic Opportunity Act of 1964 or successor authority.

Whenever the Director of the Office of Economic Opportunity or the head of any successor authority determines that an obligation to provide financial assistance pursuant to any contract or grant for such legal services will extend beyond six months after the date of enactment of this Act, he shall include, in any such contract or grant, provisions to assure that the obligation to provide such financial assistance may be assumed by the Legal Services Corporation, subject to such modifications of the terms and conditions of such contract or grant as the Corporation determines to be necessary.

(2) Section 222(a)(3) of the Economic Opportunity Act of 1964 is repealed, effective ninety days after the first meeting of the Board of Directors of the Legal Services Corporation.

(e) There are authorized to be appropriated for the fiscal year ending June 30, 1975, such sums as may be necessary for carrying out this section.

(f) Title VI of the Economic Opportunity Act of 1964 is amended by inserting after section 625 thereof the following new section:

"INDEPENDENCE OF LEGAL SERVICES CORPORATION

"SEC. 626. Nothing in this Act, except title X, and no reference to this Act unless such reference refers to title X, shall be construed to affect the powers and activities of the Legal Services Corporation.".

And that the House recede from its disagreement to the amendment of the Senate to the title of the bill, and concur therein.

Mr. CRANSTON. Mr. President, on behalf of Senator Nelson, the manager of this measure, I move that the Senate concur in the House amendment to the Senate amendment to H.R. 7824.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

Mr. JAVITS. Mr. President, will the Senator withhold that request?

Mr. GRIFFIN. Yes.

Mr. JAVITS. Mr. President, I think we have had a right to hope that after so overwhelming a vote as we had earlier in the day on this measure, and after the unbelievable labors which have been expended on it by Senator CRANSTON, Senator NELSON, Senator TAFT, Senator MONDALE, and myself and many others, including the American Bar, in an unparalleled way, the matter could be permitted to go on its way to the President.

But I believe it has been made amply clear to all of us—and I hope Senator GRIFFIN will not consider it an imposition for me to make this statement, which he does not have to affirm, but which I hope he will deny if it is not a fact—that again we will have to go through the same process of debate and perhaps the same process of cloture which we faced before.

I think it is only fair to state to the Senate, of record, that it is time that this matter at last, after so long and so hard a labor and such a great concurrence—it was passed overwhelmingly in the House just now—should at last go to the President.

So I hope that Senators will not feel that any of us are precipitate in trying to utilize procedure which will bring about a result which seems to be so universally approved—with opposition, of course, as is always true—in both the House and the Senate.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. GRIFFIN. Let me say, in my own behalf, that I am acting at this point not as the junior Senator from Michigan but in my leadership capacity, having been requested by other Senators to make sure that there would not be a vote on this matter tonight. In fact, it was not anticipated that the message from the House would even arrive before the Senate adjourned today.

I might say, further, that when the Senator from Ohio (Mr. TAFT) arrives in the Chamber and offers a cloture motion, the junior Senator from Michigan will be one of the signatories on the cloture motion, and I intend to vote for cloture when the matter comes to a vote.

Mr. JAVITS. I thank the Senator. Many of us find ourselves in that position when we have representative responsibility. I have found myself in that position. I am a ranking member of committees. The Senator from Michigan is the deputy minority leader. We understand that perfectly.

Nothing I said was intended in any way to do anything but approve of the Senator from Michigan doing his duty.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CRANSTON. Mr. President, I join in urging that this matter be brought to a head rapidly and that the Senate overwhelmingly approve the matter that will now be before the Senate.

This represents many days, weeks, months, and years of effort by many Senators—Senator NELSON, Senator MONDALE, Senator JAVITS, Senator TAFT, myself, and many others. It represents a compromise on the part of all of us, worked out among ourselves with the House and with the White House.

I do not think anybody is delighted with the exact form of this measure, but it represents a broad effort by many people to achieve a concurrence. I believe that our achievement should now be recognized by the Senate with an overwhelming vote of approval.

CLOTURE MOTION

Mr. TAFT. Mr. President, before filing a cloture motion in connection with this measure, I should like to say that I regret that it is necessary; but I have been advised by some of our colleagues who are opposed to the measure that they expect to discuss the measure further.

It seems to me that it is certainly justifiable, even at this late hour today, to file a cloture motion to assure that the Senate will vote on this matter on Thursday, rather than possibly having it go over until Friday or later in the week, when not as many Senators might be present as might otherwise be the case.

Therefore, on behalf of myself and 16 other Senators, I send this motion to the desk and ask that it lie at the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the motion to concur in the House Amendment to the Senate Amendment to the Bill (H.R. 7824), a bill to amend the Economic Opportunity Act of 1964 to provide for the transfer of the legal services program from the Office of Economic Opportunity to a Legal Services Corporation, and for other purposes.

1. Robert Taft, Jr.
2. Jacob K. Javits.
3. Alan Cranston.
4. Edward W. Brooke.
5. Robert P. Griffin.
6. James B. Pearson.
7. Harrison A. Williams.
8. Floyd K. Haskell.
9. Joseph R. Biden.
10. Walter D. Huddleston.
11. Lee Metcalf.
12. Clifford P. Case.
13. Charles McC. Mathias.
14. Gaylord Nelson.
15. Walter F. Mondale.
16. Edward M. Kennedy.
17. Richard S. Schweiker.
18. Mike Mansfield.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will meet at the hour of 9:30 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized each for not to exceed 15 minutes and in the order stated: Mr. TALMADGE, Mr. PROXMIRE, Mr. DOMENICI, Mr. GRIFFIN, Mr. JAVITS, and Mr. ROBERT C. BYRD.

There will then be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes each.

At the conclusion of routine morning business, the Senate will proceed to the consideration of Calendar Order 910, S. 1566, a bill to provide for the normal flow of ocean commerce between Hawaii, Guam, American Samoa, with the Trust Territory of the Pacific Islands, and the west coast and to prevent certain interruptions thereof. There is a time agreement on that bill. Yea-and-nay votes are anticipated.

At the hour of 3 p.m., the Senate will proceed to the consideration of the unfinished business. In the interim, in the event the Senate has completed action on S. 1566 prior to the hour of 3 p.m., the Senate will likely resume consideration of S. 3164, cost of real estate settlement services, until the hour of 3 p.m. But in any event, at the hour of 3 p.m., the Senate will resume consideration of the unfinished business, S. 707, consumer protection, at which time the question before the Senate will be on the adoption of the first committee amendment, on which there is a 1-hour limitation, with a rollcall vote scheduled to occur on the adoption of the first committee amendment at the hour of 4 p.m.

I repeat, there will be rollcall votes tomorrow

ADJOURNMENT TO 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there is no further business to be called before the Senate, I move that the Senate, in accordance with the order previously entered, stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and at 6:05 p.m., the Senate adjourned until tomorrow, Wednesday, July 17, 1974, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 16, 1974:

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

Robert L. DuPont, Jr., of Maryland, to be Administrator of the Alcohol, Drug Abuse, and Mental Health Administration. (New position)

SECURITIES AND EXCHANGE COMMISSION

Philip A. Loomis, Jr., of California, to be a Member of the Securities and Exchange Commission for the term expiring June 5, 1979. (Reappointment)

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066 to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. John J. Burns, 155-18-0229FR (major general, Regular Air Force), U.S. Air Force.

EXTENSIONS OF REMARKS

FEDERAL CIVILIAN EMPLOYMENT, MAY 1974

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. MAHON. Mr. Speaker, I include a release highlighting the May 1974 civilian personnel report of the Joint Committee on Reduction of Federal Expenditures:

FEDERAL CIVILIAN EMPLOYMENT, MAY 1974

Total civilian employment in the Executive, Legislative and Judicial Branches of the Federal Government in May 1974 was 2,863,459 as compared with 2,849,009 in the preceding month of April—a net increase of 14,450. Total pay for April 1974, the latest month for which actual expenditures are available, was $3,006,489,000.

Employment in the Legislative Branch in May totaled 35,026—an increase of 269, and the Judicial Branch increased 13 during the month to a total of 9,407.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Federal Expenditures.

Civilian employment in the Executive Branch in May 1974, as compared with the preceding month of April and with May a year ago, follows:

	Full-time in permanent positions	Change	Temporary part-time, etc.	Change	Total employment	Change
Monthly change:						
April 1974	2,455,621		349,237		2,804,858	
May 1974	2,465,613	+9,992	353,413	+4,176	2,819,026	+14,168
12-mo change:						
May 1973	2,433,618		339,138		2,722,756	
May 1974	2,465,613	+31,995	353,413	+14,275	2,819,026	+46,270

Some highlights wtih respect to executive branch employment for the month of May 1974 are:

Total employment of executive agencies shows an increase of 14,168 during the month to a total of 2,819,026. Major increases were in Defense agencies with 6,387, Agriculture with 3,417, Interior with 3,408 and Postal Service with 1,896. The largest decrease was in Treasury with 4,707.

The full-time permanent employment level of 2,465,613 reflects a net increase during the month of 9,992, primarily in Defense with 4,327 and Postal Service with 3,197.

During the first eleven months of fiscal year 1974 there was a net increase of 43,906 employees in full-time permanent positions. This represents an increase of 36,286 among the civilian agencies and an increase of 7,620 in Defense agencies.

With one month left in fiscal year 1974, the May figure for full-time permanent employment is 14,987 under the budget projection of 2,480,600 for the fiscal year-end employment level.

Temporary and part-time employment in May shows an increase over April of 4,176 to a total of 353,413. Major increases were in Interior with 3,347, Agriculture with 3,322 and Defense agencies with 2,060. The largest decreases were in Treasury with 4,616 and Postal Service with 1,301. The changes in Interior, Agriculture and Treasury are largely seasonal.

Total employment inside the United States increased 15,805 in May to a total of 2,677,358. Total employment outside the United States decreased 1,637 to a total of 141,668.

In addition, Mr. Speaker, I would like to include a tabulation, excerpted from the joint committee report, on personnel employed full time in permanent positions by executive branch agencies during May 1974, showing comparisons with June 1972, June 1973, and the budget estimates for June 1974:

FULL-TIME PERMANENT EMPLOYMENT

Major agencies	June 1972	June 1973	May 1974	Estimated June 30, 1974[1]
Agriculture	82,511	81,715	78,598	80,200
Commerce	28,412	28,300	28,571	28,600
Defense:				
Civil functions	30,585	29,971	28,873	28,700
Military functions	1,009,548	957,310	966,028	996,600
Health, Education, and Welfare	105,764	114,307	125,311	[2] 123,900
Housing and Urban Development	15,200	15,820	14,870	14,800
Interior	56,892	56,771	57,535	58,900
Justice	45,446	45,496	47,461	48,900
Labor	12,339	12,468	12,396	12,700
State	22,699	22,578	22,670	23,400
Agency for International Development	11,719	10,108	9,140	9,900
Transportation	67,232	67,885	68,234	69,500
Treasury	95,728	98,087	104,078	104,700
Atomic Energy Commission	6,836	7,145	7,372	7,400
Civil Service Commission	5,260	5,911	6,240	6,100
Environmental Protection Agency	7,835	8,270	8,795	9,200
General Services Administration	36,002	35,721	36,516	37,200
National Aeronautics and Space Administration	27,428	25,955	25,430	25,000
Panama Canal	13,777	13,680	13,659	14,000
Selective Service System	5,791	4,607	3,110	3,100
Small Business Administration	3,916	4,050	3,939	4,100
Tennessee Valley Authority	14,001	13,995	13,531	14,000
U.S. Information Agency	9,255	9,048	8,867	9,100
Veterans' Administration	163,179	170,616	173,714	173,400
All other agencies	33,499	34,610	36,939	37,300
Contingencies				2,000
Subtotal	1,910,854	1,874,424	1,901,877	1,942,700
U.S. Postal Service	594,834	547,283	563,736	537,900
Total[3]	2,505,688	2,421,707	2,465,613	2,480,600

[1] Source: As projected in 1974 budget document submitted by the President on Feb. 4, 1974.

[2] Excludes 4,000 positions involved in proposed transfer of St. Elizabeths Hospital to the District of Columbia.

[3] May figure includes 1,320 disadvantaged persons in public service careers programs as compared with 1,113 in April.

FRUSTRATION OVER INFLATION

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BAUMAN. Mr. Speaker, certainly the most frustrating and most serious problem we face in America today is runaway inflation. A recent Gallup poll confirmed once again what we already knew: by an overwhelming margin, the No. 1 concern of the citizens of our country is the inflationary spiral which eats away at their paychecks and makes it well nigh impossible for those on fixed incomes to get along.

It is not surprising that the people should look to their Government for a solution to the problem, since there is more than ample evidence to indicate that it is Government which originated the problem in the first place. And as more and more public ire is directed at the Government generally, elements within the Government begin to point fingers—at virtually anyone else—in a wild attempt to avoid the blame.

In fact, there is more than enough blame to go around, and neither the Congress nor the executive department are alone in contributing to the problem, as Art Pine pointed out in an excellent article in the Baltimore Sun this past weekend. Mr. Pine reports on economic affairs from the Sun's Washington bureau.

He notes first of all that the public is confused when it comes to inflation—most people do not understand how inflation is caused, and have often conflicting notions about how to solve the problem. Mr. Pine says:

> The confusion isn't difficult to explain. Economics itself is often so complex a subject that even economists are frequently baffled by it. Until recently economics wasn't even taught in the high schools, and in college the material often bore little real relation to what actually was happening in the outside world.

Compounding public misunderstanding on the issue is the fact that the administration has consistently been publicly overoptimistic in its economc forecasts, leading to high public expectations which are rarely, if ever, fulfilled.

And the two Houses of Congress "are so hopelessly disorganized in their approach to economic policy that they often wind up doing precisely what economists fear most," he says. Mr. Pine argues persuasively that the vital first step in dealing effectively with inflation must be an end to misleading public statements by Government officials, and the avoidance of purported "solutions" to inflation such as economic controls, which are more cosmetic than anything, and which fail to address the real causes of the problem. There can be no place for demagoguery or crude attempts at capitalizing on public discontent by offering "solutions" which are much longer on sex appeal than on economic good sense. If we are to deal effectively with inflation, our approach must be calm and well reasoned.

In the interests of helping to stimulate this sort of discussion, I now enter in the RECORD the text of Mr. Pine's article:

[From the Baltimore Sun]

WHO'S BEEN HONEST IN MONEY TALK?

(By Art Pine)

WASHINGTON.—Amid mounting frustration over the nation's inflation problem, the government has run into an ironic dilemma. The issue is not merely whether strategists can find the right policy to slow prices effectively, but also whether the public would accept it if anyone ever devised a solution. Indeed, given the widening disparity between the nation's increasingly complex economic problems and the public's increasingly simplistic demands for action, many observers have begun to wonder whether it is possible any longer for the government to conduct a rational economic policy. Some analysts would argue that the answer already is in doubt.

The problem was touched on last week by Herbert Stein, chairman of the President's Council of Economic Advisers, who blamed the public, in part, for the rise in inflation—arguing that voters' opposition to higher taxes effectively had inhibited recent administrations from using a tax increase to ward off inflation, thus allowing prices to go up unchecked. Mr. Stein told a television audience that "government policy operates within the limits of what the American people want and will tolerate." By eschewing higher taxes, he asserted, voters "created the conditions" for prices to soar.

The resulting public reaction was predictable—especially in view of the Nixon administration's own record on economic policy, which is blemished enough to give any White House fingerpointer pause. Within hours after Mr. Stein had made his statement, there were barb-filled editorials denouncing him for "sheer gall" and arrogance and recalling the administration's own sorry performance. Indeed, newspaper editorial-page cartoonists are still having a field day with Mr. Stein. And the gaffe is apt to remain unforgotten for some time to come.

However, Mr. Stein's unfortunate timing aside, the presidential adviser did have a point there. Especially in the past decade or so, increasing public demand for accelerating—and uninterrupted—economic growth has all but overwhelmed most western governments. Opting expedientially for what seemed to be the most popular path, the free-world democracies pumped up their economies well past the overheating point, with essentially no thought to what might be the consequence. The result was a decade-long boom that many analysts now blame for the inflation spiral currently under way.

Moreover, the dilemma seems especially acute here in the United States, where a spate of other factors serve to exacerbate the underlying situation. On one hand, for a variety of reasons Americans generally seem to have less real understanding of economics than any other major national issue. Yet, because it affects their own personal well-being, voters probably respond more vocally to the economic issue than any save a Watergate-style scandal. The result is, politicians frequently feel under intense pressure to go for the most expedient—rather than the most sensible—policy solutions.

For example, during the mid-1960's President Johnson flatly rejected a recommendation from his advisers that he seek a tax increase to finance the Vietnam hostilities—largely because of his fear of an adverse public reaction. This result was a predicted round of inflation that lasted through late 1972. President Nixon bowed to voters' clamor about recession in late 1971 and proposed a series of sharp tax cuts that later overheated the economy—bringing on a new round of inflation. And in mid-1973, feeling consumer pressure over the impact of meat prices, he ordered a second freeze over the warnings of his advisers—a blunder that distorted the supply chain for several months to come.

The existence of widespread public misconceptions about the economy is not hard to document. Opinion polls constantly turn up sizable segments of the electorate that are convinced the U.S. is in a full-scale depression, or that the best way to fight inflation is to lower federal taxes. Frequently, sentiment seems almost to contradict itself. Samplings taken during Phase 2 showed the voters were generally satisfied that the government was "doing something about inflation," even though they didn't think the controls were doing any good. There were few, if any, cries for further real belt-tightening.

The confusion isn't difficult to explain. First, economics itself is often so complex a subject that even economists are frequently baffled by it. Indeed, most forecasters have been a good deal off target in recent years, in part because economic forces appear to be changing. Second, except for the 1929 Depression, Americans generally have been shielded from serious economic hardship, and thus have not had to think about it much. Until recently, few high schools even bothered to teach the subject. And college courses often bore little real relation to what actually was happening in the outside world.

Nor has the press made much contribution in this area. Of the 1,700-some daily newspapers now operating in the U.S., only about 10 have one or more journalists even assigned to cover economic matters. (What appears on most papers' financial pages is simply business news, which relates only peripherally to general economic trends.) And the major television networks allow so little time for economic issues that to many analysts they more often wind up distorting economic developments than presenting them intelligently.

The paradox is a dilemma for economic policymakers. As recent elections have shown clearly, public clamor over economic problems often is more vocal than voter reaction on almost any other major issue—and the pressure for a quick-and-easy solution is more intense as well. With economic problems becoming more complex daily, many analysts are wondering whether the government will be able to keep fiscal policy tight—and resist the pressures to take the easy or expedient route, no matter what public opinion says. Indeed, is a rational economic policy possible anymore?

Mr. Stein had an answer during the same television interview that somehow was lost in the furor over his finger-pointing—that the government try exercising some leadership to persuade the voters on what must be done. Conceding that in a democracy policymakers must by nature "respond" to the wishes of the people, Mr. Stein then suggested that they have a leadership role as well. "Governments . . . should also educate the people," he asserted, " and that's what we have to go through now." The implication was that the administration would begin a hard campaign to instill honesty and reality into the public-policy debate.

The suggestion was a good one, and—many would argue—the only sensible approach to reconciling today's needs with the policy demands of democracy. Indeed, it seems hard to fault on any ground, assuming the administration is really ready to carry it out. But it also evoked a good deal of irony—especially in view of the administration's own somewhat spotty record in "leveling" with the public on the seriousness of the economic dilemma. Indeed, to many observers, the government has been so big a culprit that Mr. Stein's finger of blame should have been pointing the other way.

For in fact, for much of the past 15 years, government policymakers have been doing just the opposite of what Mr. Stein suggested—continually misleading the public into thinking that prosperity required no discipline, while simultaneously pushing all-out for full employment without any regard for inflation. The concept, ingrained in the national psyche during the successes of the Kennedy administration, was carried beyond its limits by President Johnson's later assurances that the nation could afford both "guns and butter."

The disease has infected Congress, which—as Senator Mike Mansfield, the Senate majority leader, confessed last week—has done nothing to combat inflation, and, indeed may often have been a good part of the problem For years, the legislators have plunged the budget deeply into deficit without any thought of their impact on the inflation problem. And the two houses are so hopelessly disorganized in their approach to economic policy that they often wind up doing precisely what economists fear most.

For example, despite warnings from almost everywhere, the Senate last month came dangerously close to enacting a major tax cut—a step most analysts viewed as certain to exacerbate inflation. And the House Banking and Currency Committee, deliberating over wage-price controls, voted to roll back farm prices to levels of the previous May, despite warnings from virtually every sector that it would result in massive shortages of food. The list of similar blunders would go on for pages.

But to many observers—and that is where Mr. Stein's fingerpointing backfires—by far the biggest offender has been the Nixon administration, which came into office in 1969 blithely insisting it could control inflation without much national sacrifice, and has continued for 5½ years with both policy actions and rhetoric that later proved to be misleading. Indeed, the Nixon record on leveling over economic issues has been so strikingly dismal that Mr. Stein's call for new realism can hardly help but ring hollow.

On the issue of tax increases, for example, it was Mr. Nixon who first stirred up public resistance to a tax increase by charging as early as the 1968 campaign that taxes already were too high and ought to be lowered. Despite serious inflation, as soon as he got in, Mr. Nixon scrapped the Johnson surtax, and cut taxes—by signing the tax-reform bill—as early as 1969. In mid-1971, the President once again slashed taxes—despite continuing inflation—claiming his wage-price controls would offset the impact, even though he didn't believe they were working. The result was further pump-priming that led to overheating.

The administration's policy actions have been just as inconsistent, with the President first inveighing vigorously against wage-and-price controls, and then finally adopting them; preaching the need for freedom in markets, and then moving to subsidize both Lockheed and cattle-feeders; and calling for fiscal discipline, while allowing year after year of near-record budget deficits. Only last week, after harping for weeks on the need for tighter spending limits, Mr. Nixon signed a veterans' bill that would swell his own budget by a whopping $700 million. Indeed, the White House's own resolve to take the "tough measures" against inflation would seem to be no better than the public's.

Finally, the administration's rhetoric has been so continually overoptimistic that it almost certainly helped strain public patience and give rise to the push for more instant solutions. Virtually from the day the administration took office, the White House has hyped-up its assessments of the trends in the economy, bloated its forecasts, and consistently underestimated the problems that confronted it. Only last May, Mr. Stein again called a temporary slowdown in the rise of consumer prices "representative of a more durable change for the better"—only to be embarrassed when inflation accelerated again the following month.

Small wonder, then, that the editorial writers could not stop snickering when Mr. Stein pointed the finger at the public's reluctance to face the economic situation squarely. The administration itself seems to have been doing just that since its first day in office.

Just the same, Mr. Stein does appear to have put his finger on a problem that is bothering a growing number of economists and policymakers—the increasing disparity between what is needed and what the public wants. And he has suggested a solution that might well be put into effect sometime soon.

Indeed, one of Mr. Stein's colleagues—William J. Fellner, another member of the council—has recently suggested just how important it might be for the government to remain firm and straightforward, both in its deeds and rhetoric, warning that unless the administration retains "credibility" in its economic policies, inflation may persist for many more years to come. The views of Mr. Fellner, who was not involved in the administration's earlier shenanigans, may not be substantially different from what Mr. Stein was attempting to get across on last week's TV program. But they do approach the problem from the proper side of the fence.

INFLATION HITS WHEAT FARMERS TOO

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. SEBELIUS. Mr. Speaker, working for legislation that I have sponsored involving an increase in the target price for wheat and feed grains (H.R. 14655), I am often asked by my urban friends and colleagues why this legislation is needed when our Nation's farmers are getting such good prices.

For some time now, I have been trying to convince many of my colleagues that inflation is not only a problem for the consumer in our metropolitan areas but a severe problem for the farmer, too. In fact, the farmer has seen his old nemesis, the cost-price squeeze, turn into a virtual bear hug!

Several weeks ago, Mr. Pat Gaston, of the Salina Journal summed up this situation very well. I commend Pat's article to the attention of my colleagues. I would hope every Member could keep Mr. Gaston's article in mind when considering farm legislation. Such issues as our Nation's food supply, world hunger, and even world peace are directly related to the need for the farmer to get a fair return in the marketplace.

The article follows:

[From the Salina Journal, July 7, 1974]

INFLATION HITS WHEAT FARMERS TOO

(By Pat Gaston)

I am not what you would call ancient, and it's easy for me to remember the days when farmers hoped against hope for $2 wheat.

This summer, those same Kansas farmers are angling after a much more ambitious sum. Five bucks a bushel is the figure most commonly quoted.

Consumers wince, certain government

economists express Grave Concern, and the baking industry fairly trips over itself pouring new leaven into its dollar-a-loaf campaign.

But what's behind this mass withholding from market of much of the 1974 wheat crop? Why are farmers who, 2 years ago, talked of $2.50 as an unattainable price now turning up their weathered noses at $3.90 and $4.05? Is simple greed the answer? Has avarice finally seeped from Manhattan's concrete canyons to pollute the good folk of the Kansas plains?

Not hardly. City dwellers who are trying to cope with an inflation rate of 15 or 20 percent just forget, sometimes, that the farmer currently is caught in an even more vicious cost spiral.

Consider that a new 18-foot combine—of average size, by modern farming standards—goes for about $25,000 these days. The bigger 20- and 24-foot models used extensively in Western Kansas cost $30,000 and over. Those are going prices for machines that will be used a maximum of 3 months each year—during the wheat and sorghum harvests—and they represent an increase of 20 percent over the past couple of years.

Consider that an average combine gulps about 1½ gallons of gasoline for each acre of cropland harvested. On 600 acres of wheat, that's $450 for fuel alone—double the price of 2 years back.

Consider that fertilizer, when it was available last fall, often sold at stiff black market rates of $325 or more per ton. What anhydrous there was for sale at the normal $180–$200 per ton price generally was insufficient to insure a healthy crop.

As an upshot of the fertilizer shortage, and of drought and disease which plagued much of the Western Kansas wheat crop this year, many farmers harvested significantly less wheat than they did in 1973—while prices for everything else kept rising. During last year's record harvest, yields of 45 and 50 bushels an acre were the norm throughout much of the area. This year, officials agree farmers will have done well to average 30 bushels statewide.

Consider, finally, that few farmers—less than 2 in 10 are the best estimates—actually reaped the benefits of those $5 price levels that aroused consumer alarm last year. Both in 1972 and '73, farmers were encouraged to sell early—or did so out of pressing financial need. Most took a shellacking. They are determined it won't happen again.

Based on the percentage of consumer income actually needed to purchase food, American agricultural prices have for decades been among the lowest in the world.

Perhaps the farmer, derided in the past for taking advantage of government price supports and subsidies, is tired of subsidizing the price of new cars and color television sets.

NATIONAL HEALTH INSURANCE

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. SHRIVER. Mr. Speaker, the question of national health insurance has for some time been an issue of concern to our country and the Congress. As the subject of health care is complicated, the alternatives it presents are complex. In view of the fact this issue is now being considered by the House Ways and Means Committee, I would like to share with the Congress additional insight presented by the following opinions. They originate from recent editorials printed by the Topeka Capital-Journal and the Wall Street Journal.

DO WE REALLY NEED NHI?

Congress has received at least 16 national health insurance proposals this year and is in a dilemma about how to resolve the question whether to pass one of them or postpone a decision another year.

Our Congressmen hold the key to the nation's third largest industry. It employs about 4.4 million persons, including 320,000 physicians and 748,000 nurses. Our health bill last year came to $94.1 billion, 40 per cent of which was in tax dollars and 40 per cent of which went to hospitals. That was $441 for every person in the nation.

Powerful forces, making different demands and with different expectations, are at work to get some form of national health insurance on the books this year. But there also are many critics, notably the physicians and health providers, who fear that any federal plan will restrict their professional duties and enormously increase the total health bill by lifting the financial barrier that now keeps some from seeking care.

Congress should find out if the American public really needs and wants federal health insurance. The public has not made any great clamor for it so far, and if it does not Congress should not force it upon the people.

Indications in Kansas are that a federal plan is not needed because a great number of residents or their employers are providing their own insurance. In Topeka, a recent survey at Stormont-Vail and St. Francis Hospitals revealed that 85 to 90 per cent of their patients have some form of health insurance. From 25 to 30 per cent had Blue Cross coverage. Thirty-three per cent were covered by Medicare, and from 16 to 27 per cent had other commercial insurance coverage.

Kansas Blue Cross-Blue Shield carries coverage for about 44.6 per cent of the population. Its coverage includes all counties except Johnson and Wyandotte, which are served by Kansas City Blue Cross-Blue Shield. Its coverage includes Plan 65 which supplements Medicare.

Eliminating the 10 per cent without insurance, that means about 45 per cent of the population is covered by plans offered by the 427 other insurance organizations authorized to do business in the state.

Nationwide, the number of persons with coverage is even more impressive. The Health Insurance Institute of New York City says that in 1972 a total of 182 million, or nearly 9 out of 10 of the civilian resident population were protected by one or more forms of private health insurance.

Some 170 million of them were under age 65 and had hospital expense protection with their coverage. Ninety-two per cent of those with hospital protection also had surgical expense protection. Of the total with coverage, 73 million persons even had some form of disability income coverage.

In 1972, Americans paid nearly $26 billion in premiums for health plans through private insurors, and group health insurance premiums, many of which are paid at least in part by employers, reached $10 billion. Group premiums had tripled what they were a decade earlier.

It is clear that the majority of Americans or their employers are able to provide health insurance coverage themselves.

The federal government should tread lightly, and logically only where it can help those on the lower part of the economic scale and those stricken with catastrophic illness. To go further could saddle us with an unwieldy national plan vulnerable to waste and abuses and potentially the trigger for enormous inflationary health care costs.

HEALTH INSURANCE ON HOLD

Congressional ardor has cooled for pushing through a comprehensive federal health insurance bill this year, which is all to the good. There are few issues more deserving of calm and measured deliberation.

The cooling off is itself significant, suggesting as it does that there is no insistent clamor from the voters that the federal government plunge deeper into health care. It already is in pretty deeply, to the tune of some $25 billion a year for Medicare, Medicaid and other programs. There are compelling reasons, both fiscal and political for the nation to consider carefully when, and even whether, to take the next step.

The most immediate problem is money. There are no fewer than eight theoretically serious health insurance bills before Congress and maybe a couple of dozen altogether. Even the cheapest would cost the Treasury another $3.6 billion a year, conservatively estimated. This is the Fannin bill, which has the support of the U.S. Chamber of Commerce. It sets minimum standards, including coverage of catastrophic illnesses, for private insurance and provides for federal purchase of insurance for the poor.

From there the price goes up, to a modestly estimated $6.5 billion for the President's Comprehensive Health Insurance bill on up to $18 billion for the Ullman-American Hospital Association bill and finally to the ultimate in fiscal and political profligacy, the Kennedy-Griffiths Health Security bill, which is priced at an estimated $60 billion a year to start with and might end up eventually costing $60 trillion for all we know.

Few of these price tags, with the possible exception of the sky's-the-limit Kennedy-Griffiths figure, cover full economic costs. Most of the bills also involve higher costs to industry, which would certainly be passed along in higher prices, an increasingly popular way in Congress for financing programs the government can't afford to support directly. The Fannin bill, which not only is the most modest of the bunch but also the most sensible looking would raise industry's health insurance costs $2.7 billion. The Nixon bill would add some $9 billion.

In other words, the combined overt and covert cost of even the most limited proposals are almost certain to aggravate the nation's number one problem, inflation, which demands solution ahead of almost any other consideration short of clearcut questions of national security. Even without any significant new spending plans, the administration has projected a $9.4 billion deficit for fiscal 1975 and it would like to find some way, as part of its inflation fighting efforts, to cut that by $5 billion or so. As to the industry costs, they would be added to all the other costs—pollution control, safety, etc., etc.—government has loaded on recently.

Under these circumstances, it is prudent to put expensive new federal health insurance plans on hold for the time being and try to restore health instead to the national economy. For the longer term, it would be useful to reexamine the problem.

As with so many national issues these days, it is difficult to sort out the substance from the rhetoric, but the public question here would seem to revolve around some 20 million people who do not now have some form of health insurance coverage, either through Medicare, Medicaid or private sources. The ones who would seem to be the core of the problem would come under the heading of working poor—casual laborers and the like—who seem to get the short end of almost everything these days. But the number of people who are being denied medical treatment because of inability to pay probably is small; there is little evidence of an acute problem. The other insurance gap is catastrophe care, for the kind of long-term costly illness which might ruin anyone but the wealthy.

These two problems can undoubtedly be

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solved, albeit at some considerable cost. They do not justify a sweeping nationalization of the nation's medical industry, which serves the nation quite well on the whole. It may soon be serving the nation even better, given a little time, as a result of legislation to break down barriers to group practice and other possibly more efficient means of health care delivery.

It won't hurt if Congress puts health care on hold and addresses itself to more urgent problems. And maybe when it looks again it will have a clearer view of what it should do.

A RESPONSE TO TURKEY

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. ADDABBO. Mr. Speaker, on several occasions I have expressed my deep personal concern over the recent action of the Turkish Government to lift its ban on the production of opium poppy. I believe the President should immediately exercise his authority to cut off assistance to Turkey. This is the only response Turkey will understand and it is a response justified by the tragic and hostile act by that Government.

On July 8, 1974, columnist Pete Hamill writing in the New York Post called the new Turkish policy an "Act of War." The column places this policy in a perspective which is alarming and unfortunately, very real—the stark picture of young Americans being killed by heroin made from Turkish opium.

I am inserting the text of the Pete Hamill column in the RECORD to alert my colleagues to the seriousness of this crisis.

ACT OF WAR

(By Pete Hamill)

For the first time since Pearl Harbor, this country has been given sufficient provocation to justify, a full, open declaration of war, and the beginning of armed hostilities. Korea and Vietnam were ideological wars, based on the arrogant assumption that we could kill people in other countries because we disagreed with the way some of them wanted to live. Their quarrels were none of our business. There was never any possibility that Korean or Vietnamese communists could cause us direct harm at home. We killed them simply because they were communists and we were capitalists.

But Turkey is different.

Turkey is killing Americans right this minute. Turkey will be killing Americans at an even greater rate in the future. It is killing us with heroin. Heroin made from Turkish opium kills the brains of the people who O.D. on the streets of Harlem and Bed-Stuy and the South Bronx. That heroin flows in the bodies of people who kill old women in elevators for the price of a nickle bag. Heroin causes more than 50 per cent of all crime in this city, and that is more violence than the Korean, Vietnamese or Chinese communists have committed on our shores throughout history.

Last week, the government of Turkey decided to lift its two-year partial ban on the growing of opium. That was a direct act of aggression against the U.S., most particularly against the people of New York, which is the nation's heroin addiction capital. That decision is a decision to kill, destroy, steal and terrorize. It should be met with war.

Three years ago, when Nixon was looking forward to the 1972 election, he decided it was time "to do something" about the flow of heroin into the U.S. For years, law enforcement people had known how it worked: Opium was grown in Turkey, processed in French plants in Marseilles and delivered through "the French connection" to the shores of the U.S. The amount of opium gum required for a kilo of heroin was sold in Turkey for $220; by the time it reached the streets of New York, it was worth $240,000.

Since Nixon was then still posing as a "law and order" man, he had to do something, so he came up with a solution. He decided to bribe the Turkish government. The Turks took a $15 million down payment against an eventual bribe of $35.7 million, to "study" ways to get Turkish farmers to grow other crops besides opium. That "study" money is probably safely ensconced right now in Switzerland.

According to Frank Rogers, the city's special narcotics prosecutor, there was still plenty of opium, even after the Turks announced their partial ban, most of it in the hands of middlemen. But with the Turkish announcement last week that full-scale opium farming would be resumed in six provinces this fall, the opium in "the pipeline" will be released. There has been a heroin shortage in New York; we can look forward now to a heroin glut, with its attendant cycle of homicides, robberies, and overdoses. Rep. Rangle says "New York will feel the effect within 60 to 90 days."

To me, if a government (in this case Turkey) sanctions the killing and terrorizing of another country's citizens (Americans, in this case), that is war. Forget the assurances of the Turkish government that the opium is only for legal pharmaceutical purposes and that illegal smuggling will be controlled. They didn't do it before; there is no reason to believe they will do it now. They are in opium for the money, and they don't care how many lives are destroyed as long as the profits are steady.

Nixon has called home the ambassador to Turkey for consultation, but that is clearly not enough.

The narcotics racketeers can only chuckle. What is needed is direct action. According to Newsday's Pulitzer Prize-winning study of the problem, there are 90,000 farmers engaged in opium growing in Anatolia in Turkey. Since 1971, the crop has legally been grown in only four provinces of Anatolia, but now the ban has been lifted, and opium will be grown to match the demand.

Those 90,000 farmers should be warned that we hold them and their government directly responsible for their acts of war against our citizens. They should be given a seven-day period in which to burn their crops, or move to safe areas, and then our B-52s should begin the systematic carpet-bombing of those fields, an act to be repeated every three months until they get the idea. The Russians will not interfere; the Turks, after all, are part of the "Free World," and have received more than $3 billion in military and economic aid from us. And if the Communist countries want to rally to the defense of heroin, they are welcome to the opportunity.

In addition, Abe Beame, Malcolm Wilson and the State Dept. should issue a list of all products and businesses owned by Turkish nationals or the Turkish government, and call for a complete boycott of those goods. All foreign aid should be ended. All Turkish assets in the country should be seized and held in escrow against the lives of our children. On our side, all we would be doing is killing opium and money; the Turks are killing people. For the first time since Pearl Harbor, Americans are the injured party, and its time to start injuring our enemies back.

RUSSIAN OFFICERS KILLED FIGHTING FOR SYRIANS—THIS IS DÉTENTE?

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. HUBER. Mr. Speaker, the London Daily Telegraph of July 3, 1974, recently published information that senior Russian Army officers were killed in the fighting in Syria.

In a related development, Moshe Dayan, the former defense minister of Israel, recently revealed that some 3,000 Cubans—pilots, artillerymen, missilemen, and others—were fighting for Syria. The Pentagon issued a later statement saying that only between 100 and 500 Cubans were fighting for Syria. Thus, this is a wider conflict in the Middle East than we have been lead to believe. It reminds one of the Korean war when Soviet pilots flew against our men and this activity was one of the best kept secrets of that war.

The question arises now as to whether the U.S. Government, in the name of détente, is keeping from the American public the exact extent of involvement by troops from various Communist nations in the Middle East fighting. The article from the Daily Telegraph follows:

RUSSIAN OFFICERS "KILLED FIGHTING FOR SYRIANS"

(By A. J. McIlroy in Tel Aviv)

Senior Russian Army officers were killed in action fighting for the Syrians on the Golan Front in the October War, Mr. Shimon Peres, Defense Minister, told the Israeli Parliament yesterday.

This was the first official statement by Israel about previously unconfirmed reports of Russian officers on the battlefield with Syrian forces.

Russia and the Arab leaders have insisted that only Russian technical advisers were being used. Mr. Peres did not say what rank of Russian officers were involved, but he used the term "high ranking."

Both American and Israeli Intelligence sources were advising their respective governments that Russian officers were manning sophisticated missile systems and radar backing Syrian front line troops and armour.

HEAVY LOSSES

Israel suffered heavy losses in armour and aircraft in the Golan because of Syrian missiles and artillery.

It is understood the American and Israeli reluctance to damage the disengagement agreement and the East-West *detente* is the reason why until yesterday the Russian active participation in the October War was not confirmed by Israel.

The fact that Mr. Peres was not making a statement yesterday, but was only answering a Parliamentary question, is further evidence that Israel intends to play the matter in low key.

It was the knowledge that Russian officers were in the field in the October War that decided the Israeli Government to reject any attempt at Russian mediation and accept only American good offices in disengagement negotiations.

THE BOORSTIN LITERARY TEAM

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. JONES of Oklahoma. Mr. Speaker, Dan Boorstin, who grew up in Tulsa, Okla., in my congressional district, recently retired as director of the National Museum of History and Technology. He will remain with the Smithsonian Institution as Senior Historian, while continuing his varied career as author and lecturer.

The third and final volume in his "American Series"—"The Democratic Experience"—has been widely publicized as the recent winner of the Pulitzer Prize in history, but not so many are aware of the important contribution made by his brilliant wife, Ruth, to whom the book is dedicated. She has served as editor and consultant for the entire American series.

The following article from the Tulsa World of July 5, 1974 by Malvina Stephenson gives a close-up of this literary team of which my home State is very proud.

(By Malvina Stephenson)

WASHINGTON.—Brown-eyed Ruth Frankel Boorstin, who sparkles with talent and good humor, firmly believes in "partnership marriage"—free of "domination or submission" by either spouse.

She and husband Dan, a noted American historian, have set a good example.

Their 33-year union has produced three "creative kids," a world of friends, and to cap off a joint "edit-and-write" career, a recent Pulitzer prize for Boorstin's "The Americans—The Democratic Experience."

Ruth says they cherish these results—in that order.

As one who spent a lifetime in an intellectual atmosphere, Ruth agrees with a girlhood neighbor on Long Island, author-philosopher Will Durant, who told her, "I would rather raise a successful family than write 100 books."

Besides a "successful family," former Tulsan Boorstin already has 13 books to his credit, not to mention numerous articles and lectures, and a varied career as a lawyer, professor, and museum director. To his wife Ruth, the experienced editor and idea woman, he gives much credit for his prolific record.

The "For Ruth" on the dedicatory page of Boorstin's "Democratic Experience" represents a vivacious brunette, five feet-two, size 10, and still youthful.

To her, life is just one big adventure, whether they are exploring new areas of American history, skin diving in the U.S., skiing in Switzerland, or climbing the highest mountain at Aspen, Colo., where he is a scholar-in-residence this month.

Boorstin best describes their relationship in the Acknowledgements of "Democratic Experience" when he writes:

"My companion and intimate collaborator in the planning, researching, writing and rewriting of this book has been my wife, Ruth F. Boorstin. She had been my principal editor for all three volumes of 'The Americans,' and has played an especially creative role in this volume.

"My debt to her is beyond words. She has been my co-explorer of the Unknown Coasts which have become this book. At the end of this effort to rediscover America, I must confess that the most delightful of all the discoveries has been our collaboration."

Ruth modestly insists, "I am not a historian. I don't have a Ph. D. in history. I come in at the editing end. I am more the 'hammer and anvil' to talk over these ideas."

A self-styled "versifier," she adds brightly, "My expertise as an editor includes those great words, 'When in doubt, cut it out'."

Ruth does have a hefty degree in economics from Wellesley College, where she earned a Phi Beta Kappa key, the sixth in her immediate family. She was most interested in English composition and literature but felt "it was too much fun for a major."

With her good looks and brightness, it is not surprising that she and Dan hit it off from the first time they met. Her brother, Bennett Frankel, now a New York lawyer, had just graduated from Harvard Law School, and was remaining to work with Dan on a book on Delaware corporation law.

Bennett played cupid, bringing together his sister Ruth and friend Dan. Dan proposed in a month, she said, and they were married in three—"the longest three months in my whole life," she sighs.

In referring to his first literary effort as indirectly responsible for their permanent team, Ruth quotes Dan as saying, "To this book I owe my wife," not vice-versa, as in their subsequent career.

Their southwest background provides an added tie for this couple.

Ruth was born in Morenci, Ariz., a tiny copper town, where her father was a mining engineer before transferring to New York and philanthropy.

Dan as is well known there, grew up in Tulsa, the son of the late Sam Boorstin, an attorney. Both Dan and Ruth have an affection for Oklahoma, and are proud that he recently was invited to be a member of the Gilcrease Museum board.

A new generation of Boorstin—Dan's and Ruth's three children—promises to add luster to the family name: Paul, 30, a writer and producer of TV documentaries with David Wolper Productions, now in France completing his first novel; Jonathan, 28, also of Hollywood, who has worked with director Alan Pakuls for Universal and Paramount Pictures; and David, 24, a journalist, now in London, who expects to transfer his writing base to Washington in the near future.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. ANDREWS of North Dakota. Mr. Speaker, I submit herewith the second amendment I intend to offer to H.R. 11500, the Surface Mining Control and Reclamation Act of 1974. This is the corrected version of my amendment that was printed in the Remarks of the CONGRESSIONAL RECORD on July 15, 1974.

AMENDMENT TO SECTION 401 OF H.R. 11500, THE SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974 OFFERED BY REPRESENTATIVE MARK ANDREWS, REPUBLICAN OF NORTH DAKOTA

On page 250, line 14, strike out all after the period down through line 26 and on page 251 strike out lines 1 to 5, and substitute in lieu thereof the following new subsections (e) and (f) and reletter accordingly:

"(e) For purposes of meeting obligations with respect to schools, roads or health care, twenty per centum of the reclamation fee calculated pursuant to subsection (d) of this section prior to any deduction made pursuant to subsection (f) of this section shall be returned to that county, school district or Indian tribe in which or in whose lands the coal on which said fee has been assessed has been mined. Such funds shall be returned to the appropriate county, school district or Indian tribe on a quarterly basis.

"(f) All operators of surface and underground coal mining operations may deduct from any fee assessed pursuant to subsection (d) above the amount not to exceed 80 per centum of such fee of any reclamation fee, license fee, severance tax, or other similar charge paid by the operator to any state with respect to coal mining operations in such state, in the proportion that the proceeds of such fee, tax or charge are used by the state to support reclamation or conservation activities comparable to those provided for by this title."

On page 251, line 6, reletter subsection 401 (f) to 401(g).

GAO PROGRESS REPORT ON SOLAR ENERGY FOR COOLING PURPOSES

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. LUJAN. Mr. Speaker, I have just reviewed an interesting GAO report on this country's progress in research and development of solar energy for heating and cooling of homes and other buildings.

With few exceptions, this report points out that most of the technical problems of harnessing and using solar energy have been overcome.

Since 1933, the first year any appreciable effort made at harnessing solar energy in this country, 33 solar energy projects have bene started and most are still being used. Currently, 25 projects are moving ahead. Results of these projects are extremely encouraging. It is safe to say that many breakthroughs have been made.

The one area of disappointment, however, is the failure to develop an economically feasible solar collector. This is the major drawback that is halting more use of solar energy. Simply stated, because of this, solar energy cannot compete pricewise with oil, gas, and electricity.

But, Mr. Speaker, there is a fallacy in that statement.

That fallacy is this: The GAO report, and this is not to be construed as criticism, it is a fine report, was compiled or being compiled before the recent oil shortage and consequent price rise. The truth of the matter, I believe, is that the cost of solar energy might now be competitive with oil, gas, and electricity.

Mr. Speaker, I say that we should now get on with the application of what we have so far learned through all this research. Let us apply this information.

I believe it is in the best interest of

everyone in this great Nation, and the world for that matter, if we were to give top priority to several large-scale demonstration projects so that our scientific community can coordinate all the beneficial facts learned so far and come up with a workable, economically feasible solar energy system.

For 1974, about $8.2 million has been allocated for solar heating and cooling research and development. To be sure, it is a lot of money. But let me make an interesting comparison. If we could install solar heating and cooling units tomorrow in 5 percent of all the homes and buildings in the country that could operate at 80 percent of total need, we could save more than one-half million barrels of oil a day.

This would be in the ball park of $5 million a day in savings assuming oil only cost $10 a barrel. I cite these figures—the number of homes and buildings and efficiency rate—as a minimum because I have faith in our scientific community to do better than that.

Let us get the show on the road. The Almighty has given us an inexaustible source of energy. Let us not waste it for a single day more than absolutely necessary.

We cannot afford to.

OUR DISASTER PLAN IS EFFECTIVE

HON. DICK SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. SHOUP. Mr. Speaker, health care in its many and varied forms is currently a leading topic of public debate. One segment of the subject of medical care is the role of the voluntary nonprofit hospital. One such facility of which all Montanans are proud is St. Peter's Hospital in Helena. Illustrative of the pride and sense of self-sufficiency of St. Peter's is a letter to me and an employee newsletter both of which speak eloquently for themselves and which I am proud to submit for publication in the RECORD.

ST. PETER'S HOSPITAL,
Helena, Mont., June 25, 1974.

Hon. DICK SHOUP,
House of Representatives,
Washington, D.C.

DEAR MR. SHOUP: Since we have been inundated for the last several years with largely critical publicity concerning the operation of the typical voluntary non-profit hospital, I thought you might be interested in reading the enclosed copy of our St. Peter's employees' Newsletter which seems to indicate that hospitals functioning by themselves are still able to provide the kind of care and services that are needed in a near disaster situation. Moreover, we did it by ourselves. Thanks to the tremendous people who work at our hospital and are still dedicated to the concept of taking care of the sick and injured.

Yours very truly,
RALPH H. AYLSTOCK,
Assistant Administrator.

OUR DISASTER PLAN IS EFFECTIVE

(Published for the Employees of St. Peter's Hospital)

St. Peter's Hospital had a real test of our disaster ability Wednesday Afternoon, June 19, after the bus crash near Clancy.

On behalf of the Board of Trustees and the Administration of the hospital, we cannot find words to adequately express our gratitude to the fine, selfless way the employees and the medical staff came through when the chips were really down. In the face of a very possibly chaotic situation everyone involved performed with cool heads and steady hands to rapidly treat and process the twenty patients who arrived in the emergency room. At the same time the other 109 patients who were already admitted were receiving their share of tender loving care.

Our thanks and the thanks of the Helena area people go to all of our employees, both those directly functioning at the emegency area and also to those who quickly and graciously took over in other areas to release the necessary staff for emergency service.

Lloyd Linden and his crew did a truly expert job of transporting the injured. His first call was received by him at 3:26 P.M., and the first ambulance arrived at 4:16 P.M. and the last of the patients arrived at 4:50 P.M. Considering the distances involved these results are remarkable.

Excellent cooperation was experienced when calls were made to physicians to ask them to respond. Most had to leave patients in their offices, but all contacted agreed to come right away. Certainly their prompt response resulted in the smooth patient flow and coordinated activity that resulted.

A considerable amount of help was given and offers of additional assistance as required, were received from local law enforcement agencies. Although it was not needed, the local citizen band radio group also committed themselves for any required assistance.

You should all be aware, and the people of Helena area should be aware of a job well done.

Once again, thanks! We are mighty proud!

THE FIRST PRAYER IN CONGRESS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BOB WILSON. Mr. Speaker, "The First Prayer in Congress" was offered by the Reverend Jacob Duche before the First Continental Congress, on September 7, 1774, in the presence of many of the most illustrious of the Founding Fathers. This prayer is a classic example of that trust in divine providence which characterized early American history.

I insert the following prayer:

THE FIRST PRAYER IN CONGRESS

O Lord, our Heavenly Father, high and mighty, King of kings, and Lord of Lords, who dost from Thy throne behold all the dwellers on earth, and reignest with power supreme and uncontrolled over all the Kingdoms, Empires and Governments; look down in mercy, we beseech Thee, on these our American States, who have fled to Thee from the rod of the oppressor, and thrown themselves on Thy gracious protection, desiring to be henceforth dependent only on Thee; to Thee have they appealed for the righteousness of their cause; to Thee do they now look up for that countenance and support, which Thou alone canst give; take them, therefore, Heavenly Father, under Thy nurturing care; give them wisdom in Council and valor in the field; defeat the malicious designs of our cruel adversaries; convince them of the unrighteousness of their cause; and if they persist in their sanguinary purposes, O! let the voice of Thine own unerring justice, sounding in their hearts, constrain them to drop the weapons of war, from their unnerved hands in the day of battle! Be Thou present, O God of wisdom, and direct the councils of this honorable assembly; enable them to settle things on the best and surest foundation. That the scene of blood may be speedily closed; that order, harmony and peace may be effectually restored, and truth and justice, religion and piety, prevail and flourish amongst Thy people. Preserve the health of their bodies and vigor of their minds; shower down on them and the millions they here represent, such temporal blessings, as Thou seest expedient for them in this world, and crown them with everlasting glory in the world to come. All this we ask in the name and through the merits of Jesus Christ, Thy Son and our Savior. Amen.

NIX ATTACKS LATEST OUTRAGE AGAINST U.S. DIPLOMAT, IN DEATH OF JOHN PATTERSON OF PHILADELPHIA

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. NIX. Mr. Speaker, the body of John Patterson, an American diplomat, a Philadelphian, a young husband with his whole life ahead of him, has been found in the State of Sonora in Mexico. He was killed by political terrorists and/or bandits. Ransom had been demanded for his release.

We have been conscious for some time about the attacks on our diplomats and the slaying of another of our diplomats in an African country. Substantial amounts of money have been provided by Congress for the improvement of our security systems.

Those who attack diplomats should be made international criminals to be pursued in whatever nation they seek refuge. Since there is an active investigation in both Mexico and the United States in this case, unlike others, that particular improvement in international law could not protect future John Pattersons.

There is something we can do in this case, however, and that is to give better protection to our diplomats' families in a financial way. Today, it seems that those who represent us abroad are undergoing grave risks. It seems to me that it would be reasonable to enact legislation that would provide a stated sum to care for the families of victims to defray the costs of readjustment for the victims' families. Such a flat sum should be provided in addition to annuities and insurance which is already provided. We must intensify the protection of our diplomats and the investigation of such attacks. Such criminals should be treated as war criminals, so that they will never be safe from American prosecution. Extending the territorial jurisdiction of nations from their embassy grounds to the protection of the persons of diplomats in foreign countries would be a worthwhile step. Political terrorists should be made to fear extradition to the country whose diplomats they attack.

On behalf of the House of Representatives, I want to extend my condolences and the grief of the House to the family of John Patterson, of whom the Nation is proud and the city of Philadelphia is very proud, as an example of what is fine in American life.

ST. CHARLES: A NEW COMMUNITY IN CHARLES COUNTY, MD.

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BAUMAN. Mr. Speaker, a recent article in the Washington Post Column, "It's Happening in Real Estate" discusses the development of one of the new towns in the Washington area, St. Charles, located in my district off U.S. Route 301 near Waldorf in Charles County, Md.

This emerging new community is being developed by the Interstate Land Development Co., which is participating in a program sponsored by the Department of Housing and Urban Development under the New Communities Act of 1968. While the master plan for St. Charles calls for the eventual construction of 25,000 housing units, there are only about 1,600 occupied homes at the present time. Both Interstate, the developer, and the Charles County Board of Commissioners favor residential growth that keeps pace with the growth of the industrial and commercial base in the county. Presently a steel plant is located at St. Charles and in the near future other industrial facilities will open in the county.

I commend this article to my colleagues, as an example of constructive cooperation between the developers of residential areas and the local government. St. Charles will provide an orderly and planned growth as well as furnishing the people of the area with needed housing and an adequate industrial and commercial base to provide employment opportunities. St. Charles also illustrates the role that the Federal Government can play in conjunction with private enterprise and the local unit of government to provide for the necessary expansion of housing in this country.

The article follows:

ST. CHARLES A LATE BLOOMER IN AREA RACE OF "NEW TOWNS"

(By John B. Willmann)

If you ask the fellow next door, your favorite bartender or hairdresser to name the new towns in the Washington area, the list would probably include Reston, Columbia and possibly Montgomery Village. Yet, there are at least half a dozen others, including Dale City and Lake Ridge in Prince William County, Sterling Park in Loudoun, Northampton in Prince George's, Crofton in Anne Arundel and a few other major community-type developments that might qualify for description as new towns.

Yet, one of the largest potential new town developments in the area, considerably smaller than now seven-year-old Columbia and about the same size as ten-year-old Reston, is named St. Charles and located on Route 301 near Waldorf in Charles County, Md.—southeast of Washington.

And St. Charles has several characteristics that distinguish it from other new towns:

It is the only one in this area approved by HUD under the New Communities Act of 1968 and thus has a guarantee for repayment of a loan of $24.5 million, which Interstate General Corp. (the developer) arranged with a New York syndicate. Also, HUD has provided several new community grants to Charles County for water and sewers, hospital facilities and recreation. Obviously, the federal presence is felt at St. Charles and in Charles County.

Although the master plan for St. Charles includes about 8,000 acres and spans 20 or more years and calls for 25,000 housing units, the pace of development has been relatively slow. There are only about 1,600 who occupy houses there now.

The emphasis is on employment opportunities, with several industrial buildings completed and a branch of Ingalls Iron Works, Birmingham, Ala., operating and nearly finished.

Developers of St. Charles are aware of the Charles County posture to control growth and to expect school sites, sewer and water facilities. For this year and next, at least, the developers of St. Charles do not have to be concerned about being impeded by county action on building permits. The big goal is to attract buyers in this housing market stifled by the expensive-short mortgage money.

The developer has spent about $5 million on roads, establishing a brighter new entrance, water and sewer lines, and expanding waste water disposal systems of lagoons and effluent spray which waters 75 acres of woodland. In other words, St. Charles has its own sewage facilities until permanent treatment facilities are operable in the county.

Of course, St. Charles is not Charles County and Charles County is not St. Charles. But there are relationships. And a recent Maryland study showed that the Charles County population will likely grow from only 53,590 in 1972 to 66,400 in 1977, a fairly moderate pace (24 per cent) but nonetheless higher than other neighboring Maryland counties, expect Howard (42 per cent) wherein Columbia is located.

James C. Simpson, full-time chairman of the three-man Charles County Commissioners, pointed out this week that the county is not opposed to growth but that it does presuppose and require that the industrial and commercial base be expanded to keep pace with residential developments. He used the term "self-sustaining" as the goal and noted that a new master plan will be put together because there are overtures for other new towns. Already the Campanelli firm has an eventual 2,000-house community called Pinefield under way in the northern part of the county off Route 301.

Simpson also pointed out that the county has to be attractive for residential dwellings because the tax rate was recently cut from $3.05 to $2.42, with appraised values keeping pace with inflated market values. He puts the present population about 56,000 and is doubtful that it will be quite 66,000 by 1977.

Of importance to the Charles County commissioners are the 1975 opening of a big new Embassy Dairy plant on 301 and the new Pepco plant at Morgantown. "Those facilities and the steel plant at St. Charles are the result of our economic development impetus," said Simpson, who also noted that the county staff has been held to a minimum.

Heading the development of St. Charles is Charles E. Stuart, president of Interstate Land Development Co., a wholly owned subsidiary of Interstate General. A tall, outgoing young man with a sense of both assurance and responsibility, Stuart pointed out 1975 plans for development of a regional shopping center on the west side of 301 on a modest basis but expansion over the years. Already, there are new shopping centers at nearby Waldorf.

In regard to residential construction at St. Charles, Washington Homes was the primary developer for the first few years. But now that firm's building pace has slackened and Pulte Homes now has about half of its planned 200 single houses occupied in St. Charles and also is offering the first townhouses in the county. The Page Corp. has begun construction of 161 triplex units that soon will be offered and custom builder Carl Baldus has approval of 75 houses.

Mid-rise and garden apartments are also planned soon for St. Charles.

Incidentally, Stuart considers the trees on the St. Charles acreage as a key asset of the new town, which also has a bus station (a converted stable) near the entrance on 301. Two buses leave each morning for the District and return in the evening. Bus commuter business began to surge during the gas crisis of last winter. Also, there are organized car pools at St. Charles.

Stuart sees the likely St. Charles residential building pace possibly moving beyond 500 units a year as new neighborhoods are developed. About 15,000 dwellings are planned to be grouped around the started Smallwood Village Center, which will serve four neighborhoods.

Also under construction is a 200 acre public park, with an 18-hole golf course, but neither are part of St. Charles—though highly adjacent. The White Plains Regional Park is a county project. Federal and state grants were obtained to fund the purchase and development.

Master planning at St. Charles has being done by a team including Robert O'Donnell of Denver, Thomas Shafer of Whitman-Requart, Baltimore and Arnold Kronstadt of Silver Spring, and the town's design review committee includes O'Donnell, Shafer, Kronstadt, Lester Finattii, a resident of St. Charles, James E. Redmond, county planning officer, architect F. Michael Leahy and Helen Galen, who represents the developer.

While developer Stuart concedes that the pace of growth at St. Charles has been fairly slow in the last few years, he considers this a positive factor and regards the future as a challenge for orderly, planned growth that probably will change the county image from a tobacco-growing county to a place where more people will live in an atmosphere of neighborhoods, communities, new jobs and generally expanding commerce . . . related to Metro Washington.

MILITARY MOST ADMIRED U.S. INSTITUTION

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the Washington Post, May 9, 1974]

MILITARY MOST ADMIRED U.S. INSTITUTION

(By William Chapman)

Despite the bad name it got during the war in Vietnam, the U.S. military is now the most admired of American institutions, according to a public opinion survey.

The military ranked first among 15 public and private institutions in the survey conducted last fall by the Institute for Social Research at the University of Michigan.

Almost all other governmental institutions ranked near the bottom. President Nixon

UMI

and his administration were rated lowest and the federal government, as a whole, was next to bottom. The news media was in the middle rank, below the public schools but above the Supreme Court.

The survey asked 1,444 persons across the nation how good a job they felt each of the institutions was doing for the country.

They answered by checking one of eight possible responses, ranging from "very poor" to "very good." The military average out to 5.5 on the scale.

Willard Rodgers, who directed the survey analysis, said the results indicated that the military is recovering from the bad image it received during the war years.

The institute had conducted a number of surveys for the military to determine the causes of the reluctance of young men to join the new volunteer army. One of the reasons was a hostile reaction to the military's role in the war in Vietnam.

"The previous studies showed that one of the big problems of recruitment was the bad image the military got during the war," Rodgers said.

"One interpretation of this (the latest survey) is that there has been an improvement."

In contrast to the military, almost all other governmental institutions ranked near the bottom of the ladder. These include Congress, state governments, the judicial system, local governments, the Federal government, and the Nixon Administration.

Among private institutions, only labor unions ranked as low as did the various branches of government.

The Institute's survey also turned up more evidence that the public is increasingly disenchanted with large corporations.

The esteem has fallen significantly in the past quarter of a century. When the identical questions were asked of a national sample in 1950, 76 per cent of the people said that the positive aspects of big business outweighed the bad. Only 60 per cent agreed with that in the survey last fall.

Rodgers said that the comments in the current survey showed that people were most concerned about the power big corporations wield over other institutions, particularly over the government.

THE PUBLIC'S RATING OF U.S. INSTITUTIONS: HOW WELL THEY SERVED THE COUNTRY

[Scale shows overall rating From 0 to 8 (from very poor job to very good job)]

U.S. Military	5.50
Colleges and Universities	5.48
Churches and Religious Organizations	5.26
Small Businesses	5.21
Public Schools	4.95
News Media	4.89
U.S. Supreme Court	4.82
Large Corporations	4.72
U.S. Congress	4.59
State Governments	4.47
All Courts, Judicial System	4.35
Local Governments	4.33
Labor Unions	4.26
Federal Government	3.86
President and Administration	3.30

THE WORLD FOOD CRISIS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. SEIBERLING. Mr. Speaker, quadrupling food and energy prices have had a devastating effect on the ability of the underdeveloped nations in the world to import sufficient quantities of grain and fertilizer to meet their enormous food needs. As many as 20 million people may starve to death in 1974 alone as a result, according to the United Nations.

The wealthy nations of the world have been unconscionably slow to respond to this crisis, as an article in Monday's Washington Post points out. The article notes that the failure of the United States to take the lead in stepping up food aid is largely responsible for the weak response of other developed nations to the plight of the Fourth World nations.

Any hopes for a more vigorous response to the world food crisis suffered a setback last week in hearings before the Senate Foreign Relations Committee on a resolution offered by Senator HUMPHREY calling for a sharp expansion of U.S. food aid. Secretary of State Kissinger's top advisor on the world food crisis expressed the administration's deep concern about the spread of hunger, but told the committee that he could not yet guarantee the kind of commitment the resolution calls for.

The world food crisis has the potential to become the greatest human tragedy the world has ever witnessed. That the United States and other developed nations are reluctant to come forth with a major effort to avert this tragedy is unsettling indeed. I call the attention of my colleagues to the article which appeared in this morning's Post, and urge them to support the Humphrey food aid resolution which has been introduced in the House by Congressman CULVER, myself, and others. The article follows:

POOR NATIONS FACE STARVATION AS RICH ONES DELAY AID

(By Dan Morgan)

In India, the rains that fell on this spring's wheat crop were lighter than hoped, and in places there was drought.

But heavier rains would not have mattered; they fell on a crop already doomed not to fulfill its early promise because of unparalleled changes in the world's economy.

India's oil-import bill is up a billion dollars this year, and fuel shortages idled irrigation pumps in some parts of the country.

Worse than that, India suddenly found itself priced out of the world fertilizer market, so a million tons less than planned was applied to the land.

While the rich countries of the world bought up the high-priced fertilizer or cancelled export contracts, India revised its early crop estimates downward. Instead of 30 millions tons of wheat, India harvested only 24 million.

Then, when the country went into the international grain markets to make up some of the difference, it paid twice as much for a bushel of wheat as it had a year earlier.

The significance of this food, fuel and fertilizer price squeeze on India—as the world's other poor nations—is basic. Many may die of hunger this year. Around the world, the United Nations says, 20 million people may starve to death in 1974.

India's food reserves are down to almost nothing. If the summer rice crop is poor, it may have to import still more to head off even worse malnution in the world's second most populous country.

But India does not have the money to buy much food on the commercial market. Its money reserves, now about $1 billion, are enough to last only three months.

The rising costs of basic commodities means that there will be much less left to buy the technology and techniques that are essential to economic growth.

This is also serious, because experts say the only sure way to control the population spread which brings on hunger is to build such growth. Some pessimists predict that India's economy will not grow at all between 1974 and 1980.

Thus, the price hikes threaten to undermine the gains of the "Green Revolution."

That revolution was promoted by rich countries. Those same countries are now embroiled in political maneuvering to see which, if any, will take the first step to help.

Almost every expert agrees that massive loans on easy terms are needed. But the newly rich oil countries are wary that they might lose control of their funds if they join in any Western rescue effort; the United States is worried about the domestic impact of increased food aid; and the Europeans have their own problems with severe inflation.

While the oil-producing nations are raking in some $60 billion more in revenues this year, and the United States and other grain producers are profiting from the higher world prices for food, low-income countries have moved a step closer to economic ruin.

According to updated studies by the U.S. government and the World Bank, more expensive fuel, food and fertilizer will cause a net drain of at least $1 billion this year from the poor nation's foreign exchange reserves.

And officials in Washington concede that the United States, the European Common Market and the newly wealthy oil-producing countries are still months away from adopting a plan for a concerted rescue operation.

The rich countries, said one official, are engaged in a "fast-moving shell game," each waiting to see who will chip in first, and how much.

The Nixon administration, under increasing international pressure to take the lead, has not decided whether to expand its food aid sharply as its contribution to the relief effort.

Last Thusrday, Secretary of State Henry A. Kissinger's top adviser on the world food problem told senators he could not yet give an assurance the United States will undertake such a "major food initiative."

Such an initiative is essential leverage in getting the Europeans and the oil producers to follow suit, according to diplomats who see a close link between the politics of oil and the politics of food.

Kissinger told the United Nations in April, "A global economy under stress cannot allow the poorest nations to be overwhelmed."

But fears of higher domestic food prices, and pressure to hold down this year's budget deficit have produced political caution. "We don't want another grain deal," said one official.

Meanwhile, the other rich countries are holding back.

On June 28, the nine-nation Common Market cabled U.S. Secretary General Kurt Waldheim that it was prepared to give aid—provided "other industrialized countries," and the oil exporters, gave five-sixths of the total assistance, and the European share did't exceed $500 million.

The European offer was "written like an insurance contract," said one U.S. official.

Other officials say the main thrust of the American effort on behalf of the hardest-hit countries should be to get the oil producers to lower prices. By removing its old restrictions on grain production in hopes of pushing food prices down, they say the United States has set an example which the oil exporters should now follow, with or without expanded American food aid.

American officials also want the oil exporters to come through with massive loans at easy terms for the stricken countries. So far no oil producer has made a concrete commitment.

The once highly touted conference of oil producing and consuming countries, which was to have dealt in part with the problem, has been shoved far into the future, perhaps never to take place because neither the United States, nor the exporting countries are anxious for a "confrontation."

Instead, attention is now focused on the Sept. 30 annual meeting of the finance ministers of the World Bank and the International Monetary Fund. The joint directorate, which includes oil countries, is expected to formally establish a "Joint Committee on the Transfer of Real Resources" to work on the problem.

The commitee will deal with what World Bank officials call the "biggest and fastest shift of wealth in the history of the world."

The shift has struck at the world's poor countries in many ways.

The benefits of foreign development assistance have been eroded by the global inflation. Political support for increased foreign aid has sunk to a low point in Western countries hit by inflation.

To deal with their severe internal problems, industrial countries such as Italy are cutting back on their imports from the less developed countries.

According to still unpublished findings circulating in Washington, the possibility of some affected countries' offsetting the damage by forming cartels to market their minerals is limited.

That findings is challenged by some economists who predict mineral cartels like the oil producers' powerful price-setting organization will soon be a reality.

But according to World Bank experts, the benefits still will be small compared with the world oil bill.

In many cases, substitutes are available for the minerals, or other sources can be tapped.

Chile and Zaire can now take advantage of higher copper prices; Brazil can cash in on higher coffee, and iron ore revenues and Bolivia can get more for its tin.

World Bank experts contend that "even if they get together politically, the prices of those minerals will be eroded much faster than oil."

The shift of wealth has caused an erratic reordering of the world's money flow which is still not fully understood.

Not all poor countries have been seriously affected. Some, such as Afghanistan, have been only marginally set back because their predominantly rural economies don't yet depend heavily on energy from oil. Some rich countries, such as Britain and Italy, have been hurt badly.

Some modestly well-off nations, such as Costa Rica have been jolted unexpectedly, because of their heavy dependence on imported oil, while others whose economies were not far ahead, such as Venezuela, will triple their revenues from oil exports alone in 1974.

Officials in Washington say most rich countries can blunt the blow by exporting more technology and commodities, digging into reserves, or turning to commercial banking sources and international money markets.

Medium-income countries such as South Korea, Brazil and the Philippines—with per-capita annual income of between $300 and $700—can weather the storm by scaling down their high rates of growth, tightening their belts, taking loans at commercial rates and seeking to increase exports.

However, those alternatives are not open to a number of other countries, now facing economic stagnation or even ruin, officials say. The most affected countries include South Vietnam, Cambodia, India, Bangladesh, eight central African countries including Kenya, and some in Latin America, including Chile, Uruguay, Honduras and possibly Costa Rica.

The price impact is less disastrous than feared in January, government studies have concluded. But the impact will get steadily worse as the decade progresses, the same detailed studies show.

James P. Grant, president of the private Overseas Development Council, told a Senate panel Thursday that "barring major international action, the combination of quadrupling food and energy prices and the cutback on fertilizer exports dooms millions in these countries to premature death from increased malnutrition and even outright starvation."

He said the 40 poorest countries will have to pay some $3 billion more for essential imports than was foreseen a year ago.

"The lives of millions are threatened by the inability of the developing countries to purchase essential quantities of fertilizers—even as Americans are continuing to use scarce fertilizer for such clearly nonpriority purpose as lawns, golf courses and cemeteries in ever increasing amounts," Grant said.

A preliminary World Bank study issued in March shows low income countries will need additional capital of $2.5 billion to $3 billion a year between 1976 and 1980 "at highly concessional terms" to offset the higher costs of essentials.

The bank estimated that these same countries will experience an additional net drain of $1.4 billion this year and $1.9 billion next year—only a small part of which could be financed from reserves or loans.

Experts say countries with dwindling reserves are least able to take advantage of the various pools of capital which have been set up to cope with the wealth transfer.

The International Monetary Fund has established a special "oil" fund with a value of about $3.6 billion supported by a number of oil-producing countries. However, officials say the interest rates and payment terms would be beyond the means of many poor countries.

Last week, William J. Casey, chairman of the Export-Import Bank, said the deteriorating credit position of the underdeveloped countries could be a "factor that will reduce our loans" to them.

South Asian countries such as India and Bangladesh, with bleak possibilities of increasing their immediate export revenues, may be the hardest hit of all.

Several weeks ago, the Department of Agriculture's food intelligence service picked up reports that representatives of Bangladesh were shopping for 300,000 tons of wheat on the international grain market.

As of today, the sale has not taken place. "They don't have any money," explained an American diplomat.

Indian monetary reserves are down to about $1 billion—an estimated three months' supply.

India has not yet officially sought a resumption of U.S. food sales on easy terms, which ended in 1971. As a result of India's explosion of a nuclear device May 18, congressional enthusiasm for increased aid to India is lukewarm.

Congress is considering an amendment to block American approval of "soft" loans through the International Development Association to countries which explode nuclear devices outside the controls of the nuclear non-proliferation treaty.

At a recent meeting of the World Bank's Aid to India Consortium, $1.4 billion in help was approved. The United States is offering $200 million through IDA, $75 million in bilateral foreign aid, $45 million in food giveaways and $29 million in debt refinancing.

CAMBODIAN REFUGEES CONTINUE TO FLEE TO KHMER REPUBLIC STRONGHOLD

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. NIX. Mr. Speaker, I rise to report to the House the continuing exodus of Cambodian citizens to government-controlled, non-Communist areas from their homes and villages which have fallen into guerrilla hands

This is one more indication of endless story of refugees leaving their homes and all that they have, in order to avoid Communist control. Guerrilla movements are supposed to thrive on the support of poor native populations, yet these very same people flee guerrilla and Communist control.

A recent publication of the Khmer Republic outlines in pictures and text, the flight of Cambodians from the countryside to Kompong Thom. The publication is entitled "Vers La Liberte."

It is worthwhile pointing out that the Cambodian Government still survives long after full-scale Communist attacks began in Cambodia in March of 1973 and long after our own bombing of guerrilla concentrations ceased in August of 1973. Cambodian Government forces have continued to fight for Cambodian independence, 15 months after their government was written off by commentators.

Part of the answer has to be that the will to resist, the will to survive as an independent people exists among Cambodians. The human evidence for that is in the continuing flight to the government side of Cambodia's people, and the proof of such desire as measured by the human suffering of these people cannot be ignored by either the Congress or the executive branch of the U.S. Government.

MOSELEY SET EXAMPLE FOR BUSINESSMEN

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. SYMMS. Mr. Speaker, the passing of C. C. Moseley was a real loss to the friends of liberty. C. C. Moseley was a native Idahoan, born and raised in Boise, Idaho. I had the privilege of meeting Mr. Moseley through our mutual friend Laurence "Docky" Bettis of Boise.

"Mose," as he was called by his friends, was a great example to all Americans. He was a champion athlete at USC before World War I, joined the Air Signal Corps in 1917, completed his training in France and flew combat for 7 months as part of the 1st Pursuit Group. He remained in the service for a time after the war and served as an Army test pilot and won the Pulitzer International Air Races in 1920.

Leaving the Army, Major Moseley moved to Los Angeles and operated Grand Central Airport for the Curtiss-Wright Corp., later taking over the field as owner-president of Grand Central Aircraft and Grand Central Industrial Corps. He was a cofounder and first pilot for Western Air Express, which later became Western Airlines. He was also a former director of the Curtiss Wright Corp. and Douglas Aircraft Co.

Before World War II, he expanded the aeronautical schools he had operated at Grand Central, first for training of mechanics and other ground personnel for the Air Force and then for the near-wholesale training of pilots. By the end of the war, Major Moseley's schools at Glendale, Oxnard, Ontario, and Santa Ana has trained more than 25,000 pilots and 5,000 mechanics for the service.

C. C. Moseley, with a Horatio Alger, Eddie Rickenbacker background and career, made 2,000 mailings every day, fighting the nonaccomplishment record of the United Nations, the ban against Americans owning gold, the destruction of our national birthright by corrupt and wasteful politics and he believed that forward America had its eye on the ball.

I believe the thing I respect the most about Mr. Moseley was the fact he strove at all times to live by the ideals set up by our Founding Fathers. He was not a businessman who was looking for special privileges, but a businessman who only wanted an opportunity to compete.

I commend to the readership of my colleagues the following article about our great friend—C. C. Moseley. He will be sorely missed by so many of his friends and admirers and my sympathies go to his wife and family.

The article follows:

Moseley Set Example for Businessmen

(By Arnold Steinberg)

A powerful voice in behalf of conservative principles is silent in the passing of C. C. Moseley on June 17. He was not a columnist or author, although he helped fund a number of conservative books and magazines and was a prolific polemicist. He was not an organizational activist and avoided publicity, but he was a consistent financial supporter of numerous conservative organizations and causes. He never ran for office, but generously supported conservative candidates for over 30 years.

As a young man, Moseley was a champion athlete at the University of Southern California before joining the Air Service of the Army Signal Corps in 1917. Following his combat flying, he served as an Army test pilot (following World War I), and he won the Pulitzer International Air Races in 1920. He moved from a distinguished military career into the beginnings of a classic success story of American business.

A pioneer aircraft executive who founded Western Airlines and served as a director of several corporations, including Curtiss Wright, American Airlines and Douglas Aircraft, Moseley owned and operated the Grand Central Aircraft Corp. Following the Korean War, he converted the 180-acre facility into a planned industrial park—helping to pioneer the concept. His aircraft schools trained 25,000 pilots and 5,000 mechanics, and the schools were especially active in training U.S. Air Force personnel during World War II.

C. C. Moseley was that increasingly rare breed of American businessman—he was concerned not simply with the current year's profits, but with the survival of the system that made those profits possible.

He channeled much of his energy into politics as a heavy financial backer of conservative candidates, and he was a special admirer of Barry Goldwater. In 1965 he worked closely with Henry Salvatori and the late Cy Rubel, former head of Union Oil, to provide the initial (and very substantial) funding for the Reagan candidacy for governor of California. He was a generous supporter throughout the subsequent campaign and for later Reagan campaigns. He wanted his candidates to win, but he did not hesitate to back candidates with dismal prospects; for example, he contributed a good deal of money to Max Rafferty's 1968 U.S. Senate campaign in California.

Moseley was fond of telling stories and anecdotes—especially to his youthful admirers in Young Americans for Freedom. He told of his early support of Earl Warren and Richard Nixon in the 1940s. He helped launch the political careers of both men but became disillusioned with their later words and deeds.

At 79, Moseley continued to mail his opinions and conservative literature or books to newspapers and individuals around the country. When he had something on his mind, he quickly dashed off a letter to the editor of every daily newspaper in the United States, every senator and congressman, and anyone else who, in his judgment, required conservative enlightenment on a particular issue.

He was known for his brevity. His own communications were to the point, sometimes even terse. Shortly after concluding that organized labor's stranglehold over Congress threatened the future of the Republic, he wrote friends that he wanted to use "all available resources to crush the labor unions."

Moseley was interested in many issues, and his contributions reflected diversity. He was especially intrigued with inflation, and his predictions regarding the increased price of gold, double-digit inflation, deficit spending and his criticism of the Federal Reserve were all validated. A careful student of America's strategic posture, he feared the Soviet Union's buildup. He predicted, with tragic accuracy, the Soviet's frenetic pace of nuclear development and also the Russian penetration of the Mideast.

Moseley also knew how to relax. He traveled widely and split his time between his several homes. He bred thoroughbred race horses and purebred cattle at his ranch in Wyoming and once entered a horse in the Kentucky Derby. Each summer he looked forward to the racing season at Del Mar, near San Diego, where he visited with J. Edgar Hoover, who had the adjoining box.

His opposition to East-West trade and his uncompromising views on economic issues sometimes put him at odds with organizations like the U.S. Chamber of Commerce and the National Association of Manufacturers. This independence was a very real part of C. C. Moseley's charisma. He would typically Xerox an exchange of correspondence with one of the groups and mail the controversial letters to friends, with his familiar "CCM" abbreviated signature to show the source.

There are many weak, short-sighted American businessmen who have lost sight of the capitalistic ethic. C. C. Moseley was not one of them. Hopefully, his example will inspire other businessmen to speak out and to support the free market and a secure national defense.

SOMETHING WE ALL KNEW

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. SHRIVER. Mr. Speaker, the Senate Watergate Committee issued its final report on the deplorable Watergate affair on Sunday, July 14, 1974. The committee in its findings cleared the air and laid to rest, once and for all, any false implications concerning the involvement of the Republican National Committee and its former chairman, Kansas Senator Bob Dole. Those of us who have known and worked with Bob Dole in this House, and since he has served in the other body, consider his honesty and legislative ability beyond reproach. It is regrettable that there are those who would for partisan reasons impugn the integrity of this public servant.

Under the leave to extend my remarks in the Record, I include an excellent editorial written by Mr. Kenneth Bruce, editor of the Hillsboro, Kans., Star-Journal, which underscores the feelings of many Kansans in regard to the junior Senator from Kansas. The editorial follows:

Something We All Knew

A story from the Washington Bureau and published in the Kansas City Star Sunday said, "The Senate Watergate Committee goes out of business today with the Republican party and its former national chairman, Sen. Bob Dole of Kansas, cited for avoiding the 1972 campaign abuses in the reelection of President Nixon."

It's pretty hard to be the chairman of a national political party during a presidential election but even harder to be closed out of the main plans and action.

This is exactly what happened to Sen. Dole during his chairmanship of the party. On the surface it always looked good, but intimate friends of the senator often expressed his frustration in being the chairman of the same party as the president, but finding a closed group around the president making the decision to take Nixon and his reelection out of the Republican party and put into an independent Committee to Re-Elect the President.

Sen. Lowell Weicker, prominent member of the Watergate Committee, reported "Because the Republican National Committee and its chairman, Sen. Robert Dole of Kansas, were in the traditional Republican mold of decency and honesty is exactly the why of a Committee to Re-Elect the President—Republicans who now state that 'everybody does it' dishonor the men and the women of their own party organization and Bob Dole, who didn't do it and wouldn't have done it."

We have known Bob Dole for several years and consider his honesty and legislative ability highly. All effort to "tag" Sen. Dole with Watergate should now end.

NLRB AND ITS RELATIONS TO MANAGEMENT

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. QUILLEN. Mr. Speaker, it has been my concern, as I am sure it has been the concern of every Member of this deliberative body, as to what we are receiving in return for all the tax dollars we vote each session of the Congress. Today, I am most happy to report we are certainly getting full value for every dollar voted one regulatory agency, the National Labor Relations Board. My authority for that statement comes from an extra large, four column news story with a 36-point head, printed Saturday, June 29, 1974, in an excellent newspaper, the Buffalo Evening News.

To me, what makes this news report so authoratative is that it bears the byline of Ed Kelly, the News labor reporter. An inquiry into the background of Mr. Kelly reveals he is one of the Nation's most knowledgeable labor editors or reporters. In his profession, Mr. Kelly has the respect of labor, management, Government, and the public.

In his report Mr. Kelly tells of a meeting addressed by NLRB Chairman Edward B. Miller. The article says the

NLRB Chairman began his speech with a refreshing view of the basic functions of the agency. He told the gathering:

> The NLRB basically is an agency that helps prevent or settle disputes between labor and management.

He further informed:

> The NLRB was given two functions. First, it was to correct or prevent unfair labor practices committed by either employers or unions and, second, when asked by a union, employer or employe group, it was to conduct elections to determine which, if any, group was to represent employes for purposes of collective bargaining.

Mr. Speaker, I submit, in this, the world's most highly industrialized Nation, the Congress gave the NLRB quite a chore. Today, I am happy to see that under the guidance of Chairman Edward B. Miller the five-member National Labor Relations Board sees its job not as a partisan for either side, but as a dispute settler. In recent years the figures also show that this agency is doing an excellent job with a very modest budget and what Mr. Miller has pointed out are outdated tools. From the NLRB, the taxpayer is receiving full value for the dollars allotted him.

Mr. Speaker, the News article referred to follows for the benefit of the readers of the RECORD:

THE NATIONAL LABOR RELATIONS BOARD: ITS ROLES ARE OFTEN MISUNDERSTOOD

(By Ed Kelly)

It hadn't occurred to us until we heard Ed Miller point it out. But once he did, we could see it plainly.

Ed Miller's the chairman of the National Labor Relations Board (NLRB) and what he was pointing out is the fact that, contrary to the popular conception of his agency as a policing and judicial arm of government, the NLRB basically is an agency that helps prevent or settle disputes between labor and management.

The NLRB was set up by Congress as an independent agency in 1935 to administer the National Labor Relations Act, or the Wagner Act as it was then popularly known.

The NLRB was given two functions. First, it was to correct or prevent unfair labor practices committed by either employers or unions and, second, when asked by a union, employer or employe group, it was to conduct elections to determine which, if any, group was to represent employes for purposes of collective bargaining.

Ed Miller told a gathering we attended that what the public doesn't realize is that the NLRB, by the very nature of both its responsibilities and its machinery for carrying them out, actually is fulfilling a dispute-prevention and a dispute-settlement function.

In a recent fiscal year, he pointed out, the board handed down 681 decisions in unfair labor practice cases, but during the same period its agents achieved settlements in 5412 such cases.

During the same year, he went on, the board directed representation elections, or dismissed petitions for such elections, in 1698 cases. Yet during the same year companies and unions, aided by a forum provided by the agency, entered into 6880 wholly-voluntary representation election agreements which made a broad hearing unnecessary.

Every unfair labor practice charge filed with the NLRB, Miller reminded his listeners, "evidences the existence of some kind of industrial dispute," potential or actual.

Prevention of potential disputes and settlement of actual disputes often is accomplished by the board and its agents as they go about the task of investigating the allegations made by the angered parties.

Helping determine whether employes want to be represented by a labor organization is another NLRB-performed task that's essentially a dispute-solving technique, said Miller, recalling the bitter strikes that once occurred in efforts to compel employers to recognize unions.

Tom Seeler, who directs the NLRB's regional office here, has some statistics that show how his aides in upstate New York are contributing massively to the dispute-settlement role which Chairman Miller attributes to the agency.

With most of his region's cases generated in the labor-management community of Erie County, Seeler says that his office, during the 10 months ending last April, had 304 cases involving union representation. In 159 of them, or 52 per cent, the parties mutually consented to the balloting and ground rules.

And in the nine months ending last March, Tom Seeler's office had 550 unfair labor practice situations placed on its dockets by angry unions, employers or employes.

Of these, 179 were dismissed as having no merit (which ended these allegations as issues), and 155 were withdrawn before any complaint was issued by the NLRB, because the parties themselves mutually adjusted their differences, often as a result of the board's merely bringing them together during its investigation of the alleged unfair labor practice.

Of the remaining unfair labor situations handled here, 150 ended in some sort of settlement, formal or informal. In only 61 cases did NLRB processing of the charge fail to produce a settlement somewhere along the route from the filing of the charge to the agency's issuance of a formal complaint against the respondent (defendant).

The evidence is clear. Here in Tom Seeler's region and in Ed Miller's national jurisdiction, such traditional neutral third-parties in labor-dispute resolution as mediators, fact-finders and arbitrators had better make room for the NLRB.

THE PRICE THEY PAID

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BOB WILSON. Mr. Speaker, Bicentennial Specialties, a patriotic group in my district, has produced a number of documents of great historical importance. I ask unanimous consent to include as a portion of my remarks in the RECORD the following:

THE PRICE THEY PAID

HAVE YOU EVER WONDERED WHAT HAPPENED TO THOSE MEN WHO SIGNED THE DECLARATION OF INDEPENDENCE?

Five signers were captured by the British as traitors, and tortured before they died. Twelve had their homes ransacked and burned. Two lost their sons in the Revolutionary Army, another had two sons captured. Nine of the 56 fought and died from wounds or the hardships of the Revolutionary War.

What kind of men were they? Twenty-four were lawyers and jurists. Eleven were merchants, nine were farmers and large plantation owners, men of means, well educated. But they signed the Declaration of Independence knowing full well that the penalty would be death if they were captured.

They signed and they pledged their lives, their fortunes, and their sacred honor.

Carter Braxton of Virginia, a wealthy planter and trader, saw his ships swept from the seas by the British navy. He sold his home and properties to pay his debts, and died in rags.

Thomas McKeam was so hounded by the British that he was forced to move his family almost constantly. He served in the Congress without pay, and his family was kept in hiding. His possessions were taken from him, and poverty was his reward.

Vandals or soldiers or both, looted the properties of Ellery, Clymer, Hall, Walton, Gwinnett, Heyward, Ruttledge, and Middleton.

At the Battle of Yorktown, Thomas Nelson Jr., noted that the British General Cornwallis, had taken over the Nelson home for his headquarters. The owner quietly urged General George Washington to open fire, which was done. The home was destroyed, and Nelson died bankrupt.

Francis Lewis had his home and properties destroyed. The enemy jailed his wife, and she died within a few months.

John Hart was driven from his wife's bedside as she was dying. Their 13 children fled for their lives. His fields and his grist mill were laid waste. For more than a year he lived in forests and caves, returning home after the war to find his wife dead, his children vanished. A few weeks later he died from exhaustion and a broken heart.

Norris and Livingston suffered similar fates.

Such were the stories and sacrifices of the American Revolution. These were not wild-eyed, rabble-rousing ruffians. They were soft-spoken men of means and education. They had security, but they valued liberty more. Standing tall, straight, and unwavering, they pledged: "For the support of this declaration, with a firm reliance on the protection of the Divine Providence, we mutually pledge to each other, our lives, our fortunes, and our sacred honor."

DÉTENTE MINUS DEFENSE EQUALS DEFEAT

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BAUMAN. Mr. Speaker, the July issue of Sea Power, the monthly publication of the Navy League, contains a simple but urgent message on its cover: "Détente minus defense equals defeat." That message sets the theme for much of the material in the issue, including a very fine editorial on the subject of détente by the magazine's editor, James D. Hessman.

Mr. Hessman writes:

> It is somewhat ironic that the late June summit meetings between U.S. President Richard M. Nixon and Soviet Communist Party Chairman Leonid Brezhnev are already being termed a "failure" by some elements of the American press—ironic because any greater "success" in Moscow might, in the context of present world conditions, eventually have proven as disastrous for the West as did success in Munich in 1939.

He goes on to warn that the United States cannot afford to allow the Soviet Union to use détente simply as a cover for a massive military buildup which will leave us at their mercy in the years to come.

Most Americans would welcome détente, he notes, provided that it will mean a real move down the road toward a more lasting peace. He cautions:

But it should be a realistic détente, not one in which Slavic smiles and paper promises are traded for unilateral disarmament.

I could not agree more, and at this point I would like to share Mr. Hessman's thoughts on the subject with the Members by inserting his editorial in the RECORD:

OF DEFENSE AND DÉTENTE—IRON CURTAINS, GOSSAMER HOPES, AND THE LONG HAUL AHEAD

(By James D. Hessman)

Few if any Americans are opposed to detente, to the "relaxation of tensions" with the Soviet Union inherent in the traditional definition of the term, or even to the much broader range of possibilities—including expanded trade and cultural relations, an increase of trust and mutual good faith between the U.S. and Soviet governments, and eventually an end to the Cold War itself—implied in the more recent politically-expanded meaning of the word.

It can be taken for granted, moreover, that few if any of the great mass of the people of the Soviet Union are opposed to detente, either—even detente according to the Western definition.

But the policy of the Soviet people is not always the policy of the Soviet government, as history has proven on numerous occasions. And many discerning Americans, including not a few in Congress, would unhappily agree that the Soviet government's real detente objectives—as spelled out in "Detente: An Evaluation" (a multi-authored article originally printed in *International Review*, Spring 1974, and reprinted on 20 June 1974 by the Senate Armed Services Committee's Subcommittee on Arms Control)—are approximately as follows:

"(1) To weaken the Western alliance by making it appear to be unnecessary, indeed, dangerous to peace.

"(2) To reduce the pace of the American defense effort and to eliminate the U.S. presence in Europe.

"(3) To secure from the West financial and technological assistance which would directly enhance Soviet military power by making easier the continuous build-up of the military sector of the economy.

"(4) To isolate China and to counter the political consequences fo the fact that the Soviet Union is involved in a hostile confrontation with both East and West.

"(5) To legitimize its domination over Eastern Europe by making it appear as historically irreversible."

SUCCESSFUL FAILURE

It is somewhat ironic that the late June summit meetings between U.S. President Richard M. Nixon and Soviet Communist Party Chairman Leonid Brezhnev are already being termed a "failure" by some elements of the American press—ironic because any greater "success" in Moscow might, in the context of present world conditions, eventually have proven as disastrous for the West as did success in Munich in 1939.

The meager agreements, that were signed at "Summit III," and the promise of additional summits on a steady almost-institutionalized basis, insure that evolutionary if frustratingly slow progress toward real peace may yet be achieved, even if more spectacular (but unenforceable) accords must be postponed.

Those, particularly on the U.S. side, not content with embryonic beginnings, who want "peace" to spring full-blown and fully grown from the womb of the summit, will inevitably be dissatisfied with the cautious approach.

There are many others, however—both within the Administration (Defense Secretary James R. Schlesinger is usually singled out as leader of the Executive Branch "hawks") and on Capitol Hill (a bipartisan coalition led by, among others, Senator Henry M. Jackson (D-Wash.), Strom Thurmond (R-S.C.), and Harry F. Byrd, Jr. (Ind-D-Va.)—who believe, not unreasonably, that Soviet leaders should be judged not by their words but by their acts.

And the record shows that the acts of Soviet leaders, even in the recent years of detente, can in no way be described as peace-loving.

Item—While the U.S. defense budget has been cut by $38.8 billion (in constant dollars) since fiscal year 1968, the Soviet defense budget has increased spectacularly, particularly in the critical R&D area.

Item—The United States has reduced its forces worldwide by approximately 1.4 million men from FY 1968 to FY 1975. During the same time frame the USSR vastly expanded and modernized the Soviet Navy, modernized and improved the Soviet Air Force, and, in Central Europe, according to published reports, added 9,000 tanks, 4,000 armored personnel carriers, and more than 1,000 additional guns to the already bulging Warsaw Pact inventory.

Item—During a decade in which the United States, among other things, pulled out of Vietnam, returned Okinawa to Japan, and cut its forces on Taiwan and elsewhere, the Soviet Union, among other things, invaded Czechoslovakia (to restore the Soviet equivalent of law and order), built up, to an estimated million men, its forces on the USSR/PRC (Peoples Republic of China) border, and opened up a new string of naval/merchant marine bases in the Persian Gulf and northern half of the Indian Ocean.

LENIN'S LEGACY

Given the reality of such actions, not words, it is difficult not to agree with the opinion expressed (in *Army magazine*, May 1974) by Dr. H. A. DeWeerd as to the real purpose of the Soviets in accepting detente as at least a temporary political tactic: "They may have wanted 10 or 15 years of relaxed tensions in order to build up Soviet military strength with Western help. This is the explanation reported to have been given to Warsaw Pact representatives by the Communist Party Chairman, Leonid Brezhnev, in a speech in Bulgaria shortly after the 1973 San Clemente meeting with President Nixon. It is also the basis of the warnings against the detente given to the West by such Soviet dissidents as Andreii Sakharov and Alexander Solzhenitsyn."

That the Kremlin's rulers might so cynically use publicly-stated policies of peace for militaristic purposes undoubtedly would surprise those many Americans—long on ideals is somewhat short on history—who so frequently urge that the United States take the (unilateral) first step toward disarmament "as a sign of our own good intentions." The fact that U.S. good intentions have been proven repeatedly through the years by a long series of such first steps, many rather ill-advised, it would later turn out, is usually either not believed or is downgraded in importance.

A large part of the problem in a society in which political dissent is not only legal but distressingly popular is that many Americans accept the idea, assiduously nurtured by the Soviet Union, that differences between the U.S. and Soviet Union are more matters of degree than fundamental in nature. Neither system of government is perfect, runs the "fairminded" argument.

But those who are truly fairminded will recognize that the difference between U.S. involvement in Vietnam (and later withdrawal therefrom) and the Soviet Union's permanent occupation of Eastern Europe is more than a matter of degree, that occasional aberrations such as the slaying of Dr. Martin Luther King, Jr. (the act of an individual, not the government) cannot begin to compare with the wholesale slaughter, by government edict, literally millions of the USSR's own citizens, and that those infrequent instances in which various U.S. administrations have abused their authority (much to their own regret when, as has always happened so far, such transgressions have been discovered and reversed by the courts, the Congress, the press, and the American electorate) should not be confused with the deliberate, systematic, and continuous acts of aggression, physical as well as political, by the Soviet Union against its own people.

Those who do remember history know that Soviet policy in regard to detente has been consistent since the days of the October Revolution. And the USSR's opportunism in such matters has also been consistent, as would seem proven by the following (undated) remarks by V. I. Lenin inserted into the 24 April 1974 *Congressional Record* by Representative Robert J. Huber (R-Mich.): "The capitalists of the whole world and their governments in their rush to conquer the Soviet market will close their eyes . . . and will thereby be turned into blind deaf mutes. They will furnish credits which will serve us for the support of the Communist Party in their countries and, by supplying us materials and technical equipment which we lack, will restore our military industry necessary for our future attacks against our suppliers. To put it in other words, they will work on the preparation of their own suicide."

COMPUTERS FOR VODKA

The rush of world events and the rush of world capitalists have both vindicated Lenin's judgment. Soviet agricultural failures led to the 1972 wheat deal—at considerable subsequent cost to American consumers. The Yom Kippur Wer, Arab oil embargo, and subsequent energy crisis in the West (brought about in large part because of the USSR's repeated suggestions to Arab leaders that they use oil as a "weapon" to coerce the West into Mideast neutrality) led to U.S. purchase of oil from the Soviet Union. And the U.N. boycott of Rhodesia has made the United States now partly dependent on the Soviet Union itself for America's supplies of chromium. The net result is that the Soviet and American economies have become intertwined—but the United States is buying, for the most part, raw materials, whereas (except for the wheat) the Soviet Union is buying technology which might one day, it is feared, be used against the United States and/or its allies. (The two-way U.S./Soviet trade, reports *Time* magazine in its 1 July 1974 issue, "has jumped from $200 million in 1971 to $1.5 billion in 1973, with the dollar-ruble balance seven to one in favor of the United States, which buys Soviet vodka, platinum, diamonds and chrome ore and sells oil- and gas-drilling equipment, machinery and electronic gear, including computers. The Russians have been eager for loans and technological know-how, and so far they have got some of both.")

Not all the fruits of detente have been plucked by the Soviet Union, of course. And not all concessions have been made by the United States. The USSR is generally credited with an assist in the tenuous Mideast cease-fire (not achieved, however, until after a worldwide U.S. military alert had been called by President Nixon to halt a planned airlift of three Soviet divisions to Egypt). Soviet help in ending U.S. involvement in the Vietnam War is also acknowledged (but not too noisily) by leaders on both sides—once again, however, Soviet moves toward peace did not occur until well after several convincing demonstrations by President Nixon that the United States would not and could not be forced out of Southeast Asia by military means.

M'INTYRE'S FISH

The question now is: should detente be pursued further? The answer would appear to be a most cautious "Yes." But it should be a realistic detente, not one in which Slavic smiles and paper promises are traded for unilateral disarmament. A mutual detente, in which neither side gives up a present advantage without a corresponding concession from the other side. And probably, therefore, a very deliberately ripening detente, in which confidence and trust are built up—by actions—slowly and solidly, step by step.

As Senator Thurmond said on the floor of the Senate of 10 April 1974: "All of us favor detente but we must have a true detente and not permit a screen behind which the Soviets would attempt to gain a military advantage. The Congress should remember the Soviets have broken agreements throughout the history of the Communist regime and there is nothing in the record to indicate they will not continue to do so if it would serve their purposes."

The problem for American policymakers, therefore, will be to insure that a continuation of detente, true detente, does serve Soviet as well as American purposes.

It will not be an easy policy to follow, for either side. As Thurmond's Armed Services Committee colleague, Senator Thomas J. McIntyre (D-N.H.) expressed it, in another context, during a speech before the Electronic Industries Association's government/industry symposium in early May: "It is a question of balance and discrimination. We are like the fisherman who having hooked a fish will lose it if he gives the line too much slack, but will also lose it if he pulls the line so tight that it breaks."

A LINK IN POLYUNSATURATES—CANCER?

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. ABDNOR. Mr. Speaker, although our society is rightly concerned with the health of its people, in many cases this concern has been carried to the extent of becoming a mass hypochondria. In this regard, the following article which has been called to my attention by Mr. John May, of Sturgis, S. Dak., will be of interest to the readers of the RECORD:

A LINK IN POLYUNSATURATES—CANCER?

Perhaps. A west coast medical study indicates a connection between vegetable oils and the incidence of cancer. This may cause medical researchers to take another look at the whole subject of natural fats-polyunsaturates-heart disease-cancer.

An eight year controlled clinical trial on polyunsaturated fats and oils in diets was conducted by the Research Service, Wadsworth Hospital Medical Service, and Domiciliary Medical Service of Veterans Administration Center, Los Angeles, and the Department of Medicine, University of California, Los Angeles School of Medicine, Los Angeles. The test involved 846 elderly men who were divided randomly. Half were given a conventional diet; the other half an identical diet except vegetable oils (polyunsaturates) were substituted for natural or saturated fats.

The reason for the test was to see if those on the polyunsaturated diet experienced less fatalities due to atherosclerotic event (heart and artery disease and problems). The trial called this group the experimental group. Those on a normal diet were called the control group.

The results of the trial showed that fatal atherosclerotic events numbered 40% in the control group and 70% in the experimental group. However, total mortalities of 174 in the control group and 178 in the experimentals indicated to the medical researchers that something other than heart disease was causing an inordinate number of deaths in the experimental group.

Going back over their data, they determined the high death rate in the experimental group was due to a greater incidence of carcinomas, or in other words, cancer.

After finding a higher than expected incidence of carcinoma caused deaths in the experimental group, the researchers did a detailed retrospective study to identify all the malignancies in the men. They also added two years of results obtained when the men were returned to normal diets.

Beyond that they considered all pre-existing conditions and cigarette smoking habits. Neither had any significant effect on the trial. The men in the control group who died of cancer averaged 68.4 years of age; those in the experimental group who died of cancer were 65.5 years.

The results and analyses bore out the fact that those on the high polyunsaturated diet experienced a higher incidence of death due to cancer.

In the two years following the study after the men were taken off the diet an interesting result appeared. During the first year after the men were placed back on normal diets, those in the experimental group continued to suffer death due to cancer at a higher rate than those on normal diets (3 deaths to 0 deaths). However in the second year, four experimentals died from cancer as opposed to 10 in the normal dietary group, indicating that once the subjects were back on normal diets, the toxicity associated with the polyunsaturated fats was by then lessened in the experimental group.

The researchers commented their results were different from those of other studies, which did not indicate an increase in cancer with an increase in polyunsaturates in the diet. However, this eight year study was the longest of its kind and the other trials had different patient population and design.

The researchers felt their study was not conclusive, but deserved consideration in light of animal experiments which suggest that unsaturated fat intake has an effect on the incidence of cancer.

The researchers suggested that unsaturated fats may not initiate cancer, but instead promote it. In other words, the possibility exists that if you have a latent cancer in your body, or a propensity for cancer, a diet high in unsaturates may enhance the growth of that cancer.

The meat and dairy industries will be watching trials like these carefully, since they are the prime sources of the natural fats in American diets. They have been waging a battle with the American Heart Association who through their publicists have implied that a saturated fat diet results in heart disease. These assumptions were not based on any more scientific data than is the polyunsaturated—cancer assumption.

Doubt exists in both cases, and until evidence is secured to substantiate one claim or the other, it would appear moderation in the diet is the best course for Americans. What people eat is of some importance, how much they eat may be more significant.

The physical activity of a great portion of the population has been reduced through modern machines, the automobile and power equipment. While physical activity has been reduced, the amount eaten at the table hasn't. This more than anything may be the primary cause of high mortality due to heart disease and cancer.

REPORT FROM YOUR CONGRESSMAN

HON. EDWIN D. ESHLEMAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. ESHLEMAN. Mr. Speaker, I have sent to my constituents my most recent newsletter. I am including the contents of that newsletter in the RECORD at this point:

REPORT FROM YOUR CONGRESSMAN ED ESHLEMAN

BALLPLAYERS AND CONGRESSMEN

The guest of honor at flag day ceremonies held in the House chamber this year was Hank Aaron. He told us that his career was not all that different from that of a member of Congress. To the baseball fan just like the politician's constituent, it doesn't matter what you did yesterday or even today. The question is always: What are you going to do for me tomorrow?

SPRINGING A LEAK

Many people have been telling me that with so much attention devoted to Watergate, they're afraid some other important issues are being ignored—especially in news media coverage. Sometimes it almost looks like the only solution is to make up a list of all those other problems, stamp the list "top secret" and let it leak.

POINT-IN-FACT

It really isn't hard to do right!

What is hard—so many times—is knowing what is the right thing to do!

KISSINGER ON DECISION-MAKING

Secretary of State Kissinger, in addition to his historic peace-making missions, is learning the frustrations of dealing with the federal bureaucracy. A recent statement on decision-making points out his problem. "I have seen it happen more often than not that when one asks for choices one is always given three: Two absurd ones and the preferred one. And the experienced bureaucrat, which I am slowly becoming, can usually tell the preferred one because it is almost always the one that is typed in the middle."

DIFFERENT DEFINITIONS

I've noticed that what we call part-time work in Lancaster, Lebanon and Chester Counties gets called consulting in Washington, and the price is considerably higher.

COST ANALYSIS

Each new Government requirement adds to the cost of the products made by American manufacturers. For example, the August, 1972 issue of *Engineering News Record* reported that the basic price of a new caterpillar D-9 tractor went up $4,315 because of occupational health and safety requirements. Now, most of us aren't in the market for a caterpillar tractor, but the illustration adds credibility to the claim that OSHA has added 10% to 30% to the general cost of business. And, of course, all of us who are consumers bear the brunt of that extra cost.

SENSIBLE BUDGET-MAKING

Congress, in a strongly bi-partisan move, has acted to over-haul its present chaotic method of handling the Federal budget.

Under the new system, targets will be set early in the year both for income and spending. The appropriations committees will be required to stick reasonably close to the spending targets.

When all appropriations have been individually approved, Congress will be required to go back and bring the totals in line with the targets. This will mean either cutting some spending plans or finding additional revenue to cover increased spending.

The law also sets up a congressional budget office so that we will have our own experts providing us with information and analysis.

The new system cannot guarantee that irresponsible budget-making will not continue. But the new procedures should assure that Congress, from now on, will be making its economic decisions with its eyes wide open.

INFLATION—THE THIEF IN EVERYONE'S POCKET

Doesn't anyone in Washington understand that it's the price of food, climbing interest rates and other rising costs that are the real problems facing Americans? Can't anyone see beyond Watergate far enough to realize that inflation is robbing everyone and tearing this country apart?

Those are very basic questions, and similar ones are thrown at me nearly every day. The rising cost of living is by far people's biggest concern.

The answer is that many of us are very concerned about this problem, but there can be no doubt that it's a concern that has been played down by the news media in its concentration on other stories out of Washington.

Arthur Burns, head of the Federal Reserve Board, is a major economist who has expressed alarm about the inflationary situation. "Inflationary forces are now rampant in every major industrial nation of the world," Dr. Burns said recently. "For many years our economy and that of other nations has had a serious underlying bias toward inflation."

He went on to point out that inflation breeds fear. It saps public confidence in a more personal way than almost any other threat; it produces generalized anxiety likely to lash out against politicians, institutions, foreigners, social classes—against any handy target.

"The gravity of our current inflationary problems," Burns says, "Can hardly be overestimated. If past experience is any guide, the future of our country is in jeopardy. If continued, inflation at anything like the present rate would threaten the very foundations of our society."

That is an ominous warning coming from so scholarly a gentleman. But the reaction of many people to higher prices at the grocery store, reduced pensions, increased education expenses and all the other personal economic problems caused by inflation should be enough to convince national leaders of the wisdom in Burns' evaluation. People are angry and they want action. The danger comes when the action some politicians propose threatens our whole way of life.

Even after our unhappy experience with partial wage and price controls a few months ago, you hear talk again about going to that kind of policy. Obviously they can't be talking about a program of partial controls, because we saw that they don't work either equitably or economically. So the proposal must be for complete controls, and complete economic control can only be accomplished by nationalizing all major means of production—in other words, socialism. That would be a drastic change in our way of life and one that I am doubtful many Americans want to take.

It puzzles me that this kind of proposal gets talked about when there is another more reasonable route to getting our economy back in order. The main problem with this route is that it does not appeal to the politicans, particularly the politicians in Congress. The reason it lacks appeal is that it would bring screams from every special interest group in the country, and nearly every American is the member of at least one such special interest.

This route to economic stability is cutting government spending. Obviously, that's nothing new or novel, but, so far, it has proved almost impossible to bring about.

Let me give you some figures to make it a little clearer why government expenditures are so much a part of the inflationary problems. In the past 44 years, annual federal spending has risen from $3 billion to $304 billion. That is a 10,000% increase in spending during a period when the nation's population only doubled. It has to be a major inflationary factor.

In that same 44 year period, the Federal Bureaucracy has increased 450%. Since the end of World War II, the Federal pay has gone up 146%. The combination of a bigger and bigger bureaucracy at higher and higher pay just has to be very inflationary.

Meanwhile the average percent of earning paid out by all Americans to all levels of Government has jumped from 11.6% to 31.3%. Therefore, not only has increased Government spending contributed significantly to the cost-of-living problem, but the tax dollars needed to support that spending have cut into the spendable income you need to personally cope with the inflationary spiral.

Yet another set of statistics suggest Government's role in fueling inflation. In the past 20 years, Congress has rolled up $218 billion in budget deficits adding $234 billion to the national debt. Exactly twenty years ago, in the 1954–55 period, the rise in the cost-of-living averaged out to almost nothing. It is not hard to calculate that two decades of deficits have been significant contributors to our present inflationary problem.

The answer to inflation for anyone involved in Government is rather obvious—cut spending. It is necessary not only to balance the budget, but reduce spending to a point that we can begin paying off the national debt. Only then will Government dollars stop interfering with the free market, and thus stop pushing prices upward.

But, the solution, while obvious, is not so easy. Everyone is for cutting Government spending—until it affects them adversely. If we are to make the cuts necessary to do the job of halting inflation no program can be sacred. These cuts cannot all come out of some favorite whipping boy like Defense. They will have to be made across the board. And they will, without a doubt, hurt.

That's where the political problem comes in. Are people upset enough about inflation to hurt a little to stop it? Too many politicians think not. Thus, the spending goes on and the inflation follows it. But, if Arthur Burns is correct that in the near future that attitude could destroy our society, maybe it's time to get the word to those politicials.

The word is this—inflation is serious and we must act to stabilize the economy. We must face up to the pressures that will be brought by special interest as they seek to save their portion of the dole. We must act in the national interest which does not necessarily mean satisfying each little special interest. The national interest is getting the inflation thief out of everyone's pocket. And that means cutting Federal spending.

AMENDMENTS TO H.R. 11500

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. ECKHARDT. Mr. Speaker, if the Hechler substitute, H.R. 15000, to H.R. 11500, the Surface Mining Control and Reclamation Act of 1974, is defeated, I plan to introduce the following amendments to H.R. 11500:

Page 165, line 21, after the word "person" strike all through the word "affected" on line 22.

Page 205, line 16, after the word "person" strike all through the word "interest".

Page 215, line 17, after the word "person" strike all through the word "interest".

AMENDMENTS TO H.R. 11500

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. SEIBERLING. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following amendments to the bill H.R. 11500:

AMENDMENT OFFERED BY MR. SEIBERLING TO H.R. 11500

Section 401, page 250, line 5 through page 251, line 5, strike subsection (d) and (c), substitute the following new subsections, and renumber the remaining subsection accordingly:

(d) All operators of coal mining operations which are subject to this Act shall, not later than 60 days following the end of the calendar year 1975 and each calendar year thereafter, pay a reclamation fee to the Secretary equal in amount to $2.50 per ton of coal mined by the operator during the preceding calendar year, except that:

(1) A credit, in the amount of $0.10 for each 1000 British Thermal Units (BTU) or major fraction thereof by which the weighted average BTU value of coal mined by the operator during the year falls below 16,000 BTU per pound, shall be allowed upon presentation of reasonable proof; and

(2) A credit not to exceed 90 per centum of the total fee due shall upon presentation of reasonable proof be allowed for any incremental costs and expenses which have been incurred by the operator during such year for—

(A) reclamation activities, facilities and equipment required in order to comply with the standards established by or pursuant to sections 201, 211, and 212 of this Act;

(B) activities, facilities and equipment required in order to comply with the Coal Mine Health and Safety Act of 1969 as amended (Public Law 91–173; 83 Stat. 742);

(C) activities, facilities and equipment required in order to comply with the Federal Water Pollution Control Act (33 U.S.C. 1151–1175) in connection with the mining operation; and

(D) the amount of any reclamation fee, license fee, severance tax or other similar charge required by law to be paid by the operator to any State with respect to coal mining operations in such State, in the proportion that the proceeds of such fee, tax or charge are used by the State to support reclamation activities comparable to those provided for by this Title, but not to exceed 16 per cent of the total fee due before the credits allowable under paragraphs (1) and (2) of this subsection.

(3) Incremental costs and expenses, as used in paragraph (2) of this subsection, means all costs and expenses (including costs of equipment and facilities previously purchased but not previously amortized in accordance with generally accepted accounting practices) which have been necessarily incurred by the operator for the purpose of complying with the particular provisions of law referred to in subparagraphs (A) through (E) of paragraph (2) and which would not have been necessary in the absence of such provisions of law. In no event shall the total of such costs and expenses allowable to the operator under subparagraph (A) of paragraph (2) for a particular calendar year exceed the total amount of the bond or bonds required under section 216(a) with respect to the area in which the operator has completed the extraction of coal during such calendar year.

(e) The Secretary shall make a study of the effect of the reclamation fee and, within six months after the close of the twelve-month period ending June 30, 1977, and in each twelve-month period thereafter, shall report to Congress the results of the study with respect to its effects on the coal mining industry, including the relative competitive positions of deep coal mining and surface coal mining in each major coal mining region of the United States. With his report, he shall include his recommendations as to the extent, if any, that the reclamation fee should be increased or decreased in order to enable the deep coal mining industry to compete effectively with the surface coal mining industry.

(f) The Secretary shall periodically cause an audit to be made of the operations and records of each operator required to pay a reclamation fee under subsection (d) of this section, to determine the correctness of any credits claimed under said subsection. The Secretary shall promulgate regulations governing the imposition, collection, and audit of the reclamation fee and credits. In preparing such regulations, the Secretary shall consult with the Secretary of the Treasury to arrange, so far as feasible, for the Internal Revenue Service to assist in performing auditing activities under this subsection. Any amount taken by the operator as a credit under subsection (d) of this section that has been finally determined as not qualifying for credit thereunder shall be repaid by the operator to the Secretary promptly after such final determination shall have been made, together with interest, at the rate of 6% per annum from the date such credit was taken, and any penalty imposed by law. A determination by the Secretary as to the amount of fee or credit payable by or allowable to an operator shall be deemed prima facie correct.

(g) On or before July 1 of each year, 37½ per centum of the amounts received into the fund from reclamation fees paid under subsection (d) of this section with respect to coal mined in each State shall be paid back to the governments of the respective States in which the coal was mined; provided however, that 37½ per centum of the amounts received into the fund from mining done on Indian reservations shall be paid back to the respective Indian tribes. Such money shall be used by such State, or political subdivisions thereof, or Indian tribe for acquisition, reclamation, conservation or development of the public lands of the State, or political subdivisions thereof, or Indian tribe, giving prime consideration, in accordance with the priorities set forth in section 402, to the needs of communities which supply or have supplied the major part of the work force for current or former coal mining operations.

EVANS WATER AMENDMENTS

HON. FRANK E. EVANS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. EVANS of Colorado. Mr. Speaker, I will be offering two amendments to H.R. 11500, the Surface Mining Control and Reclamation Act of 1974. The first will deal with alluvial valley floors and the second will strengthen the protection of water rights under the bill.

Both amendments focus on the impacts of surface mining on water resources in arid and semiarid areas. Most Members are aware that strip mining alters dramatically the quality and quantity of water in and around mined areas. For the most part, such changes have been detrimental—large increases in sedimentation; polluting of waters by acid, salts, or other toxic drainage; and the disruption of ground water and surface water flows which can reduce the availability of water. These impacts are detailed in the committee report on H.R. 11500. The seriousness of these impacts is magnified in arid and semiarid regions. I believe it is necessary to assure that any bill passed by the House to regulate the impacts of surface mining contain adequate provisions for the protection of water resources in the West.

My first amendment will create a new subsection 209(d)(12) preventing the location of coal surface mining operations within or adversely affecting alluvial valley floors in semiarid and arid regions.

In reporting H.R. 11500, the House Interior and Insular Affairs Committee did a commendable job in trying to find a middle course where coal could be surface mined but appropriate safeguards would be taken. Many believe that if we are truly to protect the water resources of the West we must preserve aquifers—a move that would prohibit most strip mining in the Northern Plains, since the shallow coal seams often serve as aquifers. In proposing the protection of alluvial valley floors, I am taking a middle course that is much more limited in impact than a provision protecting aquifers would be. We should be honest and forthright in recognizing that it is impossible to restore the hydrologic function of an alluvial valley floor.

In the most comprehensive study completed to date on surface mining in the West, an impartial study committee formed by the National Academy of Sciences concluded the following:

> In the planning of any proposed mining and rehabilitation it is essential to stipulate that alluvial floors and stream channels be preserved.

Alluvial valley floors are characterized by unconsolidated deposits of materials such as clay, silt, sand, or gravel formed by streams where the water table is so near the surface that it directly supports vegetation. Alluvial valley floors receive recharge from a large area, and water availability in the valley floor is far in excess of the actual precipitation on the surface of the valley.

The danger posed by surface mining is to the sub-irrigated hay meadows, wheatlands, and grazing lands supported by the high water table in an alluvial valley floor. If the water table is lowered as a result of surface mining, the surface vegetation cannot survive and water may not be available for domestic and livestock uses. In addition, the water that is available after surface mining is likely to be significantly higher in sediment, salts, and other dissolved chemicals and metals.

The classic case of a damaged alluvial valley floor is the Rio Puerco River Basin in New Mexico. The river is a tributary of the Rio Grande and comprises about 25 percent of its drainage basin. In the 1870's it was a thriving agricultural area. Today it is virtually a desert. Briefly stated, the principal cause was overgrazing, which increased erosion and thereby upset the hydrologic balance. The water table was lowered by erosion of the stream channel which had deepened 40 feet by 1946. During this period, plants could no longer tap the moisture of the lowered water table and died, increasing erosion and worsening the cycle. The potential damage caused by strip mining would not be from overgrazing, of course, but the results could be the same as in the Rio Puerco Basin.

Another study conducted by the forest service and Bureau of Land Management for the Decker-Birney area in Montana recommends no leasing of Federal coal lands in flood plains to avoid downstream pollution. Even though many alluvial valley floors are larger than commonly defined flood plains, most flood plains in the semiarid and arid regions of the West are on alluvial valley floors.

The Montana Bureau of Mines and Geology has recently issued a report by Wayne A. Van Voast evaluating the hydrologic effects of a strip mine located on an alluvial valley floor near Decker, Mont. Van Voast, a State hydrologist, has found that water levels in the area have dropped 10 to 50 feet in an area over six times as large as that actually mined and that the water coming out of the spoils into the Tongue River is highly mineralized. Its quality is similar to that of saline seeps.

My second amendment will strengthen the provisions protecting owners of water rights in section 709 of the bill.

In section 709(d)(2) my amendment adds a requirement to show willingness in addition to the capability to provide a substitute water supply, and insures that the provision of substitute water is not temporary. Section 709(d)(3) would be stricken. This subsection as it is contained in H.R. 11500 is simply a means of condemnation through the execution of a bond if neither written consent nor the capability to provide substitute water are possible.

A new subsection (e) would allow an owner of water rights adversely affected to file a complaint with the regulatory authority detailing a loss in quality and quantity. The regulatory authority would investigate the complaint and issue a written finding within 30 days as to the cause of the loss in water quality or quantity. The regulatory authority would investigate the complaint and issue a written finding within 30 days as to the cause of the loss in water quality or quantity. If the mining operator is found to be at fault, the regulatory authority would order the mining operator to replace the water within 30 days and suspend his operating permit until the operator has provided the substitute water supply.

Lastly, a new subsection (f) would provide that nothing in this section would affect in any way the right of any person to protect and enforce his water rights under applicable State laws.

This amendment is moderate and a matter of simple justice. If a coal operator cannot get the written consent of an affected owner of water rights, he can still proceed if he can show evidence of a willingness and capability to provide a substitute water supply. In the West, water is essential to ranchers and farmers who depend on scarce supplies. If you deprive a man of his water, you deprive him the opportunity to earn a livelihood for himself and his family.

Without my amendments, I am afraid that this bill would an be expression of congressional judgment that the surface mining of coal should be of the highest priority ahead of other uses of land and water. In the arid and semiarid parts of the country, I believe such a conclusion would result in irretrievable loss of vast areas of agriculturally productive land.

These amendments are designed to protect the water resources of the West, but they could also have an impact reaching far beyond the western coal lands. If your State depends on water from the Missouri or Colorado River basins for municipal, industrial, or agricultural uses, you should share our concern about the possibility of diminishing the water flow and increasing the dissolved salts, chemicals, metals, and sediments in these river systems. In the Colorado basin, this affects the States of California, Arizona, Utah, and Colorado. In the Missouri basin, this affects Montana, Wyoming, Colorado, North Dakota, South Dakota, Nebraska, Kansas, Iowa, and Missouri.

Beyond that, I simply ask my eastern colleagues to heed the words of North Dakota Governor, Arthur Link. Governor Link has said:

> People representing the cities have as great a stake in the restoration of this land as the people of North Dakota. From these lands come the food and fiber their constituents will need long after the coal is removed.

The people I represent will remain in Colorado after the strippable coal is gone and the coal companies move elsewhere. It is my hope in sponsoring these amendments that we can help insure that our land will still be productive and that our friends from other States can still come to enjoy the natural beauty of our Rocky Mountain States in the future:

The text of my amendments follows:

AMENDMENT TO H.R. 11500, AS REPORTED, OFFERED BY MR. EVANS OF COLORADO

Page 172, line 4, strike out "and", and immediately before line 5 insert the following, and renumber the following paragraph accordingly:

(12) the surface coal mine operations are not located within, and would not adversely affect, an alluvial valley floor in semi-arid and arid regions;

Page 287, line 9, strike out "PROTECTION OF THE SURFACE OWNER" and insert in lieu thereof "PROTECTION OF THE SURFACE OWNER AND OWNERS OF WATER RIGHTS".

Page 288, beginning on line 23, strike out "affect the hydrologic balance of water on or off site," and insert in lieu thereof "adversely affect the hydrologic balance of water on or off site, or diminish the supply or quality of such water,".

Page 289, strike out lines 3 through 15 and insert in lieu thereof the following:

(2) evidence of the capability and willingness to provide substitute water supply, at least equal in quality, quantity, and duration to the affected water rights of such owners.

(e) (1) An owner of water rights adversely affected may file a complaint detailing the loss in quality and quantity of his water with the regulatory authority.

(2) Upon receipt of such complaint the regulatory authority shall—

(A) investigate such complaint using all available information including the monitoring data gathered pursuant to section 219(b) (2);

(B) within 30 days issue a specific written finding as to the cause of the water loss in quantity or quality, if any;

(C) order the mining operator to replace the water, in like quality, quantity, and duration, within 30 days if the loss of such water was found to be due to the surface coal mining operations; and

(D) order the suspension of the operator's permit for failure to replace such water until such time as the operator has provided the substitute water supply.

(f) Nothing in this section shall be construed as affecting in any way the right of any person to enforce or protect, under applicable State law, his interest in water resources affected by a surface coal mining operation.

(g) For the purposes of this section, the term, "surface coal mining operation" does not include underground mining for coal.

HOUSE OF REPRESENTATIVES—*Wednesday, July 17, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Lord, who shall abide in Thy tabernacle? Who shall dwell in Thy holy hill? He that walketh uprightly, and worketh righteousness, and speaketh the truth in his heart.—Psalms 15: 1, 2.

O Lord and Father of us all, fit us fully for the duties of this day and make us ready for the responsibilities which demand our attention. In this quiet moment help us to realize that Thou art God and that Thy grace is sufficient for all our needs.

Strengthen us to put first things first and last things last, that we may not find ourselves majoring in minor matters nor allowing the second best to take the place of the best. In all our work give us the spirit to discern the good from the bad, the high from the low, the important from the unimportant, and to lift our labors into the realm of Thy righteousness and good will.

"Just as we are, strong and free,
To be the best that we can be
For truth and righteousness and Thee,
Lord of our lives, we come."

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

CRISIS IN CYPRUS

(Mr. WOLFF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLFF. Mr. Speaker, I am concerned over the present crisis in Cyprus. It is urgent that the United States use its good offices to prevent open warfare. However, of equal concern to the people of our Nation should be that the State Department not use the present crisis to make secret concessions to Turkey on opium that would subvert and undermine the continuing U.S. war on drugs and crime.

If the United States caves on its determination to prevent the flow of deadly drugs to the United States, it would, in President Nixon's own words, be as disastrous as "foreign troops landing on our shores and invading the United States."

STRIP MINING AND GARBAGE

(Mr. HECHLER of West Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HECHLER of West Virginia. Mr. Speaker, some of the Members of Congress were distressed by a public opinion poll that was published some months ago that indicated that garbagemen rate higher than Congressmen in the public esteem. I have given some reflection to this. There may be a reason back of this: people like the fact that the garbagemen go directly to the pile of trash and pick it up and take it away.

Unfortunately in the strip mining legislation we are concerning, we have one bill, the Hosmer bill, that piles up more garbage, and we have the committee bill (H.R. 11500) which is a compromise, which takes away half of the garbage. That is really temporizing with the problem.

Therefore, I think the sensible way to approach the garbage and strip mining problem is to clean it up entirely, as contained in a proposal I will present as H.R. 15000. It will clearly restore the esteem of Congress to face up to the problem directly instead of pussyfooting around the edge of the problem.

KEEP POLITICS OUT OF THE JUDICIARY COMMITTEE

(Mr. OWENS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OWENS. Mr. Speaker, as a member of the House Judiciary Committee, I can honestly state that committee members and staff have maintained a conscious effort to promote a nonpartisan climate which is so important for purposes of the impeachment inquiry.

It is with much regret, therefore, that I am informed that the chairman of my party, Robert Strauss, after a weekend's perusal of part of the evidence, found that the evidence merits impeachment of the President. I had previously found satisfaction in his decision that he would not comment because it would introduce partisanship. I regret that he has now chosen to intrude his political nose into this highly nonpartisan proceeding.

The Judiciary Committee members over the past several months have expended hundreds of hours listening to tapes, studying documents, and questioning witnesses. This thorough and judicious investigation of raw evidence, presented without prejudgment by our counsel, is testimony to the committee's expressed conviction that all relevant material be reviewed before rendering a final judgment as to whether the President should be impeached.

The Democratic Party chairman's brief review of part of the evidence and his peremptory judgment represents a disservice to the impeachment process and is a potential threat which could inject partisan overtones into the final crucial stages of the proceedings.

I know that Members of the House of both parties will reach a final decision based on their own judgments and their own consciences.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS ADMINISTRATION REMAINS DIVIDED ON THE ECONOMY

(Mr. O'NEILL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. O'NEILL. Mr. Speaker, I see that Dr. Burns, the Chairman of the Federal Reserve Board, is now trying to take control of Federal budget policy.

He said he wants the administration to cut Federal spending by $10 billion this year. Mr. Rush, the President's chief economic adviser, is not even sure that a $5 billion cut would be possible. And Mr. Ash, the Director of the Budget, seems to think that no cut at all is possible.

Again we see the spectacle of fragmented and uncertain economic views on the part of different administration officials. What it adds up to is no economic policy at all for this Nation at a time of widespread economic distress.

Dr. Burns, at least, has been consistent. He wants a supertight budget policy to match his supertight credit policy. That would mean even higher unemployment and reduced incomes for the lower and moderate income groups. And there is no guarantee at all that these restrictions would have any effect on inflation.

Among the other economic perils we face, there is always the chance that Dr. Burns may get his way simply because no one else in the administration seems to know what he wants.

While the administration fiddles, the economy Burns.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, how much does the distinguished majority leader think we can cut the budget?

Mr. O'NEILL. Well, I do hope that we can bring it under the $304 billion which the President has requested. As the gentleman knows, during 5 of the last 6 years we have reduced the amount of the budget requested by the President.

Mr. GROSS. Will the gentleman go up to $10 billion?

Mr. O'NEILL. Mr. Speaker, I really could not say that. I do not know, but the President did ask for $304 billion, and there is every hope that we can stay under that magic $300 billion mark.

PASSING OF DIZZY DEAN, THE GREAT BASEBALL PITCHER

(Mr. MIZELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MIZELL. Mr. Speaker, I learned this morning with great sadness of the passing of a great American and a great baseball pitcher, Dizzy Dean.

Dizzy Dean became an American institution in his own lifetime. His name was synonymous with baseball to countless numbers of fans of all ages.

In my 14 years of professional baseball, it was my pleasure and honor to know Dizzy. He came from a background of poverty, but this did not hold him back. He had a great talent and even greater determination.

His determination led him to an illustrious baseball career and then to a second career as a radio and television sportscaster. Dizzy Dean's voice was heard in thousands of American homes each week for many years, and it brought pleasure and joy into the lives of many Americans. Many of my colleagues, no doubt, were Dizzy Dean fans, and I am sure that all present here will join with me in remembering this man whose life was an example for us all.

I am equally certain that you will all join me in extending our deepest sympathies to Mrs. Pat Dean, Dizzy's wife and most ardent fan and supporter.

A good baseball player must be competitive; he needs team spirit; he must play the game by the rules; and he needs to exhibit good sportsmanship at all times. Dizzy had all these qualities, and these are the characteristics which made him a great American and for which he will long be remembered.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. MIZELL. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I would like to associate myself with the gentleman's remarks in extending sympathy to Dizzy Dean's wife, Pat Dean, and say that Pat and Dizzy have made their home for the last 20 years in Wiggins, Miss. Dizzy Dean will be missed by all Mississippians.

Mr. MIZELL. Mr. Speaker, I thank my colleague, the gentleman from Mississipi for his comments.

PRESENCE OF NEW WIND YOUTH CHOIR AT CAPITOL

(Mr. CARTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARTER. Mr. Speaker, today the Capitol of the United States was honored by the presence of the New Wind Youth Choir group from the First Baptist Church of Orlando, Fla., directed by Mr. Dennis Baw.

If any of you have had doubts about the youth of our country, let your doubts be stilled. This is one of the most wholesome and colorfully attired groups of talented young singers it has been my pleasure to hear:

> They sang to us some songs
> Some simple and heartfelt lays,
> That scothed the restless feeling
> And banished the cares of the day.
> Their songs were of the people,
> And they gushed right from their hearts,
> As showers from the clouds of summer,
> Or tears from eyelids start.

It is my fervent hope and fondest dream that more such groups will be organized throughout this wonderful country of ours.

THE PROPOSED BILLS ON SURFACE MINING CONTROL AND RECLAMATION

(Mr. HOSMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOSMER. Mr. Speaker, I have asked for this time because I wanted to engage in colloquy with our self-proclaimed congressional expert on garbage, the gentleman from West Virginia (Mr. HECHLER), who has described the two bills that he opposes as "garbage bills." That may be true of one of those bills; I will not dispute that point with him. The authors of that bill, the gentleman from Arizona (Mr. UDALL) and the gentlewoman from Hawaii (Mrs. MINK), can defend their own bill.

However, with respect to the Hosmer substitute, that is a good, clean bill. It requires the reclamation in a satisfactory fashion of all land that is mined for coal by surface methods. That is a pretty good idea, because we do need to mine coal on the surface, and we would not be able to do that under the bill introduced by the gentleman from West Virginia (Mr. HECHLER).

Mr. Speaker, we need, simply to keep the people of this country from freezing in the dark. The gentleman has not explained what would happen in connection with his bill, other than the fact that it would stop all surface mining altogether. That would give us the privilege of freezing in the dark. If we did not want to take advantage of the privilege, come hell or high water we would have it forced on us anyway.

PROVIDING ACCESS TO PSYCHOLOGISTS AND OPTOMETRISTS IN THE FEDERAL EMPLOYEE HEALTH BENEFITS PROGRAM

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9440) to provide for access to all duly licensed psychologists and optometrists without prior referral in the Federal employees health benefits program, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert:

That section 8902 of title 5, United States Code, is amended by adding at the end thereof the following:

"(j) When a contract under this chapter requires payment or reimbursement for services which may be performed by a clinical psychologist or optometrist, licensed or certified as such under Federal or State law, as applicable, an employee, annuitant, or family member covered by the contract shall be free to select, and shall have direct access to, such a clinical psychologist or optometrist without supervision or referral by another health practitioner and shall be entitled under the contract to have payment or reimbursement made to him or on his behalf for the services performed. The provisions of this subsection shall not apply to group practice prepayment plans.".

SEC. 2. The amendment made by this Act shall become effective with respect to any contract entered into or renewed on or after the date of enactment of this Act.

Amend the title so as to read: "An Act to provide for access to all duly licensed clinical psychologists and optometrists without prior referral in the Federal employee health benefits program."

Mr. DULSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, while the Senate agrees for the most part with H.R. 9440, as passed by the House, it has amended the bill to insert the word "clinical" before the word "psychologist" as it appears in three places—twice in the text and once in the title.

The reason for such an amendment is to restrict application of the provisions of the act to those psychologists who are qualified as clinical psychologists.

As stated in the Senate report, the term "clinical psychologists" means those persons licensed or certified under State psychology statutes already in force wherein the basic standard for obtaining full entry into the profession requires a doctoral degree from a recognized graduate psychology program. In addition, one or more years of supervised experience and completion of a psychology examination administered by the appropriate State board issuing credentials is also required.

Thus, a "clinical" psychologist apparently has higher professional standards to meet before being so recognized.

The terms of the amendment has the effect of excluding certain licensed psychologists who are not qualified and trained as clinical psychologists. For example, it would exclude industrial, community, or school psychologists, unless such individuals also qualify as clinical psychologists.

While the services of a psychologist may still be utilized under the Federal employees' health benefits program, the existing procedure requiring referral by a physician would have to be followed first in order that the psychologist's expenses be covered.

The services of a clinical psychologist will be covered without requiring the patient to be referred to him by a licensed physician.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 11500, SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1230 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1230

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 11500) to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of Interior to make grants to States to encourage the State regulation of surface mining, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections, and all points of order against title IV and against section 701(a) of said substitute for failure to comply with the provisions of clause 4, rule XXI are hereby waived. It shall be in order to consider without the intervention of any point of order the text of the bill H.R. 12898 if offered as an amendment in the nature of a substitute for said amendment recommended by the Committee on Interior and Insular Affairs for the bill H.R. 11500. It shall also be in order to consider without the intervention of any point of order the text of the bill H.R. 11500 if offered as an amendment in the nature of a substitute for said amendment recommended by the Committee on Interior and Insular Affairs for the bill H.R. 11500. At the conclusion of the consideration of the bill H.R. 11500 for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 11500, the Committee on Interior and Insular Affairs shall be discharged from the further consideration of the bill S. 425, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 11500 as passed by the House.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN) pending which I yield myself such time as I may consume.

CALL OF THE HOUSE

Mr. SCHERLE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 386]

Archer
Baker
Barrett
Bowen
Brasco
Burke, Calif.
Carey, N.Y.
Chisholm
Clark
Clausen, Don H.
Clawson, Del
Clay
Conyers
Davis, Ga.
Dorn
Esch
Gibbons
Gray
Griffiths
Hansen, Wash.
Harrington
Metcalfe
Murphy, N.Y.
Murtha
Parris
Rodino
Rooney, N.Y.
Sisk
Steele
Symington
Vigorito
Widnall

The SPEAKER. On this rollcall 402 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROVIDING FOR CONSIDERATION OF H.R. 11500, SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

The SPEAKER. The gentleman from Missouri is recognized.

Mr. BOLLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1230 is an open rule that provides for 4 hours of general debate on H.R. 11500 which, of course, is a very controversial piece of legislation. The rule that the Committee on Rules granted is a little unusual in that it is very open. It is an open rule with 4 hours of general debate, but it also makes in order without the intervention of any points of order 2 substitutes, one the so-called Hosmer bill, the other the so-called Hechler bill to the committee bill, H.R. 11500.

It also waives points of order on a couple sections that deal with appropriations which are necessary to the implementation of the basic bill.

There is a great deal of controversy over this matter. I am not aware of any great controversy over the rule, so I propose to reserve the balance of my time, at least temporarily.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman from Missouri for yielding. If the length of the rule attests to its openness, then we certainly have a good rule. I do not believe I have ever seen a longer or more wordy rule.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the able gentleman from Missouri (Mr. BOLLING) has explained the resolution. It is an unusual rule, but as he says, it is entirely open.

Mr. Speaker, this is a very controversial subject. We all know that we love what nature has given us. We want to see it protected to the utmost. Nature has given us the coal underneath the ground as energy for us to use that we may live in the manner in which this Nation set forth its goals and its dreams.

Mr. Speaker, everyone knows we have to dig to recover coal. Some mines go down deep into the earth; some coal layers are close to the top of the earth. The practical way to get the coal just beneath the surface is by strip mining, and we all know that after strip mining, we want to see the natural contours restored, the natural land restored as nearly as possible, but we do not want to see the restrictions so great it is impossible to comply with them, and the supply of coal decreased, if not eliminated, to a great degree.

I have no coal in my district, but there is in neighboring districts, and it is of great help to the economy of the whole area. But more than that, let me tell the Members an experience or two which I have had in my congressional district in person and by letters here in Washington.

I have had some people who have retired, who are drawing social security or railroad retirement or are on other retirement programs, come to my office and say, "Mr. QUILLEN, can you explain why the cost of coal has increased so much during the last few months, and beyond that, why we cannot get it?"

They said stoker coal today can be purchased, if available, for around $50 or $55 a ton, an increase of three times what it was last season. It is not available in many places in my district. In the case of lump coal, the cost likewise has risen, and likewise is scarce.

Now, these people did not have the money to convert to modern heat in their homes—to gas, to electricity, or to oil. They have their stokers or they have their furnaces which burn lump coal, and they are suffering from this great dilemma of supply and demand. I have had coal dealers call me and say, "We cannot get coal to supply our customers."

Where is the coal going, if it is available? Members of the House, I say that we must approach this measure with a great deal of concern for the benefit of the people. I would say to the conservationists and the ecologists that we must live a little while before we die. We must have this coal available, and we must have our energy available, but I cannot argue with those who would want to see nature restored to its normal condition. It is a great goal, but also it is likewise a great goal that we must take care of the energy needs of this Nation.

So, working hand in hand, I hope we can come out of this House with a bill which will be agreeable to all, and that the supply of coal will be preserved and protected and increased, because that is our goal. We know what we suffered back in the energy dilemma with the oil and gas shortage, and we know we might be facing one of the coldest winters in the history of this country, because cycles come and go. Last winter, it was warmer than usual, and now if these older people who have coal furnaces cannot buy coal, and if they can buy it, the price is beyond their reach, we must take into consideration these factors in voting on this measure now.

Mr. Speaker, the rule brought before us provides for the consideration of the Udall-Mink bill; the Hosmer bill is also to be considered, and the Hechler of West Virginia bill is also to be debated. I am going to vote for the Hosmer bill as a substitute.

I think the Hechler bill is much too rigid and much too strong when he says we must phase out strip mining altogether. I think the Udall-Mink bill has some provisions which we must look at and amend.

I voted against the rule in committee. I am not going to make a fight on the floor of this House to defeat the rule today, rather I am voting for it; but I want to say to all that I think the matter should have been resolved with a greater degree of harmony before the various bills were brought to the floor of the House. This could easily be another Donnybrook.

Mr. Speaker, I do have some time to yield, but I wonder whether the gentleman from Missouri wishes some time.

Mr. BLACKBURN. Mr. Speaker, will the gentleman yield for a question?

Mr. QUILLEN. I will be glad to yield to the gentleman from Georgia.

Mr. BLACKBURN. Mr. Speaker, I appreciate the gentleman's yielding. I particularly appreciate the last remarks he made regarding the condition of this bill as it reached the floor.

This reminds me of the Emergency Energy Act, when we were here until 2 or 3 o'clock in the morning voting on amendment after amendment.

It seems to me that the wisest course to follow in the case of a bill as controversial as this is to send it back to the committee and let them resolve most of these differences before we have to resolve them on the floor of the House for the sponsoring committee.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I will be happy to yield to the gentleman from California.

Mr. ROUSSELOT. My understanding is that some portions of this bill in committee were considered for as little as 30 seconds because of the anxiousness of our colleague, the gentleman from Arizona, in rushing this thing through. I wonder how the Committee on Rules took into consideration this kind of monumental legislation when several amendments of this bill were rushed through with 30 seconds consideration. Now here we are today supposed to consider these same amendments on the floor, without being assurred that the committee has considered many portions of the bill with more than 30 seconds attention.

I know that we have ample time to debate it, but the Committee on Rules did not have ample time to really know or understand what the bill was all about.

I talked to several members of the committee who said that even those who voted for these amendments did not know what they were voting for.

Is that the gentleman's understanding?

Mr. QUILLEN. That was pointed out in the hearings before the Committee on Rules. The committee did devote 2 days, both mornings, and afternoons, and tried to develop as clearly as we could the facts you are pointing out and the issues involved that were not completely debated.

Mr. ROUSSELOT. I wonder why this bill is not just sent back to the full committee to reconsider some of those monumental 30 seconds amendments. Would that not have been the most responsible way to do it?

Mr. QUILLEN. I think so. I voted against the rule, but I am voting for it today so the measures can be fully debated. The majority of the Committee on Rules clearly was for the rule, and I think that had a great deal to do with it.

Mr. ROUSSELOT. I want to say to my colleague, the gentleman from Tennessee, that I think this is how Congress gets the reputation for ill-considered legislation. Especially when it involves as many people as this bill does, when we legislate in this kind of atmosphere, and especially when we are not totally sure of how many people it will affect.

Actually, the same thing occurred with the original Environmenttal Protection Agency. We rushed that through. We are now finding the total effects of that legislation on the basis of rules and regulations issued by the Environmental Protection Agency using authority which we never gave them.

I wonder whether or not we face that possibility in this kind of legislation.

Mr. QUILLEN. I will say to the gentleman, as I said before, that we might have another donnybrook on the floor of the House. I think that is clearly what we might have.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding, and I thank the gentleman from California (Mr. ROUSSELOT) for his contributions.

I testified to these facts before the Committee on Rules. I think it should be interesting for the members of the committee to realize that we did consider in excess of 50 amendments, maybe more, under a no-debate, gag-rule situation. It was very difficult for members to know just exactly what was in all the amendments.

I would just say also that this entire proposition stems from an impression or psychology to the effect that somehow States cannot run their own strip mining operations.

Now, I am speaking of the States of Illinois and even West Virginia, Wyoming, Montana and Ohio are good examples. There are States which have proper reclamation laws, and they can handle this. This is something the Federal Government ought not to be doing in the first place.

That is another point I made in the Committee on Rules. I said we should stop this thing right now; we cannot afford it; we have a monetary crisis facing this country, and we have fiscal problems; we are printing more paper money every day and shutting off the private enterprise productive segment of our economy—it can't go on forever.

We ought to leave this matter up to the States and let them solve their reclamation problems.

Mr. QUILLEN. Mr. Speaker, I thank the gentleman from Idaho for his contribution.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I want to be sure I understand the statement of the gentleman from Idaho: There were 50 amendments offered in committee, with only 30 seconds' consideration for each amendment; is that what the gentleman stated?

Mr. SYMMS. Mr. Speaker, if the gentleman from Tennessee will yield, I will state this:

I may have to ask the gentleman from California (Mr. KETCHUM) to answer that. I am a new member of the committee. I just walked in the committee room when this was taking place.

I was astounded when I saw what was taking place, because at the time I was a member of the Committee on Agriculture I found there was opportunity for deliberation and these matters were worked out with the members. We had a chance to speak our piece. And then I came on the Committee on Interior and Insular Affairs and saw this semigag rule applied. I did not understand that this type of procedure took place in the House of Representatives.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Speaker, in response to the observations of my friend, the gentleman from Idaho (Mr. SYMMS), that is precisely and exactly what happened. I really find it amazing that the gentleman was surprised to see an operation like that taking place.

I know that the gentleman in the well was a Member of this great deliberative body last December when we had some 76 amendments offered to the emergency energy bill, that great piece of legislation that came to the floor in such great condition. We had a gag rule placed on that right here on the floor of the House. At least the folks had a chance to see that taking place.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Florida (Mr. HALEY).

Mr. HALEY. Mr. Speaker, first let me thank my friend for yielding 5 minutes to me. I do not think I will require that much time.

I rise here today to say to the two chairmen of these subcommittees, the gentleman from Arizona (Mr. UDALL) and the gentlewoman from Hawaii (Mrs. MINK), that we appreciate their work and their help. They held numerous hours of hearings.

We come here today hearing the old cliche that we "did not have time to do this" or we "did not have time to do that." Actually, this matter has been before the Committee on Interior and Insular Affairs for approximately 3 years. This particular bill that we have here before us today consumed numerous hours on the part of both of these fine subcommittees, and I might say that generally speaking they worked together and cooperated as much as they possibly could under the conditions they were laboring under.

So I say to my friend, the gentleman from California, that we had as amendments to the bill which the committee brought here, in addition to the amendment offered by the gentleman from California (Mr. HOSMER), something over 100 amendments.

Now, I do not know of any place along the line where the gentleman was cut off except by his own motion, which brought about the situation of a limitation of debate. This is not an unusual thing. We have that here on the floor of the House. I say, as far as I was concerned, I sought to make no attempt whatsoever to limit the time of any particular member of our committee. I think all the members had an opportunity to express their own opinions, they had an opportunity to have their amendments heard, and I regret that we come here today using this old cliche of saying that we "did not have time."

The members of our committee had 3 years to study this. We know that something must be done.

Mr. Speaker, we bring to the Members today a bill, with 4 hours of debate, under an open rule, which is an unusual situation, providing that two other bills can be made a part of this if we so desire.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman yielding.

I would ask the gentleman from Florida whether it is the usual procedure of the gentleman's fine committee to consider amendments, say, 50 amendments, or some odd number, in 30 seconds' time for each amendment?

Would the gentleman from Florida say that that is a good procedure even if those amendments might have been talked about before? Is that the usual procedure in the committee?

Mr. HALEY. Let me get the gentleman from California straightened out real quickly here. There was no attempt on my part to cut off any member or shorten the time of anybody on our committee.

Mr. ROUSSELOT. I was not suggesting that the gentleman from Florida had cut them off. I know the gentleman is a fair chairman and was not able to be present for most of the markup session. I was wondering if that was good procedure. If the statements have been correct that there were as many as 50-some-odd amendments considered for 30 seconds apiece?

I wondered if that was a good procedure.

Mr. HALEY. I think the gentleman from Arizona will thoroughly explain what happened.

Mr. ROUSSELOT. I am sure the gentleman from Arizona will give us a lot of explanations. He has before.

Mr. HALEY. Mr. Speaker, I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I have one more speaker at this time, and I would ask the gentleman from Tennessee to yield time to his Members now.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from California (Mr. HOSMER).

Mr. HOSMER. Mr. Speaker, I appreciate this time that has been allotted to me because I feel that we ought to have in mind the bills which, should the rule pass, we will be considering.

This is quite a complicated matter. As the Members will note, there are some 303 pages to the bill, and Heaven only knows how many more pages in the report, but we may have four bills before us, not three, but four bills.

Now, let us get these bills in mind. Under the rule, one of the bills that is in order as a substitute to H.R. 11500 is H.R. 15000, the gentleman from West Virginia, Mr. HECHLER's bill. Mr. HECHLER's bill I shall call the ploy bill, because it does constitute somewhat of a parliamentary ploy in the sense that it is being set up—of course, not seriously. We know that this Congress is not going to go crazy and shut off all mining of coal from the surface, because this would be tantamount to the institution of not just a single Arab embargo, but a triple Arab embargo for all time. So it is not a serious bill. The serious bills before the House will be the Mink-Udall bill and the Hosmer substitute to that bill.

Now, the Mink-Udall bill, H.R. 11500, I shall call the hell-or-high-water bill, because the hell-or-high-water bill says that, by golly, you are going to have the environmental ethic observed to the exclusion of anything else, come hell or high water, and until hell freezes over.

If that is the kind of arbitrary and inflexible bill that the Members want, then we are going, according to the experts, to lose coal production in this country at a time when everybody knows that coal mining is going to have to be doubled. So that hell-or-high-water approach is one thing.

If I may make reference to the remarks of the gentleman from Florida with reference to some emotion on my part that caused the committee to shut off debate on the bill in the committee, well, I am proud to have the emotions of a fundamental American who lives in and who has been the inheritor of a great nation, the greatest nation in the world, a nation that has developed itself by the genius of its people, and with the power of its natural resources.

This Nation and its economy that we have today depends upon adequate energy. We saw what happened when that energy was cut off in adequate quantities even for a few months during the Arab oil embargo. If it is emotionalism to try to protect that kind of a nation and that kind of an economy, then I plead guilty of emotionalism, and I am proud of it, because this bill, the hell-or-high-water bill, is so inflexible, its enactment could mean the destruction of our economy.

I tried to draft another bill according to the rule of reason. That was the bill H.R. 12898, that is also made in order as a substitute.

I hope that this House will see the wisdom indeed of respecting equally both our environmental ethic and the energy ethic, because you can reclaim land and, at one and the same time, dig coal, if you go about it under H.R. 12898. That is all the rule-of-reason bill attempts to do. It will be before the Members as a substitute.

The fourth measure that may be before the Members as a substitute is something like the maneuver that was perpetrated in the Committee on the Interior by the gentleman from Wyoming (Mr. MELCHER) when he moved to shut off debate there. I understand that there may be an attempt to offer what I shall call the Adolph Hitler bill, and the Adolph Hitler bill would be a substitute for the rule-of-reason bill, which is just different enough from H.R. 11500 as it came out of the subcommittee in order to get by a point of order. The House, if it voted for that bill, would cut off everything, just as Adolph Hitler cut off millions of heads in his time. It would be an even worse bill than H.R. 11500, the hell-or-high-water bill in the House.

Then where would we be? We would be in a fine mess.

As far as this rule is concerned, I am not very happy about coming into this House under that bill, because even if we get the rule-of-reason bill passed by this House——

The SPEAKER pro tempore (Mr. McFall). The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I yield 1 additional minute to the gentleman from California.

Mr. HOSMER. Even if the rule-of-reason bill, a good strong reclamation bill which at the same time allows us to dig coal, goes over to conference with the totally unacceptable bill that has been passed by the other body. I am not so sure that some of my colleagues on the Committee on the Interior who might be sent to that conference along with me are going to stand up for a decent bill and refuse to cave in to the Senate bill. That is a danger that we must contemplate.

For that reason I ask when the Members do vote for the rule-of-reason substitute, H.R. 12898, that they give it a good, hefty vote, so that we can go to conference on a decent basis, from a position of strength to try to come out with some legislation that will reclaim land and permit mining, both at the same time.

Mr. Speaker, I yield back the remainder of my time.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina (Mr. Taylor).

Mr. TAYLOR of North Carolina. Mr. Speaker, I want to take this time to join my colleagues in urging the House to adopt the rule for the consideration of H.R. 11500. Few measures brought before the House have been given as much attention as this legislation. It was studied in detail by the members of both the Subcommittee on Mines and Mining and the Subcommittee on the Environment. Field trips to inspect some of the Nation's principal surface-mining areas and extensive public hearings were conducted.

After the subcommittees completed their work, many of us thought that they had developed a bill that was too strict. We felt that we needed a balanced bill, one that equalized the need for coal with the need for environmental safeguards. Consequently, when the bill was before the full committee, we adopted numerous amendments. Some of these were substantive amendments proposed by industry and some by the administration.

In the committee I voted for many amendments designed to make the bill less objectionable to businesses, industries, and people in need of coal. I tried to help find some reasonable compromises to provide for the restoration of mined-over land to productive use in an environmentally sound manner without contributing unnecessarily to the further inflation of coal prices or to the energy shortage.

Ours is the difficult job of finding the proper balance between the need to protect the environment and the need to meet the energy needs of our people.

Mr. Speaker, the Committee on Interior and Insular Affairs met 23 times to consider this bill. I attended every meeting, and I felt that most of the time was used in a constructive effort to develop a sound and reasonable bill to present to the House. I do not believe that during my 14 years on that committee any bill has received as much time before the full committee as this bill did receive, and I will state positively that in my opinion the Committee on Interior and Insular Affairs is one of the most democratic committees in the Congress. It has the reputation of operating in that fashion and has so operated down through the years.

Many amendments were presented for consideration. It was obvious that delaying tactics were being used which created the same type of situation that we had on the House floor when the energy bill was being debated last December. A motion was made in line with House rules to end debate at a certain fixed time in the future. I am not certain that the committee was wise in adopting this motion, but the committee did adopt the motion and many amendments were still pending.

No effort was made to close debate until it was apparent that little progress would be made unless a reasonable limitation was placed on debate. We met 10 times to consider various amendments before any move was made to limit debate.

Every member of the committee had an opportunity to familiarize himself with the amendments. Practically all of them were printed and available throughout our deliberations. Most of the amendments, even minor ones, were discussed during the committee markup.

I helped the chairman at times preside because he had had eye surgery and requested assistance, and I requested the committee to permit any member who asked unanimous consent to speak for 5 minutes to explain any amendment that he had introduced and that some member opposing the amendment be given 5 minutes to respond. I do not recall a single time during the consideration of those many amendments when this unanimous consent request was denied by anyone objecting.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, I take this time to thank the gentleman for clearing the record against what our chairman has referred to as these tired, old cliches of no consideration, and I am going to put in the Record the record of the hearings and the field trips on this bill, because as the gentleman from North Carolina has said, and he was instrumental in finally getting a balanced bill out of the committee. This bill was given as much consideration as any in my memory. We considered it over 16 months and we heard over 125 witnesses in 20 sessions, we had 2 field trips into 7 or 8 States, and we had 29 days of subcommittee markup and 19 days of full committee markup. If that is the kind of shallow consideration we have heard about here today, I would like to see a very close consideration of the bill.

I thank the gentleman for yielding.

Mr. Speaker, the list I have referred to above is as follows:

Hearings were commenced on April 9, were continued on April 10, 16, 17 and May 14, and were completed on May 15. Over a hundred witnesses appeared before the joint Subcommittees or submitted statements for the record. In April of 1973 the joint Subcommittees visited coal surface mines and reclaimed areas in West Virginia, Kentucky, Ohio and Pennsylvania. Inspection sites were recommended by industry and environmental groups as well as State regulatory agencies and thus the Subcommittee members were able to obtain a first-hand look at different mining methods practiced on steep slopes and gently rolling terrain as well as reclamation methods of varying degrees of success. The Subcommittees also toured Western mining sites during an inspection trip in May, 1973. During this field investigation the members viewed large operations in Montana, Wyoming, Arizona and New Mexico which were representative of Western thick-seam coal surface mining.

Upon the conclusion of hearings and field inspections, a new bill was prepared as a Committee Print under the direction of the Chairmen of the joint Subcommittees. This print, known as "Draft No. 3", incorporated many features of the bills pending before the Committee as well as provisions addressing concerns raised during the Subcommittee hearings and inspection trips. By a vote of the joint Subcommittees on August 2, 1973, Draft No. 3 was adopted as the markup vehicle and the joint Subcommittees held 29 days of public markup sessions. On November 12, 1973, the joint Subcommittees agreed to report the amended text of Draft 3 as a clean bill (H.R. 11500) to the Full Committee

Full Committee deliberations began on February 20, 1974. After 19 days of public markup sessions, action was completed on May 14, 1974, and the Committee favorably reported H.R. 11500 as amended to the House by a vote of 26 to 15. The reported bill is, therefore, the result of years of efforts including extensive hearings, field investigations, and lengthy markup sessions appropriate to the technical nature of the legislation's subject matter.

Mr. TAYLOR of North Carolina. One final comment. The rule which we are considering is reasonable. It will allow the House to work its will, to consider the substitute offered by the gentleman from California (Mr. Hosmer) and the substitute offered by the gentleman from West Virginia (Mr. Hechler). There will be ample opportunity to discuss the merits of the bill before amendments are presented and the Members will have an opportunity to offer amendments as they see fit. I expect to support some of the amendments. The coal mining industry needs to know now what the rules are going to be during the years ahead in regard to coal mining operations and requirements.

But we cannot get to these substantive issues unless we adopt the rule now before the House. For that reason, Mr. Speaker, I urge this body to face this important national issue, to debate it—to modify it if it wishes—and, finally, to approve a sound course of action, restoring mined-over land to valuable use.

That much we owe to the people, to this generation, and to the generations that will follow.

Mr. RONCALIO of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Speaker, I thank the gentleman for yielding.

I associate myself with the remarks made by the gentleman from North Carolina (Mr. TAYLOR).

Throughout the difficult time Chairman HALEY had following eye surgery, the chairman of the Subcommittee on National Parks and Recreation (Mr. TAYLOR) presided over the full committee thoughtfully and judiciously and with great patience and expertise. As the gentleman has said, no man was denied the presentation of an amendment, nor was the opposition denied opportunity of speaking against the amendment. I have never seen such thoughtful consideration on the Hill as the gentleman displayed in presiding over the committee. I urge adoption of the rule so we can consider the bill.

Mr. TAYLOR of North Carolina. I thank the gentleman for his remarks.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, despite the fact that I am unalterably opposed to the bill, I am in strong support of the rule. I wish to commend the Committee on Rules for taking more than 4 hours of diligent attention to listen to the pros and cons on all of the three bills before us.

Before I proceed further, let me point out to the body that in this Member's opinion, as a member of the Committee on Interior and Insular Affairs, I would state categorically there is no man and no chairman in this House who has been more fair and more equitable or who is a more gentle man than the gentleman from Florida (Mr. HALEY). I certainly have no criticism of the way in which this bill was handled by the chairman.

I am opposed to the bill but I am not going to address myself to that at this moment. Let us just consider what we have before us.

We have the committee bill. We have the so-called Hosmer substitute. We have the Hechler substitute. If there is one thing that I would try to ask at this point, it is to not allow ourselves to become polarized or allow someone in an emotional state to tell us that this is an extreme bill or that is an extreme bill and this bill is in the middle. Nothing could be further from the truth.

This great objective morning newspaper that we have in this fair city had an editorial in it this morning that would lead us to believe differently. I sincerely believe that whoever is the editorial writer has not even read the bill, or he could never have written the editorial he wrote this morning.

The gentleman from West Virginia (Mr. HECHLER) will offer a substitute. I do not think this substitute is an extreme bill. It certainly is not, in his opinion, despite the fact I disagree with him. He is totally dedicated to the abolition of strip mining and I commend him for sticking to his guns, despite the fact I disagree.

I do want us to listen to the bills. The reason I am supporting a 4-hour rule is because I am a States'-righter and to demonstrate to the American people what an incredibly bad piece of legislation this committee bill is.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the distinguished gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I do not wish to belabor the point about the amendment process during the committee markup session, so I will be very brief.

The complaint that many of us heard, and nobody complained about the great number of hearings, it was the method in which the amendments were taken up and how it was done. I think to take up amendments on a 30-second basis, even though the committee might have had a hundred years of hearings, is not the way to mark up legislation. I am glad we will have the time on the floor to inspect those "hurry-up" amendments that were made on a 30-second basis.

Also, the gentleman from North Carolina, who is a very fair chairman when he presides, mentions that the debate was cut off. There were a substantial number of proxies used to cut off that debate. Most of the people were not even there whose vote was used to cut off debate. That is my point.

I am very concerned about the rule permitting consideration of H.R. 11500, the Surface Mining Reclamation and Control Act of 1974. The rule permits the consideration of two other bills, H.R. 12898 and H.R. 15000, as substitutes. It is my understanding that the sponsors of the substitutes, Mr. HOSMER and Mr. HECHLER, are prepared to offer at least 175 and 35 amendments, respectively, to the committee bill. In addition, I understand that the committee itself has prepared more than a dozen amendments which will be offered. The time required to consider these amendments alone would insure that the Members will all age considerably by the time the Committee of the Whole House completes consideration of this bill. The final product of this process is almost to be an incoherent mess.

Mr. Speaker, it is clear to me that the Interior Committee has failed to resolve the tremendously complex issues before it. Instead of continuing its consideration until the issue of strip mining control was ripe for presentation to the House, it has sent its unfinished business to the floor, in the form of three lengthy bills, so that we could write the legislation in the Committee of the Whole House.

This procedure is a terrible way to legislate which is bound to produce a chaotic and time-consuming debate from which nothing good can come.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Speaker, I rise in support of this rule.

Almost everyone agrees that legislation is needed to deal with the problem of the surface mining of coal. One need only fly over the ravaged mountain terrain of West Virginia and Kentucky to see the shocking aftermath of strip mining. What once was undulating, green, and scenic is now grotesquely angular, disgustingly brown, and depressingly ugly. Why has this occurred? Because we have allowed people in past decades, when national attitudes were different, to extract valuable and needed coal from these lands without any consideration for the natural beauty of the land and its subsequent use. We have allowed man and machinery to bulldoze off the top of mountains and throw the spoil down the slopes in order to reach the coal and merely walk away from this ugly, and sometimes dangerous situation.

In general, why do we need Federal legislation in this area? Because the people of the United States have an interest in seeing that the demand for coal, which is national in scope, does not result in the needless scarring of land in any one region, State, or locality of the country. I am of the opinion that the performance of the States in regulating coal surface mining, at best uneven in the past, is not likely to improve, absent Federal legislation, in the face of escalating demand for coal.

Minimum Federal standards applied and enforced by the States can assure that we do not create a "national disaster area" in some region or State in which the Government, in its understandable zeal to attract coal development, does not protect the environment.

The problems associated with coal strip mining are not isolated to a few Appalachian States. There is economically recoverable coal in 29 States. So my colleagues from the Midwest and the West should vote in favor of the rule and for some form of Federal legislation regarding coal surface mining.

Why should representatives from urban districts cast a "yea" vote? Obviously, there is not going to be any mining of coal at 42d and Broadway in New York City, or on Woodward Boulevard in Detroit, or on Wilshire Boulevard in Los Angeles.

But the land that will be torn up and abandoned, should we fail to enact legislation, will no longer grow wheat to feed their constituents, or cotton to clothe them, or timber to house them. This is why they need legislation as well.

This House has passed legislation previously dealing with this matter, but our friends in the Senate never got around to passing their version. Well, this session they are one step ahead of us—they have passed S. 425. Your Committee on the

Interior and Insular Affairs has spent many years of study and weeks of hearings and markups to arrive at what the majority feel is sound legislation which protects our precious lands, our national heritage, but provides the country with the energy resources it desperately needs.

Mr. Hosmer, my respected colleague on the committee, feels H.R. 11500 is too inflexible, and he is prepared to offer a substitute which to his mind is more responsible. On the other hand, Mr. Hechler of West Virginia contends that the committee bill is not strong enough and has ready for your consideration a substitute which would phase out all the strip mining of coal within a very short time.

I support H.R. 11500. I personally feel that Mr. Hosmer's bill contains major loopholes which would allow certain elements of the coal industry to continue in its irresponsible fashion of ignoring the aftermath of its mining practices. Mr. Hechler's bill though ignores the energy needs of our country and problems of deep mining.

However, the point is that we all agree that some form of legislation is needed. After the adoption of the rule, we will have plenty of time to discuss the merits and weaknesses of the various measures. Should the House refuse to grant this rule, it would be an unmitigated travesty. We would rightly earn the scorn and contempt of our constituents for failing to deal with what must be considered one of the most pressing environmental and energy questions facing us today, and one which, in some way, affects us all. I trust that the House will act in a responsible fashion, and grant us the rule so we may debate the matter.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. Steelman).

Mr. STEELMAN. Mr. Speaker, so far we have spent a great deal of time in this committee—it seems as though almost all of my first term on the Committee on Interior and Insular Affairs has been spent in debating the merits of strip mining and what legislation will be constructive. The Members will hear during debate, if this rule is adopted—and I support the adoption of the rule—various charges with respect to the procedure and the merits of the legislation.

I want to say that the extreme positions on this subject will be the Hechler of West Virginia bill, which seeks to phase out strip mining entirely, and the Hosmer bill, which takes the other extreme.

What we have presented in this legislation, H.R. 11500 the committee bill, is legislation which will allow for coal production along with the preservation of the environment. I think if one were to ask any Member of this body what he would do, he would say we want to get coal dug to meet our essential energy needs, but also we want to provide for protection of the environment. That is what H.R. 11500 does.

Once we get to the merits of the legislation before us, I think it will be seen that this is a balanced approach and provides for environmental protection and at the same time allow for the production of essential coal energy.

Mr. BOLLING. Mr. Speaker, I yield 6 minutes to the gentleman from West Virginia (Mr. Hechler).

Mr. HECHLER of West Virginia. Mr. Speaker, I agree with my friend from Texas that we need the coal. I worked with an uncle of my friend from Texas, John R. Steelman, for President Harry Truman in the White House at a time when we were working on energy for the Nation.

I would like to say, Mr. Speaker, that I represent the State of West Virginia, which has mined 25 percent of the total coal produced in this Nation. I have more coal miners in my congressional district than any other district in the Nation. Just as every Member of this House is, I am a politician. I run for reelection every 2 years. I do not support extreme legislation because I have to go before the voters to have those voters support or reject my stands on legislation. I would not support legislation which was designed to hurt the people of my district or, if I did, I could not survive the biennial election challenge.

I am in favor of expanding the coal industry. Coal is going to supply an increasing amount of our energy needs in the future. How do we proceed to supply this energy by coal?

We have 356 billion tons of deep minable coal as against only 45 billion tons of strippable coal. The Department of the Interior points out that, if we continue to escalate stripping at the same rate, we will be out of strippable coal by 1996, and then there will be a tremendous economic dislocation as we are forced to go to deep mining. We need energy, not only today and next week, but we need to plan for the 1980's and the 1990's, and draw on the Nation's greatest energy resource, which is deep minable coal. Our deep minable coal will last for several hundred years, and we ought to start digging it now, and shift the necessary capital to deep mining.

Mr. Speaker, in my State of West Virginia—the most beautiful State in the Union—strip mining has gouged, gashed, gored, and gutted the hills of our State. It has polluted the streams, it has ruined people's lives as the industry has exploited people.

This is not only an environmental issue; this is an issue of how coal affects people, and strip mining has exploited people because it enriches a few people and impoverishes whole communities.

Since we are going to be out of strippable coal by the 1990's in any event, what my bill does is to phase out strip mining over an orderly, gradual schedule; in 6 months in the mountainous areas; in 18 months in the non-mountainous areas, and in 54 months in those trans-Mississippi large coal mines which now produce 500,000 tons and over per year.

I appreciate what the gentleman from California (Mr. Ketchum) said, that none of these bills should be characterized as extreme bills.

I agree with one point made by the gentleman from California (Mr. Hosmer). The gentleman from California (Mr. Hosmer) labelled the committee bill as a "hell and high water" bill because it will keep West Virginia in hell and high water, unfortunately, and merely raise false hopes among the people.

My bill is neither a ploy nor an Adolf Hitler bill. It is a serious bill.

I have not only looked at strip mines and visited strip mines in the Appalachian area; I have been to Wyoming, to North Dakota, and to Montana. I say to the people of the western areas, "Don't let them Appalachianize you in those areas, as they have destroyed 1 out of every 12 acres in West Virginia."

Mr. RONCALIO of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Speaker, I want to say to the gentleman in the well that no one has more respect for his integrity than I do in this body.

I was happy to invite Ken Hechler to Wyoming and he did see firsthand some of the mining in the Great Western Plains and we both acquired a better knowledge of how this legislation will affect the massive land areas in Wyoming and Montana.

I am supporting the committee bill, and I hope all members in this body will listen to the gentleman from West Virginia (Mr. Hechler) and the gentleman from California (Mr. Hosmer).

In my State there are billions of tons literally available by stripping, undulating just under the surface in Wyoming, and that resource should be mined, albeit with due respect for the environment. To agree with Hosmer, we would lose the environmental respect. To agree with Hechler, there would soon be no strip mining. Clearly, the fairest role is passage of the committee bill, H.R. 11500.

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Maryland

Mr. LONG of Maryland. Mr. Speaker, I want to associate myself with the moving remarks of the gentleman from West Virginia.

This beautiful land of America is something we all ought to cherish. To sell it out to the kind of destruction that we have all seen in the past, just to get our coal a little cheaper or because of reasons of political expediency would be a betrayal of the American people and a shocking commentary on the Comgress.

Mr. HECHLER of West Virginia. Mr. Speaker, I thank the gentleman of Maryland for his remarks. I urge a "yes" vote on the adoption of the resolution.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. Hays).

Mr. HAYS. Mr. Speaker, I thank the gentleman from Missouri for yielding, and I hope to consume less than 5 minutes.

Ohio is one of the top half dozen coal producers in the United States at the moment. About 80 percent of that coal comes from the district that I represent, and a high proportion comes from stripping, although deep mining is also a very basic and essential operation there.

Mr. Speaker, I do not suppose that if we sat here all this week and all of next week, we could arrive at a perfect bill, but I generally support the provisions of the committee bill. I know that several members of the committee were out to my district and took a look I want to compliment the gentleman from Michigan (Mr. RUPPE) for the speech he made because I was there when he saw some of the devastation that has occurred in the past.

The only reason I took time or asked for time and was graciously granted time to speak was because I can tell you that we have a law in Ohio now, the reclamation law, which is probably tougher than the committee bill. Yet, all of the dire predictions that were made when it was being debated and passed a couple of years ago about putting people out of business has not come true.

There are more strip miners now than there were before. They are doing a tremendous job of reclamation.

If I may, I will just give the Members one personal experience. One of these coal companies brought a 25-acre tract of land next to my farm. They paid $20,000 for it. They extracted, I am told, more than 400,000 tons of coal. I do not know if that is an accurate figure, but it was somewhere in the neighborhood of this amount of tons. And we all know what the price of coal is.

They put the subsoil back. They had stored the topsoil in piles, and they put that back. They planted it about 6 or 8 weeks ago.

I walked over the land last Saturday. The alfalfa was up 6 inches, and the cover crop was up probably 14 inches.

I offered the owner on the spot half of what he paid for the land originally, before he took out the coal, namely, $10,000. I was trying to buy the land for nothing more nor less than to be used as pastureland. The owner refused my offer.

I will say when they can do that, we know that land can be reclaimed economically. They did not do it before the law was adopted. The owner of one Ohio coal company is now one of the proudest men in Ohio concerning the reclamation job he is doing, and he was man enough to say this to me. "I had to be forced into doing it, but the land I am going to have left is going to be my most valuable asset in my old age."

Mr. RUPPE. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Speaker, I thank the gentleman for yielding.

I think it is very interesting to note that in a conversation I had with a representative of an Ohio power company a few weeks ago, he said, "We have faith in the reclamation legislation in Ohio. Once the mining is concluded and the land is reclaimed, the company retains controls, retains ownership of the land, because that land has been made more productive; it is used for cattle grazing purposes on a broad commercial basis." This company sees reclaimed land in Ohio as a good commercial investment.

Mr. Speaker, that company is smart. It is not going to sell the land; it is going to hang onto it as a commercial investment.

Mr. HAYS. Mr. Speaker, the gentleman is exactly right. I was not able to buy the land I spoke about.

Mr. Speaker, I support the bill. I am supporting the committee bill. I may ask for an amendment or two to the bill, one on stripping the anthracite region, because I think that needs to be at least clarified.

However, basically, I support the committee bill. I think if we do not pass it, we will be doing a great injustice to future generations.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding, and also for pointing out to the Members of this body what a fine job has been done in the State of Ohio to set an example for the rest of the Nation. An example to show us that States really can go out and take care of these problems if they have the motivation to do it.

Mr. Speaker, I commend the gentleman and I commend the people of the State of Ohio for taking this action and for having adopted good reclamation legislation.

Mr. HAYS. Mr. Speaker, I thank the gentleman.

I think this Federal bill should also motivate States having no legislation to adopt reclamation legislation of their own.

Mr. RONCALIO of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Speaker, the point I wish to bring out is this:

The point is that only after the land has been ravished, as it has been in the State of Ohio, then we all see what a great job these State-enacted reclamation programs can do. However, we do not want that ravishing of our land to take place in the first place in Montana or Wyoming, thus the proven need for Federal legislation.

Mr. HAYS. Mr. Speaker, I should hope that the gentleman will never see that. It is true that we have tens of thousands of acres on which not even a rabbit or a deer could find enough vegetation on which to exist. All this happened before we had effective strip mining legislation.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 411, nays 1, answered "present" 1, not voting 21, as follows:

[Roll No. 387]

YEAS—411

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Gross
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Koch
Kuykendall
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens

Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—1

Bevill

ANSWERED "PRESENT"—1

Blackburn

NOT VOTING—21

Baker
Bowen
Brasco
Carey, N.Y.
Clawson, Del
Clay
Conyers
Corman
Davis, Ga.
Dorn
Griffiths
Harrington
Jones, Tenn.
Kluczynski
Metcalfe
Murtha
Rooney, N.Y.
Skubitz
Steele
Symington
Vigorito

So the resolution was passed.

The Clerk announced the following pairs:

Mr. Kluczynski with Mr. Baker.

Mr. Rooney of New York with Mr. Bowen.

Mr. Murtha with Mr. Del Clawson.

Mr. Vigorito with Mr. Conyers.

Mr. Brasco with Mr. Corman.

Mr. Carey of New York with Mr. Davis of Georgia.

Mr. Harrington with Mr. Skubitz.

Mr. Jones of Tennessee with Mr. Symington.

Mr. Metcalfe with Mrs. Griffiths.

Mr. Clay with Mr. Dorn.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 39—ANTIHIJACKING ACT OF 1974

Mr. STAGGERS. Mr. Speaker I call up the conference report on the Senate bill (S. 39) to amend the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of July 12, 1974.)

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, this legislation was passed by the House on March 13, 1974, by a rollcall vote of 361 to 47. The Senate having disagreed with the House version, a conference was held on April 25 and June 12, 1974. As the conference report discloses in detail I am happy to report that all major issues between the two bodies were resolved in favor of the House version. Therefore, today we are seeking merely to ratify the action of the House on March 13.

Briefly, title I implements the Hague Convention which expanded jurisdiction over hijacking. The House version also provided for a limited death penalty which was worked out with the Department of Justice. The death penalty may be imposed only through a two-stage court proceeding and only if death of another person results from the hijacking.

The other major difference was over the question of whether or not there should be a permanent national security force for which the Senate had authorized $35 million for the first year.

Many of us, you will recall, were against establishing a new standing police force. Our choice was to ratify existing screening practices with essentially local personnel. The House conferees prevailed.

There is no provision for a national security force nor is there any authorization for the expenditure of Federal funds.

I urge the adoption of the conference report.

Mr. KUYKENDALL. Mr. Speaker, I rise in support of the conference report on S. 39, the antihijacking bill.

The conference report is practically identical to the bill which passed the House on March 13, 1974, by a vote of 361 to 47.

The two bills in conference were different in many respects but the House conferees prevailed on practically every point. This very essential legislation has two basic purposes. First, it provides ratification of the Hague Convention which will enable us to deal with the international hijacking problem. Second, it legislatively endorses the antihijacking program the FAA has put into place at our Nation's airports, a program which has been so successful that it has been more than a year since a successful hijacking occurred in this country.

The chairman has outlined the important elements contained in this conference report; I would like to deal in some more detail with the two major changes made in the House bill by the conferees.

First, the House bill specifically overturned the action of the U.S. District Court for the District of Columbia on February 27 of this year which had held the use of X-ray devices in airport screening programs illegal. Subsequent to the action of the House of Representatives a consent order was issued by the district court settling the issues and allowing the use of the X-ray devices. Therefore, legislative action on the subject of X-ray devices is no longer necessary.

Second, some modification was made in the provisions dealing with the questions of law enforcement jurisdiction over hijacking incidents. The House bill gave the FAA exclusive responsibility for the direction of any law enforcement activity affecting safety or persons aboard aircraft involved in a hijacking. The Senate bill did not directly address this issue of jurisdiction over hijacking incidents, but it was determined after lengthy discussion in conference that a clear line needed to be drawn between the authority of the FAA and the authority of other Federal agencies, principally the FBI. The conferees determined that the logical place to draw this line would be that the FAA should have exclusive authority when the external doors of the aircraft are closed following embarcation until one such door is opened for disembarcation—in other words, when the place ceases to have a physical connection with ground facilities.

This is a very important piece of legislation from the standpoint of dealing with the hijacking problem on the international, as well as the national, level. I strongly urge adoption of the conference report.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 14920, GEOTHERMAL ENERGY RESEARCH, DEVELOPMENT, AND DEVELOPMENT ACT OF 1974

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to take from the Speakers' table the bill (H.R. 14920) to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a geothermal energy coordination and management project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a pro-

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gram of demonstrations in technologies for the utilization of geothermal resources, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Washington? The Chair hears none and appoints the following conferees: Messrs. TEAGUE, McCORMACK, FUQUA, SYMINGTON, MOSHER, GOLDWATER, and WYDLER.

PERMISSION FOR COMMITTEE ON THE DISTRICT OF COLUMBIA TO FILE SUNDRY REPORTS

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tonight to file sundry reports.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 3703, DISTRICT OF COLUMBIA CRIMINAL JUSTICE ACT

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 3703) to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes, insist on the House amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? The Chair hears none and appoints the following conferees: Messrs. DIGGS, FRASER, STUCKEY, ADAMS, REES, NELSEN, BROYHILL of Virginia, and GUDE.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

Mr. UDALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11500) to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of Interior to make grants to States to encourage the State regulation of surface mining, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Arizona (Mr. UDALL).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11500, with Mr. SMITH of Iowa in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arizona (Mr. UDALL) will be recognized for 2 hours, and the gentleman from California (Mr. HOSMER) will be recognized for 2 hours.

The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, I yield such time as she may consume to the distinguished gentlewoman from Hawaii (Mrs. MINK).

Mr. UDALL. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I want to say to the committee that I have never seen a more thorough job done on a piece of legislation than the job which has been done by the gentlewoman in the well. She chairs the important Subcommittee on Mines and Mining, which with my subcommittee was given joint responsibility for this legislation.

She has done an exceptionally outstanding job, and I am proud to share with her the job of cochairing on this legislation.

Mrs. MINK. Mr. Chairman, I thank the gentleman from Arizona for his very kind and complimentary words. It has been my very great privilege to serve as chairman of the Subcommittee on Mines and Mining, and I must thank the Hansen committee for that opportunity.

Mr. HALEY. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I am happy to yield to the distinguished chairman of the full committee (Mr. HALEY).

Mr. HALEY. Mr. Chairman, all I want to do is say "Amen" to what the gentleman from Arizona has said.

The gentlewoman from Hawaii is a fine legislator, and she certainly has spent a tremendous amount of time in the subcommittee on this bill. I think the gentleman from Arizona has brought a bill here which will be of benefit to the people of the United States, especially in our industry.

Mr. Chairman, I again want to thank both the gentlewoman from Hawaii and the gentleman from Arizona for the time they spent on this. I was somewhat incapacitated and they took over this job. I thank them very much.

Mrs. MINK. Mr. Chairman, I thank the chairman of the full committee for his very kind words. I must indicate that both subcommittees enjoyed the complete cooperation of the chairman of the full committee. It took many, many months of extensive deliberations, both in the joint subcommittees as well as in the full committee, to complete action on this bill.

Depsite all the intimations during the debate on the rule, I believe that all sides have had an ample, adequate time to deliberate upon the bill and to discuss the very complicated provisions of this legislation.

Little did I expect that the first bill, the first major bill which my subcommittee would report to this House, would be one of such enormous substance and controversy as this piece of legislation is. I do not believe I need to tell the members of this committee how vitally important it is that we enact a reclamation and strip mining control bill such as has been recommended by the Committee on Interior and Insular affairs, H.R. 11500.

We have all been through the energy crisis, and we know how increasingly dependent our Nation has become on an adequate supply of power. We had an unusual bevy of criticism leveled against our bill, criticism that by and large has been instigated by the coal industry. We have been told that our legislation, if enacted, will shut down coal mines all across the country and reduce coal production to such a point where we will have a virtual blackout of power in this country.

There is absolutely no merit whatsoever to this kind of scare tactic which has been leveled against our legislation. We heard the gentleman from Ohio (Mr. HAYS) state that when his State of Ohio was debating, in its legislature, a bill similar to the one we are considering in this Committee today, that the same kind of scare tactic prevailed. I would like also to remind the Committee that when we were considering the coal mine safety bill, the same kind of charges were leveled, that if that bill were passed, all the coal mines in Appalachia would have to shut down.

I would like to assure the members of this committee that every effort has been made by the joint subcommittees, the Subcommittee on Mines and Mining and Environment, and by the full membership of the Committee on Interior and Insular Affairs, to provide adequate safeguards in this legislation to assure an ample supply of coal for the purposes of meeting our energy requirements in this Nation.

I stand here as one who has long felt that we should outlaw strip mining, but I have come to the realization that neither this House nor this Nation would support that kind of legislation because we need coal. We need it to meet our current demands.

I do continue to hope that this House will have the wisdom to invest its national resources to develop alternate sources of energy so that at some point we may be able to develop legislation to prohibit this kind of stripping of our resources in our country.

But we are here today faced with a necessity, which I hoped some years ago that we would have faced, of trying to bring this industry to some reason, to some concern for our environment. We are certainly aware of our tremendous responsibilities to the country insofar as energy is concerned; but beyond that, we have equal, if not greater responsibility, to safeguard our environment for our future survival.

We are all aware of the fate of Appalachia, what has happened to this region, because of strip mining. Now we are faced, as we will hear this afternoon in full, with the distinct possibility that the fate that occurred in Appalachia will be repeated in the West, where ranches and farm lands are now threatened by rapid expansion of strip mining for coal because of the need for this energy source.

Russell Train, the Administrator of the Environmental Protection Agency, has endorsed our legislation as offering the best chance to achieve the goal of obtaining additional energy while at the same time protecting the natural environment. I want to commend him as Administrator of this very important agency for the very courageous stand that he took recently in breaking with the administration.

Of further note is Mr. Sawhill's recent letter, which he sent to myself and others on our committee, in which he corrected very grossly overstated predictions of the coal production losses that he felt would emanate if our bills were passed.

I view the letter as a major retraction on the part of another major administration spokesman. I would also point out, as his letter indicated, his willingness to work with those of us who have spent many thousands of hours on this legislation to produce a bill which he feels also is essential for the preservation of our environment.

I think that his retraction has really burst the great balloon that industry has attempted to hang over this Capitol as we deliberate on this very, very important piece of legislation.

The chaotic and destructive national strip mining practices must be brought to an end, and this is the opportunity that the House is being presented with this afternoon in the debate on H.R. 11500.

We need coal, as a modern society, but we must dig it out with due regard for the preservation of our land and water and the rights of all of our adjoining property owners.

Propagandists have claimed that H.R. 11500 will not only cause brownouts, blackouts, and other horrid events due to coal production losses, but that it will deny coal miners by the thousands an opportunity to continue their work and their livelihood.

I am deeply concerned about these charges. I happen to serve on the Committee on Education and Labor, where another one of my major responsibilities is to safeguard the work opportunities for millions of Americans throughout this country. I stand here to say to the members this afternoon that there is not one single provision in our legislation which, will deny any person currently in the field as a coal miner an opportunity to continue in his profession.

H.R. 11500 requires the strip mining operator to reclaim the area of land disturbed because it requires that the hydrologic balance of the area must be restored to a condition similar to that obtaining prior to the mining.

It contains other provisions with regard to rehabilitation of abandoned lands that have in the past been strip mined and abandoned.

For all of these reasons, because of the requirement for reclamation, the requirements to have respect for the environment because of the requirements that industry put back the land in approximately the same condition in which they found it when they began their mining operations, and because of the opportunity for the reclamation of abandoned land, we must support this bill.

Mr. Chairman, it is my view that H.R. 11500 will create thousands of new jobs in these same areas where there has been gradual reduction in the number of employment opportunities. Good reclamation, of course, costs money.

A recent report put out by the Department of the Interior, however, shows that about 40 percent of our coal mining operations already carry out reclamation projects. Reclamation costs vary anywhere from 20 cents per ton to perhaps a dollar or more a ton out in the West, and these variations are due to the relative thicknesses of the coal seams with which they must deal or the amount of water that is available in the area. These costs will vary, but I believe whatever the variations it will be necessary for industry to hire more workers to operate the machines which are required to backfill, to regrade, contour, revegetate, cultivate, and make the land once more useful and productive in these regions of America.

There will be thousands of jobs that will be created, and the ultimate benefit to society will be through not only the jobs which will have been generated by the passage of this legislation but through the rehabilitation of the land so that the food products his country will need in the future will not be sacrificed for immediate gain or immediate necessity for the production of energy.

Mr. Chairman, I hope that when the members of this committee give consideration to the respective provisions in the bill, that they will be cognizant of the fact that States like Pennsylvania and Ohio have enacted legislation, and that all the dire consequences that have been predicted with regard to their legislation have never occurred in these States. We know that they have effective legislation on the books, and that the production of coal still continues in these States.

For the benefit of those who argue that this should be a matter of States' rights and because these States have enacted effective legislation we ought not to be legislating in this field, let me remind this committee these two States in particular, Pennsylvania and Ohio, support this legislation. The chief executives of these two States have informed the committee and the Members of this body that they are in full support of this legislation, because they not only recognize the importance of reclamation in their States but they recognize it as a national responsibility. They also see the movement of the coal industry away from Appalachia, away from the East and out into the West, and the type of devastation that has occurred in the East, they are firmly convinced, should not be permitted to occur in the West.

Joining with them, we have the Governors of great States out in the West who concur in their view, and who are only begining to recognize the impact of the coal industry in their areas and the necessity for the enactment of strong legislation.

Mr. Chairman, this legislation comes here with the endorsement of the Governor of Ohio, John Gilligan. I come here with a telegram expressing strong endorsement from the Governor of North Dakota, Arthur Link, who is a former colleague of this House. There was a great interview which he gave and which appeared in a Washington newspaper over the weekend.

So on balance, with all the criticisms which have been leveled against this bill on the one hand and all the endorsements that we have received from the people who are most intimately involved and who will in the future be most affected by what happens in our country with respect to the stripping of coal, I hope we will enact H.R. 11500.

Mr. STEELMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from Texas.

Mr. STEELMAN. Mr. Chairman, the gentlewoman has made a very important point which I hope my colleagues will take official note of.

The charge has been made that coal cannot be mined under the committee bill, H.R. 11500. The gentlewoman made a point with respect to the States of Ohio and Pennsylvania, and with respect to their State laws.

Is it not true that their strip mining legislation is even stricter than the legislation we have on the floor for consideration today and that they are mining coal under that legislation.

Mrs. MINK. Mr. Chairman, the gentleman is absolutely correct. The production figures, which Members will be able to see for themselves in the charts that are on exhibit here, have increased over the years after these laws have been put into effect. So given what has been the actual experience in Pennsylvania and Ohio with strong laws I see nothing at all in our legislation which indicates anything different, and I do not believe that many of the things that have been said by industry about our bill have any merit or any substance whatsoever.

Mr. Chairman, I thank the gentleman for his contribution.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, at the risk of sounding repetitious, I would like to commend the gentlewoman from Hawaii for the excellent work that she has done on the committee. Along with the gentleman from Ohio (Mr. SEIBERLING), the gentlewoman from Hawaii was outstanding in her zeal to protect the interests of the people and their precious land.

The people of the Appalachian Mountain area owe a great debt of gratitude to the gentlewoman from Hawaii (Mrs. MINK) for her noble efforts time after time on behalf of strengthening this legislation whenever the issue was before the committee and the subcommittee.

The gentlewoman from Hawaii made a trip into West Virginia, Kentucky, Pennsylvania, Ohio, and many Western States at which the gentlewoman had an opportunity to observe firsthand some of the devastation on Bolt Mountain, Pond Fork, and some of the other areas that have been ravaged and gouged by strippers.

I was interested in the statement of the gentlewoman from Hawaii concerning the support of Russell Train for this legislation. It took some courage for Mr. Train to break with the White House, and for his Deputy Administrator, John Quarles, to go up and make a speech at DuBois, Pa., indicating their realization and understanding of the damage done through strip mining.

Yet I wonder—and the question I would like to pose is this: In view of the fact that the Secretary of the Interior has expressed public opposition to H.R. 11500 and has fought H.R. 11500, why would it not make more sense to put the administration of this bill into the hands of those who support it, the Environmental Protection Agency, headed by Mr. Train and Mr. Quarles? EPA has experience and competence in water quality regulation and really believe in the bill. Why do we put the foxes in charge of the chicken coop?

Mrs. MINK. That matter was discussed in the committee through an amendment to have this whole matter administered by the EPA. The amendment was not adopted. I think it could have gone either way. It seems to me that we ought not to be legislating a matter of such enormous consequence and importance as this based upon whom we might consider to be friendly at this point as heading a particular agency.

So, while I would like to defer entirely to the gentleman's remarks, I do note the courageous stand that Mr. Russell Train took but I do believe that placing this program in the Department of the Interior makes sense. This is where the other mining matters are handled, and lodged. I feel that when this act finally gets underway, and the opportunity for the States has been granted to formulate State plans, and we are finally in the role of regulating and enforcing these regulations, we will be in a new day with a new administation; and that effective legislation and enforcement, I am sure, will be the consequence.

Mr. Chairman, to return to my statement: How many thousands of new jobs will result is impossible to predict. However, the costs for eventual rehabilitation of orphaned lands alone are said to be in the neighborhood of $10 billion. Almost all of this cost is in labor.

To provide some idea of the scope of this effort, I would refer you to figures cited in the committee report concerning one small project which was examined by the Army Corps of Engineers in the Cabin Creek watershed near Charleston, W. Va. The basic program designed by the Corps calls for $6 million to be spent on waste bank and stream stabilization, $1.4 million for sediment removal on 10.5 miles of stream channel, and $2.5 million for acid mine drainage treatment. This one project could mean hundreds of much-needed jobs for local people.

When we turn to the experience of the State whose laws have most influenced the development of H.R. 11500, we may gain some appreciation of what strong reclamation and control laws can do for the coal surface mining industry. Pennsylvania justly deserves its reputation for having one of the toughest strip mine laws in the Nation. Pennsylvania's regulatory program has been a model among the States—particularly among the Appalachian States. Has the strip mining industry suffered under these strict laws?

That question was put to the head of the Land and Water Division of the Pennsylvania Environmental Resources Department, Mr. Walter Heine, who has testified that on the contrary, coal surface mining thrives in Pennsylvania as never before. Mr. Heine was kind enough to supply me with data showing the steady growth of the industry over the past decade. This is how it turned out in Pennsylvania:

In 1963 a new law was enacted requiring both contour and terrace backfilling, which at that time were considered to be advanced reclamation techniques. In that year strip mining produced 24.2 million tons of coal, with 357 operators active;

In 1964, the new law became fully effective, and tonnage dipped slightly to 24 million tons as the industry adjusted to the new requirements. But the number of operators rose to 383;

In 1971, the law was further strengthened in a number of ways. Production went up to 26.7 million tons, with 381 operators in the field; and

Finally, in 1973, with all the new requirements in full force and effect, 29.2 million tons of coal were strip mined in Pennsylvania by 384 operators.

This brief case history tells the story of how it is possible to have environmental protection performance standards which are similar to those in H.R. 11500, and afford to the people of strip mined areas a long-deserved security. I am speaking of security from landslides, from polluted water supplies, from silt and acid drainage polluting the streams, from boulders rolling down mountainsides into homes, and from all the terrible wreckage which strip mining has left in its wake throughout so much of Appalachia. In consequence, there is virtually no abolition movement in Pennsylvania—certainly nothing to compare with the powerful and vocal anti-strip-mining activity evident in West Virginia, Kentucky, Tennessee, eastern Ohio, and western Virginia.

But my point here is not simply that the people of Pennsylvania and their homes and property are receiving protection: my point is that in the process a new security is being afforded to the strip mine operator, allowing him to prosper. It is no accident that the so-called modified block cut, a method of restoring the mined site to its approximate original contour, was developed in Pennsylvania jointly by the State agency and the industry. This cooperative effort is somewhat indicative of the confidence which is placed in the regulatory agency by both the strip mine operator and by offsite residents and sportsmen.

The passage of strict reclamation laws in one State drives strip mine operators into neighboring States with more lenient laws. This means more western coal will be stripped.

There are other factors, too, which have affected the surface mining industry adversely; to wit, the quality of coal being mined.

For example, I recently had cited to me the slump in coal strip mining activity in Ohio following the enactment of its strict new reclamation law. Upon closer examination, however, what first appeared to be cause-and-effect relationship was actually related only peripherally if at all. According to data supplied by the Ohio Division of Reclamation, the real reason for this decline in strip mining may be found in the loss of market due to the high sulfur content of the coal being strip mined.

The need for a Federal law is almost self-evident. While we may single out some States like Pennsylvania and Ohio as having fine reclamation standards, many more States for a variety of reasons do not. Because of the serious social unrest occasioned by inadequate reclamation and consequent damage to downstream areas and communities, the coal industry—particularly regarding its strip mining sector—has been denied the optimum climate for growth and development. Much of its energy is being spent fending off efforts by angry citizens to abolish strip mining in a concerted effort to end the environmental destruction.

Mr. Chairman, the time for such infighting is over. Our Nation needs coal. Most of that coal should and must be mined underground because that is where the vast majority of our coal reserves are located—too deep for surface mining. But if we must strip mine coal, let us see to it that a fair and uniform procedure is adopted which will insure that all States measure up to certain minimum standards of performance. It is senseless for one State to lose the taxes and business of coal mining to another State because it passes laws to protect its land, streams, and property rights.

Furthermore, those States having large areas under Federal ownership are in no position to exert adequate control over those lands, and yet they are vitally affected by mining operations taking place there. The same holds true for coal lands under Indian tribal ownership.

The reasonable answer to this situation is to establish Federal supervision upon the States and Indian tribes in such a way as to allow maximum initiative to rest with the States and tribes, but with ultimate responsibility for Federal enforcement residing with the Secretary of the Interior. We simply cannot allow continued skirmishing between strip mine operators and citizens to the detriment of our environment. This has already happened in West Virginia, where the legislature has banned strip mining in 22 counties out of 55 in the State, a ban which reflects the determination of its people to terminate the spreading destruction of their mountains and rivers.

We need coal to bridge the energy gap between the tapering off of our oil and natural gas reserves and the development of new sources of clean energy. We need, without any shadow of doubt, the restoration of the land and the hydrology of areas from which coal has been removed, for upon that land and water all of us and all future Americans will depend for food and fiber. We can have all three of these benefits, through the medium of a Federal law which is carefully balanced to protect these crucial social values.

Mr. Chairman, I firmly believe that H.R. 11500 is such a bill. H.R. 11500 has been conscientiously drafted to insure that there will be no covert abolition of strip mining. At the same time, there is consideration of the means by which the operator is to conduct his operation so as to protect the interests of offsite residents and communities and to restore the mined site to its approximate original condition, if not to an improved postmining land use at the operator's choice.

Let me close by reminding this House of the tragedy of the Buffalo Creek disaster. There is little escape for the miner or his family from the surrounding ravages of coal mining—whether we speak of the type of mine waste impoundment which collapsed in that awful catastrophe, or of the vast stripped wastelands, or of the hundreds of miles of contour stripping which disfigure the mountains.

H.R. 11500 is a sound bill, Mr. Chairman, one which offers this Nation an opportunity for a rational and equitable approach to a most vexatious problem. This bill has every potential for bringing order out of chaos. This bill will permit the increase of coal production to fuel the powerplants and eventually to supply the raw material for manufactured oil and gas. This bill will add, not cut, thousands of new jobs. This bill will protect the rights and property of citizens.

I therefore respectfully urge this Committee to act favorably on H.R. 11500.

I thank the Members of the Committee for listening to my contribution on the legislation.

Mr. HOSMER. Mr. Chairman, I yield 12 minutes to the gentleman from Arizona (Mr. Steiger).

Mr. LAGOMARSINO. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-six Members are present, not a quorum.

The Chair announces that we will vacate proceedings until the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The gentleman from Arizona (Mr. Steiger) is recognized for 12 minutes.

Mr. STEIGER of Arizona. Mr. Chairman, I expect that for the next 4 hours and then for a great number of hours following that this Record is going to be blessed with a great deal of viewing with alarm and of pointing with pride. I will tell the Members only that their view of this legislation is probably as good as that of any of us who have worked on it now for nearly a year and a half.

The fact that is not going to be brought out anywhere else but at this moment, is the fact that the people who wrote the bill before the Members, the committee bill, are people who are sincere, dedicated, and who spent untold hours above and beyond the normal call of duty, and not one of them knows anything about coal mining.

I will also tell the Members that all those people who worked on this bill, again sincerely, believe that it was their mission to come as close to eliminating strip mining as was possible and still pass a bill, and I think they have done it.

The bill that is before the Members, the committee bill, is 163 pages of a most unique kind of legislation. This bill not only tells people that they must not strip mine if they cannot leave the land in a respectable condition when they leave but it also tells people for nearly 163 pages exactly how the mining must be done. This bill does what this Congress has heretofore left up to regulatory agencies to foul up. The committee itself has now committed to law regulations that will be unalterable and whose violation will mean, I suppose, a criminal charge.

I am going to ask the Members to consider that they are coal mine operators of reasonable intelligence and faced with this one sentence, and this is one of the hundreds of sentences in this bill that tells a person how to mine. I think each Member will find this fascinating in its completeness, its clarity, and its lack of ambiguity. I am referring to page 147 of the bill H.R. 11500, starting on line 11, and this is just one sentence which says:

> (B) *Provided*, that in surface coal mining which is carried out at the same location over a substantial period of time, where the operation follows the coal deposit vertically and the thickness of the coal deposit relative to the volume of the overburden is large and where the operator demonstrates that the overburden, giving due consideration to volumetric expansion, at a particular point on the mining site is insufficient or unavailable from other portions of the site to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) in order to cover all acid-forming and other toxic materials, to achieve at least the angle of repose and to facilitate an ecologically sound land use compatible with the surrounding region but not necessarily meeting the revegetation requirements of subsection (3): *And provided further*....

Now, I am not kidding. That is a verbatim quote of one of the regulations in this bill.

Now, I submit that if anyone can tell me what that language means, then he clearly does not belong in this body, because he has a perception and an intellect that exceeds the normal requirement here.

I would also state that we have heard a great deal about the mining industry being concerned about this bill and has been lobbying against it. Now, what in the world should they do? They feel they are in real trouble. Should they lie low and allow those of us who think this is an excessively rigorous piece of legislation, allow us to carry the ball unaided?

We do not know anything about strip mining, either; yet we are going to vote on the bill.

I urge, and I know this is a presumptuous request on my part, but I urge that those present at least pick up the bill before they vote on it; do not necessarily read it, but weigh it, feel it, and know that all the language in this bill is designed to dictate to the mining industry either the method by which they will mine or the method by which they will fill out a permit, one of the many permits required.

Now, it seems to me that the choice we are faced with is a valid one. Mr. Hechler believes, and he may well be the only one qualified in this body to make a judgment on strip mining, since he has lived with it politically and actually; but he made a judgment that I do not buy that we should not have strip mining. It is a clear judgment and the bill says so clearly.

Mr. Hosmer has made a judgment that we have to regulate strip mining and he does so in a way that is relatively understandable.

I would urge when all the rhetoric slithers to the floor that we recognize that the gentleman from California (Mr. Hosmer) has given us a chance to support strip mining in areas where it is compatible with reasonable reclamation standards.

The bill of the gentleman from California (Mr. Hosmer) will undoubtedly do away with some strip mining. I expect that that is appropriate; but the problem with the committee bill is that I do not know, and it is a cinch Mr. Sawhill does not know, and I suspect the gentlewoman from Hawaii does not know, either, and believe me, according to Mr. Udall's remarks, there is no one that has spent more time and done more sincere work on this matter; it is clear that her interest is genuine. The only mining in Hawaii is bat guano and they have outlawed that, and it in no way mitigates her sincerity. I say that honestly to the gentlewoman from Hawaii and that is from the heart.

I think we should understand that literally the committee has instructed the industry and buried and locked for all time in the statute the kind of mining procedures that nobody on the committee understands. When the industry would scream about a particular procedure or language, there would be an attempt to modify it with diagrams and charts and nobody understood it.

Mr. Hosmer tells us we can only strip mine if we can reclaim the land to its original or better environmental condition. I do not think anybody can quarrel with that. He says, "Go do it and put up a bond to make sure you do it." That is itself is going to invite an avalanche of regulations that will make the consumer pay for the result of our work here this afternoon. The consumer will pay for the high price of coal that will result from this bill; but we have made a judgment, we are going to have a bill.

Please understand that the committee bill is an honestly new direction. It is a locking into law of regulations that are normally left to a very expert group. Its implementation is left to those who understand the business.

I will state that this committee acting in the best of faith did not know the full implications of what it was doing and the staff of this committee who worked hard and honestly and sincerely was motivated by a desire to protect the environment, which is great, but did not take into consideration the impact of what we were doing on not only the mining industry, but the American public.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I am sure that the gentleman from Arizona and I can reach a point of agreement on one point. Would the gentleman agree that the first 139 pages of this bill are the best part of the bill?

Mr. STEIGER of Arizona. I take it the gentleman is referring to that part which is stricken?

Mr. HECHLER of West Virginia. Yes, I'm pleased the gentleman would agree on that point, at least. Is there any other point of the bill the gentleman is supporting? I would ask the gentleman, and I am very interested in the gentleman's remarks, if there is any other part of the bill the gentleman is supporting.

Mr. STEIGER of Arizona. Mr. Chairman, the gentleman from West Virginia has really put me on the spot, and it is terribly embarrassing. I would have to tell the gentleman that if there is a part of this bill which I am supporting, it has escaped my own attention.

I will also tell the gentleman that my concern is really not about the approach—I happen to think the committee started out with an honorable intention to provide some regulations which would prevent the wholesale despoiling of surface areas where we are engaged in surface mining.

I really think the choice is a fair choice. I think, and I suppose over the next 4 hours we are going to hear defended the kind of language I read to the Members, but take a moment and glance through this bill. There is opportunity for litigation on every page of this bill. Any crazy who wants to file against an on-going mine or a proposed mine is going to be able to find something the company has not done under this bill.

Under the Hosmer bill, the crazies at least are going to have to look a little before they can find anything. The Hosmer bill will permit us to produce coal in a much safer manner to the environmental menace than has ever been possible before. I think it was the gentleman from California (Mr. HOSMER) who coined the phrase, "The green bigot brigade" to point out those environmentalists who are overly enthusiastic and will not be as comforted by the Hosmer bill, but they must recognize that they have won a tremendous victory by just merely reaching the floor and getting this far.

So, we do have a problem. There is an energy crisis and tremendous inflationary pressure. The committee bill adds untold burden to the energy crisis, untold burden to the inflationary spiral. The Hosmer substitute is a valid and rational act.

Mr. UDALL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on this important issue with which we deal today, I think Americans, by and large, have two conflicting feelings. One is a sense of outrage. We have witnessed over the last generation or two the desecration of millions of acres of land as coal companies sought to get coal. Today—if today was a typical day—another thousand acres went down the drain, ripped up by the bulldozers and the giant machines.

For every thousand acres they tear up, there are another two or three thousand acres on which spoil is dumped and coal wastes are placed.

There is something elemental in all of us, I think, about fishing streams, hiking along them and fishing. I like to go to Colorado, northern Arizona, or Wyoming. There was another Colorado once in Appalachia where we had those kinds of fishing streams, and fortunately we have a few left, but in Appalachia 10,000 miles of fishing streams are poisoned—gone, polluted with toxic acid. I think Americans are outraged by that. So that is one feeling.

On the other side, to balance that, I think most Americans, recognizing the events of the last year as they look around, understand that to protect our economy and our way of life, we are going to have to increase the consumption of coal, and that we had better get under way with a program which in the next 10 years will let us double the production of coal.

So, our committee has faced this problem for 3 long years. Representative EDMONDSON of Oklahoma, who chaired the great Mines and Mining Subcommittee in the last Congress, worked endless hours on this problem and brought a bill forth which passed the House, but time ran out and we did not get a bill 2 years ago.

We have worked for nearly 16 months now. We went to 10 States. We went through endless days of markup in subcommittee and full committee. We worked with industry and environmentalists. We have gone uphill and downhill; and yes, this bill is 150 pages long. Yes, it is technical and yes, there are people who cannot understand it because they have not spent the time on it.

I wish we could bring the Members a five-page bill and say, "Do not ravage the land," pass it, and let the President sign it.

This bill is long, however, because it deals with a long history and with a long list of problems and with all kinds of climates and terrain. What will work in Ohio might not work out in Arizona or Wyoming where you may only get 10 or 15 inches of rain a year.

Some have said today, the bill is not ready. Why can we not come in with a consensus bill that will pass 425 to 0, and could be debated all in 1 hour?

We came as close as we could to a consensus. This bill came out of the Committee on Interior and Insular Affairs, by a vote of 26 to 15, and that is pretty good for one of the most difficult and controversial issues before the Nation this year.

It came out with bipartisan support. Members on both sides of the aisle voted to support the bill in committee.

The gentleman from Ohio (Mr. REGULA), who helped write the Ohio law, is one of the finest members of our committee, and he worked hard to give us a bill. But those Members who are looking for an easy answer should know that there is not going to be an easy answer. There are going to be tough votes and tough amendments because it is a difficult problem.

It might be just as difficult as when the Committee on the Judiciary gets through with its current work. Then we will have some tough decisions. However, I think we can face up to our problems, and we are big enough and strong enough so that we can solve those problems.

It really gets down—for most Members who have not spent the years we have on it—to the question of whom you are going to believe, Carl Bagge, president of the National Coal Association, who claims that the committee bill will prohibit strip mining? Or our fine colleague, the gentleman from California, and some of the other members of our committee, who also think this amounts to a law prohibiting strip mining?

Or, the administration which says we are going to have some substantial production losses if we pass the bill? Are we going to believe that, even though Mr. Sawhill backed way off from the 200 million tons we were going to lose a year down to 20 million tons?

Or are we going to believe the fine gentleman from West Virginia (Mr. HECHLER) who himself represents the many views of many fine environmentalists, people in his own Appalachia, who feel that strip mining simply cannot be done properly and ought to be stopped?

Or are we going to believe the substantial majority of our committee and the best independent, impartial experts in the country who say, "You can mine coal under this bill and you can increase the mining of coal under this bill"?

I hope some of the Members listened to our colleague, the gentleman from Ohio (Mr. HAYS), here today. He lives in a coal mining area and has a farm next to a surface coal mining area. He was telling of his own personal experience with a coal company executive who had fought the Ohio law and said, "You cannot mine coal under this law." That man is now very proud of the pastureland they were able to create after taking the coal out.

In Pennsylvania and Ohio and in some of the other places they are mining coal under tougher laws than this one.

Therefore, we bring the Members a tough set of questions to answer and a tough set of votes in the next few days. But those of us who are in the kitchen here I think can take the heat.

It has been said that the committee

bill is an extreme bill. Someone asked me the other day from whom I get most mail, constituents or lobbyists. I said, "These last few months most of my mail is from CRAIG HOSMER."

He has been sending me almost as many "dear colleague" letters all to the effect that this is an extreme bill as I get from all my constituents.

There is one more point I want to leave with you and that is that this committee bill is a compromise. It is a compromise in every sense of that word.

Let me just give you some of the compromises we had to make. There are 80 Members or 100—I have forgotten the count—who cosponsor the Hechler bill and want to abandon strip mining. But we on the committee made a basic threshold decision: "We are not going to ban strip mining."

Two years ago the bill called for total Federal enforcement so that the States would be out of it.

Industry said, "No, we want a State bill. We want the States to enforce it."

So this is a State-enforced bill at the States' option. We set Federal standards here. If Pennsylvania or Ohio or any other State wants to enforce it, they can come in with the machinery and a plan that will enforce these Federal standards, and then they can go to it. In many States it is going to be easy because the laws are tough enough right now, and they can easily enforce the existing State laws.

Now we recognized that with a complex, tough new law we could not simply blow the whistle the minute the President signs the bill, and force everyone to comply with a brand new, tough law.

Some folks wanted a moratorium. Some of the bills proposed that we have a 2-year moratorium until we put in the new standards and the tough enforcement machinery.

We said, "No, we are going to have an interim period." This will give us 3 years, a 3-year interim period before they finally have to fully comply with the ultimate, tough Federal standards. This was a serious and a very important compromise.

We say, "The day after the bill is signed you can go on mining if you have a mine going on, and you can file applications to proceed with new mines under the State interim program."

So there is not going to be any interruption. That was a compromise.

Some wanted the Environmental Protection Agency to enforce this act, and industry said, "No. No, don't put those hot shots on our backs. They don't understand coal mining. They never even understood the air and water quality standards. Let the Interior administer it. They understand something about coal mining." And the environmentalists complained. But under this bill Department of the Interior is going to enforce it. That was a compromise.

The distinguished gentleman from North Carolina (Mr. TAYLOR), a distinguished member of our committee, spoke earlier. He pointed out that we have an equipment shortage now and we could stop the production of coal if mining companies cannot get the mining equipment. So we wrote that in an exemption. An operator can go ahead and mine, but come back later when the equipment is available.

In our mark-up, we took literally dozens of administration and industry amendments. They came in by the pound. They came in with dozens and dozens of administration amendments, and we accepted a great number of them. The American Mining Congress came in with several pounds of amendments. We considered hundreds of amendments in this bill, and all kinds of them were accepted.

By the time we finished the gentlewoman from Hawaii (Mrs. MINK) and I were being chastised by the environmentalists, and were being told that we were ending up with a watered-down bill.

Mr. Chairman, I will say to those Members who voted for our bill 2 years ago that this bill has some good additional features in it. It has a couple of special features I wanted to mention.

For example, the gentleman from West Virginia (Mr. HECHLER) says, "Let us go to deep mining."

Mr. Chairman, deep mining has some real damaging surface effects also. There is always some subsidence. I am told that there are more acres of damaged surface land from deep mining subsidence and wastes, et cetera, than there is from the effects of strip mining. These deep mines produce the coal and then choke the land, and there are huge banks of coal wastes. You all remember Buffalo Creek.

So we have provided some provisions that will take care of some of the effects of deep mining on the surface.

We have this point to make also: Imagine a strip of land, if you will, a mile wide from New York to San Francisco. That represents the amount of abandoned lands in this country from strip mining. For the last 50 years the giant coal companies have been coming in and making a profit from tearing up the land and leaving it unreclaimed, producing acid with toxic materials exposed and susceptible to extreme erosion. Its usefulness has gone; it is orphaned land. We are going to do something about it.

Mr. Chairman, we have title IV in this bill, which will take about $180 million per year, and in the next 40 or 50 years, under a very ingenious program, we will begin to repay our debt to the land.

We have a chunk of this money, 20 percent, which will be given to the Agricultural Soil Conservation Service, and with their cooperation help farmers who want to enlarge their farms. They can take some adjacent, abandoned land and make it productive again. This is what an enlightened country ought to be doing.

We have a new concept in here called "Designation of Lands Suitable for Mining." If one lives in a town and one has a beautiful park or has an area in his community which is particularly susceptible to damage from strip mining, he can go to his State, if the State is administering the program, and say, "Look, we have a hundred places where we can get coal. Let us designate this area, this special area which has special advantages and special uses, as an area now unsuitable for mining."

If we have to mine that coal, then we will come back to it and get it at the last. It is an ongoing kind of process. It gives protection to the communities who want to do this kind of thing.

So, basically, this bill we bring to the House is a social compact, and that compact has two parts. It says "yes" to the industry and "yes" to the electrical utilities, and "yes" to the American people who want more coal. We will mine more coal, we will give you the tools under which we can open up the Federal lands, the Indian lands, and the private lands, and mine more coal.

But the other side of the bargain is that we are not going to do this the same way we have been doing it any more, and you will only mine in those places where you can put the land back into a productive condition.

There will be places where we may have to say you cannot mine. There will not be many of these, under 5 percent perhaps, but there will be places where there are, say, steep hills, very fragile areas where we will have to say as a matter of social policy that if you cannot reclaim it, then you cannot mine it. Maybe some day we will get new techniques, and then you can come back and mine it, but until you get those new techniques and can reclaim the land in those kinds of areas, you cannot do it.

It is not a perfect bill, but it has been worked over and pored over by the members of the committee and by a very capable staff. We will take all the time we need with those constructive Members who want to offer amendments. We will take no hardline that this bill is a perfect bill. We will take any amendment that anyone has to offer to improve the bill, and we will try to come up out of here with a good bill. It is a bill to correct and make this matter right, because industry needs it, they have got to expand, and they need to know what the ground rules will be for the next generation in strip mining. The electrical industry needs to know what the ground rules will be to get more coal. The consumers need to know, and the environmentalists of the country need to know for this and other generation what the ground rules will be.

I we are not wise enough to stop this ravaging of our land and our streams then we deserve the contempt of every generation that follows.

We have the tools here in this bill to do that job. So if we are just smart enough and wise enough and big enough and good enough of a parliamentary body in the next few days we can write that kind of a bill, and I think we can do it.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. Mr. Chairman, I wish to extend my congratulations first to the committee for what I think has been an excellent job. And I must say, since I have a company in my own section that is now mining in Wyoming and returning the land that is mined back to its original contours, that I do not find burdensome the requirements of the bill.

I would like to ask the gentleman from Arizona (Mr. UDALL) a question in regard to sections 709(a), (b), and (c). Would the gentleman tell me if I am correct in what this provides:

As I understand, under the Homestead Act people are given surface rights, but they are not given the mineral rights to the land.

Mr. UDALL. In many places in the west this is true. A person was entitled to go in and homestead, and then he owned the surface in fee, and he had a patent to the surface. But the coal and the mineral rights were reserved to the U.S. Government. The people of the United States own this coal.

Mrs. GREEN of Oregon. But as I read section 709(a), (b), and (c), what the committee has in effect done is to give a person who homesteaded and who had the surface rights to also, under this provision, give them the rights to the minerals. Because if a company wants to go in and has permission to mine, then they have to get permission from the owner of that land who has the surface rights. If that is true, and the owner has the surface rights, he can refuse to give permission without the particular kind of a financial return that he would like. He can simply refuse to give permission.

So it seems to me that if we do this then we are placing in the hands of the homesteader rights which were never intended. Also the possibility of selling land that may be worth $50 an acre or $100 an acre, giving them the possibility of charging $1,000 or $2,000 an acre, whatever they want to charge, and that cost ultimately must be passed on to the consumer.

Can the gentleman from Arizona tell me if my understanding of this section is correct?

Mr. UDALL. The answer is "Yes."

Mrs. GREEN of Oregon. Does the gentleman from Arizona endorse this particular provision in the bill?

Mr. MELCHER. Mr. Chairman, will the gentleman yield?

Mr. UDALL. Mr. Chairman, let me make my position clear on this, and then I will yield to the gentleman from Montana who is the author of section 709(b) in the bill.

The understanding that the gentlewoman from Oregon has of that section is the same understanding that I have of it.

This illustrates, I think, the extremely difficult nature of the decisions we have to make. This was just one of dozens. The gentlewoman from Hawaii (Mrs. MINK), and I, and the majority of the committee were together on most things. On this one we parted company. I voted against the amendment of the gentleman from Montana (Mr. MELCHER), in committee. Mrs. MINK voted for it. There is a legitimate rationale behind it. It was expressed very vocally and eloquently by my friend, the gentleman from Montana (Mr. MELCHER), who authored it.

My own view—while I understand the problems in Montana—was the view just expressed by the gentlewoman from Oregon, but I found myself in the minority on this issue when the committee voted on it. I understand that the gentleman from California (Mr. JOHNSON) will offer an amendment to provide that where there are minerals reserved to the United States that either one get the consent of the surface owner or one put up a bond and pay for all damages if one could not get his consent.

Mr. MELCHER. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Montana.

Mr. MELCHER. I thank the chairman of the Subcommittee on Environment for yielding.

I should like to respond to the gentlewoman from Oregon's question in this way. On the floor of this House in the early 1900's when Congress amended the Homestead Act, the debate and the colloquy on the reservation of coal on homesteads, was to the following effect: Our predecessors in the House felt that the homesteaders, if they were to be enticed into the West, into my country of Montana and the country of Wyoming and the Dakotas, after the enactment of this provision of reservation of coal to the Federal Government, they must be assured that that reservation would not be of the nature that would discourage them from homesteading. The debate and colloquy on this floor was of this nature. The Federal Government would reserve unto itself the coal; the homesteader could prove up on his homestead, get a patent for it, and he would be only inconvenienced to the extent of the coal being mined underground, to the extent of having a shaft dug on his land, and if necessary to have a railroad line to transport the coal after it was mined.

In fact, the colloquy and the debate also said no Secretary of the Interior would ever allow a mining plan where the shaft would be sunk, for instance, in the farmer's homestead yard. The House at that time agreed that coal mining underground would not be of such consequence or inconvenience that the value or the use of the land that he was homesteading would be decreased significantly.

We have in H.R. 11500 in 709(b), as we addressed this problem, followed consistently with the attitude of the House in the early 1900's when they amended the law on homesteading. We have consistently allowed for the continuation of underground mining, but we have also acted consistent, with previous actions of this House, by saying that if surface mining were to be followed and the landowner of that surface were going to lose the right of access to his land, the mining company holding the lease for Federal coal must first get written consent. That is consistent with what the House has done before.

On the question of the basic property rights, we have come down in the committee bill in favor of the property rights of the homesteader or whoever owns the land or homesteads the land now.

Mr. UDALL. I now yield to the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK. I thank the gentleman for yielding.

I should like to speak in concurrence with the gentleman from Montana. This was a very difficult issue which the committee had to face, but it seemed to me that one of the most difficult issues which the property owners, at least the surface property owners out in the West, had to face with the coming crisis and demand for energy was the prospect of having their lands, which had been cultivated for the production of agricultural food or for ranching or for grazing, simply taken away from them out of the urge, desire, and demand of the consumers of this country for electricity, and that the coal would be dug out of the ground without their consent merely because eastern markets somewhere had a greater demand for what was under the surface.

In view of the fact that most of the land out in the West is Federal property, it seemed to me that it was very important that the bill address this particular problem, and safeguard to the extent that we did the rights of those owners who owned the surface in fee.

With respect to the lessees, we took the alternate route which permitted a bond to replace the consent requirement. I do concur with the gentleman from Montana that this is a most important provision. Only when we understand what is going to happen in the future, that our strip mining industry is going to move to the West, do we realize that it is going to be of very great importance there. So it is imperative that we take a stand on this question right now and decide that the property rights of these individuals are of paramount consideration, so I hope the committee, in its wisdom, will retain this provision when we get down to the debate on it.

Mr. UDALL. It is an important matter and it is one on which reasonable men and women can and do differ, as was apparent in the committee.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Florida.

Mr. HALEY. Mr. Chairman, this is an important question not only in the West but also in the southern part of our Nation. In Florida we have the phosphate rights which have been retained by the Federal Government. I might say that the gentleman from Arizona knows that in many instances we have passed legislation that would allow the surface rights owner, by paying a nominal fee, to have a study made of the amount of phosphate available, and then the Secretary was authorized to sell to the surface owner the market value of the phosphate as he determined it to be.

So we have had very little trouble with that.

Mr. UDALL. That is correct. We have had a great deal of experience with various aspects of the split ownership problem.

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from West Virginia.

Mr. SLACK. Mr. Chairman, did the committee give any consideration at all to the surface minerals other than coal?

Mr. UDALL. Yes. One of the earliest determinations we had to make was do we have an all-minerals bill, which would include coal and phosphate and sand and gravel and copper and all the rest, or do we have just a coal bill. I personally favored an all-minerals bill. But one of the decisions the joint subcommittee made early was that we ought to stick with coal, and we did. We had some language, and still have some remnant of it to provide some limited authority to the Secretary to slow down some of the worst abuses, but we thought we had all we could do here if we would stick with the coal.

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Chairman, I commend the subcommittee chairman (Mr. UDALL), who has worked so long and so hard on this bill.

Mr. Chairman, in the debate I will attempt to respond to the remarks made by the gentleman from Michigan (Mr. RUPPE), as well as the other gentlemen who have spoken regarding surface rights. As on so many other matters, on the question of surface rights there is a difference of opinion. Perhaps we may well have a surface owner who is unreasonable and not willing to reason with an operator who wants to mine his ranch. But for every one of these, I submit there are 99 ranchers in the State of Wyoming who are reasonable and anxious to do business on most reasonable terms with those who would mine coal deposits under his land, the title to which he does not own.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I compliment the gentleman from Arizona for his usual excellent reasonable statement on the bill.

Mr. Chairman, I rise in support of H.R. 11500, The Surface Mining Control and Reclamation Act of 1974. I wish to state at the very outset my great admiration and respect for the work of the distinguished chairman of the Interior and Insular Affairs Committee's subcommittee on the Environment, the gentleman from Arizona (Mr. UDALL), his unstinting efforts at reconciling all interests involved in this legislation, his devoted defense of its provisions and his tireless energy in bringing the bill to the House floor.

Mr. Chairman, H.R. 11500 regulates the surface mining of coal. It does not eliminate surface mining, as some wish to do. It does, however, demand significant and comprehensive repair of the environmental damage caused by surface coal mining, mining done before and after passage of the bill. Significantly, I believe, its requirements will make coal companies seriously reconsider the deep mining of coal, where more than eight times the amount of coal obtainable from the surface is located.

The effect of this bill, if it becomes law, include the assurance of an abundant and long lasting supply of deep mined coal, much of it the cleaner anthracite Eastern coal; environmental protection for aquafers, water tables, agriculture and grazing in both the East and the West; elimination of the threat of floods, erosion, adverse siltation and avalanches from unreclaimed mining sites; the economic revitalization of sorely pressed regions like Appalachia, plus the salvation of the unreclaimable top soil of many Western States. The benefits achieved and the losses averted are both immense.

Mr. Chairman, this legislation is crucial to our country. Our energy requirements, as all the world knows, are immense and growing larger every day. At present rates of consumption and domestic energy production, our dependence on foreign energy sources is also increasing. We simply must enact some legislation which takes a responsible yet encouraging stance concerning coal, which is our cheapest and most abundant energy source.

Anyone who has ever visited the site of a strip mine, particularly in the mountains of Appalachia, can appreciate the great possibilities that exist for the deterioration and ruination of land used for this purpose. H.R. 11500 establishes first interim regulations, then permanent environmental protection standards which are to be administered by the States. Protection would be afforded in the areas of the land's original contour, revegetation, hydrologic balance, steep slope mining, disposal of mine wastes, access and haul roads and underground mining.

In some cases, areas could be designated as unsuitable for strip mining altogether. Under the permanent regulations, which take effect 30 months after enactment, applications would be required to be filed for surface mining permits.

They would be the subject of public hearings and comment. Bonds would have to be posted by successful applicants to cover the cost of any default by the applicants in their reclamation operations.

Besides reclamation of existing mines, all coal mined after passage of the bill will be taxed to provide for an Abandoned Mine Reclamation Fund to reclaim already abandoned strip mining sites. Forty percent of this money must be returned to the area from which the taxed coal was mined.

Mr. Chairman, the bill before us today is controversial. It has been attacked by coal interests as overly burdensome and the deathknell of cheap coal. Some environmentalists insist that it does not offer strong enough safeguards to the gutting and the destruction of the countryside. There are, I am aware, a plethora of amendments which are to be offered which seek to adjust these and other objections. I feel I ought to point out, as is acknowledged by the bill's sponsors, that the bill before us is a compromise measure. It developed through the juxtapositioning of opposite viewpoints and the accomodation of a number of objectives. These objectives, the sponsors felt, need not be irreconcilable. Their product, I believe, is reasonable legislation. It can be improved. I am hopeful that it will be. I would just like to point out that the spirit of compromise and willingness to listen to the other side has gotten us this far.

Strip mining legislation is far too important a goal to miss or fall short of because of intractability or misinformation. I urge all Members to pay close attention to this debate and to keep the concerns of the Nation in their hearts as they do so. We desperately need a solid framework on which to build for both the energy needs and the preservation of our environment. And the need is now.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. Mr. Chairman, I want to ask a procedural question, if I may. As I understand it, when we get to the 5-minute rule, the Hosmer substitute will be offered and that does not contain the Melcher amendment. Is that correct?

Mr. UDALL. That is correct. It will contain the kind of amendment which will be similar to that in the Johnson amendment, to be offered when we get to the full committee bill.

Mrs. GREEN of Oregon. And if the Johnson amendment should not be carried, then we are stuck with the bill with the Melcher amendment, which I consider disastrous.

Mr. UDALL. The Senate bill has a somewhat different amendment in it.

Mrs. GREEN of Oregon. The Mansfield bill has one in it which is twofold. Will the gentleman explain how we will be better off with the Mansfield version?

Mr. UDALL. I would hate to have to choose between the gentleman from Montana (Mr. MELCHER) and the Senator from Montana (Mr. MANSFIELD). While I love both of them, I am opposed to the amendments of both.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. I am afraid the message the gentleman is giving to me is that in order to be really protected on this I must support the Hosmer bill, even though I do not want to, in order to be protected against this particular kind of provision.

Mr. UDALL. If that were to be the be all and end all, that would be the clear command; but I would suggest that we need a strong surface mining bill.

This is only one aspect of a very big problem and I would hope my friend would weigh that.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from New Jersey.

Mr. PATTEN. Mr. Chairman, I rise today to express my support for H.R. 11500, the Surface Mining Control and Reclamation Act. The bill establishes a Federal-State program to regulate coal strip mining and reclamation; in effect, then, the primary responsibility would be on the States for regulation and on the Federal Government to serve as a backup for enforcement purposes.

This measure is a compromise bill. It strikes a balance between the need to protect the environment and the Nation's energy needs. Coal surface mining temporarily makes use of certain land. With this measure, this would be continued but afterwards, it would be returned to uses at least equal to the condition before the strip mining occurred.

It is my view that State and Federal regulatory agencies should be able to designate certain land as unsuitable for surface mining. This measure provides that no permit will be allowed on a national forest, in a designated wilderness area or in a wildlife preserve. In addition, States will be required to set up procedures for declaring certain areas unsuitable for surface mining by virtue of natural, historical, scientific or cultural reasons.

I believe that land that has been strip mined should be reclaimed so that it is not rendered useless. We cannot afford to waste our precious land and its resources. This measure provides for the strip-mined land to be returned to the "approximate original contour" so that it can be used again, for agricultural as well as recreational purposes.

There have been in the past many surface owners who did not own the mineral rights to their land and have suffered financial ruin due to strip mining. This measure protects these individuals because it requires that the interests of the surface owner be recognized in that they must give their written consent before mining can take place.

These are some of the important provisions of H.R. 11500 that make passage of the measure a necessity. Basically strip mining without reclamation has many serious environmental consequences. It can cause severe erosion, pollute the water with acid drainage, and destroy the land for other productive uses unless adequate reclamation takes place.

The priorities of this country must include a reliable supply of energy at a reasonable cost, without a great dependence on foreign sources, and at the same time adequate safeguards for the quality of the environment. The conflict between these two objectives has come up before the Congress several times during the past year, and it must be dealt with now and in the years ahead in a manner that is balanced.

A tendency exists to see an unavoidable choice between a sufficient energy supply and protection of the environment, but this need not be the case. H.R. 11500 allows for the expansion of the search for energy sources, but it also places safeguards on the environment. I am hopeful that my colleagues see the need for the balance that this measure provides, and the bill is passed by the House so that this balance can begin to take shape.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, as I understand, both the administration and the coal industry came to the committee with a number of amendments, many of which were accepted by the committee; is this correct?

Mr. UDALL. This is correct. There are literally dozens of them on major points and I will now list some of the major ones as follows:

Major Amendments Supported by Sponsors of H.R. 11500, Based on Both Administration and Industry Positions

The "Seiberling Amendment" was deleted and a straight, nondiscriminatory fee was substituted.

Strict approximate original contour requirements were modified.

Deleted the strict prohibition of disturbing land above the highwall.

Requirement that underground mines be backfilled was deleted.

The environmental and planning criteria for designating areas unsuitable for mining of coal were made discretionary instead of mandatory and the non-coal designation process was severely narrowed.

Various requirements including those applicable to impoundments, blasting, relocation of water courses and hydrology requirements were modified at the urging of industry and Administration representatives.

Amendment which allows exceptions to regulatory standards during the interim phase-in period if necessary equipment is not available.

Major Administration Amendments Adopted by the Committee Either as Submitted or Modified by Members

It is fair to say that the major portion of the Administration amendments were either adopted, adopted as modified, or incorporated in other amendments.

Time periods for administrative action and compliance were extended into the interim period (Ad. No. 4)

EPA's authority to approve regulations was limited to matters relating to air and water quality (Ad. No. 7)

Standing to petition for a designation of unsuitability was limited and major procedural aspects of the process were amended (Ad. No. 10)

Substantial rewrite of public notice and public hearings sections and provisions were adopted (Ad. No. 13)

A new section regarding revision and renewal of permits was adopted (Ad. No. 16)

The Committee accepted the major Administration amendments to penalties, enforcement and administrative and judicial proceedings sections

Administration's proposals regarding various performance standards were adopted including those relating to placement of topsoil (No. 17)

Stabilization of mine surfaces (No. 17), acid and toxic drainage (No. 17) as well a provision to allow the Secretary to vary standards for underground mining

Mr. HECHLER of West Virginia. Would not the gentleman agree it is hogwash for the coal industry to come in and say this is an abolition bill?

Mr. UDALL. Yes, it is hogwash.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield 10 minutes to the gentleman from Michigan (Mr. Ruppe).

Mr. RUPPE. Mr. Chairman, I rise in support of H.R. 11500 and in opposition to the substitutes to be offered by Mr. Hosmer and Mr. Hechler.

Mr. Chairman, it now appears likely that this Nation is going to get Federal coal surface mining legislation in this session of Congress. This legislation will set the environmental ground rules for decades to come in the coal surface mining industry. If we adopt a weak approach like in my view that proposed by my respected colleague from California we will be telling the American people that we have forgotten about environmental protection in our rush to assure secure energy supplies. We shall be saying that even though it is possible to mine enough coal to satisfy our energy needs and protect the environment at the same time, we have chosen not to do so. Instead, we shall have chosen to devastate the environment, the productivity of thousands of acres, in our rush for energy. However, if we adopt H.R. 11500 and stave off damaging amendments to it, we shall be telling the Nation that this Congress will not be pressured by anybody to avoid the kind of balanced solution that the surface mining issue demands.

H.R. 11500 is a balanced compromise. It will alter mining practices in the mountains where decades of abuse have left hundreds of thousands of acres useless and will protect the West against the onslaught of abusive coal mining. But it will not stop the spread of responsible coal strip mining in either of these two mining settings. I do not think we can afford to stop strip mining now. The Hosmer substitute, will do little to alter destructive practices in the mountains and less to assure that surface mining will not unnecessarily harm Western States.

But let us dig into these two bills, H.R. 11500 and the Hosmer substitute, to see why one of these bills, H.R. 11500 makes sense for the Nation at this time and why the other should be rejected.

Most of the serious, long-term damage of strip mining is related to the placement of spoil materials on the slopes below exposed coal seams being mined on steep slopes. Spoil placed on the downslope is subject to landslides because it is not an integrated whole but a pile of relatively loose materials with no stability. These spoil materials are also subject to heavy erosion thereby producing a situation in which streams below the mined slopes become choked with sediment and fouled with toxic components of the spoil. The key to preventing damage from spoil placement on the downslope is, of course, to prevent such placement. There are methods available in steep-slope mining which, if utilized, will result in the retention of all or almost all spoil on the bench with no or little placement of such spoil on the downslope.

These methods no not entail the usage of special equipment not available to the ordinary coal operator. With these facts in mind, the committee, in H.R. 11500, decided to prevent spoil on the downslope except where downslope spoil placement was necessary for purposes of allowing the operator to place his equipment on the coal seam bench. I feel that this provision will go a long way towards ending the singlemost abusive aspect of coal surface mining on steep slopes.

The Hosmer substitute would not prevent spoil placement on the downslope at all. Mr. HOSMER says in his bill that no spoil may be placed on the downslope except when necessary to obtain access to the coal seam. Now all spoil removed is removed to gain access to the coal seam. Mr. HOSMER's bill is an open license to place any and all spoil on the downslope and hence to continue the legacy of scarred land and choked streams which has lead us to the floor of the House and this debate.

But if the Hosmer substitute has a provision that will do nothing for the East, it also has one which will do nothing for the West. In H.R. 11500 we have required, with one exception for true open pit coal mines, that unless the operator can obtain a variance for a bona fide post-mining land use, or one for failure to obtain proper equipment, the operator must restore his mined site to the approximate original contour. Now approximate original contour does not mean original elevation or that every bump on the landscape must be restored.

That would be overkill and unnecessary. What the term does indicate is that the coal operator must, within his mined site, restore the land so that it blends into surrounding terrain and is shaped and graded to look something like the land did prior to mining. In the western mining setting, such a requirement is absolutely critical unless we wish to produce a landscape of unblended craters and ungraded spoil banks. What does the Hosmer bill do about this? The Hosmer bill lets most western mines off the hook and says to the mine operators: Look, even though it would result in unnecessary scarring of the land and even though it is not unduly burdensome to require the return to approximate original contour of your mined sites, you do not have to do it anyway. Just cover all toxic substances, do a little grading and revegetation and leave the place more or less as it was after you mined.

Now if for reasons of coal production it were necessary to get this coal out of the ground without reclaiming to approximate original contour, I would say that approximate original contour as applied to conventional areas mines in the West would be too rigid. If the lights would really go out by our obliging of approximate original contour for these western mines, then I would yield because I believe that for most people it is much more important to have lights on than the Earth look pretty. I would yield if I thought that approximate original contour in western mine settings would cost the consumer more than I know he wants to bear, which is not much in addition to what he is bearing right now. But I insist that these choices do not have to be made. Western area mines which Mr. HOSMER would exempt from approximate original contour can open up, can produce and can be reclaimed to approximate original contour without outrageous additional costs or shutdowns. Hence, there is just no reason to exempt these mines from that requirement.

It is important to understand that the Hosmer bill would not protect either Appalachian areas or western mining areas. It is as simple as that.

But as if that were not enough there are other reasons why I think the Hosmer vehicle must be rejected. Let us start from the beginning and work toward the end of the bill.

First. The Hosmer bill has an extremely weak variance provision during the interim period. It is so weak that I doubt that many operators would have to comply with the interim standards which my friend from California does include in his bill.

Second. The Hosmer bill undercuts the rather meager participation which the Interior Committee allowed the Environmental Protection Agency. I think that EPA is not very popular these days; but they are the Government's most knowledgeable agency when it comes to water and air pollution. The Hosmer substitute reduces their role to one of mere consultation, a very small role in any situation.

Third. The Hosmer substitute provides an unnecessary lengthening of the period during which States may submit programs to the Secretary from 24 to 36 months. Under the Hosmer bill there is no time cutoff for Secretarial response to a resubmitted program thereby allowing the interim period to extend indefinitely. Now we chose the interim period route in subcommittee in order to facilitate an orderly transition from preact to post-act procedures. But we do not need the time the Hosmer bill would give the industry.

Fourth. The Hosmer bill does not allow a State to resubmit a program to the Federal Government after a Federal program has been promulgated for a State, insuring thereby the State of an eternal future of Federal regulation if the State cannot obtain initial approval of its program.

Fifth. H.R. 12892 greatly weakens the committee bill on the issue of unsuitability to mine.

Sixth. The Hosmer bill weakens unacceptably the provision on transferability of mining permits.

Seventh. There are so many differences in the bill's environmental standards that I will only make a list of them:

Approximate original contour;

Spoil on the downslope;

Revegatation;

Liability for revegatation;

Hydrology; and

Variance provisions and the like.

Eighth. On bond release procedures the Hosmer bill would allow a bond to be released in full at any time at the whim of the regulatory authority.

Ninth. The Hosmer bill weakens key enforcement provisions.

Tenth. The Hosmer bill contains no abandoned mined land reclamation program.

These are some of the main reasons, then, why I cannot support the Hosmer measure.

The coal mining industry must and is going to expand in the United States. It will do so under the Hosmer bill and it will do so under H.R. 11500. But the Hosmer bill assuredly will not protect the environment to the extent that this Nation can afford.

Let me dwell on two issues which have been trumpeted around as reasons why you should not vote for H.R. 11500—coal production losses and extra cost. I do not believe that there will be any significant or disturbing loss of coal production under H.R. 11500. Yes, some operators may decide that they do not want to operate under the new environmental regulations. But the estimates of the Bureau of Mines I believe are way out of line. It does not take a coal operator, which I am not, to see that these estimates are absurb. For example, the Department of Interior stated, and Mr. HOSMER has been using this material, that the subsidence control provision in subsection 212(b)(1) of H.R. 11500 may knock out of production 117 million tons by 1975. All you have to do is read the bill to see that the subsidence provision does not take effect until after the interim period has passed, no earlier than 1977 in most States. The Department asserts that additional tons of coal will be lost through the bill's effects of mountaintop removal operations. Frankly, nothing could be more absurb: the bill has specific exemptions in the interim period which will make it easy for mountaintop operations to continue mining.

I suggest that the coal production argument is scare tactics, pure and simple. Some voices in the coal industry does not want to alter destructive practices. Some voices in the administration is afraid of causing problems of energy supply after last winter. The result is administration-published figures originally published that really do not reflect well on the Department of the Interior, an agency which the Interior Committee may usually rely on for accuracy.

With respect to cost increase, all studies and data available to the committee indicate that the incremental costs of reclamation caused by H.R. 11500 will be minuscule compared to the value of coal. The issue is precisely as follows:

Under most State laws operators are already incurring reclamation costs of perhaps 3 percent to 10 percent of the value of the coal—much lower in the West and somewhat higher in the East. The incremental costs of H.R. 11500, in which we do not so much oblige the doing of more costly work but do oblige that the work should be done somewhat differently, will be very small if any at all. The main cost will be in adjusting to the new practices in some areas not familiar with them. In some areas particularly in the East. I think that the cost of land reclamation may actually be less after the industry has adjusted. This possibility may occur because of the implementation of methods which result in the handling of less spoil than prior to the act.

Some have worried about the increased cost of electric power to consumers. The cost figures which I have worked up show that the consumer of electric power will be affected very little on the average.

In closing, let me say that America can afford strip-mining, because we can afford good land reclamation. If America wants its energy without the hassel of adjusting to better environmental protection because it may, in some areas, result in possibly increased costs, then America is in trouble. The people who live in and around strip-mining areas simply will not stand for it, nor should they.

The people who live elsewhere should be willing to pay the true cost of the energy they consume.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I appreciate the mention the gentleman makes about the danger and difficulty of reclamation of the West. Because of low rainfall, sodic, saline or alkaline soils, and very thin soil, so-called reclamation in the West is even more difficult than in the Appalachian Mountains.

I appreciate the position the gentleman has taken concerning the need for some type of effort, at least in these Western States.

Is the gentleman aware of the National Academy of Sciences study? The NAS analyzed at considerable length the difficulties of reclaiming strip-mined land, and analyzes the position that the gentleman is taking, that we must take action to protect the land.

Mr. RUPPE. I am aware of the study, perhaps not with all the specific details, but I am convinced we have some pretty tough and some pretty rigorous provisions in this bill that would make Western lands, after the mining operation, as productive as is humanly possible.

I say that because we have drawn very tough revegetation requirements. My recollection of the legislation is that we have a 10-year bonding period for the West; 5 years at least, in areas where rainfall is more abundant.

The fact of the matter is that in the West, for the preservation of areas without 25 inches of rainfall we acknowledge revegetation is going to be a very difficult process.

Reclamation in fact, is still really not out of the experimental stage. I do not think the results are in. The answer, in my opinion, ought to be some tough revegetation standards until such time as we really know exactly where we are heading.

The worst thing that could possibly happen to us would be what happened in the East where we have lost the productivity of the land.

(On request of Mr. Hosmer and by unanimous consent, Mr. Ruppe was allowed to proceed for 1 additional minute.)

Mr. RUPPE. Mr. Chairman, I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, with due respect to the gentleman's interpretation of my language, all of my language and the language of the Udall-Mink bill is practically the same. The difference in the language is as to variances. From a reading of the Udall-Mink "hell or high water" bill, the variances are so difficult to achieve through the procedures that are established and the requirements set forth in that bill that essentially nobody is going to get a variance.

In my bill one can get a variance, but only under circumstances in which he can adequately reclaim the land. He does not necessarily have to restore it to the original contour or approximately the original contour. But he must restore it to an environmentally satisfactory condition.

Mr. RUPPE. I certainly appreciate the observations of my colleague, the gentleman from California. I think it is one of the points that should be debated in full detail when the gentleman's substitute is offered.

My understanding of the two bills is this: our committee bill requires original contour in the West. Unless the variance is achieved, I believe there is much less flexibility basically in the original contour requirement than is possible in the gentleman's proposed legislation.

I do believe we should turn the lands back to the original contour, similar in shape to where they were before they were mined.

I would also agree that the gentleman has a very useful variance procedure. It is a somewhat easier one to achieve than is the variance procedure in our legislation. However, I think our variance procedure is, quite frankly, the superior one. We do provide for a variance procedure where the land can be raised to an improved economic use. However, we do say one thing: Anyone who wishes to secure a variance can only get that variance if there is an improved economic result and it is one that can be produced only with the requested variance. I would suggest that if the same goal could be reached without needing the variance, the variance need not be granted.

Mr. UDALL. Mr. Chairman, I yield 10 minutes to the gentleman from West Virginia (Mr. Hechler).

Mr. HECHLER of West Virginia. Mr. Chairman, I understand that the gentleman from California (Mr. Hosmer), since I am on his side on this legislation, might be able to help me out a little bit with some more time, since the gentleman and I are both opposed to the committee bill, H.R. 11500.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, I trust that the gentleman is not seriously planning on being on the same side of this issue as I am.

However, I will be delighted to yield 5 additional minutes to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I really appreciate the additional 5 minutes.

I wish to reiterate that I agree with the gentleman from California (Mr. Hosmer) that this Udall-Mink bill is a hell-and-high-water bill. This bill will mean more hell and high water for all West Virginians, who must live with the devastation of strip mining.

I would like, first of all, Mr. Chairman, to talk about the issue of energy and where we are going to get our coal. I hold in my hand a release from the National Coal Association, dated July 16, 1974, entitled "U.S. Exports of Coal and Coke," and it starts out as follows:

> The United States exported 6 million tons of bituminous coal in May, up from 5.1 million tons shipped in the same month in 1973.

That is a 17.6 percent increase in the exportation of American coal, in May, 1974 over May, 1973. A total of close to 22 million tons of valuable coal has already been exported in the first five months of 1974.

This is the question that I would like to ask, and I would really like to find an answer to this question from any member of the committee or from any Member of the House:

We have heard so much here about why it is so necessary to rip up the mountains of Appalachia and to go into this big coal rush in the West because we are short of coal. Yet we are exporting 10 percent of the total production of bituminous coal annually in this country. Why do we have to rip up more land and exploit more people at the very same time we are exporting 10 percent of our coal?

Mr. Chairman, can any Member answer that question?

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I am sorry, I was talking for a moment and I did not hear the entire question.

However, as far as our coal exports are concerned, it seems to me that, with our horrendous balance of payments, we have very little choice but to export whatever we can sell abroad. For the most part, we export agricultural products, and that probably has had a dilatory effect on domestic prices.

We have exported large components and products of our air frame industry, and we have exported coal.

But the fact is that we do run a negative balance of payments. We ran a very bad one last month. We are forced to do that essentially because we are going to pay the Arab nations something like $15 billion for their oil this year.

I would have to say that one way to get off the hook with the Arabs and one way to cut down the need to export some of these commodities in order to redress our balance of payments deficit, frankly, would be to expand, under proper environmental and under tough environmental standards, coal production in this country. So then we would not be dependent on the oil that we bring into the United States every day.

We must either produce more energy at home or import it from abroad, and when we do import oil, and since we have mandated oil utilization in one industry after another in these past years because of our clean air standards, then we must pay the price. Part of that price is exporting coal, which is probably tough on the American consumer, and part of it is exporting agricultural products, which is probably worse.

Mr. HECHLER of West Virginia. Mr. Chairman, I will ask the gentleman this: Has the gentleman from Michigan ever visited Germany?

Mr. RUPPE. No. However, if the gentleman will yield, I do know that they have tremendous coal reserves in that country.

Mr. HECHLER of West Virginia. They not only have tremendous coal reserves, but they actually import coal from this country.

Mr. RUPPE. Mr. Chairman, will the gentleman yield further?

Mr. HECHLER of West Virginia. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I will ask the gentleman, would I be right in saying that most of the coal produced in Germany is lignite, and that they import a different type of coal, a metallurgical coal, from the United States?

Mr. HECHLER of West Virginia. Yes. The gentleman is correct, they do import metallurgical coal from the United States. But they also acquire this type of coal for steel-making purposes from other nations such as Australia and Canada.

The reason the price of coal is shooting up dramatically, and the reason that people in the cities find their electric bills going up is because of these coal exports.

The Germans and Japanese have bid the price of metallurgical coal up to over $30 a ton, double the price of 1973.

My point is, in Germany, where they are stripping out lignite coal, they only do it in very selected areas where it does not damage the land. They put an extremely high price per acre on the reclamation, sometimes as high as $6,000 an acre. As a result of that, when you go into Germany today you see a beautiful land, while we in this Nation are ripping up the hills of Appalachia in order to produce coal which we will export to other countries to enable them to protect their land. To look at the scars of Appalachia and contrast them with the land in Germany, it looks as though we are being bombed and we lost World War II.

I do not see that this makes sense, even under the gentleman's argument about the balance of payments. If you keep exporting American coal to Japan where they then make the steel to produce Toyotas that come back here and put our workers out of jobs, what kind of sense does that make? According to Stewart Cord, head of the American Iron and Steel Institute, in testimony before the House Banking and Currency Committee, the United States is very short of metallurgical coal.

Mr. UDALL. Mr. Chairman, if the gentleman will yield, I certainly think we ought to be careful about exporting coal, and a lot of the gentleman's arguments are based on the fact that we should be cutting back on the production of coal that we are exporting so that we do not have to dig so much. But there is another side to this. The Arabs have one-third of the oil resources in the world, and we get very indignant when the Arabs put up an embargo against our securing their oil, and they will not sell the oil to us, but they say that we are owners of the Saudi Arabian oil. So, we have approximately 40 percent of the entire coal reserves in the world, and we are supposed to tell the world that we cannot sell the coal to them. Yet, as I say, at the same time we are very indignant if the Arabs will not sell us oil.

Mr. HECHLER of West Virginia. The percentage of the coal that we are exporting can be changed. Why is 10 percent such a magic figure that we cannot go above it or below it?

Mr. UDALL. I believe we should go down below it.

But I do believe the gentleman from West Virginia has got too simple a solution to the problem we are talking about here. It does not solve the problem concerning coal. There are many companies who have contracts to supply coal to foreign countries, and should the Congress now step in and say that the American contracts are not any good; that we are going to cut off these contracts in the middle of their life? I believe that we have at least got to complete these contracts that have been made.

Mr. HECHLER of West Virginia. I would suggest that so far as Canada is concerned that it is very important that we ship coal to Canada because we are importing oil from Canada. Our exports to Canada in the first 5 months of 1974 were only 4 million tons, less than 20 percent of the total exports. For the life of me, I cannot understand why we should rip up the rest of our land in this country to export coal, which we contend is in very, very short supply at this time. And I would only advocate cutting down on the exports until such time as new deep mines can be opened, over a 2- or 3-year period.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. Before I yield to the gentleman from Michigan I would like to observe that this would only be during the interim period that I would like to see a slowdown in these exports. We can gear up the production of our deep coal mines in order to meet the energy crisis during this interim period.

It takes several years, as the gentleman well knows, and as the other Members of the House know, to open up a deep coal mine. But I think we ought to slow down during that interim period when we are gearing up to make the shift from strip to deep mining.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I think perhaps two observations may be made.

First of all, my guess would be that hardly more than 2 or 3 or 4 years ago the coal industry was probably very happy to get contracts to export coal. We had set about in this country as a national policy almost to destroy the coal industry. We mandated the utilization of oil in one industry after another. My guess is that the coal industry a few years ago through these contracts to export coal achieved a capability at that time by which they could salvage their companies, and save the jobs in many of our areas.

But the more important point I would like to make relates to the discussion of coal mining in Germany when the gentleman says a greater effort is made in the reclaiming of the land there. I would like to think that that same type of effort can be made here in the United States, and I think it can be done.

In one of our committee trips into Pennsylvania and Ohio we had a discussion with a farmer, I believe in Ohio, and he stated that after the mining had been undertaken and the land had been put back where it had been previously, that the land was more productive at that juncture than it had been prior to the strip mining operation. The coal mined land had been improved, the water drainage improved. But I must agree with the gentleman over his concern over the badly reclaimed or neglected land in West Virginia.

But I should like to say that the goal of 11500 is the type of reclamation that has been achieved in Pennsylvania and Ohio. It is the type of reclamation that has made the land productive again, possibly even more productive than it had been prior to the strip mining operation.

Mr. HECHLER of West Virginia. I thank my friend, the gentleman from Michigan. I would point out that we have had strip mining reclamation laws in West Virginia since 1937. When the first law was passed 37 years ago, it was announced that this was going to solve all of the problems of the damage to the land, the soil, the forests, the streams, and the people of West Virginia. It did not do it.

Several years later they came back, and every few years the Legislature came back to "revise and strengthen" that law. Yet it has never protected the people, because just as soon as either a law or its enforcement start to become half-way effective they will come in and say they are being put out of business, just as they came in on this bill—even on this bill, which I think is a mild, wishy-washy, milk-and-water, pussyfooting, peashooting approach to the problem.

The coal industry says that this bill, weak as it is, is an abolition bill. This is what always happens when the coal industry thinks somebody is cutting in on their profits. They say, "Well, we can't do it economically."

I prefer to face up to the problem directly and say, "All right, if you cannot do it economically, then let us phase out strip mining and let us go to deep mining, which will provide jobs for more people, a more stable economy, and will not provide the kind of boom-and-bust, exploit-the-people, economy that strip mining does.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to my friend, the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

I was most interested in his descriptive adjectives of H.R. 11500. What that indicated to me is that if his substitute fails, he will then vote against this very wishy-washy bill.

Mr. HECHLER of West Virginia. That is exactly my position. If my substitute fails, and if H.R. 11500 is not completely overhauled and strengthened by a series of amendments that will embody the essence of H.R. 15000, I will vote against it.

Mr. KETCHUM. I thank the gentleman.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from California.

Mr. HOSMER. I thank the gentleman for yielding.

According to the National Academy of Science study, it takes from 2 to 3 years to open a surface mine, and it takes from 6 to 10 years to open a new underground mine. According to the gentleman's bill, we would stop all mining within 6 months, half of a year, in the mountains; on the slopes within a year and a half; and out West on the flatlands within 4½ years. That leaves an enormous gap where we would be producing no coal from the surface mines before we can possibly put the underground mines in operation. Will the gentleman from West Virginia explain how he is going to cover that gap?

Mr. HECHLER of West Virginia. Is the gentleman from California aware that the Bucyrus Erie Co. and the Marion Power Shovel Co., the two largest manufacturers of drag lines and strip mining equipment, say it is going to take from 4 to 5 years to get strip mining machinery to do the work that we need? It takes longer to get strip mining machinery today than it does deep mining machinery, and you can open a deep mine quicker.

Mr. HOSMER. Even though that may be true, the gentleman still has under his proposal 4 or 5 years during which nobody will be digging coal. What is going to happen? That is all I want to know.

Mr. HECHLER of West Virginia. All right, I want to answer that question. I will decline yielding for about 3 minutes during the period I am answering the question of the gentleman from California.

There are a number of ways in which this energy gap can be met.

We would, indeed, need additional coal during the period when surface mining was being phased out. My bill does not bring surface mining to a grinding halt immediately. It provides for a period of 6 months in the mountainous areas, 18 months in the nonmountainous areas, and 54 months in those areas west of the Mississippi which now mine over 500,000 tons a year.

Most U.S. mines now operate on two shifts or less a day, and many only operate 4 or 5 days a week. The Bureau of Mines has estimated that today's deep mine production could be increased by 42 million tons annually, merely by adding a sixth day at existing mines.

In addition the Research Department of the United Mine Workers of America has advised me that between 100 and 137 million tons of additional deep mined coal could be generated by operating existing mines on a three shift per day, 5-day-week schedule just during this interim period until such time as we open new mines.

President Kennedy used to tell the story about the French Marshall Lyautey, who wanted to plant a tree. He consulted with his gardener and the gardener stated that the kind of tree the general wanted would not grow to its fullest height for 75 years. General Lyautey said:

> In which case, there is not a moment to lose. Plant it this afternoon.

We should start the process toward opening those deep mines today. Some of them in West Virginia and in Appalachia that have been started since the Arab oil boycott will start producing far earlier than the 3 years indicated. And their production will start much sooner.

In addition, more than 1,500 deep mines in West Virginia and Appalachia have closed down since 1970 without exhausting their coal reserves. These could be reopened quickly and produce up to 28 million tons annually.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, in the gentleman's statement he did not deal with the long-term damage such as degradation in terms of tailings piles or in terms of subsidence, and most damaging of all the disturbance of the aquifers. What does the gentleman propose if we follow his line of reasoning, because I am not aware of any attempt to solve these problems because it is a question of out of sight, out of mind on the strip mining.

Mr. HECHLER of West Virginia. If the gentleman will read the provisions of my bill—H.R. 15000—in the substitute for H.R. 11500 he will see we must have an evenhanded approach to this problem. In section 106, protection against damages caused by underground mining are provided.

Mr. REGULA. The gentleman feels this would solve those problems?

Mr. HECHLER of West Virginia. I feel it would be a great step toward solving those problems. The technology now exists to reduce acid drainage and subsidence.

Mr. MILFORD. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Texas.

Mr. MILFORD. Mr. Chairman, we have a seam of lignite going across the State, where we now have power plants which cry for the use of this lignite. Due to the fact that we have sand above the lignite, there is no way we know of that we can get this lignite out by a deep mining process.

Mr. HECHLER of West Virginia. The gentleman may well be correct—there are coal seams that cannot be deep mined. But in many places where there is strip mining above deep mining, it can destroy the opportunity to deep mine. I would point out that Texas has 1.3 billion tons of economically recoverable deep minable coal, according to the U.S. Bureau of Mines and we should get this coal rather than stripping the land.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from California (Mr. Hosmer).

Mr. HOSMER. Mr. Chairman, I would ask the gentleman how does he think we will be able to get enough men to lash into going underground into the mines, to dig this coal when we do not have even enough for one shift to dig the coal we need and at a time when we need it so badly?

Mr. HECHLER of West Virginia. I would point out that the Pennsylvania State University has made a study and a prediction which I have at my desk which indicates that over the period 1975–2000 the probability of shortages—of labor—is very remote. The study projected an available labor supply of 239,607 miners, far in excess of the 1973 deep mine employment level of 112,252 miners.

Mr. HOSMER. If the gentleman will yield further, that may be true, but we do not have an adequate number now, and 6 to 10 years from now when we get the additional mines we will not get the additional men, or was that covered in the study of the University of Pennsylvania?

Mr. HECHLER of West Virginia. Where does the gentleman think we are getting 50 percent of our total coal production now?

Mr. HOSMER. That is right, and we could be getting more if we could get the men to go down for the three shifts.

Mr Chairman, I yield 5 minutes to the gentleman from Arizona (Mr. Rhodes), our distinguished minority leader.

Mr. RHODES. Mr. Chairman, the action we take here today will have a great impact on our energy future, and consequently on our Nation's economic development.

We all recognize that coal is the key to meeting our near-term energy needs. It is obvious that surface mining is the best way to get the large tonnage of coal we will need.

I know that the Interior Committee has worked long and diligently to write a bill. This certainly is a difficult field in which to legislate. Therefore, we must be certain that we act sensibly, that we take all factors into consideration, and that we turn out a bill that will enable us to mine the coal with the least damage to the environment.

There should be little question that, in order to maintain jobs and our standard of living, we must resolve the surface mining issue, fairly and decisively.

In my home State of Arizona, we expect a 33-percent increase in population over the next decade. Electrical energy will be crucial for our homes and industries. We expect 70 percent of our power to come from coal by 1983.

In considering the legislation before us today we should consider its purpose. Webster defines regulation as a process to bring order, method, or uniformity. The committee bill does not fulfill these qualifications. H.R. 12898, the Hosmer bill, does.

We are striving for balance. We need the coal. We must be responsible about repairing the land. Coal companies agree. What we must legislate is a set of Federal regulations that provide the maximum incentive to do the best job. The committee bill leans too far toward overregulation and legal loopholes. It has the potential of causing endless local litigation, unwarranted harassment, and interference with the coal mining industry.

We are injecting the Federal Government a long way into the regulatory process with whatever strip mining legislation we approve. The Hosmer bill, I believe, strikes the reasonable balance we are seeking. It is firm. It is fair. It will accomplish the job without undue coercion and strain between the Federal Government, the States, and the industry.

In the days of the model T Ford, it was said that you could have any color you wanted, just so it was black. The committee bill adopts a similar criteria for surface coal mining regulations: You can have any regulations you want, as long as they are Federal.

In efforts to insure environmental protection, this bill, H.R. 11500, is tilted toward allowing almost any group, espousing almost any environmental cause, to mire the mining industry in delay. It has the seeds of misunderstanding, controversy, costly and unnecessary trips through the courts. The consumer would suffer from increased coal and power costs.

The Hosmer bill provides the States with the assistance they need. It provides guidelines. It is a desirable solution to the need for Federal regulation of surface mining. It would stimulate cooperation rather than encourage and abet contentious opposition.

The timetable we face in the energy field does not permit mistakes. We need lots of coal in the next few years. We could well face brownouts and blackouts. Electric power demand is going to increase. It is vital that we act to provide the basic fuel to generate this power.

I urge adoption of H.R. 12898. It will do the job of allowing continued coal production by surface methods, while imposing strong environmental performance standards which require prompt and adequate restoration of mined land to an environmentally acceptable condition. That should be the aim of this Congress, and this legislation fills the bill.

Mr. HOSMER. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, I rise in opposition to the bill now before us, H.R. 11500, and in favor of the substitute bill, H.R. 12898, the Surface Coal Mining Reclamation Act of 1974.

H.R. 11500 would seriously cut existing coal production and would remove vast amounts of coal reserves from future production. This bill imposes unreasonable and unneeded restrictions or bans upon surface coal mining in the United States. In Virginia, it would virtually ban all surface mining.

Language in H.R. 11500 assumes that, on the date of enactment, coal mine operators will be able to suddenly obtain investment capital, trained manpower, and all of the equipment necessary to expand underground mining. This is not—and will not be—the case. Personal conversations with officials of large underground mines in my district indicate that these necessities for production are barely able to meet current demands, and that the expansion necessary to replace surface mined coal simply cannot occur.

Mr. HOSMER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The gentleman from Virginia (Mr. WAMPLER) has 3 minutes remaining.

Mr. WAMPLER. Mr. Chairman, although the intent of surface mining legislation is well founded, the committee bill, H.R. 11500, overextends itself in pursuit of its goals, by attempting to place unreasonable restrictions on the surface mining industry and by expecting far too much of the deep coal mine industry in the very near future.

Approximately 50 percent of all bituminous coal produced in the United States is obtained by surface mining, accounting for a large percent of the source of our electricity production. With this Nation still facing serious energy shortages, we cannot afford to suffer this loss of coal production. Secretary of the Interior Rogers Morton stated in his recent letter to the Washington Post that by producing 1 ton of coal we eliminate the need to import 4 barrels of foreign oil.

The Hosmer substitute, H.R. 12898, is concerned both with the vital issue of reclamation and with our energy supply. The serious energy circumstances still facing us are not ignored, although the bill still remains quite strict in its requirements that surface mined land be reclaimed and restored. This bill is a better effort to balance, as nearly as possible, the cost to the consumer and the cost to the environment.

The Bureau of Mines has estimated that enactment of H.R. 11500 will cut coal production by 187 million tons in 1975, and by 251 million tons in 1980. The question of mined lands and their subsequent reclamation should be one of concern primarily to the individual States. Differences in the topography of surface mined areas in the States which will be affected are great, and mining should not be regulated by strict, unflexible standards such as those contained in H.R. 11500 which attempt to cover all surface mining in all different areas. As an example, in Virginia, H.R. 11500, if enacted, will result in an almost total ban on surface mining. In Virginia's coal-producing region, the average slope on all areas now being mined is 24.5 degrees. It is obvious from this fact that enactment of H.R. 11500 would have a most detrimental effect on Virginia alone. In contrast, other States, such as Pennsylvania, could agree to a slope limit of 20 degrees, as proposed in this bill. Under such a slope limit, Pennsylvania could maintain above 95 percent of its present surface mined coal production. Virginia, on the other hand, would lose around 98 percent of its surface mine coal production. According to Bureau of Mines 1971 data, of a total of 9 million tons of coal surface mined in Virginia in 1971, 8.9 million tons were mined on slopes greater than 20 degrees; 8.07 of the 8.9 million tons were mined on slopes with an angle of at least 25 degrees.

Not only would enactment of H.R. 11500 adversely affect coal production in Virginia, but this would also result in detrimental effects on employment and the economy of Virginia. In southwestern Virginia alone, over 2,000 persons are directly employed by the surface coal mining industry—accounting for the direct support of an estimated 6,000 persons in that area. This employment accounts for over $11 million in direct wages annually to surface mine employees, resulting in an estimated circulation of $40 million annually in southwestern Virginia. This in turn, results in a circulation of approximately $125 million in Virginia's economy annually due to surface mining. If enacted, H.R. 11500, which would result in an actual ban on surface mining in that area, would adversely affect the support of approximately 25,000 persons across the entire State of Virginia, taking into account the railroad and shipping employees who would be affected. One-third of Virginia's coal production is surface mined. It is, for the most part, of very low sulfur content. This coal cannot be mined safely or economically by any other method.

Mr. Chairman, my State of Virginia is now the sixth ranking coal-producing State. During last year, Virginia produced a total of 33,869,000 tons, of which 68.9 percent was deep mined and 31.1 percent was surface mined. Mr. Chairman, all of Virginia's coal is mined in my congressional district.

Realistic and reasonable Federal surface-mining legislation to responsibly regulate the reclamation of surface-mined areas is needed. H.R. 12898 would assist with those State plans which are inadequate to fully regulate this situation, while not imposing arbitrary measures which would needlessly and adversely affect our energy needs.

Section 211 of H.R. 11500 requires operators to "restore the land affected to a condition at least fully capable of supporting uses" it was able to support prior to the mining operation, "or higher or better uses of which there is a reasonable likelihood." The operator must also backfill, compact, and grade the area to restore to the approximate original contour with all high walls, spoil piles, and depressions eliminated, unless waste material is insufficient. Under section 213 of H.R. 12898, the land must be restored to support uses it was capable of supporting prior to mining, or equal or better economic or public use suitable to the locality. This bill, while strictly regulating surface mining, allows some leeway consistent with postmining use. Also, under section 201 of H.R. 12898, provisions allow limited or temporary placement of spoil on a specified area of the downslope on steep slopes to create a plateau, if consistent with the planned postmining use of the area. H.R. 12898 would allow the decision to be made on a case-by-case basis.

By requiring the elimination of high walls and spoil piles, H.R. 11500 makes surface mining in mountainous terrain technically, ecologically, and economically impractical. The best minds in the mining engineering department of Virginia Polytechnic Institute and State University in Blacksburg, Va., agree. As an example, I would like to quote Dr. William E. Foreman on this subject. Dr. Foreman holds an M.S. degree in mining engineering and a Ph. D. in mineral preparation. In addition to these qualifications, he has over 5 years industrial experience and 15 years of teaching mining engineering at Virginia Polytechnic Institute and State University. In a recent letter he states his views on this subject as follows:

> It is my view that restoration to original contour would in most cases, be ill advised. I would like to make the following points:
>
> (1) Flat land acreage in hilly terrain is rare.
>
> (2) Flat land produced by benches can be managed for higher land use than the original slopes.
>
> (3) Better water control can be achieved if the land is benched, ditched, and properly drained.
>
> (4) Cost of restoration to the original contour is high and resources could be better spent to achieve a higher level of reclamation. This higher level of reclamation could be subdivided into—
>
> (A) Recreational purposes, such as hunting.
> (B) Timber land.
> (C) Crop land.
> (D) Grazing land.
> (E) Housing and industrial site development.
>
> (5) With irrigation systems the opportunity to grow intensively irrigated crops presents itself for consideration.
>
> It is my view that the opportunities to restructure the hilly terrain by leaving benches far outweigh the main disadvantage of high wall.

It might not have been the intent of H.R. 11500 authors to prohibit the creation of badly needed flat land in our mountains, but I can only read the words of H.R. 11500—and the words, if enforced, would kill Virginia's surface mining industry without providing any alternative.

The district conservationist of the U.S. Soil Conservation Service in Clintwood, Va., Mr. Charles Baker, with 20 years of experience from which to draw, has stated as follows with regard to spoil piles and the retention and segregation of topsoil on mining sites:

> First, I think it is most important to understand that much of the area being surface mined in Virginia is steep to very steep. In many instances, the surface is stony with frequent outcroppings of rock ledges and small cliffs. The existing soils are derived from sandstone and shale and are usually shallow, with an average depth to bedrock 10 to 12 inches or less. Soils are low in inherent fertility, phosphate and potash, and acidity levels range from pH 4 to 5.8. Topsoil as is known by definition is practically nonexistent on these areas.
>
> As you know, I have been associated with surface mine reclamation for over twenty years, and from my experience I think it not only impractical but unwise to attempt to segregate and retain topsoil during the mining operation in Virginia. Here are my reasons:
>
> 1. Due to stony, shallow surface, stockpiling this material is impractical. There is no point in stockpiling rocks.
>
> 2. Existing shallow soils are low in pH and fertility.
>
> 3. Shale materials that are usually found at depths of 20 to 40 feet are much more desirable for plant growth than surface materials. For example, much of these material has a pH of 5.5 to 7 and phosphate and potash are usually medium to high and sometimes very high.
>
> 4. These shale materials weather into a silt soil type that has a much greater water holding capacity than the sandy surface soils.

The steep slope regulation would most adversely affect the Appalachian area, but H.R. 12898 defines steep slopes as above 20 degrees or other such slope as determined by the regulatory authority. H.R. 11500 defines this as above 20 degrees or lesser as determined by the regulatory authority. In southwestern Virginia, where most surface mining is on slopes greater than 20 degrees, enactment of H.R. 11500 would have disastrous effects on coal production, and as mentioned earlier, on the economics of that area. The Hosmer bill would allow the regulatory authority to take into account the different topographical factors in surface mining areas across the United States, instead of arbitrarily affecting one region. Also, in giving the States more latitude in this decision, H.R. 12898 is preferable to H.R. 11500. With regard to areas unsuitable for surface mining, this decision should only be based on whether or not the area can be satisfactorily reclaimed.

Two further points of objection in H.R. 11500 are the provisions of underground mining and the provisions for citizens' suits. In my opinion, underground mining is nongermane to the purpose of this bill, as is the section in H.R. 11500 including provisions relating to noncoal mine environmental impact control, concerning other minerals. In H.R. 12898, underground mining is discussed only with regard to where surface operations would be incident to underground operations. H.R. 11500 would allow any person to bring civil action against any other person or the regulatory authority. The possible litigation which could derive from this provision would be most detrimental to mining or our coal reserves. Also, there could be many problems with mixed jurisdiction between State and Federal courts. The provisions in H.R. 12898 for citizens' suits allow such suits to be brought by those persons with a real and legitimate interest who would be affected by the particular mining operation.

I am sure we all agree that rights of surface owners who do not own the mineral rights under their land must be protected in any surface mining operation. H.R. 12898 provides for this protection on an equitable basis, and the written consent or waiver of the surface owner is required. Also, a bond, to cover any possible damages, is required in addition to the performance bond required for reclamation under this act.

In conclusion, H.R. 12898, while placing strict regulations on the surface coal mining industry, does not impose these restrictions arbitrarily, without regard to differences in the topography of areas of our Nation with large reserves of coal which can be surface mined. H.R. 12898 recognizes the need to preserve or restore our environment, but keeps in mind the Nation's energy needs, which cannot be met with a strict curtailment of surface mining. It is most imperative that we take responsible and reasonable action on this issue, with regard to reclamation and restoration of our surface mined lands, and with foresight to this Nation's present and future energy needs.

Mrs. MINK. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO of Wyoming. Mr. Chairman, I would only point out that in the last argument made that the substitute offered by the gentleman from California does not guarantee rights of the surface owners because it does not require consent in writing. It has an in-lieu-of provision. It says, after the request for the written consent or waiver thereof, or in lieu thereof a bond may be posted and so on, so after conference with my friend, the gentleman from Montana, maybe we will offer an amendment to the Hosmer amendment in the nature of a substitute so we will strike from page 83 of H.R. 12898, section 307, and the lines 1 through 12 on page 84 of the Hosmer substitute, which will in fact give the Hosmer substitute protection for the surface owners which is so vitally necessary to the homesteaders of Wyoming and Montana and other Western States.

Mr. Chairman, this is probably the most important piece of legislation of my lifetime and certainly the most important ever as far as it affects the State of Wyoming since its admission into statehood nearly 85 years ago. I will touch on what it means to Wyoming and to the rest of the Nation for that matter.

We have on this chart here an estimate of the Federal coal reserves for surface and underground deposits. Lumping together the strippable surface area owned by people in fee simple, the mineral deposits in sections owned by States, and all Federal public land in the State, and including the land in the massive Union Pacific checkerboard which runs across the southern portion of the State of Wyoming conveying to the Union Pacific Corp., the coal and iron originally and excluding everything else and now conveying everything including iron and coal and natural gas and oil and uranium and gold and silver and whatever else may be in those tremendously valuable alternate checkerboards sections which run for 42 miles thick and 412 miles long.

Wyoming thus has double the coal reserves of which Montana is next to Wyoming in strippable coal reserves. Wyoming has a total of 13 billion tons of coal to be strip mined. So we have more at stake, as the Members can see, than any other State, and we have involved more than twice that of Montana, and Montana and Wyoming combined have more than the next 12 States under the legislation now being considered.

The Wyoming Geological Survey has revised the estimates of Wyoming acreage underlain by known, strippable coal resources. Combining the survey's figures with those previously calculated by the U.S. Bureau of Mines, the estimate of strippable acreage now totals 302,558 acres or about 473 square miles. This acreage is equivalent to about one-half percent of Wyoming's total area.

Approximately 24 billion tons of strippable coal underlie this acreage and rank Wyoming second only to Montana in known strippable resources. A breakdown of this acreage by area is:

	Square miles	Acres
Powder River Basin (Campbell, Sheridan, Converse, and Johnson Counties)	347.42	222,381
Green River Region (Sweetwater County	92.09	58,935
Kemmerer area (Uinta and Lincoln Counties)	20.00	12,800
Hanna Basin (Carbon County)	13.13	8,400
Bighorn Basin (Hot Springs County)	.07	42
Total	472.71	302,558

We have in this committee labored diligently to come up with what is in the best interest of the Nation. To put the limitations on this, as does my friend, the gentleman from West Virginia (Mr. HECHLER), in his substitute, would be excessively harsh. Coal in the Fort Union, in the Mesa Verde near Utah, is so near the surface. It can be readily and satisfactorily reclaimed, and it should be strip mined.

On the other hand, we feel that the substitute of my eminent good friend and national authority on matters legal, atomic, nuclear and legislative, the gentleman from California (Mr. HOSMER), whom I will miss come next year, is equally not acceptable, because it would give carte blanche to strippers to do what they want. It would actually exempt Wyoming from provisions of the act.

If trying to strike a reasonable balance is being Hitlerian, then I plead guilty to this Germanic trait.

The gentleman from Kansas (Mr. SKUBITZ), the gentleman from Ohio (Mr. REGULA), Mr. RUPPE, and others have worked hard on this bill. I also pay tribute to the gentleman from Arizona (Mr. UDALL) and the gentlewoman from Hawaii (Mrs. MINK) for their dedication and their hours and hours of work on this first test of merging the conflicts herein. That is what this is all about.

We merged the two subcommittees into one, Environment and Mines and Mining. They did the work and they did come up with legislation.

Then came the true test in the full committee hearings with the good Chairman HALEY presiding, the gentleman from North Carolina (Mr. TAYLOR), often chairing with a calmness, an expertise and the judicial patience of job to turn out this valuable legislation.

Now, why do we have the Melcher provision to protect the landowner? Because when the homesteader made his application, stuck it out to put up his home and win title surface, the art of strip mining the surface was unknown. The technology was nonexistent. It is my contention and I think the law of the land will bear me out and the decisions sustain me, that when he was given patent to that surface, it carried with it the free and unencumbered right to the use of that surface, subject only to the rights of egress and ingress, to those who might drill a well for oil or a shaft for mineral resources by mining. Nothing was contemplated that that would disrupt or deny right of peaceful possession of the surface.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO of Wyoming. I yield to the gentleman from California.

Mr. HOSMER. I do not like to disagree with the gentleman's interpretation of law, but it is my understanding when a man gets a patent or title to surface right that the undisputed common law and the patent law is that, yes, indeed, the owner of the subsurface does have the right of entry and his right of entry is only qualified to this extent if he does disrupt the surface owners use of the land in order to get to the minerals or whatever is in the subsurface, he must compensate the subsurface owner; but he is not barred from getting into the land. He is allowed his birthright to get into the subsurface to get out what is there and to pay, therefore, for any damage to the surface, if he does damage the surface.

Mr. RONCALIO of Wyoming. Let me respond that I believe he should be barred when his entry carries with it the destruction of a man's home, the destruction of his field, the tearing down of his trees, his fences, and the forcing of him to court, under eminent domain, to obtain relief.

Mr. HOSMER. Would the gentleman's amendment limit it to just that point, or is the amendment unqualified?

Mr. RONCALIO of Wyoming. Let me finish my premise. It is my firm belief that the law sustains me here, that he is entitled to the use and enjoyment of the rights homesteaded and when granted there was no such thing as strip mining. So how can we disrupt it like that with an order to court without rank injustice being the result?

All we are saying is "cut him in on the action."

My colleague in the other body, the excellent majority leader (Mr. MANSFIELD) has an amendment in the Senate bill which we are going to have to go to conference on in a few weeks, which says that all Federal coal deposits under surface not owned by the United States, shall be withdrawn from any permit for strip mining. Many members of our committee could not accept that, but concurred in my suggestion that we add the following: "Provided, however, that when the owner of the surface and the assignee or lessee of the Federal coal deposit are one and the same person, corporation, or legal entity, then and in that event said Federal coal deposit shall not be withdrawn from permit application lands."

This is another way of saying, "Get together, surface owner and lessee. If you do not make a deal, you cannot mine the coal."

When it came to committee, we acquiesced in what we call the Melcher amendment—which uses identical language of Pennsylvania State law and other State laws—which says that we will not mine any coal without the consent of the owner of the surface over which it lies. That may be amended. I would support the following:

> The term "written consent" means such written consent as executed by the owner of the surface estate, at the time of the severance of the mineral estate from the surface estate, or any such owner or owners at any time subsequent thereto, which shall demonstrate that such owner consents to entry of an operator for the purpose of conducting mining operations.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mrs. MINK. Mr. Chairman, I yield 5 additional minutes to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. This protects the right of many mining companies and others who have already obtained consent of the owner before enactment here. I believe that there will be offered—and I would certainly agree with this modification in the surface consent—I would like to state that the other objections to the Melcher amendment are easily met.

Mr. Chairman, I mention special language on page 179 of this very commendable and voluminous report which accompanies the committee bill. It says there will be an unjust enrichment, or windfall profit to the rancher Never since the days land went for patent has there been such a windfall to all sorts of people as there is going to be under this bill. The Members have no concept of how high these stakes are; they have no concept of what the value is of an acre of land with an 80-foot seam of coal through all of it, shallow overburden, coal of a high Btu and with low-sulfur content. I have seen such areas throughout Wyoming and Montana being mined at heretofore unprecedented tonnage per hour, or "long trains" per day.

We are talking in terms of billions of dollars worth of coal, and to say the surface owner can have a crack at a few dollars is not an unreasonable windfall.

I fear the taxpayer of America is not getting a fair shake however. It was his coal originally. But it is too late to look back into the leasing policies of the Department of the Interior over the last 30 years which allowed so much of this coal to get into so few hands, and to remain unmined at least rentals that were a pittance.

How to keep the free enterprise system alive and competitive in the energy business, is a problem we have failed to face, let alone solve, in the past 30 years.

On the matter of reasonableness to the companies, I introduced into the committee an amendment which said that the companies can mine riverbeds. It is in the Udall bill as well as in the Hosmer bill. Coal companies can mine the riverbeds. What is the difference if the coal seam is an aquifer and the ground has porosity and is not adversely affected? That can be done under this very reasonable bill, providing there is no damage to the hydrologic balance of the mined area.

I was asked, "Please allow us to mine a dry wadi or dry riverbed if it does not affect the alluvium or lessen the recharge capacity in the area." So, we in committee bring you a bill which allows strip mining under rivers, under water courses, and under lakes. I was soundly castigated by some people in Wyoming for encouraging this provision. But it does not tie up large bodies of coal. It is a fair, adjudication of the conflicting views of the environmentalist and the strip miner, and makes possible the mining of millions of tons of coal in Wyoming which otherwise would not be touched.

So, I ask each and every member of the committee, when my good friend from Colorado (Mr. Evans) offers his amendments to modify the business of the aquifers and the mining, if the Members think we are too loose on behalf of the corporations and companies, tighten it up if they wish, if they think otherwise. That is perfectly acceptable.

If the Members think, on the other hand, that this bill leans too much to one side in certain provisions, it should be modified. The Members therefore should make changes in the bill and adjust it to their liking. Let the Congress work its will, but do not let us reject the Udall committee bill which is needed so badly and is so altogether right and proper.

In my opinion, to allow unlimited strip mining with a wide-open ability to strip anywhere would be a degradation of the land.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO of Wyoming. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. I want to congratulate the gentleman from Wyoming for his excellent presentation with respect to his State, a beautiful State where there are three people per square mile. I know he is trying to protect its features. I visited Wyoming. I visited the various strip mines in the area.

There is only one point at which I differ with the gentleman, and that is on the tremendous influx of outsiders who will be coming in to strip off the surface of the gentleman's beautiful State and change the life style by bringing in trailers and tractors. I hope that tradition does not disturb his State.

Mr. RONCALIO of Wyoming. Mr. Chairman, I appreciate the gentleman's concern, and I thank the gentleman.

Mr. HOSMER. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma (Mr. Camp).

Mr. SYMMS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its sitting.

The gentleman from Oklahoma, Mr. Camp, is recognized.

Mr. MILFORD. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from Texas.

Mr. MILFORD. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Hosmer substitute.

The long waiting lines are gone from most of the Nation's gasoline stations now, but I daresay the memory lingers on.

Unpleasant though it is, I want to call up that memory today with regard to H.R. 11500, now before the Congress.

What does strip-mining legislation have to do with gasoline for this Nation's automobiles?

Well, Federal Energy Office Administrator John Sawhill estimates that the passage of H.R. 11500 would cut next year's coal production by as much as 187 million tons—which is about a third of all coal production. By comparison, 100 million tons of coal has the energy equivalent of about 400 million barrels of oil. And that means the passage of H.R. 11500 would cut this Nation's energy supplies by half again as much as the infamous Arab oil embargo of recent months.

Gentlemen, coal is the only energy source abundant enough and available enough to see us through the critical decade ahead. This Nation has four times as much coal as the Arabs have oil. And at a time when we ought to be considering legislation which would encourage the development of that coal, we are faced with a bill which would not only block future development but would also cut back the production we already have.

About one-third of all the coal mined in this country comes from surface mining.

I submit to you that H.R. 11500 would cripple much of the national capability to produce coal by surface methods. In many parts of the country, it would simply prohibit surface mining.

Most of America draws a mental picture of oil and gas wells when you mention my home State of Texas. But we have some surface mining down there—and we are proud of the way our companies go about it.

In fact, the land reclamation program for the largest lignite coal mining operation in Texas has received nationwide acclaim, both by energy and by environmental organizations, for the responsible manner in which the operators are handling it.

There has been no criticism, no complaint over the way these Texas power companies have mined lignite—yet the procedural aspects of H.R. 11500 would place tremendous restraints on their ability to further develop these badly needed lignite coal reserves.

If these electric utility companies in Texas cannot mine their lignite, they must depend upon natural gas and fuel oil to fuel their generating plants. And in Texas and elsewhere across the Nation, there is not enough oil and natural gas to replace coal as a fuel for electrical production. So, any decrease in coal production will ultimately bring about a cut in electrical generation by utilities and a drastic increase in electric utility rates because of the higher cost of what fuels were available.

I do not think there is any doubt that the passage of H.R. 11500 would reduce the availability of surface-mined coal now, and restrict its availability in the future. This comes at a time when the National Academy of Engineering says we must double coal production to meet the energy demands 10 years from now.

Obviously, this is not the time to cut coal production. Thus far, my comments have been directed toward H.R. 11500. There are two other surface mining bills before this body, and I want to spell out the alternatives they offer.

H.R. 15000, the Hechler bill, is simply a bill that would ban surface mining, plain and simple. It really would not be much worse than H.R. 11500, the Udall bill, just a little less subtle. Either would effectively lay to rest any real hopes we have for reaching energy self-sufficiency in this country until well into the next century, if then.

Then there is H.R. 12898, the Hosmer bill, which, to my mind, is the most reasonable approach to the problem to which this whole legislative area is directed. The Hosmer bill pretty well balances the competing demands of environmental protection and energy production as we surface mine America's most abundant fuel.

I want to make it quite clear that H.R. 11500, the Udall bill, is not a compromise between H.R. 15000, the Hechler bill, and H.R. 12898, the Hosmer bill. The Hosmer bill offers us hope in this Nation's energy dilemma. Both the Udall billl and the Hechler bill would bring the same tragic result, a severe blow to this Nation's economy, its standard of living and its international posture.

I would classify H.R. 11500 as an environmental overreaction toward the control and regulation of surface and coal mining in this country. It is ill-conceived legislation. It is ambigious, vague and ignores the widely varied conditions of surface coal mining in the United States. There is a world of difference between surface mining coal in Texas, and in Tennessee.

By contrast, the Hosmer bill firmly and fairly reinforces both the environmental ethic and the energy ethic of the United States. It is a fair balance of ecology and energy. It is obvious that in the light of the Nation's energy shortages, time is in the essence in the full development of domestic coal reserves. Yet H.R. 11500 gives the Secretary of the Interior 18 months to develop a program, and would prohibit new mining starts on Federal lands during that time. By the time impact statements are drafted and circulated, administrative hearings and court actions concluded and leases issued, 3 years could drag agonizingly by before anyone could get a license to open a new surface coal mine on public land.

On the other hand, the Hosmer bill places its interim performance standards into effect in 90 days and does not prevent licensing and opening of new mines which comply with these standards.

These are only a few examples.

You gentlemen have, no doubt, read all three of these bills. I simply wanted to add my emphasis to the differences between them—and there are vast and critical differences.

The Hechler bill simply bans surface mining.

The Udall bill gives great wordage to environmental concerns—then ducks the problem of reclamation by just about preventing mining. This bill, H.R. 11500, would almost certainly delay the opening of new mines. It would more than likely shut down some existing mines. And the expansion of existing mines would be delayed. Passage of H.R. 11500 would bring a short-term cutback of coal production, a mid-term delay in expansion and very likely no long-term future at all for surface mining of coal.

The Hosmer bill protects the environmental values, and at the same time gives equal protection to energy values So far as helping solve the energy dilemma of America and saving the beauty of our countrysides, the Hosmer bill offers the best of both worlds—at a point in time when we can ill afford more damage to either.

I recommend, with the strongest possible emphasis, that we substitute H.R. 12898 for the bill now before us, H.R. 11500.

Mr. CAMP. Mr. Chairman, I rise in strong opposition to this bill, H.R. 11500. I am opposed to the legislation because after 4 years of listening to testimony on the subject, I am not convinced of the need for this kind of a Federal law.

In my opinion, H.R. 11500 proposes a detailed Federal regulatory program which merely pays lip service to the concept of State regulation of surface mining. The regulation and enforcement of surface mining laws has traditionally been the primary responsibility of the several States. It should continue and remain the responsibility of the several States.

Is the Federal Government really more capable of administering a nationwide surface coal mining reclamation program than the States? My colleagues know well the answer to that question. Those of you who have confronted the existing Federal bureaucracy on behalf of your constituents regardless of the matter—be it a social security case or an application for a passport—know very well the time and frustration spent in attemping to get an answer from the Federal bureaucracy.

I submit to you that there is no justification for the spawning of Federal bureaucracy as provided in H.R. 11500. It is time that we, as Federal legislators, return to the basic truth that this country has established the most significant government system yet created—a system of divided responsibilities in fact as well as in theory. For nearly 200 years now, Americans have tried to reconcile the twin goals of diversity and unity by a sharing of power between a national government and State and local governments. This sharing of power includes a fiscal and political accountability at each level of government.

H.R. 11500 is not the kind of legislation I could support which would help preserve this American system by building stronger State governments and strengthening general purpose local governments. Rather, the bill before us today would spawn another Federal bureaucracy to approve or disapprove State programs and create a Federal enforcement program to stalk the States as its prey.

So, why should the Federal Government now step in and regulate surface coal mining throughout the United States. Is it solely because the environmentalists tell us that the States and their people cannot do the job to the satisfaction of their special interest? I am not willing to say that my great State of Oklahoma and the people who make up my State—the people who propose, pass, regulate and enforce the State laws—cannot effectively regulate and enforce a surface coal mining law.

Mr. Chairman, the testimony we have heard over the last 4 years was predominately oriented toward environmental interests. While pointing to the coal industry for influence peddling and accusing the States of an inability to regulate and enforce their laws, the environmental special interest groups have tried to use these same ploys and the exertion of political influence to pass H.R. 11500. But, in my opinion, they have failed to make their case.

In the four years legislation in this area has been under consideration by the Interior Committee, there has been no request from the people or the responsible State officials of the 29 coal mining States for Federal regulation of surface mining. The hue and cry for Federal regulation has come from environmental groups and environmental interests.

I am opposed to the passage of H.R. 11500 because of its failure to properly balance the need to provide access to our coal reserves to meet our expanding energy requirements, while also recognizing the need to enhance our environment through reasonable environmental protection standards. H.R. 11500, as reported by the committee, is overbalanced and fails to recognize that our complex industrial society is power dependent. The availability of adequate energy from surface mined coal is a value deserving at least equal consideration with environmental values.

By 1990, the United States will probably double its present energy consumption. Unless we make our coal resources readily available to meet this demand, this country faces the fiscal and political problems associated with an increasing reliance on foreign sources of oil and gas. The recent Arab oil embargo brought home to all of us the need to examine and bolster our domestic energy sources. Thus, the need for legislation such as H.R. 11500, which would severely curtail the production of coal by imposing unreasonable environmental standards and rigid, unnecessary regulations, is not only unwarranted, but foolhardy.

For these reasons, I will vote against the passage of H.R. 11500 and I urge my colleagues to vote against this bill.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The Speaker assumed the chair.

The SPEAKER. The Chair will receive a message.

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On July 10, 1974:

H.R. 8660. An act to amend title 5 of the United States Code (relating to Government organization and employees) to assist Federal employees in meeting their tax obligations under city ordinances;

H.R. 8977. An act to establish in the State of Florida the Egmont Key National Wildlife Refuge;

H.R. 13221. An act to authorize appropriations for the saline water program for fiscal year 1975, and for other purposes;

H.R. 14291. An act to amend the Northwest Atlantic Fisheries Act of 1950 to permit U.S. participation in international enforcement of fish conservation in additional geographic areas, pursuant to the International Convention for the Northwest Atlantic Fisheries, 1949, and for other purposes; and

H.R. 15296. An act to authorize the Commissioner of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession.

On July 12, 1974:

H.R. 29. An act to provide for payments by the Postal Service to the civil service retirement fund for increases in the unfunded liability of the fund due to increases in benefits for Postal Service employees, and for other purposes;

H.R. 3534. An act for the relief of Lester H. Kroll;

H.R. 7089. An act for the relief of Michael A. Korhonen;

H.R. 7128. An act for the relief of Mrs. Rita Petermann Brown;

H.R. 7130. An act to establish a new congressional budget process; to establish Committees on the Budget in each House; to establish a Congressional Budget Office; to establish a procedure providing congressional control over the impoundment of funds by the executive branch; and for other purposes;

H.R. 7397. An act for the relief of Viola Burroughs;

H.R. 7724. An act to amend the Public Health Service Act to establish a program of National Research Service Awards to assure the continued excellence of biomedical and behavioral research and to provide for the protection of human subjects involved in biomedical and behavioral research and for other purposes;

H.R. 9281. An act to amend title 5, United States Code, with respect to the retirement of certain law enforcement and firefighter personnel, and for other purposes; and

H.R. 11105. An act to amend title VII of the Older Americans Act relating to the nutrition program for the elderly to provide authorization of appropriations, and for other purposes.

The SPEAKER. The Committee will resume its sitting.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentlewoman from Hawaii.

Mrs. MINK. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. ROSE).

Mr. ROSE. Mr. Chairman, I rise to speak in favor of H.R. 11500. No one who has seen the ravages of the uncontrolled strip mining in segments of West Virginia, Pennsylvania, and other eastern States cannot fail to be moved by the desolation and the waste. To not support the Surface Mining Control and Reclamation bill would be to say, in the immediate interests of cheap energy, let us rape all the land.

Some companies are already spending large sums in reclaiming and returning strip mined land to exactly the same condition they found it when they began operations. All this bill states is that all such firms engaged in strip mining should do the same. To vote against this bill would open the country up to those who care not for future generations. A negative vote would say to the firms who are trying to be good neighbors, "you have wasted your money, you are fools."

As we debate this bill, over 3 million acres, an area larger than the State of Delaware, has been ruined for all time. Are we, in our quest for cheap fuel, going to put a cheap price on our most precious, and irreplaceable item—land?

Is it too much to ask of those who would irresponsibly destroy a diminishing commodity—land—that they take the time and money to salvage the land, that they restore so that future generations will not have to look on bleak and jagged scars? Because we do have, in our haste to solve today's energy problem, another obligation to generations coming along and yet unborn. An obligation to protect this land, which is part of their legacy.

The bill is a fair bill, it is a just bill. It, simply stated, requires that those who would take fossil fuels out of the earth take the time to restore that earth so that it may be used for other things of equal importance to the balance of nature and to the human need for land capable of sustaining life.

As I noted earlier, there are those who are seeking sources of energy who are taking the time to put back the land in its original form, even to the revegetation and contouring of the land. In some cases, this is being done on land that, at present, is not needed or being used by those of us living today. This concern apparently does not cut too deeply into the profit picture projected by these companies. You see, I am anticipating the argument that will be advanced by those who would benefit from strip mining that such concerns in the future would cost too much.

When it comes to the saving of our land in this country a price cannot properly be put upon it. That is to say, no price is really too high.

But for the land that has already been raped by those who care only for today's profit it is too late. It lies there leeched by water runoff, acid and barren, an eyesore to those who care to look. A monument to those who are uncaring. A sad commentary on our haste to wrench the treasures from the earth without thought as to the impact on the future.

Mrs. MINK. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama (Mr. BEVILL).

Mr. BEVILL. Mr. Chairman, I thank the gentlewoman from Hawaii for yielding this time to me.

Mr. Chairman, while I favor laws to prohibit the stripping of coal and not reclaiming the land, I think everyone in this House actually agrees on that position, that the land should not be stripped if it cannot be reclaimed. Of course we differ when we get to how the reclamation should take place, and that is exactly what these three bills before us today are all about.

I am greatly concerned about the effects of H.R. 11500 in my State and I would like to mention some of the statistics I have been furnished by the Alabama Surface Mining Reclamation Council which made a poll recently.

As a result they reported that H.R. 11500 would close 45 surface mines in Alabama, with a loss of 10.5 million tons of coal production annually, and would block the opening of 17 new mines. The mine closings would mean a loss of 1,911 jobs with an annual payroll of $25 million. This is just in reference to the State of Alabama, quoting from these people who are actually there and who contacted the people in the business. These figures have actually been endorsed and I am advised by District 20 of the United Mine Workers of Alabama and that they feel equally as strong and concerned about the effects it will have in our area of the country. While I realize and we all realize that the intention of this bill is good, I am very concerned about the effect it will have. We all know that the energy crisis is not going to be solved in the next few years with anything of any significance, other than nuclear energy and coal. We are going to have to have all the coal production we can. I do not believe we ought to unnecessarily restrict the production of coal.

We know this legislation with all the unnecessary restrictions in it is going to result in the production of coal being reduced and the price of coal being increased.

There are three things that the economists agree on. I asked one of them specifically this question just this week: Is it wise for us to be placing any kind of fee or tax on anything that has to do with food, fertilizer, or energy? They said by no means. Those are the three items we ought to keep hands off as far as taxes and fees are concerned.

This bill provides 30 cents per ton on coal. This is not just coal in strip mining. We are talking about all the coal produced in the United States. We are talking about $180 million worth of revenue from this H.R. 11500 for a good purpose; but do not be misled that it is not going to cost money and we know where the money will come from. It will come from the consumer. That is the only place it can come from. I say this is an unfortunate bill, this H.R. 11500, in my judgment. Everybody's intentions are good and the committee has worked hard on it; but we differ on the effect.

I urge the defeat of H.R. 11500 and adoption of the Hosmer bill which will permit us to reclaim the land and mine the land for the energy we need so badly.

Mr. HOSMER. Mr. Chairman, I yield 6 minutes to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, I would like to commend the gentleman from Alabama (Mr. BEVILL) for the comments he just made. I think he made some points that are very salient and very important that all the Members of the Committee should consider them before we vote on this legislation.

Now, I know the reclamation of land is an important thing. As has already been pointed out by the gentleman from Ohio (Mr. HAYS) and the gentleman from Oklahoma (Mr. CAMP) some States do already have strip mining legislation; but a great deal of the motivation behind this Federal bill is from the mythology that has so ably been carried forward by members of the ecology movement that there is no land left on the Earth.

I was doing some figuring last night. One of the great champions of this matter is the junior Senator from our neighboring State of Washington adjacent to my district, Washington State has 67,000 square miles. If we took all the 4 billion or 3½ billion, there is some argument as to how many people are on the face of the Earth, somewhere between 3 and 4 billion people that live on the face of the Earth, if we took the 67,000 square miles in Washington and multiply that by 640 acres and multiply again by 43,000 square feet in an acre and take all the 3½ billion people that live on the face of the Earth and put them in the State of Washington, I am sure that people in Washington would not like to have them; but figuratively speaking there would be 60 square yards, not feet, 60 square yards for every individual on the face of the Earth just to put them in a little place on the globe one could cover with his finger compared with the space left on the face of the Earth.

This is not to say that we should not be concerned and still should not try to reclaim and take good care to conserve our natural resources, but I think we must put this subject into perspective and put legislation of this sort into perspective when we are thinking about the urgent monetary crisis the world is facing. We all know that we are getting a large portion of our oil—the people throughout the world are getting a lot of their oil from the Middle East nations.

There is a $60 billion overhang of paper, IOU dollars—or nothings—as some people call them, sitting in the central banks around the world which are held by the Arab nations. What would happen if the Arabs wake up some day and decide that they would like to get that money converted into something real?

Members of this Committee, we cannot overlook the monetary crisis we are facing, and the one way to avoid a certain bad end with regard to the monetary situation is to try to produce something ourselves so that we can start working back on that dollar overhang overseas. One of the numerous resources we have is coal.

H.R. 11500 will seriously jeopardize and interfere with the operation of coal mines in the Western States of the United States. These coal seams—and we have heard Members speaking here who are knowledgeable about this—say the coal seams are 100 feet thick. With all the modern technology we have in this Nation, there is no reason why the overburden cannot be moved off a 60- to 100-foot coal seam, remove the coal, put the dirt back on and seed it down. This can be done by States; this type of legislation by the Federal Government is uncalled for. There is no reason why a State cannot handle this itself, and we are only further compounding the monetary crisis which the world is facing, the other nations face, by over-regulating, over-regulating, over-regulating our system, a private enterprise system, which is being badly battered by the politicians.

Of course, this bill is just aimed at coal mining, but I might point out to the Members of this body that it has already been brought out by my good friend from Arizona, Mr. UDALL, that he has been interested in a national strip mining bill which covers all minerals. This is a foot in the door for a bill which covers all minerals.

I have enough faith in our system to know that there may be some minerals on the surface of Mother Earth that we know not about their value—and which will be very valuable and helpful to solve some of the problems that people who live on this Earth will have.

Fifty years ago, bauxite was considered to be a nearly, less than nothing, worthless mineral. Then, along came the aluminum industry and lo and behold, bauxite became a scarce mineral and has become very valuable to the aluminum industry.

So, I think in summing up, we have the Hosmer bill which probably industry could live with. I intend to support the Hosmer bill when it is offered as a substitute for the Udall bill, and I think then the question will be as to whether we think we should have any legislation at all from the Federal level, and I will have to make a decision at that time as to whether or not I think the coal industry and the producing people in this country can live with it, but certainly H.R. 11500 is going to be working against the best interests of the people of this country. I think commonsense dictates to us now, after having gas lines last winter, after having serious problems with banks and financial institutions around the world, that we in the Congress should take the bull by the horns and allow the American private enterprise system to go out and get some of that coal out of the ground and to reasonably reclaim it and let those decisions be made by the States involved where this coal comes from, and solve some of the problems people face instead of continuing to pass laws, and regulate and regulate and regulate us right into the poorhouse.

America could have a great future ahead of her if we would only have faith, use commonsense and develop our own abundant natural resources.

How about some concern for the future 10-toed babies of our country—instead of having all our concern for the 3-toed salamanders.

I urge the defeat of H.R. 11500.

Mr. HOSMER. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, for a nation that desperately needs energy at home, and is pressured by fuel suppliers abroad, and upset by rising costs of fuel; H.R. 11500 just does not make sense. It is absurd when compared to this Nation's priorities.

It is unworkable and, will in effect, put a moratorium on expansion of coal mining on Federal land.

In section 225 which relates to Federal lands, a serious delay factor is injected into surface mining.

This section would permit a delay of up to 18 months while the Secretary of the Interior develops regulations dealing with the Federal lands.

In my opinion, the 18-month figure is extremely low. It is more likely that the delay in new starts on surface mines for Federal lands would amount to 2 to 3 years at the very minimum because this is the time frame that will probably be required by the Secretary of the Interior to permit coal development on such lands.

Section 201 provides for interim programs for both existing and new mines on non-Federal land. Subsection 201(h) relates specifically to Federal lands and Indian lands. However, subsection 201 (h) does not authorize the establishment of an interim regulatory program for Federal or Indian lands, but specifically states that only "existing coal surface mining on Federal land and Indian land may commence or continue mining operations." And later in the subsection existing coal surface mining operations are defined as "those in existence on the date of enactment of this act and those for which substantial legal and financial commitments were in existence prior to September 1, 1974."

It is clear from this language that leasing and start-up of new mines on Federal lands are not contemplated or authorized by the language of the bill until a permanent Federal program is promulgated and implemented.

Section 225 relates to the establishment of the permanent Federal lands program. Subsection 225(b) reads as follows:

> Within 90 days after the date of enactment of this Act, the interim environmental protection standards are to be made a part of every existing surface coal mining operation on Federal lands within any State.

Here, again, the application of interim environmental protection standards is limited to existing surface coal mining operations, which, according to the definition utilized in subsection 201(h) would be an operation in existence on the date of enactment for which substantial financial and legal commitments had been made prior to September 1, 1973.

Clearly, new operations on Federal lands cannot obtain an interim permit, but must await the promulgation of the permanent Federal program. Subsection 225(c) authorizes 18 months for the incorporation of "all requirements of this act into the Federal lands program" in any Federal lease, permit, or contract.

This can only be interpreted as being an 18-month moratorium on new Federal leases and surface mining permits necessary for the operation of such mines.

Such a moratorium would commence on the date of enactment and would be an add-on to the existing moratorium declared by Interior Secretary Morton. He stated on May 6 that:

> Since February, 1973, we have issued no coal leases except those needed to maintain ongoing operations, or as a reserve for production in the near future.

In actual practice, there has been a moratorium, though undeclared, in effect for about 3 years rather than the 16 months indicated by the Secretary. H.R. 11500 could extend that moratorium to nearly 5 years. This would further endanger this Nation's ability to increase coal production at an early date, as is needed and has been urged both by Government and non-Government energy experts. As Secretary Morton said of developing our domestic energy resources:

> We shall be worse than foolish if we fail to develop and use them to secure our ability to survive, prosper and grow in a world that is always competitive and frequently hostile.

Adding an additional 18 months to the moratorium on new coal operations on Federal lands is playing right into the hands of that part of the world which is "frequently hostile."

For a nation which relies on oil to provide 46 percent of its energy requirements and gas to provide 32 percent of its energy requirements and which already has the OPEC noose around its neck, it is not rational to purposely delay the early development of this vast domestic energy resource.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Yes; I will be glad to yield to my colleague, the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I would like to thank the gentleman for yielding.

With respect to this expanding Federal bureaucracy establishment, I had a meeting with John Sawhill, of the Federal Energy Office, downtown.

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That was created last December with 200 employees of the Federal Energy Office by Executive order. Now it has been made into law by the Congress.

They now have 2,000 Federal employees in the Federal Energy Office, and they inform me that they plan to have 3,400 Federal employees in the Federal Energy Office in the very near future. I was thinking to myself, at that rate Heaven knows how many we will have down there next year.

Not one of them is really helping to solve the energy crisis or mine more coal or pump more oil, and they are all being paid by the printing press Federal Reserve I O U nothings—at the expense of the working American people.

Mr. ROUSSELOT. If the gentleman will yield and let me interrupt briefly. The FEA is just redistributing a shortage in the marketplace. I think the gentleman makes an excellent point. Every time Congress overreacts and legislates to solve some problem by creating another large bureaucracy—and make no mistake about it, that is what will happen in this case in the Department of the Interior—we not only compound the problem of those people who have to deal in that special field, but we usually compound the problem of the consumer. We also compound the problem of the several States that have tried to be reasonable and set up their own legislation to meet the problems of their States. Here we are going to try to second-guess all these 29 States, such as the State of Ohio, that have taken the time to do it themselves.

Even my colleague, the gentleman from Arizona, admitted that this legislation could not possibly cover all aspects of coal production and the environmental landscape in the 29 States. Then what are we here for? What are we doing trying to second-guess the 29 States that have adequately covered that subject?

I know that those of us who insist that many laws can be handled by State or local government are looked upon as some kind of black knights from the Dark Ages because we believe in local government. We do believe State and local government is responsive. But we are always told that State governments will not do it.

We here in Washington somehow are supposed to have some kind of omniscient, all-powerful presence to enable us to do it for everybody.

And yet those very members on this committee admitted here today that the majority of them have never mined one bit of coal themselves or genuinely been associated with coal production. Some members of the committee have taken time to go to the coal mines, but that does not make them experts.

I know that my good colleague, the gentlewoman from Hawaii, will admit that they do not have coal problems in Hawaii.

Then why should someone from a noncoal producing State with little or no experience be telling others how to run coal mines in West Virigina or Ohio? It just does not make sense, in my opinion. In any regard the gentleman from Idaho (Mr. SYMMS) a member of the committee, makes a good point.

Mr. HOSMER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. STEELMAN).

Mr. STEELMAN. Mr. Chairman, I rise in strong support of H.R. 11500 and in opposition to the Hosmer substitute.

Like the gentleman who just preceded me in the well and like many of my colleagues in this body, I, too, have a great commitment to the free enterprise system and believe that Government should play a minimal role in the regulation of business.

Let me say also, however, that in addition to making a profit, business has a social responsibility, the responsibility to be a good citizen. It is only because of the past neglect of the coal industry and its failure to self-regulate and the failure of the States to regulate that we are here today seeking to right the wrongs of the past. I sometimes wonder to what lengths some of my colleagues will allow private enterprise to go, when it is clear they have not been responsible, as they have not been in this case, before they will call them to an accounting. I think the time has long passed for the Government to have a role in the Federal regulation of the mining of coal.

It is for this reason that the committee bill, H.R. 11500, on which we have spent a great deal of time in committee, is a responsible piece of legislation, one which will allow for the adequate production of coal as well as for the protection of the environment.

What will H.R. 11500 do? It sets, first, the minimum Federal environmental standards to be enforced by the States and which will be applied to all coal mines.

Some of these standards are as follows:

No. 1, the restoration of the mined site to approximate original contour except under conditions where approximate original contour is simply unattainable and unless the operator obtains a variance from such standard.

Second, H.R. 11500 prevents the placement of spoil materials on the downslope below the exposed coal seam, except where such dumping may be necessary to obtain equipment access to the coal seam.

Mr. Chairman, this general prohibition will alter the truly destructive practice of throwing spoil materials into the valleys and the streams and sometimes onto the tops of houses in the terrain below. Such dumping of spoil over the downslope is responsible for 80 percent of the damage caused by mountain strip mining.

Third, H.R. 11500 requires stringent protection of water resources, especially in the western mining settings where water is so important.

Fourth, H.R. 11500 requires revegetation and sets stringent but fair, based on the National Academy of Sciences report, bonding liability time requirements. An operator will be held 10 years after mining on his bond for revegetation in the West.

Mr. Chairman, provisions for public involvement have been included. Hearings will be held upon petition of interested citizens, and a citizen's suit provision is included. Too often in the past individuals who are directly affected by coal surface mining have been totally unable to participate in regulatory procedures. I submit that since surface mining can so alter an area or region, it is necessary to give citizens who are affected by this a chance to participate in these procedures.

Mr. Chairman, I think in addition to debating the merits of any piece of legislation, it is always constructive to see who is for and who is against a piece of legislation. I think one can judge not only individuals but also legislation by the company it keeps.

Mr. Chairman, I want to read to the Members some endorsements that have been made of this legislation. I want to state at the outset that these are not endorsements from the Sierra Club bulletin or from some of the ecology zealots that have been referred to.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. STEELMAN. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I do not want to use the gentleman's time and allow it to run out, but I do want to take this opportunity to say that the gentleman from Texas has been a constructive and a responsible member of our committee. We have brought up here a better, a more reasonable, and a more balanced bill because of the gentleman's service on that committee.

I thank the gentleman very much for his service and for the statement he is making. I wish to associate myself with his remarks.

Mr. STEELMAN. Mr. Chairman, I thank the gentleman.

Let me read this to the Members first:

> * * * the bill strikes us as a reasonable attempt to reconcile conflicting viewpoints, particularly since some of its principal sponsors recognize imperfections in it and appear willing to compromise.

That is not from the Sierra Club Bulletin. That is from the Wall Street Journal that has never been known, as far as I am aware, of ecological zealotry.

Let me now read to the Members, not from the ADA World, but this is from Business Week, speaking of the committee proposal:

> Actually, it is a sensible compromise between two conflicting national interests—the need to produce fuel at a reasonable price, and the need to preserve the environment. The House should adopt it, and a conference committee should reconcile it with a bill already passed by the Senate. . . .

Let me read to you, not from the New York Times editorial page, or from the Washington Post editorial page, but from the Denver Post editorial page—a rather responsible journal, as far as I am aware:

> The U.S. House of Representatives has been handed a bill on coal strip mining. The bill, H.R. 11500, was prepared by the House Interior Committee. It is a good bill

> and should be passed with a minimum of alteration.
>
> With the nation's strip mining going into high gear—largely in the west—because of the energy crunch, it is essential to pass a bill now. The land needs protection before the energy crisis, wrapped in the flag, carries all before it.

Then let me read to you——

The CHAIRMAN. The time of the gentleman has expired.

Mr. UDALL. Mr. Chairman, I yield 1 minute to the gentleman from Texas.

Mr. STEELMAN. Mr. Chairman, I thank the gentleman for yielding me this time.

Reading again, not from a Sierra Club Bulletin, but from a Wall Street Journal editorial:

> The strip mining control bill recently approved by the House Interior Committee, is likely to prove just as contentious when it is debated by the full House, since environmental groups still think it is too weak and the coal industry thinks it is too tough. Bipartisan hostility is no guarantee that it succeeds in balancing environmental and energy concerns, but on the whole the committee bill seems like a quite reasonable start.

Mr. Chairman, I am somewhat reluctant to refer to the final endorsement since I have been targeted by the AFL–CIO, this year and they apparently consider me no friend, but let me read from a letter from the Oil, Chemical and Atomic Workers International Union:

> We believe that H.R. 11500 presents the best approach to strip mining and the problems associated with land reclamation.
>
> We believe H.R. 11500 will work because its specific reclamation standards, and its protection of private property rights for farmers and ranchers, will clearly direct the coal industry to mine coal in a manner responsive to our energy needs but responsible to workers, consumers, and our environment.

Mr. Chairman, this is a reasonable bill. It allows for expansion of coal production, protects the environment, and has the endorsement of many responsible journals in this country as well as groups.

Mr. HOSMER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Chairman, I thank the distinguished ranking minority member, the gentleman from California (Mr. HOSMER) for yielding me this time.

I would like to make a few comments on this bill.

First of all one of the reasons I am supporting this bill is that it provides for State lead in enacting legislation. The bill originally introduced in essence provided that the Federal Government would be responsible for the administration of strip mine reclamation programs. However, after the committee finally worked its will on the bill we have legislation before us that would give the States an opportunity to take the lead in providing strip mine reclamation standards as set forth in the bill. This represents a very important feature in the bill.

Secondly, the bill recognizes the need to mine our great coal resources. If we are to achieve project energy independence we do have to get coal out of the ground. It is essential, if we as a nation are to avoid energy blackmail that we make available these coal resources both through surface mining and deep mining with a minimum of environmental damage.

Can it be done?

The Ohio story and the Pennsylvania story, even more eloquently than Ohio, because Ohio followed the lead of Pennsylvania, and now the West Virginia story, under the new law that has been adopted in that State, does prove that this can be achieved, and that we can have both the mining of this valuable mineral resource as well as the achievement of good use of our land resources.

Mr. STEELMAN. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Texas.

Mr. STEELMAN. Mr. Chairman, I just want to take one moment to compliment the gentleman from Ohio, Mr. REGULA) for the great contribution the gentleman made during consideration of this matter in the committee. The gentleman has been a great inspiration to me, especially, and also for all of the members of the committee, for his role in helping to draft the Ohio State law. I think the other members on the committee have been very grateful for the guidance the gentleman has given us.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, as long as compliments are being made, I want to join in with them. I mentioned the gentleman from Ohio earlier, but the gentleman in the well is in his first year here.

I do not know of anyone who had a more constructive hand in shaping this legislation than he did, because he helped write that good Ohio law. We had bipartisan censensus. Before we got through, we lost some members on our side to the Hosmer bill, and we picked up some on the other side. But the gentleman from Ohio was a real initiator on our committee. I am very proud to have had him work on this bill, and he has enhanced this bill by his presence.

Mr. REGULA. I thank both of the gentlemen for their comments.

There are several points I wish to make. One is the experience of technological responses to reclamation standards. An example is evident in West Virginia, Pennsylvania, and Ohio where the block cut, a relatively new method, has been developed to respond to the new requirements for effective reclamation under adverse conditions.

What does the bill do? Just to boil it down to its essentials, the committee bill requires that the topsoil be set aside; that provision be made in the mining operation to avoid downstream pollution, which is essential; that there will be backfilling to the original contour, subject to variances that might be needed for local conditions; and that finally the area mined be revegetated. In essence what we can accomplish is the use of two resources, a short-term extraction of the mineral resource and the long-term use of the land resource.

What is before us in the committee bill is an ability to mine our coal resource. Mining of this resource is essential to the economic well-being of this Nation, yet this can be done leaving a heritage for the future of the land resource that will be available for the generations that follow in our footsteps.

What we really do under the committee bill is as the gentleman from Idaho mentioned—we get the coal out of the ground, and we reclaim it in the best way possible. The bill provides the standards that will insure that the reclamation is done in the best way possible and, further, that the States will have an opportunity to provide a legislative lead in achieving this worthwhile objective.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. I thank the gentleman for yielding.

I appreciate the amount of work that the gentleman has put on this legislation, and with his good background in Ohio, I think he has great knowledge of the subject. What would the gentleman propose in those other areas where the coal seam is actually the aquifer. It seems to me in the vast areas in the West which are very short in the supply of rainfall, under 15 or 16 inches, and where the coal seam constitutes the aquifer, that it would make sense to prevent surface mining where we could destroy the water supply in those areas.

Mr. REGULA. What we have to weigh is the best use of our land resources, including the mineral that is contained therein in terms of our Nation's needs. There may be some instances where the total use of our coal resource is just as we have done in the bauxite mines, just as we have in cement mines, gravel mines, and many other types of mining, where we actually are in effect mining the aquifer as the mineral resource. I do not see any difference in some of the western areas with approaching coal mining in the same way we handle other types of mineral mining.

Mr. UDALL. Mr. Chairman, I yield 5 minutes to the gentleman from Montana (Mr. MELCHER).

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I will be glad to yield to the chairman of the Environmental Subcommittee.

Mr. UDALL. I thank the gentleman for yielding.

I do not want to neglect in this Committee at some point to pay tribute to a great colleague who is now gone. The name of that man is John P. Saylor of Pennsylvania. He died during the course of this Congress. He had a big hand in shaping the Pennsylvania law and in shaping the law we were almost able to pass 2 years ago. Whatever we are able to achieve here this week will be due in no small part to one of the greatest legislators I have known.

Mr. MELCHER. I thank the gentleman for his comments. I think they are most appropriate, and I want to join with him in support of his remarks and in paying tribute to the memory of John P. Saylor.

Mr. Chairman, for some reason, or through a reasoning process that is alien to me, strip mining for coal strikes sparks that ignite some people to say, "No, amen, no," to any strip mining and on the diametrically opposite side there are some who say, "Yes, yea, strip, strip, take it all, take it all."

The first group finds that all reclamation is doubtful, likely to be a failure, and the second group is so enthusiastic that they know no bounds for stripping the land to secure the coal.

I am puzzled why either group with these extreme points of view would believe that they have a corner on all the facts.

My Montana is involved. We are part of the Fort Union coal deposit, the world's largest available strippable low-sulfur coal deposit. We join with three of our sister States—Wyoming and the Dakotas—in sharing this huge low-sulfur coal supply which is this country's No. 1, single, greatest source of available energy.

Let me say emphatically that I join with my colleagues in the adjoining States and the people we represent in agreeing to develop this huge national asset of coal resources only if we have Federal legislation that guarantees reclamation of the land, protects our water both on the surface and in the subsurface, protects the rights of individual property owners, protects the rights of Indian tribes, and gives economic help to the sparsely populated coal mining areas.

The bill H.R. 11500, the committee bill contains these basic elements that will augment and buttress State law, provide a blueprint for the wise development of federally owned coal, and give Indian tribes the opportunity to guide their own destiny in relation to coal development on their own reservations.

Let me warn all of the Nation that will be served by western coal development that those of us in the West must insist that the key to development, particularly of federally owned and Indian coal, is enactment of the type of reclamation bill the committee presents in H.R. 11500. To weaken it with the Hosmer substitute would be unacceptable and would invite determined opposition from westerners who will fight irresponsible, chaotic, unregulated development.

Our land, our water, our property rights and our very livelihoods are not to be trampled and bargained away in a coal rush to strip the West.

Mr. Chairman, I think it significant that the supporters of the Hosmer substitute are not people in the West where there are large deposits of coal. Those of us who represent the States covering the Fork Union coal deposit I believe will strongly back H.R. 11500 and oppose the Hosmer substitute bill which has weak standards on land reclamation, weak on water protection, and weak on protecting landowners rights.

Mr. HOSMER. Mr. Chairman, I am delighted to yield 5 minutes to the gentleman from Oregon (Mr. DELLENBACK).

Mr. DELLENBACK. Mr. Chairman, I thank the gentleman from California, my good friend, and on this issue today, I think my mistaken friend, for yielding to me.

The bill before us today in my opinion offers the House an excellent opportunity to improve the record of the 93d Congress in dealing with the tough problems of the intertie between energy development and protection of the environment. As I have said before on this floor in recent months, I do not think that record is much to be proud of so far in this Congress.

On too many occasions, when we have been confronted with the conflicting demands of energy development and environmental protection, the House has faded and fudged and finally abandoned the environmental considerations.

Today the House has a chance to strike a sound balance between energy needs and the environment. The committee's bill offers that balance and I strongly urge its passage.

Both of the needs—for increased energy development and for protection of the environment—are compelling. On the one hand, the Nation simply cannot afford to phase out or even to seriously impair the surface mining of coal. The yield from this mining is simply too valuable.

On the other hand, we cannot continue to allow this kind of mining operation to devastate large areas of land in this Nation. Congress must take action to stop this kind of ruination before it is too late.

The Committee on Interior and Insular Affairs put in many days of field hearings and hearings here in Washington and subcommittee markup and markup before the full committee. We have had that procedure spelled out for us by previous speakers. The result of that work is the bill H.R. 11500.

This is a carefully thought out bill. Although there are some modifications which may be made, and in my opinion should be made to improve this bill, the committee bill is still the best vehicle we have available.

The whole premise of the committee bill is that surface mining can be carried out in a way which causes only minimal damage to the environment and at the same time remain economically feasible. Indeed, the committee saw examples of that kind of operation.

I think the point that has not been emphasized in prior discussion, and which ought to be made clear today, is that nobody is saying that all surface coal mining operations have ravaged the land. Some operators have demonstrated a responsible farsighted attitude and they have demonstrated that they can make that attitude come alive in ways under which reclamation of mine areas is a part of the operation itself. I can cite the Pacific Power & Light Co., from my State as just one example of a company which has conducted this kind of mining operation.

H.R. 11500 seeks to control the damaging effects of surface mining by establishing a regulatory program which utilizes both State and Federal authority. That is again a point which I would emphasize. This is a bill, of course, in which the Federal Government is deeply involved, but it is a bill which looks principally and essentially to the States to do the regulating.

The bill has several controversial provisions. I think that the one issue of the question of the consent of the surface owner to mine when the coal involved is owned by someone else other than the surface owner is a matter of extreme importance to some members of the committee and ought to be a matter of extreme importance to all of us. We are going to be debating that at some length and it is my personal hope that we will amend this particular section.

I am pleased to see the Congress at last moving forward on this piece of legislation. It provides an important tool to meet the dual objectives of allowing expansion of strip mining operations while at the same time maintaining environmental integrity.

We have a unique opportunity today to strike a sound balance between energy demands and the environment. Let us do just that.

I urge the defeat of both the Hechler and the Hosmer shortsighted unbalanced alternatives, the making of certain amendments to the committee bill, and then the overwhelming passage of the committee bill as amended.

I commend those Members on both sides of the aisle who have worked diligently in bringing us to this particular point. I hope in the days lying immediately ahead we will improve the committee bill, perfect it, and then pass H.R. 11500.

Mr. HOSMER. I yield 5 minutes to the distinguished gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Chairman, I stand here today and speak in support of H.R. 12898 and in opposition to H.R. 11500. I do this because I truly believe that H.R. 11500 is a bill that will do to this Nation what other legislation that has passed this body has done through the courts holding up development of energy for this Nation when we need it so badly.

I also believe that H.R. 11500 is a bill so broad it would not allow those States that have variations the ability to mine what coal is available.

I have noticed Members today talking about their billions of tons of coal. I can state that in the State of Alaska we have 50 billion tons of coal of low sulfur content; yet this coal in Alaska has not been truly explored because there is no present need for it; but I am very fearful that H.R. 11500 will be a bill that will not allow the strip mining of coal in Alaska. I say this because we are in adverse climatic conditions. We have different terrain and we have the unknown. Yet 50 billion tons of coal, I do not think anyone in this Nation can ignore the fact that future generations will need it. If we pass this legislation, there will be no development in the State of Alaska.

There is one mine today that produces about 640,000 tons of coal a year; but I have had statements from the Bureau of Mines, and if I may quote them here:

> Coal is produced at the Usibelli mine by surface mining in which huge scrapers remove the permafrost surface, and crawler tractors push the overburden aside. Stripping of overburden is carried out only in the summer, but coal is mined throughout the year. The beds currently being mined average 50 feet in thickness, and the stripping ratio is about three to one. In other words, about 3 cubic yards of overburden are removed for each ton of coal produced. The beds are relatively free of impurities, and the coals require little cleaning.
>
> Because of steeply dipping seams in this area of the Nanana field, backfill stripping methods cannot be used, and the Usibelli mine is, essentially, an open-pit operation. However, coal is extracted from several relatively small pits rather than a single large excavation. Normally, coal is produced at one pit while overburden is stripped from another. Although the overburden can be replaced after the coal is extracted, and the land seeded and fertilized, it is not possible to restore this area to its original contour because a seam of coal 50 feet thick has been removed.

This term is in H.R. 11500, because a seam of coal 50 feet thick cannot be removed and the land restored to the original contour.

> Because of the thickness of the seams, their relatively shallow depth, and the unconsolidated nature of the overburden, this particular area is not amenable to underground mining.
>
> In summary, coal production and mining conditions at the Usibelli coal mine differ significantly from those at other mines in the United States.

I want to say in regard to what bill is adopted today, that I will have an amendment to offer to allow the Bureau of Mines and Secretary of the Interior to at least study what can be done. In H.R. 11500, for instance, there were two areas, one of which says there will be no mining, I believe, within 500 yards of any lake. What is a lake? It is not defined under H.R. 11500. Is a lake a body of water to the beholder of the eye, or a body of water which can sustain life? We have many, many hundreds of lakes in the Far North very near where all of this coal is.

To the Members, they may look like a lake, but there is no living animal in that lake; there is nothing to sustain fish; there is nothing that will sustain other wildlife; yet it looks like a lake. It is 8 feet deep and freezes to the bottom in winter and melts during the summer. If we are to mine in that area, can we restore that? No, we cannot.

So, I am saying there are problems with H.R. 11500, there are problems with H.R. 12898, while in the overall look, H.R. 12898 is a reclamation bill.

Mr. Chairman, I think this body should be aware that if we pass H.R. 11500, we are basically locking up one of our most valuable sources of energy which the consumer can utilize and which we can tie in with our petroleum production and be able to sustain this Nation as an energy-based nation.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I rise in support of the substitute to be offered by my colleague from California (Mr. HOSMER). I take this action because the substitute seems to be a valid compromise proposal which would help to assure the continued expansion and development of our domestic sources of energy, as well as protect the environment.

One important result of the recent oil embargo in this country has been a new realization by all segments of society that the United States should no longer be dependent on foreign sources for its essential supplies of fuel. If this Nation is to supply its households and industries with adequate amounts of fuel at a reasonable cost, it must develop existing energy resources and undertake research programs to bring the more exotic sources of energy off the drawing boards and into actual production. Statistics indicate that the United States will double its present energy consumption in the next 15 years, and it is clear that if we are to become self-sufficient in energy, coal will have to supply 40 percent of our needs. There are approximately 3 trillion tons of coal scattered throughout the United States, and if only a small portion of these reserves can be tapped we will be able to meet this 40-percent requirement.

These figures would seem to indicate that Congress should not enact any bill which would severely curtail the expanded production of coal by the imposition of unnecessary regulations and overstrict environmental standards on surface coal mining. While it is possible that a great percentage of our coal reserves in the somewhat distant future will be mined by using underground methods, it is a fact that approximately half of the coal that we utilized in the United States last year was acquired by the surface mining method.

Mr. Chairman, for these reasons, I am opposed to H.R. 11500 which would deprive the Nation of the use of available energy resources at a time when both the public and private sectors are spending huge sums of money in energy research and development programs. I believe that the House should pass a measure which would provide for the continued production of coal by the most advanced surface mining technique, while at the same time recognizing the need for adherence to the needs of the environment. The Hosmer substitute does this and should be adopted by the House.

Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BAUMAN. My point of order is that under the rule it is required that if at the time 15 minutes have expired, 100 Members are not present, a regular quorum call must then be called, and for the RECORD I want to state that at that 15 minute point there were not 99 Members present on the floor, and the rule should be followed.

Mr. Chairman, I raised the point of order regarding the termination of the just concluded notice quorum because it was my impression, and I believe that of many other Members, that a notice quorum under the new rule XXIII, clause 2(c), was to run for a period of 15 minutes. Failing to obtain a quorum of 100 during that period, I understood that a regular quorum call would automatically ensue under rule XV. I based this opinion on a lengthly statement made by the distinguished Speaker of the House explaining the new rule on notice quorums which appeared in the RECORD. I would observe that if this ruling means that a notice quorum can go on indefinitely, not only is the purpose of the new rule defeated, Members have little assurance of just what to expect in the requirements of their recorded attendance on the floor.

The CHAIRMAN (Mr. SMITH of Iowa). The Chair understands the rule, and clause 5, rule XV provides a minimum, not a maximum, of 15 minutes for Members to respond on any quorum call. The Chair can exercise his discretion to continue the quorum call if the Chair desires to do so. The Chair overrules the point of order.

Mr. HOSMER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I thank the distinguished ranking member of the Committee on Interior and Insular Affairs for yielding this time to me. I will try not to repeat any of the things we have thus far heard. I am, however, constrained to say that, looking about this Chamber, that it reminds me of the way it looked in the Committee on Interior and Insular Affairs when we were making up this bill.

That leads me to one of two conclusions: either the balance of the membership has read this great bill and understand it or they do not really care, and I do not know which it is.

I think, Mr. Chairman, what we are really talking about here today is not whether H.R. 11500 is a great bill or whether the Hosmer substitute is a great bill or whether the Hechler bill is a great bill. What we are really discussing here today is philosophy. We are trying to determine whether the Federal Government should bring down, with all of its power, upon the States regulation of

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strip mining of coal, or whether or not we have any confidence in the various State legislatures in their ability to do precisely and exactly the same thing.

Let me just quote a little analogy to that to which we are addressing ourselves here today. To those of us who feel that strong Federal controls are necessary because the States will not do their job, let me point out that, coming as I do from the State of California, with my district bordering that area where we experienced one of the most devastating oil spills in the history of the United States, that oil spill occurred under Federal regulations. In all of the long history of tidelands oil in California, and the tidelands are regulated by the State of California, not once have we had an oil spill. Does that tell the Members a little something, perhaps, that maybe bureaucrats sitting 3,000 miles away from the point of origin know more and know better how to accomplish things than those individuals whom our individual States have elected to their various legislative bodies?

What this bill—and all of these bills, as a matter of fact—really say is that those individuals that our constituents elected to the State legislatures in our States apparently do not have the ability nor the intelligence to safeguard their lands.

I accompanied Mrs. MINK, Mr. UDALL, Mr. RUPPE, Mr. SEBELIUS, and Mr. HECHLER—and, incidentally, that is a very small portion of the entire Committee on Interior and Insular Affairs—on a trip through four States: West Virginia, Kentucky, Ohio, and Pennsylvania. We found—depending upon ones' point of view, of course, and I do not take umbrage with those who are for this bill—that in every case these States had a law and it was being enforced. We saw lands in West Virginia that had been converted to another use, grazing, and it was done pretty well.

When one considers that the State of West Virginia, perhaps had as its only source of real income a coal industry, it is not difficult to understand that perhaps the coal industry controlled them. I think it is great that the West Virginia Legislature had the guts to stand up to the coal companies and write themselves a law.

I do not think we are going to change anything like this over night, but they are making the effort, and the effort is a good one.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield very briefly?

Mr. KETCHUM. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. I thank the gentleman for yielding.

I will say to the gentleman from California that I think when he said the coal industry "controlled," he should add that the coal industry, unfortunately, controls the administration of the law too much. It is unfortunate that the administration of the law in West Virginia results in too much devastation of the land, pollution of the streams, and exploitation of the people.

Mr. KETCHUM. I thank the gentleman for his opinion.

I still congratulate the West Virginia Legislature for at least making the first and initial move, and that is where it should be made, not here.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOSMER. I yield the gentleman 4 additional minutes.

Mr. KETCHUM. Mr. Chairman, I listened to my good friend, the gentleman from Ohio (Mr. HAYS), when he spoke on the floor earlier today about the great strip mining legislation in the State of Ohio and I totally agree with him. They have a great program. But just because Ohio has a program, does that mean we have to have exactly the same program in every other State regardless of the topography?

Let me point out the gentleman from Ohio (Mr. HAYS) was a very gracious host. He took us to his home and his home is filled with some of the most beautiful antiques that it has ever been my privilege to see, but I do not think for a minute that the gentleman from Ohio (Mr. HAYS) would say to the rest of the United States: "Because I have a house full of antiques, you ought to have one."

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, how does the gentleman answer the objection we have made all along to this argument, that we have got to have Federal standards because if we do not then we reward the strip miners in States that have no laws and we penalize those in States that have State laws? We need to have uniform regulation.

Mr. KETCHUM. I would say to the gentleman from Arizona, the author of the bill to which we are addressing ourselves, that if we all drove Chevrolets we would have no need for any other kind of car—or any other kind of law. I do not think his argument is valid.

As far as the time spent on this, we spent a year and a half on the bill and we had 60 or 70 amendments, we had pounds of amendments, and we had coal company amendments and we had Hosmer amendments and we had administration amendments, and it got to the point where it was so confusing that we would refer to Hosmer 22 or Coal Company 23 or other amendments by number.

A motion was made to cut off debate, and we did. As a matter of fact, the gentleman from Kansas (Mr. SKUBITZ), a member of the committee, became so incensed that he walked off the committee and never returned because he could not go for that particular line of effort.

Let me talk about the difficulties for a moment and let me tell the Members this is going to create some and it will create difficulties for and affect small business. Let me quote from the hearing record. The gentlewoman from Hawaii (Mrs. MINK) was talking to Mr. Heine, the associate deputy secretary for mines and land protection, of the State of Pennsylvania. She asked him what the effect would be. He said:

> So perhaps it resulted in smaller, a few smaller operators going under, but the slack was taken up by larger operations.

A little later on I questioned Mr. Heine about this and I asked him about his statement. I said:

> How would you describe a few? What size industry was this that went under?

Mr. Heine, the expert from Pennsylvania said:

> I have not really researched that. I think I was giving you an opinion. It was more of a feel than based on hard facts.

Mr. Chairman, we have heard some speakers say the costs would not increase. Let me say again and I will quote Mr. Heine in response to a question from Mrs. MINK:

> . . . something like a 4-percent increase in cost. It varies depending on the type of restoration up to, as they said, about a 13-percent increase in cost.

Mr. Chairman, that is as a result of a State bill.

The gentleman from New York (Mr. DELANEY) during the hearing before the Rules Committee indicated in his State of New York that Consolidated Edison—and I believe I am correct in referring to the company—had an increase in rate so high some of the consumers were not paying their bills, and if this kind of legislation passes those people will never be able to pay their bills.

If the Members want to think about the consumers they had better think about them now because the consumers are the people who are going to pay for this bill.

I am sorry we really do not have more time because there is much more to go into. We have 175 amendments filed for this bill, which indicates how thoroughly we did our job in committee.

The union votes on coal, I heard my friend the gentleman from Texas say that the AFL or somebody is in favor of this bill. The International Mine Workers voted on this bill 12 to 11 in favor of this bill, and 2 of the votes came from Canada. If that is representative and the Members are worried about the unions, I suggest they stop worrying now.

The next step, if this bill passes, will be a Federal mandate on all minerals, and I submit to my friends and colleagues that the legislative bodies in their States have far more experience and far more intelligence to handle this job in the way it ought to be handled.

They worry about the environment just as much as we do.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Kansas.

Mr. SKUBITZ. The gentleman will recall I was interested and I was very much in favor of a reasonable reclamation program. On the day that I walked out we had 55 amendments pending before the committee on one section. We were advised at that time that in order to stop a delay that we were going to vote on those amendments simply by reading them and not discussing them. That view prevailed. Yet out of 55 when I left the committee, I understand over 19 of those were adopted by the committee, even though we have been accused of delay.

Mr. KETCHUM. The gentleman is quite right.

Mr. HOSMER. I yield 5 minutes to the gentleman from Nevada (Mr. Towell).

Mr. TOWELL of Nevada. Mr. Chairman, we have indeed, had a long afternoon talking about strip mining in West Virginia, Ohio, the Midwest and West and some places in the South. I have been somewhat amazed that we have this many experts in the House of Representatives that seem to know all about strip mining. I am trying to search out somebody that perhaps had worked in the mines. I was unable to come up with a vast number of House Members that worked in the mines in any State. I am sure a few of my colleagues are familiar with strip mining, with deep mining, and I might even add, open pit mining, that we have out in the West.

Some may ask why is the gentleman from Nevada interested in strip mining? I would urge all of us who do not have coal in their districts or in their States, that we, indeed, should be interested in this bill and in what is going on in this committee and what is going on this afternoon and will go on tomorrow and on into next week, because regardless of the fact if we have coal in our district or not, coal is essential to energy needs in this country. We have passed what some have called the energy crisis or the energy situation; at least some people would have us lulled into thinking that it is all over and forgotten. That is not the case. We remain in a critical energy situation in this Nation. Coal, both the deep mining and the strip mining of coal, is one of the immediate answers to our problem. I state that I think the passage of the committee bill as written right now would further delay the development of much-needed coal. In some instances it would, indeed, cripple completely the development of that coal.

Now I will grant you we did have some 23 or 24 days, as the gentleman on the committee stated, of markup on this bill. Yet there came a panic and someone said we cannot have 3 or 4 more days to listen to worthwhile amendments. Barely 30 seconds or 45 seconds, less than a minute, was devoted to any discussion; in fact there was no discussion on most of those amendments.

As has just been stated by my colleague, the gentleman from Kansas, even when we did not discuss the amendments, 19 or so of those amendments were adopted. That means that the majority of the people backing the committee bill must have thought there was some merit in those amendments if the majority was willing to accept 19 of them.

So why did we not get the chance to argue the other 30 or 31 amendments that were before the committee? Why are we trying to write a major piece of legislation on the floor of the House? That is exactly what we are going to be doing. That is a little disappointing to me. We need to take a balanced approach so that we can move ahead with the much-needed strip mining and deep mining of coal.

I am in full support of what has come to be known as the Hosmer substitute.

I think this bill will give us a reasonable way to proceed with the mining of coal. To my friends, the ecologists, who are deeply concerned both on the committe and off the committee about any form of strip mining, I think that in the Hosmer substitute there are built-in safeguards. The Hosmer substitute will not give industry a free ride so that they can do what they want. There are safeguards built into the Hosmer substitute to protect the ecology. It is a balanced approach to the problem.

Of course, we have the committee bill which, I believe, would stop up to one-third of our strip mining immediately and we have the Hechler of West Virginia substitute which would stop strip mining in another way. So, in my opinion, we have two out of the three bills which are going to stop strip mining. We have one bill, the Hosmer substitute, which would give us a reasonable way—and I hope that the Members will think about that—a reasonable way to proceed in an orderly manner with the strip mining of coal. With the built-in safeguards to protect the ecology of the Nation.

Mr. HOSMER. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. Martin).

Mr. MARTIN of North Carolina. Mr. Chairman, I join in support, but only conditional support, of H.R. 11500, legislation which we offer to permit access to surface-minable coal, while requiring sound reclamation of that mined land. We need coal. We also need land capable of utilization. The conflicts, real and imagined, between these two needs will get a good airing in this Chamber.

There are two intolerables in this controversy. The first and greatest would be to have our electric power needs unsatisfied. That is not just a "big business" concern, it is everyone's concern as consumers. We need only recall what happened in Britain when that country's powerplants started running out of coal a few short months ago: power reductions, 3-day weeks, curtailed transport and heating. We cannot afford to risk that.

The second intolerable would be having immense stretches of America turned into moonscapes with acid-deluged creeks and rivers and with land made useless for the future.

No one wants either intolerable option.

We can carefully find a middle ground of adequate coal and adequate reclamation. We do not need every last ton of coal, nor do we need to restore every last butterfly and tree stump.

I believe this committee bill goes a long way toward avoiding both intolerables and a long way toward permitting exploitation of our coal reserves while prescribing sound reclamation of the coalfields. It is not perfect, and we should try to perfect it. Those of us with reservations have them out of concern that this bill may, only may, curtail the flow of coal to our power-generating facilities. The Southeast, including North Carolina, is dependent upon coal from Appalachia, much of it from surface mines. I have a particularly uncomfortable feeling when considering what would happen if my constituents flipped on their light switches without results.

My reservations center on two features of this bill which need to be modified, or softened.

I believe restoration of mined land to its approximate original contour is a worthwhile objective but I am very uneasy when thinking how administrative bodies will interpret the language in this bill. This is, after all, regulatory legislation and regulators are inclined to interpret statutes and regulations strictly against those regulated. We ought to leave more latitude, still requiring reclamation, but permitting miners to repair mined land rather than restore it to its original shape. If a hillside were rather useless and unattractive before mining, what reason would there be to restore it to approximate uselessness and approximate unattractiveness? If it can be done from an engineering point of view, it would be to no one's disadvantage to let the miner repair the wounds and leave behind a differently configured landscape capable of being used for farming, grazing, or other use, provided the mined land is left stable in a condition at least as useful as it was in before mining. Normally this would be approximate original contour because normally this would be easier. But we should not foreclose acceptable alternatives.

My second reservation is with regard to mountaintop mining, made a problem in part because of the approximate original contour requirement. We have good reason to fear laissez faire in this field, but that fear may be exaggerated unrealistically by imagining a sort of averaging out of the elevation of hilly terrain, changing it to a plateau. That is carrying things a bit far. Yet I fear the limitations this bill might impose. It does not seem we have precise data on the amount of coal in this category of resource location. This bill would, in effect, bar its recovery whatever the amount. We need to be less wooden.

At this juncture, I would like to discuss a problem that few have considered carefully enough. While I cannot support his amendment in the form of a substitute, I commend the gentleman from West Virginia for repeatedly reminding us that deep-mineable coal far exceeds surface-mineable coal and that the latter is not a permanent solution to our energy needs. He is on target when he argues that we must, sooner or later, go deep.

But, while I cannot agree we must go deep now or suddenly or exclusively, especially considering present investments in surface mining, I believe we must begin to look toward that older alternative. I am concerned about the availability of labor and realize that labor supply is a concern to the miners as well.

This city and other cities contain countless residents who have moved away from coal mining areas, not because of lack of employment there, but for noneconomic reasons. This trend is not abating. Going into a coal mine is unlikely ever to be the advice given students by school guidance counsellors or by Madison Avenue. After the Congress finally disposes of this legislation I believe we will have to take a long, hard look at what it will take to get manpower back into the mines. After this battle we may be able to guess how long it will be before we have no choice left but to go deep for coal. Whatever time there is between now and that day must be spent in part on revitalizing mining and developing methods for extracting deep coal with whatever labor can be made available or recruited for that task.

Mr. Chairman, several speakers today have challenged the right of anyone to write a coal mining bill if we had no experience mining coal. Now that is absurd. Are we to infer from that argument that only coal miners should write strip mining legislation?

By the logic of that standard, do we ask welfare recipients to enact welfare legislation?

Do we turn tax legislation over to the biggest taxpayers?

Do we ask criminals to write the criminal code? Or exporters to write trade law?

No, these are our responsibilities, and reclamation of strip mining is our responsibility. Let us perfect H.R. 11500 or H.R. 12898 and enact a useful, effective law.

Mr. UDALL. Mr. Chairman, I do want to say that whatever the Republican Committee did or did not do a year and a half ago, I do not know where they got the quality which they gave us. Some of the finest new members are from their side and are now on the committee.

The gentleman in the well knows fully about the complicated legislation we have had this year. He has brought balance and good sense and judgment to us. I want to compliment him on the good stand he has taken on this legislation.

Mr. MARTIN of North Carolina. Mr. Chairman, I appreciate the gentleman's statement.

Mr. HOSMER. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman for yielding.

With respect to the impact of H.R. 11500 upon the Colorado Mining, Land, and Reclamation Act these past few years, I am particularly concerned with the definition in the requirements of the Udall bill with respect to returning the return to the original contour?

Under the Colorado Act we have a board which enters into a contract with the operator. That is subject to the approval of the board, but the operator shall determine which part of the affected land shall be reclaimed for forest, range, crop, recreational, industrial, or other uses.

Does the gentleman from Arizona feel that his bill will intrude upon the ability of the State to operate under this particular act? If it is the operator's choice to effect reclamation by planting forests, converting to range, or changing to crops, or to decide upon recreational, industrial, or other uses, will the Udall bill prevent that choice by requiring a return to the original contour?

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. Yes, I yield to the gentleman from Arizona.

Mr. UDALL. We have made a quick perusal of the Colorado Reclamation Act. I will say to the gentleman that this is not the final word, but my studies suggest that after 3 years, under the law, Colorado and all other States will have a 3-year interim period, up to 3 years, in which Colorado and the others finally have to come into compliance with the Federal standards.

While the Colorado law is not one of the best I have seen, it is not the worst either. It appears, however, that a few changes will be needed, either by statute or by regulation, to bring the provisions of the Colorado law into compliance with the Federal standards.

There will probably have to be some adaptations made for regrading and backfilling of final cut. Some further public hearing requirements will have to be added. Probably it will be necessary to require that all land which is ruined will be reclaimed and be revegetated.

Colorado would need the capability of requiring monitoring of enormous impact under the Federal standards. The Secretary of the Interior would probably have to issue regulations under H.R. 11500 to identify specifically what will have to be done under regulation or by law in Colorado to bring the State mining program up to Federal standards.

As I say, however, it is a fairly good law. The law could be worked out to comply, I would think, without a great deal of difficulty.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman for that explanation. I believe that covers those items which we had previously discussed.

Mr. STEELMAN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. Mr. Chairman, I yield to the gentleman from Texas.

Mr. STEELMAN. I thank the gentleman from Colorado for yielding.

Mr. Chairman, comment was made with respect to costs by several of our colleagues here today, especially the gentleman from California.

Mr. Chairman, I want to read to my colleagues here a quotation from the bulletin put out on the coal and the energy shortage, published by the Consolidation Coal Co., a division of the Continental Oil Co., on this very matter of the cost of reclamation, referring to the return of land to its approximate original contour. I read as follows:

> Reclamation in the West might involve expenditures of $1,000 to $4,000 per acre to restore land to its original value. In the hillier terrain in the East, a higher cost in the range of $3,000 to $5,000 per acre can be expected. Because of the thicker coal deposits in the West, this reclamation cost can amount to 2 cents to 20 cents per ton, while it can be $1 to $3 per ton in the East. Although this cost may seem relatively high on a per-ton basis, the cost in terms of cents per KWH to the consumer seems to us to be reasonable when you consider the potential energy contained in our surface reserves. Even taking the largest of these costs would add only 2 to 3 percent to the average residential electric bill.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. JOHNSON) has expired.

Mr. UDALL. Mr. Chairman, I yield 1 additional minute to the gentleman from Colorado.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, it is interesting to me to note that the agonizing over the cost to the consumer is coming from the States where there is no coal mined. They are perfectly willing to rape the land belonging to the coal-bearing States in order to provide coal for the purpose of power to be used in their own States.

Mr. HOSMER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I wish to associate myself fully with all of the statements that were made today against the horrors of strip mining when strip miners do not reclaim and leave behind them a heritage of horror. I stand second to no man in my desire to stop that kind of practice and to insist firmly that hereafter we have legislation on the law books of the United States which does not even let anybody mine land by surface methods unless and until it is determined that he can and he will, after the mining, promptly reclaim the land and place it in an environmentally acceptable permanent condition. There is not any argument about that here. There is no argument on that score between myself and the supporters of the hell and high water bill over differences concerning the method of achieving this end.

However, there is a lot of misconception about what the extent of conventional depredation has been in the past and what, is the future, the cost and the benefits involved in putting an end to these depredations may be.

They occurred largely during World War II when the idea was to get the coal out and use the energy to win the war, and, during the depressions in the coal industry before and after World War II when the price of coal was so distressed that it would not support the cost of proper reclamation in dollars, so that cost was imposed in the soil in the form of scars on the earth.

Today the cost of coal is sufficient to support the cost of reclamation. Today, however, there are still a few States with inadequate reclamation laws and a few operators of the "quick buck" type, lacking a moral responsibility, who would suffer the objectionable practices of the past to continue. It is to control and to enforce reclamation in these instances that this legislation is before us.

In this connection I think it is important to realize how much of our land is actually strip mined. We hear these horror stories about a swath of unreclaimed land running from coast to coast in a strip 2½ miles wide. The truth is that each week in the United States of America there are approximately 800 acres of mined land, land mined by stripping methods for coal.

Mr. Chairman, how much is 800 acres? 800 acres happens to be 40 acres less than the size of Central Park in New York. Thus, during a year, in order to get the energy that this country needs to maintain itself as a viable technological society, all of the land that we are mining for coal by surface methods amounts to less than 50 times that which is the size of Central Park in New York City in downtown Manhattan.

That is what we are talking about, sacrificing about 65 square miles momentarily, out of a total space of 3,612,122 square miles of the United States, while we get the coal out and then, afterwards, reclaim the land. For this small, minuscule environmental cost, in exchange the maintenance this Nation as a viable economic force in the world, one nation that can supply its own energy needs and which does not have to bankrupt itself by going to the Mideast for petroleum in order to obtain the energy it needs to stay warm, to keep itself lighted, and to have the energy it needs to turn the wheels of its fabulous productive machinery.

So let us get the cost versus benefits ratio before us in a true perspective. All this sobbing and heartbreaking about a raped landscape is one thing. Nobody wants to rape the landscape, and if we pass this bill that I have introduced, nobody is going to rape the landscape. But, by golly, under my substitute bill we are going to get the energy we need, and we are going to get it in a clean way and environmental acceptable way, and the users of that energy are going to pay the cost of properly reclaiming land that is mined to get the energy. That is fair. That is sensible. That is honest.

I agree with those who say that strip mining leaves scars, but after that, I part 180 degrees from these gentlemen who tell us we have got to put in all the twists and turns, and environmental fish hooks, and other nonsense and environmental extremities and ambiguities, and nitpicking and bad grammar, and redundancy, that are loaded into H.R. 11500. After the years and months and weeks and days that the Committee on Interior and Insular Affairs has spent, with its proxy voting from absentee members, they really managed to load that bill up.

In H.R. 11500 you have a loaded bill. You have a bill that will prevent you from producing coal in the quantities that this Nation needs to produce it.

Mr. Sawhill, the Federal Energy Administrator, said that this bill, H.R. 11500, the "Hell-freezes-over" bill, could stop the production of up to 187 million tons out of the 300 million tons of surface coal produced in this county. Over in the other body one of the Senators screamed and hollered about that, and said

> Sawhill, you didn't give us a minimum figure.

So Mr. Sawhill came back with this letter that the gentlewoman from Hawaii (Mrs. Mink) claims to be a retraction—which is not a retraction. Mr. Sawhill just said the figures that I gave you, those of up to 187 million tons a year, were based on the inflexible interpretation of H.R. 11500. If it is interpreted in a flexible, reasonable way, the loss would be between 20 and 60 million tons of coal a year.

But what did Mr. Sawhill say in this second letter also. He said:

> I must stress, however, that there is no assurance that H.R. 11500 will be interpreted in a flexible manner, particularly in light of the citizen suit provision which the House report strongly emphasizes will be the major vehicle for enforcement. . . .

The two Sawhill letters are reproduced herewith:

FEDERAL ENERGY OFFICE,
Washington, D.C., May 29, 1974.

Hon. CRAIG HOSMER,
House of Representatives,
Washington, D.C.

DEAR MR. HOSMER: Your letter of May 9 requested that I provide you with an analysis of the effect that H.R. 11500, the "Surface Mining Control and Reclamation Act of 1973," would have on our nation's coal supply.

In the bill's present form, it would seriously cut existing coal production and also remove vast amounts of coal reserves from future production.

The Administration feels very strongly that the bill is unacceptable in its present form.

The Bureau of Mines has given me the results of an intensive analysis of the bill in its present form on what effects the bill's requirements will probably have on production in 1975 and 1980. The estimates show that up to 187 million tons will be precluded from production in 1975 and 251 million tons in 1980.

The Bureau of Mines' final report may have some additional comments on the effects on our coal supply. It is certainly apparent at this point, however, that enactment of H.R. 11500 will result in serious losses in coal supplies. While the losses are difficult to estimate precisely, they are substantial and unacceptable. The early planning stages of Project Independence show clearly that coal will play a lead role in our nation's energy production and we need increases in coal production, not decreases. The adverse effects on our economy and balance of payments are apparent if we do not substitute domestic coal production for oil imports.

You requested an analysis of the impact of the several specific portions of the bill which appear to bear special significance with respect to our coal supply.

Sec. 206—Designation of Areas Unsuitable for Surface Coal Mining. This section appears to create a general presumption that all lands are unsuitable for mining unless it is established through the bill's procedures (including notice, hearing, and formal decision) that surface mining is physically and economically possible. The bill might also provide that Federal lands may be designated as unsuitable, regardless of existing operations, and existing leases may be conditioned to limit surface coal mining. Approximately 12 million tons per year are currently produced from Federal lands with upwards to 200 million tons estimated per year by 1985. All of this coal could be precluded from mining.

However, a catastrophic effect of this section could be a nationwide ban on new surface mining. A large percentage of future increases in coal production is scheduled to come from surface mines. Our preliminary estimates show that up to 30 million tons could be precluded under this section this next year, and upwards to 350 million tons per year by 1985.

Sec. 209(d)(9)—Prohibition of Mining in National Forests. The prohibition of coal surface mining within National forests would foreclose the recovery of up to 7 billion tons of coal. With approximately only 45 billion tons of domestic recoverable surface reserves, the prohibition of coal surface mining within National forests would therefore preclude the mining of over 15 percent of our nation's recoverable surface mineable coal reserves. We cannot, within any reasonable degree of accuracy, at this time calculate the effect on immediate production.

Sec. 211(b)(8)—Backfill to Approximate Original Contour.

Sec. 211(c)(1)—No Spoil on Down Slope on Steep Slopes.

Sec. 211(c)(2)—Backfill to Approximate Original Contour on Steep Slopes. The requirements of these sections are very difficult to quantify in terms of the efforts on coal supply. The accuracy in estimating the coal reserves that would be adversely affected is constrained by the fact that each case would have to be determined on its own merits and thus far we have not inventoried or evaluated the thousands of instances where the requirements of these sections would preclude the mining of coal. We know that the requirements would create adverse mining economic conditions and in many cases it would probably not be technically possible to comply. Our best estimate at this point is up to 2.5 billion tons of coal would be permanently lost to mining, with an immediate annual loss in production of up to 67 million tons. (Currently, approximately 75 million tons per year of coal production comes from mines operating on lands in excess of 20-degree slopes in the Appalachian area. We estimate that upwards to 16 million tons of coal will be adversely affected in 1975 and 105 million in 1980.)

Sec. 211(b)(14)—Minimize Hydrologic Balance Disturbance. Here, again, it is very difficult to accurately estimate the quantity of coal reserves that would be lost under this requirement because of the lack of complete inventory data on the thousands of instances where this section's requirement would preclude the mining of coal. However, we would expect that vast coal areas in the western plains states would be adversely affected. Our best estimate at this time is that upwards to 19 million tons per year of near term production could be precluded, and 12.5 billion tons of coal reserves could be precluded from future mining.

Sec. 225—Federal Lands (fails to provide for new mines). This section fails to provide for the operation of new mines on new leases on Federal lands until the Secretary of the Interior implements a Federal lands program, including judicial review of the approval of a Federal program. The time frame of Secretarial action and judicial review is somewhat speculative; however, it is estimated that a one-year delay could preclude the mining of up to 10 million tons, and an 18-month delay could preclude an additional 10 million tons.

Sec. 710—Protection of the Surface Owner. The Interior Department estimates that about 14.2 billion tons of Federal coal underlie non-federally owned surface lands. The National Coal Association estimates that the figure is about 37.5 billion tons. The National Coal Association estimate may be closer to the correct figure, and could even be conservative. Therefore, from 14 to 38 billion tons, and more, could be precluded from mining under this section.

Sec. 212(b)(1)—Subsidence from Underground Mining. We estimate that upwards to 100 million tons of annual production could be adversely affected from 1977 on.

The above analysis of the individual sections should not be construed as cumulative effects on production and reserves. For example, some of the coal affected under the "areas unsuitable" section could be the same coal affected under the "original contour" or other sections.

If I can be of any additional assistance, please do not hesitate to call me.

Sincerely yours,

JOHN C. SAWHILL,
Administrator.

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., July 9, 1974.

Hon. PHILIP E. RUPPE,
House of Representatives,
Washington, D.C.

DEAR MR. RUPPE: This is in response to your inquiry concerning my views on H.R. 11500, the Surface Mining Control and Reclamation Act of 1973. Recently FEA has been reexamining its position on this legislation and the figures on coal production losses associated with that bill that were cited in my letter to Congressman Hosmer. This reexamination has prompted us to conclude that we should have included the minimum as well as the maximum estimates of production impact in my letter to Congressman Hosmer.

In preparing my letter to Congressman Hosmer, my staff worked with the Bureau of Mines in developing preliminary estimates on the possible effects of H.R. 11500 on coal production. As you note, my letter cited the figures used in that preliminary analysis for "maximum possible" coal production losses. As the Bureau of Mines final analysis, to which you also refer in your letter, indicates however, many provisions of H.R. 11500 are subject to various and conflicting interpretations. Consequently it was extremely difficult to make accurate estimates of the actual coal production losses that would be associated with those sections. The inability to predict the availability of equipment, capital and technology needed to satisfy various of H.R. 11500's requirements also complicated the task of arriving at reliable estimates. In view of these uncertainties, the Bureau of Mines elected in its final analysis to provide estimates of the possible, probable, and minimum impact on coal production rather than attempting to establish one definitive set of figures. The "possible" figures, which are the same as in the preliminary analysis, assume the most adverse possible set of circumstances and the most stringent interpretation of various provisions of the bill. The "probable" figures assume that more favorable conditions would prevail and that a more flexible interpretation of the bill's provision would be permissible.

The House Report accompanying H.R. 11500, which was made available to us after we had prepared our letter to Congressman Hosmer, suggests that some of the more controversial provisions of the bill—such as the approximate original contour sections—may be interpreted in a more flexible manner than a literal reading only if those provisions would require. In view of this, I believe my letter would have provided a more useful assessment of the production impact if it had included estimates of possible, probable, and minimum figures for the various provisions of H.R. 11500 that are of concern to us.

I must stress, however, that there is no assurance that H.R. 11500 will be interpreted in a flexible manner, particularly in light of the citizen suit provision which the House Report strongly emphasizes will be the major vehicle for enforcement, thus assuring that all interpretations placed on the bill will be tested in court. This will leave the Secretary of Interior with little flexibility, and no assurance that apparently unambiguous statutory language may be construed in accordance with the report language. And, even if we were to assume that the "probable" figures on coal production losses provide a somewhat better estimate, our basic position on H.R. 11500 would remain the same. H.R. 11500 would still produce probable losses of 20–60 million tons of coal production in 1975, at a time when increased coal production is essential.

One aspect of FEA's cited coal production loss figures has caused particular concern—the "possible" estimate that 67 million tons would be lost through application of sections 211(b)(8), (c)(1), and (c)(2) of H.R. 11500. FEA's estimate of 67 million tons was derived from the Bureau of Mines preliminary data as follows:

[*Estimated production loss in tons*]

Effect on Mountaintop Mining	26,972,000
Effect of No Spoil on Downslope	16,099,000
Effect on Thick-Seam Shallow-Overburden Mines	31,591,000
Total	74,662,000

For the 75 million ton figure for maximum possible loss of production, we reduced the total estimate to 67 million tons per year, since it was apparent that there was at least some overlap in the first two categories. Our extrapolated 67 million ton figure was informally confirmed by the Bureau of Mines.

FEA believes in establishing appropriate reclamation standards as a factor reflected in the price of coal. We are committed to establishing a balance between energy and environment which will permit us to expand coal production without sacrificing environment safeguards. We believe, however, that certain changes in H.R. 11500 would result in a better balance between environmental concerns and the need for increased coal production than the bill currently provides.

I agree that we need strip mining legislation this year. The American coal industry cannot afford to continue in a climate of uncertainty, and therefore we must resolve the critical issues of energy requirements and environmental protection. Although I cannot support the bill in its present form, I am ready to work with you and other members of Congress in seeking enactment of legislation that has the appropriate balance between national energy needs and protecting the environment.

Sincerely,

JOHN C. SAWHILL,
Administrator

Of course, you are going to have the environmental bigots, the so-called green bigot brigade, running all over the country, filing lawsuits on this bill. That is another one of the reasons the hell or high water bill will not work. And, believe me, with all of the ambiguities, with all of the hooks that are in there to hang lawsuits on, I will be surprised if we ever get a ton of coal mined because no one will ever be able to get a permit to dig coal. They will be in the courts and before hearing boards for the next decade, trying to find out exactly what the gentleman meant when they put this garrulous bill of theirs together, what the gentleman from West Virginia earlier in the day seemed to call a bunch of garbage.

Well, it may be. I will not argue on that point. And I will not argue with the Cleveland Plain Dealer that said that when this magnificent bill that the gentleman from Ohio (Mr. REGULA) has been so complimented on for drafting, was passed in Ohio, that the next year afterward coal production dropped in the State of Ohio by 10 percent.

Now some people say, Oh, well, that is because Ohio coal is full of sulfur. Well, I do not know what it is full of, or who is full of what, but I know that the production did drop after something similar, but not really as restrictive as the hell and high water bill was passed in Ohio.

I do know that you are going to have some loss of production, and there is going to be under H.R. 11500. Not even the Sawhill letter No. 1 or No. 2 disputes that. The only issue is how much loss there will be.

I do not ask the Members to believe me about the loss. I have never dug a pound of coal in my whole life, just like the gentlewoman from Hawaii, and the gentleman from Arizona, have never dug a pound of coal in their lives. So I have to go to the experts in this field, and ask how much coal we are not going to dig under H.R. 11500. I went to the Bureau of Mines. Those are the people who have no reason to kid me, or "MOE" UDALL, or anyone else.

I said, What will happen here?

They said the Sawhill figures are the right figures.

They produced the figures for Mr. Sawhill. We could preclude from production up to about two-thirds of surface mined coal if H.R. 11500 is enacted.

This is at a time when this Nation has to double its production of coal in order to get itself out of the clutches of the importation of oil. This bill is going to be a domestic energy hari kari.

That is what it is going to be, because it is going to cut the production of coal, in return for no less than some meager kind of protection of these 800 acres of production per week from surface coal mining. And, that is a protection we could have under my rule 7 reason bill without precluding a ton of coal from production.

I became so outraged when I saw the Interior Committee day after day with proxy votes of absent members putting a bill together that would give that kind of meager environmental benefit for that enormous energy cost, that I decided it was time to do something about it. I went out and I wrote another bill.

I got the Department of the Interior to write the draft for me. I switched it around somewhat. I talked with energy people to see what they could live with, and administration people to see what they could live with, and tried to get something that everybody could live with. My objective was a bill we could dig coal with and could reclaim land with afterward. I came up with H.R. 12898, no rule of reason bill.

I asked that it be substituted as the markup vehicle in the full Committee on the Interior, and had the off-shore votes of the congressman from Hawaii and the delegate from Guam and the delegate from the Virgin Islands been casted differently, the rule of reason bill would have prevailed then and there. It only lost by two votes. That is how close it came to being the markup vehicle that we would be bringing here instead of this outrageous meat axe bill, H. R. 11500.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

The gentleman indicated it only lost by two votes. Were all of the members present to cast their votes in person so that they understood what they were doing, or was it by proxy?

Mr. HOSMER. It was by proxy, of course. These fellows do not hang around. They just hand their proxies in.

I want to point out why some of these reductions in production would be caused by this H.R. 11500. For instance, it will only give a 2-year permit to steep slope miners. They say, "You can go out and buy the new kinds of equipment you need," but in 2 years is not long enough. One cannot get a loan under that sort of a permit, because 2 years is too short to amortize the investment. No one is going to give a loan on a 2-year permit.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOSMER. Mr. Chairman, I yield myself 3 additional minutes.

Then there is this approximate original contour problem. My bill, too, requires that the approximate original contour be restored, and that is a fair provision. But both bills provide variances from it because it is known that we cannot always, in good commonsense, restore the approximate original contour. It is also known that maybe nature made a mistake in the way the contour ended up, and it does not necessarily make sense to insist blindly that things go back the way they were.

The variance provisions under my bill are workable provisions. A man can go in and read them and know what they say and either get a variance or not get a variance within a reasonable time. The fellow who comes in under H.R. 11500 does not know what it says. This is humanly impossible from the way the bill is garbled. The first thing he is going to have to do is go to court to get it decided. Then he will have to undergo some hearings about it and appeals and other nonsense. He is not going to have a permit under these conditions. He is not going to be able to dig coal. He is going to just be in a mess. That is the kind of mess I am trying to tell the Members they should not allow us to get into, because some fellows are so anxious to observe and respect the environmental ethic that they close their eyes to the fact that there are other ethics which our society must respect and compromise with.

In this case the energy ethic is one of equal importance, and the bill H.R. 12898 respects both of those ethics. It is the bill which says we cannot mine coal unless we can reclaim it and restore it to its environmentally satisfactory condition. It is a bill that says we can dig coal to make its energy available if we can do that. It allows access to this resource which is the underpinning of the Nation.

I would caution this body to observe that in sections 101 and 102 of the bill H.R. 11500 there are a lot of hopes and aspirations set forth that will knock the Members' eyes out if they will really read them.

Maybe the Members will not read them, but under Ruckelshaus against United States the court is reading them under new rules that say that those expressions are not just pious hopes, but that they must be interpreted in any lawsuit to mean something. Thus, those interpretations of those sections are going to cause these lawsuits, because anybody who claims an interest—or if he does not claim an interest—can come in and stick his fingers in these proceedings. He can start a lawsuit. He can get an interpretation which will be overweighted insofar as environmental considerations are concerned and grossly underweighted as to energy considerations. He can trigger hearings. He can go through all of the contortions of the damned that are going to drive people away from the mining business in this country because they simply cannot live under the kind of circumstances that will be created by this bill.

It was claimed by the gentlewoman from Hawaii that the Consolidation Coal Co. blessed 11500. They did no such thing.

They did no such thing and they sent out wires and letters to people, reproduced herewith is one of them:

Hon. CRAIG HOSMER,
House of Representatives,
Washington, D.C.

I have today sent the attached telegram to Representative PATSY MINK to clarify Consols position concerning H.R. 11500.

Hon. PATSY MINK,
House of Representatives,
Washington, D.C.

In regard to your reference in the Congressional Record of April 8, quoting a passage from a paper prepared for a group of security analysts entitled "Coal and the Energy Shortage." Consolidation Coal Company and all responsible coal operators endorse the concept of flexibility in returning mined land to approximate original condition or to a condition that will provide for an equal or higher use. The committee bill, H.R. 11500, denies the very flexibility endorsed in the quote which you inserted in the Record. To set the matter straight, this company opposes H.R. 11500 as an unnecessary prohibition of surface mining and curtailment of coal production. One of the reasons for this opposition is that it goes beyond sensible principles by requiring approximate original contour regardless of whether that is the best use of the land.

RALPH E. BAILEY,
President, Consolidation Coal Company.

The editorials that have been quoted from the deep canyons of Manhattan—how many tons of coal has the Wall Street Journal mined or has Business Week dug out or the other authorities that have been quoted? Or the Washington Post, for that matter.

In an editorial in yesterday's edition, the Washington Post argues that the House should vote for a prohibitory bill which will force the coal industry to rely only on deep mining. As its rationale, the Post states that:

> The nation's need for coal can and should be met by the overwhelmingly greater reserves of deep mine coal.

Moreover, the Post, in today's installment of its serial editorials against surface mining attempts to start an East-West civil war in the coal industry. It will not work. If the United States is to get the coal which nearly all the energy forecasters say we will need—doubling or trebling our coal production by 1985—we will require every ton that can be produced in any State by any method.

The Post's statement about "the overwhelmingly greater reserves of deep mine coal" is clearly a misconception, as has been pointed out in the past. When you consider the reserves of coal that can be mined with present technology, and not the coal found at extreme depths or in seams too thin to mine, the picture changes.

The latest information on the subject is contained in a U.S. Bureau of Mines publication issued last week, "Demonstrated Coal Reserve Base of the United States on January 1, 1974." It shows we have 297 billion tons of coal which can be mined by underground methods and 137 billion tons which can be reached only by surface methods. That means 31.5 percent of the accessible coal in the ground is strippable. Then calculate that deep mining recovers only about half the coal in a mine, while surface mining can recover as much as 90 percent. The actual production possible from surface mining is 45.4 percent of the total that could be produced. Thus, underground reserves will be 54.6 percent of the Nation's recoverable coal—not "overwhelmingly greater."

Finally, the Bureau of Mines report shows that underground demonstrated reserves east of the Mississippi are only 169 billion tons. If only half of that is recoverable, the Post's policy would reduce our future coal supply to 84.5 billion tons, or 19 percent of the demonstrated reserves.

Mr. Chairman, when one goes out and talks to people, as I have, who are responsible for digging coal one can get a realistic idea of what the problem is. At this point I insert a letter from one such person who knows something of the problem of digging coal and what would happen if the hell-and-high-water bill passes.

MEARS COAL CO.,
Marion Center, Pa., July 12, 1974.

Hon. PATSY T. MINK,
U.S. House of Representatives,
Washington, D.C.

DEAR MRS. MINK: I have just received a copy of your remarks printed in the July 3 Congressional Record and I appreciate your kind words about our operation and the efforts of you and your committee to make H.R. 11500 a workable bill.

As I tried to point out in my letter to Mr. Ruppe, the block cut method is not a rigid text book formula. Practically every pit requires some form of variation to the method due to the lay of the land, the kind of rock in the overburden, and how much it swells when lifted, and so on. H.R. 11500 does not provide the flexibility to overcome the kind of conditions we normally find in the field. Therefore, I don't see how I can stay in business if the Committee-approved bill is enacted.

While I recognize that the committee has made some improvements in the bill, however, I cannot help but feel that I have failed to give you and your committee a clearer understanding of what you call the "realities of surface mining." For example, Section 211(c)(1) concerning spoil on the downslope, I apparently failed to make it clear that for my operations the need to place overburden on the downslope to serve as a haul road to take the coal away and some of the downslope overburden is wind-rowed to form a barrier to retain rocks and boulders on the bench where they will be covered in the grading process, and as a storage area for top soil which is removed prior to the heavy earth moving. When the final grading takes place, the entire area, including the road, is blended together to the degree that one can hardly tell that downslope spoil ever existed. The haul road and rock barrier must be constructed not only for the initial block cut, but for each succeeding block as the operation moves laterally along the outcrop. I fail to understand why placing overburden on the downslope for the initial short linear block cut only is permitted when right now it is graded and stabilized not only for the first block but for each succeeding block under Pennsylvania law which has no such restriction.

The modification to 211(c)(3), concerning disturbance above the highwall is a half step in the right direction. The modification permits a limited amount of disturbance above the highwall (spoil stacked on slope above highwall) to be used in the final regarding of the mine site. Nowhere in the bill can I find any provision which permits me to use the material above the highwall in combination with beveling the highwall for greater stability of the mined land. What I am after here is to eliminate as much as possible the settling or slumping effect which occurs naturally on any backfill area, thus eventually exposing several feet of highwall.

The modification to 211(b)(19) dealing with abandoned underground mine workings again is a half step in the right direction and would seem to resolve the problem, but unfortunately not all underground mine workings are on a horizontal plane with the surface operation. A good many are within 500 feet below a surface operation and the bill does not recognize this. I suggest it specify horizontal measurement.

The modification to 211(b)(14)(B) concerning erosion recognizes that erosion is a natural process and can be controlled by various practices and techniques. The very serious problem which still exists in this section has to do with the words *"as measured prior to any mining."* This creates an impossible problem for practically all ongoing operations where there were no records before mining began.

Section 211(b)(14)(E) concerning preservation of alluvial valley floors is indeed an improvement over the previous language as far as operations in the humid regions are concerned. I am fortunate not to be mining in arid areas, for it still amounts to prohibition there.

Section 211(c)(4), concerning the term of the permit for steep slope operations, can only be considered as harassment and discriminatory against most small operators such as myself, as opposed to larger area type operations which are entitled to a five-year permit. For practical purposes, in meeting all the requirements of the permitting process with the inevitable delays of hearing procedures, the amended language of a two-year term is of no help.

In the second place, there are more than enough and adequate shut-down procedures to stop any operation in violation of this Act. Therefore, as long as any steep slope operation is in compliance, I can find no good reason for restricting it to a two-year permit. Finally, as you pointed out, careful preplanning and coordination of resources is necessary to meet environmental protection standards. This language actually frustrates the orderly development of a mining area inasmuch as a coal field normally is developed over a time frame longer than two years. Therefore, the perspective needed in making long range judgments by both operators and administrators, such as information contained in a five-year permit plan, is simply not available. Pennsylvania law does not have this kind of restriction.

With respect to concurrent reclamation (Section 211(b)(4)), again I failed to make clear the nature of my operations and therefore my concern for the language of this section. I use bulldozers for uncovering the coal and a mobile front-end loader for lifting the coal. These rotate between the active pits. I will normally have one pit of coal being uncovered, another where the coal is being loaded out, and another where backfilling and final grading is going on, in sequential order, and I will specify so in my mining reclamation schedule. However, the bill says that I must reduce the land disturbed incident to surface mining by limiting the amount of surface excavated at any one time and combining mining and reclamation operations and completing reclamation in any separate distinguishable portion of the mined area. What I am saying is that I cannot complete reclamation in the pit in which I am uncovering the coal nor can I in the pit in which I am loading out the coal. But I can and am completing the reclamation work in the pit where the coal has been lifted. The problem is that each pit is "separate and distinguishable" and while my reclamation work is concurrent and in compliance with the Pennsylvania law, it would not be under the language of this section.

The Section 211(b)(13) concerning Bonding for Agriculture Use of the Mined Site: again, the amended language is a half step in the right direction because at least we know when the clock starts running and there are exceptions to the requirements for a diverse, self-regenerative or permanent cover which recognizes most agricultural crops are annuals. There are no exceptions to the requirement that responsibility continue for five full years after the last year of augmented seeding or fertilization which most all annual crops require. Thus it would seem that my bond releases would be held up for this reason. An exception in the section for agricultural crops dealing with the phrase "after the last year of augmented seeding and fertilization" would clarify the language and ease the burden considerably.

Pennsylvania has no such requirement as far as the reclamation fee for rehabilitation of abandoned mined lands. Section 401(d). I cannot help but feel that it is most unfair. The area in which I work is the same in which I grew up and the people I deal with are my neighbors who have known and respected my parents and family over the years. Our reclamation work has been aimed at meeting the needs and desires of land owners, mostly farmers. The modified block cut was just not developed last year and it was not developed to meet the requirements of some laws. It was developed to both mine coal and help achieve the kind of land form which my neighbors wanted. As with most any activity, we learn from our mistakes with the result that those lands which I affected in past years and which I feel are not up to our current standards, are now being reaffected as a result of the greater demand for coal. Thus, my plans call for reclaiming not only the current mining but those limited areas which might be considered not up to today's standards. This is a common practice of many operators. I fail to see the fairness in taxing me to pay for someone else's mistakes, especially when it was the people who received cheap power who benefited. So it would seem the fair way to handle this problem would be to share this cost with all who benefited.

For all the above reasons, I feel there is much yet to be done to make H.R. 11500 a workable bill which in fact will allow the mining of coal and require sound reclamation.

If I can be of any help in this matter, please feel free to call me. Thank you for the consideration of my concerns.

Yours truly,
EDWARD MEARS, *President*.

One can also get a realistic idea of the problem if he will go out and talk to the environmentalists and get a reasonable idea of what their problem is. When one talks to both sides one can come up with a bill that has reason to it.

The hour of decision is upon us.

America needs coal for energy.

America needs to regulate the surface mining of coal to make sure that the land is reclaimed.

We must do both jobs. The American people will not, and should not, settle for anything less than a first-rate job from Congress on both counts of the assignment that we face today—

We need more coal, and

We need to reclaim the land.

We cannot legislate in a way that does a bad job on either count.

Yet, it is clear beyond any doubt that the committee bill, H.R. 11500, does a thoroughly bad job on both counts. The committee bill is bad in its concept, bad in its detail.

Because the committee bill does a bad job, I will offer as a substitute H.R. 12898, the rule of reason bill.

I will detail for my colleagues the major areas where the committee bill is deficient and harmful—and I will outline the way the substitute corrects these shortcomings.

Before doing that, I want to emphasize two points that are very, very important to this whole debate.

First, I am not the only member of the committee who finds major fault with H.R. 11500, the hell or high water bill. There are 41 members of the Interior Committee. If you will check House Report No. 93–1072, which is before you, you will find that no less than 18—yes 18—members of that 41-member committee have signed one or more sets of additional, dissenting or other views expressing reservations about certain provisions of H.R. 11500.

In the report, there are dissenting views with 10 signatures. There are separate views with two signatures. There is a supplemental view. Then there is a statement to the supplemental view. There are additional views signed by five Members—including the sponsor of H.R. 11500. Then there is a separate additional view signed by one distinguished Member who had already joined in the reservations set out in the first set of additional views. And finally, there is one more set of additional views emphasizing points of disagreement not covered in any of the other views.

I hope I have not missed anyone. I do not want to overlook anyone, but it is quite a job to list those of our committee colleagues who do not like the committee bill. And I do want every Member of the House to know it is not just HOSMER who is complaining. It is not just HOSMER who wants to substitute H.R. 12898. There are 22 signatures to varying degrees of disagreement with the committee bill. With a couple of duplicates among these dissents, I find 18 separate names in those 22 signatures. Eighteen unhappy members out of the 41 on the committee.

That is one point I want to make. Another point is very closely related. It bears upon the substitute I offer here today, H.R. 12898, the rule of reason bill.

On February 27, 1974, I proposed it in committee. We voted on it on February 27. There were 40 votes cast that day in the committee. Nineteen were for H.R. 12898. It failed by only two votes out of 40, largely on the basis of proxy votes cast in a hell or high water fashion on behalf of absent committee members. So the rule of reason is not a new idea, an untried idea. It is an idea with very substantial history and very substantial support—in the committee. It just was suppressed by a slight hell or high water majority. This substitute answers the many deficiencies in the committee bill. And it will answer America's need for coal—and for reclamation.

H.R. 11500, the hell-or-high-water bill, contains the following deficiencies of concept, deficiencies of such major proportions that they are beyond correction by the adoption of a few amendments. Major overhaul is required—not minor cosmetic surgery. The adoption of my rule of reason substitute—H.R. 12898—is the logical and reasonable way to eliminate these errors of basic policy which permeate the entire structure of the hell or high water bill (H.R. 11500).

First. H.R. 11500, the hell-or-high-water bill, will impose arbitrary, confusing, unnecessary, and unreasonable procedural requirements on the surface mining of coal. The results will be disastrous to consumers and small coal operators, making the bill anticonsumer and anti-small-business legislation—see title II, section 201 and section 211—H.R. 12898, the rule of reason bill, will not do this;

Second. The hell-or-high-water bill will illogically require each State to designate areas unsuitable for surface coal mining based solely on some regulator's arbitrary determination of not just whether reclamation is physically or economically possible, but also on whether such operations will—section 206(a)(3)(A)—be incompatible with plans to achieve essential Government objectives; affect fragile or historic lands; affect renewable resource lands; or affect natural hazard lands.

Since a decision as to the economics of a reclamation plan can best be made at the time of a decision on the permit application, it is unwise to prejudge such matters on an ex parte basis prior to the time when an application is filed and the operator demonstrates to the regulatory authority that reclamation can indeed be accomplished. What was economically impracticable one year may be economically sound the subsequent year due to advances of technology, improved mining methods, and the introduction of whole new generations of mining equipment.

The remaining categories of criteria should be eliminated as inappropriate. Subsections 206(a)(3) (A) and (B) can amount to the taking of an easement for public purposes for which compensation should be paid. Subsection 206(a)(3)(C) appears to be a new type of federally enforced zoning, whereas subsection 206(a)(3)(D) appears to be a standard which is inapplicable to surface mining but would be applicable to the construction of public facilities, housing, and industrial complexes.

With respect to Federal coal lands, the Secretary already has adequate authority under the Mineral Leasing Act to insure that unsuitable lands are not leased or that prospecting permits are not issued in areas determined to be unsuitable for surface coal mining operations.

It should also be noted that subsections 206(a)(4)(C) and 206(a)(5) constitute a back door entry of the Federal Government into land use planning and regulation—a subject matter recently disposed of by this body.

With respect to the designation of areas unsuitable for mining minerals other than coal, this section—section 601—should be eliminated as being nongermane to the subject of the bill. Secretary Morton in his May 29 letter made clear his opposition to the inclusion of this section. H.R. 12898, the rule-of-reason bill, corrects this;

Third. The hell-or-high-water bill needlessly imposes a costly, burdensome, and onerous task upon any coal operator to submit detailed information with his permit application to surface mine coal. The economic impact of supplying such sophisticated and costly information will ultimately squeeze many small coal operators—whose contributions to the energy supply are essential—out of business—see sections 208, 209, 210, 213, 214, 215, 217, 218—H.R. 12898, the rule-of-reason bill, will require essential and relevant information;

Fourth. The hell or high water bill needlessly imposes arbitrary and unreasonable environmental protection performance standards by prohibiting the placement of spoil, et cetera, on the downslope in contour—mountain—surface coal mining even though it is to be properly shaped, graded and revegetated. This is an anti-small-business provision since it is largely small operators who operate on steep slopes—see sections 201(b)(1) and 211(c)(1)—of the rule of reason bill, H.R. 12898 differs considerably;

The hell or high water bill requires the restoration of the approximate original contour of the land after surface mining by backfilling, compacting, and grading of the land with all highwalls, spoil piles, and depressions eliminated. In many cases these steps may be unnecessary for putting the mined land in a responsible condition. When they are not necessary this requirement imposes a very costly and often physically impossible burden of finding enough soil to fill in the area, replace the overburden and topsoil and restore the land to its "approximate original contour"—see section 201(b)(2)(A) and 211(b)(8)—H.R. 12898, the rule of reason bill, is less burdensome;

The hell or high water bill requires absolute preservation of the hydrologic integrity of alluvial valley floors and the restoration of the water recharge capacity of the minesite to approximate premining conditions as a prerequisite to obtaining a permit to surface mine coal. This assumes that nature's momentary hydrological conditions, which are sometimes sad, indeed, must be forever preserved and never improved, and to do all this would require the possession of the omnipotent powers of a deity—see section 211(b)(14) (D) and (E)—H.R. 12898 the rule of reason bill is less absolute;

Fifth. The hell or high water bill would regulate underground coal mining operations and the surface effects of underground coal mining by imposing arbitrary and unreasonable procedural and environmental standards—see section 212. The regulation of underground mining is a separate subject and should not be confused with surface mining regulation. H.R. 12898 does not do this, it applies the rule of reason.

Sixth. The hell or high water bill would require the enforcement of unreasonable permit provisions that are overly harsh and needlessly discourage mining. They include civil penalties of up to $10,000 per day and criminal penalties of a $10,000 fine and/or 1 year's imprisonment and authority to issue arbitrary "shutdown orders" by inspectors and individuals from various Federal agencies as well as the States with limited and varying expertise or knowledge of surface mining operations and problems—see sections 220 and 224. H.R. 12898, the rule of reason bill, does not do this;

Seventh. The hell or high water bill permits citizen's suits, and public participation in all procedural matters and allows for almost constant intervention by third parties thus creating a new level of litigious harassment which could lead to mischief and abuse of the legal process—see section 223. H.R. 12898 does not do this. According to the rule of reason it requires those seeking to enforce its provisions to have a real and legitimate interest which they seek to protect;

Eighth. The hell or high water bill imposes a moratorium on surface coal mining on Federal and Indian lands by incorporating immediately upon enactment of H.R. 11500 all the procedural requirements and environmental standards on all surface mining and reclamation operations on Federal lands. This will impose, together with tribal approval or disapproval, at a minimum an 18 month moratorium on permits for new surface coal mining operations on Federal lands—see section 225 and Title III; H.R. 12898 does not do this; it observes the rule of reason.

Ninth. The hell or high water bill imposes a reclamation tax calculated on the basis of total Btu's contained in the coal produced or imported during the preceding quarter. The proceeds will pay for the acquisition and reclamation of abandoned or inadequately reclaimed lands. This anticonsumer provision will inequitably increase costs of electrical energy for citizens who buy from utilities burning strip mined coal. Any obligation here is a national one, not a haphazard local obligation—see Title IV, section 401 et seq.; H.R. 12898, the rule of reason bill, does not do this;

Tenth. The hell-or-high-water Udall-Mink bill unfairly grants to surface owners—where the mineral and surface rights are in separate ownership—a veto power over the disposition of federally or privately owned coal. This could amount to a very substantial windfall for the surface owner and require the lessee-coal operator to pay twice for the same coal, first to the Federal Government for the lease, and second to the surface owner or lessee for his written consent to mine—see section 709; H.R. 12898 does not do this. It observes one rule of reason.

Members should take note of the additional views of Mr. UDALL, Mr. JOHNSON of California, Mr. TAYLOR of North Carolina, Mr. RUPPE, and Mr. MARTIN of North Carolina—report, pages 179 and 180—in which the following statement relative to section 709 appears:

> While protection of the rights of the surface owner is certainly important, the mechanism adopted by the Committee is of doubtful wisdom, questionable effectiveness and is constitutionally suspect.

There are innumerable other defects in the hell-or-high-water Mink-Udall bill which are not contained in H.R. 12898; the rule of reason bill with a few exceptions, all of the deficiencies of H.R. 11500 are discussed in the additional and supplementary views of committee members contained in the report.

The time limitations for debate of the bill do not permit a full examination of all the conceptual, engineering, legal, technical, and grammatical errors in the Udall-Mink hell-or-high-water bill, H.R. 11500; therefore, I can only give the Members a few examples.

First. There is no agreement within the hell or high water bill as to whether the correct pronoun for referring to the regulatory authority should be "he" or "it". Examples are: page 204, line 10 "it" is used; page 216, line 15, the possessive pronoun "its" is used: while on page 210, line 8, page 212, lines 16 and 24, "he" is used.

Other grammatical errors include: use of the phrase "companies have obligation to submit written comments"—page 205, line 10; the phrase "approximate original contouring"—page 283, line 20; and the words "they were"—page 284, line 2.

Needless to say, this is far from an exhaustive list of the grammatical errors.

Second. Under the provisions of subsection 218(b) of the hell or high water bill, the regulatory authority is required to issue a written decision following a hearing on a suspension order. It states, however, that the written decision of the regulatory authority will be "* * * independently verified by the regulatory authority." There is a conflict of terms on its face, since "independent verification" of an action of the regulatory authority would preclude it from performing such verification. Yet, the regulatory authority is so commanded by H.R. 11500.

Third. While the rule for consideration of this legislation waives all points of order, there are some comments which deserve the attention of all the Members of the House concerning how far afield the drafting of H.R. 11500, the hell or high water bill, has gone.

Back door spending is authorized in section 701(a) through the grant of $30 million of contract authority to the Secretary of the Interior—$10 million of which is "* * * to become available immediately upon enactment * * *." This is tantamount to a direct appropriation and makes a mockery of the appropriations process.

It is my understanding that banks are prohibited from pledging their assets to secure a deposit of a nongovernmental entity under current banking laws. This prohibition is designed to prevent discriminatory treatment of depositors, and to prevent the watering down of the security of other deposits for the benefit of one deposit in the event of bank insolvency. The variety of abuses possible without this prohibition is almost endless.

Yet the language of subsection 216(b) requires the bank issuing the certificate of deposit to pledge securities to secure the repayment of the certificate of deposit in the amount which is excess to Federal Deposit Insurance Corporation insurance.

Fourth. The Udall/Mink hell or high water bill, H.R. 11500, is punitive. Quoting from the supplemental views of JAMES R. JONES, appearing on page 195–6 of the report, he comments upon the unrealistic time factors incorporated in the bill as follows:

> The unrealistic time frame for administrative action, coupled with the withdrawal of mining authorization due to no fault of the miner, demonstrates either poor draftsmanship or a punitive attitude toward the surface mining industry. Neither makes healthy legislation.

I must be frank to say that I do not believe it is a case of "either—or", I believe it to be both a product of poor draftsmanship and a punitive attitude. A recitation of a partial list of the enforcing mechanisms embodied in the bill will clearly demonstrate the punitive underlying concept of H.R. 11500, the hell or high water bill:

Hearing on the permit; anyone may appear and object; judicial review of decision to issue permit is also available—sections 214, 215, and 221;

Bonding in an amount to cover costs of reclamation by third party—section 216;

Insurance to compensate any person damaged by the operation—subsection 210(e);

Suspension of permit—section 218;

Revocation of permit and forfeiture of bond—section 218; and

Denial of other permits—subsection 209(e).

Here are further examples of the hell or high water features of the Mink/Udall bill.

Stop mining orders—sections 203 and 220;

Injunctions, restraining orders, et cetera—sections 203 and 220;

Civil penalties, both State and Federal—sections 203 and 224;

Criminal penalties, both State and Federal—sections 203 and 224;

Hearings on bond release—section 217;

"Citizens suits," against the operator, the Secretary, and the State regulatory authority, these suits can be brought at any time during the term of the permit under the conditions of section 223. Members should note that citizen suits may be instituted by "any person," whether he has an interest or not, whether corporate or individual, and whether a citizen or noncitizen; and

Damage suits, either under common law or under additional authority of the bill, or both—subsections 223 (b) and (e).

About the only punishment or enforcement mechanism left out of the hell or high water bill are "public floggings" and "corruption of the blood."

H.R. 12898, on the other hand, applies the rule of reason. It provides the Secretary and the State regulatory authorities with the full kit-bag of enforcing mechanisms without opening the door for an unprecedented rash of legal harassment.

We have heard a lot and read a lot these past few days—where some in the press and some in Congress who support the committee bill, are trying hard to find comfort in the recent letter from the Federal Energy Administration on the coal tonnage that would be lost under H.R. 11500's needless hell or high water insistence on the environmental ethic. It is the derogation of the energy ethic as contrasted to H.R. 12898's patient obedience to both ethics.

Well, I sympathize with my friends who seek this comfort, because they are much in need of any solace they can find. Certainly the hell or high water bill can give them neither comfort nor solace.

But I commend to all my colleagues a careful reading of the FEA letter. It is a short letter, and it is very much to the point. Each Member can read it in full. I will only point out here, Mr. Chairman, that Mr. Sawhill does not change his earlier estimates. Those were the maximum tonnage losses he said under H.R. 11500, the hell or high water Mink/Udall bill. His July 9 letter, which all of us have, now adds what he calls "probable" losses in production under it. And, Mr. Chairman, I find these "probable" loss figures much more chilling than the earlier estimates of maximum loss. Here are figures submitted to us after the FEA reviewed the committee bill and the report. Mr. Sawhill says on July 9, and I quote:

> H.R. 11500 would still produce probably losses of 20–60 million tons of coal production in 1975, at a time when increased coal production is essential.

I find it puzzling, and I am a bit bewildered, that anyone can find comfort in that estimate. That anyone can find comfort in these figures, is perhaps the strongest of all indictments against the hell or high water bill.

I have set out the major differences that call for adoption of the rule of reason bill.

Some of our colleagues may want to emphasize one or more of those differences in greater detail.

So just let me say in closing, that H.R. 12898 is a congressional bill. It was put together after very careful analysis of the views of every interested group in America. It is a tough bill that assures reclamation but allows us to get the coal our Nation must have for energy. It was drafted in accordance with the rule of reason.

The environmentalists do not like H.R. 12898. It does not give them all they want; and in fairness, Mr. Chairman, I do not think the country can afford to give the environmentalists—or anyone else—all they want.

The coal industry does not like H.R. 12898 very much. Like the environmentalists, the industry advocates a whole range of legislative provisions which are not included in this substitute. But that is not surprising, because H.R. 12898 was not written for the coal industry any more than it was for the environmentalists. It was written in accordance with the rules of reason, for everybody.

The administration would like to change H.R. 12898, to include some pet administration provisions that the committee also rejected. To this I can only say H.R. 12898 was not written to give the administration all it wanted either.

I am persuaded that the Hosmer substitute reflects the best judgment of a majority of the committee and a majority of the House.

I call my substitute bill the rule of reason bill because it applies the rule of reason to these two ethics in our society which we must observe and to some extent compromise where we are in conflict with each other. I believe my bill does a fair job of this and I commend it to the Members and urge its adoption.

Mr. BROWN of California. Mr. Chairman, as we debate specific points on strip mining legislation, I think it is wise to remember that the coal this Nation needs in the decades to come will not come primarily from strip mining. Regardless of whether we pass no legislation, weak legislation, effective legislation, or prohibitive legislation on strip mining, the reality is that the bulk of our coal will, sooner or later, have to come from deep mining operations. For economically available coal, the ratio of deepminable coal to strippable coal is about 8 to 1.

We are not debating whether we will extract coal for our energy needs, because we will be extracting more coal regardless of the outcome of this debate. What we are debating is the methods used for that extraction process. The demagoguery over this legislation has obscured the technical aspects of the debate, which are far less debatable.

I do not believe it is necessary for me to describe the differences in each type of coal as regards sulfur content, water content or Btu content. Nor is it necessary for me to describe the differences in extraction and reclamation techniques and the variabilities of each that arise from the particular physical characteristics of the area in which each mining operation occurs. But the awareness of these factors is important when one is going to make an intelligent policy decision on strip mining. The technical information has been compiled and evaluated by the appropriate governmental agencies, congressional committees and other interested parties, and it is readily available. When one reviews it, they reach a sinking feeling that strip mining, except under the most favorable physical conditions and strictest regulations, is a destructive, nearly irreversible process. The permanence of strip mining in unsuitable areas, and the side effects of such practices upon the ecosystem and the social system should cause us all to consider what we are deciding with this legislation.

One major limiting factor for all activity in the West is water. Strip mining policies threaten this most precious resource. It is the responsibility of this Congress to prevent this from happening. Unfortunately, we probably cannot legislate effective reclamation procedures. This fragile environment may not be able to withstand massive strip mining.

It is for these reasons that I have supported the legislation by Representative KEN HECHLER of West Virginia that phases out strip mining of coal to the vastly more plentiful deepminable coal reserves. Nevertheless, I understand the view of my colleagues who have supported H.R. 11500 in the belief that strict enforcement is indeed possible, even in the fragile ecosystems of the West. While I have my doubts that such enforcement will be effective, I am prepared to support the committee bill if the Hechler substitute fails.

There are many proposed amendments to H.R. 11500 that deserve adoption. Among these I wish to make special note of the two amendments by Representative FRANK EVANS of Colorado that expand upon the special attention given to western water problems in the committee bill. The Evans amendments will strengthen the committee bill and serve to further guarantee that the water is protected from strip-mining practices. Another amendment by Representative JOHN SEIBERLING of Ohio will attempt to equalize the costs between deep mining and strip mining through the use of a reclamation fee and rebate system that reimburses mining operators for certain activities. This amendment is a reasonable measure to accomplish a notable goal, and that is the encouragement of deep mining and the reopening of eastern mines that have been abandoned for economical reasons. I strongly support the adoption of these amendments.

Mr. Chairman, I wish to conclude by saying that I support increased coal production to meet the needs of America. I resent the distortions that have accompanied this debate and the ignorance that some have displayed in advocating their positions. This country has great resources, not only in coal, but in its agricluture, its variety of physical forms, its natural beauty, and the intelligence, ingenuity and concern of its people. America can have energy and maintain a strong social fabric without destroying its natural environment. The claims to the contrary and the attempts to cause us to choose when we do not have to choose do not reflect any credit on those responsible.

Mr. ROBISON of New York. Mr. Chairman, since my congressional district is a coal consuming area in a State which produces no coal, my constituents should have every reason to desire strip-mining legislation which promises to deliver the highest volume of coal at the lowest price. It should also be noted, however, that these same people live in one of the most scenic areas of New York—an area which is actually only a segment of the larger geographic region which encompasses the so-called Southern Tier of upstate New York and the northeastern corner of Pennsylvania. The whole of this region comprises the upper Susquehanna River Basin and is linked by the Appalachian chain; yet, its contours are characterized by the stark contrast of the soft, green hills of upstate New York, and the bare angular shapes immediately to the south, where stripping has taken its toll over the decades.

During each of the countless times I have driven to my congressional district in the past 17 years, I have been confronted with dramatic evidence of what strip mining can do. Most of my constituents have also seen the stripped areas at one time or another, and that is probably one reason why there is no single chorus in the 27th District of New York which calls only for more and cheaper coal. In a fashion, those voters have long been confronted with the same conflict of values and needs which has characterized the debate over H.R. 11500, "The Surface Mining Control and Reclamation Act." The Nation needs coal, perhaps more than ever before, and my constituents share that need. Yet, the Nation has also come to respect the need to protect the diverse uses of the land around them, because both those who produce coal and those who consume it wish to live in surroundings they can appreciate and enjoy.

Basically, the measure before us attempts to strike some balance between energy needs and environmental values. By setting guidelines and enforcement standards for State regulatory programs, H.R. 11500 seeks to join the immediate national need for coal to the longer-range responsibility for protecting the welfare and potential needs of future generations.

The measure provides for an interim regulatory program, which places limited restrictions on strip mining and serves as a transition point to the permanent standards which are to take full effect some 3 years after passage of the bill. At the heart of the bill is the series of requirements and standards which direct coal producers to work toward reclamation of stripped lands. In essence, our Interior Committee has said that reclamation begins at the first breaking of ground. It is not meant to be simply a remedial effort which makes the best of a bad situation.

Also, the "Surface Mining Control and Reclamation Act" will require some effort at land-use planning. The impact of the planning process required by the bill is its recognition that strip-mined coal is simply not the most important element in the Nation's future or the welfare of its citizens. Yes, we must have coal to meet short-term energy needs. But a country which possesses nearly one-half of the world's coal reserves—only 4 or 5 percent of which is strippable—does not need to practice indiscriminate surface mining in order to survive.

There will undoubtedly be some areas which have coal and which also have agreeable recreational potential, or noteworthy historical or archeological significance. Must we always opt for stripping when faced with such conflicting uses? Obviously not. And, in this judgment lies my major objection to the implications of the "Hosmer Substitute" which will be offered to us. The emphasis of that proposal's land-use provisions gives strip mining priority over any other possible usage which might conflict. The same objection could be raised, in part, to the steep slope requirements of the substitute proposal, as well as its flexible guidelines concerning disposal of mine debris downslope.

Aside from the substance of the substitute itself, I find it offensive that supporters of a weaker strip-mining bill have attempted to put an authoritative stamp on projections of coal production losses which are far from accurate, and which in some cases do not even appear to be within the realm of probability. This kind of "scare tactic" is inimical to everything which our legislative process stands for, depending as it does on the reservoir of expertise within and outside of the Federal Government.

There is another substitute proposal, as well—the "Hechler substitute," which has as its express objective the phasing out of strip-mining within the next 5 years. That proposal, which raises an attack on the Interior Committee bill from the other flank, as it were, seeks as its alternative a complete reliance on deep-mined coal and, presumably, eastern deep-mined coal. With the energy picture for the future so unclear, it would seem more than arbitrary to exclude an existing, dependable source of fuel from the "energy mix" which must be combined into a national fuels policy of the future.

In a literal sense, the Interior Committee bill lies in the middle of strongly conflicting alternative approaches. Of course, it was by design that this is so. More than 2 years of work have gone into this proposal, and every interest group has made its input. The product, I believe, is cognizant of the economic, health and environmental interests directly involved in the stripping of coal. H.R. 11500 is a true compromise in that sense; one that has attempted to order needs and priorities after every voice has been heard.

A number of amendments will be offered during our debate—which now promises to stretch for several days. I have studied many of them; some I have not yet seen. But, when they are voted, my guiding premise will be that the bill we start with, H.R. 11500, is a careful and delicate compromise. For the most part, I will be disposed against any amendment which attempts to revise the substantive terms of the measure, because, as I read them, they strike the kind of balance I have consistently urged between environment and energy.

Since that is so, I must strongly commend the work of the Interior Committee. It has completed a very difficult task at a time of so many competing national priorities. The committee has given us a bill which recognizes that each of these priorities is legitimate, and must be contended with to the greatest degree practicable.

Mr. Chairman, I look to my colleagues on both sides of the aisle for support of H.R. 11500.

Mr. SEIBERLING. Mr. Chairman, in debating the surface mining legislation, I think it is important that Members be aware of all the issues that surround it and the effect this legislation will have on the country as a whole.

The administration and its affected departments and agencies have—with the exception of the Environmental Protection Agency—acted in alliance with coal lobby to thwart any attempts at rational regulation of stripmining. The biased stance of the administration blurs the broader issue of what is best for all of society and not just that of a few powerful interests.

Some of our Members have been misled into making an unfortunate distinction between meeting our country's energy needs—through coal—and its environmental concerns—for example, birds and trees and flowers. Energy is seen as the important issue. The environment is seen as superficial and, in fact, a possible threat to our Nation's ability to obtain its energy. The environment is branded as yesterday's problem, one that simply interferes with today's progress. With inflation running rampant, any environmental interference is assumed to be too costly a burden to place on our energy producers.

This distinction between energy and the environment is more than unfortunate. It is specious, fallacious, and disastrous for the country as a whole.

A concern for the environment is not merely a concern for saving a pretty landscape, although of itself this is worthy of our attention. Certainly it has a profound psychological effect on our people and is essential for their mental and moral well-being.

A concern for the environment is also a concern for people. In our quest for energy—which is basically a quest for a service for people—we must consider the process as well as the end product. We must ask ourselves, What are the real costs to people? What must people ultimately pay, if in extracting one important resource we do irreparable damage to other equally important resources?

On the local level, citizens pay for destruction of the land in the form of a tremendous economic loss to their communities' tax base. One needs only look at the depressed stripmining areas of Appalachia, as I have, to see what happens when people are ignored in the process of extracting an energy product. The scars of past mining still blight the landscape and the people live in poverty despite the riches that have been reaped by the coal companies.

These people are also threatened daily by water impoundments, like the one at Buffalo Creek in 1972 that killed scores of people and left thousands homeless. Landslides and boulders imperil residents and their homes and villages. Water supplies have been poisoned, often miles away from the mining site. It is estimated that 11,000 miles of streams have been ruined by the side effects of coal mining in the East and Midwest.

Our distinguished colleague (Mr. HECHLER of West Virginia) has cited many examples of how poor stripmining practices have depressed and degraded his State. I have placed in the RECORD examples relating to my State. I can think of few industries that so imperil the lives and livelihoods of so many people. And these adverse effects, unless they are controlled now, will continue to plague future generations.

Nationally, all citizens will be affected. It has been estimated that strip mining is costing Americans $35 million a year in lost recreational resources alone. Prime hardwood forests have been destroyed and thousands of acres of agricultural and grazing land have been taken out of production—a serious loss to our Nation's food supply. The people of our country will pay dearly for these losses.

MOVING WEST

As the coal strip mining industry moves West, more and more of the cream of our country's land will be skimmed off for profit. The losers will be many of the people who live in States like Montana, Wyoming, and South Dakota—the "Big Sky Country" of our Nation.

Much of the strippable land in the West is in arid areas where there is no certainty that it can ever be revegetated. In fact, reclamation in the West has never gone beyond the experimental stage, and even the industry admits the land will never be as it was before strip mining. The industry calls for a "higher and better use," without defining what they mean. And left with this higher and better use may be ranchers who can no longer ranch, grazers who can no longer graze, and farmers who can no longer farm.

As in Appalachia, the influx of people and industry will have a profound effect on the lives and livelihood of the local residents of the Western States. In fact, it will probably be worse. Because the strippable supplies of coal in the West are small in comparison with the total minable reserves, and because—even the Interior Department admits this—a maximum reliance on stripping will deplete the western strippable reserves in about 20 years, the "boom" will soon turn to "bust." And the people in the West will pay, as the people in Appalachia have paid and continue to pay, for the devastation that is left in its wake.

Some people have worried that the reclamation requirements in H.R. 11500 will be too expensive, to both the industry and the consumer. This is nonsense. The cost will average less than 5 percent of the total cost of mining. The cost of reclamation is small when—as in H.R. 11500—it is done in conjunction with the mining process. And the cost is a fraction of what the public will pay for the hidden social costs of uncontrolled strip mining.

DIG DEEP

Although the bill does a reasonable job of assuring reclamation in the future, it does not deal adequately with the adverse effects of mining in the past. Over 2.5 million acres of strip-mined lands lie unreclaimed. To correct these conditions will cost over $9 billion at today's prices. In Ohio alone, it will cost $750 million to reclaim the 370,000 acres of strip-mined land and to correct water pollution caused by abandoned deep mines.

As I have pointed out earlier, these blighted lands pose economic hardships and dangerous hazards to hundreds of communities.

Since only 3 percent of our coal reserves are strippable, it is folly to allow uncontrolled stripping to wipe out thousands of miles of our country's land and water while the deep-mining industry is allowed to flounder and face possible extinction in the years to come. A viable deep-mining industry is crucial to meeting the future energy needs of our country.

The reclamation fee amendment which I propose to substitute for the one in H.R. 11500 would come to grips with both problems. It would provide a sizable sum to reclaim the land and water devastated by past coal mining and would give an incentive for the industry to expand its deep-mining production.

The basic fee of $2.50 a ton would be offset by credits allowed for statutorily imposed costs of health and safety equipment, for the variable Btu content of coal, and for reclamation activities required by the bill. These credits would tend to even out the regional differences in strip-mine reclamation costs and Btu content. Strip-miners in each mining region of the country would pay about the same net fee—an average of $1.60 a ton.

The average for deep mines, with their high credits for safety costs, would be only about 25 cents per ton, an incentive for the industry to do a better job of safety in the mines, as well as expand their deep-mining capabilities.

The cost would be small compared to the benefits. The average cost to consumers would be only about 36 cents per month. Consumers in the East and Midwest would, in fact, be paying less overall, because they would not have to rely solely on coal hauled in from the West, at transportation costs already running as high as $14 a ton. Consumers in the West would not be greatly burdened either, as western coal is already considerably cheaper than eastern and midwestern coal.

I am pleased with the support I have received from such distinguished officials as Governor Gilligan of Ohio and Governor Milliken of Michigan. I have received numerous letters of support from various consumer and environmental organizations and labor unions such as the Ohio AFL–CIO and strong editorial support from newspapers in Ohio and other parts of Appalachia and the Midwest.

WHY OTHER WAYS WOULD NOT WORK

Why accept my reclamation fee in lieu of other approaches that seem less complicated? The apparent simplicity of other approaches belies their inherent deficiencies. What is "easiest" is not necessarily best.

To take the abandoned mine reclamation fund out of general revenues, for example, would be to make the public pay over and again for what it has already paid for in the past. This approach would ignore the industry's responsibility to absorb the total cost of mining. It would force the public to subsidize the industry's past indifference and neglect.

Furthermore, the fund would be at the mercy of the Office of Management and Budget and the President, who have already impounded millions of dollars authorized by Congress to clean up our environment. Why would OMB suddenly support full funding for reclaiming abandoned mines when it has already shirked its duty on other major environmental concerns?

A severance fee based solely on the energy content of coal, as the one presently included in H.R. 11500 would place an added burden on eastern and midwestern coal, which has almost doubled the energy content of much western coal. The reclamation fee provided in the bill would require at least 45 years to reclaim the land and water already destroyed by coal mining, whereas my amendment would do the job in one-third of the time. And the fee presently in the bill would do nothing to revitalize the deep-mining industry, to encourage better safety in the mines or better reclamation practices.

Not to have an abandoned mine reclamation fund at all would, of course, be the easiest way out. It would also be irresponsible. The blighted lands would remain, with little hope of being restored by the States whose economies have suffered most severely from their effects. The local communities would continue to face the physical hazards and economic deprivation of their wasted land and poisoned water. And the rest of the Nation, unaware of how deeply they are affected by it all, will continue to ignore this very real and pressing problem.

STATES CANNOT DO IT ALONE

Some people have said, "States like Ohio and Pennsylvania have effective strip mining laws, so why do we need a Federal law as well?"

There are two basic reasons why we need a law such as H.R. 11500. First of all, the Federal law would not supplant the State laws, if the States do a good job. But the Federal law would assure the States the clout to enforce their laws. We have ample evidence of the need in Ohio, where the mining lobby is doing all they can to hamstring effective administration of Ohio's strong strip mine control law.

Second, although many States have strip mining, few have adequate reclamation laws. A Federal law would put all the States on an equal basis and prevent the industry from playing off one State against another.

Gov. John Gilligan of Ohio, in his letter to me supporting H.R. 11500, pointed this up when he said:

> A Federal overview of State programs would insure that each would meet at least minimum standards and that individual State programs would be less likely to undergo policy changes when administrations change.

H.R. 11500 is basically a "State lead" bill. It allows the States time and flexibility in drafting their own program for regulating surface mining. A Federal program would be implemented only if the States fail to prepare an adequate program or if the State program is not implemented or enforced. And Federal matching grants would be available to develop, administer, and enforce the State programs.

With such encouragement, I am confident that little Federal intervention would be necessary and that States would be able to handle their own programs. But the States would also have the confidence of knowing that their regulations would not be hamstrung by local pressures and that the Federal Government would back them up if they needed it.

WEIGHING THE ALTERNATIVES

In debating our Nation's energy needs, a multitude of factors must be considered. I have only named a few. Not the least of these is the environment—the total environment, in terms of nature and in terms of people.

Some people have claimed that H.R. 11500 overemphasizes the environment. This is because they do not understand how inextricably bound are energy and the environment. Indeed the two are inseparable. To destroy one important set of natural resources to gain another is an absurd prospect. It is particularly absurd to destroy productive land in a world facing a shortage of timber and a prospective shortage of food.

Yet if handled correctly and with sensitive planning and management, there is no reason that we cannot have both—a productive and healthful environment and an ample supply of energy.

H.R. 11500 would go a long way toward assuring that we have both. It is not a perfect bill. In fact, some of its environmental provisions should be strengthened. But on the whole, it will put our country's coal production in perspective and give rational control to the process. And the beneficiaries will be the people of America.

Mr. KASTENMEIER. Mr. Chairman, I rise in support of H.R. 11500. At last, after countless hours of work by Mr. UDALL, Mrs. MINK, their staffs, and the members of the Interior Committee, this House has an opportunity to endorse a piece of legislation which will begin a national policy to deal with one of the most insidious and exploitive corporate practices that this Nation has faced. The congressional battle against strip mining has been a long one. During the 92d Congress the House passed a responsible regulatory measure. However, the Senate was not able to act and the bill died with the Congress. This session the Senate has led the way, and a strong bill awaits us should we pass this measure.

Unfortunately, even the idea of a regulatory bill for strip mining has met with ardent and influential opposition. A powerful amalgam of the administration, the power companies, the coal industry combined with its new parent-in-law, the oil industry, and their spokesmen in Congress have been very successful in delaying both the subcommittee and full committee deliberations. This delay has been costly. Over 600,000 acres of America have been stripped since the House began considering this issue in October 1971. Most of this land has been stripped of its foliage, its topsoil overburden, and left in a rubble to erode and silt up the waterways. The delay has allowed the energy giants to have a very profitable session of Congress. While we have worked slowly, they have maneuvered speedily to reach an unprecedented level of profits and political clout.

The antiregulation campaign of the industry and the White House has been designed to frighten the public and the Congress into permitting the industry to continue to reap the profits of strippable coal at the expense of the integrity of the land, the quality of the waters, and the health of the people of the Nation.

It is important that we recognize that the entire energy squeeze that we have experienced over the past year is directly related to the campaign against this bill. The fuel shortages have been shown to be nothing less than a capricious corporate manipulation of the Nation's economic and energy options. One of the fundamental issues involved here is whether or not Congress will assert its prerogatives to influence our national energy policy. This bill is a unique opportunity to utilize those prerogatives and to demonstrate a commitment to a sensible balance of corporate responsibility and environmental protection. H.R. 11500 is not a perfect piece of legislation. It has problems and opponents on all sides. However, it is a good solid beginning in an area that has been crying out for Federal policy direction for decades.

First, the bill establishes a national policy for the regulation of strip mining; something that has never been done before. Granted, the policy here is one of State enforcement rather than the Federal regulatory bill many of us would have preferred. However, it is clear that the political climate will not permit a Federal bill. Therefore, it is crucial that we proceed with this legislation which will provide a strong apparatus of administrative, environmental, and enforcement standards to be directed by the States.

Second, the bill is particularly well written in a number of areas. The guidelines for the regulation of Federal lands and the national forests are outstanding. No longer will the threat of the strip mining be held over the life of the national forests. Also, the bill contains an extremely progressive program of public participation at every level of the permit issuance process. The right of judicial review shall be granted to provide an additional safeguard to the public. It is unfortunate that we must rely on the watchful eye and the resources of the people. However, it is exciting that at last the closed door of corporate capriciousness will be open to the review and inspection of the citizenry.

In a similar vein, the bill establishes that the surface owners consent shall be required for interruption of the surface land. The sad tale of the West Virginians who were told that the homes they own could either be moved or they would be bulldozed is not solely restricted to tenants who do not own the land they have built on. Similar tales are taking place each day all across the country where the rights of surface owners are subject to the whims of the mineral rights holding coal companies.

Further, the bill's environmental protection standards are a very respectable beginning for control of much of the devastating physical impact that stripmining has had in both the Appalachian States and, more recently, in the far West where the potentials for destruction by this scrabbling of the earth are just being realized. The return to original contour provisions of the bill are reasonably presented, and are not prohibitively strict, as the bill's critics have maintained. Indeed, if strip mining is going to be permitted at all, and there are some excellent arguments that it should not be, the very least that we must do is require that the land be returned to its approximate original contour. The scarred faces of the once beautiful rolling hills and mountains of Appalachia are testimony enough that we must provide a workable alternative to the senseless ravaging of the Nation's lands.

In addition to surface interruption, water quality control is one of the most crucial areas of concern of those who have been forced to live with strip mining. The people of Appalachia have had their rivers, streams, and lakes silted up. They have had their water supplies poisoned by mine runoff and acid. They have been battered about by freak floods and broken dikes. H.R. 11500 provides the initial standards for meeting many of the water quality and control problems. Mr. EVANS of Colorado will offer two amendments, which I intend to support, which will address the problem of water quality in the West, where protection of rivers and streams has already begun to follow the Eastern example of benign neglect.

We ought not permit mining near or through any river or stream. Any legislation that we consider on this issue primary protection must be given to the integrity of our land and water resources. H.R. 11500 does just that. If there is to be criticism of this measure, it is that it does not go far enough in the direction of using strict environmental standards as a disincentive to strip mine.

However, my colleague on the Interior Committee (Mr. SEIBERLING) will offer an amendment which will do much to discourage the use of strip mining as the primary method of reaching our needed coal reserves. This Nation can well afford a national coal policy which places first priority on production of our more abundant deep mine reserves, while phasing out surface mining. If coal is actually going to constitute a major long-term source of domestic fuel for domestic power generation, then depletion of our strippable reserves, which make up only 3 percent of our total coal reserves, will force the Nation to shift back to deep mine coal reserves anyway. Mr. SEIBERLING's amendment, which I supported in committee, will act as a graduated disincentive tax on coal that is surface mined. It will encourage the reopening of deep mines and thus relieve some of the chronic unemployment that has struck deep miners and their families.

I urge Members to support this strengthening amendment and the body of H.R. 11500. We must realize that we can no longer fail to act on this issue. The scars on the mountain sides and prairies will not disappear. The soured streams and washed out hollows will not be repaired. The ruined lives and homes will not be remade. However, there is in this bill a hope that the future will contain some measure of justice for the land, the waters, and the people who have been so abused.

Mr. OWENS. Mr. Chairman, I support the enactment of H.R. 11500. The Surface Mining Control and Reclamation Act is the second monumental measure dealing with the use of the land which has been reported out by the Interior Committee in recent months. Like the first, the Land Use Act, it is the subject of controversy and misunderstanding.

THE MOVE WESTWARD

Ninety percent of the total U.S. recoverable hydrocarbon reserves consist of coal. Yet in 1973 only 18 percent of our total energy was provided by coal; 77 percent of our energy requirements were met through comparatively scarce petroleum and natural gas sources. Clearly we need to increase our reliance on coal as a future source of energy as we point toward energy self-sufficiency. It has been estimated that there are 32 billion tons of coal in the West which are recoverable by strip mining techniques. Most of the coal is close to the surface and most of it has a low-sulfur content, making its use environmentally desirable.

The move westward toward using economically extractable and environmentally desirable coal is illustrated by the following—in 1953 only 23.4 percent of U.S. coal production was through surface mining. By 1973 more than 50 percent of U.S. coal mined was strip mined with dramatic increases occurring during the last several years. Because of the trend of the coal industry to move more and more toward the arid West and its delicate ecology in order to mine our coal resources, it is imperative that we enact measures now which will permit us to exploit this energy source and yet maintain the delicate environmental balance in this part of the country. H.R. 11500 would permit us to do both.

A BALANCED APPROACH

Some groups favor a moratorium or an outright ban on strip mining. Others favor little or no regulation. H.R. 11500, in my view, strikes a balance between these two extremes. Under its provisions the Nation will be able to use its ample coal reserves to meet energy needs without raping the land in the process.

A SCARRED LANDSCAPE

Each day there is one square mile of land strip mined in this Nation. Only a few States have effective statutes on the books to restore areas which are surface mined. In most States, however, each day's delay in the passage of H.R. 11500 means that part of that square mile is irretrievably scarred. Under this measure the States will take the lead in developing a permit system which would effectively regulate the surface mining of coal.

INTERIM PROGRAM

So as not to threaten the production of coal during the early implementation phase of this program, certain interim steps are required in existing surface mining practices. Two of the most environmentally damaging consequences of strip mining would be prohibited. Dumping materials down slope from the area being mined would, in essence, be banned. Also, the mine site must be returned to its approximate original contour. Each coal mine operation must be in compliance with the interim program 120 days after enactment of this legislation.

PERMIT SYSTEM RUN BY THE STATES

The permanent permit system established by H.R. 11500 to regulate surface mining would be operated by the States. The surface mine operator would be required to submit an application to the State which outlines how the mine surface and surrounding ground water would be protected. A reclamation plan would specify how the land would be restored after it is stripped of the coal. The plan would also include discussion on post-mining use of the land. These applications are available for public review. Approval of the plan by State authority, using the criteria contained in H.R. 11500, would be in writing and contain certain positive determinations. Permits for mining on steep slopes would be issued for 2 years; others for 5 years. The act covers surface effects of deep mining so underground operators must also apply for permits in order to minimize the surface and water damages created by this type of mining. The State can designate certain areas as unsuitable for mining as well as to deny a permit to an operator because the application does not meet reclamation criteria.

COAL LOSSES MINIMAL

The administration's opposition to H.R. 11500 is supposedly rooted in the losses in coal production which it expects to occur.

Even the minimum losses, which the administration estimates at between 31 and 33 million tons, are grossly inflated. These estimates, which the Federal Energy Office released relatively recently, come as a surprise since the Subcommittee on Environment on which I serve worked very closely with administration officials in drafting H.R. 11500.

The administration took the worst possible interpretation of each of the major provisions of H.R. 11500 in order to arrive at these estimates. Some of the assumptions made bordered on deliberate misinterpretation.

For example, the bill allows long-wall underground mining where the required technology is available. This technique controls the subsidence of the land surface while permitting much more coal to be extracted from underground mines because there is no need to leave pillars of coal to hold up the mine roof. For some reason the administration interpreted this as a prohibition against long-wall mining and estimated that a minimum of 17 million tons of coal would be eliminated from production. The fact is that the sponsors of the bill accepted an amendment to make it absolutely clear that long-wall mining is allowed. This cuts the administration's estimated overall production losses in half. Some Interior Department officials have acknowledged that a reasonable interpretation of the bill's provisions would lead one to conclude that coal production losses would be extremely minimal.

I think this legislation will permit this Nation to use coal as the cornerstone of energy self-sufficiency and yet preserve our environmental values in the process.

Small production losses could occur; however, these losses are a small price to pay for the restoration of the land and the preservation of our finite water sources.

PUBLIC LANDS

My own State of Utah, which is 67 percent federally owned, has more coal leases on Federal lands than any other State. The U.S. Geological Survey reports that there are 194 separate leases covering approximately 267,000 acres of land. The legislation before us today applies to mining on Federal lands as well as those on private lands.

H.R. 11500 would prohibit strip mining on certain national recreation areas, wilderness areas and on all the National Forests. For the remaining public lands, the Secretary of Interior is to develop programs to insure compliance with both the interim program and ultimately with all the requirements of the Act. These Federal programs will be important to States which have strippable coal reserves on public lands.

In my own State of Utah, we had an estimated 24 billion short tons of identifiable coal resources in the ground as of 1972. Ninety-eight percent of the coal must be deep mined. Therefore the legislation we are considering today has only a modest impact on Utah as far as its surface mining provisions go.

LEGISLATION NEEDED NOW

Nevertheless, Mr. Chairman, enactment of this legislation will help those States which have strippable coal reserves. It will put teeth into many of the existing State laws which either have no enforcement mechanism or are being laxly policed. The bill will also provide 80 percent funding to the States for administration of the program during the first year, 60 percent the second, and 40 percent the third and fourth years.

We need this legislation now as we accelerate our pace toward energy independence. We need it to preserve the landscape and protect our sources of water. We need it to sustain the concept of multiple use of our public lands.

The basic objective of this legislation can be stated rather simply. There shall be no coal mining unless reclamation of the land is possible. The cost to reclaim the land, which as usual will be passed on to the consumer, will be small compared to the benefits. Sixty-nine percent of the coal produced in this country is used in electrical power generation. It has been estimated that this legislation will only add from 1 to 2 percent to the electric bill of the average consumer.

When we ask ourselves whether we can pay this price we should consider the view of our planet from outer space—a fragile oasis of blue and green contrasting vividly with the deep darkness of infinity. The natural resources we take from the land are not replenishable. The fragile surface of the Earth is, and we must reclaim it or suffer the consequences.

The CHAIRMAN. Pursuant to the rule the Clerk will now read by title the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Surface Mining Control and Reclamation Act of 1974".

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TITLE I—FINDINGS AND PURPOSES

FINDINGS

SEC. 101. The Congress finds that—

(a) the extraction of coal and other minerals from the earth is a significant and essential activity which contributes to the economic, social, and material well-being of the Nation;

(b) there are many mining operations on public and private lands in the Nation which adversely affect the environment by destroying or diminishing the availability of land for commercial, industrial, recreational, agricultural, historic, and forestry purposes, by causing erosion and landslides; by contributing to floods and the pollution of waters, land, and air; by destroying public and private property; by creating hazards to life and property; and by precluding postmining land uses common to the area of mining;

(c) there are significant differences in the number and distribution of mines, the duration of mining activity and mining technology between coal and noncoal mines and the most urgent and widespread environmental problems stem from the effects of surface coal mining;

(d) surface and underground coal mining operations presently contribute significantly to the Nation's energy requirements; surface coal mining constitutes one method of extraction of the resource; the overwhelming percentage of the Nation's coal reserves can only be mined by underground mining methods, and it is, therefore, essential to the national interest to insure the existence of an expanding and economically healthy underground coal mining industry;

(e) mining operations affect interstate commerce and, when conducted in a manner which protects against the degradation of the environment, contribute to the economic well-being, security, and general welfare of the Nation;

(f) while the primary responsibility for the regulation of coal surface mining should be in the States, the absence of effective regulatory laws and effective enforcement in many States may require that the Federal Government assume responsibility, except to the extent that particular States demonstrate they are prepared to assume this responsibility: *Provided, however,* That the primary Federal regulatory authority should apply to Federal and Indian lands; and

(g) there are a substantial number of acres of land throughout major regions of the United States disturbed by surface and underground mining, on which little or no reclamation was conducted, and the impacts from these unreclaimed lands impose social and economic costs on residents in nearby and adjoining areas as well as continuing to impair environmental quality.

PURPOSES

SEC. 102. It is the purpose of this Act to—

(a) establish a nationwide program to prevent the adverse effects to society and the environment resulting from surface coal mining operations and surface impacts of underground coal mining operations are fully protected from such operations;

(b) establish priorities to the extent necessary in the nationwide program among the various types and individual operations of mining activities, their impacts on the environment, and the locations of mining relative to population concentrations and impacted land uses;

(c) assure that the rights of surface landowners and other persons with a legal interest in the land or appurtenances thereto are fully protected from such operations;

(d) assure that surface coal mining operations are not conducted where reclamation as required by this Act is not feasible;

(e) assure that surface coal mining operations are so conducted as to protect against the degradation of the environment;

(f) assure that adequate procedures are undertaken to reclaim surface areas as contemporaneously as possible with the surface coal mining operations;

(g) assure that the coal supply essential to the Nation's energy requirements, and to its economic and social well-being is provided;

(h) assist the States in developing and implementing a program to achieve the purposes of this Act;

(i) promote the reclamation of mined areas left without adequate reclamation prior to the enactment of this Act and which continue, in their unreclaimed condition, to substantially degrade the quality of the environment, prevent or damage the beneficial use of land or water resources, or endanger the health or safety of the public; and

(j) assure that appropriate procedures are provided for the public participation in the development, revision, and enforcement of regulations, standards, reclamation plans, or programs established by the Secretary or any State under this Act.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that further reading of title I be dispensed with and that it be printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment in the nature of a substitute to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. HOSMER to the committee amendment in the nature of a substitute; strike out all after the enacting clause of the committee amendment in the nature of a substitute and insert:

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TITLE I—FINDINGS AND PURPOSES

FINDINGS

SEC. 101. The Congress finds that—

(a) the extraction of coal by underground and surface mining from the earth is a significant and essential activity which contributes to the economic, social, and material well-being of the Nation;

(b) there are surface and underground coal mining operations on public and private lands in the Nation which adversely affect the environment by destroying or diminishing the availability of land for commercial, industrial, recreational, agricultural, historic, and forestry purposes, by causing erosion and landslides; by contributing to floods and the pollution of water, land, and air; by destroying public and private property; by creating hazards to life and property; and by precluding postmining land uses common to the area of mining;

(c) surface and underground coal mining operations presently contribute significantly to the Nation's energy requirements, and substantial quantities of the Nation's coal reserves lie close to the surface, and can only be recovered by surface mining methods, and therefore, it is essential to the national interest to insure the existence of an expanding and economically healthy coal mining industry;

(d) surface and underground coal mining operations affect interstate commerce, contribute to the economic well-being, security, and general welfare of the Nation and should be conducted in an environmentally sound manner;

(e) the initial and principal continuing responsibility for developing and enforcing environmental regulations for surface and underground coal mining operations should rest with the States; and

(f) the cooperative effort established by this Act is necessary to prevent or mitigate adverse environmental effects of present and future surface coal mining operations.

PURPOSES

SEC. 102. It is the purpose of this Act to—

(a) encourage a nationwide effort to regulate surface coal mining operations to prevent or substantially reduce their adverse environmental effects, to stimulate and encourage the development of new, environmentally sound surface coal mining and reclamation techniques, and to assist the States in carrying out programs for those purposes;

(b) assure that the rights of surface landowners and other persons with a legal interest in the land or appurtenances thereto are protected from the adverse impacts of surface coal mining operations pursuant to the provisions of this Act;

(c) assure that surface coal mining operations are not conducted where reclamation as required by this Act is not feasible;

(d) assure that the coal supply essential to the Nation's energy requirements, and to its economic and social well-being is provided in accordance with the policy of Mining and Minerals Policy Act of 1970; and

(e) assure that appropriate procedures are provided for public participation in the development, revision, and enforcement of regulations, standards, mining and reclamation plans, or programs established by the Secretary or any State pursuant to the provisions of this Act.

TITLE II—CONTROL OF ENVIRONMENTAL IMPACTS OF SURFACE COAL MINING OPERATIONS

INTERIM REGULATORY PROCEDURE

SEC. 201. (a) On and after ninety days from the date of enactment of this Act, no person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by a State regulatory authority unless such person has obtained a permit from such regulatory authority. All such permits shall contain terms requiring compliance with the interim surface coal mining and reclamation performance standards specified in subsection (c) of this section. The regulatory authority shall act upon all applications for such permit within thirty days from the receipt thereof.

(b) Within sixty days from the date of enactment of this Act, the State regulatory authority shall review and amend all existing permits in order to incorporate in them the interim surface coal mining and reclamation performance standards of subsection (c) of this section. On or before one hundred and twenty days from the date of issuance of such amended permit, all surface coal mining operations existing at the date of enactment of this Act on lands on which such operations are regulated by a State regulatory authority shall comply with the interim surface coal mining and reclamation performance standards in subsection (c) of this section with respect to lands from which the overburden has not been removed.

(c) Pending approval and implementation of a State program in accordance with section 203 of this Act, or preparation and implementation of a Federal program in accordance with section 204 of this Act, the following interim surface coal mining and reclamation performance standards shall be applicable to surface coal mining operations on lands on which such operations are regulated by a State regulatory authority, as specified in subsections (a) and (b) of this section:

(1) with respect to surface coal mining operations on steep slopes, no spoil, debris, or abandoned or discarded mine equipment may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that spoil from the cut necessary to obtain access to the coal seam may be placed on a limited or specified area of the downslope: *Provided,* That the spoil is shaped and graded in such a way so as to prevent slides, and minimize erosion, and water pollution, and is revegetated in accordance with paragraph (3) below: *Provided further, however,* That the regulatory authority may permit limited or temporary placement of spoil on a specified area of the downslope on steep slopes in conjunction with surface coal mining operations which will create a plateau with all highwalls eliminated, if such placement is consistent with the approved postmining land use of the mine site;

(2) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all high walls, spoil piles, and depressions eliminated, unless depressions are consistent with the approved postmining land use of the mine site;

(3) the provisions of paragraphs (1) and (2) of this subsection shall not apply to surface coal mining operations where the permittee demonstrates that the overburden, giving due consideration to volumetric expansion, is insufficient to restore the approximate original contour, in which case the permittee, at a minimum, shall backfill, grade, and compact (where advisable) in order to cover all acid-forming and other toxic materials, to achieve an angle of repose based upon soil and climate characteristics for the area of land to be affected, and to facilitate a land use consistent with that approved for the postmining land use of the mine site;

(4) the regulatory authority may grant exceptions to paragraphs (1) and (2) if the regulatory authority finds that one or more variations from the requirements set forth in paragraphs (1) and (2) will result in the land having an equal or better economic or public use and that such use is likely to be achieved within a reasonable time and is consistent with surrounding land uses and with local, State, and Federal law;

(5) with respect to all surface coal mining operations, permanently establish, on regraded and all other lands affected, a stable and self-regenerative vegetative cover, where cover existed prior to mining and which, where advisable, shall consist of native vegetation:

(6) with respect to all surface coal mining operations, remove the topsoil in a separate layer, replace it simultaneously on a backfill area or segregate it in a separate pile from the subsoil, and if the topsoil is not replaced in a time short enough to avoid deterioration of topsoil, maintain a successful cover by quick growing vegetation or by other means so that the topsoil is protected from wind and water erosion, contamination from any acid or toxic material, and is in a usable condition for sustaining vegetation when replaced during reclamation, except if the topsoil is not capable of sustaining vegetation, or if another material from the mining cycle can be shown to be more suitable for vegetation requirements, then the operator shall so remove, segregate, and protect that material which is best able to support vegetation, unless the permittee demonstrates that another method of soil conservation would be at least equally effective for revegetation purposes;

(7) with respect to surface disposal of coal mine wastes, coal processing wastes, or other wastes in areas other than the mine workings or excavations, stabilize all waste piles in designated areas, through compaction, layering with incombustible and impervious materials, and grading followed by vegetation of the finished surface to prevent, to the extent practicable, air and surface or ground water pollution, and to assure compatibility with natural surroundings in order that the site can and will be stabilized and revegetated according to the provisions of this Act;

(8) with respect to the use of impoundments for the disposal of coal processing wastes or other liquid or solid wastes, incorporate sound engineering practices for the design and construction of water retention facilities which will not endanger the health or safety of the public in the event of failure, that construction will be so designed to achieve necessary stability with an adequate margin of safety to protect against failure, that leachate will not pollute surface or ground water, and that no fines, slimes and other unsuitable coal processing wastes are used as the principal material in the construction of water impoundments, water retention facilities, dams, or settling ponds;

(9) prevent to the extent practicable adverse effects to the quantity and quality of water in surface and ground water systems both during and after surface coal mining and reclamation; and

(10) minimize offsite damages that may result from surface coal mining operations and institute immediate efforts to correct such conditions.

(d)(1) Upon petition by the permittee or the applicant for a permit, and after public notice and opportunity for comment by interested parties, the regulatory authority may modify the application of the interim surface coal mining and reclamation performance standards set forth in paragraphs (1), (2), (3), and (4) of subsection (c) of this section, if the permittee demonstrates to the satisfaction of the regulatory authority that—

(A) he has not been able to obtain the equipment necessary to comply with such standards;

(B) the surface coal mining operations will be conducted so as to meet all other standards specified in subsection (c) of this section and will result in a stable surface configuration in accordance with a surface coal mining and reclamation plan approved by the regulatory authority; and

(C) such modification will not cause hazards to the health and safety of the public or significant imminent environmental harm to land, air, or water resources which cannot reasonably be considered reclaimable.

(2) Any such modification will be reviewed periodically by the regulatory authority and shall cease to be effective upon implementation of a State program pursuant to section 203 of this Act or a Federal program pursuant to section 204 of this Act.

(e) The Secretary shall issue regulations to be effective one hundred and eighty days from the date of enactment of this Act in accordance with the procedures of section 202, establishing an interim Federal surface coal mining evaluation and enforcement program. Such program shall remain in effect in each State in which there are surface coal mining operations regulated by a State regulatory authority until the State program has been approved and implemented pursuant to section 203 of this Act or until a Federal program has been prepared and implemented pursuant to section 204 of this Act. The interim Federal surface coal mining evaluation and enforcement program shall—

(1) include inspections of surface coal mining operations on a random basis (but at least one inspection for every site every three months), without advance notice to the mine operator, for the purpose of evaluating State administration of, and ascertaining compliance with, the interim surface coal mining and reclamation performance standards of subsection (c) above. The Secretary shall cause any necessary enforcement action to be implemented in accordance with section 217 with respect to violations identified at the inspections;

(2) provide that the State regulatory agency file with the Secretary copies of inspection reports made;

(3) provide that upon receipt of State inspection reports indicating that any surface coal mining operation has been found in violation of the standards of subsection (c) of this section, during not less than two consecutive State inspections or upon receipt by the Secretary of information which would give rise to reasonable belief that such standards are being violated by any surface coal mining operation, the Secretary shall order the immediate inspection of such operation by Federal inspectors and necessary enforcement actions, if any, to be implemented in accordance with the provisions of section 217. The inspector shall contact the informant prior to the inspection and shall allow the informant to accompany him on the inspection; and

(4) provide that moneys authorized pursuant to this Act shall be available to the Secretary prior to the approval of a State program pursuant to section 203 of this Act to reimburse the States for conducting those inspections in which the standards in subsection (c) above, are enforced and for the administration of this section.

PERMANENT REGULATORY PROCEDURE

SEC. 202. Not later than the end of the one-hundred-and-eighty-day period immediately following the date of enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering a permanent regulatory procedure for surface coal mining and reclamation operations setting permanent surface coal mining and reclamation performance standards based on the provisions of sections 213 and 214, and establishing procedures and requirements for preparation, submission and approval of State programs, and the development and implementation of Federal programs under this title. Such regulations shall not be promulgated and published by the Secretary until he has—

(a) published proposed regulations in the Federal Register and afforded interested persons and State and local governments a period of not less than forty-five days after such publication to submit written comments thereon;

(b) consulted with and considered the recommendations of the Administrator of the Environmental Protection Agency with respect to those regulations promulgated under this section which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act (33 U.S.C. 1151–1175) and the Clean Air Act, as amended (42 U.S.C. 1857); and

(c) held at least one public hearing on the proposed regulations.

The date, time, and place of any hearing held on the proposed regulations shall be set out in the publication of the proposed regulations. The Secretary shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the regulations.

STATE PROGRAMS

SEC. 203. (a) Each State in which surface coal mining operations are or may be conducted, and which proposes to assume State regulatory authority under this Act, shall submit to the Secretary, by the end of the twenty-four month period beginning on the date of enactment of this Act, a State program which demonstrates that such State has the capability of carrying out the provisions of this Act and meeting its purposes through—

(1) a State law which provides for the regulation of surface coal mining and reclamation operations in accordance with the requirements of this Act and the regulations issued by the Secretary pursuant to this Act;

(2) a State law which provides sanctions for violations of State laws, regulations, or conditions of permits concerning surface coal mining and reclamation operations, which sanctions shall meet the minimum requirements of this Act, including civil and criminal penalties, forfeiture of bonds, suspension, revocation, and withholding of permits, and the issuance of notices and orders by the State regulatory authority or its inspectors;

(3) a State regulatory authority with sufficient administrative and technical personnel, and sufficient funding to enable the State to regulate surface coal mining and reclamation operations in accordance with the requirements of this Act;

(4) a State law which provides for the effective implementation, maintenance, and enforcement of a permit system, meeting the requirements of this title for the regulation of surface coal mining and reclamation operations on lands within the State;

(5) establishment of a process for the designation of lands unsuitable for surface coal mining operations in accordance with section 205; and

(6) establishment, for the purpose of avoiding duplication, of a process for coordinating the review and issuance of permits for surface coal mining and reclamation operations with any other Federal or State permit process applicable to the proposed operations.

(b) The Secretary shall not approve any State program submitted under this section until he has—

(1) solicited and publicly disclosed the views of the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the heads of other Federal agencies concerned with or having special expertise pertinent to the proposed State program;

(2) consulted with and considered the recommendations of the Administrator of the Environmental Protection Agency with respect to those aspects of a State program which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act (33 U.S.C. 1151–1175) and the Clean Air Act, as amended (42 U.S.C. 1857);

(3) held at least one public hearing on the State program within the State; and

(4) found that the State has the legal authority and qualified personnel necessary for the enforcement of the surface coal mining and reclamation performance standards. The Secretary shall approve or disapprove a State program, in whole or in part, within six full calendar months after the date such State program is submitted to him.

(c) If the Secretary disapproves any proposed State program, in whole or in part, he shall notify the State in writing of his decision and set forth in detail the reasons therefor. The State shall have sixty days in which to resubmit a revised State program, or portion thereof.

(d) For the purposes of this section and section 204, the inability of a State to take any action to prepare, submit or enforce a State program, or any portion thereof, because the action is enjoined by the issuance of an injunction by any court of competent jurisdiction shall not result in a loss of eligibility for financial assistance under title III of this Act or in the imposition of a Federal program. Regulation of the surface coal mining operations covered or to be covered by the State program subject to the injunction shall be conducted by the State until such time as the injunction terminates or for one year, whichever is shorter, at which time the requirements of this section and section 204 shall again be fully applicable.

(e) If State compliance with this section requires an act of the State legislature, the Secretary may extend the period for submission of a State program up to an additional twelve months.

FEDERAL PROGRAMS

SEC. 204. (a) The Secretary shall prepare, promulgate, and implement a Federal program for the regulation of surface coal mining operations in any State which fails to—

(1) submit a State program covering surface coal mining and reclamation operations by the end of the twenty-four-month period beginning on the date of enactment of this Act;

(2) resubmit an acceptable State program, or portion thereof, within sixty days of disapproval of a proposed State program, in whole or in part: *Provided*, That the Secretary shall not implement a Federal program prior to the expiration of the initial period allowed for submission of a State program as provided for in clause (1) of this subsection; or

(3) adequately implement, enforce, or

maintain a State program approved pursuant to section 203.

(b) Prior to implementation of a Federal program pursuant to section 204(a), the Secretary shall consult with and publicly disclose the views of the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the heads of other Federal agencies concerned with or having expertise pertinent thereto and shall hold at least one public hearing within the State for which the Federal program is to be implemented.

(c) Whenever a Federal program is promulgated for a State pursuant to this Act, any statutes or regulations of such State which are in effect to regulate surface coal mining operations subject to this Act shall, insofar as they are inconsistent or interfere with the purposes and the requirements of this Act and the Federal program, be preempted and superseded by the Federal program.

DESIGNATING AREAS UNSUITABLE FOR SURFACE COAL MINING OPERATIONS

SEC. 205. (a) To be eligible to assume primary regulatory authority pursant to section 203, each State shall establish a planning process enabling objective decisions to be made based upon public hearings and competent and scientifically sound data and information as to which, if any, areas or types of areas of a State (except Federal lands) cannot be reclaimed with existing techniques to satisfy applicable standards and requirements of law. The State agency will not issue permits for surface coal mining of such areas unless it determines, with respect to any such permit, that the technology is available to satisfy applicable performance standards.

(b) The Secretary, and, in the case of national forest lands, the Secretary of Agriculture, shall conduct a review of the Federal lands and determine, pursuant to the standards set forth in subsection (a) of this section, areas or types of areas on Federal lands which cannot be reclaimed with existing techniques to satisfy applicable standards and requirements of law. Permits for surface coal mining will not be issued to mine such areas unless it is determined, with respect to any such permit, that the technology is available to satisfy applicable performance standards.

(c) In no event is an area to be designated unsuitable for surface coal mining operations on which coal mining operations are being conducted on the date of enactment of this Act, or under a permit issued pursuant to this Act, or where substantial legal and financial commitments in such operations are in existence prior to the date of enactment of this Act. Designation of an area as unsuitable for mining shall not prevent mineral exploration of the area so designated.

EFFECT ON STATE LAW

SEC. 206. Any provision of State law or regulation in effect upon the date of enactment of this Act, or which may become effective thereafter, and provides more stringent regulations of surface coal mining and reclamation operations than the provisions of this Act, or any regulation issued pursuant thereto, shall not be construed to be inconsistent with this Act.

PERMITS

SEC. 207. (a) Except as provided in subsection (c) of this section, on and after six months from the date on which a State program is approved by the Secretary, pursuant to section 203 of this Act, or the Secretary has promulgated a Federal program for a State not having a State program, pursuant to section 204, no person shall engage in surface coal mining operations unless such person has obtained a permit in full compliance with this Act from the appropriate regulatory authority.

(b) All permits issued pursuant to the requirements of this Act shall be issued for a term not to exceed five years and shall be nontransferable: *Provided*, That a successor in interest to a permit holder who applies for a new permit within thirty days of succeeding to such interest and who is able to obtain the bond coverage of the original permit holder may continue surface coal mining and reclamation operations until such successor's application is granted or denied.

(c) Any person engaged in surface coal mining operations pursuant to a permit issued under section 201 and awaiting administrative action on his application for a permit from the appropriate regulatory authority in accordance with this section may continue to operate for a four-month period beyond the time specified in subsection (a) of this section if the appropriate regulatory authority has not acted on his application.

PERMIT APPLICATION REQUIREMENTS: INFORMATION, AND MINING AND RECLAMATION PLANS

SEC. 208. (a) Each application for a permit pursuant to a State or Federal program under this Act shall be submitted in a manner satisfactory to the regulatory authority and shall contain:

(1) the names and addresses of the permit applicants (if the applicant is a subsidiary corporation, the name and address of the parent corporation shall be included); every legal owner of the property (surface and mineral) to be mined; the holders of any leasehold or other equitable interest in the property; any purchaser of the property under a real estate contract; the operator if he is a person different from the applicant; and, if any of these are business entities other than a single proprietor, the names and addresses of principals, officers, and resident agent;

(2) the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person or group owning, of record or beneficially, 10 per centum or more of any class of stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface coal mining operation within the United States or its territories and possessions.

(3) a description of the type and method of surface coal mining operation that exists or is proposed;

(4) evidence of the applicant's legal right to enter and commence surface coal mining operations on the area affected;

(5) the names and addresses of the owners of record of all surface and subsurface areas abutting on the permit area;

(6) a statement of any current or previous surface coal mining permits in the United States held by the applicant and the permit identification;

(7) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has held a Federal or State surface coal mining permit which subsequent to 1960 has been suspended or revoked or has had a surface coal mining performance bond or similar security deposited in lieu of bond forfeited and a brief explanation of the facts involved in each case;

(8) such maps and topographical information, including the location of all underground mines in the area, as the regulatory authority may require, which shall be in sufficient detail to clearly indicate the nature and extent of the overburden to be disturbed, the coal to be mined, and the drainage of the area to be affected;

(9) a copy of the applicant's advertisement of the ownership, location, and boundaries of the proposed site of the surface coal mining and reclamation operation (such advertisement shall be placed in a newspaper of general circulation in the locality of the proposed site at least once a week for four successive weeks and may be submitted to the regulatory authority after the application is filed);

(10) a schedule lising any and all violations of this Act and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air, or water environmental protection incurred by the applicant in connection with any surface coal mining operation during the one-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation.

(b) Each application for a permit shall be required to submit to the regulatory authority, as part of the permit application, a surface coal mining and reclamation plan which shall contain:

(1) the engineering techniques proposed to be used in the surface coal mining and reclamation operation and a description of the major equipment; a plan for the control of surface water drainage and of water accumulation; a plan where appropriate for backfilling, soil stabilization, and compacting, grading, and appropriate revegetation (where vegetation existed prior to mining); an estimate of the cost per acre of the reclamation, including statements as to how the permittee plans to comply with each of the applicable surface coal mining and reclamation performance standards established under this Act;

(2) the consideration which has been given to developing the surface coal mining and reclamation plan in a manner consistent with local physical, environmental, and climatological conditions and current surface coal mining and reclamation technologies;

(3) the consideration which has been given to insuring the maximum practicable recovery of the coal;

(4) a detailed estimated timetable for the accomplishment of each major step in the surface coal mining and reclamation plan;

(5) the consideration which has been given to making the surface coal mining and reclamation operation consistent with applicable State and local land use programs;

(6) a description, if any, of the hydrologic consequences of the surface coal mining and reclamation operation, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems, including the dissolved and suspended solids under seasonal flow conditions, and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made of the probable cumulative impacts of all anticipated surface coal mining in the area upon the hydrology of the area and particularly upon water availability;

(7) a statement of the results of test borings or core samplings from the land to be affected, including where appropriate, the surface elevation and logs of the drill holes so that the strike and dip of the coal seams may be determined; the nature and depth of the various strata of overburden; the location of subsurface water, if encountered, and its quality; the thickness of the coal seam found; an analysis of the chemical properties of such coal to determine the sulfur content and the content of other potentially acid or toxic forming substances of the overburden and the stratum lying immediately underneath the coal to be mined; and

(8) proprietary information, which if made available to the public would result in competitive injury to the applicant, may be designated confidential and, if accepted

by the regulatory authority shall be subject to the provisions of section 1905 of title 18, United States Code. Appropriate protective orders against unauthorized disclosure or use by third parties may be issued with respect to such information, and violations of such orders shall be subject to penalties set forth in section 219 of this Act.

(c) Each applicant for a surface coal mining and reclamation permit shall file a copy of his application for public inspection with an appropriate official, approved by the regulatory authority, in the locality where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

(d) A valid permit issued pursuant to this Act shall carry with it a right of successive renewals provided that the permittee has complied with such permit. Prior to approving the renewal of any permit, the regulatory authority shall review the permit and the surface coal mining and reclamation operation and may require such new conditions and requirements as are necessary or prescribed by changing circumstances. A permittee wishing to obtain renewal of a permit shall make application for such renewal within one year prior to the expiration of the permit. The application for renewal shall contain:

(1) a listing of any claim settlements or judgments against the applicant arising out of, or in connection with, surface coal mining operations under said permit;

(2) written assurance by the person issuing the performance bond in effect for said operation that the bond continues and will continue in full force and effect for any extension requested in such application for renewal as well as any additional bond the regulatory authority may require pursuant to section 210 of this Act;

(3) revised, additional, or updated information required under this section.

Prior to the approval of any extension of the permit, the regulatory authority shall notify all parties who participated in the public review and hearings on the original or previous permit, as well as providing notice to the appropriate public authorities, and taking such other steps as required in section 209 of this Act.

PERMIT APPROVAL OR DENIAL PROCEDURES

SEC. 209. (a) The regulatory authority shall notify the applicant for a surface coal mining and reclamation permit within a period of time established by law or regulation, not to exceed ninety days, that the application has been approved or disapproved. If approved, the permit shall be issued after the performance bond or deposit and public liability insurance policy required by section 210 of this Act has been filed. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for said disapproval unless a hearing has already been held under section 209(f). Such hearing shall be held in the locality of the proposed surface coal mining operation as soon as practicable after receipt of the request for a hearing and after appropriate notice and publication of the date, time, and location of such hearing. Within sixty days after the hearing the regulatory authority shall issue and furnish the applicant and any other parties to the hearing the written decision of the regulatory authority granting or denying the permit in whole or in part and stating the reasons therefor.

(b) Within ten days after the granting of a permit, the regulatory authority shall notify the State and the local official who has the duty of collecting real estate taxes in the local political subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

(c) Prior to the issuance of a permit, the regulatory authority may require the applicant to alter his proposed surface coal mining and reclamation plan with respect to the methods, sequence, timing of specific operations in the plan, or the deletion of specific operations or areas from all or part of the plan in order to assure that the surface coal mining and reclamation objectives of this Act are met.

(d) No permit will be issued unless the regulatory authority finds that:

(1) all applicable requirements of this Act and the State or Federal program have been satisfied;

(2) the applicant can demonstrate that reclamation as required by this Act and the appropriate State or Federal program under this Act can be accomplished under the surface coal mining and reclamation plan contained in the permit application;

(3) the land to be affected does not lie within three hundred feet from any occupied dwelling, unless the owner thereof waives this requirement, nor within three hundred feet of any public building, school, church, community, or institutional building, or cemetery; or the land to be affected does not lie within one hundred feet of the outside right-of-way line of any public road, except that the regulatory authority may permit such roads to be relocated, if the interests of the public and the landowners affected thereby will be protected;

(4) no lake, river, stream, creek, or watercourse may be moved, interrupted, or destroyed during the surface coal mining or reclamation process except that lakes, rivers, streams, creeks, or watercourses may be relocated where consistent with the approved mining and reclamation plan; and no surface coal mining or reclamation activities will be conducted within one hundred feet of any lake, river, stream, or creek, except where permitted by the approved mining and reclamation plan;

(5) surface coal mining operations will not take place on any area of land within one thousand feet of parks or places listed in the National Register of Historic Sites, unless screening or other measures approved by the regulatory authority are used or if the mining of the area will not adversely affect or reduce the usage of the park or place; and

(6) the application on its face is complete, accurate, and contains no false information.

(e) The regulatory authority shall not issue any new surface coal mining permit or renew or revise any existing surface coal mining permit if it finds that the applicant has failed and continues to fail to comply with any of the provisions of this Act applicable to any State, Federal, or Federal lands program, or if the applicant fails to submit proof that violations described in subsection (a)(10) of section 208 have been corrected or are in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation.

(f) Any person having an interest which is or may be adversely affected by the proposed surface coal mining and reclamation operation or any Federal, State, or local governmental agency having responsibilities affected by the proposed operation shall have the right to file written objections to any permit application and request a public hearing thereon within thirty days after the last publication of the advertisement pursuant to section 208(a)(9). If written objections are filed and a hearing requested, the regulatory authority shall hold a public hearing in the locality of the proposed surface coal mining and reclamation operation as soon as practicable from the date of receipt of such objections and after appropriate notice and publication of the date, time, and location of such hearing. Within sixty days after the hearing the regulatory authority shall issue and furnish the parties to the hearing the written decision of the regulatory authority granting or denying the permit in whole or in part and stating the reasons therefor.

POSTING OF BOND OR DEPOSIT: INSURANCE

SEC. 210. (a) After a surface coal mining and reclamation permit application has been approved but before such a permit is issued, the applicant shall file with the regulatory authority, on a form prescribed and furnished by the regulatory authority, a bond for performance payable, as appropriate, to the United States or the State, under an approved State program, and conditioned that the applicant shall faithfully perform all the applicable requirements under this Act. The bond shall cover that area of land within the permit area upon which the applicant will initiate and conduct surface coal mining and reclamation operations within the initial year of the permit term. As succeeding increments of surface coal mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file annually with the regulatory authority an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the reclamation requirements of the approved permit and shall be determined by the regulatory authority. The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work had to be performed by a third party in the event of forfeiture; in no case shall the bond be less than $10,000.

(b) The bond shall be executed by the applicant and a corporate surety approved by the regulatory authority, except that the applicant may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized under the laws of any State or the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(c) The amount of the bond or deposit required shall be increased or decreased by the regulatory authority from time to time as affected land acreages are changed or where the cost of future reclamation increases or decreases.

(d) After a surface coal mining and reclamation permit application has been approved but before such permit is issued, the applicant for a permit shall be required to submit to the regulatory authority a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the surface coal mining and reclamation operation for which such permit is sought, or evidence that the applicant has satisfied State or Federal self-insurance requirements. Such policy shall provide for both on- and off-site personal injury and property damage protection in an amount adequate to compensate any persons injured or damaged as a result of surface coal mining and reclamation operations and entitled to compensation under the applicable provisions of Federal or State law, but in any event shall not be less than $100,000, or for such higher amounts as the regulatory authority deems necessary in light of potential risk and magnitude of possible off-site damages. Such policy shall be for the term of the permit and any renewal, including the length of any and all reclamation operations required by this Act.

RELEASE OF PERFORMANCE BONDS OR DEPOSITS

SEC. 211. (a) The permittee may file a request with the regulatory authority for the release of all or part of the performance bond or deposit. Within thirty days after any application for bond or deposit release has been filed with the regulatory authority, the permittee shall submit a copy of an advertisement placed at least once a week for three consecutive weeks in a newspaper of general circulation in the locality of the surface coal mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type of reclamation work performed. In addition, as part of any bond release application, the permittee shall submit copies of letters which have been sent to adjoining property owners, and local governmental bodies, planning agencies, sewage and water treatment authorities, water companies, and all other public utility companies whose facilities cross or may be sufficiently close to the concerned area to be affected thereby in the locality in which the surface coal mining and reclamation activities took place, notifying them of intent to seek release of the bond.

(b) The regulatory authority may release in whole or in part said bond or deposit if the authority is satisfied that reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this Act: *Provided, however*, That—

(1) no bond shall be fully released until all reclamation requirements of this Act are fully met, and

(2) an inspection and evaluation of the affected surface coal mining and reclamation operation is made by the regulatory authority or its authorized representative prior to the release of all or any portion of the bond.

(c) If the regulatory authority disapproves the application for release of the bond or portion thereof, the authority shall notify the permittee, in writing, stating the reasons for disapproval and recommending actions necessary to secure said release. The permittee shall be afforded an opportunity for a public hearing in accordance with the procedures specified in section 209(a), unless a hearing has already been held under subsection (d) of this section.

(d) Any person having an interest which is or may be adversely affected by the proposed release of the bond or any Federal, State, or local governmental agency having responsibilities affected by the proposed release shall have the right to file written objections to the proposed release of the bond and request a public hearing thereon to the regulatory authority within thirty days after the last notice has been given in accordance with subsection (a) of this section. If written objections are filed and a hearing requested, the regulatory authority shall inform all the interested parties, of the time and place of the hearing, which shall be held in the locality of the affected surface coal mining operation as soon as practicable after receipt of the request for such hearing. The date, time, and location of such public hearing shall be advertised by the regulatory authority in a newspaper of general circulation in the locality once a week for three consecutive weeks.

REVISION AND REVIEW OF PERMITS

SEC. 212. (a) During the term of the permit the permittee may submit an application, together with a revised surface coal mining and reclamation plan, to the regulatory authority for a revision of the permit.

(b) An application for a revision of a permit shall not be approved unless the regulatory authority finds that reclamation as required by this Act and the State or Federal program can be accomplished under the revised surface coal mining and reclamation plan. The revision shall be approved or disapproved within a period of time established by the State or Federal program, but such period shall not exceed ninety days. The regulatory authority shall establish guidelines for a determination of the scale or extent of a revision request for which all permit application information requirements and procedures, including notice and hearings, shall apply: *Provided*, That any revision which proposes a substantial change in the intended future use of the land or significant alterations in the mining and reclamation plan shall, at a minimum, be subject to the notice and hearing requirements of section 209 of this Act.

(c) Any extensions to the area covered by the permit except incidental boundary revisions shall be made by application for another permit.

(d) The regulatory authority may require reasonable revision or modification of the permit provisions during the term of such permit: *Provided*, That such revision or modification shall be subject to notice and hearing requirements established by the State or Federal program.

(e) Permits issued pursuant to an approved State program shall be valid but reviewable under a Federal program. Following promulgation of a Federal program, the Secretary shall review such permits to determine if the requirements of this Act are being carried out. If the Secretary determines that any permit has been granted contrary to the requirements of this Act, he shall so advise the permittee and provide him a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface coal mining and reclamation operations to the requirements of the Federal program.

(f) If a State submits a proposed State program to the Secretary after a Federal program has been promulgated and implemented, and if the Secretary approves the State program, the Federal program shall cease to be effective thirty days after such approval. Permits issued pursuant to the Federal program shall be valid but reviewable under the approved State program. The State regulatory authority may review such permits to determine if the requirements of the approved State program are being carried out. If the State regulatory authority determines that any permit has been granted contrary to the requirements of the approved State program, it shall so advise the permittee and provide a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface coal mining and reclamation operations to the requirements of the approved State program.

SURFACE COAL MINING AND RECLAMATION PERFORMANCE STANDARDS

SEC. 213. (a) Any permit issued under any approved State or Federal program pursuant to this Act to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable surface coal mining and reclamation performance standards of this Act.

(b) The following general surface coal mining and reclamation performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the permittee to—

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the coal being mined so that reaffecting the land in the future through surface coal mining operations can be minimized;

(2) restore the land affected to a condition capable of supporting the uses which it was capable of supporting prior to any mining, or an equal or better economic or public use suitable to the locality;

(3) minimize to the extent practicable, any temporary environmental damage so that it will affect only the permit area;

(4) limit the excavation area from which coal has been removed at any one time during mining by combining the process of reclamation with the process of mining to keep reclamation operations current, and completing such reclamation in any separate distinguishable portion of the mined area as soon as feasible, but not later than the time specified in a reclamation schedule which shall be attached to the permit;

(5) remove the topsoil from the land in a separate layer, replace it simultaneously on a backfill area or segregate it, and if the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is protected from wind and water erosion, and contamination from any acid or toxic material, and is in a usable condition for sustaining vegetation, except if the topsoil is not capable of sustaining vegetation or if another material from the mining cycle can be shown to be more suitable for vegetation requirements, then the permittee shall so remove, segregate, and protect that material which is best able to support vegetation, unless the permittee demonstrates in the reclamation plan that another method of soil conservation would be at least equally effective for revegetation purposes;

(6) stabilize and protect all surface areas affected by the surface coal mining and reclamation operation to control as effectively as possible erosion and attendant air and water pollution;

(7) provide that all debris, acid, highly mineralized toxic materials, or materials constituting a fire hazard are treated or disposed of in a manner designed to prevent contamination of ground or surface waters and sustained combustion;

(8) backfill, compact (where advisable to provide stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to paragraph (9) of this subsection): *Provided, however*, That in surface coal mining operations where the permittee demonstrates that the overburden, giving due consideration to volumetric expansion, is insufficient to restore the approximate original contour, the permittee, at a minimum, shall backfill, grade, and compact (where advisable) in order to cover all acid-forming and other toxic materials, to achieve an angle of repose based upon soil and climate characteristics of the area of land to be affected and to facilitate a land use consistent with that approved for the post mining land use of the mine site;

(9) construct, if authorized in the approved surface coal mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed to achieve necessary stability with an adequate margin of safety;

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that degradation of water quality in the receiving stream as a result of discharges from the impoundment will be minimized;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational, or domestic uses will be minimized;

(10) refrain from the construction of roads or other access ways up a stream bed or drainage channel or in such proximity to such bed or channel so as to result in serious adverse effects on the normal flow of water;

(11) replace the topsoil or the other more suitable material from the mining cycle which has been segregated and protected;

(12) establish on the regraded areas and all other lands affected a stable and self-regenerating vegetative cover (including agricultural crops if approved by the regulatory authority), where cover existed prior to mining, which, where advisable, shall be comprised of native vegetation;

(13) assume the responsibility for successful revegetation for a period of five full years after the completion of reclamation (as determined by the regulatory authority) in order to provide a stable and self-regenerating vegetative cover suitable to the area, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less, then the permittee's assumption of responsibility and liability will extend for a period of ten full years after the completion of reclamation: *Provided*, That unless prior thereto, the operator can demonstrate to the satisfaction of the regulatory authority that such a vegetative cover has been established for at least three full growing seasons;

(14) minimize the disturbances to the hydrologic balance at the mine site and in associated offsite areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining and reclamation operations by—

(A) avoiding acid or other toxic mine drainage to the extent practicable by preventing, retaining, or treating drainage to reduce mineral content which adversely affects downstream water uses when it is released to water courses?

(B) casing, sealing, or otherwise managing boreholes, shafts, and wells in a manner designed to prevent acid or other toxic drainage to ground and surface waters;

(C) conducting surface coal mining operations so as to minimize to the extent practicable the adverse effects of water runoff from the permit area;

(D) if required, removing and disposing of siltation structures and retained silt from drainways in an environmentally safe manner;

(E) restoring to the maximum extent practicable recharge capacity of the aquifer at the minesite to premining conditions; and

(F) relocating surface and ground water in a manner consistent with the permittee's approved surface coal mining and reclamation plan.

(15) minimize offsite damages that may result from surface coal mining operations and institute immediate efforts to correct such conditions;

(16) with respect to the use of impoundments for disposal of mine wastes or other liquid or solid wastes, incorporate sound engineering practices for the design and construction of water retention facilities which will not endanger the health and safety of the public in the event of failure, construct such facilities to achieve necessary stability with an adequate margin of safety to protect against failure, prevent leachate from polluting surface or ground water and prohibit fines, slimes, and other unsuitable coal processing wastes from being used as the principal material in the construction of water impoundments, water retention facilities, dams, or settling ponds;

(17) with respect to surface disposal of mine wastes, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles in designated areas through construction in compacted layers with incombustible and impervious materials, and provide that the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this Act;

(18) with respect to the use of explosives—

(A) provide advance written notice to local governments and advance notice to residents who would be affected by the use of such explosives by publication in a newspaper of general circulation in the locality of the proposed site at least once a week for four successive weeks of the planned blasting schedules and the posting of such schedules at the entrances to the permit area, and maintain for a period of at least three years a log of the magnitudes and times of blasts;

(B) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical conditions of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, and (iii) adverse impacts on any underground mine, and

(C) refrain from blasting in specific areas where the safety of the public or private property or natural formations of more than local interest are endangered;

(19) refrain from surface coal mining within five hundred feet of active underground mine workings in order to prevent breakthroughs;

(20) construct access roads, haulroads, or haulageways with appropriate limits applied to grade, width, surface materials, spacing, and size of culverts in order to control drainage and prevent erosion outside the permit area, and upon the completion of mining either reclaim such roads by regrading and revegetation or provide for their maintenance so as to control erosion and siltation of streams and adjacent lands; and

(21) fill auger holes to a depth of not less than three times the diameter with an impervious and noncombustible material.

(c) The following mining and reclamation performance standards shall be applicable to steep-slope surface coal mining and shall be in addition to those general performance standards required by this section: *Provided, however*, That the provisions of this subsection (c) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep-slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area:

(1) No spoil, debris, soil, waste materials, or abandoned or disabled mine equipment may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that, where necessary, spoil from the cut necessary to obtain access to the coal seam may be placed on a limited or specified area of the downslope, provided that the spoil is shaped and graded in such a way so as to prevent slides and minimize erosion and water pollution and that the other requirements of subsection (b) can still be met.

(2) For the purposes of this subsection, the term "steepslope" is any slope above twenty degrees or such other slope as the regulatory authority may determine to be necessary based upon soil, climate, and other characteristics of a region or State.

(d)(1) In cases where an industrial, commercial, agricultural, residential, recreational or public facility development is proposed for postmining use of the affected land, the regulatory authority may grant appropriate exceptions to the requirements for regrading, backfilling, and spoil placement as set forth in subsection 213(b)(8) and in subsection 213(c)(1) of this Act, if the regulatory authority determines:

(A) after consultation with the appropriate land use planning agencies, if any, the proposed development is deemed to constitute an equal or better economic or public use of the affected land, as compared with the premining use;

(B) the equal or better economic or public use can be most effectively obtained only if one or more exceptions to the requirements for regrading, backfilling, and spoil placement as set forth in subsection 213(b)(8) and subsection 213(c)(1) of this Act are granted;

(2) With respect to subsection 213(b)(12) and subsection 213(b)(13) of this Act, where postmining land use development is in compliance with all the requirements of this subsection and where the regulatory authority has found that an exception to the revegetation standards is necessary to achieve the postmining land use development, the regulatory authority may grant an appropriate exception.

(3) All exceptions granted under the provisions of this subsection will be reviewed periodically by the regulatory authority to assure compliance with the terms of the approved schedule and reclamation plan.

(e) The Secretary may develop, promulgate, and revise, as may be appropriate, improved surface coal mining and reclamation performance standards for the protection of the environment and public health and safety. Such development and revision of improved surface coal mining and reclamation performance standards shall be based upon the latest available scientific data, the technical feasibility of the standards, and experience gained under this and other environmental protection statutes. The performance standards of subsections (b) and (c) of this section shall be applicable until superseded in whole or in part by improved surface coal mining and reclamation performance standards promulgated by the Secretary. No improved surface coal mining and reclamation performance standards promulgated under this subsection shall reduce the protection afforded the environment and the health and safety of the public below that provided by the performance standards contained in subsections (b) and (c) of this section. Improved surface coal mining and reclamation performance standards shall not be promulgated by the Secretary until he has followed the procedures specified in subsections (a), (b), and (c) of section 202 of this Act.

MINING AND RECLAMATION PERFORMANCE STANDARDS FOR SURFACE OPERATIONS INCIDENT TO UNDERGROUND COAL MINING

SEC. 214. (a) In order to regulate the adverse effects of surface operations incident to underground coal mining, the Secretary shall, in accordance with the procedures established under section 202 of this Act, promulgate rules and regulations embodying the requirements specified in subsection (c) of this section which shall be applicable to surface operations incident to underground coal mining.

(b) The performance standards specified in subsection (c) of this section shall be applicable to all such operations until superseded in whole or in part by improved performance standards promulgated by the Secretary in accordance with subsection (e) of section 213 of this Act.

(c) Any approved State or Federal program pursuant to this Act and relating to surface operations incident to underground coal mining shall require the underground coal mine operator to—

(1) seal all portals, entryways, drafts, shafts, or other openings between the surface and underground mineworkings when no longer needed for the conduct of the underground coal mining operation;

(2) with respect to surface disposal of mine wastes, coal processing wastes, and other wastes in areas other than mineworkings or excavations, stabilize all waste piles created by the current operations in designated areas through construction in compacted layers with inconbustible and impervious materials, and provide that the final contour of the waste pile will be compatible with natural surroundings and that the site is stabilized and revegetated according to the provisions of this section;

(3) with respect to the use of impoundments for disposal of mine wastes or other liquid and solid wastes incorporate sound engineering practices for the design and construction of water retention facilities which will not endanger the health and safety of the public in the event of failure, construct such facilities to achieve necessary stability with an adequate margin of safety to protect against failure, prevent leachate from polluting surface or ground water, and prohibit fines, slimes and other unsuitable coal processing wastes from being used as the principal material in the construction of water impoundments, water retention facilities, dams, or settling ponds;

(4) establish on regraded areas and all other lands affected, a stable and self-regenerating vegetative cover, where cover existed prior to mining, which, where advisable, shall be comprised of native vegetation;

(5) minimize off-site damages resulting from surface operations incident to underground coal mining; and

(6) prevent to the extent practicable the discharge of waterborne pollutants both during and after mining.

(d) All operators of underground coal mines, both during and after mining, shall have abatement and remedial programs to prevent the discharge of waterborne pollutants to the extent practical and to eliminate fire hazards and other conditions which constitute a hazard to public health and safety.

JUDICIAL REVIEW

SEC. 215. (a)(1) Any action of the Secretary to approve or disapprove a State program pursuant to section 203 of this Act or to prepare and promulgate a Federal program pursuant to section 204 of this Act shall be subject to judicial review only by the appropriate United States Court of Appeals upon the filing in such court within thirty days from the date of such action of a petition by any person who participated in the administrative proceedings related thereto and who is aggrieved by the action praying that the action be modified or set aside in whole or in part. A copy of the petition shall forthwith be sent by registered or certified mail to the other parties, the Secretary, and the Attorney General and thereupon the Secretary shall certify and the Attorney General shall file in such court the record upon which the action complained of was issued, as provided in section 2112 of title 28, United States Code.

(2) Any promulgation of regulations by the Secretary pursuant to sections 213, 214, and 221 of this Act shall be subject to judicial review only by the appropriate United States Court of Appeals in accordance with the procedures set forth in subsection (1) of this section.

(3) All other orders or decisions issued by the Secretary pursuant to this Act shall be subject to judicial review only in the United States District Court for the locality in which the surface coal mining operation is located. Such review shall be in accordance with the Federal Rules of Civil Procedure. In the case of a proceeding to review an order or decision issued by the Secretary under section 219(b) of this Act, the court shall have jurisdiction to enter an order requiring payment of any civil penalty assessment enforced by its judgment.

(b) The court shall hear such petition or complaint on the evidence presented and on the record made before the Secretary. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(c) In the case of a proceeding to review any order or decision issued by the Secretary under this Act, the court may, under such conditions as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceeding if—

(1) all parties to the proceeding have been notified and given an opportunity to be heard on a request for temporary relief;

(2) there is a substantial likelihood that the person requesting such relief will prevail on the merits of the final determination of the proceeding; and

(3) such relief will not present imminent danger to the public health and safety or cause significant imminent environmental harm to the land, air, or water resources which cannot reasonably be considered reclaimable within the scope of the bonded reclamation plan.

(d) The commencement of a proceeding under this section shall not, unless specifically ordered by the court, operate as a stay of the order or decision of the Secretary.

INSPECTIONS AND MONITORING

SEC. 216. (a) The Secretary shall cause to be made such inspections of any surface coal mining and reclamation operations as are necessary to evaluate the administration of approved State programs, or to develop or enforce any Federal program, and for such purposes authorized representatives of the Secretary shall have a right of entry to, upon, or through any surface coal mining and reclamation operations.

(b) For the purpose of developing or assisting in the development, administration, and enforcement of any approved State or Federal program under this Act or in the administration and enforcement of any permit under this Act, or determining whether any person is in violation of any requirement of any such State or Federal program or any other requirement of this Act, the regulatory authority shall—

(1) require any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the regulatory authority, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as the regulatory authority shall prescribe, and (E) provide such other information relative to surface coal mining and reclamation operations as the regulatory authority deems reasonable and necessary;

(2) for those surface coal mining and reclamation operations which remove or disturb strata that serve as aquifers which significantly insure the hydrologic balance or water use either on or off the mining site, specify those—

(A) monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence;

(B) monitoring sites to record level, amount, and samples of ground water and aquifers potentially affected by the mining and also directly below the lowermost (deepest) coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation. The monitoring, data collection, and analysis required by this section shall be conducted according to standards and procedures set forth by the regulatory authority in order to assure their reliability and validity; and

(3) the authorized representatives of the regulatory authority, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface coal mining and reclamation operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect any monitoring equipment or method of operation required under this Act.

(c) The inspections by the regulatory authority shall (1) occur on an irregular basis averaging not less than one inspection per month for the surface coal mining and reclamation operations for coal covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this Act. The regulatory authority shall make copies of such inspection reports freely available to the public at a central location in the pertinent geographic area of mining. The Secretary or the regulatory authority shall establish a system of continual rotation of inspectors so that the same inspector does not consistently visit the same operations.

(d) Each permittee shall conspicuously maintain at the entrances to the surface coal mining and reclamation operation a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface coal mining and reclamation operation.

(e) Each authorized representative of the regulatory authority, upon detection of each violation of any requirement of a State or Federal program pursuant to this Act, shall forthwith inform the permittee in writing, and shall report in writing any such violation to the regulatory authority.

FEDERAL ENFORCEMENT

SEC. 217. (a)(1) Whenever, on the basis of any information available, including receipt of information from any person, the Secretary has reason to believe that any person is in violation of any requirement of this Act or any permit condition required by this Act, the Secretary shall notify the State regulatory authority, if one exists, in the State in which such violation exists. If no such State authority exists or the State regulatory authority fails within ten days after notification to take appropriate action to cause said violation to be corrected or to show good cause for such failure and transmit notification of its action to the Secretary, the Secretary shall immediately order Federal inspection of the surface coal mining operation at which the alleged violation is occurring unless the information available to the Secretary is a result of a previous Federal inspection of such surface coal mining operation. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection.

(2) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, which violation also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant imminent environmental harm to land, air, or water resources, which cannot reasonably be considered reclaimable within the scope of the bonded reclamation plan, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated.

(3) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, but such violation does not create an imminent danger to the health or safety of the public, or cause or can be reasonably expected to cause significant imminent environmental harm to land, air, or water resources which cannot reasonably be considered reclaimable within the scope of the bonded reclamation plan, the Secretary or his authorized representative shall issue a notice to the permittee or his agent fixing a reasonable time for the abatement of the violation. If, upon the expiration of the period of time as originally fixed or subsequently extended, the Secretary or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated.

(4) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program, or a Federal land program, or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that a pattern of violations of any requirements of this Act or any permit conditions required by this Act exists or has existed, and if the Secretary or his authorized representative also finds that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this Act or any permit conditions, or that such violations are willfully caused by the permittee, the Secretary or his authorized representative shall forthwith issue an order to the permittee to show cause why the permit should not be suspended or revoked.

(5) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and the remedial action required, the period of time established for abatement, and, where appropriate, a reasonable description of the portion of the surface coal mining and reclamation operation to which a cessation order applies. Each notice or other order issued under this section shall be given promptly to the permittee or his agent by the Secretary or his authorized representative who issues such a notice or order, and all such notices and orders shall be in writing and shall be signed by such authorized representative. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the Secretary or his authorized representative. A copy of any such order or notice shall be sent to the State regulatory authority in the State in which the violation occurs.

(b) Whenever the Secretary finds that violations of an approved State program appear to result from a failure of the State to enforce such program effectively, he shall so notify the State. If the Secretary finds that such failure extends beyond thirty days after such notice, he shall give public notice of such finding. During the period beginning with such public notice and ending when such State satisfies the Secretary that it will enforce this Act, the Secretary shall enforce any permit condition required under this Act, shall issue new or revised permits in accordance with the requirements of this Act, and may issue such notices and orders as are necessary for compliance therewith.

(c) The Secretary may request the Attorney General to institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the surface coal mining and reclamation operation is located or in which the permittee thereof has his principal office, whenever such permittee or his agent (A) violates or fails or refuses to comply with any order or decision issued by the Secretary under this Act, or (B) interferes with, hinders, or delays the Secretary or his authorized representative in carrying out the provisions of this Act, or (C) refuses to admit such authorized representative to the mine, or (D) refuses to permit inspection of the mine by such authorized representative, or (E) refuses to furnish any information or report requested by the Secretary in furtherance of the provisions of this Act, or (F) refuses to permit access to, and copying of, such records as the Secretary determines necessary in carrying out the provisions of this Act. Such court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in accordance with Rule 65 of the Federal Rules of Civil Procedure, as amended. Except as otherwise provided herein, any relief granted by the court to enforce an order under clause (A) of this subsection shall continue in effect until the completion or final termination of all proceedings for review of such order under this title, unless, prior thereto, the district court granting such relief sets it aside or modifies it.

REVIEW BY THE SECRETARY

SEC. 218. (a) (1) A notice or order issued to a permittee pursuant to the provisions of subparagraphs (a) (2) and (3) of section 217 of this title, or to any person having an interest which is or may be adversely affected by such notice or order or by any modification, vacation, or termination of such notice or order, may apply to the Secretary for review of the notice or order within thirty days of receipt thereof or within thirty days of its modification, vacation, or termination. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of the applicant or person having an interest which is or may be adversely affected, to enable the applicant and such person to present information relating to the issuance and continuance of such notice or order or the modification, vacation, or termination thereof. The filing of an application for review under this subsection shall not operate as a stay of any order or notice.

(2) The permittee and other interested persons shall be given written notice of the time and place of the hearing at least five days prior thereto. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code.

(b) Upon receiving the report of such investigation, the Secretary shall make findings of fact, and shall issue a written decision, incorporating therein an order vacating, affirming, modifying, or terminating the notice or order, or the modification, vacation, or termination of such notice or order complained of and incorporate his findings therein.

(c) Pending completion of the investigation required by this section, the applicant may file with the Secretary a written request that the Secretary grant temporary relief from any notice or order issued under section 217(a) (3) of this title together with a detailed statement giving reasons for granting such relief. The Secretary may grant such relief, with or without a hearing, under such conditions as he may prescribe, if—

(1) the applicant shows that there is substantial likelihood that the findings of the Secretary will be favorable to him; and

(2) such relief will not present imminent danger to the health or safety of the public or cause significant imminent environmental harm to the land, air, or water resources which cannot reasonably be considered reclaimable within the scope of the bonded reclamation plan.

(d) Following the issuance of an order to show cause as to why a permit should not be suspended or revoked pursuant to section 217(a) (4), the Secretary shall hold a public hearing after giving written notice of the time, place, and date thereof. Any such hearing shall be of record and shall be subject to section 554 of title V of the United States Code. Within sixty days following the public hearing, the Secretary shall issue and furnish to the permittee and all other parties to the hearing a written decision, and the reasons therefor, concerning suspension or revocation of the permit. If the Secretary revokes the permit, the permittee shall immediately cease surface coal mining operations on the permit area and shall complete reclamation within a period specified by the Secretary, or the Secretary shall declare as forfeited the performance bonds for the operation.

(e) In view of the urgent need for prompt decision of matters submitted to the Secretary under this section, action shall be taken as promptly as practicable, consistent with adequate consideration of the issues involved.

PENALTIES

SEC. 219. (a) In the enforcement of a Federal program or Federal lands program, or during Federal enforcement of a State program pursuant to section 217(b) of this Act, any permittee who violates any permit condition or who violates any other provision of this title, may be assessed a civil penalty by the Secretary, except that if such violation leads to the issuance of a cessation order under section 217(a) (3), the civil penalty shall be assessed. Such penalty shall not exceed $10,000. Each day of a continuing violation may be deemed a separate offense. In determining the amount of the penalty, consideration shall be given to the permittee's history of previous violations at the particular surface coal mining operation; the appropriateness of such penalty to the size of the business of the permittee charged; the seriousness of the violation, including any irreparable harm to the environment and any hazard to the health or safety of the public; whether the permittee was negligent; and the demonstrated good faith of the permittee charged in attempting to achieve rapid compliance after notification of the violation.

(b) A civil penalty shall be assessed by the Secretary only after the person charged with a violation described under subsection (a) of this section has been given an opportunity for a public hearing. Where such a public hearing has been held, the Secretary shall make findings of fact, and shall issue a written decision as to the occurrence of the violation and the amount of the penalty which is warranted, incorporating, when appropriate, an order therein requiring that the penalty be paid. Where appropriate, the Secretary shall consolidate such hearings with other proceedings under section 218 of this Act. Any hearing under this section shall be of record and shall be subject to section 554 of title 5 of the United States Code. Where the person charged with such a violation fails to avail himself of the opportunity for a public hearing, a civil penalty shall be assessed by the Secretary after the Secretary has determined that a violation did occur, and the amount of the penalty which is warranted, and has issued an order requiring that the penalty be paid.

(c) If no complaint, as provided in section 215 of this Act, is filed within thirty days from the date of the final order or decision issued by the Secretary under subsection (b) of this section, such order and decision shall be conclusive.

(d) Interest at the rate of 6 per centum per annum shall be charged against a person on any unpaid civil penalty assessed against him pursuant to the final order of the Secretary, said interest to be computed from the thirty-first day after issuance of such final assessment order.

(e) Civil penalties owed under this Act, either pursuant to subsection (c) of this section or pursuant to an enforcement order entered under section 215 of this Act, may be recovered in a civil action brought by the Attorney General at the request of the Secretary in any appropriate district court of the United States.

(f) Any person who willfully and knowingly violates a condition of a permit issued pursuant to a Federal program or a Federal lands program or fails or refuses to comply with any order issued under section 217(a) of this Act, or any order incorporated in a final decision issued by the Secretary under this Act, except an order incorporated in a decision issued under subsection (b) of this section or section 305 of this Act, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year, or both.

(g) Whenever a corporate permittee violates a condition of a permit issued pursuant to a Federal program or a Federal lands program or fails or refuses to comply with any order issued under section 217(a) of this Act, or any order incorporated in a final decision issued by the Secretary under this Act except an order incorporated in a decision issued under subsection (b) of this section or section 305 of this Act, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure, or refusal shall be subject to the same civil penalties, fines, and imprisonment that may be imposed upon a person under subsections (a) and (f) of this section.

(h) Whoever knowingly makes any false statement, representation, or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to a Federal program or a Federal lands program or any order or decision issued by the Secretary under this Act shall, upon conviction be punished by a fine of not more than $10,000, or by imprisonment for not more than one year, or both.

(i) As a condition of approval of any State program submitted pursuant to section 203 of this Act, the civil and criminal penalty provisions thereof shall, at a minimum, incorporate penalties no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

ESTABLISHMENT OF RIGHT TO BRING CITIZENS SUITS

SEC. 220. (a) Except as provided in subsection (c) of this section any person having an interest which is or may be adversely affected by actions of the Secretary or the regulatory authority may commence a civil action on his own behalf in an appropriate United States district court—

(1) against any person (including (A) the United States, and (B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in violation of any regulation, order, or permit issued under this Act;

(2) against the Secretary where there is alleged a failure of the Secretary or State regulatory authority to perform any act or duty under this Act which is not discretionary.

The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to remedy such violation or failure and to apply any appropriate civil penalties or injunctive relief under this Act.

(b) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice of the alleged violation (i) to the Secretary, (ii) to the State in which the alleged violation occurs, and (iii) to any alleged violator of the regulation, order, or permit, or provision of this Act;

(B) if the Secretary or State has commenced and is diligently prosecuting administrative or judicial action to require compliance with the regulation, permit, order, or provision of this Act, but in any such action in a court of the United States any person described in subsection (a) may intervene as a matter of right;

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice of such action to the regulatory authority. Notice under this subsection shall be given in such manner as the Secretary shall prescribe by regulation.

(c) The court, in issuing any final order in any action brought pursuant to this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, except against the United States or any Federal officer or agency, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Proceuure.

(d) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of this Act or to seek any other relief (including relief against the Secretary or a State agency).

(e) The Secretary, if not a party in any action under this section, may intervene as a matter of right.

FEDERAL LANDS

SEC. 221. (a)(1) After the date of enactment of this Act all new surface coal mining permits, leases, or contracts issued with respect to surface coal mining operations on Federal lands shall incorporate therein the interim surface coal mining and reclamation performance standards of subsection (c) of section 201 of this Act.

(a)(2) Within sixty days from the date of enactment of this Act, the Secretary shall review and amend all existing surface coal mining permits, leases, or contracts in order to incorporate therein the interim surface coal mining and reclamation performance standards of subsection (c) of section 201 of this Act. On or before one hundred and twenty days from the date of issuance of such amended permit, lease, or contract, all suface coal mining operations existing at the date of enactment of this Act on Federal lands shall comply with the interim surface coal mining and reclamation performance standards with respect to lands from which the overburden has not been removed.

(b) The Secretary, in consultation with the heads of other Federal land managing departments and agencies, shall promulgate and implement a Federal lands program which shall be applicable to all surface coal mining and reclamation operations taking place on any Federal land. The Federal lands program shall incorporate all surface coal mining reclamation requirements of this Act and shall take into consideration the diverse physical, climatological, and other unique characteristics of tho Federal lands in question.

(c) Within eighteen months after the date of enactment of this Act, all surface coal mining reclamation requirements of this Act through the Federal lands program shall be incorporated by reference or otherwise in any Federal mineral lease, permit, or contract issue by the Secretary which may involve surface coal mining and reclamation operations or surface operations incident to underground coal mines. Incorporation of such requirements shall not, however, limit in any way the authority of the Secretary to subsequently issue new regulations, revise the Federal lands program to deal with changing conditions or changed technology, and to require the lease, permit, or contract holder to conform any surface coal mining and reclamation operations to the requirements of this Act and the regulations issued pursuant to this Act. With respect to national forest lands, the Secretary shall include permits, leases, and contracts those conditions and requirements deemed necessary by the Secretary of Agriculture. The Secretary of Agriculture shall administer the provisions of such surface coal mining leases, permits, or contracts relating to reclamation and surface use, and is authorized to enforce such provisions.

The Secretary, or in the case of lands within national forests the Secretary of Agriculture, may enter into agreements with a State or with a number of States to provide for a joint Federal-State program covering a permit or permits for surface coal mining and reclamation operations on land areas which contain lands within any State and Federal lands which are interspersed or checkerboarded and which should, for conservation and administrative purposes, be regulated as a single-management unit. To implement a joint Federal-State program the Secretary, or in the case of lands within national forests the Secretary of Agriculture, may enter into agreements with the States, may delegate authority to the States, or may accept a delegation of authority from the States for the purpose of avoiding duality of administration of a single permit for surface coal mining and reclamation operations. Such agreements shall incorporate all of the requirements of this Act, and shall not preclude Federal inspection or enforcement of the provisions of this Act as provided in sections 216 and 217.

(d) Except as specifically provided in subsection (c), this section shall not be construed as authorizing the Secretary or the Secretary of Agriculture to delegate to the States any authority or jurisdiction to regulate or administer surface coal mining and reclamation operations or other activities taking place on the Federal lands.

(e) This section shall not be construed as authorizing the Secretary to delegate to the States any authority or jurisdiction to regulate or administer surface coal mining and reclamation operations or other activities taking place on Indian lands or to delegate to the States trustee responsibilities toward Indians and Indian lands.

TITLE III—GENERAL PROVISIONS AND ADMINISTRATION

AUTHORITY OF THE SECRETARY

Sec. 301. (a) In carrying out his responsibilities under this Act the Secretary shall:

(1) administer the State grant-in-aid program for the development of State programs for surface coal mining and reclamation operations provided for in this title;

(2) maintain a continuing study of surface coal mining and reclamation operations in the United States;

(3) assist the States in the development of State programs for surface coal mining and reclamation operations which meet the requirements of this Act;

(4) publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of this Act; and

(5) conduct hearings, administer oaths, issue subpenas, and compel the attendance of witnesses and production of written or printed materials as necessary to carry out his duties under this Act.

(b) For the purpose of carrying out his responsibilities under this Act, including the enforcement thereof, the Secretary may by agreement utilize with or without reimbursement the services, personnel, and facilities of any Federal agency.

STUDY OF SUBSIDENCE AND UNDERGROUND WASTE DISPOSAL IN COAL MINES

Sec. 302. The Secretary shall conduct a full and complete study and investigation of the practices of backfilling all coal mine wastes and coal processing plant wastes in mine voids or other equally effective disposal methods and the control of subsidence to maximize the stability, value, and uses of lands overlying underground coal mines. The Secretary shall report to the Congress the results of such study and investigation no later than the end of the two-year period beginning on the date of enactment of this Act.

AUTHORIZATION OF APPROPRIATIONS

Sec. 303. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

RELATION TO OTHER LAWS

Sec. 304. Nothing in this Act or in any State regulations approved pursuant to it shall be construed to conflict with any of the following Acts or with any rule or regulation promulgated thereunder:

(1) The Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 801).

(3) The Federal Water Pollution Control Act (33 U.S.C. 1151–1175), the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clear Air Act, as amended (42 U.S.C. 1857).

(5) The Solid Waste Disposal Act (42 U.S.C. 3251).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act (16 U.S.C. 661–666c).

EMPLOYEE PROTECTION

Sec. 305. (a) No person shall discharge, or in any other way discriminate against, or cause to be discharged or discriminated against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted, or caused to be filed or instituted any proceeding under this Act, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this Act.

(b) Any employee or a representative of employees who believes that he has been discharged or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, apply to the Secretary for a review of such discharge or alleged discrimination. A copy of the application shall be sent to the person or operator who will be the respondent. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to such review to enable the parties to present information relating to the alleged violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that a violation did occur, he shall issue a decision incorporating therein his findings and an order requiring the party committing the violation to take such affirmative action to abate the violation as the Secretary deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no violation, he shall issue such a finding. Orders issued by the Secretary under this subparagraph shall be subject to judicial review in the same manner as other orders and decisions of the Secretary are subject to judicial review under this Act.

(c) When ever an order is issued under this section, at the request of applicant, a sum equal to the aggregate amount of all costs and expenses (including attorneys' fees), to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the persons committing the violation.

GRANTS TO THE STATES

Sec. 306. (a) The Secretary is authorized to make annual grants to any State for the purpose of assisting such State in developing, administering, and enforcing State programs under this Act. Such grants shall not exceed 80 per centum of the program development costs incurred during the year prior to approval by the Secretary, shall not exceed 60 per centum of the total costs incurred during the first year following approval, 45 per centum during the second year following approval, 30 per centum during the third year following approval, and 15 per centum during the fourth year following approval. Not later than the end of the fourth year following approval, the State program shall be fully funded from State sources, and each application for a permit pursuant to an approved State program or a Federal program under the provision of this Act shall provide for payment of fees as determined by the regulatory authority. Such fees shall be based as nearly as possible upon the actual or anticipated costs of reviewing, administering, and enforcing such permit, and shall be payable on a phased basis over the period of the permit.

(b) The Secretary is authorized to cooperate with and provide assistance to any State for the purpose of assisting it in the development, administration, and enforcement of its State programs. Such cooperation and assistance shall include—

(1) technical assistance and training, including provision of necessary curricular and instruction materials, in the development, administration, and enforcement of the State programs; and

(2) assistance in preparing and maintaining a continuing inventory of information on surface coal mining and reclamation operations for each State for the purposes of evaluating the effectiveness of the State programs. Such assistance shall include all Federal departments and agencies making available data relevant to surface coal mining and reclamation operations and to the development, administration, and enforcement of State programs concerning such operations.

PROTECTION OF THE SURFACE OWNER

Sec. 307. (a) In those instances in which the surface owner is not the owner of the mineral estate proposed to be mined by surface coal mining operations, the application for a permit shall include the following:

(1) the written consent of, or a waiver by, the owner or owners of the surface lands involved to enter and commence surface coal mining operations on such land, or, in lieu thereof,

(2) the execution of a bond or undertaking to the United States or the State, whichever is applicable, for the use and benefit of the surface owner or owners of the land, to secure the immediate payment equal to any damages to the surface estate which the surface coal mining operation will cause to the crops or to the tangible improvements of the surface owner as may be determined by the parties involved or as determined and fixed in an action brought against the permittee or upon the bond in a court of competent jurisdiction. This bond is in addition to the performance bond required for reclamation by this Act.

(b) For the purposes of this section, the term "surface coal mining operation" does not include underground mining for coal.

PROTECTION OF GOVERNMENT EMPLOYEES

Sec. 308. Section 1114, title 18, United States Code, is hereby amended by adding the words "or of the Department of the Interior" after the words "Department of Labor" contained in that section.

SEVERABILITY

Sec. 309. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

DEFINITIONS

Sec. 310. For the purposes of this Act—

(1) the term "Secretary" means the Secretary of the Interior, except where otherwise described;

(2) the term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam;

(3) The term "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce;

(4) The term "surface coal mining operations" means—

(A) activities conducted on the surface of lands in connection with a surface coal mine the products of which enter commerce or the operations of which directly or indirectly affect commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, and area mining (but not open pit mining), and in situ distillation or retorting, leaching, or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, or loading of coal for interstate commerce at or near the mine site: *Provided, however,* That such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include land affected by mineral exploration operations which substantially disturb the natural land surface, and any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, holes or depressions, repair areas, storage areas, processing areas, shipping areas, and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities;

(5) the term "surface coal mining and reclamation operations" means surface coal mining operations and all activities necessary and incident to the reclamation of such operations;

(6) the term "lands within any State" or "lands within such State" means all lands within a State other than Federal lands and

(7) the term "Federal lands" means any land or interest in land owned by the United States without regard to how the United States acquired ownership of the land and without regard to the agency having responsibility for management thereof;

(8) the term "State program" means a program established by a State pursuant to title II to regulate surface coal mining and reclamation operations on lands within a State in accordance with the requirements of this Act and regulations issued by the Secretary pursuant to this Act;

(9) The term "Federal program" means a program established by the Secretary to regulate surface coal mining and reclamation operations on lands within any State in accordance with the requirements of this Act;

(10) The term "Federal lands program" means a program established pursuant to title II to regulate surface coal mining and reclamation operations on Federal lands;

(11) The term "mining and reclamation plan" means a plan submitted by an applicant for a permit under a State program, Federal program, or Federal lands program which sets forth a plan for mining and reclamation of the proposed surface coal mining operations pursuant to section 208;

(12) The term "State regulatory authority" means the department or agency in each State which has primary responsibility in that State for administering the State program pursuant to this Act;

(13) The term "regulatory authority" means the State regulatory authority where the State is administering this Act under an approved State program or the Secretary where the Secretary is administering any or all provisions of this Act;

(14) The term "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization;

(15) The term "permit" means a document issued by the regulatory authority for a surface coal mining site pursuant to a State program, or a Federal lands program, authorizing the permittee to conduct surface coal mining and reclamation operations.

(16) The term "permit applicant" or "applicant" means a person applying for a permit;

(17) The term "permittee" means a person holding a permit;

(18) The term "backfilling to approximate original contour" means that part of the surface coal mining and reclamation process achieved by backfilling and grading of the mined area so that it closely resembles the surface configuration of the land prior to surface coal mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls, spoil piles, and depressions eliminated except that water impoundments may be permitted where the regulatory authority determines that they are necessary or desirable for reclamation or public recreation purposes;

(19) The term "operator" means any person engaged in surface coal mining operations;

(20) The term "reclamation" or "reclaim" means the process of land, air, and water treatment that restricts and controls water degradation, air pollution, damage to aquatic or wildlife habitat, flooding, erosion, and other harmful effects resulting from surface coal mining operations, so that the affected areas, including, where appropriate, areas adjacent to the mining site are restored to a stable condition capable of supporting the uses which they were capable of supporting prior to mining or an equal or better economic or public use suitable to the locality;

(21) The term "unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of his permit or any requirement of this Act due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or the Act due to indifference, lack of diligence, or lack of reasonable care;

(22) "Open pit mining" means surface mining in which (1) the amount of material removed is large in proportion to the surface area disturbed; (2) mining continues in the same area proceeding downward with lateral expansion of the pit necessary to maintain slope stability or as necessary to accommodate the orderly expansion of the total mining operation; (3) the operations take place on the same relatively limited site for an extended period of time; (4) there is no practicable method to reclaim the land in the manner required by this Act; and (5) there is no practicable alternative method of mining the mineral or ore involved;

(23) The term "imminent danger to the health or safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this Act in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause death or serious physical harm to persons outside the permit area before such condition, practice, or violation can be abated.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment in the nature of a substitute to the committee amendment in the nature of a substitute be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. HOSMER. Mr. Chairman, reserving the right to object, and I do so to make this inquiry of the gentleman from Arizona, is it the intention of the gentleman after this unanimous-consent request is granted that he will move that the Committee do now rise?

Mr. UDALL. Mr. Chairman, if the gentleman will yield, after taking a deep breath, I will reply that I do intend to move that the Committee do now rise.

Mr. HOSMER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. HECHLER of West Virginia. Mr. Chairman, reserving the right to object, I would ask that the substitute H.R. 15000 also be printed in the RECORD at this point.

Mr. UDALL. Mr. Chairman, if the gentleman will yield to me under his reservation of objection, the parliamentary situation is that the gentleman from California has offered his amendment in the nature of a substitute under the rule, and it is that substitute that I ask be printed in the RECORD. I will extend to the gentleman from West Virginia the same courtesy when we reach the time when his amendment is in order.

Mr. HECHLER of West Virginia. Mr. Chairman, further reserving the right to object, I would hope that the Members would be able when the House considers this bill tomorrow to have the substance of H.R. 15000 in front of them.

Mr. UDALL. Mr. Chairman, I will join the gentleman from West Virginia, when we go back into the House, in asking unanimous consent that H.R. 15000 be printed in the RECORD.

Mr. HECHLER of West Virginia. Mr. Chairman, I withdraw my reservation of objection.

Mr. ANDREWS of North Dakota. Mr. Chairman, reserving the right to object, is it planned that we rise tonight at approximately 6:30 and that at 5 o'clock tomorrow night we will rise also?

Mr. UDALL. Mr. Chairman, if the gentleman will yield, I conferred with the leadership and with the gentlewoman from Hawaii (Mrs. MINK), and they have assured us that Friday would be a day available to the Members in their districts, and in order to do that with the airplane schedules it will be necessary, we have been told by the leadership, to rise tomorrow in the general neighborhood of 5 o'clock.

Mr. ANDREWS of North Dakota. I thank the gentleman.

Mr. UDALL. We hope to be able to vote on the substitute bill tomorrow night by that time.

Mr. ANDREWS of North Dakota. But if we do not do that, it is planned to rise tomorrow night at 5 o'clock?

Mr. UDALL. It is our hope to do so, but we will rise at 5 o'clock.

Mr. ANDREWS of North Dakota. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

UMI

There was no objection.

Mr. UDALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11500) to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of the Interior to make grants to States to encourage the State regulation of surface mining, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 11500).

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

PERMISSION TO PRINT TEXT OF H.R. 15000

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the text of the bill, H.R. 15000, introduced by the gentleman from West Virginia (Mr HECHLER) be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The bill reads as follows:

H.R. 15000

A bill to provide for the orderly phasing out of surface coal mining operations, and to control those underground coal mining practices which adversely affect the quality of the environment, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Strip Mining Abolition Act of 1974".

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FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares—

(1) that there are coal mining operations on public, private, and Indian lands in the Nation which adversely affect the environment by destroying or diminishing, for an indefinite period, the availability of public, private, and Indian lands for recreational, commercial, industrial, agricultural, and forestry purposes, by causing erosion, landslides, and subsidence, by contributing to floods and the pollution of waters and air, by destroying fish and wildlife habitat and forests and otherwise impairing natural beauty, by frustrating efforts to conserve soil, water, and other natural resources, by damaging and destroying public and private property, and by creating hazards to life and property.

(2) that the public has a right to expect that the Federal Government, the States, and local government will utilize all practicable means and measures to protect and enhance the quality of the environment;

(3) that the integrity, productivity, and beauty of the land surface must be protected for the growing requirements of present and future generations;

(4) that the reserves of all needed grades of coal in the United States are sufficiently extensive to permit the protection of the land surface in ways which will stimulate the development and utilization of nondestructive and efficient mining technologies while preserving our capacity to supply coal for the needs of society;

(5) that coal mining operations are activities affecting interestate commerce which can contribute to the economic well-being, security, and general welfare of the Nation where conducted in a manner that will protect and enhance the quality of the human environment; and

(6) that the overwhelming percentage of the Nation's coal reserves can only be mined by underground mining methods and it is therefore essential to the national interest in order to meet the energy needs of the Nation to concentrate on underground mining rather than relying on the surface mining of coal.

(b) It is therefore, the purpose of this Act to provide for participation by the Federal Government with State and local governments, private individuals, and other interested persons in a comprehensive program to prevent further damage to the soil, woodlands, waters, and natural resources of the Nation from unregulated or inadequately regulated surface and underground coal mining operations, to stabilize lands damaged by surface coal mining, to promote an effective continuing conservation land-use and management program for the coal mining industry, and to assist any worker adversely affected by this Act.

ADMINISTRATION OF ACT

SEC. 3. Except as specifically provided in this Act, the Administrator of the Environmental Protection Agency (hereinafter called "Administrator") shall administer this Act.

PUBLIC PARTICIPATION

SEC. 4. Public participation in the development, revision, and enforcement of any regulation, standard, or guideline promulgated and permit issued under this Act, and in the administration of this Act, shall be provided for, encouraged, and assisted by the Administrator and the States. The Administrator shall within sixty days after enactment of this Act publish regulations to carry out the purposes of this section. Such regulations shall be promulgated within sixty days thereafter.

GENERAL POWERS OF THE ADMINISTRATOR

SEC. 5. The Administrator, according to the provisions of this Act, shall—

(1) prescribe, in accordance with the provisions of section 553 of title 5, United States Code, such rules and regulations as may be necessary to carry out his functions under this Act;

(2) make investigations or inspections necessary to insure compliance with this Act and the rules and regulations adopted pursuant thereto;

(3) conduct public hearings;

(4) issue cease-and-desist orders to halt violations of this Act;

(5) order the revocation, suspension, or modification of any permit for failure to comply with any of the provisions of this Act or any rule and regulation adopted pursuant thereto;

(6) appoint such advisory committees, the majority of whose members shall have no pecuniary interest in coal mining operations, and the meetings of which shall be open to the public, as may be of assistance to him in the development of programs and policies;

(7) review and vacate or modify orders and decisions issued by him;

(8) perform such other duties as are provided by this Act; and

(9) publish all findings and determinations required to be made by the Administrator under this Act.

TITLE I—ENVIRONMENTAL PROTECTION COAL MINING LIMITATIONS

PHASEOUT SCHEDULE

SEC. 101. (a) On or after the date of enactment of this Act, no person shall open or develop any new or previously mined and abandoned site for coal surface mining operations on lands within any State.

(b) Six months after the date of enactment of this Act, no person shall conduct contour surface coal mining operations on lands within any State. Contour surface coal mining operations active on the date of enactment of this Act may continue to operate subject to existing State surface mining laws for a period not to exceed six months.

(c) Any person who, on the date of enactment of this Act, is actively carrying out surface coal mining operations, other than contour surface coal mining, may continue to do so as provided in this Act (1) if such person obtains a permit from the Administrator within six months after the date of enactment of this Act, and (2) if the Administrator determines that such mining is not in violation of, or will not result in any violation of, any provision of this Act, any provision of the Clean Air Act, the Federal Water Pollution Control Act, or the Refuse Act of 1899, or any regulation, standard, or requirement promulgated pursuant to those Acts. Any permit issued to such operator shall be for a term of not to exceed twelve months and shall not be renewable, except that surface coal mining operations whose calendar year 1973 production exceeded five hundred thousand short tons and which are located in States west of the Mississippi River may apply for three one-year permit renewals. In addition to complying with all applicable provisions of this Act, such permit shall contain the following specific conditions:

(1) Annual production during the first permit renewal year shall not exceed the total surface coal production of this surface coal mining operation during calendar year 1973.

(2) Annual production during the second permit renewal year shall not exceed 75 per centum of the total surface coal production of this surface coal mining operation during calendar year 1973.

(3) Annual production during the third permit renewal year shall not exceed 50 per centum of the total surface coal production of this surface coal mining operation during calendar year 1973.

(d) No coal mining shall be conducted after the date of enactment of this Act in any area of the National Wildlife Refuge System, the National Park System, the national forest system (including but not limited to the national grasslands), the National Wilderness Preservation System including any area under study as a wilderness area, the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act and in any State park, forest, or wildlife area.

PERMIT APPROVAL OR DENIAL

SEC. 102. (a) Six months after the date of enactment of this Act, no person shall engage in surface coal mining operations unless such person has obtained a permit in full compliance with this Act from the Administrator.

(b) Upon the basis of a complete mining application and stabilization plan, the Administrator shall grant or deny the application for a permit and notify the applicant in writing. Within ten days after the granting of a permit, the Administrator shall notify the State and the local official who has the duty of collecting real estate taxes in the local political subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

(c) No permit shall be approved unless the Administrator finds in writing on the basis of the information set forth in the application or from information otherwise available which will be documented in the approval, and made available to the applicant and the public, that (1) the requirements of this Act, and the rules and regulations adopted thereunder will be met, (2) there is objective assurance that the stabilization of the area of affected land can be achieved, and (3) the proposed postmining land use is (A) compatible with surrounding land uses, exclusive of surface mining, (B) practical with respect to need or the surrounding land uses, and (C) reasonable with respect to the likelihood of availability of both public and private resources and support which may be needed to achieve such objectives.

(d) Prior to the issuance of a permit, the Administrator shall review and alter a proposed mining and stabilization plan with respect to the methods, sequence, timing of specific operations in the plan, or the deletion of specific operations or areas from part or all of the plan in order to assure that the environmental protection objectives of this Act are met.

(e) No permit shall be issued by the Administrator unless the permit application affirmatively demonstrates that, and the Administrator makes specific written findings to the effect that—

(1) there is probable cause to believe that the proposed surface coal mining operation will result in stabilization of the land area affected pursuant to the performance standards set forth in section 105 of this Act and regulations promulgated pursuant to this Act;

(2) the postmining land use as proposed in the stabilization plan is practical, is likely to be achieved, and is not inconsistent with surrounding land uses;

(3) the land to be affected does not lie within three hundred feet from any occupied dwelling, unless waived by the owner thereof, nor within three hundred feet of any public building, school, church, community, or institutional building, public park, or cemetery; nor shall the land to be affected lie within one hundred feet of the outside right-of-way line of any public road, except that the regulatory authority may permit such roads to be relocated, if the interests of the public and the landowners affected thereby will be protected;

(4) no lake, river, stream, creek, or watercourse will be moved, interrupted, or destroyed during the mining or stabilization process; and that no mining or stabilization activities will be conducted within one hundred feet of any lake, river, stream, or creek during the mining and stabilization process, except that reaffectation and stabilization activities may be permitted within one hundred feet of such bodies of water where it will help alleviate an existing water pollution problem or restore a previously mined but unstabilized area;

(5) the operator is not presently ineligible to obtain a permit to conduct any coal mining operation under the law of any Federal program authorized by this Act;

(6) mining operations would not adversely affect nearby lands and waters to which the public enjoys use and access, or the mining of any area of land within one mile of publicly owned lands or parks or places located in the National Register of Historic Sites;

(7) the permit application does not include areas of lands affected that are noncontiguous;

(8) the application on its face is complete, accurate, and contains no false information;

(9) no coal seam which serves as an aquifer will be mined or otherwise disturbed; and

(10) the area or region in which the mining is to take place has an annual average precipitation of at least ten inches.

(f) The applicant shall file with his permit application a schedule listing any and all violations of this Act and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air or water environmental protection incurred by the applicant in connection with any coal surface mining operation during the one-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation. Where the schedule or other information available to the Administrator indicates that any coal surface mining operation owned or controlled by the applicant is currently in violation of this Act or such other laws referred to in this subsection, the permit shall not be issued until the applicant submits proof that such violation has been corrected or is in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation.

APPLICATION REQUIREMENTS

SEC. 103. (a) Each application for a mining and stabilization permit shall be accompanied by a fee as determined by the Administrator. Such fee shall be based as nearly as possible upon the actual or anticipated cost of reviewing, administering, and enforcing such permit and shall be in addition to the fee required for the Coal Mine Lands Stabilization Fund.

(b) The permit application shall be submitted in a manner satisfactory to the regulatory authority and shall contain, among other things—

(1) the names and addresses of the permit applicant (if the applicant is a subsidiary corporation, the name and address of the parent corporation must be included); every legal owner of the property (surface and mineral) to be mined; the holders of any leasehold or other equitable interest in the property; any purchase of the property under a real estate contract; the operator if he is a person different from the applicant; and, if any of these are business entities other than a single proprietor, the names, addresses of the principals, officers, and resident agent;

(2) the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person owning, of record or beneficially, either alone or with associates, 10 per centum or more of any class of stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface mining operation within the United States or its territories and possessions;

(3) a description of the type and method of coal mining operation that exists or is proposed, the engineering techniques proposed or used, and the equipment used or proposed to be used;

(4) the anticipated or actual starting and termination dates of each phase of the mining operation and number of acres of land to be affected;

(5) the written consent of the owner of the surface of the land and any person holding an interest in such surface including but not limited to the lessees of said surface upon which the applicant proposes to engage in, or is engaged in, coal surface mining;

(6) the names and addresses of the owners of all surface areas abutting on the permit area;

(7) a statement of any current or previous mining permits in the United States held by the applicant and the permit identification;

(8) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has ever held a Federal or State mining permit which has been suspended or revoked or has ever had a mining bond or similar security deposited in lieu of bond forfeited and a brief explanation of the facts involved in each case;

(9) an accurate map or plan to an appropriate scale clearly showing the land to be affected, prepared by or under the direction and certified by a registered professional engineer, or registered land surveyor and a professional geologist for the requirements relating to subsurface information. Such map or plan shall among other things show all the boundaries of the land to be affected, its surrounding drainage area, the location and names, where known, of all roads, railroads,

rights-of-way, utility lines, oil wells, gas wells, water wells, lakes, streams, rivers, creeks, springs, and other surface watercourses, the names and boundary lines of the present owners of all surface areas abutting on the permit area and the location of all buildings on and within such abutting surface areas, and the purpose for which each building is used;

(10) typical cross section maps or plans of the land to be affected showing pertinent elevations, including the nature and thickness of the overburden, the nature and thickness of any mineral seam above the mineral seam to be mined, the nature of the stratum immediately beneath the mineral seam to be mined, the location of the aquifers or underground water, the estimated elevation of the water table, the location of any underground mines, and a profile of the anticipated final surface contour that will be achieved pursuant to the operator's approved stabilization plan. The information pertaining to the mineral seam required by this paragraph shall be kept confidential and not made a matter of public record, except that if such information becomes relevant to the parties to a hearing on the grant or denial of a permit or the forfeiture or release of part or all of a bond, such information may be disclosed to such interested parties under appropriate protective provisions;

(11) a proposed mining map or plan of the area of land to be affected on an appropriate scale, prepared under the direction and certified by any registered professional engineer or registered land surveyor, clearly showing the location of all rivers, streams, creeks, lakes, ponds, water impoundments, wells, springs, and any other watercourses, all mineral croplines, existing deep and surface mining limits, the actual areas to be mined, the location of pits, if any, that may be left in accordance with the operators approved stabilization plan, spoil areas, waste or refuse areas, topsoil preservation areas, test and drill holes and their surface elevations, barriers, if any, to control subsurface water movement, strike and dip of the coal to be mined within the area of land to be affected, the synclines and anticlines of the coal to be mined, the contours of the surface at sufficient intervals of elevation to accurately depict the contour of the terrain, location of all buildings having private sources of water supply within one thousand feet of the area to be affected, the location of all waste water impoundments, any settling or water treatment facilities, constructed or natural drainways, and the location of any discharge to any surface body of water on the area of land to be affected or adjacent thereto. The maps required under paragraphs (8) and (10) of this subsection may be consolidated;

(12) a copy of the applicant's advertisement to be published pursuant to section 108(a), which includes the ownership, a listing of all persons holding any interest in the surface or mineral estate including but not limited to lessees of said surface or mineral estate, a description of the exact location and boundaries of the proposed site sufficient so that the proposed operation is readily locatable by local residents, and the location of where the application is available for public inspection;

(13) the name of the watershed and location of all known surface and underground waterways into which surface waters may or will be discharged;

(14) a determination of the hydrologic consequences of the mining and stabilization operations, both on and of the mine site, with respect to the hydrologic regime, quantity of water in surface and ground water systems including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability;

(15) a complete and verifiable list of all deeds, leases, options, or other instruments granting to the applicant or his agents rights to or in the land or minerals to be affected by the proposed permit;

(16) when requested by the Administrator a statement of all lands, interests in lands, or options on such lands held by the applicant or pending bids on interests in lands by the applicant, which lands are contiguous to the land to be affected, and any information required by this subsection which is not on public file pursuant to appropriate laws shall be held in confidence by the Administrator;

(17) a statement of the result of test borings or core samplings from the land to be effected, including where appropriate, the surface elevation and logs of the drill holes so that the strike and dip of the coal seams may be determined, the nature and depth of the various strata of overburden, the location of subsurface water, if encountered, and its quality, the thickness of the coal seam found, an analysis of the chemical properties of such coal; the sulfur content of any coal seam and a chemical analysis of potentially acid or toxic forming sections of the overburden, and a chemical analysis of the stratum lying immediately underneath the coal to be mined; and

(18) such other information as the regulatory authority may require.

The collection and analyses of all information required under paragraph (17) of this subsection shall be conducted by a laboratory which is approved by the Administrator. The Administrator shall establish rules to preserve the integrity of the sampling. Information from test borings and core samplings required by this paragraph shall be made available to interested parties and that which pertains only to the quantitative and qualitative analysis of the coal seams (except the information regarding such mineral or elemental content which is potentially toxic in the environment) shall be kept confidential and not made a matter of public record. If such coal seam information becomes relevant to the parties to a hearing on the grant or denial of a permit or the forfeiture or release of part or all of a bond, such information shall be disclosed to such interested parties under protective provisions defined by the regulatory authority.

(c) The mining and stabilization plan which each applicant for a permit shall be required to submit with a permit application, consistent with the performance criteria provided for in this Act, shall include, at least—

(1) the identification of the entire area to be mined and affected over the estimated life of the mining operation and the size, sequence, and timing of the subareas for which it is anticipated that individual permits for mining will be sought;

(2) a statement describing the full range of uses to which the land was put and the predominant use of the area immediately surrounding the area of land to be affected prior to the commencement of any mining, and a description of the use or uses proposed to be made of the area of land to be affected following stabilization;

(3) a detailed description of the manner in which mining operations will be conducted and of the actions taken or planned to prevent adverse environmental effects during the life of the mining and stabilization operation:

(4) a detailed description of the measures to be taken during the mining and stabilization process to assure the protection of the quantity and quality of surface and ground water systems, both on- and off-site from adverse effects of the mining and stabilization process, and the rights of present users to such water;

(5) a detailed description of the stabilization activities that will be taken to return the mined area to a condition consistent with the applicant's proposed postmining land use and in accordance with provisions of this Act (including, but not limited to preventing polluting discharges, seepages, mine and refuse bank fires, and other conditions that present an adverse effect on the health or safety of the public on the permitted site that resulted from previous mining operations);

(6) a detailed description of how the proposed postmining land use is to be achieved and the necessary public or private support activities which may be needed to achieve the proposed land use;

(7) a detailed time schedule, including interim completion dates, for key stages of the surface coal mining and stabilization plan;

(8) a description of the actions planned to insure compliance with the environmental performance standards set forth in this Act and supplemented by regulation by the Administrator; and

(9) such other requirements as the regulatory authority shall prescribe by regulation.

(d) each applicant for a surface mining and stabilization permit shall file a copy of his application for public inspection with the Recorder at the courthouse of the county or an appropriate official approved by the regulatory authority where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

(e) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the mining and stabilization operations for which such permit is sought, or evidence that the applicant has satisfied other State or Federal self-insurance requirements. Such policy shall cover the mined area and provide for both on- and off-site personal injury and property damage protection as a result of mining and stabilization operations and entitled to compensation under the applicable provisions of Federal or State law but in any event shall not be less than $100,000, or for such higher amounts as the regulatory authority deems necessary in light of potential risk and magnitude of possible off-site damages. Such policy shall be for the term of the permit and any renewal, including the length of any and all stabilization operations required by this Act.

EFFECT ON STATE LAW

SEC. 104. Where any provision of any State law or regulation in effect upon the date of enactment of this Act or which may become effective thereafter, provides more stringent environmental controls and regulations of surface mining and stabilization operations than do the provisions of this Act or any regulation issued pursuant thereto, such provision of State law or regulation shall not be construed to be inconsistent with this Act.

GENERAL ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS

SEC. 105. (a) Any permit issued pursuant to this Act to conduct surface coal mining operations shall require that such operations will meet all applicable performance standards established by this Act and such other conditions as the Administrator shall require by regulation or upon review of the permit application.

(b) The operator of all surface coal mining and stabilization operations shall as a minimum—

(1) restore the land affected to a condition at least fully capable of supporting the

uses which it was capable of supporting prior to any mining, or higher or better uses of which there is a reasonable likelihood, so long as such use or uses do not present any actual or probable adverse effect on public health or safety or pose any actual or possible threat of water diminution or pollution, and the permit applicants' declared proposed land use following stabilization is not deemed to be impractical or unreasonable, inconsistent with applicable land use policies and plans, involves unreasonable delay in implementation, or is violative of Federal, State, or local law;

(2) reduce the land disturbed incident to surface mining by limiting the amount of surface excavated at any one time during mining and combining the process of stabilization with the process of mining to keep stabilization operations current, and to complete such stabilization in any separate distinguishable portion of the mined area, as promptly as possible, but not later than the time specified in a stabilization schedule which shall be attached to the permit;

(3) remove the topsoil from the land in a separate layer, segregate it in a separate pile from the subsoil, and when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any acid or toxic material, and is in a usable condition for sustaining vegetation when restored during stabilization, except if topsoil is not capable of sustaining vegetation, or if a separable subsoil can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner that subsoil which is best able to support vegetation;

(4) remove and segregate spoil materials and protect them from wind and water erosion until returned during backfilling;

(5) segregate toxic materials and those acidic, alkaline and saline materials which are toxic when uncovered during excavation or created in connection with the mining operation and promptly bury, cover, and compact and isolate such materials during the mining process to prevent contact with ground water systems and to prevent leaching and pollution of surface or subsurface waters;

(6) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated; except that in surface coal mining which is carried out at the same location over a substantial period of time, where the operation follows the coal deposit vertically and the thickness of the coal deposit relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than 10 degrees and to bury, compact, and isolate all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region;

(7) refrain from the creation of any permanent impoundments of water in the permit area;

(8) refrain from the construction of roads or other access ways within a streambed or drainage channel or in such proximity to such channel so as to alter the normal flow of water;

(9) restore the topsoil or the best available subsoil which has been segregated and preserved;

(10) permanently establish on the regarded areas, and all other lands affected, a diverse and permanent vegetative cover native to the area of land to be affected and capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation of the area; except, that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved postmining land use plan;

(11) assume the responsibility for successful revegetation for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, or other work in order to assure a permanent, self-regenerative, effective, and diverse vegetative cover suitable to the area, except that:

(A) in those areas or regions of the country where the annual average precipitation is between sixteen and twenty-six inches, the operator's assumption of responsibility and liability will extend for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work;

(B) in those areas or regions of the country where the annual average precipitation is between eleven and sixteen inches, the operator's assumption of responsibility and liability will extend for a period of fifteen full years after the last year of augmented seeding, fertilizing, irrigation, or other work;

(C) in those areas or regions of the country where the annual average precipitation is ten inches or less, the operator's assumption of responsibility and liability will extend for a period of twenty full years after the last year of augmented seeding, fertilizing, irrigation, or other work;

(12) maintain the hydrologic balance at the minesite and in associated offsite areas and maintain the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during stabilization by—

(A) preventing acid or other toxic mine drainage;

(B) casing, sealing, or otherwise managing borehole, shafts, and wells to prevent acid or other toxic drainage to ground and surface waters;

(C) conducting surface mining operations so as to prevent additional contributions of suspended or dissolved solids to streamflow or runoff outside the permit area above natural levels as measured prior to any mining, and avoid channel deepening or enlargement in operations requiring discharge of water from mines;

(D) removing all siltation structures from drainways after disturbed areas are revegetated and stabilized and preventing any discharge of silt from such structures during or after removal;

(E) restoring recharge capacity of the aquifer at the minesites to approximate premining conditions;

(F) preserving throughout the mining and stabilization process alluvial valley floors and stream channels; and

(G) where aquifers are disturbed during mining operations, place a layer of gravel, sufficient to serve as a carrier for ground water, directly above the first impermeable strata underlying the coal seam mined; and

(H) such other actions as the regulatory authority may prescribe;

(13) prvent any offsite damage that may result from such mining operations;

(14) with respect to disposal of coal processing wastes or other liquid or solid wastes, refrain from the use of impoundments, stabilize all waste piles in designated areas through construction and compacted layers with incombustible and impervious materials, and assure the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this Act; and drain within six months after the date of enactment all waste impoundments existing at the date of enactment insuring that pollution to surface or ground water systems is prevented during the draining process;

(15) with respect to the use of explosives—

(A) provide advance written notice to local governments and residents who would be affected by the use of such explosives of the blasting times and the posting of such times at the entrances to the permit area, and maintain for a period of at least three years a log of the magnitudes and times of blasts;

(B) refrain from blasting—

(i) where the course or channel of any surface or subsurface stream will be changed as a probable result of the blast; or

(ii) where the banks of a stream will be ruptured permitting water to enter the strip mining pit; or

(iii) where vibration or concussion will be felt beyond the licensed area unless prior written consent of the property owner or owners (where such vibrations or concussions will be felt) has been obtained; or

(iv) where the stability of the roof strata of an operating underground mine or the watercourse entering such a mine will be adversely affected as a probable result of the blast; or

(v) where the safety of the public or private property or natural formations of more than local interest are endangered.

(C) before an explosion is to be set off, give sufficient warning so that any person approaching the area shall be given ample time to retreat a safe distance. Any public highway or entrance to the operation shall be barricaded and guarded by the operator if the highway or entrance is located within one thousand feet of any point of the blasting site; and

(D) before an explosion is to be set off within one thousand feet of occupied buildings or dwellings, notify any person within the area in a manner approved by the Administrator within twenty-four hours prior to the blast. The Administrator shall designate the time period during which such blastings may be done. Any blasting shall be done between the hours of sunrise and sunset;

(16) refrain from mining within five hundred feet or more of active or abandoned underground mine openings in order to prevent breakthroughs;

(17) operate any auger only to the dip of the resource; all auger holes being filled to a depth of a minimum of three times the diameter with an impervious and noncombustible material;

(18) construct access roads, haulroads, or haulageways with appropriate limits applied to grade, width, surface materials, spacing, and size of culverts in order to control drainage and prevent erosion within and outside permit area, and upon the completion of mining either stabilize such roads by regrading and revegetation or assure their maintenance so as to prevent erosion and siltation of streams and adjacent lands; and

(19) with respect to areas of sloping terrain, refrain from placing any spoil, debris, soil, waste materials, or abandoned or disabled mine equipment on the natural or other downslope below the bench or cut created to expose the coal seam.

For the purposes of this subsection, the term "sloping terrain" is any slope between ten and twenty degrees or such lesser slope as may be defined by the Adminstrator after consideration of soil, climate, and other characteristics of a region or State.

(c) The Administrator may impose such additional requirements as he determines to be necessary.

SPECIFIC PERFORMANCE STANDARDS FOR UNDERGROUND MINING OPERATIONS

SEC. 106. (a) Each permit issued pursuant to this Act relating to underground coal mining shall, in addition to the requirements of section 105(b) of this Act, require the operator to as a minimum—

(1) with respect to underground mines opened after the enactment of this Act and to the extent physically, and technologically possible, incorporate practices of backfilling all mine wastes and coal processing plant tailings in mine voids or other equally effective disposal methods.

(2) provide for adequate support for the ground surface by assuring appropriate permanent underground mine support in order to prevent subsidence, maximize mine stability, and the value and use of such surface lands, except in those instances where the mining technology used requires planned subsidence in a predictable and controlled manner;

(3) seal all portals, entryways, drifts, shafts, or other openings between the surface and underground mine workings when no longer needed for the conduct of the mining operations;

(4) with respect to surface disposal of mine wastes, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles created by the permittee from current operations through construction in compacted layers with incombustible and impervious materials and assure that the final contour of the waste accumulation will be compatible with natural surroundings and that the site is stabilized and revegetated according to the provisions of this section;

(5) refrain from the use of impoundments in the disposal of mine wastes, coal processing wastes, and other wastes, drain within six months of the date of enactment all waste impoundments existing at the date of enactment insuring that pollution to surface or ground water is prevented during draining process, and stabilize remaining waste piles in accordance with the requirements of paragraph (4);

(6) establish on regraded areas and all other lands affected, a diverse and permanent vegetative cover capable of self-regeneration and plant succession and at least equal in extent of cover to the natural vegetation of the area;

(7) prevent off-site damages which may result from such mining operations; and

(8) prevent the discharge of water-borne pollutants both during and after mining.

(c) In order to protect the stability of the land, the Administrator shall prohibit underground coal mining under urbanized areas, cities, towns, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams.

(d) All operators of underground coal mines, both during and after mining, shall eliminate fire hazards and otherwise eliminate conditions which constitute a hazard to health and safety of the public.

PROMULGATION OF REGULATIONS

SEC. 107. (a) Not later than sixty days immediately following the date of enactment of this Act, the Administrator shall promulgate, in accordance with section 553 of title 5, United States Code, regulations for the administration of permits issued under this Act.

(b) All regulations except those referred to in subsection (a) of this section shall not be promulgated by the Administrator until he has—

(1) published proposed regulations in the Federal Register and afforded interested persons and State and local governments a period of not less than forty-five days after such publication to submit written comments thereon;

(2) held at least two regional public hearings on the proposed regulations.

The date, time, and place of any hearing held on the proposed regulations shall be set out in the publication of the proposed regulations. The Administrator shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the regulations.

PUBLIC NOTICE AND PUBLIC HEARINGS

SEC. 108. (a) At the time of submission of an application for a surface mining and stabilization permit, or revision or renewal of an existing permit, pursuant to the provisions of this Act the applicant shall submit to the Administrator a copy of his advertisement of the ownership, precise location, and boundaries of the land to be affected. At the time of submission such advertisement shall be placed in a local newspaper of general circulation in the locality of the proposed surface mine at least once a week for four consecutive weeks. Within seven days after the applicant has submitted his application, he shall also submit copies of letters which he has sent to various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the proposed surface mining will take place, notifying them of his intention to surface mine a particularly described tract of land and indicating the application's permit number and where a copy of the proposed mining and stabilization plan may be inspected. These local bodies, agencies, authorities, or companies have obligation to submit written comments within thirty days on the mining applications with respect to the effect of the proposed operation on the environment which are within their area of responsibility. Such comments shall be made available to the public at the same locations as are the mining applications.

(b) Any person or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed surface mining and stabilization operation with the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed and a hearing requested, the Administrator shall then hold a public hearing in the locality of the proposed mining within a reasonable time of the receipt of such objections. The date, time, and location of such public hearing shall be advertised by the Administrator in a newspaper of general circulation in the locality at least once a week for three consecutive weeks prior to the scheduled hearing date. The Administrator may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. At this public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with the applicable State and Federal laws. Not less than ten days prior to any proposed hearing, the Administrator shall respond to the written objections in writing. Such response shall include the Administrator's preliminary proposals as to the terms and conditions, and amount of bond of a possible permit for the area in question and answers to material factual questions presented in the written objections. The Administrator's responsibility under this subsection shall in any event be to make publicly available its estimate as to any other conditions of mining or stabilization which may be required or contained in the preliminary proposal. In the event all parties requesting the hearing stipulate agreement prior to the requested hearings, and withdraw their request, such hearings need not be held.

(c) For the purpose of such hearing, the Administrator may administer oaths, subpena witnesses, or written or printed materials, compel attendance of the witnesses, or production of the materials, and take evidence including but not limited to site inspections of the land to be affected and other surface mining operations carried on by the applicant in the general vicinity of the proposed operation. A verbatim transcript and complete record of each public hearing shall be ordered by the Administrator.

DECISIONS OF REGULATORY AUTHORITY AND APPEALS

SEC. 109. (a) If a public hearing has been held pursuant to section 108(b) of this Act, the Administrator shall issue and furnish the applicant for a permit and persons who are parties to the administrative proceedings with the written finding of the Administrator, granting or denying the permit in whole or in part and stating the reasons therefor, within thirty days of said hearings.

(b) If there has been no public hearing held pursuant to section 108(b) of this Act, the Administrator shall notify the applicant for a permit within a reasonable time, taking into account the time needed for proper investigation of the site, the complexity of the permit application and whether or not written objection to the application has been filed, whether the application has been approved or disapproved. If the application is approved, the permit shall be issue. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for the said disapproval. The Administrator shall hold a hearing within thirty days of such request and provide notification to all interested parties at the time that the applicant is so notified. Within thirty days after the hearing the Administrator shall issue and furnish the applicant, and all persons who participated in the hearing, with the written decision of the Administrator granting or denying the permit in whole or in part and stating the reasons therefor.

(c) Any applicant or any person who is aggrieved by the decision of the Administrator or if the Administrator fails to act within a reasonable period of time, shall have the right of appeal for review by a court of competent jurisdiction in accordance with State or Federal law.

POSTING OF BOND

SEC. 110. (a) After a surface mining and stabilization permit application has been approved but before such a permit is issued, the applicant shall file with the Administrator on a form prescribed and furnished by the Administrator a bond for performance payable to the United States and conditioned that the operator shall faithfully perform all the applicable requirements under this Act. The bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface mining and stabilization operations. As succeedng increments of surface mining and stablization operations are to be initated and conducted within the permit area, the permittee shall file with the Administrator an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the stabilization requirements of the approved permit and shall be determined by the Administrator. The amount of the bond shall be sufficient to assure the completion of the stabilization plan if the work had to be performed by a third party in the event of forfeiture; in no case shall the bond be less than

$10,000. Liability under the bond shall be for the duration of the surface mining and stabilization operation and for a period coincident with operator's responsibility for vegetation requirements in section 105(b)(11). The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, except that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(b) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. If one or more negotiable certificates of deposit are deposited with the Administrator in lieu of the surety bond, he shall require the bank which issued any certificate to pledge securities of the aggregate market value to the amount of such certificate or certificates, which is in excess of the amount insured by the Federal Deposit Insurance Corporation. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(c) Upon the receipt of the deposit of cash or securities, the regulatory authority shall immediately place the deposit with the Secretary of the Treasury who shall receive and hold the deposit in safekeeping in the name of the United States in trust for the purpose for which the deposit was made. The operator making the deposit may from time to time demand and receive from the Secretary of the Treasury on written order of the Administrator the whole of any portion of the deposit if other acceptable securities of at least the same value are deposited in lieu thereof. The operator may demand of the Secretary of the Treasury and receive the interest and income from the securities as they become due and payable. When deposited securities mature or are called, the operator may request that the Secretary of the Treasury or the aforesaid State authority convert the securities into other securities acceptable to the operator, and the Secretary of the Treasury or the aforesaid State authority shall so do.

(d) The amount of the bond or deposit required shall be increased or decreased by the Administrator from time to time as affected land acreages are changed or where the cost of future stabilization increases or decreases.

BOND RELEASE PROCEDURES

Sec. 111. (a) When the operator has completed successfully all surface mining and stabilization activities, but not before the expiration of the period specified for operator responsibility in section 105(b) (11), he may file a request for release of the bond or collateral for the applicable permit area. The request shall specifically include—

(1) the location of the land affected, the number of acres backfilled and regraded, and the approximate dates of the stabilization work;

(2) the permit number;

(3) the amount of the bond;

(4) a detailed description of the type of stabilization activities performed; and

(5) a detailed description of the results achieved as they relate to the operator's approved stabilization plan.

(b) Upon receipt of the notification and request, the Administrator shall, within one hundred days thereafter, make an inspection and evaluation of the stabilization work involved. If the Administrator finds that the stabilization meets the requirements of this Act, he shall so notify the surety company, the operator, and the Secretary of the Treasury shall then return to the operator the amount of the cash or securities constituting the bond so released. If the Administrator does not approve of the stabilization performed by the operator, he shall so notify the operator by registered mail within a reasonable time after the request. The notice shall state the reasons for unacceptability and shall recommend actions to remedy the failure.

(c) With any application for bond release filed with the Administrator, the operator shall submit a copy of the first advertisement placed at least once a week for three consecutive weeks in a newspaper of general circulation in the locality of the surface mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the precise location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type of stabilization work performed. In addition, as part of any bond release application, the applicant shall also submit copies of letters which he has sent to various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the surface mining and stabilization activities took place, notifyng them of his intention to seek release from the bond.

(d) Any person or the officer or head of any Federal, State, or local governmental agency shall have the right to file written objections to the proposed release from bond to the Administrator within thirty days after the last publication of the above notice. If written objections are filed, and a hearing requested, the Administrator shall inform all the interested parties, of the time and place of the hearing, and hold a public hearing in the locality of the surface mining operation proposed for bond release within forty-five days of the request for such hearing. The date, time, and location of such public hearings shall be advertised by the Administrator in a newspaper of general circulation in the locality once a week for three consecutive weeks.

(f) For the purpose of such hearing the Administrator shall have the authority and is hereby empowered to administer oaths, subpena witnesses, or written or printed materials, compel the attendance of witnesses, or production of the materials, and take evidence including but not limited to inspections of the land affected and other surface mining operations carried on by the applicant in the general vicinity. A verbatim transcript and a complete record of each public hearing shall be ordered by the Administrator.

(g) The Administrator shall make his decision on the bond release request not more than sixty days after the record of the hearing is transcribed.

(h) Any applicant or person who has participated in the administrative proceedings as an objector and who is aggrieved by the decision of the Administrator or if the Administrator fails to act within a reasonable period of time, shall have the right to appeal to an appropriate United States district court.

SUSPENSION AND REVOCATION OF PERMITS

Sec. 112. (a) Once granted, a permit may not be suspended or revoked unless the Administrator gives the permittee prior notice of violation of the provisions of the permit and not more than ten days within which to take corrective action, and the Administrator determines after a public hearing, if requested by the permittee, that the permittee remains in violation; except that if the continuation of any mining operation adversely affects the public health or safety, threatens damage to public and private property, endangers the quality and quantity of a public or private water supply, or poses other significant harm to land, air, or water resources, the permit, or such portion of the permit related to the offending activity, shall be suspended subject to subsequent determination, after a public hearing, if requested by the permittee, whether the permittee has violated the provisions of the permit.

(b) Following the hearing or any corrective action on the part of the permittee, the regulatory authority must issue and furnish the permittee a written decision, independently verified by the regulatory authority, either affirming or rescinding the suspension and stating the reasons therefor. The permittee shall have the right to appeal such decision of the regulatory authority to an appropriate United States district court.

(c) If the Administrator revokes the permit of the operator, the operator shall immediately cease any and all surface coal mining operations on the permit areas and the Administrator shall declare as forfeited the performance surety bonds for the operation.

INSPECTIONS AND MONITORING

Sec. 113. (a) For the purpose of determining whether any person is in violation of any requirement of this Act—

(1) the Administrator shall require any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the Administrator, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as the Administrator shall prescribe, and (E) provide such other information relative to surface mining and stabilization operations as the Administrator deems reasonable and necessary;

(2) for those mining and stabilization operations which disturb strata that serve as aquifers which significantly insure the hydrologic balance or water use either on or off the mining site, the Administrator shall specify those—

(A) monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence;

(B) monitoring sites to record level, amount, and samples of ground water and aquifers potentially affected by the mining and also directly below the lower most (deepest) coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation.

The monitoring, data collection, and analysis required by this section shall be conducted according to standards and procedures set forth by the Administrator in order to assure their reliability and validity; and

(3) the authorized representatives of the Administrator, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface mining and stabilization operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect and monitoring equipment or method of operation required under this Act.

(b) The inspections by the Administrator shall (1) occur on an irregular basis averaging not less than one inspection per month for the surface mining and stabilization operations for coal covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this Act and the Administrator shall make copies of such inspection reports immediately and freely available to the public at a central location in the pertinent geographic area of mining. The Administrator shall establish a system of continual rotation of inspectors so that the same inspector does not consistently visit the same operations.

(c) Notices of pending applications and location maps shall be filed with appropriate officials in each county or other appropriate subdivision of the State in which surface coal mining and stabilization operations under such permits will be conducted and shall be available for public inspection at all reasonable times.

(d) Each permittee shall conspicuously maintain at the entrances to the surface mining and stabilization operations a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface mining and stabilization operations.

(e) Each inspector, upon detection of each violation of any requirement of this Act, shall forthwith inform the operator in writing, and shall report in writing any such violation to the Administrator.

(f) Copies of any records, reports, inspection materials, or information obtained under this title by the Administrator shall be made immediately and freely available to the public at central and sufficient locations in the county, multicounty, and State area of mining so that they are conveniently available to residents in the areas of mining as well as in Washington, District of Columbia.

PENALTIES

SEC. 114. (a) At the request of the Administrator, the Attorney General may institute a civil action in a district court of the United States for a restraining order or injunction or other appropriate remedy to enforce the purposes and the provisions of this Act and the regulations adopted hereunder.

(b) Any person who violates any permit condition or order issued under any provision of this Act shall be assessed a civil penalty by the Administrator. Such penalty shall be applied in the same manner, and under the same procedure except as modified herein, as those penalties under section 109 (a) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 819 (a)). Each occurrence of a violation shall continue a separate offense. The Administrator shall issue regulations in accordance with section 554 of title 5, United States Code, within one hundred and eighty days after enactment of this Act, prescribing procedures for such assessments. The Federal Claims Collection Act of 1966 (31 U.S.C. 951 et seq.) shall apply to such assessments.

(c) And person (1) who knowingly violates any provision of this Act or any regulation, permit condition, or order issued under this Act, or (2) who makes any false statement, representation or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act, or (3) who falsifies, tampers with, or renders inaccurate any monitoring device or method required to be maintained under this Act, shall upon conviction be punished. The penalties provided in section 109 (d) of the Federal Coal Mine Health and Safety Act (30 U.S.C. 819) shall apply to this section and in the discretion of the court, one-third of said fine shall be paid to the person or persons giving information which shall lead to conviction.

(d) Any person aggrieved or adversely affected by any suspension ordered by an inspector, or of any order, rule, or regulation of the Administrator, may appeal to the Administrator for an order vacating or modifying the order, rule, or regulations, in the same manner, following the same procedure, as is provided for appeal to the Administrator under section 105 of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 815).

(e) In addition to any other remedy at law or in equity under the provisions of this Act, the Attorney General of the United States may apply to an appropriate United States district court for relief by injunction to enforce compliance with or restrain violations of any provisions of this Act or any rule, regulation, or order made pursuant thereto.

(f) The Administrator is authorized to commence a civil action for appropriate relief, including a permanent or temporary injunction, for any violation for which he is authorized to issue a compliance order under section 113. Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance. Notice of the commencement of such action shall be given immediately to the appropriate State.

(g) Wherever a corporation or other entity violates any provision of this Act, or any permit condition required by this Act, any director, officer, or agent of such corporation or entity who authorized, ordered, or carried out such violation shall be subject to the same fines or imprisonment as provided for under subsection (d) of this section.

(h) The remedies described in this section shall be concurrent and cumulative and the exercise of one does not preclude the exercise of the others. Further, the remedies prescribed in this section shall be in addition to any other remedies afforded by this Act or any other law or regulation.

(i) For the purposes of carrying out his responsibilities under this Act, including the enforcement thereof, the Administrator may by agreement utilize with or without reimbursement the services, personnel, and facilities of any Federal agency.

CITIZEN SUITS

SEC. 115. (a) Any person may commence a civil action on his own behalf—

(1) against any person, including (A) the United States, and (B) any other governmental instrumentality or agency (to the extent permitted by the eleventh amendment to the Constitution), who is alleged to be in violation of this Act, or

(2) against the Administrator and the Chief of the Corps of Engineers where there is alleged a failure of the Administrator or the Chief to perform any act or duty under this Act which is not discretionary with the Administrator or the Chief.

(b) The United States district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce this Act, or to require the Administrator or the Chief to perform such act or duty, as the case may be.

(c) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or the common law to seek enforcement of this Act or to seek any other relief, including relief against the Administrator or the Chief or any State agency.

(d) The court, in issuing any final order in any action brought pursuant to this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

(e) Any resident of the United States who is injured in any manner through the failure of any operator to comply with the provisions of this Act, or of any regulation, order, permit, or plan or reclamation issued by the Administrator, may bring an action for damages (including attorney fees) regardless of the amount involved or citizenship of the parties, in an appropriate United States district court.

(f) The Administrator, if not a party in any action under this section, may intervene as a matter of right.

UNDERGROUND MINE PERMIT RENEWAL

SEC. 116. Any operator who holds a permit issued under this title to conduct underground coal mining operations and who wishes to continue such operations beyond the original permit period shall apply to renew his permit within ninety days prior to the anniversary date of the permit issuance. An additional fee of $100 and a new map which outlines the area to be affected shall be filed with such application. Each renewal application shall be in a form prescribed by the Administrator and shall update the information provided in the original permit application. The Administrator shall approve the renewal application in accordance with procedures established by this title for approval of the original application.

AUTHORIZATION

SEC. 117. There are authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this title.

ANNUAL REPORT

SEC. 118. The Administrator shall submit annually to the President and the Congress a report concerning activities conducted by him, pursuant to this Act. Among other matters, the Administrator shall include in such report recommendations for additional administrative or legislative action as he deems necessary and desirable to accomplish the purposes of this Act.

INSPECTORS

SEC. 119. (a) The Administrator shall determine the number of coal mining inspectors needed to implement this title, and shall appoint them subject to the provisions of title 5 of the United States Code, governing appointments in the competitive service. Each inspector shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The qualification and training provisions of section 505 of the Federal Coal Mine Health and Safety Act of 1969 shall be applicable here.

(b) A coal mining inspector when making any necessary survey and inspection of coal mining operations under this title shall, at the request of the Secretary of the Interior, administer and enforce all Federal coal mine health and safety laws, rules, and regulations, and shall perform such other functions as prescribed by the Administrator.

FEDERAL PROCUREMENT

SEC. 120. (a) No Federal agency, including any Government corporation, may enter into any contract with any person, who has been convicted of any offense under this Act, for the procurement of minerals or solid fuels, goods, material and services if such contract is to be performed at or by any mine or facility at which the violation which gave rise to such conviction occurred, or if such mine facility is wholly or partly owned, leased, or supervised by such person. The prohibition in the preceding sentence shall continue until the Administrator certifies that the condition giving rise to such conviction has been corrected.

(b) The Administrator shall establish procedures to provide all such agencies with the notification necessary for the purposes of subsection (a) of this section.

(c) In order to implement the purposes and policy of this Act to protect and enhance the quality of the Nation's environment, within one hundred and eighty days after enactment of this Act, each Federal agency, including any Government corporation, authorized to enter into contracts and each Federal agency which is empowered to extend Federal assistance by way of grant, loan, or contract, shall effectuate the purpose and policy of this Act in such contracting or assistance activities by requesting incorporation into the terms of contracts and assistance those environmental protection standards and other requirements of title II of this Act and the sanctions and penalties described in section 216.

(d) No department, agency, or instrumentality of the United States shall purchase or otherwise obtain any coal from any supplier which coal has been extracted by means of surface mining on lands owned by any person who has not given his written consent to the extraction of such coal by surface mining.

RELATION TO OTHER LAWS

SEC. 121. Nothing in this Act shall be construed to conflict with any of the following Acts or with any rule or regulation promulgated thereunder:

(1) The Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742).

(3) The Federal Water Pollution Control Act (33 U.S.C. 1151–1175), the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clean Air Act (42 U.S.C. 1857).

(5) The Solid Waste Disposal Act (42 U.S.C. 3251).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act (16 U.S.C. 661–666c).

PROTECTION OF THE SURFACE OWNER

SEC. 122. (a) In those instances in which the surface owner is not the owner of the mineral estate proposed to be mined by surface coal mining operations, the application for a permit shall include the written consent of the owner or owners of the surface lands involved and any person holding an interest in such surface including but not limited to the lessees of said surface to enter and commence surface mining operations on such land.

(b) All coal deposits, title to which is in the United States, in lands with respect to which the United States is not the surface owner thereof are hereby withdrawn from all forms of surface mining operations and open pit mining, except surface operations incident to an underground coal mine.

(c) In those instances where the mineral estate proposed to be mined by surface coal mining operations and the surface is owned by the Federal Government and the interest in the surface is in the nature of a lease or a permit, the application for a permit shall include the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operation on such land.

(d) In those instances where the mineral estate proposed to be mined by surface coal mining operations and the surface is owned by the same person and there exists an interest in the surface in the form of a lease or permit, the application for a permit shall include the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operations on such land.

(e) No owner shall evict a lessee for the purpose of authorizing surface mining without a minimum of one year's notice and without providing just compensation for any improvements of said lessees. If the owner and said lessees are unable to reach agreement on just compensation, the district court in which such surface area is located shall have jurisdiction without regard to the amount in controversy or diversity of citizenship to consider and decide any action filed by the lessees to determine such compensation.

(f) In those instances where it is determined that the surface mining operation removes or disturbs a stratum which serves as a regional aquifer or whose absence would significantly affect the hydrologic balance or use of water either on- and off-site; the written consent of all owners of water rights and landowners (if not the water right owners) anticipated to be affected is required to be submitted as part of the mining application. Further, the operator must provide evidence of additional financial capability and assume responsibility for compensating consumers of water or owners of water rights or providing a substitute water supply, at least equal in quality, quantity, and reliability to such consumers or owners in the event that a degree of hydrologic impact of the operation was underestimated at the time of permit approval.

(g) For the purposes of this section, the term "surface coal mining operation" does not include underground mining for coal.

SEVERABILITY

SEC. 123. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

DEFINITIONS

SEC. 124. For the purpose of this Act—

(1) The term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam.

(2) The term "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce.

(3) The term "surface coal mining operations" includes—

(A) activities conducted on the surface of lands in connection with a surface coal mine or surface operations and impacts incident to an underground coal mine, the products of which enter commerce or the operations of which directly or indirectly affect interstate commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, and in situ distillation or retorting, leaching or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, loading of coal for interstate commerce at or near the mine site; except that such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include land affected by mineral exploration operations which substantially disturb the natural land surface, and any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas, and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities.

(4) The term "surface mining and stabilization operations" means surface mining operations and all activities necessary and incident to stablilization of such operations.

(5) The term "lands within any State" means all lands within a State.

(6) The term "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization.

(7) The term "operator" means any person engaged in a coal mining operation who removes or intends to remove coal from the earth by surface or underground coal mining operations, or who removes more than two hundred and fifty tons of overburden for the purpose of determining the location, quality, or quantity of a natural coal deposit.

(8) The term "contour" means the surface coal mining of a seam of coal upon a natural downslope in excess of twenty degrees from the horizontal adjacent to the outcropping of a seam of coal.

(9) The term "coal" means bituminous coal, subbituminous coal, lignite, and anthracite.

(10) The term "stabilization" or "stabilize" means the combined process of land treatment that eliminates water degradation, air pollution, damage to aquatic or wildlife habitat, flooding, erosion, other harmful effects or after-effects from surface mining operations, or surface effects from underground mines, so that affected lands are restored to a stable and nonharmful condition and create no danger to public safety, barriers to access or reduce the value of surrounding lands. The process may extend to affected lands surrounding the lands on which the original mining occurred and may require backfilling to approximate original contouring, grading, resoiling, revegetation, soil compaction, and stabilization, in order to eliminate water or soil pollution, erosion, flooding resulting from surface mining, water degradation or pollution from unfilled cracks and fissures or any other activity to accomplish stabilization of land to a stable condition at least fully capable of supporting the uses or higher or better uses which they were capable of supporting prior to any mining, so long as such use or uses do not prevent any actual or probable hazard to public health or safety or pose any actual or probable threat to water diminution of pollution.

(11) The term "restore the approximate original contour" means that part of the stabilization process achieved by grading from a point at the top of the highwall to a point at the toe of the spoil bank in which the maximum slope shall not exceed the original average slope from the horizontal and the surface configuration achieved shall complement and blend into the drainage pattern of the surrounding terrain, with all highwalls, spoil piles, and depressions eliminated.

(12) The term "silt" means soil, soil or rock particles, wood, debris, or other materials that are transported by suspension or floating in streams flowing from or through mining areas.

(13) The term "overburden" means all of the earth and other materials removed or excavated for the purpose of exposing a coal seam in order to surface mine the coal, and includes earth and other materials removed from their natural state in the process of surface coal mining.

(14) The term "spoil bank" means any deposit of removed overburden, waste, culm banks, or other similar material from either surface or underground coal mining operations.

(15) The term "written consent" means such written consent as is executed by the owner of the surface estate after the date of enactment of this Act, upon a form approved by the Administrator, and shall demonstrate that such owner consents to entry of an op-

erator for the purpose of conducting surface coal mining operations and that such consent is given only to such surface coal mining and stabilization operations which fully comply with the terms and requirements of this Act.

(16) The term "permit area" means the area of land indicated on the approved map submitted by the operator with his application, which area of land shall be covered by the operator's bond as required by section 110(a) of this Act and shall be readily identifiable by appropriate markers on the site.

TITLE II—ABANDONED MINE STABILIZATION

ABANDONED COAL STABILIZATION FUND

SEC. 201. (a) There is created in the Treasury of the United States a fund to be known as the Abandoned Coal Mine Stabilization Fund (hereinafter referred to as the "fund").

(b) There is authorized to be appropriated to the fund initially the sum of $100,000,000, and such other sums as may thereafter be appropriated by the Congress.

(c) The following additional money shall be deposited in the fund:

(1) Money derived from the sale, lease, or rental of land stabilized pursuant to this title.

(2) Money derived from any user charge imposed on or for land stabilized pursuant to this title, after expenditures for maintenance have been deducted.

(3) Money derived from the stabilization fees levied under subsection (e) of this section.

(d) The Chief of the Corps of Engineers is authorized to use the money in the fund for the acquisition and stabilization of land under section 206 for acquisition and filling of voids and sealing of tunnels, shafts, and entryways under section 207 and to make available to the Secretary of Agriculture, for his use under section 205, one-third of the money in the fund during any one year.

(e) All operators of surface coal mining operations active on or after the date of enactment of this Act shall for each calendar quarter following the date of enactment of this Act pay a stabilization fee to the Chief of the Corps of Engineers on a quarterly basis equal in amount to $2 per ton of coal mined during the preceding calendar quarter. All operators of underground coal mining operations active on or after the date of enactment of this Act shall for each calendar quarter following the date of enactment of this Act pay a stabilization fee to the Chief of the Corps of Engineers on a quarterly basis equal in amount to 25 cents per ton of coal mined during the preceding calendar quarter.

OBJECTIVES OF FUND

SEC. 202. Objectives for the obligation of funds for the stabilization of previously mined areas shall reflect the following priorities in the order stated:

(1) The protection of health or safety of the public.

(2) Protection of the environment from continued degradation and the conservation of land and water resources.

(3) The protection, construction, or enhancement of public facilities such as utilities, roads, recreation, and conservation facilities and their use.

(4) The improvement of lands and waters to a suitable condition useful in the economic and social development of the area affected.

ELIGIBLE LANDS

SEC. 203. The only land eligible for stabilization expenditures under this title are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other mining processes, and abandoned or left in an inadequate stabilization status prior to the enactment of this Act, and for which there is no continuing responsibility for such stabilization under State or other Federal laws.

STABILIZATION RESPONSIBILITY

SEC. 204. (a) Operators or permittees shall abate all offsite continuing or episodic polluting discharges, mine or refuse bank fires or other conditions that present an adverse effect on the health and safety of the public that resulted from past mining operations, and that exist within permit area as designated in title I of this Act. Stabilization methods and procedures shall become a part of the mining and stabilization plan provided for in title I of this Act.

(b) Mining companies shall eliminate continuing polluting discharges, mine or refuse bank fires or conditions that present an adverse effect on the health and safety of the public of mined lands where the mining company has in the past conducted mining operations on or beneath the surface of the land, did not stabilize such land and on or after the effective date of this Act held the mineral rights to such land; or substantial areas of such land.

(c) Operators not in compliance with this section shall be subject to the procedures and penalties provided in title I of this Act.

STABILIZATION OF RURAL LANDS

SEC. 205. (a) In order to provide for the control and prevention of erosion and sediment damages from unstabilized mining lands, and to promote the conservation and development of the soil and water resources, the Secretary of Agriculture is authorized to enter into agreements of not more than ten years with landowners, residents, and tenants, and individually or collectively, determined by him to have control for the period of the agreement of the lands in question therein, providing for land stabilization, erosion and sediment control, and stabilization through conservation treatment, including measures for the conservation and development of soil, water (excluding stream channelization), woodland, wildlife, and recreation resources, of unstabilized mined lands affected by mining.

(b) The landowner, resident, or tenant shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the proposed land uses and conservation treatment which shall be mutually agreed by the Secretary of Agriculture and the landowner, resident, or tenant to be needed on the lands for which the plan was prepared.

(c) Such plan shall be incorporated in an agreement under which the landowner, resident, or tenant shall agree with the Secretary of Agriculture to effect the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, resident, or tenant the Secretary of Agriculture is authorized to furnish financial and other assistance to such landowner, resident, or tenant in such amounts and subject to such conditions as the Secretary of Agriculture determines are appropriate and in the public interest for the carrying out of the land uses and conservation treatment set forth in the agreement. Grants made under this section shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on not more than thirty acres of land occupied by such owner, resident, or tenant.

(e) The Secretary of Agriculture may terminate any agreement with a landowner, operator, or occupier by mutual agreement if the Secretary of Agriculture determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this meeting or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service, and the State and local committees provided for in section 8(b) of the Soil Conservation and Domestic Allotment Act, and is authorized to utilize the facilities, service, and authorities of the Commodity Credit Corporation.

(i) In all agreements entered into pursuant to subsection (a) of this section the Secretary of Agriculture shall require that, in hiring persons to perform work under the agreement, preference shall be given former employees of surface coal mines.

(j) Money in the fund created by this section, and in the fund created under section 201, shall be made available to the Secretary of Agriculture for the purposes of this section.

ACQUISITION AND STABILIZATION OF ABANDONED AND UNSTABILIZED MINED LANDS

SEC. 206. (a) The Congress hereby declares that the acquisition of any interest in land or mineral rights in order to eliminate hazards to the health and safety of the public from mined lands, construct, operate, or manage stabilization facilities and projects constitutes acquisition for a public use or purpose, notwithstanding that the Chief of the Corps of Engineers plans to hold the interest in land or mineral rights so acquired as an open space or for recreation, or to resell the land following completion of the stabilization facility or project.

(b) The Chief of the Corps may acquire by purchase, donation, or otherwise, land or any interest therein which has been affected by surface mining and has not been stabilized to its approximate original condition. Prior to making any acquisition of land under this section, the Chief of the Corps shall make a thorough study with respect to those tracts of land which are available for acquisition under this section and based upon those findings he shall select lands for purchase according to the priorities established in section 202. Title to all lands or interests therein acquired shall be taken in the name of the United States. The price paid for land under this section shall take into account the unrestored condition of the land. Prior to any individual acquisition under this section, the Chief of the Corps of Engineers shall specifically determine the cost of such acquisition and stabilization and the benefits to the public to be gained therefrom.

(c) For the purposes of this title, when the Chief of the Corps seeks to acquire an interest in land or mineral rights, and cannot negotiate an agreement with the owner of such interest or right he shall request the Attorney General to file a condemnation suit and take interest or right, following a tender of just compensation as awarded by a jury to such person. When the Chief of the Corps determines that time is of the essence because of the likelihood of continuing or increasingly harmful effects upon the environment which would substantially increase the cost or magnitude of stabilization or of continuing or increasingly adverse effects on life, safety, or health, or to property, the Chief of the Corps may take such interest or rights immediately upon payment by the United States either to such person or into a court of competent jurisdiction of such amount as the Chief of the Corps shall estimate to be the fair market value of such interest or rights; except that the Chief of the Corps of Engineers shall also pay to such person any further amount that may be subsequently awarded by a jury, with interest from the date of the taking.

(d) For the purposes of this title, when the Chief of the Corps takes action to acquire an interest in land and cannot determine which person or persons hold title to such interest or rights, the Chief of the Corps shall request the Attorney General to file a condemnation suit, and give notice, and may take such interest or rights immediately upon payment into court of such amount as the Chief of the Corps shall estimate to be the fair market value of such interest or rights. If a person or persons establishes title to such interest or rights within six years from the time of their taking, the court shall transfer the payment to such person or persons and the Chief of the Corps shall pay any further amount that may be agreed to pursuant to negotiations or awarded by a jury subsequent to the time of taking. If no person or persons establish title to the interest or rights within six years from the time of such taking, the payment shall revert to hte Chief of the Corps and be deposited in the fund.

(e) States are encouraged to acquire abandoned and unstabilized mined lands within their boundaries and to transfer such lands to the Chief of the Corps to be stabilized under appropriate Federal regulations. The Chief of the Corps is authorized to make grants on a matching basis to States in such amounts as he deems appropriate for the purpose of carrying out of the provisions of this title but in no event shall any grant exceed 90 per centum of the cost of acquisition of the lands for which the grant is made. When a State has made any such land available to the Federal Government under this title, such State shall have a preference right to purchase such lands after stabilization at fair market value less the State portion of the original acquisition price. Notwithstanding the provisions of paragraph (1) of this subsection, stabilized land may be sold to the State or local government in which it is located at a price less than fair market value, which in no case shall be less than the cost to the United States of the purchase and stabilization of the land, as negotiated by the Chief of the Corps, to be used for a valid public purpose. If any land sold to a State or local government under this paragraph is not used for a valid public purpose as specified by the Chief of the Corps in the terms of the sales agreement then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(f) The Chief of the Corps shall prepare specifications for the stabilization of lands acquired under this title. In preparing these specifications, the Chief of the Corps shall utilize the specialized knowledge or experience of any Federal department or agency which can assist him in the development or implementation of the stabilization program required under this title and following the standards for stabilization set forth in this Act. The Chief of the Corps of Engineers may, with the approval of the Administrator of the department or agency involved, call to his assistance temporarily any engineer or other personnel of any Federal department or agency. The engineers and employees shall not receive any additional compensation other than that which they receive from the department or agency by which they are employed, but they shall be reimbursed for their actual and necessary expenses incurred while working under the direction of the Chief of the Corps. The Chief or the Corps shall follow the consultation and notification procedures specified in section 108(a) prior to the final approval of a stabilization plan.

(g) Any proposed stabilization contract shall be approved by the Chief of the Corps. Except as otherwise required by subsection (i), the Chief of the Corps shall award each contract to the lowest qualified bidder after sealed bids are received, opened, and published at the time and place fixed by the Chief of the Corps and notice of the time and place at which the bids will be received, opened, and published, has been advertised at least once at least ten days before and opening of the bids, in a newspaper of general circulation in each county in which the area of land to be stabilized under such contract is located. If no bids for the advertised contract are received at the time and place fixed for receiving them, the Chief of the Corps may advertise again, but he may, if he deems the public interest will be best served thereby, enter into a contract without further advertisement for bids. The Chief of the Corps may reject any or all bids received and may fix and publish again notice of the time and place at which new bids for the contract will be received, opened, and published.

(h) In awarding stabilization contracts, the Chief of the Corps shall require that preference be given to former employees of surface coal mines.

(i) In selecting lands to be acquired pursuant to this title and in formulating regulations for the making of grants to the States to acquire lands pursuant to this title, the Chief of the Corps shall give priority to lands in this unstabilized state which will meet the objectives as stated in section 203 above when stabilized. For those lands which are stabilized for public recreational use, the revenue derived from such lands shall be used first to assure proper maintenance of such funds and facilities thereon and any remaining moneys shall be deposited in the fund.

(j) Where land stabilized pursuant to this title is deemed to be suitable for industrial, commercial, residential, or private recreational development, the Chief of the Corps may sell such land by public sale under a system of competitive bidding, at not less than fair market value and under other such regulations as he may promulgate to insure that such lands are put to a proper use, as determined by the Chief of the Corps. If any such land sold is not put to the use specified by the Chief of the Corps in the terms of the sales agreement, then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(k) The Chief of the Corps shall hold a public hearing, with the appropriate notice, in the county or counties or the appropriate subdivisions of the State in which lands acquired to be stabilized pursuant to this title are located. The hearing shall be held at a time which shall afford local citizens and governments the maximum opportunity to participate in the decision concerning the use of the lands once stabilized.

(l) (1) The Chief of the Corps of Engineers is authorized to use money in the fund to acquire, reclaim, develop, and transfer land to any State, or any department, agency, or instrumentality of a State or of a political subdivision thereof, or to any person, firm, association, or corporation if he determines that such is an integral and necessary element of an economically feasible plan for a project to construct or rehabilitate housing for persons employed in mines or work incidental thereto, persons disabled as the result of such employment, persons displaced by governmental action, or persons dislocated as the result of natural disasters or catastrophic failure from any cause. Such activities shall be accomplished under such terms and conditions as the Chief of the Corps of Engineers shall require, which may include transfers of land with or without monetary consideration: *Provided*, That, to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to such person, firm, association, or corporation. Land development may include the construction of public facilities or other improvements including reasonable site work and offsite improvements such as sewer and water extensions which the Chief of the Corps determines necessary or appropriate to the economic feasibility of a project. No part of the funds provided under this title may be used to pay the actual construction costs of housing.

(2) The Chief of the Corps may carry out the purposes of this subsection directly or he may make grants and commitments for grants, and may advance money under such terms and conditions as he may require to any State, or any department, agency, or instrumentality of a State, or any public body or nonprofit organization designated by a State.

(3) The Chief of the Corps may provide, or contract with public and private organizations to provide information, advice, and technical assistance, including demonstrations, in furtherance of this subsection.

FILLING VOIDS AND SEALING TUNNELS

SEC. 207. (a) The Congress declares that voids and open and abandoned tunnels, shafts, and entryways resulting from mining constitute a hazard to the public health and safety. The Chief of the Corps, at the request of the Governor of any State, is authorized to fill such voids and seal such abandoned tunnels, shafts, and entryways which the Chief determines could endanger life and property or constitute a hazard to the public health and safety.

(b) In those instances where mine waste piles are being reworked for coal conservation purposes, the incremental costs of disposing of the wastes from such operations by filling voids and sealing tunnels may be eligible for funding providing that the disposal of these wastes meets the purposes of this section.

(c) The Chief of the Corps of Engineers may acquire by purchase, donation, or otherwise such interest in land as he determines necessary to carry out the provisions of this section.

FUND REPORT

SEC. 208. Not later than January 1, 1976, and annually thereafter, the Chief of the Corps shall report to the Congress on operations under the fund together with his recommendations as to future uses of the fund.

TITLE III—ASSISTANCE TO WORKERS

AUTHORITY

SEC. 301. The Secretary of Labor shall determine whether applicants are entitled to receive assistance under this title and shall pay or provide such assistance to applicants who are so entitled.

PART A—READJUSTMENT ALLOWANCES

QUALIFYING REQUIREMENTS

SEC. 310. (a) Payment of a readjustment allowance shall be made to an adversely affected worker who applies for such allowance for any week of unemployment which begins after the thirtieth day after the date of the enactment of this Act, subject to the requirements of subsections (b) and (c).

(b) Total or partial separation shall have occurred—

(1) after the date of the enactment of this Act,

(2) before the expiration of the two-year period beginning on the day on which an individual becomes an "adversely affected worker" as defined in section 345(1).

(c) Such worker shall have had in the one hundred and fifty-six weeks immediately preceding such total or partial separation, at least fifty-two weeks of employment in a coal mine at wages of $15 or more a week, or if data with respect to weeks of employment are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary of Labor.

WEEKLY AMOUNTS

SEC. 311. (a) Subject to the other provisions of this section, the readjustment allowance payable to an adversely affected worker for a week of unemployment shall be an amount equal to 90 per centum of his average weekly wage or to 90 per centum of the average weekly manufacturing wage, whichever is greater.

(b) Any adversely affected worker who is entitled to readjustment allowances and who is undergoing training approved by the Secretary of Labor, including on-the-job training, shall receive for each week in which he is undergoing any such training, a readjustment allowance in an amount (computed for such week) equal to the amount computed under subsection (a) or (if greater) the amount of any weekly allowance for such training to which he would be entitled under any other Federal law for the training of workers, if he applied for such allowance. Such readjustment allowance shall be paid in lieu of any training allowance to which the worker would be entitled under such other Federal law.

(c) The amount of readjustment allowance payable to an adversely affected worker under subsection (a) or (b) for any week shall be reduced by any amount of unemployment insurance which he has received with respect to such week.

(d) If unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is paid to an adversely affected worker for any week of unemployment with respect to which he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 331) to a readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of readjustment allowance otherwise payable to him under section 312 (a) when he applies for a readjustment allowance and is determined to be entitled to such allowance. If the unemployment insurance or the training allowance paid to such worker for any week of unemployment is less than the amount of the readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a readjustment allowance and is determined to be entitled to such allowance, a readjustment allowance for such week equal to such difference.

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a readjustment allowance would exceed 85 per centum of his average weekly wage, his readjustment allowance for such week shall be reduced by the amount of such excess.

(f) The amount of any weekly payment to be made under this section which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

(g)(1) If unemployment insurance is paid under a State law to an adversely affected worker for a week for which—

(A) he receives a readjustment allowance, or

(B) he makes application for a readjustment allowance and would be entitled (determined without regard to subsection (c) or (e)) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under other Federal law, be reimbursed from funds appropriated pursuant to section 344 to the extent such payment does not exceed the amount of the readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency.

(2) In any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which such payments were made, may be disregarded under the State law (and for purposes of applying section 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law.

TIME LIMITATIONS ON READJUSTMENT ALLOWANCES

SEC. 312. (a) Payment of readjustment allowances shall not be made to an adversely affected worker for more than one hundred and four weeks, except that, in accordance with regulations prescribed by the Secretary of Labor—

(1) such payments may be made for not more than twenty-six additional weeks to an adversely affected worker to assist him to complete training approved by the Secretary of Labor, or

(2) such payments shall be made for not more than thirteen additional weeks to an adversely affected worker who had reached his sixtieth birthday on or before the date of total or partial separation.

(b) Except for a payment made for an additional week specified in subsection (a), a readjustment allowance shall not be paid for a week of unemployment beginning more than three years after the beginning of the appropriate week. A readjustment allowance shall not be paid for any additional week specified in subsection (a) if such week begins more than four years after the beginning of the appropriate week. The appropriate week for a totally separated worker is the week of his most recent total separation. The appropriate week for a partially separated worker is the week in respect of which he first receives a readjustment allowance following his most recent partial separation.

APPLICATION OF STATE LAWS

SEC. 313. Except where inconsistent with the provisions of this title and subject to such regulations as the Secretary of Labor may prescribe, the availability and disqualification provisions of the State law—

(1) under which an adversely affected worker is entitled to unemployment insurance (whether or not he has filed a claim for such insurance), or

(2) if he is not so entitled to unemployment insurance, of the State in which he was totally or partially separated,

shall apply to any such worker who files a claim for readjustment allowances. The State law so determined with respect to a separation of a worker shall remain applicable, for purposes of the preceding sentence, with respect to such separation until such worker becomes entitled to unemployment insurance under another State law (whether or not he has filed a claim for such insurance).

PART B—TRAINING

IN GENERAL

SEC. 320. (a) To assure that the readjustment of adversely affected workers shall occur as quickly and effectively as possible, with minimum reliance upon readjustment allowances under this title, every effort shall be made to prepare each such worker for full employment in accordance with his capabilities and prospective employment opportunities. To this end, and subject to this title, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services provided for under any Federal law. Such workers shall also be afforded supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when such training is provided in facilities which are not within commuting distance of their regular place of residence. The Secretary of Labor in defraying such subsistence expenses shall not afford any individual an allowance exceeding $10 a day; nor shall the Secretary authorize any transportation expense exceeding the rate of 10 cents per mile.

(b) To the extent practicable, before adversely affected workers are referred to training, the Secretary of Labor shall consult with such workers' firm and their certified or recognized union or other duly authorized representative and develop a worker retraining plan which provides for training such workers to meet the manpower needs of such firm in order to preserve or restore the employment relationship between the workers and the firm.

(c) The Secretary of Labor is authorized to transfer funds appropriated to carry out this title to other appropriation accounts to be used to defray the costs of providing testing, counseling, training, and placement services under other Federal laws, as authorized by subsection (a).

PART C—RELOCATION ALLOWANCES

RELOCATION ALLOWANCES AFFORDED

SEC. 330. Any adversely affected worker who is the head of a family as defined in regulations prescribed by the Secretary of Labor and who has been totally separated may file an application for a relocation allowance, subject to the terms and conditions of this part.

QUALIFYING REQUIREMENTS

SEC. 331. (a) A relocation allowance may be granted only to assist an adversely affected worker in relocating within the United States and only if the Secretary of Labor determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides and that such worker—

(1) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which he wishes to relocate, or

(2) has obtained a bona fide offer of such employment.

(b) A relocation allowance shall not be granted to such worker unless—

(1) for the week in which the application for such allowance is filed, he is entitled (determined without regard to section 311(c) and (e)) to a readjustment allowance or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has obtained the employment referred to in subsection (a)(1), and

(2) such relocation occurs within a reasonable period after the filing of such application or (in the case of a worker who has been referred to training by the Secretary of Labor) within a reasonable period after the conclusion of such training.

REALLOCATION ALLOWANCE DEFINED

SEC. 332. For purposes of this part, the term, "relocation allowance" means—

(1) the reasonable and necessary expenses, as specified in regulations prescribed by the Secretary of Labor, incurred in transporting a worker and his family and their household effects, and

(2) a lump sum equivalent to three and one-half times the average weekly manufacturing wage.

PART D—GENERAL PROVISIONS

AGREEMENTS WITH STATES

SEC. 340. (a) The Secretary of Labor is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency. Under such an agreement, the State agency (1) as agent of the United States, will receive applications for, and will provide, assistance on the basis provided in this title, (2) where appropriate, will afford adversely affected workers who apply for assistance under this title testing, counseling, referral to training, and placement services, and (3) will otherwise cooperate with the Secretary of Labor and with other State and Federal agencies in providing assistance under this title.

(b) Each agreement under this part shall provide the money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this part, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

(c) Any agreement under this part may require any officer or employee of the State certifying payments or disbursing funds under the agreement, or otherwise participating in the performance of the agreement, to give a surety bond to the United States in such amount as the Secretary of Labor may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this title.

LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS

SEC. 341. (a) No person designated by the Secretary of Labor, or designated pursuant to an agreement under this part, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this title.

(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this title if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

RECOVERY OF OVERPAYMENTS

SEC. 342. (a) If a State agency or the Secretary of Labor, or a court of competent jurisdiction finds that any person—

(1) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

(2) as a result of such action has received any payment of allowances under this title to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary of Labor, as the case may be, or either may recover such amount by deductions from any allowance payable to such person under this title. Any such finding by a State agency or the Secretary of Labor may be made only after an opportunity for a fair hearing.

(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary of Labor under this section shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

REVIEW

SEC. 343. Except as may be provided in regulations prescribed by the Secretary of Labor to carry out his functions under this title, determinations under this title as to the entitlement of individuals for adjustment assistance shall be final and conclusive for all purposes and not subject to review by any court or any other officer. To the maximum extent practicable and consistent with the purposes of this title, such regulations shall provide that such determinations by a State agency will be subject to review in the same manner and to the same extent as determinations under the State law.

AUTHORIZATION OF APPROPRIATIONS

SEC. 344. There are hereby authorized to be appropriated to the Secretary of Labor such sums as may be necessary from time to time to carry out his functions under this title in connection with furnishing adjustment assistance to workers, which sums are authorized to be appropriated to remain available until expended.

DEFINITIONS

SEC. 345. For the purposes of this title—

(1) The term "adversely affected worker" means an individual who the Secretary determines, by reason of the requirements of title I, has been totally or partially separated from employment in a surface or underground coal mining operation.

(2) The term "average weekly manufacturing wage" means the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year (as officially published annually by the Bureau of Labor Statistics of the Department of Labor) most recently published before the period for which the assistance under this title is furnished.

(3) The term "average weekly wage" means one-half of the total wages paid to an individual in the high quarter. For purposes of this computation, the high quarter shall be that quarter in which the individual's total wages were highest among the first four of the last five completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases here partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary of Labor.

(4) The term "average weekly hours" means the average hours worked by the individual (excluding overtime) in the employment from which he has been or claims to have been separated in the fifty-two weeks (excluding weeks during which the individual was sick or on vacation) preceding the week specified in the last sentence of paragraph (3).

(5) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had his hours of work reduced to 60 per centum or less of his average weekly hours in employment and his wages reduced to 75 per centum or less of his average weekly wage in such employment.

(6) The term "remuneration" means wages and net earnings derived from services performed as a self-employed individual.

(7) The term "State agency" means the agency of the State which administers the State law.

(8) The term "State law" means the unemployment insurance law of the State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

(9) The term "total separation" means the layoff or severance of an individual from employment.

(10) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, including title XV of the Social Security Act, the Railroad Unemployment Insurance Act, and the Temporary Extended Unemployment Compensation Act of 1961.

(11) The term "week" means a week as defined in the applicable State law.

(12) The term "week of unemployment" means with respect to an individual any week for which his remuneration for services performed during such week is less than 75 per centum of his average weekly wage and in which, because of lack of work—

(A) if he has been totally separated, he worked less than the full-time week (excluding overtime) in his current occupation, or

(B) if he has been partially separated he worked 80 per centum or less of his average weekly hours.

IMPROVING MANAGEMENT OF FEDERAL GOVERNMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93–327)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

Over the past four decades, as the Federal Government has grown larger and more powerful, the people it serves have expressed widespread dissatisfaction that the Government has also grown increasingly unresponsive to their needs.

One of the foremost objectives of this Administration has been to reverse that trend, restoring the original vitality of the federal system and returning the traditional power of the people over their governing bodies.

At the centerpiece of our efforts has been the concept of New Federalism and the many programs such as General Revenue Sharing which help to carry out its principles.

Through revenue sharing programs, we are seeking to channel funds, authority and responsibility to those governments that are best able and willing to serve the needs of the people. General Revenue Sharing is already providing States and localities with a predictable amount of Federal funds with a minimum number of restrictions and controls. In a similar vein, State influence has been increased through our grant program for law enforcement assistance, and we have sought to replace a score of categorical grants for manpower programs with a block grant approach. The next steps along this road should be the establishment of block grants for community development, enactment of the Unified Transportation Act, and enactment of the Responsive Governments Act.

Supporting these New Federalism initiatives has been a concurrent effort to rationalize and streamline the organization of Government departments and agencies. We have created an independent United States Postal Service, and we have established the Environmental Protection Agency, the Special Action Office for Drug Abuse Prevention, the National Oceanic and Atmospheric Administration, the Federal Energy Administration

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as well as other new organizations. I have also proposed to the Congress and continue to support a fundamental realinement of the executive departments.

In addition, we have established regional boundaries and Federal regional councils to harmonize activities of the principal agencies disbursing grants-in-aid, and we have greatly improved Federal consultation with State and locally elected officials on the administration of federally assisted programs.

IMPROVING THE MANAGEMENT OF GOVERNMENT

Yet we recognize that even as we work to change basic relationship among Federal, State and local governments through our New Federalism efforts, it is also vitally important to ensure that the people who manage the institutions of government become as efficient and responsive to human needs as possible.

To improve general management of the Federal Government, I launched an intensive effort last year to establish clear objectives for Federal agencies and departments and to measure our progress toward meeting those objectives—not by producing a thinly veiled display of activity or by rearranging work processes but by producing specific program results. Each major department and agency has been working with me in developing objectives to be achieved throughout the year, and they are measuring specific results by specific deadlines. These commitments are continually reviewed and help to guide day-to-day operations until the objectives are met.

Today I call upon the Congress to join me in carrying forward our program of managerial reform by enacting and otherwise supporting a comprehensive series of changes to improve the quality of management at all levels of government.

Specifically, I ask the support of the Congress for my proposals to begin a large-scale effort aimed at upgrading the training and education of government executives and to institute reforms in the personnel system by which Federal executive manpower is managed. These two initiatives should contribute substantially to the achievement of fundamental, long-term improvements in the capacity of governments to manage their programs more effectively.

EDUCATING CAREER EXECUTIVES

I propose that we give first attention to improving the means by which our current managers and executives learn the art of public management. Such learning comes from both work experiences and formal education and training. Because of the lack of appropriate emphasis, many of our career managers and executives have not had the benefit of recent education or training in modern methods of management. American business and industry have proved that education and training in management improves the capacity of people to lead more effectively. The level of investments in this type of training made by progressive private employers greatly exceeds public sector investments for the same purpose. It is time that government caught up.

Therefore, I am taking three related actions:

First, I am instructing the Civil Service Commission to establish a Program Management Fellowship with selected colleges and universities for postgraduate educational programs for Federal executives. I shall recommend to the Congress an appropriation of $10 million for the first 250 Federal participants in this program. This sum will pay for both tuition and salaries of those in the program. In this program our best career employees will increase their managerial perspective and expertise and will learn more effective ways of administering significant governmental activities such as delivery of health care, transportation, and community development.

Special program emphasis of this kind, when coupled with curriculum offerings in up-to-date management, will equip our public executives to meet the demands of highly complex programs so that they will deliver what they promise to the American people. To support the planning, installation, and continuing conduct of these special educational programs and to ensure that the best candidates are selected on a competitive basis. I propose that they be centrally financed and administered by the Civil Service Commission.

Second, I propose to increase the management capability of State and local program managers through additional postgraduate education. Under the authority of the Intergovernmental Personnel Act, State and local government personnel will have the opportunity to collaborate with their Federal colleagues in the Program Management Fellowship if they so choose. Having key leaders from Federal, State, and local governments learn together about management as it applies to their program responsibilities should improve the program delivery capability at all levels of government. To support this new program, to increase the level of short-term management training available to State and local managers, and to continue to improve personnel management will require amending the Intergovernmental Personnel Act (IPA) and a doubling of the current $15 million appropriation request for the IPA Program. With these funds it will be possible to educate, through long-term programs alone, approximately 250 State and local managers a year, while paying a portion of their salaries. I hope this approach will encourage State and local governments to increase their own development and training of executives.

My third proposal is to accelerate the management development of career Federal executives through short-term training courses. I am asking the Civil Service Commission to move promptly to acquire a permanent facility for the Federal Executive Institute on the professional and graduate grounds of the University of Virginia. The Federal Executive Institute has already demonstrated its value. Now it is time to enlarge its capability. The Institute would be enlarged and have its functions expanded to handle the knowledge and skill needs of our future executives. The Federal Government looks forward to cooperating with the State of Virginia in this effort.

IMPROVING CAREER EXECUTIVE PERSONNEL SYSTEMS

Executive performance in the Federal government is currently hampered by a cumbersome, fragmented personnel system, by weak selection procedures, and by the absence of financial incentives for career employees. To rectify these conditions, I am taking four actions.

Federal executives are employed under a number of appointing authorities which make the effective management and utilization of this valuable resource very difficult. There can be no comprehensive, periodic review of each agency's total need for positions by either the Civil Service Commission or the Congress. Further, the manner in which a majority of these people are classified and paid is unreasonably inflexible and provides limited opportunity to recognize differences in individual performance and ability.

The Congress has given preliminary consideration and provided advice on the first proposal the Administration made to reform the executive manpower management system. I soon will be sending to the Congress new legislation which incorporates earlier Congressional views. The new Executive Personnel System I propose will:

1. Provide flexibility to assign senior career executives where they are most needed;
2. Compensate on the basis of individual capability within broad salary bands;
3. Remove the current, inflexible quotas and other statutory allocations applicable on the number in the highest three grades, but maintain a responsible oversight on the total number;
4. Recognize the distinction between the executives with career commitments and those temporarily working for the Government; and,
5. Improve the overall management of our total executive resources by providing for a comprehensive annual analysis and review by the Congress and the executive branch.

Enactment of this legislation would provide the means to build and maintain an effective and responsive Federal executive work force. I urge early and favorable consideration by the Congress.

Second, I strongly urge prompt congressional action on the recommendation for pay increases for Federal executives that I submitted on May 7, 1974. The failure of the Congress to approve higher salaries for the executive, legislative, and judicial branches has created a severe problem within the Government that needs to be remedied quickly. Some 10,000 executives are now paid the same salary. This pay compression denies fair increases in compensation and the incentive to seek greater responsibility. For many of the top staff within the Government, it has become financially more rewarding to retire than to remain in the Federal service. Failure to relieve this situation may well lead to a serious decline in the quality of our management capability.

Third, to insure that those individuals entering our executive ranks in the future are managerially fit, I have asked the Civil Service Commission to improve the criteria by which individuals are judged for those positions. There must be assurance that these individuals have been adequately prepared to handle their new responsibilities. While technical competence will remain a factor in filling executive positions with leadership responsibilities, demonstrated managerial capability will be more heavily weighed in the future.

Finally, I am calling for and supporting new and original efforts to reward outstanding performance among our executives. We do not offer our executives strong personal incentives to be aggressive and achieve results. Often our most deserving and promising civil servants leave the Government in search of employers who are better able to recognize and reward their ability. We cannot afford to lose such people.

Therefore, I am directing that the Incentive Awards Program be more widely utilized to recognize outstanding managerial performance. There will be experimentation with group awards that executives can selectively use to reward subordinate managers who are especially effective. But awards for outstanding individual executive performance will also continue. We must overcome traditional reluctance to use these legislative authorities to reward executive excellence.

BUILDING FOR THE FUTURE

Both the Congress and the President must act responsibly to create an executive work force at the national level that is second to none. There is no more demanding nor vital career than executive management in the Federal service. We should act now in order to achieve the long term reforms that build and maintain an executive corps capable of dealing with the policy and management complexities of the future.

The new initiatives I am taking and the legislation I am proposing are designed to build upon the efforts made by this Administration over the past five years to reform the management of government programs. Within the past year, significant progress has been made to make the investments necessary to develop our finest career managers and executives. We must not imperil the future by failing in our duty to prepare career executives to carry out their responsibilities with skill and wisdom.

What I am proposing is an essential part of my efforts to enable governments, at all levels, to deliver what they promise. Not everyone can manage the public's business. The measures I am today proposing will develop those who can.

RICHARD NIXON.

THE WHITE HOUSE, *July 17, 1974.*

COMPOSITION OF COMMITTEE ON GOVERNMENT OPERATIONS AND COMMITTEE ON HOUSE ADMINISTRATION

Mr. O'NEILL. Mr. Speaker, I offer a resolution (H. Res. 1238) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1238

Resolved, That during the remainder of the Ninety-third Congress, the Committee on Government Operations shall be composed of forty-two members, and the Committee on House Administration shall be composed of twenty-seven members.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, has this resolution been discussed with the minority?

Mr. O'NEILL. Yes, it has. This is in order that a new Member who has been elected may be placed on a committee.

Mr. ROUSSELOT. But this has been discussed?

Mr. O'NEILL. Yes.

Mr. ROUSSELOT. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MISSING PHOTOGRAPH

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, in connection with the debate on H.R. 11500, I had prepared three posters which had some photographs that I had personally taken of various examples of strip mining and strip mining reclamation. One of them was a set of "before and after" pictures showing what happens to a beautiful stream valley when it is improperly strip mined and the spoil is left heaped all around, leaving dead wasteland and a dead stream.

Last night I went over them with Mr. UDALL in the Speaker's lobby, where they remained overnight. They were encased in a plastic container. This afternoon when the pages went to set them up, by a remarkable coincidence the after picture, the one that showed the devastation by improper strip mining reclamation, had disappeared.

I am not in a position to say where it disappeared to. I made a very careful search. If this is not accidental, it is a very sad sort of thing to happen in the House of Representatives.

It is the kind of thing we may expect in a cheap political campaign, but not in a dignified legislative body such as this. I just want the RECORD to show what happened.

LUIS MUÑOZ RIVERA

(Mr. BENITEZ asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. BENITEZ. Mr. Speaker, today is a holiday in Puerto Rico. As we meet here, thousands of men, women, and children are gathering first in the church, then at the cemetery, and finally at the plaza, of one of our mountain towns in the center of Puerto Rico. For half a century now this celebration has taken place year after year at the town of his birth, Barranquitas, to honor the outstanding civic hero of our island born 115 years ago, Luis Muñoz Rivera. He is the only one among our dead who receives such popular tribute of gratitude and love on his anniversary.

Muñoz Rivera died in 1916 while serving his third consecutive term as a Member of this body. He was the most illustrious Puerto Rican ever elected to the office of Resident Commissioner. All of us who have represented Puerto Rico since, have been honored and awed to follow in his footsteps.

In every town, in every city, along the roads of Puerto Rico there is always a school or a park named after him. The main street in every community, large or small, bears his name. For many years children's notebooks had his picture on the front page and his poems were memorized in the grammar school.

It is typical of Puerto Rico that while Muñoz Rivera is unanimously revered he is not perceived as an idol or as a winner, but rather as a symbol of embattled man; committed to the eternal struggle on behalf of his people. At times he overcomes adversity, at times he fails, but he never gives up. Thus Muñoz Rivera has become a point of reference for the virtues of leadership. He embodies courage and prudence, audacity and responsibility, personal integrity and social devotion. His deep sense of accountability has been one of his great lessons in public service. The fact that political life in Puerto Rico has been exceptionally free from chicanery, self service, or abuse, is due in no small measure to the noble and exemplary public life of Luis Muñoz Rivera.

Hovering over his life there is an aura of pathos and sobriety in defeat, of magnanimity in victory, of perseverance in the good fight, which leads us to repeat, here was a man.

I will sketch briefly how it was that this man, who spent the first 30 of his 57 years in a small isolated village, not only achieved greatness, but won respect and admiration from followers and opponents alike. His first public act was to move from the isolation of Barranquitas to the political and cultural activity of our second city, Ponce, where he founded a belligerent daily which, in obvious affirmation against the autocratic Spanish Government of the times, he named La Democracia. From the vanguard point in La Democracia Muñoz Rivera became in the short period of 7 years the unquestioned leader of Puerto Rico's autonomous movement. In 1896 he was commissioned by his party to sail to Spain, where he succeeded in wresting from the Liberal Party and the Queen Regent our autonomous charter. Returning in triumph to Puerto Rico, Muñoz Rivera was elected to the newly created House of Deputies and immediately thereafter became First Secretary of Government, and then Prime Minister of Puerto Rico. A few weeks thereafter the whole edifice collapsed as the American troops landed at Guánica toward the end of the Spanish-American War on the 25th of July 1898, the day after the Spanish Government had sought an armistice.

Puerto Rico and its great leader, Muñoz Rivera, had to start all over again, from scratch.

Against the manifest destiny of the United States, Muñoz Rivera had to discern the enigmatic future of Puerto Rico. A proud, powerful, vehement man, Muñoz Rivera had more than anyone else responsibility for leadership of a trusting and expectant society. He opted for accepting in good faith the promises and pledges of General Miles and General Brooke and President McKinley. It was a momentous decision and one which today, 76 years later, we believe was enlightened and heroic. Yet, for Muñoz Rivera it was particularly difficult and for many years he had to suffer unflinchingly the slings and arrows of outrageous fortune.

As elected Resident Commissioner of Puerto Rico to the United States, it was Muñoz Rivera's main task to lead the fight against "the Provisional Civil Government Act of 1900" and the final achievement of what he called in his dying bed, the first step toward full democratic government, the Jones Act, approved 6 months after his death. His parting words in Puerto Rico were:

> The road ahead is clear now—the future of Puerto Rico lies in an essential solidarity in a policy of sincere friendship and frank cooperation with the people of the United States. We must have faith and trust in this great community and continue to advance our own cause.

Today, as we think of Muñoz Rivera, we think of the outstanding Puerto Rican, a man of titanic spiritual strength, devoted fully to the service of his fellow man. Of him we are proud to say "puertorriqueño como yo."

KING CAUCUS BARONS GUT COMMITTEE REFORM PROPOSAL

(Mr. ANDERSON of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, penciled on a wall calendar in my office is the reminder that today is the day the so-called reform committee of the democratic caucus is making its counterproposals to the Bolling committee's committee reorganization resolution. Just below that reminder is the historic notation that on this date in history, on July 17, 1792, "all designs submitted in Capitol architectural competition—were—rejected." By all accounts, the caucus reform committee has similarly rejected our bipartisan, select committee's grand design for remodeling our antiquated House committee structure.

Mr. Speaker, this attempt by the caucus committee to dilute and discredit the Bolling committee's resolution before it even reaches the House floor was to be expected. Its predictability was set in concrete the moment this bipartisan product was referred to the stacked, partisan deck of a secret, antireform committee controlled by the Democratic power barons. The time has clearly come to ring down the curtain on this congressional reform charade being staged by King Caucus and his barons and get on with the serious business of considering the Bolling resolution on its merits. In this regard, I commend the gentleman from Missouri (Mr. BOLLING) for finally seeking a rule on his resolution, and the chairman of the Rules Committee, the gentleman from Indiana (Mr. MADDEN) for granting that request by setting a hearing for next Tuesday, July 23, the caucus instructions to Rules Committee Democrats notwithstanding.

The Bolling resolution was reported unanimously from our bipartisan select committee 4 months ago. We have now passed the midway point of this 2d session of the 93d Congress. It is imperative that we act now on this reorganization scheme if we are to have any action at all this year which can be implemented at the beginning of the 94th Congress next year.

I would caution my colleagues on both sides of the aisle to reject any further diversionary or delaying tactics by this antireform cabal of King Caucus. It is a travesty of our democratic process that a partisan organ of this body should have been allowed to sidetrack this bipartisan committee reform legislation in the first place. We would only be compounding that travesty if we in anyway gave official recognition to this antireform alternative or condoned further delays in considering a genuine reform proposal. Let the caucus barons take their chances on the House floor with their amendments the same as any other Members may, without any further injection of undemocratic binding instructions on all Rules Committee or caucus Democrats.

THE 28TH ANNIVERSARY OF THE EXECUTION OF GEN. DRAJA MIHAILOVICH

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DERWINSKI. Mr. Speaker, I wish to direct the special attention of the Members to a memorial program which was held this morning at 11 a.m. on the West Front of the Capitol for Gen. Draja Mihailovich, savior of American airmen. Today is the 28th anniversary of the execution of General Mihailovich.

During World War II, over 500 Americans who were shot down over Yugoslavia were rescued by the forces of Gen. Draja Mihailovich, Yugoslav resistance leader. Most of them were evacuated to safety by a series of dramatic air rescue missions, which picked them up in the heart of Axis-occupied Yugoslavia and flew them to Italy.

Now, almost 30 years to the month after their rescue, a group of the American airmen involved have organized themselves into a National Committee of American Airmen Rescued by General Mihailovich, and have launched a movement to build a memorial in Washington to "Gen. Draja Mihailovich, Savior of American Airmen."

Among the airmen who participated in the program were Maj. Gen. Donald J. Smith, of Chicago; Lt. Col. Charles L. Davis, of Falls Church, Va.; Lt. Col. John E. Scroggs, of Kansas City; and former State Senator Mike McKool, of Texas. Also participating in the service was Col. Robert H. McDowell, of Florida, chief of the last American Mission to Mihailovich, George Musulin of McLean, Va., and Nick Lalich, of Baltimore, Md., the American officers who were in charge of the air rescue operation.

It is the hope of these American airmen, who have formed this committee, to work toward the authorization of the construction of a fitting memorial to General Mihailovich for the long overdue recognition of his role and that of the Chetniks in helping rescue the American airmen in Nazi-occupied Yugoslavia in World War II.

May I also direct the attention of the Members to the fact that General Mihailovich was posthumously awarded the Legion of Merit by President Truman on March 29, 1948. The citation accompanying the award reads as follows:

> General Dragoljub Mihailovich distinguished himself in an outstanding manner as Commander-in-Chief of the Yugoslavian Army Forces and later as Minister of War by organizing and leading important resistance forces against the enemy which occupied Yugoslavia, from December 1941 to December 1944. Through the undaunted efforts of his troops, many United States airmen were rescued and returned safely to friendly control. General Mihailovich and his forces, although lacking adequate supplies, and fighting under extreme hardships, contributed materially to the Allied cause, and were instrumental in obtaining a final Allied victory.

Mr. Speaker, I believe that the time has come for the great role which General Mihailovich and his Chetniks played in the cause of freedom during World War II to be properly recorded in history. Certainly the full story of his great service to the resistance against the Nazi forces and the major role he played in the Allied cause can now be recognized without the entanglement of political debate.

THE 1974 CAPTIVE NATIONS WEEK—JULY 14–20—THE 15TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 60 minutes.

Mr. FLOOD. Mr. Speaker, Americans throughout the country are observing the 15th anniversary of Captive Nations Week. In 1959, the Congress passed the Captive Nations Week resolution which President Dwight D. Eisenhower signed into Public Law 86–90.

The historic resolution concentrates American moral and political attention and concern on the captive nations under Communist domination with principled determination to assist in every peaceful way their eventual freedom and independence. The historic significance of the resolution lies in the fact that for the first time this concern has been centered on the numerous captive non-Russian nations in the Soviet Union itself.

THE CAPTIVE NATIONS AND DÉTENTE

The stark reality of the captive nations is the structural existence for the processional policy of détente or any other, short of surrender to imperialist Moscow. It is unthinkable that a "structure of world peace" could be achieved without a progressive unloosening of the captivity of the 1 billion of mankind from the Danube to the Pacific and into the Caribbean. A miscalculated détente can only lead to a hardening of this captivity, or in other words the strengthening of these nations' captors, with increasing threat to our national security and a full-blown illusion of a "structure of world peace."

There is no logical third alternative to these possible consequences. In short, detente or any other American policy, true to the traditions and values of this Nation, cannot be pursued in a structural void of the captive nations in toto, their massive numbers, their historical drives, and their fixed aspirations.

It should be noteworthy to everyone that from President Eisenhower, President Kennedy, President Johnson down to our President today, not once has the Presidential Proclamation of Captive Nations Week and the resolution upon which it is based been overlooked.

The proclamations are in themselves successive confirmations of the principles to which we all subscribe, and despite the pragmatic vagaries and fluctuations of our policies, the rock-bed of these principles remains with our feelings, sympathies, and politico-moral allegiance toward all the captive nations clearly underscored. Any notable failure in ongoing negotiations with the totalitarian regimes of Moscow, Peking and others will more than crystallize and highlight this truth.

In the meantime it is for us, as the representative voices of America, to let the captive nations and peoples, in Central Europe, within the U.S.S.R., in Asia, and in Cuba, know that the freedom symbol of America is as bright as ever, that the captive nations will never be forgotten by us, and that in raising our voices during this week, from the President down to our equal citizens, their plights and aspirations are continually in our hearts and minds as we proceed to forge peace with the maximum possibilities for freedom and independence among the captive peoples.

Mr. Speaker, it is with these thoughts in mind that I should like to introduce now the proclamation by President Richard Nixon; the congressional resolution upon which it is based; and a captive nations appeal that appeared in the June 23 issue of the New York Times:

CAPTIVE NATIONS WEEK, 1974

By the President of the United States of America, a Proclamation:

Consistent with the principles upon which this Nation was founded, we believe that democratic liberties are among the basic human rights to which all men are entitled. We do not seek to impose our beliefs upon others, but we do not hide our sympathies towards the desires of those who, like us, cherish liberty and self-determination. In support of this sentiment, the Eighty-Sixth Congress on July 17, 1959, by a joint resolution, authorized and requested the President to proclaim the third week in July in each year as Captive Nations Week.

Now, therefore, I, Richard Nixon, President of the United States of America, do hereby designate the week beginning July 14, 1974, as Captive Nations Week.

I call upon the people of the United States to observe this week with appropriate ceremonies and activities, and I urge rededication to the cherished ideal of freedom for all.

In witness whereof, I have hereunto set my hand this twelfth day of July, in the year of our Lord nineteen hundred seventy-four, and of the Independence of the United States of America the one hundred ninety-ninth.

RICHARD NIXON.

CAPTIVE NATIONS WEEK

Public Law 86–90; 73 Stat. 212

[S. J. Res. 111]

Joint resolution providing for the designation of the third week of July as "Captive Nations Week"

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious, and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led, through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Viet-Nam, and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefor, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That:

The President of the United States is authorized and requested to issue proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

Approved July 17, 1959, by President Dwight D. Eisenhower.

[From the New York Times, June 23, 1974]

APPEAL TO AMERICAN PEOPLE

Treatment of Ukrainian political prisoners in Soviet Union is concern of civilized humanity!

Fellow Americans!

In a few days President Nixon will embark upon his journey for a second "Summit" meeting with the Russian Communist leaders in Moscow. In a public statement he said that the purpose of his visit is to strengthen the policy of détente with the USSR, and that any attempt by the U.S. Congress and American citizens to demand concessions to freedom would constitute "interference" in the domestic affairs of the Soviet Union.

We do desire the relaxation of international tensions and the establishment of a just peace in the world.

Precisely because of this we ask you to voice your concern for the treatment of Ukrainians who are being barbarously persecuted and abused by the Soviet government in Ukraine only for political reasons. A policy of détente should not necessarily mean an abandonment of our belief in the rights of the individual as the cornerstone of society.

WHO IS BEING PERSECUTED?

From 1970 to 1973 the Soviet secret police, the KGB, arrested over 560 Ukrainian intellectuals, all of whom were tried *in camera* and sentenced to severe terms in jails and concentration camps, or incarcerated in "psychiatric wards" for an indefinite period. These men and women, born mostly in the 1930's, are writers, literary critics, poets, professors, artists, journalists, teachers, academicians, students, film directors, research personnel, army officers, and others.

WHY ARE THEY PERSECUTED?

These young Ukrainain men and women have been formally sentenced and are being punished for participating in "anti-Soviet propaganda and agitation," that is, for criticizing the police terror, the Russification of Ukraine and the violations of human rights as defined in the U.N. Universal Declaration of Human Rights and the Soviet constitution. They are branded as outlaws because of their protests against suppression of their national, religious and cultural freedoms and traditions—the inherent elements in the struggle for freedom and the national statehood of Ukraine.

TORTURE IN JAILS AND "PSYCHIATRIC WARDS"

Valentyn Moroz, 38-year-old Ukrainian historian, and Leonid Plyushch, 34-year-old Ukrainian mathematician and cybernetics specialist, are reported to be suffering torture and being driven to literal insanity.

Prof. Andrei D. Sakharov, outstanding Russian physicist, in his appeal from Moscow on February 12, 1974, disclosed that "Leonid Plyushch is near death" in the Dnipropetrovsk "psychiatric ward" and that "the unregulated administration of large doses of haloperidol has caused a sharp deterioration of his health . . ."

Anatole Radygin, a Jewish poet and former Soviet prisoner, who met Moroz in Vladimir Prison, has reported that "from his cell we often heard screams and yells . . . they would subside for a while and then the beatings would start again. . . ."

Pavel Litvinov, grandson of the former Foreign Minister Maxim Litvinov, now in this country, reported that Moroz stated that if he were not transferred to a concentration camp by July, 1974, he would start a hunger strike "until death."

FELLOW AMERICANS!

We appeal to you, in the name of justice and humanity, to express your concern by urging President Nixon to intercede on behalf of these Ukrainian political prisoners and to urge the Soviet government to release forthwith Valentyn Moroz and Leonid Plyushch, so that they can receive proper medical treatment abroad and salvage their lives!

In doing so, our President will honorably uphold the basic precepts on which our government is founded: human dignity, freedom and justice.

UKRAINIAN CONGRESS
COMMITTEE OF AMERICA, INC.

For further information, please contact: Ukrainian Congress Committee of America, Prof. Lev E. Dobriansky, President, 302 West 13th Street, New York, N.Y. 10014, Tel (212) WA 4–5617.

UKRAINIAN INTELLECTUALS VICTIMS IN SOVIET JAILS, CONCENTRATION CAMPS AND PSYCHIATRIC WARDS!

The following is a partial list of Ukrainian intellectuals who are now languishing in Soviet jails, concentration camps and psychiatric wards! With a few exceptions, they are all young Ukrainian men and women who have been arrested, tried and sentenced in the last few years for being patriotic Ukrainians! They protested against discrimination of the Ukrainian language, Russification of Ukrainian culture and the gross violations of human rights in Ukraine!

If you are a believer in the principles of freedom and justice, demand that these victims of Soviet Russian tyranny be released forthwith! Most of them have been tried in secret trials on "evidence" supplied by the arbitrary and unbridled Soviet secret police—the KGB!

Write to President Nixon, U.N. Secretary General Kurt Waldheim, the International Red Cross and, above all, write your Senator and Congressman urging them to oppose economic and technological assistance to the USSR until these Ukrainian political prisoners, "prisoners of conscience," and prisoners of other nationalities in the USSR are released!

Ukrainian political prisoners are not criminals—they are patriots who love their country and are resisting the alien yoke of Communist Russia!

You can help them by expressing your concern. Write to President Nixon and urge him to intercede for these victims of Soviet tyranny! Write to your Senator and Congressman to do the same!

1. Antoniuk, Zenoviy, b. 1933, philologist; sentenced 1972 to 7 years in a hard-regime labor camp and 3 years of exile.

2. Brynd, Yulian, b. 1930; sentenced to 2½ years in a general-regime labor camp in 1972.

3. Chornovil, Vyacheslav, b. 1938, TV commentator and writer (*The Chornovil Papers*); in 1972 sentenced to 7 years at hard labor and 5 years of exile—a total of 12 years.

4. Didyk, Halyna, Ukrainian Red Cross worker; sentenced in 1950 to 25 years at hard labor; still in prison.

5. Duzhynsky, V., artist; in 1957 he hoisted the Ukrainian national flag at the University of Lviv and was sentenced to 10 years at hard labor; presumably released.

6. Dyak, Volodymyr, b. 1931, engineer and poet; in 1972 sentenced to 7 years at hard

7. Dzyuba, Ivan, b. 1931, literary critic and author (*Internationalism or Russification?*); sentenced in 1972 to 5 years at hard labor; pardoned and released in November, 1973, after recantation.

8. Gereta, Ihor A., scholar, Institute of Geophysics. Ukrainian Academy of Sciences; in 1968 sentenced to 3 years at hard labor; possibly released.

9. Grigorenko, Petro, Gen., b. 1907 in Ukraine, noted military writer and professor at the Frunze Military Academy, noted human rights advocate, is committed indefinitely to a psychiatric ward in Chernyakhovsk (East Prussia).

10. Hel, Ivan, b. 1937; spent 3 years in labor camps, 1966–1969); in 1972 sentenced again to 5 years in strict-regime labor camps, 5 years in general-regime camps and 5 years of exile—a total of 15 years.

11. Hevrych, Yareslav, student at Kiev Medical Institute; in 1960 sentenced to 5 years at hard labor; possibly released.

12. Hluzman, Vyacheslav, b. 1942, psychiatrist; in 1972 sentenced to 7 years at hard labor and 5 years of exile.

13. Holtz, Ihor, b. 1946, lieutenant in the Army Medical Corps; in 1972 sentenced to 3 years at hard labor.

14. Horbovy, Volodymyr, Dr., prominent Ukrainian defense lawyer and a citizen of Czechoslovakia; in 1947 he was sentenced to 25 years at hard labor; he was released in 1972.

15. Horyn, Bohdan M., literary and art critic; in 1966 sentenced to 4 years at hard labor; presumably released.

16. Horyn, Mykola M., brother of Bohdan, psychologist and author; in 1966 sentenced to 6 years at hard labor; possibly released.

17. Hryn, Mykola, research worker, Institute of Geophysics, Ukrainian Academy of Sciences; sentenced to 3 years at hard labor in 1968.

18. Husak, Daria, a Ukrainian Red Cross worker, sentenced in 1950 to 25 years at hard labor; presumably still in jail.

19. Ivaschenko, Dmytro P., member of Union of Writers of Ukraine and university lecturer; in 1966 sentenced to 2 years at hard labor; presumably released.

20. Kalynets, Ihor, b. 1939; poet and writer; in 1972 sentenced to 9 years at hard labor.

21. Kalynets-Stasiv, Irena, b. 1940 (wife of Ihor); writer and college teacher; in 1972 sentenced to 6 years in general-regime labor camps and 3 years of exile.

22. Kandyba, Ivan O., outstanding lawyer, writer and Marxist theoretician; in 1960 he was sentenced to death, but the sentence was commuted to 15 years at hard labor.

23. Karavansky. Svyateslav, b. 1920; poet, writer and literary translator; in 1944, as an officer of the Red Army, he was sentenced to 25 years at hard labor; released in 1960, he was rearrested in 1965 and sentenced to 8 years and 7 months at hard labor.

24. Karavansky-Strokata, Nina, b. 1925 (wife of Svyatoslav); a microbiologist, she was sentenced to 4 years at hard labor in 1972.

25. Kovalenko, Ivan, b. 1918; teacher; in 1972 sentenced to 5 years at hard labor.

26. Kuznetsova, Eugenia F., chemist, b. 1913; in 1966 sentenced to 4 years at hard labor; presumably released.

27. Lukyanenko, Lev H., political activist; in 1960 he was sentenced to death, but the sentence was commuted to 15 years at hard labor.

28. Lupynis, Anatole, poet, b. 1937; spent 11 years as a political prisoner (1956–1967); in 1972 he was committed to a psychiatric ward as a "dangerous individual."

29. Martynenko, Alexander E., engineer; in 1966 sentenced to 3 years at hard labor; presumably released.

30. Masyutko, Mykhailo S., b. 1918, poet and writer; in 1966 he was sentenced *in camera* to 6 years at hard labor; also punished by a camp court for writing; is still in prison.

31. Melnychuk, Taras, b. 1942, poet; in 1972 he was condemned to 3 years at hard labor.

32. Menkush, Yaraslava Y., b. 1923, industrial designer; in 1965 was sentenced to 2 years at hard labor; released.

33. Moroz, Valentyn, b. 1936, historanian and writer; in 1966 he was sentenced to 4 years at hard labor; released in 1969, he was rearrested in 1970 and on November 17, 1970 he was tried *in camera* and sentenced to 9 years at hard labor and 5 years of exile. His book, *A Report from the Beria Preserve*, is a powerful indictment of the Soviet system and concentration camps.

34. Osadchy, Mykhailo, b. 1936, writer and university professor; in 1972 sentenced to 7 years at hard labor and 3 years of exile.

35. Ozerny, Mykhailo D. b. 1929. teacher and translator; in 1966 he was sentenced to 6 years at hard labor; presumably released.

36. Plyushch, Leonid, mathematician and research officer at the Ukrainian Academy of Science; born in 1940, he was dismissed from his post in 1968 and four years later was sent for "psychiatric treatment"; in January, 1973, he was placed in Dnipropetrovsk Prison's psychiatric ward, where he is forcibly given large doses of haloperidol (in a recent message Prof. Andrei D. Sakharov described Plyushch as being "near death").

37. Reshetnyk, Volodymyr, b. 1937, college professor; in 1972 condemned to [illegible] years at hard labor.

38. Riznykiv, Alexander, writer; in 1972 sentenced to 5 years at hard labor.

39. Rokytsky, Volodymyr, b. 1947, student in 1972 condemned to 5 years at hard labor.

40. Romaniuk, Vasyl Rev., a priest; in 1972 sentenced to 7 years at hard labor and 3 years of exile.

41. Senyk, Irena, educator; she was first arrested in 1946 and sentenced to 10 years at hard labor, which she served fully; in March, 1973, she was sentenced again to 6 years at hard labor.

42. Serednyak, Lyuba, b. 1953, student; in 1972 she was condemned to one year at hard labor; presumably released.

43. Serhiyenko, Alexander, b. 1932, art teacher; in 1972 sentenced to 7 years at hard labor and 3 years of exile.

44. Shabatura, Stephania, b. 1938, artist and rug designer; in 1972 sentenced to 5 years at hard labor and 3 years of exile.

45. Shukhevych, Yuriy, b. 1933, electrician, son of Gen. Roman, commader of the anti-Nazi and anti-Soviet Ukrainian Insurgent Army (UPA); he was first arrested at the age of 15 and sentenced to 5 years in prison, 5 years in hard-regime labor camps and 5 years of exile—a total of 15 years.

46. Shumuk, Danylo, b. 1914, political activist; his previous imprisonment totaled 28 years (1930–1938, 1945–1955, 1957–1967); in July, 1972, he was condemned to 10 years at hard labor and 5 years of exile.

47. Shumuk-Svitlychny, Nadya, b. 1942 (wife of Danylo Shumuk and sister of Ivan Svitlychny); a radio scriptwriter, she was sentenced in April, 1973 to 4 years at hard labor.

48. Soroka Mykhailo, political leader, was first arrested in 1940 and sentenced to 8 years; released in 1948, he was rearrested in 1951 and sentenced to 25 years; he died in a Soviet prison in 1972.

49. Stus, Vasyl, b. 1938, poet; in 1972 he was sentenced to 5 years at hard labor and 5 years of exile.

50. Sverstyuk, Evhen, b. 1928, literary critic, publicist and essayist; first arrested in 1965 and imprisoned for several months. In 1972, he was sentenced to 7 years at hard labor.

51. Svitlychny, Ivan, b. 1929, literary critic and author of several literary works; he was first arrested in 1966, but released after 8 months; in 1972 he was expelled from the Union of Writers of Ukraine and sentenced to 7 years at hard labor.

52. Virun, Stepan, was sentenced to death in 1960 for demanding more rights for

Ukraine in accordance with the Soviet constitution; in 1961 the sentence was commuted to 15 years at hard labor.

53. Zarytska, Katherine, wife of Mykhailo Soroka; was sentenced in 1947 to 25 years as a member of the Ukrainian Red Cross; she was released in 1972.

54. Zvarechevska, Maria, b. 1936, archivist; in 1966 sentenced to 8 months at hard labor; released.

ADDITIONAL LIST

55. Koroban, Andrey, b. 1930; in 1970 he was sentenced to 6 years at hard labor for writing an essay on Soviet policies in Ukraine; he served 10 years before.

56. Antonenko-Davydovych, Evhen B., son of a prominent Ukrainian writer. Borys Antonenko-Davydovych: arrested in 1972, he was sentenced to an indefinite term in prison.

57. Bedrylo, Stepan, b. 1932, an agronomist; in January 1970 was sentenced to 4 years at hard labor for disseminating Ukrainian underground publications.

58. Bondar, Mykola, b. 1939, philosophy lecturer at the University in Uzhorod; on May 12, 1971 he was sentenced to 7 years at hard labor; is incarcerated in prison in Perma.

59. Horska, Alla, b. 1929; outstanding Ukrainian artist and human rights advocate in Ukraine; on November 28, 1970, she was murdered by the KGB near Kiev.

60. Kaliosh, Hryhory V., b. 1929; a teacher, in 1970 he was sentenced to 10 years at hard labor.

61. Kovalenko, Leonidw M., b. 1922, a philosophy instructor at the Institute of Literature at the Ukrainian Academy in Kiev; in 1972 was sentenced to a 5-year prison term and 3 years of exile.

62. Lisovy, Vasyl, b. 1942, research officer at the Institute of Philosophy at the Ukrainian Academy of Sciences in Kiev; in 1972 he was sentenced to 5 years at hard labor.

63. Murzhenko, Alexander, b. 1943; served 6 years in prison for "political activities"; in 1970 he was tried with a group of Jews in Leningrad for attempting to highjack a plane and escape abroad; was sentenced to 15 years at hard labor.

64. Paradzhanov, Serhiy, noted Ukrainian film director who made the internationally known film, The Shadows of Forgotten Ancestors; he wrote protests against the Russification of Ukraine; in 1974 he was arrested on suspicion of "money speculation and homosexualism."

65. Plakhtoniuk, Mykola, medical doctor and senior research officer at the Medical Institute in Kiev; in January, 1972 he was arrested and sent to the Serbsky Psychiatric Institute in Moscow as an "Insane individual."

66. Popadiuk, Zoryan, student of Ukrainian philology at Lviv University; in 1972 he was sentenced to 7 years at hard labor for demanding that subjects in schools in Ukraine should be taught in Ukrainian.

67. Proniuk, Evhen, professor and research officer at the Ukrainian Academy of Sciences in Kiev; in 1972 was sentenced to 2 years at hard labor for "anti-Soviet propaganda."

68. Shcherbyna, Vasyl, member of the Baptist-Evangelical group in Ukraine; in 1973 he was sentenced to 3 years at hard labor.

69. Sokulsky, Ivan, b. 1940, poet and author, advocate of human rights in Ukraine, in 1970 he was condemned to 4 and a half years at hard labor.

70. Starchyk, Petro, b. 1938, religious man, he completed philosophical studies; a staff member of the Institute of Psychology in Moscow, he was arrested in 1972 and sent to a "psychiatric prison" as a "dangerous individual," for an indefinite term.

(Mr. FLOOD asked and was given permission to revise and extend his remarks and to include extraneous matter.)

Mr. LANDGREBE. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Indiana.

Mr. LANDGREBE. Mr. Speaker, this week marks the 15th anniversary of Captive Nations Week, an annual commemoration mandated by Public Law 86–90, enacted in 1959. The world has changed a great deal during the last 15 years, but some things remain essentially the same. The Soviet Union is still in possession of the countries it occupied during and after World War II. The repression of these peoples is still a central policy of the Government of the Soviet Union and of their own puppet governments. In short, in 15 years the nature of communism has not changed.

Nor has our essential knowledge of communism changed. Alexander Solzhenitsyn has presented the world with a book that cannot be ignored, the "Gulag Archipelago." And though I do not in the least wish to detract from Solzhenitsyn's achievement, which should be recognized as the masterpiece it is, it ought to be pointed out that the internal policies of the Communist governments of Red China, the Soviet Union, and the Central and East European countries have long been common knowledge to anyone who did not evade the evidence. Solzhenitsyn has succeeded in making evasion of the nature of communism very difficult, even for those who are most sympathetic to the Communists. He has shown us that we ought to account the Soviet Union itself as the first of the captive nations, the captive and victim of a collective ideology, which has resulted in the murder of tens of millions of human beings in this century.

In view of this fact, it becomes necessary for us to reexamine the foreign policy we have pursued over the last 15 years. If our commemoration of this week is not to be hollow and meaningless, then the freeing of the captive nations must become a goal of our foreign policy. If we are going to pursue a policy of détente, then détente must not mean simply surrender on our part, but exchange. If the Soviets wish to benefit from our technology, then we must not meekly hand it over and hope that they will change; we must demand changes in the captive nations before granting any benefits to them. I could not agree more with Dr. Lev Dobriansky of Georgetown University, who has said:

> The simple, historical truth is that an enduring structure of peace cannot possibly be founded on a permanent structure of captive nations.

Peace is not merely an external matter. We must reject the temptation to seal the policies of governments into watertight compartments labeled "internal" and "external." It was once a trite expression that "freedom is indivisible," but we seem to have forgotten it when we say that we must confine our interest in the Soviet Union and Red China to their external policies, and ignore their internal policies. The aid and trade that we are giving the Communists is being used internally to maintain their control over their unfortunate subjects. To say that the issues of aid and trade are unrelated to the internal policies of the Communist governments is pure foolishness. Yet we are repeatedly told that the internal policies of the Soviet Union and Red China are none of our business; that our business is business, aid and trade with the Commu[illegible]

[illegible] Communist nations are utterly [illegible]ent upon the West for their tech[illegible]y. This dependency has been amply demonstrated by Dr. Anthony Sutton in his books "Western Technology and Soviet Economic Development" and "National Suicide; Military Aid to the Soviet Union." If we truly want world peace and freedom, we have to demand changes in the governments of Communist countries in return for technological aid. If we do not demand such changes, then we are committing suicide, for we are providing the regimes which have been most energetic in slaughtering their own subjects with the capability of waging aggressive warfare against those nations that are not yet under their power, including our own United States of America. It is dangerously foolish to advocate, as Senator JACKSON has done, the establishment of full diplomatic relations with Red China, which is itself a captive nation, or to extend any other form of aid to that country's government. Recognition of that government and the establishment of full diplomatic relations with it does not belong to the category "external affairs" any more than aid and trade does. To establish full diplomatic relations with the Red Chinese Government while breaking off diplomatic relations with the Nationalist Chinese Government is tantamount to advocating that Taiwan ought to be subject to the Red Chinese Government and thereby become another captive nation. Red China has probably the worst government of all the captive nations, for its victims number between 40 and 60 millions murdered, in addition to those millions simply maimed and mutilated.

I do not believe Captive Nations Week would be properly celebrated by making suggestions and taking actions that would lead to the creation of yet another captive nation. Instead, I suggest that our foreign policy be such that in another 15 years we would no longer have to celebrate Captive Nations Week, for there would be no captive nations.

Mr. DERWINSKI. Mr. Speaker, I am very pleased to join my colleague (Mr. FLOOD), this afternoon in this annual House commemoration of Captive Nations Week.

It is especially appropriate that we emphasize the significance of Captive Nations Week and analyze it in the light of current international developments.

It must be emphasized that the people of all the captive nations continue to be deprived of the freedoms that we Americans and other people in the free world so often take for granted. We must also recognize, however, that the Communist dictatorships cannot effectively face up to the aspirations of their people for a better life. By its very nature, communism is a stifling and suppressive governmental system.

Mr. Speaker, I take this opportunity to direct the attention of the Members to an article in the June 27 issue of the Christian Science Monitor, which bears the very appropriate and fascinating headline, "The Ukraine—Russia's Thorn in the Side." I include the article at this time:

The Ukraine—Russia's Thorn in the Side

(By Paul Wohl)

The Ukraine, the second most populous and, per capita, the richest of the 15 Soviet republics is giving Moscow trouble.

The fertile "breadbasket" of the Soviet Union has long been a region of restless nationalism.

But now the Ukraine's first party secretary, Vladimir V. Shcherbitsky, has blasted Western and Eastern influences for the republic's continuing unrest. On May 16 he warned a plenum of his central committee that "bourgeois democracy" and "the American way of life" were being held up as "a yardstick and a goal for all peoples."

"Hostile propaganda kindles private property psychology and revives religious prejudices," Mr. Shcherbitsky complained.

NO HESITATION

"Ukrainian nationalist organizations abroad have built up contacts with Zionists and Maoists," he continued, thus admitting for the first time that previously reported Chinese broadcasts in Ukrainian were making inroads into his people's thinking.

There are relatively more Ukrainians in corrective labor camps than members of other major ethnic groups.

Judging by Mr. Shcherbitsky's speech, one would think that all the Ukraine was astir with anti-Soviet activity. Yet when General Secretary Leonid I. Brezhnev visited the Ukrainian capital of Kiev last July to award the republic the "Order of Friendship of the [Soviet] Peoples" he did not hesitate to ride through the streets in an open car.

NONVIOLENT MOOD

The anti-Russian and pro-bourgeois mood apparently springs mainly from the formerly Polish and one-time Austrian Western territories, but it exists also in the rest of the country. It does not seem to be violent and does not affect production. The Ukraine is not in the throes of a revolution.

Ideological dissent in the Ukraine is only slightly different from ideological dissent in Russia proper. It has strong roots among the people who resent, and in the western parts of the country, loathe progressive Russification.

Pyotr Y. Shelest, the previous first secretary, sought to strengthen his regime toward the end of his turn in office by catering to popular Ukrainian patriotism rather than by mass arrests. The Kremlin began to fear that Mr. Shelest was trying to build himself up as a Ukrainian Tito.

SUPPORTERS REPLACED

One by one Mr. Shelest's supporters in the Ukrainian "apparatus" were replaced by Brezhnev men. When in December, 1971, the central committee in Moscow decreed the liquidation of the Chronicle of Current Events and all other underground samizdat journals (there are many in the Ukraine) mass arrests of intellectuals swept the country. Mr. Shelest was removed as first secretary, and in May, 1972, was replaced by Mr. Shcherkitsky.

In several speeches in 1972 and 1973 the new first secretary thundered against "serious violations of party discipline" and "widespread incompetence among officials." In a major speech in April, 1973, he charged that high officials had not been strict enough in suppressing nationalism.

Only after last year's grain crop turned out exceptionally well did mass repressions quiet down. The party's new policy then became one of selective disciplining of the most articulate intellectuals. A "ideological-educational offensive" was launched.

Seldom has the top official of a non-Russian Soviet republic admitted as openly the influence of Western moral and political concepts and the effectiveness of emigre propaganda.

A "vast campaign in favor of bourgeois democracy" allegedly is on. Agitators who receive their directives from the West seek to discredit detente. Once again "the past is being idealized." In line with emigre propaganda certain artists and intellectuals proclaim their independence from society and expound "pure art."

All kinds of renegades are presented as "fighters for human rights." Together with "speculators, thieves, lazybones, and drunkards," religious cults and "prejudices" were attacked.

Foreign propaganda centers were said to use religion for purposes of ideological diversion and as a means to circulate "anti-Soviet, nationalist and Zionist views." "National communism" became an anti-regime slogan.

Mr. Speaker, Captive Nations Week is widely observed in all sections of our country. This far-reaching response toward the 16th observance of Captive Nations Week is shown in proclamations by Govs. J. James Exon of Nebraska; Mills E. Godwin of Virginia; Kenneth M. Curtis of Maine; and Mayor Orville L. Hubbard of Dearborn, Mich. I would like to submit them for the Record at this point:

Proclamation

Whereas the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, and others; and

Whereas the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas the Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples:

Now, therefore, I, J. James Exon, Governor of the State of Nebraska, do hereby proclaim the week of July 14–20, 1974, as Captive Nations Week in Nebraska, and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

J. James Exon,
Governor.

Captive Nations Week, 1974

The Congress has set aside the week of July 14–20, 1974, as Captive Nations Week, calling to our attention the peoples still oppressed by their governments.

I call this observance to the attention of all Virginians, some of whom still have close ties with families or friends in these circumstances.

Mills E. Godwin, Jr., *Governor*.

Proclamation

Whereas, Captive Nations Week provides Americans with the opportunity to show their concern for the plight of 100 million East and Central Europeans living under Communist rule; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples for freedom and independence.

Now, therefore, I, Kenneth M. Curtis, Governor of the State of Maine, do hereby proclaim the week of July 14–20, 1974, as Captive Nations Week in the State of Maine and call upon the citizens of Maine to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

Kenneth M. Curtis.

Proclamation: Captive Nations Week, July 14–20, 1974

Whereas, Communist policies have brought about the domination of the people of Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland and Romania; and,

Whereas, the desire and need for liberty and independence by these people powerfully deter any ambition of Communist leaders to initiate a major war; and,

Whereas, the Congress of the United States, by unanimous vote, passed Public Law 86-90 in 1959, establishing the third week in July each year as Captive Nations Week; now,

Therefore, as Mayor of Dearborn, I proclaim July 14–20, 1974 Captive Nation Week in Dearborn, and urge all citizens to observe this week with appropriate activities expressing their sympathy with and support for the aspirations of captive people throughout the world.

Orville L. Hubbard.

Another encouraging example of this observance is found in an advertisement printed in the June 21 edition of the Washington Post which I will include in my statement at this point:

[From the Washington Post, June 21, 1974]

Treatment of Ukrainian Political Prisoners in Soviet Union Is Concern of Civilized Humanity!

Fellow Americans! In a few days President Nixon will embark upon his journey for a second "Summit" meeting with the Russian Communist leaders in Moscow In a public statement he said that the purpose of his visit is to strengthen the policy of detente with the USSR, and that any attempt by the U.S. Congress and American citizens to demand concessions to freedom would constitute "interference" in the domestic affairs of the Soviet Union.

We do desire the relaxation of international tensions and the establishment of a just peace in the world.

Precisely because of this we ask you to voice your concern for the treatment of Ukrainians who are being barbarously persecuted and abused by the Soviet government in Ukraine only for political reasons. A policy of detente should not necessarily mean an abandonment of our belief in the rights of the individual as the cornerstone of society.

WHO IS BEING PERSECUTED?

From 1970 to 1973 the Soviet secret police, the KGB arrested over 560 Ukrainian intellectuals, all of whom were tried "in camera" and sentenced to severe terms in jails and concentration camps, or incarcerated in "psychiatric wards" for an indefinite period. These men and women, born mostly in the 1930's, are writers, literary critics, poets, professors, artists, journalists, teachers, academicians, students, film directors, research personnel, army officers, and others.

WHY ARE THEY PERSECUTED?

These young Ukrainian men and women have been formally sentenced and are being punished for participating in "anti-Soviet propaganda and agitation," that is, for criticizing the police terror, the Russification of Ukraine and the violations of human rights as defined in the U.N. Universal Declaration of Human Rights and the Soviet constitution. They are branded as outlaws because of their protests against suppression of their national, religious and cultural freedoms and traditions—the inherent elements in the struggle for freedom and the national statehood of Ukraine.

TORTURE IN JAILS AND "PSYCHIATRIC WARDS"

Valentyn Moroz, 38-year-old Ukrainian historian, and Leonid Plyushch, 34-year-old Ukrainian mathematician and cybernetics specialist, are reported to be suffering torture and being driven to literal insanity.

Prof. Andrei D. Sakharov, outstanding Russian physicist, in his appeal from Moscow on February 12, 1974, disclosed that "Leonid Plyushch is near death" in the Dnipropetrosky "psychiatric ward" and that "the unregulated administration of large doses of haloperidol has caused a sharp deterioration of his health . . ."

Anatole Rodygin, a Jewish poet and former Soviet prisoner, who met Moroz in Vladimir Prison, has reported that "from his cell we often heard screams and yells . . . they would subside for a while and the the beatings would start again . . ."

Pavel Litvinov, grandson of the former Foreign Minister Maxim Litvinov, now in this country, reported that Moroz stated that if he were not transferred to a concentration camp by July, 1974, he would start a hunger strike "until death."

We appeal to you, in the name of justice and humanity, to express your concern by urging President Nixon to intercede on behalf of these Ukrainian political prisoners and to urge the Soviet government to release forthwith Valentyn Moroz and Leonid Plyushch, so that they can receive proper medical treatment abroad and salvage their lives!

In doing so, our President will honorably uphold the basic precepts on which our government is founded: human dignity, freedom and justice.

For further information, please contact: Ukrainian Congress Committee of America, Inc., 302 West 13th Street, New York, N.Y. 10014, Tel. (212) WA 4-5617, Walter Dushnyck, Member, Executive Board.

The following is a partial list of Ukrainian intellectuals who are now languishing in Soviet jails, concentration camps and psychiatric wards! With a few exceptions, they are all young Ukrainian men and women who have been arrested, tried and sentenced in the last few years for being patriotic Ukrainians! They protested against discrimination of the Ukrainian language, Russification of Ukrainian culture and the gross violations of human rights in Ukraine!

Antoniuk, Zenoviy, b. 1933, philogogist; sentenced 1972 to 7 years in a hard-regime labor camp and 3 years of exile.

Brynd, Yulian, b. 1930; sentenced to 2½ years in a general-regime labor camp in 1972.

Chornovil, Vyacheslav, b. 1938, TV commentator and writer (The Chornovil Papers); in 1972 sentenced to 7 years at hard labor and 5 years of exile—a total of 12 years.

Didyk, Halyna, Ukrainian Red Cross worker; sentenced in 1950 to 25 years at hard labor; still in prison.

Duzhynsky, V., artist; in 1957 he hoisted the Ukrainian national flag at the University of Lviv and was sentenced to 10 years at hard labor; presumably released.

Dyak, Volodymyr, b. 1931, engineer and poet; in 1972 sentenced to 7 years at hard labor and 5 years of exile.

Dzyuba, Ivan, b. 1931, literary critic and author (Internationalism or Russification?); sentenced in 1972 to 5 years at hard labor; pardoned and released in November, 1973, after recantation.

Gereta, Ihor A., scholar, Institute of Geophysics, Ukrainian Academy of Sciences; in 1968 sentenced to 3 years at hard labor; possibly released.

Grigorenko, Petro, Gen., b. 1907 in Ukraine, noted military writer and professor at the Frunze Military Academy, noted human rights advocate, is committed indefinitely to a psychiatric ward in Chernyakhovsk (East Prussia).

Hel. Ivan, b. 1937; spent 3 years in labor camps (1966–1969); in 1972 sentenced again to 5 years in strict-regime labor camps, 5 years in general-regime camps and 5 years of exile—a total of 15 years.

Hevrych, Yaroslav, student at Kiev Medical Institute; in 1966 sentenced to 5 years at hard labor; possibly released.

Hluzman, Vyacheslav, b. 1942, psychiatrist; in 1972 sentenced to 7 years at hard labor and 5 years of exile.

Holtz, Ihor, b. 1946, lieutenant in the Army Medical Corps; in 1972 sentenced to 3 years at hard labor.

Horbovy, Volodymyr, Dr., prominent Ukrainian defense lawyer and a citizen of Czechoslovakia; in 1947 he was sentenced to 25 years at hard labor; he was released in 1972.

Horyn, Bohdan M., literary and art critic; in 1966 sentenced to 4 years at hard labor; presumably released.

Horyn, Mykola M., brother of Bohdan, psychologist and author; in 1966 sentenced to 6 years at hard labor; possibly released.

Hyrn, Mykola, research worker, Institute of Geophysics, Ukrainian Academy of Sciences; sentenced to 3 years at hard labor in 1968.

Husak, Daria, a Ukrainian Red Cross worker, sentenced in 1950 to 25 years at hard labor; presumably still in jail.

Ivashchenko, Dmytro P., member of Union of Writers of Ukraine and university lecturer; in 1966 sentenced to 2 years at hard labor; presumably released.

Kalynets, Ihor, b. 1939; poet and writer; in 1972 sentenced to 9 years at hard labor.

Kalynets-Stasiv, Irena. b. 1940 (wife of Ihor); writer and college teacher; in 1972 sentenced to 6 years in general-regime labor camps and 3 years of exile.

Kandyba, Ivan O., outstanding lawyer, writer and Marxist theoretician; in 1960 he was sentenced to death, but the sentence was commuted to 15 years at hard labor.

Karavansky, Svyatoslav, b. 1920; poet, writer and literary translator; in 1944, as an officer of the Red Army, he was sentenced to 25 years at hard labor; released in 1960, he was rearrested in 1965 and sentenced to 8 years and 7 months at hard labor.

Karavansky-Strokata, Nina, b. 1925 (wife of Svyatoslav); a microbiologist, she was sentenced to 4 years at hard labor in 1972.

Kovalenko, Ivan, b. 1918; teacher; in 1972 sentenced to 5 years at hard labor.

Kuznetsovva, Eugenia F., chemist, b. 1913; in 1966 sentenced to 4 years at hard labor; presumably released.

Lukyanenko, Lev H., political activist, in 1960 he was sentenced to death, but the sentence was commuted to 15 years at hard labor.

Lupynis, Anatole, poet, b. 1937; spent 11 years as a political prisoner (1956–1967); in 1972 he was committed to a psychiatric ward as a "dangerous individual."

Martynenko, Alexander E., engineer; in 1966 sentenced to 3 years at hard labor; presumably released.

Masyutko, Mykhailo S., b. 1918, poet and writer; in 1966 he was sentenced *in camera* to 6 years at hard labor; also punished by a camp court for writing; is still in prison.

Melnychuk, Taras, b. 1942, poet; in 1972 he was condemned to 3 years at hard labor.

Menkush, Yaraslava Y., b. 1923, industrial designer; in 1965 was sentenced to 2 years at hard labor; released.

Ukrainian political prisoners are not criminals—they are patriots who love their country and are resisting the alien yoke of Communist Russia!

You can help them by expressing your concern. Write to President Nixon and urge him to intercede for these victims of Soviet tyranny! Write to your Senator and Congressman to do the same!

Mr. Speaker, we have had enough examples in the last year of Communist inspired guerrilla activities in the Middle East, the role of the Soviet Union in the developments in Chile, the continuing Communist duplicity in Laos and South Vietnam as well as the brutality that has been inflicted on the people of Cambodia, by Communist rebels. However, as we follow these current developments, we must not forget the hundreds of millions of people who still remain captive behind the Iron Curtain.

I am convinced that the world will enter into a long era of peace only when all the peoples who presently are held captive by Communist governments once again become free.

Mr. CRANE. Mr. Speaker, few celebrations of Captive Nations Week are as significant as that which we enter into at this time.

We lament the loss of freedom of the Captive Nations at a time when there is much discussion of "détente," much pressure for increased trade with the Soviet Union, many who would have us cease criticism of the tyranny to which so many millions of men and women have been subjected.

No "détente" or "peace" which is achieved at the expense of human dignity, or at the cost of turning our backs upon the suffering of those who yearn only for freedom and independence is in keeping with our own national tradition. We only dishonor those Americans who have died in the defense of freedom when we join hands with tyrants and assist them in enslaving those who have fallen under their control.

At a time when many soft words are being spoken with regard to the Soviet Union it is important to remember that the nation which today calls itself the U.S.S.R. is in reality a collection of captive nations.

Armenia fell to Communist domination in 1920. Azerbaijan, Byelorussia, Cossackia, Georgia, Idel-Ural, North Caucasia, and the Ukraine in the same year. The Far Eastern Republic fell in 1922, the Mongolian People's Republic in 1924, Estonia, Latvia, and Lithuania in 1940. These are only the nations which have been forcibly incorporated within the Soviet Union itself.

The Soviet Government has become the largest colonialist and imperialist power in world history. Not only has it forcibly incorporated many nations and millions of people into the U.S.S.R. but has, in addition, dominated and controlled the lives of the people of Albania, Bulgaria, Poland, Rumania, Czechoslovakia, Hungary, East Germany, and the Communist States of Asia.

The Soviet Union remains a slave state today. Speaking over the Russian Service of the British Broadcasting Co., Alexander Solzhenitsyn declared that:

> The Soviet Union lives under the rule of serfdom. I have said so many times, but people seem to take it for an artistic metaphor. However, it is a fact, although millions of instances skillfully hidden from the superficial glance of outsiders by distance, by provinciality, by silence. Only when serfdom is applied to those who are known the world over, is it visible to all.

Solzhenitsyn continued:

> Recently, for example, the writer Viktor Nekrasov, winner of Soviet prizes, was seized like a guilty slave and slung out to the place where he had police permission to reside, to prevent his getting in the way in Moscow . . . This is the source of Soviet serfdom: permanent registration in one's place of residence, the impossibility of going anywhere outside the jurisdiction of the local authorities without their permission. That is why serfdom reigns not only in the camps and collective farms with their direct forced labor which is not paid for at its full value: serfdom reigns all over our country.

The fact is that men and women throughout the world have shown their view of communism by fleeing from it whenever the opportunity has arisen. The Berlin Wall was constructed, in violation of all international law and Allied agreements, because the people of East Germany would not, of their own accord, remain in a Communist State. Since the very beginning of Soviet occupation, the Baltic States have waged an intensive fight for freedom. It is widely recognized that in the period between 1940 and 1952, some 30,000 Lithuanian freedom fighters lost their lives in an organized resistance movement against their Soviet conquerors.

The Soviet Union today is largely dependent upon American agricultural, technical, and commercial trade and assistance. It is our moral responsibility not to strengthen the hand of tyranny but to use whatever leverage is at our disposal to improve the lives of the men and women of the captive nations and to set in motion a policy which will look toward their eventual freedom and independence.

The United Nations, which is vocal in its denunciation of "colonialism" when it discusses events in South Africa, is silent with regard to the longer and more brutal colonialism to which the captive nations have been subjected. The Soviet Union, as a signer of the United Nations Charter and the International Declaration of Human Rights, has pledged itself to fulfill the requirements of that charter and declaration—to provide freedom of religion, freedom of speech, and freedom of movement to its citizens.

We have not held the Soviet Union to its word, but have instead permitted it to violate such international agreements with impunity. We are told, in addition, that we should enter into yet other international agreements with a country which has made it a consistent habit to reject the standards of the civilized world.

At this time, as we rededicate ourselves to working for the freedom and independence of the captive nations, I wish to share with my colleagues four formal proclamations of Captive Nations Week—from the city of Fort Wayne, Ind., and the States of Louisiana, New York, and Georgia. These proclamations follow:

State of Louisiana Proclamation

Whereas, the subversive policies of Russian and Chinese Imperialism have reached across international frontiers to the very shores of America; and

Whereas, these policies have enslaved the citizens of free nations into a Colonial Empire serving the interests of Russia and Peking to the detriment of the historical and cultural values of the enslaved peoples of the captured nations; and

Whereas, the United States has a warm understanding and sympathy for all peoples to have the right to self-determination, which means the right freely to choose their own government and to pursue their own economic development; and

Whereas, Louisiana has been a haven for the many thousands of refugees who have fled the entrapped nations in the hope of continuing the good flight through peaceful means against the tyrants of totalitarianism; and

Whereas, in accordance with Public Law 86–90, wherein the Congress of the United States sets aside the third week of July each year as Captive Nations Week and urges the people of the United States to join in prayers and appropriate action to peacefully liberate these captives, for it is only in the freedom for all nations will we find a just and lasting peace.

Now, therefore, I, Edwin Edwards, Governor of the State of Louisiana, do hereby proclaim the week of July 15–21, 1974, as Captive Nations Week in Louisiana.

State of New York Proclamation

The 15th Anniversary of Captive Nations Week will be observed from July 14–20, 1974, throughout America and in many foreign lands.

On that occasion, freedom-loving people will pause to pray and renew their hope that men, women and children in captive countries will be liberated from human and religious bondage.

We Americans and New Yorkers are proud that many refugees from oppression have found asylum in the home of the free. They have become valued neighbors, loyal and industrious members of our society.

It is fitting that special recognition be given to an observance which reminds us all that many world citizens are still denied human and religious freedom.

Now, therefore, I, Malcolm Wilson, Governor of the State of New York, do hereby proclaim the week of July 14–20, 1974, as Captive Nations Week in New York State.

State of Georgia Proclamation

Whereas: The imperialistic policies of Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of many lands; and

Whereas: The desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas: The freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas: The Congress of the United States, by unanimous vote, passed Public Law 86–90, establishing the third week in July of each year as Captive Nations Week; now

Therefore: I, Jimmy Carter, Governor of the State of Georgia, do hereby proclaim the week of July 14–20, 1974, as "Captive Nations Week" in Georgia.

City of Fort Wayne Proclamation

Whereas, improved diplomatic relations with other countries do not mitigate the anguish of the peoples of nations in Central Europe, within the USSR, in Asia, and in Cuba who still are captive under totalitarian rule; and

Whereas, American idealism does not permit our selling the captive nations into permanent captivity; and

Whereas, the United States is dedicated to freedom and national self-determination for all peoples, thereby sustaining the hopes and aspirations of the captive nations;

Now, therefore, I, Ivan A. Lebamoff, Mayor of the City of Fort Wayne, Indiana, do hereby proclaim the week of July 14–20, 1974, as Captive Nations Week in the City of Fort Wayne, and do urge all citizens to become informed on the status of captive nations and to offer support and endorsement to the efforts made by struggling nations to be free.

Mr. HANRAHAN. Mr. Speaker, this week marks the 15th anniversary of Captive Nations Week. In this time of Solzhenitsyn, détente, and emigration from the Soviet Union, it is important to remember the nations of Albania, Bulgaria, Czechoslavkia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Yugoslavia, and East Germany to name a few.

While this country goes through the euphoric stages of détente with the Soviets, we seem willing to accept that these countries be enslaved and undergo assimilation with the Soviet Union. A 35-nation conference on security and cooperation in Europe is proposing at this moment, a unanimous acceptance and recognition of the status-quo in East-Central Europe. The Soviet Union would like to bury the hopes of these nations for the restoration of their freedom and independence from Soviet domination.

In my own experiences with the Russian handling of the Simus Kudirka case—the Lithuanian seaman who sought asylum on a U.S. Coast Guard Cutter, only to be returned to the Soviets—the Russians have continually harrassed his mother, Mrs. Sulskiene, in her attempts to reach the U.S. Embassy. They have also retained a delaying policy on this case with hopes that it, and he, will be forgotten by the American people.

He will not be forgotten. Let this week serve as a reminder to the Communist rulers that this country continues to care about the plight of the captive nations, that they have not been forgotten, and that their hopes and aspirations are shared by millions who are privileged to live in freedom.

Mr. WALSH. Mr. Speaker, the 15th anniversary of Captive Nations Week is being observed this year between July 14 and 20. This week will provide a national forum for the discussion of détente in all its aspects.

There is, in my opinion, a serious misconception that should be corrected concerning the attitudes of the Captive Nations groups in this country toward détente. These groups and individuals do not oppose détente, rather they support it.

A letter I have recently received from the chairman of the National Captive Nations Committee, Lev. E. Dobriansky, best explains that support. A portion of that letter follows:

> We have always been for détente as a *process*, but for one pursued on grounds of knowledgeability, accurate conceptualization, and trained perception. When, in relation to the USSR-the only real critical threat to our national security—some in our leadership still think of the USSR as a nation-state, ignore, the historic messages of Sakharov, Solzhenitsyn and others, and have become party to such Moscow-bred myths as "non-interference in internal affairs," "peaceful coexistence," and others, the urgency for this national forum during the "15th" is greater than ever. The over 2 dozen captive nations nearly ½ in the USSR itself, are an "internal" problem for Moscow. Are they, therefore, of no life-and-death concern to us? By our silence are we prepared to consign them to permanent captivity in the naive hope of thereby securing "peace"?

In addition to the above letter, I would also like to share with my colleagues the 1974 "Captive Nations Week Manifesto" sent me by the Assembly of Captive European Nations. The manifesto briefly describes the history of the week and explains this year's dramatic backdrop.

The manifesto follows:

> ASSEMBLY OF CAPTIVE
> EUROPEAN NATIONS,
> *New York, N.Y., July 1, 1974.*
>
> CAPTIVE NATIONS WEEK—MANIFESTO 1974
>
> Dedicated to the restoration of freedom, self-determination and human rights to the captive peoples of East-Central Europe, the Assembly of Captive European Nations calls attention to Public Law 86–90, unanimously adopted in 1959 by the Congress of the United States, by which the third week of July is annually designated as Captive Nations Week.
>
> This year Captive Nations Week runs from July 14 to 20. It reminds us of the fate of one hundred million East and Central Europeans who are living under Communist rule. To maintain this rule huge Soviet armies were entrenched in the heart of Europe separating the Soviet sphere from the rest of the continent. They interrupted the normal flow of people, information and ideas as practiced amongst free nations, and guaranteed the continued existence of imposed Communist governments unable to survive the test of free elections.
>
> This year's Captive Nations Week will be observed against the background of the 35-nation Conference on Security and Cooperation in Europe. The Soviet leadership now feels within reach of a cherished dream of nearly three decades: getting all of Europe and North America to formalize the existing political division of Europe, and to set a seal of approval on the *status quo*.
>
> The Conference which opened in Helsinki nearly 1½ years ago and then shifted to Geneva, is entering its last stage. According to Soviet proposals it should return to Helsinki to wind up its deliberations and proclaim to the world a unanimous acceptance and recognition of the present *status quo* in East-Central Europe by 35 nations represented for that purpose by their Chiefs of States.
>
> If the Soviet Union has its way, this meeting should be a ceremony to bury the hopes of the captive nations for the restoration of their freedom and independence from Soviet domination. Only one side—the Soviet Union—is demanding and winning all the concessions. Even after the West agreed to a far-reaching concession of the inviolability of frontiers, it has never asked Russia and her satellites to discuss human and political rights of the nations they hold in their grip behind those frontiers. Among the few problems related to the situation of the captive nations the Western side confronted the Communists with, was the freer exchange of people and ideas. But even in this matter the West met with refusal.
>
> May we recall the words of the distinguished Soviet scientist Andrei Sokharov who warned the Western world that "rapprochement cannot be unconditional, otherwise, it will be just one more capitulation to our anti-democratic regime, an encouragement to its sins, and will have particularly heavy and tragic consequences for the entire world situation".
>
> The ending of the Security Conference, as proposed by the Soviet Union in a big pageant in Helsinki, on a note of the recognition of the present status quo, would have far-reaching repercussions, not only among the people of Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland and Rumania, but far beyond the Moscow dominated area of Europe.
>
> While enormously strengthening the position of the Soviet Union, this policy would not strengthen the prospect for durable peace. By giving the Soviets security in the possession of their European conquests it would only make it easier for them to apply their power at other vulnerable points of the globe. Neither would the nations of East-Central, which historically and culturally feel part of the Western civilization, resign themselves to Communist slavery. Their discontent would lead, as in the past, to periodic outbursts of unrest which may have a potential of involving the rest of the world.
>
> Captive Nations Week serves as a reminder to the Communist rulers that Americans continue to care about the plight of the captive nations, that they have not been forgotten, and that their hopes and aspirations are shared by millions who have the privilege of living in freedom.
>
> While commemorating this year's Captive Nations Week:
>
> We appeal to the United States Congress to raise their voice in the annual Captive Nations Week debate in defence of the inalienable rights of the captive nations to freedom and independence as equal members of the community of free peoples.
>
> We appeal to the Governors and Mayors in the United States to issue proclamations designating the third week in July as Captive Nations Week in their states or cities.
>
> We appeal to religious leaders of all denominations to hold services during Captive Nations Week, and to remember the peoples of East and Central Europe in their sermons.
>
> We appeal to the People of the United States of America to manifest during Captive Nations Week, July 14–20, their awareness of the importance of the fate of 100 million Europeans to mankind's long quest for peace and justice.
>
> STEFAN KORBONSKI,
> *Chairman.*

Mr. DELANEY. Mr. Speaker, this week marks the 15th anniversary of Captive Nations Week. Today, I join with such organizations as the AFL–CIO, the Assembly of Captive European Nations, the National Captive Nations Committee, the Ukrainian Congress Committee of America, and the World Anti-Communist League, and scores of alert private citizens, in commemorating the valiant people enslaved by Communist tyranny.

At this time, we are again reminded of the vast numbers of oppressed peoples living throughout the world—people denied their right to self-determination, a right we in the free world hold so sacred.

Throughout the Communist-held world, we see the unsatiated thirst for freedom and self-expression, so eloquently typified by such intellectuals as Alexander I. Solzhenitsyn and Andrei Sakharov. We see thousands of people repressed and jailed because they refuse to conform to the wishes of the totalitarian authority, because they dare to differ.

We are constantly aware of the Communist regimes' failure to engender the support of its people; indeed, we witness the great hardship brought upon those who seek to freely emigrate, those who seek passage to the free world.

Yet in spite of their repression we are encouraged by the valor, the bravery, and the undying spirit of those denied their personal freedom and basic human rights.

I join with my colleagues in expressing my pledge of support that freedom, independence, and liberty will once again embrace the people of the nations caught in the grasp of their captors.

Mr. HANLEY. Mr. Speaker, I take this opportunity today to join my colleagues in Congress and my fellow Americans across the Nation in commemorating this year's Captive Nations Week.

Each year, since the enactment of Public Law 86–90 in 1959, the third week of July is designated as the time in which this solemn commemoration takes place. Captive Nations Week serves to call the attention of Americans, who are able to enjoy personal liberty and political freedom, to the continuing condition of life of millions of East and Central Europeans who are deprived of this liberty and freedom by the force of external Soviet domination. Our commemoration of Captive Nations Week further serves to make both the Communist governments and the peoples of East and Central Europe aware of the continued concern of the United States over the lack of freedom that exists in this part of the world.

I believe that these results of our commemoration of Captive Nations Week are especially important as we enter this era of closer communication and cooperation with the Soviet Union. Certainly the easing of tensions between our country and the Soviet Union is both admirable and essential. We must, nevertheless, maintain our awareness of and sympathy for the millions of people oppressed by Soviet rule in Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland and Romania. We must be careful that détente does not become a policy of blind convenience and political expediency. The United States, within the context of broad international cooperation, must continue to be the champion of all free people of the world, and of all those who desire to be free.

Mr. O'NEILL. Mr. Speaker, Captive Nations Week, 1974, seems an appropriate time to pause and reconsider some of the trends in international relations during the last couple of years. The overwhelming development, of course, is détente. I am afraid that because of détente, some might view Captive Nations Week as an idea whose time has passed—a relic from the past. I hope we can avoid this trap. We must not let our desire to talk to our enemies obscure our fundamental differences. Enthusiasm over negotiations must not stampede us into compromising our self-interest or our ideals. There are still millions of people without civil rights, and large areas of the world which resist the long-term trend toward freedom.

Clearly no purpose is served by avoiding all contact with the Communists on the grounds of moral superiority. To oppose the opening of relations between the United States and the Soviet Union is to doubt the intelligence of the negotiators, scientists, businessmen, and others involved in the post-détente contacts. Nevertheless, there is an obvious danger that in the improved climate of international relations we may come to view political repression in the Communist world as a dead issue. The people, however, are very much alive and the struggle continues. Contact must not be mistaken for agreement, and recognition of present reality is a far different thing from support of the status quo. The situation in Eastern and Central Europe continues to be dynamic, and despite our own problems, America continues to be the moral leader of the free world. I hope that we will not abuse this position by putting our stamp of approval on the oppression of millions.

Mr. MORGAN. Mr. Speaker, 15 years ago this week, the U.S. Congress designated the third week of July as "Captive Nations Week". Public Law 86-90 was passed with the intention of recognizing our commitment to the right of captive peoples throughout the world. Yet, because of the traditions associated with Captive Nations Week, our primary focus remains on the problems of the nine Central and Eastern European nations presently struggling to retain their national solidarity and ethnic identity. These nations form the barrier between Western Europe and the Soviet Union and are often dwarfed by the power and interests of those more economically powerful areas.

There is a highly regarded organization which is primarily concerned with the problems and needs of Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Romania. I need not speak in great detail concerning the outstanding contributions made by the Assembly of Captive Nations; many of the members of this body serve on the Advisory Committee of the Assembly. This organization is unparalleled in its concern for the preservation of national identities and human rights. It is this vigilance and dedication to the elimination of ethnic suppression and national oppression that we recognize during Captive Nations Week.

Mr. Speaker, the roots and traditions of America demand that we stand committed to the preservation of nationality groups and ethnic identities. We are a country of immigrants, and it was our national loyalties that helped our fathers, grandfathers, and great-grandfathers adjust to the American lifestyle. We have preserved our sense of community through our ethnic roots, and we retain our ethnic loyalties and our sense of community solidarity.

During Captive Nations Week we commemorate the unique values of the "old countries." There are presently over 100 million people in those nine Central and Eastern European nations who see their personal and national identities threatened by demands of conformity and attempts at assimilation.

Captive Nations Week is an attempt to tell these people that we recognize the unique contributions they have made to American life. We know of the sense of identity and stability they provided for the new immigrants on our shores, and because their values have become our values, we must resist attempts to deprive them of their identity. Our strength is founded in their diversity, and our character is derived from their ethnic loyalties.

Mr. CONABLE. Mr. Speaker, this week, we observe the 15th anniversary of Captive Nations Week. The American people have enjoyed the blessing of personal freedoms for nearly 200 years, but the freedom we often take for granted remains unrealized for many of the world's peoples. Captive Nations Week recalls those tragic circumstances.

As our Nation seeks better understanding through trade, scientific and cultural exchange programs with the Soviet Union and other Communist countries, we must not forget those peoples who remain oppressed by their governments and whose desire for fundamental human liberties remains unfulfilled. The Soviet Union, for example, has forcefully removed millions of people from their homelands in an effort to destroy their religious and social unity.

In our pursuit of world peace and self-determination for all people, we will continue to use our influence in support of those struggling to obtain personal liberties. Our continuing efforts to promote détente in an interdependent world must be directed forward toward ending personal oppression and extending human rights. I join with my colleagues today in expressing to the world our determination to encourage and support aspirations for freedom of the Captive Nations people.

Mr. KEMP. Mr. Speaker, I want to thank my most distinguished colleagues, Mr. Flood and Mr. Derwinski, for their leadership on this issue of human rights.

The greatest single enemy of those people who live without freedom would be an acceptance of their plight by those fortunate enough to live in free lands.

Resigning ourselves to the status quo of their existence—thereby ignoring the plight of the millions who now live in Soviet-dominated Eastern Europe—would leave those men, women, and children without any hope. That, therefore, we must never do. The only realistic hope which these people have is that the power of the United States will be brought to bear to bring about changes in their lands.

I am deeply concerned, however, that the United States may be deliberately down playing the circumstances under which the nations and people of Eastern Europe exist today. In a game being played for bigger stakes, we must never—I repeat, never—allow the future of Eastern Europe to become but chips in that game.

What dangers are we risking?

We hear much discussion today about the "normalization" of U.S. diplomatic relations with the countries of Eastern Europe—a goal long sought by their leaders, for normalization means much toward the legitimization of their power. Normalization—in its simplest terms—means that the United States will initiate and maintain all diplomatic relations with these countries on a business-as-usual basis.

I am not opposed per se to the normalization of relations with these countries. I have traveled to countries in Eastern Europe, and I have many constituents who came from those countries to our shores. I know that the influence and power of the United States can be brought to bear to achieve much—for those now living on our soil and for those still living in their native lands. But, that is exactly my point. We must not proceed with normalization for the sake of normalization.

The point here applies as much to the normalization of relations with Eastern European countries as it does to détente—rapprochement—with the Soviet Union itself.

Normalization, rapprochement, détente—they are all two-way streets. They are all means of negotiating differences and arriving at compromises. In the words of the courageous Soviet physicist and dissident, Andrei Sakharov, rapprochement cannot be unconditional, otherwise, it will be just one more capitulation by the western countries to the antidemocratic governments of the Soviet Union and its satellites. The Soviet Union and Eastern European countries must, in this process of normalization and détente, yield on some of their former positions too. Détente must be for purposes besides the maintenance of peace alone—and such purposes ought to include—at a minimum—obtaining the relaxation of restraints on individual liberties in those Communist countries.

And, the absence of individual liberty is the common plight of the peoples of Eastern Europe today. In varying degrees, no doubt, they are denied the basic, inherent rights intrinsic to man—those inalienable rights we enjoy and too often take for granted. In a true sense, they have no real economic and political freedoms. And, the partial freedoms which they do have, such as a relaxation of the restraint against freedom of worship in Poland, for example, are only at the behest of government to reduce tensions, not because a belief in God is condoned by state or party policy. When freedoms are so tenuous, they can be taken away by edict of government; this is no true freedom.

And, when we talk of people without freedom—even basic freedoms—we are talking of millions upon millions of individuals, each with feelings, emotions, and aspirations all repressed to the so-called common good of a Communist society. Poland, 33,070,000; Romania, 20,770,000; Czechoslovakia; 14,480,000; Hungary, 10,400,000; Bulgaria, 8,580,000; Lithuania, 3,129,000; Lativa, 2,365,000; Albania, 2,230,000; Estonia, 1,357,000. That is nearly a hundred million people. To this list of captive nations can be added those of other Eastern Europeans who live within the Soviet orbit. East Germany, 17,050,000; Yugoslavia, 20,770,000; Finland, 4,630,000; Byelorussia, 9,003,000; Ukraine, 47,136,000; and Moldavia, 3,572,000.

This week, July 14–20, we recognize formally the status of the captive nations. This is Captive Nations Week. It is a week within which we remember with gratitude the contributions these nations were once able to make to freedom and take stock of their circumstances today. It is a week within which we can renew our pledge to make freedom the principal determinant in all our diplomatic aspirations.

Mr. WHALEN. Mr. Speaker, I am pleased to join with so many of my colleagues this week in commemorating the 16th anniversary of Captive Nations Week.

We are heartened by the continued improvement of relations with the Soviet Union and other nations of Eastern Europe which still remain under Russian influence. As our exchanges with these countries grow, our concern over the captive nations of Europe is sometimes relegated to an area of lesser interest.

Accordingly, there is today a need to strengthen our support for the people of the captive nations. We must continue to recognize, in this era of détente, the Soviet attitudes toward the individual rights and freedoms of mankind which we take for granted here in the United States.

The plight of the Russian Jews and dissidents remind us, as the leader of the free world, that we must continue to assist in the struggle to preserve individual rights wherever they may be denied. Further, we cannot lose sight of the inalienable rights of those people to achieve a national life in their homeland, independent of external pressures and coercion.

This yearly observance of Captive Nations Week by the United States serves to encourage the hopes of those many peoples that one day they again will be able to reach a basis of sovereign equality with other nations and rejoin the ranks of the free world. Thus, Mr. Speaker, I am honored to participate in the House's annual commemoration of Captive Nations Week.

Mr. DULSKI. Mr. Speaker, this week marks the 16th observance of Captive Nations Week. Since its inception in 1959, the third week of July has been reserved as the focal point for those who are actively concerned for the nations which have fallen under the rule of Russian communism. Since its conception, we have been reminded that times have changed. Have they really? Or can one recall the name of the French philosopher who said, "The more things change, the more they stay the same"? Where we once had the cold war, we now have a thing called détente. But who supplied the Arabs with both military and diplomatic aid during the recent war in the Middle East—the Yom Kippur war? And who is reaping the benefits of the recent oil embargo to receive trade concessions from energy-starved countries?

Before we had the threat of "we will bury you." Now we hear "we can coexist." Yet both the United States and the Soviet Union are armed and prepared to kill each other some 20 times over. Each had an alert, so extensive that it was obviously planned far in advance.

Why is the contradiction so acute? The reason is quite simple. The Communist and liberal-democratic traditions are so diametrically opposed to each other that one eventually has to survive and the other fall. The first represents the triumph of the system—allegedly for the benefit of all—over the prerogatives of the individual. The second tradition sides with the apparent necessity of individual choice as being the best means of integrating society's goals for the benefit of all.

The Russian Communist system has, for the time being, occupied all of Eastern Europe and Asia all the way to the Pacific Ocean, and has set itself up as the sole arbitrator in many a nation's life. The captive nations—Czechoslovakia, East Germany, Hungary, the Baltic States, Poland, Ukraine, as well as a host of other lesser known countries—have time and time again voiced their dissatisfaction with the regime and have, when it seemed feasible, attempted to revolt and fight for self-determination. Even within the circles of the Russian intelligentsia, the voices of Sakharov, Solzhenitsyn, and others, bring us their desire for freedom to all mankind, to every nation, and to every individual.

They also bring us condemning words of the falsity of the Russian myth of "noninterference in internal affairs." Yet some leaders of state still are willing to oblige us to think that the so-called Soviet Union is synonymous with the collective Russian state. Within the confines of that state there are some two dozen nationalities, some of which are painfully admitted. Kazakhstan S.S.R., Turkmen S.S.R., and Azerbaidzhan S.S.R. are but three examples.

One hears much of the problems of Soviet Jews in their attempt to emigrate. It is good front page copy. They can appreciate the efforts that Congress is making to help alleviate their situation through various trade concessions. But as freedom is indivisible, and freedom limited in one area is limited in all, let us remember the plight of these captive nations.

For every Alexander Solzhenitsyn exiled, there is a Valentyn Moroz and a Leonid Plyushch imprisoned. When there was a President of the United States speaking on the Soviet air waves, there also were two news blackouts of three networks. When the President and the General Secretary of the Soviet Union were wining and dining, a man by the name of Sakharov was on a hunger strike.

It may seem somewhat ironic, but when there is little freedom, there is a lot of dissent, and when there are no freedoms, there are a lot of arrests. Freedom is at best a vague term to define; yet the same freedom that the captive nations are seeking is quite aptly outlined in our Declaration of Independence, the Constitution of the United States, the Bill of Rights, the United Nations Charter, and even the Constitution of the Union of Soviet Socialist Republics. In essence, that is what the Captive Nations Week is all about.

Mr. HUDNUT. Mr. Speaker, the observance of this third week in July 1974 as Captive Nations Week marks the 15th year Americans have joined together to express our concern over the plight of those people held captive in their own countries. This observance was instituted in 1959 by President Eisenhower who dedicated this week to the expression of American commitment to the recovery of personal freedom, self-determination, and basic human rights for the millions of people who are subject to captive rule. I wish to join my fellow Members of Congress in encouraging those living in captive nations to continue to hope and seek for the rights and freedoms which should naturally be theirs.

The basic premises on which the American way of life is founded reflect our dedication to each individual's inherent human rights. Our Declaration of Independence states that all persons are created equal and thus are endowed with three basic rights—the rights of life, liberty, and the pursuit of happiness. As we work to assure the equality of these rights within our own country, it is only fitting that we stress our responsibility to seek the procurement of these rights for people all over the world. The peoples of the world are of different races, beliefs, and religions, but all possess the same degree of humanity and so are entitled to the same rights and freedoms we hold sacred.

The designation of this third week in July as Captive Nations Week is not for the purpose of honoring these rights and freedoms we so highly value; its purpose is to remind us of the millions of people who remain under captive rule all over the world who are denied their basic rights and freedoms. There are over two dozen such captive nations, nearly half of which are under Soviet rule in East and Central Europe.

As the nature of our foreign relations evolves with precisely those nations responsible for the captivity of others, it is our duty to retain our commitment to each person's human rights in our negotiations. To ease relations and communications with these countries means little if, at the same time, we ignore those subject to their captive rule. As we work toward a détente with other such nations as the U.S.S.R. and the People's Republic of China, we must keep the interests of those citizens of the captive nations always in mind and strive to help them secure their basic rights. If we fail to do this, we seem to be a nation of empty ideals and beliefs.

Recently, more evidence concerning the plight of those living under captive rule has come to the surface, particularly information revealing the situation as it exists in those captive nations under Soviet rule in East and Central Europe. The denial of human rights those people suffer has been flagrantly illustrated in the treatment their intellectuals have received when they have dared to speak their own beliefs.

These people have subsequently been punished and they have suffered for revealing their personal beliefs. Solzhenitsyn has been exiled from his homeland for his writings in opposition to the Soviet method of governing. Presently, two Ukrainians, Moroz and Plyushch, are being held and punished for committing such "crimes."

In light of the elemental human rights and freedoms we of this country hold dear to us, it is right and necessary that we dedicate this week to restating and underlining our commitment to those people existing under captive rule who are denied these same rights and freedoms. We honor these people and express to them our hope and encouragement that in the near future, they will be free once more.

Mr. BROOMFIELD. Mr. Speaker, I rise to join my colleagues in the observance of the 15th anniversary of Captive Nations Week. Fifteen years ago the late President Dwight D. Eisenhower initiated this week as a time for all of us to solemnly pledge our commitment to the millions of oppressed people in Eastern Europe.

Sadly, the 15 years since then have seen a continuation of Communist domination of these captive nations.

But, as we stand on the threshold of a new era of cooperation and friendly relations with the Soviet Union, we must continue the quest for freedom for all people of Eastern Europe.

Certainly, those of us in the free world must continue to reject the tyranny over the lives and minds of these people, and reaffirm our strong support for them and their struggle for self-determination. In a very real sense their struggle is our struggle. For how can we be truly free while other people continue to suffer the denial of their basic human rights of liberty and freedom.

I look forward to the day when the over 100 million men and women of the captive nations will be free to enjoy the fruits of independence. By commemorating this week, we in Congress pledge our total support for their fight to throw off the yoke of oppression and achieve this cherished and basic right.

Mr. KOCH. Mr. Speaker, it is a pleasure for me to participate in the observance of Captive Nations Week. Congress provided for the commemoration of Captive Nations Week 15 years ago in order to affirm the U.S. belief in the values of freedom, national independence, and human rights. Recent events render the commemoration of Captive Nations Week as important today as it was 15 years ago.

In the past few years, United States-Soviet relations have undergone a dramatic change. We have emerged from the era of the cold war and entered the era of détente. Our President has visited Moscow twice in the last 2 years; cultural exchange has increased; trade relations have improved. But despite the welcome relaxation of Soviet-American tensions, the vicious and unconscionable internal repression of Soviet citizens, particularly those engaging in dissent, has not terminated.

A few items demonstrate that while the Soviet Union is establishing more harmonious relations with the United States, it continues to violate the rights of the national groups within its borders. Not only did the Soviet Union violate and end the sovereignty of Latvia, Estonia, Lithuania, the Ukraine, and other states, but it embarked on a campaign to destroy the religious and very cultural identities of these nations captive within its borders. The term "captive nations" is, indeed, an apt one.

In recent months, I have spoken in this Chamber concerning the courage of Alexandr Solzhenitsyn, Andrei Sakharov, Leonid Plyusch, a Ukrainian intellectual, and Simas Kudirka, a Lithuanian seaman who, unsuccessful in his attempt to flee to the United States, was sentenced to serve a term in a Soviet prison camp. These men are just a few among the many who have risked imprisonment, torture, exile, or even death in their efforts to exercise the right of dissent and free movement which we take for granted in the United States.

Were we to ignore, in our pursuit of détente, the outrageous denial of individual and national rights in the Soviet Union, the U.S. name as the "land of the free" would be severely tarnished. Our support of the human rights of people throughout the world must be both in word and deed. We can press the U.S.S.R. to provide greater freedoms internally by making economic assistance contingent on such actions.

On this occasion of Captive Nations Week, I would like to voice my sympathy and respect for the people living in the Soviet Union who have heroicly suffered Soviet oppression in order to exercise their religious and cultural persuasions and their right of dissent. I hope that the American people will demonstrate to the Soviet people our continued adherence to the values of individual liberty and national independence both by honoring the captive nations during Captive Nations Week and by making certain that the U.S.S.R. is made constantly aware that there can be no real détente so long as it continues its oppression of any people, within or without the Soviet Union.

Mr. McCOLLISTER. Mr. Speaker, this is Captive Nations Week, an observation that should remind us that we, as a nation, declared our independence over 198 years ago. In the war that followed that declaration, the American people fought for the principles of national sovereignty and individual liberty. The belief of our forefathers in these principles—these inalienable rights—sustained them as they struggled, sacrificed, and died during 6 desperate years of war.

When at last they won their freedom, the light of liberty was theirs to raise to the world and pass to future generations. Each generation of Americans since then has been guided by that light as they sought to solve their problems within the framework of free democratic institutions.

Today, almost two centuries later, Americans continue to enjoy liberty and its blessings. The gift of our forefathers is now in this generation's sacred trust, and it remains the most precious legacy we can leave to our children.

We, as Americans, has much to be thankful for. We are blessed with noble traditions, free institutions, and a rich and fertile land we may call our own. Indeed, we should feel all the more fortunate since there are billions of people in the world today who feel the iron fist of tyranny and oppression as surely as our forefathers felt it in 1776.

These people have no liberty, no self-determination in government, no sovereignty as a nation. They are the citizens of the more than score of nations that are subject to the oppressive rule of other regimes. These people, like our forefathers, seek only the most basic of rights—the security of liberty. The day has not yet come for them to win their freedom and independence, but they pray, as we do, that that day will come.

The American people cannot guarantee basic rights and liberties to all nations. We can, however, continue to demonstrate to other nations the capabilities of free men and free institutions. We can inspire others with our ideas, just as the ideas of our Founders have inspired Americans for almost two centuries.

The challenge to Americans, then, is to show oppressed people everywhere that liberty and democracy constitute the essence of good government. If these great principles should die in the United States, the dreams of billions would die with them.

Mr. MURPHY of New York. Mr. Speaker, 15 years ago, this distinguished body unanimously designated the third week of July as Captive Nations Week, so that each year at this time all Americans are reminded of the plight of those peoples whose freedom has been captured and disposed of by their governments. It is particularly appropriate that we take this opportunity, only 2 weeks following our Independence Day, to proclaim to the world that we in the United States are committed to the restoration to all people of all nations of their "inalienable rights." With nearly two centuries of liberty behind us, it is very easy for us to allow the memories of totalitarian domination slip away with the years. Where Independence Day serves to rekindle the American love of liberty, Captive Nations Week serves to warn the rest of the world that this great country will not be satisfied with anything less than the reality of liberty for all mankind.

For the 100 million people of East and Central Europe who are denied the cherished ideals of freedom, justice, and self-determination, we must continue to support, more vigorously than ever, the cause of Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Romania, lest these ideals remain unconsummated. We must not accept the current situation with passive sympathy, but must continue to voice our concerns, as the leader of the free world, so as to bring about the ultimate cessation of governmental suppression. So, during this week of nationwide appeal, I would like to add my voice to the chorus of the freedom-loving world to pray that our captive brothers will soon be emancipated.

REPORT ON VISIT TO SAIGON BY CONGRESSMAN WILLIAM A. STEIGER

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. STEIGER) is recognized for 60 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, I have just recently completed my report on the visit I made to Saigon on April 13 to look into the problems of children orphaned by the war and the efforts we are making to help them. Since the report and materials I attached to it may be of interest to other Members, I am today placing the report into the RECORD. With the help of Congresswoman PATSY MINK, I will over the next couple of days include as well the letters and information sheets that I feel are important to a better understanding of our programs to help these children.

The report follows:

REPORT ON VISIT TO SAIGON, APRIL 13, 1974, BY CONGRESSMAN WILLIAM A. STEIGER

In mid-April 1974, I had the opportunity—for the second time in eight months—to visit Saigon and to see first-hand the progress of efforts to help the many children orphaned by the Vietnam war. What I had seen last August was deeply disturbing—children in need of food, clothes, a place to sleep, and, in a number of cases, plastic surgery or artificial limbs.

My tour last August was specifically to measure the need for assistance to these children. I had sponsored two pieces of legislation in June 1973 out of a feeling that we were not doing enough to help these innocent victims of the war now that our military involvement in Vietnam had ceased. One bill called for establishment of a special Peace Corps brigade to provide technical, medical, educational and other assistance; the other for facilitation of adoption procedures for families wanting to adopt Vietnam orphans.

Yet, I had introduced those bills simply out of that *feeling* that we needed to do something, not out of any direct personal knowledge of what kind of aid would be most effective and would be of greatest benefit to those children. Last August's visit only strengthened my belief that we had a responsibility to help them. It also gave me a better idea of how we could best go about providing that help.

Upon returning from Saigon, I filed a report in which I made a number of specific recommendations for strengthening and improving our program of assistance to these orphans. My three points were these: 1) We must restructure and revise our present aid program, especially to provide more assistance through private agencies; 2) We must look closely at our present approach of devoting most of our aid funds to South Vietnam's military; and 3) We must offer increased resources, both material and personnel, and we must offer those resources in such a way that the children will receive maximum benefit. I further proposed simplification of our adoption requirements and provision of sufficient staff to handle necessary paperwork at our Embassy in Saigon.

When I was invited to be a part of a Congressional parliamentary exchange mission to South Korea and Taiwan earlier this year, I asked that I be able to spend a day in Saigon. One day, of course, would not be enough time to visit orphanages, day care centers and hospitals, as I had done on my first visit. It would, though, give me the opportunity to meet with U.S. and Vietnamese government officials and representatives of voluntary agencies working with the children.

Of particular interest to me was the progress of the U.S. Agency for International Development's child welfare program. That program incorporated my recommendations that we increase our children's aid resources and that we work through voluntary agencies. Established through an amendment to the Foreign Aid Authorization Act, it also provided funds for adoption assistance.

When Congress passed the amendment last December, we specified that $5 million be earmarked by AID for child welfare assistance. Of that, 10% was to go for adoption assistance. AID's announcement earlier this year that it would provide $7.2 million for the program gave encouragement that it had committed itself to developing a truly effective program.

I had five specific objectives during the day in Saigon, to determine 1) who was to receive the money; 2) how it was to be spent; 3) what individual programs were to be developed; 4) how the program could be improved; and 5) what the future of the program should be. My meetings were with USAID Vietnam director John P. Robinson, his associate director for relief and rehabilitation, Edward Ruoff, and other AID officials; Phan Quang Dan and Truong Thi Bach of the Vietnamese Ministry of Social Welfare; and eight representatives of voluntary agencies.

The AID officials told me the principal thrust of their program is to prevent child neglect, child abandonment or placement of children in orphanages by offering alternatives to economically pressed families, while at the same time improving the health, sanitation, nutrition, facilities and management of orphanages. The effort also includes special programs for handicapped children, pediatric care and training, and inter-country adoption.

Individual projects under the child welfare program are as follows:

1) Day Care Centers—CARE receiving $1,180,000, Ministry of Social Welfare (MSW) $248,000; total $1,428,000; for the benefit of working mothers and their children; assistance (equipment, food and staff training) to 275 existing and 140 new centers.

2) Civilian Widows Program—MSW receiving $476,000; providing support, vocational training and small scale capital assistance to 6,000 widows (and indirectly 25,000 children).

3) Family Assistance and Foster Care—Holt Children's Services of Vietnam receiving $570,000; assistance to families and foster families caring for 4,500 foster children.

4) Home Nursery Care—Catholic Relief Services and World Vision receiving $760,000; aid to homes caring for 9,500 children of pre-day care center age.

5) Nutrition centers—Catholic Relief Services and World Vision receiving $630,000; expansion of three existing and establishment of nine additional centers to care for 7,800 seriously malnourished children.

6) Prevention of Infant Abandonment—Catholic Relief Services receiving $25,000, MSW $19,000; total $44,000; counselling services and subsidies for mothers (1,200 children).

7) Orphanages—CRS receiving $1,355,000, MSW $381,000; total $1,736,000; support includes equipment, food, staff training (120 institutions, 20,000 children).

8) Handicapped Children—World Rehabilitation Fund receiving $140,000, MSW $38,000; total $178,000; improvement of custodial care and therapy in seven centers (2,000 children).

9) Pediatric Clinics—International Rescue Committee receiving $340,000; mainly for children being processed for adoption, but also for some others (total of about 1,200 children).

10) Intercountry Adoption Assistance—Holt and International Social Services receiving $470,000; expansion and improvement of intercountry adoption programs and related child welfare activities.

11) Child Health Training School—Ministry of Health receiving $324,000.

12) Other Child Welfare—MSW receiving $228,000.

In addition to funds specifically earmarked through this program, AID money funnels through other efforts in Vietnam to the children. AID Director Dan Parker told me this in a March 21 letter responding to an inquiry I made:

"Any estimates of total U.S. Government funds which support child welfare services are largely judgmental in nature. For example, of the $70 million programmed by AID for humanitarian assistance in FY 1974, $7.2 million is specifically earmarked for child care activities and as such is considered direct support. We are confident, however, that about $35/40 million of U.S. funds, including medical supplies, PL480 Title II food donations, and expenditures for refugee programs, also benefit children and thus can be considered as indirect support for child care programs. We estimate that some 50% of the refugee population is made up of children under the age of 15, and that more than half of the beneficiaries of our public health programs are also children. We believe we are thus justified in stating that approximately 50% of all of our expenditures for refugees and for public health programs benefit children, and thus we arrive at an estimate of $40 million being provided in support of children."

AID has shown its commitment to these children both by providing fully 50% more funds for them than Congress mandated and by carefully and thoughtfully developing a multifaceted program to meet the various needs of the children. In fact, I believe the program's best and strongest chracteristic is that it is a total package, one that allows flexibility.

An example of this flexibility can be seen simply by looking at the project funding for this year. Orphanage support received $1,736,000, nearly 25% of the program budget, this year. Much of that was for improvement of facilities. Next year that share should be reduced, with more money devoted to expanding programs for the handicapped, day and foster care and personnel training.

In preparing the program and in carrying it out, a mesh of ideas and of efforts is needed of AID, the Ministry of Social Welfare and the voluntary agencies. It is important that the three work closely together if the program is to be effective. If there is pulling and tugging or if there is mutual distrust, the program is going to falter.

In my discussions with individuals in each of these entities, I found that the present arrangement appears to be a smooth one. Dan Parker, in his March 21 letter, said this of the process for determining what programs to implement:

"Usually overall program requirements

and project design emerge from discussions between Ministry of Social Welfare officials and AID advisors, while voluntary agency proposals often result from discussions between the voluntary agency representatives and MSW and/or AID officials. A determination of AID support is based on the proposals submitted and agreements reached."

I do have qualms about the manner in which these agreements are reached, qualms which were not assuaged by my discussions in Saigon. Though I strongly endorse AID's approach of working through the voluntary agencies, I am not convinced that the awarding of grants is being done strictly on merit. It seems undue emphasis may be placed on "political clout."

The scope of the child welfare program is, I think, outstanding. It has been conscientiously prepared. But I think we may need to do more to insure that funds are distributed to the voluntary agencies on the basis of their effectiveness or past performance.

For instance, at the time of my visit, no money had been earmarked for Friends For All Children (FFAC), formerly Friends of Children of Vietnam, Rosemary Taylor's adoption agency. FFAC has four centers in Vietnam, functioning as nutrition centers and working with some 500 children around the clock; it completed 298 U.S. adoptions last year.

My inquiries while in Saigon concerning FFAC's grant status brought a somewhat garbled response. Ms. Taylor believed she had applied for funds, but AID officials said she had been slow in getting her application to them. I wrote Mr. Ruoff on my return to Washington and received a letter from him, dated May 16, indicating that her application had been processed and that she would be receiving a grant of approximately $100,000. That information has been confirmed by AID officials here.

The award process for FFAC is in sharp contrast to the situations for ISS and Holt, who had received their grants earlier. ISS, which last year completed only 29 U.S. adoptions, was awarded $245,000, and Holt, which completed only 30, was awarded $225,000, both for adoption assistance.

Of further concern to me is the prolonged period it has taken to actually get the money to the voluntary agencies. In Mr. Ruoff's May 16 letter, he told me, "I feel the initial planning and funding phase for the child care program is nearly complete and that the implementation phase is now underway." AID headquarters here just last week provided me with a cable indicating that grants totaling $3,232,200 had been signed, grants totaling $1,093,000 were in preparation, and grants totaling $852,000 were in the signature process. The cable did state that all grants would be signed by June 30.

I'm hoping the program can now begin operating full throttle. These children desperately need the aid, and we must provide it as quickly as possible. In urging this swift implementation, let me add that I do not fault the AID officials for wanting to lay a solid groundwork for the program. If this studied approach insures that the program will work better and help the children more, the delays can be accepted. But, if the delays prolong these children's hardships, they cannot be forgiven.

Based on my talks with the Vietnamese, the AID officials and the VOLAG representatives, the child welfare program is one that will make a lasting contribution to the children of Vietnam. It has a solid foundation, based on the experience and expertise of those already working with the children. It is being carried out in concord with Vietnamese child welfare officials aware of the special needs of the children. And it is providing a wide breadth of assistance, ranging from upgrading of facilities to medical care to training of personnel. The immediate care projects will be of help right now to those in need; the improved facilities and the Vietnamese trained to work in hospitals, day and foster care centers will be of immeasurable benefit for years to come.

The important thing is that we develop the program in a way that will allow the Vietnamese to carry it on themselves. This is what both they and we want. My feeling is that the child welfare program should be continued at a funding level no less than the present $7.2 million for the next three years. After that point, the ongoing programs should have reached a level of self-sufficiency that will allow them to continue without our direct assistance.

This program has the opportunity to be the most successful we've ever implemented in the field of foreign assistance. It involves to the maximum extent possible in the decision-making and implementation processes both social welfare officials of the assisted country and voluntary agencies already working in the field. The close intertwining of efforts reduces the cost of the program and the necessity for sending an influx of Americans into the country in need. If a more clearly defined grant award process can be developed and if a means of getting the money to the agencies more quickly can be established, I am confident we will have to set an example for future programs of international assistance.

I'm attaching several addenda to the report which will give a fuller picture of our efforts, as well as of the voluntary agencies' perspectives on those efforts. The attachments include:

An April 3, 1974 information sheet on the child welfare program.

A March 21, 1974 letter from AID Director Dan Parker providing answers to questions I raised about the program.

A February 15, 1974 letter from Mr. Parker to Congresswoman Mink outlining efforts to streamline immigration procedures for adoption of Vietnamese children by Americans.

A March 13, 1974 letter from Immigration and Naturalization Service Commissioner L. F. Chapman, Jr., detailing revised procedures for speeding decisions on all orphan adoption cases.

A May 28, 1974 letter from Mr. Stanley B. Thomas, Jr., of the Department of Health, Education and Welfare's Office of Human Development, concerning HEW's current activities with regard to Vietnamese orphans.

A May 16, 1974 letter from Mr. E. G. Ruoff, Associate Director for Relief and Rehabilitation, U.S. AID Mission to Vietnam, responding to my letter concerning status of the Friends For All Children grant.

Letters responding to my inquiry of May 6 from Mr. Robert Wilson, Director, World Rehabilitation Fund, Inc., May 22, 1974; Mr. J. Carroll Morris, Director, International Rescue Committee, Inc., May 22, 1974; Father John McVeigh, Program Director, Catholic Relief Services, May 27, 1974; and Ms. Rosemary Taylor, Director, Friends For All Children, June 3, 1974.

A June cable from the U.S. Embassy in Saigon concerning the program.

An information sheet on the child welfare program.

An information sheet detailing numbers of adoptions completed by agencies authorized by the Ministry of Social Welfare.

My report of December 18, 1973, concerning the visit I made to Saigon in August 1973.

Adoption and child welfare services information provided Members of Congress July 1, 1974.

Information sheet, "Status of Child Services Program in Vietnam," June 28, 1974.

Agency for International
Development,
Washington, D.C., March 21, 1974.
Hon. William A. Steiger,
House of Representatives,
Washington, D.C.

Dear Bill: This is in further reply to your letter of February 25, 1974, in which you raise a number of questions about the A.I.D. program in South Vietnam.

In my letter of March 1, 1974, I provided you with some details relating to the new child care program. Following are answers to the remaining questions and some additional information on the child care program.

1. THE TOTAL A.I.D. PROGRAM IN SOUTH VIETNAM

Based on funding now available, the FY 1974 A.I.D. program for Vietnam is distributed as indicated below. There is a further requirement beyond the dollar funds now available for humanitarian assistance programs and the financing of imports. We are now examining how these requirements will be met.

Indochina postwar reconstruction assistance:	*Estimated obligations*
Humanitarian assistance	$70,000,000
Technical assistance	40,000,000
Commercial import program	190,000,000
	300,000,000
Narcotics control	205,000
Population control	750,000
Development loan	50,000,000
Total fiscal year 1974 program	350,955,000

The $50 million development loan was funded with FY 1973 appropriations. Its obligation was deferred until early July 1973 in deference to the Senate Appropriations Committee which, after a hearing, decided not to object to it.

2. THE TOTAL ATTRIBUTABLE TO CHILD WELFARE SERVICES

Any estimates of total U.S. Government funds which support child welfare services are largely judgmental in nature. For example, of the $70 million programmed by A.I.D. for humanitarian assistance in FY 1974, $7.2 million is specifically earmarked for child care activities and as such is considered direct support. We are confident, however, that about $35/40 million of U.S. funds, including medical supplies, PL 480 Title II food donations, and expenditures for refugee programs, also benefit children and thus can be considered as indirect support for child care programs. We estimate that some 50 percent of the refugee population is made up of children under the age of fifteen, and that more than half of the beneficiaries of our public health programs are also children. We believe we are thus justified in stating that approximately 50 percent of all of our expenditures for refugees and for public health programs benefit children, and thus we arrive at an estimate of $40 million being provided in support of children.

3. THE DETAILS OF THE $7.2 MILLION PROVIDED UNDER THE AMENDMENT TO THE FOREIGN AID AUTHORIZATION ACT

My letter of March 1, 1974, addressed this point. There is also enclosed a paper which summarizes the child care program.

4. ASSISTANCE AVAILABLE UNDER PUBLIC LAW 480 FOR FISCAL YEAR 1974 AND FISCAL YEAR 1975

We expect the PL 480 program in Vietnam to reach $270 million in FY 1974, including $1.7 million of PL 480 Title II food donations. At this time we estimate the FY 1975 level will be approximately the same, although this is conditioned upon the size of the food deficit in Vietnam next year and the availabilities and price of PL 480 commodities.

5. WHAT CAN BE DONE TO PUT MORE INTO CHILD WELFARE AND/OR HUMANITARIAN EFFORTS?

The levels of our funding of humanitarian assistance programs are being constantly assessed to assure that we are doing whatever we can to meet the critical needs of the Vietnamese people. For example, we are now reviewing how we can best use A.I.D. resources to assist Vietnam in expanding its public health program with particular emphasis being given to community and preventive medicine and physical rehabilitation programs for Vietnamese civilians disabled as a result of war casualties.

Yet there are serious constraints which limits the amount of funds that can be directed to welfare expenditures. The most important point is that economic development and humanitarian assistance are inextricably related. Without adequate levels of development assistance, the tragic circumstances which now justify our humanitarian assistance programs cannot be overcome.

To illustrate the problem in most vivid terms, Vietnam's fertilizer requirement for FY 1974 will cost around $85 to $100 million, with the exact amount dependent on supply. Without the fertilizer financed by A.I.D.'s Commercial Import Program, both the Vietnamese farmers and the average Vietnamese family living in urban centers will suffer the consequences of serious shortages of basic foodstuffs. With the fertilizer, seed, credit and other developmental resources, financed by the U.S. aid program and other donors, we can look forward to the time when the Vietnamese people can sustain their livelihood in a viable and prosperous economy.

6. WHAT IS BEING DONE TO ASSIST THE ECONOMY IN VIETNAM?

We have determined that the least expensive way to prevent Vietnam from becoming a long-term welfare problem for the rest of the world is to help the Government of Vietnam to: restore the production capacity of the economy, thereby reducing dependence on imports, especially of foods and food grains; mobilize domestic savings and channel them into productive uses; exploit all practical means of acquiring foreign exchange; and pursue policies which inspire confidence in governmental fiscal responsibility and concern for public welfare.

A most important priority at this time is to develop the capacity of the economy to produce those goods and services which would provide the basis for self-sustaining growth and eventual independence from concessional aid. This is being done largely by providing financing for the importation of capital equipment for increasing production in the export industries and in the import substitution industries. We are also providing financing for those essential commodities and raw materials required to sustain the economy.

Another high priority area is the transformation of the agricultural sector to one capable of producing most of the domestic food requirements. This is done through the provision of high-yielding rice seed, fertilizer, technical assistance on water control and irrigation systems, and the development of institutions providing farmers with knowledge, equipment and credit for improved production and marketing.

7. HOW ARE DECISIONS MADE ON WHAT VOLUNTARY AGENCIES ARE INVOLVED IN ADOPTION WORK? WHAT ROLE, IF ANY, DOES THE VIETNAMESE MINISTRY OF SOCIAL WELFARE PLAY IN THIS DETERMINATION? WHAT ARE THE CONTRACTUAL ARRANGEMENTS?

Voluntary agencies which are bona fide adoption agencies licensed by one of the states must apply to the Vietnamese Government's Ministry of Social Welfare for registration and authorization to act as an international adoption agency. The Ministry bases its determination on what it judges is the need for adoption services. There is no contractual arrangement as such with the exception that the agency must adhere to the regulations and procedures of the government.

There are four agencies which have been authorized: Holt Adoption Program, Traveler's Aid-International Social Services of America, Friends for All Children (formerly associated with Friends of Children of Vietnam), and Catholic Relief Services. We understand that the Ministry is reluctant at this time to authorize additional agencies because it believes the four approved agencies can handle the current and projected intercountry adoption caseload. If there is an indication that these agencies are not adequately responding to the adoption needs, we are confident the Government of Vietnam will consider expanding the total processing capability.

8. WHAT IS THE STATUS OF IVAC'S APPLICATION FOR A GRANT FROM A.I.D.? WHAT IS A.I.D.'S POSITION ON IVAC'S POLICY THAT VIETNAM ORPHANS OF BLACK GI'S BE GIVEN ONLY TO BLACKS?

A.I.D. contributed to IVAC's organizational expenses and financed a trip to South Vietnam for six IVAC members to explore the situation at firsthand and make recommendations. The team returned to the United States in late January and has presented an informal proposal to A.I.D. which is currently under discussion. IVAC has also been encouraged to consult with the Department of Health, Education and Welfare regarding certain aspects of the program which, it is believed, are more appropriate for HEW than for A.I.D. support.

A.I.D. agrees that wherever possible it is preferable for part-black Vietnamese orphans to be adopted into black homes. However, this should not be a hard-and-fast rule, especially if delay in finding a suitable black home would limit the opportunity for such a child to be placed in another available home. IVAC has stated these same considerations.

9. CAN WE PROJECT THE FUTURE CAPABILITY OF VOLUNTARY AGENCIES TO MEET THE NEEDS OF VIETNAMESE ORPHANS?

We expect that voluntary agencies will continue to assist in meeting the needs of Vietnamese orphans and other disadvantaged children. Much of what the agencies do comes from their own resources, but they require U.S. Government support to meet needs beyond their own financial capacity. A.I.D. will be providing about $5.5 million to voluntary agencies this fiscal year for child welfare programs, and we expect to provide about the same level in fiscal years 1975 and 1976. This level of support is designed to assure that the needs of the Vietnamese orphans are adequately met.

10. IS A.I.D.'S ASSISTANCE TO VOLUNTARY AGENCIES LIMITED TO U.S. INTERCOUNTRY ADOPTIONS?

More than 90 percent of the funds of our $7.2 million child welfare program will go for the overall child welfare services such as expanded day care centers and improved nutrition programs, as indicated in our response to the third question, with voluntary agencies receiving an estimated $5.5 million of the total program. We also have arrangements with voluntary agencies for assistance in the distribution of PL 480 Title II commodities and in refugee resettlement work.

11. DOES THE GOVERNMENT OF VIETNAM SUBMIT PROPOSALS? CAN THEY STOP A VOLUNTARY AGENCY PROPOSAL?

Usually overall program requirements and project design emerge from discussions between Ministry of Social Welfare officials and A.I.D. advisors, while voluntary agency proposals often result from discussions between the voluntary agency representatives and Ministry of Social Welfare and/or A.I.D. officials. A determination of A.I.D. support is based on the proposals submitted and agreements reached.

The Government of Vietnam cannot stop a voluntary agency from submitting a proposal, but it can disapprove the project or program contained in the proposal. Proposals submitted by voluntary agencies to A.I.D. requesting funds must be reviewed and approved by the Government of Vietnam in order to receive A.I.D. approval. All bilateral projects and programs funded by the U.S. Government have the Vietnamese Government's approval.

12. WHAT IS THE AMERICAN MEDICAL ASSOCIATION'S PROGRAM ON HEALTH CARE IN VIETNAM? DOES A.I.D. FUND SUPPORT FOR THE AMA?

The AMA, under contract with A.I.D., has a program of assistance to the Faculty of Medicine, Saigon University, to assist the Government of Vietnam to increase the quality and quantity of Vietnamese physicians by making the resources of American medical schools available to render technical advice and assistance. This program has been in effect since September 1967, and planned termination is now December 31, 1975.

The annual number of medical graduates now exceeds 200. The faculty has increased from 90 in 1967 to 168 in 1973, with an expected total of 220 by termination of the project, and is considered to be regenerative for continual operation without massive foreign assistance.

I understand that members of my staff, Messrs. Donald L. Goodwin and Edward B. Marks, met with members of your staff on February 28, 1974, and had a worthwhile discussion on overall humanitarian assistance programs in Indochina.

Best regards.

Sincerely,

DANIEL PARKER, *Administrator.*

Mrs. MINK. Mr. Speaker, I would like to join with my distinguished colleague from Wisconsin in offering additional information on the child welfare program in Vietnam. Mr STEIGER has today placed his report on a recent trip to Vietnam in the RECORD. I believe his firsthand account and the supplementary material I now offer will do much to keep the American public informed on the scope and progress of our child welfare program in Vietnam:

CHILD WELFARE PROGRAM, APRIL 3, 1974

The primary purpose of the Mission's Child Welfare Program is to improve the lives of children disadvantaged by the war.

The principal thrust of the program is to prevent child neglect, child abandonment, or the placement of children in orphanages, by offering alternatives to economically pressed families, while at the same time improving the health, sanitation, nutrition, facilities and management of orphanages. The Mission's child care program also includes special programs for handicapped children, pediatric care and training, and inter-country adoption. Projects designed to support these general purposes are as follows:

A. (1) Day care centers for the benefit of working mothers and their children: assistance (equipment, food, and staff training) to 275 existing and 140 new centers; (2) Civilian widows' program providing support, vocational training and small scale capital assistance to 6,000 widows (and indirectly 25,000 children); (3) Family assistance and foster care: assistance to families and foster families caring for 4,500 foster children; (4) Home nursery care: aid to homes caring for 9,500 children of pre-day care center age;

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(5) Nutrition centers: expansion of three existing and establishment of 9 additional centers to care for 7,800 seriously malnourished children; (6) Prevention of infant abandonment: counselling services and subsidies for mothers (1,200 children).

B. Orphanages: equipment, food, staff training (120 institutions, 20,000 children).

C. Other projects, serving special groups or needs, are: (1) Handicapped children: improvement of custodial care and therapy in seven centers (2,000 children); (2) Pediatric clinics, mainly for children being processed for adoption but also for some others (total of about 1,200 children); (3) Assistance to the expansion and improvement of inter-country adoption programs and related child welfare activities; (4) MSW programs including training of child welfare workers; (5) Midwife pediatric training.

ProAg VN 74-042 obligates funds for the FY 74 Child Welfare Program. It provides that a large part of the program will be carried out by means of project grants directly with voluntary agencies (on the basis of agreement between MSW, USAID, and the Volag concerned). These agencies will coordinate their projects, on the portions, of the project not directly administered by a GVN Ministry. The ProAg breakdown, subject to modification as the program develops, is as follows:

Project	Coordinating Volag or Ministry	Volag Portion	GVN Budget	
			Foreign assistance chapter	Tota
Day care centers	Care	1,180	248	1,428
Civilian widows	MSW		476	476
Family assistance and foster care	Holt	570		570
Home nursery care	CRS, WV	760		760
Nutrition centers	CRS, WV	630		630
Prevention infant abandonment	CRS	25	19	44
Orphanage support	CRS	1,355	381	1,736
Handicapped children	WRF (?)	140	38	178
Other child welfare	MSW		228	228
Pediatric clinic	IRC	340		340
Assistance international adoption	ISS, Holt	470		470
Child Health training school	MOH		324	324
Total		5,470	1,714	7,184

The present status of the individual projects is as follows:

A. *Day Care Centers*. CARE is the coordinating agency (Volag portion). A PIO/T has been signed. CARE has nearly completed a work plan for MSW/USAID discussion and agreement. This can be implemented as soon as the grant agreement based on the signed PIO/T is agreed. It is anticipated that the agreement will be signed and the program underway by April 20.

B. *Civilian Widows*. MSW program which is already underway. Going well. Will continue to be followed closely.

C. *Family Assistance and Foster Care*. Holt Children's Services has agreed to coordinate this project. A draft PIO/T is being prepared for MSWU/SAID agreement. Potential participating agencies include Foster Parents Plan, Baptist Social Services, Christian and Missionary Alliance, Pearl Buck Foundation, Assemblies of God. International Social Service (IS) is already doing family service under its current contract.

D. *Home Nursery Care & Nutrition Centers*. World Vision has submitted draft proposals, and Catholic Relief Services (CRS) plans to submit proposals. Draft PIO/Ts are being prepared for MSW/USAID discussion.

E. *Prevention of Infant Abandonment*. CRS expects to submit a proposal shortly (Volag portion).

F. *Orphanage Support and Improvement*. CRS is the coordinating agency (Volag portion). A PIO/T is signed. A work plan is being prepared by CRS and we anticipate that this project will be underway by April 20.

G. *Handicapped Children*. Selection of a coordinating agency is being negotiated among the Volags. The cooperation of other agencies, as sub-grantees, will be necessary to meet the needs of various discrete groups of handicapped children.

H. *Pediatric Clinic*. International Rescue Committee, under contract, is operating the Saigon Clinic and has opened negotiations with World Relief Commission regarding a possible sub-grant for a clinic in Danang and with the Mennonite Central Committee for a similar clinic in Nha Trang.

I. *International Adoption*. ISS has a grant and a grant agreement with Holtis expected to be signed within a few days. CRS and Friends for all Children, the other two of the four agencies authorized by MSW to process inter-country adoptions, have requested grants. These requests are under consideration and approval is expected shortly but is subject to overall availability of funds for adoption purposes.

J. *Child Health Training School*. Project details are being developed between USAID and the Ministry of Health (MOH). The MOH will implement this project. The recent change of Ministers of Health has necessarily slowed down somewhat movement on this project.

Child Welfare Services in Vietnam, 1974, January 25, 1974

The Agency for International Development (A.I.D.) has initiated a new program designed to place greater emphasis on the needs of Vietnamese children disadvantaged by the war. In carrying out this program, the Government of Vietnam (GVN) and A.I.D. are seeking the maximum participation of United States voluntary agencies and international organizations. For fiscal 1974, A.I.D. has programmed $7.2 million in support of this effort.

The new child welfare program is designed to satisfy two main objectives. The more immediate objective is to provide basic and urgently needed assistance to indigent children requiring food, clothing, shelter and medical care. The longer range objective is to provide services which strengthen the family unit, the traditional provider of social welfare in Vietnamese society. Some examples of the assistance provided to child care are: pediatric care for indigents, food allowances for orphans, assistance to agencies processing adoptions, the refurbishing of orphanages, support for day care centers and the expansion of the training of child welfare workers.

Child welfare services in Vietnam are under the jurisdiction of the Vietnamese Ministry of Social Welfare. Given the tremendous demand placed on the Ministry as a result of its responsibility for the care of over 200,000 refugees still in camps, the GVN has agreed to using voluntary agencies to the maximum extent possible in the entire welfare field. There are about 20 American voluntary agencies, more than 10 private Vietnamese organizations and a number of foreign voluntary agencies all contributing to programs which benefit children and their families. It is estimated that American and other foreign voluntary agencies provide several millions of dollars worth of services for children in Vietnam each year. The U.S. encourages these private welfare organizations to expand their activities under the overall direction of the Vietnamese Ministry of Social Welfare. A.I.D. is also encouraging other bilateral donors and international organizations to assist the Government of Vietnam in this sector.

The major elements of the program are summarized below:

ORPHANGE SUPPORT AND IMPROVEMENT

Assistance in the form of food and clothing allowances, health care, equipment, improvement of facilities and staff training is planned for some 130 institutions caring for approximately 17,000 children. To date orphanages have received food supplementary cash allowances, Food for Peace (PL-480, Title II) commodities and a limited number have received funds for facility improvements.

HANDICAPPED CHILDREN

Assistance will be provided to improve custodial care and therapy in seven centers caring for some 2,000 children. The seven centers have not received U.S. support heretofore.

PEDIATRIC CLINICS

It is planned to establish three clinics, each in a different city. These clinics will provide diagnostic and therapeutic care to children disadvantaged by hostilities in Vietnam or conditions related to these hostilities. Particular emphasis will be placed on children selected by agencies processing inter-country adoptions and also on severely-ill children from orphanages and other child care institutions. The first clinic, with 70 beds/incubators, has begun operations in Saigon.

DAY CARE CENTERS

It is planned to provide assistance in the form of equipment, additional food and staff training for 275 existing day care centers and support in the development of 140 new centers. These 415 centers will serve approximately 88,000 children from four to six years of age while their parents work. To date, food supplements have been provided for about 22,000 children in the existing day centers, and also some funds have been provided for improvements.

CIVILIAN WIDOWS' ASSISTANCE

This activity is planned to provide support, vocational training and small scale capital assistance to 6,000 widows, and indirectly through them to an estimated 25,000 children. A pilot project for vocational training was launched in November 1973.

FOSTER CARE

It is planned to provide foster home care services for about 4,500 children as an alternative to their abandonment, institutionalization or adoption. Foster families will be provided funds to cover food, clothing and medical expenses for each child.

HOME NURSERY CARE

It is planned to provide day nursery services for about 9,500 children who are too young for day care centers. A side benefit is the estimated 2,000 jobs it will create for widows or other unemployed women.

NUTRITION CENTERS

It is planned to expand three existing nutrition centers and create nine additional centers to care for about 7,800 seriously malnourished children.

The nutrition centers will provide intensive medical care with special feeding for up to 60 days of severely malnourished or diseased children and return them to their families once they are returned to health.

PREVENTION OF INFANT ABANDONMENT

Counseling service will be provided to emotionally distraught expectant mothers who might abandon their children. Trained counselors working in hospitals or maternity centers can identify these mothers and provide the advice and assistance necessary to prevent them from abandoning their children. A small pilot project has been initiated.

MIDWIFE PEDIATRIC TRAINING

It is planned to provide training on basic principles of pediatric medicine and nutrition to midwives so they can assist mothers. The midwife is the health worker most respected by and accessible to lower income Vietnamese.

INTERNATIONAL ADOPTION

This activity is designed to assist two agencies, Travelers Aid International Social Service of America (TAISSA) and Holt Adoption Program, and possibly others to expand and improve their intercountry adoption programs and related child welfare activities. We are now processing agreements with these two agencies.

TRAINING CHILD WELFARE WORKERS

This activity is designed primarily to strengthen the role of the Ministry of Social Welfare in developing and implementing family and child welfare services. This will be done by the training of child welfare workers and the upgrading of those already employed. Some initial training has taken place.

It should be recognized that there is a turnover among the children and mothers being assisted through the various child care activities, and that as children leave orphanages, or have their physical condition improve under medical programs, or as families become self-supporting, others will take their place. Hence, the numbers of children assisted are much more than the total of the capacities of the described child care services.

Agency for International Development,
Washington, D.C., Febuary 15, 1974.

Hon. Patsy T. Mink,
House of Representatives,
Washington, D.C.

Dear Representative Mink: Thank you for your letter of January 25 concerning child welfare programs in Vietnam. Your comments are very much appreciated.

We have been informed that a number of positive actions already have been taken by the Immigration and Naturalization Service (INS), Department of Justice, and the Bureau of Security and Consular Affairs (SCA), Department of State, to streamline the immigration procedures for the adoption of Vietnamese children by Americans. These actions include the following:

1. INS has issued a reminder to its district offices to begin processing form I-600, the application for intercountry adoptions, before all state requirements are met. Previously the processing did not begin until the state requirements were completed, which often resulted in considerable delays for I-600 applicants because many states are slow to complete home studies or to provide required authentication of legal documents.

2. INS has altered its procedures to permit direct, two-way communications between the U.S. consular offices in Saigon and Danang and the INS district office in the U.S. Previously all such communications between these two working levels had to pass through the INS central office and the State Department Visa Office here. Under the new procedures the consular officer can send Form I-604, the ophan investigation report, directly to the INS district office for processing with Form I-600. Form I-604 can even be sent to the INS district office before the adoptive parents file the I-600 application.

3. INS has reduced the period of time required to conduct criminal checks on I-600 applicants from about 40 days to two weeks.

4. SCA has assigned a consular officer to the American Embassy in Saigon to work full time on intercountry adoptions.

You may wish to contact INS and SCA to obtain more information on the actions taken.

Enclosed for your interest is an information sheet which outlines our programs for support of child welfare services in Vietnam for 1974. You can be assured that we will continue to place a high priority on humanitarian needs in Vietnam as well as in other countries affected by the war.

Sincerely yours,
Daniel Parker, *Administrator.*

Immigration and
Naturalization Service,
Washington, D.C., March 13, 1974.

Dear Mrs. Mink: Thank you for your letter of February 27, 1974, concerning Vietnamese orphans.

In view of revised procedures which have been placed into effect to speed decisions on all orphan petition cases, it is believed that information concerning time required for completion of Vietnamese orphan investigations abroad may no longer be needed by you. However, should you feel that you still desire such information on what is now an obsolete procedure, I shall be glad to request it from the State Department and our District Director in Hong Kong so that it may be furnished to you.

Under the new procedure, action or orphan petitions will no longer be held up for receipt of a report of investigation conducted abroad. Instead, cases that are in order for approval after completion of processing in the United States will be approved and forwarded to the American Consul concerned. Upon receipt of the approved petition, the consul will conduct the overseas orphan investigation in the course of processing the visa application. If no adverse information is developed the consul will attach the report of investigation to the visa issued to the child. If adverse information is developed the consul will suspend action on the visa application and forward the information to the Service office of origin for appropriate consideration. Thus, the overseas investigation will no longer be a delaying factor in the approval of orphan petitions.

I agree that a petitioner should not be required to submit to the Service duplicates of documents furnished to an agency which transmits them to the Service with its home study report. We have reminded our field offices that every effort should be made through liaison with State Departments of Welfare and Child Welfare Agencies which conduct home studies to avoid requiring the petitioner to submit duplicate sets of documents to the Service and to the State or Child Welfare Agency.

As Mr. Bernsen assured you and Congressman Steiger at the meeting on February 7, the next edition of the orphan petition (Form I-600) will be revised to clarify the meaning of original document. Steps to accomplish this revision were initiated immediately after the meeting.

Security checks are no longer made in orphan petition cases. However, fingerprint checks are deemed necessary to carry out the Service responsibility in deciding the question of whether the petitioner and spouse will properly care for the child. It is our view that facts disclosed as a result of receipt of a record of conviction based on fingerprint checks may be highly pertinent to that question and may require denial of the petition. The special provisions of section 101(b)(1)(F) of the Immigration and Nationality Act are applicable only to the persons specifically described therein who are being brought to the United States in an immediate relative classification on the basis of petitions filed in their behalf. Any aliens, including orphans, coming to the United States in a nonpreference classification are not subject to the special statutory safeguards contained in those provisions.

Please be assured that the Service policy is to give orphan cases priority consideration and expedite decisions on petitions submitted for them.

Sincerely,
L. F. Chapman, Jr.,
Commissioner.

THE STRATEGIC ARMS IMBALANCE—THE SLBM FACTOR, BOMBER COMPARISON, AND STRATEGIC DEFENSES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. Hansen) is recognized for 5 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, yesterday I presented remarks on the disturbing trends that indicate the Soviet Union is intent on closing the technology gap in the field of strategic weapons, and in doing so, tilt the strategic balance of power in her favor. My statement yesterday centered on recent Soviet initiatives in ICBM development and deployment. Today, I will address myself to a comparison of Soviet and United States SLBM forces, strategic bomber forces and strategic defense systems.

Chart No. 5.—Comparison of U.S. and U.S.S.R. SLBM's

U.S.

Polaris A-2, Polaris A-3, Poseidon C-3, Trident C-4, 656(710).

U.S.S.R.

SS-N-5, SS-N-6 MOD 1/2, SS-N-8, 740 (950).

Chart No. 5 provides a comparison of U.S. and U.S.S.R. SLBM's, all of which are operational except the Trident C-4. The C-4 SLBM is included because of its major importance to the military balance in the years ahead. The C-4 will have a range capability approximately double that of the Poseidon, and it will reflect significant technical and operational advances over the Poseidon. The initial operational capability (IOC) of the new missile will coincide with the completion of the first Trident submarine in late 1978. There are also plans being developed to backfit the C-4 missile into Poseidon submarines in fiscal year 1979.

The current Polaris/Poseidon conversion program of 31 submarines will be completed in fiscal year 1977. This will leave 10 Polaris A-3 submarines with 160 SLBM's and 31 Poseidon submarines with 496 SLBM's, for a total of 41 ballistic missile submarines (SSBN's) with 656 SLBM's in the force. The United States cannot exceed this number of SLBM's under the interim agreement without exercising its option to replace our Titan II with modern SLBM's. Using this option, the United States could have as many as 710 modern

SLBM launchers on 44 modern ballistic missile submarines.

SOVIET SLBM DEVELOPMENTS

The Soviets have deployed the SS-N-8 on at least three Delta-class submarines. It has the longest range—4,200 nautical miles—of any operational SLBM. This extra range is significant when compared to the range of the SS-N-6—1,300 nautical miles—because it greatly enlarges the ocean space available for patrol while remaining within range of the United States. Thus, our SLBM launch detection and antisubmarine warfare, ASW, search problems are magnified. Additionally, there has been some evidence to indicate that some Delta submarines now under construction are being lengthened. Should this extra length be used to accommodate additional SLBM's, a slightly modified Delta, equipped with more than the standard 12 SLBM's may be in production.

The interim agreement limits the number of SLBM launchers and "modern ballistic missile submarines" to the numbers operation and under construction at the time the agreement was signed. Additional SLBM's may become operational only as replacements for "older" ICBM's; for example, SS-7's and SS-8's. A baseline figure of 740 ballistic missile launchers on nuclear powered submarines was established for the Soviets at the time of the agreement. The protocol provides a ceiling for the U.S.S.R. of 950 modern SLBM's and 62 modern ballistic missile submarines in the event the replacement options are exercised. It is estimated that the modern ballistic missile submarines will continue to be produced by the U.S.S.R. at a rate of five to seven units a year for the next few years. The Soviets have also embarked on a modernization program for the Yankee-class submarines, first deployed in 1968. Also, a new longer range MRV variant of the SS-N-6 is nearing operational status and may be deployed aboard Yankee-class submarines.

PROJECTIONS ON U.S. AND U.S.S.R. SLBM LAUNCHERS

Chart 6 indicates the latest projections on U.S. and U.S.S.R. SLBM launchers. (Chart not printed in RECORD). The Defense Department estimates that by mid-1974, the U.S.S.R. will have a total of 666 SLBM launchers, excluding the 60 on 20 Golf-class submarines. These 60 launchers have been excluded from the U.S.S.R. strategic forces projections after mid-1972 because they are not considered "strategic missile forces" under the terms of the interim agreement. They are included in the Soviet "theater nuclear forces" after that date.

U.S. AND U.S.S.R. STRATEGIC BOMBER FORCES COMPARISON

Chart 7 shows the U.S. and U.S.S.R. strategic bomber forces projected through the middle of this year. (Chart not printed in RECORD.) The Soviet Union's new strategic bomber Backfire, is in series production and the first squadron should be operational this year. American and British design engineers are unanimous in their opinion that Backfire has intercontinental range, either with or without aerial refueling. These experts have also determined that the new aircraft's high altitude range is greater than that of the Soviet Union's Bison bomber, traditionally classified as an intercontinental weapon. While there is disagreement in some circles about the Soviet tanker capability if, in fact, Backfire requires refueling for intercontinental range, there are indications that the new Soviet Il-76 transport is being groomed as a new tanker for Backfire. With a compatible tanker force, Backfire constitutes a potential threat to the continental United States.

Although the older medium bombers of the U.S.S.R. probably do not figure in Soviet plans for an attack on the United States, some could be used in two-way missions against targets in Canada and Alaska, and on one-way missions against other parts of the United States. For this reason, the total bomber force of the U.S.S.R. is projected on chart 7.

In terms of intercontinental bombers, the United States has a substantial quantitative lead over the U.S.S.R. and will probably retain that lead into the 1980's. Funds are included in this year's budget for additional modifications to 80 B-52D bombers to insure their continued availability until the B-1 can be capable of entering the force in adequate numbers to allow for B-52D retirement—most likely in the early 1980's. The B-1 is the first bomber designed to have both a high prelaunch survivability and a high penetrating capability in a high-threat environment. It will also have a significant standoff capability for attacking heavily defended targets with the short range attack missile (SRAM). On a comparable mission, it is expected to be able to carry significantly more payload than the B-52 and have a much greater penetration capability. It is also believed that it will have important qualitative advantages over the Backfire in range, payload, and penetration capabilities. The B-1 represents a major technological advance over the B-52 and the FB-111. Since the B-1 is not expected to enter the U.S. force until the 1980's, the U.S. continental bomber force will continue to be composed of B-52's and FB-111's through the rest of this decade.

U.S. AND U.S.S.R. STRATEGIC OFFENSIVE BALANCE

Four general measures have been used to summarize quantitatively the overall strategic offensive balance between the United States and the Soviet Union. These are: Numbers of delivery vehicles, megatons, warheads and throw-weight/payload. It should be understood that these measures, either singly or collectively, do not provide a complete comparison. There are a number of other factors, primarily qualitative in nature—such as warning, readiness, command, and control, prelaunch survivability, accuracy, range and penetration capability—which must also be borne in mind in assessing the strategic balance.

The total numbers of operational U.S. and U.S.S.R. strategic offensive delivery vehicles projected through mid-1974 are shown on chart No. 8. In this chart only intercontinental bombers are included and only the operational ICBM launchers and the "operational" ballistic missile submarines are counted.

U.S. AND U.S.S.R. OPERATIONAL STRATEGIC OFFENSIVE DELIVERY VEHICLES

(Chart not printed in RECORD.)

As you can see, the U.S.S.R. has totally eliminated our overwhelming lead in delivery vehicles and has surpassed us by over 100 operational delivery vehicles. This U.S.S.R. quantitative advantage over the United States is not expected to widen much farther over the next 5 years primarily as a result of SALT constraints. Ten years ago, the United States had five times the available megatonnage of the U.S.S.R. The U.S.S.R. has taken over the lead in strategic offensive megatons and now far surpasses us in this measure of the strategic balance. The sharp drop in U.S. megatons from 1966 to 1970 reflects the reduction in heavy bombers and the substitution of smaller yield for higher yield weapons during that period. The decline, thereafter, reflects the substitution of lower-yield MIRVs for higher-yield single RV's in our strategic missiles.

The United States is expected to maintain its substantial and significant lead over the U.S.S.R. in numbers of strategic offensive warheads and bombs. If the U.S.S.R. pursues a rapid modernization effort, this U.S. advantage could be greatly diminished, but not eliminated, over the next 5 or 6 years. A slow modernization effort on the part of the Soviets would see the U.S. lead retained for the next several years.

The U.S.S.R. has a distinct and demonstrable advantage in missile throw-weight, but the United States has a major advantage in bomber payloads. The larger Soviet missiles now being developed with MIRV capability gives the U.S.S.R. the potential eventually to overcome the only remaining quantitative missile lead under these criteria. However, it is estimated that the U.S. will continue to have the edge in bomber payload.

CHART 9, *Significant U.S. and U.S.S.R. initiatives, strategic defensive systems*

ABM

U.S.: Spartan/Sprint Site defense.

U.S.S.R.: 2 new ABM Systems.

INTERCEPTORS

U.S.S.R.: MIG-25 [Foxbat].

WARNING AND COMMAND AND CONTROL

U.S.: SLBM Warning Radar, OTH-B Radar, AWACS.

U.S.S.R.: OTH Radar.

Chart No. 9 indicates the initiatives of the U.S.S.R. and the United States in the development and deployment of strategic defensive systems, which are, of course, influenced by the constraints of the ABM treaty between the two countries. The ABM treaty prohibits a nationwide ABM defense and places strict and substantially equivalent controls on ABM launchers, missiles and associated radars. Under these limitations, the United States is proceeding with the deployment of Spartan and Sprint ABM missiles at Grand Forks, N. Dak., and is continuing research and prototype development of the Advanced Site Defense System. The U.S.S.R. has an operational Galosh ABM system around Moscow and is doing research and development work on two new ABM systems.

In the area of air defense, the U.S.S.R. has an enormous advantage, but the United States currently maintains the technological and operational capability to penetrate these defenses. The Soviet's Foxbat, now designated as the MIG-25 adds a major capability to the Soviet air defense force to counter high-speed, high-altitude attackers, such as air-to-surface missiles. The U.S. air defense system, even at its peak, was never comparable in size to the one deployed in the Soviet Union. Primary emphasis in U.S. air defense has been placed on surveillance, control of air space, and providing warning of bomber attack. U.S. initiatives in strategic defenses are limited to new technology in early warning and command and control. In this area, the United States is developing the over-the-horizon backscatter (OTH-B) radar system to provide long-range surveillance, detection and warning of aircraft from the surface to the ionosphere. OTH-B could be ready by the early 1980's. AWACS, the last U.S. initiative listed on chart 9, stands for airborne warning and control system. This system consists of a new all-altitude surveillance radar with associated data processing and command and control equipment installed in a Boeing 707 airframe. By mid-1977, it should provide significantly improved surveillance capabilities with respect to radar detection, active and passive tracking of airborne objects, identification of aircraft and interceptor control for our tactical and strategic defense air forces.

The U.S.S.R. is continuing research and development on its own over-the-horizon radar. No new U.S.S.R. AWACS-type development has been noted.

As a hedge against the emergence of new threats which could gravely jeopardize our national safety, the United States plans to continue the development of the prototype of the site defense system through fiscal year 1975 toward the demonstration in 1977 of an improved capability to defend our Minuteman force in the 1980's. Research will also be continued on new technological approaches to even more advanced ABM systems.

The strategic situation is still fraught with many uncertainties, particularly in view of the ICBM-MIRV development of the Soviet Union. We must continue our efforts to advance our ABM technology to the full extent permitted under the ABM treaty or to deploy a more extensive system should the ABM treaty be abrogated for any reason.

It is possible that by the late 1970's, the Soviet Union may have interceptors with a look-down, shoot-down radar missile system and may deploy a new AWACS with a look-down capability over land as well as water. Such an interceptor/AWACS force could pose a formidable threat to our bombers. While there is not yet evidence of the existence of either system, the United States is hedging against this contingency with the development of the strategic cruise missile and electronic countermeasures should these threats to our retaliatory forces materialize.

STRATEGIC BALANCE OVERVIEW

The relative strategic balance between the United States and the Soviet Union is currently in equilibrium. However, the essential equivalency necessary for the preservation of peace is not permanent, and as we have seen, the Soviets are making moves now that could destabilize this vital equilibrium. These moves, which threaten to close the technology gap that now exists between the United States and the U.S.S.R., underscore the need for accurate intelligence-gathering operations to verify Soviet compliance in a strategic arms limitation environment.

Additionally, the United States must move ahead in modernization programs and maintain a vigorous pace in research and development.

In sum, the defense and stability we are buying with our strategic nuclear forces are relatively cheap, for these forces do not now take a very great part of our defense budget. In fact, only a little over 8 percent of the proposed fiscal year 1975 defense budget would be devoted to the direct costs of the strategic forces. The real question, of course, is can we afford not to keep pace with the Soviets? The answer to this question will depend on how much we value our security and our position of world leadership.

SUBTLE DANGERS IN THE "ENERGY CRISIS"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BLACKBURN) is recognized for 5 minutes.

Mr. BLACKBURN. Mr. Speaker, on March 7 of this year we adopted the Federal Energy Administration Act to permit regulation of Federal consumption and distribution of our energy sources. At the time we adopted this legislation, I inserted remarks in the RECORD pointing up my own fear that in a time of crisis we might find ourselves undermining our economic structure by creating Federal bureaucracies to replace the free flow of a market oriented economy.

An article by Dr. Gary Leff, assistant professor, College of Industrial Management, Georgia Institute of Technology, entitled "Subtle Dangers in the Energy Crisis," has come to my attention. I feel that Dr. Leff is expressing the same concern, and for the reflection of my colleagues, I am inserting the article prepared by Dr. Leff:

SUBTLE DANGERS IN THE "ENERGY CRISIS"

Subtle dangers are emerging from current dialogue about an "energy crisis." Widespread public reaction has increased our potential for both class conflicts and continued loss of personal freedoms.

These serious dangers are interrelated. They stem from public ignorance and from mounting concentration of power in government.

A popular notion is that, without substantial government intervention, "the rich" would keep cozy and drive unrestrictedly while "the poor" would perish in the cold and on foot. This is a preposterous notion, as centuries of market competition and private charity have made clear.

There are limits to how much of anything "the rich" could, or would, consume. Merchants recognized this long ago, leading to the mass production and mass marketing we know today.

People do, however, strive for economic success. That is a part of human nature. But let's not forget that "the rich" may sometimes refer to persons who are professional athletes, musicians, college professors, even skilled craftsmen and insurance salesmen, all of whom were free to excel and to gain economic security.

Must these people, the successful achievers, be despised? Must we in the U.S.A. become a nation that is preoccupied with envy, wherein poverty and a record of personal failures are the only accepted signs of righteousness? Hopefully not. To eradicate the acquisitive spirit has required official murders of countless millions in Russia and Mainland China, without complete success even yet.

It is often argued that oil companies are not entitled to "unconscionable profits." But how shall our government objectively determine that a business profit is "unconscionable?" Clearly, it must not rely upon angry mobs for such a determination. It must rely upon antitrust and related laws, instead.

If, as is often alleged, this nation is served by illegally non-competitive oil companies, restoring competition may require vigorous antitrust enforcement, as well as the ending of various government rules such as oil import quotas and oil depletion tax allowances. But such legal processes take time, while patience is not characteristic of angry mobs.

Millions have rushed to declare gasoline a necessity of life, a commodity to be guaranteed to them by government. Compared to food, clothing, and shelter, however, gasoline is hardly a necessity. And in their haste to ensure themselves a "basic allotment" of gasoline, they seem to forget that the government they empower to curb oil companies' prerogatives is the same government that curbs personal freedoms as well.

It's growing popular to hurl accusations of conspiracy, deceit, and greed at those who explore for, process, and deliver the fuels our nation consumes. Cries are frequent, for example, that owners of natural gas deposits are "enemies of the people" for withholding their gas in anticipation of future ceiling-price increases.

If energy companies are not free to sell their products when and at what price they choose, just how free are they? And how free can the rest of us be to market our products, even our personal talents, as we see fit? It is one thing for government to ensure, even to restore, competition in fuel marketing, but it is much more far-reaching for it to compel that fuel be brought to market. And it's doubtful that our own government officials can be any more effective in rationing resources than the Communists have been.

In summary, some very fundamental issues lie beneath the rhetoric about an energy crisis. Our long-standing freedoms hang in the balance.

CONGRESS SHOULD HELP REDUCE THE ECONOMIC BURDENS OF THE ELDERLY AND RETIRED BY CONTROLLING THE INFLATION WHICH ROBS THEM OF THEIR PURCHASING POWER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, all of us are affected by inflation. It erodes our purchasing power, for it produces an inevitable loss in the value of the dollar.

Prices go up as a result. And, when our income does not rise to even keep pace with prices, we must sacrifice.

There is a segment of our population which is hurt most severely by inflation. I speak of our senior citizens—most of whom are on retirement incomes. These retirement incomes are generally fixed, so as the cost of living goes up, their incomes do not rise to meet it. The sacrifices which must then be made to make ends meet are severe, because there was so little income to start with.

In all truthfulness, the general health and welfare of many of our senior citizens is directly affected by increases in the cost of living. Too many cannot afford to buy food for a balanced diet or enough of it. They cannot afford to pay increases in rent, much less hospital and medical care or drugs needed to sustain good health. They cannot afford increases in utility rates arising from higher production costs.

And, when retirement income is increased—either through increases in social security monthly benefits or through private plans—they are usually hindsight, after-the-fact increases. Such increases, while obviously welcomed, simply compensate in some measure—usually never enough—to cover past inflation. They give no hedge on the future—or even the present—for inflation mounts daily.

I try to pay the closest of attention to the comments of senior citizens and retired people who bring their individual and mutual problems to me and ask for help—my help and that of my colleagues in the Congress. I know that much of what affects them can be remedied—if we direct our efforts at the real causes of the problems they face, for much of what affects them is a result of ill-conceived and misdirected policies of Government—policies which have contributed to, rather than alleviated the burdens of inflation.

I am committed to resolving the economic problems faced by our senior citizens—those economic problems which have been caused by Government policies and programs. Certainly, inflation is a result of too much Government spending and too much issuance of paper money behind which stands no, or too little, increase in productivity. Congress allowed that to happen, and it can do something about it.

There is no doubt but that the last increase in social security benefits has been eaten away by inflation. That last increase was an 11 percent boost in two stages—7 percent of it went into effect on March 1, 1974, and the additional 4 percent went into effect on July 1—several weeks ago. Yet, from the time Congress enacted that increase until July 1—the period for which the 7-percent increase was intended—the cost of living rose by 10.25 percent. And, the additional 4 percent will most surely be eaten away by today's inflation.

When we talk about the Social Security System and benefits provided through it, I think it is critical that we keep in mind the exact nature of this system, especially when we talk about "benefits."

When the Congress approves—votes for—an increase in social security monthly benefits, the Congress is not "giving away" anything to the program's beneficiaries. What it is doing is allowing a greater dollar amount in withdrawals from funds which were theoretically previously paid in by the recipient and his or her former employers or, more practically, from funds now being paid in by workers and their employers in the current market.

Unfortunately, the trust fund into which these contributions have been made over the years has been a major source for the borrowing of funds for the general purposes of the Treasury. This has been justified on the basis that it was convenient; that borrowing from the fund was cheaper—insofar as interest paid thereupon was concerned—than borrowing on open, commercial markets; and, that an obligation at law did exist to pay the funds back in.

But, what has happened over the years should be of concern to all of us. Borrowing from the trust fund has depleted the fund to such an extent that money now being paid to beneficiaries is from present proceeds now being paid in by workers and their employers. About 80 percent of the funds taken in each year now are paid right back out to the beneficiaries—who put money in years ago—and for the administration of the fund. The other 20 percent is borrowed for General Treasury purposes. For all intents and purposes, the money paid in by today's work force is immediately turned around and used to pay recipients. Because the cost of living has increased so dramatically over the years—and the value of the dollar has gone down by the same percentage—many present social security recipients must now be paid more in benefits than they and their employers had paid in. Because of the important social purpose which the social security system serves, this phenomenon should teach us some important lessons.

When the Americans born during World War II and immediately thereafter—the baby boom—reach retirement age at the turn of this century, it will also be at a time when the work force is reduced—because of the present and anticipated continued decline in our birth rate now—thus, fewer workers will be paying in to cover the benefits of more beneficiaries. That means a substantially higher pay-in, per person, than ever imagined possible when this program was instituted.

The problem I have just cited relates, of course, to the quality of the lives of people who will depend upon the Social Security System at a future date, not upon those who are now its beneficiaries. I hope, therefore, that the extensive study of the Social Security System mandated by our most recent law increasing benefits will come forward with specific, workable proposals for alleviating the crisis which will occur in the fund and program if these present trends and policies continue.

What, however, do we do about the present program?

First, we should proceed to a system of indexing as to social security benefits. Indexing is an economic computation tool which allows payments to beneficiaries, like social security recipients, to be paid on the basis of projected inflation for that period. Presently, as I have indicated, increased social security benefits are provided only as hindsight—in other words, only when it is trying to catch up with past inflation. Indexing would allow us to project inflation for the period of the increase and provide benefits to match that inflation. This would keep our senior citizens fully abreast of rising costs. I have introduced a bill to require this.

Second, we should provide a Federal income tax credit at the level of the loss in purchasing power during that tax year. As the value of one's dollar is affected by inflation, a tax credit in that amount would be allowed.

Government policy has fostered the nearly disastrous rate of inflation we are now encountering, so, in my opinion, that same Government ought to be held accountable for it—for what it has done to the purchasing power of its citizens. Providing a tax credit is one means of doing it. Maybe the anticipated loss to the treasury will result in slowing down the excessive expenditures which have helped to produce inflation in the first place. I have also introduced a bill to provide for this tax credit. This will not help all senior citizens, but it will help those who are earning in excess of the present exemptions and exclusions from gross income.

Third, with the tightest of safeguards, we should permit trust funds to be invested in our economy. Not only would it help the economy, for the economy badly needs additional investment capital, but it would also result in dividends on those investments being paid back to help build the fund. Greater benefits or reduced payroll contributions could then be provided. As we all know, the current work force and their employers are having to pay ever-increasing social security contributions. Providing a source of additional income to the trust fund, other than payroll contributions, would help alleviate this problem.

Now, the three measures to which I have just referred have one thing in common—they attack the results of the problem, not its cause. They are palliative, remedial measures designed to lift some of the burden of hardships created by poor policymaking and poor programing.

If we are ever to solve the real problem which affects the senior citizens of our country, however, we must solve the problem of inflation. It is the root cause of every complaint on increased food costs, higher utility rates, escalating rents, higher fuel costs. They are all higher because inflation has eroded how much you can buy with your dollar.

Rent has gone up not because of increased profits in rental properties, but rather because the value of the dollar has gone down. This has resulted in higher repair costs, higher salaries being paid for those who attend to properties, higher utility rates, and so forth, paid by the landlords. To prohibit by mandatory rent controls these additional costs from being passed on will drive down construction of new properties and renovation of existing ones—both of which are needed to provide adequate housing for our senior citizens and low-income families.

Utility costs too have gone up because the value of the dollar has gone down. Yet, prices paid for fuels with which to provide utilities and to transmit them to the home have gone up.

I have been sharply critical of any price-fixing collusion by oil companies and have addressed this House on that matter. I think monopolistic or other anticompetitive practices by business are as antithetical to our private enterprise system and market economy as are excessive Government interferences and regulations. But, I do think it is important to keep in mind, especially in citing statistics on increased profit margins, to bear in mind that the increases cited are percentage increases in profits over the prior year, not in percentage returns on investments.

We should be concentrating our efforts—and our dollars—on increasing production of fuels, for when supply increases and demand remains only slightly changed, prices will go down. We cannot increase production if we deny to the companies the return on profit necessary to explore, drill, recover, refine, and distribute. But, that is where those profits should be going—back to increasing production.

Rents, utility costs, fuel prices, and food costs can all be brought into line by gaining control over inflation. As I indicated earlier, they are a product of inflation, not a cause of it. If we are to address ourselves to the baseline—the source for our problems—it has to be to the subject of inflation.

GRAND CANYON NATIONAL PARK ENLARGEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 10 minutes.

Mr. UDALL. Mr. Speaker, I know that a number of Members are receiving inquiries about the Grand Canyon National Park Enlargement Act and, as the House sponsor, I would like to speak briefly about this legislation, its status, and my position on the major issues. Hopefully, my colleagues will have the opportunity to vote on this important park bill soon, and I would like to take this opportunity to familiarize them with the legislation.

Senator GOLDWATER and I jointly sponsored last year bills—S. 1296 and H.R. 5900—to significantly enlarge the Grand Canyon National Park consolidating within one national park a number of areas presently within other categories of public land management.

The Senate acted last year, passing S. 1296 after a number of amendments were made in committee. The House Subcommittee on Parks and Recreation then considered the Senate-passed version in March of this year and, after some additional amendments, reported it to the full Interior and Insular Affairs Committees. The House subcommittee amended it further and added some significant areas to the park that were not included in the Senate bill. The Interior Committee will consider the matter soon.

I think the present proposal will create a Grand Canyon National Park truly worthy of this world-renowned natural wonder. This proposal would place approximately 1.5 million acres of the Grand Canyon and adjacent lands under national park status, including most of the main canyon from rim to river and the major side canyons. It represents years of effort by a number of people who have been dedicated to a single purpose—to create the best possible Grand Canyon National Park for future generations of Americans and visitors from other countries to see and enjoy in its natural State.

I would like to pay special tribute to my good friend Senator BARRY GOLDWATER for his long and countless efforts toward this end. Senator GOLDWATER spent a great deal of time meeting with the various interest groups involved and resolving many controversies. In Arizona, there is no partisanship when it comes to the Grand Canyon. Also, the Sierra Club, and in particular John McComb, the southwest director, have provided responsible and valuable input during the deliberations to date.

There still remain, however, two major issues in this legislation which must be settled by the Interior Committee and then by the House itself. I would like to briefly outline these points of controversy and explain my position.

I. THE BRIDGE CANYON DAM PROPOSAL

Representative SAM STEIGER will offer an amendment to permit or direct the Federal Power Commission to authorize the Arizona Power Authority to build a dam at this site on the Colorado River—also referred to as the Hualapai Dam. He and other proponents of this proposal argue that this dam will provide clean hydroelectric power for Arizona and Los Angeles, provide a significant economic boost for the Hualapai Indian Tribe in terms of jobs and revenue, and save millions of barrels of oil each year.

The Parks and Recreation Subcommittees rejected a similar amendment and I oppose it, for the following reasons:

First, the controversy over building dams in the Grand Canyon should not be reopened in this park bill. We fought that fight in the 1960's and ended with a legislative decision denying further dam construction without explicit congressional action. No sufficient case to revise that decision has been presented.

Second, the facts and figures concerning the economics of the dam and the energy it will provide are disputed. It would certainly produce electric power without the use of fossil fuels, but there are other costs. Should we be tampering with the world's only Grand Canyon to provide more power for air conditioners in Phoenix or Los Angeles? In my opinion, this is a trade-off without a price tag. The era of major dam building is probably past and we should be concentrating on developing solar, nuclear, and other energy sources for our future power needs in the Southwest.

Third, water is the most precious resource in the Southwest, yet the reservoir created by this dam would cause the loss of enough water each year by evaporation to cool a conventional generating plant which could produce six times the power produced by this dam.

Fourth, there are serious siltation problems which raise significant questions about the eventual life span and long range efficiency of this dam.

Fifth, finally, even if Congress approves such an amendment, licensing of this dam by the FPC will most certainly be contested and spark lengthy litigation and delay—with construction still 8–10 years away once all appeals are exhausted.

I would also like to point out that the Senate-passed bill and that approved by the House subcommittee does not alter the status quo as to dams on the Colorado River. It does not preclude a future Congress from authorizing such a project following hearings and a full consideration of the merits and need for the dam. In my opinion, however, this is not the time or the legislation in which to reconsider this issue. Senator GOLDWATER concurs with this opinion; and we have strong support from the Sierra Club and other conservation groups.

On the following question I have an honest and basic disagreement with the same conservation groups.

II. THE HAVASUPAI LANDS QUESTION

This has proved to be an extremely difficult problem. On the one side there are those who, while not insensitive to the tribe's need for more land, strongly believe that transferring National Park lands to an Indian tribe would create a dangerous precedent and detract from the Grand Canyon National Park we are otherwise enlarging.

On the other side, those advocating a larger reservation for the Havasupai Tribe point to the historical use and occupancy of these lands within the Park and National Forest by the tribe and to the numerous proposals throughout the years to include these lands within the reservation, including a recommendation by the BIA in 1972. Moreover, President Nixon has recently endorsed a transfer of 251,000 acres from the National Park and National Forest, reflecting a shift in the administration's policy.

There are, in my opinion, equities on both sides of what has become an emotional national issue.

There has been a great deal of debate over whether or not the Havasupai Tribe's aboriginal title to this land was extinguished by a 1969 settlement before the Indian Claims Commission whereby the tribe agreed to accept $1.24 million for its claim that 2.5 million acres were "taken" by the U.S. Government. The Indian Claims Act required that all tribes with such claims against the Government file within 5 years or waive any right to monetary compensation for lands wrongfully taken from them.

Advocates for the tribe point out that the Claims Commission has no authortiy to extinguish aboriginal title, that only Congress can do so. Indeed, as the Supreme Court has stated, "the power of Congress in that regard is supreme." (*U.S.* v. *Santa Fe Pacific R. Co.*, 314 U.S. 339, 347 (1941)). Congress is the final arbiter of matters of Indian land title and can create, enlarge, or modify Indian reservations as it deems necessary. In this case, Congress is being asked to enlarge the Havasupai Reservation despite the fact that the tribe received payment for approximately 2.5 million acres they claimed was wrongfully taken from them. The Havasupai have asked that approximatey 251,000 acres of that aborginal claim be returned to them.

The Havasupai also argue that they were led to believe that the claims settlement would not preclude a subsequent enlargement of their reservation as the BIA and others had recommended a number of times over the last 50 years. Moreover, the Havasupai have used and occupied the lands in question continuously. This right to use and occupancy was recognized statutorily in the Grand Canyon Act of 1919.

Notwithstanding the merits of the legal arguments, the fact remains that the tribe has a very real need for a larger land base and has historical and cultural ties to the plateau lands in question.

Congress can and should address itself to this problem. Presently confined to approximately 500 acres in the Havasu Canyon, the tribe has an uncertain future with innumerable economic, social and health problems. They need residential space, educational and health care facilities and a land base for developing and improving their livestock operation.

The original bill introduced by Senator GOLDWATER and myself included a provision for transferring approximately 170,000 acres to the tribe. The Senate, at the request of the administration, amended this to provide instead for a study of the land transfer question with a recommendation to follow. The administration has subsequently reversed its position and in a press release issued in Phoenix on May 3, 1974, President Nixon endorsed a transfer in trust of up to 251,000 acres. While a comprehensive study of the land and how much if any should be transferred to the reservation may sound like the responsible thing to do, it is also true that the obstacles to subsequent approval of such a transfer by Congress in separate legislation are formidable.

Those who have opposed the land transfer argue that it would be a serious precedent to delete any lands from a national park, that this will open up a floodgate of other Indian claims against public lands in the West. While I consider myself an erstwhile defender of our national parks, I must take issue with that fear. I think, first of all, that how the Congress treats the Havasupai question should be based on the facts and equities in this case and not how it will affect the American Indian movement in general. Second, I do not subscribe to the floodgate argument because I think the history and facts of this case are so unusual that action here would be of limited value as a precedent. It is presumptuous to say that future Congresses will feel bound by this example to stamp approval on every demand made by other Indian tribes for land in national parks and forests.

Finally, my proposal includes qualifications and restrictions as to how the land may be used, which add to the uniqueness of this particular situation and limit it as a precedent. The Havasupai Tribe has agreed with me that the land adjacent to the Grand Canyon is of special importance to all Americans and should be protected from environmental degradation. They profess no desire to develop it commercially or build factories. My proposal will insure that the existing scenic values will be be protected while allowing the tribe trust title and the right to use the land for certain community and economic purposes. Briefly, my proposal will do the following:

First, transfer in trust to the tribe approximately 94,000 acres of national forest land and 91,000 acres of national park and monument land, a total of approximately 185,000 acres. Almost all of this is plateau land outside the main Grand Canyon gorge, with the reservation boundary stopping one-fourth of a mile from the canyon rim.

Second, a "Havasupai use area" would be created within park areas within the gorge, consisting of approximately 95,000 acres. This land will remain forever in the national park but would be available to the tribe for traditional uses. The tribe would have the use, therefore, of approximately 280,000 acres. The total proposal is similar—but even larger in acreage—to the original Goldwater-Udall proposal which was endorsed by the tribe. It is also larger than the 251,000 acre proposal endorsed by President Nixon. Until recently, the Havasupai have not advocated a transfer of land below the rim. I believe such action would be a serious mistake.

Third, a land use plan for Park and Forest Service land added to the reservation will be developed following a joint study by the Secretary and the tribe. The plan would be subject to final approval by the Secretary of Interior and would not allow uses detracting from existing scenic and natural values. The plan could include residential and community uses on the plateau land.

The amendment will mandate the protection of the Indians' right to traditional uses of the park land below the rim while preserving title in the park; the scenic park values of the land on the plateau transferred to the reservation would be protected under the land use plan while allowing the tribe grazing, agricultural, residential and other community uses.

Fourth, Pasture Wash. Included also in the land transfer proposal are approximately 13,000 acres of national forest land presently under permit to a Los Angeles based cattle company. This area is east of the present Havasupai permit area but is the area of most economic potential for the tribe. The Havasupai claim this area—known as Pasture Wash—but it has been under permit to various ranchers since the 1920's. The cattle company involved has a permit for 65,000 acres in the Kaibab National Forest. My proposal would phase out within a 10-year period the westernmost 13,000 acres of this permit and transfer it to the tribe.

In sum, my proposal is for enlarging the reservation, but I do not believe this will have any adverse effect on the ecology or scenic values of the Grand Canyon. Lest we forget, the Havasupai people are an integral part of the story of the Grand Canyon, having lived peacefully both within and on the surrounding plateau land for thousands of years. I regret the friction that has evidently occurred between the tribe and the National Park Service in the past. I also believe that the Park Service has been unfairly characterized as villains who have attempted to drive the Havasupai from their homeland. Hopefully, one result of a transfer in trust will be to put an end to this friction.

I do not think that an enlarged reservation will solve all of the Havasupai's economic problems by any means, but I do think it is an important step and one necessary to preserve the tribe's cultural identity.

Mr. Speaker, I sincerely hope that the Interior Committee and the House will approve my amendment as a just solution to this ancient problem and enact the Grand Canyon bill this year.

SEC TACTICS IN NFO INVESTIGATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 10 minutes.

Mr. **MEZVINSKY**. Mr. Speaker, an episode occurred in the First Congressional District of Iowa on Sunday afternoon, July 7, involving personnel of the Securities and Exchange Commission which I feel should be brought to the attention of the House. It involves what appears to be improper and ethically questionable conduct by the SEC in its pursuit of the case it is bringing against the National Farmers Organization—NFO.

I am enclosing for the RECORD the letter I have written to Commissioner Garrett of the SEC asking for an investigation of this matter. I am also inserting the sworn affidavits made by five NFO members describing the episode in which two SEC investigators tried to convince them that the NFO leadership was paranoid, and was betraying the organization.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 17, 1974.

Commissioner RAY GARRETT, Jr.,
Securities and Exchange Commission,
Washington, D.C.

DEAR COMMISSIONER GARRETT: According to sworn court depositions made by 5 persons of the First District of Iowa, a very disturbing episode took place on Sunday afternoon, July 7 involving personnel of the Securities and Exchange Commission in what seems highly improper and unethical behavior. I know that you will want the allegations made by these individuals to be promptly investigated by your office. If they are true, I am sure you will want to repudiate the use of such techniques in further pursuit of the case being brought against the National

Farmers' Organization or against any other party, for that matter.

The episode involves an allegation that two representatives of the SEC procured or induced the destruction of a tape which would have been pertinent evidence regarding the propriety of their own conduct and the propriety of the SEC's handling of its case against the NFO.

According to the five affidavits filed in the U.S. District Court in Des Moines, Iowa, the two representatives of the Securities and Exchange Commission made an appointment to interview Elliot Driscoll on Sunday, July 7 about his NFO promisory note. Driscoll's parents were present on the lawn of the farm home near Williamsburg, Iowa when the interview started and two other NFO members, Dave Kozishek of Williamsburg and Bernard Elwood joined the group after about an hour. Elwood laid a tape recorder in the grass when he joined the circle.

The five affidavits agree that the SEC representatives attempted to discredit NFO officers and attorneys by charging that they were betraying the members. The officers of the NFO were pictured as "paranoid" or "brainwashed" men who believed the government was out to destroy NFO because it was on the Nixon Enemy List.

The SEC investigators, according to the five affidavits, claimed that NFO attorneys wanted the high fees that would result to them from a lengthy court fight. The SEC investigators warned that this high level betrayal by NFO officers and attorneys would drain the NFO treasury.

In short, it appears that the tactics used by the SEC investigators was to try to discredit the NFO officers and attorneys, that the NFO members would work with the SEC to save the NFO from those officials who were going to destroy the organization.

The affidavits further relate that after about an hour of these pressure tactics, one of the SEC investigators noted that the tape recorder was running. He ordered the tapes handed over to him, claiming falsely that it is illegal and in the same category as bugging to tape record a federal officer. He threatened to report them. The five Iowans were pressured into burning the tape. I understand, however, that there was another recording made of the meeting that is still in existence.

I am sending you copies of the affidavits setting forth these allegations and trust you will investigate this matter.

Sincerely,

Edward Mezvinsky.

Affidavit

Securities and Exchange Commission, Plaintiff, v. National Farmers Organization, Inc., Defendant.

State of Iowa, County of Iowa; ss.

I, C. Elliott Driscoll, of Williamsburg, Iowa, being first duly sworn, depose and state the following:

That I am a farmer in Williamsburg, Iowa.

That I am not presently, nor have I ever been, a member of the NFO.

That I was contacted by William Van Slingerlandt in late March, 1974, and he stated that he was an attorney for the SEC and he inquired about a note issued by the NFO to myself.

That Van Slingerlandt called back in mid-June, 1974, and a meeting was arranged for July 7, 1974, after several more telephone calls. That the meeting was arranged for 1:00, but the SEC attorneys arrived around 12:30 p.m. Present at the meeting, beside myself and the two attorneys, were my wife, Rita, and my parents, Jack and Kathleen Driscoll. We all were outside during this meeting and refreshments were served by my wife. About 1:30 p.m., Bernard Edwood and David Kozishek arrived at the meeting. Elwood had a tape recorder with him which he placed on the ground in front of James Sanders, the other SEC attorney. After about one hour, Sanders noticed the recorder and called this to Van Slingerlandt's attention. Van Slingerlandt became flustered and was at a loss for words. He didn't become abusive, but was upset about the tape. At first he demanded that the tape be erased. Elwood attempted to erase it but couldn't. Then Van Slingerlandt stated that use of the tape recorder was illegal and that he would have to report it, but he didn't say who he was going to report it to. Van Slingerlandt stated that he could not be there if the conversation was being taped and demanded that the tape be turned over to him, which it was. Then it was agreed by everybody that the tape should be burned and Elwood burned it.

That in addition to the tape that was burned, there are two other tapes in existence which were in operation during the entire conversation. Each of these tapes are in my possession at this time.

That Van Slingerlandt stated that Oren Lee Staley, President of the NFO, was a bright man but that the rest of the group at Corning was brainwashed in believing that Nixon was after them. Van Slingerlandt stated that the Corning people all believe that the SEC is out to get the NFO and that Nixon is "trying to —— in their ear."

That Van Slingerlandt compared the SEC's action to a traffic ticket for the degree of seriousness. He stated that the SEC only wanted to "slow" the NFO down and that the action was similar to a warning ticket.

That Van Slingerlandt stated the consent order was a very simple procedure and that all that would be required would be for the NFO to tell people that they might not get their money back. He further stated that the attorneys for the NFO would drag it out for two or three years until the treasury is drained, but that it was NFO dues they were spending and that he [Van Slingerlandt] could use the experience.

I have read the foregoing typewritten pages and they are true and correct to the best of my knowledge, recollection and belief.

C. Elliot Driscoll.

Subscribed and sworn to before me on this 11 day of July, 1974.

——— ———,

Notary Public in and for the State of Iowa.

[In the U.S. District Court, Southern District of Iowa, Central Division, Civil No. 74–162–1]

Affidavit

Securities and Exchange Commission, Plaintiff, v. National Farmers Organization, Inc., Defendant.

State of Iowa, County of Iowa: ss.

I, Kathleen Driscoll, of Williamsburg, Iowa, being first duly sworn, depose and state the following:

That I am a home executive in Williamsburg, Iowa.

That I am a wife of an NFO member and have been since its inception.

That I was present at a meeting between my son, C. Elliott Driscoll, and two attorneys representing the SEC, William H. Van Slingerlandt and James Sanders, on the 7th day of July, 1974.

That the meeting lasted approximately three hours. About one hour after the meeting had begun, Bernard Elwood arrived with a tape recorder, joined the discussion and placed the recorder on the ground in front of the SEC attorneys. After about one hour, Sanders noticed the recorder and called this to the attention of Van Slingerlandt, whereupon Van Slingerlandt demanded that the tape be erased. Elwood tried to erase the tape for several minutes and discovered that this was impossible. Van Slingerlandt then stated that he could not be there if the tape was running and demanded that the tape be turned over to him. During this time Van Slingerlandt also made comments that it was illegal to tape record conversations in this manner and that Van Slingerlandt would have to "report" this incident. Elwood turned the tape over to Van Slingerlandt and it was agreed by all that the tape should be burned, which it was.

That Van Slingerlandt stated that Oren Lee Staley, President of the NFO, was a bright man but that the rest of the group at Corning was brainwashed in believing that Nixon was after them. Van Slingerlandt stated that the Corning people all believe that SEC is out to get the NFO and that Nixon is "trying to ——— in their ear."

That Van Slingerlandt compared the SEC's action to a traffic ticket for the degree of seriousness. He stated that the SEC only wanted to "slow" the NFO down and that the action was similar to a warning ticket.

That Van Slingerlandt stated the consent order was a very simple procedure and that all that would be required would be for the NFO to tell people that they might not get their money back. He further stated that the attorneys for the NFO would drag it out for two or three years until the treasury is drained, but that it was my dues they were spending and he [Van Slingerlandt] could use the experience.

I have read the foregoing typewritten pages and the statements contained therein are true and correct to the best of my knowledge, recollection and belief.

Kathleen Driscoll.

Subscribed and sworn to before me, the undersigned, a Notary Public in and for the State of Iowa, by Kathleen Driscoll on the 11th day of July, 1974.

——— ———,

Notary Public Officer for the State of Iowa.

[In the U.S. District Court, Southern District of Iowa, Central Division, Civil No. 74–162–1]

Affidavit

Securities and Exchange Commission, Plaintiff, v. National Farmers Organization, Inc., Defendant.

State of Iowa, County of Iowa: ss.

I, Jack Driscoll, of Williamsburg, Iowa, being first duly sworn, depose and state the following:

That I am a farmer in Williamsburg, Iowa.

That I am a member of the NFO and have been since its inception.

That I was present at a meeting between my son, C. Elliott Driscoll, and two attorneys representing the SEC, William H. Van Slingerlandt and James Sanders, on the 7th day of July, 1974.

That the meeting lasted approximately three hours. About one hour after the meeting had begun, Bernard Elwood arrived with a tape recorder, joined the discussion and placed the recorder on the ground in front of the SEC attorneys. After about one hour, Sanders noticed the recorder and called this to the attention of Van Slingerlandt, whereupon Van Slingerlandt demanded that the tape be erased. Elwood tried to erase the tape for several minutes and discovered that this was impossible. Van Slingerlandt then stated that he could not be there if the tape was running and demanded that the tape be turned over to him. During this time Van Slingerlandt also made comments that it was illegal to tape record conversations in this manner and that Van Slingerlandt would have to "report" this incident. Elwood turned the tape over to Van Slingerlandt and it was agreed by all that the tape should be burned, which it was.

That Van Slingerlandt stated that Oren Lee Staley, President of the NFO, was a bright man but that the rest of the group at Corning was brainwashed in believing that Nixon was after them. Van Slingerlandt stated that the Corning people all believe that the SEC is out to get the NFO and that Nixon is "trying to ——— in their ear."

That Van Slingerlandt compared the SEC's action to a traffic ticket for the degree of seriousness. He stated that the SEC only wanted to "slow" the NFO down and that the action was similar to a warning ticket.

That Van Slingerlandt stated the consent order was a very simple procedure and that all that would be required would be for the NFO to tell people that they might not get their money back. He further stated that the attorneys for the NFO would drag it out for two or three years until the treasury is drained, but that it was my dues they were spending and he [Van Slingerlandt] could use the experience.

I have read the foregoing typewritten pages and they are true and correct to the best of my knowledge, recollection and belief.

JACK DRISCOLL.

Subscribed and sworn to before me, the undersigned, a Notary Public in and for the State of Iowa, by Jack Driscoll on this 11th day of July, 1974.

——— ———,

Notary Public in and for the State of Iowa.

[In the U.S. District Court, Southern District of Iowa, Central Division, Civil No. 74-162-1]

AFFIDAVIT

Securities and Exchange Commission, Plantiff, v. National Farmers Organization, Inc., Defendant.

State of Iowa, County of Polk: ss.

I, Dave Kozishek, being first duly sworn on oath, do despose the state as follows:

That I am a farmer in Williamsburg, Iowa, and an NFO member since 1969.

That on the 7th day of July, 1974, I did attend a meeting at the home of Elliott Driscoll at which were present Elliott Driscoll, his parents, Kathleen and Jack Driscoll, Bernard Elwood, and two SEC lawyers, Mr. Bill Van Slingerlandt and Mr. James Sanders.

That Mr. Elwood and I arrived at the meeting after it was already in progress and that Mr. Elwood brought a tape recorder with him. Upon arriving, Mr. Elwood set the tape recorder down and started recording. After approximately one hour Mr. James Sanders apparently noticed the recorder running and asked Mr. Elwood if he was recording conversation. Mr. Sanders then turned to Mr. Van Slingerlandt and informed him that Mr. Elwood had a tape recorder running. That at that time Mr. Van Slingerlandt demanded that the tape be turned over to him and said that there was a federal statute against making that tape and specifically against taping federal officers and that he would have to report that. Mr. Elwood did turn possession of the tape over to Mr. Van Slingerlandt who held on to it for a while and then demanded that Mr. Elwood erase the tape. At that time Mr. Elwood attempted to erase the tape but was apparently unsuccessful and Mr. Van Slingerlandt said that he would have to burn it in front of everybody present at which time Mr. Elwood did remove the tape from the reel and proceed to burn it in everyone's presence.

That during the course of the conversation between all people present, Mr. Van Slingerlandt stated—"Did you know NFO was insolvent when you made a loan?" He expressed his attitude of surprise that the NFO was even contesting the SEC's claim in the matter of selling notes. Mr. Van Slingerlandt stated that he was very much surprised that the NFO did not merely enter into a consent decree which would require them to cease and desist any future activities with the sale of notes. Van Slingerlandt further stated that he thought Mr. Oren Lee Staley, President of the NFO, to be an intelligent and able man, but that the rest of the NFO staff and officials were somewhat paranoid and that they felt Nixon was trying to "—— in their ear." He further stated that it was his opinion that the lawyers for the NFO were pretty much running the show and are going to attempt to drag this matter out for three or four years and that this would deplete the treasury.

Both SEC attorneys expressed their purpose in this matter to be as follows: Mr. Van Slingerlandt compared the SEC's action to a traffic ticket in terms of the degree of seriousness involved. He stated the SEC wanted to slow the NFO down and that the action was similar to a warning ticket. Mr. James Sanders, the other SEC attorney, stated that the SEC's role was just being out trying to "protect the little old lady in tennis shoes." Mr. Van Slingerlandt stated that the lawyers for the NFO could drag this matter out for two or three years until the treasury is depleted but that that means those are my dues they are spending. Then Mr. Van Slingerlandt further stated that that would be alright if they wanted to do that because he needed the experience in these matters. Mr. Van Slingerlandt further stated that lawyears for the NFO were just trying to drag out and "make a fin."

I have read the foregoing typewritten pages and the statements contained therein are true and correct to the best of my knowledge, recollection and belief.

DAVE KOZISHEK.

Subscribed and sworn to before me, the undersigned, a Notary Public in and for the State of Iowa, by Dave Kozishek, on this 11 day of July, 1974.

——— ———,

Notary Public in and for the State of Iowa

[In the U.S. District Court, Southern District of Iowa, Central Division, Civil No. 74-162-1]

AFFIDAVIT

Securities and Exchange Commission, Plaintiff, vs. National Farmers Organization, Inc., Defendant.

State of Iowa, County of Polk, ss.

I, Bernard Elwood, being first duly sworn on oath, do depose and state as follows:

That I am a fulltime farmer and a four-year member of the National Farmers Organization.

That I reside in Williamsburg, Iowa.

That on July 7, 1974, I attended a meeting in which the following people were present: Elliott Driscoll, Kathleen Driscoll, Jack Driscoll, Dave Kozishek, and two attorneys from the SEC, William H. Van Slingerlandt and James Sanders.

That Dave Kozishek and I arrived while the meeting was in progress. That I had in my possession at that time a tape recorder. That I was seated next to Mr. Sanders of the SEC and I placed the tape recorder which was in my possession on the ground in front of Mr. Sanders and turned the machine on. That said tape recorder was in open view. The group then engaged in conversation which lasted 45 minutes to an hour before Mr. Sanders, sitting beside me, noticed the tape recorder. He then said to me "are you running that tape recorder?" He said to Mr. Van Slingerlandt, "this man's got a tape recorder by me." At that time Mr. Van Slingerlandt stated, "I think there is a federal statute on that; a statute against taping federal officers. It is the same as bugging a telephone." He further said he would have to make a report on this and that he should take possession of the tape. At that time I did give him the tape and after Mr. Van Slingerlandt held on to it for a period of time, he demanded that I erase the tape. He then returned it to me. I placed the tape in the recorder but was unable to erase it. Mr. Van Slingerlandt then said "you are going to have to burn it so that we can all see it." At that time I did remove the tape from the reel and proceeded to burn it in front of the group.

That during the conversation, Mr. Van Slingerlandt stated to the group that he could not understand why the NFO was even fighting the SEC's action and "no way the NFO could pay back the money." He said he was absolutely amazed that the NFO was not willing to enter into a consent decree to agree to cease future activities such as those complained of. Mr. Van Slingerlandt stated that he felt that Oren Lee Staley was a very competent man, but that the rest of the NFO staff and officials had been brainwashed, were paranoid, and that this whole matter has become a "religion" to them. Mr. Van Slingerlandt also stated that the NFO staff and officials in Corning believed the SEC was out to get the NFO and that Nixon is trying "to ——— in their ear." He further stated that this just looked like a case where instead of simply signing the consent decree, the lawyers for the NFO just wanted to pick it up and drag it out. He stated, "they are just trying to drag it out and make a fin." He intimated that the lawyers are the ones really ruling the NFO organization. James Sanders, the other SEC attorney, stated the SEC's purpose as follows: "We are just out trying to protect the little old ladies in tennis shoes." Mr. Sanders further stated that the attorneys for the NFO would drag this out for several years and merely deplete our treasury. He said if that is what they want to do, it is alright for us cause we need the experience so if they want to drag it out, let them.

I have read the foregoing typewritten pages and the statements contained therein are true and correct to the best of my knowledge, recollection and belief.

BERNARD ELWOOD.

Subscribed and sworn to before me, the undersigned, a Notary Public in and for the state of Iowa, by Bernard Elwood on this 11th day of July, 1974.

——— ———,

Notary Public in and for the State of Iowa.

ABZUG AMENDMENTS TO STRIP MINING BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, I am a strong supporter of the Hechler substitute, H.R. 15000, which will phase out surface mining of coal. In the unfortunate event that H.R. 15000 fails to pass the House, I propose to offer the following amendments to strengthen the enforcement of this bill.

These amendments would transfer some of the responsibilities for the administration of H.R. 11500 from the Department of Interior to the Environmental Protection Agency. Because of its sorry environmental record in the past and their present opposition to a strong surface mining bill, the Department of the Interior can hardly be expected to

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vigorously enforce this legislation. On the other hand, the EPA is not hampered by conflicting interests in the production end of the coal mining industry. Moreover, its administrator, Russell Train, has endorsed H.R. 11500 as a vitally needed bill. The EPA is in the best position to administer this bill and focus on its main purpose: protection of the environment.

The following amendments, numbered 1 through 8, are set forth to qualify for the necessary time to present them to the House:

AMENDMENTS TO H.R. 11500 AS REPORTED

1. On page 145, insert between lines 17 and 18 the following new section:

"SEC. 103. The provisions of titles II (Control of Environmental Impacts of Surface Coal Mining), V (Office of Surface Mining Reclamation and Enforcement), VI (A Program for Non-Coal-Mine Environmental Impact Control) of this Act and sections 701, 703, 704, 706, 707, 708, 709, and 712 of title VII of this Act, shall be administered and enforced by the Administrator of the Environmental Protection Agency through the Director of the Office of Surface Mining Reclamation and Enforcement established by this Act. The provisions of titles III (Indian Lands Program), IV (Abandoned Mine Reclamation), and VII (State Mining and Mineral Resources Research Institutes) of this Act shall be administered and enforced by the Secretary of the Interior. It shall be the duty of the Administrator, the Director, the Secretary, and all other Federal officials and employees and the States having responsibilities to carry each of their responsibilities under this Act promptly and efficiently in accordance with the purposes of this title."

2. On page 145, line 16, strike the words "the Secretary," and insert therein "any Federal agency".

3. On page 155, line 11, strike the comma and insert therein "of the Interior,".

4. Strike the terms "Secretary" or "Secretary of the Interior" or "Department of the Interior" wherever they appear in titles II (except sections 202 and 203 of said title), V, VI, and sections 701, 703, 704, 705(16), 705(18), 705(23), 706, 707, and 708 of this Act and insert therein the terms "Administrator" or "Administrator of the Environmental Protection Agency" or "Environmental Protection Agency", as appropriate. In sections 202 and 203 of title II strike the word "Secretary" wherever it appears and insert therein "Director".

5. On page 277, line 10, before the word "means" insert "in titles III, IV, and VIII of this Act".

6. On page 280, line 6, strike the period and insert therein "of the Interior.".

7. On page 280, lines 12 through 13 and lines 18, 21, and 25, strike the words "by the Secretary".

8. On page 289, strike line 24 through line 1 on page 290, and insert therein the following: "hereby amended by adding the words 'or of the Environmental Protection Agency' after the words 'Department of Labor' ".

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado (Mrs. SCHROEDER) is recognized for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, on Tuesday, July 16, 1974, due to circumstances beyond my control, I was required to be in my district on official business.

Had I been present, I would have voted as follows on the emergency guaranteed livestock loan bill (H.R. 15560): On rollcall vote No. 382, to disqualify corporations and partnerships which do not have 50 percent of their stock owned by actual farmers and ranchers, I would have voted "yea." On rollcall vote No. 383, the vote for final passage of the bill, I would have voted "nay."

On the Legal Services Corporation Act (H.R. 7824) I would have voted as follows: On rollcall vote No. 384, to table the previous motion, I would have voted "nay." On rollcall vote No. 385, to recede from disagreement to the Senate amendment to the text of H.R. 7824, and to concur with the Senate amendment, I would have voted "yea."

EXECUTIVE BRANCH RESPONSE TO THE FOREIGN AID AMENDMENT ON POLITICAL PRISONERS: THE KOREAN EXAMPLE

(Mr. FRASER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FRASER. Mr. Speaker, last year the Congress amended the Foreign Assistance Act to include the following provision:

> It is the sense of Congress that the President should deny any economic or military assistance to the government of any foreign country which practices the internment or imprisonment of that country's citizens for political purposes. (Section 32)

During the hearings of the Foreign Affairs Committee on the administration's requests for foreign assistance for fiscal year 1975, I questioned Ambassador Robert Ingersoll—then Assistant Secretary for East Asian and Pacific Affairs and now Deputy Secretary of State—on how the executive branch has implemented section 32 generally and with respect to South Korea in particular. I chose South Korea because it is a country receiving vast amounts of U.S. aid. One of the purposes of our assistance is to strengthen a government's ability to govern on the basis of democratic principles. Yet we find that human rights are being severely trampled upon by the Republic of Korea. The Department of State's own assessment of the situation, which is reproduced below, acknowledges the gravity of the situation:

> For the past two years the trend in Korea has been toward an authoritarian mode of government. Institutional means of dissent have been rendered powerless and efforts to express opposition have been suppressed through a series of severe emergency decrees.

What should be the response of the U.S. Government to this situation? I am strongly inclined to agree with former Ambassador to Japan, Edwin O. Reischauer, who strongly favors reducing our military assistance. The administration is proposing $252.8 million in military assistance for fiscal 1975. Ambassador Reischauer points out that we "have a defense commitment to Korea; yet if trouble should develop there," the American people would not support this defense commitment to "still another dictator in distress." By reducing our military assistance to South Korea unless and until it makes substantial progress in observing human rights, we shall be signaling the South Korean Government that the U.S. Government does care about human rights. Hopefully, the situation will improve.

I am also inserting in the RECORD the letter from Ambassador Ingersoll to Congressman MORGAN and the Department's description of executive branch action on section 32. The executive branch has gone through the motions of implementing section 32. It has asked the embassies for information on the extent to which their countries have a political prisoner problem. With the exception of the East Asian aid-recipient countries, however, the embassies were told not to contact the governments about section 32. With respect to East Asia the embassies were told to inform the governments "of the seriousness with which we regard this section." The Department has not provided the committee, however, with any evidenec that it has cut aid or failed to increase aid because the government concerned was committing serious violations of human rights.

The material follows:

SOUTH KOREA ON A "DISASTROUS COURSE"

To the EDITOR:

If Vietnam has taught us anything, it should be to be aware of danger before we walk heedlessly into it. It is easier to avoid a catastrophe by forethought than to extricate oneself from a disaster after it has occurred.

Korea now is the case in point. After a war costing 142,000 U.S. casualties and $80 billion, we have poured in another $12 billion in economic and military aid and still maintain some 38,000 American troops in the peninsula.

I have hitherto supported this involvement for two reasons. First and most important, it lessened the possibility of the resumption of war in this strategically placed peninsula, lying between Japan, China and the Soviet Union. Second, it gave a chance to the people of South Korea to develop the prosperous and democratic society of which their high standards of education and capacity for hard work make them fully capable.

The situation, however, is changing drastically, and American policy therefore must be rethought. President Park is making a mockery of the democratic institutions of his country and seriously undermining the loyalty of his people. The kidnapping last summer of Kim Dae-jung and now the charges brought against him of violations of the election law in 1967 and 1971 are merely symptomatic of a harsh oppression that is beginning to resemble that of openly totalitarian regimes. Civil disturbances are predictable and could easily be followed by successful subversion from North Korea and even warfare.

President Park's regime is still supported by American arms, aid and a defense commitment, but as conditions are developing in Korea, if trouble should arise there, the American people simply will not support this defense commitment to "still another dictator" in distress.

This is something Washington should understand and make clear to Seoul. It can do this best by cutting sharply back on its military aid, now proposed at $252.8 million, and starting to withdraw its troops from the peninsula. If the message fails to get through, at least we would be headed in the right direction—away from a possible catastrophe in Korea.

I am deeply opposed to interference in the domestic policies of any other country, but our present support for Park is already a massive interference. To cut down on it would hardly be greater intervention.

But only the Koreans can decide their own future. There may still be time for South Korea to turn back from the disastrous course it is following, which is sure to lose it the necessary support of both the United States and Japan. A good start for Seoul would be to permit Kim to leave the country, abolish its recently imposed draconian laws and permit again at least a modicum of free speech and political debate.

EDWIN O. REISCHAUER,
University Professor at Harvard U.
CAMBRIDGE, MASS., *June 7, 1974.*

[Insert for page 233, line 6, House Foreign Affairs Committee, Mr. Ingersoll's testimony, June 13, 1974]

HUMAN RIGHTS IN KOREA

For the past two years the trend in Korea has been toward an authoritarian mode of government. Institutional means of dissent have been rendered powerless and efforts to express opposition have been suppressed through a series of severe emergency decrees.

The Constitution was amended by referendum in 1972, concentrating all effective power in the office of the President and diminishing protection of human rights. The referendum was carried out under martial law and no debate of the proposed amendments was permitted.

Under the amended Constitution the President may be elected for an unlimited number of six year terms; election is made without debate by a body known as the National Conference for Unification which is itself popularly elected. The President is the Chairman of the Conference. One third of the legislative body, the National Assembly, is nominated by the President and elected by the National Conference for Unification.

The Constitution recites many of the human rights and fundamental freedoms found in the Universal Declaration of Human Rights and recognizes the existence of liberties and rights of citizens not expressly enumerated in the Constitution. This makes it clear that Korea acknowledges the existence and importance of human rights. However, in amending its Constitution in 1972, Korea removed certain fundamental rights previously respected. For example, the new Constitution deletes paragraphs 5 and 6 of Article 10 of the old Constitution, which established the right to habeas corpus.

Moreover, Article 53 of the new Constitution vests in the President the power to take "necessary emergency measures" in time of "natural calamity or a grave financial or economic crisis, and in case the national security or the public safety and order is seriously threatened or anticipated to be threatened" (Article 53 (1)). These emergency measures may be taken "in the whole range of the State affairs, including internal affairs, foreign affairs, national defense, economic, financial and judicial affairs" (Article 53 (1)) and may include measures which temporarily suspend individual constitutional rights and measures affecting the rights and powers of the Executive and the Judiciary (Article 53 (2)).

Article 73 of the old Constitution granted the President similar but generally more restricted powers. For example, Article 73 (2) limited the President's power to issue ordinances having the effect of law by the requirement that this be done "only when it is necessary for the national security under the state of armed hostilities". The new Article 53 does not include this limitation. Rather, it defines the President's power to take emergency measures as being "in the whole range of the State affairs, including internal affairs, foreign affairs, national defense, economic, financial and judicial affairs".

Finally, Article 53 (4) prohibits judicial review of measures taken pursuant to paragraphs (1) and (2) of this Article.

In early 1973 the press was placed under strict censorship with ROK CIA monitors in the editorial offices. The monitors have since been withdrawn but effective indirect controls remain. There are reports of government intimidation and police questioning and harassment.

The opposition candidate in the 1971 Presidential election, Kim Tae Chung, was kidnapped from Tokyo in August 1973 and returned to Seoul by persons unknown. He was kept under house confinement for several weeks, his movements since have been subject to surveillance and he is now on trial for alleged violation of the election laws in 1971 and 1967. He has applied for a passport to come to the United States to accept a fellowship at Harvard but the government has not acted on his application.

Several emergency measures have been issued this year: violations are tried under special courts martial rather than the regular courts. Presidential Emergency Measure Number One proclaimed on January 8, 1974 under Article 53 of the Constitution makes it an offense punishable by imprisonment up to fifteen years to advocate amendment of the Constitution by petition. Members of the Christian community and student groups have been outspoken critics of the government. More than a score of persons have been convicted, a dozen of whom have received twelve to fifteen year sentences.

Emergency Measure No. 4 of April 3, 1974 requires punishment by death, life imprisonment, or not less than five years imprisonment for, inter alia:

(a) any student who engaged in any political activity (Articles 5 and 8);

(b) any person who defames the action of the Education Minister in (a) expelling a student or (b) dissolving an organization or abolishing a school to which violators of the measure may belong;

(c) any person who refuses to attend classes or examinations "without justification";

(d) any person who communicates with a member of the National Federation of Democratic Youth and Students "or any related organization". Emergency Measure No. 4 provides for arrest, detention, search or seizure without warrant. Fifty-four persons are presently on trial under this measure.

From the above it is clear that the Government of the Republic of Korea acknowledges the existence and importance of human rights but has limited the exercise of important rights, citing the threat to national security it perceives from a hostile North Korea. The situation, that is both the security of the peninsula and the emergency measures taken by the Republic of Korea Government, is a matter of real concern to us. We have expressed this concern on appropriate occasions and will continue to encourage full restoration of human rights. At the same time we intend to continue supporting efforts of the Republic of Korea Government to reduce tensions and contribute to a lasting peace on the peninsula.

DEPARTMENT OF STATE,
Washington, D.C., June 27, 1974.

Hon. THOMAS E. MORGAN,
Chairman, Foreign Affairs Committee,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: On June 13, in testifying before your Committee on the President's Foreign Assistance Message, I replied to a number of questions relating to Section 32 of the Foreign Assistance Act of 1973 and I said I would amplify my remarks. Several insertions have been made in the record of the June 13 hearings. Additionally, I would like in this letter to address some of the broader policy questions which are involved and would be grateful if this letter could be made available to other members of the Committee.

I think it is important at the outset to set forth a few basic considerations which underlie our general foreign policy toward human rights questions. Firstly, we take seriously our obligation under the United Nations Charter to promote respect for and observance of human rights and fundamental freedoms for all. No matter where in the world violations of human rights occur, they trouble and concern us and we make our best efforts to ascertain the facts, and promote respect for human rights and fundamental freedoms. At the same time, it must be recognized that the United Nations Charter does not prescribe how to fulfill that obligation in respect to particular violations by others. Thus there are usually complex questions of policy and tactics to be considered in deciding whether and how the United States can best seek to discharge its obligations in a particular case consistent with its commitment to other goals, including that of maintaining international peace and security. Such questions include the seriousness of the violation, the various options for United States action, and the consequences of inaction.

With particular reference to Section 32, the sanction of cutting off assistance does not seem to me necessarily to be the most effective or appropriate response to violations of human rights in other countries, whether or not the violation involves the holding of political prisoners. A cut-off is a one-time thing, the implementation of which removes the restraint its possible invocation may have induced. I believe the Congress recognized the difficulty of formulating such a general rule as well as the difficulty of defining who is a political prisoner by expressing the sense of the Congress in Section 32. It is thus open to the President, as it should be, to cut off aid, if in all respects this is the best course, or to cut down aid or particular elements of it, or to indicate that such options must be considered or, and most importantly, to move in any of a considerable number of other ways having as good or better prospect of actually promoting human rights in the particular situation.

Following considerable discussion and study of Section 32, AID and the Department prepared and, on April 4, 1974, sent out an instruction to various posts including all those in countries receiving military or economic assistance. The text of this cable has now been incorporated in the transcript of the hearing. Replies have been received from about sixty posts. For the most part the replies have been helpfully informative, although in some cases amplification will be needed. We have followed this initial cable with a second cable requesting our Embassies in East Asian aid-recipient countries to transmit the text of Section 32 to the governments of those countries with our explanation or the seriousness with which we regard this section. We expect to receive reports of the reactions of those governments which may be helpful to us in our further review of problems presented. Consideration is also pending on a similar message to aid-recipient countries in other areas.

Suppose a consistent pattern of human rights violations appears to emerge in a particular country? There are, as I have indicated above, a whole range of options which may be available in a given case ranging from quiet diplomacy to public condemnation, termination of assistance, and, in extremis, international sanctions. Very important are the United Nations Commission on Human Rights with the procedures established under it for consideration, fact

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finding, and recommendations in particular cases, and, in the American Republics, the Inter-American Human Rights Commission with roughly comparable features. Generally, where it has some promise of effectiveness, the preference is naturally for quiet diplomacy combined in varying ways with appropriate utilization of international fora for fact gathering and debate as well as cooperation with private organizations and groups active in the promotion of human rights and fundamental freedoms.

An important aspect, of course, is keeping the Congress informed of the facts concerning the observance or non-observance of human rights, and we will attempt to do so on an unclassified basis where this will not prejudice our objectives. In this regard, we have just supplied for the record of the June 13 hearing a statement on the state of human rights in Korea. It is our intention to keep the Committee advised as matters develop further, both generally with respect to Section 32 and specifically in regard to Korea.

I should also add that the Department is now considering several organizational proposals designed to improve its capability to discharge its human rights and humanitarian responsibilities, and keeps under continual review these issues and our policies to deal with them.

I trust that this letter helps to clarify some of the matters relating to human rights and foreign policy brought up in the course of my recent testimony. If I can be of further assistance, please do not hesitate to call on me.

Sincerely yours,

ROBERT S. INGERSOLL,
Assistant Secretary for East Asian and Pacific Affairs.

[Insert for page 230, line 8, House Foreign Affairs Committee, Mr. Ingersoll's Testimony, June 13, 1974]

EXECUTIVE BRANCH ACTION ON SECTION 32

Following the passage of the Foreign Assistance Act of 1973 on December 17 and its signature by the President on January 2, 1974, the Department and AID considered what steps should be taken to respond to that provision. A circular telegram was sent to all posts in aid-recipient countries informing them of the content of Section 32 and asking their views as to the applicability of that provision to their countries. This cable, dated April 4 was sent to a total of 68 posts. The text of that message follows:

"1. Summary. This message provides information on a new provision of the Foreign Assistance Act (FAA) of 1973 and requests affected Missions to cable appropriate response prior to April 22.

"2. Section 32 of the FAA of 1973 is as follows: 'It is the sense of Congress that the President should deny any economic or military assistance to the government of any foreign country which practices the internment or imprisonment of that country's citizens for political purposes.'

"3. Embassies are requested to provide assessment of how this legislation could affect the status of assistance programs in their countries. Specifically, we would appreciate assessments of the extent and nature, if any, of the internment or imprisonment of citizens for political purposes; whether through legislation and/or practice, there is a consistent pattern of reliably attested violation of the right to be free of arbitrary detention and certain other closely related rights (see para 5(b) below), and the position of the host governments on this matter. No representations to host governments should be made in developing this information. Previous reports may be referenced. If it appears to Embassy that condition at which Sec. 32 directed may exist, it is requested to suggest any opportunities for appropriate U.S. action or representation to improve the situation, including comments on appropriateness and probable effect of denying economic or military assistance on basis of Sec. 32.

"4. For your background, other FAA provisions, showing related Congressional concern and intent are Section 102 (Statement of Policy) Sections, 201(B), 211(A), and 251(B) dealing with the responsiveness of governments to the concerns of their people, rule of law and individual freedoms, Section 207(A) calling for the encouragement of strong economic, political, and social institutions needed for a progressive democratic society', and Section 501 describing one objective of military assistance as 'creating an environment of security and stability in the developing friendly countries essential to their more rapid social, economic and political progress.'

"5. A. 'Political prisoners' is not defined. An amendment to require cutting off assistance failed of adoption after debate in which difficulty of definition noted and from which it would appear that in order to give effect of totality of Congressional purpose embodied in Act, Executive should proceed case by case on basis of all facts and with regard to all purposes of Act, giving full and due weight to interest in promoting respect for rule of law and human rights where eroded or violated by political imprisonments.

B. In effort to give effect to sense of Congress expressed in Section 32, we believe difficulty in defining 'political prisoner' can best be dealt with by reference to standard enjoying already established international approval and respect. Accordingly, in appraising degree to which particular situations may come within Section 32, Embassy should consider (A) whether persons have been arrested, detained or imprisoned arbitrarily in the sense of Article 9 of UN Declaration of Human Rights (Article 9 reads: 'No one shall be subject to arbitrary arrest, detention or exile. For text of declaration, see 5 Whiteman Digest 237–242.) (B) whether by law or in practice such persons are deprived of (1) rights under Articles 10 and 11 of Universal Declaration Relating to Proper Charges and Trial and/or (2) rights under Articles 18, 19, 20 and 21, relating to such fundamental political freedoms as freedom of thought and conscience, or opinion and expression, or peaceful assembly and association and participation in self-government. While such tests might include persons arbitrarily imprisoned because of race or religion or some other factor rather than strict politics, this result appears reasonable and not inconsistent with Congressional purposes. Authority of Universal Declaration of Human Rights as international standard is evidenced by its adoption by UN General Assembly in 1948 by overwhelming majority in furtherance of UN's duty under Articles 55 and 56 of UN Charter to promote human rights and fundamental freedoms—a duty in the discharge of which all members are pledged under Article 56 to cooperate. (C) finally, AID/State believe Congress principally concerned about substantial and continued violations of above standards occurring as matter of official policy or of gross negligence on part of government.

"6. Since, in accordance Section 32, 'political prisoners' factor as above discussed will be evaluated in connection new or continued assistance programs, posts should review past reporting and present situation in light of standards outlined above and provide such additional information analysis and recommendation as may be helpful to ongoing evaluation. In any event, appropriate acknowledgement present telegram and cable report of any Embassy assessment would be appreciated by April 22, since Congressional hearings on FY 1973 assistance programs are scheduled to start in early May, and this subject may well be raised in hearings.

"7. In providing any detailed analysis in light standards above outlined, posts may find following considerations relevant:

(1) The legal/judicial processes which relate to the arrest, detention and trial of the country's citizens.

(2) Whether the country's law prohibits arbitrary arrest and detention.

(3) What remedies (defenses, opportunities to challenge in court, opportunities to secure redress) the law provides to a person who may be arbitrarily arrested or detained or denied fair and open trial with reasonable promptness.

(4) Specific facts relevant to cases which have given rise to a political prisoner issue with attention to whether there is a consistent pattern or reliably attested violation of the right to be free of arbitrary arrest, detention or imprisonment.

(5) As discussed above, any opportunities for appropriate U.S. action or representation to improve the situation, and comment on the appropriateness and probable effect of denying economic or military assistance because of the political prisoner issue.

(6) Factors in the political and economic environment of the country which are relevant to the encouragement of the rule of law and the strengthening of freedom and opportunity for its citizens.

"8. Although Foreign Military Sales Act credits do not under FMSA legally constitute 'military assistance', response from Athens also requested.

"9. Defense concurs."

To date responses have been received from about sixty posts, describing in some detail conditions existing in those countries, and commenting on appropriate U.S. responses. We are carefully reviewing these responses on a Department-wide basis, in close cooperation with AID, and on that basis are attempting to evaluate what additional steps we might take to ameliorate conditions in those countries giving most cause for concern. In the meantime, posts in aid-recipient countries in the East Asia and Pacific region have been instructed to inform host governments of the text of Section 32 and the Congressional sentiment which it reflects. These posts have been instructed to inform the Department when they have taken this action and to report the reaction of the host government. Consideration of similar steps is pending for other areas.

With respect to South Korea, on April 23 Embassy Seoul responded to the April 4 telegram, referring to its considerable earlier reporting and observing that Washington agencies were in the best position to define whether or not there were "political prisoners" in South Korea within the context of Section 32. The Embassy referred especially to recent emergency measures prohibiting actions which are political in nature, e.g. demands for constitutional revision and student demonstrations, and to arrests, trials and convictions in this connection, It also referred to the domestic legal basis for such actions. The Department has authorized the Embassy to discuss Section 32 with the ROK Government and report its response.

June 26, 1974.

THE INGRAM FAMILY AND ITS REUNION

(Mr. **SIKES** asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. **SIKES**. Mr. Speaker, on July 27 the Ingram family, a large and prominent West Florida family, will hold its biannual reunion. The meeting, which will last throughout the day, will be held at the National Guard Armory in Panama City, Fla. This is in keeping with a tradition which may be observed more in western Florida than in any other part of the Nation. In that area, which I am privileged to represent in Congress, there are many great families whose members come from far and near for the annual observance of a reunion. There they catch up on what the relatives are doing; they meet new arrivals to the family; compare notes on what has happened to the family members since they last met, and relive family history and traditions. These reunions undoubtedly contribute to the enjoyment of strong family ties and they nurture patriotic belief in America and its traditions. Family reunions are a great institution.

The Ingram family of west Florida traces its immediate ancestry at least 230 years through a family Bible, and even into early history due to research done by Mrs. Lanell Ingram Miller of Lynn Haven, Fla., a leading member of the family. It was through the good help of Mrs. Miller and of the Honorable E. W. Carswell of Chipley, an outstanding historian, that I am privileged to present to the Congress this information on the Ingram family.

Mrs. Miller tells me the immediate family records originate in a family Bible belonging to her great-great-grandparents, Robert H. Ingham and his wife, Ann S. Barber Ingham.

She states further that the Ingram coat-of-arms was bestowed on an ancestor by Constantine the Great, possibly for early Christian services.

Another branch of the family, first listed as Ingelram dates from 1066 when DeLions Ingelram came to England from Normandy and held prominent posts there following the Norman Conquest.

It is stated that there are more than 50 ways to spell the family name of Ingram, and in various forms it appears in the Hundred Name Rolls established by King Edward I of England in 1273. The family records indicate that King George VI married a descendant of the Ingram family.

The first record of the name Ingraham in America was in 1639 when Richard Ingraham came to Marblehead or Salem, Mass.

The family has been prominent in Massachusetts, Wisconsin, Pennsylvania, and Connecticut, as well as in many southern States. It is in the South where the most detailed information is available about the family.

Two members of the family served in the U.S. Congress—Samuel Ingham of Connecticut and Samuel D. Ingham of Pennsylvania. There are records to indicate that one ancestor anteceded Samuel Morse in the development of the telegraph.

Mary Hall Ingham of Pennsylvania, made her name as a pioneer suffragette in the 1900's and was such a vigorous exponent of women's rights that she was among those jailed for their efforts. Happily, she was pardoned by President Wilson. She was born November 24, 1866, and lived until January 1937.

The first Ingram is believed to have come to northwest Florida in the year 1821 with Andrew Jackson's forces. His name was Jeremiah. Thus the Ingram family has been a part of Florida history since the time that Florida was acquired as a territory from Spain. At least two other members of the family are listed in the records of Escambia County in 1842. It is to be presumed they are the sons of the original settler.

Another Ingraham, James E., played a prominent role in Florida railway construction. He was once president of the South Florida Railroad, which had been founded by Gen. Henry Shelton Sanford. Ingraham was later associated with Henry B. Plant, and subsequently with Henry M. Flagler in their Florida railway construction projects.

Ingraham Highway through what is now Everglades National Park was named for James E. Ingraham in recognition of the role he played in helping to establish Royal Palm State Park, which several years later became the nucleus for Everglades National Park.

There are two Ingrahams in "Who's Who in the South and Southwest." They are Harold Edward, a religious publications executive born in Hagan, Ga.; and Joe McDonald, U.S. District Judge, Pawnee, Okla. Listed also are five Ingrams, author Charles Elden Ingram, Rossville, Ga.; New Orleans Oil Co., executive Frederick Bigelow Ingram; college president Irene Ingram of Carrollton, Ga.; Rev. Joe Lynn Ingram of Shawnee, Okla.; and Dr. Robert A. Ingram, M.D., Orange, Tex.

The names Ingram and Ingraham are closely interwoven in history, although most of those who now live in West Florida use Ingram.

It is interesting to look elsewhere in American history at achievements of the Ingram/Ingraham family. Edward Duffield Ingraham, a Philadelphia lawyer who was born in 1793, served as a member of the Philadelphia Free Trade Convention, as Secretary of a Congressional committee, and as a U.S. Commissioner under the fugitive slave law.

Orrin Henry Ingram, a manufacturer and financier, was born at Westfield, Mass., in 1830. He was renowned for his success in the lumber business and in financial circles. He was a director of Ripon College and built the Ingram Memorial Congregational Church in Washington, D.C.

A member of the family renowned for his heroism was Comdr. Duncan N. Ingraham, born in Charleston, S.C. He achieved fame in the Kostza Incident when, commanding a U.S. warship, he forced the Turks in Smyrna to release a Hungarian patriot. For this he received a hero's welcome when he returned to the United States. Later he cast his lot with the Confederacy.

Among the interesting bits of history associated with the Ingram family is the old Ingram homestead erected by Joseph Ingram before 1775 on a land grant from King George III on the Pee Dee River in North Carolina. It is now known as Riverdale House and still stands.

Most of the Ingrams, Ingrahams, Inghams, and so forth, in the United States are assumed to be descended from immigrants from the British Isles. It may be noteworthy, however, that Inghirami was the name of an Italian noble family of Volterra. They were prominent in the late 1400's, 1500's, 1600's, and into the 1700's. Some of its most important members were Tommaso Inghirami, a humanist known for his Latin orations; Francesco Inghirami, archeologist-soldier; Giovanni Inghirami, famed astronomer and professor of astronomy and an author.

Variations of the name are found in other European countries. That may account for the varied spellings found in this country, where efforts may have been made to Anglicize the name as an aid to spelling and pronunciation.

Many of my good friends through the years have been members of the Ingram family. In all I know or knew of at least 72 Ingram families in the district which I represent. To say that the family is one of the largest and most widely dispersed in Florida is to understate the facts.

Obviously the Ingram family reunion at Panama City on July 27 will truly be a gathering of well-known and highly regarded Americans. I know my colleagues in the House of Representatives will want to join me in wishing the Ingram family a meaningful reunion. Personally, I want to say to each and every one attending the reunion that I am proud of the part their family has played in the history of the world, the Nation, and especially the role they have played in my part of the State of Florida.

PATRIOTIC RESOLUTIONS OF THE NATIONAL SOJOURNERS

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the National Sojourners, a Masonic Order for Officers of the Uniformed Services, held its 54th annual convention in Cleveland, Ohio on June 19–22. The National Sojourners is an organization which proudly serves the cause of patriotism and is nationally known for its dedication to a strong and morally right America.

At its convention, the National Sojourners adopted a series of resolutions which should be of interest nationwide. I am very glad to submit these resolutions for printing in the RECORD together with my congratulations to this outstanding organization for its good work in the Nation's cause:

RESOLUTION

Whereas, Military strengh second to none and the will to use it in defense of our national interests is the surest path to lasting peace, and;

Whereas, our national posture in current and projected negotiations for military deterrent and arms control is vitally dependent upon our present and projected military strength, and;

Whereas, serious efforts are being made to erode this goal which at this time has been projected to a twenty-year low, and;

Whereas, other national programs can flourish only when our national security is assured;

Therefore be it resolved that the National Sojourners, Inc., in National Convention assembled in Cleveland, Ohio, on June 20, 1974, affirms that National Security should have first priority among all national programs and calls upon Congress to expand as necessary the military funding needed to continue our Country as a first-rate power in the World.

RESOLUTION

Whereas, the fighting in Vietnam and Southeast Asia has stopped and our prisoners of war have been released and amnesty is now being advocated by some for draft evaders and deserters, and;

Whereas, millions of young Americans have served honorably in the armed forces under extremely difficult conditions and many of these were wounded, injured or killed, or are still missing, due to the hard and difficult duty that the draft evaders and deserters avoided being performed by other young men who accepted their responsibilities and duty to their Country;

Therefore be it resolved the National Sojourners, Inc., in National Convention in Cleveland, Ohio, on June 20, 1974, assembled, declares its opposition to any action by the Congress of the United States or any other body or person which would grant general amnesty to those who have unlawfully avoided military service or have deserted therefrom.

RESOLUTION

Whereas, Negotiations continue for a new treaty with the Republic of Panama concerning United States sovereignty over the Canal Zone as well as the operational control of the present Panama Canal and the construction of a new canal in the Republic of Panama;

Therefore be it resolved by National Sojourners, Inc., in National Convention assembled in Cleveland, Ohio, on June 20, 1974, the President of the United States and the Congress are hereby urged to yield none of the present United States sovereignty over the Canal Zone.

THE ARMY HAS A BIRTHDAY

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, on June 14, the Army observed its 199th birthday. This important occasion attracted little attention. It deserved much more recognition. It is significant that next year, the Army will celebrate its 200th anniversary, 1 full year ahead of the Nation's Bicentennial.

Plans are in the making for the proper observance of the Army's Bicentennial. For instance, the Corps of Engineers is planning to help the citizens of Massachusetts to restore Bunker Hill where, incidentally, citizen soldiers first proved to be a match for British regulars.

At Benning, Rangers will don the uniforms of Morgan's riflemen and Marion's partisans. At Sill five sets of uniforms will be on hand for the color guard and honors detachment—Revolutionary War, War Between the States, 1880's, World War I, and World War II. At Riley, the Redlegs of "Delta Battery" will climb into 1776 gear.

A commemorative stamp will soon be issued and the mint is planning to issue a Bicentennial coin.

As a part of a proper Bicentennial observance, there has been discussion of reenacting the Lewis and Clark Expedition. It also is proposed to reequip the 214th Army Band and a number of earliest Army posts are expected to have some of their forces in Revolutionary War gear.

These are but a few of the things that are proposed to commemorate a truly historic date. There is much that can be told about the Army and its accomplishments through the years. Its roll of heroes is long and outstanding. Seldom blessed with adequate funding, it nevertheless has continued to carry on the traditions of a great service and to fight our Nation's battles whenever and wherever it is called upon to do so.

DESECRATION OF CEMETERIES

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, the governments of several countries including Soviet Russia, Poland, Hungary and others, have seen fit to destroy over 1,000 old Jewish cemeteries, for the development of housing and parks. This is an outright sacrilege. It causes great mental anguish to the descendants of the people involved, and is in essence an infringement of basic human liberty. Every human being is entitled to the knowledge of a secure and safe final resting place. This is another insult and degradation that the Jewish people of these countries have been forced to suffer. Recently, the city council of the city of New York passed a resolution under the sponsorship and able leadership of City Councilman Howard Goldin, who has worked long, tediously and arduously in this effort. I set forth this resolution to be placed in the RECORD, with the hope that Congress will support these goals.

RESOLUTION NO. —

Whereas, it has been reported that the governments of Soviet Russia, Poland, Rumania, Czechoslavakia and Hungry have decided to appropriate and destroy over 1,000 old Jewish cemeteries within their boundaries and replace them with housing, other developments and parks; and

Whereas, the greater majority of the descendants of the deceased that are buried in these cemeteries have been annihilated during the Nazi occupation of Eastern Europe and some of the few remaining survivors have emigrated and are dispersed in other lands so that very few, if any, capable persons remain to supervise or care for the graves; and

Whereas, Jewish law states that a Jewish cemetery referred to as a Bet Olam or "Eternal Home" is consecrated land so that damage to or spoliation of the cemeteries would constitute a sacrilege and result in mental anguish to the descendants of the deceased involved; and

Whereas, it has also been reported that gravestones in many cemeteries in Eastern Europe have, during the past three decades, been destroyed, removed and used for other purposes; and

Whereas, it is the desire of every human being to have a safe and secure final resting place; and

Whereas, the intended action of the governments of Eastern Europe could be a precedent to similarly desecrate and destroy cemeteries of other religions with their boundaries; and

Whereas, morally, measures should be taken by the governments of the Eastern European countries to right the existing damage, wherever possible, and to protect and preserve the cemeteries so that they will not pass into oblivion; now, therefore, be it

Resolved, that the Council calls upon President Nixon and Congress to protest the intended desecration and destruction of Jewish cemeteries in Eastern Europe; and be it further

Resolved, that copies of this resolution be mailed to President Richard M. Nixon, United States Senators, Jacob K. Javits and James L. Buckley, and to each member of the New York Congressional delegation.

SEEKS CANINE OWNERS HELP THESE DOG DAYS OF SUMMER

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, Congress is now in the midst of the most trying time in its history. In addition to the pending impeachment proceedings, there is a legislative agenda designed by the leadership to set the country back on a straight course, an agenda that would be trying for mortal men in the best of times.

During these critical times, there is a natural tendency to ignore the more mundane, day-to-day problems that are as real as a kick in the shins, and even more aggravating during these dog days of summer. I would like to address myself to one of those little problems of life—a thing we have all stepped into at one time or another—hoping that in an outpouring of understanding, cooperation and good will something can be done about it.

It has to do with man's best friend, the dog, and one of the many services he can be trained to perform for mankind.

The dog was programed by nature with a set of disciplines with which he serves mankind.

Repeated attempts to make the ways of these pets—dogs and cats—fit in with a well-ordered world have met almost uniformly with failure. One classic case involves the late Adlai Stevenson when, as Governor of Illinois, he vetoed a bill that would have imposed fines on owners of cats if they permitted them to run unleashed at large.

Stevenson at that time said:

> I cannot agree that it should be declared public policy that a cat visiting a neighbor's yard or crossing the highway is a public nuisance. It is in the nature of cats to do a certain amount of unescorted roaming. I am afraid this bill could only create discord, recrimination, and enmity.

Dogs, too, have a certain independence of mind, as any true dog lover will tell you. I can verify that. I grew up with a pet dog, and so have my children. But, independence notwithstanding, dogs are trained to do a thousand useful things for man. One of the useful things they can be trained to do is relieving themselves in discreet, out-of-the-way, nonpedestrian places. In the highways and byways of my own Brooklyn District, dog dirt is a problem. In the public parks which dot the pleasant ocean shores and middle class neighborhoods, dog dirt is a problem.

A person making his appointed rounds, preoccupied with the business at hand, too often steps into a problem needlessly created by some other man's pet. This ought not be. Pet owners, particularly dog owners, are a kind, thoughtful, considerate lot, generally open to constructive ideas and interested in public health and welfare.

Mr. Speaker, it is with that noble virtue of the pet owner in mind that I make these remarks, and that I suggest that the pet owners of America unite in a campaign to ease this problem, particularly in the heat of the year when so many of the people spend so much of the time enjoying the pleasant outdoors. Dog owners, particularly, should be receptive to an idea that may avoid legislative attempts to keep dogs off the streets. All recent efforts in that direction have resulted in discord, recrimination and enmity.

Cats, by nature, are more of a problem to birdwatchers than to strollers. Cats bury their problem, landfill style.

To avoid trying to pass another law on canine delinquency that will irritate more than regulate, I am writing to the mayor and Governor of New York, the National Society for the Prevention of Cruelty to Animals, along with notes to numerous other organizations interested in the welfare of pets, and suggesting that a massive public education campaign be instituted immediately to tell dog owners of the urgent need to control the toilet habits of their dogs. Public sidewalks and public parks were not meant to be public canine toilets.

An aroused public, ankle deep in dog dirt, may take a stand against lax dog owners, and demand laws from already overworked State and city legislatures. Besides, it is the right thing for animal lovers to do. I have never known a true dog lover who wanted to cause problems for others.

FOOD PRICES

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, recently Vice President Ford addressed the 1974 Executive Conference of the Grocery Manufacturers of America, Inc. In his remarks, the Vice President offered some cogent thoughts on the current predicament regarding food prices.

So that my colleagues may profit from the Vice President's remarks, I include them at this point in the Record:

Remarks by Vice President Gerald R. Ford, June 17, 1974

I am very pleased to be with you today at this important annual meeting of the Grocery Manufacturers of America.

I feel a special identity and affinity with the manufacturers of "instant" coffee, "instant" tea, "instant" oatmeal, and many other "instant" products because I happen to be the Nation's first "instant" Vice President. I only hope that I prove to be as pure, as digestible and as appetizing to the consumers who did not have a chance to shop around for other brands of Vice President when I was put on the market.

The grocery manufacturers represent an important aspect of what's right with America. Our bountiful variety of nutritious and convenient grocery products has fascinated the entire world. You have made available through constantly improved methods of production and marketing a wider range of diet to the entire population. By advanced concepts in packaging and preparation, your industry has saved people much time that used to be consumed in shopping for food and preparing meals.

Your industry deserves commendation for its competitive spirit in the finest tradition of the free enterprise system. You have achieved high productivity. You have made every supermarket an abundant showcase of what America can offer to enhance the health and happiness of our people.

But you are also aware of the serious problems involved in filling the Nation's grocery basket—and the highly-emotional implications. When a propaganda-minded group of extremists recently resorted to blackmail in California, they manipulated the really basic domestic issue of this or any Nation—the issue of food. They demanded, as you know, a ransom paid in groceries.

Responsible people denounced this terroristic exploitation of the fears and passions associated with food. But there remains a deep and pervasive anxiety about rising food prices. We do not need to consult the psychologists to learn that the problem of feeding one's self and one's family through the ages has been the source of such emotionalism that governments have been toppled and political systems changed.

This, of course, is not the scenario for the United States. We are able not only to feed our own people but to export substantial food supplies to the rest of the world. Nevertheless, after a period of intense growth, development, and rising living standards we, along with the rest of the world, are going through some serious economic dislocations. This is manifested by inflation.

As the holder of public office in Washington, I am aware of the polls reporting distrust of public officials. I am also aware that the public is very skeptical of the role of the American food industry. The average consumer rolls his cart up to the check-out counter of the supermarket every two or three days. Prices go up and the consumer does not know who to believe. A credibility gap is to be found on the shelf of every grocery store in this Nation.

The cashier, hopefully, explains to complaining customers that you manufacturers have raised the prices and that she is having trouble feeding her own family. You are not afforded a chance to explain the intricate interrelationships and balances that make such an explanation too simple. You are not given a chance to explain about the increased costs of electricity, gasoline, and so forth.

You really have a public relations problem. The government has just reported that the Wholesale Price Index continued to rise sharply in May despite the third straight monthly decline in the prices of farm products and processed foods and fees. These prices declined 2.2 per cent during May, the third month in a row of decline of more than 2 per cent. The most recent index also showed a continued tapering off in price increases of fuels and power.

Your problem appears to be the gap between these reports, which the consumer reads in his paper or sees on TV, and the price tags which he continues to see on the supermarket shelves.

It is up to you to explain to consumers that last year the profits for both food processors and retailers—whether measured against sales or equity—were below the industrial average. It is up to you to explain that these very profits hold the key to controlling food prices in the future.

If American industry can make more productive use of the inputs which are increasing in cost, then those cost increases can be tempered so that not all of them will have to go on to the consumer. Recognizing this, the Administration established the National Commission on Productivity to help industries make more effective use of their resources. The food industry has been one of the principal beneficiaries of the Commission's work.

But productivity-increasing measures cost money. A principal source of that money is profit. That is why I say that profit is the key to controlling food prices in the future. To cut profits too drastically is to kill the golden goose by eliminating the justification and capital for productivity-increasing investments.

All this means that consumers have a responsibility during current anxieties over food prices. And so do you.

When I speak of profits, I mean *reasonable* profits. It is in your enlightened self-interest to keep profits reasonable.

Now that controls have been lifted, if you let profits soar irresponsibly, the outcry of the public to cut or eliminate those profits will reach such a crescendo, policy makers will heed their constituents. If and when that happens, we will all have problems of a magnitude that I would prefer to avoid.

We are all in the same boat together. I speak of the farmer, the processor, the wholesaler, the retailer, the consumer, and everyone else. We *can* chart a course out of rough waters *if* we all work together.

I recognize that your industry has had a tough two years. The Government has been involved through controls while natural forces drove prices up.

But now things are looking better. Farm production is up and we are anticipating record crops. Prices have dropped at the farm level and at wholesale. Food prices to the consumer have peaked and are stabilizing. Meat prices are starting to fall and a special effort on that particular situation is being made at a White House meeting today convened by Kenneth Rush, Counsellor to the President for Economic Policy, and Earl Butz, Secretary of Agriculture.

The overall situation on food prices allows me, after a careful assessment, to express a restrained note of optimism. If we can get your cooperation, along with the cooperation of the retailers and farmers and the weather and other factors, it is even possible that prices at the check-out counter may begin to come down. There are a lot of "ifs" involved. But I now tend to believe that we can cope with the staggering rise in the cost of foods which, with increased fuel prices, is responsible for a large portion of the inflation during the last year.

We are in a difficult period and I know that you will do your share by increasing productivity while keeping profit at normal levels.

This Administration is determined to fight inflation. We intend to bring down the rate of inflation. We cannot stop it immediately without plunging the Nation into a depression. But we aim to slow inflation down over a period of time in such a way as to avoid either a depression or a recession.

An estimated two-fifths of the recent inflation resulted from the sharp increase in food prices. That was caused by a poor harvest in many parts of the world, combined with a worldwide boom which allowed the world market price of agricultural goods to be bid up to unprecedented levels. That process has now come to an end. So far this year, world growing conditions are generally excellent. We do not expect the supply shortages of last year. Indeed, stabilization or a drop in food prices will have a mitigating effect on inflation.

Although food, along with fuel, super-charged our rate of inflation and is now stabilizing, inflation is still far greater than we can accept. It is the central problem that we must address in the months and years to come.

Traditionally, inflation meant that too much money was chasing too few goods. Government policy responded by increasing the supplies of all kinds of goods.

To increase agricultural production, we took action that is already producing results. We virtually scrapped the system operating to reduce and control farm production and replaced it with a system designed to maximize farm production. Over 50 million new acres have been released from the acreage control programs. We have abandoned all kinds of subsidies and incentives for growing less and selling less. We are doing everything we can to increase the availability of food on the American market.

Last summer we tried controls to stem a demand-pull inflation. They did not work very well. Indeed, they actually contributed to misallocation and created distortions throughout the economy. You are still seeing the effects in the food industry.

Controls are an interference with economic freedom. Also, they make only a marginal contribution in certain circumstances and, in general, cost us more than any benefits they create.

Nevertheless, we do see a need for close monitoring of price and wage developments. Not to do so would be unforgivable negligence.

But the basic solution is fiscal and monetary restraint. Restraint works without throwing out the baby with the bath water. It accomplishes the purpose without destroying the free market system. We must have the patience to let monetary and fiscal restraint work.

Despite all the difficulties, we are pursuing the objective of balancing the budget in fiscal year 1976. This is our bicentennial year, an ideal point in history to mobilize our energies for American redemption and renewal.

Your industry faces a challenge in creative cooperation, in productivity, in providing better, cheaper, and more healthful food products, in competition that will keep America great. When George Washington was at Valley Forge, he could not order rations from the Grocery Manufacturers of America. His troops went hungry. But they persevered because they believed in an ideal.

So it is, as we approach our third century of nationhood, we must rededicate ourselves to our ideals and our aims. We have had a world food shortage. We have had a fuel shortage. But we have *no* shortage of American ingenuity, of American determination, and of American courage. We will overcome our transient problems and emerge an even greater Nation in fulfillment of George Washington's vision of liberty and justice for all.

Even as we are meeting here today, our President is in the Middle East on an historic mission. I am proud to live in a Nation that commands the worldwide respect to enable our President to inspire others with a vision of peace and progress.

These United States of America will transcend our present domestic difficulties, whether political or economic. I believe in our Nation and for what it stands. And I believe in our ability to develop a new sense of national purpose based upon our traditional reverence for moral and human values.

I thank you.

TERRORISM IN THE UNITED STATES

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, sometimes, in our concern for the rights of those who become involved in crime, I am afraid that we lose sight that even though their objective may be valid, change must be brought about through peaceful measures under the law and not by force and violence. This is particularly true of the violent antisocial movement in this country commonly referred to as terrorism.

Recently in response to a request for the United Press International, FBI Director Clarence M. Kelley issued a brief statement dealing with terrorism. I feel Director Kelley's comments helped to place this subject in its proper perspective, and I recommend it to the attention of my colleagues:

Statement on Terrorism

(By Clarence M. Kelley)

In a tragic incident in Los Angeles last May 17th six members of the Symbionese Liberation Army (SLA) met death. This event is tragic in several ways. A half dozen young lives were lost. For these six individuals, it was the end of a trail of violence, threats to society, bank robbery, kidnaping, and terrorist activity. It was also tragic in the fact that it aroused unwarranted criticism of the concerned law enforcement agencies and it blinded some citizens' perspective regarding terrorism.

As a career law enforcement official, I want to assure you that no police agency or police officer has any desire to become involved in gun battles. In law enforcement, firepower is a defensive weapon, a last resort used to protect innocent citizens or fellow law enforcement associates whose safety and lives are being jeopardized.

As a parent with deep love for my family and friends, I can well understand the anguish suffered by those whose loved ones have somehow become swept up in the violent antisocial movement, whether it be the SLA or other similar violence-oriented group. But this compassion cannot lead to disregard for rights of all citizens. Violence as a solution to social ills must be rejected.

The fact that a number of SLA members recently met a violent end does not mean that other members of the SLA or other revolutionary groups need also face such an end. However, let all who would espouse terrorism fully understand that the law enforcement profession will not shirk its responsibility to protect the rights, property, welfare, and lives of our fellow citizens.

I urge law-abiding citizens who reap the benefits of our form of government to maintain a sane and sensible position in regard to those who would overthrow this government and its institutions by force and violence. It may be true that these members of revolutionary groups seek a better world, that they give up comfortable homes and protected lives to further their cause, and that they crusade with burning zeal to achieve their ends.

They, however, like all who espouse anarchy or despotism, fail to realize that the world of the late 20th century will not tolerate force and violence as tactics to achieve a valid end. This nation has established a form of government that permits change as the people desire—but the change must be brought about peacefully and under the law. Those who choose to live outside the law must accept the consequences of their violent choice. They cannot be permitted to hide under a facade of idealism.

Those who would steal and those who would kill, despite ostensibly lofty motives, must be considered for what they actually are—thieves and murderers.

One in my position cannot discuss a problem such as terrorism without touching on what the FBI and law enforcement in general is doing about it.

A couple of weeks ago I was widely quoted as having described our status in the Hearst kidnaping case as "stumped." To the extent that I was referring to the exact whereabouts of Miss Hearst, that was and is true. It does not mean, however, that our investigative efforts have ended. Together with police departments across the country, we are following up on hundreds of leads in the case in a nationwide cooperative effort to resolve this matter.

For obvious reasons I cannot cite examples of specific locations where we are conducting searches for terrorists, but I can assure you that where such groups or individuals are active, we are there. I can further assure you that in this cooperative effort by all law enforcement agencies, we will succeed. Terrorism in the United States simply will not be tolerated.

We in law enforcement realize and accept our responsibility to prevent terrorism as well as to enforce the laws which terrorists violate. We have given serious thought to this problem, and have concluded that our capabilities in this area definitely need to be broadened in the use of certain techniques we cannot now employ. To this objective, we in the FBI are in the process of considering proposed legislation in the area of domestic wiretaps for discussion with the Department of Justice and eventual presentation to the Congress. The use of this important law enforcement technique would greatly assist us in our counterterrorist efforts.

The FBI and all law enforcement agencies in this country are pledged to the safety and security of all citizens. So there may be no questions as to our policies with regard to the terrorists in this country, allow me to summarize our position by quoting from a fine editorial which appeared in the Washington Star-News on May 21, 1974: "Any group which takes up the gun to achieve its objectives must be put down very hard, very quickly. The SLA has learned, in Los Angeles, that this will be done. We can only hope that others with guerrilla delusions are learning that bullets and ideals do not mix in this country."

AMENDMENT TO STRIP MINING BILL

(Mr. YOUNG of Georgia asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. YOUNG of Georgia. Mr. Speaker, I favor the abolition of all strip mining of coal in this country as a minimal act of decency by this Congress, and I urge my colleagues to support H.R. 15000 as a substitute for H.R. 11500 when the issue is before us later today. In the unhappy event that Mr. Hechler's substitute measure is not adopted, I intend to offer an amendment which will ban strip mining on slopes greater than 20 degrees from the horizontal.

This amendment, which follows, is set forth here to qualify for the necessary time to present it to the House:

Amendment to H.R. 11500

Page 157, after line 2, insert the following subsection:

"(i) Six months after the date of enactment of this Act, no surface coal mining operation shall be conducted on slopes greater than 20 degrees from the horizontal."

Page 195, line 8, strike all through Page 197, line 20, inclusive.

(Renumber the following subsections accordingly.)

CONFORMING AMENDMENTS

Page 198, line 1, strike the words "and in subsections 211(c)(1) and (2)".

Page 198, line 13, after the number "211 (b)(8)" strike all through "(2)" on line 14, inclusive.

AMENDMENTS TO H.R. 12898 AND H.R. 11500—ANTHRACITE COAL MINES

(Mr. FLOOD asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FLOOD. Mr. Speaker, at the appropriate time I will offer an amendment to H.R. 11500 and H.R. 12898. A copy of my amendments and a section-by-section analysis follows:

Amendment to H.R. 12898

ANTHRACITE COAL MINES

Page 77, line 16, add § 222:

The Secretary is hereby authorized to and shall issue separate regulations for the interim and permanent programs for those anthracite coal surface mines which meet the following criteria:

(a) were previously underground and/or surface mine workings as of the date of this Act;

(b) involves a coal mining operation that follows a coal seam or seams on an inclination of fifteen degrees or more from the horizontal;

(c) there is no practicable alternative method of mining the coal involved.

Such alternative regulations shall adopt as the standards required under this Act the provisions of the Pennsylvania Surface Mining Conservation and Reclamation Act and regulations enacted thereunder presently applicable to anthracite surface mining and shall be imposed in lieu of sections 201, 202, 207, 208, 209, 210, 211, 213, of this Act: *Provided, however,* That upon amendment of the Pennsylvania Surface Mining Conservation and Reclamation Act or regulations thereunder in force in lieu of the above cited sections of this Act, the Secretary shall issue such regulations as the Secretary determines meet the purposes of this Act.

Amendment to H.R. 11500

ANTHRACITE COAL MINES

Page 242, line 15, add § 227:

The Secretary is hereby authorized to and shall issue separate regulations for the interim and permanent programs for those anthracite coal surface mines which meet the following criteria:

(a) were previously underground and/or surface mine workings as of the date of this Act;

(b) involves a coal mining operation that follows a coal seam or seams on an inclination of fifteen degrees or more from the horizontal;

(c) there is no practicable alternative method of mining the coal involved.

Such alternative regulations shall adopt as the standards required under this Act the provisions of the Pennsylvania Surface Mining Conservation and Reclamation Act and regulations enacted thereunder presently applicable to anthracite surface mining and shall be imposed in lieu of sections 201(b)(c)(e), 208 209, 210, 211, 216, 217, of this Act: Provided, however, That upon amendment of the Pennsylvania Surface Mining Conservation and Reclamation Act or regulations thereunder in force in lieu of the above cited sections of this Act, the Secretary shall issue such regulations as the Secretary determines meet the purposes of this Act.

Section-by-Section Analysis

This amendment would regulate the surface mining of anthracite coal utilizing a combination of H. R. 11500 and the Pennsylvania Surface Mining Conservation and Reclamation Act—widely recognized as the strongest strip mine control law in the nation.

Federal enforcement of the regulations is retained as well as public participation at each stage of the hearings or violations procedures. Additionally, to safeguard the possibility of a weakened Pennsylvania law through amendment at some time in the future, this amendment requires imposition of the Federal regulations at such a juncture.

BACKGROUND

Anthracite coal is unique—This coal is geographically and geologically different than Bituminous. Anthracite is produced solely in Pennsylvania and in a small portion of the State at that. Total production is a fraction of one percent of the total of national coal production. Anthracite, contrasted to Bituminous, has:

(1) heavy pitching veins;
(2) coal deposits irregular in formation;
(3) multiple veins;
(4) heavy rock overburden.

Anthracite mining operations, contrasted with Bituminous, are:

(1) conducted on properties previously deep mined;

(2) conducted by removing coal from pillars left after abandonment of deep mining. No solid coal areas are being stripped, nor are any available for such mining;

(3) conducted in areas previously surface mined, the current operations extending the previously mined areas to greater depths.

Anthracite coal is in short supply—There is an acute and serious shortage of vitally needed anthracite coal. Production has declined from 29 million tons in 1953 to 7.1 million tons in 1972. An annual production of 6.8 million tons are estimated as having been produced in 1973 and projections are for 6 million tons or less in 1974.[1] Demand for anthracite is 15 to 20 percent above present production while paradoxically the industry is suffering a 20 percent decrease in production. The shortage has taken on the elements of a crisis since fully 43 percent of all home heating in Northeast and Central Pennsylvania is by anthracite coal. The Federal Energy Administration is currently developing a contingency plan to meet this crisis before the winter months set in. The Bureau of Mines and the Federal Energy Office have jointly recommended that any Federal Surface Mining law recognize the unique characteristics of anthracite mining in light of this emergency situation.

Past Federal coal legislation ignored Anthracite—The Coal Mine Health and Safety Act, similarly to H.R. 11500, regulates coal mining. But coal mining in Washington has always meant Bituminous and not Anthracite. The result has been a decline in production of Anthracite directly attributable to the attempt to force the square peg of Bituminous coal mining regulations into the round hole of Anthracite coal mining. The Department of the Interior has thus been forced to establish a special Anthracite Task Force to help regulate the mining of this special fuel due to the failure to anticipate the special problems that occur in mining it.

Pennsylvania has a strong surface mining law—The present combination of the Pennsylvania Surface Mining Conservation and Reclamation Act and the Pennsylvania Clean Streams Act provide the strongest protection to the environment of any state in the Union. The Pennsylvania Act is in large part the model for H.R. 11500.

AMENDMENT

This amendment would substitute the Pennsylvania Surface Mining Conservation and Reclamation Act and the regulations enacted thereunder for the following sections of H.R. 11500:

§ 201(b)(c)(e)—the standards and regulatory authority of this section are presently met by the Pennsylvania law. Subsection (f), Federal enforcement, should be noted as being included as applicable to Anthracite surface mining.

§ 209–§ 210—the permit procedures of Pennsylvania law reflect the unique features of Anthracite coal and would exclude clearly extraneous information required by these sections while maintaining a sufficient level of information for the regulatory authority to make an intelligent decision with regard to the permit application.

§ 211—the environmental protections standards of the Pennsylvania law are recognized as the strongest in the nation and reflect those contained in H.R. 11500. At the same time, the Pennsylvania law recognizes the peculiar geology of Anthracite coal mining which H.R. 11500 does not as exemplified by § 201(b)(19).

§ 216–§ 217—bonding and bond release procedures under the Pennsylvania law adequately insure sufficient bonding and allow thorough examination of a bond release request.

Remaining applicable to Anthracite mining are the ultimate Federal enforcement procedures, citizen participation procedures, permitee revocation procedures, review by the judiciary and the Secretary of the Interior Department, and the civil penalties, as well as the safeguard concerning the amendment of the Pennsylvania law.

The result is a bill which protects the environment in the anthracite coal fields while at the same time allows for increased production of a critically needed fuel.

AMENDMENTS TO H.R. 15000

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HECHLER of West Virginia Mr. Speaker, at the appropriate time when the Hechler substitute, H.R. 15000, is offered, I have an obligation announced to the Committee on Rules to remove two sections of H.R. 15000 which affect the jurisdiction of other committees. Even though the Committee on Rules graciously voted a rule to waive points of order against H.R. 15000, I made a pledge which I shall attempt to carry out, in removing two of the sections which in the absence of the rule would not be germane.

Sections 110 (b) and (c) of my bill, from page 42, line 14, through page 42, line 15, are identical with section 216 (b) and (c) of H.R. 11500, the committee bill. Frankly, I was not very much concerned one way or the other about the mechanics of depositing cash or securities in order to satisfy the requirements of the performance bonds for reclamation, and therefore these sections were made identical with the language of the committee bill, H.R. 11500. However, a member of the Banking and Currency Committee pointed out that the language in both the committee bill and my substitute contained material which more properly belongs in the jurisdiction of the Banking and Currency Committee. Both Mrs. MINK and Mr. UDALL indicated to the Committee on Rules that they would seek to take out these offending sections, and I indicated likewise.

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[1] Figures supplied by United States Department of the Interior, Bureau of Mines, Thomas V. Falkie, Director.

The Hechler substitute, H.R. 15000, also contains language in title III designed to help workers in strip mining industries to make an easier transition to other forms of employment once strip mining is phased out. Retraining and relocation allowances are provided for this transitionary period, and it is clear that jurisdiction for such measures lies within the Committee on Education and Labor. Although title III of my substitute was clearly designed to answer the argument that a phasing out of strip mining might disadvantage certain workers in strip mines, I indicated to the Committee on Rules that I would agree to ask unanimous consent in Committee of the Whole that title III be dropped because of the jurisdictional problem involved:

AMENDMENTS TO H.R. 15000 TO BE PROPOSED BY MR. HECHLER OF WEST VIRGINIA

Page 42, after line 13, strike all through page 43, line 15, inclusive.

Page 83, strike the entire page and all pages thereafter, inclusive.

THE LATE CHIEF JUSTICE WARREN

(Mr. JOHNSON of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. JOHNSON of California. Mr. Speaker, it is with a deep sense of personal loss that I rise today to pay tribute to one of the finest public servants ever to serve this Nation—Chief Justice Earl Warren.

As the report in the Washington Post declared in its opening sentence:

> By nearly every standard that can be said to measure judicial stature, Earl Warren must be counted among the great Chief Justices of the United States—the greatest in all probability since John Marshall.

Many of my colleagues in the Congress of the United States will, of course, remember Chief Justice Warren for the 16 years which he served as the highest Justice of the land. And as the President commented when he retired.

> These sixteen years, without a doubt, will be described by historians as years of greater change than any in our history.

These recollections and tributes to his record on the Supreme Court bench, are of course, fully justified and deserved. I, however, recall him most vividly during the time that he served as Governor of our great State of California. During a portion of that time I was privileged to work with him while a member of the California State Senate and came to know him and respect him and share his friendship over the past 30 years.

Earl Warren served his first term as Governor of California during those turbulent years of World War II. His leadership, his vision, and his constant battle for the rights of man and the betterment of the individual citizen were so highly respected in California that when he sought reelection to his second term, he was nominated by both major parties in the primary election of 1946. When he was elected that year by an overwhelming majority, he became the second California Governor to serve a second term in the 20th century. He went on to earn an unprecedented third term in that office.

His tenure as Governor of California was marked by great vision and foresight. He fought, beginning in 1945, for a State program of prepaid medical insurance. The battle was not won at that time, but of course, the concept which he initiated has become standard throughout this Nation of ours.

He undertook the reorganization of the Department of Mental Hygiene, which brought our mental hospital system of the State of California from the depths of antiquity to one of the most modern in the Nation.

He proposed and fought for stringent legislation regulating lobbyists.

Among his other accomplishments was the institution of an outstanding highway development program. Again, the State of California became the leader in this effort, primarily because of his vision and dedication to a cause.

The battle closest to my heart was that which he fought successfully, and I was privileged to work very closely with him, in championing the Central Valleys project of the U.S. Bureau of Reclamation. Through this effort, we are providing the people of California not only with a fine supply of water for our homes, our agriculture, businesses and industry, but we also are providing our people with low cost hydroelectric energy developed as an integral part of the Central Valleys project.

Again, without his leadership and without his dedicated support of the public power concept, we would probably not have accomplished this goal in the State of California.

Mr. Speaker, some may have disagreed with Chief Justice Warren's views, but no one should ever question his integrity, his dedication, and his devotion to the people and to public service. He was a great American, he was a great public servant, he was one whose devotion to the law was epitomized by his personal life as well as his public life.

Mr. Speaker, on Wednesday, March 10, the McClatchey Newspapers, serving our State capitol—Sacramento—and the rest of the Central Valleys area of California paid tribute and mourned this great American. So that my colleagues here in the House can share the great admiration and respect which the people of California have for Justice Warren I include this tribute in the RECORD at this point:

Thank you.

EARL WARREN, 1891-1974

We mourn a great American today. A strong and good man, a towering symbol of justice and human dignity, is gone. A rich and useful life has ended with the death of Earl Warren.

There are so many reasons to honor his name. Few before him have done to much for the people of this country in marshaling the forces of decency and fairness against the ugly presence of prejudice and intolerance. Few have left a more precious heritage in defense of the rights of the individual.

Behind the scroll of deeds stands the commanding figure of this self-made lawyer-son of Scandinavian immigrants, a man who has never stopped growing. His vision broadened with age and experience each step along the way—from Oakland city attorney, to Alameda County district attorney, to state attorney general and unprecedented third-term governor of California, and finally, Chief Justice of the United States.

He grew, yes, yet throughout he remained the same plain, outgoing individual with unswerving principles. He liked people. And they liked him, whether as a fledgling clerk to a 1919 legislative committee in Sacramento; hearty, handshaking candidate; Republican nominee for vice president in 1948, or simply mingling with fellow sports fans at football and baseball games.

To each job he gave unstinting dedication and unswerving purpose. Americans saw that when he undertook the difficult task of heading the commission which investigated the assassination of President John F. Kennedy.

He inherited a sharply-divided and quarrelsome U.S. Supreme Court when he was appointed chief justice by President Dwight D. Eisenhower in 1953. His friendly manner, his open-mindedness, his capacity for fairness and for reaching the heart of the issue earned the respect of his colleagues.

And when he stepped down from the bench in 1969, legal commentators spoke of him as the strongest and most influential chief justice in American history, with the possible exception of John Marshall.

Certainly it can be said no chief justice has better served his court or country. In his 16 years in that office, the court compelled a massive change in the politics and social direction of the nation and ordered a major overhaul of criminal law. He forced it to act boldly where it had not acted at all on some central issues, and imbued it with a willingness to take on hard questions.

Warren probably will be best remembered for the historic decision—and it was unanimous—striking down segregation in the public schools, and in a series of landmark rulings which imposed strict guidelines to protect the rights of defendants caught up in the criminal process.

To him, though, Baker vs Carr—the legislative reapportionment case which enunciated the one-man, one-vote edict—was the most important case to come before the court. And, indeed, in the years that followed, it shaped the entire political scene in America.

The Warren court's major pronouncements acknowledged and vindicated the rights of the poor, the weak and the ignorant. They reflected Warren's inherent belief in the principle that the law and the Constitution must serve the lowliest as fully as it serves the most powerful.

The late Washington columnist Drew Pearson once wrote his grandson, then in the fourth grade: "By the time you are in college, Earl Warren will be regarded as a man who molded America as much as any of the great presidents."

Warren, in answer to a newsman's question in 1969, said: "I would like the court throughout its history to be remembered as the court of the people."

And so it will, chiseled as deeply into the conscience of America as the inscription on the Supreme Court building: "Equal Justice Under Law."

It was his guiding precept. It is his legacy for his children and children's children—and ours.

UNITED NATIONS CONFERENCE ON THE LAW OF THE SEAS

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, the third United Nations Conference on the Law of the Seas began on June 20. As one of the Members of the House on the delegation to the Conference, I am anxious to see progress on the many serious issues facing the delegates. Encouraging news emerged from the Conference almost as soon as it began, when it was announced that preliminary agreement had been reached on the territorial waters question, certainly one of the most crucial problems facing the Conference.

My optimism about the progress of the Conference has been somewhat dampened, however, by the decision to admit the PLO, the Palestinian terrorist organization, as an observer to the Conference. This question has come up before, and the decision was to admit a number of liberation organizations and give them observer status. The United States abstained from this decision and disassociated itself from it, and I must say I share that view. The PLO has dedicated itself to a disruption of peace and stability in the world through reliance on murder, hijacking, and terror, usually of innocent civilians. Lawlessness and blatant disregard for principles of human decency should not be rewarded with even the tiniest shred of recognition or approval. The action by the Law of the Seas Conference delegates is a blow to the causes of world peace and human rights which this country has worked so hard to preserve.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Steiger of Wisconsin, today for 60 minutes, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. Lagomarsino) to revise and extend their remarks and include extraneous material:)

Mr. Hansen of Idaho, for 5 minutes, today.

Mr. Blackburn, for 5 minutes, today.

Mr. Steiger of Wisconsin, for 60 minutes, on July 18, 1974.

Mr. Kemp, for 15 minutes, today.

Mrs. Mink to follow Mr. Steiger of Wisconsin on his special order today.

(The following Members (at the request of Mr. Long of Louisiana) to revise and extend their remarks and include extraneous material:)

Mr. Udall, for 10 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Koch, for 5 minutes, today.

Mr. Owens, for 5 minutes, today.

Mr. Mezvinsky, for 10 minutes, today.

Ms. Abzug, for 10 minutes, today.

Ms. Schroeder, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Fraser and to include extraneous matter notwithstanding the fact that it exceeds 2¼ pages of the Record and is estimated by the Public Printer to cost $625.50.

Mr. Hechler of West Virginia to revise and extend his remarks made during general debate on H.R. 11500.

Mr. Steiger of Wisconsin and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $625.50.

Mr. Bauman and to include extraneous matter in regard to the point of order made by Mr. Bauman in the Committee of the Whole, today.

Mr. Hosmer to revise and extend and include extraneous matter on H.R. 11500 during the proceedings in the Committee of the Whole, today.

(The following Members (at the request of Mr. Lagomarsino) and to include extraneous material:)

Mr. Cleveland.

Mr. Hanrahan in two instances.

Mr. Biester.

Mr. Cochran.

Mr. Sarasin.

Mr. Anderson of Illinois in two instances.

Mr. Hosmer in three instances.

Mr. Gross.

Mr. Broomfield.

Mr. Whalen.

Mr. McCloskey in two instances.

Mr. Froehlich.

Mr. Dellenback in two instances.

Mr. Young of Illinois in two instances.

Mr. Walsh in two instances.

Mr. Martin of North Carolina.

Mr. Derwinski in two instances.

Mr. Hudnut.

Mr. Cronin.

Mr. Burke of Florida.

Mr. Gubser.

Mr. Mizell in three instances.

(The following Members (at the request of Mr. Long of Louisiana) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Anderson of California in two instances.

Mr. Young of Georgia.

Mr. Brademas in six instances.

Mr. Teague in 10 instances.

Mr. Rosenthal in five instances.

Mr. Fulton.

Mrs. Sullivan in two instances.

Mr. Fraser.

Mr. McKay.

Mr. Murphy of New York.

Mr. Culver in six instances.

Mr. Evins of Tennessee in two instances.

Mr. O'Neill.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 11295. An act to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such Act, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on July 16, 1974, present to the President, for his approval a bill of the House of the following title:

H.R. 11143. An act to provide the authorization for fiscal year 1975 and succeeding fiscal years for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, and for other purposes.

ADJOURNMENT

Mr. HECHLER of West Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 40 minutes p.m.), the House adjourned until tomorrow, Thursday, July 18, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

2555. Under clause 2 of rule XXIV, a letter from the Secretary of Health, Education, and Welfare, transmitting a report of Federal activities related to welfare programs for the period from July 1, 1972, through June 30, 1973, pursuant to the Social Security Act, as amended (42 U.S.C. 904); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DIGGS: Committee on the District of Columbia. H.R. 15643. A bill to reorganize public higher education in the District of Columbia, establish a Board of Trustees, authorize and direct the Board of Trustees to

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consolidate the existing local institutions of public higher education into a single Land-Grant University of the District of Columbia, direct the Board of Trustees to administer the University of the District of Columbia, and for other purposes; with amendment (Rept. No. 93–1202). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 15842. A bill to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to reorganize public higher education in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia; and for other purposes; with amendment (Rept. No. 93–1203). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 15888. A bill to establish a District of Columbia Community Development and Finance Corporation, and for other purposes; with amendment (Rept. No. 93–1204). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI (for himself, Ms. Abzug, Mrs. Boggs, Mr. Fish, Mr. Gaydos, Mr. Gunter, Mr. Hechler of West Virginia, Mr. Kemp, Mrs. Schroeder, and Mr. Won Pat):

H.R. 15961. A bill to provide for daylight savings time from the first Sunday in March to the last Sunday in October; to the Committee on Interstate and Foreign Commerce.

By Mr. BROOMFIELD:

H.R. 15962. A bill to terminate the Emergency Daylight Saving Time Energy Conservation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILLIP BURTON (for himself, Mr. Matsunaga, Mrs. Mink, Mr. Don H. Clausen, and Mr. Won Pat):

H.R. 15963. A bill to authorize the appropriation of such sums as may be necessary to rehabilitate Eniwetok Atoll, Trust Territory of the Pacific Islands; to the Committee on Interior and Insular Affairs.

By Mr. COCHRAN:

H.R. 15964. A bill to amend the Internal Revenue Title (as it pertains to accumulated taxable corporate income) to provide for an increase in the accumulated earning credit; to the Committee on Ways and Means.

By Mr. ERLENBORN:

H.R. 15965. A bill granting the consent of Congress to the Midwest Interstate Nuclear Compact, and for other purposes; to the Committee on the Judiciary.

H.R. 15966. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. FREY (for himself, Mr. Biester, Mr. Burke of Florida, Mr. Riegle, Mr. Sarasin, and Mr. Wolff):

H.R. 15967. A bill to amend the Marine Mammal Protection Act of 1972 in order to prohibit the issuance of general permits thereunder which authorize the taking of marine mammals in connection with commercial fishing operations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HANRAHAN:

H.R. 15968. A bill to amend title 5 of the United States Code with respect to the observance of Memorial Day and Veterans Day; to the Committee on the Judiciary.

By Mr. PODELL:

H.R. 15969. A bill to establish in the Department of Housing and Urban Development a housing enforcement assistance program to aid cities and other municipalities in the more effective enforcement of housing codes; to the Committee on Banking and Currency.

By Mr. RIEGLE (for himself, Ms. Abzug, Mr. Aspin, Mr. Bingham, Mr. Brinkley, Mr. Dent, Mr. Edwards of California, Mr. Ford, Mrs. Grasso, Mr. Gude, Mr. Kyros, Mr. McCloskey, Mr. Mills, Mr. Mitchell of Maryland, Mr. Murtha, Mr. Rees, Mr. Reuss, Mr. Rosenthal, Mr. Roush, Mr. Roybal, Mr. Seiberling, Mr. Sikes, Mr. Ullman, Mr. Waldie, and Mr. Won Pat):

H.R. 15970. A bill to amend the Employment Act of 1946 with respect to price stability; to the Committee on Government Operations.

By Mr. STEELE:

H.R. 15971. A bill to amend the Wild and Scenic Rivers Act to designate the Shepaug River for potential addition to the Wild and Scenic Rivers Systems; to the Committee on Interior and Insular Affairs.

By Mrs. SULLIVAN (for herself, Mr. Murphy of New York, Mr. Clark, Mr. Jones of North Carolina, Mr. Biaggi, Mr. de la Garza, Mr. Breaux, Mr. Rooney of Pennsylvania, Mr. Treen, Mr. Steele, and Mr. Lott):

H.R. 15972. A bill to amend title 14, United States Code to provide a subsistence allowance for members of the Coast Guard officer candidate program; to the Committee on Merchant Marine and Fisheries.

By Mr. ANNUNZIO:

H.J. Res. 1091. Joint resolution to authorize and request the President to proclaim August 1, 1974, as "Polish Home Army Day"; to the Committee on the Judiciary.

By Mr. BIAGGI (for himself, Ms. Abzug, Mr. Addabbo, Mr. Bell, Mr. Brown of California, Mr. Eilberg, Mr. Hechler of West Virginia, Mr. Huber, Mrs. Mink, Mr. Moakley, Mr. Rangel, Mr. Rees, Mr. Won Pat, and Mr. Yatron):

H.J. Res. 1092. Joint resolution barring nuclear technology agreements without the expressed consent of Congress; to the Joint Committee on Atomic Energy.

By Mr. WOLFF (for himself, Mr. Hudnut, and Mr. Widnall):

H. Con. Res. 565. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. CULVER (for himself, Ms. Abzug, Mr. Addabbo, Mr. Anderson of Illinois, Mr. Andrews of North Dakota, Mr. Ashley, Mr. Badillo, Mr. Bergland, Mr. Biester, Mr. Bingham, Mr. Blatnik, Mr. Boland, Mr. Bolling, Mr. Brademas, Mr. Brown of California, Mr. Buchanan, Mrs. Burke of California, Mrs. Chisholm, Mr. Clay, Mr. Cohen, Mrs. Collins of Illinois, Mr. Conyers, Mr. Corman, Mr. Davis of Georgia, and Mr. Denholm):

H. Res. 1239. Resolution expressing the sense of the House of Representatives with respect to the participation of the United States in an international effort to reduce the risk of famine and to lessen human suffering; to the Committee on Foreign Affairs.

By Mr. CULVER (for himself, Mr. Diggs, Mr. Drinan, Mr. Eckhardt, Mr. Edwards of California, Mr. Fascell, Mr. Fauntroy, Mr. Foley, Mr. Fraser, Mr. Frelinghuysen, Mr. Gilman, Mr. Gunter, Mr. Hamilton, Mr. Harrington, Mr. Hawkins. Mr. Helstoski, Ms. Holtzman, Ms. Jordan, Mr. Koch, Mr. Lehman, Mr. Luken, Mr. McCloskey, Mr. McKinney, Mr. Martin of North Carolina, and Mr. Matsunaga):

H. Res. 1240. Resolution expressing the sense of the House of Representatives with respect to the participation of the United States in an international effort to reduce the risk of famine and to lessen human suffering; to the Committee on Foreign Affairs.

By Mr. CULVER (for himself, Mr. Meeds, Mr. Melcher, Mr. Metcalfe, Mr. Mezvinsky, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Mosher, Mr. Nedzi, Mr. Nix, Mr. Obey, Mr. Podell, Mr. Pritchard, Mr. Rangel, Mr. Rees, Mr. Reid, Mr. Robison of New York, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Roy, Mr. Roybal, Mrs. Schroeder, Mr. Seiberling, and Mr. J. William Stanton):

H. Res. 1241. Resolution expressing the sense of the House of Representatives with respect to the participation of the United States in an international effort to reduce the risk of famine and to lessen human suffering; to the Committee on Foreign Affairs.

By Mr. CULVER (for himself, Mr. Stark, Mr. Stokes, Mr. Symington, Mr. Thompson of New Jersey, Mr. Tiernan, Mr. Udall, Mr. Van Deerlin, Mr. Whalen, Mr. Won Pat, Mr. Yates, Mr. Young of Georgia, and Mr. Zablocki):

H. Res. 1242. Resolution expressing the sense of the House of Representatives with the participation of the United States in an international effort to reduce the risk of famine and to lessen human suffering; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

514. The SPEAKER presented a memorial of the Legislature of the State of Maryland, relative to the Panama Canal and Panama Canal Zone; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 15973. A bill for the relief of Augustin Robleto-Caldera; to the Committee on the Judiciary.

By Mr. JONES of Oklahoma:

H.R. 15974. A bill to authorize the President of the United States to present in the name of Congress a Medal of Honor to Brig. Gen. Charles E. Yeager; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII,

561. The SPEAKER presented a petition of the Communication Workers of America, Washington, D.C., relative to wiretapping and electronic surveillance, which was referred to the Committee on the Judiciary.

SENATE—*Wednesday, July 17, 1974*

The Senate met at 9:30 a.m. and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

Sister Joan Doyle, B.V.M., president, Sisters of Charity of the Blessed Virgin Mary, Mount Carmel Generalate, Dubuque, Iowa, offered the following prayer:

O God, in this still moment we acknowledge Your presence among us.

We remember with gratitude the gifts You have placed in our hands; the beauty of the Earth, the gift of life, the blessings of home and friendship, the riches of a land that "flows with milk and honey," a land shaped, strengthened, and continually gifted by its people.

We share the questionings and aspirations of all those who want to build a more human world, a world where hunger is no longer the daily fare, a world where peace prevails, a world where all may live in dignity and freedom.

We know ourselves, our frailties, our failures—failures which have often come in our energetic pursuit of good.

We ask Your help, O Lord, as we grapple with the awesome problems that fracture and fragment the people of the world. We ask for sensitivity to suffering and loneliness; for the ability to see the loveliness of all persons. We ask for light to discern what is good and just as we search, debate, and exchange ideas; for courage to act while remaining firm and faithful to a sacred trust.

May all our deeds this day and in the days to come call our sisters and brothers to liberation, to a new life, to a better world.

O God, in this still moment we lift our prayer to You. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, July 16, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objections, it is so ordered.

SISTER JOAN DOYLE

Mr. MANSFIELD. Mr. President, at this time I yield to the distinguished Senator from Iowa (Mr. CLARK).

Mr. CLARK. I thank the distinguished majority leader.

Mr. President, I want to commend Sister Joan Doyle for her thoughtful and inspiring remarks at the opening of the Senate this morning. I am sure my colleagues join me in welcoming her and in expressing appreciation to her for serving as our guest Chaplain this morning.

Sister Joan is from Dubuque, Iowa, and she is president of the Sisters of Charity of the Blessed Virgin Mary at Mount Carmel in Dubuque, an order which includes 1,700 members.

Sister Joan's presence here today is indeed an historic occasion. This marks the first time that a Roman Catholic nun has offered the opening prayer in the Senate. It also is only the second time that a woman has done so—the first was the Reverend Wilamina Rowland in 1971, the Chaplain advises me.

I hope that it will not be 3 more years before a women again offers the prayer in the Senate—and that before long this body will hear regularly from women, not only delivering the opening prayer, but as Members of the Senate.

Thank you.

Mr. MANSFIELD. Mr. President, on behalf of the U.S. Senate, I wish to express our pleasure and gratification that Sister Joan Doyle, president of the Sisters of Charity, B.V.M., has delivered the opening prayer in the Senate today.

Sister Joan is the head of one of the outstanding religious orders in the United States. It is an order which has had a close, pleasant, and beneficial, association with the State of Montana, among other States, in the Union.

I am delighted that my distinguished colleague from Montana (Mr. METCALF) is presiding over the Senate on this auspicious occasion.

The Sisters of Charity is an order which is responsible for the founding and the continuation of one of the finest institutions of higher education in this country.

I can speak with some personal knowledge on that score, because I have visited the campus of Clarke College at Dubuque, Iowa, on a number of occasions. Even more important, my wife attended both high school and college at Clarke. She is the main reason, though not the only reason, why I think so highly of that institution. As a graduate of the Clarke High School and her years at the college, she is evidence of the excellence of the educational experience that is to be offered there and testimony to the high order, ability, and achievement which exists among the good Sisters of Charity.

The Sisters of Charity have walked in the path of the Lord and given sustenance, relief, and comfort to many of our people in many of our States. They are as they always have been, dedicated and devout. They are as they always have been, courageous and considerate.

It is a high honor for the Senate of the United States to have Sister Joan Doyle deliver the opening prayer. She is representative in her life and work of a great Christian religion, a great order, great college, and a great Nation.

Mr. HUGH SCOTT. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. HUGH SCOTT. Mr. President, I rise also to commend the distinguished Senator from Iowa (Mr. CLARK) for having proposed and made possible the appearance of Sister Joan Doyle here this morning. As he has said, it ought not to be 3 years more before we have other women preside over the Senate. I think that the gentler touch of womankind is needed for the opening session before we enter into the brutal contests of the day. We are most honored indeed that Sister Joan is here. We are honored by her personal presence, by the Sisters of Charity as an organization of which she is an outstanding representative, and by the fact that we have this opportunity to hear her splendidly constructed and compassionate religious appeal to the Deity on behalf of the Senate and the Nation.

I am bound to note, as a Philadelphian, that the first woman chaplain was from my city of Philadelphia in 1971, and I ask forgiveness for that bit of parochiality.

Mr. MANSFIELD. Mr. President, I must say that we would have been better off if we had more women of various denominations giving the opening prayer at the start of the proceedings of the Senate.

FOREIGN SERVICE RETIREMENT AMENDMENTS OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 969, S. 1791.

The ACTING PRESIDENT pro tempore. The clerk will report.

The second assistant legislative clerk read as follows:

A bill (S. 1791) to amend title VIII of the Foreign Service Act of 1946, as amended, relating to the Foreign Service retirement and disability system, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Foreign Relations with amendments on page 1, in line 4, strike out "1973" and insert in lieu thereof "1974".

On page 5, beginning with line 7, insert:

CONFORMITY WITH CIVIL SERVICE RETIREMENT SYSTEM

SEC. 103. Immediately below section 804 of such Act add the following new section:

"AUTHORITY TO MAINTAIN EXISTING AREAS OF CONFORMITY BETWEEN CIVIL SERVICE AND FOREIGN SERVICE RETIREMENT SYSTEMS

"SEC. 805. (a) Whenever the President determines that it is appropriate for the purpose of maintaining conformity with respect to substantially identical provisions of the Civil Service Retirement and Disability Sys-

tem and the Foreign Retirement and Disability System, he shall, within thirty days after the date of enactment of any amendment in the civil service system affecting its current or former participants or their survivors, transmit a message to both Houses of Congress on the same day and to each House while it is in session, containing a conforming change in the Foreign Service system. That change shall take effect as of the effective date of such amendment or such later date as may be specified by the President, unless a resolution disapproving the change is passed by either House within the first thirty calendar days of session, from the date of transmittal of the President's message, of that House in which any such resolution is proposed. If the President should determine that any amendment to the civil service system is inapplicable or unnecessary for the Foreign Service system, he shall transmit within thirty days after the date of enactment of such amendment a report to the Congress so indicating.

"(b) Any such conforming change shall have the force and effect of law and shall modify, supersede, or render inapplicable as the case may be, to the extent inconsistent therewith—

"(1) all provisions of law enacted prior to the effective date of the provision of the conforming change, and

"(2) any prior provision of a conforming change issued under authority of this section."

On page 6, at the beginning of line 19, strike out "103" and insert in lieu thereof "104".

On page 8, in line 21, strike out "1973" and insert in lieu thereof "1974".

On page 9, in line 12, strike out "104" and insert in lieu thereof "105".

On page 13, in line 12, strike out "105" and insert in lieu thereof "106".

On page 14, in line 16, strike out "106" and insert in lieu thereof "107".

On page 15, in line 15, strike out "107" and insert in lieu thereof "108".

On page 16, in line 2, after "*Provided*", insert "That the annuity of a surviving spouse shall not be less than $2,400".

On page 17, in line 19, strike out "108" and insert in lieu thereof "109".

On page 18, in line 2, strike out "109" and insert in lieu thereof "110".

On page 21, beginning with line 11, insert:

"(i) Amounts deducted and withheld from basic salary of a participant under section 811 from the beginning of the first pay period after the participant has completed 35 years of service computed under sections 851 and 853, but excluding service for unused sick leave under paragraph (b) of section 851, together with interest on the amounts at the rate of 3 per centum a year compounded annually from the date of the deduction to the date of retirement or death, shall be applied toward any special contribution due under paragraph (d) of section 811, and any balance not so required shall be refunded in a lump sum to the participant after separation or, in the event of a death in Service, to a beneficiary in the order of precedence specified in paragraph (g) of this section."

On page 22, in line 2, strike out "110" and insert in lieu thereof "111".

On page 22, at the end of line 14, insert "performed after December 21, 1974,".

On page 22, in line 18, after the period, insert:

All service preformed for the Department of State or the United States Information Agency by a United States citizen grantee employed by any Binational Center referred to in paragraph 2(1) of Executive Order 11034 of June 25, 1962, as amended, shall be considered creditable for purposes of this section."

(c) Section 851 of such Act is further amended by adding the following new paragraphs at the end thereof:

On page 23, beginning with line 1, strike out:

"(c) (1) A participant who enters on approved leave without pay to serve as a full-time officer or employee of an organization composed primarily of Government employees may, within sixty days after entering on that leave without pay, file with the employing agency an election to receive full retirement credit for such periods of leave without pay and arrange to pay concurrently into the fund through the employing agency, amounts equal to the retirement deductions and agency contributions on the Foreign Service salary rate that would be applicable if the participant were in a pay status. If the election and all payments provided by this paragraph are not made for the periods of such leave without pay occurring after the effective date of this paragraph, the participant may not receive any credit for such periods of leave without pay occurring after such date.

And insert in lieu thereof:

"(c) (1) A participant who enters on approved leave without pay to serve as a full-time officer or employee of an organization composed primarily of Government employees may, within sixty days after entering on that leave without pay, file with the employing agency an election to receive either one-half credit or full credit toward retirement for such period of leave without pay. If full credit is elected, the participant shall arrange to pay concurrently into the Fund through the employing agency one-half the employee retirement deduction that would have applied if the participant were in a pay status. If one-half credit is elected, no deduction shall be required.

On page 24, in line 4, strike out "in accordance with section 811".

On page 24, in line 9, after the coma, insert "and shall be at one-half the regular contribution rate plus interest in accordance with section 811."

On page 24, in line 13, after "If", strike out "the deposit" and insert in lieu thereof "this contribution".

On page 24, in line 14, after "made," strike out "in full,".

On page 24, at the end of line 14, strike out "so much of the".

On page 25, in line 16, strike out "111" and insert in lieu thereof "112".

On page 26, in line 6, strike out "112" and insert in lieu thereof "113".

On page 27, beginning with line 9, insert:

REEMPLOYED ANNUITANTS

SEC. 114. Section 872(a) of such Act is amended by deleting the phrase "the basic salary such officer or employee was entitled to receive under section 412 or 415 of the Act, as amended, on date of his retirement from the Service." and substituting the following therefor: "the current basic salary authorized by section 412 or 415 of this Act for the class and step such officer occupied or was entitled to occupy on the date of his retirement."

On page 27, in line 19, strike out "113" and insert in lieu thereof "115".

On page 29, in line 2, strike out "114" and insert in lieu thereof "116".

On page 29, beginning with line 24, insert:

"(1) An annuity, except a deferred annuity under section 834 or any other section of this Act, payable from the fund to a participant who retires and receives an immediate annuity, or to a surviving spouse of a deceased participant who dies in Service or who dies after being separated under the provisions of section 634(b) (2), which has a commencing date after the effective date of the then last preceding annuity increase under paragraph (a) of this section shall not be less than the annuity which would have been payable if the commencing date of such annuity had been the effective date of the then last preceding annuity increase under such paragraph (a). In the administration of this subparagraph, the number of days of unused sick leave to an employee's or deceased employee's credit on the effective date of the then last preceding annuity increase under such paragraph (a) shall be deemed to be equal to the number of days of unused sick leave to his or her credit on the day of separation from the Service.

On page 30, in line 18, strike out "(1)" and insert in lieu thereof "(2)".

On page 30, in line 23, strike out "(2)" and insert in lieu thereof "(3)".

On page 31, in line 10, strike out "1973" and insert in lieu thereof "1974".

On page 31, at the beginning of line 15, insert "(A)".

On page 31, in line 15, after "or" insert "(B)".

On page 31, in line 22, strike out "115" and insert in lieu thereof "117".

On page 32, in line 1, strike out "Foreign Service Act".

On page 35, beginning with line 3, insert:

SEC. 206. (a) Section 704 of such Act is amended by adding the following subsections at the end thereof:

"(g) The Secretary shall certify to the United States Civil Service Commission the name and dates of service of each individual who performed service as a language instructor in the Institute under a non-personal-services contract before July 1, 1960, and who, subsequent to such service, performed service creditable under section 8332(b) of title 5, United States Code. Subject to the making of a deposit provided for under section 8334 (c) of such title 5, the Commission shall accept the certification of the Secretary for the purpose of computing creditable service under section 8332(b) of such title 5."

(b) Section 8332(b) of title 5, United States Code, is amended—

(A) by striking out "and" at the end of paragraph (8);

(B) by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and the word "and";

(C) by inserting immediately below paragraph (9) the following new paragraph:

"(10) subject to making a deposit provided for under section 8334(c) of this title, service performed after June 30, 1948, but prior to July 1, 1960, as a language instructor in the Foreign Service Institute, Department of State, under a non-personal-services contract, only if he later becomes subject to this subchapter"; and

(D) by inserting immediately after the fifth sentence thereof the following new sentence: "The Commission shall accept the certification of the Secretary of State concerning service for the purpose of this subchapter of the type described in paragraph (10) of this subsection and performed by an employee."

(c) The amendments made by this section shall apply to individuals separated from Government service prior to, on, or after the date of enactment of this Act, and their survivors; but no annuity or survivor annuity, or increase in any such annuity shall be payable by reason of such amendments for any period prior to the first day of the first month which begins after the date of the enactment of this Act.

Sec. 207. Section 943 of such Act is amended by (A) inserting "(a)" immediately after 943 and (B) by adding the following subsection at the end thereof:

"(b) Until such time as retired Federal employees become eligible for physical examinations under a universal medical program applicable to United States citizens generally, officers and employees of the Service who are citizens of the United States and their spouses who were eligible for medical services under part E, title IX of the Foreign Service Act of 1946, as amended, at the time of the officer or employee's separation from Service, shall be entitled in accordance with such regulations as the Secretary may provide and commencing at age 50, to an annual routine physical examination at a United States Government facility: *Provided*, That the officer or employee was separated with entitlement to an immediate annuity under the Foreign Service or Civil Service retirement system or was separated by selection out under section 633 of the Foreign Service Act of 1946, as amended, or section 625(e) of the Foreign Assistance Act of 1961, as amended. A surviving spouse shall also be entitled to the benefits of this subsection if the officer or employee died in Service.

On page 38, in line 24, after the comma, strike out "That section 9(c) of such Act shall not apply until" and insert in lieu thereof "the transitional schedules contained in Public Law 90–494 will be preserved until September 30, 1975, and that section 9(c) of such Act shall not apply until".

On page 43, in line 10, strike out "procedure" and insert in lieu thereof "precedence".

On page 44, beginning with line 18, insert:

(l) Annuities which commenced between—

(1) the effective date of the last cost-of-living increase which became effective under section 882 of the Foreign Service Act of 1946, as amended, prior to the date of enactment of this Act, and

(2) such date of enactment—

shall be recomputed and, if necessary, adjusted retroactivity to their commencing dates to apply the provisions of new subparagraph (c) (1) added to section 882 of Foreign Service Act by section 116 of this Act."

On page 45, in line 3, strike out "(1)" and insert in lieu thereof "(m)".

On page 46, in line 2, strike out "amendment" and insert in lieu thereof "amendments".

On page 46, at the end of line 2, strike out "subsection (a)" and insert in lieu thereof "sections 202 and 203".

On page 46, beginning with line 8, insert:

(n) Section 103 shall be effective with respect to all amendments to the Civil Service Retirement and Disability System, enacted after January 1, 1974, except that transmittal by the President of any message or report on amendments to that subchapter enacted prior to the date of enactment of this Act shall be transmitted to the Congress within thirty days following the date of enactment of this Act.

(o) Section 114 shall be effective on the first day of the second month following enactment and shall apply to all Foreign Service annuitants then and thereafter employed by the Federal Government.

(p) Section 207, pertaining to physical examinations, applies to Foreign Service personnel already separated as well as to those who separate in the future.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the amendments will be considered en bloc, and are agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1791

An act to amend title VIII of the Foreign Service Act of 1946, as amended, relating to the Foreign Service retirement and disability system, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Service Retirement Amendments of 1974".

TITLE I—AMENDMENTS OF TITLE VIII OF FOREIGN SERVICE ACT

FOREIGN SERVICE STAFF PARTICIPATION

Sec. 101. (a) Section 803 of the Foreign Service Act of 1946 (22 U.S.C. 801–1159) is amended by adding the following subparagraph at the end of paragraph (a) thereof:

"(4) All Foreign Service Staff officers and employees appointed by the Secretary of State or the Director of the United States Information Agency with unlimited appointments."

(b) Section 803 of such Act is further amended by changing the reference at the end of subparagraph (b) (2) from "852(b)" to "811".

(c) Section 803 of such Act is further amended by deleting paragraph (c) thereof.

DEFINITIONS

Sec. 102. (a) The heading of section 804 of such Act is amended to read "DEFINITIONS".

(b) Section 804 of such Act is amended by deleting paragraph (a), the preface in paragraph (b), and subparagraphs (b) (1), (2), and (3) and substituting the following in lieu thereof immediately following the section number:

"When used in this title unless otherwise specified, the term—

"(a) 'Annuitant' means any person including a former participant or survivor who meets all requirements for an annuity from the fund under the provisions of this or any other Act and who has filed claim therefor.

"(b) 'Surviving spouse' means the surviving wife or husband of a participant or annuitant who, in the case of a death in Service or marriage after retirement, was married to the participant or annuitant for at least two years immediately preceding his or her death or is the parent of a child born of the marriage.

"(c) 'Child' except in section 841 means an unmarried child, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support. In addition to the offspring of the participant, the term includes (i) an adopted child, (ii) a stepchild or recognized natural child who received more than one-half support from the participant, and (iii) a child who lived with and for whom a petition of adoption was filed by a participant, and who is adopted by the surviving spouse of the participant after the latter's death. 'Child' also means an unmarried student below the age of twenty-two years. For this purpose a child whose twenty-second birthday occurs before July 1 or after August 31 of a calendar year, and while a student is deemed to have become twenty-two years of age on the first day of July after that birthday.

"(d) 'Student' means a child regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years, semesters, or terms if the interim or other period of nonattendance does not exceed five calendar months and if the child shows to the satisfaction of the Secretary that he or she has a bona fide intention of continuing to pursue such course during the school year, semester, or term immediately following the interim.

"(e) 'Military and naval service' means honorable active service—

"(A) in the Armed Forces of the United States;

"(B) in the Regular or Reserve Corps of the Public Health Service after June 30, 1960; or

"(C) as a commissioned officer of the National Oceanic and Atmospheric Administration or predecessor organization after June 30, 1961;

but does not include service in the National Guard except when ordered to active duty in the service of the United States."

(c) Section 804 of such Act is further amended (A) by renumbering present subparagraphs "(b) (4)", "(5)" and "(6)" as "(f)", "(g)" and "(i)", respectively and (B) by adding the following as a new paragraph immediately following renumbered paragraph (g):

"(h) 'Foreign Service normal cost' means the level percentage of payroll required to be deposited in the fund to meet the cost of benefits payable under the system (computed in accordance with generally accepted actuarial practice on an entry-age basis) less the value of retirement benefits earned under another retirement system for Government employees and less the cost of credit allowed for military service."

CONFORMITY WITH CIVIL SERVICE RETIREMENT SYSTEM

Sec. 103. Immediately below section 804 of such Act, add the following new section:

"AUTHORITY TO MAINTAIN EXISTING AREAS OF CONFORMITY BETWEEN CIVIL SERVICE AND FOREIGN SERVICE RETIREMENT SYSTEMS

"Sec. 805. (a) Whenever the President determines that it is appropriate for the purpose of maintaining conformity with respect to substantially identical provisions of the Civil Service Retirement and Disability System and the Foreign Retirement and Disability System, he shall, within thirty days after the date of enactment of any amendment in the civil service system affecting its current or former participants or their survivors, transmit a message to both Houses of Congress on the same day and to each House while it is in session, containing a conforming change in the Foreign Service system.

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That change shall take effect as of the effective date of such amendment or such later date as may be specified by the President, unless a resolution disapproving the change is passed by either House within the first thirty calendar days of session, from the date of transmittal of the President's message, of that House in which any such resolution is proposed. If the President should determine that any amendment to the civil service system is inapplicable or unnecessary for the Foreign Service system, he shall transmit within thirty days after the date of enactment of such amendment a report to the Congress so indicating.

"(b) Any such conforming change shall have the force and effect of law and shall modify, supersede, or render inapplicable as the case may be, to the extent inconsistent therewith—

"(1) all provisions of law enacted prior to the effective date of the provision of the conforming change, and

"(2) any prior provision of a conforming change issued under authority of this section."

CONTRIBUTIONS

SEC. 104. (a) The heading of part B of title VIII of such Act is amended to read "CONTRIBUTIONS TO THE FUND".

(b) Section 811 of such Act is amended by adding the following paragraphs at the end thereof:

"(c) (1) If an officer or employee under another retirement system for Government employees becomes a participant in the System by direct transfer, such officer or employee's total contributions and deposits that would otherwise be refundable on separation including interest accrued thereon, except voluntary contributions, shall be transferred to the Fund effective as of the date such officer or employee becomes a participant in the System. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the System.

"(2) No officer or employee, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c) (1) of this section, shall be required to make contributions in addition to those transferred, for periods of service for which required contributions were made to the other Government retirement fund, nor shall any refund be made to any such officer or employee on account of contributions made during any period to the other Government retirement fund, at a higher rate than that fixed by paragraph (d) of this section.

"(d) Any participant credited with civilian service after July 1, 1924 (1) for which, for any reason whatsoever, no retirement contributions, deductions, or deposits have been made, or (2) for which a refund of such contributions, deductions, or deposits has been made which has not been redeposited, may make a special contribution to the Fund equal to the following percentages of basic salary received for such services:

Service	Percent or basic salary
From July 1, 1924, to October 15, 1960, inclusive	5
From October 16, 1960, to December 31, 1969, inclusive	6½
On and after January 1, 1970	7

Notwithstanding the foregoing, a deposit for prior nondeposit service as a National Guard technician which would be creditable under subchapter III, chapter 83, title 5, of the United States Code toward civil service retirement and for which a special contribution has not been made, shall be equal to the deposit for such service computed in accordance with the above schedule multiplied by the percentage of such service that is creditable under section 851. Special contributions shall include interest computed from the midpoint of each service period included in the computation, or from the date refund was paid, to the date of deposit or commencing date of annuity, whichever is earlier. Interest shall be compounded at the rate of 4 per centum per annum to December 31, 1974, and as 3 per centum per annum thereafter. No interest shall be charged on special contributions made after the date of enactment of the Foreign Service Retirement Amendments of 1974 for any period of separation from Government service which began before October 1, 1956. Special contributions may be paid in installments when authorized by the Secretary.

"(e) For purposes of a survivor annuity, a survivor of a deceased participant or annuitant may make a special contribution.

"(f) No contributions shall be required for any periods of military or naval service.

"(g) A participant or survivor may make a special contribution any time before receipt of annuity and may authorize payment by offset against initial annuity accruals."

COMPUTATION OF ANNUITIES

SEC. 105. (a) The heading of part C of title VIII of such Act is amended to read "COMPUTATION AND PAYMENT OF ANNUITIES".

(b) Paragraph (a) of section 821 of such Act is amended (A) by striking the phrase "for which full contributions have been made to the Fund" each time it appears and by striking the commas immediately preceding and following such phrase the first time it appears. (B) by striking ", 852" and (C) by adding the following sentence at the end: "The annuity shall be reduced by 70 per centum of any special contribution described in section 811(d) due for service for which no contributions were made and remaining unpaid unless the participant elects to eliminate the service involved for purposes of annuity computation."

(c) Paragraph (b) of section 821 of such Act is amended to read as follows:

"(b) (1) Unless elected in writing to the contrary at the time of retirement, any married participant shall receive a reduced annuity and provide a maximum survivor annuity for his or her spouse. Such a participant's annuity or any portion thereof designated in writing by the participant as the base for the survivor benefit shall be reduced by 2½ per centum of the first $3,600 plus 10 per centum of any amount over $3,600. If an annuitant entitled to receive a reduced annuity under this paragraph dies and is survived by a spouse, a survivor annuity shall be paid to the surviving spouse equal to 55 per centum of the full amount of the participant's annuity computed under paragraph (a) of this section, or by 55 per centum of any lesser amount the annuitant designated at the time of retirement as the base for the survivor benefit.

"(2) An annuity payable from the fund to a surviving spouse shall commence on the day after the annuitant dies and shall terminate on the last day of the month before the survivor's (A) remarriage prior to attaining age sixty or (B) death. If a survivor annuity is terminated because of remarriage under (A) above, it shall be restored at the same rate commencing on the date such remarriage is terminated provided any lump sum paid upon termination of the annuity is returned to the fund."

(d) Paragraph (d) of section 821 of such Act is amended by adding the following sentence at the end: "If the annuity to a surviving child is initiated or resumed, the annuities of any other children shall be recomputed and paid as though the annuity to such child had never been discontinued."

(e) Paragraph (e) of section 821 of such Act is amended to read as follows:

"(e) The annuity payable to a child under paragraph (c) or (d) of this section shall begin on the day after the participant dies or if the child is not then qualified, on the first day of the month in which the child becomes or again becomes a student. A child's annuity shall terminate on the last day of the month which precedes the month in which eligibility ceases."

(f) Paragraph (f) of section 821 of such Act is amended by (A) changing "50" to "55" in the first sentence and (B) changing the last sentence to read as follows: "The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the day after the annuitant dies and shall terminate on the last day of the month preceding the survivor's death."

(g) Section 821 of such Act is further amended by adding the following new paragraphs at the end:

"(g) An annuitant who was unmarried at retirement and who later marries may, within one year after such marriage, irrevocably elect in writing a reduced annuity with benefit to any surviving spouse who qualifies under section 804(b). The reduction in annuity shall be effective the first day of the month after notice of the election is received by the Secretary. Receipt by the Secretary of notice of an election under this paragraph voids prospectively any election previously made under paragraph (f). The reduction in annuity required by an election under this paragraph shall be computed and the amount of the survivor annuity shall be determined as if the election were made under paragraph (b) (1). The annuity reduction or recomputation shall be effective the first day of the month after notice of the election is received by the Secretary.

"(h) A surviving spouse shall not become entitled to a survivor annuity or to the restoration of a survivor annuity payable from the fund unless the survivor elects to receive it instead of any other survivor annuity to which he or she may be entitled under this or any other retirement system for Government employees.

"(i) Any married annuitant who reverts to retired status with entitlement to a supplemental annuity under section 871 shall, unless the annuitant elects in writing to the contrary at that time, have the supplemental annuity reduced by 10 per centum to provide a supplemental survivor annuity for his or her spouse. Such supplemental survivor annuity shall be equal to 55 per centum of the annuitant's supplemental annuity and shall be payable to a surviving spouse to whom the annuitant was married at the time of reversion to retired status or to whom the annuitant had been married for at least two years at the time of death or who is the parent of a child born of the marriage."

PAYMENT OF ANNUITIES

SEC. 106. Part C of title VIII of such Act is further amended by adding the following new section at the end:

"SEC. 822. (a) Except as otherwise provided, the annuity of a participant who has met the eligibility requirements for annuity shall commence on the day after separation from the Service or on the day after pay ceases. The annuity of a former participant who is entitled to a deferred annuity under section 834 or under any other section of this Act shall begin on the day he or she reaches age sixty.

"(b) The annuity to a survivor shall become effective as otherwise specified but shall not be paid until the survivor submits an application therefor supported by such proof of eligibility as the Secretary may require. If such application or proof of eligibility is not submitted during an otherwise eligible person's lifetime, no annuity shall be due or payable to his or her estate.

"(c) An individual entitled to annuity from the fund may decline to accept all or any part of the annuity by submitting a signed waiver to the Secretary. The waiver may be revoked in writing at any time. Payment of the annuity waived may not be made for the period during which the waiver was in effect.

"(d) Recovery of overpayments under this title may not be made from an individual when, in the judgment of the Secretary, the individual is without fault and recovery would be against equity and good conscience."

DISABILITY ANNUITIES—TECHNICAL CHANGE

Sec. 107. Section 831 of such Act is amended (A) by striking the phrase "that is credited in accordance with provisions of section 851 or 852(a)(2)" from paragraph (a) thereof; (B) by striking "(a)" following "section 841" in paragraph (c) thereof; (C) by amending paragraph (d) thereof to read as follows: "(d) No participant shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself or herself under subchapter I of chapter 81, title 5, United States Code, covering the same period of time except that a participant may simultaneously receive both an annuity under this section and scheduled disability payments under section 8107 of title 5, United States Code. This provision shall not bar the right of any claimant to the greater benefit conferred by either this Act or such subchapter for any part of the same period of time. Neither this provision nor any provision of such subchapter shall be so construed as to deny the right of any participant to receive an annuity under this Act and to receive concurrently any payment under such subchapter by reason of the death of any other person."; and (D) by striking the phrase "section 14 of the Act of September 16, 1916, as amended" from paragraph (e) thereof and substituting "5 U.S.C. 8135" in lieu thereof.

DEATH IN SERVICE

Sec. 108. (a) Section 832 of such Act is amended by revising paragraphs (a), (b), (c), and (d) to read as follows:

"(a) In case a participant dies and no claim for annuity is payable under the provisions of this Act, the lump-sum credit shall be paid in accordance with section 841.

"(b) If a participant who has at least eighteen months of civilian service credit toward retirement under the System dies before separation or retirement from the Service and is survived by a spouse, such surviving spouse shall be entitled to an annuity equal to 55 per centum of the annuity computed in accordance with the provisions of paragraph (e) of this section and of section 821(a): *Provided,* That the annuity of a surviving spouse shall not be less than $2,400.

"(c) If a participant who has at least eighteen months of civilian service credit toward retirement under the system dies before separation or retirement from the Service and is survived by a wife or a husband and a child or children, each surviving child shall be entitled to an annuity computed in accordance with paragraphs (c)(1) and (d) of section 821.

"(d) If a participant who has at least eighteen months of civilian service credit toward retirement under the system dies before separation or retirement from the Service and is not survived by a wife or husband, but by a child or children, each surviving child shall be entitled to an annuity computed in accordance with paragraphs (c) (2) and (d) of section 821."

(b) Section 832 of this Act is further amended by adding the following new paragraphs at the end:

"(f) If an annuitant who elected a reduced annuity dies in Service after being recalled under section 520(b) and is survived by a spouse entitled to a survivor annuity based on such an election, such survivor annuity shall be computed as if the recall service had otherwise terminated on the day of death and the deceased's annuity had been resumed in accordance with section 871. If such a death occurs after the annuitant has completed sufficient recall service to attain eligibility for a supplemental annuity, a surviving spouse, in addition to any other benefits, shall be entitled to a supplemental survivor annuity computed under section 821(i) as if the recall service had otherwise terminated. If the annuitant had completed sufficient recall service to attain eligibility to have his or her annuity determined anew, a surviving spouse may elect, in lieu of any other benefit under this title, to have the annuitant's rights redetermined and to receive a survivor annuity computed under paragraph (b) of this section on the basis of the annuitant's total service.

"(g) Annuities that become payable under this section shall commence, terminate, and be resumed in accordance with paragraphs (b)(2) or (e) of section 821, as appropriate."

DISCONTINUED SERVICE—TECHNICAL CHANGE

Sec. 109. Section 834 of such Act is amended (A) by striking "(a)" immediately following "Sec. 834."; (B) by striking the phrase "that is credited in accordance with the provisions of section 851 or 852(a)(2)" from the first paragraph thereof; and (C) by deleting paragraph (b) thereof.

LUMP-SUM PAYMENTS

Sec. 110. Part E of title VIII of such Act is amended to read as follows:

"PART E—LUMP-SUM PAYMENTS

"Sec. 841. (a) 'Lump-sum credit' as used in this title means the compulsory and special contributions to a participant's or former participant's credit in the Fund plus interest thereon compounded at 4 per centum per annum to the date of separation or December 31, 1974, whichever is earlier, and after such date for a participant who separates from the Service after completing at least one year of civilian service and before completing five years of such service, at the rate of 3 per centum per annum to the date of separation. Interest shall not be paid for a fractional part of a month in the total service or on compulsory and special contributions from an annuitant for recall service or other service performed after the date of separation which forms the basis for annuity.

"(b) Whenever a participant becomes separated from the Service without becoming eligible for an annuity or a deferred annuity in accordance with the provisions of this Act, the lump-sum credit shall be paid to the participant.

"(c) Whenever an annuitant becomes separated from the Service following a period of recall service without becoming eligible for a supplemental or recomputed annuity under section 871, the annuitant's compulsory contributions to the fund for such service together with any special contributions the annuitant may have made for other service performed after the date of separation from the Service which forms the basis for annuity, shall be returned without interest.

"(d) If all annuity rights under this title based on the service of a deceased participant or annuitant terminate before the total annuity paid equals the lump-sum credit, the difference shall be paid in the order of precedence shown in paragraph (g) of this section.

"(e) If a participant or former participant dies and is not survived by a person eligible for an annuity under this title or by such a person or persons all of whose annuity rights terminate before a claim for survivor annuity is filed, the lump-sum credit shall be paid in accordance with paragraph (g) of this section.

"(f) If an annuitant who was a former participant dies, annuity accrued and unpaid, shall be paid in accordance with paragraph (g) of this section.

"(g) Payments authorized in paragraphs (d) through (f) of this section shall be paid in the following order of precedence to such person or persons surviving the participant and alive on the date entitlement to the payment arises, upon the establishment of a valid claim therefor, and such payment shall be a bar to recovery by any other person:

"(1) To the beneficiary or beneficiaries last designated by the participant before or after retirement in a signed and witnessed writing received by the Secretary prior to the participant's death. For this purpose a designation, change, or cancellation of beneficiary in a will or other document not so executed and filed shall have no force or effect;

"(2) If there be no such beneficiary, to the surviving wife or husband of such participant;

"(3) If none of the above, to the child or children of such participant (including adopted and natural children but not stepchildren) and descendants of deceased children by representation;

"(4) If none of the above, to the parents of such participant or the survivor of them;

"(5) If none of the above, to the duly appointed executor or administrator of the estate of such participant;

"(6) If none of the above, to other next of kin of such participant as may be determined in the judgment of the Secretary to be legally entitled thereto except that no payment shall be made pursuant to this subparagraph until after the expiration of thirty days from the death of the participant or annuitant.

"(h) Annuity accrued and unpaid on the death of a survivor annuitant shall be paid in the following order of precedence, and the payment bars recovery by any other person: First, to the duly appointed executor or administrator of the estate of the survivor annuitant; second, if there is no such executor or administrator, payment may be made, after the expiration of thirty days from the date of death of such survivor annuitant, to such person as may be determined by the Secretary to be entitled under the laws of the survivor annuitant's domicile at the time of death.

"(i) Amounts deducted and withheld from basic salary of a participant under section 811 from the beginning of the first pay period after the participant has completed 35 years of service computed under sections 851 and 853, but excluding service for unused sick leave under paragraph (b) of section 851, together with interest on the amounts at the rate of 3 per centum a year compounded annually from the date of the deduction to the date of retirement or death, shall be applied toward any special contribution due under paragraph (d) of section 811, and any balance not so required shall be refunded in a lump sum to the participant after separation or, in the event of a death in Service, to a beneficiary in the order of precedence specified in paragraph (g) of this section."

CREDITABLE SERVICE

Sec. 111. (a) The heading of section 851 of such Act is amended to read as follows: "CREDITABLE SERVICE".

(b) Paragraph (a) of section 851 of such Act is amended to read as follows:

"(a) Except as otherwise specified by law, all periods of civilian and military service and periods of absence and separation therefrom completed by a participant through the date of final separation from the Service that would be creditable, as determined by the Secretary, under section 8332 of title 5, United States Code, toward retirement under the civil service retirement and disability system, if performed by an employee under

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that system, shall be creditable for purposes of this title. Conversely, any such service performed after December 31, 1974, that is not creditable under specified conditions under section 8332 of title 5, United States Code, shall be excluded under this title under the same conditions. All service performed for the Department of State or the United States Information Agency by a United States citizen grantee employed by any Binational Center referred to in paragraph 2(1) of Executive Order 11034 June 25, 1962, as amended, shall be considered creditable for purposes of this section."

(c) Section 851 of such Act is further amended by adding the following new paragraphs at the end thereof:

"(c)(1) A participant who enters on approved leave without pay to serve as a full-time officer or employee of an organization composed primarily of Government employees may, within sixty days after entering on that leave without pay, file with the employing agency an election to receive either one-half credit or full credit toward retirement for such period of leave without pay. If full credit is elected, the participant shall arrange to pay concurrently into the Fund through the employing agency one-half the employee retirement deduction that would have applied if the participant were in a pay status. If one-half credit is elected, no deduction shall be required.

"(2) A participant may make a special contribution for any period or periods of approved leave without pay while serving, before the effective date of this paragraph, as a full-time officer or employee of an organization composed primarily of Government employees. Any such contribution shall be based upon the suspended Foreign Service salary rate, and shall be at one-half the regular contribution rate plus interest in accordance with section 811. A participant who makes such a contribution shall be allowed full retirement credit for the period or periods of leave without pay. If this contribution is not made, retirement credit shall be allowed for periods of leave without pay, as do not exceed six months in the aggregate in any calendar year.

"(d) A participant who has received a refund of retirement contributions (which has not been repaid) under this or any other retirement system for Government employees covering service which may be creditable, may make a special contribution for such service pursuant to section 811. Credit may not be allowed for service covered by the refund unless the special contribution is made.

"(e) No credit in annuity computation shall be allowed for any period of civilian service during which a participant was covered under another retirement system for Government employees unless (1) the right to any annuity under the other system which is based on such service is waived and (2) a special contribution is made covering such service pursuant to section 811.

"(f) A participant who during the period of a war, or of a national emergency as proclaimed by the President or declared by the Congress, leaves the Service to enter the military service is deemed, for the purpose of this title, as not separated from the Service unless the participant applies for and receives a lump-sum payment under section 841. However, the participant is deemed to be separated from the Service after the expiration of five years of such military service."

FUNDING NORMAL COST

SEC. 112. Section 865 of such Act is amended (A) by inserting "(a)" immediately after "SEC. 865." and (B) by adding the following new paragraph at the end thereof:

"(b) At the end of each fiscal year, the Secretary shall notify the Secretary of the Treasury of the amount of the Foreign Service normal cost for that year which was not met by contributions under section 811(a). Before closing the accounts for that year, the Secretary of the Treasury shall credit such amount to the Fund as a Government contribution out of any money in the Treasury of the United States not otherwise appropriated. The Secretary shall report to the President and to the Congress the sums credited to the fund under this section."

ANNUITY ADJUSTMENT FOR RECALL SERVICE

SEC. 113. Section 871 of such Act is amended to read as follows:

"SEC. 871. Any annuitant recalled to duty in the Service in accordance with the provisions of section 520(b) shall, while so serving, be entitled in lieu of annuity to the full salary of the class in which serving. During such service, the recalled annuitant shall make contributions to the fund in accordance with the provisions of section 811. On the day following termination of the recall service, the former annuity shall be resumed adjusted by any cost-of-living increases under section 882 that became effective during the recall period. If the recall service lasts less than one year, the annuitant's contributions to the fund during recall service shall be refunded in accordance with section 841. If the recall service lasts more than one year, the annuitant may, in lieu of such refund, elect a supplemental annuity computed under section 821 on the basis of service credit and average salary earned during the recall period irrespective of the number of years of service credit previously earned. If the recall service continues for at least five years, the annuitant may elect, in lieu of having his or her former annuity resumed and supplemented as provided in this paragraph, to have his or her annuity determined anew under section 821. Any annuitant who is recalled under section 520(b) may, upon written application, count as recall service any prior service that is creditable under section 851 that was performed after the separation upon which his or her annuity is based."

REEMPLOYED ANNUITANTS

SEC. 114. Section 872(a) of such Act is amended by deleting the phrase "the basic salary such officer or employee was entitled to receive under section 412 or 415 of the Act, as amended, on date of his retirement from the Service." and substituting the following therefor: "the current basic salary authorized by section 412 or 415 of this Act for the class and step such officer occupied or was entitled to occupy on the date of his retirement."

VOLUNTARY CONTRIBUTIONS

SEC. 115. (a) Amend paragraph (a) of section 881 of such Act by deleting the portion of such paragraph that precedes subparagraph (1) thereof and substitute the following in lieu thereof:

"(a) The voluntary contribution account shall be the sum of unrefunded amounts heretofore voluntarily contributed by any participant or former participant under this section or under a prior corresponding provision of law, plus interest compounded at the rate of 3 per centum per annuam to date of separation from the Service or in case of a participant or former participant separated with entitlement to a deferred annuity to the date the voluntary contribution account is claimed, or to the commencing date fixed for the deferred annuity or to the date of death, whichever is earlier. A participant's or former participant's account shall, effective on the date the participant becomes eligible for an annuity or a deferred annuity and at the participant's election, be—"

(b) Section 881 of such Act is further amended by deleting paragraphs (c) and (d) thereof and by adding the following new paragraph in lieu thereof:

"(c) A voluntary contribution account shall be paid in a lump sum following receipt of an application therefor from a present or former participant provided application is filed prior to payment of any additional annuity. If not sooner paid, the account shall be paid at such time as the participant separates from the Service for any reason without entitlement to an annuity, or a deferred annuity or at such time as a former participant dies or withdraws compulsory contributions to the fund. In case of death, the account shall be paid in the order of precedence specified in section 841(g)."

COST-OF-LIVING ADJUSTMENTS

SEC. 116. (a) Paragraphs (a), (b), and (c) of section 882 of such Act are amended to read as follows:

"(a) A cost-of-living annuity increase shall become effective under this section on the effective date of each such increase under section 8340(b) of title 5, United States Code, as amended. Each such increase shall be applied to each annuity payable from the Fund which has a commencing date not later than the effective date of the increase.

"(b) The first annuity increase under this section after the effective date of this paragraph shall equal 1 per centum plus the per centum rise in the price index, adjusted to the nearest one-tenth of 1 per centum, between the month last used to establish an increase under this section and the base month used to establish the concurrent increase under section 8340(b) of title 5, United States Code, as amended. Each subsequent annuity increase under this section shall be identical to the corresponding percentage increase under section 8340(b) of title 5, United States Code, as amended.

"(c) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the Fund as of the effective date of an increase except as follows:

"(1) An annuity, except a deferred annuity under section 834 or any other section of this Act, payable from the fund to a participant who retires and receives an immediate annuity, or to a surviving spouse of a deceased participant who dies in Service or who dies after being separated under the provisions of section 634(b)(2), which has a commencing date after the effective date of the then last preceding annuity increase under paragraph (a) of this section shall not be less than the annuity which would have been payable if the commencing date of such annuity had been the effective date of the then last preceding annuity increase under such paragraph (a). In the administration of this subparagraph, the number of days of unused sick leave to an employee's or decreased employee's credit on the effective date of the then last preceding annuity increase under such paragraph (a) shall be deemed to be equal to the number of days of unused sick leave to his or her credit on the day of separation from the Service.

"(2) Effective from its commencing date, an annuity payable from the Fund to an annuitant's survivor, except a child entitled under section 821(c) or 832 (c) or (d) shall be increased by the total per centum increase the annuitant was receiving under this section at death.

"(3) For purposes of computing or recomputing an annuity to a child under section 821 (c) or (d) or 832 (c) or (d), the items $900, $1,080, $2,700 and $3,240 appearing in section 821(c) shall be increased by the total per centum increases by which corresponding amounts are being increased under 5 U.S.C. 8340 on the date the child's annuity becomes effective."

(b) Section 882 of such Act is further amended by adding the following new paragraph at the end thereof:

"(f) Effective with the first day of the second month which begins after the date of enactment of the Foreign Service Retirement Amendments of 1974 or on the commencing date of an annuity whichever is later, the annuity of each surviving spouse whose entitlement to annuity resulted from the death—

"(1) before enactment of the said amendments, of (A) a participant or (B) a former participant entitled to benefits under section 634(b); or (2) of an annuitant who, prior to enactment of the said amendments, elected a reduced annuity under this or any other Act in order to provide a spouse's survivor annuity—

is increased by 10 per centum."

REPEALS

SEC. 117. Such Act is further amended by deleting sections 833, 852, and 854 and the headings thereto.

TITLE II—OTHER AMENDMENTS

RECALL

SEC. 201. (a) The heading of section 520 of such Act is amended to read "REAPPOINTMENT AND RECALL".

(b) Paragraph (b) of section 520 of such Act is amended to read as follows:

"(b) Whenever the Secretary determines it to be in the public interest, any retired officer or employee of the Service may be recalled for active duty on a temporary or limited basis to any appropriate class in his or her former category, except that a retired Foreign Service officer may not be recalled to a class higher than he or she held at the time of retirement."

RETIREMENT OF CAREER AMBASSADORS

SEC. 202. Section 631 and the heading thereto of such Act are amended to read as follows:

"FOREIGN SERVICE OFFICERS WHO ARE CAREER AMBASSADORS

"SEC. 631. Any Foreign Service officer who is a career ambassador, other than one occupying a position as chief of mission or any other position to which appointed by the President, by and with the advice and consent of the Senate, shall be retired from the Service at the end of the month in which the officer reaches age sixty-five and receives retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, such an officer may be retained on active service for a period not to exceed five years. Any such officer who completes a period of authorized service after reaching age sixty-five shall be retired at the end of the month in which such service is completed."

RETIREMENT OF PARTICIPANTS WHO ARE NOT CAREER AMBASSADORS

SEC. 203. Section 632 and the heading thereto of such Act are amended to read as follows:

"PARTICIPANTS IN THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM WHO ARE NOT CAREER AMBASSADORS

"SEC. 632. Any participant in the Foreign Service Retirement and Disability System, other than one occupying a position as chief of mission or any other position to which appointed by the President, by and with the advice and consent of the Senate, who is not a career ambassador shall be retired from the Service at the end of the month in which the participant reaches age sixty and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, such a participant may be retained on active service for a period not to exceed five years. Any such participant who completes a period of authorized service after reaching age sixty shall be retired at the end of the month in which such service is completed."

SELECTION-OUT BENEFITS—TECHNICAL CHANGE

SEC. 204. Paragraph (b) of section 634 of such Act is amended by striking from subparagraph (2) thereof:

(A) ", with interest" after the words "Disability Fund" the first time the latter appears;

(B) "(a)" after "section 841" the first time the latter appears;

(C) "that is credited in accordance with the provisions of section 851 or 852(a)" after "naval service";

(D) ", with interest as provided in section 841(a)," after "Disability Fund" the last time the latter appears; and

(E) "(b)" after "section 841" the last time the latter appears.

SEPARATION FOR CAUSE—TECHNICAL CHANGE

SEC. 205. Section 637 of such Act is amended by striking from the first sentence of paragraph (b) thereof—

(A) ", with interest" after "Disability Fund";

(B) "(a)" after "section 841"; and

(C) "that is credited in accordance with the provisions of section 851 or 852(a)" after "naval service". Such paragraph (b) is further amended by striking the last sentence thereof in its entirety.

SEC. 206. (a) Section 704 of such Act is amended by adding the following subsections at the end thereof:

"(g) The Secretary shall certify to the United States Civil Service Commission the name and dates of service of each individual who performed service as a language instructor in the Institute under a non-personal-services contract before July 1, 1960, and who, subsequent to such service, performed service creditable under section 8332(b) of title 5, United States Code. Subject to the making of a deposit provided for under section 8334(c) of such title 5, the Commission shall accept the certification of the Secretary for the purpose of computing creditable service under section 8332(b) of such title 5."

(b) Section 8332(b) of title 5, United States Code, is amended—

(A) by striking out "and" at the end of paragraph (8);

(B) by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and the word "and";

(C) by inserting immediately below paragraph (9) the following new paragraph:

"(10) subject to making a deposit provided for under section 8334(c) of this title, service performed after June 30, 1948, but prior to July 1, 1960, as a language instructor in the Foreign Service Institute, Department of State, under a non-personal-services contract, only if he later becomes subject to this subchapter"; and

(D) by inserting immediately after the fifth sentence thereof the following new sentence: "The Commission shall accept the certification of the Secretary of State concerning service for the purpose of this subchapter of the type described in paragraph (10) of this subsection and performed by an employee."

(c) The amendments made by this section shall apply to individuals separated from Government service prior to, on, or after the date of enactment of this Act, and their survivors; but no annuity or survivor annuity, or increase in any such annuity shall be payable by reason of such amendments for any period prior to the first day of the first month which begins after the date of the enactment of this Act.

SEC. 207. Section 943 of such Act is amended by (A) inserting "(a)" immediately after 943 and (B) by adding the following subsection at the end thereof:

"(b) Until such time as retired Federal employees become eligible for physical examinations under a universal medical program applicable to United States citizens generally, officers and employees of the Service who are citizens of the United States and their spouses who were eligible for medical services under part E, title IX of the Foreign Service Act of 1946, as amended, at the time of the officer or employee's separation from Service, shall be entitled in accordance with such regulations as the Secretary may provide and commencing at age 50, to an annual routine physical examination at a United States Government facility: *Provided*, That the officer or employee was separated with entitlement to an immediate annuity under the Foreign Service or Civil Service retirement system or was separated by selection out under section 633 of the Foreign Service Act of 1946, as amended, or section 625(e) of the Foreign Assistance Act of 1961, as amended. A surviving spouse shall also be entitled to the benefits of this subsection if the officer or employee died in Service.

TITLE III—TEMPORARY AND TRANSITIONAL PROVISIONS

CONVERSION TO FOREIGN SERVICE RETIREMENT SYSTEM

SEC. 301. (a) In accordance with such regulations as the President may prescribe, all Foreign Service staff officers and employees with unlimited appointments who (a) have been appointed by the Secretary of State or the Director, United States Information Agency, and (b) are participants in the Civil Service Retirement and Disability System on the effective date of this section, shall be transferred to the Foreign Service Retirement and Disability System effective on such date. Their retirement contributions shall be transferred in accordance with section 811 of the Foreign Service Act of 1946, as amended, by this Act.

(b) Mandatory retirement at age 60 as prescribed in section 632 of the Foreign Service Act of 1946, as amended, shall not apply to any Foreign Service staff officer or employee appointed by the Secretary of State who becomes a participant in the Foreign Service Retirement and Disability System pursuant to paragraph (a) of this section until such officer or employee completes ten years of continuous service in the Foreign Service of the Department of State, exclusive of military service.

(c) Any Foreign Service staff officer or employee appointed by the Director of the United States Information Agency who becomes a participant in the Foreign Service Retirement and Disability System under paragraph (a) of this section, shall, for purposes of determining the date of mandatory retirement under section 9(c) of the Act of August 20, 1968 (82 Stat. 812), be deemed to have become a participant pursuant to section 9(b) of such Act: *Provided*, That the transitional schedules contained in Public Law 90–494 will be preserved until September 30, 1975, and that section 9(c) of such Act shall not apply until such an officer or employee completes ten years of continuous service, exclusive of military service, in the Foreign Service of the United States Information Agency.

(d) Any Foreign Service staff officer or employee who becomes a participant in the Foreign Service Retirement and Disability System pursuant to paragraph (a) of this section who is age fifty-seven or over on the effective date of this section may retire voluntarily at any time prior to mandatory retirement and receive retirement benefits under section 821 of the Foreign Service Act of 1946, as amended.

(e) Section 9(b) of the Act of August 20, 1968 (82 Stat. 812), is repealed on the effective date of this section.

GRANTS TO CERTAIN WIDOWS AND SURVIVOR ANNUITY ELECTIONS

SEC. 302. (a) A Foreign Service annuitant who was married at the time of retirement, whose service terminated prior to October 16, 1960, and who has not elected any survivor benefit, may, within one hundred and twenty days after the date of enactment of this Act, elect a reduction in his or her annuity of $300 per annum and provide survivor benefit of $2,400 per annum payable to the annuitant's surviving spouse provided the marriage had been in effect for at least two years at

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the time of death or resulted in the birth of a child. The survivor annuity shall commence, terminate, and be resumed as if it had been elected under section 821(b) of the Foreign Service Act of 1946, as amended by this Act.

(b) An annuitant who makes an election under paragraph (a) of this section shall pay into the Foreign Service Retirement and Disability Fund an amount equal to $25 times the number of full months between the commencing date of his or her annuity and the first of the month following receipt of notice of the election by the Secretary of State. This amount may be paid into said Fund by deduction from annuity in multiples of $25 per month. The annuity reduction under paragraph (a) of this section and the deduction under this paragraph shall commence effective the first of the month following receipt of notice of the election by the Secretary of State. The deduction under this paragraph shall continue until the required amount has been paid into said Fund or until the annuitant's death, whichever occurs first; and if the latter, any remaining portion of such required amount shall be deemed to have been paid.

(c) If a Foreign Service annuitant who separated from the Foreign Service prior to October 16, 1960, died before the date of enactment of this Act or dies within one hundred and twenty days after such date of enactment leaving a spouse to whom married at retirement who is not entitled to receive a survivor annuity under the terms of 5 U.S.C. 8133 or any law authorizing payment from the Foreign Service Retirement and Disability Fund and who qualifies under section 821(h) of the Foreign Service Act of 1945, as amended by this Act, the Secretary of State shall grant such surviving spouse, if not remarried prior to age sixty, an annuity, to be payable from such Fund in the amount of $2,400 per annum adjusted by all cost-of-living increases received by widows granted annuities under section 4 of the Act of October 31, 1965 (79 Stat. 1130). An annuity to a surviving spouse who remarried prior to age sixty may be initiated or resumed under this paragraph in accordance with the provisions of paragraphs (b) and (h) of section 821 of the Foreign Service Act of 1946, as amended, if such remarriage has terminated or terminates in the future.

EFFECTIVE DATES

SEC. 303. (a) Section 301 of this Act and sections 803 and 881 of the Foreign Service Act of 1946 as amended by this Act shall be effective on the first day of the first pay period which begins more than ninety days after enactment of this Act.

(b) Effective on the last day of the first month which ends after the enactment of this Act, all Foreign Service survivor annuities then in effect shall terminate on the last day of a month in accordance with the provisions of paragraphs (b)(2), (e) and (f) of section 821 of the Foreign Service Act of 1946 as amended by this Act.

(c) The amendment of section 804 of the Foreign Service Act of 1946 made by this Act broadening eligibility for children's survivor annuities shall apply to all surviving children regardless of the date of death of the principal.

(d) Paragraph (g) of section 821 of the Foreign Service Act of 1946 as added by this Act shall apply to both present and future Foreign Service annuitants. Any annuitant who married after retirement but prior to the date of enactment of this Act may make an election under said paragraph (g) provided notice of the election is received by the Secretary of State within one year after such date of enactment.

(e) If an annuitant dies on or after January 8, 1971, who, prior to enactment of this Act, elected a reduced annuity with a benefit to a surviving spouse, and is survived by a spouse acquired after such election who qualifies under section 804(b) of the Foreign Service Act of 1946, as amended by this Act, such surviving spouse shall be entitled to an annuity computed under the law in effect at the time of such election and in accordance with all other applicable statutes. Such an annuity shall commence, terminate, and be resumed in the same manner as an annuity payable under section 821(b) of the said Foreign Service Act.

(f) Paragraph (a) of section 822 of the Foreign Service Act of 1946 as added by this Act shall be effective on the first day of the first month which begins on or after enactment of this Act.

(g) Paragraph (a) of section 841 of the Foreign Service Act of 1946 as amended by this Act shall not apply to participants separated from the Foreign Service prior to the date of enactment of this Act nor to their survivors. All payments from the Foreign Service retirement fund that become due on and after such date of enactment shall be paid in the order of precedence specified in such section 841 irrespective of the date of separation.

(h) Paragraph (c) of section 851 of the Foreign Service Act of 1946 as added by this Act shall be effective on the first day of the first pay period that begins more than thirty days after enactment of this Act. A participant who is on approved leave without pay and is serving as a full-time officer or employee of an organization composed primarily of Government employees on such effective date shall have sixty days from such date to file an election under paragraph (c) of said section 851.

(i) Paragraph (f) of section 851 of the Foreign Service Act of 1946 as added by this Act shall apply, in addition to present participants, to former participants who separated from the Foreign Service to enter the Armed Forces within the five-year period immediately preceding the date of enactment of this Act and who are members of the Armed Forces on such date of enactment.

(j) The annuity of a survivor who becomes immediately eligible for an annuity under paragraph (c) of section 302 of this Act or paragraph (c) or (e) of this section shall become effective the first day of the first month which begins after enactment of this Act. However, payment shall be made only after receipt by the Department of State of such application for annuity and such proof of eligibility as the Secretary may require. If such application and proof of eligibility are not submitted during an otherwise eligible person's lifetime, no annuity shall be due or payable to his or her estate.

(k) The amendment of paragraphs (a) and (b) of section 882 of the Foreign Service Act of 1946 made by this Act shall be effective on the fifteenth day of the third month which begins after enactment of this Act.

(l) Annuities which commenced between—

(1) the effective date of the last cost-of-living increase which became effective under section 882 of the Foreign Service Act of 1946, as amended, prior to the date of enactment of this Act, and

(2) such date of enactment—

shall be recomputed and, if necessary, adjusted retroactively to their commencing dates to apply the provisions of new subparagraph (c)(1) added to section 882 of the Foreign Service Act by section 116 of this Act."

(m) The amendments of sections 631 and 632 of the Foreign Service Act of 1946 made by this Act are effective upon enactment, except that any Foreign Service officer who is or becomes a career minister and who is not occupying a position to which appointed by the President, by and with the advice and consent of the Senate, shall be mandatorily retired for age in accordance with the schedule below and receive benefits under section 821 of the Foreign Service Act of 1946, as amended, unless the Secretary determines it to be in the public interest to extend such officer's service for a period not to exceed five years:

RETIREMENT SCHEDULE

(1) Any career minister who reaches age sixty-five during the month of enactment of this Act shall be retired at the end of such month.

(2) Other career ministers who are age sixty or over as of the date of enactment of this Act shall be retired at the end of the month which contains the midpoint between the last day of the month of enactment of this Act and the last day of the month during which the officer would reach age sixty-five, counting thirty days to the month.

(3) On the last day of the thirtieth month which ends after the date of enactment of this Act, all other career ministers who are age sixty or over shall be retired, and thereafter the amendments made by sections 202 and 203 shall be applicable in all cases.

(4) Any career minister who completes a period of authorized service after he reaches mandatory retirement age as provided in the above schedule shall be retired at the end of the month in which the officer completes such service.

(n) Section 103 shall be effective with respect to all amendments to the Civil Service Retirement and Disability System, enacted after January 1, 1974, except that transmittal by the President of any message or report on amendments to that subchapter enacted prior to the date of enactment of this Act shall be transmitted to the Congress within thirty days following the date of enactment of this Act.

(o) Section 114 shall be effective on the first day of the second month following enactment and shall apply to all Foreign Service annuitants then and thereafter employed by the Federal Government.

(p) Section 207, pertaining to physical examinations, applies to Foreign Service personnel already separated as well as to those who separate in the future.

Mr. HUGH SCOTT. Mr. President, S. 1791, Calendar No. 969, which we have just passed, is a bill which extends to the Foreign Service a long-needed equalization with the civil service with respect to the pension rights and benefits to be received by those who are in the Foreign Service who have become entitled to them either under retirement by achievement of sufficient time in service or under disability.

This is an act of justice which our committee considered very carefully, and this bill, I am glad to say, deserves passage. I hope it will become law because it is a fair and just recognition that Foreign Service officers are entitled to be treated better than they have been.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from Georgia (Mr. TALMADGE) is recognized for not to exceed 15 minutes.

THE ECONOMY: AN ACUTE SHORTAGE OF CONFIDENCE

Mr. TALMADGE. Mr. President, I stood on the Senate floor 10 months ago to talk about the chaotic state of the economy.

Today, I regret that I must again focus attention on this matter. The problem not only persists. The situation has clearly gotten worse.

As chairman of the Committee on Agriculture and Forestry, I see new danger signals with each passing day for our basic farm and forest industries.

The productive capability of our Nation's agriculture is threatened. Industries which rely on our national renewable resources are in disarray.

As the ranking member of the Finance Committee, I am distressed to say that the outrageous prime interest rates of last September would almost be welcome, given the current rates of over 12 percent.

The high cost of money is placing increasing burdens on American consumers and businesses.

High interest rates make it impossible for some businesses to continue. High interest is feeding the inflationary psychology that promises disastrous effects in the future.

The persistent escalation of food prices has continued, despite a sharp downturn in prices to the farmer.

The problems of the housing market have not been solved since last September. They also have intensified.

With each passing day, fewer and fewer Americans can afford to buy a home, and those who can very often cannot get financing.

The real incomes of our people have steadily eroded as inflation has gained momentum.

Businesses and industries which were threatened by high prices and shortages of materials in September face an even worse situation today.

Wholesale prices of industrial commodities have increased 20 percent in the past year. In some cases shortages of materials are more pronounced.

When you add to this situation the high interest rates, prices are driven up to the sky, as we have seen by the recent 15 percent increase in steel prices.

Although unemployment levels have held fairly steady, small increases in the jobless rate in the past few months may be a warning. As businesses fail, or find it impossible to continue operation at normal levels, layoffs are bound to increase.

More and more we see businesses in financial trouble because of higher production costs. This situation cannot be expected to ease quickly, because of advances in the wholesale price index.

When firms try to finance expansions or refinance existing debt, they either find that the money market has dried up or they face interest rates that are often twice what they were a few months ago.

It is no wonder that loan defaults and business failures are on the increase.

The problem does not stop there. According to experts in the field, the number of personal bankruptcies is increasing, and, for the first time, there is clear evidence that inflation is the cause.

Thus far, the phenomenon of personal bankruptcy has been limited largely to the working poor. But it can be expected to inch up the income ladder as more people exhaust their savings and still find it impossible to make ends meet.

The loss of real income and climbing costs have been particularly noticeable in the housing market. The median price of a new house has risen about $4,000 in the past year.

This increase, plus higher interest rates, means that Americans are faced not only with higher downpayments, but higher monthly payments.

Monthly payments on the average family home are nearly $100 more today than a year ago.

The financial exclusion of people from the housing market is against all the policies we have ever set in our housing legislation. It is imperative that the housing market continue to be viable, and that good housing be within the financial reach of Americans.

But the 40-percent decline in housing starts is just a beginning. As fewer houses are built, there will be less demand for drapes, carpets, appliances and furniture. This break in demand will sooner or later mean declines in general economic activity.

Thus far, labor must be commended for its restraint during this price spiral madness. In March, wages were only up 7 percent from March of 1973. This is only slightly above the trend line for wage increases.

In real terms, this means that the average income of a worker has declined.

The patience of working men and women is being tried. So is mine. Unless we get inflation under control, we can expect workers to demand and get higher wages.

A surge in strikes and higher wage settlements is already evident. In fact, the average wage settlement in May and June was for an increase of roughly 13 percent.

I can understand workers' frustrations and I recognize the limited number of alternatives open to them. But a surge in wage and benefit settlements can only add to inflation and endanger small businesses which are unable to control costs or prices.

Probably more than any other sector, agriculture is faced with an immediate crisis.

Because of the mindless handling of grain exports, and misguided market interference by the Government, farmers have become the focus of consumer anger.

But the record farm incomes of last year have been plowed back into land, livestock, and machinery.

Farmers used over $12 billion from savings and $10 billion of borrowed capital to expand their capacity to feed America and the world.

This is a wonderful effort by family farmers in response to the growing demands for food. The Agriculture and Consumer Protection Act of 1973 opened the door to fuller use of these investments and greater farm production.

But this year's expected record crops are in danger because of shortages in fertilizer, farm chemicals, machinery and uncertainties of the weather.

Livestock producers are losing money daily, even though consumers are seeing only marginal declines in meat prices.

High interest rates are making further expansion of food production too precarious for the small farm operator.

The current price-cost squeeze is threatening agricultural viability and it endangers long-term production.

If agriculture begins to fail now, just as supplies of commodities are being rebuilt, a new round of upward pressure will be put on food prices and the total economy.

Farmers represent only 5 percent of our population. But abundant supplies of food at reasonable prices are basic to our way of life.

At this point, I must remind those who are inclined either to ignore or tinker around with the American food machine that the economic strangulation of the farmer in the twenties led finally to a total collapse of the national economy.

The farmer must be kept viable. He must be able to get a fair return on his investment. We must keep him able to do that thing which he loves to do most—produce.

A recent Harris poll indicated that 82 percent of the American people feel the economy is in trouble. As I said last September, I see the sorry state of the economy as our greatest national problem.

In this respect, I am in agreement with the rhetoric of the administration: the economy is in trouble; and inflation is the major cause.

I have pledged my total support to this administration in the battle against inflation.

Congress has taken positive action.

In response to wildly fluctuating commodity prices, that appear in part to be the result of inadequate regulation, the House has passed legislation which proposes to correct problems with the Commodities Exchange Act. The Senate will shortly follow suit.

The Senate developed emergency legislation to save the livestock industry in record time to insure adequate production and supply of meat for the American dinner table.

When the question of fertilizer shortages surfaced, we immediately held hearings to determine the magnitude of the problem. My committee followed these up with field surveys and other action which resulted in additional fertilizer being made available for farmers.

But shortages persist, not only shortages of fertilizer, but of twine, baling wire, pesticides and just about every possible input necessary for full food production.

Thirty companies have contacted me personally about shortages of natural gas, petrochemical feedstocks, steel, propane, and tin cans.

We have been able to help a few firms by seeing to it that fairer allocations of supplies are made. But neither I, nor any other Member of the Senate, can create these products.

Therefore, we are working with the Federal Power Commission, and representatives of basic suppliers in an effort to assure either adequate supplies or fair allocation of materials in short supply.

We have been forced to take these actions because of inertia by the executive branch.

The staff of the Committee on Agriculture and Forestry is now looking into the entire problem of petrochemical supplies for agriculture, and at the same

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time, this effort will identify other problem areas.

I would note in this regard that prices for propane are beginning to climb once again, just as we begin to approach the time when this gas will be needed to dry grain from the harvest.

Mr. President, the Committee on Agriculture and Forestry is also looking into the problems of marketing and transportation of the crop once it is harvested to see what is necessary to insure that the gigantic traffic snarl that devastated our transportation industry last year will not occur again.

In this regard, I am pleased to note that we have seen considerable evidence that shippers and carriers have been meeting together in many places for the past several months to smooth the way for the new crop.

The committee is also proceeding with oversight hearings and investigations to assure timely and effective movement of farm products.

In spite of our efforts, the economic situation has become worse rather than better.

While Congress must attempt to pass the best possible legislation, the "action" function of government lies with the administration.

Thus far, I have seen little action by the executive branch on the domestic front.

The Harris survey I cited a moment ago reveals that the American people feel the administration's economic policies are doing more harm than good. I am afraid I must agree.

White House spokesmen have stressed the importance of the economy, a balanced budget, and the free market system since 1968.

Their misadventures with economic policy have caused a steady deterioration of all three. Lately we have even seen public bickering among the President's men over budget policy.

International relations have preempted the domestic economy as the priority item with the White House, while the marketplace has experienced continual disruption with on-again off-again policies which reflect indecision and confusion.

In the 8 months prior to August 1971, inflation was running at just over 4 percent on an annual basis. In May it rose at over three times that rate.

Lately there have been a number of statements by the administration explaining that we are not in a recession, because their definitions say we are not.

They seize upon a few individual bright spots to proclaim that a better day is coming.

Among other things, they point out that our inflation rate is slower than in other countries—which is like saying we only have a slight case of cancer.

I doubt that any of this is much of a salve to small businessmen who have gone broke, or to unemployed workers, or to housewives who watch $20 fill only one sack of groceries.

The men of this administration have talked about the "new ball game."

The only parallel I see between our economic situation and a ball game is a constant shuffling of lineups.

To a man, administration spokesmen are calling for an attack on inflation. Some have cited the need for so-called classical measures to combat the problem.

In essence, this means a balanced Federal budget, no major tax revision and a restrictive monetary policy.

I have long supported fiscal responsibility by the Government as basic. But the administration's priorities are not necessarily mine.

First of all, in the administration's effort to be all things to all nations, I detect a return to the old policy that if we give other nations enough of our money and technology they will be our friends. This has never worked before. I see no reason why the Santa Clause approach should work this time.

But let me return to the subject of inflation.

The Federal Reserve System, under the leadership of Mr. Burns, has clearly moved against inflation by imposing a stringent policy of tight money.

Since one of the causes of inflation is expanding money, and because Mr. Burns has a limited arsenal of weapons, his move was necessary.

But Mr. Burns must be aware of the impact of what he has done because another classical economic relationship suggests that rising interest rates will slow investment.

Rising interest rates have already moderated investment decisions, and as I pointed out, forced some investment plans to be abandoned.

Capital expenditure plans of major firms declined slightly in the first quarter of this year. In dollar terms it was nominal, but in real terms, because of rapidly rising costs, expansion plans are being trimmed substantially.

Lack of production capacity has resulted in supply shortages of many items, including steel, machine tools, switches, gaskets, and other integral parts.

This has slowed our economy and has contributed to price increases. We need investment for capital expansion to get the capacity and production levels needed for normal growth—and subsequent relief from inflationary pressures.

The Federal Reserve action also affects existing business operations greatly.

Many firms over the past few years have been forced to borrow short-term money because of the lack of availability of long-term money.

These firms, which may have borrowed at 8- or 9-percent interest a couple of years ago are now being faced with interest charges of 15 and 16 percent when they try to refinance.

Another problem is the Federal Reserve's primary dependence for implementation of monetary policy through its Federal open market operations—that is, the buying and selling of bonds to control money supply.

The Board suggests that this is the most neutral of their various policy instruments, but it is certainly not neutral in its effect.

While this policy is not so troublesome for big companies with alternative sources of credit here and abroad, small businesses, rural banks, farmers, and consumers do not have these options.

Therefore, it is the little man who bears the brunt of these buying and selling decisions.

I do not want to dissuade the Federal Reserve from its efforts to slow inflation; but I call on the Governors to use the full range of policy instruments; to establish a longer term policy direction; and to respond to local and area problems in the spirit of the original Federal Reserve Act and under the Emergency Loan Guarantee Act of 1971.

The administration has pointed often to its significant foreign policy achievements, but there also have been some glaring errors.

A little over a year ago the dollar was under attack worldwide, and our balances of trade and payments were negative and declining.

As a result of dollar devaluations and grain exports, these trends were reversed. For a brief time there was a positive trade balance. But in May we saw another trade deficit of nearly $800 million—the second largest monthly deficit in history.

The dollar devaluation did make U.S. agricultural products more appealing to our customers abroad. And theoretically, devaluation should slow import demand and stimulate exports. But we have come to depend on foreign supply for many items such as small cars and televisions. Therefore in the short run, import plans and consumption patterns cannot be totally changed. As a result, U.S. consumers were only faced with sharply higher prices.

At the same time, the devaluation gave foreign buyers an advantage in competing with Americans for our scarce commodities, such as nitrogen fertilizer.

This increased demand pressure has effectively driven up prices for U.S.-produced goods, especially wholesale prices. And this will continue to impact on consumer prices for some time to come.

What was demonstrated here, as in the Russian wheat deal and many other ill-considered actions by the administration, is that you cannot idly pull at loose threads in the economic fabric of the Nation without consideration of all the resulting reactions.

Further, it is ironic that while our own agricultural production is threatened by shortages of fertilizer, the administration, through the Export-Import Bank, has committed $180 million for the Soviet Union to build fertilizer plants at the same time that the administration refuses to resolve policy priorities for natural gas, so that the United States can increase its production capabilities.

My mail indicates that American farmers and consumers do not think much of that deal.

Much the same situation exists in the area of drilling equipment and pipe. The availability of adequate supplies of fuel and energy is a critical matter. But our drillers and producers are prevented from seeking the goal of energy self-sufficiency because of the lack of basic materials.

Once again, dollar devaluation has given foreign buyers a competitive edge in the market for U.S. products. It seems silly to further subsidize foreign purchases with low-interest loans, especially for critical materials and commodities.

I offer these points not merely to condemn, but also to point out needs.

The responsibilities for the current economic situation probably rest with us all.

We have heard many charges and countercharges tossed about. There has been talk of Executive irresponsibility; congressional irresponsibility; Federal Reserve irresponsibility; and consumer and corporate irresponsibility.

There is plenty of blame to be shared by all of us.

It is now time for all people and all institutions to muster the fortitude and awareness to begin to put our house in order.

Fiscal responsibility is essential. Congress and the White House must cooperate in this effort.

The Congress also must be careful not to pass legislation which compounds, rather than reduces inflationary pressures.

But at the same time, we cannot sacrifice people, businesses or institutions that are essential for the long-term growth and welfare of this country.

The Federal Reserve Board cannot control inflation alone. The Administration must be aware of this fact. The administration men must also remember that credit and stability are imperative for investment, which in turn is necessary to satisfy demand for goods and slow the rise in prices.

While I understand the terrible problems of working people in trying to cope with the current mess, I call on labor to hold the line a little longer so that their previous efforts would not be wasted.

We must return insofar as possible to an open market economy. However, we should also be aware that a free market assumes that there is equality among all participants.

It is clear that farmers, ranchers, and small businessmen do not have the same economic power that is held by the processors, the large oil companies and the food chains.

If we sacrifice American agriculture and small business for the well-being and profits of hugh multinational corporations that is not a return to the free market concept.

Mr. J. A. Livingston in the American Banker notes one of our Nation's most serious shortages is an acute shortage of confidence. I see this as the most dangerous shortage of all.

A noted economist said a while back that we will have our next depression when there are enough people who do not remember the last one.

I think that is true. It is also why this is no time for permissiveness. The burden is on all of us to begin today to restore the confidence of the American people in the Government and our economy.

Since the departure of George P. Shultz as the administration's economic czar, there has been a huge gap in the Nation's economic policymaking process. Currently, the press is full of accounts of the struggle for power among the President's top economic advisers.

It is time for the President to put an end to such bickering and to focus his attention on the Nation's No. 1 problem—inflation. I call on the President to develop within his administration a strong economic policymaking mechanism with clear lines of authority; and to establish a Government Advisory Commission of respected labor leaders, business leaders, and Members of Congress to help him chart this Nation's long-term economic course as well as to deal with our immediate short-term crises.

The United States is full of greatness. We have the capacity to reach any goal if we have the will. Therefore, I urge all Americans not to walk away from our critical problems just because we happen to have a temporary case of the national blahs.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

WHAT IS RIGHT WITH THE FEDERAL GOVERNMENT: HEALTH RESEARCH AND BIOMEDICAL TECHNOLOGY

Mr. PROXMIRE. Mr. President, today as I offer the 20th in my series on "What Is Right With the Federal Government," I give credit to the Congress and the Executive for their significant role in making revolutionary progress in developing our biomedical technology through support of activities which extend our knowledge as well as our lives.

We have seen remarkable things happen in medical technology since I came to the Senate in 1957, and I am sure that Mrs. Betty Anick of West Allis, Wis., shares in my awe at our resourcefulness in this area. Mrs. Anick is now the world's third longest surviving heart transplant patient. Since she received it on October 21, 1968, in St. Luke's Hospital in Milwaukee, her new heart has beat nearly 2 billion times and has already lengthened her life by 5 years and 9 months. Mrs. Anick is only one inspiring proof of the results of medical research and technology and of the spirit of American optimism which has made so many advances in all fields.

This does not mean that we can not economize by cutting some so-called health spending. We have waste and extravagance and mismanagement in health, just as we have in the military or space programs. We can and should cut some health spending. We can and should kill some health programs that have not worked. We can and should take a long, hard, jaundiced look at the way the medicare and medicaid programs have been administered.

We can and should inspire our people to live far healthier lives, to eat less, to exercise more, to learn to relax, to be responsible for their own health to a far greater degree than we have. If we do so we can save literally billions in health care and have a stronger, more productive and happier country.

> The health of the people is really the foundation upon which all their happiness and all their powers as a State depend.

Benjamin Disraeli made this assertion in a speech made 97 years ago this month and I concur with him. The health of its citizens should properly be a primary concern of a government, and the monetary investment it makes toward that goal is money well spent.

The wisdom which keeps us healthy goes a long way to making us wealthy. A great contribution is made to economic growth by improvement of the health of people. Consider the costs of rearing a child in developing him to be a part of a productive labor force—and the investment that is lost if an early death occurs. Consider further the potential contribution of health programs to a worker's annual output which in turn contributes to the Nation's economic growth. And we must not forget the present value of future work that may be gained through health programs and technology.

Because of our improvement in such programs, the population employed in the United States in 1960 would have been about 13 million less if death rates had not declined since the turn of the century. The labor product of the additional 13 million people amounts to more than $60 billion additional national income when valued at average earnings in 1960. If the future work of these people through their lifetime is considered, the gain is $820 billion.

Since 1960, our technology in the health area has developed so strikingly that we may well predict economic growth in the future as a direct result, if no negative factors distort this gain.

IMPACT OF RECENT BIOMEDICAL TECHNOLOGY

Since I came to the Senate in 1957, the accomplishments of federally sponsored or assisted biomedical research and application have been modern miracles. The conquest of poliomyelitis represents one of the most recent examples of the role of biomedical research in the spectacular attainment of a practical goal. With the vaccines developed by Salk in 1955 and by Sabin in 1958, the effects of federally sponsored mass immunization were dramatic by the early 1960's. Prior to immunization, the annual incidence of polio in the United States had been 14.6 cases per 100,000 population, or more than 20,000 cases per year. By 1961, the rate had plunged to 1.8 cases per 100,000 and by 1965 only 61 cases were reported in the entire country. When one considers that at the time immunization began, the number of polio patients requiring continuing care had exceeded 100,000, one realizes how great a menace to national health was virtually eliminated.

Since this technology saved lives primarily of young people rather than extended the life of older citizens, its economic implications are far-reaching. Since the time massive immunization has begun, we might project that nearly half a million individuals who might have been crippled by the disease, are now alive and well and contributing to the labor force. Rather than requiring public and private care, these individuals are earning money, adding to our production power, and paying taxes.

If we use $8,000 as the average working person's yearly earnings, the worth of goods and services produced by those who would have been disabled polio victims if not for the vaccine is increased annually by $16 million. Of that amount, approximately $4 million would be contributed to the government in the form of taxes.

Organ transplant was another remarkable development of the past two decades. In 1956, the first successful kidney transplant was performed. As of 1971, more than 4,300 had occurred, and last year alone, 2,800 transplants were performed. Federal grants and contracts from the National Institutes of Health research establishment have supported research on the use of drugs to suppress the body's natural tendency to reject transplants and the use of tissue matching techniques—both of which have played an important role in this technology.

Although approximately 55,000 people die each year of kidney disease, the increasing use and success of kidney transplanation is saving many of these patients. Another successful technology developed for use over the past 15 years is dialysis therapy—a technique of removing toxic and electrolyte substances from the blood of patients with diseased kidneys. This therapy has evolved rapidly with the development of increasingly more efficient kidney dialysis machines. By 1960, the clinical usefulness of the artificial kidney was no longer in doubt. Since then, the development of blood cleansing devices has been rapid. Today, thousands of people with terminal renal failure can be successfully rehabilitated. It is estimated that within a few years, approximately 40,000 patients will be kept alive through this technology, at a cost of between $600 and $800 million.

The major portion of artificial kidney research is sponsored by the Federal Government through the National Institute of Arthritis, Metabolism, and Digestive Diseases. The original thrust for Federal involvement had originated in the artificial kidney-chronic uremia program established by Congress in 1965. As a result of this program, anticipated improvements in dialysis therapy will enhance the medical rehabilitation of patients and render the currently costly and lengthy treatment briefer and more effective. The ultimate result of these improvements will be a substantial saving in Federal funds expended for the care of kidney patients.

Beginning in July, 1973, legislation provided medicare funds for all terminal kidney disease patients covered by social security, or their dependents, who require dialysis treatment or kidney transplantation.

With heart disease still the Nation's leading killer, technology in this area has been particularly important in the advance of medicine. In 1957, the first crude external cardiac pacemaker—a device which stimulates a diseased heart to maintain its beat rhythm—was put into use. Two years later, the first implantable cardiac pacemaker was developed. Today, thanks to considerable R. & D. support from the National Heart and Lung Institute—HEW—more than 100,000 people are enjoying extra years of life through such devices. With the future development of nuclear power sources and smaller power packages for pacemakers, the number of beneficiaries with crippling or fatal heart disease will increase to several hundreds of thousands.

To deal with the tremendous explosion of information in the biomedical sciences, the National Library of Medicine in 1964 put into operation its computerized medical literature and retrieval system to produce "Index Medicus" and other publications. As a secondary service, this system provided on-demand searches of the literature for individuals. In 1971, the Library introduced Medline, a worldwide bibliographic retrieval system with a telephone/typewriter-like terminal, which allows instantaneous searching of over 400,000 citations to the international biomedical literature. By 1974, the Medline data bases had been expanded to include toxicology information and descriptive cataloging information on monographs and serials. Author abstracts and the addition of audiovisual information are activities planned for accomplishment by the end of fiscal year 1975. Medline is now available in 46 States, 10 Canadian Centers, Sweden, the United Kingdom, France, Finland, Norway, Denmark, and—in cooperation with the Pan American Health Organization—Brazil.

Although the development and operation of these systems have cost the Federal Government many millions of dollars, their worth to the international biomedical community is incalculable. These international data handling systems are complemented by exchange programs involving medical research personnel between the United States and such nations as the Soviet Union, the People's Republic of China and others—also supported by the National Institutes of Health.

For patients in remote areas, such as in Alaskan villages, recent telecommunications technology has saved countless lives. Over the last decade, telemedical systems have bridged the gap between remote clinic-like facilities—often staffed only with paramedical personnel—and a hospital or medical center. One of the first telemedical systems was that between the Massachusetts General Hospital in Boston and Boston's Logan International Airport. The staff at Logan make preliminary diagnosis and prepare patients for medical conferences, via cable, with physicians at the hospital site, should such treatment be required. The Logan Airport-Mass General link has served thousands of patients since its inception in the late 1960's.

The Lister Hill National Center for Biomedical Communications of the National Institutes of Health is also involved in telemedicine. One of its projects involves an orbiting satellite system which provides links between physicians in Alaska and health aides in remote villages.

The Veterans' Administration is currently making extensive use of cable telecommunications systems for diagnosis, treatment, and consultations between its hospitals and other medical facilities. It is estimated that about 3 million veterans and their dependents are provided service through this technology each year. Because of the need for complete privacy of its medical information, the VA has chosen closed circuit cable systems instead of CATV. If the latter were used, there would be a possibility of medical communications being picked up by other subscribers to the system. The VA has 11 operating closed circuit cable systems in the Omaha; Temple, Tex.; Cincinnati; Chicago; Buffalo; and Bedford, Mass., areas. Six more systems are scheduled for the St. Louis and Kansas City areas.

The prospects are bright for the use of cable technologies for the practice of telemedicine and for increased medical education and public information purposes. Such technology has the potential for bringing adequate medical treatment to significant segments of the Nation's population for the first time.

Even urban planning technology has applied itself to medical assistance. Under a grant from the National Science Foundation's research applied to national needs program, MIT made a study in 1972 to explore innovative planning in urban public safety systems. One finding revealed mismatches between the rated capacities and actual workloads of emergency rooms in nine Boston hospitals. The result was a revamped ambulance dispatching system in the city which reviewed emergency room workloads as well as travel time and the specialties of each hospital.

MEDICAL TECHNOLOGY THROUGH THE SPACE PROGRAM

Despite my apprehensions about the role of our space program today, I acknowledge that NASA's efforts in space biology and technology may have helped to write a new chapter in the field of medicine. For example, NASA has organized three biomedical teams in North Carolina, California, and Texas which identify, define, and attack problems based upon data assembled through space technology. Because of the work of these teams, doctors can now watch a computerized movie of the beating of a diseased heart, and can clearly isolate the specific malfunctioning parts.

One of the teams has aided the National Cancer Institute's leukemia program in devising a blood pressure monitoring system that provides an early detection of physiological shock.

As a consequence of NASA sensoring techniques developed in space, respiratory distress in infants can be monitored and treated promptly before further complications arise. A sensor is attached with a microminiature connector to the air passage of the newborn infant; and if the child experiences difficulties in breathing, the transmitter sends a signal to the nurses' station where remedial action can be taken.

The use of a supersensitive infrared detector developed through the space program has proved useful in some instances in the early detection of cancer. Other physiological measuring devices designed for astronauts in flight have been successful in the early diagnosis of such crippling ailments as Parkinson's disease.

PROGRESS TOWARD NEW TECHNOLOGIES FOR CURE OF DISEASES

I have so far reviewed only a few of the most spectacular accomplishments of the federally supported biomedical research programs. These accomplishments have already affected millions of people and will undoubtedly affect billions more in present and future generations who would otherwise be disabled, crippled, or not alive at all. However, not all progress in biomedical research can be expressed in terms of spectacular breakthroughs which are directly translatable to large segments of the world population. Indeed, progress in this field is often painfully slow, requiring years of elaborate experiments. And frequently, what progress is made is not immediately apparent to the public.

Take, for example, the area of cancer drug therapy which is being extensively researched under the National Cancer Institute. While progress in this field has fallen short of a complete breakthrough in the cure of various cancers, advancements continue to be exciting and striking. Drug therapy, in which drugs are used alone or in combination, continues to show strong positive results in patients with fast-growing tumors of the bone, connective tissue, and muscle. The use of a five-drug combination in treating advanced breast cancers, a disease which affects nearly 100,000 women a year, has produced objective results in 50 to 80 percent of the patients treated. And the discovery of a breast cancer virus, announced just a few days ago, offers the promise of eventually preventing this dread cancer entirely.

The problems of cancer are multiplied by the fact that more than 100 clinically distinct types of cancer have been identified, each with a unique set of symptoms requiring its own course of therapy. Yet, vastly increased Federal sponsorship by research through the National Cancer Institute, and cooperation between the Federal government and private organizations such as the American Cancer Association, have contributed greatly in translating significant research findings into therapeutic practice. Much has already been learned about certain of the many cancers relating to their cause, detection, diagnosis, prevention, treatment, and rehabilitation.

For example, today half the children with acute lymphocytic leukemia are alive 5 years after the disease was detected, whereas, 20 years ago, this disease took the lives of these young victims within a few months. Radiotherapeutic techniques applied to Hodgkins disease, when detected at an early stage, produce 5-year survival rates of more than 90 percent. Deaths from cancer of the uterus continue to steadily decline to a level of one-third the rate of 35 years ago. These improvements in cure rates for certain cancers are highly promising, and it is likely that ongoing research under the authority of the National Cancer Act of 1971 will result in even more amazing advances in the conquest of cancer within the next few years.

Recently, both the House and Senate have passed bills, the National Cancer Act Amendments of 1974, to extend the authority of the 1971 act through 1977. The amendments would authorize an increase in the appropriation for the National Cancer Institute from $640 million in the present fiscal year to $807 million in fiscal year 1975 to be spent for cancer research, detection, and treatment programs. Over the following 3 years, this authorization will be increased to more than $1 billion for these programs.

Under the National Heart and Lung Institute, progress continues toward the goal of developing a tiny, completely implantable engine to provide power for both artificial heart replacement devices and artificial heart assist devices. The nuclear engine, which uses radioisotope fuel, offers promise for artificial hearts which could run for 10 years or longer. Such a completely implantable power source would enable persons afflicted with serious heart disease to achieve a significant degree of rehabilitation. Nuclear powered heart pacemakers which will last for 10 years or more have already been developed and are not being tested in human subjects.

While there have not as yet been any real breakthroughs in the prevention of heart disease or hypertension, several advances of considerable clinical importance have been made. These include new combinations of diuretic and blood pressure lowering drugs which reduce the troublesome side effects of individual drugs. A new operation, saphenous vein bypass, has been designed to help prevent heart attacks or their recurrence. Segments of veins are taken from the patient's legs and connected from the aorta to the obstructed coronary arteries, just "downstream" from the site of obstruction. Already, tens of thousands of heart patients are benefiting from this new surgical approach.

Under the National Institute of Dental Research, considerable progress is being made toward the prevention of dental caries, which affect an estimated 200 million Americans in all stages of life. Research supported by the institute has led to the identification of specific micro-organisms which are responsible for the problem. There has also been considerable success against pit and fissure caries which has been achieved by coating the chewing surfaces of the teeth with plastics to prevent food particles and bacteria from being trapped in these susceptible areas.

The National Institute of Arthritis, Metabolism, and Digestive Diseases continues to make progress against diabetes, a disease which affects some 4½ million Americans. Scientists have recently investigated the transplantation of insulin-producing beta cells from normal to diabetic animals. The transplanted cells have been found to take root, grow, and produce insulin to the benefit of the diseased animal. It is hoped that continued research in this area will eventually lead to human applications. In another development, the use of prosthetic devices to replace the knee joints of persons afflicted with arthritis has been very promising. So far, more than 300 total knee replacements have been performed.

Promising advances in immunology have been made under the National Institute of Allergy and Infectious Diseases. It has been confirmed in the laboratory that allergies are genetically controlled and the commonly accepted assumption that allergies run in families is now beginning to acquire solid scientific basis. There is a great deal of interest in the role of immunology in cancer. There is now good evidence that the immune mechanism of the body is detecting cancer cells and is combating them. It is suspected that a malfunction of this immune surveillance mechanism may be responsible for the development of a cancer. Continuing research in immunology supported by the NIH research establishment may therefore provide an important key to the prevention and treatment of many kinds of cancer in the not too distant future.

There has been considerable progress in the area of genetics. In a disease such as sickle cell anemia, where the genetic aspects are now known, it is possible to counsel prospective parents carrying the trait.

I have reviewed only a few of the most noteworthy developments which have occurred as a direct result of federally sponsored research programs over the past 15 to 20 years. We still face enormous problems. Encouraged by our progress so far, we must proceed to meet the challenge of preventing and eradicating such killers and cripplers as cancer, heart disease, and diabetes. The Federal investment in biomedical research has been great, but the greatest challenges lie ahead.

BRIEF OVERVIEW OF EXTENT OF FEDERAL INVOLVEMENT IN HEALTH RESEARCH

Although our Federal investment in biomedical research conducted by the National Institutes of Health has nearly reached the $2 billion mark, this represents only about 2 percent of the Nation's total budget for health, education, and welfare. What has been the Federal commitment to health care and biomedical research during recent years?

According to the Social Security Administration, the total Federal budget for health care in 1960 was $25.9 billion, which constituted 5.2 percent of the GNP. Today, that commitment has more than quadrupled to a figure of $111 billion, which constitutes more than 7 percent of GNP. Accordingly, the annual rate of increase in the Nation's expenditures for health care was 8.4 percent between 1960 and 1966 and has grown by more than 12 percent between 1966 and the present. The total increase in HEW outlays for fiscal year 1975 is $14 billion over fiscal year 1974. Almost all of this is for financial assistance to individuals, which now accounts for $97 billion or 87 percent of the HEW budget. A total of $2.7 billion out of the $14 billion increase is for medicare and medicaid alone.

Health research can ultimately lead to application of our knowledge and the development of technologies which will reduce our health care costs. The increase

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in the Federal commitment to biomedical research has been as spectacular as that to health care. When I first came to the Senate in 1957, the Federal Government contributed to medical research some $229 million, or 52 percent of the total dollars expended in that area. By 1973 Federal expenditures increased tenfold to more than $2.2 billion, or 63 percent of total efforts of both the public and private sector.

The National Institutes of Health support a high proportion of total Federal expenditures for medical research. Of the $229 million, the Government spent in 1957, $125 million, or 55 percent, was for NIH research. In 1973 NIH accounted for $1.3 billion of the total Federal expenditure of $2.2 billion, or nearly 70 percent. As a consequence, during my tenure in the Senate, there has been a steady expansion of the NIH research establishment itself. I have seen a rapid sequence of new institutes and the conversion of the names of some of them, so that today, the NIH establishment consists of 10 separate entities, having started from just 2. They are separate and relatively autonomous entities identified by specific diseases and organs.

The recent rapid expansion of the NIH research establishment since 1960 has been directly brought about by the legislative efforts of Congress. Beginning in 1960, the Public Health Service Act was amended to provide for general support of research and research training in nonprofit institutions. The same year, the International Health Research Act was passed, leading to an expansion in NIH international research programs. In 1961, the Center for Research in Child Health was established. In 1962, the Division of Research Facilities and Resources was established and the National Library of Medicine was transferred from the Public Health Service to NIH. In 1963, two new institutes were established: the National Institute of General Medical Sciences and the National Institute of Child Health and Human Development. In 1964, the Division of Computer Technology was established and a special virus/leukemia research program was initiated. In 1965, the NIH research Triangle Park site was selected in North Carolina. During that same year, NIH received a supplemental appropriation from Congress of $20 million to expand research in heart disease, cancer, and stroke. In 1966, the Division of Environmental Health Sciences was established which was later, in 1969, destined to become the National Institute of Environmental Health Sciences. The year of 1968 was a particularly active year for NIH: the Fogarty International Center for Advanced Study in the Health Sciences was established and the National Eye Institute was created. At the same time, the National Institute of Neurological Diseases was changed to the National Institute of Neurological Diseases and Stroke. In 1969, the National Heart Institute was changed to the National Heart and Lung Institute. In 1970, the Public Health Act was again amended to provide for an extension of research authority in areas of public health.

Since 1970, many pieces of major legislation have been enacted by the Congress to further expand the scope and utility of the NIH research establishment. In fiscal year 1971, the Congress authorized a supplemental $100 million to expand cancer research. Later that year, the National Cancer Act of 1971 was passed as was the Health Manpower Act. In 1972, the National Sickle Cell Anemia Control Act of 1972 and the National Cooley's Anemia Control Act was passed.

At the same time, the status of certain of the Institutes was changed: the National Institute of Arthritis Metabolic Diseases was renamed to include Digestive and Blood Act expanded the authorities of the National Heart and Lung Institute to augment the national effort against heart, lung, and blood diseases. Appropriations of $375 million for 1973 were authorized with further increases in subsequent years. In 1973, the Emergency Medical Services System Act amended the Public Health Service Act to provide assistance and encouragement for the development of comprehensive regional emergency medical services systems. Most recently, in 1974, the authority of the National Cancer Act has been extended to 1977, during which time, appropriations for research on cancer will be increased to a level of more than $1 billion, a level exceeding the total NIH budget as authorized in 1966.

Congress and the Executive have appropriately increased their support of medical research and the American people have been the beneficiaries of the resulting technological breakthroughs. Already, the past investment has been repaid handsomely by the technology which has improved the quality of human life not only in America but the world over.

WHY JOIN THE ARMY?

Mr. PROXMIRE. Mr. President, in today's New York Times appears an excellent letter by Secretary of the Army Callaway, indicating the great values of service in the U.S. Army for our young people.

The point that Secretary Callaway makes which I think is so telling is that here is an opportunity for every young man in America, who is physically qualified, to enter the U.S. Army and to be paid very well, because, of course, Army pay has increased greatly during the last couple of years. In the peacetime Army, the young man can spend most of his time receiving an education, developing skills, developing maturity, leadership, and the opportunities which are denied many people who do not have a chance to go into the U.S. Army.

This is a fine letter by Secretary Callaway. I hope it has the widest possible exposure among our young people and that many of them will recognize the great opportunity that service in the U.S. Army affords.

Recently, I delivered a speech on what is right in the military, and I should like to add this as an additional opportunity. I believe that the volunteer Army has a tough road to hoe in this country, but I am most hopeful that it will succeed. I think that the report that Secretary Callaway has given us in his letter to the New York Times indicates that there are real prospects for this.

The Army offers a marvelous opportunity for young people not only to earn a good living but also, in the process, to develop skill and education which will make them more productive citizens and give them much better income after they retire from the Army.

Mr. President, I ask unanimous consent to have Secretary Callaway's letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WHY JOIN THE ARMY?

(By Howard H. Callaway)

WASHINGTON.—There is a remarkable inconsistency between the common perception that Army service is an interruption in a young person's life and the fact that nearly 2,000 young men and women freely decided to join the Army last year. These young people were not deceived. They were not lured by promises of ease or an easy way.

Why do people join the Army? Almost without exception, they join because it is a stepping stone toward the rest of their lives. For a disadvantaged person, the Army represents a chance to make something of himself.

For those whose background offers more advantages and prospects, it represents a chance to move further along the path toward their life's goals—sometimes helping them to sharpen their goals, to plan more concretely for their future. And it provides a way for young people to take these steps on their own. As soldiers, they can get ahead without depending on their parents.

The dominant theme in the Army, at least when the Army is not at war, is learning. Besides teaching skills, the Army also provides a learning environment that helps young men and women become more confident and self-reliant, more aware of the value of teamwork and self-discipline, more conscious of the importance of personal responsibility. In short, it is an intensive course in maturity. After even a short while in the Army, they recognize that they have become the adult they had only suspected was inside them.

During their term of service they learn skills. In effect, they become journeymen. Some skills are purely military and have no counterpart in civilian life. But for many, the skills they learn are technical, mechanical or administrative ones they can make use of in later life.

Apart from achieving greater maturity and learning specific skills, most new soldiers will have an opportunity for two kinds of learning experiences: They can learn something of leadership, and they can continue their academic education.

The Army operates on the basis of decentralized leadership. We try to push the authority and responsibility for decisions down the chain to the lowest echelon possible. That means that as early as their basic training, some soldiers will become leaders. Later, as relatively junior soldiers in their units, they may be put in charge of specific tasks and details, and be required to get a job done by leading and directing others. Over a period of time, as they demonstrate their leadership capacity, they can earn formal leadership positions, initially as team or section leaders.

The Army constantly looks for leadership qualities in every man and woman, and deliberately promotes and develops leadership in those who show potential. In the Army, there are no dead ends for capable leaders.

Then there is the opportunity for continued formal schooling. A soldier who has not completed high school can expect a genuine opportunity to earn a high school diploma, at least partly and often wholly on duty time. Nearly 70,000 soldiers enrolled in a formal high school education program in the last half of 1973.

Those young men and women who are high school graduates can expect to find opportunities to work toward college degrees. In the last half of 1973, over 80,000 soldiers enrolled in college-level programs, most supported by sizable tuition contributions from the Army or the Veterans Administration.

In a cooperative program with junior and community colleges all over the country, a qualified soldier can expect special consideration with regard to admission and residency requirements. He can also receive academic credit for relevant military training and experience. Through such programs, today's soldier can earn up to two years of college credit in a three-year enlistment—again at least partly on duty. There are also plans to extend this program to enable qualified soldiers to earn baccalaureate degrees if they wish.

These opportunities and challenges make sense to young men and women, and they make sense to parents. If we look at the Army through the eyes of a 17- or 18-year-old high school graduate or his parents, we can see the attraction. A chance for independence. A maturing experience that is widely respected in our country, especially by employers and educators. A means of developing leadership ability and self-confidence.

More concretely, the Army offers a chance to earn a decent wage—say, $12,000 plus room and board in a three-year enlistment—and allows the individual to gain two years of college credit during that time at little or no personal cost.

When he leaves the service, the veteran has still other educational benefits. The G. I. bill of rights is probably the largest scholarship system in the world. It offers the single veteran up to 36 monthly payments of $220 for continuing his education—in effect, an $8,000 scholarship. And that amount is increased if the veteran is married or has other dependents.

Is Army service an interruption in a young man or woman's life? Hardly. A golden opportunity is more nearly the truth.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico (Mr. DOMENICI) is recognized for not to exceed 15 minutes.

WESTERN COAL FOR EASTERN POWERPLANTS

Mr. DOMENICI. Mr. President, the Subcommittee on Environmental Pollution of the Committee on Public Works recently held oversight hearings on the implementation of the Clean Air Act Amendments of 1970. These hearings were particularly timely because the deadline for compliance with primary air quality standards is just a year away. I commend our distinguished colleague from the State of Maine (Mr. MUSKIE) not only for his central role in framing those amendments, but for his foresight in choosing this time to investigate the problems of compliance with the clean air law.

It came as no surprise to us that there are serious problems, although some of the specific ones we heard about could not have been anticipated at the time the act was amended. I assume that some of these problems will be worked out in committee and will be presented to this body formally as requests for legislation. Others, I am sure, will be discussed here on the Senate floor by Senator MUSKIE and other members of the committee.

Today, I would like to call to the attention of my colleagues one problem which I find particularly disturbing. It is the very real danger that we, as a nation, will become locked into a policy of exploiting the West to clean up the air in the East.

The standards prescribed by EPA in accordance with the Clean Air Act require that, for new powerplants, emissions of sulfur dioxide shall be less than 1.2 pounds per million Btu's of energy supplied to the boilers. Some States have adopted plans which apply that standard, or an even more stringent one, to existing powerplants as well as new ones. The result is that power companies are actively searching for new ways to meet these standards.

Until last fall, the answer which many had adopted was to use low sulfur oil, some of it imported from the Arab world. The oil embargo demonstrated that this solution was unreliable and expensive. Congress has just made it illegal as well, in some cases, by the provisions of the Energy Supply and Environmental Coordination Act of 1974.

Another way to meet the standards is to remove the sulfur dioxide from the exhaust gases before they leave the stack. Last fall, the EPA held extensive hearings on the status of the technology for flue gas desulfurization equipment, the so-called scrubbers. On the basis of the evidence presented at those hearings, the EPA concluded that scrubber technology has been demonstrated to be effective and reliable, and that scrubbers were available as a means of controlling sulfur dioxide emissions.

EPA's judgment has been questioned by many. Whether it is correct or not, the evidence has failed to convince the Federal Power Commission, many State public utility commissions, and the management of many power companies. As an example, Louisville Gas and Electric Co. took a chance and installed a scrubber on one small unit. They believe it was effective, and they want to put scrubbers on two more larger units. The Kentucky Public Service Commission, however, has barred them indefinitely from doing that. Partly on the basis of testimony by a representative of the Federal Power Commission, the Kentucky Commission ruled that scrubbers were not proven to be reliable, and a major investment in them by the company would be unfair to its consumers.

An alternative solution, which many utility companies find attractive, is the use of low-sulfur coal. While much low-sulfur coal exists in the East, we were told that production from existing mines is generally committed to metallurgical uses. We have some special coal of that kind in New Mexico, which is mined near Raton and sent to steel mills in California. It would be wasteful to divert such coal whether it be from the West or the East from its most productive use, for which there is no reasonable substitute.

It will take 4 to 6 years to open new low-sulfur coal in the East. Since they would be underground mines, the coal will be expensive and hazardous to produce. So the power companies are turning to what one of them calls, the western provinces. Commonwealth Edison is using coal from Montana and Wyoming in plants in Illinois and Indiana. Detroit Edison will soon begin to fire boilers with western low-sulfur coal. American Electric Power Co. told the Public Works Committee that they intended to develop western sources of low-sulfur coal for new and existing powerplants in Indiana in addition to their existing use of Montana coal in West Virginia plants. Oddly enough, they testified that western coal would be "impractical for use in their Ohio powerplants."

The coal rush is on. As a Senator from a western coal-producing State, I am pleased with the prospect that our resources will be developed and contribute to the solution of our national problems. But I will not stand by and see those resources exploited in a manner which leaves us with environmental problems and little in the way of economic benefit. Our State has had that experience already.

New Mexico ranks fourth in the Nation in production of natural gas; it ranks sixth in the production of oil. We have not benefited from the use of those resources as much as we should have. New Mexico's per capita income is 47th among the 50 States, 78 percent of the national average, the same relative position it held in 1948, before the oil and gas resources were developed. Simply pumping them up and shipping them out has provided only minimum income and few jobs and few resources. I do not want to see the same thing happen with our coal. I know others in this body who have similar concerns for their States. In addition, the environmental problems associated with coal production are even more acute than with oil and gas production.

Our concern is not simply parochial. It is only when you look at the national implications of solving eastern air problems with western coal that the disadvantages of such an approach become clear. A look at some specific details will demonstrate what I mean.

In February, 1974, 88 percent of the fuel for Commonwealth Edison's Will County Station in Illinois was low-sulfur Montana coal. The cost was 75 cents per million Btu, delivered at the plant. Four percent of the fuel was Illinois high sulfur coal, costing 50 cents per million Btu. To operate that plant for a year on Montana coal at 1,000 megawatts would require spending $45 million for fuel. Using Illinois coal, the cost works out to $30 million, or $15 million less.

To meet air quality standards with Illinois coal, of course, scrubbers would have to be installed. The Will County Station has had an experimental scrubber operating on one unit since February, 1972. It cost about $100 per kilowatt to install and a penny per kilowatt to operate. Extrapolating these figures, it would cost $100 million to fully equip the station with scrubbers, plus $8.7 million annually to operate them. These costs, plus depreciation on the capital investment and the cost of Illinois coal work out to be about equal to the cost of western coal over a reasonable 30-year depreciation period. But the installation cost and operating expenses of the experimental scrubber at Will County are probably two or three times as great as would be the case with commercial units. More than that, the cost of western coal so far does not reflect the true transportation costs. Up to this point, the coal trains have been using cars which had been idle in recent years. Any further development of Western coal for Eastern powerplants will require new cars, new locomotives, and new roadbeds.

Here are some of the details of the transportation problem that impress me. Montana coal must be moved 1,500 miles to Will County, Ill., 10 times the distance required for Illinois coal. To supply just that one power station, it takes 250 trainloads of coal annually. These are trains of 100 cars, carrying 100 tons of coal in each car. A single train carrying Illinois coal could service two such powerplants. At least five trains must be dedicated to serving just the Will County station with Montana coal. An argument against scrubbers has been made that we could not possibly build enough of them to fit all the powerplants that need them, even if everyone agreed that they worked. I can assure you that if we follow a no-scrubber strategy using western coal, which would require 10 times as many hopper cars as a local coal strategy, there is not a chance of having enough cars to serve those plants.

Another point is that those trains need fuel, too. Each train serving the Will County station from Montana will use about 2,000 barrels of diesel fuel, plus another 1,000 barrels for the return trip with empty cars. That is three-fourths of a million barrels of oil per year just to get the fuel to this one power station, and that is a rather revealing fact.

But we are faced with the possibility that 50 to 100 such plants may prefer to switch than fight. One thing on which EPA and FPC agree pretty well is the magnitude of the problem. They estimate that between 70,000 to 90,000 megawatts of power production will not be able to meet 1975 air standards without scrubbers or low-sulfur coal.

What would be the impact of supplying 70,000 megawatts by burning western coal? There would be a mile-long coal train rumbling east every half hour, and another empty one headed west. There would be 35,000 hopper cars dedicated to this service, plus 1,500 locomotives. More than a billion dollars would be tied up in rolling stock alone. And all this will need to be done at a time when steel is already in short supply. Steel industry sources see no chance that the supply picture will improve soon.

These trains will require 60 million barrels of diesel fuel each year, diesel fuel we are already seeking to conserve. They will spew 20,000 tons of air pollutants into the skies between the Rocky Mountains and the Mississippi River.

The western coal these trains carry would be substituting for eastern coal, for the most part. Even after allowing for the fact that eastern coal has a higher heat content than most western coal, that is 150 million tons a year that will not be mined in the East, nearly one-third of the total eastern production in recent years. I am sure that some of my colleagues from West Virginia, Kentucky, or some of the other coal-producing States could provide details of the dramatic effect that would follow from the loss of jobs and income if the demand for eastern coal dropped by that much.

We in the West would gain no advantage from that. Our coal is going to be used anyway. New powerplants in six Rocky Mountain States alone will raise the demand for coal up to 100 million tons per year by 1982. That is about all we are likely to be able to produce without drastic measures. But the country as a whole would be the loser if our eastern coal industry were pushed back into depression just as it is beginning to climb out.

Then there is the environmental effect of mining the coal. One of the witnesses before the Subcommittee on Environmental Pollution, which I referred to before, said:

> Coal is the only answer to our energy problems today and for many years into the future. We must begin a crash program to dig it and to put it to work as quickly, cleanly and efficiently as possible.

I translate that statement to mean it is intended to do the quickest, cheapest job of strip mining possible. That simply is not acceptable. Much of the western reserves of coal can only be recovered by surface mining, but it must be carefully regulated so that it is done in an environmentally acceptable manner and so that the land is properly reclaimed. There is still much to be learned about reclaiming western range land; the problems are quite different than those encountered in Illinois or West Virginia. A study just released by the National Academy of Sciences states that there is a very low probability of rehabilitating land in areas where the annual rainfall is less than 10 inches per year. The fact is that most of the strippable coal reserves are in such areas. A "crash program" to dig the coal is not likely to be accompanied by a crash program to learn how to restore the land from which it is gouged.

Mr. President, this strategy is economically, energetically, and environmentally irrational. The economy of the eastern coal-producing States will be ruined and put in jeopardy, and eastern power consumers will still pay more than if eastern coal and scrubbers were used. Scarce steel and oil will be wasted in building and moving trains. A substantial amount of air pollution will be generated in the attempt to stop air pollution. And our western lands will be laid open before we have learned how to heal the wounds.

Mr. President, I do not believe that we need to back away from our national goals. We must continue to press for the cleanest air possible coming from our stacks; we must still aim for abundant energy at reasonable cost. To do these things, we need to develop our national resources rationally. We need to provide a climate for the power industry which allows them to seek the best long-range solutions. Most important, we must avoid getting locked into policies which provide short-range compliance with our goals, but long-range problems for both the East and the West.

Time is the element which complicates the picture. As a result of the Clean Air Act Amendments of 1970, deadlines were set for compliance with the standards for stationary sources that were established. July 1, 1975, is the first of those deadlines. Although extensions have been granted by the Congress and by the EPA, many companies must decide very soon how they are going to meet those standards. The figures I have presented show that those decisions will commit them to expenditures of hundreds of millions of dollars. Whether they choose eastern or western coal, they will have to sign contracts which will commit them for up to 30 years. Like the sorcerer's apprentice, these companies will be setting in motion a variety of activities, from raising capital to digging mines, which they will have little ability to change once they are started. This is why it is so important that the long-range consequences of the various alternatives be made as clear as possible, as quickly as possible.

The Federal Government, in my opinion, has at least a dual role to play. It must keep the pressure on to find solutions. But it must also help in developing the alternatives. For example, I am very wary of the so-called intermittent control systems, under which pollutants would be emitted from tall stacks except when weather conditions were such that a temporary shift to low-sulfur fuel would be necessary. But there may be places where this is an acceptable solution. Some people argue that it could even have beneficial effects, by providing needed sulfur to agricultural soils in certain parts of the country. The crucial point seems to be the health effect of sulfates which form downwind from the pollution source. The Federal Government must move as quickly as possible, consistent with developing reliable conclusions, to resolve that question.

On the other hand, I am becoming convinced that EPA, the National Academy of Sciences or anyone else can declare until they are blue in the face that scrubbers are available and reliable, but the utilities and their regulatory commissions will not believe it until they see some actual examples which have been operating on full scale installations for reasonable lengths of time with acceptable reliability and maintenance costs. We have no time to waste on arguments which do not lead to clarification of the facts. We need agreement among potential users as to what would be a convincing demonstration, and then we must get those demonstration units into operation. Some companies see the handwriting on the wall and are ready to pay for those demonstrations with their own money. At the very least, we should clear the way for them.

A more positive result is likely if the Federal Government helps to reduce the risk involved in getting the bugs out of this new technology. I propose that the EPA be authorized to build full-scale scrubber installations on several power plants, chosen partly to demonstrate different operating conditions and problems, and partly on the basis of the commitment by their management to make them work. EPA would continue to fund modifications, until it was agreed that the system was satisfactory for long-term service. Then the installation would be sold to the power company at a price equal to what other companies pay to have the same system installed on their power stations, now that it is a commercially acceptable investment and the bugs have been eliminated.

Another alternative to achieve clean air is to remove the sulfur from coal before it is burned. The technology closest to commercial use is gasification. The Department of the Interior is already sponsoring research to adapt the old Lurgi process to eastern coals, and newer processes promise better economics and less need for large quantities of water, which is important for western applications. Along these lines, and picking up my earlier theme of benefit to the coal-producing State, an analysis of some current activities in New Mexico, and their implications, provides some dramatic insights.

Two producers have obtained the mineral rights to enable them to build coal gasification plants in the Four Corners area of our State. The producers are cooperating with State and local authorities in anticipating problems which may result from this development. They have done an extensive study of the possible construction of a new town—and ways to keep it from becoming a "company town." During the construction phases, which will continue until 1983, up to 7,000 persons will be employed in building the gasification facilities. They will employ more than 1,500 people for their operation, twice as many as will be working in the coal mines. The annual payroll will be $20 million. The presence of these workers will, of course, require stores, gas stations, housing construction, and all other services needed for a viable economy, meaning additional jobs and income. Housing alone will probably cost $50 million, with retail trade running to $10 million each year.

These projections do not even take into account the possibility of building additional plants to process the byproducts of the gasification process. Coal tar can be converted into raw materials for dyes and medicines; the gasification plants will produce 2 million barrels of coal tar each year. The plants will also turn out 95,000 tons of ammonia solution, which can be processed into fertilizer, needed for the nearby Navajo Indian Irrigation Project. The potential benefits seem endless.

This is what I call beneficiation of our coal resource, in the sense of the Spanish word from which that term is derived: "To benefit or profit from working the land or a mine." If the coal were simply being dug up and loaded in hopper cars headed for Illinois or Michigan, the benefits to the people and State of New Mexico and similar States in the Southwest and West would be jobs for less than 1,000 people, an annual payroll of $10 million and royalties of $2 million per year. By processing the coal locally, our benefits increase on the order of 5 to 10 times. And the gas produced just from the first units, due to be on stream in 1977 would be enough to fuel all of the existing gas-fired powerplants in New Mexico, Arizona, and Colorado. This new source comes none too soon; at the rate they are now being depleted, New Mexico's gas reserves will be gone in 10 years.

The rest of the Nation stands to gain, too. The business and personal taxes will be 5 to 10 times as great as they would have been if the coal were simply shipped East and burned. Further, many of the jobs created by the coal treatment complexes will be filled, by the unemployed and the underemployed, in my State members of the Navajo peoples, whose current unemployment rate runs around 30 percent. They will regain the dignity which comes with earning a living instead of subsisting on welfare. Their income will have a multiplying effect in allowing the Navajo nation to deal with its own problems, far beyond the help that would be provided by the royalties on the coal alone.

Mr. President, it is this kind of development that I think we would all like to see for the resources in our respective States. It is indeed encouraging. As I say, we would like that, and I believe it would be, over the long haul, better for the whole country. I am confident that my neighbors to the north feel the same way. We want to do our part in solving the Nation's energy problems. But we want to do it in a way that leaves us with something more than problems 20 years from now, or even sooner if those who are so anxious to get Western coal now should change their minds the first time the contracts come up for renewal. With a proper mixture of toughness and flexibility, the problems of burning Eastern coal in Eastern powerplants can be solved without having to exploit the so-called western provinces. We need to work toward that kind of solution, not just what appears to be the easiest way out. That approach has already failed in the switch to Arab oil. Let us not get trapped again because we failed to look at all the consequences of our decisions today.

Mr. President, I reserve the balance of the time that the distinguished Senator from Michigan has given to me.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum with the time to be charged against my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I yield back any remaining time under my special order.

The PRESIDING OFFICER. Under the previous order, the Senator from New York is recognized for a period not to exceed 15 minutes.

(The remarks Senator JAVITS made at this point on the introduction of S. 3771, the Economic Review Act of 1974, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Perry, one of its reading clerks, announced that the House has passed the bill (S. 3679) to provide emergency financing for livestock producers, with amendments, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (H.R. 3903) to direct the Secretary of the Interior to convey certain public land in the State of Michigan to the Wisconsin Michigan Power Co., in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker has affixed his signature to the enrolled bill (H.R. 11295) to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such act, and for other purposes.

HOUSE BILL REFERRED

The bill (H.R. 3903) to direct the Secretary of the Interior to convey certain public land in the State of Michigan to the Wisconsin Michigan Power Co. was read twice by its title and referred to the Committee on Interior and Insular Affairs.

PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. HOLLINGS). Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes.

ESTABLISHMENT OF LEGAL SERVICES CORPORATION—CONFERENCE REPORT—LIMITATION OF DEBATE TOMORROW ON MOTION TO INVOKE CLOTURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow the 1 hour of debate under rule XXII on the motion to invoke cloture begin running at 12 o'clock noon.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. Mr. President, I thoroughly agree with that request, but I would like, as one of those who sought to motivate this matter, to express the hope that the leadership might be able to arrange for a peaceful vote on this matter. Last night we were caught pro-

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visionally without the opponents here, so we had to do what we did. There is no adversary feeling about it but I hope the Senator can make this arrangement.

Mr. ROBERT C. BYRD. I share the Senator's hope.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, for the time being, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that the order for the convening of the Senate at 9:30 a.m. tomorrow be vacated and that the Senate convene instead at the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SCHOOL INTEGRATION HIGHEST IN SOUTH

Mr. ALLEN. Mr. President, the people of the South have complied in good faith with the Supreme Court decision requiring desegregation of southern schools. The South has led the Nation in achieving desegregation of the public schools. The Supreme Court has engaged in legalistic sophistry in not requiring similar action in areas throughout the Nation outside the South. What is needed is a uniform policy of desegregation of public schools, fairly and equally applied throughout the Nation, plus sincere efforts to the end that all of the Nation's children, wherever located, may have the benefit of a good education.

The millions of dollars squandered annually in forced busing of schoolchildren should be spent on improving and upgrading our school system. Freedom of choice and the right to attend neigborhood schools should be the right of all schoolchildren.

Mr. President, I ask unanimous consent that an article entitled "School Integration Highest in South," appearing in the Washington Post of July 16, 1974, be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 16, 1974]

SCHOOL INTEGRATION HIGHEST IN SOUTH

(By Bart Barnes)

Public schools in the Deep South, once the stronghold of resistance to racial integration, are now virtually the only school systems in the nation that continue to reflect substantial progress towards desegregation.

According to figures released by the U.S. Office of Education, movement towards desegregation of the public schools in the Northern and Western states has all but halted.

But in the 11 states of the Old Confederacy, which have the highest percentage of black students of any region in the country, there continues to be increasing numbers of blacks and whites attending school together.

The latest figures, compiled every two years by the Office of Education, reflect public school enrollments in September of 1972. However, spokesmen for both the Office of Education and civil rights organizations said the figures generally hold true for today.

What the figures demonstrate is that the 11 former Confederate states—Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia—had the highest degree of racial integration in the nation, in those states, 46.3 per cent of all black public school students were attending schools that were 50 per cent or more white. Only 29.9 per cent of the black students in those states were attending schools that were 80 per cent or more black. Blacks accounted for 26.3 per cent of all public school students in the 11 Southern states in the fall of 1972.

By contrast, in the Northern and Western states, only 28.7 per cent of the black students were attending schools that were 50 per cent or more white. In the border states, Delaware, Maryland, Kentucky, West Virginia, Missouri and Oklahoma, plus the District of Columbia, only 31.8 per cent of the black students were in schools that were more than half white. In both regions, the majority of black students were in schools that were more than 80 per cent black—59.8 per cent in the border states and D.C., and 55.9 per cent in the northern and western states.

William L. Taylor, director of the Center for National Policy Review and a former staff director of the U.S. Civil Rights Commission, said the data released by the Education Office indicates a "pattern of nonenforcement in the north and west."

Taylor said this is one of the central conclusions of a nationwide study the center is just finishing on desegregation in the public schools.

Outside of the District of Columbia, which has a 95.5 per cent black student enrollment, the figures showed Illinois to be the most highly segregated state in the nation. More than 77 per cent of the black students in that state were enrolled in schools in which more than 80 per cent of the students were black.

Although not has highly segregated as Illinois, virtually all the industralized states of the North remained heavily segregated in the public schools. More than half of the black public school students in New York, New Jersey, Pennsylvania, Ohio, Michigan and Indiana were enrolled in schools that were 80 per cent or more black.

In three of those states, New York, New Jersey and Pennsylvania, the degree of segregation actually increased between 1970 and 1972 with more students enrolled in 80 per cent or more black schools.

By contrast, none of the former Confederate states had school systems that were as heavily segregated as the public schools of the industrialized north. North Carolina—where court-ordered busing for school desegregation began in Charlotte—had the highest degree of racial integration with only 7.4 per cent of the black students in that state attending schools that were 80 per cent or more black. Schools in both Alabama and Mississippi were more fully integrated than those in New York.

Virginia, where state officials once endorsed a campaign of "massive resistance" to school desegregation, had only 12 per cent of its black students in schools that were 80 per cent or more black.

Mr. ALLEN. Mr. President, I would like to read from the newspaper article I have just inserted into the RECORD.

In three of those states, New York, New Jersey and Pennsylvania, the degree of segregation actually increased between 1970 and 1972 with more students enrolled in 80 percent or more black schools.

By contrast, none of the former Confederate States had school systems that were as heavily segregated as the public schools of the industrialized North. North Carolina—where court-ordered busing for school desegregation began in Charlotte—had the highest degree of racial integration with only 7.4 percent of the black students in that State attending schools that were 80 percent or more black. Schools in both Alabama and Mississippi were more fully integrated than those in New York.

I think that would be of interest to Members of the Senate and to the public generally. Continuing:

Virginia, where State officials once indorsed a campaign of "massive resistance" to school desegregation, had only 12 percent of its black students in schools that were 80 percent or more black.

Whereas in many areas of the North segregation in the public schools is increasing, it is increasing because the ruling of the Supreme Court has actually fostered, protected, and preserved segregation in the public schools of the North, at the same time demanding immediate, forced desegregation of public schools in the South, and having that policy implemented by forced busing of school children, hither and thither, from one end of the county or one end of the city to another end of the county or another end of the city.

It is certainly to be hoped that in the not-too-distant future the Supreme Court will see fit to apply the same rules for desegration of public schools equally, fairly, and uniformly throughout the entire United States.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. METCALF):

A petition by several citizens of Iowa urging the elimination of the oil depletion allowance. Referred to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. 3190. A bill to authorize appropriations for fiscal year 1975 for carrying out the Board for International Broadcasting Act of 1973 (Rept. No. 1019).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs:

William D. Eberle, of Connecticut, to be Executive Director of the Council on International Economic Policy.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

SUBMISSION OF A CONFERENCE REPORT ON H.R. 8217, DUTY EXEMPTION FOR CERTAIN VESSELS (S. REPT. NO. 93-1018)

Mr. TALMADGE submitted a report from the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971, which was ordered to be printed.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JAVITS:

S. 3771. A bill to provide for monitoring of the economy, establish an Economic Review Board, and to increase national productivity. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SPARKMAN:

S. 3772. A bill for the relief of Benjamin Hill Clark. Referred to the Committee on Finance.

By Mr. BENNETT:

S. 3773. A bill to authorize the Secretary of the Interior to pay a portion of the cost of corrective work on the Starvation Reservoir Bridge, Utah. Referred to the Committee on Interior and Insular Affairs.

By Mr. EASTLAND:

S. 3774. A bill for the relief of Au Yeung, Sui Cheung. Referred to the Committee on the Judiciary.

By Mr. BUCKLEY (for himself and Mr. BROOKE):

S. 3775. A bill to provide for the monthly publication of a Consumer Price Index for the Aged which shall be used in the provision of cost-of-living benefit increases authorized by title II of the Social Security Act. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS:

S. 3771. A bill to provide for monitoring of the economy, to establish an Economic Review Board, and to increase national productivity. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. JAVITS. Mr. President, I am speaking today on the national economic crisis which involves also the international economic crisis, and, before I am through, I will offer a bill to deal with our national problems.

Our country—and indeed our world—is adrift on perilous economic seas. Some economists believe—and there are some strong indicators to confirm this belief—that the world is on a collision course with a serious economic depression and that in the United States we could be facing continued serious inflation accompanied by deepening unemployment.

Indeed, I am concerned that our current national economic policy of no policy could move us closer to the collision course some see as inevitable.

My other concern regarding our economy is that the current crisis of leadership associated with Watergate would prevent the formulation and implementation of effective economic policy.

For we face a sharp and extremely serious erosion of confidence in our ability to deal with our political and economic problems. The economic profession is in disarray. The administration seems to have exhausted its stock of economic remedies and is publicly advertising for alternatives and seems caught on the shoals of what Dr. Herbert Stein calls the oldtime religion—orthodox fiscal and monetary restraint. Since these tired old dogmas do not take into account the numerous new factors contributing to our national and world economic problems, it should surprise no one that their stringent application may induce a real recession without winning the battle against inflation. Although I would agree that it is necessary to pursue strict monetary and fiscal policies, to do this alone without attending to the fundamental causes of our economic plight is like treating a deep wound with aspirin and bandaids.

Also, it is time to stop hunting for scapegoats. Congress is always a likely target, witness the President's latest swipe based on his "fear" that Congress will pass "silly" and "dangerous" legislation if the administration sits on its hands and lets the economy deteriorate. The administration has also tried to pass the buck to the American people, who also according to Dr. Stein have refused to accept tax increases, although the administration has consistently been seeking to reduce taxes. What the administration refuses to recognize is that inflation is the most regressive tax of all, and that it has been forced most unjustly on the American people, particularly on those who can afford it the least.

Now, as to what can be done. Although the movement for direct wage and price controls has no momentum in Congress at this time, the necessity for a monitoring body over wages and prices has been vastly neglected. When we have wage contracts averaging 10 percent per annum increase being signed, and steel prices doubling, the least that should be done is to have some way to bringing this to the attention of the people so that industries or unions that act irresponsibly with respect to the public interest may be called on to explain and to justify their actions.

For the impact that these large increases in wages and prices will have in generating a new round of "cost push" inflation cannot be overestimated. The most recent wholesale price index shows that the price of industrial commodities has increased 34 percent in the last 6 months alone. These price increases will reveal themselves in consumer prices in the months to come, assuring us that the end of this inflation is not in sight.

Now, Mr. President, in order to deal with these or some of these matters, I am introducing today a bill, which I send to the desk for appropriate reference, which does the following things:

It sets up an economic review procedure and an agency for the purpose of carrying on that economic review which will do the following things:

To spot and try to remedy supply bottlenecks;

To review industrial capacity in the various sectors in an effort to restrain prices;

Cooperate with labor and management in improving the structure of collective bargaining;

Improve wage and price data bases;

Monitor the economy or appropriate segments by requiring such reports on wages, productivity, prices, sales, profits, imports and exports as are needed for price and wage stability and are not already available; and most importantly;

To conduct public hearings on inflationary and supply problems in the various sectors;

Cooperate with labor and management in improving the structure of collective bargaining; and

Improve wage and price data bases. That is title I of the bill, Mr. President.

Title II of the bill will allow the establishment of industry and regional productivity councils to seek to improve productivity under the National Productivity Council. We had 5,000 of such labor-management productivity councils in World War II, and they worked very well; and, as productivity is the very key to dealing with inflation, Mr. President, it seems inconceivable that we should not at least seek to get the benefit of that experience at this time.

In this respect I note the very disturbing announcement by the Department of Labor on the sharp decline in productivity in the first quarter of 1974.

Mr. President, I ask unanimous consent that the release by the Department of Labor be printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

PRODUCTIVITY AND COSTS IN NONFINANCIAL CORPORATIONS, FIRST QUARTER 1974 (AND REVISED FIGURES FOR THE TOTAL PRIVATE ECONOMY, FIRST QUARTER 1974)

Productivity in nonfinancial corporations fell 6.2 percent at a seasonally adjusted annual rate in the first quarter of 1974, following a 3.3 percent decline in the preceding quarter, the Bureau of Labor Statistics of the U.S. Department of Labor announced today. The decrease in productivity (or output* per man-hour) was the largest reported since this series began in 1958. The decline reflected decreased in both output—8.7 percent—and man-hours—2.7 percent—at annual rate.

The revised productivity measures for the total private and nonfarm sectors showed declines of 6.4 percent and 4.5 percent, respectively, from the preceding quarter at annual rates. These downward revisions in the output per man-hour measures—earlier reported as declines of 5.5 percent and 3.5 percent, respectively—reflected downward revisions in the output measure combined with smaller downward revisions of the man-hour measure. Revised figures for the total private, nonfarm, and manufacturing sectors are summarized in table A; details are in tables 1–3.

Mr. JAVITS. I make provision, Mr. President, in respect of this measure for $50 million to carry its costs.

Now, in title 1 I am proposing no radical new scheme of control. It is, in fact, almost the proposal the administration itself made to Congress in February of this year but then backed away from. But it is an important step and an immediate step.

While on this topic, I would like to note that Federal Reserve Board Chairman Arthur Burns, in testimony before the House Ways and Means Committee on Monday, advocated the reimposition of voluntary wage and price controls. I have advocated a maintenance of wage and price control authority, and I want to go on record again saying that I favor this idea as a partial stopgap respecting inflation.

Realistically, I discern no support for wage or price controls in the Congress. But when we have wage contracts averaging 10 percent per annum, and steel prices doubling, the least that should be done is to have some way of bringing this to the attention of the people so that industries or unions that may act irresponsibly with respect to the public interest may be called on to explain and to justify their actions.

The monitoring agency I am proposing will achieve this objective. I might say that Chairman Burns has also suggested a cooling off period on wages and prices in the jurisdiction of such a monitoring agency.

Although it is not contained in my bill, I am certainly open to any such concept by way of an amendment to the bill if that should develop some support in Congress.

Also Chairman Burns suggested adjustments in capital gains taxes to encourage more business investment, and a $10 billion cut in Federal spending as aids in the fight on inflation.

I thoroughly agree that we should encourage capital investment to increase productivity, and fiscal responsibility in the Federal budget is critical.

But it is, in my judgment, unrealistic to expect that these measures alone can break the back of inflation. I believe that in order to do that we have to really get down to fundamentals. Hence, my Economic Review Act of 1974, and its importance.

Mr. President, we need also in respect of the fight on inflation to do something on the international front. I believe it is essential that the major central banks publicly recognize the serious strains being put on the world financial system, and give assurance that they will actively pursue the needed policies to shore up individual banks should these strains threaten to impair the functioning of the credit system.

A constructive step toward this end was taken last weekend with the announcement in Basel that through the Bank for International Settlements major central bankers had agreed in principle to provide emergency assistance to financially troubled banks where needed to maintain confidence in the international banking system.

The announcement on July 8 is a first step; but a step which needs to be given substance by positive actions.

The international financial system is now very uneasy. The recent failure of the Herstatt Bank in West Germany proves once again how interconnected is the world's financial system with banks in the United States, Great Britain, and Israel taking losses in the Herstatt failure. The price we pay for inaction is so great that it can hardly be imagined. Rising protectionism, a contraction of international trade, social unrest and perhaps a worldwide depression are the direct consequences of a breakdown in our system of money and credit. The time has come for concerted action by the central banks of the developed nations and by international financial institutions to meet the situation.

I have one final point to make with regard to the economy. This final point has to do with a disturbing trend I have observed in projections of the grain harvest emanating from the Department of Agriculture.

The Department has revised its grain forecasts downward 4 times since May 9, of this year, with production estimates dropping from 2.172 billion bushels on May 9, to 2.091 billion on June 11, to 2.074 billion on June 24, down to a low of 1.925 billion bushels on July 11.

Further, the head of the National Corn Growers Association said recently that this year's crop is in worse shape than any other in a decade.

I do not know if these revised estimates and poor forecasts are the result of faulty data at the outset of the year, but I do know that all of this points to renewed food price increases and indicates the utter lack of any national food policy to provide for our own people and ensure reasonable supplies for the rest of the world.

Hence the passage of effective legislation to establish such a national food policy is vital to determine what we have available for food, for export and for reserve This is especially important at a time when famine is affecting large portions of Africa, and American exports will be required there and in Asia.

Mr. President, in conclusion I wish to state that we are all very interested and excited about the drama of Watergate. But it does not hold a candle in pragmatic terms, although it has become the dominant moral issue, in the effect upon this world of inflation that we are now experiencing, and what we do about it.

Mr. President, we have an enormous task of great immediacy in this respect. I have tried to suggest some ways of getting at it; others have tried to suggest other ways of getting at it.

Whatever way we choose is not nearly as material as the fact that we need a dynamic, effective, working policy, not a no-policy on the part of our Government, both in Congress and in the executive branch. But I see a disquieting tendency to accept no-policy as a policy. It is for that reason I have introduced this legislation and made this speech today.

Mr. President, I ask unanimous consent to have printed in the RECORD a news article which was published in the New York Times financial section of last Sunday, July 14, 1974, which I consider to be a rounding up of a highly expert group of suggestions respecting inflation. The article contains recommendations of a host of individuals, economists, and other experts on how to deal with the inflationary dangers we face.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 14, 1974]

HOW TO FIGHT INFLATION: A SURVEY

(NOTE.—Last Thursday President Nixon opened a "national dialogue" on how to cope with inflation. He invited 31 businessmen and economists to discuss with him the worldwide disease that has been plaguing ordinary citizens and national economies, threatening political leaders and shredding the reputations of pundits whose remedies don't seem to work.

(The New York Times conducted its own sampling of opinion among businessmen, economists and representatives of labor and the consumer. They were asked, "What recommendations would you make for dealing with our inflation-prone economy?"

(There seems to be a consensus that inflation is a serious illness and probably not susceptible to cure. Perhaps, like alcoholism, it may only be controllable and then through enormous exercise of will and self-discipline.

(At all stages of the spectrum, there is recognition of the political elements in both the causes and suggested prescriptions for inflation. Capital investment to spur production and mitigate inflationary scarcities of goods and commodities was repeatedly cited.)

WALTER E. HOADLEY—BANK OF AMERICA

There are no quick answers to today's inflation. Moreover, any solutions must now be both multinational and national and encompass critical attention to political, psychological and social as well as economic forces.

Unquestioning dependence on conventional wisdom from the past could aggravate the present situation rather than help it. At least six steps need to be taken promptly in the United States:

Open recognition by national leadership that inflationary trends and especially inflationary psychology have begun to change public behavior and confidence, creating mounting danger—if inflation is not brought under control—to both the economy and ultimately our political stability.

Urgent official attention to setting some clear-cut national priorities.

Firm monetary and fiscal policy, with sensitive surveillance of the precise consequences in the marketplace.

Major surgery on unproductive Government and private expenditures.

Vigorous new emphasis on additions to productive capacity to help offset two generations of national stimulation of demand.

A clear-cut challenge for virtually every business and public agency to play a specific local role in the fight against inflation.

WILLIAM C. FREUND—N.Y. STOCK EXCHANGE

Economists share with the Federal government responsibility for misjudging our economy's inflation potential. Too much reliance was placed on statistics purporting to show a plentiful supply of industrial capacity and labor.

We know how misleading these indicators proved to be when industrial capacity and our labor force were actually stretched to the full. On top of that came the calamity in oil prices and agricultural scarcities.

One lesson clearly is the need for better systems of economic intelligence. But inflation will now recede only if supply deficiencies are permitted to adjust. This will require reducing the pressure of overall demand and stimulating, as Treasury Secretary Simon has urged, the flow of savings into productive investments.

Government fiscal policy can play an important role in stimulating savings and investments. So can tax policy. Limiting the money supply should not be the sole means of combating inflation.

EDWARD E. CARLSON—UNITED AIR LINES

Reducing the present rate of inflation to a tolerable level without simultaneously causing severe damage to the consumer and business sectors of the economy is one of the most difficult tasks ever to face the world's political, business and labor leaders.

It is a task that requires the utmost cooperation between key leaders in labor, business and government at every level—national, state and local. Many believe that the present steps of monetary restraint, as important as they are, will really not be effective in curing the basic problem and that somehow steps must be found to use all of the economic tools on a broad basis rather than relying solely on monetary strength.

High on the priority list is the necessity of guaranteeing protection to wage earners and others on fixed incomes in order that their savings will not be further eroded. This is politically difficult but essential.

I am not an economist, but as one who has spent many years in the business world I feel that basic to the problem is the passage of legislation which will require a balanced Federal budget—again politically difficult but essential to the basic problem.

NAT GOLDFINGER—A.F.L.-C.I.O.

We recommend a selective monetary policy in which the Federal Reserve System would allocate a significant portion of available bank credit at reasonable interest rates for housing and community facilities and at the same time curb the flow of credit for such activities as land speculation, gambling casinos, conglomerate take-overs and foreign subsidiaries.

We call for a general reduction in the level of interest rates combined with this less tight monetary policy.

We think that the entire Federal tax structure cries out for revamping in terms of tax justice and that there is a need to establish a fair means of raising the required volume of Federal revenue. We urge the elimination of major loopholes in the Federal tax structure and adoption of an excess-profits tax, which could raise as much as $30-billion of additional revenue that could provide the basis for a genuine tax break for middle- and lower-income taxpayers.

We recommend Government controls on the exports of agricultural and crude materials in short domestic supply to be maintained until shortages are ended and pressures on prices subside.

LEON KEYSERLING—ECONOMIST

Obsessive preoccupation with price inflation, instead of rational treatment, has ignored the true function of price trends, neglected ultimate purposes far more important than price trends and aggravated price inflation.

From early 1969 through the first quarter of 1974, by deficient economic performance, we have forfeited about $513-billion of gross national product, measured in 1970 dollars; almost $128-billion of public revenues, which might have been used to meet the great priorities of public needs, and 11-million man-years of employment. Further worsening now threatens and could bring economic social and civil evils of unpredictable magnitude.

The first step toward rectification should be a $7-billion-to-$10-billion tax cut for middle- and low-income families, and a $7-billion-to-$10-billion increase in public outlays for the great domestic priorities, including overcoming shortages in fuel and food.

Even with the high multiplier of 3, this would stimulate total national production about $42-billion to $60-billion, very conservative in view of a current G.N.P. gap of at least $100-billion, annual rate.

The money supply should be expanded in accord with economic restoration needs.

GUY E. NOYES—MORGAN GUARANTY TRUST

This is not the time to look for novel policy initiatives in the hopes that they will bring an early end to either inflationary pressures or muted economic growth. Both these conditions are likely to be with us for some time to come and the greater danger may well be that of adopting measures that would exacerbate one or the other of them.

For example, in the present circumstances any effort to significantly stimulate the rate of economic expansion would almost certainly create renewed upward pressure on the prices of sensitive materials and commodities.

On the other hand, the upward momentum of the economy seems too fragile to risk measures which would sharply curtail final demand.

The severest of the money market pressures associated with the Federal Reserve's efforts to contain the growth of money and credit are being felt now and some relief in this area will occur without overt action by the authorities.

Any effort to reintroduce direct controls would be counterproductive.

RALPH NADER—CONSUMER ADVOCATE

We have to have short-run and long-run policies.

Short term: a restraint on consumer spending which would include selective consumer boycotts and specific advisories from the Government to consumers as to what not to buy where consumer gouging or monopolistic pricing is suspected. An inflationary period is characterized by shortages. The best antidote is a constructive consumer shortage.

People always overconsume, whether it's paper or gasoline. Both consumer-initiated boycotts and Government advisories to help them would have both concrete and psychological effect on sellers.

Put a limit on certificates of deposits. Now banks are paying 11½ or 12 percent [to obtain funds to relend]. If a limit of, say, 10 per cent was set, more money would flow into the housing market. C.D.'s go for big business, not for housing.

Longer term: strong antitrust enforcement. Such enforcement 20 years ago would have prevented a lot of this oil pricing, a lot of this paper pricing, this lockstep situation where one manufacturer raises prices and then others follow.

Another way to curb inflation would be to obtain leadership in the White House. There is nobody in charge.

That's why my suggestions are not in the context of the Galbraithian approach of wage and price controls because this Administration is not capable of presenting them except in the context of a cruel charade.

In addition, cut that part of Government spending which supports corporate welfare systems, including direct and indirect subsidies to business such as maritime subsidies and tax loopholes.

HAROLD J. HAYNES—STANDARD OIL OF CALIFORNIA

The major cause of current inflation is an imbalance in the supply-demand equation for many basic materials and manufactured goods. This imbalance has resulted from Government adherence to demand economics for the past 25 years. These policies have assumed that if demand was created, supply would be available to meet it. At the same time, the Government took frequent steps which reduced supply. Notable examples of this are agricultural policies and natural gas regulations.

Long lead time is required to plan and construct facilities to eliminate supply shortages and it is essential that the Government develop policies which encourage investment by insuring a free marketplace and consistency of policies over many years.

BERYL W. SPRINKEL—HARRIS TRUST & SAVINGS BANK

The economic solution to inflation is elementary and well known, but the political solution is nearly impossible.

First, economics. Inflation throughout the ages has been essentially a monetary phenomenon. There is inevitably a close and positive relation between the rate of inflation and growth in the money supply per unit of real output. The greater the growth in money, the greater the inflation, since more money stimulates final demand.

Hence, the indispensable policy ingredient for eventually controlling our inflation is to reduce gradually United States monetary growth from the current 7.3 per cent a year to a rate nearer 3 per cent.

But restrictive action is politically difficult because of the fear of recession. A program to ease the political problem should include:

Strict control of the budget, since deficits encourage the Fed to create too much money.

Frank discussion by political leaders, pointing out that reducing inflation is a painful two- to four-year task.

Avoidance of the temptation to use price and wage controls, since they attack systems while creating shortages.

Adoption of more liberal income supports so that the cost of the inevitable economic slowdown is born equitably by all members of society, not just the poor.

JAMES P. MCFARLAND—GENERAL MILLS

The Government must take leadership in the present economic situation to return this country to the sound basis of free and competitive enterprise which has been so uniquely successful. Specifically, the Government should take the following actions.

Make a positive commitment to a free competitive marketplace without the burden of threat of controls. Controls inhibit the innovation and flexibility that permit the system to adapt to new challenges. Threats of imminent freezes or controls force management to operate on a basis of potential controls rather than marketplace fundamentals and often result in higher price increases than would otherwise be the case.

Continue the current Federal Reserve policy of monetary restraint. The prevailing liquidity positions of businesses and banks must be carefully monitored so that proper lead time to alter monetary restraints may be possible as the economy cools.

Get the Government in its entirety, the Administration as well as Congress, to restrain fiscal expenditures. Monetary policy alone cannot do the job.

Take actions to assure stability in tax provisions needed to encourage investments without fear of adverse tax changes. Businesses do not need additional incentives, but they do need to know the basis on which their investment decisions are made.

GEORGE WEYERHAEUSER—WEYERHAEUSER COMPANY

We must recognize first of all that a major surge of capital investment in new and more productive capacity is absolutely essential if this country is going to bring demand-pull inflation under control.

Today, the United States has the lowest personal savings rate and the highest taxes on capital gains of any developed nation. We have developed a tax system and an economic psychology that discourages capital formation for new investment, which instead encourages immediate consumption. The Federal Government has the ball on tax policy; business and industry themselves must help reverse the overconsumption psychology.

We also need to act quickly on a trade bill. America must increase its exports significantly to bring the trade balance back into equilibrium. This somehow has to be accomplished in a period of growing protectionism in Congress.

Finally, of course, the Federal budget must be brought into balance if we are to lessen the pressure on credit creation to finance capacity expansion.

HARRY HELTZER—3M COMPANY

Our present inflation problem has been building for more than a decade and it does not lend itself quickly to simplistic solutions. Inflation is worldwide. To bring it under control, all nations, including our own, will have to learn to live within their means, keeping governmental budgets and money supplies under prudent rein.

We can alleviate shortages of goods and services which have driven up costs and prices by taking a number of actions. For example, we can increase supplies of many items by encouraging a freer trade policy. We can increase domestic output by encouraging capital expenditures for plant and equipment.

All of these things should be done while we achieve a prime objective of increased productivity.

Meanwhile, we must curb our demand for social services and must fix priorities. We cannot fulfill all our appetities for all of these services without producing chronic economic indigestion—inflation.

ROBERT KAVESH—NEW YORK UNIVERSITY

There are no magic cures for inflation. All the suggested remedies have been around for many years. The only change is that lately they don't seem to be working.

Clearly we are putting too much stress on monetary policy right now. We are giving lip service to tighter fiscal policy but few people are taking these promises seriously.

And that's the key—nobody believes or listens to anything emanating from Washington these days. The nation is drifting and inflation is more a symptom than a disease.

Is there any hope? Perhaps not. But if there is it must be found in measures to increase productivity at all levels.

The administration should organize and promote productivity councils for American industry, encourage workers and managers to seek ways of expanding supply and cutting costs and reward these people directly and liberally.

What it comes down to is that the ultimate antidote for inflation is pride.

D. WAYNE HALLSTEIN—INGERSOLL-RAND

Inflation is caused when demand exceeds supply. Government efforts thus far have been directed for the most part at limiting demand. Perhaps this is acceptable for nonessential goods, but for vitally needed materials, clearly we need to increase the available supply.

Investment in basic industries in the United States for many years has been grossly insufficient. Is it any wonder that we now find ourselves paying the price with inadequate productive capacity in many key areas, and consequent shortages of necessary materials?

Why has this come about? Because of too little reward for the individual willing to save and invest. Public and private action is needed to shift resources into construction of new productive capacity. This will require a massive increase in savings and investment. Taxation and other Government policy must be redirected to favor the producer, which in the long run can only benefit all of us as consumers.

A. GILBERT HEEBNER—PHILADELPHIA NATIONAL BANK

It is time to make more active use of fiscal policy in fighting inflation and take some of the burden off monetary policy.

In addition to cutting Federal spending, I would propose an increase in personal income tax rates or an income tax surcharge, with exemption for lower income groups. The President should also be given continuing authority to raise or lower personal and corporate income taxes within specified limits, subject to veto by Congress.

To offset the rise in unemployment that might be associated with tax increases, it would be well to construct standby Federal employment programs. The Government could then become an employer of last resort to a limited extent.

While I am against price and wage controls, I would recommend that the Cost of Living Council be re-established to formulate price and wage guidelines related to productivity, to monitor price and wage behavior and to focus public attention on excessive increases in either area.

By Mr. BUCKLEY (for himself and Mr. BROOKE):

S. 3775. A bill to provide for the monthly publication of a Consumer Price Index for the Aged which shall be used in the provision of cost-of-living benefit increases authorized by title II of the Social Security Act. Referred to the Committee on Finance.

Mr. BUCKLEY. Mr. President, today I am introducing a bill to require the creation of a cost-of-living index for the aged. There is no doubt that the elderly have certain special consumer needs and interests not generally shared by the public at large. Such items as medical care, medicine, personal services, heating oil and housing are examples of goods or services of which the elderly often have a greater and continuing need. The costs of some of these special items have risen significantly faster and higher even in recent years than the general price index, which itself has shot upward as a result of rampant inflation. A good example of this problem is the cost of health care, which rose 50 percent more than the overall Consumer Price Index between 1965–70. For instance, between 1965 and 1970, the daily hospital service charge cost nearly 70 percent. On the average the cost of hospital care is the largest single item—nearly 50 percent—on the annual health bill of an elderly person.

That the need for, and cost of, health care impacts much more heavily on the elderly is demonstrated by the fact that, in fiscal year 1969, the average health bill for a person 65 or older was six times that for a youth, and 2½ times that for a person aged 19–64.

The elderly also spend more on food. The most recent survey of consumer expenditures, 1960–61, found that a couple over 65 spent 25 percent of their income on food, while a couple between the ages of 35 and 44 spent only 22 percent on food. In addition, the cost of food rose by 43 percent from 1965 to 1970, while the Consumer Price Index rose by only 31 percent during the same period.

Household costs is another area that impacts heavily on the elderly. Such costs comprised about 37 percent of the BLS budget constructed to reflect an adequate standard of living for a retired couple with a moderate income in 1972 compared to 31 percent for a young family of four persons.

Housing costs have also risen sharply in recent years. In many communities, for example, property taxes have doubled and even tripled within the past 10 years. Housing costs rose nearly 40 percent more than the Consumer Price Index from 1965 to 1970.

A more thorough documentation of the special cost of living problems of the lderly can be found in the extensive hearings held during the past several years by the Senate Special Committee on Aging, entitled, "Economics of Aging: Toward a Full Share in Abundance."

This bill, which is identical to an amendment I offered to H.R. 3153, the Social Security Amendments Act of 1973, last November, would provide for two things:

First, it would require the Secretary of Labor to develop a Consumer Price Index for the aged which would more accurately reflect the actual cost experience of the aged than does the existing Consumer Price Index which reflects norms for the entire population.

Second, it would require that the Consumer Price Index for the aged be employed to adjust the benefits received by social security recipients to reflect changes in the index on a quarterly basis. The bill would provide that in no case shall benefits received under the provisions of this legislation be less than those received under existing provisions of law.

Mr. President, I believe that the enactment of this legislation would insure that future cost of living increases under the Social Security Act are more attuned to, and accurately reflect, the actual needs and special expenses of the aged.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2022

At the request of Mr. TUNNEY, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of S. 2022, the Flexible Hours Employment Act.

S. 3277

At the request of Mr. DOMENICI, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 3277 to amend the Solid Waste Disposal Act, to encourage full recovery of energy and resources from solid waste, to protect health and the environment from the adverse effects of solid waste disposal, and for other purposes.

S. 3357

At the request of Mr. BURDICK, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 3357, a bill to restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the Nation, and for other purposes.

S. 3412

At the request of Mr. MONTOYA, the Senator from Montana (Mr. MANSFIELD) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 3412, a bill to establish a temporary national commission on alien labor to conduct a comprehensive study of certain matters relating to the use of alien, agricultural labor.

S. 3568

At the request of Mr. BENTSEN, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 3568 to authorize the Secretary of the Interior to construct, operate, and maintain the Cibolo project, Texas, and for other purposes.

S. 3625

At the request of Mr. DOMENICI, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 3625 to provide for the recycling of used oil, and for other purposes.

S. 3641

At the request of Mr. MONTOYA, the Senators from Washington (Mr. MAGNUSON and Mr. JACKSON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Montana (Mr. MANSFIELD), the Senator from Wyoming (Mr. MCGEE), the Senator from Maine (Mr. MUSKIE), the Senator from North Dakota (Mr. BURDICK), the Senator from Alaska (Mr. GRAVEL), the Senator from Texas (Mr. BENTSEN), the Senator from Iowa (Mr. CLARK), the Senator from Hawaii (Mr. INOUYE), the Senator from Rhode Island (Mr. PASTORE), the Senator from Wisconsin (Mr. NELSON), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 3641, a bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 3-year period, and for other purposes.

S. 3663

At the request of Mr. BEALL, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 3663 to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for certain income of condominium housing associations, homeowner associations and cooperative housing corporations.

S. 3680

At the request of Mr. TUNNEY, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 3680, a bill to prevent the unfair taxation of recent college graduates.

S. 3686

At the request of Mr. BEALL, the Senator from New Mexico (Mr. DOMENICI), the Senator from Indiana (Mr. BAYH), the Senator from North Dakota (Mr. YOUNG), the Senator from Wyoming (Mr. MCGEE), the Senator from Hawaii (Mr. INOUYE), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 3686, a bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs.

S. 3717

At the request of Mr. HUMPHREY, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 3717, to extend the Emergency Petroleum Allocation Act of 1973 to June 30, 1976.

S. 3752

At the request of Mr. GRIFFIN, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3752, a bill to amend section 103(c)(4) of the Internal Revenue Code of 1954 to permit industrial development bonds to be issued to finance recycling facilities.

SENATE JOINT RESOLUTION 215

At the request of Mr. MONTOYA, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of Senate Joint Resolution 215, designating the first Saturday in April of each year as "National Brotherhood Day."

SENATE JOINT RESOLUTION 224

At the request of Mr. MONTOYA, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of Senate Joint Resolution 224, to authorize and request the President to issue annually a proclamation designating January of each year as "March of Dimes Birth Defects Prevention Month."

CONSUMER PROTECTION AGENCY ACT—AMENDMENTS

AMENDMENT NO. 1566

(Ordered to be printed and to lie on the table.)

Mr. HELMS (for himself and Mr. PROXMIRE) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 707) to establish a Council of Consumer Advisors in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. HELMS. Mr. President, the purpose of the Consumer Protection Agency Act is to protect American citizens, in their capacity as consumers, against misleading claims and harmful and deficient goods and services. Yet the proposed act takes little note of the fact that human capabilities for error are rooted in human nature, and are not found solely among businessmen and retailers. The legislation does not recognize that Government officials can also make false or misleading statements—actions taken out of zeal—or, through the opposite of zeal, negligence.

Moreover, intervention or administrative action by Government officials, particularly with the powers granted in this proposal, can easily result in narrowing the consumer's choice in the marketplace. What is good for the consumer is not necessarily that which the Consumer Protection Agency may think is good for him.

Nor will the pocketbook of the consumer necessarily benefit from this act. The Agency which will be established under this act will have the power to intervene before any Federal agency, to go to court to challenge administrative decisions, and to compel private persons to produce information regarding their goods and services. This will increase the expenses and legal fees of the producers, and these added production costs will surely be passed on to the consumer.

If these actions of the Agency are based on error, indifference, or negligence, it is quite clear that they could result in crushing financial burdens to private enterprise, particularly small enterprises depending upon a few products. In the long run, such injustices are anticonsumer, because the interests of the consumer are best served by the availability of a large variety of goods and services, and plentiful competition. So neither is the consumer properly served, nor is justice done, to those citizens who also happen to be businessmen. It is difficult to escape the conclusion, Mr. President, that this bill may bring about exactly the opposite effect which its proponents are seeking, and harm the consumer's interest rather than enhance it.

If the act is adopted in its present form, American businessmen will be subjected to the arbitrary discretion of an Administrator who will have the power of life and death over thousands of companies across this country. The act does not provide a shred of legal protection to the businessman whose products or services are wrongfully condemned by the Administrator. For the purpose of providing this protection, and in the interest of justice, I propose an amendment to the act. Very simply, my amendment would hold the Federal Government legally responsible for any false or misleading public statements made by the Administrator of the Consumer Protection Agency. It will allow any injured party to sue for damages in Federal district court.

The need for this amendment is clear enough when we examine section 12(d) of the act. Under this provision, we are assured that when the Administrator of this Agency publicizes information about the health, safety, or quality of a product, that he "shall take all reasonable measures to assure that such information is accurate and not misleading or incomplete."

This is an assurance built on sand. How do we know that this Administrator will take "reasonable measures"? Is it too much to presume that intelligent men will differ as to what is reasonable? Of course it is not, and the act itself recognizes this plain truth.

And so we are given a second assurance, that if the Administrator does make a false or misleading statement, that he shall retract it—retract, I repeat, simply retract. What good is a retraction after a company has already been ruined? What recourse to justice and fairness does the American businessman have in such a situation?

Mr. President, I submit that he has none at all, none. The act provides that, "where the release of information is likely to cause substantial injury to the reputation or good will of a person or company, or its products or services, the Administrator shall notify such persons or company of the information to be released and afforded an opportunity for comment or injunctive relief." All this means is that some unlucky company is going to be notified—and I stress the word notified—that its product is about to be publicly maligned.

Mr. President, I would not give a penny for this kind of a guarantee. Mere notification is no safeguard to the businessman. In the first place, the decision of the Administrator prevails, whether he is right or wrong. The Administrator is presumed to be infallible. The businessman can plead, he can impugn the reasoning of the Administrator, he can write to his Senator, but it is the all-knowing Administrator who has the last word. What is worse, this Administrator is not even required to give any notification at all. If, in his wisdom, he decides that an "immediate release" of information is necessary to protect the health or safety of the public, the company involved is totally helpless to protect itself against a false public statement. In other words, there is no way for a company to prevent the publication of a false or misleading statement; and then after it has been published, there is no way in which a company can be compensated for wrongful injury.

These are not phantom dangers arising under this act, Mr. President. They are real dangers. To illustrate my point, I call to your attention the tragic case of the Marlin Toy Co. of Horicon, Wis. Here is a small company employing about 75 persons. This company has been driven to bankruptcy, all because of administrative negligence and error in the Federal Government. The likelihood of similar errors is increased tenfold under the Consumer Protection Agency. The experience of the Marlin Toy Co. is just a trickle of what could easily become a torrent of error.

For a number of years, this struggling little firm had been manufacturing a toy called the flutter ball. It was a clear, plastic ball, containing a plastic butterfly and plastic pellets. The toy was safe, popular with children, and it sold well. Suddenly in November of 1972, right in the midst of the Christmas season, the Marlin Toy Co. was notified—and here we are again with this business of notification—that its "flutter ball" would have to be removed from the market. The Food and Drug Administration reasoned, and I am sure that the FDA took all reasonable measures that such information was accurate, that the ball was unsafe because, if it should break, a small child might swallow the pellets. Later, the FDA condemned Marlin's "birdie ball," a similar toy containing a plastic bird and the objectionable pellets.

The Marlin Toy Co. swallowed its losses, redesigned the toys without the pellets, and submitted them to the FDA for approval. This time, the FDA assured Marlin that the toys were acceptable. The company was back in business. Once again, the toys were placed on the market in anticipation of the 1973 Christmas sales. Unfortunately for the Marlin Toy Co., the Consumer Products Safety Commission neglected to remove the products from its holiday list of banned toys. The Commission apologized, and assured the Marlin Co. that the mislisting "resulted from an editorial error and will be corrected on the next issue of the list." By this time, it was too late, however, and the Marlin Toy Co. was in a state of financial ruin.

The two toys represented 40 percent of the company's business. Most of the employees have been laid off and the factory is now an empty shell. As of February 1974, the company had suffered an actual loss of more than $87,000, not counting what it has lost in goodwill and future sales. Because the Federal Tort Claims Act does not permit recovery for such offenses as misrepresentation or false statements by Federal authorities, the distinguished Senator from Wisconsin (Mr. PROXMIRE) has introduced a private bill to grant relief to the Marlin Toy Co., a bill to which I am a cosponsor. If it is passed quickly, the company may yet survive.

But if the Consumer Protection Agency Act is passed, Mr. President, it is reasonable to believe that there will be more Marlin Toy Co.'s, more bankruptcies, and more people put out of work because of bureaucratic mistakes.

The calamity of the Marlin Toy Co. was recently brought to light in a column by Nicholas von Hoffman in the Washington Post. I do not always agree with Mr. von Hoffman, but I am confident that all reasonable men can agree with his assessment of the Marlin case. The buyers need to be informed about the products they are using, von Hoffman observes, but "now the question is how can public administration learn to protect the buyer and the seller too?"

Mr. President, I now send to the desk the text of my proposed amendment to provide that protection to the seller, and ask that it be printed in the RECORD at the conclusion of my remarks.

My amendment will create a new section (19) on page 87 of S. 707, immediately below line 18. Subsection (a), paragraph 1 of this section provides that any person may bring a civil action for monetary damages against the United States, if the Administrator, or any officer or employee of the Consumer Protection Agency, or of any officer or employee of any other agency, as defined in section 551 of title 5, United States Code, of the Federal Government, makes or causes to be made a false or misleading statement which results in reduced sales or consumer demand for any product or service.

Paragraph 2 exempts the United States from punitive damages, but otherwise holds it liable in the same manner as a private individual.

Subsection (b) confers exclusive jurisdiction over actions brought under this section upon district courts of the United States, and the U.S. District Court for Guam, the Canal Zone, and the Virgin Islands.

Paragraph 2 grants the right of trial by jury to any party to any action arising under this section, and subsection (c) provides that appellate review of any action brought under this section shall be had in the same manner and subject to the same requirements as an action brought under section 1346(b) of title 28, United States Code.

Mr. President, I also ask unanimous consent that the following articles and letters be published in the RECORD at the conclusion of my remarks: The article by Nicholas von Hoffman, June 24, 1974, which appeared in the Washington Post; an article published in the Horicon Reporter, June 13, 1974; an article by John Heilman, published by the Daily Citizen of Beaver Dam, Wis., on June 14, 1974; an editorial published in the Daily Citizen on June 15, 1974; an article by Wayne Noller, published in the Fond Du Lac Reporter, June 19, 1974; and an article by Lowell F. Jones, which appeared in National Review, May 10, 1974; a letter to the Marlin Toy Co. from Este Sales Service, Inc., April 27, 1973; the letter to the Marlin Toy Co. from Athletic Supply of Hawaii, April 27, 1973; a letter from C. C. Randlett, of the Wisconsin Office of Federal-State Relations to the Marlin Toy Co., November 14, 1973; a letter of November 29, 1973, to the Marlin Toy Co., from David Thome of the Consumer Product Safety Commission; the letter from the Blatt Distributing Co. to the Marlin Toy Co., December 27, 1973; a letter from ISC Infants Specialty to Mr. Lou Miller, December 28, 1973; and a letter to the Marlin Toy Co. from the Baby Shop, May 24, 1974.

There being no objection, the amendment and material were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1566

On page 87, immediately below line 18, insert the following new section:

CIVIL LIABILITY FOR ACTIONS OF THE AGENCY

SEC. 19. (a) (1) Notwithstanding any other provisions of law, any person injured as a result of any act or omission of the Administrator, or any officer or employee of the Agency, or of any officer or employee of any other agency (as defined in section 551 of title 5, United States Code) of the Federal Government who, while acting within the scope of his office or employment, makes or causes to be made, any false or misleading disclosure, statement, or other publication to any agency or to the public, which disclosure, statement, or publication results in a reduced consumer demand for or sales of any product, good, or service, may bring a civil action for monetary damages against the United States.

(2) The United States shall be liable, respecting provisions of this subsection, in the

same manner and to the same extent as a private individual under like circumstances, but shall not be liable for punitive damages.

(b)(1) The district courts of the United States, together with the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands, shall have exclusive jurisdiction to hear and determine any action brought under this section in accordance with the provisions of subsection (a) of this section.

(2) Any action against the United States under this section shall, at the request of any party to such action, be tried by the court with a jury.

(c) Appellate review of an action brought under this section shall be had in the same manner and subject to the same requirements as an action brought under section 1346(b) of title 28, United States Code.

On page 87, line 19, strike out "Sec. 19." and insert in lieu thereof "Sec. 20.".

On page 88, line 4, strike out "Sec. 20." and insert in lieu thereof "Sec. 21.".

On page 88, line 15, strike out "Sec. 21." and insert in lieu thereof "Sec. 22.".

On page 89, line 21, strike out "22." and insert in lieu thereof "23.".

[From the Washington Post, June 24, 1974]

Caveat Emptor—and Vendor, Too

(By Nicholas von Hoffman)

You might say that politically what they did was like mugging Marcus Welby or evicting the Waltons. Can you imagine an agency of government that would put a toy factory out of business when it was owned by a widow and located near Beaver Dam, Wisc., the mythical small town we all left for the sins and disappointments of the big city?

Ideally Marlin Toy Products, Inc., of Horicon, Wisc., should also have elves working for it instead of the 85 humans, company vice president Ed Sohmers says it had before the Consumer Product Safety Commission went into action. Marlin's troubles date from November 1972 when the government informed it that its "Butterfly Flutter Ball" and its "Birdie Ball," both products it had been selling with success and safety for a number of years, were hazardous to children because they contained little plastic pellets infants might choke on if the transparent balls were broken apart.

Marlin took both off the market, swallowed their losses, redesigned the toys without pellets, submitted the modified balls to the commission, which found them acceptable, and then proceeded to market them. The commission, however, failed to remove the products from its new list of banned toys so that the 1973 season was a jolly wipe-out for Marlin.

And last fall Sohmers wrote letters beseeching the commission to rectify the mistake so that stores would stock the toys but the most he could get was a letter saying the mislisting "resulted from an editorial error and will be corrected on the next issue of the list."

Subsequently commission chairman Richard Simpson said he thought that should have been enough but hundreds of thousands of banned toy lists had gone out. Some state consumer agencies had put the toys on their lists. Birdie Ball and Butterfly Ball even got dishonorable mentions on the radio.

Yet the government which demands that companies send out letters and telegrams notifying their customers of errors and defects won't do the same thing when it boo-boos. Had the Commission done so Ed Sohmers might not now be saying, "This is going to cost us $600,000 and for our sized business that's death . . . I can't tell you the effect of laying off 85 people in a small town . . . Damn it, I hate to close the doors on these people. Me? I can always get by robbing liquor stores, but not some of the others. . ."

"We wanted justice so we went to the Justice Department but they said 'we only prosecute people,' says Sohmers who now understands that you may not sue the government for damages unless Congress passes a law allowing you to. No one would introduce such a bill until the Beaver Dam Citizen broke the story and Sen. Helms, the North Carolina right winger, interested himself in the case.

Recently bills have been introduced in both houses but for all this loss and aggravation Marlin isn't your ordinary tale of yawning bureaucratic indifference. This commission has a far better reputation than most commissions around here. Simpson admits the mistake and says his forces are at least willing to consider recommending passage of the law that will allow Marlin to sue. Any other office in this town and they would have said, "Tough luck, Birdie Ball, we're infallible."

Marlin shows that it's not so easy to protect the public, even if you are one of those rare ones who wants to. Simpson, for instance, says it's possible that the toys shouldn't have been put on the list in the first place. The regulations themselves are ambiguously unsusceptible to precise understanding. What does it mean that a toy shouldn't have "sharp" edges? What's sharp? Beyond that no regulation can protect a small child left alone by parents who don't love it wisely enough to watch over it.

This case shouldn't be used as an argument to abolish the commission. In an era when even children's toys are made of exotic materials and by the most advanced technologies no lay person can be an informed buyer without help. Now the question is how can public administration learn to protect the buyer and the seller too.

[From the Daily Citizen, June 14, 1974]

U.S. Error Nearly Ruins Marlin

(By John Heilman)

(Editor's Note.—Mr. Sohmers contacted the Daily Citizen last week relative to this situation. He was cooperative and gave us access to all his files and correspondence. There is no statement made that cannot be verified through the correspondence on file. These are not charges, they are facts and have been investigated, there has not yet been time to interview the legislators or agencies. We had intended to do this before the printing, but as it is now out, there seems little point in holding back longer. The agencies and legislators will have full opportunity to explain their actions if they care to do so.)

Horicon.—What might have been a comedy under other circumstances has turned into a tragic nightmare for Ed Sohmers and the Marlin Toy Company of Horicon. Caught in a massive web of bureaucratic red tape and government form letters, the company, which Sohmers admittedly has stated, was attempting a recovery from an economic slump, Marlin Toy Products, Inc., was given a near death blow in late November of 1972.

As the manager of the firm was casually opening his mail, anticipating a successful Christmas season, with orders for the products piled on his desk, he received a special delivery letter from the Food and Drug Administration which stated to the effect his two main products were unsuitable for the market. He did not know at that time this was the beginning of a chain of events which was to drive the toys off the market for good and eventually put Marlin out of the business. The letter began, "From examination of units on hand, we find that the subject toy presents a mechanical hazard with the meaning of the Federal Hazardous Substances Act and Regulation 21 CFR 191.9a(a)(1). It has components which have the potential for being aspirated or ingested because the toy can be broken apart during normal use or reasonably foreseeable damage or abuse exposing small objects.

"Thus, the above toy is banned hazardous substance as defined by the Federal Hazardous Substances Act . . . of 1969." The result was Sohmers was told to get the toy off the market. He was advised to notify all his customers, and recall the toy.

The villain was a round plastic ball, called the Flutter Ball. It was clear blue plastic and contained a plastic butterfly inside, with pellets, which made noise to appeal to young children. Later condemned was a Birdie Ball designed along the same lines, except containing a plastic bird inside. The culprits were the pellets, which the Administration felt would be dangerous to children, should the plastic shell break in use. The ball had been designed to withstand a drop on hard cement from four and a half feet. However, the government agency, claimed in testing procedures, the ball did in fact break, and the pellets did become accessible to the child. What testing techniques were used has not been revealed. In demonstration, Sohmers, bounced one of the balls several times on a hard surface and there was no breakage.

What followed was a long series of exchanges and happenings, which has lasted to the present day. Sohmers recalled the balls, removed the pellets from the design for future marketing and resubmitted them to the FDA. Late in November he received another letter from the Department of Health, Education, and Welfare stating, "We have examined the redesigned Butterfly Flutter Ball no. FB–108 recently submitted for our review.

We believe the units examined do not present a mechanical hazard within the meaning of the Federal Hazardous Substance Act and current regulations.

This evaluation is provided to you informally and unofficially and may not be used as an FDA safety evaluation. You cannot state that the redesigned Flutter Ball or any other article intended for use by children has been approved by the Food and Drug Administration. Under the Act, the Congress provided that the responsibility for determining whether an article is "safe" or "hazardous" rests with the manufacturer or American importer. The Congress did not provide or anticipate that the FDA would "approve or disapprove products", though it had disapproved the ball already. The letter was signed by Lawrence S. Blend, Food and Drug Officer. It was a form letter, several more which were received by the company in the course of the travesty.

Sohmers was relieved. The balls had been redesigned, and he felt free to market them, again. What followed was a ream of material and correspondence reminiscent of Mr. Botts and the Earthworm Tractor Company in the old Saturday Evening Post series.

Marlin was informed the balls, which had been condemned, would have to appear on a blacklist for six months and would state banned only with pellets to prevent their being sold by mistake. To this Sohmers assented. In December the Birdie Ball fell into the hands of the government and once more the same letters were sent and the same procedure followed. In mid-December a court order arrived, giving federal marshalls the right to confiscate the balls. Again, the toy company manager was unworried and complied.

This produced an economic setback and inconvenience, but Sohmers believed it was something the company could withstand. The toys were once more submitted for market, with the same nebulous approval as before, and the same understanding about the condemned list.

It was at this point, the story took a

bizarre turn. When the condemned list appeared it contained a typographical error. Instead of reading the balls banned were the ones with pellets, it read they were the ones "without" pellets, banned because of "sharp objects", which had been removed.

A year later, Sohmers was still attempting to get the matter corrected. His products were withheld from the market. His inventory was going to waste. He was being forced to let other employees go. Still, he hoped with another Christmas season ahead, there would be opportunity for recovery. When the holiday list of banned products from the Consumer Product Safety Commission appeared in September of 1973, the condemnations, including one for another toy, were still on the list, still uncorrected. What this meant was another bleak season for the company, one which was hardly large enough to withstand two such reversals in a row. The two balls constituted 40 percent of Marlin's business. In the meantime, for various reasons, other toys had been banned, orders recalled, products taken off the market. The government had homed in on the Horicon manufacturing firm.

Sohmers took every measure of recourse known. He wrote the agencies involved, the Department of Criminal Justice, the Small Business Administration, his three Wisconsin legislators, and an attorney, which advised him he could not sue for reprisal without the consent of the government. The legislators, Congressman Bob Kastenmeier, Senator William Proxmire, and Senator Gaylord Nelson, were sympathetic, but seemed as helpless in the face of bureaucracy as did Sohmers himself. In November of 1973 he corresponded with the state Food and Standards Division and received a letter from Thomas Wildrick asking if their phone conversation relative to the problem was correct. There was no mention of any action; apparently there was none. Later he was assured by N. E. Kirshbaum the matter would be brought to the attention of the Consumer Product, Safety Commission, and the list corrected. It wasn't. The action was taken to David W. Thome of the Consumer agency, again, nothing happened.

In the meantime, the company has had to lay off over 75 percent of its employees, it has been driven completely out of the toy business, the factory, which at one time employed nearly a hundred people in this small community, stands empty a vacuum of activity. As of February this year, Sohmers stated an actual physical loss of $87,512.79, not counting what had been lost in business, volume and intangible matters, or how many customers refused to buy at all because of the original ban.

In March he received a letter from Richard O. Simpson, chairman of the Consumer Product Safety Commission, saying "The listing of 'Birdie Ball' (without plastic pellets) instead of 'Birdieball' (with plastic pellets) was an error. This will certainly be corrected at the next printing. We understand that Mr. David Thome sent you a letter last fall explaining the error, so you could use it to reassure your customers that . . . (it) . . . is not a banned toy." However, the whole point is after a year, the correction had not been made. The same month the "Product Safety Letter" from the Commission contained a paragraph saying they had errored, though there was still one item on the list about which records did not indicate any changes had been made.

Sohmers, who now wants recourse, after his year's battle, is unable to find it. He says he has written everywhere, and can find plenty of sympathy. As he sits in his office thumbing through the massive pile of correspondence from legislators, puffing on his pipe, he frankly admits he has run out of ideas. He is concerned for his employees, many of who were women, widows, for which the company provides the sole source of income. Still, Sohmers says he plans to keep on fighting. He is presently circulating a petition asking for legislative action. He has started regearing the factory to move into other areas, and through careful planning has managed to keep it alive. However, much is contingent on the SBA granting a moratorium on loan, and it will take him at least another six months to be able to rehire and move back into full swing.

In the meantime, the company is still losing money, and people are still out of work. But he plans to keep on fighting down to the last dollar, wondering, yet, how the one word in a typographical error can put an entire business out of existence, wondering also what has happened to the free enterprise system, how bureaucracy got so large and powerful that the little guy doesn't have a chance and no one seems to care.

SUBMITS BILL FOR MARLIN

Congressman Robert Kastenmeier's office announced this morning that the Congressman had taken notice of the situation of Marlin Toys and yesterday introduced special legislation on behalf of the company in regard to possible damages.

Monday or early next week he will introduce a resolution to refer the bill to the commissioner of the court of claims. If approved, it will be sent to the commissioner who will study the case and make a finding. The finding will be returned to Congress where it will be voted on. The entire procedure could take months. Kastenmeier's office said it is not optimistic about the bill. Private bills usually are difficult to pass, particularly if reports from the departments involved are negative, because they involve expense to the government.

[From the Fond du Lac (Wis.) Reporter, June 19, 1974]

ERROR HURTS TOY COMPANY AT HORICON

(By Wayne Noller)

Horicon.—The general manager of Marlin Toy Products Inc. here says a governmental agency error forced his company out of business, and he is petitioning state and national legislators to pass a congressional bill that would award Marlin more than $500,000 in damages.

Ed Sohmers said Marlin's "Birdie Flutterball" and "Butterfly Flutterball" were put on a list of banned toys by the United States Food and Drug Administration (FDA) and were never taken off even though the company complied with orders to make them safe.

The FDA ordered the toys off the market in November 1972. It said small pellets inside the ball were dangeous because children could swallow them if the plastic shell of the ball broke.

REMOVED PELLETS

Sohmers said the balls would not break, but, the firm recalled all the toys and had the pellets removed. In addition, the balls had to remain on a government black list for six months.

When the condemned list appeared, it contained a typographical error. Instead of reading "banned with pellets," it read "banned without pellets."

Sohmers said he tried to get the error corrected by contacting government agencies by letter and phone, but to no avail. Meanwhile, his products were forced off the market: he had to lay off employes, and orders were recalled.

Despite assurances from officials of the Consumer Product Safety Commission, which took over from the FHA, the two toys, which accounted for 40 per cent of Marlin's toy business, were never taken off the banned list.

According to Sohmers, a letter was received in March 1974 from Richard Simpson, chairman of the Safety Commission, admitting the error, and adding it would be corrected at the next printing of the banned toy list. This was more than a year after the error was made.

"They admitted they had made a mistake but would not allow us to sue," Sohmers said.

ADVISED ON LEGISLATION

He said his attorney advised him that the only means left was through legislation. So Sohmers said he began contacting legislators to see if they could help him.

"I received a lot of sympathy, but no one told me what to do or offered to help," Sohmers said.

This week Sohmers said he was contacted by Rep. Robert Kastenmeier, who said that a bill had been introduced on behalf of Marlin seeking damages incurred because of governmental error. However, Sohmers said he was told it did not look promising because private bills are difficult to pass.

Sohmers said he received a letter from Jesse Helms, a legislator from North Carolina, which reads, "This case is the most flagrant denial of justice I have ever seen," and that Helms plans to take action. Wisconsin Sen. Gaylord Nelson also was contacted, Sohmers said, but he never received an answer from him.

OUT OF IDEAS

"We have been to the Justice Department and the Small Business Administration (SBA)," Sohmers said, "and everyone tells us we were wronged. But no one has done anything to help. I have run out of ideas."

But Sohmers said he intends to keep fighting until he "gets justice." He said his former employes are his main concern.

"We have a nice plant and good workers, and I believe we owe them something," he said.

More than a year ago, Marlin employed about 100 persons, but now the work force is down to around 12.

"To keep up payments and the SBA loan, we have been forced to sell all our remaining stock of toys and toy molds at 10 cents on the dollar" Sohmers said.

Many of the molds were sold to other manufacturers upon agreement that Marlin would stay out of the toy business for at least five years.

HAS NO INTENTIONS

But Sohmers said he has no intentions of ever going into the toy business again.

"We have been ruined," he said, and added that if damage payments are received, he will use the money to regear his plant to other operations. Even if he were to receive the money, Sohmers said, it would take an additional six months to rehire all his employes and get back into full swing.

At present, Marlin continues to manufacture electrical components. Meanwhile, the company is losing more money and people are out of work.

Disgustedly, Sohmers said, "I can't understand how bureaucracy can be so powerful, and the little guy just doesn't have a chance. It isn't fair."

[From the Horicon (Wis.) Reporter, June 13, 1974]

MARLIN CHARGES FEDERAL AGENCY UNJUSTLY RUINED ITS TOY SALES, BUSINESS

The Marlin Electric Company told the Horicon Reporter that errors by a federal agency forced them to close their toy company here. Marlin is continuing to manufacture various electrical components. The plant had long manufactured a line of toys with sales in the millions. This segment of their business was destroyed by the following events, according to General Manager Ed Sohmers who stated:

"Our two most important selling toys (the Flutter Ball and Birdie Ball) that accounted for over 40% of our volume, contained small plastic pellets. If the toys happened to break, the pellets could be consumed by an infant so the toys were rightfully banned in November of 1972.

"We immediately submitted the toys without pellets to the Food and Drug Administration and they sent us 'non disapproval' letters. Mr. Lawrence Blend advised us that if we sent out letters to recall to all our customers, these items would appear on the banned toy list for only six months and the list would state that the toys were banned 'with pellets'.

"In October 1973 the Consumer Product Safety Commission (who took this area over from the F.D.A.) put out a Holiday Banned Toy List which not only listed these toys, but the Birdie Ball was listed as banned 'without pellets' and the Flutter Ball was listed as completely banned. We, of course, called Washington and wrote, but could get no satisfaction.

"Thousands of the lists were sent out. In fact, in Wisconsin, the Dept. of Agriculture ran a campaign on television and in newspapers with four offices that could be called statewide where they would tell you which toys were banned. When we called each of these offices regarding Marlin items, the incorrect information as given to us (right off the list)!

LETTER ADMITS ERROR

"Mr. Charles Algrien of the Dept. of Agriculture, who was in charge of this operation, wrote to Washington and they did not answer him. Finally, he called and David Thome of the Consumer Product Safety Commission called apologetically and said he would get a letter out admitting the error. After weeks of delay, calls and letters, his letter arrived in early December.

"Too late—customers had refused to buy and had returned perfectly good toys. We were forced to close our toy company. Mrs. Catherine Moloney, who started this business in her home, was heartbroken as she watched it dissolve.

"We contacted an attorney and we could not get permission to sue although Mr. Simpson, the chairman of the Consumer Product Safety Commission wrote and admitted an error had been made. Our attorney said our only other chance was through private legislation. Senators Proxmire and Nelson were written to, as well as Congressman Kastenmeier. Proxmire and Kastenmeier both admitted that we had been seriously damaged by the errors and each gave a multitude of reasons why legislation wasn't possible. Nelson never answered.

"We then asked if we have been wronged. We cannot sue and we cannot get legislation. Where do we go to get justice. Not one of them answered. We are now circulating the enclosed petition and would appreciate any help you can give us. Our file on this is open to you or anyone else who might be interested.

"We are looking only for justice."

The petition mentioned follows and anyone interested may sign it and/or obtain additional signatures:

PETITION

"We, as your constituents in Wisconsin, request that you, as our representative in Washington, sponsor and do your utmost to pass legislation reimbursing Marlin Toy Products, Inc. of Horicon, Wisconsin for monies lost through errors (by accident or intention) of the Consumer Products Safety Commission."

[From the Daily Citizen, June 15, 1974]

TRAGIC COMMENTARY

In looking at the news story on the front page of Friday's Daily Citizen relative to the plight of the Marlin Toy Company in Horicon, we are entirely sympathetic to the cause. We have investigated enough, read the correspondence, and talked with Mr. Sohmers. It seems to us a tragic commentary when government, which is supposed to serve the people, protect the free enterprise system, reaches a state of indifference and apathy to the needs of its people. When something as insignificant as a word on a piece of paper is too much effort to change, when the agency involved cannot seem to correct a situation, or are unable to do so, when elected representatives can do little more than offer condolences, when there is no legal recourse for injustices, such as this done by a body without their consent, then we believe the country is indeed in dire straights and it is time for action and change.

The Marlin Toy, Inc. took a bureaucratic onslaught, which we find amazing it was able to withstand and keep alive at all. What, perhaps may well be forgotten, is while we have not anything against businesses of more substantial size, which are able to strike back with equal force, it must be recognized that small businesses such as Marlin are still one of the cores of the free enterprise system. If the state of government has reached such magnitude these industries are at the mercy and whims of minor bureaucrats, typewriters, computers, and secretaries, that mistakes can knowingly be made, without any registered concern, then we find little hope in our system as we have believed it to exist.

The Saga of Marlin, Inc., we hope is the exception, not the rule. But even one such "oversight" places all in jeopardy, including us as individuals, as well.

While we have not carried the story to its conclusion, we feel we and everyone aware of this are entitled to an explanation. In fact, we demand one. We will do everything in our power, use every means at our disposal to rectify the wrong, which the evidence has led us to believe has been done. We lend our continued support to Marlin in its claim for justice, and will continue to investigate.

Freedom both begins and ends somewhere. If practices of ineptness and indifference indicated on the part of the government here, are allowed to pass unnoticed, it certainly ends.

Blatt Distributing Co.,
La Mirada, Calif., December 27, 1973.
Mr. C. R. Molony,
President, Marlin Toy Products, Inc.,
Horicon, Wis.

Dear Mr. Molony: I was just looking over the 1973 results and find a drastic reduction in sales on the Marlin line.

In reviewing the reason, I believe very strongly that the "banned toy list" did you irreparable harm in that even though you re-did the toy, it never got off the list and people shied away from this type of product.

I don't know what you can do about this situation, but I thought it would be in order to write you letting you know the problems that come about in this situation.

Yours very truly,
Henry Zanville,
Vice President.

Infants Specialty,
Gardena, Calif., December 28, 1973.
Mr. Lou Miller,
Beverly Hills, Calif.

Dear Lou: I certainly hope things get straightened out for Marlin Toy this next year.

In looking over our records, it would look like we lost about $6600 in sales in two months while the Government was changing back and forth.

We can ill afford these losses and I can only assume it was multiplied many times over for Marlin Toy.

Sincerely,
J. E. Hammack,
Merchandise Manager.

Consumer Product Safety Commission,
Washington, D.C., November 29, 1973.
Mr. Ed Sohmers,
Executive Vice President,
Marling Toy Products, Inc.,
Haricon, Wisc.

Dear Mr. Sohmers: This will serve to confirm our telephone conversation regarding your "Birdie Ball Toy."

The banned version of this toy is the "Birdie Ball" with plastic pellets. The listing of this toy on page 9 of the current issue of the Banned Products List, as "Birdie Ball" (without plastic pellets) resulted from an editorial error and will be corrected on the next issue of the list.

We hope that this will clarify the situation.

Sincerely yours,
David W. Thome,
Bureau of Compliance.

The Baby Shop,
Evansville, Ind., May 24, 1974.
Marlin Toy Products, Inc.,
Horicon, Wis.
Attention: Mr. Ed Summers

Dear Mr. Summers: We were very sorry to learn that you are no longer engaged in the manufacture of toys, and that this was caused because of the banned list of toys. It is even more tragic when you report that the government has told you that you were on the list by mistake.

We have sold many, many of your toys over the years. They have been well liked by customers and not once has anyone reported to us that a child was injured in any way by one of your toys. We sincerely hope that you can get the matter straightened out with the government.

Sincerely yours,
Robert H. Schlundt.

State of Wisconsin,
Office of Federal-State Relations,
Washington, D.C., November 14, 1973.
Mr. Ed Sohmer,
General Manager, Marlin Toy Co.,
Horicon, Wis.

Dear Mr. Sohmer: I'm sorry to have delayed so long in writing to you, but I discovered on inquiry Monday, November 5, that the prospects for a quick settlement of differences between the House and Senate versions of S. 1570 were very good, thus making it a waste of time for you to get in touch with the members of the Conference Committee.

As I promised, I have checked around regarding either the availability of "high-impact polystyrene" or the possibility of finding some other sort of work for which your facilities would be suited. Unfortunately I am unable to report any positive results and have more or less reached a standstill.

Regarding your other problem with the Consumer Product Safety Commission, it was not until today that I was able to get in touch with them. I understand from my conversation with Mr. David Thome that the inaccuracy in the listing for the "Birdie Ball" will be corrected on the next list and that he is sending you a letter to that effect.

Mr. Thome tells me that it was heavy pressure from consumer groups which resulted in the Consumer Product Safety Commission publishing a "Christmas" list of *all* toys ever banned. They had planned, as you were informed, to update their toy list every six months. Frankly, I doubt whether they will be able to update that frequently in the next year or so. The amount of work they have taken on and their staff limitations make this one of the less efficient agencies in Washington.

All in all this is not a very cheerful report and I am sorry that we haven't been able to be of more concrete assistance to you.

Sincerely,
C. C. Randlett,
Research Analyst.

UMI

Athletic Supply of Hawaii, Ltd.,
Honolulu, Hawaii, April 27, 1973.
To: Ed Sohmers—Marlin Toy Products, Inc.
From: Art Schoen.
Subject: Pony Go Roun' Ferris Wheel.

Dear Ed: We received your letter of April 24 this morning, and I agree with you that somebody is being real stupid. However, I have also found out that none of us are big enough to buck the Federal Government on matters like this; as they go immediately to the public and say that we are merely being greedy and do not care what happens to children even though no one has ever been hurt.

Our present inventory is 132 each No. PGR-214 and 115 each No. FW-216. Please advise us what to do. Our estimated freight on the last shipment of PGR-214 was 31 cents each, and on the FW-216 it was also 31 cents each. We have just recently had a freight increase of 12½ per cent, so I would estimate that the cost of shipping them back to you would run between 33 and 40 cents.

Can you give us any idea as to why they were banned?

Aloha,

———, ———.

Este Sales Service Inc.,
New Berlin, Wis., April 27, 1973.

Mr. Ed Sohmers,
Executive Vice President,
Marlin Toy Products, Inc.,
Horicon, Wis.

Dear Sir: We are in receipt of your letter of April 24 stating that two of your products have been banned by the Food and Drug Administration. Our present inventory consists of 39 of the Pony Go Roun' (PGR-214).

I am in complete agreement with your sentiments toward this organization. The products mentioned and the judgments against them are completely unfounded. I wish there were some organization to speak for us in these matters. From a financial standpoint we can certainly understand what this must mean to a company.

Sincerely,

John L. Fox,
General Sales Manager.

Consumerism and One Small Businessman

(By Lowell F. Jones)

In 1971, after 52 years of lawful existence in the city of my birth, I was sent to prison. I had been convicted of mail fraud. But I was in fact the victim of a recent crusade politicians are finding lucrative: consumer protectionism. As. Dr. Roger Klein, economist for the Argus Research Corporation, puts it, "being in favor of consumer safety and more information is sort of like being in favor of God, motherhood, and apple pie. According to the consumer advocate, the consumer is a poor slob beset by shoddy and unsafe products, worthless warranties, hidden loan charges, flammable fabrics, beefless beef stroganoff, and chickenless chicken soup." Los Angeles businessman Tyler Macdonald says, "I think we are part of a lynch mob society. All you have to do is get up and accuse someone of something. Consumerism is a shortcut to political power." As something of a lynchee myself, I can testify to the truth of Mr. Macdonald's words.

In my home state—Minnesota—consumerism has become a powerful political springboard and is recognized as such by those who played a major part in my story, chief among them Attorney General Warren Spannaus, who, writes the *Minneapolis Star*, "has no intention of giving up the consumer protection operation which . . . gives the attorney general's office considerable publicity and visibility." I have had occasion to deal with Mr. Spannaus myself.

When this story starts I was running a card business, which employed 127 persons in four cities during its busy season and had thousands of customers all over the country. We made contact with our customers by mail. The average order was $10, and an account turning in over $100 a year was a very good customer indeed. So we handled literally tens of thousands of orders annually, and our promotional mailings ran into the millions. The one-time customer was our most deadly expense. Unless we could get repeat business, we couldn't make a profit. The secret of the second sale—and the third and the fourth—is consumer satisfaction. So it was in our own interest to be our own "consumer protectors." It was our future that was at stake in keeping customers happy. And we weren't amateurs: we'd been at it 21 years, in the same office building, in the city where my family lived for nearly a century. Hardly a fly by night operation.

We had tough years as well as good ones. But our long term business record included the acquisition of several sinking competitors, all of which we had converted into viable enterprises. There was never the slightest hint of fraud in our quarter century of dealing directly with tens of thousands of unseen customers.

In November 1970, the Democrat-Farmer-Labor Party swept out an entrenched Republican administration in Minnesota. The new attorney general, Warren Spannaus, took office January 4, 1971.

The next day, January 5, he got the signature of one of my customers on an eight page affidavit, which charged that an $11.58 credit coupon sent to us on November 23 had not been redeemed six weeks later.

On January 28, my lawyer and I accepted Attorney General Spannaus' invitation to bring our books and records for a discussion of our order fulfillment procedures. We had no idea of any sort of impending litigation.

During a four hour conference we answered every question fully and accurately. We gave permission for the photocopying of vast quantities of corporate records. We pointed out that the 263 customer complaints then on hand in the Attorney General's office amounted to about one half of 1 per cent of the 40,000 orders we had received during the last half of 1970. There was some discussion of some of the language on our order blank, and we were asked to "stop all mailing until you hear from us." We agreed and did so. We also offered to comply voluntarily with any statutes the Attorney General felt we might be inadvertently violating. At no time were we told that court action was imminent.

By February 1, four days after our meeting, the Attorney General had prepared a 47 page summons, complaint, order to show cause, and restraining order against us. He got it signed two days later, February 3, by a district court judge—without notice to us and without a hearing. This document charged, among other things, that I had "converted . . . currency, money orders, and/or personal checks, and retained the proceeds thereof . . ." for my personal use. When we finally got to court no effort was made to prove this charge.

The judge's order directed us to cease business and to turn over all our assets (including money on hand and whatever cash came in) to a receiver selected by the Attorney General. I had been in business for 21 years, and now, by court order, all my business assets were confiscated, and my only recourse was to go to court and try to prove I was *not* guilty.

It is worth pausing here to size up the situation as of February 3. Who were the winners and who were the losers as the Attorney General left the judge's chambers with his court order?

If indeed we were hurting the innocent, unprotected consumer, we had ceased doing so when we voluntarily stopped our mailing. The state did not accuse us, later in court, of mailing at the time the secret order was signed; nor did it charge us with violating our voluntary pledge. Whatever money had already come in we had, as is the regular procedure, sent to vendors for merchandise to fill consumer orders, so this cash was not available for refund.

When the Attorney General's men entered our premises the first thing they did was to fire all our employees, including those in the warehouse who were at that very moment filling and packing orders for shipment. They smashed open our locked metal file cabinets with a sledgehammer and changed the locks on our doors. I was out of town at one of our branch offices and didn't hear of this until that evening, when I got the news by phone.

All of this was done in the name of consumerism—but what did the consumer get out of it? The Attorney General's wrecking crew shipped no orders.

They replied to none of the correspondence awaiting processing in our office. They made no refunds. Nor did they use our confiscated checking account to buy merchandise for the consumers they were allegedly protecting.

Most of our employees didn't get paid for the time they worked prior to their summary firing. They were simply, and very abruptly, rendered jobless. But the consumer advocates got quite a lot: 101 column inches of local newspaper space, plus TV, radio, and out-of-town newspaper coverage. Five- and six-column headlines proclaimed the effectiveness of the new state regime. One such story quoted the Attorney General's office as saying I had "collected $400,000 in advance payments . . . and it is assumed he [Lowell Jones] has left the state."

Nearly four months later, after a long and costly trial, we won a court order turning the business back to us, giving us the right to continue using the mails, and rejecting the demand that our corporate charters be revoked. When we walked into our plant that day, we found the same customer orders that had been packed, sealed, and labeled four months before, still sitting on their skid waiting to be shipped out. The same inventory sat on the same warehouse shelves—ready to go to those consumers who were being "protected." All 9,663 unfilled orders were still just where we had left them, 5,163 of them having come in during the days immediately before the government's takeover.

What wasn't the same was the bank account: except for a few minor expenditures, all our money had gone to pay the receiver selected by the Attorney General. We got none of it back.

Despite the court order directing that all books and records be restored to us, the Attorney General's receiver held back some items, When questioned, he replied, "Oh, I probably dumped them." We took him to court and won a judgment against him for converting to his own use funds he had reported to the court as paid out for employee payroll.

By August, we had raised some new capital, shipped out 2,116 of the old orders that had lain dormant while the consumerists were in control, and paid most of our long-suffering employees.

On Thursday, August 19, we dropped 25,000 pieces of mail into the post office in an effort to get into business again. Two days later, a four-column headline in the local newspaper proclaimed: "Attorney General reports" that our firm was "selling again." Why should the Attorney General "report" our resumption of our business? According to his spokesman, he was "not advising persons that they should not invest; he simply wishes to advise consumers that the new offering is being made by the same individual who was involved with litigation with the state of Minnesota regarding similar mailings earlier this year." Put a little differently, he was trying to accomplish in the newspapers what he couldn't accomplish in court. Moreover, his spokesman, in the same story, quoted accurately the number of pieces we had mailed and part of their printed content.

The Attorney General's office had been so busy harassing us that it had never got around to doing anything to see that those 9,663 orders still unfilled in our office were processed, a strange way surely to go about consumer protection. But just as we were putting our own pieces back together (having survived the assaults of the state and the local press), the federal bureaucracy got into the act. In December I found myself in court again, this time pleading not guilty—unsuccessfully—to a charge of mail fraud. We had issued checks before the state's abrupt seizure of our assets, intending to cover them with funds in our bank account and in our incoming mail bags—like the housewife who writes checks on the weekend and puts money in the bank Monday morning to cover them. But when our assets were suddenly confiscated, we were held responsible for the checks that bounced as a result.

So, on May 1, 1972 our little business closed its doors again while I went to prison for a "short" term of nine months. I was paroled at Thanksgiving, and set out to take care of those 9,663 unfilled customer orders. I now had no court-imposed restrictions on either my occupation or my use of the mails. Within 60 days of my return from prison, we had put together a little capital, lined up a few suppliers who had known us a long time and trusted us, and shipped out—at last—$3000 worth of prepaid orders that had been sitting around.

In January 1973, I applied to top-level executives in the local postal service, telling them of my plans and asking whether our company's bulk mailing permit—a necessity in our business—was still in good standing. They assured me that it was, and that I could use the mails just like anyone else. I paid the annual fees for 1973.

Then in February we were told—without notice or explanation—that the permit we had paid for was canceled. No refund was offered. We were instructed to write Darwin E. Sharp at the Postal Service in Washington; we sent him a courteous inquiry and received neither acknowledgement nor reply to our questions. Here again is the familiar pattern of official arrogance: confiscate first, without consultation, warning, or due process, then let the poor citizen struggle to retrieve what he's lost—via an expensive court system that can delay justice, or what's left of it, for years.

We finally did get action in Washington with the help of Senator Walter Mondale and Congressman Donald Fraser; now we are struggling to get the local Postal Service to comply with Washington's edict. But even if our company finally receives some measure of belated justice, the larger question remains: will unseen bureaucrats be authorized to find firms guilty—without a hearing or a trial—of intent to defraud the consumer? Our guilt, if you can so label it, was that in certain cases there were delays in shipping. But consider the following cases:

Detroit's automakers in the first nine months of 1972 recalled more cars than they built.

Kool cigarettes took six to eight weeks to deliver a $129 gazebo.

The publishers of 108 consumer magazines need from 15 to 166 days to service new subscriptions. A recent *Advertising Age* survey shows 25 to 50 days is the norm.

George Hormel & Co. had its salami banned—to great public fanfare—by Connecticut's Consumer Protection Commissioner. The ban was lifted—without fanfare—after laboratory tests were made. (Is it too much to ask that the lab tests be made *before* calling city desk?)

Columbia Record Club hadn't shipped by September its $5.98 country-and-western albums to some customers who paid by mail in April.

There are some mighty prominent names here (I might have mentioned the IRS, which routinely takes ten weeks to send refunds)—not like my little company, which you've probably never heard of. But our customer service history was just as good as many of these—better than most, in fact. Yet an ambitious attorney general was able to get a secret court order generating what his office later admitted was a test case, designed to establish a precedent for future corporate charter revocations in consumerism cases.

But who is to say when imperfect customer service is the symptom of fraudulent intent, without a full and fair inquiry? The Ralph Naders, both in and outside government, have fostered the idea that businessmen's motives are per se suspect, and that to attack business is to serve the consumer. The idea is finding great favor among politicians.

It assumes that everything a business plans must work out successfully. Business has its Edsels, just as government has its cranberries and its phosphate detergents. When a company's plans go haywire occasionally, does that make the businessman a criminal? Some of Henry J. Kaiser's World War II Victory ships broke in two, but nobody charged him with evil intent.

Business school libraries are full of case histories of sick companies that became well, to the lasting benefit of consumers, employees, and owners. As Professor George Stigler recently wrote, "We are now going through a new period of salvation by public reform. . . . It is of regulation that the consumer must beware."

And Mary Bennett Peterson, in *The Regulated Consumer*, sums it up: "Rapidly expanding government control is inherently uneconomic as well as—ironically—anticonsumer. It restricts the consumer's right of free choice in the marketplace, imposes added production costs that price goods out of his reach, or denies him the use of natural resources. Free enterprise is the consumer's best servant. But it is being smothered by interventionistic regulation of industry, which ultimately means regulations of the consumer."

Besides: who will regulate our regulators?

AMENDMENT NO. 1567

(Ordered to be printed and to lie on the table.)

Mr. TOWER. Mr. President, I am offering an amendment on behalf of Senator FANNIN and myself to S. 707, the consumer protection bill.

This amendment would strike out the exemption of labor provided by section 6(a) (11) of the bill.

I quote from page 24 of the minority report on this bill.

> One of the things consumers are definitely upset about is the price of goods and services in this country. If there is any better example of a special interest which has captured its regulatory agencies or whose actions directly and measurably increase consumer prices—if there is any better example than organized labor, it has not been shown in the hearings on this bill.

I agree.

No one has been able to tell me just what agencies or agency action would be out of bounds for the Consumer Protection Agency. As originally written, the exception by 6(a) (11) provided that the Administrator "shall not intervene or participate in any agency or judicial proceeding or activity directly concerning a labor dispute involving wages or working conditions affecting health or safety."

Section 17 of the House-passed companion bill, H.R. 13163 exempts all labor disputes.

It appears clear that the National Labor Relations Board and OSHA would be exempted. Proceedings of these two agencies have been under congressional attack from the day of their enactment. No one can deny that their activities result in a substantial impact upon consumer prices.

Consider a few examples from NLRB. It is required to stop secondary boycotts and sometimes does so after months of investigation, deliberation and litigation. In my own State of Texas, we have witnessed a 2-year boycott of the Farah Co. Finally, for purposes of its very survival the employer gave in to the union demands. That stopped the boycott, but how much will the consumer's wallet be hurt?

The NLRB is supposed to stop jurisdictional disputes. Some time ago a large communications manufacturer based in Arizona had a contract to install "nurse call" systems in four New Orleans hospitals which were being built or altered. The manufacturer was using CWA members to install their product. IBEW claimed the work and put up picket lines at each construction site. The work was stopped for over 6 months by this action involving a dispute between two unions both of which are affiliated with AFL–CIO. The delay increased costs which were, of course, passed on to consumers who use the hospital.

These are not isolated cases. With a little research we could come up with hundreds, perhaps thousands, of such cases. Every year about this time grapes are picked for market in California and Arizona. Every year the public is deluged with demands from Cesar Chavez to boycott grapes.

The NLRB is supposed to stop recognition picketing, but has done a very ineffective job. Perhaps the consumer protection agency could stir up NLRB a bit in this regard.

The NLRB has fostered the growth of unions from some 5 to 25 million members. Organized labor has become the greatest monopoly power this country has ever witnessed. No other segment of our economy has an equivalent impact upon consumer prices. Twenty-five percent of our workers can force the remaining 75 percent to pay more and more for goods and services.

Is OSHA exempt from coverage? If one reads pages 16 and 17 of the majority views it appears to be covered because the majority does not want CPA to get into health and safety. I do not propose to dwell on OSHA in these few remarks. I have no doubt that every Senator has received hundreds of letters from his home State, mostly from small business, complaining about the enormous costs of compliance with OSHA's standards of doubtful utility—costs which they must pass on to customers.

These are many matters which appear to fall in a twilight zone. Are they or are they not covered?

How about disputes in the railroad and airline industries?

How about matters involving Federal, State, and municipal government employees? The union representing these employees is the fastest growing union in the AFL–CIO and appears destined to become its largest affiliate. Oh yes, we can expect some more Baltimores.

How about charges against unions under the Landrum-Griffin Act?

How about civil rights proceedings and the EEOC?

Will CPA be impowered to obtain statistics on the impact of the minimum wage on consumer prices?

Can CPA ascertain the types and costs of union preservation of work procedures and their impact upon the costs and availability of goods and services to the consumer?

Can CPA ascertain the cost of increasing Federal minimum guidelines for workmen's compensation and unemployment compensation and their impact on consumer interests?

Does the bill permit CPA the right of advocacy and court appeal for reduction in federally regulated utility rates even though they may result in a wage dispute? The same question is pertinent with respect to reduction of postal rates.

I have asked many questions and the list could be greatly lengthened.

Is the Federal Mediation and Conciliation Service exempt? I would answer "yes" under the Senate bill and "probably no" under the House bill.

In conclusion, the elimination of the exemption for labor as proposed by our amendment would answer all the questions and treat the labor agencies the same as all other agencies. No, I repeat no, sensible rationale has been offered for elevating the consumer interest, whatever that amorphous term means, to a level paramount to all other interests except those of the labor unions. It is time for Senate liberals to justify the blatant concession to the interests of the big unions or to recede.

AMENDMENTS NOS. 1568 THROUGH 1572

(Ordered to be printed and to lie on the table.)

Mr. ERVIN submitted five amendments intended to be proposed by him to the bill (S. 707), supra.

AMENDMENT NO. 1573

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY (for himself, Mr. Humphrey, and Mr. Metcalf) submitted an amendment intended to be proposed by them jointly to the bill (S. 707), supra.

AGRICULTURE - ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATION ACT, 1975—AMENDMENT

AMENDMENT NO. 1574

(Ordered to be printed and to lie on the table.)

Mr. TUNNEY. Mr. President, Senators Cranston, McGovern, Kennedy, Williams, and I are introducing an amendment to appropriate $17.5 million for the farm labor housing grant program. This would be $12.5 million over what was passed by the House and recommended by the Senate Appropriations Committee.

Currently, then, $17.5 million has been authorized and remains available for appropriations until October 1, 1974. This is the minimum amount that should be appropriated for the program. The Senate this year recognized the substantial unmet need in the area of farm labor housing by approving an additional, new authorization of $25 million for the next fiscal year. The Senate Committee on Appropriations has now appropriated only $5 million, which actually represents a reduction of $2.5 million from the amount appropriated a year ago. We believe that the evidence of the need justifies a substantial increase from $5 million to $17.5 million.

We are asking that Congress reaffirm its commitment to provide decent housing for farmworkers. We cannot tolerate the unsafe and unsanitary conditions which many of our working people must now endure. Adequate funding of the farm labor housing grant program is vital to the realization of a suitable living environment for those who are, perhaps, the poorest of the poor.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1553

At the request of Mr. Ervin the Senator from North Carolina (Mr. Helms), was added as a cosponsor of Amendment No. 1553, intended to be proposed to the bill (S. 1361) to revise the copyright law.

AMENDMENT NO. 1556

At the request of Mr. Proxmire, the Senator from Oregon (Mr. Hatfield), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Ohio (Mr. Metzenbaum) were added as cosponsors of amendment No. 1556 proposed to the bill (S. 3164) the Real Estate Settlement Procedures Act of 1974.

NOTICE OF PUBLIC HEARINGS ON PARALEGALS

Mr. TUNNEY. Mr. President, as chairman of the Subcommittee on Representation of Citizen Interests of the Committee on the Judiciary, I desire to give notice that the subcommittee will hold a public hearing on July 23, 1974, on recent developments in the area of paralegal assistants. The hearing will commence at 10 a.m. in room 1318, Dirksen Senate Office Building.

The subcommittee consists of members of the Judiciary Committee including Senators Sam Ervin, Jr., Charles McC. Mathias, Jr., Marlow W. Cook, Birch Bayh, and myself.

NOTICE OF HEARINGS ON OIL PROFITS AND THEIR EFFECT ON SMALL BUSINESS

Mr. McINTYRE. Mr. President, I wish to announce that on August 6, 7, and 13, 1974, at 10 a.m. in room 224 of the Russell Senate Office Building, the Subcommittee on Government Regulation of the Senate Select Committee on Small Business will hold hearings on oil profits and their effect on small business and capital investment needs of the energy industries. Names of witnesses will be announced at a later date.

Further information may be obtained from the Subcommittee on Government Regulation, room 424, telephone 225-5175.

ADDITIONAL STATEMENTS

LEGAL SERVICES CORPORATION

Mr. HELMS. Mr. President, yesterday, following the action of the Senate on the legal services bill, H.R. 7824, the House concurred in the Senate amendments, with an amendment. The House amendment was to restore the text of the conference report with changes to authorize direct funding of backup center activities.

Although it is plain that a majority of our House colleagues concurred with the motion made by the managers of the bill, over a third of the House did not. I repeat, over a third of the House did not concur with the language authorizing direct funding of backup centers.

Mr. President, I understand that, although some of our House colleagues who opposed the bill were on the House floor ready to speak, they were not recognized to do so. However, in order to acquaint the Senate with some of the arguments which were prepared in the House, I have been given two "dear colleague" letters which were circulated in the House yesterday by the Honorable Robert Bauman, of Maryland, and the Honorable Philip Crane, of Illinois, along with a legislative memorandum.

Mr. President, I ask unanimous consent that the memorandum and these letters be printed in the Record at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

House of Representatives,
Washington, D.C., July 15, 1974.

Legislative Memorandum

On May 16, 143 of us voted to defeat the Legal Services Conference Report. There were many reasons why we acted as we did. The Conference bill is fundamentally deficient, and cannot be cured by cosmetic change:

(1) It permits lobbying of all sorts.

(2) It perpetuates OEO's radical union agreement and personnel policies.

(3) It allows project attorneys to conduct otherwise prohibited activity "on their own time" or with funds provided from sources other than the Corporation.

(4) It permits all grantees to sidestep requirements of lawyer majorities on their boards of directors.

(5) It authorizes representation of teenagers without parental knowledge or consent.

(6) It sanctions heavy involvement on behalf of radical prison causes, diverting funds from the non-criminal poor.

(7) It requires innocent parties who successfully defend against suits by legal services attorneys to prove malice or intentional harrassment before they can have their legal costs reimbursed.

(8) Project attorneys are given wide latitude to engage in aiding public demonstrations, picketing, boycotts, and strikes while not "carrying out legal assistance activities" directly financed by the Corporation.

(9) Staff lawyers are permitted to aid "eligible clients" who advocate or oppose ballot measures, initiatives or referendums. Such "eligible clients" may include advocacy groups like the National Welfare Rights Organization and the American Indian Movement.

(10) The Corporation would be prevented from replacing staff projects with systems assuring client choice and local Bar Association oversight of poverty lawyers.

Worst of all, despite the change proposed by the bill's managers, the Conference Plan would open wide the doors of the Federal treasury to public interest law firms totally unaccountable to Congress. We urge you to once again vote to defeat the Conference bill.

House of Representatives,
Washington, D.C., July 15, 9174.

Dear Colleague: Federal money should not be used to fund "public interest" law firms, like those of William Kunstler, William Dobrovir and Ralph Nader.

Using private resources, such firms have a perfect right to work for the changes in public policy which they favor: by bringing test cases, filing amicus briefs, drafting "model" statutes and administrative regulations, running strategy conferences, lobbying, publishing books and newsletters in support of their views, organizing and assisting allied organizations.

All such activities are very much a part of our constitutional traditions when conducted privately, but tend to violate those traditions when subsidized at public expense—by taxpayers who may disagree with the privately determined objectives which such firms arbitrarily determine to be in the "public interest".

For some years now, the OEO legal services program has ventured, ever more heavily, into the area of "law reform" and "public interest" law. Programs have been established to specialize in public policy changes concerning welfare, education, health, the environment, food and agricultural policy, housing, business regulation, communications, land use, insurance, prisoners' rights, and numerous other areas. For good or ill, private groups aided by legal services money have achieved liberalized abortion laws, quotas in employment and education, forced busing of school children, and many additional changes whose advocacy all taxpayers have under-written, although only some have favored.

Many "public interest" groups thus funded by legal services have been dominated by governing boards comprised by officials of Common Cause or the American Civil Liberties Union or the ADA or the National Lawyers Guild. This is unfair, just as it would be unfair to subsidize the American Conservative Union or the National Right to Work Foundation. If liberal bureaucrats can fund their friends today; conservatives in the same positions might likewise fund their favorites later on.

In either case, such power is unwise. It was because we question the propriety of using public funds to push private policy preferences, in the name of the "public interest" that many of us have opposed legal services funding for back-up center activities.

Aware of this concern and recognizing that unless it were effectively met, the proposal for a legal services corporation would be unacceptable to a significant number in Congress, President Nixon's staff made a serious effort to eliminate funding of back-up centers from the legislation which will be once again before us.

Unfortunately, the bill's managers have done no such thing. They are proposing a "compromise" which a) does not cover all back-up centers, b) consolidates, but does not in any way change, the scope or substance of back-up center activity, and c) permits back-up centers to remain eligible for funding by reorganizing as "public interest" law firms.

The precise change in language to be proposed by the bill's managers provides that the Corporation is authorized "to undertake directly and not by grant or contract the following activities related to the delivery of legal assistance—a) research, b) training and technical assistance, and c) to serve as a clearing house for information."

Under this language it would be possible for all present back-up centers to continue, by reconstructing themselves as "directly" a part of the Corporation. Thus, back-up employees could continue to operate in the same locations, but with salaries paid by the Corporation directly, instead of through "non-profit" conduits, as is now the case.

Another deficiency in the proposed "compromise" is that such back-up center activities as: lobbying, co-counsel work, amicus briefs, non-client generated test cases, house counsel for advocacy groups, and widespread publishing would not be barred. Furthermore, some back-up centers—like the Massachusetts Law Reform Institute and the Western Center on Law and Poverty—do not describe themselves as such and might escape abolition under the "compromise".

One of the architects of the "compromise," Senator Taft, has admitted

"So far as the backup centers are concerned, one thing ought to be said that is perfectly clear, and that is that the House language that is expected to be adopted still permits a full degree of research and backgrounding by the corporation itself. It merely prevents the contracting out of that service to other institutions".

If we are opposed to back-up centers, let us not merely say we are going to abolish them, let us actually do it.

Sincerely,

Robert Bauman,
Member of Congress.

House of Representatives,
Washington, D.C.

Dear Colleague: More than a year ago—on June 21, 1973—the House overwhelmingly passed a responsible Legal Services Corporation bill. It was structured to assure the poor full legal rights, while preventing full-time employees of private organizations funded by the corporation from using program resources to further their personal ideas for changes in public policy without accountability to Congress or the people.

Unhappy with the House bill, lobbyists for legal services project attorneys have played with the issue for nearly thirteen months. In May of this year, the House was asked to adopt a legal services conference report instituting an approach to legal services which, because of safeguards removed, was significantly different from our June 1973 bill.

Many in the House were concerned that if the Conference bill were rejected, all funding for legal services might expire at the fiscal year close, on June 30. For that reason, and out of a simple weariness with the issue, the House took what it then believed to be final action on May 16, approving the bill 227–143.

Since then, the conference bill languished in the Senate—until last Wednesday, when by voice vote, it was tabled. Now we are advised that the bill will be returned to the House, perhaps in a day or two, for further consideration. We will be asked to make a cosmetic change which (without altering the more permissive Senate language authorizing subsidies of "public interst" law firms) would supposedly reduce the prospect of a Presidential veto.

We urge you to reject this ploy and, instead, vote again for the bill which the House first adopted in June 1973. It was a sound measure when we voted for it then, and it remains so today: it banned the use of Federally supplied resources for lobbying; it prevented activist lawyers from organizing or representing teenagers without parental knowledge and consent; it opened the door for greater utilization of client choice and private lawyers.

If the House plan is finally enacted, President Nixon would much sooner sign it into law than the more expensive and permissive Senate approach.

On the other hand, if the Senate refuses to accept it, Federal funds for legal services are assured by the continuing resolution Mr. Nixon signed on June 30.

The House cannot be accused of stalling on this issue; we did not hold the bill for seven months before acting, as did the Senate; we are not responsible for the three and one-half month delay in conference; we did not sit on the conference report for seven weeks and then move to table it.

On the contrary, our spokesmen have gone far—further than many of us like—in an effort to accommodate representatives of the project attorneys and their allies in the Senate.

Since it's no longer required that we act rapidly, let's act responsibly. At a time when our constituents are fed up with excessive government spending and the inflation tax which supports it, and when all of us are tired of political finagling, we should reject the motion to reconsider the conference report and, instead, vote again for the bill we passed in 1973.

Your vote is as defensible as it was then.

Sincerely,

Philip Crane,
Member of Congress.

FEDERAL SALARY LEVELS

Mr. McGEE. Mr. President, since the failure earlier this year of the Congress to approve sorely needed pay increases for Federal judges, Members of Congress, and Cabinet and subcabinet officials, the compensation of comparable positions outside the Federal Government continues to rise. I note today, for example, that the salary of the Governor of Louisiana has been increased from $28,000 to $50,000. At the same time in Louisiana, the salaries statewide of other elected officials have been increased by legislative action. More than 650 State and local jobholders across the Nation are paid more than the $42,500 of Executive Level II. That total is sure to increase as the salaries of top Federal officials remain static and the States and cities make needed adjustments.

I remind the Senate that there has been no pay increase for Federal judges, Members of Congress, and Cabinet and subcabinet officers since March 1969, more than 5 years ago, a time during which the cost of living has increased by at least 30 percent.

It is my hope that later this year when the Post Office and Civil Service Committee again recommends corrective legislation to the Senate it will be affirmatively acted upon. Two days of hearings have already been held and more are being planned. The States and cities are not afraid to move ahead on this issue. I regret that the Congress has not already done so to correct a grave injustice to personnel in the upper levels of the General Schedule whose salaries are

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subject to compression, to Cabinet and subcabinet officials, to Federal judges, and to Members of Congress themselves.

APOLLO 11—FIFTH ANNIVERSARY

Mr. MOSS. Mr. President, 5 years ago this month the world was electrified by five simple words: "Houston—the Eagle has landed."

They signified an incredible event, and the tension which had built up for 4 days in hundreds of millions of people everywhere on Earth burst forth in cheers of joy. Our two astronauts, Neil Armstrong and Edwin "Buzz" Aldrin, Jr., had landed their Apollo 11 lunar module safely on the Moon, while the third member of this historic expedition, Michael Collins, orbited overhead in the command and service module.

Mr. President, no other event in all history has moved so many millions of people to such expressions of joy and pride in so many languages in the same instant in time. It was indeed a marvelous and inspiring outpouring of happy emotion, joining humanity in a mutual awareness of its brotherhood.

When he stepped on the lunar surface, man fulfilled a dream first mentioned in myth and legend. The dream was combined, however, with a long line of basic science and technology developed by many minds in many lands over the ages. In that sense, Apollo belongs to the world.

Yet, it would seem almost inevitable that the crucial science and technology for Apollo would come together here in the United States, itself the product of daring exploration and pioneering optimism. It is indeed doubtful the Apollo program would have been conceived, organized, or carried out by any other country in the decade of the 1960's. For during that period, other nations, even groups of nations, possessed only a part of the resources and technical capabilities to mount a lunar mission. Only here, in America, did all the factors leading to the success of so daring a concept, and so immense a project, exist.

The scientific and technological capabilities, the industrial and financial resources, the hundreds of thousands of skilled aerospace workers, the character and spirit of American society itself, all combined in Apollo.

The very idea of going to the Moon in less than a decade from time of decision would have given pause to a people not raised in the American spirit, the "can-do" optimism that has paced progress throughout our history. What came to be called the "spirit of Apollo" actually was no more than this basic American spirit. It is our habit of fastening on the objective, not on the obstacles. For a people who freed themselves from oppression and conquered a wilderness, the obstacles are taken for granted. It only remains to overcome them. That spirit is in us still.

The important thing is to choose a worthwhile, easily understood goal which lights the fires of enthusiasm. The Moon served ideally in that respect. No one had to ask what or where it was, or why—in the context of the times—we should go there. The superb achievements of Soviet science and technology in orbiting the first satellite and the first man in space were more than blows to American pride. There was a "gut feeling" that we should not let these challenges pass unanswered. To every generation belong its imperatives.

But, although Apollo began in a highly competitive spirit and an instinctive impulse to demonstrate our Nation's prominent position in science and technology, Apollo gradually evolved into something much more than that. The enormous technological, scientific, and managerial problems of building a lunar transportation system by the end of the decade seized the imaginations of all who worked on the program. As we progressed through Mercury and Gemini—the "proving" projects for Apollo—there was a growing realization of great potential benefits of space flight to the Nation.

So Apollo grew into more than a "race" to the Moon. Every scientist, every production worker, including factory floorsweepers, and all project managers, both industry and NASA personnel, adopted the program as his own. Each felt responsible for Apollo's success. All their zeal and devotion went into each assigned task, and many worked themselves to exhaustion, not once but repeatedly.

If nothing else, Apollo brought out the best in human character, setting standards of excellence unequaled in a peacetime endeavor.

Actually, the goal set by the late President Kennedy to complete the lunar mission "before this decade is out," removed Apollo from being a simple "race" with the Russians. Instead, it became a contest of running our own race.

Could Americans organize and discipline themselves to grasp and control so huge and complex a project that the Manhattan Project of World War II paled beside it? Could it be done in less that 9 years?

Faced with that kind of problem, and growing more aware of space flight's true significance to America and the world, we did not need Soviet competition, real or imaginary, to spur us on. The project captured everyone's imagination on its own merits.

And so it was, Mr. President, that Apollo is far more than a monument to America's technological prowess. Of far greater significance are the unrivaled capabilities in space flight, exploration, and use of space pioneered by Apollo 11. Thanks to this great program and achievement, the Nation is stronger for the new science and technology it generated.

Let us not overlook, however, that Apollo was a massive demonstration of the American spirit and ability to meet challenges and conquer them against great odds. For it is the spirit of America which, in the last analysis, is the key to our future security, prosperity, and happiness.

PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS

Mr. BENNETT. Mr. President, I am sure all of my colleagues are aware of my sponsorship of the so-called PSRO Amendment to the social security bill which became law in October 1972, and of the great controversy within the medical profession that followed this action. It is only natural that the American Medical Association which represents most of the physicians in the United States should become embroiled in the discussions, and during the past year and a half, its position with respect to the legislation has shifted under changing internal pressures. I was naturally delighted and encouraged when in June 26, at the meeting of its House of Delegates, the following resolution was passed by a vote of 185 to 57. I feel sure that the association will hold this position at least until enough PSRO's can be established and become operational to provide a base of experience against which to consider any possible amendments.

I have never felt that the so-called "Bennett Amendment" was sacrosanct or cut in stone, but now that contracts are being signed with conditional PSRO's, I think it would be premature to talk about substantial amendments until we have had an opportunity to test the program in actual operation.

There is only one exception to this general point of view that interests me. I think that the role of the PSRO as a protection against malpractice suits is worth serious study.

The action of the AMA House of Delegates was welcomed editorially in a number of publications. I am including three of these editorials. The first is an editorial from the July 1–8 issue of the American Medical News. The second is an editorial that appeared in the Chicago Tribune entitled "The Doctors Prescribe Reason." And another which appeared in the Chicago Daily News is entitled, "Doctors Opt for Progress."

Mr. President, I ask unanimous consent to have the resolution and editorials printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the American Medical News, July 1–8, 1974]

Text of New Policy on PSRO

Here is the exact wording of the substitute resolution on Professional Standards Review Organizations (PSROs), adopted June 26 in Chicago by the American Medical Association House of Delegates.

"Resolved, That this House of Delegates instruct the Board of Trustees of the Association to direct its efforts to achieve constructive amendments to the PSRO law and to ensure appropriate regulations and directives, with particular effort directed at amending those sections of the law which present potential dangers in the areas of confidentiality, malpractice, development of norms, quality of care, and the authority of the Secretary of HEW; and be it further

"Resolved, That the Association should continue its efforts to achieve legislation which allows the profession to perform peer review in accordance with the profession's philosophy and the best interest of the patient; and be it further

"Resolved, That individual state associations which elect non-participation shall not be precluded from such a position by this Association's policy statement, but should be urged to develop effective non-PSRO review programs which embody the principles endorsed by the profession as constructive alternatives to PSRO; and be it further

"Resolved, That if ongoing evaluation of the PSRO program reveals that it does, in fact, adversely affect the quality of patient care, or conflict with Association policy, the Board of Trustees be instructed to use all legal and legislative means to rectify these shortcomings."

[From the American Medical News, July 1–8, 1974]

The Delegates Take a Clear Stand on PSRO

The American Medical Association has clearly committed itself to work constructive amendments to the Professional Standards Review Organization law and to work to ensure appropriate regulations and directives.

Just as clearly, the Association will make no effort to seek repeal of the law.

In a dramatic, more than three-to-one vote, the AMA's House of Delegates made it clear that it wants the Association's efforts directed at correcting deficiencies in the law, whether those deficiencies be in the wording of the law itself or in the regulations and directives implementing the law.

After a long day of hearing testimony on resolutions and reports dealing with PSRO, the house reference committee charged with recommending policy, reported:

"Your committee recognizes both the depth of feeling of those proposing an all-out repeal effort and those opposing such an effort. Primarily, because of this very depth of feeling, and the division already apparent in this house; but also because of the multiplicity and complexity of the other cost and utilization control measures available already to government without any mandate voice for the profession; and because of the need for this Association to retain, in the perilous times ahead, the effectiveness it has developed in recent years in dealing with Congress and the Executive Branch, your reference committee believes it unwise to commit the resources of the Association to an inflexible course of seeking repeal. . . ."

Instead, the committee proposed and the house overwhelmingly endorsed instructing the Board of Trustees "to direct its efforts to achieve constructive amendments to the PSRO law and to ensure appropriate regulations and directives, with particular effort directed at amending those sections of the law which present potential dangers in the areas of confidentiality, malpractice, development of norms, quality of care, and the authority of the Secretary of HEW."

The house also called on the Association to continue its efforts to achieve legislation which allows the profession to perform peer review in accordance with the profession's philosophy and the best interests of the patient.

The delegates also said that individual state associations that elect non-participation in PSRO will not be excluded from such a position by the AMA's policy statement. But the house urged any such state association to develop effective non-PSRO review programs which embody the principles endorsed by the profession as constructive alternatives to PSRO.

Finally, the house declared that if ongoing evaluation of the PSRO program reveals that it does, in fact, adversely affect the quality of patient care, or conflict with Association policy, the Board of Trustees is instructed to use all legal and legislative means to rectify these shortcomings.

In its report, the reference committee noted "that this Association must take a clear-cut, definitive position which cannot be misunderstood by any one inside or outside this House of Delegates or, indeed, by anyone inside or outside the medical profession. To do less would be to accentuate the division, almost schizophrenia, now developing within the profession, and would fail to provide the clear direction the Association's Board and this house have requested."

The delegates responded by adopting a clear-cut position and by doing so with a majority large enough to leave no question about its validity. Now it is time, as Joseph F. Boyle, MD, a delegate from Los Angeles who had vigorously supported a call for efforts to repeal PSRO, told the house after the new policy statement was adopted to close ranks and unite.

The AMA has, in a thoroughly democratic process arrived at a clear-cut policy position regarding PSRO.

[From the Chicago Daily News, June 28, 1974]

Doctors Opt for Progress

We congratulate the American Medical Assn. for deciding to co-operate with, rather than oppose, the government in setting up the Professional Standards Review Organization (PSRO) program. The decision was made in a 185–57 vote by the organization's House of Delegates, meeting in Chicago.

The PSRO is a system of peer review boards to oversee the cost and quality of health care administered in any federally supported program. Being federally sponsored it does raise some slight threat of bureaucratic invasion of medical practice, and that fear has been at the heart of the bitter opposition among the nation's doctors.

But the system proposed by the government would still leave administration in the hands of the medical profession; physician groups would both organize and populate the local boards, so that peer groups would go on doing the overseeing, as now, except that the boards themselves would be chartered and overseen by the government. The government is seeking a more systematic way to ensure accountability for tax funds spent on Medicare, Medicaid or future plans.

What the physicians are proposing, and properly, is to make as certain as possible that the benefits and freedoms of private practice are not lost in the bureaucratic shuffle. They adopted a resolution asking for amendments to the federal law to provide stronger assurances of doctor-patient confidentiality and of quality medical care, and to limit the authority of the secretary of Health, Education and Welfare. In this kind of orderly procedure in defense of its principles, the profession will encounter little opposition.

What was at stake here was the medical profession's image. In a time when the public and private costs of health care are soaring and a universal right to basic health care is being asserted, the profession has managed to acquire a reputation for dragging its feet against progress and placing the physicians' convenience ahead of the general welfare. The vote to accept PSRO will help substantially to improve that image.

[From the Chicago Tribune, June 28, 1974]

The Doctors Prescribe Reason

Despite bitter opposition within the ranks, the American Medical Association has saved itself a lot of grief by agreeing to cooperate with the 1972 law establishing Professional Standards Review Organizations [PSROs]. Tho we doubt that the PSROs will do as much to improve medical care as their supporters hoped, the medical profession would have been biting off its proboscis to save its physiognomy by demanding the repeal of the law and refusing to cooperate.

The law divides the country into 203 PSRO areas. In each, a group of doctors [presumably but not necessarily an organized medical society] may apply to the Department of Health, Education, and Welfare, to become the official PSRO. If no group applies by Jan. 1, 1976, HEW will designate a group itself.

The purpose of the PSRO is to provide "peer review" of the performance of individual doctors: to see that patients get proper care, to guard against unnecessary care and the clogging of hospitals, and to see that patients, insurance companies, and the federal government [thru such programs as Medicare] get their dollar's worth.

At first, the PSROs are expected to concentrate on hospital care and on federally insured programs, but ultimately they may expand to cover a private patient's care in his own doctor's office.

The measure was slipped thru almost unnoticed as an amendment to a big Social Security bill, but a great many doctors have reacted violently against it. They say it violates the traditional confidentiality of the doctor-patient relationship because outsiders will be authorized to examine the doctor's records. They fear that decisions regarding fees and even treatment may be made by nonmedical personnel such as accountants. They predict that the PSROs will become a vast burocracy of their own, devouring much if not all of whatever money they may save and taking doctors away from their proper work.

The objections are valid ones, but must be weighed against two obvious facts. One is that there have been abuses by doctors, especially under government subsidy programs, albeit by a minority of doctors. Our own news columns have cited abundant evidence of this. The costs of Medicare and Medicaid have soared beyond the wildest predictions. The other is that if the doctors don't cooperate with a system that they will be able largely to control themselves—however distasteful they may find it—something far worse will almost surely be thrust down their esophagus.

The United States fortunately has the most comprehensive system of private health insurance in the world. The trouble is that there will always be some who cannot afford private insurance. In recent years the A.M.A. has acquiesced and even cooperated increasingly in the establishment of public hospitals, public clinics, and in the creation of such programs as Medicaid. The principle of government responsibility toward the poor is well accepted.

That being so, PSROs are not really so radical a scheme.

The PSRO is designed to supplement the Nixon administration's health insurance bill, which is the best of the proposed bills because it is voluntary and depends on the existing private insurance system. If Congress chooses to go the compulsory insurance route [like Social Security] and set up a new federal burocracy, as proposed in the Kennedy-Mills bill, then the PSROs may indeed become as bad as feared.

But in the meanwhile it strikes us as wise of the A.M.A. to give the PSROs a try, work for their improvement, and, by thus cooperating, earn the support necessary to defeat the more dangerous bills which threaten us. To refuse to cooperate could easily be to invite disaster.

A BROADCASTER EDITORIALIZES ON THE FAIRNESS DOCTRINE

Mr. PROXMIRE. Mr. President, on Monday I spoke about the "unfairness" of the Federal Communications Commission's fairness doctrine. Today I received in the mail a copy of an editorial broadcast on July 9 by John E. Hinkle, Jr., vice president and general manager of WISN in Milwaukee.

This editorial, sent me, was among others broadcast by that station recently. WISN and other radio and TV stations routinely send their editorials to elective representatives. In other words, this was not singled out for my attention and obviously was not connected with my speech.

This editorial represents the unprompted, sincere viewpoint of one broadcaster which, I believe, reflects the opinion of many broadcasters.

Two sentences from Mr. Hinkle's editorial point out the problem succinctly:

> The First Amendment guarantees do not apply to broadcasters!
>
> Broadcast facilities are licensed by the federal government. 'Big Brother' tells us what we may put on the air—and what we may not!

Mr. President, that sums it up.

Despite Supreme Court decisions holding that the fairness doctrine "enhances" the first amendment, there is no freedom of speech or of the press for broadcasters when the Government can tell them what they may put on the air and what they cannot.

This is not to defend reckless use of the powerful news media of radio and TV. But how can a controlled industry display responsibility? Responsibility is a virtue of the free, just as irresponsibility is a vice of the free.

Broadcasters are businessmen. They respond to the public—or would—if they had the freedoms guaranteed to the rest of us.

Publishers are businessmen, too. And they do respond to public need. And publishers have full first amendment rights.

Mr. Hinkle draws well the distinction between publishers and broadcasters. For that reason, Mr. President, I ask unanimous consent that his editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FIRST AMENDMENT FOR NEWSPAPERS

A unanimous Supreme Court has overturned a law requiring newspapers to give political candidates free space to reply to editorial attacks.

The Court ruled that if "Big Brother" is allowed to tell newspapers what they must print—there is implied authority to tell newspapers what they must not print. "Clearly," said the Court, "the law violates First Amendment guarantees of a free press." We applaud the decision!

But it should be pointed out that radio and television broadcasters, from whom most Americans get their news, are still "second-class" citizens! The First Amendment guarantees do not apply to broadcasters!

Broadcast facilities are licensed by the federal government. "Big Brother" tells us what we may put on the air—and what we may not!

The rationale is that because the airwaves belong to the people, they must be controlled by the government. An earlier decision by the Supreme Court emphasized that broadcast frequencies are limited in number . . . so it is not possible for everyone to own a broadcast station! It could be argued that because of market limitations and large capital investments, it is not possible for everyone to own a newspaper . . . any more than it is possible for everyone to own a department store, an automobile manufacturing plant . . . or a professional football team. But the discussion would be academic.

There is very little reason to believe that broadcasters will ever enjoy the freedoms guaranteed by the Constitution. So what's the purpose of this editorial?

It seems to us the lesson here is even more important than the First Amendment! The Federal Communications Commission—which controls radio and television—came into being because broadcasters were unwilling or unable to sit down together and work out their own problems! So they turned over their responsibilities to someone else!

And whenever private citizens . . . or private industry . . . or anyone else . . . surrenders their freedom to make their own decisions, that freedom is gone forever!

LONG-RANGE FUNDING FOR PUBLIC BROADCASTING

Mr. PASTORE. Mr. President, for the past several years, I have been urging the administration to submit long-range funding legislation for Public Broadcasting in order to insure proper insulation from Government interference as well as developing the type of stability that Public Broadcasting requires.

I repeated this admonition in a speech that I made on January 22, 1974, to the Public Broadcasting Service Conference.

I urged the administration to submit such legislation and I promised at that time that the committee, of which I am chairman, would move expeditiously when such a proposal was submitted.

Yesterday the administration submitted such a proposal. I commend the administration for moving in this direction in spite of the foot dragging of the past.

Mr. President, I ask unanimous consent that my remarks of January 22 be made part of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR JOHN O. PASTORE AT THE PUBLIC BROADCASTING SERVICE CONFERENCE

I want to thank Ralph Rogers and the Board of Governors for inviting me this afternoon.

I feel very much at ease here. In fact you might say this is like an alumni reunion. Our alma mater is, of course, public broadcasting. How it has grown in the last quarter century!

In 1953 there was only one educational television station on the air. Today there are 241.

What has taken place is a tribute to the visionaries of our country—

To those in Congress who have persevered year after year in the belief that public television has something special to offer the American people.

To you in the industry who have consistently devoted your time and talent to the cause, even when it did not generate the support and enthusiasm it now does.

And lastly, but most importantly, to the steadfast and loyal audience public television enjoys. It has been these public-spirited citizens with their sense of excellence and their generosity who have provided the support and encouragement public television has needed so badly.

It would be misleading, as each of us here knows, to say public television has realized its potential and that its struggle is history.

It must always pursue excellence; and it has yet to realize financial stability.

I shall always be in the forefront of those who urge the medium on to higher achievement.

It shall also remain in the forefront of those who insist that public broadcasting is not only entitled to, but must have, long-range, permanent financing.

A promise of long-range financing was the covenant we in the Government made when Congress enacted the Public Broadcasting Act, and called upon the dedicated men and women in the industry to renew and intensify their commitment.

Since that time, I have urged successive administrations to honor their part of the bargain and submit such a plan for Congressional action.

I wish there were an alternative to offset this inaction, but, quite frankly, I am unable to think of any.

In order for public broadcasting to make the tremendous advancement it has, assistance from the Congress has been necessary.

First, there was the Educational Television Facilities Act of 1962 (ETV Act of 1962). That act provided matching Federal grants for the construction and expansion of ETV stations. Subsequently, the law was amended (1967), to include noncommercial radio stations as well.

Under the public broadcasting facilities grant program (ETV Act of 1962, as amended), the Secretary of Health, Education and Welfare (HEW) makes matching grants to eligible applicants to acquire and install specified radio and television broadcasting apparatus. Grant funds cannot be used for the purchase, construction, or repair of buildings or the acquisition of land.

At the time the Educational Television Funding Act was enacted in 1962 there were 62 television stations on the air. As I have mentioned, today there are 241.

Five years later Congress acted again. This time it moved to support the program and operating costs of public broadcasting by enacting the Public Broadcasting Act of 1967. That act, of course, provided for the Corporation for Public Broadcasting.

Periodically since 1967, the Congress has had to enact legislation authorizing and appropriating funds for the Corporation. And everyone in this room knows why.

The result of this kind of short-term, hand-to-mouth financing has necessarily been instability.

In an industry where a lead time of three years to research, plan, and develop a program series is not uncommon, we have been offering the necessary financial support on a one-year basis.

Realistically, we cannot expect the medium to attract top talent and produce quality programming when its financial life is a year-by-year proposition, dependent upon the disposition of the Administration and the Congress.

That public broadcasting has been able to give us "Sesame Street," "The Advocates," "Firing Line," and "Masterpiece Theater" is testimony to the genius of its dedicated men and women. They triumphed in spite of adversity.

You have, of course, had critics. There are those who have said public broadcasting has ignored its very reason for being—strong local stations; that you have instead created a fourth network in the genre of the three commercial ones.

I have never agreed with those critics. Happily, however, it is no longer necessary to argue with them, nor is it necessary to rehash history.

Your own organization—the Public Broadcasting Service—has been restructured so that the local stations are fully represented and other segments of the industry have a voice in the decision-making processes as well.

The recent agreement between your organization and the Corporation for Public Broadcasting also appears to be working well. A genuine partnership relationship has evolved. I trust it will continue. Here again, I believe the principle of strong local stations is fully recognized.

They *will* have a voice in deciding what programs the Corporation shall fund.

They *will* have a voice in interconnection and how it is to be managed.

They *will* receive Corporation grants to help make each a bedrock of localism.

Your achievements should not go unrecognized.

There are indications the Administration will send to Congress its long-promised permanent financing plan.

If that happens, the instability and uncertainty that has beset the industry will be removed. I promise you my Committee will move expeditiously when such a proposal is submitted.

You will then be able to get on with the job you have done so magnificently under such adverse circumstances. My congratulations for the past; and my support and best wishes for the future.

THE CERTIFIED PROFESSIONAL SECRETARY (CPS)

Mr. BROOKE. Mr. President, this week the Institute for Certifying Secretaries released a list of names which should be of interest to each of us here in the Senate as well as to every businessman throughout the country. This list contained the names of the secretaries who, this year, have earned the coveted key of the Certified Professional Secretary. But, in many cases, no one will notice, as the CPS is the least known—and one of the most scarce—of all professionals. Comparatively speaking, the percentage of secretaries who even qualify to sit for the examination is minimal and, of those who do qualify and sit, the percentage who pass all six parts is minute in relation to the number of secretaries working throughout the world. Several years ago research indicated that one in every 4,000 secretaries in America earned the CPS key.

Why is it so unknown? Why is business not aware of this precious qualification? There could be many reasons, not the least of which is that the CPS is usually just that—a professional who feels it would be somewhat unprofessional to have to say "look, I reached the top." Another reason may be the fact that all clerical personnel—including typists, stenos, receptionists, and so forth—are referred to as secretaries, and the "professional secretary" is not separated from the "progressional secretary" who is using the secretarial position as a stepping stone to "bigger and better things." To the professional secretary, the "bigger and better things" is the CPS key.

The CPS program was instituted in 1951 when 281 executive secretaries sat for the 2-day examination. Sixty-two were certified and since that time there has been a total of 6,801 recipients of the CPS key. Only 12 male secretaries have thus far been certified. That includes the 50 States, Canada, Puerto Rico, the Virgin Islands, and Hong Kong. No other foreign country has yet produced a CPS. Statistically that is about 125 certified professional secretaries per State.

The Washington area is quite fortunate, as there is a generous quota of CPS's present and five members of the District of Columbia Chapter, National Secretaries Association—International—appeared on the recently released list of new certified professional secretaries.

The examination is a 2-day 6-part test and a candidate is permitted 5 years to complete all six parts. After 5 years, the unfortunate secretary who has not passed all six parts must begin the series all over again. However, there is no reflection of inefficiency when any or all parts are repeated. The time element involved in each test part can prove quite a pressure factor, thus making the test more difficult. The candidates are tested in the following areas: Environmental relationships in business; business and public policy; economics of management; financial analysis and the mathematics of business; communications and decisionmaking; and office procedures.

Various colleges now grant up to 2 years college credit for the CPS rating. However, to both business and Government the CPS is still an infant and in many instances, "the doorstep waif" who will only be discovered when someone opens the door.

In bringing the CPS rating to the attention of my colleagues today perhaps my remarks will help to open the door through which we here in the Senate, as well as the members of management throughout the business world, will come to recognize the difference between the professional secretary and the progressional secretary. Only then will the certified professional secretary attain the recognition so rightly earned.

BOYS CLUB TOURS JACKSON HOLE

Mr. McGEE. Mr. President, last month, 70 members and 10 sponsors of the Phoenix, Ariz., Boys Club of America stepped off a bus in Jackson, Wyo., to begin one of the most unique experiences of their lives.

These young men traveled to Jackson to be the guests of Flagg Ranch. An account of their experiences while staying in one of the most beautiful areas of this country was carried in the Jackson Hole Guide. As noted by the author of the article, Greg Prugh:

> I know they'll remember their stay at Flagg Ranch for a long time, but I'll never forget my excitement and enthusiasm in having shared an unforgettable experience with 80 great men from Phoenix.

Greg Prugh epitomizes the spirit of my State. He, and other members of the Flagg Ranch staff, welcomed the opportunity to play an important role in making the experience of these young men a memorable one. It is evident the Boys Clubbers were enriched by their visit to the Flagg Ranch. It is equally apparent that the Flagg Ranch was also enriched by the experience.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Jackson Hole Guide, June 20, 1974]

IT IS BETTER TO BUILD BOYS THAN MEND MEN

THE BOYS CLUB TOURS JACKSON HOLE

Chartered buses are not unique to Jacksonites, but for the boys inside this promised to be a memorable vacation. After the two buses had come to a smooth stop and the dust had settled, the young guests of Flagg Ranch, 70 members and 10 sponsors of the Phoenix Boys Club of America, drowsily emerged from within. "Where are the bears? When do we go fishing? Where is the swimming pool? I'm hungry" were but a few comments heard as the weary travelers were led away to the heavily ladened dinner tables.

My first inclination of what to expect from our welcomed guests resulted from an incident involving two boys, one black and one white. The white youngster scurried up to a counselor complaining that a colored kid had shoved him. A black 13 year old standing with the adult querried the victim, "Was he green? Was he blue? or yellow? Just what color was this colored boy?" The quick witted black drew laughter and applause from the crowd that had gathered around the counselor.

Breakfast was served each morning in two shifts to accommodate the ravenous group. Our chef's face seemed to plead for the youngsters to please save some food for the other guests.

After breakfast the first day, the buses were bound for the Jackson Hole Aerial Tram. There was some apprehension by a few when boarding the cable car but all fear was dispelled as the tram effortlessly slipped from the dock.

Snow had been plentiful in the valley this winter and very little seemed to have melted from Rendezvous Mountain: just the right ammunition for a huge snowball fight! Imagine all those eager combatants enthusiastically attacking 10 fearless chaperones! Those tired of hurling snowballs built a snowman, probably their first. Upon our return to Flagg Ranch that afternoon the fishermen grabbed their equipment and marched to Grassy Lake while the swimmers were guests of Huckleberry Hot Springs. Dinner, as usual, was scheduled for 5:45 and 6:15. After the second group had eaten the pantry bare, we were off to watch Butch Cassidy and the Sundance Kid do battle with the Pinkerton Brothers at the Pink Garter Theatre. The kids rated the evening excellent. In fact, one slightly plump fellow insisted on kissing each lady in the revue twice.

Wednesday, the Boys Club visited Yellowstone in search of geysers, wildlife, paint pots, and waterfalls. Although no bears were seen, day number two was a carbon copy of Tuesday's excitement and fun.

Thursday was a day that Charlie Sands and Ted Adams had planned for six weeks in advance. White water float trips in the morning and a horseback ride and "wienie" roast were on the agenda. The river had risen during the previous night before and Sands commented that it was the highest he had seen it in a long time. The exciting trip down the Snake was not dampened by the cold 45 degree water that engulfed boatman and crew alike. The cry was unanimous: "Let's go again" Riding Ted's horses that afternoon provided a few hours of relaxation and enjoyment as horse and rider ambled through the quiet forest.

Early Friday morning with bags packed, breakfast eaten, and group pictures taken, the group exchanged, good-byes. As the buses left the parking area and disappeared down the John D. Rockefeller Memorial Parkway, I could not help but think, "I know that they'll remember their stay at Flagg Ranch for a long time but I'll never forget MY excitement and enthusiasm in having shared an unforgettable experience with 80 great men from Phoenix."

FOOD: A NECESSARY INGREDIENT FOR DEVELOPING SOCIETIES

Mr. KENNEDY. Mr. President, the preservation of pride and honor is an important requirement for those in developing nations who face food shortages and widespread hunger. Without pride, the constant struggle to forge a viable society in the shadow of great hardship would soon be lost. Without honor, man's self-encouragement and hope would soon be sacrificed in a desperate struggle to find food.

For those Americans who travel abroad today—particularly to Africa and Asia—one of the tragic sights marring the vistas of developing nations is the deprivation and disease afflicting millions of people who cannot find enough food. Wherever one goes, the dimensions of hunger are everywhere. Destitute people crowd the cities in search of help. Beggars, who were not crying for help a short time ago, throng the tourist sights. And where the tourist never goes—to the outlying villages and towns—famine takes its toll among a starving population.

For Americans and others who have food resources readily available, such experiences are not only unforgetful, but make us realize the far-reaching tragedy of the global food shortage.

Mr. President, today's Washington Post contains a thoughtful article by Colman McCarthy on the world food situation. Much of his remarks are devoted to millions who face hunger today, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 17, 1974]

FOOD FOR THE UNFED

(By Colman McCarthy)

(NOTE.—The sight of starving children struggling with ravens and emaciated dogs for scraps of food on rotten piles of garbage or the late evening garbage trucks picking up corpses from the sidewalks in the daily clean-up, leaves you with a sickness of soul and mind and spirit for weeks and weeks thereafter.)

The sickened citizen was Joseph Tydings. He is a former Maryland politician, now with the Population Crisis Committee, who recently visited the Halora, the infamous slum in Calcutta. He returned to Washington and went before the Senate Select Committee on Nutrition and Human Needs, one of the few government groups willing even to recognize that the world's food supply is omninously low and uncounted human beings are starving "On the street of Calcutta," Tydings said, "we were exposed to scenes which defy description and belief in which human life has sunk on some spots of this planet." Tydings did not come to testify on Calcutta, because that is an old story, however haunting in each retelling. Instead, his voice was one more speaking out in what is currently called the world food crisis.

Even before trying to understand the proportions of the global food shortage, the word "crisis" creates problems. It is now used so commonly—as in the energy crisis, the financial crisis, the Watergate crisis—that Americans see it as merely another manufactured tactic, a fake scare word. So the alarm of the hunger crisis already has a tinny ring to it. Here we go again, we say, just having gone and returned from yesterday's crisis, well and safe as usual.

On a deeper level than this verbal one. Americans are protected in another way from the reality of famine and hunger. We are a nation of overfed people, and *our* food problem is how to avoid eating too much. Quackish schemes have no trouble attracting dupes who want to lose weight by other means than proper diet and self-denial. It is now common for newspapers and magazines to carry the ultimate indictment of glutted Americans: ads for weight salons or reducing schemes next to news accounts of starvation in Africa, Latin America or elsewhere. The pictures of big-bellied children nursing on emptied breasts tell of the other "weight problem."

So feeding the unfed will not be done until the sleeping overfed are awakened. Those who have been among the starving and dying know that just to get across the message of this disaster is an accomplishment, not to mention solving it. Norman Borlaug, the agronomist of the green revolution, came to the hearings to offer a thought on how to jar the policymakers. "We might have better agriculture and food production policies if all those government officials who were involved would . . . quit eating for 14 days before they were going to make their decision on policies on pricing for food and priorities for investments in agriculture, and then also during the last three days go without water. Maybe they would not only learn something to their distress about the value of food from a biologic standpoint, but also something to their distress about the behavior of human beings under shortage of food and famine."

Borlaug's statement tells much about the indifference of the fed toward the unfed but, even more, it implies that the situation is nearly hopeless: the pain of an empty stomach, not moral values that insist each human life is sacred, has the power of prompting officials of rich nations to share the wealth.

But what if on the personal level—far from the policymakers and the safe collective conscience—an individual wants to act against world hunger? It is, after all, people who either have or don't have food. What can the fed citizen do? On the immediate practical level, he can begin eating less meat, or, eat none at all. Specialists like Margaret Mead and Frances Moore Lappe have been saying that feeding American cattle places such a demand on the world's grain supplies that the price of grain is pushed far beyond the reach of the poor and hungry. Or as Commonweal magazine asks in its current issue: "With the world desperately short of grain, how long can we Americans justify a per capita consumption of 2,000 pounds of grain a year, most of it inefficiently used to fatten meat-producing animals, when one-fifth of that amount would constitute an adequate diet in most parts of the world?" For many Americans, life without steaks and hamburgers suggests a stark asceticism, a perpetual Lent. But this may be because the victims of famine are out of sight; they are dying across an ocean, not across the street. It is also because we see the meat by itself in the supermarket and do not see the immense amounts of grain needs to produce it, grain that could be directly feeding people.

The call to give up meat—most of it is tasteless and tough anyway, not to mention the health risk—involves no nutritional sacrifice, because protein sources are easily available elsewhere. More crucial, it is a symbolic gesture, one that the policymakers cannot fail to notice. By itself, living on a diet of vegetables, fruit and grains is not enough, but it is a positive beginning. A recent survey of the Overseas Development Council revealed a 68 per cent favorable answer on whether the world's rich countries should help the poor ones. Yet, even with this expression of the people, the Nixon administration cannot bring itself to decide whether to expand American food aid to deal with worldwide hunger. "We are seeking to find ways to do it," Edwin M. Martin of the State Department recently told a Senate Foreign Relations subcommittee. "But I can't give you assurance that we will do so."

The same time that wealthy America was denying its responsibility to share its food, Mother Teresa, the Catholic sister who cares for Calcutta's dying, came to Washington to say: "The poor are the hope of mankind, the salvation of mankind. We will be judged on what we have done for the poor."

History has never seen a country collectively decide to sacrifice its standard of living for the goal of relieving the suffering of another country. If anything, as in war, it is always the opposite—citizens will sacrifice for the purpose of increasing the misery of the other tribe. So, in this sense, there is a war on, with people dying of hunger as painfully as though bombs or napalm fell on them. And this war appears to have few protestors in America, only a congressional committee or two, and a few people who see a moral link between their own plentiful food supply and the non-supply of the hungry.

MEDAL OF HONOR AWARDED TO S4 DANNY J. PETERSEN

Mr. DOLE. Mr. President, this morning I had the privilege of attending ceremonies at Blair House where Vice President FORD presented the Congressional Medal of Honor to the family of S4 Danny J. Petersen, of Horton, Kans.

The Nation's highest military decoration was awarded posthumously to this young Kansan who died while serving in the U.S. Army in 1970 in Tay Ninh Province, South Vietnam.

The citation which accompanies the awards recounts a story of gallantry, courage, and devotion to duty which fully merits this country's deepest mark of respect and recognition.

Occasions such as this one today give appropriate cause for solemn reflection on the service, sacrifices and personal commitment of the men and women who have assured America's survival and strength over the past 198 years of nationhood. The Medal of Honor, of course, singles out only the most gallant and courageous of all. And it is through this symbolic recognition that in some small way the entire American people let it be known that we are mindful of those elements of personal heroism and individual greatness which must be present within us to assure that the promise of our country will be realized for our children and for all the world.

Specialist Danny Petersen and his acts of courage while in combat strike a deeply moving note of pride in the quality of our young people today and confidence in the future of this country. The great and enduring elements of personal character which he demonstrated are the most convincing and heartening evidence that the spirit of 1776 will never falter and that the promise of America will be fulfilled.

Mr. President, I ask unanimous consent that the Medal of Honor citation to S4 Danny Petersen be printed in full in the RECORD along with a brief biographical note.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEDAL OF HONOR CITATION

The President of the United States of America, authorized by Act of Congress, March 3, 1863, has awarded in the name of The Congress the Medal of Honor posthumously to Specialist Four Danny J. Petersen, United States Army, for conspicuous gallantry and intrepidity in action at the risk of his life above and beyond the call of duty:

Specialist Four Danny J. Petersen, United States Army, distinguished himself on January 9, 1970 while serving as an armored personnel carrier commander with Company B, 4th Battalion, 23d Infantry, 25th Infantry Division, during a combat operation against a North Vietnamese Army Force estimated to be of battalion size in Tay Ninh Province, Republic of Vietnam. During the initial contact with the enemy, an armored personnel carrier was disabled and the crewmen were pinned down by the heavy onslaught of enemy small arms, automatic weapons and rocket-propelled grenade fire. Specialist Petersen immediately maneuvered his armored personnel carrier to a position between the disabled vehicle and the enemy. He placed suppressive fire on the enemy's well-fortified position, thereby enabling the crew members of the disabled personnel carrier to repair their vehicle. He then maneuvered his vehicle, while still under heavy hostile fire to within ten feet of the enemy's defensive emplacement. After a period of intense fighting, his vehicle received a direct hit and the driver was wounded. With extraordinary courage and selfless disregard for his own safety, Specialist Petersen carried his wounded comrade 45 meters across the bullet-swept field to a secure area. He then voluntarily returned to his disabled armored personnel carrier to provide covering fire for both the other vehicles and the dismounted personnel of his platoon as they withdrew. Despite heavy fire from three sides, he remained with his disabled vehicle, alone and completely exposed. Specialist Petersen was standing on top of his vehicle, firing his weapon, when he was mortally wounded. His heroic and selfless actions prevented further loss of life in his platoon. Specialist Four Petersen's conspicuous gallantry and extraordinary heroism are in the highest traditions of the service and reflect great credit on him, his unit, and the United States Army.

BIOGRAPHICAL DATA

Name: Specialist Four Danny J. Petersen, United States Army.

Organization at time of act: Company B, 4th Battalion, 23d Infantry, 25th Infantry Division, Republic of Vietnam.

Date and place of birth: March 11, 1949, Horton, Kansas.

Parents: Mr. & Mrs. Leo J. Peterson, 438 1st Avenue East, Horton, Kansas 66439.

Civilian schools attended: Troy High School, Troy, Kansas.

Summary of service: Inducted into the Army of the United States at Kansas City, Missouri on 5 March 1969:

From, to, and organizations:

Mar. 69–Mar. 69—United States Army Reception Station, Fort Leonard Wood, Missouri.

Mar. 69–May 69—Company C, 3d Battalion, 2d Basic Combat Training Brigade, United States Army Training Center, Fort Leonard Wood, Missouri.

May 69–Jul. 69—Company D, 1st Battalion, 3d Advanced Individual Training Brigade, United States Army Training Center, Infantry, Fort Lewis, Washington.

Aug. 69–Jan. 70—Company B, 4th Battalion, 23rd Infantry, 25th Infantry Division, Republic of Vietnam.

Overseas service: Republic of Vietnam, August 1969 to January 1970.

Awards and decorations: Medal of Honor, Bronze Star Medal, Army Commendation Medal with "V" Device (with Oak Leaf Cluster), Purple Heart, Good Conduct Medal, National Defense Service Medal, Vietnam Service Medal, Vietnam Campaign Medal (Vietnamese), Combat Infantryman Badge (First Award), Sharpshooter Badge with Rifle Bar, and Second Class Gunner with Machine Gun Bar.

ADDRESS BY THE HONORABLE JOHN E. HORNE

Mr. SPARKMAN. Mr. President, on June 7, last month, a person well known to most Members of Congress made a noteworthy address to the Pacific Northwest Conference of Savings and Loan Associations.

I am speaking of John Horne, formerly my administrative assistant, Administrator of the Small Business Administration, and Chairman of the Federal Home Loan Bank Board. In each capacity, John performed beyond the call of duty. He worked unselfishly and in a highly dedicated manner to contribute to the building of a better America, a stronger small business sector of our economy, and a more adequately housed citizenry. Indeed more than any Presidential appointee I know he did the most to establish the Small Business Administration as a strong and effective voice in the executive branch for small business.

The same can be said of his leadership and accomplishments at the Federal Home Loan Bank Board in behalf of the thrift and the housing industry.

He is now chairman of Investors Mortgage Insurance Co., a leading insurer of conventional home mortgages.

Johns' introduction by R. M. Hammett, executive vice president of American Savings of Honolulu and recently elected president of the conference is within itself a tribute.

Mr. President, I ask unanimous consent that Mr. Hammett's introductory remarks and John's speech be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTRODUCTION BY R. M. HAMMETT, VICE PRESIDENT, AMERICAN SAVINGS OF HONOLULU

Our next speaker, John Horne, is a longtime friend of the thrift industry. He became Administrative Assistant to Senator John Sparkman in 1947 and in that capacity helped to develop various savings and loan and housing programs.

President Kennedy appointed him Administrator of the Small Business Administration in January, 1961, and to be a member of the Federal Home Loan Bank Board in August, 1963. President Johnson appointed John to be Chairman in February, 1965. He served in that position until the end of November, 1968.

While at the Board, our speaker pushed successfully for far reaching legislation and regulations that are highly beneficial to our industry today. The list is too long to name but a few are the Service Corporation; Regulation Q with rate preferentials favorable to the thrift industry; a variety of savings instruments; tremendously greater protection for the insurance corporation; a more meaningful liquidity investment opportunity; equipment or consumer loans authority; and parity between FDIC and FSLIC. Without these and other achievements of his Board, our industry could not have attained its present eminent position.

Fortunately John continues to help our industry obtain favorable legislation at the Federal level. He is presently Chairman of the Board of Investors Mortgage Insurance Company which he founded in late 1968 as its first President.

REMARKS DELIVERED BY JOHN E. HORNE, CHAIRMAN, INVESTORS MORTGAGE INSURANCE CO.

President Bob LeTourneux, President-to-be Ray Hammett, Board Member Grady Perry, distinguished guests, ladies and gentlemen:

I am indebted to Bob LeTourneux and Jack Bruce for this privilege, but I urge that they be absolved of any blame if I say something with which you disagree.

I admit to being uncertain as to what I should say. This is due in part to my desire to avoid duplicating what others on your program have said or will say. I am somewhat in the same dilemma as an applicant for employment. When he stated his price the foreman remarked, "You are asking for awfully high pay for a man lacking knowledge about the job." The applicant replied, "Well, the work is a lot harder when you don't know what you are doing."

In my remarks, entitled "Reflections and Observations", I want to reflect briefly on a few of the achievements of the Federal Home while I was a member, and make some observations about your future. No more than any other old timer could I possibly discuss every experience I have had concerning your business because either through the legislative or regulatory process I have been exposed to and in many instances participated in the actions affecting your industry since January, 1947. That was the year I became administrative and legislative assistant to Senator Sparkman of Alabama, the leading congressional authority and activist in home building and home financing legislation since he came to the Senate, also in 1947.

May I at this point give an affirmative answer to the question several of you have asked as to whether I think Senator Sparkman will become Chairman of the Senate Foreign Relations Committee next year and be succeeded by Senator Proxmire as Chairman of the Banking, Housing and Urban Affairs Committee. Moreover, I believe that Senator Proxmire will also be an excellent Chairman, and will be sympathetic and helpful to you in your efforts to finance the nation's housing needs.

As I have indicated, I shall limit my reflections and observations primarily to that period of time since I became a member of the Federal Home Loan Bank Board in August, 1963, and Chairman in February, 1965.

It may be of interest to you that when both President Kennedy and Johnson appointed me as a member and chairman respectively, they emphasized the importance of making your industry a more viable one and strengthening its capacity to provide funds for housing. They cooperated fully with the Board. At no time did either of them or any member of the White House Staff bring any pressure to bear regarding decisions concerning employees, applications, or any other matter under the Board's jurisdiction.

With this foundation of support from the White House; with similar support from key Congressional members; with the help of staff members, especially now Board Member Grady Perry who then served the Board as liaison with Congress; with the cooperation of Bank Presidents such as your own John Kleeb; and with the encouragement of many industry leaders spearheaded on numerous occasions by Norman Strunk; both the Federal Home Loan Bank Board and your industry were provided with new tools that have been and are now of inestimable value.

I realize that some of you have not used and have not needed all these tools, but their worth has to be measured by what they have meant to the whole industry and could mean to an individual association if properly utilized.

Neither these tools nor others that surely will follow will always perform perfectly We are experiencing such an unfortunate state of affairs now. What we have to consider, though, is what would the situation be in your industry today, and how would you survive the current unfavorable climate had these new devices never been brought into being.

With these thoughts in mind, let us reflect very briefly on just a few of the legis-

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lative accomplishments of the 1960's and observe their meaningfulness to your industry at this time. We should constantly consider, too, how to retain and improve their usefulness, and I think it accurate to say that the Board and industry leaders are already doing that.

Each measure I shall mention could be the subject of a full speech but I won't linger long on either point.

1. Regulation Q, under which you were given a rate preferential over banks in September, 1966.

I mention this first because I doubt that under existing conditions few if any thrift institutions could remain solvent over an extended time if commercial banks were permitted to pay whatever rate they choose on savings or time deposits.

You already find it extremely difficult to meet the competition from corporate issues, government bonds, government agencies, etc., but these instruments do not usually draw money from you on a continous year round basis. As things are today, without Regulation Q even under its 1973 watered down version, commercial banks in most cases could dangerously impair if indeed not destroy your ability to remain a viable industry.

It is my belief that more than any other one thing, the rate differential under Regulation Q accounts for the overall tremendous net inflow to the thrift industry since September, 1966.

And it would be many years, not just five, even if you should be given broadened powers recommended in the Financial Institutions Act before you could generate earnings necessary to compete with rates commercial banks could pay for deposits.

2. Service corporations, authorized in 1964 with the Board empowered to determine which activities they can engage in.

As the track record justified doing so, and because of the elasticity the 1964 legislation provided, the Board has enlarged tremendously service corporation powers. Already in some instances the income from the service corporation has prevented a red bottom line for the parent association.

A few weeks ago a very prominent and nationally known association manager stated in Cincinnati, presently "service corporations are our only real opportunity for leverage and profits that can offset the fantastic increase in our cost of money."

Let me point out here that the U.S. League offers special help to those interested in using service corporations. If you do not know about this help I urge you to write the League for information.

Perhaps the day will come when an association or group of associations will be given the power to do what they now can do only through a service corporation. Such authority, though, could not have been wrung from Congress in 1964.

3. The new Supervisory Law of 1967 and the Holding Company Act of 1968.

Among other desirable objectives, these laws enable the Board to do case-by-case supervision and to prevent a parent company from abusing its savings and loan subsidiary at the expense of the Insurance Corporation (FSLIC). Impairment of the image of the industry can thus be avoided while the Board gets at the handful who commit unsound and harmful practices.

Another big plus of the supervisory and holding company laws of 1967–68 is the liberalization of regulations that the Board can and has safely adopted.

4. Restructuring of Liquidity, authorized in 1968.

Whereas prior to this law, associations could legally invest liquidity only in government bonds, they can now invest in government agencies (FNMA, FHLBB, TVA, etc.); bank CD's; municipals; banker's acceptance; Repo's; Fed Funds; etc.

Higher earnings and more flexible liquidity are the advantageous results.

5. Passage of legislation in 1968 authorizing associations to offer a variety of savings instruments.

What would be the situation today if associations could only offer passbooks to savings instruments.

What would be the situation today if associations could only offer passbooks to savings customers! And only one type certificate!

One could mention numerous other legislative improvements of the 1960's that are benefitting your industry today but there is not time to do so.

Just one more decision I will make reference to. Following the enormous disintermediation in 1966, we recommended that the call of the Board on the Treasury in time of need be increased from $750,000,000 to $4 billion. This is the authority being utilized today by the Federal Home Loan Mortgage Corporation in its 8¾ interest rate program as part of the Administration's plan to enable motgage lenders to continue to participate in the business of supplying shelter.

In reflecting on these measures and how they came about, several thoughts come to mind:

The economy and the posture of financial institutions were changing so rapidly by the middle 1950's it was apparent that long-range changes had to be made in legislation and regulations pertaining to the thrift industry if it were to remain a viable and stable source of home financing. We simply had to do more than a small patch-up job.

The hard work and extensive efforts of those who assisted us at the Board (I have mentioned the key ones already) to carry out the educational program necessary to inform other government agencies, members of Congress, and many members of the industry itself why these proposals were essential.

As you know, usually when substantive legislation is sought by one agency of government Congress requests the opinions of other agencies and non-government groups that may be affected. We at the Board endeavored to make sure that all these sources knew about and understood why we were requesting the proposed changes. As a result we had almost unanimous support for our efforts.

The full aggressive cooperation given by President Johnson concerning every Board suggestion. By the way, President Johnson was by far the most knowledgeable President of this century about your industry.

The non-routine but highly interesting happenings that frequently take place in connection with getting enabling legislation passed and regulations pertaining thereto issued.

A good example relates to Regulation Q. This regulation had been in effect under the Federal Reserve Board and applicable only to commercial banks since the early 1930's. However, the Fed did not have the authority to set different interest rates on deposits of different amounts.

This explains why the Fed in early December, 1965, in order to help solve the liquidity problems in certain banks granted a substantial rate increase on all deposits rather than just on those in excess of $100,000.

You recall that the rates banks were allowed to pay on deposits of less than $100,000, the bulk of your savings, were in excess of what you could afford. Almost immediately huge amounts of savings were withdrawn from the thrift industry and deposited with banks.

It was obvious to the Federal Home Loan Bank Board and its staff that to stop this outflow of funds from your associations the Fed should be given the authority to impose interest rates in accordance with the size of the deposit, and that such rates on deposits of less than $100,000 should be low enough to enable you to pay and earn ½% higher rates on passbooks and ¼% higher rate on certificates.

But this arrangement could not be made without enabling legislation that would also authorized the Federal Home Loan Bank Board and the Federal Deposit Insurance Corporation to set rates paid respectively by savings and loan associations and mutual savings banks.

At first most of your industry did not want the Board to have such authority. And frankly the Board and FDIC requested it only to be able to reach an accommodation with the Fed and thus prevent further impairment for the thrift industry.

You know the rest. Your loss in savings were so great by the end of July, 1966, that your spokesmen supported the Board in its efforts to establish the program just described. It may be difficult for you to believe, but many leaders among the commercial bankers also assisted the Board and the Fed in our joint endeavors. The new rates set to your advantage, were announced on September 22, 1966, and immediately cut off your loss of savings to the banks. You were thus protected from the banks until the erroneous decision of July 5, 1973, that authorized the so-called wild card. This danger was partially eliminated in October, 1973, but in part the advantage gained for you in 1966 has been destroyed with no compensating action thus far to offset your loss.

With these and other improvements of the 1960's; with Freddie Mac and FNMA having been established or restructured in 1970 as sources to which you may sell or buy or continue to serve your mortgages, conventional as well as FHA and VA; one would think that the deeply frustrating and discouraging state of affairs that exists today in your industry, and in the housing industry generally, would not have occurred. Certainly one would justifiably feel that the existing adversity would not come with such a hard wallop or intensity.

I am sure that none of us believed that adequate safeguards had been erected to shield your industry from all trouble. But I say quite candidly I am disappointed that again in the current money crunch as in others of recent years it is the thrift industry among financial institutions that suffer most from lack of savings and frequently from downright disintermediation. As proof look at the month of April when the mutual savings banks experienced a net loss in excess of $650 million and the savings and loan associations had a net loss in excess of $335 million.

Yet, as I have already indicated, if you were without the tools I have mentioned I personally believe your situation generally would be much more desperate and for some of you downright hopeless.

That is why we must retain the programs of recent years and build on them for the future.

There are some other observations I want to make. Hopefully what I say will not be too repetitious of what others on your program have said or may say.

1. Insofar as your industry can reach a consensus as to what your needs are now and for the foreseeable future, I think it will lend strength to your legislative and regulatory efforts. This will be especially true of those items with which the Board agrees.

The United States League of Savings Associations has appointed a committee of outstanding members to study and recommend what changes and new authority your industry should have. Unquestionably this is a wise step. The National League is also its opinion are necessary to maintain a strong industry.

These efforts are all to the good, because whenever all components of the thrift in- studying and recommending what changes in dustry, including the mutual savings banks, work together on proposed legislation the chances for passage are greatly enhanced.

Moreover, it is my observation that your opposition is increasingly more alert and more aggressive in opposing your legislative proposals which they consider to be invasions of their grazing lands. This adds to the need for maximum teamwork within the thrift industry and allied housing groups.

2. Headway has been made toward enabling you to become a full family financial center. There remains a gap, though, between the progress that has been made and the completion of the objective.

For example, the existing equipment loan authority enacted in 1968 should be expanded to include all consumer items that furnish and add to the livability of a home.

Personal loans or uninsured loans up to a prescribed limitation should be available.

One of the most effective advertisements used by your chief competitor is that it provides all the services required by a family on a one-stop basis. With a few more changes you could make a similar claim.

3. Another observation is that methods must be developed that will enable you to have a steady supply of funds at reasonable rates when there is a money crunch as well as when money markets are normal. Otherwise you cannot meet the congressional requirement that you supply money for housing at economical interest rates.

Unquestionably it is necessary that the Federal Home Loan Bank Board go to the market from time to time to raise money for you. There have been times when such a service prevented a near catastrophe. However, the price you pay frequently exceeds the interest rates you pay on deposits, and your savers often desert you to buy Home Loan Bank Board obligations as well as obligations of other government agencies.

It is good that at this time Freddie Mac can make use of the $4,000,000,000 draw on the Treasury I mentioned earlier to make possible 8¾% mortgages. It may also be helpful for the Board to make use of the surplus funds of the 12 Regional Banks to assist you in providing additional housing.

These devices, though, like having to depend upon the Board to raise money in the open market, have limitations. In addition to them I'd like to have other means, permanent ones and hopefully less costly, whereby your association can raise funds.

For example—and I am aware of the difficulties in obtaining them:

A really workable and fair variable interest rate so that you can adjust your portfolio income to meet some of the increase in costs in raising funds during money shortages;

A substantial increase in the level of insured accounts, at least to $40 or $50 thousand;

Some amount of public funds greater than the insurance-of-accounts maximum. The total could be determined by a formula that would prevent an association from accepting public funds in excess of a certain percentage of its assets;

Provision for a tax incentive to depositors that would exempt from taxation the first $500 or $750 of earned interest;

Restoration of Regulation Q to provide a differential of at least 50 basis points on passbooks, and 25 basis points on certificates on all accounts of less than $100,000;

In urgent situations such as we have today, provide that the Federal Reserve Board manage the money supply in a manner to aid your industry to have for housing an equitable amount of whatever money is available.

These and other approaches that could be identified would enable you to enjoy a flow of housing funds, and at low enough rates you could in turn make the money available to the homebuyer at a more reasonable rate than otherwise possible.

If the savings and loans fail to attract deposits, they will cease to be financial intermediaries. This would be harmful in many ways, and thus the need to adopt new programs and perfect old ones.

It would require action by Congress to achieve most of what I am suggesting. But as Senator Cranston said in a speech last October, and as Senator Sparkman said to me just this week, it is the Congress, not the Treasury Department, nor the Federal Reserve Board, nor the uncertainties of the money market that must keep the savings and loan industry functioning.

4. Yet another observation is that you must find more effective ways to serve the personal needs of your depositors.

I'll quote one paragraph from a recent speech by Floyd Cooper, former President of the American Savings and Loan Institute, and President of the American Savings and Loan Association of Orlando, to explain what I mean:

"We're going to anticipate, listen to, and respond to the changing needs of the consumer. We're going to have checking accounts, if that's what he needs from us, and consumer loan powers including the overdraft mechanism. We're going to be using more plastic cards and monthly statement accounts if that's what he needs. We're going to provide tax counseling, social security information, insurance counseling, mutual funds, and we may even be handling his family budget. We're going to pay his bills for him, help him plan his estate, his vacations, and maybe even his career."

Here I want to put in my only commercial plug. Just a few days ago I read an article explaining that commercial banks are doing a better job reaching young families, single or married, than you are. This should not be so, especially those young people that want shelter. Most of them are good credit risks, but don't have large down payments. Potentially they are your future savers, your meat and bread source for new savings. Mortgage insurance makes it possible for you to lend them money to buy shelter at low down payments, and at least a part of your loans diverted to that use will pay good results later in obtaining deposits.

Several sources, including my own Company, have special programs to help you teach them to begin now to save a down payment. During the next 10 years the number of young adults, 20 to 34 years old, will grow by 12 million to 61 million.

With regard to reaching this age group, and in fact all citizens, let me urge your support of the Savings and Loan Foundation. Under the leadership of Mike Stevenson and Bill Divers it is doing a phenomenal job of taking to the American public the story of your importance to the nation's well-being.

In speaking of serving your savers, I do not overlook the electronics funds transfer system. It's importance to the continued growth and stability of your industry cannot be too strongly emphasized. I shall not elaborate since you will have had a full discussion of this matter during the Conference. It is something, though, that you cannot neglect. Perhaps you saw the U.S. Treasury announcement a few days ago that by the end of 1975 it hopes to have all its 30,000,000 social security recipients on an electronically payment basis.

5. Your industry will have to devise ways to contribute more substantially, without Federal Government subsidy, to rebuild the inner city and to rehabilitate salvageable housing.

Don Joos of Benjamin Franklin Federal, Philadelphia, Pennsylvania, can tell you a heart warming and almost unbelievable story of what he has accomplished in this area. There are other examples, but his is one of the best.

The cooperation of local governments in permitting more flexible design and property standards, in assuming a reasonable share of responsibility for street and utility improvement, and in giving justified tax breaks to developers can aid tremendously both in rehabilitation of existing housing and the building of new housing at reduced costs to the occupants.

Before ending my remarks, I want to suggest that the nation's most damaging and ominous experience with inflation during this century shows little evidence of being corrected. Unfortunately there is confusion and disagreement at the top in our government concerning this troublesome and cancerous problem. The President tells us one day that the worst is behind us—something we have heard for five years—and Chairman Burns of the Federal Reserve Board the next day says "if past experience is any guide, the future of our country is in jeopardy".

Who's telling the truth? I am afraid it is Chairman Burns, and if so we have more months of economic suffering. Pretty largely by default the only "policy" being devised is that of tight money imposed by the Fed. Among other economic evils this means high interest rates, reduced volume of housing and reduced if not negative inflows to your industry.

So far as your industry is concerned, there is reason to believe you will survive without irreparable harm and that conditions will improve before the end of the year. You have an able and alert Board, and industry leaders who are knowledgeable and effective in their relations with Congress. I believe that Congress has a better understanding than two or three months ago of the seriousness of your situation. And I think helpful legislation that you have heard about during this Conference will be passed within the next few weeks.

We have had tough times before, but I can tell you that you are better prepared today and have more going for you than on similar occasions in the past.

As you consider the need for and the advantages of a well-housed citizenry, you can literally say that you live in a time of "opportunities unlimited", and more challenging than you have ever experienced.

Every meeting I have attended this year, and yours is no exception, there is concern about the future of your industry.

There is fear about what will be the results of the pressures brought on by the new emphasis on ecology and consumer demands led often by members of Congress; fear concerning the fuel situation; and downright fright regarding inflation. Unquestionably we are in a new era that will bring more change during the next decade than experienced during the last.

I want to stay around to see the adaptations that will be necessary and will be made.

I'm optimistic enough to believe we will adjust and be stronger than ever.

And in my optimism is the conviction that the nation just cannot afford the loss of a $270 billion industry which supplies more than half the funds to shelter the families of America.

Thanks again to you all for the pleasure of being with you at another one of your annual conferences.

BEHAVIOR MODIFICATION AND THE FEDERAL AGENCIES: HEW AND LEAA

Mr. ERVIN. Mr. President, two recent developments have stimulated my concern that the executive branch is reluctant to take decisive action to resolve the difficult and important issues raised by behavior control technology and its impact on individual rights.

I was disturbed to read in the Washington Post of June 5 that an important report concerning the merits of psychosurgery has bogged down in the bureaucracy and internal politics of the Department of Health, Education, and Welfare. The report was completed over 6 months ago, and made several substantive recommendations concerning the practice. Because of its potential impact and influence, it should have been endorsed and formally released long ago.

As I have stated many times, behavior control technology is growing in the United States at a much faster rate than our ability to deal with the important implications of that technology. Of all of the methods of modifying human behavior currently being developed, psychosurgery is the most controversial because it is direct, permanent, and as yet, unproven. The HEW report, written by a panel within the Mental Health Division of the Alcohol, Drug Abuse, and Mental Health Administration, makes several important conclusions and recommendations that previously have not been voiced by an organization as influential as the Department of Health, Education, and Welfare. Among other things, the report states that:

> Psychosurgery should be defined as an experimental therapy at the present time. As such, it should not be considered to be a therapy which can be made generally available to the public because of the peculiar nature of the procedure and of the problems with which it deals.

The report also recommends the development of strict guidelines to control the practice. While these recommendations are lying dormant in the bureaucracy of HEW, between 600 and 700 unrestricted psychosurgical operations continue to be performed annually by neurosurgeons that consider the practice to be proven therapy. I see no reason why this report should not be formally released at once, and why definitive action concerning its recommendations should not be taken at the earliest possible time. I have written to Secretary Weinberger requesting that he endorse and release the report, and informing him that I intend to reprint it in the RECORD. I feel that the report should be made available to the many people concerned and that it should be fully considered as a significant step toward the resolution of the problems raised by practices that seek to alter individual personality.

It is vital that HEW begin to provide more positive leadership in this important area. Virtually all other research organizations and Government agencies look to HEW for guidance in special problems arising out of medical research. But more important, it is essential that the Department move more vigorously to resolve the many questions concerning individual liberties that remain to be answered as behavior control technology continues to grow at a rapid and uncontrolled pace.

HEW has dragged its feet on other matters relating to behavior modification and behavior technology. In response to a February 22 inquiry from the Senate Subcommittee on Constitutional Rights, the Department indicated that it was conducting a detailed departmentwide survey to determine the extent of HEW involvement in "biomedical and/or behavioral research designed to alter the behavior of individual subjects." In its May 10 response, HEW provided detailed information for the Public Health Service, one of the agencies in the Department. It also indicated that additional information would be forthcoming as soon as "we finish canvassing the other agencies of the Department." Over 2 months later—6 months after the initial inquiry—the subcommittee received a copy of revised departmental regulations. This apparently is intended as a substitution for the additional substantive information that was requested. The subcommittee has made it known to the Department that it is far from satisfied with its June 12 response, and it appears that a definitive answer is finally on its way.

HEW is not the only executive agency that is reluctant to take definitive measures to eliminate the threats to individual liberties posed by behavior modification. Recently, I have learned that the Law Enforcement Assistance Administration continues to fund hundreds of projects related to the technology of behavior modification in the absence of any meaningful control or review, and in spite of an announcement last February by LEAA that funding for such projects was to be reviewed and probably canceled.

On January 14 of this year, I sent LEAA a detailed inquiry in which I stated my view that:

> The agency ought to consider a moratorium on the further use of its funds for these purposes until it develops guidelines at least as comprehensive as those now under consideration by HEW and the Congress.

Four weeks later, in a highly publicized press release, LEAA Director Donald Santarelli responded by announcing the cancellation of all funds for medical research, chemotherapy, psychosurgery and behavior modification because, in his words,

> There are no technical skills on the staff to screen, evaluate, or monitor such projects.

In spite of this directive, which seemed at the time to be perfectly clear, I have learned that LEAA apparently continues to fund these behavior-connected projects and as yet has taken little or no action to put its press release into effect. In a June 25 response to a follow-up inquiry to LEAA requesting a list of all projects that have been discontinued as a result of the new policy, the agency indicated that only two or three have actually been suspended, and those were suspended prior to the February 14 announcements. In short, LEAA thus far has made very little effort to implement its own highly touted policy. This seems to me to be a perfect example of government by press release.

When it was learned that LEAA has made no substantive attempt either to provide an adequate ethics review structure or to cancel all funding for projects relating to behavior control technology in the absence of one, the subcommittee informed the agency that it believed its response was less than sufficient. Shortly thereafter, on July 15, I received an additional letter from the agency indicating that a thorough check will now be made—6 months later—to determine whether LEAA continues to fund programs dealing with medical research, chemotherapy, or behavior modification. In announcing the cancellation of funds for these purposes last February, Director Santarelli stated clearly that:

> The fields of activity covered by my directive are so tenuously related to crime control and so beyond this agency's competence to judge that they cannot be supported with LEAA funds.

Hopefully, LEAA will now finally take its own directive to heart and either cancel funding for such projects or provide a detailed review structure of the kind that it agrees is absolutely essential if the vast potential for the infringement of individual liberties that presently exists is to be eliminated. Certainly acting in July on a policy announced in February—and then only because of the fear of public embarrassment—is hardly the way for LEAA to meet its responsibilities.

The less than adequate response on the part of LEAA, coupled with the reluctance by HEW to implement its own important recommendations, are indicative of the insufficient leadership on the part of the executive branch in this important area of individual liberties. While virtually everyone involved in the controversy agrees that behavior modification and related practices raise serious questions of freedom, privacy, and self-determination, the executive branch has made few meaningful efforts to provide mechanisms whereby those questions can be thoroughly considered and resolved. In the face of the apparent unwillingness of the executive branch to exert the necessary leadership, however, the Congress has stepped in, and some measures are beginning to emerge.

Two weeks ago a very important piece of legislation passed both Houses of Congress with very little fanfare. Hopefully, this legislation will provide some of the leadership that as yet has been lacking in this difficult area of individual rights. Title 2 of H.R. 7724 establishes within HEW the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. Among other things, the Commission is to undertake "a comprehensive study of the ethical, social, and legal implications of advances in biomedical and behavioral research and technology." The Commission will also conduct an investigation and study to determine the need for a mechanism to insure that human subjects in biomedical and behavioral research not subject to regulation by the Secretary [of HEW] are protected. If the Commission determines that such protection is needed, it is to develop and recommend to Congress the necessary review mechanisms. H.R. 7724 is the result of the very fine work of Senator KENNEDY, Congressman PAUL ROGERS, Congressman RICHARDSON PREYER, and others who are due an expression of gratitude for guiding this important legislation through the Congress.

In addition, the Senate Subcommittee on Constitutional Rights, which I chair, has been conducting an extensive staff investigation into the wide spectrum of behavior modification techniques for some time. A report of this investigation will be released at a later date. This report, along with the study of the Commission for the Protection of the Rights of Human Subjects of Biomedical and Behavioral Research, hopefully will provide some impetus for the development of guidelines that will minimize the threat to individual liberties posed by the emerging behavior control technology. This technology cannot be depended upon to control itself. Therefore, it is essential that all parties concerned work together to resolve the fundamental issues involved once and for all.

Mr. President, I ask unanimous consent to have printed in the RECORD the June 5 Washington Post article, a recent letter I have addressed to Secretary Weinberger, the HEW phychosurgery report, my recent inquiry to the Law Enforcement Assistance Administration, and the two responses to that inquiry.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 5, 1974]

Surgery Report Bottled Up

(By Craig A. Palmer)

A report bottled up in the federal bureaucracy since January recommends a temporary halt to most psychosurgery, the brain operation that some opponents call "murder of the mind."

Psychosurgery is defined in the reports as the destruction of brain tissue with the primary intent of altering behavior, thought or mood.

The Jan. 21 report was from the National Institute of Mental Health to its parent agency, the Department of Health, Education and Welfare. It was based on consultation with scientific, legal, social and ethics experts.

HEW spokesmen said the report is being considered but that no action has been taken and none is likely soon.

"Psychosurgery should be regarded as an experimental therapy at the present time," says the report, signed by Dr. Bertram S. Brown, director of the institute. "As such it should not be considered to be a form of therapy which can be made generally available to the public because of the peculiar nature of the procedure and of the problems with which it deals."

This and the report's other recommendations would have the effect of ending most psychosurgery until proper guidelines can be drafted, the report said.

The effect of holding up the report is to allow the surgery to continue without any guidelines as to patient selection and alternative treatment.

The report estimated that 100 to 1,000 psychosurgery operations are performed annually, an unspecific estimate that indicates the lack of solid information available about the procedure.

Among the report's other recommendations:

No psychosurgery should be performed on involuntarily confined persons or on persons incapable of giving informed consent;

A registry should be established to monitor the types of patients chosen, outcomes of the treatment and other aspects of psychosurgery.

The delay in acting on the report appears to be due at least in part to the fact that HEW wants to consider psychosurgery as one part of larger project to draft rules to protect children, prisoners and the mentally incompetent from various forms of medical experimentation. (An NIMH expert said he doubts that any psychosurgical operations are still performed in prisons.)

U.S. SENATE,
Washington, D.C., July 12, 1974.

Hon. CASPAR W. WEINBERGER,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR SECRETARY WEINBERGER: I was concerned to learn in a Washington Post article of June 5 that no definitive action has been taken concerning the findings of a study of psychosurgery conducted by the Mental Health Division of the Alcohol, Drug Abuse, and Mental Health Administration. To quote from the January 21 report of the study, "Psychosurgery should be defined as an experimental therapy at the present time. As such it should not be considered to be a therapy which can be made generally available to the public because of the peculiar nature of the procedure and of the problem with which it deals." I would like to know why the report has not yet been formally released, and why no action concerning its recommendations has been taken.

Psychosurgery is a practice that poses a profound threat to individual privacy and freedom. I am disturbed that the Department of Health, Education and Welfare has not taken the steps recommended in the report of its study to minimize this threat, and thereby provide the leadership it should as the premiere health organization in the world. While the merits of psychosurgery may be debatable, the rights and well-being of individual citizens cannot be compromised. I suggest that action on the recommendations of the study be taken at once, and that a formal moratorium be placed on the practice until the vital questions concerning its use can be thoroughly considered and resolved.

This report would have an important and positive impact on the growing controversy surrounding psychosurgery. As such, it should be made generally available to all those concerned. This, I am sure you will agree, will serve the public interest better than a piecemeal and possibly distorted release through newspaper articles. For that reason, I believe it would serve a useful purpose to insert the report in the Congressional *Record*. A formal endorsement by the Secretary of the Department would add to the positive influence of this very important report.

With kindest wishes.

Sincerely yours,

SAM J. ERVIN, Jr.,
Chairman.

Psychosurgery Report of the NIMH—Information

INTRODUCTION

In preparing this report, NIMH staff have relied heavily on consultation with numerous outside experts in scientific, clinical, legal, and ethical matters. Two separate groups were convened, one group composed of scientists and clinicians, and a second comprised of legal, philosophical, and ethical experts, as well as representatives of various population groups alleged to be "at risk" as potential psychosurgery candidates. A membership list for each of these two panels appears as Attachment A.

NATURE OF THE PROBLEM

Psychosurgery is the destruction of brain tissue with the primary intent of altering behavior, thought, or mood. The current controversy about psychosurgery stems from a number of factors spanning scientific, philosophical, political, and moral issues. In order to understand the nature and source of the psychosurgery controversy, it is necessary to make explicit some of the different viewpoints that are often unstated when the psychosurgery issue is discussed.

1. A fundamental concern about psychosurgery derives from differing philosophical views of the relationship between mind (the self) and the brain. Much opposition to psychosurgery, and often the most vociferous opposition, is based on the conviction that any physical damage to the brain is tantamount to destruction of the "self." This viewpoint is most strongly illustrated by some of the rhetoric used by opponents of psychosurgery who equate it with "murder of the mind." Proponents of psychosurgery, while usually not articulating an alternative philosophy, do not equate the brain with the self and take a pragmatic approach to mental or behavioral disorders in which the primary criterion for selection of a treatment is the question of whether it works or not.

2. A closely related issue is the differing viewpoints about the causal factors in mental illness. Some psychosurgeons rationalize surgical treatment on the hypothesis that mental or behavioral disorders arise from biological dysfunction in the brain, and that appropriate treatment must be based on manipulating or changing the biological substrate of behavior. Others, however, hold the view that disturbed behavior is a result of adverse environmental influences and that the solution to mental illness or behavior disorders is to manipulate or change environmental variables. While both of these views are extreme positions held only by a few, and are untenable in view of our current knowledge about the complex interrelations between environmental and biological causative factors, they illustrate another philosophical argument that, in frequently more subtle form than illustrated here, is one of the roots of the phychosurgery controversy.

3. Although virtually all psychosurgical procedures and technical innovations, including the first lobotomies, were suggested by experimental brain research with animal subjects, the scientific rationale for any psychosurgical procedure is still quite tenuous. Generalizations from animal research have often been based on incomplete understanding of the complexity of behavior, logical deductions of dubious validity, and an uncritical acceptance of similarities of brain-behavior relationships in animals and man. Although we know a great deal about how the brain influences a variety of specific and limited animal behaviors, our understanding of the complex emotional and cognitive behaviors of man is extremely limited. On the other hand, many proponents of psychosurgery would argue, quite rightly, that many medical therapies are based on a pragmatic criterion of effectiveness rather than an understanding of the physiological mechanisms underlying the disease or its treatment.

4. In contrast to most physical illnesses, many of the functional mental and behavioral disorders constitute a class of poorly defined and difficult to diagnose diseases or disorders. Thus, there is considerable concern about treating with surgical means any disorder which cannot be clearly defined and diagnosed. Such problems also come to the fore in any attempt to judge the outcome of psychosurgical treatment, with the criteria for cure or ameliorization not being clear or universally agreed upon.

5. A key issue in the psychosurgery controversy is whether or not psychosurgery is an experimental procedure. Most psychosurgeons regard it as an accepted practice of proven efficacy while critics claim it is an experimental therapy in view of an alleged unpredictability of outcome, lack of evidence about efficacy, and lack of scientific rationale.

6. Alternative therapies to psychosurgery is another divisive issue. Although a great deal of research is being done on drug therapies and various forms of psychotherapy or behavior therapy, there are numerous instances in which none of these alternatives seem to offer any relief, and the patient is faced with a dehumanizing fate in an institution, often with pharmacological restraints that equal or exceed any personality destruction that is claimed to be caused by psychosurgery. In these instances, psychosurgery might be seen as a reasonable last-resort therapy, on the other hand, there is no agreement or guidelines among practitioners about the duration, intensity, or degree to which other therapies should be tried before resorting to psychosurgery. Psychosurgery critics claim, often correctly, that confinement in an institution does not guarantee adequate attempts at therapeutic measures short of psychosurgery, and that psychosurgery is frequently performed before other alternatives are tried to an adequate extent.

7. Closely related to the problem of psychiatric diagnosis is the issue of the extent to which mental or behavioral disorders are socially defined. This issue most often surfaces in the context of the psychosurgical treatment of aggressive or violent behavior in which critics of psychosurgery express the fear that it will be used for nefarious purposes as a means of controlling political or social dissidents. Stated in more general terms, the critics charge that psychosurgery has been or can be used to change behavior for the convenience or comfort of persons other than the patient himself. Thus, there is claimed to be a bias toward the use of psychosurgery in blacks, women, and other minority or disadvantaged population groups. There is no reliable data available on this point.

IMMEDIATE NEEDS AND ACTIVITIES

Extensive discussion of these areas of concern with scientific, clinical, legal, and ethical experts, as well as representatives of the lay public and of some of the population groups claimed to be "at risk" for psychosurgery, has led NIMH staff to propose a number of specific activities that will be necessary in order to resolve some of the above-discussed issues, and to some interim recommendations that may be subject to modification as further information is obtained.

The following issues must be resolved before any informed and reasonable position can be taken on psychosurgery:

1. To what extent does the currently-available scientific and clinical literature provide a basis for an informed judgment about the efficacy of psychosurgery and the severity of untoward effects? Knowledgeable scientists and clinicians with whom we have consulted are of the opinion that the existing literature will not, by itself, provide a sound basis for such a judgment. Inadequacy of pre- and post-operative behavioral and psychological testing, lack of long-term followup of patients, and general inadequacies of clinical and behavioral reporting characterize much of the published literature. However, despite these deficiencies, NIMH staff and consultants feel that an updated literature survey and analysis could provide some useful data that, in combination with other sources of information, may permit us to come to a more objective evaluation about the efficacy and adverse effects of psychosurgical treatment. What is needed goes beyond a simple compilation of psychosurgical publications and must include a critical evaluation and analysis of the published data by the various relevant scientific and clinical experts. There should also be developed a system for the continuous monitoring and updating of the literature in psychosurgery.

One of the most useful outcomes of this literature survey and analysis would be the development of a uniform reporting protocol for literature in psychosurgery. By identifying deficiencies in the existing literature, recommendations could be made for the types of clinical and behavioral data that appear to be necessary to provide a scientifically valid contribution to the future psychosurgery literature.

2. Estimates of the number of psychosurgical procedures conducted in this country each year have varied from 100 to 1000. It would seem to be important to have a more realistic figure for the extent of psychosurgery practice, since we are presently dealing with a problem of unknown dimensions. A survey of the current extent of psychosurgical practice is an important and immediate need.

3. There exists an unknown but presumably large number of patients who have undergone psychosurgery in the past. No systematic attempt has been made to determine their current status. Although such a follow-up project would depend on the cooperation of the patient and the medical and psychiatric staff involved in his case, and would present problems of confidentiality in the physician-patient relationship, we feel that such an effort could provide badly needed information relevant to the efficacy issue.

4. Relying on activities 1–3, and using the resources of the NIMH staff, its outside consultants, and by contract with outside organizations, a concerted effort should be made to develop guidelines for the conduct of psychosurgery. Such guidelines should include criteria for the selection of patients, what alternate therapies should be attempted (and for how long) before performing psychosurgery, development of informed consent procedures to meet the special problems posed by treatment of the mentally ill, and (if the information obtained in 1–3 above permits) guidelines for the type of operation that seems to be most beneficial for the various categories of behavior, thought, or mood disorders.

INTERIM RECOMMENDATIONS

The activities outlined above will require considerable time, probably on the order of two or three years. Since psychosurgery practice will continue during this time period, the NIMH makes the following recommendations with the intent of providing the maximum possible protection for potential psychosurgery candidates without unduly inhibiting practice for those cases which, judged by our present standards and knowledge, appear to require psychosurgery for relief of extreme mental illness or behavior disorders.

1. Psychosurgery should be regarded as an experimental therapy at the present time. As such, it should not be considered to be a form of therapy which can be made generally available to the public because of the peculiar nature of the procedure and of the problems with which it deals. Special constraints that apply to any experimental therapeutic procedure are required and the procedure should be only undertaken in those circumstances where there is special competence and experience and in institutional environments where appropriate safeguards are documented to be available.

The designation of psychosurgery as an experimental therapy imposes a number of stringent but essential constraints on practice: comprehensive research protocols must be developed whenever psychosurgery is undertaken in order to assure that the maximum scientific value and information is obtained; psychosurgery should be conducted only in hospitals with strong and intimate affiliation with, and commitment to, academic sciences; it is absolutely essential that informed consent procedures be given primary consideration; every effort must be made to insure that all reasonable alternative therapies, based on our present state of knowledge, are attempted to an adequate extent before resorting to psychosurgery.

2. *No psychosurgery should be performed on involuntarily confined persons or persons incapable of giving consent, either by reason of age or mental condition.* The NIMH is in full and complete accord with the recent decision of the Circuit Court for the County of Wayne, State of Michigan, which concluded that involuntarily confined mental patients cannot give informed and adequate consent to psychosurgery. We would also apply this judgment to prisoners and to persons under the age of consent.

3. *A registry should be established to monitor psychosurgery practice and to provide a continually updated source of information about the extent of the practice, the type of patients selected, and the outcome of the treatment.* We would also suggest that the registry have provisions for indicating intent to perform a psychosurgical procedure, so that scientific and clinical experts in psychology, psychiatry, and neurology have an opportunity to assess the patient's status prior to operation, as well as to study the short- and long-term effects of psychosurgical treatment.

CONCLUSION

In the many discussions held between NIMH staff and consultants, the possibility of recommending a voluntary moratorium on psychosurgery practice was frequently brought up. However, we have concluded that this would not be an appropriate action, for at least three reasons: 1) it would constitute an unprecedented Federal prescription of the parameters of permissible and impermissible surgery for the medical profession; 2) the difficulty of arriving at a precise and consensually agreed-upon definition of psychosurgery, specifically in the cases of surgical treatment for epilepsy and intractable pain, would vitiate the effectiveness of any moratorium—psychosurgery could, in many cases, continue under the guise of treatment for epilepsy or other neurological disease; and 3) the interim recommendations listed above amount to at least a partial moratorium, calling for cessation of that psychosurgery practice which is most subject to criticism.

With regard to the various activities outlined above, which are designed to provide a sound basis for judging the value of and indications for psychosurgery, the NIMH is soliciting contract proposals from outside organizations possessing the special expertise necessary for approaching these problems. However, we have received no satisfactory responses to a recent "sources sought" notice in the Commerce Business Daily. This fact, combined with our discussions with consultants and potential contractors, has made it clear that some of the projects that we consider essential for reasoned judgments about psychosurgery practice will be quite difficult to accomplish. A number of serious problems present themselves, including whether or not the necessary degree of cooperation can be obtained from the professional disciplines involved in psychosurgery and difficulties in the area of the physician-patient relationship and confidentiality of clinical records. Thus it is difficult to provide at this time any timetable for completion of these tasks. We will continue our activities in trying to develop a contract that will satisfy the necessarily stringent scientific, clinical, and managerial criteria that must be applied to such an effort.

BERTRAM S. BROWN, M.D.

JUNE 3, 1974.

Mr. DONALD E. SANTARELLI,
Administrator, Law Enforcement Assistance Administration, Washington, D.C.

DEAR MR. SANTARELLI: Thank you for your response to my letter of April 2 in which I requested a copy of a computer printout listing LEAA-funded projects that are in some way related to the study of human behavior.

By way of providing further information for the subcommittee's study of biomedical and behavioral research, would you please forward a list of all projects described in the printout whose funding has been canceled pursuant to the LEAA press release of February 14 and the resulting guidelines. As you suggested in your response of April 23, much of the information contained in the printout is irrelevant to your present concern. There are, however, a number of other projects listed that would appear to raise important constitutional and ethical questions when conducted in the absence of thorough professional and technical evaluations. Because, as stated in the press release, LEAA lacks the skills necessary to conduct such evaluations. I am particularly interested in the steps that have been taken to review funding for these other projects.

Because of a limited time schedule, I would appreciate a response to this request by Monday, June 17. Thank you very much for your continued cooperation, and I look forward to your prompt reply.

Sincerely yours,

SAM J. ERVIN, Jr.,
Chairman.

Hon. SAM J. ERVIN, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ERVIN: This is in response to your recent correspondence requesting a list of projects whose funding has been cancelled pursuant to the February 14, 1974, Law Enforcement Assistance Administration Guideline on Use of Funds for Psychosurgery and Medical Research.

As you will recall, the Guideline set forth LEAA policy not to fund *grant applications* involving the use or research of experimental medical procedures on human subjects for the purposes of modification and alteration of criminal and other anti-social behavior. Under the terms of the Guideline, all such proposals will be carefully screened and funding denied where appropriate. Any questionable proposals will be referred to the Department of Health, Education, and Welfare for review.

While the Guideline did not speak directely to the problem of ongoing projects, LEAA Regional Offices were directed to survey the various states as to projects affected by the Guideline and to take appropriate actions to end their support. Of the 55 jurisdictions responding, only eight indicated projects possibly covered by the ban (Arizona, California, Massachusetts, New Jersey, Ohio, Pennsylvania, Virginia, and Puerto Rico). Some of these had been terminated prior to the Guideline's promulgation, and decisions were made not to renew other projects.

Presently, only the status of two projects in Arizona remain in question. The Arizona State Justice Planning Agency, representatives of the State Supreme Court and the Superior Court of Pima County presently are reviewing two grants to the Superior Court of Pima County to determine whether they are admissable under the Guideline. The grants are $10,675 for the Court Clinic Medical Fund and $60,000 for the Pima County Court Clinic.

Your interest in this matter and the programs of the Law Enforcement Assistance Administration is appreciated.

Sincerely,

RONALD E. SANTARELLI,
Administrator.

LAW ENFORCEMENT
ASSISTANCE ADMINISTRATION,
Washington, D.C., July 15, 1974.

Hon. SAM ERVIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ERVIN: We have reviewed the material contained in our files concerning the promulgation on February 14, 1974, of Law Enforcement Assistance Administration Guideline No. G6060.1, prohibiting the use of LEAA funds for projects involving psychosurgery or medical research, and have determined that it is appropriate that we supplement our June 25, 1974, communication to you on this subject.

While the LEAA review process has resulted in the findings indicated in the June 25 letter, we are supplementing that process with a further review of LEAA-funded projects, particularly those administered by the states under the block grant program.

You will recall that we previously submitted a print-out of approximately 400 projects which, given the limitations of the computerized information program in use at that time, were identified as being in some way related to medical research or behavior modification. Our supplemental review will include each of those 400 projects to assure that none are in violation of the letter or spirit of the Guideline. We expect this review to be completed on August 15, 1974, and will be pleased to provide you with the results of the review as soon as possible.

Your interest in the programs of the Law Enforcement Assistance Administration is appreciated.

Sincerely,

CHARLES R. WORK,
Deputy Administrator for Administration.

THE PUBLIC DEMAND FOR SOUND ECONOMIC POLICY

Mr. PERCY. Mr. President, the state of the economy is one of the most pressing problems we face today. Every American is aware of the long list of ills affecting our economy. Inflation, rising at the rate of 14.5 percent per annum, record high-interest rates, and shortages of commodities affect every aspect of our daily lives.

In order to further my understanding of these critical issues, I recently requested the advice and counsel of leading citizens from my State of Illinois and from major business centers around the country. Hundreds responded, some from small businessmen, some the leaders of sizable corporations, and other private citizens and civic leaders, all expressing their concern about inflation in response to my inquiry.

Their response was immediate and definitive. The large majority of those responding expressed their conviction that inflation is our No. 1 domestic problem.

Mr. President, people are realistic in the face of crisis—especially this economic one. They see no easy solutions to the spiraling cost of living. However, they do demand two things from their representatives in Washington—leadership and integrity. Our citizens see the crisis in Government as a great vacuum which drains our ability to solve the inflation problem.

The cry of concern is constant throughout the Nation. A businessman from Lancaster:

> Politicians must somehow reestablish the fact that only forthrightness is acceptable. Where is our leader?

A taxpayer from California referred to our handling of inflation when he said:

> This will be painful, but there is no easy way out. It is time for Members of Congress to act like statesmen and not like politicians.

If we accept the call to action, we must quickly implement policies which dig to the roots of inflation. Many of the leaders I contacted have clear ideas on how those policies should be shaped.

Over 85 percent of my respondents feel that balancing the budget would be the most effective way to combat inflation. They applaud our efforts in passing the Congressional Budget Act, which sets budget ceilings and national spending priorities; but they know this is only a beginning.

My respondents are appalled, quite simply, at the state of the Federal budget. We ask our citizens to tighten their belts in this difficult period, and they reasonably ask us to do the same. The President of a local chamber of commerce in Illinois writes:

> The waste in the Federal Government budgets simply astound any businessman who knows economics. The Government must set the pace.

Another proposal to fight inflation has been to harness our economy with more economic controls. The recent experiment in this area proved to be a complete failure. Controls merely created new supply and price distortions. I am committed against any program which would renew controls. Over 70 percent of my respondents share that position. They see the philosophy of controls as "disastrous" and "a fallacy."

They are equally opposed to the institution of the proposed $6 billion tax cut. The maintenance of the present level of taxation ranks third in the average priority list of my respondents. They agree, as I do, that a cut in taxes at the present time is bad economics as well as bad politics. The poor would not benefit from this measure. The loss of income in view of the Federal budget deficit would be disastrous. Thus I am confirmed in my belief that we should totally reject a tax cut at this time.

In my view, restraint on the part of business and labor is one of the keys in the fight against inflation. Now that the economy is free of controls, both parties must resist the temptation to boost prices and escalate wage demands.

Again, over 70 percent of those responding to my inquiry feel that business should seek to stabilize and reduce prices if possible, while labor should hold the line on wage increase demands.

My respondents have other suggestions. These issues are lower on their priority lists, but also are of critical importance in the fight against inflation:

First. National priorities should be rearranged so funds can be saved during this difficult period. Some believe we cannot afford to provide foreign aid programs which are not constructive and, in some cases, work possibly against the best interests of the United States.

Second. Though taxes should not be reduced, we should implement tax reform so the Government can collect revenue which the public perceives as improperly flowing through improper loopholes in our tax structure; and

Third. Joint labor/management productivity councils are needed so labor can gain through bonuses and profit sharing, and business can receive a greater return on its investment at stable prices, through this greater efficiency.

Mr. President. I found the advice of

my respondents both helpful and constructive. They believe, as I do, that a sound cooperation of business and labor in a free economy is the best remedy for our inflationary ills.

I urge my colleagues to take these views into consideration and to seek advice from their own constituencies. We can make headway against inflation only if we do so with common resolve.

WELFARE SYSTEM CALLED CLUTTERED, INEFFECTIVE

Mr. BIDEN. Mr. President, the Department of Health, Education, and Welfare recently made public another comprehensive study outlining the failures of our welfare system.

The results should surprise no one. For in spite of all the congressional rhetoric about the need for welfare reform, as this study demonstrates, our present system continues to be riddled with inequity, inadequacy, and inefficiency.

The harsh reality is that our welfare system is not working as well as it should.

It is not working for the average taxpayers who are asked to foot the bill for a system that provides little assistance for those truly in need, while encouraging husbands to leave families and workers to leave their jobs. It is not working for the thousands of governmental workers who have to spend their working hours fighting bureaucratic redtape instead of helping the people they are suppose to serve. It is not working for most of the welfare recipients, who are struggling to maintain the health of their families and keep their own dignity under a system that makes both almost impossible.

I realize that welfare reform is no longer a "glamorous" issue or good "copy". But our welfare problems have not faded away simply because they no longer make the front pages of our newspapers. Nor will they be resolved if we continue to substitute studies for action, or to focus our complaints solely on welfare cheaters, instead of on how the present system cheats everyone involved, including the taxpayer, the social worker and the recipient.

The burden of proof for reform of this welfare system rests with the U.S. Congress. As we approach our bicentennial celebration, let it not be said that America's welfare system continues to be a national disgrace because the Congress that created it, refuses to reform it.

Mr. President, I ask unanimous consent that the Washington Post article, "Welfare System Called Cluttered, Ineffective" be printed following my remarks in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WELFARE SYSTEM CALLED CLUTTERED, INEFFECTIVE

(By Bradley Graham)

The Department of Health, Education, and Welfare yesterday made public a report on the welfare system that constitutes one of the severest criticisms of domestic aid program in recent years.

Citing inequity, inadequacy and inefficiency, the study condemns the existing conglomeration of income-supplement programs as hopelessly disjointed, often functioning at cross-purposes and failing to help those most in need.

Prepared last spring for HEW staffs as a working paper on welfare reform, the report examined alternative programs and prospective goals. But it gives little hint of what the administration will propose as a substitute later this year.

It was made public because HEW officials believe it is the most complete compendium on the welfare system written since 1967.

The 150-page report concedes that a coherent strategy for the whole system is impossible in view of conflicting objectives and limited resources. In general it recommends a much simpler set of programs, and its major specific recommendation is for a reduction in the number of executive branch agencies and congressional committees dealing with welfare reform.

Using data compiled by the University of Michigan, the report reveals that from 11 to 13 per cent of the population remained poor over the past five years despite income transfer payments. It adds that welfare benefits removed from poverty only 16 per cent of the families who would have been poor in the absence of the current welfare system.

At the same time, the report notes, benefits coming from a combination of programs do in some states yield substantially more than a minimal standard of living for certain categories of recipients.

Instances of fraud are not substantial, the report said. Given the wide variety of benefits in some areas, a family can legally live a comfortable life without working, it adds.

The HEW paper concludes that the welfare system has failed to:

Insure equity. The largest welfare program—aid to families with dependent children—is essentially a program for families headed by females. Thus many intact, male-headed families of the same size and income receive no benefits. The unintended result: husbands are induced to leave their families.

Encourage self-help. Welfare program contain work incentive created by stiff benefit reduction rates. Again, an unintended result: a working person may be encouraged to leave work in order to be eligible for welfare benefits.

Operate efficiently. The welfare system is characterized by administrative overlap and inefficiencies.

The HEW study attributes many current difficulties to creation and independent structuring of programs "without much regard to the administrative efficiency that could be realized through common eligibility criteria and common program definition."

Among the key goals of welfare reform, the report saw, are positive work, so that those who can work will find it in their interest to do so, target efficiency, meaning benefits should be accurately directed at those most in need, and administrative efficiency.

The report suggests that a major concern should be aid to the working poor, who account for a large proportion of those in poverty but are not covered by most of the transfer programs.

"Many people working full time," the report says, "are still not able to earn enough to keep themselves or their families out of poverty. They require regular, but small supplementation in order to raise their incomes to minimum standards of adequacy."

BRITISH GOVERNMENT REJECTS AMERICAN NUCLEAR PLANTS ON SAFETY QUESTIONS

Mr. GRAVEL. Mr. President, it is ironic that the British Government rejected American nuclear power reactors as too dangerous during the same week that the U.S. House of Representatives accepted claims about their safety and passed H.R. 15323—July 10.

When that nuclear insurance bill comes up in the Senate, I hope that my colleagues will vote for its recommittal or defeat, so that we will have time for a thorough inquiry into the British decision. Why should the U.S. Senate pass a bill to encourage nuclear plants which are not good enough for Britain?

I offer for consideration an article, "British Rejection Spurs N-Plant Warning in U.S." from the Boston Globe, July 14, 1974. The article includes reference to the Union of Concerned Scientists, whose address is P. O. Box 289, MIT Station, Cambridge, Mass. 02139.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Sunday Globe,
July 14, 1974]

BRITISH REJECTION SPURS N-PLANT WARNING IN UNITED STATES

(By Paul Langner)

Britain's rejection last week of American nuclear power technology means that "the safety of America's nuclear power plants has been discredited," the Cambridge-based Union of Concerned Scientists and consumer advocate Ralph Nader said in a joint statement released today.

On Wednesday, the Labor government of Harold Wilson ended 18 months of debate on nuclear safety by rejecting both a Westinghouse Corp. design for a pressurized water reactor and a gas-cooled type developed in Britain.

Instead the British government settled on a different British reactor design, the so-called steam generating heavy water reactor. About six of them are to be built in the next four years.

The Westinghouse design had been the last type to be considered by Britain's Central Electricity Generating Board and had been recommended by the board to the government.

In ruling against the generating board's advice, the government followed the recommendation of its Select Committee on Science and Technology and its former science adviser, Sir Alan Cottrell, that Britain reject altogether the so-called light water reactor.

This type of reactor, of which there are two basic versions, is the workhorse of American nuclear power. All of New England's nuclear power plants have the light water reactor. The Westinghouse design, the pressurized water reactor, is installed in the Yankee plant at Rowe, Mass., and in the Connecticut Yankee plant near Haddam Neck, Conn.

Britian's proposed reactor units will use the same fuel as do American reactors, but their coolant will be heavy water, the Canadian method. Heavy water is present in ordinary water in minute amounts and must be extracted in specially built plants.

The objection to American reactors, as voiced by Sir Alan Cottrell, is that their safety has not been proven and that their safe operation would depend "upon almost superhuman engineering and operational qualities."

In a letter to the Financial Times of London, Sir Alan said that "there are plenty of examples, including recent ones, from various fields of activity, where most carefully designed and maintained engineering projects have gone disastrously wrong. When the consequences to the general public of such a failure are as uniquely grave as in the reactor case, it would be wise to choose a system less critically dependent on human perfection than the steel pressure-vessel water reactor."

Daniel Ford of the Union of Concerned Scientists said that his group had brought their work to the attention of the British government and the scientific community there.

The scientists have been campaigning against light-water reactors for years, alleging they are unsafe and pose unacceptable risks to the public. In January 1973, Ralph Nader joined their effort.

Ford said "the decision is a stunning blow, both to the financially troubled Westinghouse Corp. and to the credibility-troubled U.S. Atomic Energy Commission. Both had lobbied hard in Britain, but their case proved unpersuasive."

Ford recalled that Ronald Brown, a member of Parliament and member of the Select Committee on Science and Technology, had commented on the AEC's assurances by saying that "nobody would accept their (the AEC's) views on the light water reactors anymore."

Westinghouse reacted to Britain's decision by saying that it was made to favor British industry. Nader noted that British industry would have been building Westinghouse-designed reactors under a license agreement and that it was Britain's nuclear industry that had pushed for Westinghouse reactors.

"The British government rejected the proposal not because it was bad for British industry but because it imperiled the health and safety of the British people," Nader said.

Designing a nuclear reactor, the Union of Concerned Scientists statement said, calls for careful evaluation of such safety questions as what would happen in a major accident, how vulnerable a plant would be to sabotage, possible accidents during transportation of highly poisonous radioactive wastes, and how these wastes can be stored safely.

The scientists and Nader urged that other energy sources be developed, such as solar and geothermal power, and that growth in demand for electric power be curbed by eliminating wasteful and inefficient practices.

They concluded by saying that "Britain's rejection of U.S. nuclear technology on safety grounds should have a profound impact on America's own consideration of whether to build additional nuclear powerplants."

Two other European nations, Switzerland and Germany, have bought American reactors, both Westinghouse's pressurized water reactor and General Electric Co.'s boiling water reactor.

This prompted Nigel Lawson, a Conservative MP, to criticize the Labor Government's decision, saying even the "hypercautious" Swiss had accepted a GE reactor.

The two kinds of reactors are used in various power plants in New England. Besides the two Westinghouse units at Rowe and Haddam Neck, a pressurizer water reactor powers the Maine Yankee plant in Wiscasset. It was built by Combusion Engineering of Stamford, Conn.

GE boiling water reactors power Pilgrim Station near Plymouth, Vermont Yankee, in Vernon, Vt., and Millstone Point in Connecticut.

None has suffered a major mishap, but only one, Yankee Atomic at Rowe, has remained trouble free in the main.

Haddam Neck was shut down last fall for two months with turbine trouble; Millstone Point has had cracked pipes in its condenser; Vermont Yankee recently released radioactive iodine in excess of state health regulations; (the release was recorded at the nearby Vernon Elementary Schools); Maine Yankee released some radioactive gases two weeks ago; and Pilgrim station is now shut down because of cracks in some welds and because of citizen intervention on a fuel modification.

None of them except the Rowe plant is now permitted to run at 100 percent power.

Critics say that this shows their unreliability, while proponents of nuclear reactors says that the frequent shutdowns testify to the stringency under which atomic plants are operated.

The good safety record of the Rowe plant which has been in operation since 1967, has given rise to the opinion among some experts that other plant's problems are associated with size. Rowe puts out 185 megawatts of electricity. The capacity of the others range from 575 (Haddam Neck) to 855 (Maine Yankee).

TOO MUCH POLITICS IN JUDGE'S SALARIES?

Mr. PERCY. Mr. President, I have spoken before of my very deep concern and disappointment at the very ill-advised action—or inaction—of the Congress when we refused to grant a pay raise to Federal judges. Already a number of judges have resigned because they simply cannot afford to continue at their present salaries. Congress must act, and act quickly, to give these dedicated men and women the salary raises which they have earned and which are so necessary. I urge the Senate Post Office and Civil Service Committee to act expeditiously on S. 3049.

In a recent article in Trial magazine, Leonard M. Ring very clearly stated the underlying reasons for this action by Congress.

I ask unanimous consent that the article to which I have referred, entitled "Too Much Politics in Judge's Salaries," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Trial magazine, May/June 1974]

TOO MUCH POLITICS IN JUDGE'S SALARIES?

(By Leonard M. Ring)

The respected *New York Law Journal* recently published an editorial: "Keep Judges' Salaries Out of Politics."

Shortly afterwards, the U.S. Senate—on March 6th—rejected President Nixon's budget recommendation for a 7.5% salary increase for the federal judiciary—a scaled down version from that recommended by the Commission on Executive, Legislative, and Judicial Salaries.

The *Law Journal*—on March 7th—followed with another editorial: "The Senate Held the Judges Hostage."

In these two editorials lies the broad question of equity long overdue our judiciary, as well as a call for political statesmanship and understanding of basic economics that supports the foundation of an independent judiciary—the wellspring of a strong democracy.

The judges' salary increase had been tied to increases recommended for the U.S. Senate and the U.S. House of Representatives.

The everpresent fear of a politician—fear of public opinion that could undermine chances for re-election—proved too strong for documented arguments in favor of the judges' salary adjustments.

By the Senate action, politics was allowed to enter into a major sphere of judiciary independence, and, in effect, did make our judiciary "hostages" of the political system—at a time when we cannot afford the luxury of even such a thought.

We should perhaps consider the wise words of that astute analyst of American democracy, Alexis de Tocqueville:

"Scarcely any question arise in the United States which does not become, sooner or later, a subject of judicial debate."

And, perhaps we should combine the above thought with those of the famed 18th century essayist, E. P. Whipple:

"The strife of politics tends to unsettle the calmest understanding and ulcerate the most benevolent heart. There are no absurdities too gross for parties to create or adopt under the stimulus of political passion. . . ."

On the equity of the salary increases, the Office of Management and Budget—the top federal agency which scrutinizes requests—stated:

"It has been five years since any adjustment has been made in the salaries of these positions . . . During this period private sector salaries surveyed by the Commission have increase 30% . . . This has serious adverse effects on recruitment, retention, and incentive for advancement throughout the federal service."

And on the latter thought, US Supreme Court Justice Warren Burger has stated:

". . . we have had more resignations in the past year based on economic grounds than at any time in the past 100 years . . . (and) many qualified trial lawyers have declined appointment because the pay of a (federal) district judge now is only double the starting salaries of law school graduates hired by large law offices . . ."

Retired US Supreme Court Judge Tom C. Clark echoed Justice Burger's thoughts:

"In my judgment, we will lose a good percentage of judges unless some steps are taken to correct the situation by meaningful salary increases. . . ."

The changing scene in America—the social, governmental, business and public—has, in turn, changed the basic requirements for selection of judges.

Today, as Jerry Finkelstein, publisher of the *New York Law Journal* pointed out, "Salaries paid to judges reflect our evaluation of the services they perform." We, the public, demand the resolution of problems affecting basic human rights and liberties; the unraveling, in the public interest, of complex economic interrelationships; the shaping of the growth and development of a democratic society; the delicate balancing of the teetering social scale of values to the accepted concept of justice.

And as Senator Peter Dominick (R–Colo.) pointed out in the angry debate over the Senate vote to kill the recommendations of the Senate Post Office and Civil Service Committee:

"It is hardly realistic that leading members of the trial bar (those experienced in the demands of our times) be expected to forgo at least three-quarters of their earning capaity to serve the public interest."

One good factor came out of the angry Senate debate—the Senate received an education into the value of our judiciary to the welfare of the nation.

And evidently this lesson was not lost as the Post Office and Civil Service Commission immediately scheduled new hearings on the bill.

As the president of the nation's largest trial bar—The Association of Trial Lawyers of America—and observor of the American political scene for many years, I would suggest that the time has arrived in our nation for the judiciary's economic future to be completely taken out of politics.

Although this column was written on the recent controversy over federal salaries, the same thoughts and values must be applied to our state judiciary.

The Chief Justice of the New York state's highest court, Charles D. Breitel, asserted:

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"... the courts, to fulfill their tasks and restore the confidence in them, need the help of the other two branches of government—affirmative help and not the self-delusion of paper changes or unjustified and therefore demoralizing criticism ..."

The word of an 18th century cleric—timely today as they were over 200 years ago—reveal an understanding of not only the problems of the judiciary, but also of the political strata's responsibility for the welfare of the nation:

"A politician thinks of the next election; a statesman, of the next generation. A politician looks for the success of his party; a statesman, for that of his country. A statesman wishes to steer, while a politician is satisfied to drift."

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, a common misconception many people have concerning the Genocide Convention accords is that their ratification would mean the dimunition of the constitutional guarantees and individual liberties enjoyed by citizens of our Nation. There is no basis for such fears.

In fact, the purpose of the treaty is to preserve the greatest of all individual rights, the right to live, by insuring that any effort to exterminate any racial, national, ethical, or religious group will not be tolerated. Furthermore, the Section of Individual Rights and Responsibilities of the American Bar Association after studying the Genocide Convention found it consistent with American traditions. The Bar Association Section ended its study by saying:

> The Genocide Convention is now twenty years old, but it is a living and important document. Our friends are confused, our enemies delighted, at continued United States hesitation about the Convention. Adhering to the Convention now would be a real step in the advancement of America's national interest.

In short, there is no possibility that the Genocide Convention will lessen the presence of the Constitution as the highest law of the land nor will the rights of individual citizens under the Constitution be impaired.

Mr. President, I again urge that the Senate ratify, as expeditiously as possible, the Genocide Convention accords.

REMOTE SENSING: A GOOD BUSINESS PROPOSITION?

Mr. MOSS. Mr. President, the July–August issue of Astronautics and Aeronautics includes a brief article by George Hazelrigg, Jr. and Joel S. Greenberg of Princeton University on the crucial decisions facing the Earth resources technology satellite program in the coming months.

The authors state quite cogently the case for moving now toward operational experiments with remote sensing satellites, pointing out that one of the three major stumbling blocks to full use of ERTS satellites is the fact that "users have no guarantee that the ERTS data will continue to flow."

The Congress has authorized a third ERTS satellite with this very point in mind. In early August the Committee on Aeronautical and Space Sciences will hold hearings on two bills designed to provide an operational Earth resources satellite system.

The article in Astronautics and Aeronautics provides excellent background information for these hearings and for consideration by the Congress. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Astronautics and Aeronautics magazine, July/August 1974]

Remote Sensing: A Good Business Proposition?

(By George Hazelrigg, Jr., and Joel S. Greenberg)

The Earth Resources Technology Satellite (ERTS) Program will face some crucial decisions over the next 12–18 months that will shape not only its future but also set the course for other remote-sensing Earth-resources programs for decades to come. (*Ed.*—Sen. Frank E. Moss announced June 17 that his committee will hold hearings August 6 and 8 on two bills aimed at creating an operational Earth-resources satellite system—S. 2350 and S. 3484.)

In the decades ahead, resources issues will become of increasing social and economic importance. There is evidence that profound secular global changes are occurring: climates are changing, resource prices rising, world trade relations shifting. The danger of famine, depletion of mineral and other natural resources, and permanent changes in the ecology face us.

Secretary of State Kissinger, Nelson Rockefeller's Committee on Critical Choices, the coming World Food Conference organized by the FAO, and others will try to act. But they all lack current accurate information. Hard evidence on what is happening worldwide in real time can go a long way toward helping to solve our problems.

Resources decisions need early and accurate inventories and projections. In many instances, the real economic problem does not arise in production, but in distribution to those in need.

During the almost two years since the launch of ERTS–1, the emphasis has been on developing a deeper scientific understanding of the capabilities of this kind of spacecraft. Over 600 scientific groups have used ERTS–1 data. They have compiled an imposing list of worthwhile accomplishments. The list of potential applications benefits is staggering. Yet, we do not see overwhelming support for the program. Why?

Public support will come about only as the transition from scientists to users take place. Three major stumbling blocks lie in the way. No demonstration of truly large benefits has occurred. Next, the current data processing and distribution system cannot meet the demands of operational users. Last, users have no guarantee that the ERTS data will continue to flow.

Proof of large real benefits will require an operational (or at least simulated operational) experiment. The actual use of ERTS data to change the management of a resource is necessary to validate the experiment. Scientists and resource managers should work together in demonstrating the operational use of ERTS data. But now scientists must face real operational problems—they must quantify to a stated accuracy the observation of a phenomena with a given reliability, and a given false alarm rate.

Those who manage resources day to day need real-time information, not raw data. The technology now exists to process ERTS raw data into information in real time. The form this information should take has not been established.

No one can count on the continuity of ERTS-type data. As a result, prudent businessmen have not invested in applications depending on repetitive data acquisition. A distinction exists between mapping applications (open-loop decision-making) and monitoring applications (closed-loop decision-making). As long as the future of ERTS remains indefinite, money will go only into mapping, and into monitoring where investments can be recouped during the anticipated satellite lifetime. The bulk of the investment required for mapping applications can normally be made after it is determined that sufficient data are collected to warrant it. Investment for a monitoring must be made in anticipation of a continuous stream of data.

To put the case into economic jargon, applications will be pursued if the net present value of benefits associated will them (present value of benefits less present value of costs) is greater than zero. In an expected value situation, an assessment must be made of the probability of achieving the required data for the application or service under consideration. As long as a definite commitment does not exist for providing continuity of service, businessmen will normally exercise risk aversion preference by either assigning a low probability to the likelihood of continuity of service or by using a high risk-adjusted discount rate. In either case, if data must be obtained and benefits gained over a long period, expected present value of benefits drops significantly.

Investors will back only those applications which promise to produce large benefits in a short time. Only a commitment to long-term continuity of service will attract investors and realize the full potential of remote sensing.

REPORT ON A VISIT TO ISRAEL

Mr. JAVITS. Mr. President, during the period July 3–7 I visited Israel to meet with the leaders of the new government and to assess at first hand the situation and the mood of Israel in the wake of the Yom Kippur war and the generational transfer of power implicit in the formation of a new government under Prime Minister Yitzhak Rabin.

It would be a mistake to discount the gravity of the problems confronting Israel but I was reassured to find Israel in the hands of confident and competent new leadership. In my judgment, press reports have overemphasized the inevitable stresses and tensions which accompany such a watershed transfer of power to a new generation with new root and a new outlook. Undoubtedly, the coalition-building process and the narrowness of the Rabin government's majority in the Knesset have been accompanied by strenuous jockeying, played out against a mood of letdown and some apprehension respecting the future, following the traumatic experience of Israel's hard-won struggle last October.

While in Israel, I had long discussions with Prime Minister Rabin, Foreign Minister and Deputy Prime Minister Allon, Defense Minister Peres, former Prime Minister Golda Meir, chairman of the Bank of Israel Zanbar and many others, including meetings with mayor of Jerusalem Kolleck, former Foreign Minister Eban and former Defense Minister Dayan. In addition, I had most useful conversations with Ambassador Keating and several members of his fine staff at the American Embassy. On July 4, I flew to Ma'alot to place memorial wreaths in the name of the people of New York on graves of the victims of the terrorist outrage that took such a dreadful toll of children's lives. On July 5, I was, with Foreign Minister Allon, a speaker at the commemorative luncheon of the Israel-American Friendship Society. I ask unanimous consent that the text of my speech on that occasion be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, the theme of my remarks on that occasion was "New Dimensions in United States-Israel Relations" and my experience in Israel fully confirmed my belief that the relationship of Israel and the United States is closer and more intimate then ever before, especially with respect to the deeper engagement of Israel's fate in the evolution of U.S. Mideast policy.

While I was in Israel, the Government put through the Knesset a truly Draconian economic austerity program. It is significant that this stringent measure passed comfortably despite the Government's technically one vote majority. Like most other western nations, Israel has suffered from a very strong inflationary tide over the past 6 months. The economic measures are addressed primarily to that situation.

Nonetheless, there is another—extraordinary—dimension to the Draconian economic measures just adopted by Israel. The new measures will, in effect, impose a 5-percent reduction in standard of living on the citizens of Israel. The reason the Government of Israel decided to cut so painfully deep into the already heavily reduced pocketbooks of its own people is an inspiring measure of the mettle of this brave nation. Israel is requesting a very high level of assistance from the United States over the next 5-year period, estimated at an annual rate of $1.5 billion in military assistance and $500 million in economic assistance.

As an earnest of Israel's need for this assistance and its solemn determination to put every penny of it to a maximum use, Israel has—out of its respect for the American taxpayer—first imposed a 5-percent standard of living reduction on its own people. This is not fiat of an authoritarian junta but rather the considered decision of Israel's democratically elected parliament. I am told that the decision to impose the 5-percent standard of living reduction was preceded by fierce debate because it involves an additional foreign exchange saving of only $100 million over what could be accomplished by holding the population at its present standard of living. For a democratic government the decision to place such a bite on its people for such a relatively small gain was a difficult decision. But it was made with the American taxpayer in mind. Before asking our people to provide the sums requested, Israel wanted first to demonstrate its own determination of sacrifice and self help. I am confident that this lesson will weigh heavily as we in Congress consider the funds requested.

On the question of peace negotiations, I found Israel's leaders to be openminded and realistic, though perhaps more skeptical and cautious than our Government. The differences in emphasis on this matter no doubt reflect the difference in what is immediately at stake for each. For the United States with its global interests and perspective, the Mideast is an area of danger and possible superpower confrontation. The first priority is to defuse the situation.

For Israel the stakes are much more immediate—they are literally life and death. The closeness of the margin for Israel and immediacy of possible adverse consequences for Israel's security quite understandably cause Israel to assume a posture of extreme caution. To use an analogy from strategic doctrine, Israel is compelled by its situation to apply a "worse case" assessment to all matters bearing on security—particularly questions of military withdrawal. Nonetheless, it seemed to me that Israel is prepared to make some territorial concessions in return for tangible measures by its Arab neighbors. Indeed, Prime Minister Rabin reiterated his intention to follow a policy which he has publicly articulated as: "a piece of peace for a piece of land."

Much attention is focused in Israel, as it is in the United States, on what will be the next stage in U.S.-Mideast peace diplomacy. It is no secret that Israel prefers to have a second round of disengagement with Egypt respecting the Sinai and is very wary of proposals that attention next be focused on questions respecting the West Bank and Jordan.

The Israeli Government believes that the international press and some diplomatic circles vastly exaggerate the support which the Palestinian terrorist organizations command among the Palestinian people in general. The Israelis point out that there is a vast silent majority among the Palestinian people living on the West Bank, in Gaza, within Israel proper and on the Jordanian East Bank. In the Israeli view, peaceful relations between Israelis and this Palestinian silent majority is a reality born out by daily experience—evidenced by the free movement across the Jordan and by the peaceful influx of scores of thousands of Palestinian Arab workers into Israel every day.

Israel's great concern is that the Palestinian terrorist organizations must not be allowed to shoot their way into the Geneva conference as the "representative" of the Palestinian people. Israel is unalterably opposed to the creation of a separate state between Israel and Jordan. Such a state would not be viable politically or economically, and it would be a constant source of political and military disruption to Israel and to Jordan.

There is ample scope for realization of Palestinian political aspirations within the framework of an overall Israeli-Jordanian settlement. A separate Palestinian West Bank state would be a magnet for Soviet adventurism and provide new opportunities for the Soviet Union to exert pressure through a client state, not only against Israel and Jordan, but also against Saudi Arabia and the Persian Gulf oil sheikdoms.

This would enable the Soviet Union to exert leverage over Western Europe's oil life line—with all the incalculable consequences that could entail for the security of NATO and viability of the western monetary and trading system with which our own security is so inextricably involved.

Israel is deeply concerned over the possible long-term consequences of the U.S. plan to provide a nuclear powerplant to Egypt. While the bona fides of the U.S. Government in this matter is fully accepted and there are few doubts that the United States will achieve tight controls over the nuclear fuels which have a weapons potential, the Israelis nonetheless feel that the boost in trained manpower certain to flow from such a facility, combined with the possibility of Indian collaboration in weapons technology, could have most dangerous and ominous consequences for Israel. In my judgment, the Congress must weigh the proposed nuclear power agreement with Egypt most carefully and subject it to the most searching scrutiny of all its possible ramifications.

I found an attitude of great wariness in Israel respecting the Soviet Union. Israel sees no evidence of restraint and responsibility in Soviet Mideast policy. Soviet actions before, during and since the Yom Kippur attack on Israel have been totally inimical and war-oriented. The Syrian and Egyptian armies have been fully reequipped, and sophisticated new weapons systems have been provided which could change the nature of warfare in the Mideast and pose new threats to civilian populations.

In addition to the security problems created by Israeli withdrawals in the context of the disengagement agreements, the massive rearming of Egypt and Syria being provided by Moscow has created urgent new Israeli requirements for military equipment. In addition to the resupply of war losses, which has already been voted by the Congress, Israel has an urgent need for large additional supplies, including sophisticated and expensive new weapons, to enable Israel to cope with the new security problems posed by withdrawal and new Soviet weaponry. Israel's military needs are part and parcel of the peaceseeking efforts being promoted by Dr. Kissinger. Indeed, peace steps—in fact the whole process of Mideast diplomacy—can only succeed in concert with Israeli security needs, for deterrence remains a key element in Mideast peace, as it does in the peace of Europe. I feel that Israel's military assistance requirements will be received in Congress with an attitude of support and understanding.

I found in Israel a profound concern over the fate of Soviet Jewry and great gratification over the efforts being undertaken by the United States, especially by proponents of the Jackson amendment, to demand freedom and humanitarian treatment for the oppressed Jews of the Soviet Union. Israel is pledged to welcoming every Jew who is able to secure release from the U.S.S.R. The efforts symbolized by the Jackson amendment

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provide a great psychological boost to Israelis and give them a great reassurance that the world cares passionately about the fate of Jews, the Jewish state and the historic Jewish homeland.

In closing, I would summarize my impressions of Israel as reassuring. There is a sober understanding of the great dangers and problems which confront Israel and a most impressive determination to meet those challenges. There is an understated mode of self-confidence which manifests itself in the energy and efficiency of the new leadership team in Israel, which represents a new generation bringing fresh energies, perspectives and aspirations to bear on the problems

Friendship for and faith in the United States is very high in Israel, and there is an outspoken sense of gratitude for American support, particularly the massive airlift of military equipment during Israel's darkest hours. I am confident that the United States-Israeli partnership will succeed in furthering peace and security in the Mideast, and that the inevitable differences of emphasis that arise among partners will be resolved in an attitude of frankness, candor and deep mutual understanding.

Mr. President, during my trip I made a pilgrimage to the northern Israeli town of Ma'alot—the recent scene of one of the most tragic and barbaric massacres in modern history.

Nineteen school children and a family of three were brutally murdered by Arab terrorists—just about every child captured was killed or injured. It was an event that shocked the world, and an event that has left a deep scar of sorrow in the hearts and minds of the Israeli people.

During my stay in Ma'alot, a town tucked in the hills of western Galilee, I was quickly and tremendously impressed with the determination of the people to live in peace and freedom without threat of war or terrorism. That commitment was alive and vibrant. They spoke of it often and always with passion.

Ma'alot is a town populated by both Jews and Arabs. And the two communities are committed to the community of brotherhood and justice. The deputy mayor of Ma'alot, Mr. Jamil Nahas, who is an Arab, made me his guest in his home and escorted me through Ma'alot. Mr. Nahas displayed the positive attitude to which I just referred and is determined to make brotherhood between Arab and Jews a living reality.

I want to make note of a personal aspect of my journey to Ma'alot and I speak not as a U.S. Senator, but as the son of an immigrant. My mother, whose maiden name was Ida Bendirsky (later Littman), was born in the town of Safed. She spent the first 16 years of her life there prior to emigrating to the United States. The significance of that is the fact that all of the children murdered in the small schoolroom in Ma'alot were from my mother's home town of Safed. So in that regard Ma'alot has a special significance and a profound impact on me.

It was a haunting occasion to visit that schoolroom which contained 90 children held hostage by the terrorists. The terrorists were heavily equipped with grenades and satchels of explosives. And all of them were armed with automatic rifles. In retrospect it is a miracle any child survived that living nightmare in a room which was, in fact, a powder keg.

From the school, I traveled to the gravesites of the Cohen family—a family of three—murdered in their apartment building prior to the occupation of the schoolhouse.

In remarks at the gravesite, at which I placed three wreaths in the name of the people of the State of New York in a memorial ceremony, I spoke of my belief that the Cohens were modern-day freedom fighters. It is true, as I said then, they did not die in battle with enemy forces. However, they were murdered by forces who oppose peace and freedom and brotherhood because they dared to hold the line of freedom by living in Israel.

That memorial service was on July 4—the day the American people were celebrating the 198th birthday of our Nation. The deaths of the Cohens and the deaths of the children from Safed are directly related to the sacrifice of millions of Americans who have died for the survival and security of basic human rights for America, and the world.

Now in the heat and dust of the Galilean hills, the wreaths I placed at the graves are by now dried and withered. But our memory of the Cohen family and of the schoolchildren—all innocent victims of hatred and violence—can never wither. It is because those tragic victims will be remembered that the people of Israel and free men and women everywhere will rededicate themselves to the pursuit of liberty for all mankind.

My pilgrimage to Ma'alot serves as a burning symbol to me of the enormous courage of those martyred victims and the enormous courage of the people of Israel. It was an experience that fortifies me as a U.S. Senator to continue to strive with all of my physical and political power for justice and peace for all men.

Exhibit 1

New Dimensions in United States-Israel

Exhibit 1

The tumultuous events of the past year have added a new dimension to U.S.-Israel friendship. It is on this aspect that I concentrate my remarks today. Most importantly, amid all the changes and uncertainties which surround the Mideast, I wish to assure you that friendship and support for Israel has never been stronger in the United States than it is today, in my judgment.

The fortunes of the State of Israel are in the balance as we meet here. Enormous changes have been wrought in the map of the Middle East over these last difficult and sobering months. Once again we have seen Israeli life sacrificed for the preservation of the Jewish State. Once again anguish and pain have been thrown into the scales as the price of freedom and security; and the result is uncertain! But for the first time there is genuine hope that progress can be made . . . that a realistic accommodation may be reached by Israel with certain of the Arab States.

Israel has been asked by President Nixon to take some risks for peace. But those risks must be realistic, they cannot be imposed on Israel by coercion, against Israel's own better judgment. Hence the new question for which we must be ever watchful, where does consultation end and coercion begin? For it is a fact that these events have enmeshed Israel's fate more deeply than ever in United States' Mideast policy. It is deeper mutuality of interest which produces the new dimension in U.S.-Israel friendship.

In a recent interview Prime Minister Rabin—so well remembered and respected as Israel's Ambassador said: ". . . being able to live and prosper within an independent Jewish state, viable and capable to defend itself by itself. That's our only criterion."

I feel Americans generally share that goal. But the dream of Israel's economic and security self-sufficiency, which seemed attainable just a year ago, has been cruelly snatched from Israel's grasp. U.S. support is more essential than ever to Israel's survival. The United States is now providing $2.2 billion in emergency assistance growing out of the Yom Kippur War. And, negotiations are described as under way on a new, five year $7.5 billion assistance package.

The months ahead will require many difficult decisions both in Israel and in the United States. It is essential that both countries exert every effort to make their policies so understandable to each other that they will be accepted as in the common interest and not allow for divisiveness and pulling apart. This would be much too dangerous for Israel and the Mideast.

For Israel, this means that two constituencies must be kept informed in the United States. The first constituency, the Administration, is serviced by all the channels of government-to-government communications and is hence well handled. But there is a second constituency—Congress and public opinion—which is more vital than ever to U.S.-Israel friendship. Support and friendship on this level is very high and seems likely to continue. But neither side should take the other's viewpoint for granted. Constant efforts must be devoted to explaining and understanding the concerns of each.

For the first time in twenty-six years, the United States has a positive Mideast policy—and it appears to be working. The monumental new forces at work in the Mideast, and in U.S. policy, offer every hope that Israel can benefit very materially from the reconstruction of alignments among the states of the Mideast—which is now taking place.

But as a superpower with global responsibilities, it is inevitable that the U.S. perspective will be different from Israel's on some issues of vital concern; even as we share the basic objectives of a just peace, and of security for Israel.

I see the major elements of understanding to be called for in respect of:

1. U.S. relations with the Arab States;
2. U.S.-Israel policy as it bears on the Middle East;
3. The Middle East policy of Western Europe including the security of the Mediterranean area and oil supply from Arab sources; and
4. Israel's security needs, including terrorist threats and secure and defensible borders.

As to the full implications of any new relationship between the U.S. and the Arab countries, this too may not yet be perceived clearly. But we do know that these new links are better than no links at all. We do know that the Secretary of State has enabled Israel and Egypt . . . Israel and Syria—to come together to achieve a common if limited purpose—disengagement. We know that Prime Minister Rabin—whom we know so well and admire so much in the U.S.—has seen in this a new opportunity. Here is what he said in his press conference of June 18: "We have not seen anything wrong in the fact that the United States will extend economic assistance to a number of states, and perhaps in this way these states will devote their efforts, resources and attention to internal problems instead of war. This would be a great moment in the history of the Middle East when a number of Arab states, instead of talking about war, will start not only to speak but also to engage in development." . . .

"As far as we are concerned, we should exploit the change in the best possible way. As I have said, this can be done mainly by exploiting the fact of the Arab rapprochement with the United States in order to launch political moves toward a peace which will be acceptable and agreeable to us."

We know, too, that the Soviet colossus—(a subject to which I will return later) has been checkmated by the U.S. from blocking this disengagement.

We were jarred by the announcement of the nuclear energy agreement with Egypt. Yet, we may hope with good reason, I believe, that the new situation can ease the threat of the outbreak of war. But the Zionist dream—the future of Israel as a viable state to which every Jew who wishes it may have access—that must be based on Israel's security and this is still far from what it ought to be.

Yet I think that we are well rid of the old impasse. I do not lament its passing for a minute. And, I welcome the opportunity—even with its awesome challenges and dangers—for a whole new alignment in the Mideast. With the colossal oil revenues flowing in, Israel's Arab neighbors no longer need to see themselves condemned to an inferior standard of living; they have the money or their Arab brothers can advance it. Jealousy, hatred and vengeance are emotions which feed upon grinding poverty and the human debasement which poverty breeds.

But, despite the optimistic elements of the situation, the fact remains that vigilance is very much called for and probably for a long time to come. Israel needs that time to test the new agreements to see if there is really a new attitude emerging.

Nor can we in the U.S. be other than deliberate about economic aid for rebuilding—as in the Suez cities; or, in helping with atomic power to raise living standards. We must be very wary and require firm and secure safeguards against dishonored agreements and new aggressions. Our experience is too bitter and too recent for any other policy. It is going to take awhile for the Arabs to get used to living with Israel in a psychology of nonbelligerence has taken firm root, actual peace agreements involving final borders may not be attainable, and this will take time.

The oil factor in U.S. Mideast policy is not a new one. And, in my judgment, the limits have already been reached in terms of the leverage which the need of the U.S. for Arab oil can exert over U.S. Mideast policy. Concerns on this score ought not to be exaggerated. I assure you that the U.S. will not abandon Israel at the behest of oil pressures.

But, differences in perspective between the U.S. and Israel are more likely in my judgment to arise from quite a different source. Increasingly over the next decade I believe the future of the Atlantic Alliance, which is the cornerstone of U.S. policy in the world, could hinge on developments respecting the Mideast. It is here, for instance, that the availability and the price of Persian Gulf oil will have its greatest impact.

It is essential that the nations of western Europe, principally the nine governments which constitute the European Economic Community, be associated with and committed to the peacemaking process now being assayed in the Mideast, and in this equation security in the Mediterranean and the contribution which can be made to it by Israel also becomes an important factor.

In the long run, Mideast peace can be greatly aided by the positive participation of western Europe. And, in the long run for the U.S. to have a viable Mideast policy it is also highly desirable, if at all possible, that it be in concert with our principal European allies. This will take a lot of doing, though I am convinced it is possible. For one they are now tied to the Mideast by the umbilical cord of towering balance of payments deficits due to fantastic oil prices. For another, they cannot overlook the impact on the Arab States of Israel as a prime example of the modernization implicit in the free world and located in the center of the Mideast.

Now we come to the role of the Soviet Union. What future posture will the USSR assume in the Middle East? Will the USSR join for peace? Or will the Soviet Union foment new disturbances as it did with the massive supply of arms prior to the war in 1973 and bring on new dangers as it did with the threat of unilateral intervention to police a cease fire in Egypt? We can take nothing for granted. But the dialogue established by the President and the Secretary of State offers at least an opportunity to communicate American concern as to the Middle East and as to the situation of the Jews in the Soviet Union.

Here too a careful and alert balancing of judgment is essential and the objective of a society more respectful of human rights of Jews and intellectuals in the USSR can only make a Soviet disposition toward peace in the Mideast more rather than less likely.

Finally, the recognition of Israel's security needs will require great understanding and statesmanship both in the U.S. and Israel. We will need to understand the jeopardy to Israel of the terrorist threat both within and without Israel's borders, particularly remembering the failure of the UN to do equal justice in this area and the opposition in the UN, especially of the developing countries, to international anti-terrorist measures. In Israel the vexations in the U.S. of Israel's retaliatory raids, albeit so vital in Israel's view, will have to be considered too. And in this respect the U.S. and western Europe must ask themselves—are we doing all we can to deal with the terror so dangerous to them, too; and the answer must be—No!

We will need also to consider the grave problem of the Palestinians especially those in the camps, kept in large numbers in almost prisoner status by their Arab host governments for so long. In all these matters ongoing consultation can play the highest role in accommodating policy to reality.

I do not see any necessary or basic source of tension between the U.S. and Israel.

Prime Minister Rabin has said: "We are prepared to move gradually toward peace—rather than put an end to the conflict in one fell swoop. That means a piece of peace for a piece of land." He added, "We need confidence-building measures."

But even though we are thoroughly agreed upon objectives, tactical differences can strain our unity. And it is in this context that I reemphasize my strong conviction that the new dimension of intimacy and interdependence in U.S.-Israel relations requires extraordinary efforts on both sides at explanation and understanding.

Together, we can, and I am confident that we will, achieve our mutual objective of peace, security and prosperity for Israel and for all the peoples of the Mideast of a more open and just world. Let us go forward with our work, accordingly.

SMALL RETAILERS NEED SUPPORT

Mr. NELSON. Mr. President, once again a group of Wisconsin businessmen and women have come to Washington to articulate their concern about governmental responses to the problems they face.

In May, the Independent Business Association of Wisconsin joined with groups from other parts of the country to make their voices heard. This time, a contingent representing the Wisconsin Retail Hardware Association has made a special effort to stop off in Washington on the way to their national convention in Philadelphia, and I ask unanimous consent that the "Position Paper on Legislative Issues" they have presented to me be printed in the Record at the conclusion of my remarks.

I strongly urge my colleagues to pay special attention to the questions raised by this group, since I believe small retail establishments like theirs currently face more intense and unrelenting pressures than any other segment of our economy. Since they supply absolutely essential products directly to the public and to farmers and other small businessmen, they bear the brunt of the helpless frustration those people feel at the current mind-numbing rate of inflation. Yet they are the very last group who should be blamed for that inflation, which has equally debilitating effects on their lives—and livelihoods.

Perhaps more than anyone else, these small retail businesses are caught in an ever-tightening squeeze. On the one hand, they face pressures from monopolistic pricing and marketing techniques of corporate giants and dizzying changes in the supply of and demand for world resources.

On the other hand, they are confronted with the need to feed their own families and pay their own employees, while being fair to customers they may have known personally for years.

I am thus pleased to find that I share the concerns raised by these businessmen. I will continue vigorously to support such issues as Senator Bible's small business tax simplification bill—of which I am a cosponsor—and Senator McIntyre's exhaustive inquiry into the burdens of governmental paperwork, for example.

I am also concerned by the questions they raise regarding the potential impact on small retail businessmen of expanding military "PX" sales and bank "giveaway" programs, and I have directed my staff to inquire into the extent to which small businesses are being harmed by these and other governmentally sanctioned practices.

Finally, I have always been concerned with the questionable business practices of large corporations, including deceptive advertising and pricing techniques, and I will continue to use the Small Business Committee's Monopoly Subcommittee, which I chair, to look into these and other deceptions practiced by corporate giants.

Mr. President, I am gratified and encouraged by the time these fine people have taken to delineate the problems they face. They have gone out of their way to bring their concerns and proposals to their elected representatives, and therefore I am pleased to commend those concerns and proposals to the attention of my colleagues.

POSITION PAPER ON LEGISLATIVE ISSUES

(By the Wisconsin Retail Hardware Association)

The independent businessman is often spoken of in glowing terms as the "backbone of the nation" and probably no other group in business today has the decidedly favorable image of the local hardware operator. We cherish that reputation, and we care to preserve it.

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In a period of increasing government regulations of our business, we recognize that we must be involved. Like any other citizens we share common concern over the growing and frightening inflationary spiral, campaign financing abuses, and the special problems of the aged and veteran groups. Yet, we have particular concerns that impact most severely on us as retailers and it is to these areas that we address our comments.

The following subject areas are not in order of priority but they do have a peculiar relevance to retailing, and taken together represent our own legislative agenda.

Expanded Authority for Small Business Committees.—The present congressional committee structure relegates the interests of small businessmen to a position of secondary importance. If the premise is correct that we are the "backbone" of our economy, then we need a forum that is primarily concerned with our present and future. Moreover, we sense a need to right the bias toward manufacturing interests which presently exists in these committees and consider retailing and service interests as well. The Small Business Committee needs to be more than a "stepchild" in the congressional committee framework. The committee should be providing "small business" impact statements for all major legislation. (e.g. Pension Reform, Minimum Wage, Consumer Protection Agency, etc.)

Federal Paperwork Burden.—Early in the initiative taken by Senator Thomas McIntyre in this area, our national association actively supported congressional reform. We sense improvement in the problem in terms of heightened consciousness to paperwork. We urge, however, that the pressure be maintained to end senseless duplication in reporting and to provide necessary technical assistance for smaller firms.

Military PX Sales.—The PX system like Topsy has grown far beyond the dimensions intended by the original congressional enactment. Small business resents that it alone must pay for the costs of these "military fringe benefits," which only recently have been extended to reservists and their dependents.

Bank Giveaways and Discount Sales.—Banking is a severely limited and regulated activity, but we cannot understand how the government stands idly by as financial institutions spurred by promotional hucksters offer everything from Color TV's to power tools to attract additional business. Bank customers are obviously paying for the merchandise, and the banks acknowledge that their activity fosters disintermediation. We are on record with the federal banking agencies (Federal Reserve, Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board) seeking to limit bank-giveaways and sales. Retailing can stand on the heat of competition, that's what retailing is all about, but competing with the financial institutions with whom we must deal is altogether a different matter.

Deceptive Pricing and Advertising.—It is in this area that our state legislature has done more than any other state to provide safeguards for the consumer and restore integrity to pricing and advertising. Support for the new Wisconsin regulation as a federal prototype would go a long way to stopping the use of phony comparative prices used by Catalog Showrooms. It took Senator Paul Douglas eight years to persuade the Congress to adopt a federal Truth in Lending law. It now appears what we need is another Senate champion for Truth in Pricing and Truth in Advertising.

Discriminatory Practices.—Small Business is frequently at the mercy of the larger enterprises in the economy. We need to explore in depth, charges of leasing discriminations in shopping centers by developers and major tenants. Our members complain of discriminatory lease provisions and rental rates. Another illustration of possible abuse of small business exists in discount rates charged by bank cards and credit card companies. As these cards become increasingly important in commerce, it is essential that safeguards be provided for small business to insure that it pays its fair share and no more.

Complaint Handling Procedures.—Senator Magnuson has introduced the Consumer Controversies Resolution Act, the purpose of which is to provide a mechanism for the fair and expeditious handling of complaints. We applaud the proposal, but we need to have the legislation drawn to embrace the small businessman. For in a larger sense we are consumers too, and want the same protection given the so-called consumer class.

Consumer Protection Agency.—The emotionalism surrounding this proposal is regrettable. Consumers' rights must be safeguarded and consumer interests be articulated, but we question the validity of legislation (S. 707) that is born of a paranoid fear of businessmen. We resent the implication that we are "ripoff" artists, and we believe that the proposed legislation takes a most patronizing attitude toward the consumer. Though we acknowledge that "small business" in practice would have little to fear from the CPA, it is the premise on which it is built that we object to.

Tax Reform.—The Bible-Evins bill contains some noteworthy provisions that would provide greater tax equity for small businessmen.

EQUAL JUSTICE UNDER THE LAW: THE 14TH CHIEF JUSTICE

Mr. CLARK. Mr. President, last week this country lost one of its truly great men not only of our time but of the entire history of this Republic. Few men in public life have the opportunity to significantly affect the course of the Nation or to touch the lives of every citizen. Earl Warren was one who did though—during a brilliant career as a fearless county prosecutor, California State attorney general, a 3-term, progressive Governor, and of course, finally, as the 14th Chief Justice of the United States. He was not merely one of the great justices in American history—some say the greatest since Chief Justice Marshall—but more importantly he was one of the finest human beings this country has ever seen.

Perhaps the outstanding quality of this remarkable man and his career was his capacity for growth, a quality best evidenced by the three areas legal scholars point to as Warren's greatest contributions: racial equality, voting equality, and the rights of criminal defendants. In the 1940's, Earl Warren was one of the leading exponents of the incarceration of Japanese-Americans, one of the low points in race relations in this country. But just a decade later, Warren forged the unanimous Supreme Court decision ordering an end to racial discrimination in public education in what justifiably has been called the most important civil rights development in a century.

As a popular and practical Governor of California, Warren opposed efforts to reapportion the State legislature to correct the gross disparity between the heavily represented, sparsely populated northern portion of California and the under-represented, growing population of the southern half of the State. But years later, in a decision he labeled his most important, the Chief Justice said that all State legislatures should be apportioned on egalitarian principles because he recognized that democracy rests on the strength of the right to vote which in turn requires that every vote have equal weight.

Finally, the zealous county prosecutor who became a near legendary symbol of law and order—and the man whose own father was brutally murdered in a case which has never been solved—outgrew those experiences to set in motion a legal revolution in the protection of the rights of criminal defendants.

None of these landmark decisions could have been made by this man had he allowed his views and perspective to remain fixed and his intellectual development to stagnate. Equal justice under the law—that was his goal and standard. And if this ancient goal remains just beyond our grasp, it is certainly far closer to realization as a result of this man's legacy.

But Earl Warren's greatness extends beyond his legal contributions. Quite apart from his compelling vision of equality, Earl Warren was a profoundly decent human being. He recognized that character, thoughtfulness, and the common decency to treat each human being as a unique individual in his own personal relationships was just as important as all of his public stands for egalitarian causes. He was, in short, the ideal public servant: a humanitarian who loved humans. All of us will miss him.

STUDENT LOANS

Mr. BEALL. Mr. President, on June 20, 1974, I introduced S. 3686, to reverse a recent Internal Revenue ruling that portions of students loans which were cancelled as a result of service in certain professions or the service in certain areas, is taxable income.

Many students around the country are beginning to be hit by this ruling, which can result in a tax bill ranging from $200 to $2,000 for such students.

I am pleased that the Association of American Universities has endorsed S. 3686. I ask unanimous consent that the text of their letter together with a list of their membership be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Association of
American Universities,
Washington, D.C. July 1, 1974.

Senator J. Glenn Beall, Jr.,
Old Senate Office Building,
Washington, D.C.

Dear Senator Beall: The Association of American Universities (list attached) supports your efforts to remedy the inequitable imposition by the Internal Revenue Service of taxes, both retroactively and prospectively, on student education loans which incorporate forgiveness provisions. The provisions of S. 3860, as introduced by you on June 20, would greatly assist students who hold National Direct Loans, National Defense Loans, Health Professions Loans, State Teaching Loans, State Medical Education Loans and Law Enforcement Education Loans. Students who have participated in these programs in recent years would be protected against the sudden and, we feel, unwarranted assessment of back taxes and interest on the forgiveness provisions of their education loans, while other students, who participated in these programs in an earlier period covered by the Statute of Limitations, will not be so taxed.

The 1973 IRS ruling defining the loan forgiveness provision as taxable income imposes an inequitable burden and financial hardship on many students who properly assumed that these loans were being forgiven in the national interest. A retroactive tax imposes unexpected financial burdens on many students and arbitrarily discriminates against individuals whose loans would have been forgiven within the 3-year limit of the Statute of Limitations.

The intent of the Congress in providing forgiveness of these loans, insofar as we are able to determine it, was to provide incentives to students to enter fields of particular social need. In exchange for their services over a period of years the Congress provided a forgiveness of their loans. However, it may well be that circumstances have sufficiently changed to warrant a reconsideration of the national need for such student manpower incentives. We would respectfully suggest, however, that such fundamental amendments to the authorizing legislation should properly be considered by the appropriate authorizing committees of the Congress and not, in effect, by the Internal Revenue Service through tax rulings. Until a comprehensive Congressional review of these loans provisions is completed we urge the Congress to follow the intent of the law as enacted and to prohibit the imposition of taxes on the forgiveness portion of these student loan programs.

The Association of American Universities urges the Congress to give its prompt attention to this pressing problem and to adopt the provisions of S. 3680.

Sincerely yours,

JOHN C. CROWLEY,
Associate Executive Secretary.

ASSOCIATION OF AMERICAN UNIVERSITIES MEMBERSHIP

Brown University, Providence, R.I. 02912.
California Institute of Technology, Pasadena, Calif. 91109.
University of California, Berkeley, Calif. 94720.
Case Western Reserve University, Cleveland, Ohio 44106.
Catholic University of America, Washington, D.C. 20017.
University of Chicago, Chicago, Ill. 60637.
Clark University, Worcester, Mass. 01610.
University of Colorado, Boulder, Colo. 80302.
Columbia University New York, N.Y. 10027.
Cornell University, Ithaca, N.Y. 14850.
Duke University, Durham, N.C. 27705.
Harvard University, Cambridge, Mass. 02138.
University of Illinois, Urbana, Ill. 61801.
Indiana University, Bloomington, Ind. 47405.
Iowa State University, Ames, Iowa 50010.
University of Iowa, Iowa City, Iowa 52240.
The Johns Hopkins University Baltimore, Md. 21218.
University of Kansas, Lawrence, Kans. 66044.
University of Maryland, College Park, Md. 20742.
Massachusetts Institute of Technology, Cambridge, Mass. 02139.
McGill University, Montreal, Quebec, Canada.
Michigan State University, East Lansing, Mich. 48824.
University of Michigan, Ann Arbor, Mich. 48104.
University of Minnesota, Minneapolis, Minn. 55455.
University of Missouri, Columbia, Mo. 65202.
University of Nebraska, Lincoln, Nebr. 68508.
New York University, New York, N.Y. 10003.
University of North Carolina, Chapel Hill, N.C. 27514.
Northwestern University, Evanston, Ill. 60201.
Ohio State University, Columbus, Ohio 43210.
University of Oregon, Eugene, Oreg. 97403.
Pennsylvania State University, University Park, Pa. 16802.
University of Pennsylvania, Philadelphia, Pa. 19104.
Princeton University, Princeton, N.J. 08540.
Purdue University, Lafayette, Ind. 47907.
University of Rochester, Rochester, N.Y. 14627.
University of Southern California, Los Angeles, Calif. 90007.
Stanford University, Stanford, Calif. 94305.
Syracuse University, Syracuse, N.Y. 13210.
University of Texas, Austin, Tex. 78712.
University of Toronto, Toronto, Ontario, Canada.
Tulane University, New Orleans, La. 70118.
Vanderbilt University, Nashville, Tenn. 37203.
University of Virginia, Charlotte, Va. 22903.
University of Washington, Seattle, Wash. 98105.
Washington University, St. Louis, Mo. 63130.
University of Wisconsin, Madison, Wis. 53706.
Yale University, New Haven, Conn. 06520.

GRAIN RESERVE DEBATE

Mr. HUMPHREY. Mr. President, I would like to point out a worthwhile article, "U.S. Grain-Reserve Debate Heats," from the July 10 Christian Science Monitor. I also would like to commend the Christian Science Monitor for its recent articles on food issues.

The article contrasts my position with that of Secretary Butz in terms of the issue of grain reserves. I maintain that we need a reserve program to insure our grain farmers predictable and profitable prices, to meet our trade requirements, and to be prepared for disaster situations.

The administration response is to rely solely on the market. But how can one expect to achieve stability in a market by continuing a policy which has proven that it fosters uncertainty and volatile prices?

The administration's opposition to a reserve program shows not only a lack of concern for the future but also a total lack of understanding as to the real situation. Other nations have begun to establish reserve programs of their own since they have begun to doubt our reliability as a supplier. If a reserve program is a good idea for other nations why should we not also have our own reserves?

The administration has not yet faced the question as to whether private suppliers should be expected to hold reserves for emergency needs. This is a public interest issue which the private sector is not adequately equipped to handle.

We need a sensible food policy which takes these needs into account. The administration has not been willing, to date, to face up to the shortcomings of its present policies.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. GRAIN-RESERVE DEBATE HEATS

(By John Dillin)

WASHINGTON.—Does the United States need a grain reserve, as biblical Egypt did in Joseph's time, to guard against world hunger?

Sen. Hubert H. Humphrey (D) of Minnesota cites the story of Joseph in support of his bill to establish a major U.S. grain bank to protect against lean times that now threaten parts of the world.

U.S. officials, led by Agriculture Secretary Earl L. Butz, oppose the idea.

Two developments have given a U.S. decision on this issue world importance. Grain reserves in major producing countries have sunk to modern-day lows in the past year; and some agricultural experts are warning that drought, energy shortages, and fertilizer scarcity are threatening famine in some of the most populous nations of the globe.

On the surface, Senator Humphrey's call for a U.S. grain reserve might seem an uncontroversial and obvious reflection of common sense.

IMPACT QUESTIONED

But U.S. agriculture officials argue strongly that the impact on the world food supply would be just the opposite of what Mr. Humphrey suggests.

The result, they say, could be more hunger, not less.

On July 17, Mr. Humphrey's measure, Amendment 1348, comes up for a vote in the Senate Agriculture Committee. Members are thought to be evenly divided. If it fails there, Mr. Humphrey is expected to carry the fight to the Senate floor.

The Humphrey amendment seeks to maintain a basic reserve which, ideally, would not be used until times of great national or international need.

The reserves, held one-third by the government and two-thirds by private hands, would consist of:

Wheat, 600 million bushels (a nine-month supply for U.S. users).

Feed grains, 40 million tons (a three-month domestic supply).

Cotton, 5 million bales (a seven-month supply).

Soybeans, 150 million bushels (a 2½-month supply).

Senator Humphrey calls this level of reserves "very modest," while the Agriculture Department counters that it is "quite high."

Both sides in the disagreement insist they are striving for the same result:

Adequate supplies to customers, and steady, profitable prices to the farmers. The perennial problem of American agriculture has been to achieve both of these results at the same time. Today the situation appears particularly volatile.

EXPLANATION OFFERED

Senator Humphrey explains:

"We are entering a period which could turn out to be ironically either a period of even greater shortages, or a period of production far in excess of demand. . . . To comprehend such a situation, one must remember that one simple political decision by the Russians (to buy grain), or by the People's Republic of China today could move us from one end of such a supply spectrum to the other very abruptly."

Under these circumstances, farmers can be the sudden beneficiaries, or the sudden victims, of decisions made in Moscow, Peking, New Delhi, or Tokyo. It is a situation in which the farmer, who is being urged by Washington to plant every available acre, "can be taken for a fast ride on a downhill slope," Mr. Humphrey says.

UMI

The roller-coaster effect could be moderated, he says, by a U.S. reserve system that soaked up surpluses in times of excess production and helped fill deficits in time of need.

Agriculture Secretary Butz, however, counters that the Humphrey plan just will not work.

The effect of reserve hanging over the marketplace, he says, is to suppress prices.

PRODUCTION AFFECTED

Lower prices mean lower production.

Lower production means more hungry people.

Furthermore, says one U.S. agriculture official who specializes in the grain trade, this is not the moment for the country to begin a grain bank, anyway. Every bit of production is needed by consumers. Little or no excess capacity exists to begin a government-financed reserve this year.

The official makes two additional points:

1. A major grain reserve almost certainly would become a political football. Heavy pressures would be brought on Congress to release the grain every time prices started to rise. The result is to "defeat the purpose of the legislation," by releasing the reserve before it is really needed.

2. Other nations, particularly grain-importing nations, should build their own reserves according to their own needs. Huge U.S. stockpiles in the past made it unnecessary for other nations to plan ahead. Renewed stockpiling by the United States now would delay the time when other nations take the necessary steps to feed their own people.

DOMESTIC FISHERIES AND THE LAW OF THE SEA CONFERENCE

Mr. GRAVEL. Mr. President, I have just returned from a trip to my home State of Alaska, which, as you may be aware, is facing a major crisis in its fishing industry.

In Alaska, Mr. President, fishing has long been a mainstay of our economy, providing food, jobs, and income for our people.

Fishing accounts for the single largest labor force in the State; it contributes $50 million annually to the gross State product. It is clear, then, that what happens to our fishermen will be felt throughout Alaska.

The entire domestic fishing industry is in dire need of assistance. As the competition increases and foreign technology advances, the supplies dwindle. Today, more fish are being caught than can be replaced through the normal reproductive cycle. The salmon grounds in Alaska are a prime example of ever-diminishing catches, which result in severe economic hardship for those who depend on the sea.

Fishing in the United States is basically an individual effort. Many of our foreign competitors, however, employ highly technical, distant-water factory fleets, all backed by handsome government subsidies. With the exception of our distant-water tuna and shrimp fleets these advanced techniques are virtually unknown to our own fishermen. It is a sad commentary that a Nation capable of such highly technical achievements as ours is unable to compete for our own resources from the sea.

Many of the factors which contribute to the declining state of the domestic fisheries can be alleviated by properly directed, protective Government actions. But a high degree of international cooperation is a basic requirement in order to effectively enforce such policies.

For that reason, I was pleased, as were all Alaskans, to read of the position presented by this Government at last week's United Nations Law of the Sea Conference, meeting in Caracas, Venezuela.

Ambassador John R. Stevenson, representing our Nation's interests at the Conference, supported what I consider to be a highly commendable position governing coastal fishing rights.

Ambassador Stevenson told the assembled representatives from 150 nations that this country would embrace an extension of territorial rights to 12 miles and the creation of an outer limit of 200 miles for an economic/contiguous zone.

It is equally important, I might add, that control over anadromous species be maintained by those coastal nations which support the spawning areas.

As a long-time supporter of the 200-miles zone concept, I welcome our posture before the conference.

However, I would urge my colleagues to continue their efforts to secure congressional legislation establishing a 200-mile limit. The conference has not yet voted on the 200-mile concept, and, even if it were to endorse it, Congress would still be required to enact legislation consonant with that proposal.

I am hopeful, Mr. President, that we can act on this crucial matter here in the Senate this summer. The fishermen of Bristol Bay and other economically depressed areas of Alaska depend for their likelihood on how we treat this topic.

Should the Commerce Committee favorably report out a measure establishing the 200-mile limit, I would hope for unanimous support for the bill in the Senate, as well as in the other body.

CAPTIVE NATIONS WEEK

Mr. ROTH. Mr. President, it is entirely fitting that during the month when the United States celebrates its own independence, we in the Senate should recognize the plight of captive nations. Since 1959, the third week of July has been declared Captive Nations Week, for the purpose of commemorating the valiant struggle of numerous Eastern European nations which have fallen under Soviet domination.

Approximately 100 million people, living in Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the Ukraine, and other lands, lack the freedoms which we Americans so readily take for granted. It is fitting that during this week, we should affirm again our belief in the need for freedom and self-determination of the people in these captive nations.

Our recognition of Captive Nations Week this year provides a striking contrast to those celebrations of the past. In Europe, the 35-nation Conference on Security and Cooperation in Europe has considered the issues of "inviolability of frontiers" and the free exchange of information and ideas between East and West. It would, indeed, be hypocritical to pursue these discussions without considering the instances of forced resettlements and the curtailing of basic freedoms which have been documented in these captive nations.

We cannot afford to ignore the warnings of people like Andrei Sakharov, the eminent Soviet physicist, who cautions us in the West that:

> Rapprochement cannot be unconditional, otherwise, it will be just one more capitulation to our anti-democratic regime, an encouragement to its sins, and will have particularly heavy and tragic consequences for the entire world situation.

In recognizing the 16th anniversary of Captive Nations Week, America continues to espouse the cause of freedom and self-determination which lie at the roots of our own heritage.

WILSON, N.C., MAN NAMED OPTOMETRIST OF THE YEAR

Mr. ERVIN. Mr. President, it is always a pleasure to call attention to an honor bestowed on a constituent. It is a special occasion when the person has compiled a distinguished record of service. Dr. John D. Costabile, of Wilson, is such a person. Recently the American Optometric Association named him the optometrist of the year.

Dr. Costabile has aided thousands of persons in North Carolina, not only in the area of vision. He has been active in industrial development, educational progress, mental health, and conservation. Dr. Costabile has been appointed to State governing boards and agencies by five North Carolina Governors.

He provided outstanding leadership to the first eastern North Carolina industrial mission to New York in 1963. He has served on the Wilson County industrial council for 8 years, during which time thousands of new job opportunities opened in that county.

He also serves as Wilson County Commissioner and as trustee of the Wilson County Technical Institute.

As a direct offshoot of his concern for good vision, Dr. Costabile for 25 years has worked with the State commission for the blind. He negotiated with State officials for inclusion of total optometric care, including vision therapy, in the State medicaid programs. As a result, over 100,000 persons receive vision examinations annually. He also instituted a vision screening program for the schools in his home county.

A member of the Medical Advisory Commission on Medicaid, he chairs the Wilson-Greene Area Mental Health Board, which has developed a full-scale mental health program with services to alcoholics and drug addicts, among others.

As president of the Wilson Lions Club, he instituted a program which spread to other communities across the Nation—"Operation Pine Tree." Over 20,000 free seedlings were distributed to homeowners in his hometown. Nationally, over 160,000 seedlings have been issued.

Dr. Costabile has served his profession through long years of work in his State and national associations. He was one of the organizers of the Southern Council of Optometrists. SCO named him optometrist of the South in 1961. For 22 years he has served as secretary-treasurer of the State association. He has been active in the national group and is a member of the Council on Optometric Education.

Mr. President, in ways too numerous to detail or describe here, Dr. Costabile has been helping his neighbors all over the State. I congratulate him on this honor. We count ourselves fortunate in North Carolina to have such an outstanding and giving citizen.

MRS. MARTIN LUTHER KING, SR.

Mr. MATHIAS. Mr. President, it is a blot on the record of human progress that great causes have often demanded the sacrifice of martyrs. The great cause of civil rights has been no exception.

But the cruel, mindless murder of Mrs. Martin Luther King as she worshipped in Ebenezer Church seems to be an exaction beyond all reason and all understanding. In a very real sense, Mrs. King was already a martyr through the loss of her son, Dr. Martin Luther King, Jr., and the grief and sorrow that his assassination must have cost her. She has now joined her son in the army of martyrs, but our hearts go out in compassion and love to her husband who is left to bear the burden and the grief.

THE ROLE OF FIREARMS IN OUR SOCIETY

Mr. KENNEDY. Mr. President, last Saturday, Mr. Louis Sisler, a lobbyist for the National Rifle Association, was gunned down in the doorway of his home in Northwest Washington.

Last Thursday, two prisoners used guns to take seven hostages in a dramatic episode in the U.S. District Courthouse.

And 2 weeks ago, the Nation was stunned by the assassination of Mrs. Martin Luther King, Sr., and Deacon John Boykin, in Atlanta.

These events are similar because they were all made possible solely because desperate people had easy access to guns.

Mr. Sisler's assailants were searching for someone who attacked their relative. The man charged with the killings in Atlanta went on a senseless rampage. And the prisoners in the Federal court are lashing out at a system that has been oppressive and insensitive.

In each case, available firearms provided unlimited powers to people whose grievances certainly could have been settled more reasonably and more humanely in the absence of firearms.

Those of us who have been in the struggle for effective Federal firearms legislation know only too well the claims of those who oppose controls because "the right to bear arms" is born in the Constitution. Obviously, legitimate uses of firearms deserve to be protected. But there is no way to justify the unrestrained use of guns that encourage acts of the type recently in the news.

Each year the toll of gun homicides in the United States is greater than in the year before. Each year the number of firearms produced by the gun industry and put in the marketplace is greater than the year before.

Too little is said about the violence and the tragedies that guns cause; and even less is done about gun crimes.

Instead of increasing gun production year after year, let us strive to restrain public access to guns. Let us use gun registration to weed out those who have no legitimate need for a gun. Guns should not be as easy to obtain as household appliances. Guns should not be sold to anyone who is simply able to meet the purchase price.

When our national leaders publicly proclaim a commitment to end the shooting, gun violence in this country can be reduced. When our leaders urge all Americans to seek ways to restrain gun abuse; instead of encouraging those who would incite citizens to arm themselves, death by gunfire will no longer be a daily tragedy in modern American life.

Each day in America is a day of mourning for the 60 people who die from gun wounds. The gun mystique has been fantasized and romanticized. It is well past the time to place in proper perspective the proper role of firearms in our society.

Let us memorialize those who have died by gunfire with a sane and reasonable curb on the proliferation of guns, before the two-gun family becomes as commonplace as the two-car family. Let us halt the production and sale of those guns that serve no justifiable purpose other than to maim or murder human beings.

With some 150 million guns in private hands, Americans own the largest nonmilitary arsenal in the world. We must halt this unjustified display of weapons.

Recent dramatic tragedies with guns simply remind the Nation of a daily national illness that must be cured. It is my hope that the deaths of Mrs. King, Deacon Boykin, and Mr. Sisler were not in vain but, rather, that their memories will help establish controls that will minimize the chance that others will die in such a wanton manner.

THE NEED FOR NATIONAL MOBILE HOMES SAFETY STANDARDS

Mr. BROCK. Mr. President, needless lives and property are being sacrificed in America today because there is no comprehensive national mobile homes safety legislation. Although there is a proliferation of State safety laws, these have proven inadequate to give the mobile homeowner adequate protection.

For example, the Memphis Commercial Appeal on July 8 reported the tragic incident of tornadoes making shambles out of some mobile homes in the Redwood Estates in Mississippi, a short distance south of Memphis, Tenn. According to this report, there were about 140 mobile homes in the Redwood Estates when tornadic winds struck there on November 27, 1973. Very few of them were tied down and within minutes a large part of the park was reduced to a jumble of upended homes, many shredded beyond repair. There were numerous injuries and a 6-week-old infant died several days later.

The owner of one of those homes stated that nothing is safe in a direct hit by a tornado, but that her home survived that storm with little damage because she had recently installed tiedowns. Unfortunately, many of her neighbors who were blown away did not have such tiedowns.

The editors of the Commercial Appeal in a well-reasoned editorial point out that the solution to the problem would be Federal legislation requiring tiedowns. Chapter VI of the Senate housing bill which is now in conference would establish a National Mobile Homes Housing Administration within the Housing and Urban Development Department, with the responsibility to establish national standards for construction and safety. Under these standards, all new homes would be required to be equipped with tie-downs.

Unfortunately, the House version of the Housing bill makes no mention of mobile homes. I am hopeful that the House-Senate conferees will follow the advice of the editors of the Commercial Appeal and adopt national mobile homes safety legislation. Such a move is badly needed to prevent further loss of life and property.

Mr. President, I ask unanimous consent that the editorial and news story appearing in the Commercial Appeal be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Mobile Home Moorings Needed

A mobile home caught directly in the path of a tornado or hurricane is probably doomed no matter what safety precautions have been taken. But there is no question that the frequent damage done to mobile homes by straight, high winds that accompany thunderstorms or tornadic activity can be prevented or lessened by strong moorings.

The wisdom of steel-cable tiedowns was made clear by observance of those mobile homes that survived and those that were blown apart by tornadic winds at a trailer park just across the Mississippi line from Memphis last Nov. 27.

Mississippi has since created regulations requiring tie-downs on all mobile homes sold since the beginning of this July. The next Tennessee legislature should enact similar requirements. As recent statistics showed, practically no permanent houses in the $15,000 or below range are being built in the Memphis area. But nationwide, 95 per cent of the housing being built at that price level consists of mobile homes. Their vulnerability to high wind is a hazard that state governments cannot ignore.

Better still would be federal legislation requiring tie-downs. Chapter 6 of the Senate omnibus housing bill (S 3066) which was passed on March 11 would establish a National Mobile Home Administration within the Housing and Urban Development Department. Among the responsibilities of this new agency would be national standards for construction and safety.

But the more streamlined version of the housing bill passed by the House (HR 15361) on June 20 makes no mention of mobile homes. It might seem simple to insert this safety provision without argument when a Senate-House conference on differences is held in the near future. The trouble is, differences on the major issues such as subsidized homeownership, rental assistance and grants for urban aid are so enormous that it

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may be difficult to get much attention for mobile-home safety.

If Sen. Bill Brock (R-Tenn.), main proponent of the safety regulations, can prevail, this progressive action may survive in compromise legislation.

But if Congress shunts the matter aside, action at the state level will be all important. The added cost is relatively small. The savings, if winds hit a trailer park, are tremendous.

(By Thomas Bevier)

Mrs. Opal Venhuizen has already "been flying" in her mobile home once, so she need not be told about the wisdom of tie-downs, steel cables over the top of her residence moored in concrete on either side.

"I just keep preaching them," she says.

Mrs. Venhuizen owns one of the some 70 mobile homes remaining in Redwood Estates in Mississippi at Interstate 55 and Goodman Road south of Memphis.

Redwood Estates is a prime example being used in a move for federal legislation requiring proper mooring to guard against damage caused by high winds.

There were about 140 mobile homes in Redwood Estates when tornadic winds struck there Nov. 27, 1973. Very few of them were tied down and within minutes a large part of the park was reduced to a jumble of upended homes, many shredded beyond repair. There were numerous injuries and a 6-week-old infant died several days later.

Mrs. Venhuizen will tell you "nothing is safe" in a direct hit by a tornado, but her home survived that storm with little damage. In a previous storm, however, her home had been moved four feet off its blocks.

"I got out and it was blowing and raining," she says. "It knocked me off my feet. I didn't know what to do so I started whistling 'Amazing Grace.' A neighbor told me to come inside. 'Do you want coffee?' I said, 'Yes, and with a slug in it.'

"After that my son said, 'Mother, you have got to have tie-downs.' I said, 'I agree,' and I've felt more comfortable since."

Sen. William E. Brock (R-Tenn.) has introduced legislation which would provide national safety standards for mobile homes. It has passed the Senate and, said Pat Abshire, an aide, may be considered next week by a conference committee. The legislation passed the Senate as part of an omnibus housing bill, but it was not in the House version. The provision has the support of the mobile home industry and of various consumer groups. The requirement of proper mooring of mobile homes is a part of it.

"One of the reasons industry wants it is because there is lack of uniformity among the states," Abshire says.

Since the tornado hit Redwood Estates, Mississippi has adopted regulations stricter than those in most states. Under regulations promulgated by the state fire marshal, there must be tie-downs on all mobile homes sold in the state since July 1. Additionally, dealers doing business in the state must be licensed by the state and are held liable for improper installation. The mobile homes must be built to minimum specifications set out by the American Standards Institute.

Neither Arkansas nor Tennessee has such requirements.

The need for additional regulation is bolstered in a report by Col. Robert L. Fox, director of the Tennessee division of Civil Defense. He found that in seven days from Nov. 27, 1973, through Dec. 3, 1973, there were 171 mobile homes destroyed by high winds, 174 heavily damaged, that 82 persons were injured and one killed in the Mid-South within about a 100-mile radius of Memphis.

He concentrated on Redwood Estates. "The tragic fact is that many of the injuries, possibly one death and much of the destruction could have been prevented in this case and many others throughout the nation had proper legislation and regulations been passed requiring mandatory securing and manufacture standards of mobile homes," he wrote.

Accompanying his report, which was forwarded to Brock, who previously had authored legislation, was a letter from Glenn Stallard, meteorologist in charge of the National Weather Service in Memphis.

"While I was able to make only a spot check of owners of mobile homes struck by the Nov. 27 (1973) storm (in Redwood Estates)," Stallard wrote, "it seems apparent that most did not have the homes tied down. Among those that were tied down, I found one that had been moved only a few inches off its blocks and another that was turned over on its side when anchors pulled from the ground.

"It is realized that having a mobile home securely anchored would not prevent its destruction when hit directly by a tornado. However, there seems to be much needless destruction of homes by straight winds in severe thunderstorms and by the high winds accompanying funnel clouds which remain aloft . . ."

Fox pointed out the problem is one of increasing importance nationwide because more than seven million Americans now live in mobile homes.

"The use of mobile homes as permanent dwellings has been increasing at an astounding rate," he wrote. "At the present time, the mobile home industry provides 95 per cent of the housing below the $15,000 class."

The cost of tie-downs, he reports, are around $150 and if they are properly installed a mobile home can withstand winds of 70 mph and more, depending on the number of over-the-top ties.

Mrs. Roy Bunger, who moved into Redwood Estates about six weeks ago, says she wouldn't be without them.

"You need them for your protection," she says. "I've lived in mobile homes for 10 years and I wouldn't be without them."

Still, despite the storm of November, 1973, many of the residents are without them. One is the development's assistant manager, Dick Stuard.

"I just haven't had the money to install them," he says. "But I come to the clubhouse every time a cloud comes by and so does everyone else."

TRIBUTE TO SENATOR McGOVERN

Mr. BIDEN. Mr. President, last weekend I had the opportunity to address the State Convention of the South Dakota Democratic Party in Rapid City. I heard there a stirring tribute to the senior Senator from South Dakota, delivered by the State's Methodist Bishop, James Armstrong. I think my colleagues will be interested in the high regard his friends back home hold for Senator GEORGE McGOVERN, and I therefore ask unanimous consent that Bishop Armstrong's excellent statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INTRODUCTION OF SENATOR GEORGE McGOVERN, SOUTH DAKOTA STATE DEMOCRATIC CONVENTION, RAPID CITY, S. DAK., JULY 6, 1974

It goes without saying, but I am not here as a bishop of any particular church or as a representative voice of a religious denomination. Rather, I am here as one concerned and deeply committed citizen; one who, on this occasion is privileged to present to you South Dakota's most distinguished son.

I have just finished reading All the President's Men by those two brilliant, dogged, determined Washington Post reporters. The unbelievable story is there: the President's most trusted and powerful advisors masterminded the blatant violation of the rights of American people. "Enemies lists" were developed, phones were bugged, primaries and public opinion polls were rigged, secret slush funds were accumulated and the money was "laundered" in distant capitals. Breaking and entering, burglary, perjury, obstructions of justice, "dirty tricks" along the campaign trail from New Hampshire and Florida to California, and a weird assortment of cover-ups were all a part of the record. Never had such criminality invaded the executive branch of the American government. But, the chief victim of the Watergate syndrome, apart from the American people, was Senator George McGovern.

Now, two years later, Senator McGovern is opposed by a young man who claims to represent "the new politics."

Does Lyn Nofziger, one of the original White House "dirty tricksters" brought into South Dakota by Col. Thorsness at the outset of his campaign, represent the "new" politics?

Do the heavy contributions coming to support the colonel's campaign from all over the country, contributions coming from those who were conspicuous contributors to the Nix-Watergate slush fund, speak of the "new" politics?

It is George McGovern, who chaired the Reform Commission and has stood in the vanguard of the battle for new campaign financing legislation and essential electoral reform; it is George McGovern, not his out-of-state opponent, who represents the new politics; the people's politics of the future.

As I said, the chief victim of the Watergate syndrome, apart from the American people, was George McGovern. So many lies had been told about him, so many distortions had been manufactured by the opposition, that by the time November, 1972, rolled around the real George McGovern had been lost from view.

Now we—the people of South Dakota—have an opportunity to set the record straight. We have a chance to celebrate and recommit ourselves to the real George McGovern, the man who has become a conscience to his nation; who continues to be a faithful servant of his state.

Long before most of us understood the error of our ways in Southeast Asia, George McGovern was opposing leaders of his own party in protesting the waste and foolishness of the war.

Long before most of us understood the implications of vetoes and impounded funds that penalized the poor and powerless, George McGovern was warning against a misplaced set of national priorities and a military budget gone wild.

Long before most of us considered Watergate anything other than a "caper," a "prank," a "third-rate burglary job," George McGovern was warning about corruption in government, talking about a constitutional crisis and pleading for us to "come home America."

George McGovern has consistently been ahead of his time—a voice in the wilderness—appealing to the best sides of our natures and reminding us of the validity of the American dream.

In South Dakota we have a special reason to be grateful. Democrats have risen to positions of unprecedented prominence. We have a popular and effective Democrat governor—Dick Kneip. Here in Rapid City we have one of the most effective young mayors in the country—Don Barnett. We have two Democrat senators; one Democrat congressman, a vigorous Democratic presence in the legislative halls in Pierre, and a state Party that is aggressive and confident. Do you remember where it all began?

In 1952 the Eisenhower sweep left only

two Democrats in South Dakota's seventy-five member Assembly and none in the thirty-five member Senate. Between 1889 and 1952 the Republicans won about 95% of the elections in South Dakota. But in the mid-1950's a young history professor from Mitchell was asked to be the executive secretary of the Democratic Party. There was no salary. There was no paid staff. Only the promise of the future.

Almost immediately George and Eleanor, side by side, began to criss-cross the state, going from town to town and farmhouse to farmhouse, sleeping in their car, living on beans and hamburgers, selling campaign buttons—building a loyal and energetic party.

We would not be here in our present strength—today—had it not been for the early organizational work and later rise to national prominence of our senior Senator.

Born and raised in South Dakota he left us to serve valiantly in World War II. He returned to South Dakota to teach in one of our finest colleges. He launched his public career in South Dakota and has proudly represented us across the country and around the world.

During these summer months we have an opportunity to rally behind George McGovern, to say "Thank you" from the bottom of our hearts, and to send a message to the rest of the nation as, on November 5, we return Senator McGovern to Washington with a resounding victory.—George McGovern!

SENATE SHOULD NOT REPEAL HUD AUTHORITY TO REGULATE HOME CLOSING COSTS

Mr. PROXMIRE. Mr. President, yesterday I introduced amendment No. 1556 to S. 3164, the Real Estate Settlement Procedure Act. Cosponsoring this amendment with me are Senators MAGNUSON, MATHIAS, CASE, HART, and TUNNEY. Today I should like to announce as additional cosponsors Senators HATFIELD, KENNEDY, and METZENBAUM.

Amendment No. 1556 would strike section 10(c) of S. 3164—the section which repeals HUD's current authority to regulate settlement costs on FHA and VA mortgages.

As I have stated here on the floor and elsewhere, I am convinced that it would be a serious mistake to repeal HUD's authority in this area, and a disastrous blow to the consumer interest. At this time, when we in the Senate are engaged in taking a giant step forward by acting on the Consumer Protection Agency bill, hopefully without any crippling amendments, let us strengthen still further the Senate's strong record on consumer issues by passing a better settlement costs bill.

S. 3164, the Brock bill, provides for a number of reforms on which there is little controversy. These include provisions requiring more disclosure of closing charges, prohibiting kickbacks and other unearned fees, and restricting escrow account payments. With these provisions I have no arguments.

However, at the moment they are simply a cosmetic cover for the major setback to the consumer interest represented by the repealer of section 701 of the Emergency Housing Finance Act of 1970—HUD's authority to regulate settlement costs. If the bill goes through in its present form, then the lobbyists' basic objective—getting rid of the HUD authority—will be achieved, and there will no longer be any statutory deterrent to unrestrained escalation of settlement charges.

In yesterday's debate, the Senator from Tennessee made reference to an editorial which appeared in the Washington Post on June 2 stating that S. 3164 was important consumer legislation. I stated that I took issue with the thrust of that editorial precisely because it did not touch on the matter of the section 701 repealer. I should like to add that I was not alone in being disturbed at this omission. Congresswoman LEONOR K. SULLIVAN, who heads the Consumer Credit Subcommittee of the House Banking and Currency Committee, the counterpart of the subcommittee which I chair on the Senate side, wrote a detailed response to the Post editorial which was printed a few days later. I quote at some length from her letter:

> But your editorial failed to point out that S. 3164, as it is now written, has one significant and disastrous failing which turns it into anti-consumer legislation. That failing is a provision to repeal the legal authority of the Housing and Urban Development Department to regulate settlement costs applying to FHA insured and VA guaranteed residential real estate transactions. These mortgages represent about one-third of all home mortgages. This authority was given to HUD in the Emergency Home Finance Act of 1970.
>
> It is true that HUD has as yet not exercised this authority, but its very existence, coupled with growing awareness of abusive settlement practices has begun to produce substantial benefits for the homebuying public on the local level around the country.
>
> In effect, real estate developers, lawyers, residential mortgage lenders, title insurance companies and others have been placed on notice that settlement transactions for federally insured and guaranteed residential mortgages could be regulated by a simple administrative decision to do so. This fact has prompted the adoption of settlement reform legislation by a growing number of state legislatures.
>
> The Senate bill, far from achieving reform, would eliminate HUD's settlement cost regulatory authority—in my view the main item that is now motivating state action. In view of this, it is indeed ironic to find The Post supporting S. 3164 which I think is a thinly disguised step backward on the road to true settlement reform.

A letter in the same vein from Lewis H. Goldfarb of Reston appeared on the same day. I ask unanimous consent that the full text of these letters be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. PROXMIRE. Mr. President, on the same day that these letters appeared, June 12, the Post published another editorial on the settlement costs legislation, which the Senator from Tennessee neglected to mention. That editorial drew attention to the above-mentioned letters and conceded that the bill would be better without the repealer. It stated that—

> HUD is fully justified in assuming a role in regulating settlement costs involving FHA and VA money, and any pressure it might bring to bear on inflated charges and unnecessary expenses would be cheered by consumers.

I still disagree with the basic thrust of the editorial, which is that S. 3164 should pass anyway, but I am glad that the Post at least drew attention to the concern shared by many Members of the Senate and House, as well as by a large number of consumer, labor, and public interest groups, that repeal of HUD's authority under section 701 would be a blow to the consumer interest and would negate in large part the reforms proposed in S. 3164.

Mr. President, I ask unanimous consent that the Post editorial also be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 12, 1974]

MORE ON REAL ESTATE SETTLEMENTS

In our comments in this space last week about the costly and confusing practices that home buyers confront in real estate settlements, we noted that the Senate Banking Committee had approved a bill prohibiting kickbacks and requiring advance disclosure of settlement costs to prospective buyers—reforms we thought worthy of enactment. So far, no one has written us in support of kickbacks or in favor of last-minute settlement charges, but two of today's "Letters to the Editor" cite interesting arguments against passage of the Senate measure.

Rep. Leonor K. Sullivan (D-Mo.) and Lewis H. Goldfarb of Reston both observe that S. 3164, as presently written, would repeal the authority of the Housing and Urban Development Department to regulate settlement costs applying to FHA and VA guaranteed residential real estate transactions. Because of this, Rep. Sullivan believes that no bill ought to be passed this year, that continuation of the HUD authority and "growing awareness of abusive settlement practices" is enough for right now. Mr. Goldfarb, on the other hand, notes that a number of proposed bills would offer more effective solutions to the consumer abuses occurring in the settlement business.

We were well aware of the provision in S. 3164 that would repeal HUD's authority. But somehow it didn't strike us as a "disastrous failing" of the measure, as Rep. Sullivan contends. We might have thought so, were there better evidence, but the fact that HUD has never used this authority led us to conclude that its repeal would be no great calamity.

Still, if the reforms contained in S. 3164 can be enacted without repealing this never-used federal authority, fine. Certainly HUD is fully justified in assuming a role in regulating settlement costs involving FHA and VA money, and any pressure it might bring to bear on inflated charges and unnecessary expenses would be cheered by consumers. But rather than drop any attempt at federal legislation prohibiting kickbacks or requiring better disclosure practices, the more responsible course for members of Congress is, as Mr. Goldfarb suggests, to work for a stronger bill that would retain—or even strengthen—HUD's powers.

EXHIBIT 1

[From the Washington Post, June 12, 1974]

THE SYSTEMATIC FLEECING OF HOME BUYERS

It was with great interest that I read the Post editorial, "The Systematic Fleecing of Home Buyers," in the Sunday, June 2, edition. Your newspaper and reporter Ron Kessler are to be commended for the attention given the urgent need for reform of residential real estate settlement procedures.

However, I must point out that the edi-

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torial is in serious error when it urges passage of S. 3164, a so-called settlement reform bill passed by the Senate Banking Committee. It is true, as your editorial points out, that S. 3164 prohibits the practice of kickbacks among those providing real estate sales and settlement services and requires advance disclosure of settlement costs to prospective homebuyers. Certainly these are important and highly desirably features.

But your editorial failed to point out that S. 3164, as it is now written, has one significant and disastrous failing which turns it into anti-consumer legislation. That failing is a provision to repeal the legal authority of the Housing and Urban Development Department to regulate settlement costs applying to FHA insured and VA guaranteed residential real estate transactions. These mortgages represent about one-third of all home mortgages. This authority was given to HUD in the Emergency Home Finance Act of 1970.

It is true that HUD has as yet not exercised this authority, but its very existence, coupled with growing awareness of abusive settlement practices has begun to produce substantial benefits for the homebuying public on the local level around the country.

In effect, real estate developers, lawyers, residential mortgage lenders, title insurance companies and others have been placed on notice that settlement transactions for federally insured and guaranteed residential mortgages could be regulated by a simple administrative decision to do so. This fact has prompted the adoption of settlement reform legislation by a growing number of state legislatures.

The Senate bill, far from achieving reform, would eliminate HUD's settlement cost regulatory authority—in my view the main item that is now motivating state action. In view of this, it is indeed ironic to find The Post supporting S. 3164 which I think is a thinly disguised step backward on the road to true settlement reform.

Rather than adopt S. 3164 and its counterpart in the House, I am convinced the wisest course to follow at present is to give the states a reasonable opportunity to respond to the pressure of existing HUD authority and to public awareness of the need for change. At the appropriate time during the next Congress, members of Congress can evaluate state action and determine what if any additional federal legislation is needed.

Your editorial, quite rightly, emphasized the need for settlement reform articulated by Chief Justice Burger in a recent speech to a meeting of the American Law Institute here in Washington, D.C. It is interesting to note that in a statement printed in the Congressional Record on May 23, 1974, nine days before your editorial, I cited Chief Justice Burger's address, but also clearly pointed out the crucial weakness in settlement measures under consideration in the Senate and the House. It is unfortunate that The Post did not feel compelled, in its editorial, to point out the public criticism of Senator Proxmire and myself of S. 3164 as anti-consumer legislation.

I do not wish to discourage The Post from further pursuing the issue of settlement reform and supporting its achievement, but elimination of kickbacks and disclosure are not the only important issues involved in the settlement reform field. Retaining federal legal authority to correct abuses is essential to achieving meaningful reform.

LEONOR K. SULLIVAN,
Member of Congress,
Third District, Missouri.

It is disconcerting to see The Washington Post, a long time spokesman for meaningful real estate settlement reform, lend support to a Senate bill (S. 3164) which promises only superficial change and, even worse, repeals existing law which permits HUD to regulate settlement charges.

S. 3164, sponsored by anti-consumerist Senator William Brock, is simply an industry ruse to pre-empt meaningful alternative proposals which would go to the heart of the problem—the gross overcharges for settlement services. The Brock bill would simply prohibit kickbacks, a practice already illegal in most states, and require disclosure of settlement procedures and costs. While it may be desirable for the consumer to be fully informed of the costs of settlement, it is not very consoling to learn that the costs are exorbitant and there is no competition among providers of settlement services, i.e. realtors, lawyers and title companies.

It is especially anomalous for The Post to advocate passage of S. 3164 at the end of an editorial which accurately catalogues many of the real abuses in the area most of which are ignored by the Brock bill. The enactment of S. 3164 would hardly do justice to writer Ron Kessler who uncovered the horrors of real estate settlements in a fine series two years ago. A little more homework by the editorial board would have disclosed a number of proposed bills which come much closer to an effective solution to this costly consumer abuse.

LEWIS H. GOLDFARB.

GRAZING ON FEDERAL LANDS

Mr. MONTOYA. Mr. President, one of the most perceptive pieces of mail I have received in a long time has been sent to me by Mrs. John Nalda, the secretary of an organization called the Canyon Cowbelles, a local chapter of the New Mexico Cowbelles Association.

Mrs. Nalda has written to me about the concerns which ranchers have over the controversy now raging as to the propriety of continued grazing on BLM land.

I would like to call this letter to the attention of my colleagues and ask unanimous consent that Mrs. Nalda's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CORONA, N. MEX.,
May 31, 1974.

Hon. JOSEPH M. MONTOYA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONTOYA: My husband, two sons, and I own and operate an average size ranch near Corona, New Mexico. We are rather typical of most ranch people in our life-style, traditions, and in the problems that we face day to day. Also typical are many of my fellow Canyon Cowbelle members and their families. Canyon Cowbelles is a local chapter of the New Mexico Cowbelles Association. Most of us are wives of ranchers who are themselves members of the New Mexico Cattle Growers Association. I have been directed by our membership to act in my official capacity of secretary of our local chapter and write to you in regard to some matters which are of grave concern to us.

A few days ago we all learned through the news media that the nation's largest maker of steel had announced a price increase. Knowing that steel is used in the manufacturing of automoblies, appliances, furniture, and numerous other products, we are certain that it will only be a short while before the makers of these other products will one by one announce their own price increase. We will be told by these manufacturers that they are forced to pass on to the consumer the increase in their production cost. Those of us who ranch for a living have been faced with rises in production cost year after year. Despite this fact, we have never been able to pass on to the consumer any part of our cost increase by announcing a higher price on our own product. We wonder how many consumers can really appreciate the fact that the livestock producer has never announced his own price. The packer and the supermarket name their own prices, but not the producer. We have never been "price setters"; we are "price takers". Yet each time we shop for the innumerable goods and items necessary to operate our ranch and raise our children, we must pay the "set" price—be it a windmill tower, a tractor, or a toothbrush.

We have found through conversations with people of other professions that the average consumer today seems most concerned about high prices, inflation, the energy crisis, and the deplorable conduct of some of our country's high government officials. The rancher shares all of these very real concerns, but because of the nature of his business, he is equally as anxious about droughts and blizzards; insects and predators; livestock diseases which destroy a few head or kill an entire herd; poison weeds which also kill; parasites; ever-rising grazing fees and interest rates; the prohibitive costs of hiring laborers; cattle rustling; astronomical feed prices; scarcity of essential goods and materials. As for high prices, this is not a new problem for us. Each year the rancher has been faced with paying higher prices for most of the products essential to his operation. Yet, by comparison, (and except for last year) the prices received by ranchers for their livestock for the past twenty years have remained the same, or have been only slightly higher, and in some years have been even less than twenty years ago.

The financial squeeze on livestock producers right now is driving some near bankruptcy. Cost increases in our business hit 19 per cent last year and are predicted to climb at least 14 per cent more this year. As of now, livestock prices have collapsed. Many cattle feeders are losing up to $200 a head. Some of us will suffer financial losses from which we will not be able to recover, thus making it necessary for even more families to leave the land which they have worked and been a part of for generations. Small independent farmers and ranchers cannot survive years of huge financial losses, and so we find tax-subsidized conglomerates and non-agriculture corporations buying up the lands which we can no longer afford. And so right now, as we livestock producers find ourselves in one of the worst loss periods in history, we also find that we are confronted with yet another very real problem, the consequences of which could prove disastrous. Disastrous not just to the producers, but to the nation and even to the world. I am referring to the law suit brought by the Natural Resources Defense Council and others against the BLM and the Secretary of the Interior. The litigation involves livestock grazing permits on about 140 million acres of Public Lands in the Western United States, of which 13.6 million acres are in New Mexico.

This law suit and the possible harmful effects it might have on the rancher is in fact the reason for this letter. It is to this matter that Canyon Cowbelles most respectfully wish to direct your attention. Our members have a great common concern for those who use the land for raising livestock. Most of us who are Cowbelles live on the land with our families. We love the land and the homes we have made on it; we love our work with the land; and above all, we love our special kind of life in which the family unit is the most important element.

In the Introduction of their Complaint, Plaintiffs state, "Livestock grazing and the attendant management practices have had significant adverse environmental effects on the Public Lands, including reductions in types and populations of fish and wildlife, accelerated erosion, deterioration in soil

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quality and water quantity and quality, fundamental changes in plant ecology, and the impairment of esthetic and recreational uses." Plaintiffs further state," . . . defendants and others acting under authority have issued and will continue to issue and renew permits for grazing of domestic livestock in numbers and circumstances which have significant and adverse environmental effects on the Public Lands."

We whose livestock graze the lands are not at odds with the environmentalists who want to protect the land. For the most part, livestock producers in general respect the land too much to abuse it. It is, after all, the basis for our livelihood and so would be to our disadvantage to use it unwisely. Many of us are second and third generation ranchers whose fathers and grandfathers grazed the land before us. Our roots are deep in the soil, and we do not abuse that which we love. We are guided, as were many of our pioneer ancestors, by the philosophy, "You take care of the land and the land will take care of you."

Experts everywhere are predicting a global food crisis. United Nations Secretary General Waldheim has listed food as the third crisis in his list of great world crises. He has said that never in recent decades have world food reserves been so frighteningly low. Others in government refer to "large-scale disaster", "world famine", 'the millions who will die of starvation". For years it has been the American farmer and rancher who have provided the food to make theirs the best fed nation of the world, and at the same time also supplied much of the food for the rest of the world. Those of us who supply these foods already number less than 4 per cent of the population. In view of the present food shortage as well as predicted shortages of even greater magnitude, the USDA has asked our nation's agriculture people for all-out production of crops and livestock in 1974. At the same time there are those, the Natural Resources Defense Council among them, who would cut livestock production by decreasing the amount of Public Lands available for grazing purposes. This would seem to us greatly inconsistent with the needs of our nation and the world.

It is our view that our country's priorities must be realistic. World food shortages, starvation of millions, great imbalances in population and food supplies must be given their proper place in our nation's concerns!

Canyon Cowbelle members and their families are understandably distressed at the prospect of having some or all of their grazing rights revoked. There would be those among us who would lose part of, or in some cases most of, their means of income. Our concern is not confined to our own individual situations, for we feel just as strongly for all the other farmers and ranchers who find themselves faced with this same prospect. This law suit involving our grazing rights presents us with a new challenge, both as individuals concerned for the welfare of our families and as members of farm and ranch organizations who wish to protect our livelihoods. While meeting to determine how to best face this new challenge, Canyon Cowbelle members suggested that when writing this letter I should emphasize the following five points.

One: We contend that grazing the Public Lands is not necessarily incompatible with preservation of wildlife—quite the contrary. In our part of the country, the ranchland supports a large population of deer and antelope. Most of us are not fortunate enough to have natural streams, in which case the only water is from the wells which we have drilled. The deer and antelope water at the same wells as our cattle and sheep. The ranchers constantly watch for sickness or disease in the wildlife, and if they detect any such signs they immediately inform the Game and Fish Department. During hunting season, the ranchers help protect the deer and antelope population by doing what they can to insure that no hunter kills illegal game, and to see that no hunter kills more than his permit allows. It is a fact that during severe winter storms when deer, elk, and other wildlife find it impossible to eat the natural forage, mnay ranchers put out hay for them to eat. In the Teton Valley of Wyoming near Jackson Hole, some ranchers leave parts of the land ungrazed so that the elk can winter upon them when they are driven down from their high summer range by the snow and cold. This is not an uncommon occurrence among livestock growers.

Two: We very strongly take issue with the charge that grazing impairs the aesthetic and recreational use of Public Lands. The landowner who pays for grazing rights on land that is adjacent to or intermingled with his own property acts as a protective agent and a policing force for the Public Lands. It is sad but true that there are some people who demonstrate a complete lack of respect for the property of others—be it privately owned or government owned. This is made evident by the vandalism which occurs daily. We ranchers are very often confronted by vandals who would destroy landmarks, precious trees, wild game and such, as well as our own storage tanks, windmills, fences, and domestic livestock. We make no distinction between private land and Public Lands in our efforts to discourage such abuses. We believe that without the rancher acting as a controlling force, some of our Public Lands would indeed be ruined and would therefore have no aesthetic, no recreational value.

Three: Grazing permits have already been discontinued in an area on the eastern side of the Manzano Mountains near Mountainair, New Mexico, in order that the land could be used for recreational and camping purposes only. There has been no significant increase in the number of campers and hikers in the area, and the land that used to be grazed by livestock is sitting idle, not being used by livestock nor humans. The grass is quite tall and in fact creates a definite fire hazard.

Four: During the last twenty years there has been an appreciable change in the amount of rainfall in New Mexico. This can be verified by Dr. Marx Brooks, Dr. Charles Holmes, and Dr. Marvin Wilkening, all professors in Weather Research at the New Mexico Institute of Mining and Technology. With any substantial decrease in moisture to the soil, there of course follows a decrease in natural forage. During these times the affected lands support a smaller number of livestock, thus making it necessary for the rancher either to decrease his herd or lease additional land in order to maintain his normal herd. It is therefore imperative that we not lose grazing permits which are absolutely essential if we are to remain in the livestock business and if we are to continue in our efforts to meet the increasing demands for more food.

Five: Through the years ranchers have made many improvements on the Public Lands on which their livestock graze. Fences, corrals, pipelines, dirt tanks, storage tanks—all have been built by the rancher at his own expense with no financial aid from the federal government. If at any time the rancher's grazing rights are revoked, he receives no compensation whatever for any of the costs of such improvements. He is allowed to remove from the land any of the improvements he has built; but in some cases removal is impossible, in other cases the cost is prohibitive. Therefore, whatever the rancher cannot remove from the Public Lands becomes a total loss to him.

Finally, we know it to be a fact that proper grazing practices are good for the reproduction and condition of the plants and soils. When we use the land wisely there are benefits not only for us but for the land as well.

At the present time the ranchers in our area are suffering severe drought conditions. Because of the extreme dryness, we are called upon almost daily to fight grass fires and forest fires which threaten to destroy our ranches and homes. Our struggle to survive is one comprised of many such battles with nature and the elements. Blizzards, ice storms, lightning, poison weeds, dry wells, insects, parasites and the like are all dictates of nature, and not man-made. Only the Lord controls such things. But price squeezes, meat boycotts, truckers' strikes, inflation, and law suits are also a part of our struggle, and all these things are controlled by the men and women of our nation. We seek your support and any assistance you might be able to give in this latest battle in our struggle for survival—the battle for the right to continue our grazing of the Public Lands.

Thank you very much for your interest.

Sincerely,

Mrs. John Nalda,
Secretary, Canyon Cowbelles.

SENATOR TOWER SUPPORTS COMPREHENSIVE FINANCIAL REFORM

Mr. McINTYRE. Mr. President, in a speech today to the American Bankers Association's Governmental Affairs Conference, I addressed myself to the continuing and pressing need for comprehensive structural reform of our financial industry. In this regard, I am very pleased by the recent statement by the distinguished senior Senator from Texas, Mr. Tower, expressing his support for a comprehensive review and reform of our financial institutions. The opinion of the ranking minority member of the Senate Banking Committee is widely respected in financial and academic circles and his endorsement of sound structural reforms is particularly significant.

I would also like to call attention to a recent speech by Senator Tower which has turned out to be a timely and farsighted statement on the structural problems of our financial system and which was the subject of a recent editorial in the American Banker. Three months ago, Senator Tower accurately predicted the emergence of the corporate type of savings bonds such as those recently announced by Citicorp.

Mr. President, I ask unanimous consent that a copy of Mr. Tower's recent statement, a copy of excerpts from his speech of April 22, 1974, and a copy of the American Banker editorial be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Statement by Senator Tower

Washington.—Senator John Tower, R-Texas, today urged early enactment of pending legislation to reform laws governing banks and savings and loan groups to allow thrift institutions to meet growing competition.

Tower, ranking Republican on the Senate Banking, Housing and Urban Affairs Committee, referred to a recent development whereby Citicorp of New York announced plans to issue $850 million in "floating rate notes" designed to attract the small investor.

The notes would be redeemable semi-annually at par and would carry an interest of one percent above the average for three-month treasury bills.

The move by the New York bank holding company has generated considerable debate throughout the financial community and within Congress.

Tower said the move had generated considerable concern among all thrift institutions about their future viability on grounds that they may not be able to compete effectively against such a saving certificate.

"Obviously, if thrift institutions cannot maintain their competitiveness there will be dire consequences not only for that industry, but also for the housing industry which depends heavily upon the mortgage financing originated by savings and loan associations," Tower said.

Tower said the offering by Citicorp "is a manifestation of the poor structure of our financial system which has allowed a situation to develop whereby a vast number of small consumer-savers are not receiving sufficient return on their savings. Citicorp has offered to do so."

Tower said that past efforts had been insufficient in that the government had merely reacted to every crisis instead of seeking long-range solutions.

"It is now appropriate to move on basic structural reform which will put the thrift institutions in a position to meet competitive challenges," he said. "Reform legislation is pending in committees of both Houses of Congress, and should be acted on."

Some of the proposed changes would allow thrift institutions to offer checking accounts, provide consumer loans, invest in high grade securities, make real estate loans in a more flexible manner, and in general offer the services demanded by the public.

"However, we must keep in mind that we will have to adjust the services of all of our financial institutions and keep them in balance if we are to finally cure the basic ills which are now afflicting our financial industries," Tower said.

"Furthermore in all of our deliberations, we must keep the interests of consumers—both as savers and borrowers—uppermost in our mind, and since housing is so reliant on our financial institutions, we must be conscious of the effects any changes may have on it."

EXCERPTS FROM A SPEECH BY SENATOR JOHN TOWER

First, unless sound structural reforms are enacted, our financial institutions will become increasingly reliant on the credit advances of government-sponsored agencies. These agencies have already exhibited a trend towards expanding the size and scope of their operations. For example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Federal Home Loan Banks, and the agencies of the Farm Credit Administration have generated a debt growing from $13 billion outstanding at the end of FY 1965 to $65 billion at the end of September 1973. Since many activities of these organizations are manifestations of government reaction to our financial crises, their projected debt growth is particularly significant.

These agencies are strong competitors for the savings dollar, and interest rates on their securities must be high enough to attract funds from investors who would otherwise deposit with banks, savings and loan associations, and other thrift institutions. Thus, the "disintermediation process," which disrupts the normal flow of mortgage and other funds through lending institutions, is aggravated by the borrowing of government and government-sponsored agencies. Although these borrowings were allegedly intended to insulate the mortgage market from changing economic conditions, they actually compete with housing, small business, municipal, and other borrowing, and their net effect on allocation of credit in the economy is not clear. It is clear, however, that credit and financial institutions are becoming more heavily reliant upon federal participation and support.

Second, in addition to the fact that the savings industry as presently structured will become more and more heavily dependent on government involvement, we are also faced with a possible disintegration of the entire "intermediation system," comprised of banks, savings and loans, and mutual savings banks. Awkward and antiquated banking institutions will succumb to the competitive edge of other groups which have improvised better means of attracting deposits and extending credit.

In fact, the growth of the commercial paper market almost crippled the commercial banking business in 1969. This development was a result of the human tendency to avoid the expense and complication of traffic through a middleman. Only the Penn Central collapse and other corporate scares, coupled with the relaxation of Reg Q on negotiable CD's, retrieved the commercial banking function from this viable competitor. If these events had not happened, we might be observing today a different banking system entirely.

Third, I believe that a significant portion of the "consumer intermediation" system will be dissipated if financial institutions cannot compete with market rates. If banks, savings and loans, and mutual savings banks do not provide the best means of collecting and investing the deposits of small depositors, then they will lose this business to a more efficient method. Other banks and savings and loans are not their competitors; the entire world is, and we must wake up to this fact.

Large corporations are now able to approach their customers directly for their capital requirements, and I could foresee a situation developing in which financial institutions could never regain their historical role as a depository and lender. If Reg Q continues to suppress the rate earned by small depositors while corporate borrowing rates continue to be substantially higher, then the stage is set. For example, if General Motors, AT&T, or any other major company with a solid customer or employee base and an electronic data processing system offered small savings bonds at 8%, then the financial system as we know it could be staring obsolescence in the face. If the banking and savings institutions cannot develop earning potential that will allow them to pay market rates, the confrontation may occur in the uncomfortably near future.

Some economists insist that the present system can withstand the pressures from exposure to any one of the adverse circumstances I have mentioned, but a combination of these factors bleeding its resources could prove lethal to its positive contribution to society. In fact, one circumstance would probably harvest the others as well, and the whole thing could be cultivated by a prolonged period of high and rising interest rates nurtured in an over-protective and rigid financial system.

[From the American Banker, May 15, 1974]

DISINTERMEDIATION BY DEFAULT

The case for banking reform, disparaged in numerous commentaries, fading in urgency as a public issue, has been given forceful reaffirmation by Sen. John Tower, R., Tex., ranking minority member of the Senate Banking, Housing and Urban Affairs Committee.

"First, unless sound structural reforms are enacted, our financial institutions will become increasingly reliant on the credit advances of government-sponsored agencies," he told the recent Conference of State Bank Supervisors. "These agencies have already exhibited a trend toward expanding the size and scope of their operations. For example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Federal Home Loan Banks, and the agencies of the Farm Credit Administration have generated a debt growing from $13 billion outstanding at the end of fiscal year 1965 to $65 billion at the end of September, 1973. Since many activities of these organizations are manifestations of government reactions to our financial crises, their projected debt growth is particularly significant.

"These agencies are strong competitors for the savings dollar, and interest rates on their securities must be high enough to attract funds from investors who would otherwise deposit with banks, savings and loan associations, and other thrift institutions," Mr. Tower pointed out. "Thus the disintermediation process, which disrupts the normal flow of mortgage and other funds through lending institutions, is aggravated by the borrowing of government and government-sponsored agencies. Although these borrowings were allegedly intended to insulate the mortgage market from changing economic conditions," he explained, "they actually compete with housing, small business, municipal, and other borrowing, and their net effect on allocation of credit in the economy is not clear. It is clear, however, that credit and financial institutions are becoming more heavily reliant upon federal participation and support.

"Second," he noted, "in addition to the fact that the savings industry as presently structured will become more and more heavily dependent on government involvement, we are also faced with a possible disintegration of the entire intermediation system composed of banks, savings and loans, and mutual savings banks. Awkward and antiquated banking institutions will succumb to the competitive edge of other groups which have improvised better means of attracting deposits and extending credit.

"In fact, the growth of the commercial paper market almost crippled the commercial banking business in 1969. This development was a result of the human tendency to avoid the expense and complication of traffic through a middleman. Only the Penn Central collapse and other corporate scares, coupled with the relaxation of Regulation Q on negotiable certificates of deposit, retrieved the commercial banking function from this viable competitor. If these events had not happened, we might be observing a different banking system entirely.

"Third, I believe that a significant portion of the consumer intermediation system will be dissipated if financial institutions cannot compete with market rates. If banks, savings and loans, and mutual savings banks do not provide the best means of collecting and investing the deposits of small depositors, then they will lose this business to a more efficient method. Other banks and savings and loans are not their competitors," Mr. Tower warned; "the entire world is, and we must wake up to this fact."

WE NEED TO EXTEND THE PETROLEUM ALLOCATION ACT

Mr. HUMPHREY. Mr. President, as chairman of the Subcommittee on Consumer Economics of the Joint Committee on Economics, I held hearings on June 13 on the plight of the independent oil firms. As a result of those hearings, I found it necessary to introduce S. 3717, a bill to extend the Emergency Petroleum Allocation Act from February 28, 1975, to June 30, 1976. Twenty-two of my colleagues have joined in sponsoring this bill.

On July 16, in communications to the chairman of the Senate Interior Committee, Secretary of the Treasury William E. Simon, and John Sawhill, Administrator of the Federal Energy Administration, objected to the possible extension of the Emergency Petroleum Allocation Act. It seems to me that Mr. Sawhill and Mr. Simon are attempting to avoid an important requirement of the Allocation Act.

They have not addressed themselves to the problem of the reducing market share of the independents. The FEA has not even been able to submit monthly market share reports to Congress which were due for January, February, March, April, May, and July. On the other hand, unpublished FEA reports show the independents have gone from nearly 28 percent of the market in 1972 to 18 percent in early May.

I again ask Mr. Sawmill, what is happening to the market share of the independents and what are you doing about it?

My conclusion now and my conclusion on June 13, the day of the hearing on the plight of the independents, is that the FEA is absolutely unwilling to use the power it clearly has to solve the problems of the fast shrinking markets of the independent oil refiners and gasoline marketers.

It is imperative that the FEA address the serious economic problems of the independent oil dealers. The FEA ought to be hard at work on assuring reasonable price controls for crude oil, rather than pushing forward with a decontrol plan. The FEA should use its statutory power to carry out the objectives of the Allocation Act, rather than phase-out programs mandated by Congress.

How long can the independents last, if the FEA does not carry out the provisions of the Allocation Act? How long can they last if Mr. Sawhill begins decontrol of oil products?

The FEA has clearly ignored the law by not protecting the competitiveness of the independents. The Emergency Petroleum Allocation Act states explicitly that the FEA must preserve, "the competitive viability of independent refiners, small refiners, nonbrand independent marketers, and branded independent marketers."

The FEA has also clearly side-stepped the law by not submitting reports of the market share of independents for the last 7 months. But the FEA moves on with its plans to phase out the allocation program, and the independents, the only true competitive force in the oil industry, continue to lose their market share to the majors, and the consumers ultimately pay more for gas.

The Independent Gasoline Marketers Council recently reported that the "small nonbranded independent gasoline marketers lost about 17.8 percent of their market share during the first quarter of 1974 compared with the like period of 1972. Since 1972, the nonbranded independent marketer as a class has suffered a 21 percent loss of sales volume."

At my subcommittee hearing, Mr. R. J. Peterson, of the Independent Gasoline Marketers Council, very graphically described the economic crunch of the independents compared to that of the majors:

> The major-brand dealers' cost of product is represented by dealer tankwagon prices. These prices are posted for 55 major city market areas across the country. Taking an average of these figures for the first quarter of 1972, major-brand dealers during that period of time paid 17.64 cents per gallon for regular gasoline. Since then, the Platt's postings have risen to an average of 27.11 cents per gallon during the first quarter of 1974. Thus, product costs to major-brand dealers across the country have risen only about 53 percent, whereas independents' costs have risen over 109 percent. Moreover, in April, a comparison of dealer tankwagon prices in 1972 with the same prices in 1974 shows that the prices rose from 17.2 cents per gallon to 29.7 cents per gallon. This is an increase of only 72 percent. Whereas, the increase to nonbranded independent marketer is over 135 percent.

Mr. President, these figures make it abundantly clear that Congress must take action to continue authorizations under the Emergency Petroleum Allocation Act for a sufficient duration to assure that the competitive position of small independent operators around the country is not further eroded.

On June 10, 3 days before my subcommittee hearing, Mr. Sawhill circulated his plan to phase out both petroleum allocation and price controls under the Emergency Petroleum Allocations Act, although nothing was said of this plan when I asked Mr. Sawhill about decontrol.

Information which has recently come to my attention indicates that Mr. Sawhill is planning to decontrol crude oil by October, gasoline by December, propane and butane by September, and aviation fuel by October. In just 14 days, Mr. Sawhill plans to have complete decontrol of residual fuel oil.

Mr. Sawhill's decontrol plans are discussed by Mr. Morton Mintz in an excellent article which appeared in the Sunday, July 14, Washington Post. Mr. President, I ask unanimous consent that the Mintz article be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. HUMPHREY. Mr. President, I submit that this decontrol would do severe damage to the independents and ultimately to the consumer. The dismantling of oil price controls would mean another windfall profit of about $10 billion per year to domestic crude oil producers, primarily the major oil corporations, as the prices of so-called "old crude" even up to the price level of uncontrolled oil set by the OPEC cartel. This windfall would approximately equal the one the oil producers were given last year by the Administration's oil pricing decisions.

Mr. President, I urge my colleagues to support my measure to extend the Emergency Petroleum Allocation Act to June 30, 1976. It is a bill which will protect independents as well as the consumers from the profit hungry major oil corporations.

I would like to thank Governor Wendell R. Anderson of the State of Minnesota for his support of S. 3717, stated in a recent letter to me. I think Governor Anderson has very eloquently expressed the vital need for this legislation.

Mr. President, I ask unanimous consent that the text of Governor Anderson's letter also be printed in the Record.

There being no objection, the letter and article were ordered to be printed in the Record, as follows:

State of Minnesota,
St. Paul, July 12, 1974.

Hon. Hubert Humphrey,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: I applaud your stand on the Emergency Allocation Program.

We, in Minnesota, recognize that the only hope for the independents in the oil industry is a continuance of the Emergency Allocation Program. Without it, the independents are at the mercy of the oil monopolies. Minnesotans in general, and our farmers in particular, need a continuance of the program to assure them of a supply of LP gas. Without the Mandatory Allocation Program, our distributors of LP gas would be at an extreme disadvantage in competing with the petrochemical industry for this vital fuel supply.

With warmest personal regards.

Sincerely,

Wendell R. Anderson.

[From the Washington Post, July 14, 1974]

Sawhill Seeks Fuel Control by March 1975

(By Morton Mintz)

A grand strategy for an "orderly phase-out of both petroleum allocation and price controls" has been proposed by Federal Energy Administrator John C. Sawhill to the White House, it was learned yesterday.

"It is essential that our strategy promote a stable economic *and political* environment in which the allocation program will be seen as having served its purpose and vested interests in its extension will be minimal," Sawhill said in a 13-page memo. The emphasis was in the original.

Sawhill said the strategy is aimed at achieving "a smooth transition to total decontrol by Feb. 28, 1975," when the Emergency Petroleum Allocation Act is due to expire, and to "avoid congressional action to extend the Allocation Act."

Sawhill sent the memo—a copy of which was obtained by a reporter—to six top White House advisers, including Kenneth Rush, President Nixon's co-ordinator of economic policy; Roy L. Ash, director of the Office of Management and Budget; William E. Simon, Secretary of the Treasury, and Herbert Stein, chairman of the Council of Economic Advisers.

The last page of the memo, which was dated June 10, was a "time schedule for deallocation" listing for each major category of petroleum products a proposed action and the month in which the action would be taken.

As recommended by Sawhill, the "phased decontrol strategy" would begin with residual fuel oil and be followed by propane and then by aviation fuel.

The strategy for residual fuel oil was in fact implemented on July 5, to deregulate.

The agency apparently intends to proceed on a compressed schedule. It did not disclose the technical basis for the proposal until last Friday, although it set hearings for July 22 and 23, and although the allocation law gives Congress only five days to exercise a vote before deregulation takes effect—in this case, on Aug. 1.

One purpose of the law is "to protect the competitive viability of the independent sector of the petroleum industry," Sawhill notes in the memo.

The squeeze on independents is largely limited to gasoline, heating oil and independent refineries, while "other products do not have a significant independent marketing sector, and a decision to deallocate does not hinge on market-share questions," Sawhill said.

However, an informed source told a reporter that independent sellers of residual fuel oil whose customers do not include utilities have about 70 per cent of the market in the New York metropolitan area and about 65 per cent in New England.

The desire for overall "quick decontrol must be weighed against minimizing the possibility that Congress will (1) extend the Emergency Petroleum Allocation Act, . . . or (2) enact more comprehensive or stringent petroleum controls," Sawhill told the White House advisers, who also included Peter Flanigan and John T. Dunlop.

"Similarly, we wish to insure a smooth transition, with minimal risk of creating economic dislocations or the need to reverse ourselves and reimpose controls later in the year should unforeseen events adversely affect current supply/demand projections," Sawhill said.

He went on to outline the "phased decontrol strategy" which, after deallocating residual fuel oil, propane and aviation fuel would:

Substantially relax controls over other products "when suppliers possess more than sufficient quantities to meet the entitlements of their historical customers."

End the system under which certain supplies are set asides for states to allocate and under which states are authorized to establish priorities among purchasers who are without allocations.

Implement "a marketshare monitoring system and begin the analysis and recommendations on the two-tier pricing system needed prior to decontrolling crude oil, gasoline and distillate."

Under the two-tier system, the price of "old" oil is controlled and the price of "new" and imported oil is not.

The price of a barrel of "old" crude is $5.25. The Cost of Living Council and Sawhill have acknowledged that it was raised by $1 last December without any hard evidence that the increase would produce the desired result, a significant expansion of production.

The uncontrolled world market price of a barrel of crude, landed in New York, is about $12.25.

For the time being, such "wide disparities" in prices for controlled and uncontrolled crude make it "not feasible" to decontrol crude as well as gasoline and distillate, Sawhill said.

He pointed out that major oil companies control "a very large percentage" of the domestic production of less costly "old" oil. For that reason, he said, the average crude oil cost for the 15 largest refiners is only about $8.70 per barrel, while for independents and small refiners it ranges up to $15 even if a few pay as little as $5.

CONCLUSION OF MORNING BUSINESS

The **PRESIDING OFFICER**. Is there further morning business? If not, morning business is closed.

HAWAII AND U.S. PACIFIC ISLANDS SURFACE COMMERCE ACT OF 1974

The **PRESIDING OFFICER**. Under the previous order, the Senate will now proceed to the consideration of S. 1566. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 1566) to provide for the normal flow of ocean commerce between Hawaii, Guam, American Samoa, or the Trust Territory of the Pacific Islands and the west coast, and to prevent certain interruptions thereof, reported from the Committee on Labor and Public Welfare, without amendment.

The **PRESIDING OFFICER**. The time for debate on this bill is limited to 3 hours, to be equally divided and controlled by the Senator from Hawaii (Mr. INOUYE), and the Senator from New York (Mr. JAVITS), 30 minutes on any amendment, and 20 minutes on any amendment to an amendment, debatable motion or appeal.

Mr. **INOUYE**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **INOUYE**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **INOUYE**. Mr. President, I ask unanimous consent that during the consideraton of this measure, Mr. Charles Kern, Mr. Eiler Ravnholt, and Mrs. Alice Thompson be permitted the privilege of the floor.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **GRIFFIN**. Mr. President, I make a similar request with respect to Mr. James Shaner and Mr. David Klein.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **INOUYE**. Mr. President, this day, July 17, 1974, will be long remembered by the people of Hawaii, for on this day the United States Senate will determine the fate of S. 1566, referred to by some in Hawaii as Hawaii's economic declaration of independence.

I fully realize that the use of these words may appear to be a bit trite and facetious to some. However, I hope that upon hearing the sad statistics involved in this matter, the appropriateness of these words will become apparent.

Mr. President, first of all, Hawaii is an island State, as everyone knows, noncontiguous to mainland United States, and approximately 2,400 miles to the nearest land mass. There are no highways or rail lines connecting Hawaii with the west coast of the United States.

Since World War II, more than 4 years, or approximately 1,500 days, have been lost through transportation strikes affecting Hawaii. Eight major strikes, only one centered in Hawaii, account for 637 of the lost days, and they are as follows: the first, the 53-day west coast shipboard union strike in 1946; the second, the 96-day west coast shipboard union strike in 1948; the third, the 177-day Hawaii longshoremen's strike in 1949; the fourth, the 66-day west coast sailors' strike in 1952; the fifth, the 27-day west coast shipboard union strike in 1962; the sixth, the 43-day machinists' strike of five trunk air carriers in 1966; the seventh, the 134-day west coast longshoremen's strike in 1971–72; the eighth, the 41-day west coast ship officers' strike in 1972.

Mr. President, following the 1949 dock strike, Hawaii's unemployment rate rose to an unbelievable 17 percent of the work force. I realize that this is past history; but in July of 1971, in our most recent strike, 18,650 people were unemployed in Hawaii. Four months later, this number increased to 23,000. Business slowdowns and bankruptcies resulted in 12,469 fewer jobs than would have been the case if there had been no shipping dispute.

Hawaii's warehousing costs are 250 percent of the national average. A recent study shows that stockpiling or inventory buildup in anticipation of a strike adds 3 to 5 percent to the cost of products in Hawaii. The reduction in input of goods and services is calculated to have been $153 million, or 4 percent, of Hawaii's residents' personal income.

Furthermore, a study shows that tax revenues declined sharply to more than 7 percent of the anticipated revenues, resulting in curtailment of many necessary State projects.

Mr. President, I could go on and on, citing sad statistics after sad statistics, but I think the above should suffice. For many years since Hawaiian statehood, we in Hawaii have listened patiently to and abided by the advice and counsel of our executive and legislative leaders. We have been told to rely upon the relief provided in the Taft-Hartley Law. We have been told to rely upon collective bargaining. Taft-Hartley is no help to Hawaii, for Hawaii's predicament does not constitute a national emergency, and as far as collective bargaining is concerned, I have just cited to you some of the statistics resulting from our reliance upon collective bargaining.

Mr. President, we have waited many years for some real relief. We have called upon management, we have called upon the Government, we have called upon labor leaders to provide us with some guidance.

Mr. President, may I say that we do not need any more speeches that Taft-Hartley be amended to provide reasonable application, because for all these many years that proposal has amounted to rhetoric, and rhetoric, Mr. President, does not provide employment or food.

Please, Mr. President, do not further compound this by suggesting that on our next devastating shipping strike a special Senate ad hoc committee will be established to study our problems.

Mr. President, we need action and we need it now. So after much thought and much consideration, Hawaii's congressional delegation, Hawaii's Governor, all of our mayors, our legislature, and our various councils, have come forward with a reasonable solution, and this is Senate bill 1566.

My distinguished senior colleague will fully explain Senate bill 1566, but briefly, this bill says that in the event of a shipping strike or transportation stoppage occurring on the west coast, the Governor of Hawaii or the Chief Executive of Guam, Samoa, or the Trust Territory, is authorized to go to the appropriate Federal district court and seek an injunction not to exceed 160 days and during that period, cargo destined for these islands will be handled by longshore labor and onboard labor.

It will affect approximately 3 percent of the man-hours on shore and about 7 percent of the man-hours on shipboard, and for those who have handled cargo during the strike period, their pay will be retroactive according to the decision reached in collective bargaining.

Mr. President, I think this is a reasonable approach. It will not deny labor or, for that matter, management of its collective bargaining muscle; 97 percent of the longshore man-hours are still struck, 93 percent of the shipboard labor is still struck, and so no one can say that this bill is anti-collective bargaining.

We have tried many approaches and we feel that this is the most reasonable and we hope that the U.S. Senate, upon considering our plight and upon considering the reasonableness of our approach, will look upon us with favor.

I am pleased to yield to my senior colleague, Senator FONG.

The PRESIDING OFFICER. The Senior Senator from Hawaii is recognized.

Mr. FONG. Mr. President, the consideration by the Senate today of S. 1566, the Hawaii and U.S. Pacific Islands Surface Commerce Act, is a momentous occasion for the people of my State of Hawaii.

As I stated in a letter sent to each of my colleagues a few days ago, in the nearly 15 years of my tenure in the Senate since Hawaii statehood, I can recall no other legislation whose enactment has been of greater importance to the people of my State. If S. 1566 is passed, the people of the island State of Hawaii will be safeguarded from disastrous stoppages in shipping operations on the west coast of the United States—stoppages which disrupted our ocean lifeline in seven major strikes for a total of 464 days and in scores of lesser strikes totaling more than 1,000 days since World War II.

I approach this problem as one who is firmly committed to the principle of collective bargaining. This is one of the cornerstones of our Nation's labor-management relations. The freedom of labor and of management to bargain across the table on wages, hours, working conditions, and fringe benefits is one of the hallmarks of America's private enterprise system and distinguishes our system from many other nations where government controls and operates industry, both management and workers.

At the same time, I also have a deep commitment to the public interest, to the general welfare of our citizens. On those occasions when collective bargaining, mediation, conciliation, and other normal processes have failed to settle labor-management disputes, then in the public interest, for the public good, something must be done.

HAWAII DEPENDS ON ITS OCEAN LIFELINE WITH MAINLAND UNITED STATES

My State and the well-being of its people are almost entirely dependent on a lifeline of ships which traverse the nearly 2,500 miles of Pacific Ocean which separate us from the west coast ports. To cut into or sever that ocean lifeline is to cut to the very heart of Hawaii's economic health and security.

Sea transportation normally carries 99 percent of all goods which travel between Hawaii and the U.S. mainalnd. Air cargo, which carries the remaining 1 percent, can expand in an emergency to carry at most only 3 percent of normal freight tonnage.

Approximately 80 percent of all physical commodities purchased by Hawaii's 881,000 people are important, primarily from the U.S. mainland and almost entirely shipped from the west coast; 79.5 percent of our oceanborne imports arrive from the west coast ports, 2.3 percent from the east coast, and 18.2 percent from foreign sources, excluding petroleum products.

Almost without exception, the goods and supplies essential to modern living in Hawaii are either imported or import-dependent.

Cement and concrete products used in construction, for instance, are produced in Hawaii—but two essential ingredients, silica sand and gypsum rock, must be brought in from the U.S. mainland. To cite another example, some 60 percent of all the food needed for Hawaii's people must be imported. Furthermore, the pressures of urban development are steadily shrinking what limited land is still available for agricultural production.

As you may be aware, housing is very costly in Hawaii and is in critically short supply. Yet 97 percent of the lumber needed for construction in my State must be imported. When wood, paint, nails, plumbing fixtures, roofing, and other construction materials are not shipped to Hawaii in a steady flow, costs increase and the effort to meet the housing demands of our people falls even further behind.

Hawaii has no metal resources, with the exception of bauxite, which has never been commercially exploited. We have few nonmetallic minerals, and we totally lack any deposits of oil or coal. Every drop of oil needed to produce electrical energy, to operate equipment and to run our motor vehicles must be imported.

In summary, no industry or individual in Hawaii, from the corporate giant to the newborn baby, is free of dependence upon imported goods. Whether a resident of my State buys a car or a typewriter, a bag of rice or a piece of plywood, his purchase must first be transported over thousands of miles of ocean in order to reach the point of retail sale.

It is no less essential that Hawaii must be able without fear of interruption to export its sugar, pineapple, textiles, and other locally produced or manufactured products. For example, an average of 1,200,000 tons of raw sugar must be shipped from Hawaii to the U.S. mainland each year for refining and distribution in a very competitive market. Excepting tourism, our sugar and pineapple exports are the two leading income producers for Hawaii.

Mr. President, at the conclusion of my remarks, I ask unanimous consent to have printed in the RECORD an exhibit detailing Hawaii's vulnerability to transportation strikes, prepared by Dr. Thomas K. Hitch, senior vice president and chairman of the research division of the First Hawaiian Bank.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. FONG. Although other States enjoy alternative interstate transportation services, Hawaii, of course, cannot be linked to the mainland by trains or trucks or buses or automobiles. Hawaii has only ships and planes. When shipping stops, the result can be near-paralysis in our economy. Indeed, in view of the predominantly import-export nature of our economy, the mere threat of a major maritime or longshore work stoppage on the west coast reverberates throughout my State.

THE THREAT IS REAL

Is it realistic to fear that our ocean lifeline may be cut? I must respond to such a question, unfortunately, with a resounding "yes." Since World War II, strikes in the west coast longshore and maritime industries have come with devastating frequency and have cost Hawaii almost 4 years in lost shipping services.

Since the close of World War II in 1945, there have been eight major shipping strikes, only one of them centered in Hawaii, totaling 641 days. These were as follows:

First. The 53-day West Coast Marine Engineers, Masters, Mates, and Pilots and International Longshoremen's and Warehousemen's Union—ILWU—strike of 1946.

Second. The 96-day west coast strike by the ILWU and four offshore unions in 1948.

Third. The 177-day Hawaii ILWU strike of 1949.

Fourth. The 66-day West Coast Sailor's Union of the Pacific strike of 1952.

Fifth. The 27-day west coast strike by four offshore unions in 1962.

Sixth. The 47-day west coast strike by four offshore unions in 1969.

Seventh. The 134-day west coast ILWU strike of 1971–72.

Eighth. The 41-day west coast masters, mates, and pilots strike of 1972.

Thirty-five additional strikes lasting 2 days or more and scores of shorter or more limited strikes add many hundreds of days to the 641-day total, in all aggregating almost 4 years of strikes in the last 29 years. How many States could endure such a situation so often in which only a trickle of goods flows in and major exports cannot be shipped out.

CONCENTRATION OF HAWAII-WEST COAST SHIPPING SERVICE INCREASES THE RISKS

An important new development occurred this year, when one of the three shipping lines serving Hawaii, Seatrain, discontinued service to my State effective last April 9. Matson Lines, already by far the largest carrier with 70 percent of the Hawaii trade, has taken over most of the 25 percent formerly handled by Seatrain, leaving the third carried, U.S. Lines, with about the 5 percent it now handles.

The significance of Seatrain's withdrawal becomes apparent when it is realized that, whereas Seatrain and U.S. Lines have their collective bargaining agreements made on the east coast with all shipboard personnel, Matson licensed and unlicensed ratings are subject to west coast collective bargaining agreements. With Seatrain's withdrawal, virtually all trade between my State and the west coast will be cut off during strikes or lockouts over west coast offshore union contracts.

During the 41-day masters, mates, and pilots strike of late 1972, when Matson alone was struck, a small but helpful percentage of shipping continued between the west coast and Hawaii on Seatrain and U.S. Lines. Today, a maritime stoppage on the west coast, which formerly cut off 70 percent of the shipping with Hawaii, now will cut off more than 90 percent, Matson's new share of shipping between the west coast and Hawaii.

THE DEVASTATING IMPACT OF SHIPPING STOPPAGES

When west coast shipping is suspended, Hawaii's 881,000 people suffer from shortages of necessities of life and business, from higher prices, rising unemployment and reduced working hours, small business failures, a sharp drop in construction activity, a loss of investor confidence in the growth and viability of our economy, and, not least, an inability to ship our two major exports, sugar and pineapple, to mainland markets.

It will be a long, long time before the people of my State forget the uncertainty and acute distress which came in such abundance betwen July 1, 1971, and December 31, 1972. During the 18-month period, a series of three west coast longshore and maritime strikes cut Hawaii's sea transportation service with the west coast for a total of 176 days—6 months out of 18 or 1 day out of 3.

These strikes did not originate in Hawaii, had no participants in Hawaii, and were not susceptible to any direct influence which might be exerted by public opinion and economic distress in my State. Neary 1 million American citizens were effectively held hostage by a few thousand west coast dockworkers and shipboard personnel.

I know of no other labor-management situation in which so many people in our country can be affected so adversely by the actions of so few who are so far away.

The following statistics, which relate to the impact of the 18-month 1971–72 strike period, indicate the economic injury which is inflicted upon the people of my State by the disruptions whose impact S. 1566 seeks to limit:

Unemployment in February 1972, toward the end of the 134-day west coast longshore strike, reached 6.5 percent, the highest in Hawaii's history as a State up until that time.

Even with phase I of the wage-price freeze in effect beginning in mid-August, Honolulu food prices jumped 4.5 percent between June and October 1971. By contrast, U.S. food prices declined 0.3 percent during the same period. By February 1972—after 115 cumulative days of the west coast longshore strike and despite relief through an 80-day Taft-Hartley injunction and two voluntary extensions—a head of lettuce in Hawaii cost 72 cents, a dozen oranges $1.45, and 10 pounds of potatoes $2.28 on the average.

Local retailers, responding to a survey on the impact of the west coast longshore strike, reported sales declines ranging up to 17 percent.

Construction-generated earnings declined 7.8 percent in 1971 and rose a mere 2.4 percent in 1972.

The annual increase in State tax collections fell from 12 percent in 1970 to 7½ percent in 1971 and 7.9 percent in 1972.

Personal income growth fell from 14.1 percent in 1970, nearly twice the national average, to 6.4 percent in 1971.

Hawaii's per capita personal income soared 11.3 percent in 1970, which compared very favorably with the national gain of 6.3 percent. In 1971, however, it increased only 4.1 percent. Only seven States had lower per capita personal income growth rates than Hawaii that year, and the national gain was 5.6 percent. In 1972, still plagued by shipping problems and their resultant impact on business activity, per capita personal income in Hawaii increased only 5.9 percent, compared with the national growth rate of 7.9 percent. Only three States had a smaller per capita personal income growth rate than Hawaii in 1972.

In 1970, Hawaii's personal income was the sixth highest in the Nation—exceeded by only four States and the District of Columbia. The blows to the economy which came during the strike years lowered Hawaii's ranking to ninth in 1971, where it remained in 1972.

A major cost of the ever-present strike threat in Hawaii is the fact that it compels our businessmen to keep very large inventories on hand at all times. This stockpiling, which greatly increases the cost of doing business, is passed on to the consumer and contributes significantly to the high cost of living in Hawaii.

My colleague (Mr. INOUYE) has already stated figures showing the cost to the Hawaiian businessman of stockpiling goods, because of the uncertainty of the flow of commerce to Hawaii.

Shipping tieups also have serious long-range repercussions on the State of Hawaii. The principal impact is to make it more difficult to attract investment capital. For the last 20 years or more, the economic growth of Hawaii has been financed in large part by capital attracted from outside the State. This is true, because local funds are inadequate, because savings of Hawaii residents are often funneled into mainland opportunities, and because out-of-State owners of Hawaii enterprises return profits to home offices located on the mainland or in a foreign country.

Personal savings and business profits, therefore, tend to flow out of Hawaii, and the economic development of my State depends upon local ability to attract outside investment funds. Shipping interruptions can so shake investor confidence that the capacity to attract such funds is dealt a severe setback.

Finally, and very importantly, shipping strikes imperil or destroy markets for Hawaii's export industries, which are principally sugar and pineapple. The primary market for Hawaii sugar, for instance, is in the Western States, where sugar is already in surplus supply. In the past, shipping interruptions have caused Hawaii sugar producers to lose important industrial customers, who have turned elsewhere for their supplies.

THE INADEQUACY OF EXISTING REMEDIES

Existing remedies for Hawaii in the event of west coast shipping tieups are inadequate. For example, the Taft-Hartley Labor-Management Relations Act has been employed 12 times in national emergency disputes in the longshore and maritime industries since its enactment in 1947. The results have been dismal. Only one of the nine longshore and two of the three maritime disputes were settled during the 80-day cooling-off period provided by the act once an injunction was obtained in court.

Considering the west coast alone, Taft-Hartley has been invoked only four times in shipping disputes and only twice did it lead to settlement there.

Because an emergency must be "national" in scope to qualify for a Taft-Hartley injunction, the act was not employed in the 1971–72 west coast longshore strike until after 100 days had elapsed, until after extensive economic injury had spread as far as the Middle West farm belt, and until after a strike by the International Longshoremen's Association on the east and Gulf coasts had closed down those other mainland ocean ports. When it finally was used, Taft-Hartley proved a towering failure. Although the injunction period was twice voluntarily extended by consent of the parties, the west coast longshore strike ultimately resumed for 34 more days.

In another instance, the 41-day west coast masters, mates, and pilots strike of late 1972, Taft-Hartley again could not be used because the stoppage was not deemed a national emergency.

I would like to assure my colleagues, on behalf of the people of Hawaii, that it can be just as painful to be caught in a "regional" emergency as a "national" one.

THE INADEQUACY OF PROMISED CONGRESSIONAL REMEDIES

I welcome the willingness of the Labor and Public Welfare Committee, as expressed in its adverse report on S. 1566, "to consider all emergencies, on an ad hoc basis, which current procedures for settling disputes do not abate." The people of Hawaii and their representatives in the Senate and House recently discovered, however, that an ad hoc congressional response to a strike emergency affecting their State can be very slow and requires an extraordinary combination of circumstances.

The enactment of legislation requiring compulsory arbitration of the 1971–72 west coast longshore strike, which virtually compelled a voluntary settlement by the parties themselves, is cited by the committee as evidence of Congress readiness to deal with critical stoppages. Congressional action, however, came, first, only after the dockworkers had been out on strike for over 120 days—more than 4 months; second, only after an 80-day Taft-Hartley injunction and two voluntary extensions thereof had failed to bring settlement; third, only after virtually every port in the Nation was shut down, since the east and gulf coasts were also struck; and fourth, only after the people and economy of Hawaii had suffered grievously.

It is no wonder the people of my State take small comfort in such promises of congressional action, no matter how well-intentioned. For we have seen time and again that Congress is very reluctant to act promptly in west coast labor-management disputes. Hawaii needs more reliable remedies.

THE SEARCH FOR REMEDIES

Over the past 3 years, I have made repeated and substantial efforts to promote settlement of various strikes in progress and to devise legislation which could effectively safeguard the people and economy of Hawaii from disastrous impact of west coast shipping interruptions.

During the 1971–72 west coast dock strike, for instance, I sought many times through personal contacts to get the parties back to the bargaining table when negotiations broke down, as they frequently did. While negotiations were in progress, I worked hard to expedite agreement. I had regular contact with the White House, the Secretary of Labor, the Mediation Service, and others directly involved in the settlement effort. All concerned were made aware of the continuing and increasing economic harm inflicted on my State—the lost jobs, the business failures, the price increases, the depleted savings, the crippled development.

I introduced or cosponsored four bills to remedy Hawaii's plight by amending the Taft-Hartley Act. Because my island State is most vulnerable to maritime and longshore strikes, precisely the two industries in which Taft-Hartley has failed most often, I became convinced that the act should be amended, first, to permit an injunction in "regional" as well as "national" emergency disputes and in disputes depriving any section of the country of essential transportation services; second, to allow vital shipping services to Hawaii; and third, to guarantee settlement of emergency disputes in the transportation industry.

In 1971 and 1972, I cosponsored three bills to reform Taft-Hartley to meet these objectives: S. 2850, the Emergency Labor Disputes Act of 1971; S. 2959, a revised Emergency Labor Disputes Act; and S. 3232, the Transportation Crisis Prevention Act of 1972. Early in the present Congress, on January 31, 1973, I introduced S. 640, the Emergency Transportation Disputes Act, which took a similar approach.

While retaining the familiar 80-day injunction, these bills provided new options for use in emergency disputes in the transportation industry. These were, first, further 15- or 30-day extensions of the injunction period; second, partial operation of the affected industry, which could provide emergency shipping services to Hawaii; and third, the final offer selection process, whereby a neutral panel would select the most reasonable of the final offers submitted by labor and management, which would become their binding contract unless the choice were found to be arbitrary or capricious by a Federal court. I was instrumental in assuring that these options, as well as the familiar 80-day Taft-Hartley injunction, would be expressly available in regional as well as national emergencies, a critical point for Hawaii.

After hearings were finally held on these and related bills to reform handling of emergency labor-management disputes, the Labor and Public Welfare Committee did not report any bill for consideration by the entire Senate, despite the best efforts of those of us urgently seeking reform.

We were able on two occasions, however, to offer the substance of the bills I cosponsored as an amendment to legislation then pending on the Senate floor, once to amend the Economic Stabilization Act Amendments, S. 2891, and once to amend the bill requiring compulsory arbitration of the west coast longshore strike, Senate Joint Resolution 197. I participated in vigorous, but ultimately unsuccessful, floor fights on both these amendments.

During the economic stabilization debate in November 1971, our reform amendment was tabled by a vote of 58 to 29. We were told prior to the vote that the Committee on Labor and Public Welfare was holding hearings on emergency labor dispute legislation and that that was not the appropriate time to take it up in the Senate.

When the compulsory arbitration measure came before the Senate for a vote on February 8, 1972, we again offered our Taft-Hartley reform proposals as an amendment. The committee had not reported a bill dealing with emergency labor disputes so the vote became closer. After a close, hard-fought debate, the Senate tabled our amendment by a margin of just 3 votes, 42 to 39, before proceeding to pass the compulsory arbitration bill, 79 to 3.

S. 1566: SOLUTION TO HAWAII'S DILEMMA

Still endeavoring to find appropriate legislative safeguards for Hawaii, early in 1973, the four members of Hawaii's congressional delegation, Senator DANIEL K. INOUYE, Representative SPARK M. MATSUNAGA, Representative PATSY MINK, and myself, decided that the Senate and House might be more responsive to legislation designed to remedy Hawaii's particular problem during west coast shipping interruptions, rather than the larger issues of emergency disputes in the transportation industry generally. In time and after intensive effort, we reached agreement on two bills.

One of these, which I introduced in the Senate as S. 1567 and which Representative MINK introduced in the House as H.R. 7065, with cosponsorship by our respective colleagues from Hawaii in each body, would establish a uniform expiration date for all contracts in the west coast maritime and longshore industry, thus reducing the frequency with which Hawaii is threatened with disruption of shipping operations. This proposal has drawn support from both the employers' bargaining group, the Pacific Maritime Association, and a number of the unions involved, but, unfortunately, has made no legislative progress in either House.

The other proposal upon which we reached agreement is the bill which is before us here in the Senate today. It was introduced in the Senate by Senator INOUYE with my cosponsorship as S. 1566, and in the House by Representative MATSUNAGA, with Representative MINK's cosponsorship, as H.R. 7189.

S. 1566, the Hawaii and U.S. Pacific Islands Surface Commerce Act, provides that no west coast maritime or longshore strike or lockout shall be permitted to interrupt normal shipping between the west coast of the United States and Hawaii or the other islands in the Pacific under the American flag—Guam, American Samoa, and the Trust Territory of the Pacific islands—for a period of 160 days beginning on the first day of such strike or lockout.

An injunction to secure an exemption may be petitioned for in any Federal district court having jurisdiction by the Governor of Hawaii, Guam, or American Samoa, or by the High Commissioner of the Trust Territory of the Pacific Islands. As reported by the Committee on Labor and Public Welfare the bill also permits an injunction to be sought by any employer or labor organization which is a party to the strike or lockout, but, as I shall explain later, it is the intention of the sponsors to delete that provision.

An exemption injunction may not be requested if a Taft-Hartley injunction is in effect. If a Taft-Hartley injunction is later obtained, the running of the exemption injunction shall be suspended until the Taft-Hartley injunction is discharged.

Employees working during the exemption period will be subject to the wages, hours, and working conditions provided by their last contract, but will be paid retroactively for the exemption injunction period any additional wages won under the agreement resolving the dispute.

For purposes of the act, an interruption of shipping services is defined as, first, a refusal at a west coast port to load or unload cargo or to permit the loading or unloading of cargo destined for or shipped from Hawaii or any U.S. Pacific island or, second, a refusal to operate or permit the operation of a ship with cargo destined for or originating from Hawaii or any U.S. Pacific island if any such refusal was a cause of a ship leaving the dock facility more than 48 hours late or not being unloaded more than 48 hours after arrival.

CRITICISMS OF S. 1566 REFUTED

S. 1566 has been criticized by the Labor and Public Welfare Committee in its report for allowing an employer or labor organization to seek an injunction continuing the normal flow of commerce with the Pacific islands, thus placing a "private weapon" in their hands.

Through clerical error, an amendment adopted by the Commerce Subcommittee on Transportation deleting this authority was not included in S. 1566 as

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reported from the Commerce Committee or as considered by the Labor and Public Welfare Committee. The amendment would allow only the Governors of Hawaii, Guam, or American Samoa, or the High Commissioner of the Trust Territory of the Pacific islands, to seek an injunction applying the act. An amendment deleting the "private weapon" authority of the parties to the dispute will be proposed by the sponsors of this bill.

The Labor and Public Welfare Committee also suggests that the broad sweep of the bill's language would permit the act "to be invoked if a single ship is delayed by as much as 48 hours," which is contrasted unfavorably with the "national emergency" requirement of Taft-Hartley and the "essential" transportation services standard found in the Railway Labor Act.

It is my belief that the Governor or chief executive of Hawaii or of the other U.S. Pacific islands would make a responsible distinction between a minor tieup and a major shutdown of ocean commerce sufficient to imperil the people and economy of his State or territory.

The committee also states in its report on S. 1566:

> That it could be very disruptive to enact Federal legislation which could affect the interests and bargaining positions of both labor and management.

A recent study indicated that the exemption for Hawaii provided by S. 1566 would involve only 3½ percent of the man-hours normally worked by west coast longshoremen and only 7.3 percent of the total man-days worked by shipboard labor with west coast contracts. It is clear that this would have only a negligible effect on collective bargaining negotiations and on the ability of labor and management to apply pressure on each other. Indeed, providing an exemption for the Pacific islands would probably reduce the likelihood of much more massive Federal intervention under Taft-Hartley.

During the 1971–72 west coast longshore strike, the dockworkers union and the employers' bargaining group voluntarily agreed to move—and did move—military cargo approximately equal to the combination of the military and the Pacific islands cargo which would be handled today under S. 1566.

According to Military Sealift Command records, 6,217,815 revenue tons of military cargo, other than bulk, moved through U.S. Pacific coast ports in 1971. By 1973, the volume of such military cargo had declined to 3,662,930 revenue tons. The estimated total of commercial cargo, other than bulk commodities, moving between the Pacific coast and the U.S. Pacific islands covered by S. 1566 was 3,590,300 revenue tons in 1973. Therefore, the combined effect of the military cargo exemption and the exemptions contemplated by S. 1566 is presently around 7,250,000 revenue tons on an annual basis—not significantly more than was exempted by voluntary and common consent during the 1971–72 longshore strike.

I wish to stress again at this point that Hawaii cargo would require but a small fraction—3½ percent—of the longshore hours worked on the west coast and but 7.3 percent of the man-hours worked by shipboard labor with west coast contracts.

The committee report states that in the 4 months following the commencement of the west coast dock strike on July 1, 1971, there was a 32-percent increase in waterborne shipments arriving in Hawaii from foreign ports over the same months in the previous year. Figures available from the Department of Commerce demonstrate that that increase was only 11 percent when petroleum products are excluded.

The more significant fact is that our total imports by sea from all sources during the third quarter of 1971, excluding petroleum products, totaled only 191,415 tons, a decline of 67.4 percent from the 587,400 tons which normally would have been imported were the strike not in effect.

The committee makes considerable use of the testimony of Dr. Shelley Mark, director of the Hawaii Department of Planning and Economic Development, which was prepared in January 1972, part way through the 1971–72 west coast longshore strike. Dr. Mark indicated that in his view key shortages do not appear in Hawaii until well into the third month of a strike, making remedial action unnecessary until that time unless there is a complete shutdown of all U.S. mainland ports.

Dr. Mark's statement is true to the extent Hawaii businessmen are forced to—and are able to—carry huge inventories. This sharply increases the cost of doing business in Hawaii, as I indicated earlier, and drives up consumer prices.

Mr. President, with reference to the committee's use of Dr. Mark's testimony, I request permission to insert into the RECORD at this point an editorial from the Pacific Business News of Honolulu, entitled "Twisted Quotes."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Pacific Business News, July 1, 1974]

TWISTED QUOTES

The U.S. Senate vote on S. 1566, introduced more than 14 months ago to protect Hawaii and other U.S. Pacific islands for up to 160 days from West Coast longshore or maritime strikes, may be taken shortly after the July 4 recess. A lot of opposition is stacked against it in spite of thousands of letters in support of it by people in nearly every state.

Curiously, the recent "Adverse Report" from the Senate Committee on Labor and Public Welfare, rests a considerable portion of its case against the bill on testimony from Dr. Shelley Mark, director of our Department of Planning & Economic Development. The 1972 testimony was on another bill—S. 2836, which called for Federal government operation of shipping after 30 days stoppage.

Two major quotes from Mark are used in an attempt to demolish the need for the 160-day exemption:

". . . the recent experience indicates that key shortages of crucial items do not appear until well into the third month (of a strike)."

"So long as there is not a complete shutdown of all ports, there is probably no need for more drastic measures until after the third month." (Emphasis added by the Committee).

This is a perfect illustration of how the true facts can be distorted. The *real* reason that no serious shortages occur is that the ever-present threat of shipping tie-ups has forced Hawaii business to carry three to six month inventories month after month and decade after decade. This built-in stockpiling sharply increases the cost of doing business which is passed on to the consumer and results in a higher cost of living. No other state has to contend with such huge inventories as a standard way of doing business. No other state is so totally dependent on a single means of transport.

Despite strong statements supporting S. 1566 from Senators Fong and Inouye, from Mayors Fasi and Cravalho, from Representatives Matsunaga and Mink, from the Governor of Guam, from Lieutenant Governor George Ariyoshi, and from Matson and U.S. Lines, the Senate Labor Committee has pinned a good part of its anti-S. 1566 case on dated (and poor) testimony on another bill—that of Shelley Mark.

The case for Hawaii is a strong one. If the U.S. Senate relies on the Labor Committee's report for its decision, then Hawaii will have no recourse but to continue the fight unabated for however many sessions it takes.

The pursuit of justice is not a sometime thing.

Mr. FONG. The Labor and Public Welfare Committee states in its report that S. 1566 "is at odds with current policies of the executive branch and with an emerging pattern of industrial harmony."

I certainly endorse, along with the committee and also with the report of the President's National Commission for Industrial Peace, the efforts of labor and management to find new procedures and set up new mechanisms to settle their disputes without resort to strikes or lockouts. I share the hope that this will lead to an atmosphere of more harmonious collective bargaining. I do not believe, however, that the minimal impact of S. 1566 on the hours worked by west coast longshoremen and maritime labor will interfere with these efforts to improve labor-management relations.

The committee states in its report that S. 1566 "is at variance with what the committee believes would be an evenhanded approach to dealing with bona fide emergencies" since it would cover west coast stoppages but not disputes in Hawaii or the Pacific islands.

The committee correctly cites the bill's sponsors as saying that Hawaii stoppages are not covered because, first, there has been only one extended dispute affecting shipping commerce with Hawaii since World War II which was Hawaii-centered; second, Hawaii disputes are amendable to public pressure from the fellow citizens of those engaged in the dispute; and third, disputes in Hawaii are subject to State action under the Hawaii Dock Seizure Act, which authorizes the Governor to seize and operate the docks in an emergency.

The people of Hawaii do indeed believe that they are able to—and rightfully should—cope with shipping tieups within their own State. They feel it is equally true, however, that remedial legislation is needed which will protect them from disputes which are far beyond their borders, out of reach of Hawaii State law and Hawaii public opinion.

The Labor and Public Welfare Committee also suggests that "action on the bill could precipitate demands for legislation of broader application." The "slippery slope" argument is familiar to all of us, but equally familiar is the understanding that extraordinary circumstances require an extraordinary response. In my view, this is such an occasion.

S. 1566 IS BOTH ESSENTIAL AND APPROPRIATE

S. 1566 is an effective and timely response to a long-standing problem of great seriousness and vital importance for the people of Hawaii. It will provide an essential measure of protection for nearly a million American citizens who, because of unalterable geographical circumstances, are uniquely dependent upon one mode of transportation and therefore uniquely vulnerable to disruptions of that service.

I have documented the impact of shipping tieups on Hawaii—the lost jobs, rising prices, depleted savings, economic disruption and blighted hopes. Recent history conclusively shows that the possibility of such stoppages on the west coast is regularly transformed into a reality.

There is no doubt of the inadequacy of Taft-Hartley to safeguard Hawaii, both because of its spectacular lack of success in resolving shipping disputes and because of its national emergency requirement, which a regional dispute cannot satisfy until very late in the day, if at all.

Congress has rarely responded to Hawaii's plight when our ocean lifeline has been severed. When Congress has responded, that response has been tardy and has been dependent upon a remarkable constellation of supportive events, as was made clear during the 1971–72 west coast longshore dispute.

My colleagues and I from Hawaii have been searching for some time for a remedy which will effectively protect Hawaii against circumstances beyond her control or sphere of influence, which will be acceptable to the Congress, and which will not tip the scales against either labor or management. In S. 1566, we feel we have found that remedy. Since both organized labor and the employers bargaining group involved in west coast shipping contracts oppose this bill on the grounds it favors the other side, it appears S. 1556 is, in truth, evenhanded.

I do not anticipate that S. 1566 would be used other than with great caution in a limited number of instances, and it would have, as I have indicated, a very limited impact on the collective bargaining process.

Affirmatively, however, this bill would do what is essential to alleviate hardship in Hawaii and the other U.S. Pacific islands when labor-management disputes on the west coast cut our ocean lifeline.

The people of Hawaii are watching this debate.

They remember the many, many strikes of years gone by and their impact on themselves and their enterprises.

They remember the inadequacy and tardiness of Taft-Hartley and previous congressional response to our plight.

They remember the long history of the determined effort by their entire congressional delegation to secure a legislative remedy, the effort which has finally brought us to this day.

The overwhelming majority of the people of Hawaii strongly support action to safeguard them from the impact of future maritime and longshore disputes on the west coast—the thousands of messages which have come from people in all walks of life throughout my State attest to that.

On behalf of the people of Hawaii, therefore, I ask my colleagues to vote for this bill. To do so will be to take the right action at the right time—before, not after, another emergency strikes.

EXHIBIT 1

HAWAII: THE MOST VULNERABLE STATE IN THE NATION—A CASE STUDY

CHAPTER 1—HAWAII'S VULNERABILITY TO TRANSPORTATION STRIKES

Apart from her uniquely isolated location, which has already been discussed in the Introduction, Hawaii is particularly vulnerable to transportation strikes because her economy is preeminently an export-import economy.

Were we largely self-sufficient based upon producing locally the things we consume, then the situation would be different. But it is obviously not economically feasible nor physically possible for the Islands to produce a complete range of goods for a population of only around 800,000. With the exception of bauxite, which has never been mined commercially, Hawaii has no metal resources. The Islands have few nonmetallic minerals and no deposits of oil or coal. Land suitable for agriculture is limited and its availability is shrinking with increasing urban demands. Thus about 80 percent of all physical commodities purchased by residents of Hawaii come from overseas, mainly from the Mainland states of the Union.

Let us look at this situation item by item.

Food

Aside from sugar, pineapple, and a few other export crops, agricultural production in Hawaii is on a fairly small scale. We depend on imports, mostly from the Continental U.S., for a large proportion of the food we consume.

Imports account for 52 percent of the beef consumed in the State, 64 percent of the pork, 75 percent of the chicken, and all of the lamb, mutton, and turkey. Although we are largely self-sufficient in fresh milk and eggs, we bring in all of our butter and margarine, most of it from the Mainland. Even the meat and dairy products produced locally are ultimately dependent on imports, since nearly all of our livestock feed comes in from other states.

Some 58 percent of the fresh vegetables marketed in Hawaii are imported (nearly all from the West Coast)—including 99 percent of the potatoes, 89 percent of the carrots, 58 percent of the lettuce, and 44 percent of the tomatoes. And this doesn't include frozen and canned vegetables, all of which are brought in from outside. The State does produce a variety of tropical fruits, but its imports of such Mainland fruits as oranges, apples, pears, and grapefruit total more than 31 million pounds a year.

With the exception of corn, no grain is produced locally for human consumption. Rice occupies much the same position in the Hawaiian diet as potatoes do in the typical Mainlander's diet. About 55 million pounds of rice are brought into Hawaii annually mostly from the Sacramento area. Yearly imports of around 68 million pounds of Mainland wheat are milled locally to produce 96 percent of the flour consumed in the State, while another 6.6 million pounds of Mainland-milled flour make up the remaining 10 percent.

In addition to dairy processing and flour milling, food processing in Hawaii is concentrated largely in the production of sugar, canned pineapple, fruit juices and preserves, canned fish, bakery products, and some ethnic foods—and even these industries rely to varying degrees on materials, machinery, and containers brought in from outside the State. We are entirely dependent on imports for such things as cereals, baby foods, soups, cheese (except cottage cheese), TV dinners, pet food, wine and most hard liquors, cooking oils, most salt, and an endless list of other food items.

Clothing

Hawaii's garment industry produces island-style sportswear which meets some of the needs of local residents for work as well as play. But unlike the tourist in Waikiki, local residents don't normally spend all of their time in aloha shirts, muumuus, and bikinis. We need business suits and dresses, shoes, socks or hose, sweaters, belts, underwear—all of which must come from outside the State. One large Honolulu department store estimates that only 30 percent of its women's clothing and 20 percent of its men's clothing sales are of locally manufactured goods. Nearly all of the rest of its stock is brought in from the Mainland U.S.

Even in the local garment industry is by no means self-sufficient. There is no textile manufacturing in the State, except for the printing of some imported fabrics. Until recently around 90 percent of the fabric used by local garment manufacturers was imported from Japan. (While Japan remains the major supplier, revaluation of the yen and rising prices in that country have caused the industry to turn increasingly to other sources in Asia and the Mainland U.S.) Although only a local dock tie-up can seriously interfere with the bulk of Hawaii's textile imports, since fabrics are largely of foreign origin, interruption on the Mainland-Hawaii route can still affect garment production. The industry relies on Mainland manufacturers for most of the buttons, zippers, and thread it uses.

Transportation Equipment

With the exception of boats and specialized truck bodies (both made from imported materials), Hawaii manufactures no transportation equipment. All cars, trucks, buses, airplanes, tires, batteries, and parts must be imported. Demand is substantial. In 1971, there were more than 425,000 motor vehicles registered in the State, and new cars sold in Honolulu County alone totaled more than 32,000.

Over half of the cars brought into Hawaii come from Mainland ports on U.S. vessels. In 1970, with no transportation tie-ups, American-made autos accounted for 60 percent of the new cars sold in Honolulu County. (In strike-plagued 1971, American cars fell to 51 percent of the total, but in 1972 they rebounded to 55 percent.) The increasingly popular Japanese makes, which have accounted for about one-third of new car sales in Honolulu in recent years, are imported from the country of origin on foreign-flag vessels, as are Volkswagen and some other European cars. But several European makes and most European auto parts are shipped to Hawaii from West Coast ports on American ships.

Other Machinery

Hawaii's almost total lack of metal resources makes the State ultimately dependent on imports for all types of machinery—home, office, and industrial. There is some machinery manufactured locally, primarily agricultural equipment, but of course the

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raw materials are imported. All such goods as typewriters, television sets, radios, refrigerators, computers, cash registers, clothes washers and dryers, and communications equipment—as well as parts for all of them—must be brought in from either the Mainland U.S. or abroad.

Paper and Allied Products

There are no pulp or paper mills in Hawaii. We depend on imports, either in raw or finished form, for all of the paper products consumed in the State—paper towels, toilet paper, and napkins for homes; stationery, envelopes, and printed forms for offices and banks; industrial paper goods and containers for factories; and newsprint and coated paper for the printing industry. In 1970, when shipping was normal, we imported more than 166,000 tons of pulp, paper, and printed matter. Around 38,000 tons was newsprint, which comes primarily from Canada. But of the remaining 128,000 tons, more than 98 percent came from Mainland states.

Medical Supplies

Hawaii depends on Mainland U.S. manufacturers for all of its drugs and hospital supplies. Because of the critical nature of these items, of course, the State has never had to do without, even in the most serious transportation strikes. One major distributor reports that 15 percent of its medical supplies are normally brought in by air, and that most other essentials can be given priority in air shipment during maritime or dock strikes. Emergency arrangements could be made in a major airline strike. But the fact that such emergency measures are necessary only further emphasizes Hawaii's vulnerability to transportation interruptions.

Building Materials

Construction is big business in Hawaii. At its peak in 1970 (before the West Coast dock strike and a general business slowdown), the industry accounted for 7.6 percent of total employment in the State, compared to only 4.3 percent in the U.S. as a whole. Total construction put in place was valued at more than $873.8 million, or the equivalent of 22.6 percent of total personal income, while nationally it was equivalent to only 11.7 percent. The industry depends on Mainland imports for nearly all of its materials and equipment.

Eucalyptus robusta is the only Hawaii-grown wood used in any quantity in local construction, and it meets only a tiny fraction of the industry's wood requirements. Hawaii's imports of lumber from the Mainland were estimated at 115 million board feet in 1967—95 percent of the State's total lumber consumption. Locally produced hardwoods made up only 3 percent of total consumption, while foreign imports (primarily from Canada) accounted for 2 percent. Plywood and veneer imports from the Mainland were estimated at 22 million square feeet, or 86 percent of Hawaii's total consumption of these products, with the rest coming from foreign countries. It was estimated that the construction industry accounts for more than two-thirds of the State's total wood consumption.

Hawaii's mineral resources are essentially limited to sand and gravel, clay, lime, pumice and volcanic cinder, and bauxite. Cement and concrete products are produced locally for construction, but two necessary ingredients—silica sand and gypsum rock—come from the Continental U.S. All metal materials must be imported in some form, generally as finished products such as structural steel, wire, pipe, plumbing fixtures, sheet metal, etc. All glass is imported, predominantly from the Mainland, as is all paint.

Agricultural materials

Even the State's agricultural industries—major sources of export income and employment—are far from self-sufficient. Although some of the fertilizers used for sugar, pineapple, and other Island crops are mixed in Hawaii, all ingredients must be imported. No insecticides, pesticides, or herbicides are manufactured from local materials. Our imports of both agricultural chemicals and fertilizers come almost exclusively from the Mainland U.S.

Our sugar and pineapple manufacturers depend on imports for machinery, of course, but also for assorted raw materials. For instance, although cans for Hawaii's pineapple products are manufactured locally, every material that goes into them—tinplate, solder, labels, glue—must be brought in.

As we noted in our discussion of foods, in spite of repeated attempts to develop local sources of feed grain, nearly all of the feed consumed by Hawaii's livestock industry is imported from the Mainland. In 1970, our feed inshipments amounted to nearly 156,000 tons. By 1971, in spite of shipping interruptions, inshipments had increased to over 177,000 tons.

Miscellaneous items

No industry or individual in Hawaii is free from dependence on imported goods. Other items for which we depend on outside sources range from large household durables to the most mundane necessities—toothpaste, razor blades, soap, most furniture, rugs, household and hotel linens, china, cooking utensils, light bulbs, cigarettes—even U.S. currency, which local banks ship in at the rate of millions of dollars a year. If a thing can't be made out of lava, coral, air, water, or semitropical plants, then the chances are good that Hawaii must import it or its components.

Obviously in order to import commodities in such volume, Hawaii must have a very large export trade to provide the money to pay for the imports. Hawaii's exports, like the exports of any country or part of a country, fall into two categories—visible and invisible.

Hawaii's visible—or commodity—exports are mainly sugar and pineapple, although there is a considerable volume of other products that we produce and ship to the Mainland U.S.

Sugar

In a normal year we will ship to the Mainland approximately 1,200,000 tons of raw sugar.

Pineapple

Pineapple production is somewhat more variable than sugar production. In recent years, pineapple production, most all of which is shipped to the Mainland, has been in the range of 17 million cases of solid fruit, 11 million cases of juice, and 1 million of juice concentrates. It is expected that in 1973 Hawaii will additionally ship to the Mainland close to 70 million pounds of fresh pineapple.

Garments

No precise figures are available, but is estimated that approximately $15 million of garments made in Hawaii go to the Mainland markets each year.

Papaya

Since 1964, Hawaii has more than doubled her outshipments of fresh papaya to the Mainland. Now close to 10 million pounds of fresh papaya are air flown to the Mainland each year and local producers look to continued expansion of this market.

While Mainland marketings comprise between 40 and 45 percent of the volume of Hawaii's fresh papaya sales, the return on these marketings accounts for 50 percent of papaya receipts.

In addition to fresh fruit marketings, Hawaii ships close to 1 million pounds of processed papaya products to the Mainland each year.

Macadamia nuts

In 1971, 1.5 million pounds of processed macadamia nuts went to Mainland markets—double the 1964 volume of shipments. With the tremendous planting of new trees in recent years, as the orchards mature and as more trees reach the bearing stage, the increase in macadamia exports to the Mainland should be even greater during this decade.

Flowers and nursery products

Out-of-state sales of flowers and nursery products were valued at $2.7 million in 1971. The sale of anthuriums accounted for 56 percent and orchids 28 percent of Hawaii's horticultural exports. Although no figures are available, it is known that the overwhelming majority of these exports go to the Mainland.

Anthurium outshipments to the Mainland doubling in the past six years, totaled 6.5 million flowers last year. Mainland sales represented 49 percent of Hawaii's anthurium market in 1970 and 65 percent in 1971.

Hawaii's invisible exports—services sold locally for Mainland dollars—consist primarily of sales to the Federal government (mainly the defense agencies) and to Mainland visitors.

Defense

About one-third of all defense agency expenditures in Hawaii are for the purchase of commodities or services from outside contracting agencies. This amounts to between $200- and $300-million a year, and a fairly large fraction of this is for contract construction. Shipping strikes, which interfere drastically with the flow of building materials to the Islands, cause a very large loss in revenue from this source.

Visitors

Approximately 1.6 million visitors came to Hawaii last year from the Mainland U.S., staying an average of 9.3 days each (14.9 million visitor days) and spending while in Hawaii approximately $41 per person per day ($607 million). There are various ways to measure the impact of this on Hawaii's economy, but our best analysis would indicate that visitor spending supports, directly and indirectly, close to 20 percent of Hawaii's total economy. The visitor industry in Hawaii is of course completely dependent upon the maintenance of uninterrupted service by the eight U.S. trunk air carriers that serve Hawaii.

In summary, Hawaii is completely dependent for her economic life on the movement of commodities to and from the Mainland U.S., mostly by ship but partly by air, and on the movement of people to and from the Mainland U.S., now entirely by air.

It is estimated that in 1973 commodities moving to Hawaii from the Mainland U.S. by ship will amount to 5 million tons and by air to 50,000 tons. Commodity movement from Hawaii to the Mainland U.S. will be 2 million tons by ship and 25,000 tons by air. With a 1973 population of 823,000, this will mean 8.6 tons per person per year. This amounts to nearly 35 tons for a family of four.

As far as people are concerned (visitors plus local residents), it is estimated that in 1973 westbound carriers to Hawaii, most of which are domestic trunk carriers, will fly 2.3 million people to Hawaii.

It is obvious that without full, uninterrupted service between the Mainland U.S. and Hawaii, the Hawaiian economy suffers badly, and if the interruption is long and severe, we suffer drastically. This is documented in the following chapter.

CHAPTER II—TRANSPORTATION STRIKES AND THEIR IMPACT ON HAWAII

Over the past several decades, there have been hundreds of interruptions of shipping and air transportation between Hawaii and the Mainland U.S. Not merely a severe inconvenience and strain for Hawaii's consumers and businessmen, these interruptions have caused untold economic losses throughout the State.

Since World War II, more than four years' time has been lost through transportation strikes affecting Hawaii. Eight major strikes, only one centered in Hawaii, accounted for 637 of the lost days. They were:

1. The 53-day West Coast shipboard union strike in 1946.
2. The 96-day West Coast shipboard union strike in 1948.
3. The 177-day Hawaii longshoremen's strike in 1949.
4. The 66-day West Coast sailors' strike in 1952.
5. The 27-day West Coast shipboard union strike in 1962.
6. The 43-day machinists' strike of five trunk air carriers in 1966.
7. The 134-day West Coast longshoremen's strike in 1971–72.
8. The 41-day West Coast ship officers' strike in 1972.

Some of the scores of shorter or less damaging strikes which cost over a thousand more lost days are listed in the Appendix.

In addition to this cumulative total of over four years of interrupted transportation to and from Hawaii, there is the prestrike period of frantic stockpiling and the poststrike period of getting business back to normal. The cumulative total time of disruption due to transportation disputes may therefore well be in the range of six years since World War II—or nearly one-fourth of the time.

The 1949 strike of Hawaii's dockworkers was not only the longest, but the most severe. Because local docks were closed to all but military ships, virtually *all* of our oceanborne commerce was completely cut off.

But no one can say that a strike centered on the Mainland has much less of an impact on Hawaii. The great bulk of our commerce is with the Mainland states, primarily through West Coast ports. Although this two-way trade traverses thousands of miles of international waters, it is still considered domestic commerce and the law requires that it be carried on U.S. flag vessels. (The same type of regulation applies to air as well as ocean transportation. Passengers, for example, may not fly from any Mainland U.S. city to Hawaii on a foreign airline unless their destination is a foreign city beyond Hawaii.) Except in the event of a strike involving Hawaii's ports, foreign vessels can keep our commerce open with foreign countries. But our foreign commerce is nothing compared to our dependence on trade with the Mainland and foreign vessels can do nothing to restore that.

Let's take a look at some of the most devastating transportation interruptions that have hit Hawaii in the past 24 years.

The 1949 Hawaii dock strike

The International Longshoremen's and Warehousemen's Union (ILWU) struck seven Hawaii stevedoring companies on May 1, 1949, when deadlocked talks on a wage reopener could not be resolved. Military shipping was exempted by the union and special ships carrying food were also allowed to unload, but otherwise the Islands' docks were effectively closed. Hawaii's Governor seized the docks under a special dock seizure law passed by an emergency session of the Territorial Legislature, but little traffic could be resumed. The strike ended October 25, 1949, and the Governor returned the docks to the companies following a wage agreement.

The 1952 sailor's strike

The Sailors Union of the Pacific struck the Pacific Maritime Association (PMA), which represents West Coast shipping companies, on May 24, 1952, after contract negotiations broke down. The settlement didn't come until July 29—66 days later. This was followed by additional brief work stoppages by other shipboard unions which had been bargaining with the PMA but had waited until the Sailors' settlement.

The 1962 west coast maritime strike

The three unlicensed seamen's unions—Sailors Union of the Pacific, Marine Firemen's Union and the Marine Cooks and Stewards Union—struck the Pacific Maritime Association on March 16, 1962. They had failed to reach agreement after negotiating for seven months.

The merchant fleet of 120 ships operated by member companies of the PMA was idled for 27 days until the Taft-Hartley injunction invoked by President Kennedy sent the seamen back to work. Agreements were reached during the 80-day cooling-off period.

The 1966 airline strike

The Machinists Union struck five trunk airlines—Eastern, Northwest, Trans World, United, and National—on July 8, 1966, after lengthy negotiations failed to bring agreement. An estimated 4,100 flights and 150,000 travelers were affected daily by the strike. The airlines estimated their daily revenue loss at more than $7 million.

United and Northwest airlines, two of the three scheduled U.S. carriers that served Hawaii at that time, normally operated a combined total of around 15 round trip flights daily between Hawaii and the Mainland, with an average combined load of 2,300 passengers. The 43-day strike, which ended on August 19, cost the Hawaiian economy some $13.5 million, including the loss of 40,000 potential visitors. Hotels in Waikiki reported that occupancy rates were down 10 percent due to the strike. Obviously some hotels were hit harder than others, and these suffered severe financial strain. The two interisland air carriers reported their passenger load down substantially during the strike.

The 1971 west coast dock strike

The ILWU struck the Pacific Maritime Association, representing West Coast stevedoring companies, on July 1, 1971, closing down docks all along the coasts of California, Oregon, Washington, and Alaska. Lengthy negotiations had failed to resolve disputed contract issues, chief of which was a jurisdictional dispute between the ILWU and the Teamsters Union.

As the strike wound up its third month, there was no progress. On October 6, 1971, President Nixon intervened by invoking the Taft-Hartley Act and asking the courts for an injunction. The injunction sent longshoremen on the West Coast back to work on October 9 for an 80-day cooling-off period. There were hardly any negotiations during the interim, however, and when the injunction expired in December, West Coast longshoremen rejected the employers' final offer and resumed the strike on January 17, 1972, after a holiday grace period.

Meanwhile, on the East Coast, the International Longshoremen's Association struck on October 1, 1971, closing all Atlantic and Gulf ports until President Nixon again invoked Taft-Hartley on November 26.

Agreement on the West Coast strike was finally reached on February 18, 1972. This agreement, which took so long to negotiate, will expire on June 30, 1973.

The 1972 west coast maritime strike

The Masters, Mates and Pilots Union struck the Pacific Maritime Association on October 25, 1972, just before the critical holiday shopping season, leaving many Hawaii stores without their Christmas goods. A strike was not expected, and when it came, news reports anticipated only a brief stoppage. But the strike lasted 41 days—until December 4. A union of approximately 300 members was able to tie up the whole Pacific Coast merchant fleet of 67 ships for 41 days, cutting off supplies for more than 800,000 people in Hawaii. The dispute was finally settled on terms that were basically the same as those offered before the strike.

It is impossible to gauge the total impact of these transportation interruptions on the Hawaiian economy. There is no way to measure the number of businessmen who decided not to invest in Hawaii or the number of vacationers who decided not to visit Hawaii because of a strike—or even the threat of one. But the impact is painfully clear in the increased costs of doing business, the unemployment, and the rises in the cost of living resulting from these strikes.

The first and the hardest hit is the local business community. Retailers and wholesalers can't get their merchandise; construction firms can't get their materials; farmers can't get their chemicals and feeds; and manufacturers can neither get their supplies nor reach their usual markets.

Inured to the problem, many Hawaii firms resort to stockpiling supplies when a strike is threatened. But the cost of extra warehousing and handling and to borrowing or tieing up capital to build inventory are tremendous. Some businesses devise emergency alternative means of reaching suppliers or markets—using air shipments during an ocean tie-up, routing goods through East Coast ports when West Coast ports are struck, etc. But this, too, is expensive. The squeeze on businesses was especially severe during the 1971 West Coast dock strike, when Phase I of the wage-price freeze prevented them from passing on most of these added costs. (Whether the costs are passed on or absorbed, of course, someone in Hawaii ends up paying.)

As the strike wears on, the impact on the business community is compounded. Local business services and lenders suffer as accounts fall behind in their payments. Advertising volume is reduced because merchants have nothing left to sell. Architects find that construction plans are put off, while employment agencies find that no one is hiring.

During the local dock strike in 1949, retail sales in Hawaii fell 12.5 percent below the same period in the previous year, while nationally they showed no appreciable change. With many small businessmen giving up entirely, out-migration accelerated and bank deposits declined. Farmers suffered severe shortages of fertilizer and feed, and some were forced to kill off part of their livestock. Construction volume dropped precipitously, and even the number of visitors to Hawaii was reduced.

During the 1971 West Coast dock strike, a pronounced slowing in the State's general fund tax collections reflected the overall damage endured by Hawaii's businesses. Revenues had increased 9 percent in the fiscal year ending June 30, 1971, the day before the strike began. But in the following five months, when Hawaii was in the midst of or recovering from the strike, the rate of increase in revenues slid to 2.8 percent. While it is true that 1971 was a recession year for Hawaii, tax revenues were up in the six months directly preceding the strike, with June ahead of the previous June by 9.9 percent.

Responding to a survey on the impact of the 1971 strike, local retailers reported sales declines ranging from 3 to 17 percent. Because of extra inventory and transportation costs, however, the drop in their profits was much more marked. Profits before taxes were down 50 percent from normal for a foreign car dealer, down 53 percent for an appliance dealer, down 25 percent for a housewares dealer, and down 19 percent for one drug store. A domestic car dealer reported profits down 200 percent (a loss, in other words), while for a paper products dealer profits were down 138 percent. Most businesses survived the strain, but some could not. One medium-sized furniture store struggled through the 134 days of the 1971 and early 1972 West Coast dock strikes, but it was caught by surprise by the deck officers' strike in the fall of 1972. Christmas furniture orders arrived too late for the holiday buying season, and the store went out of business.

The 1971–72 strike also had a severe effect on the State's construction industry. Construction in progress suffered lengthy delays, increasing costs considerably. Completion of two large Honolulu office buildings was held up, for instance, and the resultant loss of rentals was serious. A hospital was forced to postpone its opening date because the dock strike delayed arrival of certain construction materials necessary for the building's completion. With conditions so uncertain, developers became hesitant to put new projects out for bid. One large construction company reported $18 million in lost revenue and $1.5 million in lost profits. Its employees lost $10 million in wages. A construction materials supplier reported profits before taxes down 225 percent from normal, a substantial loss. Profits were down 20 percent for an equipment dealer, 20 percent for a general contracting firm, and 28 percent for one concrete accessories firm.

Hawaii's vital sugar and pineapple export industries suffer great financial losses during prolonged shipping strikes because they cannot get their products to market. Even in normal times, the returns on sugar and pineapple are below acceptable rates. Failure to supply their very competitive markets—as in the 1971–72 dock strike—results in lost customers, further deteriorating the industries' financial health.

Our pineapple industry markets 80 percent of its annual pack through West Coast ports, and the remaining 20 percent by way of Atlantic and Gulf ports. The 1971 West Coast dock strike caught the industry during the peak canning season, and millions of cases of pineapple backed up here, unable to find their way to market. One company had more than 9 million cases stored in warehouses at one time. A load was set by chartered ship to the East Coast and hauled back overland to California to preserve that important market. Such storage, extra handling, and detoured transportation cost one company a million dollars.

National policy allows foreign pineapple to come into this country duty-free but U.S. pineapple is kept out of foreign markets by high tariffs. The only place that Hawaii's high-cost pineapple industry can compete is on the Mainland. But when shipments are temporarily cut off by a transportation interruption, consumers buy other canned fruits or foreign pineapple, and those customers may be lost to us forever. It is no wonder that pineapple is a dying industry in Hawaii.

The sugar industry also had serious problems during the 1971 dock strike. Loss of markets has been of deep concern to the industry because it sells most of its sugar in the Western states where sugar production is in surplus. If the supply of sugar from Hawaii is cut off, industrial users can easily get their requirements from others, and this lost business is not easily won back. Then Hawaii is forced to ship its produce further east, and added transportation cost reduces margins. A transportation interruption truly reduces sugar's competitiveness.

During the 1971 strike, emergency sugar storage proved insufficient, and some of the production had to be stored outdoors under tarpaulin. More than 91,000 tons of raw sugar and 10,000 tons of molasses were in supplemental storage at the peak of the strike. Storage was eased to some extent by chartering ships to Gulf and East Coast ports and to Vancouver, from where the sugar was railed to the California refinery—but the added expense was enormous. The industry reported that extra costs resulting from the strike totaled close to $6 million.

Next to suffer from the effects of transportation stoppages are Hawaii's wage earners, whose jobs disappear as the economy winds down. The impact on jobs is not immediate. Supplies on hand at the beginning of a strike can keep businesses operating normally for a while, and even when supplies begin to run out, employers try to keep workers on the payroll by shortening hours or by scheduling vacations during the slack period. But when the stoppage lasts more than two or three months, the number of people thrown out of work accelerates. Whatever gains are won by the strikers when the strike ends the wages lost by these nonparticipants can never be recovered.

The worst spell of unemployment in Hawaii's modern history followed the longest dock strike in Hawaii's history. The islands' unemployment rate was already up to 7 percent in 1949 as a result of the ongoing national recession. But the 177-day shutdown of local docks in May-October 1949 sent unemployment skyrocketing to over 32,000 workers—nearly 17 percent of the labor force at that time.

The second worst spell of unemployment in Hawaii's modern history followed the second longest dock strike. More than 23,000 workers were on the jobless rolls in November 1971, following the first 100 days of the West Coast dock strike. When the strike was resumed in January-February 1972, unemployment rose to 23,650 workers in February. This gave Hawaii an unemployment rate of 6.3 percent in November and 6.5 percent by February—the highest rates experienced since 1954, and the first period since 1956 when Hawaii's unemployment rate exceeded the national average.

And finally, transportation interruptions often send prices soaring at a time when Hawaii's families can least afford it. The impact of these strikes on Hawaii's consumer prices is well documented by the consumer price and food price indexes compiled by the U.S. Department of Labor's Bureau of Labor Statistics.

Consumer prices in Hawaii climbed 3 percent during the May-October local dock strike in 1949, while nationally prices declined slightly.

The effect was even greater during the 100-day West Coast dock strike in the third quarter of 1971. Even with Phase I of the wage-price freeze in effect beginning mid-August, Honolulu food prices jumped 4.5 percent between June and October. By contrast, U.S. food prices declined 0.3 percent over the same period.

The major reason for the sharp increase in food prices was that grocery chains were forced to airlift fresh produce from the Mainland at much higher freight costs. The higher transportation costs were passed on to consumers because raw agricultural products were exempted from price controls. The fruits-and-vegetables price index for Honolulu vaulted 8.2 percent in August 1971 and 5.3 percent in September, while nationally these prices declined 1.9 percent in August and 5.7 percent in September. Hawaii's fresh produce prices normally would have followed this seasonal decline.

The same pattern of rising food prices appeared when the 1971 dock strike was resumed in January 1972 after the Taft-Hartley cooling-off period, and again during the strike of the Masters, Mates and Pilots Union in the fall of 1972.

Price indexes are academic, but the effect on the pocketbook is not. How many Mainland families would have been willing to pay 72¢ for a head of lettuce, $1.45 for a dozen oranges, or $2.28 for 10 pounds of potatoes in February 1972? Yet in Hawaii, where salaries are generally no higher than on the Mainland, these were the average prices families had to pay—or do without.

These effects are most pronounced during a long transportation stoppage, but it should be realized that it isn't just long transportation strikes that hurt Hawaii. Short strikes are short strikes only in retrospect, they could turn into long strikes and they trigger the response that a long strike would provoke: stockpiling, hoarding, panic buying, etc. And even the threat of a strike that never comes off is only a threat in retrospect: when the threat looms on the horizon, businessmen and consumers adopt, a here-we-go-again attitude and a resulting behavior pattern that can be as costly and disruptive as would be the case if the strike ultimately occurred.

The conclusion is clear: Hawaii must somehow find her way out of this precarious situation that she has been in for so long.

TRANSPORTATION STOPPAGES AFFECTING HAWAII, 1946–72

Strike	Date commenced	Days' duration	Involving
Longshore	Jan. 2, 1946	16	ILWU, Port Hueneme, Calif.
Longshore	Feb. 4, 1946	9	ILA, New York.
Longshore	June 11, 1946	4	ILWU, Hawaii.
Longshore	June 17, 1946	2	ILWU, Los Angeles.
Maritime	July 10, 1964	4	NMU, SIU, Atlantic.
Longshore	July 12, 1946	2	ILWU, Los Angeles and Long Beach
Maritime	Sept. 5, 1946	16	Seamen AFL–CIO, nationwide.
Maritime and longshore	Oct. 1, 1946	53	MEBA, MMP, ILWU, 21 States.
Longshore	Nov. 23, 1946	16	ILWU, Puget Sound, Wash.
Maritime	June 16, 1947	4	NMU, ARA, nationwide.
Longshore	June 17, 1947	2	ILWU, Hawaii.
Longshore	July 11, 1947	2	ILWU, Hawaii.
Longshore	Oct. 1, 1947	7	ILWU, Los Angeles and Long Beach.
Longshore	Nov. 10, 1947	17	ILA, east coast.
Longshore	Feb. 29, 1948	20	ILWU, Los Angeles and Long Beach.
Maritime and longshore	Sept. 2, 1948	96	MEBA, NUMCS, ARA, MFOW, Pacific; ILWU, west coast.
Longshore	Nov. 10, 1948	18	ILA, east coast.
Longshore	May 1, 1949	177	ILWU, Hawaii.
Maritime	June 16, 1951	10	MEBA, ARA, NMU, nationwide.
Longshore	July 6, 1951	43	ILA, Boston and New York.
Maritime	July 28, 1951	4	ARA, Pacific.
Longshore	Oct. 12, 1951	4	ILWU, Hawaii.
Longshore	Oct. 15, 1951	26	ILA, New York and Boston.
Longshore	Nov. 21, 1951	2	ILWU, Hawaii.
Maritime	May 27, 1952	66	SUP, Pacific.
Maritime	July 28, 1952	4	MMP, ARA, Pacific.
Longshore	Oct. 9, 1952	5	ILWU, Hawaii.
Maritime	Nov. 5, 1952	6	SUP, Pacific.
Longshore	Nov. 20, 1952	12	ILWU, Hawaii.
Longshore	June 19, 1953	3	ILWU, Hawaii.
Maritime and longshore	Oct. 1, 1953	5	ILA, MMP, east coast.
Longshore	Feb. 28, 1954	10	ILA, IBT, New York.
Longshore	Mar. 5, 1954	29	ILA, New York.
Maritime	Dec. 2, 1954	6	ARA, Pacific.
Airline	June 19, 1955	10	Pilots, UAL.
Longshore	Aug. 16, 1955	3	ILWU, Hawaii.
Longshore	Sept. 7, 1955	8	ILA, New York.
Longshore	Oct. 1, 1955	20	ILA, New York.

Strike	Date commenced	Days' duration	Involving
Maritime	Dec. 7, 1955	2	MFOW, San Francisco and Los Angeles.
Maritime	May 11, 1956	8	MMP, MEBA, SIU, Atlantic and gulf.
Longshore	Nov. 16, 1956	9	ILA, east coast and gulf.
Longshore	Feb. 12, 1957	10	ILA, east coast.
Longshore	June 29, 1958	2	ILWU, Hawaii.
Longshore	March 9, 1959	3	ILWU, San Francisco.
Longshore	July 4, 1959	2	ILWU, Hawaii.
Longshore	Oct. 1, 1959	8	ILA, east coast and gulf.
Longshore	Apr. 16, 1960	3	ILWU, Hawaii.
Longshore	Aug. 12, 1960	14	ILWU, Los Angeles.
Longshore	Feb. 9, 1961	5	ILWU, San Francisco.
Longshore	Mar. 7, 1961	7	ILWU, Los Angeles and San Francisco.
Maritime	June 16, 1961	17	MMP, MEBA, ARA, nationwide.
Maritime	Sept. 28, 1961	14	MMP, Pacific.
Airline	Feb. 19, 1962	2	Flight engineers, Pan American.
Maritime	Mar. 16, 1962	27	SUP, MFOW, SIU, MCS, Pacific.
Longshore	Sept. 12, 1962	5	ILWU, Hawaii.
Longshore	Sept. 23, 1962	2	ILWU, Hawaii.
Longshore	Oct. 1, 1962	5	ILA, east coast and gulf.
Longshore	Dec. 24, 1962	33	ILA, east coast and gulf.
Maritime	Jan. 18, 1964	2	MEBA, San Francisco.
Longshore	Jan. 11, 1965	61	ILA, east coast and gulf.
Airline	Apr. 1, 1965	10	Pilots, Pan American.
Maritime	June 16, 1965	79	MEBA, MMP, ARA, Atlantic.
Longshore	June 21, 1965	2	ILWU, Hawaii.
Longshore	Aug. 7, 1965	2	ILWU, Hawaii.
Maritime	Oct. 17, 1965	4	ARA, Pacific.
Longshore	May 23, 1966	3	ILWU, Hawaii.
Airline	July 7, 1966	43	IAM, United and Northwest.
Maritime	July 19, 1966	5	MEBA, Pacific.
Longshore	Feb. 14, 1967	4	ILWU, Hawaii.
Longshore	Mar. 20, 1967	3	ILWU, Hawaii.
Longshore	June 1, 1967	3	ILWU, Hawaii.
Maritime	June 15, 1967	7	MMP, east coast and gulf.
Longshore	Oct. 20, 1967	19	SSU, ILA, New York.
Airline	Feb. 20, 1968	3	BRACK, Pan American.
Longshore	Mar. 18, 1968	11	ILA, east coast.
Maritime	June 29, 1968	3	NMU, Atlantic.
Longshore	Nov. 18, 1968	5	ILWU, San Pedro, Calif.
Longshore	Dec. 20, 1968	125	ILA, east coast and gulf.
Longshore	Mar. 17, 1969	20	ILWU, San Francisco and Los Angeles.
Maritime	Nov. 17, 1969	47	MFOW, SUP, MCS, Pacific.
Longshore	May 11, 1970	25	ILWU, Oregon.
Airline	July 8, 1970	43	BRAC, Northwest Airlines.
Longshore	Dec. 7, 1970	3	ILA, New York and New Jersey.
Longshore	June 9, 1971	10	ILWU, San Francisco.
Longshore	July 1, 1971	100	ILWU, west coast.
Longshore	Oct. 1, 1971	57	ILA, east coast and gulf.
Longshore	Jan. 17, 1972	34	ILWU, west coast.
Airline	June 30, 1972	95	Pilots, Northwest Airlines.
Maritime	Oct. 25, 1972	41	MMP, Pacific.

Note: This list is far from complete. Excluded are hundreds of short strikes of less than 2 days, strikes involving only 1 ship, or strikes holding up shipping that is not essential to Hawaii. Whatever the cumulative toll of these brief strikes in terms of delays, uncertainties, and costs may be, we omit them here because this appendix would be about 30 pages long if they were all listed.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. Mr. President, how much time remains?

The PRESIDING OFFICER. Thirty minutes remain.

Mr. INOUYE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 4, line 8, beginning with the word "An" strike out through the word "the" on line 9, and insert in lieu thereof "The".

On page 6, line 1, strike out the word "jurisdiction" and insert in lieu thereof "injunction".

Mr. INOUYE. Mr. President, this amendment is necessitated because of clerical errors which occurred when the measure was sent to the Committee on Labor and Public Welfare from the Committee on Commerce.

The first provision is the deletion of a reference to an employer or labor organization who is a party to a strike or lockout as having the right to petition to call for an injunction. This provision was deleted in the Commerce Subcommittee on Merchant Marine, and the bill was ordered printed on June 13, 1973, but inadvertently it was included when this bill was referred to the Committee on Labor and Public Welfare.

The second provision in the amendment refers to a typographical error. The word "jurisdiction" was erroneously used in place of the word "injunction."

Mr. FONG. Mr. President, I ask unanimous consent that my name be listed as a cosponsor of the amendment.

The PRESIDING OFFICER (Mr. JOHNSTON). Without objection, it is so ordered.

Mr. JAVITS addressed the Chair.

Mr. WILLIAMS. Mr. President, will the Senator yield? I am prepared to make a statement in opposition, or I will wait upon the Senator from New York.

Mr. JAVITS. I think that the Senator from New Jersey, as the chairman of the committee, should proceed.

Mr. WILLIAMS. I thank the distinguished ranking member of the Committee on Labor and Public Welfare, the Senator from New York.

Mr. President, this is an unusual occasion when I rise to oppose a bill sponsored by my good friend, the distinguished Senator from Hawaii. From where I sit, there is one good thing about the bill, and that is its sponsorship, but I must end my approval there. While I strongly disagree with his recommendation that S. 1566 be adopted, I must say that, in his usual fashion, he has worked very effectively to bring this issue before the Senate.

The Senator from Hawaii has made a very impressive statement about the problems which confront Hawaii when it is cut off from its principal channels of commerce with the west coast. However, the case which he makes is—understandably—only one side of the issue.

It was the obligation of the committee on Labor and Public Welfare to ascertain just how serious are the problems which Hawaii faces during a dock or maritime work stoppage. We needed to determine, in addition, how these problems for Hawaii compare with those experienced by other States during transportation work stoppages.

Under the terms of the bill's referral to the Labor Committee, we had only a limited time to study the matter. As the committee report makes clear, we found that the evidence of damage to Hawaii from work stoppages was not compelling. that the evidence of damage to Hawaii does have special problems relating to its separation from the mainland, but that its vulnerability to harm from transportation work stoppages is certainly not unique.

Many other parts of the United States are dependent on a single mode of freight transportation. As noted in the committee report, about 37,000 communities are served exclusively by truck. Moreover, Hawaii is not completely dependent on commerce with the west coast. A substantial amount of its trade is with the east coast of the United States, with the west coast of Canada, and Mexico, and with other foreign countries.

During the short time the committee had the bill before it, we attempted to find out by how much imports from these other sources increased during the 1971 strike, which went into the early part of 1972. We were surprised to learn that the data were not available. Neither the State of Hawaii, nor any Federal agency could tell us by how much imports actually declined during the 1971 dock strike. And the figures we were able to develop on ship arrivals suggested that the decline in imports was nowhere near as dramatic as the proponents of the bill suggest.

The figures on ship arrivals are contained in the adverse report that the Labor Committee filed on this bill. Perhaps I should mention that this is the only report I have seen that has been filed in connection with this matter. This bill went originally to the Committee on Commerce. It is my understanding that it was reported without recommendation, and no report accompanied the Commerce Committee action. The adverse report of the Labor Committee is available to all Members, and the limited statistical data that is available is included in that report. I reiterate that the figures show that the decline in ship arrivals during the last strike in 1971 was nowhere near as dramatic as suggested by the proponents of the bill.

At the same time, we do not maintain that Hawaii has no special problem. Obviously, its dependence on maritime commerce is unusual. Therefore, we have made a strong commitment to give careful consideration to Hawaii's problems if a protracted labor dispute should threaten to harm that State. We would do the same for any other State or region. I think that on our record we have shown an alertness and a sensitivity to the problems that can befall an area, and we have taken appropriate action, as we did in the 1971–72 strike situation.

On the other hand, the committee cannot support special legislation, on a standby, basis, providing preferential treatment for 1 of the 50 States. We see no place in American labor law for a bill which would virtually guarantee that this one State—and only this one State—would never again suffer even the slightest inconvenience from a transportation dispute. That would be the practical effect of a 160-day moratorium, when added to the 80-day injunction period under Taft-Hartley. It is inconceivable that the Federal Government would permit a strike to persist for longer than 8 months. And the bill permits an injunction to be obtained when there is any interruption, whatsoever, in commerce. Such an interruption could be determined to exist if a single ship is delayed by as much as 48 hours.

The senior Senator from Hawaii mentioned this in his opening remarks. He suggested that this is not probable. Probable or not, the possibility is there, under this bill; and if it should become law, the stoppage of a single ship, delayed by as much as 48 hours, could promote an injunction.

I should also like to point out that the Federal district court is evidently not expected to make a judgment as to whether a genuine emergency exists before issuing an injunction under the bill. Contrary to the approach in other Federal labor legislation, the bill apparently determines conclusively that "any disruption" of maritime commerce with the west coast "automatically imperils the health and well-being" of the people of Hawaii, and the other affected islands.

I can well understand the Senator's concern about the effects of previous disputes. I know only too well how troubled the Nation was in 1972 by recurrent labor disputes. But the evidence seems to indicate that we may be moving into a new era of more harmonious relationships in the transportation industry.

The National Commission for Industrial Peace recently recommended against further statutory involvement of the Government in labor disputes. It is truly a blue ribbon commission of knowledgeable and experienced people. Its report, which is contained in the appendix material of the Labor Committee's recommended reading for all of us who want to understand the atmosphere that prevails today in labor-management relationships. It is an excellent report. They recommend against further statutory involvement of the government in labor disputes.

The Commission observed that there were encouraging signs of improved labor relations. Both labor and management spokesmen have been looking toward the greater use of voluntary arbitration to avoid work stoppages.

I think this point was made in the day of hearings that the Commerce Committee had on this bill in 1973. It came from some of those in high office in important unions that are part of the maritime picture. I believe it was Mr. Moody, of the Maritime Trades Department at the AFL–CIO. I believe the statement is also contained at some point in one of the documents in our report, from the president of the Seafarers Union, Mr. Hall. We know that Mr. Meany, president of the AFL–CIO, on many occasions has addressed himself to voluntary arbitration as a promising hope for the future to avoid work stoppages.

The Federal Mediation and Conciliation Service has been giving special attention to the transportation industry. It is notewortohy that the North Atlantic Shippers and the International Longshoremen's Association—ILA—have just agreed on a 3-year contract—even though the current contract does not expire until September. This is one of the most promising developments we have seen in connection with maritime shipments. There is a good chance that the ILWU, whose west coast contract does not expire until June 1975, will be able to settle on a similar, 3-year contract at that time.

Both labor and management strongly oppose the bill, as does the executive branch. All these circumstances suggest to me that it would not be wise to enact standby legislation when the committee has so strongly indicated its willingness to deal, on an ad hoc basis, with any genuine emergencies which may arise.

Mr. President, the Commerce Committee reported the bill, I emphasize again without recommendation, after brief hearings. The Labor Committee's adverse report was unanimous. The Senate has not been asked to consider a bill adversely reported since 1955. I strongly urge my colleagues to support the recommendation of the Committee on Labor and Public Welfare that the bill do not pass.

I thank the ranking member of the committee, the senior Senator from New York, a valued partner in this and so many other things.

Mr. JAVITS. Mr. President.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, who controls the time in opposition?

The PRESIDING OFFICER. Senator JAVITS has time.

Mr. JAVITS. I yield myself 10 minutes on the bill.

Mr. President, the amendments which the Senator has asked for are amendments which he is certainly entitled to make in order to perfect the bill which he wishes to present to the Senate. Personally, I shall not in any way oppose those. So, I yield myself time on the bill.

Mr. President, the arguments which have been made by the chairman of the Labor Committee have covered a certain amount of the ground. I would like to cover other ground on this matter. The main thrust of my own argument against the bill is the danger which it presents. Indeed, it invites disaster in labor-management relations because Hawaii is not a separate part of the United States in any juridical, constitutional, or collective bargaining sense.

Hawaii is separated by an ocean, but Hawaii joined the Union when it became a State, and this bill proceeds on the theory that it did not join the Union when it became a State.

Mr. President, the effect of carving out this particular enclave, for what really is a prohibition against strikes, will unquestionably so change the labor situation of the whole United States as to the maritime unions that the security of the United States will be endangered in economic terms as it relates to strikes and local unions. It is for this reason that we felt so strongly about the bill to report against it.

I would like to join Senator WILLIAMS in my own admiration for our colleagues from Hawaii and our own appreciation for the unique problems of Hawaii as a State of the United States. It was not an easy thing for us to take the position that we did, and it had to be based upon grounds which were very strong and very conclusive to us in the committee. There was no dissent in the committee. It was unanimous that we should report against the bill, and that went for men of conservative views as well as men of liberal views.

Mr. President, we are buttressed in this position by the fact that both the Labor Department and the Federal Mediation and Conciliation Service—which usually does not comment on proposed labor bills—have come out against this bill exactly on the grounds which I have mentioned.

The Labor Department did so in a letter dated June 3, 1974, and also the Federal Mediation and Conciliation Service in a letter dated the same day, which are contained in the adverse report of the Committee on Labor and Public Welfare, which is on file in the Senate, but to complete my presentation, I ask unanimous consent that they be included as part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 3, 1974.

Hon. HARRISON A. WILLIAMS, Jr.
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the Department of Labor's views on S. 1566, a proposed "Hawaii and United States Pacific Islands Surface Commerce Act of 1974."

S. 1566 would prevent interruptions in shipping between the West Coast and Hawaii and between the West Coast and the other U.S. Pacific Islands caused by longshore and maritime strikes and lockouts for 160 days. This anti-strike provision would be enforceable upon petition of certain designated parties to a United States District Court for an injunction or temporary restraining order. It is supplementary to the 80-day "cooling-off period" of the Labor-Management Relations Act, 1947, allowing a 240-day postponement of strike action where both laws apply.

We are both very much aware of the problems faced by island residents because of their dependence on shipping. However, dependence on various forms of transportation is to varying degrees a problem which faces the whole country. While a 160-day injunction might postpone a work stoppage, it might also postpone a settlement of the dispute involved. In this connection, we agree with the recently published final report of the National Commission for Industrial Peace, which states:

"* * * we must bear in mind that our best hope for peaceful settlements lies in the ability of the parties to arrive at agreement. We must not look for relief or protection through some miracle formula or technique. There is no substitute in our kind of society for a procedure under which the parties persuade themselves to compose their own differences."

Proponents of this legislation have stated that while the economic consequences are great for the State of Hawaii and other islands, the pressures upon labor and management to settle their disagreements would not be significantly disturbed by the legislation. They conclude that the impact of the legislation on the collective bargaining process would be minimal. We are not aware of substantial evidence to support such a conclusion. It is unclear that the present collective bargaining structure would be maintained; thus the prospective effect of such legislation is also unclear. We also note that there may be serious difficulties in maintaining service to the islands despite the intent to prevent disruption, because this legislation would require separating cargo bound for Hawaii and the U.S. Pacific Islands from cargo bound for other locations. The economic feasibility of such a procedure is open to question.

Thus, there are many uncertainties concerning the balance between the adverse effect on the economy of these islands from strikes and the potential impact of this bill on the collective bargaining process in the maritime and longshore industries. Therefore, we do not believe it is advisable to enact S. 1566 at this time.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

PETER J. BRENNAN,
Secretary of Labor.

FFDERAL MEDIATION AND
CONCILIATION SERVICE,
Washington, D.C., June 3, 1974.

Hon. HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Federal Mediation and Conciliation Service on S. 1566, a bill which seeks to prevent West Coast dock strikes from imperiling the health and safety of the citizens of Hawaii and the United States Pacific Islands.

The proposed legislation would prohibit strikes or lockouts in the longshore or maritime industries on the West Coast, which interferes with shipping between the West Coast and Hawaii, Guam and other Pacific Islands, for a period of one hundred and sixty (160) days. The anti-strike provision is enforceable upon petition by certain designated parties to a United States District Court for an injunction or temporary restraining order. This would be in addition to the injunctive relief available under Section 208 of the LMRA, 1947.

The Service is, of course, greatly concerned with the problem of work stoppages in the longshore and maritime industries. Moreover, the rationale of protecting the health and safety of the people of Hawaii and the United States Pacific Islands is compelling. However, a question arises as to whether this type of proposed legislation promotes the resolution of labor disputes that affect the various forms of transportation throughout the country; whether selectively postponing a work stoppage aids in settling the dispute which caused the disruption. In this regard, we agree with the recently published report and recommendations of the National Commission for Industrial Peace which stress the point that our national labor policy relies on collective bargaining as the primary means of resolving labor disputes. The report also notes that the parties have been successfully searching for substitutes to economic strife and have placed increasingly greater reliance upon mediation and fact-finding as tools of voluntary dispute resolution.

Although we recognize the economic disruption to Hawaii and other Pacific Islands, we question whether providing for additional selective injunctive relief would aid in encouraging labor and management to seek peaceful means of resolving their differences in collective bargaining instead of relying upon economic disruption. For that reason, we do not believe enactment of this bill would be desirable at the present time.

The Office of Management and Budget advises that they have no objection to the submission of this report.

Sincerely,

W. J. USERY, JR.,
National Director.

Mr. JAVITS. The Labor Department, as the key to its opposition—which bears out the basic point that I have made—says that this matter has repercussions far beyond the confines of Hawaii. It says of those who support this legislation that have concluded that the impact of the legislation on the collective-bargaining process would be minimal.

> We are not aware of substantial evidence to support such a conclusion. It is unclear that the present collective bargaining structure would be maintained; thus the prospective effect of such legislation—meaning this bill—is also unclear.
>
> We also note that there may be serious difficulty in maintaining service to the Islands despite the intent to prevent disruption, because this legislation would require separating cargo bound for Hawaii and the U.S. Pacific Islands from cargo bound for other locations. The economic feasibility of such a procedure is open to question.
>
> Thus, there are many uncertainties concerning the balance between the adverse effect on the economy of these islands from strikes and the potential impact of this bill on the collective bargaining process in the maritime and longshore industries. Therefore, we do not believe it advisable to enact S. 1566 at this time.

In short, what the Department of Labor is saying is that this is too risky for the whole collective bargaining process, remembering that these unions are international unions and not just local as between the west coast and Hawaii. These are unions which are national in their scope. Hence what is done between Hawaii and the west coast has a very material and adverse impact on collective bargaining with all unions, but certainly the maritime unions which affects us throughout the United States.

Now, one other thing that is critically important in this matter. We may have a situation here where the injunction which is anathema to labor in the United States may make some men work, even on the west coast, and some not work, because all west coast business is not connected with Hawaii. A good deal of business is coastal and goes to places in the world other than Hawaii.

So we would endeavor by this bill to carve out an enclave of workers who would be working while their fellows were on strike, which is not good for either the manufacturer or worker in respect to collective bargaining unions.

Finally, Mr. President, we would be legislating in a highly specialized way on a matter which should be legislated in a national way. We have insisted that that is the way it should be done, and we have been trying very much to have that done.

Now, let me point out why the Taft-Hartley Act, which is the only Federal law permitting labor injunctions of a statutory kind, permits an injunction in a case where, if the strike or lockout were permitted to occur or continue, would imperil the national health or safety.

This is section 206 of the National Labor Relations Act and the operative section is 208(a)(ii), which says:

> . . . if permitted to occur or to continue, will imperil the national health or safety . . .

Therefore, our approach to Taft-Hartley injunctions as they are called has been on a basis of a national emergency.

As yet, there has been no determination by the Congress or the country that we should have injunctions of regional paralysis strikes. So, we have depended upon the ad hoc practices of the Congress, and those have been exercised in quite a few cases.

Since 1963, there have been 10 such cases and in many instances strikes were completely avoided. In some cases, strikes were ended, and that goes also for the longshore strike about which Senator FONG spoke so feelingly a little while ago.

Let us remember that in the longshore case, the strike went on from July 1, 1971, to October 6, 1971, then there was a Taft-Hartley cooling-off period until January 17, 1972, which was brought about very much by congressional pressure, and then the strike was renewed from January 17, 1972, to February 19, 1972, at which time it was settled. Indeed, it was settled in principle the day we actually passed the legislation. So in that particular case, you had a long strike, but a strike that was interrupted.

The other point that comes out of the legislation before us is this—and Senator WILLIAMS has emphasized that, and I would like to emphasize it further because it is critically important—page 4, lines 2 and 3 of the bill which is before us, that is section 3 of that bill, relating to strikes or lockout says:

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. JAVITS. I yield myself an additional 5 minutes.

> No strike or lockout . . . shall be permitted to interrupt normal shipping.

is the operative wording of the statute.

Now, that is unheard of in American injunction legislation. We would have an outcry from American labor heard from coast to coast, if we were going to extend the injunction right to interrupt normal activity. The whole concept on which even Taft-Hartley, which was considered strongly antilabor, was based, was the creation of an emergency affecting the health and safety of the country. This proposal has no such criteria.

As the Senator from New Jersey (Mr. WILLIAMS) very properly pointed out, a local judge, very much affected by local conditions would have every right under this law to issue an injunction against the whole labor movement on the west coast if a ship were 2 days late, or four or five or six ships, whatever would "interrupt normal shipping." It is inconceivable that we could permit a new type of labor injunction, going back to long before the days of the Norris-LaGuardia Act, for that purpose.

It has already been made clear by Sen-

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ator WILLIAMS' arguments that the facts simply do not bear out the conclusion reached, that because of an organized stoppage due to strikes, Hawaii would suffer economically all these adverse effects. On the contrary, it left very much in doubt, as to whether there were other causes. As Senator WILLIAMS said, and I wish to say, Hawaii is vulnerable. But then I call attention to the fact that the port of New York City, in the middle of the winter, was tied up by 500 tugboat captains and mates and their workers; they tied it up completely, and the city could have frozen to death.

Other places in our country, for example, are not served by railroads. There are about 37,000 of those. They could be tied up, with disastrous effects, by a trucking strike. In short, this is not absolutely unique to Hawaii. What about the condition of Alaska, separated from the mainland by an enormous ocean voyage? It, too, could come in and claim it requires special consideration.

So my feeling, Mr. President, to sum up our position, is that the whole country—and Hawaii is a part of the whole—could be very deleteriously affected by this effort to make very special provisions for a particular part in terms of the total collective bargaining picture insofar as the United States is concerned.

Hawaii is by no means unique; there are other segments of our economy in geographical terms that have the same difficulties. Therefore, we should consider—and Senator WILLIAMS and I are working with the committee toward that end—general legislation dealing with regional paralysis due to strikes. That is an intelligent way to do it, because we would then deal with the whole labor movement frontally.

Moreover, if we do run into a particular jam, Congress has shown its ability and its willingness to act in order to deal with a particular situation on an ad hoc basis.

To say that we can in that way avoid any hardship whatever from a strike or lockout to Hawaii, of course, is not true, any more than we can avoid any hardship from a strike or a lockout to any place in the country reached by trucks if there is a truck strike, or, as I have pointed out, any place in the country where a key enterprise is touched.

For example, there have been utility workers' strikes which have endangered communities tremendously, but somehow or other we have tried to strike a balance in national terms between the right of labor to strike and the right of the community to be safeguarded in its essential operations.

That is a national, not a Hawaiian problem—that is what we are pleading—and, therefore, it should be handled on a national basis; and we believe it would be materially prejudicial if we were to try to carve out a special Hawaiian enclave. We oppose it on that ground, labor opposes it on that ground, and even the Federal Mediation and Conciliation Service opposes it on that ground.

Therefore, Mr. President, the Senate ought to reject this bill, on the grounds that I have stated, in the highest national interest.

Mr. INOUYE. Mr. President, I yield back the remainder of my time on the amendment.

Mr. GRIFFIN. Mr. President, I wonder if I might have some time on the bill.

Mr. JAVITS. Surely.

Mr. INOUYE. Mr. President, can we not resolve this amendment first?

Mr. GRIFFIN. Is there an amendment pending?

Mr. INOUYE. If the Senator from New York will yield back the remainder of his time, I have yielded back my time.

The PRESIDING OFFICER. Does the Senator from New Jersey yield back the remainder of his time on the amendment?

Mr. WILLIAMS. Mr. President, the Senator from New York controls the time on the amendment.

Mr. JAVITS. Yes, I yield back the remainder of my time on the Inouye amendment.

The PRESIDING OFFICER (Mr. JOHNSTON). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Hawaii (Mr. INOUYE).

The amendment was agreed to.

Mr. INOUYE. Mr. President, I would like to spend a few minutes clarifying some of the arguments which have been brought forward by our two distinguished friends, though not wishing to minimize the effects of trucking strikes, railway strikes, and tugboat strikes.

I would like to point out that there is something basically different. When there is a shipping strike in Hawaii, it is impossible for the people of Hawaii to get to Los Angeles, San Francisco, San Diego, or Seattle. If there is a trucking strike, there is still a possibility, even though it is inconvenient, for the people living in the affected community to drive to the next community to buy their food and groceries.

Second, as the chairman of the Labor and Public Welfare Committee pointed out, it is true that during a strike period, ships did visit the State of Hawaii, but it should be noted that half of them came in without cargo. They came in to pick up supplies, such as bunker oil, or to be repaired.

Another situation is that of the military vessels. As Senators may be aware, there is an agreement to exempt military vessels, so those ships go back and forth; and when one speaks of military cargo, it does not include just tanks and guns, it also includes goods for the post exchanges and commissaries. So military cargo includes steaks, and it includes men's cologne; and while the military are receiving those items, the people of Hawaii are required to pay 72 cents for a head of lettuce and $1.43 for a dozen oranges. I think this is outrageous; this was in 1972, when everything else was cheaper throughout the United States.

So I hope the Senate will consider the uniqueness of our problem. I think Hawaii is unique, and contrary to what was suggested by my distinguished colleague from New York, we wanted to become a part of the United States, and we are delighted to be a part of the United States. We have no intention to be out of the United States.

We hope that the uniqueness of our situation and our problems will be noted by our colleagues.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. Mr. President, I yield my colleague from Hawaii such time as he may require.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. FONG. I yield.

Mr. JAVITS. When the appropriate time comes, Mr. President, I would like to yield 10 minutes to the Senator from Michigan (Mr. GRIFFIN).

Mr. FONG. Mr. President, to equate the strike of 500 tugboat captains in the State of New York to a dock or maritime strike on the west coast cutting shipping to and from Hawaii is really farfetched; and to say that 37,000 communities on the mainland have only trucking facilities, and that when there is a trucking strike they are as helpless and defenseless as the people of Hawaii in a shipping strike is ridiculous.

Of these 37,000 communities of which the Senator speaks, I am sure that not one of them has a population of over 50,000 people. If they had more than 50,000 people, they would have at least some transportation available by air.

If there is a trucking strike, goods could be brought in by automobiles. Goods could be brought in by buses, carts, wagons, and even bicycles. They could also be brought in by airplanes.

But imagine that a strike has isolated the city of Washington, D.C., which, with 800,000 people, approximates the population of the State of Hawaii. If there were an encirclement of the city of Washington, so that no automobiles could come in, no trucks could come in, no trains could come in, no tugboats could come in, nobody could walk in, and nobody could swim out, then you would have something comparable to the situation we have in Hawaii when there is a west coast dock strike and shipping is cut off. We look then to airplanes, but airplanes bring in only 1 percent of the goods that we need in Hawaii; 99 percent of our imports arrive by ship. When there is a dock strike, we increase the flow of air cargo, but we can only increase it from 1 to 3 percent of our total requirements. There is no other situation like that in the whole of the United States.

You can readily imagine the outcry if this happened to the city of Washington, D.C., with its 800,000 people suffering and deprived of virtually all imports except what one could bring in by air.

Mr. President, this is the problem which we face in Hawaii. This is certainly a unique situation; it is an extraordinary situation, and it is an extraordinary situation that requires extraordinary remedies.

Now, the distinguished Senator from New York stated that a committee is working on remedial legislation to take care of situations such as this.

The PRESIDING OFFICER. The Senator's 6 minutes have expired.

Mr. FONG. Mr. President, will the Senator yield to me for 2 additional minutes?

Mr. INOUYE. I yield to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. FONG. Mr. President, in November 1971, we had a debate on the Economic Stabilization Act amendments. At that time, because Hawaii was in a very sad predicament—we were in the toils of a west coast longshore strike that had started in July 1971—we proposed an emergency transportation disuptes amendment to take care of such conditions as were being experienced in Hawaii. We were told by members of the Labor and Public Welfare Committee that the members of the committee were working on emergency labor disputes legislation and that they would have hearings and, therefore, that that was not the appropriate time to bring in such an amendment. Our amendment was tabled by a vote of 58 to 29.

By the time the west coast dock strike compulsory arbitration bill came before the Senate on February 8, 1972, we had waited many months and the committee still had not reported an emergency labor disputes bill. So we again proposed an emergency dispute amendment and this time we were defeated on a tabling motion by the very close margin of only three votes, 42 to 39. This is July 1974, and nothing more has been done by the committee with regard to such legislation.

This bill, S. 1566, has been before the Committee on Labor and Public Welfare. The committee produced a very negative report saying, "We do not need such a bill." Now, they come before the Senate and say, "Leave it to us again. We will take care of you by having hearings on the bill."

Mr. President, we know very well that the Committee on Labor and Public Welfare is not going to do anything to remedy the unique situation with which Hawaii is confronted when its shipping is cut off.

Our ocean lifeline to and from the west coast was disrupted for 6 of the 18 months between mid-1971 and the end of 1972—1 day in 3. Considering such facts, I hope my colleagues will recognize the uniqueness of Hawaii and the uniqueness of the transportation problems facing my State.

That is the reason we are asking for this bill without further delay.

Mr. PEARSON. Mr. President, I speak today in support of legislation sponsored by the distinguished Senators from Hawaii (Mr. INOUYE and Mr. FONG), a measure designed to protect the vital supply lines between Hawaii and the U.S. Pacific Trust Territories and the U.S. mainland in the event of a strike or lockout involving the west coast ports.

Those of us on the Commerce Committee are sensitive to the role of transportation in the economy and in protecting the public health and welfare. All of us recognize, for example, that a strike or lockout of any significant duration involving the national rail system is intolerable. The national interest requires fair treatment of labor and of management, as well as a healthy respect for the fundamental right of collective bargaining in the private sector. But in the field of transportation, it has been recognized by Congress that the paramount public interest involves the protection of individual citizens, businesses, and communities who depend upon essential transportation services for their survival.

When a major work stoppage has occurred in the rail industry, Congress in recent years has responded with ad hoc legislation to insure that the strike or lockout is not of protracted duration and that the essential transportation services are maintained without serious interruption.

The situation of Hawaii is unique in two respects: First, that State is more dependent on transportation services than any other State. Second, that State has not enjoyed the prompt enactment of ad hoc legislation to maintain transportation services when such services are interrupted by labor-management disputes.

Mr. President, in seven major west coast labor-management disputes since 1946, Hawaii has been isolated for a total of 596 days. In 1971–72, west coast shipping to Hawaii was shut down for 175 days without congressional relief and without a declaration of national emergency and injunctive relief under the provisions of the Taft-Hartley Act.

Because we respect the fundamental rights of management and labor freely to engage in collective bargaining, we are reluctant to impose upon that process Federal legislative mandates which deprive the parties of the opportunity for lockout or strike. The United States has built the most prosperous and productive economy without excessive intervention by Government in labor-management relations. But there are exceptions which require, because of the unique circumstances surrounding them, special treatment and individual consideration in the Congress.

The desperate vulnerability of Hawaii during a west coast maritime strike constitutes a special case and requires special treatment in our labor laws.

Mr. President, if the Federal courts conclude that a west coast maritime work stoppage constitutes an emergency for the citizens of Hawaii, this legislation would require only 3 percent of the dockside labor and only 7 percent of the shipboard labor in the west coast trade to continue to work. And 97 percent of the dockside labor, or 93 percent of the shipboard labor, could continue to strike or be subject to lockout and amendable to the procedures established under the Taft-Hartley Act. The economic effect of maintaining this traffic on either management or labor would be minimal.

But the citizens of Hawaii would be afforded the protection which they deserve.

This legislation has been termed precedential in nature by its opponents. But that is not the case, because no other States is so uniquely situated or deserving of special treatment in this context. I would observe that the precedent involved in this bill is simply that no State which finds itself isolated geographically should find itself isolated economically because of circumstances beyond its control.

When Hawaii has found itself isolated economically in the past, Congress has failed to respond. The time has come to establish machinery to insure that this pattern of neglect, so prevalent over the past quarter of a century, is not continued in the coming years.

Mr. GRIFFIN. Mr. President, I rise to support the bill, but I do so with mixed feelings. I agree that some of the arguments presented by the opponents have merit. This legislation should be national in its scope; ordinarily, we should not deal with problems of this kind through special legislation which applies to only one region of the country.

What is wrong with this legislation so far as I am concerned is that it does not recognize the fact that serious emergency situations can and do develop in other regards of the country, as well as in Hawaii and the Pacific islands.

At a later point I shall offer an amendment to provide that while Hawaii and the Pacific islands may have the 160-day cooling-off period contemplated in this bill, recognizing their unique geographical situation, a cooling-off period of at least 80 days should be available when an emergency situation of similar proportions develops in another region of the country.

As both of the distinguished Senators from Hawaii have pointed out in their presentations, under the Taft-Hartley law as it stands now, the 80-day cooling-off period is not available in any region of the country simply because a paralyzing strike creates an emergency situation in that particular region. Relief is not available under the act until the regional emergency spreads and develops into a national emergency.

This point has been discussed on the floor many times, and with due respect and deference to the members of the Committee on Labor and Public Welfare, assurances have been given over and over again that the committee would come to grips with the need for reform of the laws now available to deal with emergency strike situations.

Yet, as the Senators from Hawaii have pointed out, the Senate has received nothing but assurances so far.

I certainly can understand the deep feelings of concern that were generated in Hawaii in 1971, when, after a west coast dock strike that lasted for 99 days, the unemployment rate in Hawaii rose to 6.4 percent. However, the Senators from Hawaii will be interested in the fact in similar emergency strike situations, the unemployment rate in Michigan has exceeded 10 percent. During the 3-month Arab oil embargo, Michigan's unemployment rate reached 12 percent. When there is a paralyzing strike situation in our region of the United States, an unemployment rate of 6.4 percent would be considered as very mild, compared to the economic dislocation generally realized.

Yet, under this legislation as it is presented to the Senate, a 160-day cooling-off period would be available for Hawaii and the Pacific islands, but no relief whatever would be available to other regions of the country.

I would hope that my amendment, which is very simple, would be adopted by the Senate, to recognize that other areas of the country should be entitled to at least an 80-day cooling-off period if 160 days are to be available to Hawaii.

In addition, Mr. President, I shall offer a second amendment to provide greater guarantees of democracy for union members in the process of making this very important decision to go out on strike.

It will be recalled that in 1959, when I was a Member of the other body, I co-authored a bill which was enacted and has become known as the Landrum-Griffin Act. The thrust of that law is to guarantee democratic rights for union members, in the selection of union officers and in other respects. However, the Landrum-Griffin law does not guarantee a secret ballot vote in the case of the decision by a union to strike—a decision which, in many respects, is the most important one that a union can make.

The decision of a union to strike is not only very important to the individual union members themselves, but it is also very important to the public.

It seems to me that it would be in the public interest, as well as the interest of the union members, to make sure that a decision to strike actually represents a decision by a majority of the employees who would be directly affected; that a majority of union members in the bargaining unit actually support the action.

Such an amendment, needless to say, would provide protection for union members not only in Hawaii, but in the other States of the Union as well. It would provide that before a strike can be called a secret ballot referendum conducted under procedures established by the National Labor Relations Board would be held to determine whether a majority of the employees support strike action and reject the employer's last offer. After a strike is called, and continued in progress, the amendment also provides a procedure for additional secret ballot votes on employer's last offer at reasonable intervals, but not more frequently than 30 days. Accordingly there would be an opportunity for a majority of employees to terminate a strike when and if the employer's last offer becomes acceptable.

This is a reform that I have advocated for many years. Perhaps it would not eliminate a large percentage of the strikes that take place. But I believe it would eliminate some strikes.

Incidentally, in the Washington Post this morning, it is noted that there are now some 588 strikes in progress throughout the United States. The Post article indicates that there seems to be a growing trend of more and more strikes.

I believe very strongly in the right of union members and employees to strike. In many instances such strikes are necessary and justified. Certainly I would oppose any effort to eliminate the right to strike. My amendment would merely seek to assure union members and the public that when a strike is called, it represents the action of a majority of the employees to be directly affected—who will have to suffer the consequences of a strike.

Mr. President, I hope both of my amendments will be adopted by the Senate. I shall ask for a yea-and-nay vote on each of them at the appropriate time. If the amendments are adopted, we will be able to pass this legislation with the knowledge that it provides significant protection, not only for Hawaii and the Pacific islands, but also for the rest of the country as well.

The PRESIDING OFFICER. Who yields time?

Mr. WILLIAMS. Mr. President?

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. WILLIAMS. Mr. President, the Senator from Michigan has been talking about two amendments. Have either one of these amendments been offered?

The PRESIDING OFFICER. The amendments have not been offered.

Who yields time?

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

Mr. INOUYE. Mr. President, on the quorum call, I ask unanimous consent that the time not be taken out of the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I send printed amendment 1565 with a slight modification to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment as modified, will be stated.

The second assistant legislative clerk read as follows:

On page 1, between lines 2 and 3, insert the following:

"TITLE I—HAWAII AND UNITED STATES PACIFIC ISLANDS SURFACE COMMERCE PROVISIONS".

On page 1, line 3, strike out "That" and insert in lieu thereof "Sec. 101.".

At the end of the bill add the following new title:

"TITLE II—EMPLOYEE STRIKE VOTE PROVISION

"Sec. 201. That this Act may be cited as the "Employee Strike Vote Act".

"Sec. 202. Section 8(b) of the National Labor Relations Act (29 U.S.C. 158(b)) is amended by striking out the word 'and' at the end of paragraph (6), by striking out the period at the end of paragraph (7) and substituting a semicolon and the word 'and', and by adding at the end of such subsection the following new paragraph:

" '(8) to call, maintain, continue, or resume a strike in any bargaining unit after—

" '(A) a majority of the employees voting on the question has voted in a secret ballot referendum conducted in accordance with procedures established by the Board among the employees in such bargaining unit, to accept the employer's then current offer; or

" '(B) such referendum has been requested before a strike begins and the result thereof has not been certified.

Any such referendum may be requested by (i) any labor organization which is a certified or recognized collective-bargaining representative of employees in any bargaining unit whose members, in whole or in part, have an interest in the outcome of the controversy giving rise to the strike or potential strike, (ii) the employer, or 5 per centum or more of the members of such bargaining unit. Such request may be made in writing at any time when the employees in such unit are contractually free to strike, or within not more than five days prior thereto: *Provided*, That no such referendum may be held until at least thirty days have elapsed following any prior referendum among employees in the same bargaining unit. Any referendum pursuant to this subsection shall be conducted as expeditiously as possible and shall take precedence over elections pursuant to section 9(c)(1) of this Act. Any employee who participates in a strike after a majority of the employees in the same bargaining unit voting in a referendum conducted pursuant to this section have voted to accept the employer's current offer, shall not during the existence of the strike or thereafter, unless reemployed or reinstated by the employer, be considered to be an employee of such employer for the purposes of this Act.'.".

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. Mr. President, how much time is there available under the unanimous-consent request?

The PRESIDING OFFICER. Thirty minutes on each amendment and 15 minutes to each side.

Mr. GRIFFIN. Mr. President, as I have already indicated, this particular amendment would provide greater guarantees for union membership in connection with the very crucial, important decision to go out on strike. The amendment would in no way diminish the right of a union to strike.

As a matter of fact, some unions today, even without this legislation, do have secret ballot votes on this very important question before the decision is made to go out on strike.

Unfortunately—and I think the most ardent unionist would have to agree with this observation—there are times and circumstances when the crucial decision to go on strike is not made in a very democratic way. There are situations when, on a Sunday afternoon, in a small union hall, with only a small percentage of the total union membership present and packed into the hall, a vote on the decision to strike is not very meaningful—not very democratic. Those who may disagree with the union leadership are put in a very awkward and vulnerable position in terms of harassment or intimidation.

Approval for the recommendations of the union leadership of the union in such a situation is often registered by shouting or by a show of hands. Those who may dissent are not in a good position to register their views.

Mr. President, union members elect their union officers by secret ballot under existing law. Certainly, that has worked very well.

I believe that a secret strike ballot procedure would work well too; and that some strikes could be avoided, or at least ended sooner.

This is a simple amendment, it is a fair amendment, it represents true reform. It is in the interest of the union member. It is in the public interest. The Senate should adopt it.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JAVITS. I yield 3 minutes.

Mr. WILLIAMS. Mr. President, I oppose this amendment being offered by the Senator from Michigan (Mr. GRIFFIN). It will do great harm to the process of free collective bargaining as we know it today.

In addition, the amendment as drafted would create an administrative nightmare for the National Labor Relations Board.

This is really not accurately described as a small and simple amendment. It would have profound effect on the collective bargaining process. For a multitude of reasons, I can think of right now, even before thorough consideration of such a far-reaching suggestion in the proper legislative way in committee hearings, I strongly oppose this amendment.

Among other things I can imagine, an employer could promote any number of secret ballots—leading to a perpetual wearing down of the workers by coming back every 30 days. It would frustrate the strong hope we have these days for more effective and harmonious collective bargaining.

This is exactly the sort of thing that the National Commission for Industrial Peace, which was named by the President and has just reported, strongly recommended against. The Commission said we should strive to prevent the Government's statutorily involving itself in the free climate of collective bargaining.

I strongly oppose this motion and will support any motion that might be made to table it.

This idea should only be considered in the Senate, in my judgment, after it has been digested in the full legislative process, particularly through committee hearings. This amendment has not been considered fully. The idea came up when we were talking about emergency disputes. The executive branch pulled away from any suggestion of this nature at that time.

This amendment has as its purpose to mandate that the employer's last offer during collective bargaining be subjected to a vote by employees of the bargaining unit. All strike activity would be permanently enjoined if a majority of the employees voting accept the management proposal, and strike action would be forbidden until the results of such referendum are certified by the NLRB. Violations would be considered as unfair labor practices.

The amendment would enable not only the certified labor organization, but also the employer, or 5 percent of the employees in the bargaining unit to petition the NLRB for a referendum on the employer's last offer. From the moment of the request, no strike activity would be permitted.

This amendment would not be a stabilizing factor in the Nation's labor relations environment. The entire institution of collective bargaining is based on the concept of bargaining table equality upon which each party is able to exert different, but relatively equal, pressures in order to achieve a reconciliation of competing economic interests.

For an employer to be permitted to force his own offer to a vote, using the sanction of the NLRB as a club, would in my opinion be a usurpation of the authority and responsibility of the duly elected representatives of the employees.

Likewise allowing a minority as small as 5 percent to initiate such action would also undermine the concept of majority rule and the exclusivity of the certified bargaining agent. Since the amendment also enables the last offer referendum to be recycled every 30 days, the employer may well be tempted to use this technique of wearing the union down instead of good faith bargaining.

As for the amendment's provision making it an unfair labor practice to strike after the majority of workers have voted to accept the management's final offer, I think the reality of contemporary intraunion politics all but renders this provision moot. Just as in democratic institutions, union leadership must be responsive to the wishes of its membership or there will soon be a change in leadership.

We must also recognize that the collective bargaining process is not particularly amenable to third-party pressures, especially if such involvement is viewed as coercive in nature. Thus, union members are not likely to support either in numbers or in emotion a statutorily devised referendum.

Even the Supreme Court, some 16 years ago, in holding that a last-offer ballot was not within the definition of mandatory bargaining, noted that such a procedure was contrary to the conceptual underpinnings of the collective bargaining process.

The 27-year experience under the national emergency disputes provision of the Taft-Hartley amendments, is as good an indicator as any of the absolute futility of the last-offer ballot concept.

The emergency disputes section has been involved 34 times, and in 17 instances a vote of the employer's final offer was taken. In every case where the vote results were tabulated and certified, 14 in all, the employees rejected the employer's last offer. While in three instances the voting process was never completed, there stands no recorded case where the employees have ever accepted the employer's last offer in the context of board-ordered balloting.

Mr. President, as of 1970, there were approximately 139,000 collective bargaining agreements in the private sector known to the Department of Labor. There is every reason to believe that the number has since increased. If one were to set the average life of a single contract at 3 years, it would mean that over 45,000 expire during each calendar year.

In short, this amendment would effectively strangle the NLRB and our entire system of labor relations.

Mr. JAVITS. I yield myself 3 minutes.

Mr. President, on the grounds just stated by Senator WILLIAMS, I oppose this amendment.

It is well known that efforts have been made and will continue to be made for piecemeal amendment of the Taft-Hartley Act and that the whole effort may be known as "the can of worms amendment." In other words, the minute you get into it, it is endless.

I believe that we should—probably, it would have to await the new Congress—enter into a revision of the Taft-Hartley Law. But if we try to snip away at it in this way, we will encounter not only this particular amendment by the Senator from Michigan—and perhaps another amendment he may propose, dealing with the Taft-Hartley Law injunction—but also will get into issues of a very serious character.

I know many Members who would like to move to put labor under the antitrust laws by removing the exemption which labor has under the antitrust laws. Many other things are going the rounds here, in the way of representation elections; representation of workers by cards, or whatever other way one ascertains how many adhere to a labor organization; picketing, and thousands of other things. The courts have been full of these cases for years.

So, Mr. President, with all respect to the Senator from Michigan, we are having enough trouble with this carving out of Hawaii as an enclave in the general bargaining process respecting strikes and lockouts. If we begin to put amendments to the Taft-Hartley Law on this bill and seek to make it a vehicle for that purpose, we are in for an endless proceeding. The record on these matters is by no means before us, the adversary parties that will have to fight it out have not been heard.

For all those reasons, I oppose the amendment.

Mr. INOUYE. I yield myself 1 minute.

Mr. President, having heard the arguments for and against, much as I respect the views of the distinguished Senator from Michigan, I am compelled to move to table the amendment.

Mr. GRIFFIN. Mr. Presiednt, I ask for the yeas and nays.

The PRESIDING OFFICER. The motion to table is not in order until all time on the amendment has expired.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

Mr. GRIFFIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 10 minutes.

Mr. GRIFFIN. Mr. President, I wish to say, in response to the argument made by the distinguished Senator from New

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York, that the bill before the Senate deals with strikes and the serious economic dislocations that arise as a result of strikes in the State of Hawaii and the Pacific islands.

The two amendments I am offering deal with the same subjects, and do not reach into other areas, such as antitrust, for example.

I hope that the motion to table will be defeated and that the Senate will have an opportunity to vote up or down on the merits of the amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the motion to table.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays on the pending motion.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Michigan. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. Ervin) and the Senator from Louisiana (Mr. Long) are necessarily absent.

The result was announced—yeas 66, nays 32, as follows:

[No. 309 Leg.]

YEAS—66

Abourezk
Allen
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Eagleton
Eastland
Fong
Fulbright
Goldwater
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stennis
Stevens
Stevenson
Symington
Talmadge
Tunney
Williams

NAYS—32

Aiken
Baker
Bartlett
Beall
Bellmon
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Cotton
Curtis
Dole
Domenici
Dominick
Fannin
Griffin
Gurney
Hansen
Helms
Hruska
McClellan
McClure
Metcalf
Randolph
Roth
Scott, William L.
Stafford
Taft
Thurmond
Tower
Weicker
Young

NOT VOTING—2

Ervin
Long

So the motion to lay on the table Mr. Griffin's amendment (No. 1565), as modified, was agreed to.

Mr. JAVITS. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, while Senators are in the Chamber and the majority leader is here, I wish to ask about how we will proceed on this particular matter.

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order. The Senate will be in order.

The Senator from New York may proceed.

Mr. JAVITS. Mr. President, I have consulted with the Senator from New Jersey (Mr. Williams), and it would be my intention at an appropriate time to move to recommit the bill to the Committee on Labor and Public Welfare. I shall deal with my reasons appropriately, but as I understand it the Consumer Protection Agency bill is due to be brought before the Senate at 3 p.m. I rise to ascertain the intentions of the leadership.

The Senator from Michigan has another amendment and I, of course, shall make this motion only at a time convenient to all parties. If the majority leader wishes me to do it this afternoon, I will; otherwise I shall stay my hand until tomorrow, whenever the Senator says.

Mr. MANSFIELD. Mr. President, I would hope we could dispose of the bill this afternoon one way or another. Personally, I intend to vote for the bill which is now before us, but I think we should take into consideration some of the problems which confront our Hawaiian colleagues, and hopefully, we could finish this bill before we go on to the Consumer Protection Agency legislation at 3 p.m.

Mr. JAVITS. I thank the leader. I shall proceed accordingly.

AMENDMENT NO. 1564

Mr. GRIFFIN. Mr. President, I send to the desk a printed amendment and ask that it be stated. The amendment is modified in respect to one word.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that further reading of the amendment may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment, ordered to be printed in the Record, is as follows:

At the end of the bill insert the following new section:

Sec. 8. Subsection (a) of section 208 of the Labor-Management Relations Act, 1947, is amended by striking paragraph (ii) and inserting in lieu thereof the following new paragraph:

"(ii) if permitted to occur or to continue, will imperil the national health or safety, or the health or safety of any region of the United States, it shall have jurisdiction to enjoin any such strike or lockout, or the continuing thereof, and to make such other orders as may be appropriate.".

Mr. GRIFFIN. Mr. President, the modification of the amendment is with respect to line 8, where the word "other" should be "such".

The PRESIDING OFFICER. The amendment is so modified.

Again, this is a very simple amendment; one that does not deserve the fate of the last one, which was tabled.

Let me indicate that I intend to vote for the bill to provide relief for Hawaii now before the Senate, whether or not my amendments are adopted—whether or not there is relief given through these amendments to other sections of the country. I shall vote to provide some relief for Hawaii and the Pacific islands, even if they are the only ones that get it.

But I wish to point up, as I do by offering this amendment, that other regions and sections of the country also suffer from paralyzing strikes and serious emergency situations which also call out for some relief.

If my amendment were agreed to, Hawaii and the Pacific islands would have the 160-day cooling-off period provided for in the bill before us, and the other regions of the country, not now covered by this bill, would have—not 160 days—but an 80-day cooling-off period available in the event of an equally serious emergency situation.

The Senators from Hawaii have argued effectively that their region of the country is important, that they need some relief in situations when a paralyzing strike creates an emergency situation in their region, but not in the country as a whole.

My amendment provides that if a paralyzing, emergency situation develops in other regions of the country—an emergency which may not spread and become a national emergency—some relief would be available. It seems to me in other regions at least an 80-day cooling-off period—as contrasted to the 160 days to be accorded Hawaii and the Pacific islands—would be fair and equitable.

Mr. JAVITS. Mr. President, I yield myself 3 minutes from the opposition time.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, this issue is raised in exactly the same way as the previous issue was raised, in which we undertake on the floor of the Senate a revision of the Taft-Hartley Law.

There is no question about the fact that the Senator from Michigan (Mr. Griffin) proposes an important revision of the injunction provision of the Taft-Hartley Law. I wish to say now that it is a revision I wish to support, because I believe we need urgently a better analysis of the national emergency aspect of work stoppages than we have.

But taken in isolation, I shall move to table, because the whole issue of American labor and Taft-Hartley is going to have to be a balancing of the plusses and minuses. I may like this and someone else may like something else. There are a dozen other matters relating to balloting, pickets, organization of workers, recognition cards, and many other practices that are fair or unfair under Taft-Hartley.

These matters deserve to be considered advisedly and substantively in a general revision of the Taft-Hartley Law. It is most unwise to pick one item out of the pot and act on it separately and do something to which the reaction could be serious and to the prejudice of labor precisely because you are acting on it separately.

Mr. PASTORE. Mr. President, would the Senator yield?

Mr. JAVITS. I yield.

Mr. PASTORE. Mr. President, the thing that intrigues me about the proposal sponsored by the Senators from Hawaii is that we have an extraordinary situation here. We have to take into account that when Taft-Hartley was passed Hawaii was not a State. Now we are confronted with a very peculiar situation. Here people have to depend entirely on transportation by boat for much of their food stuffs, and it raises a very serious problem. Unless some exception is made a people could be suffocated and starved out. That would be wrong.

I think labor is ill-advised to object to this sort of exception, because geographically we have a unique situation that was not in existence at the time Taft-Hartley was passed, and for that reason it should be given special consideration. I realize that unions, as a body, are opposed to this, and I tell Senators frankly that I have been a friend of the working man; I was opposed to the enactment of Taft-Hartley in the first place. I was the first Governor of any State to speak out against it. But it is the law of the land, and now we are confronted with a situation where experience has shown that in Hawaii, because of the distance of that State from the mainland, there is a very extraordinary situation that requires some special consideration.

I would hope that the Senate would understand that and I would hope that friends of labor would understand that and that we would not take the capricious and arbitrary position that we should not tamper with this, regardless of the consequences. We must recognize the plight of the people. That is the important thing.

The reason I shall oppose the amendment of the Senator from Michigan is that what he is talking about is within the framework of the Taft-Hartley law. It was a condition existing at the time the law was passed and I do not think the situation in Hawaii should be used as an excuse this time to do what the Senator from Michigan wishes to do.

He is saying that, because of the highly concentrated automobile industry in Michigan if there is a shutdown of that industry we should invoke the Taft-Hartley law. I believe that would be a terrible mistake and would make a hodgepodge of the institution of collective bargaining.

Mr. JAVITS. Mr. President, I was addressing myself strictly to the amendment of the Senator from Michigan and the Senator from Rhode Island has addressed himself to the entire bill.

Mr. President, I yield myself 2 more minutes.

We have argued the issue of the whole bill. The Senator has mentioned his views which seem to be favorable. My contentions against the bill are that it would materially dislocate the whole process of collective bargaining in the trade union field, especially as it affects maritime unions. But we will get to that when I make the motion to recommit. At this moment, I would rather confine myself to the amendment of the Senator from Michigan (Mr. GRIFFIN) for a revision of Taft-Hartley.

Mr. President, just to repeat, I believe it highly inappropriate to seek to revise Taft-Hartley on a piecemeal basis with this particular amendment, whereas the whole of Taft-Hartley may need 20 or 30 amendments. Whereas I happen to be sympathetic with this one, it would have to be balanced out with others which would make an acceptable package to both management and labor.

For all those reasons, Mr. President, I oppose the amendment, and hope the Senate will reject it.

Mr. GRIFFIN. Mr. President, I yield myself 5 minutes.

I respect the very eloquent arguments of the Senator from Rhode Island, who has spoken against this argument. But I cannot accept his argument that, because Michigan was a State and Hawaii was not a State in 1947, when Taft-Hartley was enacted, that we cannot improve the basic law.

I will acknowledge, as I have before in this debate, that this may not be the best way to legislate, to amend Taft-Hartley by offering amendments in this fashion on the floor.

However, I must point out, with all respect and deference, that although there have been many assurances from the Labor and Public Welfare Committee no legislation to reform or improve the machinery available for dealing with emergency strikes has been reported to the floor by that committee for consideration.

Mr. WILLIAMS. Will the Senator yield?

Mr. GRIFFIN. Yes, I yield.

Mr. WILLIAMS. As chairman of the Senate Labor and Public Welfare Committee, I would like to point out that the issue of emergency disputes has had a great deal of attention by the committee. We have had studies; we have had extensive hearings; we considered a variety of proposals. The administration had a recommendation. They called their proposal the "final offer selection." They were urging legislation. We were struggling with the whole proposition when the administration changed its mind and recommended against any legislation.

If the Senator from Oregon (Mr. PACKWOOD) were here, he could give you the chronology better than I. He was carrying the fight for the administration on legislation dealing with emergency situations, particularly in transportation. The administration, suddenly one dawn, realized that this is a very complex and difficult area in which to impose Government action an area where labor and management should have the maximum opportunity to express their freedom, to bargain collectively, and to come to free decisions and independent judgment.

Since then, the President has named a National Commission for Industrial Peace. Some of the finest men from business and labor served on it. They told the President, and they told the Nation, that at this time, in this area, the less Government involvement, the better for harmony in the labor-management relationship.

When I say we had the issue before us, we did not put it under any table or under any rug. We were working on it hard and long and came to the conclusion, with the agreement of the administration, that it was no time to require more Government involvement in the labor disputes area.

The Senator from New York has consistently brought up the regional problem. He has suggested that perhaps we should change the law—which now involves a test of national health or safety—so as to cover regional emergencies. Believe me, he is persistent in bringing this before us, and it will be considered by the committee.

Right now, as the Senator from Michigan says, this is no way to amend Taft-Hartley without thorough consideration. For example, one simple question: What is a region? This is the sort of thing that has to be thoroughly discussed in hearings and reports.

Mr. GRIFFIN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. GRIFFIN. I yield myself 4 minutes.

I appreciate that response from the distinguished chairman of the committee. Obviously, the fact that I am offering this amendment, which apparently is opposed by the administration, indicates that opposition on the part of the administration does not trouble or deter me when I believe that some reform in the labor-management laws is necessary.

Mr. President, I think it is interesting that the Senator from New Jersey is so strongly persuaded by the administration's position in this particular instance.

Mr. President, I welcome the indication of support by the distinguished Senator from New York for the purpose and principle of the amendment which seeks to provide relief on a regional basis in the case of a paralyzing, emergency situation. However, I wonder how long the Senate will have to wait before the Senate Labor and Public Welfare Committee will get around to reporting a piece of general legislation that seeks to reform and improve the present machinery for dealing with serious, paralyzing strikes.

I hope the Senate will adopt my amendment. Even if the Senate does not adopt the amendment, I shall support the bill to provide the relief for Hawaii and the Pacific islands. They do need it, and perhaps the enactment of such a bill will at least be a step in the right direction.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, I am prepared to yield back the remainder of the time in opposition.

The PRESIDING OFFICER. Is all time yielded back?

The question is on the amendment.

Mr. INOUYE. Mr. President?

The PRESIDING OFFICER. The junior Senator from Hawaii.

Mr. INOUYE. Mr. President, much as I am convinced that the amendment is deserving of serious consideration, I also note the observation by the author that it is not the proper way to legislate. Therefore, I reluctantly am compelled to move to table the amendment.

Mr. JAVITS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to table the amendment of the Senator from Michigan. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

The result was announced—yeas 63, nays 34, as follows:

[No. 310 Leg.]

YEAS—63

Abourezk
Allen
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Eagleton
Eastland
Fong
Goldwater
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Tunney
Williams

NAYS—34

Aiken
Baker
Bartlett
Beall
Bellmon
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cotton
Curtis
Dole
Domenici
Dominick
Fannin
Griffin
Gurney
Hansen
Helms
Hruska
McClellan
McClure
Metcalf
Packwood
Percy
Randolph
Roth
Scott, William L.
Stafford
Thurmond
Tower
Weicker
Young

NOT VOTING—3

Ervin
Fulbright
Long

So the motion to lay on the table Mr. GRIFFIN's amendment (No. 1564), as modified, was agreed to.

Mr. PACKWOOD. Mr. President, my concern over the devastating results of tieups in the major transportation industries have been well documented over the years. Hence I felt it necessary at this time to explain my opposition to S. 1566, the Hawaii Surface Commerce Act.

S. 1566 would provide virtually total protection against the impact of a transportation tieup for one and only one area of the Nation. S. 1566 would require no advisory committee study of the situation to determine whether intervention is justified or necessary. It would allow intervention after only 1 day of a stoppage. Local authorities would be permitted to trigger the cooling-off procedures, rather than the Office of the President, as under current Taft-Hartley law. And the bill would authorize an automatic injunction, without any requirement that a regional or national emergency exists, that there is substantial disruption of commerce on the economy, or even that the people of the State are in some way adversely affected. The injunction is apparently available at the whim of the parties to the dispute, or the State authorities, with a simple rubber stamp by a Federal district court. I suggest, Mr. President, that such blanket authority, so loosely drawn, is not a responsible way to handle what can and in recent history has been a very critical problem for many areas of the country.

Finally, Mr. President, I cannot in good conscience support legislation which so totally and blatantly ignores the transportation disasters hitting Oregon and other areas of the country over the years, and which offers no protection for Oregon against recurrences of such devastating labor dispute stoppages in the future. I am not insensitive to the problems of Hawaii and the Pacific Islands. But it is neither realistic nor equitable to ignore the vulnerability of other areas of the country to the very same problems.

The inequity is further compounded by the fact that Hawaii will be protected after only 1 day of a stoppage, with no finding of harm of emergency; whereas Oregon could and most likely would be a primary victim of the kind of stoppage envisioned in this bill—but would be defenseless against the continuing ravages of the tieup. Using the most recent example at hand, during 1971–72, Oregon endured over 3 months of a dock tieup, following on the heels of an equally destructive rail stoppage, but was told by the White House that no remedial action was available under the Taft-Hartley Act, because there was no national emergency. Congress, too, refused to act on the grounds that the stoppage was not sufficiently damaging to warrant action on ad hoc legislation. In spite of my repeated urgings for some remedial action, Congress would not respond until more than 7 months after the dock strike began.

And yet today we are being asked to authorize automatic and immediate intervention after but 1 day of a stoppage, with no proof or finding that the stoppage is causing enough harm to warrant intervention in the collective bargaining process.

Mr. President, I am distressed, to say the least, that Congress would find it appropriate to respond to such a difficult problem in such a simplistic and inequitable way. The distinguished Senator from Michigan (Mr. GRIFFIN) gave the Senate the opportunity to deal with transportation crises constructively, by amending the Taft-Hartley emergency procedures to provide the flexibility to meet regional as well as national emergencies. Unfortunately, the Senate rejected this far superior alternative, 2 to 1.

In conclusion, Mr. President, may I say again that S. 1566 is grossly inequitable—inequitable to the parties at the bargaining table, who should be free to pursue self-help unless the public interest is adversely affected, a principle which remains at the heart of my concerns in this area—and inequitable to other areas of the Nation who, in far more damaging circumstances, will be left to suffer.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the time to be charged against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield myself 5 minutes on the bill.

Mr. President, I shall shortly move to recommit the bill to the Committee on Labor and Public Welfare. I am sure that issue will be decided by the Senate and that this will be the key vote on this particular matter, either on my motion or on the motion to table my motion, as the manager of the bill desires, the option being his.

Mr. President, while the Senators are here, therefore, I would like to utilize the opportunity to briefly sum up the reason for the motion.

Mr. President, this is the kind of bill that cuts out a particular segment of labor-management relations and puts it in a special enclave with special considerations. Indeed, I believe that generally speaking the proponents of the bill may, indeed, be somewhat overreaching in their own interest, but it is not for me to tell them what to do. They are good friends of mine and I respect their judgment as much as I think they respect mine.

The 160-day provision, Mr. President is almost 6 months in which an injunction can be effected. There may be some problems of a constitutional character with a 6-month injunction in a labor dispute, but, be that as it may, Mr. President, the special enclave is cut out in a definition which says that it may be operative if a dispute were to interrupt normal shipping from any part of the west coast to Hawaii.

Not even the question of public health and safety need be reached.

I doubt that the courts would sustain that. I have doubts. I may be wrong.

This is pretty strong medicine, Mr. President, with which to breach the front of a labor injunction. Even the Taft-Hartley Law calls for some form of national health and safety test. The language of Taft-Hartley, which I think is important for the Senate to hear at this point, is "will imperil the national health or safety." No such test is contained in this bill, and yet the time for which the injunction can be effective is almost twice as long.

Mr. President, there are Senators who, out of deep conviction, feel that the Taft-Hartley law and the privileges given labor are absolutely wrong, and that they should be dismantled. They are perfectly entitled to their opinion, and I am sure they would vote with pleasure to break it up in this way. But I believe that there are many other Members—in my judgment many more than in the first category—who are very thoughtful about what needs to be done in the labor-management field, always remembering, Mr. President, that Government had better have an eye to what it can enforce. Draconian injunctions can often defeat themselves. We have had that in my own State of New York, and in other States. Labor leaders have gone to jail, but they have not obeyed the injunction. That is very unsettling, and much worse than not having an injunction at all.

So, Mr. President, I call those matters to the attention of my colleagues. If this is to be done, in my judgment it needs to be thought through much more maturely than we have. We in the Labor and Public Welfare Committee had a 40-day referral. There are a number of places in our report, to which I invite the attention of Senators, in which we say we simply have not had an opportunity to analyze the facts as to, first, whether there really was hardship to Hawaii on account of these strikes; second, whether the hardship was attributable to the strikes; and third, how this whole operation, which is so draconian, will tie in with collective bargaining generally, and especially with collective bargaining in the maritime industry.

Just as an example, the committee says, at page 6 of the report—that is, our committee, which reported unfavorably on this matter——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. JAVITS. I yield myself 5 additional minutes.

The report says:

> In short, the Committee is not persuaded that "any disruption" in the West Coast maritime or longshore industries "automatically imperils the health and well-being of the people of Hawaii and the United States Pacific Islands," as stated in S. 1566 (Sec. 2(2)). Accordingly, it cannot support legislation of this type.

Mr. President, I say this is a key vote, because I would not wish—though if necessary I would vote against the bill—to approach the problem on the basis of the bill being dead or not dead. I would much rather recommit it to the Committee on Labor and Public Welfare, with a view toward a mature consideration of many aspects of the matter which we have not had an opportunity to consider. Considering the short time involved, with hearings, et cetera, I would be hopeful that we could bring out some piece of legislation that would deal with the problems which our colleagues feel are unique to Hawaii.

We on the committee have pointed out that they are not that unique, in that there are areas of our country like Alaska, like the California citrus area, like the Northwest grain industry area, like the 37,000 communities reached only by trucks rather than railroads, so that a trucking strike would immobilize them.

So I would say, rather than just kill the bill—though, as I say, I shall vote against it if necessary—we would rather take it back to the Committee on Labor and Public Welfare to see what can be done to meet the unique specific situation of Hawaii—incidentally, the testimony on that was very slim. It essentially came from one official of the State of Hawaii, a Dr. Hitch, senior vice president of the First Hawaiian Bank, and a good deal of testimony came from a Dr. Mark, director of planning and economic development in Hawaii. A good deal more enlightenment could be obtained by us on that score.

In addition, Mr. President, I would like to point out that the Labor Department, which came out against the bill, also felt the same way. They did not say that the bill was good or bad; they came out against it because they said, in essence, that an adequate case, in their opinion, had not been made out for it, and that a number of things were unclear; for example, they said of the proponents of the bill:

> They conclude that the impact of the legislation on the collective bargaining process would be minimal. We are not aware of substantial evidence to support such a conclusion. It is unclear that the present collective bargaining structure would be maintained; thus the prospective effect of such legislation is also unclear.

In short, many things have been left open in this matter, and it is a very serious breach in the policy of our country respecting labor injunctions, which is incorporated both in the Taft-Hartley Law and in the Norris-LaGuardia Act. So I feel it would be an appropriate disposition of the matter to recommit it to the Committee on Labor and Public Welfare, so that it may be considered within the context that I have described.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. I yield 3 minutes to the Senator from New Jersey.

Mr. WILLIAMS. Mr. President, I think most of the important points have been made to my satisfaction, and I agree with the Senator from New York. Once again, this bill was introduced by the Senator from Hawaii for himself and Senator FONG on April 12, 1973. The bill was referred to the Committee on Commerce. The Commerce Committee had the bill until April 24, 1974—in other words, just over 1 year. On April 24, the Committee on Commerce reported this bill without recommendation, and it was referred to the Committee on Labor and Public Welfare with instructions to report within 40 days.

I mention this because this is the situation with which we are dealing. Here, the initial committee gave no report at all to the Senate with information that would be helpful in coming to a decision on this legislation. It came to the Committee on Labor and Public Welfare. We had only 40 days. We did ask for a brief extension of time, and we received it. We asked for that extension, because we thought there was certain statistical and factual information that was necessary for us to make a sound judgment.

I will say quite frankly that some of the information that would be most helpful in considering this bill, was not available. But notwithstanding that, the information that we did have suggested, as the Senator from New York has outlined, that while Hawaii's situation is very unusual, it is not unique. There are other areas of the country that have somewhat comparable situations.

The facts that we did have suggested that the island State of Hawaii has not suffered that great and devastating damage such as some might hypothesize has been the result of a previous strike. It just has not happened that way.

Be that as it may, considering the bill's departure from existing legislative policy, with no committee report from the Committee on Commerce, with a very limited time for consideration in the Committee on Labor and Public Welfare, there is every sound legislative reason to support a motion to recommit this bill for the kind of study it deserves. Certainly, Hawaii would be subsumed within our efforts to deal with the issue of regional emergencies.

The amendment offered by the Senator from Michigan would have extended the standard of national health or safety under Taft-Hartley to include regional health or safety. Hawaii's problem would, of course, fall within the regional situation that will be under study within our committee.

So I support the position of the Senator from New York.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. Mr. President, I yield 2 minutes to my colleague from Hawaii (Mr. FONG).

Mr. FONG. Mr. President, I rise in opposition to the motion to recommit this bill, because recommittal would certainly sink the ships that are supposed to come to Hawaii.

Emergency transportation disputes legislation has been before the committee and before Congress for approximately 3 years. In November 1971 we offered during floor debate an emergency disputes amendment to the Economic Stabilization Act amendments bill, and we were told that the committee was working on emergency legislation, and that that was not the time for us to bring up an amendment dealing with that problem. Our amendment was tabled by a very large margin.

Then we waited and waited, and nothing happened in the committee. In February 1972, when the west coast dock strike compulsory arbitration bill was before the Senate, we offered our emergency transportation disputes amendment again. The committee had not acted, and so our amendment was tabled by only three votes.

From 1971 until 1974 is 3 years, and for 3 years the committee has held hearings but it has not reported a bill to the Senate. I have appeared before the committee and other witnesses have appeared

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before the committee on emergency legislation dealing with the plight of Hawaii, but nothing has emerged from the committee.

Mr. President, to recommit this bill would mean that the committee is going to sink the ships we depend upon to carry Hawaii's essential imports and exports. Opponents of this measure say Hawaii is not a unique community; that there are 37,000 other communities that are similarly isolated. In my opinion there is no community among the 37,000 referred to which has a situation similar to the plight of the State of Hawaii when west coast shipping is halted.

When the ships stop coming in from the west coast, air cargo can expand from its usual 1 percent to carry only 3 percent of our normal freight tonnage at the maximum.

I repeat, there is no other community like our community. When shipping stops, no trains can come in, no trucks can come in, no automobiles can come in, and no one can swim to Hawaii, nor can anyone swim out of Hawaii.

This is our truly unique predicament and this is the reason we ask for this extraordinary measure.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. Mr. President, I yield myself 30 seconds.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. INOUYE. Mr. President, we have discussed this matter for over 2½ hours and I think the facts have been rehashed and rehashed. Therefore, I am prepared to yield back the remainder of my time.

Mr. TUNNEY. Mr. President, my distinguished colleague from Hawaii, Senator Inouye, has stated the case for S. 1566 as persuasively as possible. It is true that Hawaii and the U.S. Pacific Islands are uniquely dependent upon shipping, and I am very sensitive to whatever problems might be faced by the citizens of these islands as a result of a west coast dock strike.

I must, however, oppose the legislation now before us. It seriously fails to protect the legitimate interests of workers in the west coast longshore and maritime industries. Furthermore, S. 1566 is so sweeping in its language that it provides powers far beyond those necessary to protect any conceivable legitimate interests.

In the American labor movement, the right to strike is sacred, and justifiably so. Without it, American workers would not enjoy the good wages and decent working condition that prevail today. S. 1566, if passed, would seriously jeopardize that right to strike.

Under the bill if a ship were delayed more than 48 hours by a west coast longshoremen's or seamen's strike, or if just one piece of cargo is delayed from being unloaded on the west coast for more than 48 hours a court would have to issue a 160-day injunction ordering the longshoremen or seamen back to work

Under S. 1566, for the injunction to be issued, there need not be any showing that the strike would be detrimental to the Hawaiian economy. Such provisions are unjust and stand in stark contrast to the Taft-Hartley Act.

Congress, in deliberating upon the Taft-Hartley Act, was well aware that injunctions had a long history of being strikebreaking weapons, and that the use of injunctions, if allowed at all, was to be carefully circumscribed. As a result, the Taft-Hartley Act stipulates that, as a check upon the capricious use of injunctions, a board of inquiry must report to the President before he can seek to enjoin a strike. As additional checks, the court must find both that an entire industry or a substantial part of it is affected and that the strike imperils the national health and safety.

The absence of any similar checks in S. 1566 is ominous. Virtually any west coast longshoremen's or seamen's strike, that lasted more than 48 hours, no matter how little its impact on the Hawaiian economy, could be broken by a 160-day injunction. That is an impermissible incursion upon the right to strike.

It has been argued that since the power to seek an injunction is bestowed only upon the chief executive of Hawaii or a U.S. Pacific island, we are guarded against unfair action being taken under S. 1566. Recent events have taught us once again, however, that unfettered power can become an instrument of injustice. We should heed that lesson and not now bestow sweeping powers without also imposing sufficient checks to safeguard us against their abuse.

The case for passing S. 1566 is further weakened by the fact that it has not been convincingly shown that the impact of west coast dock strikes has been as damaging as some have claimed. According to the report of the Senate Committee on Labor and Public Welfare, during the 4 months of the 1971 west coast dock strike, the number of vessel arrivals in Hawaii did not drop precipitously. To the contrary, arrivals in those 4 months were found to be only 10 percent below the average number of arrivals for the same 4 months in 1970, 1972, and 1973. There was no acute drop in ship arrivals because shipments from foreign ports—especially those of Canada and Mexico—and shipments from the east coast increased to fill to a significant degree the vacuum left by the closure of west coast ports.

Therefore, the proponents of this legislation have failed to justify the need for measures as unfettered and as drastic as those proposed in S. 1566.

Another troubling feature of the bill is that it is not evenhanded. While west coast strikes are covered, Hawaiian strikes are not.

The ostensible argument for exempting Hawaii from coverage by S. 1566 is that Hawaii is already covered by its own State-enacted Dock Seizure Act. That argument is unpersuasive, however. First, as the Senate Committee on Labor and Public Welfare noted in its report, the State may be without authority to act in this field since existing Federal laws may be preemptive.

Thus, the State law may be unenforceable. If that is in fact the case, passage of S. 1566 will leave us with only west coast strikes being covered while Hawaiian strikes are not.

Secondly, the Hawaiian Act does not cover any maritime disputes which may originate in Hawaiian ports. S. 1566 does, however, cover maritime disputes arising in west coast ports. This lack of evenhandedness is totally unjustifiable.

Mr. President, neither the Senate Committee on Commerce nor the Senate Labor and Public Welfare Committee reported favorably on this bill. I strongly urge that the Senate defeat this unnecessarily extreme legislation. If adopted, it would create an extremely dangerous precedent for the future.

Mr. JAVITS. Mr. President, I understand it is not necessary to yield back any time in order to make this motion. May we know the situation from the Parliamentarian?

The PRESIDING OFFICER. The motion has not been made.

Mr. JAVITS. I understand that. But again I ask the parliamentary inquiry: Does time have to be yielded back?

The PRESIDING OFFICER. The time does not have to be yielded back.

Mr. JAVITS. Mr. President, in other words, the motion may be made and the debate on the motion is ended and even though time remains on the bill, we may vote. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. Mr. President, I move to recommit the pending bill to the Committee on Labor and Public Welfare.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New York. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. HUMPHREY (when his name was called). I have a pair with the Senator from Louisiana (Mr. Long). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Colorado (Mr. Haskell), and the Senator from Louisana (Mr. Long) are necessarily absent.

The result was announced—yeas 31, nays 65, as follows:

[No. 311 Leg.]

YEAS—31

Allen
Bayh
Beall
Buckley
Burdick
Byrd, Robert C.
Case
Clark
Cranston
Eagleton
Gravel
Hartke
Hathaway
Hughes
Javits
Mathias
McGovern
Metcalf
Metzenbaum
Montoya
Nelson
Packwood
Pell
Percy
Proxmire
Randolph
Schweiker
Taft
Tunney
Weicker
Williams

NAYS—65

Abourezk
Aiken
Baker
Bartlett
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Byrd,
Harry F., Jr.
Cannon
Chiles

Church
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hart
Hatfield
Helms
Hollings
Hruska
Huddleston
Inouye
Jackson
Johnston
Kennedy
Magnuson
Mansfield
McClellan
McClure
McGee
McIntyre
Mondale
Moss
Muskie
Nunn
Pastore
Pearson
Ribicoff
Roth
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Thurmond
Tower
Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Humphrey, for.

NOT VOTING—3

Fulbright
Haskell
Long

So Mr. JAVITS' motion to recommit the bill was rejected.

Mr. JAVITS. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered.

Mr. JAVITS. Mr. President, I yield myself 1 minute just to state that I believe this matter has been very thoroughly debated. I felt that the key vote was the last vote, that is, the question of whether the committee should have an opportunity to really explore this subject. The Senate obviously does not feel that way. I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. BUCKLEY. Mr. President, I am in sympathy with the objectives of S. 1566. I believe, however, that we need national legislation that recognizes the enormous potential impact on the public health and safety that extended transportation strikes can have not just on Hawaii, but on large regions of the mainland.

I fear that adoption of this bill may lessen the pressure for addressing the entire problem in an atmosphere free of the economics that could be generated by another major railroad or trucking strike.

Furthemore, I believe an effective approach to this problem requires more than merely extending the "cooling-off" period provided under the Taft-Hartley Act.

Accordingly, for these reasons, I will vote against this legislation.

THE CONSUMER PROTECTION AGENCY ACT—UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the agreement entered into on yesterday be vitiated and that the time be reinstituted at the conclusion of the vote on the matter of the bill, so that there will be 1 hour, equally divided under the charge of the Republican leader and the majority leader, or their designees, before the vote occurs on the committee amendments.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

HAWAII AND UNITED STATES PACIFIC ISLANDS SURFACE COMMERCE ACT OF 1974

The Senate continued with the consideration of the bill (S. 1566) to provide for the normal flow of ocean commerce between Hawaii, Guam, American Samoa, or the Trust Territory of the Pacific Islands and the west coast, and to prevent certain interruptions thereof.

The PRESIDING OFFICER. The question is on final passage. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. HUMPHREY (when his name was caled). On this vote I have a pair with the Senator from Louisiana (Mr. LONG). If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Colorado (Mr. HASKELL) and the Senator from Louisiana (Mr. LONG) are necessarily absent.

The result was announced—yeas 58, nays 39, as follows:

[No. 312 Leg.]

YEAS—58

Abourezk
Aiken
Baker
Bartlett
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Griffin
Gurney
Hansen
Hatfield
Helms
Hollings
Hruska
Huddleston
Inouye
Johnston
Mansfield
McClellan
McGee
Moss
Nunn
Pastore
Pearson
Percy
Randolph
Roth
Scott, Hugh
Scott,
William L.
Sparkman
Stennis
Stevens
Symington
Talmadge
Thurmond
Tower
Young

NAYS—39

Allen
Bayh
Beall
Buckley
Burdick
Case
Clark
Cranston
Eagleton
Gravel
Hart
Hartke
Hathaway
Hughes
Jackson
Javits
Kennedy
Magnuson
Mathias
McClure
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Packwood
Pell
Proxmire
Ribicoff
Schweiker
Stafford
Stevenson
Taft
Tunney
Weicker
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Humphrey, against

NOT VOTING—2

Haskell
Long

So the bill (S. 1566) was passed, as follows:

S. 1566

An act to provide for the normal flow of ocean commerce between Hawaii, Guam, American Samoa, or the Trust Territory of the Pacific Islands and the west coast, and to prevent certain interruptions thereof

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Hawaii and United States Pacific Islands Surface Commerce Act of 1974".

SEC. 2. The Congress hereby makes the following findings:

(1) that the unique geographical situation of the State of Hawaii and of the Territories of Guam and American Samoa, and the Trust Territory of the Pacific Islands (hereafter in this Act individually referred to as "any United States Pacific island"), which are physically isolated and separated by thousands of miles of water from both Alaska and the forty-eight contiguous States, generates a unique dependence on ocean shipping as a means for maintaining normal commerce between Hawaii or any of the United States Pacific islands and the rest of the United States;

(2) that any disruption of the normal flow of maritime interstate commerce which results from an obstruction or closing of the major seaports on the west coast automatically imperils the health and well-being of the people of Hawaii and the United States Pacific islands;

(3) that the people of the State of Hawaii and the United States Pacific islands have frequently been innocent third parties in, and suffered enduring harm from, disruptions in maritime interstate commerce described in paragraph (2);

(4) that a disruption described in paragraph (2) guarantees suffering for the people of Hawaii and the United States Pacific islands comparable to that which the people of any other State would suffer if all surface transportation serving such State were halted, thereby constructing a barrier around such State and preventing both the entry and exit of all goods transported thereto and therefrom by rail, truck, ship, barge, and any other means of interstate surface commerce, permitting only extremely expensive air transport into and out of such State;

(5) that the use of present Federal emergency dispute procedures for resolving such maritime and long-short industry disruptions have not prevented serious reductions in interstate commerce essential to the health and well-being of the people of Hawaii and the United States Pacific islands; and

(6) that provision for the continuation of normal commerce between west coast ports and Hawaii, and between west coast ports and the United States Pacific islands during the first one hundred and sixty days of any maritime or longshore industry disruption described in paragraph (2) is necessary in order to protect the health and well-being of the people of the State of Hawaii and the United States Pacific islands.

SEC. 3. (a) No strike or lockout in the longshore or maritime industries in the State of Washington, Oregon, or California (hereafter in this Act such States are referred to as the "west coast") shall be permitted to interrupt normal shipping from any port on the west coast to Hawaii or to any United States Pacific island, or from Hawaii or any United States Pacific island to any port on the west coast for a period of one hundred and sixty days beginning on the first day of such strike or lockout.

(b) The Governor of Hawaii, Guam, or American Samoa, or the High Commissioner of the Trust Territory of the Pacific Islands, or the designated representatives of any such Governor or of such Commissioner (if such a strike or lockout interrupts normal shipping of Hawaii or any United States Pacific island where such Governor or High Commissioner is the executive) may petition any United States district court having jurisdiction to issue an injunction or temporary restraining order to enforce the provisions of subsection (a). Any such injunction and temporary restraining order shall in the aggregate remain in effect until the end of the one hundred sixty day period provided by subsection (a). Such injunction may not be requested while an injunction issued under section 208 of the Labor-Management Relations Act, 1947 (29 U.S.C. 178), is in effect. If while an injunction issued under this Act is in effect, an injunction is issued under section 208, the counting of the one hundred sixty day period referred to in this section shall be suspended until the injunction under such section 208 is discharged pursuant to section 210 of such Act.

Sec. 4. (a) Any employee (the terms or conditions of whose position of employment are governed by the agreement entered into between the employer and the labor organization which resolves a strike or lockout described in section 3(a)) who performs work or services for his employer during the period of one hundred sixty days required by section 3(a) shall perform such work or services pursuant to wages, hours, and other terms and conditions of employment of the last agreement between such employer and labor organization prior to such strike or lockout.

(b) Each employee shall receive additional wages for performing work or services described in subsection (a) at a rate equal to the difference between the wage provided for that employee (or that employee's position) under the agreement which resolves the labor dispute and the wage such employee actually received for performing such work or services.

Sec. 5. The provisions of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 101–115), shall not apply to any injunction issued under section 3(b) of this Act.

Sec. 6. For the purposes of this Act—

(1) the term "interrupt normal shipping" means—

(A) a refusal to load cargo aboard a ship (or to permit the loading of cargo aboard a ship) at a port on the west coast if such cargo is destined for use in Hawaii or any United States Pacific island;

(B) a refusal to unload cargo from a ship (or to permit the unloading of cargo from a ship) at a port on the west coast if such cargo was shipped from Hawaii or any United States Pacific island; and

(C) a refusal to operate (or to permit the operation of) a ship from a port on the west coast with cargo destined for use in Hawaii or any United States Pacific island or a ship from Hawaii or any United States Pacific island with cargo destined for a port on the west coast;

if any such refusal was a cause of a ship leaving the dock facility in Hawaii or any United States Pacific island or at a port on the west coast more than forty-eight hours after its scheduled time of departure, or a cause of cargo from Hawaii or any United States Pacific island not being unloaded at any such dock facility at a port on the west coast for at least forty-eight hours after the ship carrying such cargo arrived at such facility;

(2) the term "strike" has the same meaning as it has in section 501(2) of the Labor Management Relations Act of 1947; and

(3) the terms "employer", "employee", and "labor organization" have the same meanings as such terms have in section 2(2), (3), and (5), respectively, of the National Labor Relations Act.

Sec. 7. The provisions of section 3 of this Act shall take effective on the date of enactment of this Act unless a strike or lockout in the longshore or maritime industry on the west coast is occurring on such date of enactment, in which case such provisions shall take effect on the fifth day after such date of enactment.

Mr. **INOUYE**. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. **FONG**. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the bill (H.R. 9440) to provide for access to all duly licensed psychologists and optometrists without prior referral in the Federal employee health benefits program.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 14920) to further the conduct of research, development, and demonstration in geothermal energy technologies, to establish a Geothermal Energy Coordination and Management Project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. TEAGUE, Mr. MCCORMACK, Mr. FUQUA, Mr. SYMINGTON, Mr. MOSHER, Mr. GOLDWATER, and Mr. WYDLER were appointed managers of the conference on the part of the House.

The message further announced that the House insists upon its amendment to the bill (S. 3703) to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. DIGGS, Mr. FRASER, Mr. STUCKEY, Mr. ADAMS, Mr. REES, Mr. NELSEN, Mr. BROYHILL of Virginia, and Mr. GUDE were appointed managers of the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 39) to amend the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy, and for other purposes.

The message further announced that the House has passed the bill (S. 3679) to provide emergency financing for livestock producers, with amendments in which it requests the concurrence of the Senate.

CONSUMER PROTECTION AGENCY ACT

Mr. **MANSFIELD**. Mr. President, what is the pending business?

The **PRESIDING OFFICER**. Under the previous order, the Chair lays before the Senate S. 707, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The **PRESIDING OFFICER**. The pending question is on the adoption of the first committee amendment on which there will be 1 hour of debate.

Who yields time?

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that under the time agreement the time start at 3:25.

The **PRESIDING OFFICER**. Is there objection?

Mr. **GRIFFIN**. Mr. President, there will then be an hour?

Mr. **MANSFIELD**. Yes.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **MANSFIELD**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **GRIFFIN**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **GOLDWATER**. Mr. President, would the Senator yield me 5 minutes?

Mr. **MANSFIELD**. Yes.

The **PRESIDING OFFICER**. The Senator from Arizona.

Mr. **GOLDWATER**. Mr. President, I have been in the Senate for more years than I sometimes like to remember. During those years I have witnessed some good legislation and a lot of bad legislation. I have no hesitation in describing the consumer protection bill as the worst conceived bill in modern history. Certainly, it is the most abominable bill dreamed up while I have been in the Senate.

This super agency, to be ruled by some unknown man or woman, is to be isolated from any control by the Congress or the President.

If we create the CPA it will follow the path of other agencies—created with a modest budget and small staff—yet within a decade, under either a Republican or Democratic administration, it will grow into a huge Federal bureaucracy.

I do not question that many of the supporters of this legislation are dedicated Senators who have honest convictions that we need this new super agency.

They tell us that CPA will have no regulatory powers. As a practical matter this is a ridiculous statement.

Imagine, if you will, a situation in any regulatory agency, when the big chief of CPA sends in his minions to argue against the position of the regulatory agency. If CPA is unable to persuade the regulatory agency that its decision will hurt consumers, the Administrator will call a press conference, denounce the agency position and state that he will carry the matter to the Supreme Court. To carry the example further—Consumer Protection Agency or Product Safety Agency, after investigation, has found the new product safe and of no danger to public health. Then comes the condemnation in the press conference or a mere statement that CPA will take it to the courts. What is the public reaction? The retailer might as well take the product off the shelf, the automobile dealer can take a vacation. As for the manufacturer, he loses millions of dollars and there has been no real or final decision that his product is unsafe.

Mr. President, this is not a silly illustration. We have seen it happen in cases where the heads of bureaus have made public statements.

Proponents of CPA state that regulatory agencies have become the captive of the interests they were created to regulate. With the exception of NLRB, I dispute that statement. But if there is one speck of truth in it, whoever controls CPA, be it labor, business or citizen lobbies, will control all regulatory agencies.

Mr. President, the very name of the proposed agency is a fraud on the American consumer. No agency can speak for all consumers because consumer interests vary and are often violently contradictory.

Mr. President, the opening remarks and parliamentary movements when this bill was called up demonstrate what is at issue here. If organized labor is not covered by this bill, it will pass by a two-thirds majority. If organized labor is covered by the bill, Mr. Meany and the AFL–CIO will reverse their support to one of opposition. The bill will then be defeated by a two-thirds majority. At present, labor is not covered by either the House or Senate bill.

The Senator from Michigan, Senator GRIFFIN, stated on Tuesday that if labor is exempt from coverage it becomes a "special interest" bill rather than a consumer's bill. I cannot improve upon the Senator's description.

During this session of the Senate, the AFL–CIO has made at least six issues "must" issues. The results are almost identical. Twenty-eight to thirty Senators vote against Mr. Meany's orders. Mr. Meany does not need a veto proof Congress, he already has it. We have seen labor's membership grow from 5 million to 25 million. Today, labor is the greatest monopoly this country has ever known.

Mr. President, I hope and pray that I am wrong on the vote on this bill. But if it goes as I expect and labor is exempt, I believe that at some point in the debate, I should offer an amendment giving CPA the power to investigate itself—the power to regulate itself.

If CPA is to become an administrative dictatorship, we might as well make it absolute.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY LIVESTOCK CREDIT ACT OF 1974

Mr. McGOVERN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3679.

The PRESIDING OFFICER (Mr. HELMS) laid before the Senate the amendments of the House of Representatives to the bill (S. 3679) to provide emergency financing for livestock producers, which were to strike out all after the enacting clause, and insert:

That this Act may be cited as the "Emergency Livestock Credit Act of 1974".

Sec. 2. (a) The Secretary of Agriculture is authorized and directed to provide financial assistance to bona fide farmers and ranchers who are primarily and directly engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing livestock. In the case of corporations or partnerships, such financial assistance shall be extended only when a majority interest in such corporations or partnerships is held by stockholders or partners who themselves are primarily and directly engaged in such agricultural production. For purposes of this Act, the term "livestock" shall mean beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys.

(b) The Secretary shall guarantee loans, including both principal and interest, made by any legally organized lending agency which otherwise meet the purposes and conditions of this Act. As used herein, a guaranteed loan is one which is made, held, and serviced by a legally organized lending agency and which is guaranteed by the Secretary hereunder: *Provided,* That the term "legally organized lending agency" shall not be deemed to include the Federal Financing Bank.

(c) No contract guaranteeing any such loan by a lender shall require the Secretary to participate in more than 80 per centum of any loss sustained thereon.

(d) No fees or charges shall be assessed by the Secretary for any guarantee provided by him under this Act.

(e) Loans guaranteed under this Act shall bear interest at a rate to be agreed upon by the lender and borrower.

(f) Loans guaranteed under this Act shall be payable in not more than three years, but may be renewed for not more than two additional years.

Sec. 3. As a condition of the Secretary's guaranteeing any loan under this Act—

(a) The lender shall certify that—

(1) the lender is unwilling to provide credit to the loan applicant in the absence of the guarantee authorized by this Act;

(2) the loan applicant is directly and in good faith engaged in agricultural production, and the financing to be furnished the loan applicant is to be used for purposes related to the breeding, raising, fattening, or marketing of livestock;

(3) the loan is for the purpose of maintaining the operations of the loan applicant, and the total loans made to the loan applicant do not exceed the amount necessary to permit the continuation of his livestock operations at a level equal to its highest level during the eighteen months immediately preceding the date of enactment of this Act: *Provided,* That the total loans guaranteed under this Act for any loan applicant shall not exceed $250,000;

(4) in the case of any loan to refinance the livestock operations of a loan applicant (i) the loan and refinancing are absolutely essential in order for the loan applicant to remain in business, (ii) the lending agency would not refinance such loan in the absence of a guarantee, and (iii) the lending agency is not currently refinancing similar loans to others without such guarantees.

(b) The loan applicant shall certify that he will be unable to obtain financing in the absence of the guarantee authorized by this Act.

(c) The Secretary finds there is reasonable probability of accomplishing the objectives of the Act and repayment of the loan.

Sec. 4. Loans guaranteed under this Act shall be secured by security adequate to protect the Government's interests, as determined by the Secretary.

Sec. 5. Loan guarantees outstanding under this Act shall not exceed $2,000,000,000 at any one time. Subject to the provisions of section 2(c) of this Act, the fund created in section 309 of the Consolidated Farm and Rural Development Act shall be used by the Secretary for the discharge of the obligations of the Secretary under contracts of guarantee made pursuant to this Act.

Sec. 6. Contracts of guarantee under this Act shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statue on expenditures and net lending (budget outlays) of the United States.

Sec. 7. Any contract of guarantee executed by the Secretary under this Act shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder.

Sec. 8. The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate one year from the date of enactment of this Act, except that the Secretary of Agriculture may extend the guarantee authority provided in the Act for a period not to exceed six months if he (1) determines that such guarantees are necessary to the welfare of livestock producers and that adequate credit cannot be obtained without such guarantee by the Secretary, and (2) notifies the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least thirty days prior to the date on which he elects to extend the guarantee authority provided in the Act.

Sec. 9. (a) The provisions of section 310 B(d)(6) of the Consolidated Farm and Rural Development Act shall apply to loans guaranteed under this Act.

(b) Contracts of guarantee executed pursuant to the provisions of this Act shall be fully assignable.

Sec. 10. The Secretary is authorized to issue such regulations as he determines necessary to carry out this Act. The proposed regulations shall be issued as soon as possible, but in no event later than thirty days from the date of enactment of this Act.

And to amend the title so as to read: "An

Act to provide temporary emergency livestock financing through the establishment of a guaranteed loan program."

Mr. McGOVERN. Mr. President, by unanimous direction of the Committee on Agriculture and Forestry, I move that the Senate concur in the amendments of the House of Representatives.

Mr. GRIFFIN. Mr. President, I want to indicate that as one Senator who voted against the legislation when it was before the Senate, I realize the controversy involved in this legislation. However, the amendment which was added by the House of Representatives, as I understand it—and I will state for the RECORD that the action being taken has been cleared by the minority members of the Committee on Agriculture and Forestry—does improve the bill from the standpoint of those in opposition, so that it is less objectionable than the bill that earlier passed the Senate.

Since the Senate clearly registered its will in favor of the bill that earlier passed, there seems to me to be no point in having a further debate and further vote on it. For that reason, I have not registered an objection.

Mr. DOLE. Mr. President, the livestock industry in Kansas remains in critical condition. Time is of the essence. In my opinion, the decision made by the Senate Agriculture Committee this morning to accept the amendments proposed by the House of Representatives to the Emergency Livestock Credit Act, passed by the Senate earlier, was a wise one. As a member of the Senate Agriculture Committee, I supported this decision, and I urge every Senator to vote in favor of this bill.

Although some differences exist between the measure we are presently considering and the bill passed earlier by the Senate, the differences are sufficiently small that I believe this bill will be adequate. Rather than spend several days or weeks involved in a conference committee resolving the differences between the Senate and House versions, I would hope that we can pass this bill promptly and send it to the President for signature.

NO SUBSIDIES

It is gratifying to me that the bill we are considering today, even as amended by the House, includes several of the provisions of the Livestock Producer and Consumer Protection Act of 1974, which I introduced on June 11. The most important provision is that the loans guaranteed under this program will be at commercial market rates, as requested in most of the testimony in hearings on this issue before the Senate Agriculture Committee on June 17.

There is no subsidized interest rate. Cattlemen and other livestock producers do not want a handout from the Federal Government. They are not looking for subsidies and they do not need some grandiose, expensive Federal relief program.

Although some ambitious reporter looking for a sensational headline will undoubtedly call this a $2 billion program to bail out cattlemen, nothing could be further from the truth. Loans under this program will be made by commercial lending institutions and the Department of Agriculture will only provide guarantees. It is specifically stated in the bill, and several safeguards are provided, that adequate security will be provided on each loan to protect the Government's interests. In view of the normal reliability of livestock producers in repaying their loans, the cost to the Government should be negligible.

This bill is intended to protect livestock producers from economic disaster and to protect consumers from exorbitant meat prices in coming months and years due to a potential loss of our meat producing capacity. This bill is not intended to bail the livestock industry out of a loss situation at the expense of the Government. However, livestock producers do need protection from financial disaster. This bill would provide that protection.

At the same time, consumers do not want subsidized meat paid for with tax dollars. They do need protection from exorbitant meat prices and they need a steady and reliable supply of meat. This bill would help achieve those objectives.

DEPRESSION CONDITIONS

Mr. President, many livestock producers in Kansas—and this includes cattlemen, hog farmers, poultry men, dairy farmers, and all livestock producers—are on the verge of bankruptcy. The cattle industry alone in Kansas is a $2 billion industry, the largest moneymaking industry in the State. It has taken fantastic losses, estimated as high as $600 million. Cattlemen are still losing money. Some have already been forced out of business.

Although prices have recovered somewhat recently, the market remains inadequate to cover the expenses of cattlemen and other livestock producers. In short, many of them are still in dire financial conditions, and unless this measure is put into effect quickly, we could lose a substantial part of our livestock producing cattlemen.

OTHER BUSINESSES AFFECTED

Agriculture is a closely integrated industry today. If the livestock industry is permitted to go into a substantial recession, we can expect a similar situation to occur in the many industries directly related to agriculture. This particularly pertains to the meat processors and retailers who depend directly upon the livestock industry for their livelihood.

In addition, the grain producers could face an extreme profit squeeze. The collapse or recession of the livestock industry could result in a sharp drop in feed grain prices. Farmers who have paid increasingly higher prices for fertilizer, equipment and other essential materials would be faced with prices which could result in an economic loss. This development would, in all likelihood, necessitate Government purchases and storage of grain another obligation on the Federal budget.

OTHER ACTION NEEDED

Mr. President, this measure does not completely resolve the problems in the livestock industry. Yesterday we saw the extension of a complete ban on beef imports by the European Economic Community. This measure shows that the Europeans are not cooperating with the United States, contrary to the Department of Agriculture's expectations.

Obviously, the Europeans are looking after their own interests. As responsible leaders, I believe we should begin to do the same. This is why I introduced a bill 2 months ago to halt meat imports to this country and have urged the Department of Agriculture to institute import quotas.

Mr. President, the U.S. Congress and the administration need to take a more active role in assisting livestock producers. We can start by passing this Emergency Livestock Credit Act. It is necessary for many people in the livestock business. It will be beneficial in the long run to consumers.

Mr. President, I urge the passage of this bill.

Mr. McGOVERN. Mr. President, S. 3679 passed the Senate on June 24, 1974, by a vote of 82–9 in response to financial crises facing the livestock producers of the Nation. The act passed the House on July 16 in substantially the same form although several changes and amendments were incorporated.

The principal differences between S. 3679 as passed by the Senate and the House amendment are as follows:

First, the Senate bill requires that the Secretary of Agriculture provide financial assistance by guaranteeing loans made to bona fide farmers and ranchers, including operators of feedlots, who are primarily engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing beef cattle, dairy cattle, swine, chickens, turkeys, or the products thereof.

The House amendment requires that the Secretary provide financial assistance by guaranteeing loans made to bona fide farmers and ranchers who are primarily and directly engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys.

Under the House amendment, in the case of a corporation or partnership, such financial assistance shall be extended only when a majority interest in such corporation or partnership is held by stockholders or partners who are primarily and directly engaged in such agricultural production.

Second, the Senate bill provides that no loan guarantee shall require the Secretary to participate in more than 90 percent of any loss sustained thereon.

The House amendment lowers this limitation to 80 percent.

Third, the Senate bill provides that guaranteed loans shall be payable in not more than 7 years, but may be renewed for not more than 5 additional years.

The House amendment provides that the loans be payable in not more than 3 years and renewed for not more than 2 additional years.

Fourth, the Senate bill provides that the total loans guaranteed for any applicant could not exceed $350,000.

The House amendment lowers this limitation to $250,000.

Fifth, the House amendment adds a new provision providing that outstanding loan guarantees shall not exceed $2 billion at any one time.

Sixth, the House amendment deletes the provision in the Senate bill placing limitations on the amount of guaranteed loans may by individual lenders.

In reviewing these changes it was the consensus of the Committee on Agriculture and Forestry that while the more stringent provisions of the House-passed version may cause a few problems for some producers, these would be isolated cases. I am personally distressed with the reduction of loan terms to 3 years with a possible extension of 2 years. This could cause severe problems for some producers, but under the pressure of time and because of the great need for this legislation I concur with the view of the committee that we accept this amendment.

The House amendment deletes any reference to the products of livestock. However, both the Senate bill and the House amendment define livestock as including dairy cattle and chickens. Therefore, producers of eggs and milk are eligible for assistance under the bill.

Under both the Senate bill and the House amendment, loan guarantees would be extended to bona fide farmers and ranchers. Although the House amendment deletes any reference to operators of feedlots, it is clear that certain custom feedlot operators are bona fide farmers and ranchers, and are, therefore, engaged in the raising, fattening, and marketing of livestock. Accordingly, such custom feedlot operators are eligible for assistance under the bill. The $250,000 individual loan limitation will, of course, exclude the large custom feedlot operators.

Numerous other small changes in wording or organization were made which have in some cases improved the focus of the act, but in no case do these changes seem to materially detract from the purpose and effect of the act.

In that this is emergency legislation and since we feel the House changes will not cause undue hardships or problems in implementation of the program, the Senate Committee on Agriculture and Forestry recommends concurrence in S. 3679 as amended by the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Dakota.

The motion was agreed to.

Mr. MANSFIELD. Mr. President, has the motion been agreed to?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. I move to reconsider the vote by which the motion was agreed to.

Mr. McGOVERN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONSUMER PROTECTION AGENCY ACT

The Senate resumed the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER. The pending question is on agreeing to the first committee amendment. On this question, under the previous order, time for debate is limited to 1 hour. Who yields time?

Mr. RIBICOFF. Mr. President, I yield myself 5 minutes.

Both the Government Operations Committee and the Commerce Committee have approved a labor-management exemption. In choosing between them, I hope the Senate will retain the Commerce Committee wording.

This exemption in section 6(a)(11) is commonly described as an exemption for labor. It is no such thing. It is an exemption for both labor and management. It assures both labor and management that CPA will not interfere with their efforts to reach agreement on what are essentially private, contractual issues. It is not an exemption for labor when it acts outside the context of such negotiations.

I shall first discuss the reason why the form of the Government Operations wording is inadequate. I shall then discuss why both committees agreed that there should be a labor exemption.

The Commerce Committee wording clearly prohibits CPA from participating in Federal agency activities involving labor management disputes, as defined by the basic laws governing labor disputes.

The Government Operations Committee also exempts certain Federal agency activities involving labor. But it does not rely on well-established statutory definitions in doing so. Instead it exempts "labor disputes involving wages or working conditions affecting health or safety."

I emphasize that disputes concerning these matters are excluded not included, in CPA's jurisdiction under the Government Operations Committee amendment.

The Government Operations Committee wording raises more questions than it settles. The Government Operations Committee wording should be rejected, because it is too vague and ambiguous.

What labor disputes directly concern "wages" or "working conditions affecting health or safety?" Which do not? Is the worker's demand for a workweek of 4, 10-hour days instead of 5, 8-hour days a matter affecting wages or working conditions affecting health or safety?

It does not concern wages. It does not necessarily concern a working condition which affects health or safety. So, it would appear that this issue would not be excluded from CPA's jurisdiction by committee amendment No. 2. But it should be excluded, since such a matter does not substantially affect an interest of consumers.

Supporters of the Government Operations Committee wording say the amendment would permit CPA to intervene in proceedings involving a union's refusal to hang prefabricated doors. But a union will refuse to hang prefabricated doors precisely because it affects how much its members will earn. The reference to wages in the Government Operations Committee exemption could be interpreted as actually exempting this issue. This would be precisely the opposite of the result intended.

The only thing that is certain is that the Government Operations Committee wording could cause endless litigation.

Even if the Government Operations Committee amendment would permit the CPA to get involved when a union refuses to hang prefabricated doors, such involvement would not help the consumer.

A union might object to installing prefabricated doors and walk off the job. At that point a contractor or builder might file a complaint with the NLRB, alleging an illegal labor practice. In that case the contractor or builder may be counted on, out of sheer self-interest, to press vigorously his desire to use prefabricated doors. The presence of CPA is not necessary to protect consumer interests. As in the case of other NLRB cases, the issue will be decided on the basis of labor law, not on what would be best for consumers. The special knowledge the CPA might contribute, such as how the dispute affects the price of houses, would be irrelevant to the NLRB's decision on the matter.

The actions of both the Government Operations Committee and the Commerce Committee in approving a labor-management exemption show that such an exemption makes good sense.

The reasons are clear.

All CPA can do under this legislation is participate in Federal agency activities substantially affecting the interests of consumers. It has no authority to intervene in strictly private matters.

Because labor-management issues are largely private matters, Federal agencies only get involved in labor matters in ways that are remotely related to a marketplace transaction affecting consumers.

The final price that a consumer will pay in his local store might be higher or lower. Let us say we have an NLRB to determine whether a toothpaste company has to recognize a labor union. Such a decision is far removed from a decision of how much a consumer will pay for toothpaste at the local drugstore.

The final price to the consumer at his local store might be higher or lower, the quality better or worse, depending on a hundred other factors in addition to how the NLRB rules. More likely, an NLRB order requiring recognition of a union would have no substantial effect on the consumer at all in what the price of toothpaste will be.

In contrast, the NLRB cannot dictate how much management will pay labor. Yet, it is this type of determination which may substantially affect the interests of consumers in a direct way.

The role of the Federal Mediation and Conciliation Service is especially remote from any consumer interest. The Service acts in a confidential, behind-the-scenes role seeking to bring parties together. It cannot dictate substantive solutions to a dispute to either side. The Service has no power to impose or punish those who do not follow its suggestions.

The labor-management exemption recognizes that the link between Federal agency involvement in such disputes and

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the consumer is just too insubstantial in most cases.

The **PRESIDING OFFICER**. The Senator's time has expired.

Mr. **RIBICOFF**. I yield myself 2 more minutes.

Even if Federal agencies did get involved in labor-management matters in a way that substantially affects the consumer, there would still be good reason for an exemption.

Labor-management disputes are unlike almost all other issues in which the Federal agency gets involved. In labor-management disputes, there is an ongoing dispute between two evenly matched private parties—labor and management. Out of self-interest, one side or the other will take positions favorable to consumers. There is just no need for CPA involvement in labor matters, as there is in matters before such other agencies as the FTC, where only one side of the issue is represented by outside parties.

I urge the Senate to defeat the Government Operations Committee exemption.

Mr. **CASE**. Mr. President, the Senate today begins consideration of legislation to establish a Consumer Protection Agency.

This is not a new issue and, in fact, there are some of us here who have been voting on legislation—categorized as "consumer issues"—for nearly 20 years.

We have accomplished passage of "truth in lending," "truth in packaging and labeling"; we have dealt with the issues of unsafe products, of Federal standards for cars and tires, of the need for depositor insurance in credit unions and many, many more.

And we are back to consideration of the need for an agency that will be the consumer's advocate in the federal system.

If I had not been convinced, this past winter in which consumers coped with an energy crisis and inflation would have convinced me that the federal system is quite often not responsive to consumers.

Mail to my office reflects many consumer experiences resulting from failure of Government agencies to consider the true effect of action on consumers.

This is particularly true in the field of transportation where the "public convenience and necessity" so often gets short shrift. It reminds me of the days when I served on the Commerce Committee and my attempts to secure public hearings before rail service could be discontinued ran up against a stone wall.

It seems to me that one of our major problems today is the effect of industry action and Government response without consideration of all of the pieces of the picture. The consumer is usually the last to know what is happening, the least powerful to do something about reversing action, and yet he may be vitally affected.

This is where the Consumer Protection Agency comes in. Mrs. Virginia Knauer, special assistant to the President for Consumer Affairs, commented on this role of the Consumer Protection Agency in a release made public this weekend.

Because of Mrs. Knauer's experience in this area I would like to submit her remarks for the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY VIRGINIA H. KNAUER

(Virginia H. Knauer, Special Assistant to the President for Consumer Affairs, today released the following statement on legislation to establish a Consumer Protection Agency:)

Soon the Senate begins its debate on legislation to establish a Consumer Protection Agency. It is the most important consumer matter to come before the Congress in the five years I have served as the President's Consumer Advisor. It is the first answer by Congress to years of criticism by Congress that government agencies too often do not adequately reflect consumer interests.

I believe that if the CPA becomes a reality, it will have a profound, positive effect for the public on government, consumer, and business institutions. It will be a problem-solving force for the consumer, undertaking programs and making recommendations to resolve or minimize some of the major problems facing the public, such as inflation. My reasons for these beliefs are as follows:

The CPA will be a tremendous aid to our regulatory agencies. The CPA will not be a regulator. It will not have any enforcement powers. It will not take away the decision-making powers of government regulatory agencies. It will help the agencies listen to consumers.

Our agencies too often have been under attack for lack of cohesive consumer contributions to their basic decision-making process. Critics have said that the legal machinery of consumer participation is much too complex to be used to advantage by the average consumer in a regulatory proceeding; that the individual, in contrast to business, is at a basic disadvantage in becoming aware of and gaining access to the kinds of public policy considerations, data, and information vital to his or her interest; and that, unlike the business community, the average individual, limited by lack of funds, time, and information, cannot without help overcome the cumbersome and burdensome steps needed to participate in a regulatory proceeding.

Our regulatory agencies today receive many letters from the public which are emotional and filled with rhetoric. The agencies understand this; they do not expect the average citizen to be an economist, an engineer, a lawyer, or whatever other specialist is needed to comment effectively on an issue. Further, emotional arguments are important in understanding the temper and the desires of the public; but they are not effective substitutes for the type of complex problem-solving recommendations the agencies need and will get through a CPA staffed with the specialists necessary for knowledgeable representation. CPA will be able to make those recommendations and thus help the regulatory agencies focus on the central issues of importance. Thus, the CPA will be a unifying and orderly force.

Any one given consumer issue may involve various consumer interests. However, a specific regulatory agency may be Congressionally directed to emphasize one of these interests. In important program areas such as energy, pollution, housing, food, or drugs, where more than one agency is working on different but related aspects of a single problem area, CPA would be a unique repository for a wide range of consumer views and concerns. It will thus be able to present a broad and balanced point of view and will provide an efficient, economical means of channeling various complex aspects of consumers' interests, where no such means currently exist.

CPA will be an aid to those institutions now working on behalf of the consumer.

Any effective organization has to set priorities and act on those priorities. CPA will be of incalculable value in stimulating the basic research and analysis needed to set priorities for the consumer movement as a whole. Some consumer groups today are highly sophisticated, others are inexperienced in the problem-solving process. CPA will act as an aid to these organizations, giving them a vehicle they do not have today.

CPA will do much to help business institutions.

Business representatives have made the point over and over again that they suffer from too much government regulation, from rule proceedings too narrowly based, and that in many cases competition can solve consumer problems more effectively than regulation. CPA should be able to ask hard questions and hopefully provide recommendations as to where regulation can be removed to benefit the consumer by allowing the free market to operate. It can act to strengthen business incentives to make maximum use of efficient cost-saving technologies and standards.

For those areas of the economy where some regulation must take the place of competition, CPA should contribute significantly to the types of analysis and data available to assist in difficult pricing and rate-making decisions made by the regulatory agencies. These pricing and rate-making decisions have a profound effect on business as well as consumer costs. A significant number of the price and output decisions in the economy are made through forces of regulation rather than competition. A strong consumer voice in seeing that the determinants for agency decisions are fair and equitable, cannot help but benefit the economy as a whole.

CPA will be a powerful force against major consumer problems such as inflation.

CPA will help agencies identify areas of the economy where lack of competition contributes to inflation; it will help facilitate public understanding of price-quality options in promoting competition; and it will assist agencies in developing proposals to attack inflation through increased competition.

CPA will help agencies identify outmoded rules that should be eliminated or modified to better combine consumer protection with increased economies, productivity, and efficiency.

CPA will work with the agencies to develop their anti-inflation programs. As an example, the Department of Housing and Urban Development has expressed concern about the lack of a requirement for advance disclosure of settlement and closing costs and about the prevalence of referral fees, kickbacks, rebates, and unearned fees that add to consumers' costs. An effective program to eliminate these abuses would be an inflation deterrent, and an aid to buyers and sellers of homes.

By being a powerful force against fraud and deception, the CPA could act against inflation by saving the consumer valuable dollars.

The CPA will help consumers fight inflation through sponsoring research that will aid in obtaining higher quality, more relevant information about the key characteristics of the products they purchase. CPA could sponsor studies of factors in product performance and durability which will help consumers make more sensible choices about key budget decisions.

The CPA could help to increase support for needed and effective programs and help the Administration, Congress, and the public identify programs that are not cost effective.

The CPA will be a leader in providing essential consumer education and information.

One major problem in today's complex marketplace relates to the lack of consumer education.

Helena Z. Lopata, Chairman of the Department of Sociology at Loyola University in Chicago, in her book, Occupation Housewife, published the results of a five-year study of women at all economic levels. One major finding was the sense of frustration women felt because they had not been taught how to cope with the modern marketplace. In short, we are taught how to earn money but not how to manage it.

CPA will be able to promote and provide educational and informational programs to help fill this void.

CPA is mandated to help resolve individual consumer complaints.

One of the most frustrating problems for the consumer is to have a legitimate complaint about a product or service and not be able to do anything about it. Regulatory agencies have been unjustly criticized for not resolving the individual's complaint, a role for which they were not designed. The CPA will be a powerful ally in this regard, taking steps to insure that the proper agency or the top management of a firm is aware of the consumer's problem. CPA will also work with business to establish voluntary complaint-handling systems. CPA's complaint-filing system will be able to provide an early-warning system on emerging problems so appropriate action can be immediately taken to correct the cause.

CPA will be able to provide a major assist to state and local government agencies.

By acting as a clearing house and liaison between the Federal, state, and local governments, the CPA will be available to help develop and implement programs designed to eliminate problems on the local level. Note, for example, the recent resolution passed by the National Association of Attorneys General urging the passage of the CPA.

CPA should give much credibility to our major institutions.

Today, tragically, there has been a great loss of faith in our institutions—most have come under criticism and attack. Some of this criticism is justified, some is not. CPA would, in effect, be a healing and unifying force.

Finally, and perhaps most important, the CPA could be a powerful antidote to the poison of alienation and helplessness affecting many of our citizens. Too many of our citizens believe that their pleas for help or understanding are unheeded; that only the big and powerful can count on effective and responsive representation; that only the big and powerful have access to decision makers.

The United States Senate has the opportunity to counteract this belief—it can give the American public a vivid demonstration that the individual in America is not the forgotten person—that he or she is represented and represented well . . . and that with the establishment of a CPA, the feelings of hopelessness and alienation no longer will have reason to exist.

The President, in his September, 1973 Message to Congress, called for the establishment of a Consumer Protection Agency. He promised to work with Congress to this end, which we have been doing. We hope this spirit of cooperation and compromise continues. The House has already passed a CPA bill.

Now I hope and pray that before the debate is over, the Senate will have the opportunity to vote on the merits of a Consumer Protection Agency.

Mr. BARTLETT. Mr. President, I am deeply concerned about implications and consequences of the entire Consumer Protection Agency concept.

It strikes me as establishing another layer of the government bureaucracy hired to oversee another layer of that same bureaucracy.

This bothers me philosophically, ostensibly all of us, as well as the executive branch, are sent here to represent all of the public, including the consumer and the producer, labor, and management by creation of this superagency, we are in effect abdicating our historical approach to government.

Also, and possibly even worse than this, in this year of a $500 billion debt I worry about another $50 million government agency. That could expand an enfinitum.

But assuming for the sake of argument that we're going to enact a Consumer Protection Act with the divine inspiration to tell government, business, the world, and even the consumer what is best for the consumer, why should labor be denied the value of this same inspiration.

Certainly decisions of labor will have a tremendous impact on the consumer, the laborer will play a significant role along with management in the product produced.

Frankly I do not blame labor for not wanting this bill—for the same reason I do not blame business and I do not blame other Federal agencies who question the omnipotence of this new government seer.

But if this agency is going to be created, it only makes good sense that if business and government are going to have the CPA look over their shoudler. Labor should be included.

A Consumer Protection Agency with authority over business and government, but not labor would be by its very authority rendered impotent in ostensibly representing the consumer.

The **PRESIDING OFFICER.** Who yields time?

Mr. BUCKLEY. Mr. President, on behalf of the Senator from Michigan (Mr. GRIFFIN) I yield myself 5 minutes.

The question before the Senate causes me a great deal of trouble, because I can fully appreciate the real reasons why labor organizations do not want to be subject to the jurisdiction of the Consumer Protection Agency. Their views are no different from those of any other reasonably sane organization or person that truly understands the implications of this legislation. I am not in favor of subjecting labor or any other firm or organization, for that matter, to dual prosecution at administrative proceedings which are mandated under this act. This is why I oppose the bill.

However, what possible and realistic rationale is there for exempting labor organizations from this otherwise all-encompassing bill? The Senate has been told that labor organizations should be exempted, because their impact on the interests of consumers is too remote.

Yet these same sponsors of S. 707, in turn, inform us that all business functions are per se imminently involved with the interests of consumers.

Mr. President, we would deliver a serious blow to this body's credibility if we were to reject the modest amendment from the Senate Committee on Government Operations to include certain activities of labor organizations within its scope.

I personally think that labor and business should be treated equally. Whatever distinctions there are between the two regarding their impact on consumers are best grounded in the imagination of those who would install labor organizations as the ultimate vested interest.

I am frankly puzzled that individuals otherwise in favor of ACA should wish to strike the first committee amendment. If the matters involved in labor negotiations do not in fact affect the consumer interests, then the Administrator will not attempt to intervene.

Or can it be the advocates of the Ribicoff motion to strike share my misgivings as to the infallibility of an all-powerful administrator who cannot be fired except for insufficient zeal?

The **PRESIDING OFFICER.** Who yields time?

Mr. ALLEN. On behalf of the distinguished minority leader I yield myself 5 minutes.

Mr. President, the Commerce Committee did exempt labor-management relations from the coverage by the bill. Then the bill went to the Government Operations Committee for a period of 45 days. They wrestled with this question of this exemption, along with other questions of the bill, and they came up with a slight change in the form of the first committee amendment, the effect of which is to say that the Administrator should not intervene or participate in any agency or judicial proceeding or activities directly concerning the labor dispute involving wages or working conditions affecting health or safety.

Well, that pretty well covers the whole range of problems. There are some few that would still be covered.

Mr. President, on yesterday the distinguished Senator from New York (Mr. JAVITS) later echoed by the distinguished Senator from Illinois (Mr. PERCY) and and the distinguished Senator from Connecticut (Mr. RIBICOFF), stated that big business and big labor did not need a Consumer Protection Agency to represent their interests. They were big enough and strong enough, secure enough so that they did not need a Consumer Protection Agency to protect their interests.

I called attention on the floor of the Senate that these advocates of the labor exemption were overlooking the real thrust of the bill. It is not to protect big labor or big business. It is to protect the consumer. It is said to be a consumer protection agency, so the consumer is the one who is involved and big labor and big business get together in a labor dispute, when they reach a settlement, who is going to pay the costs of that settlement other than the consumer? So certainly the consumer has a vital interest in labor-management relations.

Mr. President, as pointed out by the supporters of S. 707 there are so many labor-management relations that it would be impossible for CPA to intervene in all of these proceedings. Well, there is nothing that makes them do it. The Administrator has got a right to decide what the consumer interest is, he has got a right under the bill to decide when, whether or if he shall act and in what area.

Mr. President, just barely putting a tiny bit of coverage of labor-management relations under the jurisdiction of the CPA does not mean the CPA would have to act and, Mr. President, in my judgment, he probably would not act in these cases.

But still representing the interests of the consumer there ought to be some coverage by the Consumer Protection Agency of labor-management relations. So it is only a small coverage that is involved because it exempts disputes involving wages or working conditions affecting the health or safety. Some small area would still remain.

Mr. President, reading from an editorial of July 9 in the Washington Star-News denouncing the consumer bureaucracy, as it is called, the editorial has this to say:

> A good question is whether any single person should have the awesome power to speak for the consumer that's envisioned here.

And the Administrator would be clothed with unchallengeable right to decide what is for the best interests of the consumer as though the consumer were just one monolithic group of consumers having only one single interest, which is certainly far from the case.

Reading on from the editorial:

> And not only business is troubled by this: though the AFL–CIO supports the measure generally, it wants all labor affairs exempted from scrutiny by the consumer czardom.

That is a nice word that the editorial writer uses, and that is just what would be created by this bill, a czardom.

It continues:

> Unless this is done, unless labor-management relations are excluded, it may oppose the bill.

This language is used:

> "We don't regard labor relations as having a consumer interest," a spokesman said. "We don't want another government agency intervening in labor-management relations sticking their noses in our affairs."

I ask unanimous consent that the editorial from which I have quoted be printed in the RECORD in its entirety.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A CONSUMER BUREAUCRACY?

Only the highest motivation propels all those people and groups now pleading—with good chance of success, we fear—for creation of a federal Consumer Protection Agency. They want to rid the marketplace of flim-flam and faulty products. They see vast benefits if the consumer becomes really entrenched in government with a watchdog agency of vast power. And, having scored a three-to-one victory for this proposition in the House, they now are knocking on the Senate's door.

The Senate should be very cautious, we think. Behind the idealistic gloss, there are many nettles in this plan. The House was stampeded into approval by election-year pressures, and the vote does not reflect the grave reservations which many members had about the proposal. But the Senate need be in no such hurry. It can take time to ponder the reforms passed in haste heretofore that have grown into monstrosities, costly beyond anyone's prior imagination.

This new agency would be stoutly independent, with incomparable authority to take action—legal and otherwise—over a sweeping spectrum of government, industry and business. Its administrator, needless to say, immediately would be one of the most powerful persons in the country—intervening in affairs of other government agencies, as well as the private sector. A good question is whether any single person should have the awesome power to speak for the consumer that's envisioned here. And not only business is troubled by this: Though the AFL–CIO supports the measures generally, it wants all labor affairs exempted from scrutiny by the consumer czardom. Unless this is done, it may oppose the bill. "We don't regard labor relations as having a consumer interest," a spokesman said. "We don't want another government agency intervening in labor-management relations, sticking their noses in our affairs."

Sounds a lot like business speaking, doesn't it? If labor affairs—which even get into the uses of certain prefabricated products—don't affect consumers, what does? No doubt other segments of society also will want to be exempted. The trouble is that about everything is consumer-related; the consumer agency operatives will have to cover an incredible field. They'll be authorized to do it, too, under this bill, often duplicating protective functions of other agencies, as in safety and public health, for examples.

And the immeasurable scope of this assignment makes one thing inevitable: a ballooning new bureaucracy. An agency that theoretically can be called upon to seek amends for every faulty toaster and premature tire blowout in the country will have thousands of people on the payroll before long, including an army of lawyers. Another good question is whether it will cost more than it saves the consumers.

Private consumer groups are doing remarkably well in striking terror into cheaters of the public, as are consumer agencies in some states. Neither are the existing federal regulatory agencies impotent. The Senate should, we think, turn this superagency idea aside. If that isn't possible, it must at the very least put some sensible limitations on the proposed agency, which cannot attempt to do everything for everybody without winding up in chaos.

The PRESIDING OFFICER (Mr. HELMS). The Senator's time has expired. Who yields time?

Mr. PERCY. Will the Senator yield to me an additional 5 minutes?

Mr. RIBICOFF. I yield 5 minutes to the distinguished Senator from Illinois.

Mr. PERCY. Mr. President, I have a high regard for my distinguished colleague from Alabama. We have worked together on many pieces of legislation. In this respect, however, we differ. I differ with my distinguished colleague after considerable thought and reflection on the actions of the Committee on Commerce and the Committee on Government Operations. Also, I have been influenced by an interpretation given by the Labor Department, which confirms that the exemption under the Government operations amendment is actually broader. I ask the distinguished Senator from Alabama to take into account that the Commerce Committee provision exempts labor disputes as such within the meaning of the Norris-LaGuardia Act, and labor-management contracts within the Labor-Management Relations Act.

I say that that is a narrow exemption. It is narrower than the Government operations exemption which provides that the CPA cannot act in any labor dispute affecting wages, working conditions, or affecting health or safety.

Let us take a specific case that the distinguished Senator is well aware of. Many Government investigations have uncovered filthy conditions in our meat plants and in food-processing plants. Some of these occurred in my own State of Illinois. We have been most vigorous in trying to clean up these conditions. Where there is a filth-laden plant—and we have evidence to indicate that these plants exist not only in Illinois but in other parts of the country—the condition is injurious to the health and safety not only of the consumer, but also of the workers involved in those plants.

Certainly we would not want the CPA ruled out of involvement in those particular cases.

But as I tried to point out yesterday on the floor of the Senate, the Consumer Protection Agency was not developed and designed to get into the area of labor contracts and management contracts. We simply felt that in contract negotiations, there are two adversaries. They advocate their own respective positions. Also, we have mediation services offered by the Federal Government. There seems to be no real reason to have the CPA involved. In fact, when you consider the tens of thousands of labor contracts that the CPA could be brought into, if the labor exemption does not stand, the budget provided for the first year of operation of $15 million would be woefully inadequate.

We never envisioned that. In all of the days of testimony before the Senate committees, the Committee on Commerce, the Committee on Government Operations, the Committee on Rules and Administration, and the comparable committees in the House—at no time in all of those days and weeks of hearings, and all throughout the period of time we have been dealing with this legislation, has one single witness, to the knowledge of the Senator from Illinois, ever indicated that there was a consumer interest involved in labor-management contracts as such.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. RIBICOFF. Mr. President, I yield 3 additional minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PERCY. Mr. President, the concept of this agency that has emerged from hearings and from other sessions of the Committee on Commerce and the Committee on Government Operations is more limited. I might add that important work has been done on the bill by the Committee on Rules and Administration under the very able subcommittee chairmanship of the Senator from West Virginia (Mr. ROBERT C. BYRD), that the Senator from Alabama participated in those proceedings. Let me cite some examples of consumer abuse we envisioned a CPA to handle.

Ten pharmaceutical companies engaged in the sale of millions of dollars worth of ineffective flu vaccines in the late 1960's. Millions of dollars of Federal money was involved. The vaccine was not only ineffective but also dangerous to administer in some cases. That is the kind of case I am talking about. When that pattern developed across the country nothing was done about it by the Division of Biological Standards. It is in cases such as this that we hope quick detection by a CPA would be effective.

We have millions of our schoolchildren being bused to school. It is not reassuring that they are bused in a yellow tin can, which is better designed to survive competitive bidding than to prevent death and injury among our children. The very manufacturers themselves have said if there were standards they all had to adhere to schoolbuses would be far safer than they are today.

Why do we have to have schoolchildren killed and why do we have to have thousands of schoolchildren injured in these vehicles? We have legislated for safety belts on airlines and automobiles and yet these buses do not have seat belts for our children.

I can point to other hazardous aspects of schoolbus design. Unsafe protrusions stick out; the bus bodies are collapsible; the frames are not welded properly. It is not reassuring to have those buses transporting the future citizens of this country.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PERCY. Mr. President, will the Senator yield to me for 2 additional minutes?

Mr. RIBICOFF. I yield 2 additional minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, I have been working on this problem and a dozen other problems that a CPA would be mandated to correct. I report that in this particular case the Department of Transportation is finally, after much prodding, looking into a matter that the bureaucracy has really been reluctant to get into.

I think the Senator from Alabama is familiar with the work that has been done by staff members of the Committee on Government Operations. I also wish to mention the hearing aid frauds that have victimized hearing-impaired citizens, around the country, particularly elderly persons. This matter is now under investigation by the FTC and the FDA. These are the kinds of problems I am talking about. I also refer to corruption in the sale of housing that is being investigated across the country. Tens of millions of dollars have been wasted. Conspiracy and fraud to take advantage of low-income people, homeowners for the first time, have been uncovered. Consumers have been victimized and exploited. There have been interstate land scandals. We are all familiar with these matters.

How about unsafe baby cribs? As lumber prices got higher, in order to hold a $19.95 selling price manufacturers simply increased the distance between the slats. Hundreds of children were strangled to death in these baby cribs. The leading manufacturer, when this was brought to his attention, simply said, "So what? We have a business to conduct and run."

Those are the kinds of things that a consumer protection agency is designed to correct.

EXAMPLES ABOUND

With safe cargo doors in the DC-10 aircraft, 346 lives could have been saved.

The PRESIDING OFFICER. The time of the gentleman has expired.

Mr. PERCY. Will the Senator yield 2 additional minutes?

Mr. RIBICOFF I yield 2 additional minutes.

Mr. PERCY. Concerning DC-10 cargo doors—instead of the regulatory agency sending out a directive saying those planes cannot fly unless the cargo doors are changed, a mere suggestion was issued after one terrible accident. Another accident occurred after the suggestion was not taken, 346 more lives were lost.

The CPA would have the responsibility to look into diseased blood used in transfusions—to find out why we cannot have a system in this country, so that blood is readily available, not just coming from the highest bidder or a wino on the street. CPA could help find some way to get clean, fresh blood available for transfusions.

The list of consumer abuses seems endless. Toxic-lead paint in federally financed housing; high-risk intrauterine contraceptive devices; defective assembly lines producing dangerous automobiles. These are the reasons CPA must be expeditiously enacted.

As the Senator from Illinois has said, he has spent most of his life in industry. Ninety-eight percent of business is reasonable, honest, and consumer-oriented. It is that very small handful of businesses so profit motivated, so anxious to make a quick buck, that has abused consumers.

Mr. President, I think the subject of this legislation is a legitimate function of Government. It is proper for a company to have a vice president in charge of consumer affairs, as many of our outstanding companies do now. Many of our States have provided consumer protection for their citizens. The Federal Government must also act. Thirty-one Governors have wired the Senate expressing avid support for this bill. They have said in effect "We hope this bill will pass. We need this kind of vigilance and this kind of advocacy for the consumer."

Mr. President, I certainly hope we will vote "nay" on the pending amendment, and vote "aye" in favor of S. 707.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. ALLEN. I yield 10 minutes to the distinguished Senator from North Carolina.

Mr. ERVIN. Mr. President, during about 2½ or 3 years of my service in the Senate, I served on what was known as the Select Committee To Investigate Improper Activities in the Labor and Management Field. That select committee was popularly know as the "McClellan Rackets Committee."

Time after time it was revealed in our investigation that labor unions and business or commercial entities got together in negotiations and out of these negotiations emerged what are known as sweetheart contracts, which fleeced the consumer.

If all this bill is after is what the distinguished Senator from Illinois just stated, we do not need the bill, because we have the Consumer Product Agency now functioning which takes care of all of these defects in these matters. We have fraud laws now in existence that take care of the rest.

My good friend, the Senator from New York, put his finger squarely on the proposition that is involved here. He said business does not need protection, big business. Big labor does not need protection. The only person who needs protection is the consumer.

If the consumer needs protection, he needs it against business; he needs protection against the most powerful organization in this Nation, which is labor.

This bill, with labor not covered by it, is as ridiculous as the playbill that a theater exhibited asking people to come to the play of Hamlet with the character of the Prince of Denmark left out.

Why do they want labor taken out? Because they know labor will not take the type of medicine that they want the Consumer Protection Agency to dispense to business.

This is a hoax.

One of the great interests of a consumer is in getting products and services at the cheapest possible price. The economists I have read say that, both now and historically, approximately 75 percent of the cost of every product and every service placed on the market is the cost of the labor. And yet they say they are interested in consumers.

They are like the man that the Scriptures warn about, when his children asked him for bread he proposed to give them a stone.

Mr. President, this is an absurdity, to try to turn the most powerful office ever created in this Republic, an administrator who can ride herd on every producer in this country, big or small, and exempt from it those who are responsible—just as much as responsible as business or producers—for the goods which are produced and the services which are offered to the consumers.

To have a consumer bill with the unions exempt from it, and labor exempt from it, is a hoax on the consumer.

The reason, as I stated in the beginning, that the proponents of this bill want to exempt labor is because they know that labor is not willing to take the medicine which they propose the Administrator is going to dish out to other people.

I would say if the proponents of this bill expect to do anything for the consumer, they would put under this bill every agency, every business, every producer, and every union which participate in the production of goods and services for the consumer.

It is a ludicrous proposition to act the play of Hamlet with the character of the Prince of Denmark left out. That is exactly what this bill proposes.

The bill will be nothing in the world but creating another bureau to ride herd on every agency of Government, every producer of this country, except those who assist in production through labor.

Mr. President, I sincerely hope that the Senate will have both the intelligence and the courage not to strike from this bill the committee amendment which recognizes that you cannot do anything for the consumer unless you bring in business and commercial enterprise and the labor which aids them in furnishing goods and services to the American people.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. RIBICOFF. I yield to the distinguished Senator from New York. How much time would the Senator like?

Mr. JAVITS. Five minutes.

Mr. RIBICOFF. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I have heard with great interest from my very distinguished colleague and friend the Senator from North Carolina (Mr. ERVIN), that I have put my finger on the nubbin of the matter, which is, as he said, quoting me, that big business and big labor do not need the intercession of the Consumer Protection Agency; the consumer does.

I repeat that, and I believe that a "no" vote on this matter, as Senator RIBICOFF has requested, is exactly the way to carry out that principle.

I say that for this reason: Where big business and big labor face each other in terms of the relations between them, there the CPA does not belong, and they face each other in their bargaining and other controversies before the National Labor Relations Board. Where big business and big labor face the public—to wit, in the Federal Trade Commission, in the Aeronautical Commission, in the Interstate Commerce Commission, in the Department of Justice, in many other regulatory and price-determining agencies—they are facing the consumer, who badly needs, as has been eloquently explained, the protection of the Consumer Protection Agency.

One might ask, "If that is true, why are the opponents of this measure so ardently pushing for this particular committee amendment?" After all, one of their big complaints against the Consumer Protection Agency is that it is going to be very officious; it is going to roam all over the lot; it is going to get into everybody's hair. Whose hair is more sensitive than the proceedings before the National Labor Relations Board?

It is very simple, because it seems to me that the strategy has already been shown clearly. The strategy was shown when we were urged by the opponents of the measure to approve this particular proposition. They know very well, just as we do, that if you keep labor stirred up and the Consumer Protection Agency is going to be in a big contest with it, it will kill this bill. There is a way to kill bills by loading too much on their backs, and the opponents of this bill know it as well as we do. We could not break the back of a bill sooner than by loading the whole controversy and the whole struggle, which is often a jungle struggle between management and labor, onto the back of this bill.

My guess is that the Consumer Protection Agency could not do it. They would need an army of operatives, and so forth, matching at least that of the NLRB, to do the job; and no such structure is contemplated.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. RIBICOFF. Along that point, Virginia Knauer, the President's consumer representative, has come out enthusiastically in favor of the bill. She points out that with a $50 million authorization in the budget, there would be some 250 employees. We can see 250 employees becoming involved all over the Nation, in every labor dispute, having time to take care of any other economic health or safety measure involving the consumer in the marketplace. The whole thing would fall apart.

I have not found any manufacturer or employer who wants this.

Mr. JAVITS. Of course not.

Mr. RIBICOFF. This particular measure would not exempt labor. It would exempt labor and management alike. It would be an exclusion of both. So it would not be a labor exclusion; it would exclude management.

My guess is that if one were to talk to the president of any major manufacturing company or industry in this country, he would say, "For heaven's sake, I do not want it any more than labor wants it."

Mr. JAVITS. Exactly.

If we look at this strategy, it is double barreled and very clever. On the one hand, it can bring labor opposition against the entire bill, so the back of the bill will be broken. On the other hand, even if the bill should be passed, failure for the Consumer Protection Agency is guaranteed, because its back will be broken by a responsibility which it cannot possibly carry out.

Mr. RIBICOFF. I think that what is not clear—and I should like the Senator to address himself to this—is that, somehow, the Committee on Government Operations has exempted labor-management relations and the Committee on Commerce has not.

If I understand the problem we face, at least under the Commerce Committee ruling, we have a body of law, we have a body of precedent, we know what we are talking about, and we have many years of terminology.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RIBICOFF. I yield 3 additional minutes to the Senator from New York.

But in the wording that was adopted, it was so vague and so uncertain that no one knows what is being talked about.

As a matter of fact, it seems to me that the Government Operations Committee exemption exempts labor to even a greater extent than the Commerce Committee, because they say that labor disputes involving wages or working conditions affecting health or safety are exempted, which seems that almost everything is exempted, as I read it.

I think that one of the problems we face—the distinguished Senator from New York and I—is that at least if we are going to have an exemption, we should have one that is based on precedent, instead of having one that is based on uncertainty.

Mr. JAVITS. There is no question about the fact that the language is most inartistic and makes it absolutely a riddle.

We have been addressing ourselves in this debate to whether the Consumer Protection Agency belongs at all in the proceedings before the NLRB and labor-management relations. That is exactly what I addressed myself to in terms of breaking the back of this bill.

So, Mr. President, there is no use in addressing oneself to opponents. They are dreaming up anything that will kill it. We have to address ourselves to the friends of the bill, and for the friends of the bill, this is deadly. Let us make that crystal clear and unmistakable. If one is a friend of this bill and does not want to kill it, he should stay with us on this particular proposition. Otherwise, he is hitting it a mortal blow.

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. Mr. President, who has control of the time?

The PRESIDING OFFICER. The Senator from Alabama and the Senator from Connecticut.

Mr. ALLEN. Does the Senator desire time?

Mr. GRIFFIN. Mr. President, will the Senator yield me a minute and then yield some time to the Senator from Connecticut (Mr. WEICKER)?

Mr. ALLEN. Yes.

Mr. GRIFFIN. Mr. President, I am glad that it has finally surfaced in this debate that the choice between these two exemptions for labor unions really is not very great. The real argument, of course, is whether labor unions should be exempt at all.

Senators should realize that regardless of the outcome of the vote we are about to take, unions will still will be exempt from this legislation.

We are only choosing in the upcoming vote between different versions of exemption language, with the possibility that the union exemption under the Government Operations Committee amendment would be a bit narrower.

However, the basic question in dispute will not be resolved by the vote about to be taken. That should be understood. Regardless of how the vote comes out, labor unions will still will be exempt from coverage.

I hope the Senator will yield to the Senator from Connecticut.

Mr. ALLEN. Mr. President, how much time does the Senator desire?

Mr. WEICKER. Two minutes.

Mr. ALLEN. I yield 3 minutes to the Senator.

Mr. WEICKER. I thank the distinguished Senator.

Mr. President, I direct my comments to the distinguished Senator from New York, at least to that portion of his remarks recently concluded, wherein he indicated that those who oppose this amendment actually are opponents of the bill.

I want to speak forcefully to that point. I am definitely for the proposed legislation, and I intend to vote for it. I am not trying to submarine it by any sort of parliamentary maneuver.

It is very clear to me that if we are going to have this type of legislation, it should apply to everybody. Perhaps there are others who are opposed to the amendment and are going to vote against the bill. I expect to vote for the bill. However, I went into this matter under the assumption that this law was going to apply to everybody.

I am also glad that the distinguished Senator from Michigan raised the point about the Commerce Committee language and the Government Operations Committee language. I do not think there should be any exemptions, period.

It seems strange that we are talking about consumer legislation directed at prohibiting activities which, difficult to ascertain or observe, might be directed against the interests of the consumer. Yet, I do not think this leigslation would pass the scrutiny of the very agency it creates, Consumer Protection Agency, for the reason that by legislating exception it is not what it purports to be.

These remarks are made by one who wants this type of legislation, who believes that the consumer should be protected, who in nowise is trying to lessen the chance of passage.

I think we look a little ridiculous if we stand before the American people on a high plateau of consumerism while in reality reacting to the wishes of special interest groups.

Mr. JAVITS. Mr. President, will the Senator yield me a few minutes?

Mr. RIBICOFF. I am pleased to yield.

Mr. JAVITS. Mr. President, I have the greatest respect for what Senator Weicker said. It is entirely valid in response to me that he should make these remarks, and also that I should answer them.

My point is that there are other relationships which are excluded in this bill because they are considered to be peripheral to the consumer-supplier relationship which the bill is intended to deal with.

Let me refer the Senator to page 86 of the bill where this act is not applicable to the Central Intelligence Agency, FBI, National Security Agency, intelligence functions of the Department of Defense, and to any agency action with the FCC with respect to the renewal of any radio or television broadcasting license.

The reason for that exclusion of those various relationships is that they are considered to be peripheral to the fundamental relationship between the consumer and the supplier and this is a brandnew agency without a great deal of anything to back it up. It has got to prove itself and it has an enormous universe within which it has to prove itself without loading—and I am about to come to the explanation on labor—the labor thing on its back. That is my argument.

My argument is not a nondiscriminatory argument, but that it is burdening it too much with something that is not in the same rank with the other things which will be more pressing, more immediate consumer frauds, et cetera.

Then I want to add this point in order to complete that thought, we are not exempting labor unions. We are not exempting labor unions and we are not exempting labor.

I would like to have the Senator look at page 48 of the report and the paragraph that Senator RIBICOFF and I had written, how we are only exempting the relationships between employer and employee insofar as they become the subject of quasi-judicial action before the NLRB and we point out that if a union steps out of its role as a collective bargaining agent and is violating the antitrust law, for example, and many unions have been held guilty of that by restricting, let us say, the way in which buildings can be constructed, et cetera, that the CPA would, and we express it should, remain in the proceedings.

We point out that if the union operates its business, for example the UMW, United Mine Workers, in the operation of that business it is subject, as anybody else, to the CPA.

So that we again point out the exception excludes only a particular area to set the legal relations between the union and employees and so far as they relate to proceedings before the NLRB.

There, I repeat, we feel you would simply break the back of the agency if we try to throw it whole-hog at the very initiation.

Mr. ALLEN. Mr. President, I yield 1 minute to the Senator from Connecticut.

Mr. WEICKER. I am glad the Senator pointed out exceptions on page 86, because it will be my intention to go ahead and try to eliminate them.

My friends in the business community are rather unhappy that I support this legislation, and now since I am opposing the distinguished senior Senators from New York and Connecticut, I know that labor will be unhappy. I have a feeling that if labor is unhappy and business is unhappy, the consumer is being well served.

I yield back to the Senator from Alabama.

Mr. ALLEN. Mr President, I yield myself 4 minutes.

Mr. President, the distinguished Senator from New York (Mr. JAVITS) stated that is was the strategy of the opponents of this bill to get this amendment adopted to cover, to an extent, labor-management relations.

I do not know if that is the strategy of the opposition to the bill or not. The distinguished Senator from New York says it is.

Well, the theory or the strategy of the proponents of the bill then must be the reverse of that, that they must get labor, big labor, labor-management relations, exempted from the bill or the bill will die.

They make the statement, "Well, the Government Operations Committee amendment is broader. It gives a broader exemption than does the Commerce Committee substitute."

Well, I do not want to question the sincerity of the distinguished Senators, but that will not "wash." If there were a broader exemption they would jump at it at once and say, "Let us go ahead with the voting." So certainly that is not correct.

I have never seen the distinguished Senator from New York with such a paucity of arguments. He addresses himself to the proponents of the bill and says, "Supporters of the bill, we must kill this amendment or the bill is sunk."

That is a mighty poor argument not to let an amendment stand on its own two feet, and to take the position that if you put business and labor and their relationships with the consumer under just a little bit of coverage of the bill that the whole bill is sunk.

If this bill is just as strong and no stronger than this one issue, it is not much of a bill. I will submit to the Senate, it is not worthy of our support.

Now, the distinguished Senator from New York says, "I wonder why the opposition to the bill is so concerned with the amendment?"

Well, he knows the answer to that. If this bill had been allowed to be discussed on yesterday instead of a tabling motion coming in before the bill was discussed at all, this amendment would have been disposed of early in the day yesterday.

Mr. President, this amendment of the Government Operations Committee should be adopted and, as the distinguished Senator from Connecticut (Mr. WEICKER) pointed out, other exemptions are elsewhere in the bill, and this exemption is just stuck off here in a place by itself where it might possibly not have been seen.

Mr. ERVIN. Will the Senator yield for a question?

Mr. ALLEN. Yes, I yield.

Mr. ERVIN. The Senator from New York pointed out the FBI, CIA and the intelligence authorities, the Department of Defense, has the Senator from Alabama ever heard of the FBI, the CIA, or the intelligence gathering facilities of the Department of Defense holding themselves out to furnish any services to the consumers?

Mr. ALLEN. No, I certainly have not. Another exemption is the FCC. There is just a little background to that.

Of course, Mr. President, that has to do with the renewals of the licenses of the various media stations, radio and TV, and obviously the proponents of this measure did not want to incur the ire or the animosity or the opposition of the media.

So anybody with great influence that is going to give any strong objection to this bill they will exempt from the bill.

Mr. PERCY. Will the Senator yield? Can the Senator ever point to more powerful interests that have opposed a piece of legislation than this piece of legislation, National Association of Man-

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ufacturers, U.S. chambers of commerce, the grocery manufacturers?

Mr. ALLEN. No, I do not point them out for a——

Mr. PERCY. The statement of the Senator from Alabama is absolutely incorrect.

Mr. ALLEN. I do not regard those organizations the Senator mentioned, in the class with the opposition of big labor and the media.

I reserve the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, how much time remains to the Senator from Alabama?

The PRESIDING OFFICER. The Senator from Alabama has 5 minutes and the Senator from Connecticut has 2.

Who yields time?

Mr. RIBICOFF. Mr. President, I yield back the balance of my time.

Mr. ERVIN. Mr. President, I just want to say that I agree with the Senator from Alabama that the most powerful organization in the United States is big labor. And they are exempt from a bill in which they ought to be included, because labor helps business to produce the products and the services which business offers to the consumer. To have a consumer bill without the inclusion of labor in it is absolutely absurd, because it is giving them a stone when the proponents of the bill say they are asking for bread.

Mr. ALLEN. Mr. President, I might point out also that the distinguished Senator from Connecticut was speaking of White House support of this bill through Mrs. Knauer of the Consumer Affairs department. So it would seem that the proponents are reaching out for such support as they can get, and at the same time exempting from the bill other areas that might have some influence against the bill.

Mr. RIBICOFF. I yield myself 2 minutes.

Mr. President, I am delighted to have the support of Mrs. Knauer. To my knowledge, neither the President nor the Office of Management and Budget have supported her. I wish they did.

I think, in conclusion, it should be pointed out that whether you adopt the Government Operations language or the Commerce Committee's language, labor is in practically the same position. It does not exempt labor; it exempts both labor and management in labor-management relationships.

What bothers the distinguished Senator from New York and myself is that the Commerce Committee language, at least, is based on a body of precendents under which we know what we are talking about. The language adopted by the Committee on Government Operations is so fuzzy and so imprecise that it would require a complete new cycle of judicial decisions to try to understand what they are talking about.

Consequently, we believe that the Commerce Committee language is more meaningful, and I would hope that those who support the Commerce Committee position, the position of the Senator from New York, the Senator from Illinois, and myself, will vote "no."

Mr. PERCY. Mr. President, will the Senator yield whatever time he has remaining?

Mr. RIBICOFF. I yield to the Senator from Illinois.

Mr. PERCY. Government Operations excludes those areas of labor-management relations involving the health and safety of the workers. Those are the very areas that should be the concern of the CPA, and the CPA should be involved.

In all candor, I voted for the Government Operations amendment at the time. I did so without thinking the matter through carefully. I want to state right here and now that I made a mistake at that time. I want to correct that mistake by voting "no" on the pending amendment.

I think the Commerce Committee reported out, in this particular area, a better bill. It is much more precise, and it exempts disputes and contracts, which certainly were never envisioned as a part of the responsibility of the CPA.

Mr. ALLEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. ALLEN. Mr. President, I think it might be well for the distinguished Senator from Connecticut (Mr. RIBICOFF) and the distinguished Senator from New York (Mr. JAVITS) to get their arguments in line. The Senator from Connecticut has just said that either way this vote goes, the position of labor, as he called it, would be virtually the same, whereas the distinguished Senator from New York says:

> Do not vote for this amendment unless you want to kill the bill, because if you vote for the amendment, it will endanger or perhaps kill the bill.

So I think, perhaps, it might be well for them to get their stories straightened out and in line.

I do not believe it will kill the bill, because it still affords a large exemption for labor-management relations, and I do not feel that the bill will be endangered.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. ALLEN. I am glad to yield to the Senator from Florida.

Mr. CHILES. Without getting into an argument about whether we are going to kill the bill or not, it seems to me that if we are talking about a consumer protection agency, we are talking about something that intrinsically has to be fair. It has to, on balance, protect the rights of people—consumers, if you want to call them that, but basically the rights of people. It seems to me if we are going to have that kind of bill, we should not exclude some segment, whether they be broadcasters, whether they be unions, or whether they be some other group, because it may kill the bill or because they represent a segment of power that might kill the bill.

If that is true—and I am for the bill—then I think that we need an advocate for the people, to speak for the people where they get into disputes between big businesses seeking power increases, rate increases, trucking increases, or other things, and I think that is also needed where we get into a situation in which we have two big unions in a jurisdictional dispute that will hurt people. It seems to me that if we are talking about a consumer protection agency, it ought to be fair. It ought to be fair for everybody, and it ought to represent what we say it is going to represent.

It ought to represent the people, and it should not represent them for protection against just one segment that might be injurious to their health and well-being; it ought to protect them against the whole scope.

The reason I voted for that amendment when it came up in committee was that I had a hard time saying:

> I am going to be for a bill that is supposed to be protecting the people, but I am not in favor of protecting them from this one group.

Mr. ALLEN. I thank the Senator. I agree with him.

Mr. MAGNUSON. Mr. President, let us face it, this Government Operations Committee amendment, because of its vagueness, has turned into somewhat of a red herring. I have no doubt the amendment was offered in good faith. Nevertheless, it is clear to me that the long-time opponents of this legislation have seized upon this amendment in an effort to frighten labor into withdrawing its support for the legislation.

We all know that it was neither the intention of the original authors of this bill nor consistent with the purposes of the establishment of a consumer advocate to intervene in the collective bargaining process. The Commerce Committee language which was never challenged in the Commerce Committee simply clarifies this intention. The proposed amendment will do nothing more than create mischief.

In the Senate Committee on Commerce, we decided to exempt from the scope of the Consumer Protection Agency's authority intervention by the Agency in certain specific instances; namely, labor disputes as defined in section 13 of the Norris La Guardia Act and labor management contracts as explained in section 301 of the Labor Management Relations Act of 147.

Let us look more closely at the objective of the Consumer Protection Agency is to be an advocacy agency representing the consumer before Government agencies in Government decisionmaking. What regulatory decisions are made in the handling of a labor dispute or a labor management contract under either of the two statutes cited in the Commerce Committee version? Absolutely no Government decisionmaking is involved. Rather it is a mediation role where the Government tries to assist two private parties, labor and management in solving their problems.

I cannot find a comparable role of Government in acting as a mediator between two private parties. But if the veil of Government mediation is pierced by intrusion of the Consumer Protection Agency into these activities, that it will not be long before someone suggests that the Consumer Protection Agency pierced the veil of other private activities such as corporate decisionmaking seeking access to trade data, competitive information, and questions of supply.

Clearly, it is not the intention of the supporters of the Government Operations Committee's amendment to involve the Consumer Protection Agency in private matters between two parties in which the Government serves as a mediator. Since we agree on theory, let us choose the narrow and specific language of the Commerce Committee's version which will leave no question as to where the CPA can involve itself and where it cannot.

Mr. President, I urge defeat of the Government Operations Committee amendment to section 6(A) (11).

Mr. THURMOND. Mr. President, the purpose of my remarks is to direct attention to the impact of this bill on organized labor. At the present time, we are debating the merits of two approaches to this problem. One approach would totally exempt organized labor from the scrutiny by the proposed Consumer Protection Agency, and the other would partially exempt organized labor. Mr. President, I will support a partial exemption as the lesser of two evils. However, I see no real justification for exempting the activities of organized labor at all.

If the purpose of the bill, as its proponents claim, is to protect consumer interests from so-called misled interests in the form of business enterprises, why should the largest and best organized interest group in the country—organized labor—be excluded? What is it about the consumer interest that causes it to be insulated from the impact of special labor interests? Obviously nothing. Any effort to exclude labor from the scrutiny of the CPA is purely and simply an exercise of the kind of self-interest which this legislation is supposedly designed to guard the consumer against. If any possible justification for such an exemption, other than Mr. Meaney's consternation exists, it is yet to be expounded in this Chamber or elsewhere. I would welcome an explanation by any advocate of the labor position in support of such a blatantly narrow posture.

Mr. President, industrywide bargaining is a good example of how labor management relations directly affect the consumer. In any industry characterized by uniform bargaining, the consumer finally picks up the tab for excessive wage and benefit settlements. If all of the manufacturers for example, are subject to the same wage rates, a major competitive factor is removed and the consumer has no choice. Why should the CPA not be able to look into industrywide bargaining situations and, for example, fully explore the antitrust implications as well as more direct consumer involvement. I have introduced legislation designed to bring labor unions within the coverage of our antitrust statutes. Perhaps the CPA is a better way to do it.

What about exorbitant construction costs today. How much of these costs are directly attributable to inflationary wage negotiations? Can it be said that such costs are not of vital concern to consumers; or are the proponents of this bill only interested in costs not attributable to the special interests which they represent?

During the past decade we have witnessed numerous instances in which major strikes have occurred over the issue of "featherbedding." Featherbedding is where an employer is forced to pay for work which is not performed or which is unnecessary. The railroads are a good example. No one really disputes the fact that in most cases it is absolutely unnecessary to have a fireman in the cab. Consumers are the ones who have paid for the fireman's unnecessary role which was perpetuated only by union pressure. The newspaper industry is another example. Why have newspaper unions resisted the automation of newspaper printing? Such unions clearly have no concern for those employees who would be employed in the manufacturing of new automated printing equipment. They are concerned only about stopping progress to serve their immediate, narrow interests. After all, an elected union official may not get reelected if some of his local members are training for other jobs. Who pays for this type of unionism? Consumers do. The list is endless. Recently the building trades unions in the St. Louis area succumbed to competitive pressures from nonunion contractors and their employees and agreed not to charge double time for most overtime work. I believe in market pressures, but if the CPA is able to get after everyone else in the name of the consumer, why not the unions? Savings to construction consumers in the St. Louis area will be great. If the CPA could accomplish the same thing in other areas of the country by publicizing union abuses, or by pressuring the FTC and the NLRB to expand their respective approaches to unions and anticompetitive practices, what more effective way can there be to serve the consumer.

What about food stamps for strikers? Allowing strikers to receive food stamps is pure and simple Federal subsidization of the union side of a labor dispute. Prolonging strikes and encouraging larger wage settlements and, therefore, higher prices, directly impacts the consumer. Why should the CPA not have the authority to further the consumer interest in the case of food stamps for strikers? Accordingly to some proponents of this bill, the only reason for wanting to exclude this area from the purview of the agency is because it would jeopardize the power of unions. Thus, the consumer interest is to be served in all cases except those in which the consumer interest conflicts with union interests. In all such cases, the narrow union interest would prevail.

Clearly, no Member of this body who objectively appraises this bill can support a total exclusion of labor union activities.

Mr. WILLIAMS. Mr. President, I wish to express my support for the Commerce Committee version of the labor-management exemption in place of the general wording approved by the Government Operations Committee.

For more than 50 years, Congress has attempted to regulate labor relations in an evenhanded manner. It has legislated a series of laws to shift the balance of economic power between labor and management as the times required. These laws, and the regulations under them, have placed Government in an essentially neutral role between management and labor.

From my own experience as chairman of the Labor and Public Welfare Committee and as chairman of the Subcommittee on Labor, I feel it would be harmful to everyone concerned if an additional factor were added to the now delicately balanced labor relations mechanism which has been in place and successfully operating, for many years. The balance should not be jeopardized by such an amendment as proposed by the Government Operations Committee.

The PRESIDING OFFICER (Mr. HELMS). All time has expired. The question is on agreeing to the first committee amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

Th result was announced—yeas 40, nays 57, as follows:

[No. 313 Leg.]

YEAS—40

Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Chiles
Cook
Cotton
Curtis
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hatfield
Helms
Hollings
Hruska
McClellan
McClure
Nunn
Roth
Scott, William L.
Sparkman
Stennis
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—57

Abourezk
Aiken
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Dole
Eagleton
Fulbright
Gravel
Hart
Hartke
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Tunney
Williams

NOT VOTING—3

Haskell
Inouye
Long

So the committee amendment was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the

Senate by Mr. Marks, one of his secretaries.

UPGRADING THE TRAINING AND EDUCATION OF GOVERNMENT EXECUTIVES—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. Helms) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Post Office and Civil Service:

To the Congress of the United States:

Over the past four decades, as the Federal Government has grown larger and more powerful, the people it serves have expressed widespread dissatisfaction that the Government has also grown increasingly unresponsive to their needs.

One of the foremost objectives of this Administration has been to reverse that trend, restoring the original vitality of the federal system and returning the traditional power of the people over their governing bodies.

At the centerpiece of our efforts has been the concept of New Federalism and the many programs such as General Revenue Sharing which help to carry out its principles.

Through revenue sharing programs, we are seeking to channel funds, authority and responsibility to those governments that are not able and willing to serve the needs of the people. General Revenue Sharing is already providing States and localities with a predictable amount of Federal funds with a minimum number of restrictions and controls. In a similar vein, State influence has been increased through our grant program for law enforcement assistance, and we have sought to replace a score of categorical grants for manpower programs with a block grant approach. The next steps along this road should be the establishment of block grants for community development, enactment of the Unified Transportation Act, and enactment of the Responsive Governments Act.

Supporting these New Federalism initiatives has been a concurrent effort to rationalize and streamline the organization of Government departments and agencies. We have created an independent United States Postal Service, and we have established the Environmental Protection Agency, the Special Action Office for Drug Abuse Prevention, the National Oceanic and Atmospheric Administration, the Federal Energy Administration as well as other new organizations. I have also proposed to the Congress and continue to support a fundamental realignment of the executive departments.

In addition, we have established regional boundaries and Federal regional councils to harmonize activities of the principal agencies disbursing grants-in-aid, and we have greatly improved Federal consultation with State and locally elected officials on the administration of federally assisted programs.

IMPROVING THE MANAGEMENT OF GOVERNMENT

Yet we recognize that even as we work to change basic relationships among Federal, State and local governments through our New Federalism efforts, it is also vitally important to insure that the people who manage the institutions of government become as efficient and responsive to human needs as possible.

To improve general management of the Federal Government, I launched an intensive effort last year to establish clear objectives for Federal agencies and departments and to measure our progress toward meeting those objectives—not by producing a thinly veiled display of activity or by rearranging work processes but by producing specific program results. Each major department and agency has been working with me in developing objectives to be achieved throughout the year, and they are measuring specific results by specific deadlines. These commitments are continually reviewed and help to guide day-to-day operations until the objectives are met.

Today I call upon the Congress to join me in carrying forward our program of managerial reform by enacting and otherwise supporting a comprehensive series of changes to improve the quality of management at all levels of government.

Specifically, I ask the support of the Congress for my proposals to begin a large-scale effort aimed at upgrading the training and education of government executives and to institute reforms in the personnel system by which Federal executive manpower is managed. These two initiatives should contribute substantially to the achievement of fundamental, long-term improvements in the capacity of governments to manage their programs more effectively.

EDUCATING CAREER EXECUTIVES

I propose that we give first attention to improving the means by which our current managers and executives learn the art of public management. Such learning comes from both work experiences and formal education and training. Because of the lack of appropriate emphasis, many of our career managers and executives have not had the benefit of recent education or training in modern methods of management. American business and industry have proved that education and training in management improves the capacity of people to lead more effectively. The level of investments in this type of training made by progressive private employers greatly exceeds public sector investments for the same purpose. It is time that government caught up.

Therefore, I am taking three related actions:

First, I am instructing the Civil Service Commission to establish a Program Management Fellowship with selected colleges and universities for postgraduate educational programs for Federal executives. I shall recommend to the Congress an appropriation of $10 million for the first 250 Federal participants in this program. This sum will pay for both tuition and salaries of those in the program. In this program our best career employees will increase their managerial perspective and expertise and will learn more effective ways of administering significant governmental activities such as delivery of health care, transportation, and community development.

Special program emphasis of this kind, when coupled with curriculum offerings in up-to-date management, will equip our public executives to meet the demands of highly complex programs so that they will deliver what they promise to the American people. To support the planning, installation, and continuing conduct of these special educational programs and to ensure that the best candidates are selected on a competitive basis, I propose that they be centrally financed and administered by the Civil Service Commission.

Second, I propose to increase the management capability of State and local program managers through additional postgraduate education. Under the authority of the Intergovernmental Personnel Act, State and local government personnel will have the opportunity to collaborate with their Federal colleagues in the Program Management Fellowship if they so choose. Having key leaders from Federal, State, and local governments learn together about management as it applies to their program responsibilities should improve the program delivery capability at all levels of government. To support this new program to increase the level of short-term management training available to State and local managers and to continue to improve personnel management will require amending the Interngovernmental Personnel Act (IPA) and a doubling of the current $15 million appropriation request for the IPA Program. With these funds it will be possible to educate, through long-term programs alone, approximately 250 State and local managers a year while paying a portion of their salaries. I hope this approach will encourage State and local governments to increase their own development and training of executives.

My third proposal is to accelerate the management development of career Federal executives through short-term training courses. I am asking the Civil Service Commission to move promptly to acquire a permanent facility for the Federal Executive Institute on the professional and graduate grounds of the University of Virginia. The Federal Executive Institute has already demonstrated its value. Now it is time to enlarge its capability. The Institute would be enlarged and have its functions expanded to handle the knowledge and skill needs of our future executives. The Federal Government looks forward to cooperating with the State of Virginia in this effort.

IMPROVING CAREER EXECUTIVE PERSONNEL SYSTEMS

Executive performance in the Federal Government is currently hampered by a cumbersome, fragmented personnel system, by weak selection procedures, and by the absence of financial incentives for career employees. To rectify these conditions, I am taking four actions.

Federal executives are employed under a number of appointing authorities which make the effective management and utilization of this valuable resource very difficult. There can be no comprehensive, periodic review of each agency's total need for positions by either the Civil Service Commission or the Congress. Further, the manner in which a majority of these people are classified and paid is unreasonably inflexible and provides limited opportunity to recognize differences in individual performance and ability.

The Congress has given preliminary consideration and provided advice on the first proposal the Administration made to reform the executive manpower management system. I soon will be sending to the Congress new legislation which incorporates earlier Congressional views. The new Executive Personnel System I propose will:

1. Provide flexibility to assign senior career executives where they are most needed;
2. Compensate on the basis of individual capability within broad salary bands;
3. Remove the current, inflexible quotas and other statutory allocations applicable on the number in the highest three grades, but maintain a responsible oversight on the total number;
4. Recognize the distinction between the executives with career commitments and those temporarily working for the Government; and,
5. Improve the overall management of our total executive resources by providing for a comprehensive annual analysis and review by the Congress and the executive branch.

Enactment of this legislation would provide the means to build and maintain an effective and responsive Federal executive work force. I urge early and favorable consideration by the Congress.

Second, I strongly urge prompt congressional action on the recommendation for pay increases for Federal executives that I submitted on May 7, 1974. The failure of the Congress to approve higher salaries for the executive, legislative, and judicial branches has created a severe problem within the Government that needs to be remedied quickly. Some 10,000 executives are now paid the same salary. This pay compression denies fair increases in compensation and the incentive to seek greater responsibility. For many of the top staff within the Government, it has become financially more rewarding to retire than to remain in the Federal service. Failure to relieve this situation may well lead to a serious decline in the quality of our management capability.

Third, to insure that those individuals entering our executive ranks in the future are managerially fit, I have asked the Civil Service Commission to improve the criteria by which individuals are judged for those positions. There must be assurance that these individuals have been adequately prepared to handle their new responsibilities. While technical competence will remain a factor in filling executive positions with leadership responsibilities, demonstrated managerial capability will be more heavily weighed in the future.

Finally, I am calling for and supporting new and original efforts to reward outstanding performance among our executives. We do not offer our executives strong personal incentives to be aggressive and achieve results. Often our most deserving and promising civil servants leave the Government in search of employers who are better able to recognize and reward their ability. We cannot afford to lose such people.

Therefore, I am directing that the Incentive Awards Program be more widely utilized to recognize outstanding managerial performance. There will be experimentation with group awards that executives can selectively use to reward subordinate managers who are especially effective. But awards or outstanding individual executive performance will also continue. We must overcome traditional reluctance to use these legislative authorities to reward executive excellence.

BUILDING FOR THE FUTURE

Both the Congress and the President must act responsibly to create an executive work force at the national level that is second to none. There is no more demanding nor vital career than executive management in the Federal service. We should act now in order to achieve the long term reforms that build and maintain an executive corps capable of dealing with the policy and management complexities of the future.

The new initiatives I am taking and the legislation I am proposing are designed to build upon the efforts made by this Administration over the past five years to reform the management of government programs. Within the past year, significant progress has been made to make the investments necessary to develop our finest career managers and executives. We must not imperil the future by failing in our duty to prepare career executives to carry out their responsibilities with skill and wisdom.

What I am proposing is an essential part of my efforts to enable governments, at all levels, to deliver what they promise. Not everyone can manage the public's business. The measures I am today proposing will develop those who can.

RICHARD NIXON.

THE WHITE HOUSE, *July 17, 1974.*

CONSUMER PROTECTION AGENCY ACT

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. RIBICOFF. Mr. President, what is the pending business?

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The legislative clerk read as follows:

On page 62, line 22, after the word "delay.", insert "such submission need not be simultaneous with that of any other person.";

Mr. METCALF. Mr. President, will the Senator yield?

Mr. RIBICOFF. Mr. President, I yield to the Senator from Montana without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. METCALF. Mr. President, I ask unanimous consent that two members of the subcommittee staff, Victor Reinemer and Winslow E. Turner may have the privilege of the floor during debate on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RIBICOFF. Mr. President, I yield to the Senator from Minnesota without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that my aide, Robert Kerr, be permitted to have the privilege of the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, this amendment makes explicit that in formal proceedings the CPA——

The PRESIDING OFFICER. The Senator will suspend. The Senator is entitled to be heard. The Senate is not in order. The Senator may proceed.

Mr. RIBICOFF. Mr. President, this amendment makes explicit that in formal proceedings the CPA has no right to be present when an agency meets with other interested parties.

CPA may submit its views in written or oral form on such issues as whether FDA should act immediately to take a drug off the market. But it does not have the right under the amendment to sit in on a meeting FDA holds with the drug company. To function effectively an agency needs to be able to hold informal discussions with other interested persons. This amendment will assure the agency's ability to do so.

Mr. President, the amendment has received wide support of the committee. It confirms what we believe to be the case and this amendment deserves to be supported.

Mr. DOMENICI. Mr. President, I have an amendment to the committee amendment, which I submit on behalf of Senators EASTLAND, BAKER, JOHNSTON, CHILES, BROCK, DOMINICK, FANNIN, ROTH, MONTOYA, NUNN, MCINTYRE, PERCY, MATHIAS, AIKEN, GOLDWATER, BAYH, and myself. I send the amendment to the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 62, line 23, insert the following: after the word "person." Insert the following: The Administrator shall not have the power to require the production or disclosure of any data or other information under Sec-

UMI

tion 11(b) of this Act from any person, as defined by the succeeding sentence of this subsection. For the purpose of the exemption referred to in the preceding sentence, "person" shall be defined as any person which (A) together with its affiliates does not have assets exceeding $7,500,000, does not have net worth in excess of $2,500,000, and does not have an average net income, after Federal income taxes, for the preceding two years in excess of $250,000 (average net income to be computed without benefit of any carry-over loss), and (b) has had over the preceding two years an average number of full-time employees not in excess of 25. Nothing in this paragraph shall be construed to prohibit the Administrator from requesting the voluntary production of any such data or information. The Administrator shall, not later than eighteen months after the date on which this Act becomes effective, submit to Congress a detailed report with respect to the operation of this limitation on the purposes of this Act for such action as the Congress may deem appropriate.

The PRESIDING OFFICER. The Senate will be in order.

The Senator may proceed.

Mr. DOMENICI. Mr. President, I believe I can explain this amendment very briefly. The amendment goes to just one part of the power of the CPA, that portion of the bill that has to do with the authority in the Administrator to solicit by written interrogatory from those that are covered by this bill responses in a mandatory manner.

This amendment would merely exempt the small businesses in this country from that mandatory provision of the law and only as to interrogatories. All it does is to say that as to the small businessman, as defined in this amendment, the Administrator shall not have the authority to solicit information by way of written interrogatories.

Mr. President, my reason for that is that everything I can read about the bill, in considering its small amount of funding and its 3-year duration, I see no justification to place another burden on the small businessman to submit written interrogatories, with all the other things that they are burdened with.

On the other hand I find nothing indicating that this power is needed for the CPA to accomplish its purposes; but in the event there are those who think they would have this power to get information by written interrogatories from the small businessman as defined in this amendment, we have provided in this amendment that the CPA shall, in its third report—they report every 6 months—shall submit to the President and Congress their views and all the information they can gather as to whether or not this exemption has in any way infringed upon their broad activities under this act.

Obviously, after 18 months if they find this exemption is an impediment upon their ability to carry forward their purposes under the bill they would so state to Congress in the third written report submitted under this bill.

You ask how we have defined the small businessman. Of course, there are various ways. We have chosen the present operating definition that the Small Business Administration uses and then we have added one more additional requirement. That is that they have no more than 25 employees.

So, in a nutshell, all this would do would be to say that the small businessmen, as I have defined them, would not be subject to the mandatory written interrogatory provision of the bill. They acknowledge that they may give this information voluntarily.

It is our information that with the small businessman, and that which he has to do with in the arena protected here, much of that information can be obtained from the large businessman, who is the supplier.

Mr. President, we have in no way touched the power of the CPA with reference to the host agencies and all the other aspects of the bill. It is just one very simple exemption, recognizing that the small businessman of America has many problems today, and that we ought not put on him this additional burden.

Incidentally, the burden could be a very onerous one, because their only way to object to the interrogatory is to go to court and seek the quashing of the interrogatory by court law.

So we are not talking about a minimal problem that they will be confronted with but, indeed, in the early stages of this bill, it could be a very difficult kind of problem added upon their shoulders.

Some of them have expressed it this way: "We are not big enough to have our own legal counsel. We would prefer to cooperate on a voluntary level and see if we are needed. If we are not needed to get the facts for the Consumer Protection Agency, we would prefer not to be subject to the mandatory interrogatory and have to go through the burdensome process of analyzing it, seeking counsel as to rights and, indeed, perhaps going to court to set some kind of precedent as this agency grows."

Mr. President, it seems to me that with the added requirement that the CPA will report its findings on this particular aspect of the bill and the exemption within 18 months, it will give the Congress ample time to decide in a very easy manner, 2 years hence, that they want to withdraw this exemption and let the CPA have mandatory interrogatory power over the small businessmen.

I want those who are concerned as to its threat to understand that it is only that section concerning CPA's acquiring information in the marketplace by written interrogatory which is affected by this amendment. That is the only aspect.

Mr. President, it would exempt small businessmen, as I have defined them, from that one particular aspect of fact-finding, at least as to its mandatoriness, emphasizing that perhaps they can do it voluntarily or get the information that they need elsewhere.

Mr. RIBICOFF. Mr. President, I want to commend the Senator from New Mexico for drawing up this amendment. I have discussed it with Senator PERCY. We will be pleased to accept it.

This amendment would exempt small businesses from the provisions of the act which authorize CPA to obtain reports and answers to questions from businesses.

The CPA will not have the resources, or the time, or the inclination to investigate every practice of every small business in the country. By necessity—and by the provisions of section 11(b)—CPA will have to concentrate on a few problems in a few nationwide businesses having a wide effect on consumers throughout the country. In any event, should CPA need to get information about small businesses, it is likely that CPA can get it from other Federal agencies under section 11(c), or from publicly available information.

Small businesses should not be subjected to endless requests for information from Government agencies. They have enough governmental paperwork to cope with as is. The amendment of the Senator from New Mexico will assure that this will not happen.

This is a very constructive amendment which should further help to refine and perfect the bill's provisions. It is not the intent of the sponsors of this bill to create a "superagency." This amendment by the Senator from New Mexico (Mr. DOMENICI) should help make this absolutely clear. I strongly support it.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK) is necessarily absent.

The result was announced—yeas 91, nays 2, as follows:

[No. 314 Leg.]

YEAS—91

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Thurmond
Tower
Tunney
Williams
Young

NAYS—2

McClure
Weicker

NOT VOTING—7

Cook
Fulbright
Haskell
Inouye
Long
Magnuson
Talmadge

So Mr. Domenici's amendment to the committee amendment was agreed to.

The PRESIDING OFFICER (Mr. Abourezk). The question now occurs on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the committee amendment, as amended, was agreed to.

Mr. RIBICOFF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will report the next committee amendment.

The legislative clerk read as follows:

On page 67, after line 19, strike out:

(1) the complainant's identity is protected when he has requested confidentiality;

Mr. RIBICOFF. Mr. President, I would request, after discussing with the leadership and Senator Allen, that the explanation of this amendment be deferred until tomorrow and that after the explanation of the amendment I ask unanimous consent that Senator Scott of Virginia be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, yesterday we began debate on the Consumer Protection Agency proposal.

On previous occasions, the legislation has passed the Senate on the one hand, and been stymied by the obstructionist tactics of opponents in the other body.

The Consumer Protection Agency bill creates an independent Consumer Protection Agency to represent and advocate the interest of consumers before other Federal agencies and courts. One of the most significant reasons for the failure of Federal programs to provide full protection to consumers has been the absence of qualified and vigorous representation of the consumer interest before the agencies which conduct and plan programs affecting consumers. The Consumer Protection Agency is designed to guarantee the fundamental principles that all affected parties shall have a representative in the decisionmaking process. Among other features, the CPA would also receive and transmit complaints from consumers, and develop and disseminate information concerning the interests of consumers.

Every day, Federal regulatory agencies make decisions which profoundly affect the health, safety, and pocketbooks of each of us. These agencies decide which drugs can be sold, which toys are to be banned, which trade practices are legal, what rates to charge for long-distance telephone calls, and which routes airlines may fly. Virtually all these decisions, and many more, are made without effective representation of the consumer's point of view. Routinely, the only viewpoint that is adequately represented in the decisionmaking process is that of the business interests who are being regulated. There is absolutely nothing wrong with the advocacy on their part; however, the record needs to be balanced.

Just look at the long litany of regulatory agency inactivity or adverse activity. Perhaps these decisions were proper under law. In few cases, however, did the consumer have an opportunity to state his point of view in the decisionmaking process.

I know quite well, because of my sponsorship of the Child Protection and Toy Safety Act, that the Food and Drug Administration did virtually nothing to implement this legislation for 3 years after its enactment. Finally, after being sued, the FDA did ban several dangerous toys a few days before Christmas 1971. Unfortunately, this was too late to keep them out of the hands of thousands of children.

In December 1970, the Congress passed and the President immediately signed into law the Poison Prevention Packaging Act, emergency legislation necessary to cope with increasing toll of deaths from accidental ingestion of poison by young children. Yet, 5 months later, the Department of Health, Education, and Welfare had failed even to appoint the critical Technical Advisory Committee which was to make the decisions on products for which safety packaging would be required. No one was there to speak for the consumer to prod the Agency into action.

A Consumer Protection Agency armed with substantial independence would redress the balance and make the decisionmaking process in regulatory agencies truly adversarial. The CPA would have the staffing, financing, and time to participate fully in proceedings affecting consumers. It would have the knowledge that these proceedings were taking place, whether formal or informal. It would have the right to information relating to proceedings. It would have the right to conduct its own investigations on issues of substantial importance to consumers. It would also have the right to petition regulatory agencies to take corrective action. While others will speak of the powers of the CPA in greater detail, and I will too at the appropriate time, I would like to go over to some extent the long list of those who have endorsed the Consumer Protection Agency.

First, there are the private interests which have endorsed this legislation, Companies such as Marcor, Zenith, Motorola, and Hechinger's have spoken in favor of the CPA. Then, we have the resolution of the National Association of Attorneys General, which, on June 25, 1974, at its 68th annual meeting, passed a resolution endorsing the pending bill. Mr. President, I ask unanimous consent that the resolution from the National Association of Attorneys General be printed in the Record at this point.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

RESOLUTION CONCERNING PRIMARY CONSUMER ENFORCEMENT RESPONSIBILITY

Whereas, the Attorneys General of the individual states of the United States of America are in the forefront in the vital area of consumer law enforcement; and

Whereas, the experience and the cooperative efforts of the National Association of Attorneys General in state-to-state, state-to-federal, and state-to-local communications have resulted in authoritative support for upgrading our legislative, investigative and enforcement procedures; and

Whereas, any diminution of the enforcement authority of state Attorneys General can only result in fragmentation and dilution of efforts to protect the consumer; and

Therefore, the National Association of Attorneys General meeting at Coeur d'Alene, Idaho, on this 26th day of June, 1974, resolves that while the Attorneys General of the States do welcome the cooperation and need the support of all consumer advocate agencies—city, county, regional, and federal, the Association reemphasizes its long standing commitment to the principle that consumer law will be served best if primary enforcement responsibility remains entrusted with the Attorney General for the States.

RESOLUTION CONCERNING FEDERAL CONSUMER ADVOCACY

Whereas, the National Association of Attorneys General, whose members have provided leadership for consumer protection law enforcement in their respective States, wholeheartedly support the creation of an independent and effective Consumer Protection Agency to afford consumer advocacy at the Federal level; and

Whereas, it is the Association's firm belief that the consumer should be afforded adequate protection through the coordinated efforts of local, state and federal enforcement agencies; and

Whereas, this goal can best be achieved through insuring adequate funding to strengthen each agency's ability to respond quickly to consumer needs,

Therefore, be it resolved, that the National Association of Attorneys General urge the United States Congress to pass legislation which establishes an independent and effective Federal Consumer Proection Agency to afford consumer advocacy involving only interstate transactions and designed to strengthen State and local consumer programs through Federal grants-in-aid, and which would recognize the necessity for maintaining effective control of our consumer protection laws on a state and local level.

Mr. MOSS. Mr. President, we have also received the endorsement of the Consumer Federation of America, which represents 182 organizations throughout the United States, whose total membership numbers over 30 million. The CFA is the principal consumer advocacy group in the private sector. But, with a budget of less than $100,000 a year, it is made into mincemeat by other interest groups with greater funding. Mr. President, I ask unanimous consent that the letter of endorsement from the Consumer Federation of America and the membership list of the organization be printed in the RECORD at this point.

There being no objection, the letter and list was ordered to be printed in the RECORD, as follows:

CONSUMER FEDERATION OF AMERICA,
Washington, D.C., May 21, 1974.

Hon. FRANK E. MOSS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MOSS: S. 707, a bill to establish an independent Consumer Protection Agency has been reported favorably by the Committee on Commerce and the Committee on Government Operations and is scheduled to come to the floor of the Senate within the next month.

Consumer Federation of America, which represents 182 organizations throughout the United States and whose total membership numbers over 30 million, strongly endorses S. 707 and urges you to vote for passage of this important legislation.

Each day Federal agencies and commissions make decisions that affect the health, safety and economic well-being of American consumers with the benefit of little or no consumer representation. Enclosed is a fact sheet sampling the types of decisions made without consumer representation, and listing various safeguards for business in the legislation. In each of these decisions industry interests were represented. The proceedings were technical in nature. To be adequately represented the consumer needed data, expert advice and legal counsel. Consumer organizations attempt to fill this need but lack the resources to do so adequately. For the last five years CFA has attempted to speak for consumers in briefs filed before commission and agency proceedings. We are an organization with a budget of less than $100,000 a year seeking to present the consumer viewpoint on a variety of issues. In contrast, the American Petroleum Institute—just one of many organizations representing a single industry—has a budget of $17,500,000 per year. It is clear that the petroleum industry has sufficient resources to protect its interests before government agencies. Why should the consumer be dependent on private groups for any representation at all?

The need for a Consumer Protection Agency is widely acknowledged today. The issue is whether the agency will be strong and independent enough to be effective or whether it will be a name and staff, without adequate power to perform the necessary functions.

At its annual meeting in January CFA unanimously adopted a resolution calling upon Congress to enact Consumer Protection Agency legislation that will include the following guarantees of independence and authority:

Full powers of discovery, subpoena, and intervention in formal and informal proceedings;

Full access to judicial review and maximum independence from the Executive Branch;

Power to dispense grants to public and private non-profit state and local consumer organizations, and

Power to intervene in state and local issues on request by appropriate state and local officials.

S. 707 includes the first two of these provisions. Regrettably, the last two were stricken during committee consideration. Consumer Federation of America supports the restitution of both the grants program and the power to intervene upon request by a state or local official in state and local issues.

Support for a strong agency is growing. The Commerce and Government Operations Committees reported S. 707 with only 4 dissenting votes. A companion bill, H.R. 13163, passed the House of Representatives April 4, 1974, by an overwhelming vote. Mrs. Virginia Knauer, Consumer Adviser to the President, endorsed the House action on that bill. Further endorsements of the legislation have come not just from consumers but from *Business Week* magazine, newspapers and such businesses as Motorola, Marcor (parent company of Montgomery Ward), and Zenith.

Opposition to strong CPA legislation has been well organized and well funded. The opposition arguments, however, are superficial and self-serving. Knowing their case is weak, opponents are seeking to prevent a Senate vote on CPA by urging a filibuster. Recent opinion polls reveal that public confidence in government is at a record low 21 percent. The American consumer will not be fooled by another filibuster.

We believe the time has come for the Senate to vote on this issue. We urge you to join us in support of S. 707.

Sincerely,
CAROL TUCKER FOREMAN,
Executive Director.

MEMBERSHIP—CONSUMER FEDERATION OF AMERICA

ALABAMA

Alabama Rural Electric Association, Montgomery.

ARKANSAS

Arkansas Consumer Research, Little Rock.

ARIZONA

Arizona Consumers Council, Tucson.

CALIFORNIA

California Credit Union League, Pamona.

California Labor Federation, San Francisco.

Consumer Federation of California, Modesto.

Consumer Federation of California, Los Angeles & Orange County Chapter, Los Angeles.

Consumers Cooperative of Berkeley, Richmond.

Los Angeles County Federation of Labor, Los Angeles.

Plumas-Sierra Rural Electric Cooperative, Portola.

San Francisco Consumer Action, San Francisco.

COLORADO

Colorado Labor Council, Denver.

Colorado Rural Electric Association, Denver.

Colorado Ute Electric Association, Montrose.

Midwest Electric Consumers Association, Denver.

Missouri Basin Systems Group, Denver.

Mountain View Electric Association, Limon.

Tri-State G & T Association, Denver.

CONNECTICUT

Connecticut Consumer Association, Hartford.

Connecticut State Labor Council, Hamden.

DELAWARE

Delaware State UAW-CAP Council, Newark.

GEORGIA

Coweta-Fayette Electric Membership Cooperative, Newman.

Jackson Electric Membership Cooperative, Jefferson.

Walton Electric Membership Cooperative, Monroe.

IDAHO

Idaho Consumer Affairs, Boise.

ILLINOIS

Adams Electrical Cooperative, Camp Point.

American Federation of Teachers Local 189, Park Forest.

Association of Illinois Electric Cooperatives, Springfield.

Consumer Federation of Illinois, Chicago.

Illinois Electric Cooperative, Champaign.

Illinois Municipal Utilities Association, Springfield.

Illinois Valley Electric Cooperative, Princeton.

Monroe County Electric Cooperative, Waterloo.

National Consumers Union, Evanston.

INDIANA

Consumers Association of Indiana, Greenwood.

Indiana Statewide Rural Electric Cooperative, Indianapolis.

Southeastern Indiana Rural Electric Membership Association, Osgood.

Tipmont Rural Electric Membership Cooperative, Linden.

IOWA

Adams County Cooperative Electric Co., Corning.

Ida County Rural Electric Cooperative, Ida Grove.

Iowa Association of Electric Cooperatives, Des Moines.

Iowa Consumers League, Des Moines.

KANSAS

Kansas Consumer United Program, Wichita.

Kansas Home Economics Association, Manhattan.

KENTUCKY

Consumers Association of Kentucky, Lexington.

Kentucky Rural Electric Cooperative Corp., Louisville.

LOUISIANA

Association of Louisiana Electric Cooperatives, Baton Rouge.

Bossier REMC, Bossier City.

Louisiana AFL–CIO, Baton Rouge.

Louisiana Consumers League, Baton Rouge.

MARYLAND

Greenbelt Consumer Services, Silver Spring.

Maryland Citizens Consumer Council, Bethesda.

Maryland Consumers Association, Silver Spring.

Maryland & D.C. AFL–CIO, Baltimore.

Maryland UAW–CAP Council, Baltimore.

MASSACHUSETTS

Association of Massachusetts Consumers, Chestnut Hill.

Northeast Public Power Association, Concord.

MICHIGAN

Consumer Alliance of Michigan, Detroit.

Consumer Research Advisory Council, Detroit.

Michigan Credit Union League, Detroit.

Michigan UAW CAP Council, Detroit.

North American Student Cooperative Association, Ann Arbor.

MINNESOTA

Minnesota Association of Cooperatives, St. Paul.

Minnesota Consumers League, St. Paul.

Mutual Service Insurance Cos., St. Paul.

MISSISSIPPI

Mississippi AFL–CIO, Jackson.

MISSOURI

Grundy Electric Cooperative, Trenton.

Missouri Association of Consumers, Columbia.

Missiouri Credit Union League, St. Louis.

Missouri Electric Cooperatives, Jefferson City.

Missouri State Labor Council, Jefferson City.

Nodaway-Worth Electric Cooperative, Maryville.

Northeast Missouri Electric Power Cooperative, Palmyra.

Platte Clay Electric Cooperative, Platte City.

St. Louis Consumer Federation, St. Louis.

MONTANA

Montana Consumer Affairs Council, Helena.

Montana State AFL–CIO, Helena.

NEBRASKA

Consumer Association of Nebraska, Lincoln.

NEVADA

Consumers League of Nevada, Las Vegas.

NEW JERSEY

Consumers League of New Jersey, Montclair.

New Jersey Credit Union League, Hightstown.

NEW MEXICO

Albuquerque Consumer Federation, Sandia.

NEW YORK

Consumer Council of Genessee Valley, Rochester.

Consumer Farmer Milk Cooperative, New York City.

New York Consumer Assembly, New York City.

NORTH CAROLINA

Blue Ridge EMC, Lenoir.

Carteret-Craven EMC, Morehead City.

Four County EMC, Burgaw.

North Carolina Consumers Council, Raleigh.

North Carolina EMC, Raleigh.

North Carolina State AFL–CIO, Raleigh.

NORTH DAKOTA

Baker Electric Cooperative, Cando.

Basin Electric Power Cooperative, Bismarck.

Burke Divide Electric Cooperative, Columbus.

Central Power Electric Cooperative, Minot.

KEM Electric Cooperative, Linton.

North Dakota AFL–CIO, Bismarck.

North Dakota Association of Rural Electric Cooperatives, Mandan.

Slope Electric Cooperative, New England.

Tri-County Electric Cooperative, Carrington.

Verendrye Electric Cooperative, Velva.

OHIO

Consumer Protection Association, Cleveland.

Ohio Consumers Association, Columbus.

OKLAHOMA

East Central Oklahoma Electric Cooperative, Okmulgee.

Rural Electric Cooperative, Landsay.

OREGON

Oregon Consumer League, Portland.

PENNSYLVANIA

Adams Electric Cooperative, Gettysburg.

Allegheny Electric, Cooperative, Harrisburg.

Alliance for Consumer Protection, Pittsburgh.

Bucks County Consumer Organization, Newtown.

Central Electric Cooperative, Parker.

Claverack Electric Cooperative, Towanda.

Lehigh Valley Committee Against Health Fraud, Allentown.

Northwestern RECA, Cambridge Springs.

Pennsylvania League for Consumer Protection, Harrisburg.

Pennsylvania REA, Harrisburg.

Philadelphia Area Consumer Organization, Philadelphia.

SOUTH DAKOTA

Bon Homme-Yankton Electric Association, Tabor.

East River Electric Power Cooperative, Madison.

Grand Electric Cooperative, Bison.

Sioux Valley Empire Electric Association, Colman.

South Dakota Consumers League, Brookings.

South Dakota REA, Pierre.

TENNESSEE

Meriwether Lewis Electric Cooperative, Centerville.

Tennessee Electric Cooperative Association, Nashville.

Tennessee Valley Public Power Association, Chattanooga.

TEXAS

Brazos Electric Power Cooperative, Waco.

San Bernard Electric Cooperative, Bellville.

South Plains Electric Cooperative, Lubbock.

Texas AFL–CIO, Austin.

Texas Consumer Association, Austin.

Texas Electric Cooperatives, Austin.

VIRGINIA

Virginia Citizens Consumer Council, Springfield.

WASHINGTON

Northwest Public Power Association, Vancouver.

Washington Committee on Consumer Interests, Seattle.

Washington Public Utility Districts Association, Seattle.

Washington Rural Electric Association, Spokane.

Washington State Labor Council, Seattle.

WISCONSIN

Barron Electric Cooperative, Barron.

Clark Electric Cooperative, Greenwood.

Dairyland Power Cooperative, La Crosse.

Wisconsin Consumers League, Greendale.

Wisconsin Credit Union League, Milwaukee.

Wisconsin Electric Cooperative, Madison.

WYOMING

Wyoming Consumer United Program, Casper.

NATIONAL ORGANIZATIONS

Amalgamated Clothing Workers of America, NYC.

Amalgamated Meat Cutters & Butcher Workmen, Chicago, Ill.

American Association of Retired Persons, Washington, D.C.

American Council on Consumer Interests, Columbia, Mo.

American Federation of State, County & Municipal Employees, Washington, D.C.

American Federation of Teachers, Washington, D.C.

American Public Gas Association, Washington, D.C.

American Public Power Association, Washington, D.C.

B'nai B'rith Women, Washington, D.C.

Communications Workers of America, Washington, D.C.

Consumer Education & Protective Association, Philadelphia, Pa.

Consumers Union, Mt. Vernon, N.Y.

Continental Association of Funeral & Memorial Societies, Chicago, Ill.

Cooperative League of USA, Washington, D.C.

Credit Union National Association, Madison, Wisc.

Group Health Association of America, Washington, D.C.

Industrial Union Department AFL–CIO, Washington, D.C.

International Assoc. of Machinists & Aerospace Workers, Washington, D.C.

International Ladies Garment Workers Union, NYC.

National Association of Negro Business & Professional Women's Clubs, Pittsburgh, Pa.

National Board of YWCA, NYC.

National Consumers League, Washington, D.C.

National Council of Jewish Women, NYC.

National Council of Senior Citizens, Washington, D.C.

National Education Association, Washington, D.C.

National Farmers Union, Washington, D.C.

National Retired Teachers Association, Washington, D.C.

National Rural Electric Cooperative Association, Washington, D.C.

National Student Consumer Protection Council, Villanova, Pa.

National Telephone Cooperative Association, Washington, D.C.

Nationwide Insurance, Columbus, Ohio.

Oil, Chemical & Atomic Workers, Denver, Colo.

Retail Clerks International Association, Washington, D.C.

Service Employees International Union, Washington, D.C.

Transport Workers Union, NYC.

United Auto Workers, Detroit, Mich.

United Steelworkers of America, Pittsburgh.

Upholsters International Union, Philadelphia, Pa.

Mr. MOSS. Mr. President, at the June 24, 1974, meeting of the board of directors of the National Rural Electric Cooperative Association, a resolution was adopted reaffirming NRECA's support for the Consumer Protection Agency legislation. I ask unanimous consent that the endorsement from the National Rural Electric Cooperative Association be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL RURAL ELECTRIC
COOPERATIVE ASSOCIATION,
Washington, D.C., July 10, 1974.

Hon. FRANK E. MOSS,
U.S. Senate, Washington, D.C.

DEAR SENATOR MOSS: At the 1974 summer meeting of the Board of Directors of the National Rural Electric Cooperative Association held June 24–28 in Washington, D.C., the Board unanimously adopted a resolution reaffirming NRECA's longstanding support for enactment of legislation to establish a strong and meaningful Consumer Protection Agency, and directing that its support for the CPA bill be communicated to the Members of the Senate.

The NRECA Board is composed of 45 Directors elected by the rural electric systems in their respective states. Roughly half of the members of our Board are Managers and half are elected Directors of rural electric systems, which provides a good cross-section of both the management and the rural consumer-member viewpoint on the Board. A list of the NRECA Directors and the States they represent is enclosed for your information.

In 1970 and every year thereafter, the NRECA membership has adopted a resolution of strong support for the Consumer Protection Agency legislation. As this proposal will shortly be considered by you and your colleagues in the Senate, the NRECA Board wishes to reaffirm the support of its membership and, on behalf of its 24 million rural consumer-members, to respectfully request your assistance in securing enactment of the CPA bill before the close of the 93rd Congress.

Thank you for your consideration of our views.

Sincerely yours,
CHARLES E. WYCKOFF,
President.

NRECA BOARD OF DIRECTORS—1974

1. Roscoe A. Young, NRECA Director from Alabama.
2. Jess Nicholas, NRECA Director from Alaska.
3. R. G. Buckelew, NRECA Director from Arizona.
4. John Doyel, NRECA Director from Arkansas.
5. Donald Hicks, NRECA Director from California.

6. Wendell Garwood, NRECA Director from Colorado.

7. Henry Johnson, Jr., NRECA Director from Delaware.

8. Angus S. Hastings, NRECA Director from Florida.

9. Walter Harrison, NRECA Director from Georgia.

10. Carl Wommack, NRECA Director from Idaho.

11. Raymond W. Rusteberg, NRECA Director from Illinois.

12. M. John Stierwalt, NRECA Director from Indiana.

13. Daryl Scott, NRECA Director from Iowa.

14. Gene Porter, NRECA Director from Kansas.

15. Louis B. Strong, NRECA Director from Kentucky.

16. D. L. Knight, NRECA Director from Louisiana.

17. Robert V. Clark, NRECA Director from Maine.

18. David L. Bruning, NRECA Director from Maryland.

19. William Parsons, NRECA Director from Michigan.

20. Jacob Nordberg, NRECA Director from Minnesota.

21. Emmett Murray, NRECA Director from Mississippi.

22. Charles Holcomb, NRECA Director from Missouri.

23. Fay Crusch, NRECA Director from Montana.

24. Paul Ogier, NRECA Secretary-Treasurer and Director from Nebraska.

25. Orville Spear, NRECA Director from Nevada.

26. H. I. Brink, NRECA Director from New Jersey.

27. Donald M. Heathington, NRECA Director from New Mexico.

28. John Eckert, NRECA Director from New York.

29. Noel Lee, NRECA Director from North Carolina.

30. Loren Richards, NRECA Director from North Dakota.

31. Charles E. Wyckoff, NRECA President and Director from Ohio.

32. Don Dage, NRECA Director from Oklahoma.

33. Jack Dean, NRECA Director from Oregon.

34. Douglas Smith, NRECA Director from Pennsylvania.

35. W. H. Norris, NRECA Director from South Carolina.

36. Albert C. Hauffe, NRECA Director from South Dakota.

37. John Dolinger, NRECA Vice President and Director from Tennessee.

38. W. G. Newton, NRECA Director from Texas.

39. Wayne Gonder, NRECA Director from Utah.

40. Sailey Ennis, NRECA Director from Vermont.

41. Guy C. Lewis, Jr., NRECA Director from Virginia.

42. Ernest Mikkelsen, NRECA Director from the State of Washington.

43. Ray Williams, NRECA Director from West Virginia.

44. William Kelm, NRECA Director from Wisconsin.

45. Harold Cash, NRECA Director from Wyoming.

Mr. MOSS. Mr. President, additionally, we have received notification of a coalition of consumer groups, community organizations, and others who support S. 707. The list runs from the American Association of University Women through the National Consumers Congress to the Consumer League of Nevada. Mr. President, I ask unanimous consent that this list of supporters of S. 707 be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF SUPPORTERS

Our coalition, consisting of various consumer groups, labor unions, community organizations, and others, believes that consumers need a strong CPA. We urge you to support S. 707 and to oppose all efforts to weaken this crucial bill.

NATIONAL GROUPS

Amalgamated Clothing Workers of America (AFL-CIO).
Amalgamated Meat Cutters and Butcher Workmen (AFL-CIO).
American Association of University Women.
Americans for Democratic Action.
B'nai B'rith Women.
Common Cause.
Communications Workers of America (AFL-CIO).
Consumer Action for Improved Food and Drugs.
Consumer Federation of America.
Consumers Union of U.S., Inc.
Cooperative League of U.S.A.
Friends of the Earth.
International Association of Machinists and Aerospace Workers (AFL-CIO).
International Union of Electrical Radio and Machine Workers (AFL-CIO).
International Ladies Garment Workers Union (AFL-CIO).
National Consumers Congress.
National Consumers League (Esther Peterson, President).
National Council of Jewish Women.
National Council of Senior Citizens.
National Rural Electric Cooperative Association.
National Women's Political Caucus.
Oil, Chemical and Atomic Workers International Union (AFL-CIO).
Public Citizen (Congress Watch).
Retail Clerks International Association (AFL-CIO).
Sierra Club.
United Auto Workers.
United Mine Workers of America.
United Presbyterian Church (Washington Office).
United Steelworkers of America (AFL-CIO).
Women's Equity Action League.
Women's Lobby.

LOCAL GROUPS AND INDIVIDUALS

Alabama

Alabama Labor Council (AFL-CIO).
Julian Butler, Attorney-at-Law (Huntsville).
William Dawson, Jr., Attorney-at-Law (Birmingham).
Morris Dees, Civil Rights Attorney (Montgomery).
Thomas Dial, Pres. of Student Government, Univ. of Ala. (Huntsville).
Ben Hogan, Esq. (Birmingham).
Jane Katz, former Legislative Chairman, League of Women Voters (Montgomery).
James Smith, Law Student (Tuscaloosa).
Young Democrats Univ. of Ala. (Tuscaloosa).

Arizona

Arizona Consumer Council.

Arkansas

Earl Anthes, Community Development Consultant (West Memphis).
Arkansas Community Organization for Reform Now (Little Rock).
Arkansas Consumer Research (Little Rock)

California

California Citizen Action Group.
Coalition for Santa Clara Valley.
Consumers Cooperative (Don Rothenberg, Richmond).
Consumers Co-op of Palo Alto.
Consumers United of Palo Alto.
Gil Graham, Esq., Lawyers Committee for Urban Affairs (San Francisco).
San Francisco Consumer Action.

Colorado

Colorado League for Consumer Protection.

Connecticut

Connecticut Citizen Action Group.
Connecticut Consumer Association, Inc.

Florida

American Consumers Association, Inc.
Concerned Consumers of Dade County.
Consumer Information Center of Central Florida, Inc.
Florida Consumers' Federation.
Florida Public Interest Research Group.
Melinda Croft, Consumer Advocate.
Mrs. Stanley Goldberg, Commissioner of Metropolitan Dade County.

Georgia

Agnes Braganza.
Citizens Consumer Council of Georgia.
Georgia Consumer Services Program (Ga. Dept of Human Resources).

Iowa

Iowa Consumers' League.

Kansas

Richard L. D. Morse, Professor and Head of Dept. of Family Economics, Kansas State University.
Mr. Lance W. Burr, Asst. Atty General and Chief, Consumer Protection Division.
Kansas City Consumers Association.

Kentucky

Consumers Association of Kentucky, Inc.

Louisiana

Louisiana Consumers' League.
Consumer Protection Center (Baton Rouge).
Capitol Area Consumers League (New Orleans).
Mr. Charles W. Tapp, Director of Louisiana Governor's Office of Consumer Protection.
Mayor's Office of Consumer Affairs (New Orleans).

Maryland

Maryland Citizens Consumer Council.
Office of Consumer Affairs of Montgomery County.

Massachusetts

Father McEwen, Pres., Assoc. of Mass. Consumers (Boston).
David Rice, Prof. of Law, Boston Univ. School of Law Fight Food Prices (Boston).

Michigan

Michigan Credit Union League.
Consumer Alliance of Michigan.

Missouri

Mid-America Coalition for Energy Alternatives (Clinton).
Housewives Elect Lower Prices.
Missouri Association of Consumers.
St. Louis Consumer Federation.

Nevada

Consumer League of Nevada.

New Hampshire

Henry M. Smith, City Councilman (Dover).

New Mexico

Albuquerque Consumer Federation.

New York

Action for a Better Community (Rochester).
Ci-County Consumer Coalition of Long Island.

Center for Community Issues Research (Rochester).

Consumers Association of New York (Rochester).

Consumer Protection Board (Huntington).

Legal Assistance Corporation (Rochester).

Metro-Act of Rochester.

National Organization of Women, Genessee Valley Chapter (Rochester).

New York Consumers Assembly.

Program Funding (Rochester).

Rochester Urban League.

Carl Shoolman, Esq. (Rochester).

North Carolina

North Carolina Consumers Council.

North Carolina Public Interest Research Group.

Conservation Council of North Carolina.

Ohio

Consumer Conference of Greater Cincinnati.

Consumer Protection Association of Cleveland.

Consumers League of Ohio.

Ohio Consumers Association.

Oregon

Community Care Association, Inc. (Portland).

Pennsylvania

Herbert S. Denenberg, Commissioner of Insurance, Commonwealth of Pa.

Tennessee

Linda Hart, R.N., P.N.A., White Oak Clinic (Duff).

Philip Karant, Newspaper Columnist (Carryville).

Neil McBride, Attorney-at-Law (Jacksboro).

John Williams, Esq. Attorney-at-Law (Lafollette).

Tennessee Consumer Alliance (Nashville).

Texas

Ted Siff, Director Legal Research Project (Austin).

Texas Consumer Association.

Vermont

Vermont Public Interest Research Group.

Virginia

Virginia Consumers Citizens Council.

Mr. MOSS. Mr. President, then, too, we have the support of the U.S. Conference of Mayors, as expressed by John J. Gunther, executive director of the U.S. Conference of Mayors. Mr. President, I ask unanimous consent that the endorsement of the U.S. Conference of Mayors be printed in the RECORD at this point:

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *June 19, 1974.*

Hon. ABRAHAM RIBICOFF,
U.S. Senate, Old Senate Office Building,
Washington, D.C.:

On behalf of the United States Conference of Mayors, I want to take this opportunity to express our support for the Consumer Protection Agency Act (S. 707) as reported by the Senate Commerce and Government Operations Committees. The legislation would at long last provide consumers a voice at the executive level of the Federal Government in policy decision being made by other Federal administrative and regulatory agencies. It would also create a much needed clearinghouse for consumer complaints at the Federal level to work in conjunction with local agencies currently involved in this area.

Protection of the rights of the consumer is a matter of the utmost importance to the Nation's local elected officials. We urge you and your Senate colleagues to take prompt affirmative action on S. 707 when the legislation reaches the floor during the upcoming weeks.

JOHN J. GUNTHER,
Executive Director, U.S. Conference of Mayors.

Mr. MOSS. Next, Mr. President, we have the resolution of 31 State Governors endorsing this legislation. These Governors range from Democrats to Republicans, from conservatives to liberals. I ask unanimous consent that the list of Governors endorsing S. 707 be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF GOVERNORS

Governor Daniel J. Evans, Washington State, Governor David Hall, Oklahoma, Governor Milton Shapp, Pennsylvania, Governor Jimmy Carter, Georgia, Governor Otis R. Bowen, Indiana, Governor William G. Milliken, Michigan, Governor J. James Exon, Nebraska, Governor William A. Egan, Alaska, Governor Marvin Mandel, Maryland, Governor Philip W. Noel, Rhode Island, Governor Malcum Wilson, New York, Governor Tom McCall, Oregon, Governor Dale Bumpers, Arkansas, Governor Branden T. Byrne, New Jersey, Governor Patrick J. Lucey, Wisconsin, Governor Thomas L. Judge, Montana, Governor Dan Walker, Illinois, Governor Reubin Askew, Florida, Governor Mills E. Godwin, Jr., Virginia, Governor James E. Holshouser, Jr., North Carolina, Governor Thomas P. Salmon, Vermont, Governor John C. West, South Carolina, Governor John J. Gilligan, Ohio, Governor Wendell H. Ford, Kentucky, Governor Arthur A. Link, North Dakota, Governor John M. Haydon, American Samoa, Governor Melvin H. Evans, Virgin Islands, Governor Bruce King, New Mexico, Governor Cecil D. Andrus, Idaho, Governor Richard F. Kneip, South Dakota, Governor Wendell R. Anderson, Minnesota, Governor Kenneth M. Curtis, Maine, Governor Francis W. Sargent. Massachusetts.

Mr. MOSS. Mr. President, the National Council of Senior Citizens, Inc., has endorsed this legislation, and I ask unanimous consent that their letter of endorsement be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL OF
SENIOR CITIZENS, INC.,
Washington, D.C., June 5, 1974.

Hon. WARREN G. MAGNUSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MAGNUSON: On behalf of the millions of older Americans represented by the National Council of Senior Citizens, I respectfully urge you to actively support two bills pending before the Senate—S. 707, the Consumer Protection Act, and H.R. 7824, the conference report on the Legal Services Corporation Act.

The Consumer Protection Agency would be an advocate of the interests of consumers before Federal regulatory agencies. The CPA itself, would not have any regulatory powers nor extraordinary administrative powers.

The passage of S. 707 is especially important to older Americans who are often the targets of deceptive consumer practices.

Although the Legal Services conference proposal is weaker than that passed by the Senate earlier this year, we find it is an acceptable compromise.

This proposal would make possible the American principles of equal opportunity for a legal redress of grievances and equal protection under the law for millions of people with low incomes and often limited education.

Now is the time to act. Americans, old and young, have been frustrated by the long fight for the protections provided by these bills. Older Americans will be watching your efforts on their behalf.

Sincerely,

WILLIAM R. HUTTON,
Executive Director.

Mr. MOSS. Last, Mr. President, Mrs. Virginia Knauer, the President's outstanding consumer spokesperson, held a conference for State, county, and city consumer officials in June. At that time, a resolution was unanimously passed by the conference endorsing this bill. I ask unanimous consent that the letter from the Coordinator of the National Association of Consumer Protection Administrators, the resolution, and the list of participants be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COUNTY OF LAKE,
Painesville, Ohio, July 8, 1974.

Hon. FRANK E. MOSS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MOSS: As the newly elected coordinator of the National Association of Consumer Protection Administrators and Chairman of its Committee on Implementation, it is my hope that by now you have received the resolution passed at our recent National Conference for State, County, and City Consumer officials. As you know, our conference represented the breadth of this great country and the listing of names supporting the resolution we hope you find helpful on behalf of the Senate Bill 707, to establish a Consumer Protection Agency.

In my role locally and in behalf of our national organization, I know passage of S. 707 is vital to the better life for the consumer. A nonregulatory consumer advocate is long overdue at the federal level. We not only wish to add our endorsement for passage of the bill, but I'm willing to appear as an organizational representative.

Yours for Consumerism,

JAMES D. GORDON,
Coordinator, National Association of Consumer Protection Administrators.

FIRST NATIONAL CONFERENCE FOR STATE AND LOCAL GOVERNMENT CONSUMER OFFICE ADMINISTRATORS

Resolution unanimously supporting an effective Consumer Protection Agency

Resolved, That the first National Conference for State and Local Government Consumer Office Administrators unanimously endorses an effective Consumer Protection Agency and that a list of administrators present be sent to the Hon. Frank E. Moss, United States Senate, for inclusion in the Congressional Record and to each member of the United States Senate and House.

Passed unanimously on June 20, 1974 in conference at Washington, D.C.

NATIONAL CONFERENCE FOR STATE, COUNTY, AND CITY CONSUMER OFFICE ADMINISTRATORS

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Roberta M. Bruestle, Investigator, Mayor's Office-City Hall, Philadelphia, Pa. 19107.

Puerto Rico

Don Elberson, Consumer Affairs Consultant Commonwealth of Puerto Rico, 28 Carman Street, Hempstead, N.Y. 11550.

Julia Rivera de Vincenti (Mrs.), Assistant Director, Human Resources Department, Municipality of San Juan, P.O. Box 4355, San Juan, P.R. 00905.

Rhode Island

Norma Goldberg, Director, Consumer Affairs, Department of the Attorney General, 250 Benefit Street, Providence, R.I.

Dodie Kazanjian, Associate Director, Consumer Affairs, Department of Attorney General, 250 Benefit Street, Providence, R.I.

Earl F. Pach, State Representative, 1000 Willett Avenue, East Providence, R.I.

South Carolina

Patricia Brehmer, Assistant Attorney General, P.O. Box 11549, Columbia, S.C. 29211.

Judy S. Hodgens, Coordinator, Governor's Office of Citizen Service, State House, P.O. Box 11450, Columbia, S.C. 29211.

South Dakota

R. Van Johnson, South Dakota Consumer Affairs, Attorney General's Office, Pierre, S. Dak.

James V. Guffey, Secretary, Department of Commerce and Consumer Affairs, State Capitol, Pierre, South Dakota 57501.

Theodore R. Muenster, Executive Assistant, Governor's Office, Pierre, South Dakota 57501.

Tennessee

George W. Phipps, Councilman, City of Oak Ridge, P.O. Box 1, Oak Ridge, Tenn. 37830.

Betty R. Tenpenny, Director, Office of Consumer Affairs, Box 40627, Melrose Station, Ellington Agriculture Center, Nashville, Tennessee 37204.

Texas

Richard H. Aughinbaugh, Consumer Affairs Director, 1800 University Drive, Fort Worth, Tex. 76107.

Welton Grundy, Consumer Consultant, HEW–ORD, Dallas, Tex.

Mike Schneider, Assistant District Attorney, Harris County District Attorney's Office, 301 San Jacinto, Houston, Tex.

Charles H. Vincent, Director, Department of Consumer Affairs, City of Dallas, City Hall, Room 108, Dallas, Tex. 75201.

Jim Bushala, Special Assistant to the Attorney General, Austin, Tex.

Bob Gammage, State Senator, Capitol Station, Austin, Tex.

Honorable John L. Hill, Attorney General of Texas, P.O. Box 12548, Capitol Station, Austin, Tex. 78711.

Joe K. Longley, Chief, Consumer Protection Division, P.O. Box 12548, Capitol Station, Austin, Tex. 78711.

Don S. Stewart, Criminal Investigator, 200 W. Belknap, Fort Worth, Tex. 76102.

Vernell Sturns, Assistant City Manager.

Charles H. Vincent, Director of Consumer Affairs, City Hall, Room 108, Dallas, Tex. 75201.

Utah

Rhead Bowman, Office of the State Planning Coordinator, 118 State Capitol, Salt Lake City, Utah.

William T. Evans, Assistant Attorney General, 236 State Capitol, Salt Lake City, Utah. 84114.

Vermont

James A. Guet, Commissioner of Banking and Insurance, State of Vermont, Montpelier, Vt. 05602.

Jay I. Ashman, Co-ordinator, Consumer Fraud Division, Box 981, Burlington, Vermont.

Howard R. Goldberg, Assistant Attorney General, Consumer Fraud Division, P.O. Box 981, Burlington, Vt. 05401.

Virginia

John H. Conner, Investigator, 2400 Washington Ave., City Hall, Newport News, Va. 23607.

Jack L. Davis, Supervisor, Consumer Affairs, 2400 Washington Ave., City Hall, Newport News, Va. 23607.

Roy L. Farmer, Director, Office of Consumer Affairs, Virginia Department of Agriculture and Commerce, Richmond, Va.

C. Hammond, Executive Director, Arlington Consumer Protection Commission, 2049 15th St., North, Arlington, Va. 22201.

Mr. M. D. Greenwell, Chief, Division of Consumer Protection, City Hall Bldg., Room 804, Norfolk, Va. 23501.

Mr. G. D. Monola, Director, Department of Community Improvement, City Hall Bldg., Room 804, Norfolk, Va. 23501.

Martha U. Pritchard, Administrative Assistant, Governor's Office, Capitol Bldg., Richmond, Va. 23219.

John B. Purcell, Assistant Attorney General, 203 N. Governor St., Richmond, Va.

Dan Zipperer, Assistant Director, Office of Consumer Affairs, P.O. Box 1163, Richmond, Va.

Douglas S. Wood, Assistant Attorney General, 203 N. Governor Street, Room 401, Richmond, Va. 23219.

William G. Flournoy, Assistant Commissioner of Insurance, Blanton Building, P.O. Box 1157, Richmond, Va. 23209.

John A. Mardigian, Investigator, Blanton Building, P.O. Box 1157, Richmond, Va. 23209.

Judith B. Chavkin, Consumer Affairs Coordinator, Office of Community Services, City Hall, Alexandria, Va. 22313.

J. N. McClanan, Consumer Protection Officer, Municipal Center, City Hall, Virginia Beach, Va. 23456.

E. L. Whitehurst, Assistant Consumer Protection Officer, Municipal Center, City Hall, Virginia Beach, Va. 23456.

Frieda N. Finan, Free Lance Lecturer & Writer on Consumer Affairs, 6129 Leesburg Pike, Falls Church, Va. 22041.

Jean Galloway, Administrative Aide, Consumer Protection Commission, 2049 15th St., N., Arlington, Va. 22306.

Martin D. Greenwell, Chief, Division of Consumer Protection, Norfolk Division of Consumer Protection, Norfolk, Va.

Anthony Joseph, Chairperson, Alexandria Consumer Affairs Committee, 107 W. Walnut Street, Alexandria, Va. 22301.

Willi McCarey, Prince William County Consumer Protection Commission, 4209 Eldorado Drive, Woodbridge, Va. 22191.

Ken Odenheim, Commissioner, Alexandria Consumer Affairs Commission, 1106 Archer Court, Alexandria, Va. 22312.

Carol Sarraga, Prince William County Consumer Protection Committee, Manassas Courthouse, Manassas, Va.

Mary Ann Shurtz, Office of Consumer Affairs, Falls Church, Va.

Virgin Islands

Norton S. Levine, Assistant Attorney General, P.O. Box 280, St. Thomas, Virgin Islands 00801.

Joanna P. Lindquist, Director, Consumer Services, The Royal Strand Building, 4 AB Strand Street, Christiansted, St. Croix, Virgin Islands 00820.

Washington

June Appel, Program Coordinator, 102 Municipal Building, Seattle, Wash. 98104.

Virginia Galle, Director, Department of Licenses and Consumer Affairs, 102 Municipal Bldg., Seattle, Wash. 98104.

Elliot Marks, Legislative Assistant to the Governor, Legislative Building, Olympia, Wash. 98504.

Anthony White, Assistant Division Chief, Washington State Attorney General's Office, Consumer Protection Division, 1266 Dexter Horton Bldg., Seattle, Wash. 98104.

West Virginia

Mrs. Jane H. Theiling, Director, Consumer Protection Division City of Charleston, P.O. Box 2749, Charleston, W. Va. 25330.

Mrs. Judy W. Crichton, Assistant Director, City of Charleston, P.O. Box 2749, Charleston, W. Va. 25330.

William S. Preston, Ward Councilman, 513 Margaret Street, Charleston, W. Va. 25301.

Wisconsin

Thomas D. Crist, Jr., Assistant Administrator, Trade Division, Wisconsin Department of Agriculture, 801 W. Badger Road, Madison, Wis. 53713.

Claire L. Jackson, Administrator, Trade Division, Wisconsin Department of Agriculture, 801 W. Badger Road, Madison, Wis. 53713.

Camille Haney, Consumer Affairs Coordinator, Office of Consumer Protection, Department of Justice, 114 East, State Capitol, Madison, Wis. 53702.

Pamela Loertscher, Complaint Processing Coordinator, Attorney General's Office, Office of Consumer Protection, 123 West Washington, Madison, Wis. 53702.

Wyoming

Ben S. Murphy, Insurance Commissioner, 500 Randall Avenue, Cheyenne, Wyo. 82002.

Mr. MOSS. Mr. President, I have briefly today brought to light some of the supporters of S. 707, the Consumer Protection Agency bill. At subsequent times during this debate, I intend to share with you the support of others.

RESUMPTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now resume transaction of routine morning business with remarks limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ASSISTANCE AND SERVICES FOR PRESIDENT AND VICE PRESIDENT—UNANIMOUS CONSENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 958, S. 3647—a bill to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes—is called up and made the pending business before the Senate, there be a time limit thereon, of 1 hour to be divided between Senator McGee and Senator Fong; that there be a time limitation on an amendment by Mr. Proxmire of 1 hour, to be equally divided and controlled in accordance with the usual form; that there be a time limitation on any other amendment of 30 minutes, on any debatable motion or appeal, 20 minutes, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ESTABLISHMENT OF A LEGAL SERVICES CORPORATION — UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that with reference to the bill, H.R. 7824, the legal services bill, there be a limitation of 2 hours on a motion by Mr. Helms; that there be a limitation of 20 minutes on any debatable motion or appeal; that there be a limitation of 1 hour on the bill; that the agreement be in the usual form; that immediately upon the conclusion of the remarks by the majority and minority leaders under the standing order for tomorrow, the Senate proceed to the consideration of the House message, and that a vote occur on the Helms motion at 2 p.m. tomorrow, and that upon the disposition of that motion the vote occur on the House amendment.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Reserving the right to object, Mr. President, I have been made acquainted with the general outlines of what is proposed, and with the permission of the deputy majority leader who is always so extremely prepared that I apologize for inserting the details, but this really did get to be quite a unique situation, I would simply like to repeat the following:

What is pending is a motion made by Senator Cranston in the name of Senator Nelson, who is the chairman of the Subcommittee on Poverty to concur in the House amendment. That would mean that if that motion were passed by the Senate, the bill would go immediately to the White House.

So if the Senator will allow me, I would like to ask, as a parliamentary inquiry, whether that is correct?

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. Also, another parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. That an amendment to the House amendment, which is an amendment in the first degree, is in order?

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. And that when that amendment is either accepted or rejected, conceivably another amendment would be in order?

The PRESIDING OFFICER. That is correct, in the absence of an agreement to the contrary.

Mr. JAVITS. Exactly.

Now, I turn to the Senator from West Virginia again strictly to get the situation clearly before us and in no way to prejudice anyone.

As I understand it now, under the unanimous consent, if we all agree to it, that one amendment which will be considered tomorrow will be an amendment by Senator Helms, that amendment because the agreement is in the usual form would have to be germane to the motion which is pending, to wit, to the House amendment as it has come over here, and I would greatly appreciate it if at the appropriate point in our colloquy Senator Helms would be kind enough to tell us what he has in mind by way of amendment.

The PRESIDING OFFICER. Yes.

Mr. JAVITS. That amendment would then be disposed of, let us say, by a vote at a given hour, whatever hour we agree to here.

I understood, and this is my last point, that we would also agree to a vote on the motion, perhaps as amended, perhaps as unamended, but we would agree to a vote on the motion following the disposition of Senator Helms' proposition.

I did not hear the deputy majority leader make that request.

Mr. ROBERT C. BYRD. The Senator is correct, and I add that to my request.

The PRESIDING OFFICER. Does the Senator mean without any other intervening amendments?

Mr. ROBERT C. BYRD. That would be the case if this request is agreed to as propounded.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, may we hear, before we dispose of the matter—I was about to yield to Senator Taft, who has been so very instrumental in this whole matter—if the Senator from North Carolina (Mr. Helms) would not mind, and would not in any way challenge it—because we would all be parties to what we are doing and could freely vote on cloture—could we ask him what is the essence of his amendment?

Mr. HELMS. Mr. President, reserving the right to object, I want it clearly understood that I shall not be precluded from dividing my amendment if I so elect on tomorrow. It is in three parts, and while I do not anticipate that I shall do so, I want to protect my right to do so in the event I should wish to do so tomorrow.

The PRESIDING OFFICER. Is that made a part of the unanimous consent request?

Mr. ROBERT C. BYRD. I certainly have no objection. I did not know what the Senator's amendment contained, but if it is divisible, I think he ought to have that right, or any other Senator ought to have the right to ask for a division of it.

Mr. HELMS. I will say to the distinguished Senator from New York that I will furnish him a copy of the amendment as soon as its final draft is perfected. In essence, information has come to us which is very satisfactory as to the possibility of a veto on this matter. There have been so many conflicting rumors that I do not know how much validity to assign to the report that, if true, is satisfactory to me.

But the contention has been made many times during the debate that the backup centers have been eliminated; the news media have made clear that this is so, and my amendment, in the main, will make it absolutely crystal clear that the backup centers are eliminated, and one or two other protections which I think would be in order. As I say, I shall be delighted to send tonight to the distinguished Senator from New York a copy of the amendment.

Mr. JAVITS. Mr. President, with all respect, if the distinguished Senator will yield, I think we ought to know what is in the amendment. The fact that the Senator might say there are a couple of other things which are germane is fine, but if we are going to arrive at a unanimous-consent agreement, I think we ought to know what is involved in it.

Mr. HELMS. The Senator is privileged to object to the unanimous-consent request.

Mr. JAVITS. I understand; but such agreements are made all the time by Senators who are alert. Senator Allen does it, and I do.

Mr. HELMS. I have said I will send the Senator a copy of the amendment as soon as it is prepared.

Mr. TAFT. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HELMS. Very well. Mr. President, let the Record show that it is not the Senator from North Carolina who is delaying final action on this measure.

Mr. JAVITS. Mr. President, if the Senator will yield, I am sorry that matters have worked out this way. There is no desire to challenge anyone. It is extremely important, however, if the Chair will recognize me to make this statement——

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, if we had cloture on this matter, every Member would have an hour. That is 100 hours. That is not much of a time limitation on amendments, because then, if we really ran into something that Senators felt was a very serious matter, we could debate it.

Bearing in mind, Mr. President, that we have tried to work something out which has to hang together—that is our problem—it seems to me we really ought to, in all fairness, if we are not going to go the cloture route, have a time agreement, and know what is in the amendment.

No one is asking the Senator from North Carolina for the text, but we operate around here on the basis of a relationship with each other of bona fides. We should know, it seems to me, its substance, and that is all we ask.

When the Senator said he was going to move to be absolutely sure that there were no grants or contracts for backup centers, I understand that. But then he added that there were one or two other things that would be germane. We would like to know, in the same sort of general language, what the one or two other things are, so that we may know whether 2 hours would be adequate time to debate those particular issues.

I might say, too, that no one that I know of on our side of this issue has ever said there would not be work done in-house in the research field. What we have said is that the funding of backup centers supported by grants and contracts is effectively precluded by the House language and, indeed, it is. And that is what is before us now.

Having explained that, I do not know whether it will change anyone's mind, Senator Taft's or Senator Helms', but I really think this difference is unnecessary if we could just get the general sense of what Senator Helms will present.

I agree, if it is desirable, as the Senator from West Virginia says, that he is entitled to three votes if he wants them. Just so we have a general idea of what it is.

Mr. HELMS. Mr. President, I am delighted to hear my good friend from New York talk about advising among ourselves about our activities, because it would certainly have been appreciated by me earlier in the ball game if I had been made aware of what the committee was doing.

As I have said many times on this floor, this bill was reported out without any hearings, not 1 minute of hearings. It was marked up in executive session. A bill that the distinguished Senator from Tennessee (Mr. Brock) and I introduced on this same subject was totally ignored. We would have been delighted to have had some advice in advance on that.

If the distinguished assistant majority leader would like to have a quorum call, we will discuss it, but at the moment I feel inclined to stick by what I have said earlier.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. HELMS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Senate is in a period for the transaction of routine morning business with statements limited to 5 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be closed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ESTABLISHMENT OF A LEGAL SERVICES CORPORATION

The Senate continued with the consideration of the motion that the Senate concur in the House amendment to the Senate amendment to the bill (H.R. 7824) to establish a Legal Services Corporation, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, now I ask unanimous consent that the Senator from North Carolina (Mr. Helms) may be permitted to send his proposed amendments to the desk, and that there be a limitation of 15 minutes for discussion of the unanimous-consent agreement with respect to H.R. 7824.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the distinguished majority whip wish the message from the House of Representatives to be laid before the Senate?

Mr. ROBERT C. BYRD. Not necessarily. My unanimous consent request would allow us to have a discussion.

The PRESIDING OFFICER. Very well.

Mr. HELMS. Mr. President, I ask unanimous consent to have printed in the Record a letter addressed to Senators by me with reference to H.R. 7324.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C.

Dear Colleague: It has been asserted many times in the past few days in both Houses of Congress that the President is prepared to sign the Legal Services Corporation Bill (H.R. 7824) if the so-called "back-up centers" are removed. Indeed, White House Deputy Press Secretary Gerald Warren acknowledged Tuesday that the chances of the bill being signed would be "enhanced" if the back-up centers were removed.

But the action of the House and Senate on Tuesday failed to remove the back-up centers. Instead, it authorizes direct funding of back-up center activities within the Corporation, rather than through grants or contracts with outside agencies. This is virtually no change, since, as many advocates of the proposed Corporation have pointed out in both Houses, the back-up centers will continue, no doubt with many of the same personnel, in the same regional areas where they now exist. The back-up center activity includes amicus briefs, co-counsel work with allied organizations, legal research for private advocacy groups, drafting model legislation, acting as "house counsel" for advocacy groups, lobbying upon request, conducting national issue strategy conferences, and so forth. Over one-third of the House voted against this motion Tuesday.

Furthermore, many of these activities can be assigned to so-called "public interest law firms," so long as such recipients spend less than 50 percent of their time litigating issues in the broad interests of a majority of the public. There is no restriction whatsoever on funding special interest law firms which, to quote a prohibition dropped by the conferees, litigate "in the collective interests of the poor."

When the Senate takes up the motion to concur with the House action authorizing direct funding of back-up center activities, we will move to concur, with an amendment. This amendment will strike the language authorizing direct funding of back-up center activities, and authorizing funding of certain public interest law firms. If this amendment passes, it will be a signal to the White House that the back-up centers have indeed been removed. If the amendment fails or is tabled, it will signal that the back-up centers have not been removed. We urge you to join with us in supporting this amendment.

Sincerely,

Jesse Helms.

AMENDMENT NO. 1575

Mr. HELMS. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 5, line 22 of the House amendment, or at the appropriate place, strike all through line 27.

On page 9, line 38, or at the appropriate place, strike the words "50 percent or more of its", substituting therefor the word "any"; strike the semicolon at the end of line 40, or at the appropriate place, and substitute therefor the words "or in the collective interests of the poor, or both;".

Mr. HELMS. Mr. President, in connection with the unanimous-consent request I would like to be assured that this amendment will not be disqualified on a technicality because of our not being in the position of supplying the actual printed form and page numbers, which may be at variance with what we have to work with.

I think all Senators understand the sense of the amendment. If I may have that assurance, whatever assurance the assistant majority leader and the Senator from New York may agree to is fine.

Mr. JAVITS. Mr. President, we understand the request. It is entirely agreeable to me, and I hope the Senator from Ohio (Mr. Taft) concurs in the unanimous-consent request as laid before the Senate by the deputy majority leader.

The PRESIDING OFFICER. Does the Senator from West Virginia renew his unanimous-consent request?

Mr. ROBERT C. BYRD. Yes, Mr. President, I wish to restate it.

The PRESIDING OFFICER. The Senator may restate the unanimous-consent request.

Mr. ROBERT C. BYRD. I do so so that our minds may be clear.

Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow the Chair lay before the Senate the message from the House of Representatives on H.R. 7824; that there be a time limitation of 1 hour on the motion to concur in the House amendment to the Senate amendment to H.R. 7824; that that time be equally divided between the majority and the minority leaders or their designees; that time in a motion by Mr. Helms to concur in the House amendment with Senate amendments be limited to 2 hours, to be divided between Mr. Helms and Mr. Javits; and that there be a limitation on any debatable motion or appeal of 20 minutes; that the agreement be in the usual form; and that a vote occur on the motion by Mr. Helms beginning at 2 o'clock tomorrow, with a vote on final disposition of the House amendment, as amended, if amended, to occur immediately upon the disposition of the Helms amendments.

Mr. Javits. That is fine, Mr. President. There is just one point. I think he put the term "in the usual form" at the wrong place, but that can be corrected.

Second, I would like the time on our side in the hands of our subcommittee chairman.

The PRESIDING OFFICER. Is there objection to the request?

Mr. TAFT. Mr. President, reserving the right to object, this is really in the nature of a parliamentary inquiry rather than an objection.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. TAFT. After the completion of the time under the proposed agreement on the Helms amendment, would a motion to table be in order, to table the Helms amendment?

The PRESIDING OFFICER. Because of the wording of the unanimous-consent request, it would be preferable, according to the Parliamentarian, to state in the request that there not be allowed a motion to table or there be allowed a motion to table, as the Senator desires.

Mr. TAFT. I would make such a request, that that be included.

The PRESIDING OFFICER. What would that request be?

Mr. TAFT. That the unanimous-consent request include making in order a motion to table the Helms amendment at the conclusion of the time on the Helms amendment.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I renew my request with the following modification: One, that it be understood that no tabling motion would be in order with respect to either the motion to be offered by Mr. HELMS or the motion to concur in the House amendment, as amended, if amended.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request as modified?

Mr. ROBERT C. BYRD. With this further modification: That the motion by Mr. HELMS to concur in the House amendment with Senate amendments not be divisible.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And, Mr. President, with this final modification: That the time on the Helms motion be limited to 90 minutes rather than 2 hours, and that the time on the motion to concur in the House amendment to the Senate amendment to H.R. 7824 be limited to 30 minutes, rather than 1 hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Does the distinguished gentleman wish to state a time of voting no later than, instead of a specific hour, in case we do not use the time?

Mr. ROBERT C. BYRD. Very well, the vote on the Helms motion to occur at no later than 2 p.m.

Mr. President, I further modify the request accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I wish to thank my distinguished friends from New York, Ohio, and West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators. They are all my friends.

ORDER FOR ADJOURNMENT

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in adjournment until the hour of 10 a.m., on Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION ON FRIDAY OF H.R. 15472, APPROPRIATIONS FOR AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION PROGRAMS AND FOR UNFINISHED BUSINESS TO BE TEMPORARILY LAID ASIDE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Friday, following the conclusion of routine morning business, if the Senate has not, on tomorrow, completed action on the Agricultural Appropriation bill, H.R. 15472, which it is hoped will be done, the Senate then resume consideration of H.R. 15472, the Agriculture Appropriations bill, and that the unfinished business remain in a temporarily-laid-aside status until the close of business on Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION ON FRIDAY OF S. 3647, ASSISTANCE AND SERVICES FOR PRESIDENT AND VICE PRESIDENT, AND S. 3164, REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974

Mr. ROBERT C. BYRD. Mr. President, in the event the Senate completes action on the agriculture appropriations bill tomorrow, I ask unanimous consent that, on Friday, at the conclusion of routine morning business, the Senate proceed to the consideration of Calendar No. 958, S. 3647, assistance and services for President and Vice President; that upon the disposition of that bill, the Senate resume consideration of Calendar No. 838, S. 3164, the real estate settlement services bill, and that the unfinished business be laid aside temporarily and remain in a temporarily laid aside status until the close of business on Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VITIATION OF REQUIREMENT FOR DEBATE AND VOTE ON CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the requirement for debate and vote on the motion to invoke cloture on the motion to concur in the House amendment to the Senate amendment to H.R. 7824 be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE UNFINISHED BUSINESS TO BE LAID ASIDE TEMPORARILY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the unfinished business be laid aside temporarily tomorrow and that it remain in a temporarily laid aside status until the disposition of the agriculture appropriations bill, or until the close of business, whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR TALMADGE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow under the standing order, Mr. TALMADGE be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, under the order entered with respect to H.R. 7324, is the Senate to proceed tomorrow with debate on the motion immediately after the two leaders or their designees have been recognized?

The PRESIDING OFFICER. The agreement, as ordered by the Chair, was that upon the close of morning business, the Senate would proceed to the motion to which the Senator is referring.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that after Mr. TALMADGE has concluded his remarks under the order previously entered for tomorrow, there be a period for the transaction of routine morning business of not to exceed 10 minutes, with statements therein limited to 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MOTION TO INVOKE CLOTURE VACATED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the motion to invoke cloture be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will meet tomorrow at 11 a.m.

After the two leaders or their designees have been recognized under the standing order, Mr. Talmadge will be recognized for not to exceed 10 minutes, after which there will be a period for the transaction of routine morning business, of not to exceed 10 minutes, with statements therein limited to 2 minutes each.

At the conclusion of routine morning business, the Senate will proceed under controlled time to consider the motion to concur in the House amendment to the Senate amendment to H.R. 7824, with a vote—presumably a rollcall vote—to occur at no later than 2 p.m. on the motion to be offered by Mr. Helms to amend the House amendment to the Senate amendment to H.R. 7824, with a number of amendments which will be voted upon as a unit.

Immediately following that vote, a vote will occur—presumably, it, too, will be a rollcall vote—on the House amendment as amended, if amended.

Upon the conclusion of that vote, the Senate will proceed to the consideration of the agricultural appropriation bill, and I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. There is no time limitation on that bill. Presumably, amendments will be offered thereto, and rollcall votes could occur thereon.

So it seems that there will be a number of rollcall votes on tomorrow.

Mr. President, I thank all Senators, especially the distinguished assistant Republican leader, for their cooperation in arriving at the agreement which has been stated in connection with H.R. 7824.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if the distinguished assistant Republican leader and no other Senators have anything they wish to bring to the attention of the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 11 o'clock tomorrow morning.

The motion was agreed to; and at 6:05 p.m., the Senate adjourned until tomorrow, Thursday, July 18, at 11 a.m.

EXTENSIONS OF REMARKS

LIBERTY AND UNION NOW AND FOREVER, ONE AND INSEPARABLE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BOB WILSON. Mr. Speaker, last month James Madison Senior High School in my district of San Diego received a 1974 Freedoms Foundations Award. Upon accepting this award for the school one of its outstanding teachers, Oscar Baer, delivered the following address. During this month when all of us have rekindled our patriotic spirit during the Fourth of July celebration, I know that Mr. Baer's comments will be of particular interest to our colleagues. I place his address in the Record at this point:

Liberty and Union Now and Forever, One and Inseparable

It took a man like Daniel Webster to remind Robert Hayne, the senator from South Carolina and champion of states rights, that liberty and Union have a spiritual dimension transcendent of any and all constitutional issues bent upon destroying the Union.

Webster's famous reply to Hayne in a debate before both houses of Congress and a packed gallery, a historic debate that lasted eight days, January 19–27, 1830, dealt with a critical decision that had to be made.

Daniel Webster took his case directly to the Higher Law which left no other choice: (Joshua 14–15), (Luke 16:13) Liberty and Union, Now and Forever, One and Inseparable. "Choose you this day whom you will serve."

The Declaration of Independence was Daniel Webster's inspiration to remind Robert Hayne and all mankind that the unity of liberty and the unity of Statehood are inviolable, one and inseparable, indivisible.

"We Mutually Pledge" . . . And for the support of this Declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our lives, our fortunes and our sacred honor.

"We Mutually Pledge" . . . In 1776, that unity was an assembly of 56 representatives from 13 colonies along the Atlantic coast, all whose signatures are forever engraved on the Declaration of Independence.

"We Mutually Pledge" . . . In 1830, the question of unity involved 12 slave states and 12 free states and whether they could remain half slave and half free. Today, the wonder of wonders, this nation, a union of 50 states, approaches an unbroken Bicentennial with awesome appreciation for all this nation, under God has accomplished and recorded in a relatively short span of years; particularly now that we stand at the threshold of far greater wonders due this beautiful land.

We can be reminded in 1974 that Liberty and Union Now and Forever, One and Inseparable applies to the true spirit of this age.

"We Mutually Pledge" . . . And as we approach our 200th milestone the philosophies, ideologies, principles and spiritual insights are dynamically evident in every one of those years. The faith of our forefathers in the American Way of Life is one with our faith as we pledge allegiance in positive terms. That handful of homeless Pilgrims embarking on the Mayflower seeking freedom to worship God in their own way—Think of it—in their own way. Did they not build awareness of Divine Guidance among them that to worship God in their own way meant making a portion of the world a better place to live? Was this not the American Dream? Were they not building greater than they thought? Shouldn't we then believe in greater expectations? Without faltering, without losing heart, without fear and with no qualms as to the outcome?

Oh, thus be it ever when free men shall stand . . . And stand they did through trials and vicissitudes through Independence and war's desolation that freedom might be proclaimed throughout the land, preserved, protected for all generations. This consciousness knows illimitable dimensions individually and nationally when we undertake our commitments for public interests totally compatible with the common good. God has favored our undertakings in the betterment of all mankind and for all time. This consciousness is the very root of all government when based upon the consent of the governed.

We stand as a nation upon these promises: through all our trials and ordeals, through all the detractions and travails, liberty and union one and inseparable now and forever shall prevail.

WILLIAM J. USERY: OUR NATION'S TOP NEGOTIATOR

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BURKE of Massachusetts. Mr. Speaker, the people of my congressional district, and indeed people all across the Nation, owe a great debt of gratitude to Mr. William J. Usery, Jr.

In his capacity as both Director of the Federal Mediation and Conciliation Service, and as the President's Special Adviser for Labor Relations, Bill Usery has tirelessly devoted his full energies toward keeping America strong. He has resolved labor-management disputes in such vital areas as the railroads, airlines, Postal Service, independent truckers, et cetera—disputes which could have crippled the Nation had it not been for the indefatigable efforts of Bill Usery. At a time when our Nation's economic outlook is in doubt, Mr. Usery has improved conditions for the worker and preserved the worker's job, while keeping industry running and production up. He has performed monumental feats, against great odds, and at great personal sacrifice, at a time when America most needed his services to remain a strong and independent economic power.

While most public attention has been focused on the negotiations performed by Henry Kissinger on the international front, even more significant negotiations were being performed by Bill Usery on the domestic front. It would, in fact, be inadequate to describe Mr. Usery as the Henry Kissinger of Labor negotiations since the strength which Dr. Kissinger wields in international forums is based upon the domestic strength of the United States, and upon the strength of the U.S. economy. Mr. Usery, with his determined efforts, his unswerving sense of fairness, and his unprecedented skill as a negotiator, has not only maintained, but has enhanced the domestic strength of our Nation.

Last week, Mr. Usery applied his talents toward ending the second longest strike then in existence—the General Dynamics Fore River Shipyard strike in Quincy, Mass. The 116 day strike by 1,700 shipbuilders seemed deadlocked until Bill Usery arrived. Calling upon the experience which he gained in his 25 years with the International Association of Machinists and Aerospace Workers, and exemplifying the negotiating skill which earned him the role of chairman of the union's negotiating committee. Bill Usery attacked the problems which had left others stymied. Bill Usery attacks negotiating problems with a determined and realistic approach. After 48 hours of nonstop negotiation, the doors of the bargaining room were swung open to announce that a tentative agreement had finally been reached, with ratification expected this week.

The announcement was more than welcome news to the city of Quincy. The end of the strike means jobs for shipbuilders in a region of the country where the shipbuilding trade has been all but outlawed by Defense cutbacks. The shipyard now has the single largest private contract ever awarded to an American firm.

The yard now has orders for the construction of eight liquefied natural gas tankers—LNG's—and a strong chance to receive contracts on an additional three to five tankers. This will result in up to 5,000 jobs and will transform Quincy into the shipbuilding capital of New England. It will mean over a billion dollars worth of income to the area. Of equal importance, these contracts will enable the United States to take a giant step forward, and perhaps lead the world in LNG technology. This, of course, is of prime importance during the current age of energy uncertainty. The opportunity for American leadership afforded by the Quincy contracts are preserved through the outstanding efforts of William J. Usery, and I think all Americans owe him their heartfelt appreciation.

Mr. Speaker, one of our Nation's finest journalists, and a man who has done an excellent job of keeping Massachusetts residents informed of the developments in the General Dynamics strike, is Mr. Marvin Pave, of the Boston Globe. Mr. Pave has written an extremely informative article regarding the outstanding work performed by William J. Usery in bringing about a settlement in the Quincy strike. I hope that all of my colleagues will have the opportunity to read Mr. Pave's article, and to reflect upon the valuable contributions which Mr. Usery has made to the Nation's economy.

Mr. Speaker, I include Mr. Pave's article at this point:

For Mediator in General Dynamics Strike, It Was a Nonstop, No-Sleep Week

(By Marvin Pave)

It was the week of the packed suitcase and the baggy eyes for William J. Usery, Jr., director of the Federal Mediation and Conciliation Service.

He came to Boston last Monday night, bedded down at the Parker House and told a reporter the next morning: "We're going to negotiate around the clock if we have to in order to settle the General Dynamics strike."

Usery, true to his word, left Boston on Thursday morning with the strike tentatively settled, and with five hours sleep in a 48-hour period.

(The 1800 production workers at the shipyard will meet Wednesday to vote on the new contract. The strike now in its 118th day and members of the executive board of Local 5, Shipbuilders Union, AFL–CIO, are meeting today to discuss the agreement.)

"Don't ask me where Bill gets his stamina," Norman Walker, an aide, said. "Nobody around our Washington headquarters knows the answer."

Usery is a Georgia native who likes monogrammed shirts and a good cigar, and who has been called by the man who appointed him, President Nixon, "one of the great mediators of our time."

Usery also is one of the busiest mediators of our time, because his office is now involved in 600 strikes nationally. The General Dynamics strike was the second most lengthy, and it didn't take long for Usery to plunge right into the third-longest after leaving Boston.

"We got back to Washington at noontime Thursday," Walker said. "Bill grabbed some lunch, went to the office and at 1:30 p.m. was negotiating again. He didn't quit until early evening."

His project as the week drew to a close was a strike by 5000 employees at the Dow Chemical Co. of Midland, Mich. It began on March 17, a day after General Dynamics closed its production lines.

"Hardly a week goes by," Walker said, "where Bill leaves one session and starts another without getting a night's sleep."

Usery's reputation for getting a job done has resulted in numerous offers from private industry (at double his $40,000-a-year salary) and from the AFL–CIO to leave the Mediation Service.

But those close to Usery say he has stayed with the government agency because of his concern over the growing number of strikes and his feeling of responsibility for settling them.

Last October the AFL–CIO's executive council voted to select Usery as director of its new department of organization of field services. Acceptance of the job would have made Usery the third-ranking official in the AFL–CIO.

It could have meant eventual elevation to the presidency of that body, whose president, 80-year-old George Meany, once called Usery "that country slicker."

The quote, according to a mediation service official, was an admiration for Usery's firm, sometimes humorous, approach to difficult negotiations.

In January the speculation about Usery's possible jump to the AFL–CIO hierarchy ended. He withdrew his resignation as the government's top labor trouble-shooter and was named a special assistant to the President on labor matters relating to the energy shortage.

It was in that dual role that Usery became involved in the General Dynamics strike. He said during the two-day negotiating marathon last week: "Settlement of the Quincy strike is important to the shipbuilding industry and to easing the energy shortage."

The shipyard has contracts worth more than $700 million for eight liquefied natural gas (LNG) tankers, whose capacity would be five times as large as any LNG tanker now in operation.

Arthur Batson, chief union negotiator and president, came away from the talks with great admiration for Usery.

"He's tough," Batson said.

"He knows what he wants, and he did something nobody else did for 17 weeks. He got us to agree with each other." Usery said his optimistic approach to seemingly difficult labor disputes is based on "my confidence in the judgment and abilities of labor and management to resolve their differences.

"Despite the rising strike level (more than 50 percent since last June) hundreds of bargaining attempts are being settled."

Before his appointment as Mediation Service director, Usery was assistant secretary of labor for labor-management relations for four years. In that capacity, he was the government's chief mediator in railroad and airline disputes and in labor problems arising from discrimination cases.

From 1956 through 1969 he was grand lodge representative of the International Assn. of Machinists and Aerospace Workers, with the responsibility of head negotiator.

During much of that time he was industrial union representative on the President's Missile Sites Labor Committee at the Kennedy Space Center in Florida and the Marshall Space Flight Center in Huntsville, Ala.

Born in Hardwick, Ga., in 1923, Usery attended Georgia Military College and Mercer University. He received Georgia Military's Distinguished Alumni Award in 1971 for his work in labor-management relations.

He has been described by those who have watched him in negotiations as "innovative, fair, tough . . ."

GOD BLESS AMERICA WEEK JUNE 30–JULY 6

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BOB WILSON. Mr. Speaker, I was thrilled to be able to participate in a ceremony a few days ago in San Diego honoring "God Bless America Week."

I presented a 13-star Betsy Ross flag to a young American who made us all stand taller. He is James Aceron, son of Filipino-American parents, and he won first prize with his essay "God Bless America, What My Country Means to Me."

I urge my colleagues to ponder on this young 11th grader's philosophy. It is heart warming indeed.

I insert this as a portion of my remarks:

What My Country Means to Me

(First Place Winner: James Aceron, 11th grade at San Diego High School)

America is a country that was built on dreams. Visions of a better life have been her cornerstone. It was the imagination and back-breaking work of ordinary men that gave America her grandeur and magnificence.

To me, America means people that dream. People that are constantly seeking a better way. I think that the extent of dreams and dreamers determines the extent of her success: success as a government as well as a society of people.

There is and will always be dissent in America. Dissent in ideas and dissent in attitudes. I think it shows that people still dream and are willing to make their dreams work to change and possibly better America and her people.

It is only when people drift in the sea of indifference that America will reach a state of decadence. Unconcerned people who have lost the ability to dream and the courage to make their dreams known will destroy America. A people who have lost the willingness to participate because everything is thought to be in vain will destroy America.

UMI

But I think that America's refusal to accept still waters is what makes her such a great country. The clinging to an ideal and the perseverance of working toward a distant star is what has made America what it is, and what it means to me.

HEROIN—THE TURKISH MENACE STRIKES AGAIN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BIAGGI. Mr. Speaker, I join with millions of other Americans in soundly renouncing the recent decision of the Turkish Government to resume widespread production of the deadly opium poppy. This tragic and ill-conceived decision represents a major setback in our Nation's struggle to rid itself of the menace of heroin abuse.

In 1971, I introduced legislation to cut off all economic and military aid to Nations that were not cooperating in curbing the flow of illegal drugs into the United States. As a result of mine and other efforts, the U.S. Government was successful in urging the Turkish Government to stop growing poppy plants. Prior to securing this ban, these same opium poppy fields had supplied more than 80 percent of this Nation's heroin through the infamous "French Connection" and was directly responsible for the numbers of heroin addicts reaching epidemic proportions in this Nation.

It was obvious then, as it is now, that the most important strategy to curb heroin abuse was to reduce availability through eliminating the source. We sought to do this by providing the Turkish Government with 35.7 million dollars to compensate for losses accrued from not growing poppies, as well as to develop alternative crops to revitalize Turkey's agricuture.

When this agreement was completed it was widely hailed by Americans, and for good reason. Since 1971, the number of heroin addicts has decreased by 60 percent to a present figure of 250,000. Not only was the quantity of heroin reduced, but so was the quality, making it extremely difficult for the heroin user to sustain his habit at former levels. These addicts were then able to be taken off drugs and rehabilitated into productive members of the society.

Directly tied in with the problem of heroin abuse are the increased incidences of drug-related crimes, namely robbery, prostitution, and even murder. In my home city of New York which is estimated to have almost one-half of the addicts of the Nation, more than one-half of the crimes committed in 1970 were drug related, yet, statistics in all major cities indicated dramatic drops in the numbers of drug-related crimes since the ban was instituted in 1971.

Yet, these and other dramatic accomplishments registered in the past 2 years stand to be completely negated as a result of the irresponsible actions of the Turkish Government. Once again, the poisonous needles filled with heroin will find their way into the innocent veins of thousands of young Americans, reducing them in their prime of life, to worthless members of society, slaves to the drug habit, and those who can maintain it. Once again, families and loved ones of these addicts will be forced to endure the personal and social traumas associated with drug abuse.

Yet, while the tragedy and human suffering may be confined to the individual addict and his family, the social and economic crisis will be again placed on the shoulders of all Americans. We will be paying billions of dollars for the increased crime and social disruption as well as the costs of treating the victims of one of America's most serious health problems, this compared to the mere 35.7 million we are presently paying Turkey not to grow the opium poppy.

How did the Turkish Government rationalize this tragic decision? Only by claiming that the 35.7 million provided by the United States was inadequate to compensate the farmers for loss of one of their most important crops. This statement takes on some credibility when measured against the widespread allegation, that much of this money was actually pocketed by the government, and the farmer, to whom this money was designed to help, saw virtually none of these funds.

The Turkish Government has assured American officials that every safeguard will be taken to prevent the diversion of the poppy into heroin production. Yet, as most Americans recall, these assurances have been received in the past, and they proved to be virtually worthless, as they are today.

Our course of action as concerned Americans should be clear. We must initiate all necessary steps to persuade the Turkish Government to reverse this decision and maintain the ban on opium production. I have already joined over 200 of my colleagues in sponsoring a resolution which calls for the termination of all aid to Turkey if the opium production is started once again. Shortly the Congress will be considering legislation to provide the annual distribution of foreign aid. One of the biggest recipients happens to be Turkey, which is seeking some $230 million in aid in fiscal year 1975. I am now adding my voice to those who will support a denial of Turkey's request unless—and until—the decision to resume poppy production is reversed.

How can we as a Nation, burdened as we are by inflation, justify doling out $230 million to a nation which has in effect declared war on the youth of our Nation, and has so effectively sabotaged our efforts to curb drug abuse? Providing aid to Turkey under these conditions is akin to supporting the killing of thousands of Americans who will likely die at the hands of heroin. I, for one, refuse to tolerate this reckless and hostile action by the Government of Turkey.

Any prohibition of U.S. economic aid to Turkey will have an immense effect, and would easily wipe out any economic gains which they would register with the resumption of poppy production. It is the best vehicle we have to persuade the Turks to change their minds.

It is time for the President to demonstrate the same resolve and leadership which resulted in the 1971 ban. It is time for the Congress to stand up and show Turkey and any other nation that we are committed to ridding our Nation of the evil scourge of drug abuse, and are not afraid to use any method to do so. Those who fail to act in the wake of this action will be guilty of an inexcusable dereliction of duty, for which they should and will be held accountable by the American people in November.

TESTIMONY ON TURKISH OPIUM BAN

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. WOLFF. Mr. Speaker, this morning I testified before the House Foreign Affairs Committee on my resolution, House Concurrent Resolution 507, which calls for a firm response by the United States to the announcement by the Turkish Government permitting the resumption of the cultivation of opium poppies. I would like to insert that testimony in the RECORD, so that the American people might have a complete summary of the situation as it exists today and why passage of this resolution is essential to the protection of thousands of young Americans:

TESTIMONY OF REPRESENTATIVE LESTER L. WOLFF

Mr. CHAIRMAN. The legislation we are considering today is significant in several respects. First, it is an entirely appropriate response to a policy by a foreign government that has acted in a way hostile to the interests of the United States and the world community. Second, it will require the President of the United States to act within his statutory powers enumerated in the Foreign Assistance Act to protect the United States from the return of a massive influx of heroin. Finally, it will set the important precedent that foreign assistance given by this country is not a "dole" to be handed out without any regard to the consequences of our actions. We must establish once and for all that the United States will not stand for other nations profiting from our generosity, and then turning around and inflicting immeasurable human misery on our people, the dollar cost of which alone runs into the billions annually.

Perhaps an appropriate starting point for consideration of Congressional action is the firm and sensible policy enunciated by President Nixon in September, 1972. Before a conference of senior American narcotics officials, the President said,

"Winning the battle against drug abuse is one of the most important, the most urgent national priorities confronting the United States today.

"In working on narcotics control around the world, I want you to convey this personal message from me to the foreign officials . . . Any government whose leaders participate in or protect the activities of those who contribute to our drug problem should know that the President of the United States is required by statute to suspend all American economic and military assistance to such a regime and I shall not hesitate to comply with that law where there are any violations.

"I consider keeping dangerous drugs out of the United States just as important as keeping armed enemy forces from landing in the United States."

These remarks were not made lightly, and they should not be taken lightly, either by foreign nations who encourage narcotics trafficking, or, indeed, by the United States Congress, which initially gave the President the authority to cut off assistance. Nor do I believe that the action by the Turkish government can be interpreted in any way other than as an action falling within the prohibitions of the statute, for reasons which will be enumerated in my discussion.

An examination of the situation within the Turkish economy will give some indication of the motivations of the Turkish government in lifting the ban, and will strengthen the argument of those of us who argue for a firm United States response. The 1972 "World Opium Survey" put out by the Cabinet Committee on International Narcotics Control, indicated that "poppy growing is an insignificant part of total Turkish agricultural production (which reached about $3 billion in 1970). It also constitutes a minor factor in Turkish export earnings as exports of opium gum, seeds, and pods have constituted less than 1% of total export earnings in recent years . . . In 1971, 89,283 farmers cultivated poppies. For the economy as a whole, income from opium growing amounted to an estimated $5 million to $6 million."

The 1971 agreement between the United States and Turkey in which Turkey banned the cultivation of opium poppies, was achieved by an American promise to pay Turkey $35.7 million, significantly higher than any reasonable offset of losses from legitimate income from poppy production for several years. Of course there is no question that the illicit underground market for Turkish opium to be refined into heroin for peddling by organized crime elements added income to the Turkish farmers' pocket, and the loss of this blood money was felt by them. But the critical question remains, of course, should the United States acknowledge the legitimacy of this extra income, by its docile acquiescence in the resumption of poppy cultivation? I think that question answers itself.

Why then, despite legislation, Sec. 109 of P.L. 92-226, the Foreign Assistance Act Amendments of 1971, clearly mandating a cutoff of assistance when a country permits illegal narcotics trafficking, should the Turkish government take the drastic action that it has? The Turkish government has stated in its communique of July 1 that it chose to permit recultivation because of the needs of the Turkish farmers and the needs of the legitimate opium market for medicinal uses.

I would even question that apparently forthright statement. We know that some farmers have been hurt—but why—and that our government has been more than lethargic in instituting effective development and crop substitution projects. We also know that there is a great deal of confusion as to how much of the compensation has actually reached the farmers, very little I am told. Nonetheless, the Turkish government never made any efforts to remove these stumbling blocks and clarify any ambiguities in the bilateral understandings. Nor did it even seek to renegotiate the agreement with the United States.

The only conclusion that can be drawn from these actions is that the government was not interested in actually helping the Turkish farmers, for it cannot be denied that the *potential* benefits available under the agreement might well have left the Turkish farmers in a vastly improved position. Rather, some demagogic Turkish politicians chose to use this issue as a symbol of Turkish nationalism, as a means of using a convenient target to forward their own aims, trying to show this new coalition government was better(?) than the one that negotiated the U.S. agreement.

I do not wish to belittle the propriety of developing nationalistic appeals, in underdeveloped areas, but at the same time I must point out that this particular issue was built upon deception and in fact undermined pressing humanitarian concerns of the Turks, the Americans and in fact the entire world community.

The success of the appeal cannot be doubted—all Turkish political parties adopted the cry, which was framed as a reaction to the former government. But once again I ask, is this sufficient reason for the United States to forego its obligation to protect its own young people, and continue to subsidize the illicit activity which wreaks devastation wherever its effects are felt?

The other reason put forth by the Turkish government is the legitimate medicinal needs of the pharmaceutical concerns. Here again, the Turkish government position is less than selfless. We have been bombarded with propaganda over the last several years from the pharmaceuticals companies informing us of a licit opium shortage throughout the world. Yet the facts belie this contention, at least insofar as we are talking about the availability of opium to the pharmaceutical companies.

Indeed, the interests of the large multinationals have been contrary to this agreement or in fact any agreement that would reduce the legitimate market—note that I say market, not *supply*—for many years. In May of 1973, Walter Minnick, who at that time was the Chief of the Division of Federal Drug Management for the Office of Management and Budget, testified before the Government Operations Committee that "the drug companies were opposed to our getting the Turks out of the business, because that eliminated their source of supply."

In the same testimony, Minnick further said, however, that according to the World Opium Survey, only five percent of the licit world supply came from Turkey, with about half coming from India.

Nonetheless, a bad growing season and extraordinary purchases by the Soviet Union were said to have caused a shortage for the current fiscal year, and based on that assumption, we acted in Congress. According to a letter I received recently from Linwood Holton in the State Department, "The President and the Congress have acted to avert a temporary shortage of medicinal opiates in the United States by providing for the release of up to 45% of the strategic opium stockpile.

Periodic releases will be made to the extent needed to enable U.S. manufacturers to maintain minimum, yet safe inventory levels. We assume we shall continue to receive our proportionate share of opium imports from India. The U.S. stockpile release should not, therefore, affect the marketing of world production of opium for medical and scientific requirements."

In addition, to the availability of the American stockpile, it is expected that improved climatic conditions, and the absence of abnormal purchases by the Soviet Union which were witnessed last year, coupled with improved procedures which will lead to a higher yield of morphine base, from existing acreage will combine to significantly raise the amount of licit medicinal product available from India in the coming year.

In light of these considerations, it becomes increasingly clear that Turkish politicians have been using the rallying mechanism of the opium ban and its anti-American slogans to make the more fundamental and serious problems faced by that government, such as the tremendous increase in the numbers of Turkish laborers returning after working in other European nations.

In viewing the Turkish announcement, we must consider the situation that will evolve concerning the enforcement efforts that will be made to prohibit the massive new quantities of opium from being diverted into illicit channels.

That a massive new enforcement mechanism would be essential is beyond doubt; we are all familiar with may of the facts and figures concerning the heroin epidemic which swept our nation in the late 1960's, due largely to the illegal entry of Turkish derived heroin. To briefly highlight some of the critical problems that will surely arise, however, I would like to offer a few quotations:

"As commissioner of (New York City's) Addiction Services Agency, which cares for over 40,000 addicts in 400 treatment facilities of every modality at a cost of about $90 million annually, I can state with some degree of authority that the lifting of the opium ban by Turkey will have serious consequences for all New Yorkers.

"If the United States Government, bowing to pressure from Turkish poppy growers, agrees to a lifting of the ban, it will be a backward step that is almost guaranteed to lead to an upsurge in heroin addiction nationally, with a consequent rise in addict-related crime . . . I therefore urge all Americans to support resolutions that give the President authority to withhold military and economic aid to Turkey unless that nation agrees to cooperation with us in the war against heroin."—Jerome Hornblass, Commissioner, New York City Addiction Service Agency.

"Lifting the ban on growing the opium poppy by the Turkish government would definitely have a severe impact on the already overburdened law enforcement efforts of the New York City Police Department. Any addition to the necessary and legitimate supply of opium for medical use on the world market will correspondingly increase the supply in the illicit market. Police Commissioner Michael Codd has stated that any overproduction in excess of world market needs can only exacerbate the conditions and situations with the result that the excess would find its way to the underworld.

"Since the Turkish ban went into effect, a definite downtrend was noticed in the heroin availability in New York.

The crimes of robbery and burglary are often associated with the heroin addiction problem of a city. These crimes become the source of money for the purchase of narcotics to maintain the addict. The crime analysis section of the New York City Police Department reported an 18% decrease in burglaries and a 12% decrease in robberies in the year 1972 against the same period in 1971. The 1973 figure for the same crimes were practically the same as the year 1972. This is but one indication of what can be accomplished when drugs are in short supply. The increased supply of heroin as a result of the Turkish government's lifting the ban on poppy growing will reverse the downward trends still prevelant in 1974 in these two key drug related crimes.

"It is my belief and the belief of my staff of investigators that should the Turkish government resume production of opium, the results will be measured in New York City in the number of human casualties; first, in the form of an increased number of heroin addicts and second, in the form of the victims of violent street crime. There is no worthwhile benefit to be gained from the removal of the ban in Turkey."—Daniel Courtenay, Community Officer, Narcotic Division, N.Y. City Police Department.

Every empirical study indicates that the Turkish poppy growing ban has dramatically diminished heroin supply on the East Coast of the United States. Dr. Robert DuPont, Director of the Special Action Office for Drug Abuse Prevention, cites statistics concerning the decrease of drug availability since the ban went into effect.

"From the peak of over ½ million heroin addicts, 1973 saw for the first time rates of overdose deaths, drug related hepatitis, and drug related property crimes (all indicators of heroin dependency) decline throughout the United States. The quality and quantity of heroin have decreased, while the price has increased. One milligram of heroin in New York City cost 44 cents in 1972; by mid 1973 it had risen to $1.52. Street level purity of heroin sold to addicts decreased 52% during the same period, from 7.7% to 3.7%. A heroin shortage has existed for almost 24 months."

It is common knowledge that Turkey was unable or unwilling to control the diversion of opium in the past, and actions taken to date offer no hope of any change in that situation when the farmers again enter cultivation. The profits from illegal sales are simply too great, the incentives too high, to assure a sufficient control situation. As John Cusack, Chief of the International Operations Division of the Drug Enforcement Administration testified to an ad hoc hearing I sponsored in New York last week.

"While we are inclined to accept the good intentions of the Turkish government in its promise to adopt a fool proof system of control, should it reestablish opium production, we must be guided by past experience where the most conservative observers estimate that at least half of the opium produced in Turkey entered the illicit traffic. The conditions responsible for this situation have not changed. To a great extent, they are beyond Turkish control and involve narcotic traffickers in the United States, Western Europe, as well as those in Turkey. There are numerous unscrupulous individuals who, through their interaction, have been in the past and would be again responsible for penetrating the Turkish system of opium control and diverting vast quantities to the illicit traffic for heroin manufacture and to again infect Western Europe and North America."

"It is simply impossible to control the production of opium by 100,000 farmers on half-acre plots in Turkey. This production is simply too vulnerable to criminal elements in Turkey and abroad, and there is no system that can prevent substantial diversion. The cost of attempting to develop and implement such a system would be economically prohibitive."

Following his statement, I further questioned Mr. Cusack on control possibilities. I would like now to play a tape of that portion of the questioning.

This attitude was reflected at the Third Special Session of the U.N. Commission on Narcotic Drugs at Geneva last February, and has been echoed virtually every time a narcotics enforcement official discusses the Turkish opium ban. I would further cite a General Accounting Office Report, which discussed the possibility of customs agents and border patrols reducing the smuggling of heroin.

The GAO said "Although these efforts may deter amateurs and small scale smugglers, they have not had and probably cannot have any real impact on the organized groups engaged in large-scale heroin smuggling." And it must be noted that the Turkish government, despite its promise for tough controls, has already taken the first step to flood the illicit market by permitting cultivation in seven provinces, which is an increase from the four provinces that were permitted to grow opium immediately prior to the ban.

So once again the choice for the Members of Congress becomes stark and clear. If we do not act to cut off assistance, it cannot be on the premise that this time opium production will be controlled—no one seriously believes that. Heroin will flow into this country once again virtually unchecked, for once it is in the traffic channels, large scale control is impossible. The French Connection now broken stands ready to resume traffic. The problem is either eliminated at the source, or it is permitted to return to crisis levels.

Another aspect of the proposition we consider today must be dealt with—we must review the likely consequences of United States action to cut off assistance to Turkey in light of our own military defense requirements. There has been a fear expressed that if we cut off assistance—if we deny the President's request for over $200 million in military and economic assistance for FY 1975—Turkey will retaliate against our NATO commitment.

We have, since World War II, given the Turks almost $6 billion. To first dispose of this apparent threat, I cite the statement by Turkish Foreign Minister Turan Gunes in the New York Times last Thursday, July 11. Gunes said that even if Washington cut off aid to Turkey, as some Congressmen had threatened, Ankara would not "change the status" of about two dozen vital military bases maintained there under the joint command of the two North Atlantic Treaty Organization allies. I think this position is understandable, in light of the real defense requirement of Turkey. The likelihood of such a response from Turkey—particularly if all other assistance is cut off—is, from a strategic standpoint, very small.

Even if we take the military possibilities on a "worst case basis", General Goodpaster assured this committee only three weeks ago that we would still maintain the capability of knocking out the Dardanelles and bases available in the Mediterranean, should that unlikely necessity occur, denying to the Soviets their use and bottling up the entire Soviet Mediterranean fleet.

Let us turn, however, to the scenario which would unfold when the heroin market is back in action. It is appropriate to recall America's experience in Indochina, when, according to Marine General Lew Walt testifying in Senate testimony, "our forces were caught up in a massive heroin epidemic when, overnight, high grade heroin became available elsewhere at $1 a vial."

Only recently, Admiral Noel Gayler told this committee that during the Vietnam conflict, difficulties faced by our Pacific forces from drug abuse resulted in the impairment of the effectiveness of our fighting forces.

As late as February, 1974, UPI carried a story quoting General Michael S. Davison, the American Army Commander in Germany, as saying that drug abuse was the "single greatest threat to the discipline and professionalism of the Army in Europe." Since our NATO troops will soon be availed of large quantities of low priced heroin, the meaningfulness and security of NATO forces may hinge on the Turkish action, and this situation ultimately puts in jeopardy the security of the United States itself for what we face is a repeat of the Indochina drug epidemic that has produced 350,000 Indo China addicted veterans.

Mr. Chairman, the legislation we are considering today will put our nation firmly on record, not only in words, but in definitive action, against the tolerance by foreign nations of the trafficking in death which the opium trade represents.

This approach will send more than a message—it will send an unmistakable warning—that United States generosity will no longer be extended to nations which spit in the face of mankind. If the Turks say that the drug problem is ours, not theirs, let us say to them that economic development and military supply is *their* problem, not ours.

What is actually involved here is that the Turks do not believe we will take meaningful action—that we are in reality a paper tiger. Let them know that we place a non-negotiable price on the lives of the kids of this nation.

We cannot afford $27 billion in drug related crime in this country. Our constituents want to walk our streets in safety without fear of some junkie beating them over the head for money to buy the next fix.

This approach, which was taken before by the House and Senate in relation to Thailand at the height of the Indochina conflict, was dramatically successful in winning the cooperation of the Thai government without any serious long-term rupture in Thai-American relationships. It will be successful in this case.

When efforts to halt heroin traffic are characterized as a "war," that characterization is carefully chosen. Indeed, the Washington Post, in a recent editorial, pinpointed the accuracy of the analogy. The editorial reads:

"Indeed, if the Turkish Government had announced that it intended to land secret agents at night on American shores to poison and kill thousands of Americans and to subvert the foundations of American society—which, of course, is exactly what heroin does—then that would be regarded as an act of war and handled accordingly."

The condemnation which the outrageous act by the Turkish government merits in the civilized world cannot be mistaken. Perhaps the most eloquent statement of the interests of mankind in stopping drug traffic was made by President Nixon, who said in 1972:

"The men and women who operate the global heroin trade are a menace not to Americans alone, but to all mankind. These people are literally the slave traders of our time. They are traffickers in living death. They must be hunted to the end of the earth. They must be left no base in any nation for their operation. They must be permitted not a single hiding place or refuge from justice anywhere in the world and that is why we have established an aggressive international narcotics control program in cooperation with the governments in more than 50 countries around the world."

Mr. Chairman, this legislation should be reported out promptly, so that the Government of Turkey, and our own foreign policy officials, understand that the American people cannot and will not tolerate a reestablishment of the heroin trail. The Senate acted last week on a similar measure, by an 81–8 margin. If it is to be argued that this move will strain relations with Turkey, it is even more important that our closest relations are our children.

FOURTH OF JULY ADDRESS BY COL. JOHN D. BLAGG, JR.

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mrs. MINK. Mr. Speaker, I had the pleasure of participating in the Fourth of July program in the North Oahu community of Waialua-Haleiwa. Special tributes were paid during the program to the armed services, and a spokesman representing each was called upon to say a few words.

One of the speeches presented that

morning I thought was exceptional; and so, I would like to share that address by Col. John D. Blagg, Jr., Hq 15 ABW, Staff Judge Advocate:

Ladies and gentlemen, in this year of our Lord 1974, in this place, we are gathered to celebrate the founding of our country, The United States of America. We are not alone. Throughout the width and breadth of the Nation other bands are listening to other speakers. Other hands raised too, in salute to the flag of our country. We are a nation, joyful this day for the courage our forebearers had to oppose a tyrant king who had failed so miserably to meet his citizens' needs. And proud, of their wisdom in crafting so magnificent a system of laws under which we are governed. "We have given you a Republic," Benjamin Franklin said, "If you can keep it." In that simple statement, he expressed the essence of the spirit of the American system of Government. We are free citizens whose political institutions are responsive to the people, yet, we must be a responsible people who direct our freedom to useful purpose.

Have we met his challenge? Have we kept our Republic, given to us by those wise patriots so long ago? We are now a vast nation who has explored the depths of the oceans and the reaches of outer space. We have fought wars and survived famine. We have given to the world great men and women of letters, art, medicine and science. The peace of the world today, such as it is, is an American Peace. Our granaries and warehouses have fed the world's starving people, and we have exported the concept of freedom wherever we have gone.

And yet, in all of business, fertility and wealth, have we somehow failed to grasp that essential quality of the Republic? We see around us everywhere, evidence of our greatness. Have we failed to see, however, the price of greatness. Look closer. Is the water in that stream still fit to drink? Do fish still populate our shorelines and animals the fields? Has the waste of industry and war depleated our natural resources and made us dependent upon others for our needs? Have we come to accept planned obsolescence as being "good for us?" Have we abandoned our children to a subculture of nothingness, presided over by the great God "Hash"? Have we come to count our personal repute in terms of material gain? Do we fear for our safety on the streets of our cities and would we respond to our neighbor's call for help in the middle of the dark night? Do we applaud a shrewd deal and laugh at the sucker? What is our divorce rate? Has the family become passe? Do our politicians serve us, or do they march to a different drummer? Has that great instrument, the Constitution, somehow been turned against us to justify outrages? And what of our dollar, that altar upon which so much has been sacrificed? Is it sound? Does it have the respect of the nations it has succored during their times of need? Yes, my friends, there is much awry in this great Republic today. We recoil with horror with each day's accounting of the Watergate debacle, we see our cities turned into breeding grounds for crime, and watch stately buildings decay and we have accepted the plastic, unreal world of television and the Madison Avenue hucksters. Is this our just desert? Are we presiding over the fall of another great Empire? I most fervently hope not!

But a point has been reached. The alarm bells are ringing. The excesses of our supreme indifference to our responsibilities as citizens of this Republic have encouraged the weak and corrupt within our society to grab an even bigger share of material gain, and they're strangling this great nation of ours, and we should feel shame.

The time has come to join in a national renewal of spirit! We must now resolve to do those things we have neglected or ignored for so long. We must learn to despise deceit, wherever we find it. We must demand honesty and integrity in business, in Government at all levels and in our own personal lives. We must compel the enactment of proper laws to combat crime, be it white collar or blue collar. We must clean our environment and demand of industry that it place the consumer's interest ahead of gross profits. We must, foremost among all things, begin to think for ourselves. We must form the public opinion and the public conscience of the Nation, not some nameless, faceless pressure group. We must cease being anyone's "silent majority." "We, the People," our Constitution begins. We, the people must get on with the business of being good Americans, here, in this place, in the year of the Lord, 1974.

ISRAEL'S POSITION AND LONG-TERM GOALS

HON. EDWARD MEZVINSKY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr MEZVINSKY. Mr. Speaker, the long summer before the opening of the Geneva peace talks is a good time to reevaluate Israel's position and long-term goals. The basic dilemma facing Israel is a matter of trust—whether or not to trust her Arab neighbors and whether or not to trust the international community.

The Israelis are understandably uneasy. In 1957, world pressure forced Israel to withdraw from Sinai with the assurance that the Egyptian army would not reenter Gaza and the Strait of Tiran would remain open. Yet when the Egyptians moved back into the Gaza and closed the strait, the international community was mute. World indifference to the continuing acts of guerrilla terrorism, too, has deepened Israel's wariness.

Nevertheless, though it is true that Israel has every reason to mistrust both her neighbors and the world community, the fact remains that her future depends on a negotiated peace with the Arabs accompanied by international guarantees. The alternative is the disturbing notion that armed force and only armed force of a crippling magnitude can keep Israel alive, now and forever.

Changing world circumstances make it clear that Israel cannot hope to rely forever on military superiority. The Arabs' improving military prowess has been buttressed by the Soviets' apparent willingness to supply unlimited arms, and there is an increasing danger that the Arabs may seek to counter Israel's military strength by developing nuclear capacity. Clearly, in today's world Israeli military superiority alone can neither guarantee peace nor Israel's survival.

This is not to say that the United States should stop providing Israel with the military supplies necessary to maintain her strength. I believe that the recent $2.2 billion emergency security assistance for Israel—which I supported—demonstrates Congress continuing commitment to insuring Israel's integrity and freedom.

Although Israel and her neighbors may never achieve more than a tenuous détente similar to that between the U.S. and the U.S.S.R. today, there is a world of difference between a commitment to obliterate the adversary and a mutual mistrust in the context of resigned coexistence. I am hopeful that continued U.S. support will give Israel the reassurance she needs to attempt once again to negotiate a lasting peace with her Arab neighbors.

LEVITCH FAMILY WILL LEAVE FOR ISRAEL

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BIAGGI. Mr. Speaker, the message that the Soviet Union plans to release the Levitch family ranks as one of the most joyous and poignant pieces of news I heard this year.

On a cold, snowy night in January 1973, in Moscow, I clandestinely met Dr. Benjamin Levitch, his charming wife, Tanya, and his two sons, Yevgeny and Alexander. During this moving encounter, the Levitch family poured out their heart regarding the harassment and suffering they were undergoing from the Soviet authorities as a result of their wish to emigrate to Israel. They particularly emphasized the value of protests in the free world as a means of persuading the Communists to permit Jewish emigration.

In view of the eminence of Dr. Levitch as an electrical chemist and as a member of the Soviet Academy of Science, the Communists were reluctant to allow him to leave. In the meantime, the Soviets drafted into military service one of Dr. Levitch's sons despite the fact that he was suffering from a tumor and forced him to serve in the cold region of the Chinese-Soviet border.

According to the Student Struggle for Soviet Jewry, the Soviet Union will permit Dr. Levitch's two sons to emigrate to Israel in 1974, and the parents will be allowed to depart in 1975.

The main lesson that I learn from the Levitch matter is that the Soviet Union responds when respected, prominent voices in the West speak out clearly on behalf of human rights. The importance of human rights in the U.S.S.R. whether they be for Jews or other dissidents is not an internal affair, as the U.S.S.R. has argued. At least 10 U.S. Presidents over the past century have intervened on behalf of Soviet Jews, as they have on behalf of other oppressed minorities.

In this connection, I support the position of the National Conference on Soviet Jewry in rejecting Secretary of State Kissinger's offer of 45,000 visas for Soviet Jews annually in return for providing the Soviet Union with most-favored-nation trade status. While 45,000 visas—should they materialize—would be welcome, the goal must be that any Jew seeking to emigrate to Israel sould be permitted to do so.

The idea of quotas is anathema to Americans. Every individual must be allowed to live in the homeland of his choice. There can be no compromise on human rights.

GREEK GIFT TO CYPRUS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. ROSENTHAL. Mr. Speaker, the New York Times today, in an excellent editorial, outlined the problem the United States now faces in Athens due to the attempted coup on nearby Cyprus. This coup, clearly the responsibility of the discredited dictatorship in Athens, threatens to provoke the most serious Mediterranean crisis in a decade.

The editorial follows:

[From the New York Times, July 16, 1974]

GREEK GIFT TO CYPRUS

In a letter to the President of Greece dated July 6, Archbishop Makarios accused the military rulers in Athens of planning to murder him and furnished what he called "irrefutable" evidence that Greek officers commanding the Cyprus National Guard were plotting with "EOKA-B" underground forces to overthrow his Government. He demanded that Greece recall the 650 officers.

Athens either stalled or refused the Archbishop's request. The result was the tragic event of yesterday, which threatens to ignite not only civil war in Cyprus but conflagration between Greece and Turkey that could destroy NATO's southern flank and carry the seeds of a wider, multinational conflict.

The situation on Cyprus and the fate of President Makarios remain unclear, but there can be no doubt that the responsibility for this barbaric putsch rests with the squalid military dictatorship in Greece. General Ioannides and his faceless henchmen consciously and deliberately condoned aggression against another country in direct violation of the pledge that they reaffirmed only last month in NATO's Atlantic Declaration.

It is almost beyond belief that the Greek officers would attempt to install as President of Cyprus one Nikos Sampson, confessed murderer, professional bully boy and fanatical supporter of Enosis (union with Greece). This action leaves no doubt that the goal of the coup against President Makarios is in fact the union with mainland Greece which the Archbishop long ago abandoned as unrealistic in the face of Turkish opposition.

Enosis is indeed an unrealistic objective and the first move in that direction by the usurpers in Nicosia is certain to bring a military reaction from Turkey that will shatter the fragile peace between Greek and Turkish Cypriots, maintained for the last ten years by a United Nations force.

Clearly the first goal of American, allied and United Nations diplomacy must be to prevent war between Greece and Turkey. Unless that can be headed off, the whole volatile eastern Mediterranean could blow up. The United Nations is unquestionably the place for the legitimate Government of Cyprus to bring its case against Greece and Greece's agents on the island.

Once the immediate crisis is passed there may be time for serious rethinking on the part of the State Department and especially the Pentagon about the wisdom of propping up with economic assistance and modern military hardware a regime in Athens that has buried freedom, tortured its citizens and now has committed aggression against another country.

What happened on Cyprus yesterday dramatizes the bankruptcy of a cynical United States policy toward Greece. After that tragedy it should be more difficult for American policymakers to argue that the tyranny in Greece is strictly a problem for the Greeks to resolve.

THE NEED FOR NEW LEADERS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. HARRINGTON. Mr. Speaker, in one of his typically perceptive articles, David Broder in the July 3, 1974, Washington Post discussed a coming change in the generation of leadership in the United States. He points out that in an era of dramatic change—in other matters as well as politics—this Nation has not experienced any turnover in its leaders.

At a time when the public is growing more cynical about politics, it is hopeful to think, as Mr. Broder does, that after 20 years it is only natural for new leaders to emerge who will be able once again to restore public confidence and trust in the processes of government. I commend to my colleagues' attention the article by Mr. Broder, which follows my remarks:

NEEDED: A NEW GENERATION OF LEADERS

Another Independence Day is upon us, and, once again, it's a lucky thing the politicians don't have to deliver their bicentennial speeches just yet.

The efforts of the Democratic orators to sound an upbeat note on their 21-hour weekend telethon-marathon were, frankly, strained. The speeches of the Republican leaders at last week's campaign school here were even more synthetic in their optimism.

From the depths of the Watergate wallow, with double digit inflation blocking the horizon, it's hard to see a clear path from here to the big 200th birthday party in 1976.

The pollsters report that their measures of public pessimism are worse than ever before. Cynicism about the national leadership is unrelieved by Mr. Nixon's summitry or the Democratic Congress's wrestling with budgetary and tax reform.

The public is weary of Watergate, provoked with the press for pursuing the story, and tuning out the television newscasts that bring it into their homes. The pattern of the spring primaries has shown a plague of nonvoting. We are approaching the bicentennial in a totally turned-off temperament.

Yet, the one thing that is most reasonable to expect from 1976 is also the one thing that might well do most to improve the mood in which we begin our third century as a nation.

That would be, quite simply, a change in the generation running American government.

Thomas Jefferson (the man it is both necessary and proper to quote in a July 4 essay) wrote: "We may consider each generation a distinct nation, with a right, by the will of its majority, to bind themselves, but none to bind the succeeding generation, more than the inhabitants of another country."

The argument has been made here before that the normal cycles of generational change in American politics were thrown off—in a fundamental way—by the murder of John Kennedy. Kennedy himself was the first President of a new generation—27 years younger than the man he succeeded and the first President born in this century.

Had he lived to run for re-election in 1964 and succeeded in defeating Barry Goldwater (as was likely), he would have retired at the end of a second term in 1963, at the age of 51. In those circumstances, it seems unlikely that either party—let alone both—would have reached back to candidates who were older chronologically, and older in their political instincts, than the retiring President of the United States.

But that is what the Republicans and Democrats did in 1968, when they nominated Richard Nixon and Hubert Humphrey as their candidates.

The consequences of that alteration of the generational timetable were borne home again this past weekend, when the television screens were dominated by Mr. Nixon as the happy tourist in Yalta and Mr. Humphrey as the genial host of the Democratic telethon.

At it happens, both of them do their thing very well. No American politican has more practice at looking alert in foreign settings than Richard Nixon or at being bouncily optimistic while hustling campaign dollars than Hubert Humphrey.

But, Lord, there must, sometime, be a halt. Twenty years ago, bouncy and ebullient Hubert Humphrey was gearing up to try to grab the Democratic vice presidential nomination against globetrotting Republican incumbent, Richard Nixon.

The world has changed, the country has changed, the politics of this planet and this nation have changed—but the national leadership looks the same as it did 20 years—a full generation—ago.

That has to change in 1976. It just has to. And when it does, so may our view of of our situation.

Two more years. And counting.

EARL WARREN

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. MAZZOLI. Mr. Speaker, last week witnessed the death of one of the great defenders of our liberties in American history, Earl Warren.

Earl Warren's career of public service spanned 45 years, and included tenures as a district prosecutor in California, Governor of California, and Chief Justice of the Supreme Court of the United States.

While Chief Justice, Earl Warren furthered constitutional principles which prohibit school segregation, racial discrimination, and malapportionment of legislative representation, and which require searches and seizures to be reasonable, counsel to be provided to accused, and free speech to be inviolate from all but the most important countervailing considerations.

He exhibited the honesty and independence that the American people expect from the Chief of the Highest Court in the land.

Finally, he was wise in his understanding that the United States both retains the potential of greatness and faces the danger of straying from the path of freedom.

He said after his retirement as Chief Justice:

> This is a young nation, we haven't yet reached our potential in any sense of the word. I believe that our forms of government are still on trial, that we are still going through the growing process, that we are learning from day to day.

The legal heritage that Earl Warren left us is nothing less than monumental. We mourn his passing, but rejoice in our inheritance.

"1974: THE YEAR OF THE QUIET REVOLUTION," AN ADDRESS BY ARTHUR J. DECIO

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BRADEMAS. Mr. Speaker, one of the most public spirited citizens in the District I have the honor to represent in Congress is Arthur J. Decio of Elkhart, Ind.

Mr. Decio, chairman of the board of Skyline Corp. Industries, is active in a wide variety of religious, educational, philanthropic, and civic endeavors.

Recently, in an address delivered before the West Virginia Mobile Homes Association in Charleston, W. Va., Mr. Decio spoke eloquently of what he called "the year of the quiet revolution".

Mr. Speaker, I am pleased to insert at this point in the Record the text of Mr. Decio's address on this occasion:

Speech by Arthur J. Decio

Because I'm a people guy I want to talk to you about people. American people. Mobile home people. What I'm really saying is I want to talk about you and me, I want to tell you that I see a new era of responsibility for us in our country and in our industry. Since industry well-being is dependent on the condition of the country, let me first discuss what I believe to be our responsibility as Americans.

I believe that history will record 1974 as the Year of the Quiet Revolution. Right now in America the Quiet Revolution is underway. Because it is quiet, it may have escaped your attention. And that is unfortunate because it needs the support of every American.

On the American scene today there exists the most unnusual combination of conditions in the nearly 200 years of our Nation's existence. Runaway inflation, the highest interest rates since the Civil War, consumer confidence at the lowest level in 25 years, politics at every level the object of scorn, the President himself the subject of impeachment proceedings while law and order in Government and on the street is at a dangerously low ebb.

Government institutions may be in less than good health but let me tell you that there is nothing wrong with the American people. All over America people are aroused and the quiet revolution is underway. With the fairness that has always marked their action, American people are starting to get their house in order. And as a result inflation will be checked, interest rates will fall, the President will be exonerated or impeached, the press will be applauded or chastised, law and order will be restored in Government and on the street, consumer confidence will be renewed, politics will once again be an honorable profession. *Because the People will it!* After all, people *are* America. The President and Congress not withstanding, what the people want will come to pass. Building a strong America has never been a spectator sport. It requires active responsible citizens.

Now I urge you to join the quiet revolution. Be informed. Be involved. Be *responsible*. That's the key word: *responsible*. Democracy has always charged its citizens with responsibility. And when its people accept the challenge of responsibility no system of government in the long history of the world has ever produced more blessings for its people. If you think there is anything patriotic about being a member in good standing of the silent majority, stop fooling yourself. It's an irresponsible cop out. Now is the time to speak out for America. No need to shout. A quiet revolution will get the job done. But we must stop letting detractors and prophets of doom win by default.

As a responsible American desirous of preserving the climate of freedom for your family and your business, you might consider performing these services in the quiet revolution:

(1) Keep informed, read or listen to the news, and from more than one source to reduce bias.

(2) Tolerantly discuss current events with family and friends.

(3) Make up your own mind on the issues.

(4) Act on your convictions through the ballot box, the only weapon of the quiet revolution.

(5) Have due respect for public office, but never hesitate to ask public officers for an accounting of their stewardship.

I see a parallel situation in industry. Perhaps the quiet revolution in our industry is not so quiet. It is called consumerism and it is the revolt of an aroused American public against products that don't work, high prices for junk, advertising that is misleading and no service after sale. Too often industry people tend to get sensitive about consumerism and act as though it was invented just to harass them. To see it in perspective it must be remembered that we are all of us consumers. As consumers, industry people complain about can openers that don't open cans. And well they should. So should people complain about mobile homes that aren't right. Regardless of how good or bad we were as an industry in the past we must now recognize and accept a new burden of responsibility for customer satisfaction with our product.

Now I happen to believe that the mobile home industry has done more on its own to evidence product responsibility than any other industry I know. Of course we haven't reached perfection. But we have voluntarily evidenced a determination to achieve it. And that's more than half the battle. Whatever your role in the mobile home industry I cannot urge you too strongly to join the not so quiet revolution now going on in the total area of goods and services. Only by your so doing can our industry capitalize on its near exclusive hold on the market for middle and low income housing. It is time for mobile home manufacturers, suppliers, dealers, and park operators to be responsible in their respective area or get out of the business. Get out of the business or be run out by an aroused American public who will no longer tolerate irresponsibility in consumer goods.

For mobile home people determined to perform a responsible function in the quiet revolution now going on in our industry I submit the following for consideration:

(1) Hold your head up high. Remember your industry served America with distinction in war and peace and natural disaster for the past 35 years.

(2) Hold your head up high. Remember your industry provided more and better housing for low income families under the free enterprise system than the Government did with all its taxpayer funded subsidy programs.

(3) Hold your head up high. Remember that if the American dream of home ownership is to be realized by 70% of the Nation's families, your industry has the only affordable answer.

(4) Don't be timid about telling your alderman, building commissioner, zoning board member, State representative and United States Congressman and Senator about this proud record.

(5) Stop being paranoid about mobile home problems. They are not a mobile home exclusive. Remember that no other shelter product is subjected to as many inspections. Just be sure you act as a responsible person whatever your role in the mobile home process.

(6) Establish a service program that has customer satisfaction as its goal and is designed to achieve it.

(7) Do something extra to improve the mobile home image. Clean up your factory or sales lot, sell consumer benefits rather than price, take zoning board members through your mobile homes and parks.

(8) Be active in your State association. Make its legislative and public relations programs work.

(9) Make no compromise with profit. Without the profit incentive you are doomed to failure for profit is the fuel that keeps you working.

In 1963, the late President John F. Kennedy paid a sentimental visit to Ireland and he told an audience in Dublin something that can be applied to all of you here tonight. "Your future," he said, "is as promising as your past is proud."

Our challenge is to convert opportunity into accomplishment, to work together to make tomorrow even brighter than today.

SUBMARINE "SILVERSIDES"

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. HANRAHAN. Mr. Speaker, the historical significance of the submarine *Silversides* has made the ship eligible for Federal funds for renovation. William Clark, Riverdale, Ill., who was a quartermaster for 18 months on this submarine, was at the ceremonies to make the *Silversides* part of the National Historic Register. In the following article from the Chicago Tribune, Mr. Clark relates some of his experiences on the submarine:

Sub Saved From Scrap Heap—Memories Revived as "Silversides" is Honored

William Clark stood on the deck of the submarine Silversides, moored off Randolph Street, and gazed across Lake Michigan, recalling a day in 1942 when a Japanese destroyer rocked the sub with a 14-hour barrage of depth charges.

"They worked us over pretty good," said Clark, who was a quartermaster on the sub for 18 months during World War II. "It was a cat and mouse game and we escaped."

Clark, of Riverdale, was aboard the sub yesterday for ceremonies that made Silversides part of the National Historic Register, saving it from being scraped.

William Farrar of the Illinois Historical Site Survey stood near Clark. In his hand was the certificate, dated Oct. 18, 1972, which declared the historical significance of the ship and made it eligible for federal funds that will be used to renovate the vessel.

"This sub had one of the best records of World War II. The Fourth of July is a good time to remember it because it contributed immeasurably to the success of the Pacific campaign," he said.

"There's always a click just before the depth charge goes off," said Clark, a photoengraver, recalling his wartime experience aboard the sub.

"They dropped about 100 of them on us that day. Some of them came so close they tore the cork off the walls and shattered lights. We just sat there, quiet and scared, and waited for the clicks. When the charges went off, they sounded like a muffled roar."

Wayne Schmidt received the certificate from Farrar during brief ceremonies. Schmid and a crew of men who led a campaign to save Silversides have spent more than a year renovating the sub. The work is 30 per cent finished.

Schmidt recited Silversides' history from memory: She went on 14 war patrols, sunk 23 ships, damaged 15 others. She was third highest in the number of ships sunk, and fifth highest according to tonnage.

Clark recalled the famous appendix surgery done by a pharmacist's mate who had never operated before. Officers read directions from a medical book to him during the surgery, which took place deep under the ocean and dangerously close to Tokyo.

"They told the fella they'd either have to operate or he'd die; so he let them operate; Clark recalled. "It took them so long to find what they needed in the books that the anesthetic started wearing off. But he pulled thru with a scar no bigger than your finger, and was on duty in 10 or 12 days."

INFLATION AND SHORTAGES

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. FINDLEY. Mr. Speaker, inflation and shortages of necessary commodities have affected every segment of the population during the past year, but none quite as much as the American farmer.

Although he alone is responsible for producing virtually all the food for a hungry nation, the farmer has suffered time and again from price freezes, export embargoes, double digit inflation, and OSHA, EPA, and FDA restrictions. Despite these repeated assaults, the resilient American farmer has survived—emerging from the fray stronger and wiser than before.

To profit by this new strength and wisdom, I have sent a farm newsletter and questionnaire to every farmer in my district.

Farmers in western Illinois, like others across the country, have faced many difficulties in the past year, and hopefully this survey will provide a guide to public policy improvements.

The questions in my questionnaire are:

1. Were you able to get adequate fertilizer supplies this year?

2. Do you have as many sources of fertilizer supply in prospect for next year as you did two years ago?

3. In general, do you consider the revised EPA regulations applying to agriculture acceptable?

4. Have you hedged in the futures market in the last five years?

5. In recent years, export and import embargoes have usually been imposed by the U.S. only in rare circumstances and for short periods of time. Should this policy be continued?

6. Should the products of all nations (including the Soviet Union) be subject to the same tariffs when they enter the United States?

7. Should the U.S. government purchase and maintain reserve stocks of soybeans, corn and wheat?

8. Should the use of DES be permitted if a fixed withdrawal period precedes marketing?

I TOLD YOU SO

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. WOLFF. Mr. Speaker, I would like to bring to the attention of my colleagues a recent Washington Post article citing USDA's sharply lowered estimate for this year's wheat harvest—a fact which will unquestionably mean increased prices for bread, flour, and all of those products which are dependent upon feed grains, like dairy products and meat.

I regret to say "I told you so," but several months ago, I predicted that USDA had seriously underestimated the impact of unprecedented exports on our wheat supply and had grossly overestimated the possibility of bumper harvests this year to help ameliorate inflationary food costs largely created by the boom in export demand.

The House Banking and Currency Committee has before it the Export Priorities Act (H.R. 10844), legislation which I introduced to stop the Department of Agriculture from speculating about our wheat supply and get down to serious business to insure Americans an adequate food supply at reasonable prices. I urge my colleagues on the committee to take a look at Jack Egan's article and consider the potential ramifications of the fact that the Department of Agriculture can overestimate our supply of a basic food commodity by as much as 150 million bushels.

The Post article follows:

UNITED STATES LOWERS WHEAT ESTIMATE; HIGHER PRICES SEEN ENSUING

(By Jack Egan)

The Agricultural Department yesterday sharply lowered its estimate of this year's wheat harvest—by 150 million bushels or 7 per cent—because of recent bad weather in growing areas. It also cut the number of corn and soybean acres it expects U.S. farmers to harvest this fall.

The news contained in the eagerly awaited July crop production report is almost certain to increase prices for these fundamental food and feed grains in the short run. It also dims administration hopes for bumper harvests large enough to moderate the current rate of inflation.

The latest USDA wheat projection totals 1.925 billion bushels (including both winter and spring wheat harvests), up 12 per cent from last year's record but down significantly from the 2.074 billion bushels the Agriculture Department predicted only a few weeks ago. This in turn was down from the nearly 2.2 billion-bushel wheat harvest the USDA expected in May, when the winter wheat harvest started.

The department's crop reporting board said the revised figure was the result of "continued dry weather in some areas, excess moisture in others, and advancing disease damage."

Wheat, a staple in most diets in the form of baked goods, has fluctuated spectacularly in price in the last year. It rose from $2.50 a bushel last July to nearly $6.50 a bushel in the early part of 1974, largely on the basis of heavy export demand. Some groups expressed fears that exports could lead to a shortage of wheat in this country.

When it became apparent that there would be sufficient wheat for domestic needs and when this year's harvest came into view with early optimistic projections, the price plunged to around $3.50 a bushel in May. It has since returned to the neighborhood of $4.50 a bushel, still high by historical standards.

The USDA predicted that 67.6 million acres of corn will be harvested this fall, down from the 68.3 million acres projected earlier but up 9 per cent from 1973. Soybean acreage was put at 52.5 million acres, down from the earlier forecast of 55 million based on farmers' intentions in March and a decrease from last year's 57.3 million acres.

The Agriculture Department made no official harvest estimate for either corn or soybeans in yesterday's crop report. The first official forecast based on samplings of the condition of these crops in the field comes out a month from now. But the USDA is expected to issue a range of possible yields in today's supply and demand situation outlook report.

However, the department several weeks ago predicted a 6.4 billion-bushel corn harvest, down in turn from an earlier projection of 6.7 billion bushels. Bad weather in the corn belt during planting has caused both estimates to be greeted with skepticism by both farmers and those in the grain trade.

The head of the National Corn Growers Association Wednesday said this year's corn crop is in worse shape than any other in a decade because of losses from hail, water and erosion.

"I don't know anyone who would look at this crop that would estimate it would come out at 6.4 billion bushels," Washington agriculture consultant Howard J. Hjort said, commenting on the corn situation. "People are estimating between 5.8 billion to 6.2 billion," he said. "Only the Agriculture Department sees 6.4 billion."

He added that recent downward revisions in corn and wheat estimates are "one of the most dramatic deteriorations in crop prospects that we've ever seen in the United States in such a short period."

Don Paarlberg, chief economist for the USDA, conceded that "delayed plantings are likely to reduce the yield below trend projections" for corn. He said that feared fuel and fertilizer shortages will not have a major impact. "The big difference is old man weather," he said, noting some improvement in weather in the corn belt in the past 10 days.

Last year's corn crop was a record 5.6 billion bushels.

CHIEF JUSTICE WARREN

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. HELSTOSKI. Mr. Speaker, it was with a great deal of sadness that I learned of the passing of one of America's most well-respected and influential men, former Supreme Court Chief Justice Earl Warren.

Chief Justice Warren dedicated his entire life to improving the society in which he lived. Both as Chief Justice and Governor of California, he fought relentlessly for the things he believed in; and millions of Americans have benefitted from the wisdom of his judicial and political leadership.

Earl Warren presided over the Supreme Court from 1953 until 1969. During this time, America changed rapidly, and often turbulently; and the wisdom and dignity of the Warren court helped

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steady our Nation through a period of triumph and tragedy.

Though many of the major decisions of the Warren court were met with a great deal of controversy at the time they were handed down, we can see in retrospect what a vital role the court played in moving our Nation forward along the path of human progress.

Mr. Speaker, America will miss this man. The greatest tribute that Congress, the courts, and the Nation can now pay to the former Chief Justice is to rededicate ourselves today to the principles of individual freedom and human dignity.

TIM CORLISS RECEIVES AWARD

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BELL. Mr. Speaker, recently the California Jaycees named the recipients of their Five Outstanding Young Men of the Year Award, and among those named was Tim Corliss of Santa Monica.

The award is presented to five young men between the ages of 21 and 35 who have demonstrated outstanding service to their community and to the overall welfare of their fellow man.

Tim Corliss, a friend of mine, is a sixth generation Californian, born and raised in Santa Monica. He attended Santa Monica College and UCLA, and obtained his real estate broker's license at the age of 22. By age 23, he had his own office.

He has gone on to become one of the outstanding real estate figures in Los Angeles. He is a past president of the Santa Monica Junior Chamber of Commerce and the Santa Monica Board of Realtors, a member of the Santa Monica Boys Club, a recipient of the Young Man of the Year Award for Santa Monica, and vice-president of the California Real Estate Association.

He is also a member of the board of directors for Saint Monica's Mens' Club, a committee chairman for Community Chest, a lay lecturer for his church, and a member of the board of directors for operation SER—Services, Employment, and Rehabilitation of the Mexican-Americans.

Tim Corliss resides in Santa Monica with his wife and their three children.

He received his award at the 30th annual congress of the California Jaycees, held on May 11 in Sacramento. The guest speakers included Earl W. Brian, M.D. and Thomas R. Miller, both 1973 recipients of the award. Dr. Brian is a former Secretary of Health and Welfare in California, and Mr. Miller is a city councilman from Berkeley.

Other past recipients of the award include: Willie Mays, Mike Garrett, Bob Moretti, Richard G. Capen, Jr., former Undersecretary of Defense, and Robert Acosta, the first blind teacher in a secondary school in California.

Mr. Speaker, it is with special pleasure that I call attention to this outstanding tribute to Tim Corliss.

REPUBLICAN POLICY COMMITTEE STATEMENT ON SURFACE COAL MINING REGULATION LEGISLATION

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. HOSMER. Mr. Speaker, under date of July 16 the House Republican Policy Committee issued a statement concerning the pending strip mining legislation. The statement listed seven requirements for a satisfactory bill and declared that the Hosmer substitute, H.R. 12898, is substantially consistent with "most of these concerns."

In fact, the statement satisfies six of the seven, all but item six. The Udall bill, H.R. 11500, of course, satisfies none of the concerns. That is why I drew up the substitute.

The Policy Committee statement follows:

STRIP MINING LEGISLATION

In order to meet energy needs and reduce U.S. dependence on foreign oil in the years immediately ahead, we will need to increase, and perhaps double, coal production. Strip-mined coal already accounts for half the 600 million tons annual coal production, and by 1980 some 800 million tons of coal may be strip mined annually Significant increases in coal production are expected to occur, particularly in western states where abundant quantities of low sulfur content coal are readily accessible through strip mining.

The House Republican Policy Committee supports enactment of legislation to regulate strip mining and surface mining of coal.

It is vital in this legislation that we take strenuous steps to avoid turning those portions of the nation where there are coal deposits into devastated areas devoid of economic or ecological value. The nearly 100,000 acres that are strip mined annually must be restored during the mining process to mitigate the environmental impact of mining.

The legislation enacted by the Congress, therefore, should strike a judicious balance between the legitimate requirements of both objectives: permitting significant expansion of coal strip mining while at the same time protecting the environment.

An extreme approach to strip mining is represented by the Heckler bill, H.R. 15000, which will be offered as a substitute. It would entirely phase out strip mining of coal over the next four years. We reject this as unrealistic in light of current energy demands and the environmental and economic costs of shifting entirely to the more expensive mining techniques.

Two other measures to regulate strip mining will also be considered—the Interior Committee bill, H.R. 11500, and the Hosmer substitute, H.R. 12898. These bills provide for the development of state programs to regulate strip mining and require the subsequent reclamation of strip-mined lands according to specifc minimum federal environmental standards.

There are many important provisions on which the two major proposals agree. It appears probable that either of these proposals will be amended before final vote on the resulting version. For this reason, the House Republican Policy Committee has elected to list some of the points in controversy and its preferred approach.

1) The environmental performance standards must be further clarified to make sure that they neither prevent strip mining nor threaten the successful reclamation of mined areas. Specifically, sufficient flexibility should be allowed regarding the placement of spoil on the downslope below mining operations to permit a variety of environmentally sound solutions to the treatment of these spoils. Similarly, the requirement that the mined areas be restored to its "approximate original contour" should not preclude strip mining on mountain tops or in the deep western coal deposits and should be flexible enough to allow the possibility of various final uses of the reclaimed lands. The requirements regarding subsidence of ground above deep mining should be understood to allow use of the "long wall" mining technique which causes immediate, controlled subsidence.

2) Both bills provide for designating certain areas unsuitable for surface coal mining. This determination should not rest on current economic criteria which are subject to change with new technology or price increases. Even within lands designated as unsuitable, a permit-by-permit approval procedure should be provided to allow for surface coal mining where reclamation is possible.

3) The legislation should not require surface owners and holders of water rights to consent to the strip mining of Federally-owned coal. We favor requiring a bonding procedure to protect surface owners from unavoidable damages caused by the mining operations.

4) Both bills provide for citizen suits against violations of the requirements of the legislation. So that such suits are not abused to delay and possibly altogether prevent strip mining, only those citizens who have been adversely affected or who have actively participated in the permit process should be allowed to bring suit.

5) Both bills provide for an initial interim period of federal regulation prior to the approval and implementation of state regulatory procedures. The phase-in period should be sufficiently gradual to enable an orderly transition to the requirements of the legislation to occur. Too sudden a changeover could result in unnecessary loss of needed coal production.

6) The legislation should allow States which have failed to develop an approved regulatory program to do so at a later date.

7) The first priority must be to require the reclamation of lands currently being strip mined. Taxing current coal production to reclaim abandoned lands that were strip mined years ago, although desirable, is a secondary priority. It would add to the already skyrocketing cost of coal and would tax a single industry to pay for what is rightly a national responsibility. Reclamation of abondoned lands should be considered separately in other legislation.

The House Republican Policy Committee supports inclusion of these recommendations in legislation to regulate strip mining. The Hosmer substitute, H.R. 12898, is substantially consistent with most of these concerns. We urge the enactment of a measure that will allow both strip mining and the protection of the environment.

ILLINOIS ASSEMBLY FAVORS RETURN OF MEMORIAL DAY TO MAY 30

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. DERWINSKI. Mr. Speaker, I respectfully direct the attention of the Members to the passage by the Illinois General Assembly of its House Resolution 985, which calls for the reinstatement of the annual observance of Memorial Day to May 30 program. The resolution passed the State legislature by an overwhelming vote on June 15. The chief sponsor of this resolution was Representative George Ray Hudson of the 41st District of the Illinois House of Representatives. I insert a copy of H.R. 985 at this time. Its language very properly speaks for itself:

H. Res. 985

Whereas, the Congress and the President of the United States have enacted a change in the observance of Memorial Day to the last Monday of May; and,

Whereas, the State of Illinois for one year followed the example of the United States government in celebrating Memorial Day on a floating Monday; and,

Whereas, in their wisdom, the General Assembly and the Governor of the State of Illinois in 1973 enacted a statute returning the observance of Memorial Day to the traditional Day, May 30, in Illinois; and

Whereas, it is the sense of this body that the celebration of a holiday on a fixed date encourages the recognition by the citizenry of the reason and basis for the holiday and that its celebration on a floating "long weekend" basis encourages the casual treatment of holidays as mere "days off work"; and,

Whereas, the artificial creation of long weekends annually results in unnecessary loss of lives on the nation's highways because of the convenience of travel; and,

Whereas, it is the sense of this body, as illustrated by its action in 1973, that holidays should be regarded as commemorations and not as "days off work" to be linked whenever possible to weekends; and,

Whereas, a great deal of confusion reigns among Illinois citizens with respect to the observance of Memorial Day; and,

Whereas, Memorial Day is a holiday of great importance to all Americans, as we commemorate our valiant servicemen who have given their lives that we may remain a free people; now, therefore, be it

Resolved, by the House of Representatives of the Seventy-Eighth General Assembly of the State of Illinois, That we do memorialize the Congress and the President of the United States of America to enact a law calling for the annual observance of Memorial Day on May 30.

Be it further resolved, that a copy of this preamble and resolution be transmitted to the President of the United States and to the members of the Illinois delegation to the United States Congress.

INVOLVEMENT OF BUSINESS IN CIVIC AFFAIRS URGED

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. DANIELSON. Mr. Speaker, I recently came across a statement by the president of one of the most progressive small industries in my district that I felt I would like to share with my colleagues.

I would like to insert at this point in the Record an excellent statement by Mr. Carlos A. Mollura, president of Quality Vinyls Corp., located in South El Monte, Calif., concerning his views regarding the involvement of business and industry in local civic affairs. The statement follows:

A Word From the President

Not too long ago, Quality Vinyls Corporation was involved in the fabrication of some tarps to cover the baseball fields of the Golden Hills Little League, in the city of Fullerton. Even though the League was determined to pay for the work done, we decided to charge only a nominal amount to cover costs of raw materials and direct labor. Such action was being inspired by an attitude which, we believe, should be observed more often by every business concern in the nation.

Regardless of its size, each and every business concern is intimately associated with the environment in which it is being conducted, and should never allow itself to become a cold, uninvolved entity with profits as the only objective. Whether it is understood by high levels of management or by the various echelons in the organization, contribution—in all its forms—represents a most noble and positive attitude towards people and institutions whose goals are so important for the community and society as a whole.

It could be the Little League developing our boys into tomorrow's better men; or the Girl Scouts taking our daughters by the hand into excellent womanhood; or the PTA; or the City of Hope; or any one of thousands of non-profit organizations. All of them signify people—people willing to devote and invest their time (man's most valuable asset) and talents in fostering noble causes for a better world.

Helping them in their material and physical problems is, in fact, an easy way to show our appreciation for their efforts.

At times, I have been given the "We pay taxes" bit, or "Let the Government do it." To those who think this way I would like to say: Apathy and negativism were never a part in the building of our nation. Involvement has always been the key factor in the development of America's strength.

It is very encouraging to see how many large companies pledge their support to organizations like the ones mentioned above. We can only applaud their attitude and wish an increasing, wider participation everywhere.

We shall continue to engage ourselves in such endeavors, with the certainty that the intimate satisfaction and pride of running a "Company With Feelings" will, indeed, make up one hundred to one any possibly small loss in business profits.

Carlos A. Mollura, *President.*

FRASER PROTESTS VISIT BY SECRETARY OF THE ARMY CALLAWAY TO CHILE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. FRASER. Mr. Speaker, I would like to place in the Record the text of a news release issued by my office July 15. Secretary Callaway's visit disturbs me greatly:

Fraser Protests Visit by Secretary of Army to Chile

Congressman Donald M. Fraser (DFL-Minn.) protested today the official visit planned to Chile by Secretary of the Army, Howard H. Callaway. Callaway plans to be in Chile from July 20–24, and will be meeting with top government and military leaders.

Fraser declared it is highly inappropriate for the Secretary to be making the visit in the light of the flagrant abuses of human rights being committed by the Government of Chile. "An official visit by the Secretary," Fraser pointed out, "gives valuable political support to the Chilean Government at a time when it has not modified its repressive policies."

The Minnesota congressman expressed concern that Callaway may be discussing with the Chilean military regime their desire for increased U.S. military assistance. Fraser noted that the Administration has asked Congress to approve $21,300,000 in military assistance and credit sales to Chile in fiscal 1975 (in contrast to $15,900,000 in fiscal 1974). He announced plans to introduce an amendment to the foreign aid bill which would reduce or eliminate military assistance to Chile in fiscal 1975. "The United States," Fraser said, "should not increase the Chilean Government's ability to repress its people.

"In contrast to our generous attitude on military assistance to the Government of Chile." Fraser continued, "the United States has a grossly inadequate record in accepting political refugees from Chile. The Department of State indicated in recent testimony that the U.S. has only accepted 25 persons under the special procedures instituted at the request of the UN High Commissioner for Refugees. Informed sources at the United Nations tell us that the United States rejected a request by the High Commissioner's office to accept more Chilean refugees."

Fraser is Chairman of the Subcommittee on International Organizations and Movements of the Foreign Affairs Committee. His subcommittee held a series of hearings with the Inter-American Subcommittee reviewing the human rights situation in Chile. In March of this year, following an extensive series of hearings, the subcommittee adopted a report containing recommendations for increasing the priority given to human rights in U.S. foreign policy and for strengthening the effectiveness of international organizations in the human rights field.

ABOLITION OF STRIP MINING OF COAL

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. YOUNG of Georgia. Mr. Speaker, I favor the abolition of strip mining of coal in this country as a minimal act of decency by this Congress, and I urge my colleagues to support H.R. 15000 as a substitute for H.R. 11500 when the issue is before us tomorrow. In the unhappy event that Mr. Hechler's substitute measure is not adopted by this body, I intend to offer an amendment which will ban strip mining on slopes greater than 20 degrees from the horizontal.

This amendment, which follows, is set forth here to qualify for the necessary time to present it to the House:

Amendment

Page 157, after line 2, insert the following subsection:

"(1) Six months after the date of enactment of this Act, no surface coal mining operation shall be conducted on slopes greater than 20 degrees from the horizontal."

Page 195, line 8, strike all through Page 197, line 20, inclusive.

(Renumber the following subsections accordingly.)

Conforming Amendments

Page 198, line 1, strike the words "and in subsections 211(c)(1) and (2)".

Page 198, line 13, after the number "211 (b)(8)" strike all through "(2)" on line 14, inclusive.

ON SOUTH VIETNAMESE PRISONS

HON. ROGER H. ZION

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. ZION. Mr. Speaker, in view of attempts which have been made to discredit the Government of South Vietnam, I think it important that the facts should be allowed to speak for themselves. With the aim of persuading this country to cut off its aid to the people of South Vietnam, a totally false picture has been presented of allegedly inhuman prison conditions there, and of so-called atrocities.

For people who have actually been to Vietnam to see for themselves, including Members of the House and their staffs, the facts speak differently. The infamous Con Son Prison, for example, has been visited by many observers, and has been seen to resemble in no way the lurid picture painted of it by hostile propagandists. Conditions were found to be clean, with no evidence whatever of any mistreatment of prisoners. The rice ration of 570 grams per day, even for uncooperative prisoners, is greatly in excess of the 360 grams per day which is the current ration for the civilian population of North Vietnam. It allows the prisoners a small surplus to trade for extra fish and vegetables. Over half of the prisoners have elected to work in the farms and workshops on the island, or to take part in the regular fishing which adds extra protein to the prison diet. The prisoners who work at producing traditional craft products are allowed to sell these to visitors, and to keep the payments received.

The "tiger cages" were found by visitors to be above ground and well-ventilated, despite highly misleading and cleverly angled photographs of them released in this country. More to the point, the cells were overgrown with weeds, and had obviously lain unused for years. James Dornan and Peter Hughes were among those who have visited South Vietnamese prisons; and the third article in their series in the Indianapolis News, dated April 7, 1974, deals with the conditions which they observed:

SAIGON HOLDS FEW PRISONERS

(By James Dornan and Peter Hughes)

In a letter to his colleagues, Texas Congressman Bob Price recently wrote:

"Arriving amidst the fanfare trumpeted by the Washington news media and cast in the role of a romantic folk hero and people's lobbyist, this past week actress Jane Fonda and her accomplice (husband Tom Hayden) have arrived in town.

"Thanks to the generosity of an accommodating faction of the membership of the House (of Representatives), Miss Fonda and Company have taken up residence in a Judiciary subcommittee room, courtesy of the United States taxpayers, where congressional staff personnel will allegedly be educated in the facts of life . . ."

The seminars—to which congressional staff aids were refused admittance presumably because they were not of similar political persuasion held by Hayden and Fonda—were entitled "American imperialism," and they focused, according to Rep. Price, on the so-called atrocities and crimes against humanity which are being committed by the "Thieu clique," and which are being supported by the U.S. government.

In response to the Hayden-Fonda activities, a handful of congressmen went to the floor of Congress to voice their disapproval over the misuse of congressional office space. Needless to say, this congressional opposition received no national media coverage.

Miss Fonda's campaign, which has captured the enthusiasm of American peace groups, some journalists, and some aides on Capitol Hill, charges that Saigon is holding 200,000 civilian political prisoners and that it has undertaken systematic torture and repression of the people of South Vietnam. The purpose of the campaign, according to Graham Martin, ambassador to Saigon, is to create the impression that "if you're against evil, torture, and repression, as most Americans are, then we don't want to give aid to a regime like this."

Having had the opportunity recently to visit South Vietnam, including a visit to the Con Son Prison Island, we have the following observations to offer on the charges being made by Hanoi, various peace groups and Miss Fonda, pertaining to the issue of political prisoners in South Vietnam.

Con Son, because of photographer-journalist Don Luce's sensationalized series on the Tiger Cages, is the most infamous of Saigon's penitentiary centers. It currently has a prison population of approximately 6,000, and a capacity of 9,000. Five hundred of these prisoners are classified as Communist civilian prisoners. The remaining prison population is made up of common criminal offenders.

Many of the prisoners (slightly over 3,000) have accepted the opportunity to work in the island's industrial centers, made up of prison farms, a brick factory, and a workshop. The prisoners who have elected to work are under minimum security, have the opportunity to grow their own vegetables and receive 650 grams of rice a day, as compared with 570 grams of rice for prisoners who refuse to work. These "unco-operative" prisoners are kept in large 50-man cells.

We had the opportunity to walk from cell to cell and talk with the Viet Cong prisoners freely. It was evident each cell was well organized, with its own internal infrastructure and internally designated spokesmen, who were well versed in English and/or French.

The Viet Cong inmates charged they were not getting enough medicine and food (although they conceded they were, in fact, receiving 570 grams of rice daily and that they have the opportunity to grow their own vegetables). Conditions in the cells were Spartan, but generally clean, and there were no signs of disease or prisoner abuse. The letter point was also confirmed by the prisoners themselves.

Our conversations with the Viet Cong prisoners confirmed Ambassador Martin's contention that the U.S. embassy had not been able to identify a single prisoner who was in prison solely for his beliefs and opposition to the Thieu government. When asked why they were in jail, the Viet Cong response was because of their desire for peace. When pressed further, the inmates acknowledged they had been involved in various forms of terrorist activities.

Because of mounting criticism by American peace groups, the U.S. embassy in Saigon, under the auspices of Ambassador Martin, has undertaken three intensive staff-level, investigations into the political prisoner issue in South Vietnam. The embassy's conclusion was that there is a civilian prisoner population of approximately 35,000 in South Vietnam. It further concluded that if mistreatment of prisoners exists, it is not systematically controlled and widespread.

Ambassador Martin also indicated that the embassy, if given the name of a political prisoner, is more than willing to undertake an investigation on the prisoner's behalf. But the embassy, to date, has not found any organized effort to jail people strictly on the basis of their political beliefs, or philosophy. To the contrary, Martin argued that these so-called political prisoners had all committed acts which would have placed them in jails in other countries.

EDWARD HUDON WRITES ON THE LATE HUGO L. BLACK

HON. PETER N. KYROS

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. KYROS. Mr. Speaker, it is my great pleasure to call to the attention of my colleagues an article in the June American Bar Association Journal by Edward G. Hudon, Librarian of the Supreme Court and an outstanding Maine citizen. This article, entitled "John Lilburne, the Levellers, and Mr. Justice Black," deals with the recent donation of the late Justice's private library to the Supreme Court's collection. I know that Members on both sides of the aisle will be interested in Mr. Hudon's excellent piece, and I am pleased to commend it to their attention:

JOHN LILBURNE, THE LEVELLERS, AND MR. JUSTICE BLACK

(By Edward G. Hudon)

(Hugo Black's private library, now a part of the Supreme Court's collection, reveals much about the man and his work. One book, an account of seventeenth century social democrats called Levellers, is particularly intriguing in light of the justice's dissent in Barenblatt v. United States.)

At the end of the summer of 1973, the family of the late Hugo L. Black presented the justice's private library to the Supreme Court of the United States. The purpose of the presentation was to make the library available to students and scholars so that they might better understand the work the justice did during his thirty-four years as a member of the Court. The approximately one thousand volumes of this private library have been catalogued and made a part of the collection of the Supreme Court Library. However, the justice's library is being preserved as a special collection; it is hoped that the books will be located in a separate reading room for security and convenience.

Mr. Justice Black collected books not only to have them around but to read them. This is made very evident as one leafs through the volumes and finds his pencil notations and comments written on the margins of the pages. His library indicates the broad scope of the justice's interests. Included are the best of ancient and modern authors: Aristotle, Seneca, Epicurus, Tacitus, Livy, Aristophanes, Plato, George Bernard Shaw, Thomas Hobbes, Gibbon's *History of the Decline and Fall of the Roman Empire*, Henry Hallam's *View of the State of Europe During the Middle Ages*, Plutarch's *Lives*, Montesquieu's *The Spirit of the Laws*, Maine's *Ancient Law*, Alexis de Tocqueville's *Democracy in America*, John Locke's *Essay Concerning Human Understanding*, and a host of others such as André Maurois, Catherine Drinker Bowen, Arnold Toynbee, Henry Adams, Robert Browning, Daniel Webster, Dumas Malone, Benjamin Franklin, Fisher Ames, Charles A. Beard, Henry Cabot Lodge, Edward Dumbauld, Benjamin Nathan Cardozo, Edward S. Corwin, Milton R. Konvitz, Thurman Arnold, Felix S. Cohen, and many others.

The list is too long to do it justice in an article, but suffice it to say that even as he carried a heavy share of the work of the Court and managed to write more than his share of opinions, Justice Black read constantly in nearly every field of literature, both ancient and modern. His thirty-four years as a member of the Court were years of self-education, as well as years during which he became one of the greatest justices ever to serve on the Court.

Among the books in the justice's library, certainly one of the most interesting is Joseph Frank's *The Levellers, A History of the Writings of Three Seventeenth-Century Social Democrats: John Lilburne, Richard Overton, William Walwyn,* which was published by Harvard University Press in 1955. It is interesting not only because of its subject matter, but also because of the care with which Justice Black read it and the use that he made of the information he gleaned from it.

On almost every page of the book there are underlined passages. On more than half of the pages appear his marginal notes—some two, three, or four lines and others covering almost the entire margin from the top to the bottom of the page. Some of the notes are only one, two, or three words describing the adjacent text; others are comments that indicate the justice's reaction to the reading. Some are easy to read, others more difficult until one becomes familiar with his handwriting. However, all of the notes reveal the close attention and the concentration with which the justice read the book.

THE LEVELLERS IS ABOUT THE RIGHT TO DISSENT

The Levellers was about something that interested him very much—the right of a person or a group to dissent, particularly as this is guaranteed by the Constitution of the United States. On the flyleaf at the end of the book there is a table of contents written in longhand by the justice of the parts of the book that apparently interested him the most.

The Levellers is more than an account of a movement that flourished during the first half of seventeenth century England. The author analyzes the writings of the chief architects of the movement—John Lilburne, Richard Overton, and William Walwyn—and also the writings of the movement's opponents. In a brief introductory chapter, the author discusses the ancestry of the Levellers and then traces the rise and fall of the movement through seven chapters, which start with the birth of Lilburne in 1615 and end with "The Death of the Leveller Party." These are followed by two chapters entitled "Aftermath: November 1649 to May 1660" and "The Contribution of The Leveller Party."

The name "Levellers" was given to the movement by opponents who sought to suggest that Lilburne and his followers wished to "level" men's estates, just as the rioters of 1607 did—the original "Levellers" who had rioted against enclosures. The movement that reached its zenith in 1647-48 was made up of the radicals of the day who supported Parliament and demanded that true sovereignty be taken away from the king and the lords and given to the House of Commons. They called for a wider franchise and a redistribution of seats in the House of Commons to make it more representative of the people and believed in decentralization of government. Lilburne and his followers advocated equality before the law, freedom of religious worship, law reform, the abolition of conscription or impressment, the abolition of tithes, and a program of economic reform that would favor the low and the humble. These are all matters that are taken for granted today, but in the 1640s their proponents were considered extremists. Those like Lilburne and his friends who were too persistent in their demands and beliefs were fined and imprisoned—particularly if they wrote pamphlets and tracts, as did Lilburne, Overton, and Walwyn.

LEVELLER LEADERS FOUGHT FOR RELIGIOUS LIBERTY

Before the Leveller movement brought them together, Lilburne, Overton, and Walwyn were all involved in the fight for religious liberty—Lilburne as a Puritan who spent time in solitary confinement and on the pillory, Overton as a non-Calvinist Baptist, and William Walwyn as an independent in religion who advocated the separation of the holy and the secular. As a part of their movement, the Levellers sought to win over the New Model Army at a time when unpaid soldiers who had fought in the civil war were dissatisfied with their lot, and at a time when there was unrest within the military because of the manner in which Parliament dickered with the king to arrive at a settlement of the differences that still existed between the Crown and Parliament after the latter's victory in the first phase of the Civil War.

The Leveller movement never won material support, and it failed to win over the army. It was crushed by Cromwell eary in 1649 after Lilburne, Overton, and Walwyn had been arrested and imprisoned in the Tower of London. Released in November of 1649, the three found that the movement they had led no longer existed.

Lilburne, forever a crusader, later took up residence in London and was elected to the Common Council. Here again, Lilburne asserted his beliefs. When it came time to take the oath, he wanted to limit it to his concept of the Commonwealth—the people and the basic laws of the land—not the system established by the Council of State and the army. For that reason he was deprived of his office. Undaunted, he took up soap boiling but soon went from that to the part-time practice of the law, for which he was without formal training. But if he lacked legal knowledge, he had an abundance of aggressiveness. In 1651 he became involved in litigation over properties and rents of which he claimed his family was unjustly deprived. Not content to confine his activities to the courtroom, he wrote a tract accusing his opponent of greed, extortion, cruelty, and bribery and then signed a petition to Parliament that repeated many of his accusations. The Parliament construed the petition as a libel and banished Lilburne from England, imposing on him the sentence of death if he should ever return.

One year later Lilburne was back, publishing tracts in his defense, when he was placed on trial as a returned felon. He attracted considerable public support as he publicized what he considered to be his fifteen-year battle for "the ancient laws and ancient rights of England." (See his *The Just Defense of John Lilburne, Against Such as Charge Him with Turbulency of Spirit.*) He once more became the hero of the hour when the verdict of the jury was "not guilty of any crime worthy of death." But that provoked the Council of State to summon the jury and examine its members on their motives for having acquitted him. Meanwhile, Lilburne remained a prisoner until his death on August 29, 1657, although he was allowed brief periods of liberty and managed to publish an account of his conversion to Quakerism (*The Resurrection of John Lilburne*).

Without a doubt, Lilburne and the others who led the Leveller movement were considered troublemakers, which they could very well have been. But throughout history the same has been said of most reformers by those who have wanted to preserve the *status quo*. History shows, however, that when a movement suceeds, its leaders become heroes. Furthermore, one must remember that many of the rights we enjoy today were introduced and fought for by religious fanatics and troublemakers long before the American Revolution made our Bill of Rights possible. Lilburne, Overton, and Walwyn feared neither imprisonment nor persecution. Indeed, Lilburne appears to have thrived on it. Although the movement that he and the others headed fell apart before it accomplished anything, the principles for which they fought and suffered imprisonment lived on—freedom of conscience, religious liberty, separation of church and state, and constitutional democracy secured by a bill of rights.

It may well be that Lilburne and the others of the Leveller movement claimed the rights that they did in a way that was quite troublesome and indeed idealistic. Certainly, no one today would deny that they were entitled to freedom of conscience, freedom of religion, a democratic form of government, and a bill of rights—at least under our Constitution. However, it was not only the fact that they were denied these rights that troubled Mr. Justice Black and drew his interest to the Leveller movement. It was also the fact that they were denied the right to dissent. It is because of this denial that he reached back to Lilburne and the Levellers in his dissent in *Barenblatt* v. *United States,* 360 U.S. 109, 134, 160 (1959), when he wrote that the Founding Fathers—

"Believed that punishment was too serious a matter to be entrusted to any group other than an independent judiciary and a jury of twelve men acting on prevoiusly passed, unambiguous laws, with all the procedural safeguards they put in the Constitution as essential to a fair trial—safeguards which included the right to counsel, compulsory process for witnesses, specific indictments, confrontation of accusers, as well as protection against self-incrimination, double jeopardy and cruel and unusual punishment—in short, due process of law. Cf. *Chambers* v. *Florida,* 309 U.S. 227. They believed this because not long before worthy men had been deprived of their liberties, and indeed their lives, through parliamentary trials without these safeguards. The memory of one of these, John Lilburne—banished and disgraced by a parliamentary committee on penalty of death if he returned to his country—was particularly vivid when our Constitution was written. His attack on trials by such committees and his warning that "what is done unto any one may be done unto every one" were part of the history of the times which moved those who wrote our Constitution to determine that no such arbitrary punishments should ever occur here. It is the protection from arbitrary punishments through the right to a judicial trial with all these safeguards which over the years has distinguished America from lands where drumhead courts and other similar "tribunals" deprive the weak and the unorthodox of life, liberty and property without due process of law."

Mr. Justice Black read history well, judging from the thoughtful and frequent annotations penciled on the pages of his books. But the justice knew also how to apply what he read, and it was this skill he so ably brought to his opinions.

CRACKING DOWN ON ILLEGAL GUNS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. DINGELL. Mr. Speaker, pursuant to permission granted, I insert into the CONGRESSIONAL RECORD an excellent editorial appearing on WJBK-television channel 2, given by Mr. Lawrence M.

UMI

Carino, vice president and general manager, urging intelligent handling of criminal firearms misuse in Wayne County, Mich.

That excellent editorial entitled "Cracking Down on Illegal Guns" points out the urgent need to vigorously punish criminal firearms misuse and criminal violence under existing law as the best method of preventing that kind of outrageous misbehavior.

When charges are made as to homicides, criminal misuse of firearms, and other unfortunate events in the Detroit area, it is hoped that the comments of an outstanding public service-oriented television station, WJBK, will receive careful attention. The editorial follows:

Cracking Down on Illegal Guns

The Wayne County Board of Commissioners recently heard some shocking figures on the handling of gun law violations in recorder's Court.

Of 903 defendants convicted on concealed weapons charges involving guns last year, only 138 got so much as a day in jail.

As one commissioner said: "No wonder Detroit is an armed camp and nobody is safe from random violence. Nearly anyone caught carrying a gun has little more to worry about than a slap on the wrist."

State law provides up to five years in prison and a $2,500 fine for illegally carrying a weapon. That law needs more than just token enforcement or none at all.

In addition, the State Senate has just passed a bill that would force judges to hand down prison terms of at least five years for using a firearm in the commission of crime. The State House should also approve this mandatory, additional penalty without delay.

That's TV2's Viewpoint. I'm Larry Carino. What do you think? Let us know by mail . . . or by phone during business hours.

WHAT MY FLAG MEANS TO ME

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. HILLIS. Mr. Speaker, I would like to share a poem written by 11-year-old Greg Augustinovicz. The students in Greg's fifth grade class in St. Ambrose School in Anderson, Ind., were assigned poetry writing as part of their study of the love of God and country. Greg's poem was voted the best by his fellow classmates.

Greg has received a letter of congratulations from President Nixon for the love and pride of America and the American flag shown in his poem. I believe that Greg's poem shows great spirit and displays a strong sense of patriotism. Greg's poem, "What My Flag Means to Me," follows:

What My Flag Means to Me

The thirteen original stars have grown in number to fifty
To make our flag look really nifty.
It has been to lots of places, the moon and such . . .
But there are some people who don't respect it much.
It has been through war and peace,
And still waves brightly in the breeze.
It stands for people brave and strong,
To the United States it will always belong.
I will always stand and salute it with manner,
When I hear the Star Spangled Banner.

KAISER STEEL TO INSTITUTE NEW CONTROLS TO REDUCE POLLUTION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BROWN of California. Mr. Speaker, I wish to call your attention, and that of our colleagues, to an agreement which was reached a few days ago by the Kaiser Steel Corp. and the Environmental Protection Agency. As I have mentioned many times before, the area I represent has a critical air pollution problem—caused primarily by the internal combustion automobile engine—and every move to reduce that problem is beneficial to the interests of my constituents.

I should emphasize, Mr. Speaker, that this new emission control program at Kaiser Steel's plant in Fontana will not solve the air pollution problem in San Bernardino and Riverside Counties. Stationary sources are not the major causes of our smog problem, and Kaiser's plant is already, in EPA Administrator Russell Train's words, "one of the cleanest in the country."

But every effort helps, and I am pleased by Kaiser's readiness to spend more than $20 million on this emission control program.

I only wish that we could reduce the amount of pollutants emitted in my congressional district by automobiles to the level emitted by Kaiser Steel's plant in Fontana.

At this point I would like to submit for the RECORD the press releases from both Kaiser Steel Corp. and the EPA describing the new agreement:

JULY 12, 1974.

Kaiser Steel Corporation and the Environmental Protection Agency have reached agreement on a $20 million plus emission control program at the company's Fontana, Calif., plant.

The signing of the agreement, a consent order, expected to be formally announced by Russell C. Train, EPA Administrator, was made public today by John D. Saussaman, vice president, Kaiser Steel Corporation, and chairman of the company's environmental quality control committee.

According to Saussaman, "The agreement represents one of the most ambitious and comprehensive emission control programs in the steel industry today. It is the culmination of months and years of work with our San Bernardino County Air Pollution Control District and many months of close liaison with representatives of the EPA and the State Air Resources Board."

The consent order takes the form of a series of "compliance schedules" covering eight separate emission control projects. In addition to setting deadlines for final compliance with emission regulations, the schedules also establish deadlines for the various steps such as completion of engineering, ordering of equipment, start of construction, etc., in the development and completion of control devices.

"To date," Saussaman, said, "Kaiser Steel has spent nearly $60 million on environmental quality control facilities and has been successful in controlling the major emissions from steelmaking. These projects are designed to deal with emissions which are relatively minor but still constitute violations of the new, stricter regulations which will go into effect on January 1, 1975.

The new agreement details several major new control projects and also incorporates the emission control program which was announced by Kaiser Steel last year and is currently underway at the Fontana plant. That program was approved by the San Bernardino County Air Pollution Hearing Board when it was submitted in the form of applications for variances, with accompanying compliance schedules. The Kaiser Steel/EPA agreement calls for certain relatively minor modifications to the already approved compliance schedules but in effect confirms the locally approved program."

According to Saussaman, at least three of the projects are of a "pioneering nature," that is, they concern areas in which there is no proven technology available. Two such projects center around the cokemaking operation at Fontana.

Earlier this year, Kaiser Steel had to apply for an extension to a variance concerning emissions from a coke oven stack because an experimental afterburner, installed at a cost of about $150,000, proved unsuccessful. One of the compliance schedules approved in the agreement calls for the development of some other means of controlling this occasonal emission.

A separate compliance schedule calls for the control of the other five coke oven stacks after a successful method control has been developed.

A recent major addition to the previously announced program is a project to desulfurize coke oven gas. In the coke-producing operation, a large quantity of gas is generated. This gas is used throughout the steel mill in a number of combustion and steel reheating operations.

Saussaman said that, "Technology to remove the sulfur in the gas without creating severe water pollution problems for us does not exist at present. However, several experimental plants are under construction elsewhere which may solve the water pollution problem as well as removing sulfur. If one of these operations is successful, Kaiser Steel will install the process."

Other compliance schedules approved by the EPA in this agreement include the control of emissions that occur when molten pig iron is poured into ladles at the plant's basic oxygen steelmaking shop, improvements in equipment and operations at the coke plant, the control of charging and tapping emissions in the oxygen steelmaking shop, a project to improve the efficiency of electrostatic precipitators at the open hearth shop, and the construction of a building with an emission control device in which to flame-cut large pieces of steel scrap.

EPA Issues Order to Largest Western Steel Mill—July 12, 1974

Russell E. Train, Administrator of the U.S. Environmental Protection Agency, today announced agreement between EPA and Kaiser Steel Corporation to clean up air pollution emissions from their Fontana, California, steel mill. The agreement is in the form of a Consent Order, issued under the authority of the Clean Air Act. The order established a schedule of compliance with air pollution regulations of the San Bernardino County Air Pollution Control District.

"The Order we are issuing today to Kaiser Steel Corporation represents a significant step in the application of air pollution controls in the steel industry," Train said. "It will bring Kaiser's Fontana Plant, already one of the cleanest in the country, into compliance with stringent local regulations."

Train acknowledged the cooperation of Kaiser in consenting to the Order, which will result in compliance in most production areas within the next year and a half. Final compliance with all regulations will be attained by December, 1977, after extensive research and development work designed to reduce the sulfur content of coke oven gas.

Company spokesmen estimated that the new environmental controls would cost in excess of 20 million dollars.

The Order provides for additional controls on coke oven operations, coke oven battery stacks, basic oxygen steel processing, open hearth furnace stacks, hot metal transfer operations, and scrap metal cutting as well as desulfurization of coke oven gas.

The EPA enforcement action commenced on August 3, 1973, when the Agency cited Kaiser for violating California's Federally-approved State Implementation Plan provisions for visible emissions and sulfur content of fuel. Frequent conferences have been held since that date to discuss control programs with the California State Air Resources Board and the San Bernardino County Air Pollution Control District and with the company.

JOPPATOWNE JAYCEES OPTIMISTIC ABOUT AMERICA

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BAUMAN. Mr. Speaker, I have recently received a copy of a resolution unanimously adopted by the Joppatowne Jaycees from Harford County, Md. This fine organization headed by its able president, R. Calvin Jordan, is typical of the jaycees who are dedicated to the growth and improvement of their communities. At a time when some individuals are casting doubt on the ability of America to survive its 200th birthday, it is refreshing to hear from a group that is seeking to rekindle individual pride in the tenets which have guided our Nation's growth since its inception. The approaching Bicentennial celebration will be an appropriate occasion for each citizen to reaffirm his or her faith in America, and I direct my colleagues attention to the Joppatowne Jaycees resolution which seeks to encourage public "Pride in America":

A RESOLUTION

It is becoming increasingly difficult to appreciate that our country offers more opportunity than any nation in the world. . . . Because . . . today this country's detractors show little regard for our institutions.

However most Americans have strong convictions in these institutions which are the cornerstones of our great country:

Faith in God
Brotherhood of Man
Free Enterprise
Government by the People
Individualism
Service to Humanity

It is constantly repeated that Americans no longer enjoy individual expression.

But the Joppatowne Jaycees know better.

History has proven that the American people can unite when threatened! Once again, we are threatened, but not by outside forces.

Our new threat is one of self doubt reinforced daily by the repetition of negative examples.

The Joppatowne Jaycees are tired of those who daily condemn our society as deteriorating!

The time is now for the sleeping giant of public "Pride" and positive individual participation to awaken.

Unite with the Joppatowne Jaycees in rekindling our "Pride in America"—the key is You!

TURKEY RESUMES OPIUM PRODUCTION

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. ROGERS. Mr. Speaker, last week the Government of Turkey announced that it was going back into the opium business. For 2 years, both the United States and Turkey abided by a 1971 agreement in which we pledged $35.7 million in aid in return for cessation of opium production. That understanding has now been unilaterally violated by the Turkish Government. The people of the United States must respond to this action which promises to fill our streets with a plague we had hoped to eradicate. That plague is the presence of heroin. Accordingly, on July 9 I introduced House Concurrent Resolution 558, which urges the President to suspend all economic and military assistance to Turkey.

This step was not taken lightly, Mr. Speaker. The seriousness of the Turkish decision demands an equally serious decision on our part. As I can see no justification for lifting the opium ban, I can see no justification for subsidizing opium production.

Previous to the imposition of the ban, a commonly held estimate was that 80 percent of the illicit heroin being smuggled into this country was of a Turkish base. Since the ban was imposed, a congressional study group reports that the addict population in the United States has decreased from about 600,000 to 200,000. It is clear that the ban on Turkish opium was successful in curbing both the amount of heroin entering the United States and the number of heroin addicts. The lifting of the ban can only serve to reverse those successes.

In addition to the increased availability of Turkish heroin, recent disturbing reports from Mexico indicate that soon, heroin traffic into the United States will be greater than ever. Drug Enforcement Administration officials suggest that heroin is flowing over United States-Mexican borders in larger amounts. One cannot fail to realize the enormous impact the Turkish decision will have on our Nation's efforts to eradicate the heroin plague. Indeed, the consequences are inevitably bound to be staggering.

In addition to the personal effects that heroin addiction has upon the addict himself, and his family and friends, the whole of society is similarly affected. DEA statistics indicate that the average cost per day to support an addict's habit of 50 milligrams is $51.50. In order to obtain that much heroin, the average addict must resort to crime. Crime is a phenomenon which affects all of society; therefore, it becomes a national problem when heroin forces its dependents to resort to crime. Since the imposition of the ban, as the Special Ad Hoc Subcommittee on International Narcotics Problems of the House Foreign Affairs Committee reports:

> The rates of overdose deaths, drug related hepatitis, and drug related property crimes, indicators of instances of heroin dependence, have declined throughout most areas of the U.S. for the first time in 6 years.

Clearly, the effects of the opium ban were beneficial in reducing dependence, and therefore, crime.

Until such time that Turkey demonstrates an effective control system, this country should not give aid to a country which does not cooperate in halting the drug flow into the United States. I am confident that any other country would make the same stipulation.

It is up to Congress to show Turkey, and other countries which evidences such callous disregard for this human problem, that the U.S. Congress does not take lightly its commitment to the welfare of the people it represents. Mr. Speaker, I therefore urge my colleagues to suspend aid to Turkey, and to send that message to the President.

THE HUSTLERS ARE BACK

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. GAYDOS. Mr. Speaker, the major oil companies are in bad enough repute with the motoring public without permitting the hustlers to operate again at their filling stations along the heavily traveled tourist routes.

The hustlers are those attendants who try to sell unneeded air filters, fan belts and other accessories to the unsuspecting stranger who stops for gasoline. It is an old practice and one that has been exposed time and time again.

In recent years, the racket was believed under control, principally because the oil companies themselves, in a consumer-oriented age, clamped down. But now, according to word I have received, the thing is reviving. It began in the midst of the recent gas shortage when a motorist would buy anything to get his tank filled.

The attendant is paid a premium for every such item he manages to sell. And he tries at every opportunity. An oil check brings an unasked examination of the air filter and the word that the autoist better have it changed—"it is clogged"—or run into trouble on his trip. Fan belts are made suspect and often are replaced unnecessarily.

A constituent of mine tells me that he was hustled twice for air filters on a recent short trip. And this despite the fact that his car had less than 4,000 miles of use and that a filter should last at least 10,000. His filling station at home checked and found the filter was in good shape. Another motorist says he was similarly hustled when the filter in his car had been there for only 900 miles.

There is not much that we, in Congress, can do about this except to call it to attention and especially to the attention of the consumer organizations. But it is something that ought to be stopped. The American motorist is being taken for far too much already when he meets the new inflated gasoline prices. He should not be hustled, too. My advice to the tourist is to check his car out with his regular gas dealer before he leaves on his summer trip and then to report any instance of hustling to the oil company whose station is involved. The companies bear the chief responsibility for stopping this.

DR. MURPHY RESPONDS TO CANCER ACT CRITICISM

HON. JAMES F. HASTINGS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. HASTINGS. Mr. Speaker, last week the House passed and sent to the Senate the National Cancer Act Amendments of 1974 providing for a 3-year extension of our national cancer program which was originally enacted in 1971.

The 1971 legislation was historic in that for the first time it mobilized Federal resources in a coordinated battle to find the cause and cure for cancer. Recently that program has come under attack from some quarters.

It should be remembered that when this program was being developed, many inside and outside the medical and scientific community contributed, not the least of whom was Dr. Gerald P. Murphy, director of Roswell Park Memorial Institute in Buffalo, N.Y., which is noted world-wide for its advances in cancer research and treatment.

Hearings held by the House Subcommittee on Public Health at Roswell Park were of inestimable assistance to the committee in writing the original legislation and several key recommendations by Dr. Murphy were incorporated into the act.

Dr. Murphy serves on the President's National Cancer Advisory Board, created by the act and because he is deservedly recognized as one of the most respected and responsible leaders in cancer research and treatment, his words have special significance in responding to the recent criticism of the cancer programs. Therefore, I am including for the RECORD his remarks as contained in a recent Buffalo Courier-Express news story. I recommend their reading to everyone:

ROSWELL HEAD RAPS CANCER ACT CRITICS

Dr. Gerald P. Murphy, director of Roswell Park Memorial Institute and a member of the President's National Cancer Advisory Board, Saturday criticized scientists who have attacked the Nixon administration's war on cancer.

"Those scientists who have criticized the program are speaking in half-truths," he said. "Contrary to their statements, basic scientific research has increased rather than decreased since the National Cancer Act of 1971." Dr. Murphy made the comments in an interview in response to recent criticisms of the cancer act.

The act set forth a detailed program of conquering cancer including new research programs, the establishment of additional comprehensive cancer centers, education and treatment programs.

Some scientists including Dr. Arthur Kornberg, a professor of biochemistry at Stanford University have claimed that because of the act, funds have been diverted from basic, general research for programs to conquer cancer and heart disease. They have further argued that medical conquests cannot be predicted and managed in the manner of other scientific programs such as going to the moon and general research is necessary for any medical advances.

Dr. Murphy said the scientists' criticisms were based on certain misconceptions about the national cancer act.

"Federal funds for cancer programs have not been increased at the expense of nondirected or basic research," he said. "Indeed, we at Roswell Park are involved in basic research including studies of the cell which have direct applications in other fields such as the understanding of genetics."

He explained that all cancer programs involving patients have been developed from basic research programs or have followed carefully organized clinical trials.

"Cancer programs are not responsible for the cutbacks in federal support for pre- and post-doctoral training programs as some scientists seem to believe," he added. "Certain training programs were eliminated and we at Roswell testified strongly for the need for such programs. They are slowly being restored in new forms."

Dr. Murphy stressed that the United States has supported medical research to a degree greater than any other country during the last 25 years.

"Many important advances have occurred as a result of this support but in this era of inflation and high taxes it is proper for legislators to ask scientists what are they doing with the money," he said.

"Scientists should not sit in some mindless fashion in ivory towers but should be directly involved in solving the health problems of the day," Dr. Murphy stressed. "Certainly cancer and heart disease are major problems which can be best approached in a planned, organized fashion."

He noted that polio was conquered in such a planned manner.

THE AMERICAN FOLKLIFE FESTIVAL

HON. WILLIAM B. WIDNALL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. WIDNALL. Mr. Speaker, I would like to take this opportunity to congratulate the Smithsonian Institution and the National Park Service for sponsoring the eighth American Folklife Festival on the Mall which recently ended July 14, 1974. This event entertained and educated hundreds of thousands of Americans in one of the most delightful festivals in this area in 7 years.

The surest way the American people can better understand each other's problems, aspirations, and lifestyle is for them first to learn about the contributions of the various races, faiths, and ethnic groups that have brought this Nation forward through almost two centuries. To this end, it is imperative that we make a determined effort to preserve our cultural heritage and ethnic traditions. We can do this in many different and interesting ways—by sponsoring more festivals like the Park Service and Smithsonian festival on the Mall; by educating our people to the songs, music, art, and culture of their ancestors; and by supporting efforts to preserve our heritage through worthwhile congressional legislation.

That is why I cosponsored a bill, H.R. 9640, to establish an American Folklife Center in the Library of Congress. This bill would make it a statement of national policy that it is in the welfare of the Nation to preserve, support, and revitalize American folklife traditions and arts.

Mr. Speaker, there is an urgent need for more research, for more festivals of folk culture, and for means of preserving the traditions which might otherwise be lost. An American Folklife Center located in the Library of Congress could fill these needs. I urge my colleagues' support for action and speedy passage of this legislation.

FBI DIRECTOR CLARENCE M. KELLEY'S REMARKS

HON. WENDELL WYATT

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. WYATT. Mr. Speaker, the Honorable Clarence M. Kelley, on July 9 completed 1 year as Director of the Federal Bureau of Investigation. I wish to congratulate Mr. Kelley on the outstanding service he has performed in this vital position and to share with my colleagues Mr. Kelley's remarks at his news conference with respect to his first year's stewardship of the FBI.

FBI DIRECTOR CLARENCE M. KELLEY'S OPENING REMARKS AT HIS NEWS CONFERENCE

On July 9, 1973, I took the oath of office as Director of the FBI. I have called this news conference today to report to you on my first year in office. During this year, I have had some memorable experiences.

First, I want to say that my reassociation with the personnel of the FBI has been a happy experience. I have found their dedication still complete, their capabilities still matchless, and their integrity unsullied.

My first priority was to begin talking to people both within and without the FBI. I have continued this at all levels—Agents, file clerks, stenographers, and Assistant Directors. I found, of course, as in any organization, there appeared to be some need for changes. There is always room for improvement. The management of the Bureau during this period has been shifted to a noticeable extent from an autocratically directed organization to one of greater participation in plans and decisions. It is recognized there is still the need for centering of responsibility, and I assume this responsibility with great confidence that I will never be disappointed.

In discussions with persons outside the Bureau I have tried to get some indication of the public's opinion of us and determine how we might regain any lost confidence. In this I have found that the FBI commands a high position of respect among our citizens. Some, of course, do not share this opinion; and with many of them, I have tried to discuss their criticisms in detail. This has helped to influence many new policies and procedures, including the very one in which we are engaged here today; that is, a more open position insofar as our relationship with the news media.

Paramount in my mind at the time of my return to the Bureau was to establish the fact that we are free of political influence and that every effort should be extended that we might remain so. This does not forestall us from working in a cooperative and mutually assistant basis with the members of the Senate and the House, before committees of which I have appeared on numerous occasions. I have been particularly pleased with the keen interest shown by the Senate Committee on FBI Oversight and intend to continue to work closely with them.

In these appearances, there still remain some conflicts of viewpoints, as exemplified in the maintenance and use of police records. In particular I find it difficult to understand the misgivings expressed concerning our National Crime Information Center, the Computerized Criminal History program, and the general handling of information maintained by us.

I have spoken frequently on the needs for technological advances which I feel under proper guidance and control can make the system of criminal justice more effective, fair, and efficient while still protective of individual rights. Of course, there must be safeguards—safeguards to protect the confidence and privacy of persons, particularly where they have furnished information to investigative agencies.

I join in the strong admonition to all law enforcement that we should prevent misuse of law enforcement files and records by anyone within or without the law enforcement profession. Again, I welcome the creation of legal sanctions against any such abuses.

July 1st marked the 50th Anniversary of our Identification Division as the national repository for fingerprints. Those 50 years have witnessed sweeping changes in the policies and procedures governing our handling of fingerprints—changes designed to steadily improve the quality of our services to the law enforcement community while, at the same time, building constantly stronger safeguards against possible misuse to the detriment of any citizen.

Early in 1973, for example, the Identification Division ceased its previous practice of retaining arrest fingerprint cards of persons under 18 years of age. These are returned to the law enforcement agency that submitted them *unless* the juvenile is to be tried in court as an adult. Furthermore, fingerprint cards containing nonspecific charges of suspicion or investigation, as well as those submitted for nonserious offenses such as drunkenness and loitering, are no longer recorded or retained, and the Identification Division is presently in the process of removing and returning nearly 2,000,000 such fingerprint cards from its files.

In the Fall of 1973, procedures were publicly announced whereby any person can request and receive a copy of his own Identification Record. Furthermore, if he questions the accuracy or the completeness of any entry on that record, he can arrange for it to be amended by the law enforcement agency which furnished us the information originally.

At the request of the submitting agencies, in the past year nearly 20,000 arrest fingerprint cards have been expunged from the Identification Division's files. The vast majority of these have involved first offenders.

To further minimize possible inequities that can arise when Identification Records are used for non-law enforcement purposes, another new policy has just been adopted. Laws and directives in some legal jurisdictions require that the fingerprints of applicants for certain types of licenses or occupations must be checked against the files of our Identification Division. As of July 1st, in the processing of these civil-type fingerprints, we have discontinued furnishing the inquiring agency any information regarding arrests that are more than one year old *unless* the disposition of that arrest is also shown on the individual's Identification Record.

New methods and approaches have also been introduced in other areas of our cooperative services. Last December, for example, we launched a new program in support of state and local police laboratories by sponsoring the first National Symposium on Crime Laboratory Development. As an outgrowth of this Symposium, the FBI Laboratory has undertaken a significantly expanded role in the training and developmental fields.

Our statistical accomplishments are outlined in the release which was given you. We are well aware of the need to report on our performance and intend to continue this regularly. It should be recognized, however, that it is much more laudatory to prevent crime than to prosecute criminals. We are likewise well aware that we should direct our efforts to help all law enforcement to secure the streets, our businesses, industries, and our homes from the threat of crime. This may mean a redirection of our thrust possibly to place more emphasis on organized crime, white collar offenses, research to develop our general investigative techniques, and on security, both foreign and domestic.

The FBI has been an effective institution for many years. Time, however, has not made us weary and resigned to the burden, and we will not overlook any possibility for improvement. Terrorist activities, for example, present a real challenge, but I am confident here, too, we can prevail.

I can understand why citizens would fear the terrorists who are marrow of the Black Liberation Army, the Weather Underground, the Symbionese Liberation Army, and similar revolutionary groups. But I cannot understand how any law-abiding American could aid, abet, or adopt a neutral attitude toward such armed extremists. Yet day after day, these militants rely upon—and too frequently they receive—the quiet acquiescence, if not the actual support, of nonmembers in the war they wage against our society.

As a career member of this profession, I can assure you that no law enforcement agency has any desire to become involved in gun battles with terrorists or others who violate the laws of the land. In law enforcement, firepower is a defensive weapon, a last resort to be used by the officer to protect himself or innocent citizens or fellow officers whose lives and safety are being jeopardized.

Members of revolutionary groups claim they seek a better world. However, they fail to recognize that those who live outside the law must accept the consequences of their violent choice and cannot be permitted to hide behind a facade of idealism.

While I can well understand the anguish suffered by those whose loved ones have somehow become swept up in a violent antisocial movement, this compassion cannot lead to disregard of the rights of our body of citizens. Let there be no question concerning either the responsibility or the determination of the law enforcement profession to prevent terrorism and to enforce the laws which terrorists violate.

One of the most serious criminal phenomena confronting the American people today is the resurgence of kidnaping. Our first concern in these cases is the safe return of the victim. This does not mean, nor should anyone erroneously infer, that the FBI adopts a "hands tied" stance until the fate of the kidnap victim becomes known to us.

Additional emphasis is also being given to our counterespionage operations—a move necessitated by the fact that the number of persons arriving in the United States from Communist nations, both as visitors and as official representatives, has increased greatly in recent years . . . as have the intelligence-gathering capabilities of these countries.

In brief, we are assigning top priority to investigative matters that have the most heavy influence upon the fiber and fabric of life in this country—regardless of what weight they may carry on the scales of FBI statistical accomplishments.

During the past year, I believe we have lifted to some degree the shroud of mystique which some felt has enveloped the Bureau. To dissipate this, we have held sessions with the Senate Oversight Committee, met with other Congressional committees to explain our position, needs, and philosophies, and have joined with outside experts in appraisals of our philosophies. We have also developed our own analyses of the concepts of management, intelligence bases, and training as well as laboratory techniques. We have coupled these with a number of conferences which, I am confident, have extended our lines of communications and at the same time enhanced our expertise.

As this year has passed, I have been reminded of the long and successful Directorship of J. Edgar Hoover. Some say that he was ultra-conservative and possessed singleness of purpose and determination to achieve his goals by any means. I do not feel Mr. Hoover necessarily needs an advocate. I do feel, however, that it is most necessary for me to state my own position regarding him.

I have found through my short tenure as Director that he built exceedingly well and passed on a marvelous institution for me to lead. Uncompromising as he was reported to be, it is most significant to me that his legacy has proven itself to be a most flexible and innovative organization. He had determination to excel, concentrated on integrity, and insisted on a structure of service. As a beneficiary of his genius, I intend to continue to build on this great body of principles and people.

And so, the year has gone—not without some mistakes and certainly not without occasional criticism. I have the utmost confidence that there is solid integrity and devotion to duty in this great institution which has no peer. In other words, I am completely sold on the Bureau.

TRIBUTE TO SENATOR ERNEST GRUENING

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. EDWARDS of California. Mr. Speaker, it is my privilege to pay tribute to a distinguished former colleague, the late Senator Ernest Gruening of Alaska. I was honored to consider him my friend. He will serve as an inspiration to us all for his wise and courageous service to the American people.

Senator Gruening was a true public servant. Medicine, journalism, conservation and lawmaking are only a few of the areas in which he contributed to make our country a better place for all.

A staunch opponent of the war in Vietnam, Ernest Gruening was one of only two Senators to vote against the Gulf of Tonkin resolution. He foresaw the perils of American involvement in Southeast Asia and will long be remembered for this action.

Because of Ernest Gruening's advocacy of statehood for Alaska, we were all made aware of the great beauty and resources of this region. His fight to secure statehood for Alaska won the love and respect of thousands of Alaskan residents.

A longtime champion of civil rights, Senator Gruening became a leader in attempts to raise the quality of individual human lives through population control and the prevention of widespread famine and human suffering. He fought valiantly for a nuclear test ban treaty and eventual nuclear disarmament. His desires for a peaceful and secure world were so passionate that it was only fitting that he was nominated earlier this year for a Nobel Peace Prize.

It was an honor to have been associated with this great man, and my hope is that the respect and admiration which we all felt for Senator Gruening will be of some comfort to his family. I hope his wife Dorothy and his family can take consolation in knowing that the American people share with them their loss and their pride in the legacy left by Senator Ernest Gruening.

YOUNG AND ELDERLY ALIKE FACE PROBLEMS WITH SOCIAL SECURITY IN YEARS AHEAD

HON. ANCHER NELSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. NELSEN. Mr. Speaker, this month our elderly who are on social security are receiving the second step in an increase in benefits we voted last year. In view of the economic situation over the past 18 months, it is impossible to say these increases were not needed by those on fixed incomes. But anyone who takes a close look at the social security system cannot help but be alarmed about the future viability of the trust fund. Monday's Wall Street Journal carried an excellent and alarming editorial on this subject and it follows my remarks. Those who take the time to read it will share my concern, I am sure.

As do all of my colleagues, Mr. Speaker, I regularly receive letters from the elderly who say they need even more than they are presently receiving from social security to get along. Needless to say, I also receive letters from those who are paying the rapidly increasing payroll tax to support the system who believe that the tax has risen far enough. I have been telling both groups that it is obvious to anyone who gives the slightest thought to the matter that down the road we are facing a grim situation for our elderly. Today, the World War II and postwar baby boom is supplying us with a large pool of workers who can be taxed to support the current level of benefits. But these same young workers and professionals are having smaller families, and when they reach retirement age there will be a significantly smaller labor pool to supply their own benefits. The editorial to which I have alluded is particularly alarming in its prediction that the fund faces problems well in advance of the 2000–2015 period, when the present younger labor force will be reaching retirement age.

Mr. Speaker, I do not have the whole answer. As yet I have not heard any of my colleagues come up with a totally sound one. I will not be here when the Congress has to address this problem, and I know many of my colleagues will not be here either. That is no excuse for us to look the other way, fearing to face the crisis that is developing. In its report on H.R. 11333 last December, the Ways and Means Committee recognized this problem and ordered some work on it. I commend the committee for that action.

Looking ahead, the time may well come, because of the severe shortfall in social security revenue, when a future Congress will feel compelled to limit recipients to only one source of Government-sponsored retirement benefits, banning multiple pensions accruing from military or civilian service, plus social security. Accordingly, a strong private pension system capable of comfortably supporting retirees is growing more important with every passing day. It is a point I have repeatedly stressed.

Last year when I submitted a statement to the Ways and Means Committee on pension reform, I said:

> If this committee . . . can develop a measure which expands pension coverage and makes it a more significant part of the individual's retirement income, we may relieve some of the pressure on social security taxes in years to come.

At another point in my statement I suggested that the provision allowing individual's who work in a firm which does not have a pension plan to make tax exempt contributions to a self-established and self-funded pension program may also help to reduce reliance on social security. I am sure we will pass the pension bill soon, Mr. Speaker, and I believe more and more attention will be given in the future to regulating pension funds in such a way as to expand their coverage and benefits so as to lift from the social security system the onerous burden it is facing.

Again, I commend this editorial to the attention of my colleagues and hope they will share it with their constituents.

A LONG LOOK AT THE SSS

We read with interest last week's cover story in U.S. News and World Report on the Social Security System, which concludes that the system is in desperately poor financial condition. "The failure to reform Social Security, almost everyone agrees, could lead in the long run to disaster."

It is worse than that. USN&WR says that by 1990, even though a worker pays a maximum Social Security tax of $2,070.45, which has to be matched by his employer, the system will be paying out $20 billion more in benefits than it takes in that year. Unhappily, the assumptions cranked into these numbers are those of the Social Security Administration, numbers that are obsolete and ridiculously optimistic. Unless taxes are increased substantially, or benefits reduced substantially, deficits on the order of $20 billion could arrive by 1980, growing by leaps and bounds from there.

The most disheartening number, an official one, is provided by the Treasury Department. As of June 30, 1973, the unfunded liability of the system was $2.1 trillion. Another way of putting it is this: In a very real economic sense, the national debt is at least $2.1 trillion larger than the politicians say it is. If, as of June 30, 1973, the system had refused to accept new workers, saying it would only collect taxes and pay benefits to those already covered, its outlays over the next 75 years would exceed receipts of $2.1 trillion, plus market rates of interest compounded annually. In the last year, this number has grown by about $300 billion.

So far, Congress has blinked away this enormous pool of debt by passing a law that defines "actuarial soundness." Its reasoning is that the SSS would never close off to new work-force entrants, hence there would always be new workers to pay the benefits to the new recipients. By the congressional "dynamic assumptions" definition of actuarial soundness, the system is only in deficit by $62 billion, spread over the next 75 years.

As it happens, for the dynamic assumptions method to hold up the assumptions have to be as dynamic in reality as they were on the planning boards. They have not been. Working on the 1960 Census figures, the Social Security bureaucrats projects a 1964–1975 birth rate gradually declining from 21 per 1,000 to 20 per 1,000, then climbing again. Instead, the birth rate dropped like a stone throughout the period and now stands at around 15 per 1,000. The bureaucrats projected a growth in real wages over the period of 2.1% a year; between 1965 and 1973 real wage growth averaged 1.7%.

The errors imply much higher taxes are required to sustain benefit levels, and of course imply economic insanity if Congress continues to hike benefit levels. How much higher taxes? In their "Actuarial Audit of the Social Security System," Robert Kaplan of Carnegie-Mellon University and Roman Weil of the University of Chicago assert that realistic assumptions "imply taxes 50% to 75% higher than current levels." The SSS actuaries will not be able to avoid admitting some of this when they put out their new assumptions based on the 1970 Census. The Kaplan-Weil argument is that the dynamics have worsened since 1970 and should be faced up to now.

What's to be done? The first thing is that the public has to be told, by the politicians, that it is not possible to maintain the current rate schedule and benefit level. One or both have to be adjusted. It is of vital importance that the public be told in that most of the work force is now counting on the purchasing power the current benefit levels yield for their retirement years.

Congress may cringe at the idea of trimming these benefit levels, but sharp tax boosts won't be popular either. Liberals will want to dip into the general fund to keep the system going a little longer, but within two or three years this method will be cleaning out the Treasury. All other "worthwhile" government programs will have to be chopped out to sustain Social Security. That, too appears to be politically impossible. Indeed, there are no politically appealing ways to straighten out this mess. But the longer the nation waits to do it, the more it will hurt.

CAPTIVE NATIONS WEEK

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BROOMFIELD. Mr. Speaker, I rise to join my colleagues in the observance of the 15th anniversary of Captive Nations Week. Fifteen years ago the late President Dwight D. Eisenhower initiated this week as a time for all of us to solemnly pledge our commitment to the millions of oppressed people in Eastern Europe.

Sadly, the 15 years since then have seen a continuation of Communist domination of these captive nations.

But, as we stand on the threshold of a new era of cooperation and friendly relations with the Soviet Union, we must continue the quest for freedom for all people of Eastern Europe.

Certainly, those of us in the free world must continue to reject the tyranny over the lives and minds of these people, and reaffirm our strong support for them and their struggle for self-determination. In a very real sense their struggle is our struggle. For how can we be truly free while other people continue to suffer the denial of their basic rights of liberty and freedom?

I look forward to the day when the over 100 million men and women of the captive nations will be free to enjoy the fruits of independence. By commemorating this week, we in Congress pledge our total support for their fight to throw off the yoke of oppression and achieve this cherished and basic right.

ORGANIZATION OF RECENT ANTI-ABORTION CAMPAIGN

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. FRASER. Mr. Speaker, in the past week I have noticed a sharp increase in antiabortion form letters. The letter which organized this mailing has come to my attention, and I would like to share it with colleagues who may be curious about the origin of this campaign.

A cover letter to 18,000 bishops and pastors was written by a Gilbert Durand, national chairman of the Committee of Ten Million, "a national pro-life organization" in Glendale, Calif. It exhorts recipients to "avalanche the do-nothing double-talking Congress" with an Independence Day "Operation Avalanche." The cover letter is supplemented by the following instructions:

OPERATION AVALANCHE

(By Committee of Ten Million)

1. Operation Avalanche will force enactment of the Human Life Amendment in 1975.

2. Operation Avalanche will deliver 10 million anti-abortion letters to Congress during the week of July 4, 1974.

3. Operation Avalanche will automatically organize 20,000 local pro-life *political action* groups. There are more groups than the Democratic and Republican Parties have, combined.

4. Operation Avalanche will elect a pro-life Congress.

5. Operation Avalanche will force state ratification of the Human Life Amendment by July 4, 1976.

Operation Avalanche is efficient, economical, easy and effective. It is well-planned and coordinated. It is realistic.

Its success requires Action Now! Time is of the essence. 1974 is election year. 1974 is The Crucial Year.

"We consider the passage of a pro-life constitutional amendment a priority of the highest order."

"In all of this, well-planned and coordinated political organization by citizens at the nation, state and local levels is of highest importance."

"Our system of government, requires citizen participation, and in this case, there is a moral imperative for political activity."

The words are clear, deliberate and authoritative. They are the words of the National Council of Catholic Bishops, meeting in plenary session last November. Why this unprecedented pronouncement on the part of the American hierarchy?

Four reasons: (1) because of the gravity, frequency and legality of abortion in the United States today; (2) because a Human Life Amendment is the only means by which the state can discharge its paramount obligation—the protection of the God-given right to life itself; (3) because political organization and activity are the only available means of obtaining such a protective amendment; and (4) because under our system of government *all* citizens are obliged to vote and to work politically for a government responsive to the demands of justice.

If this moral obligation applies to *all* citizens, it particularly applies to pastors. It should be noted that abortion destroys not only the natural life of the child, but also the supernatural life of the mother. When we oppose abortion we are not only making a dutiful response to the obligations of justice, but are performing both corporal and spiritual works of mercy—noble acts of charity.

Now that it is clear what needs to be done, the question remains: how best to do it? For months the Committee of Ten Million has worked on this problem. Its carefully considered solution is entitled *Operation Avalanche.*

Operation Avalanche is a serious, realistic and uniquely effective response to the Bishop's recitation of what needs to be done. It is our best means of discharging our moral responsibilities in this election year—this crucial year.

Operation Avalanche will *quickly* organize 20,000 local pro-life political action groups—a splendid follow-up to the Bishop's suggestion. It will unleash 10 million letters on the Congress in one week. Its power will force enactment of the Human Life Amendment. And it can all be accomplished in four easy steps. But the pastor himself need only take the first two steps.

However, time is of the essence. The hour is late. We will soon be in the summer doldrums. Success cannot be gained by delay. Action on Step #1 is imperative *now!*

STEP NO. 1—PASTOR

The first step is both the easiest *and* the most important. It requires neither work nor organization. It only requires two minutes of your time. Merely fill out the attached reply card, perforated for your convenience, and mail it to the Committee of Ten Million in the enclosed, self-addressed return envelope—NOW.

The Committee will then send you a carton of 540 envelopes pre-addressed as follows: 100 Senators; 435 Congressmen; 1 President; 1 Vice-President; 1 Democratic National Committee; 1 Republican National Committee; 1 Committee of Ten Million equals 540 Total.

When the Committee receives the reply cards, it runs a total count and then orders the millions of envelopes printed at one time. As fast as they come off the press, they are boxed and shipped out.

Because of the urgency, magnitude and cost of such an undertaking, the Committee must contract to have all the envelopes printed at one time. Therefore, of necessity your order must be placed immediately so as not to be voided by the cut-off date, June 12, 1974. No telephone orders, please.

The urgency of taking the first step, *now* cannot be overstressed. There is nothing to be lost—everything to be gained. Do not undertake Step #2 until the first step is completed.

STEP NO. 2—PASTOR

While awaiting receipt of the 540 pre-addressed envelopes from the Committee of Ten Million, each pastor should arrange an informal meeting of a few people of pro-life leadership caliber. Perhaps there is such a group already functioning in the parish. The number attending this meeting is best left to the pastor's judgment, but care should be taken to preclude endless and counter-productive discussion. . . .

(There follows a discussion of the agenda of this meeting and suggestions for the form letter to be sent to legislators. . . .)

Caution. As soon as possible, the letters should be sealed, stamped, and made ready to drop in the post office. But do not mail the letters before Thursday, July 4th, which is Avalanche Day nationwide.

With this timing, 10 million Human Life Amendment letters will descend upon the Congress during the Fourth of July week, which marks the 198th anniversary of the Declaration of Independence. That noble document declared that the unalienable right to life comes from God, and, to secure that right, governments were instituted among men.

What has now been accomplished? Consider the Catholic Church alone. If all pastors cooperate, we automatically have 17,699 neighborhood pro-life political action clubs dedicated to forcing adoption of the Human Life Amendment.

STEP NO. 3—LOCAL COMMITTEE

It is now Avalanche Day, July 4, 1974. On this day each of 20,000 separate pro-life political organizations will mail 540 letters to Congress. Thus the Senate, the House, the President, the Vice President, and the National Democratic and Republican Committees will be avalanched by 10 million letters calling for enactment of the Human Life Amendment.

Objection—"But surely Congress could see through all this. It would note that all these letters were nothing more than a mass-printed, organized campaign. The politicians would be unimpressed."

On the contrary politicians have nothing to fear from disgruntled voters who are unorganized. But in the case of Operation Avalanche, they immediately note that the unhappy voters have organized—organized for pro-life political action. They will note the presence of "Congressional District #———," "Precinct Chairman" and "Finance Chairman," etc., on the letterhead. They have everything to fear from such "well-planned and coordinated political organization by citizens." The fact that the groups are so well coordinated by congressional districts and can simultaneously mail 10 million pro-life demands is not only most impressive, but also most persuasive; it tells the politician, in the only terms he understands, that unless he votes to stop the killing his political career is in real jeopardy from voters in his district.

And speaking of 10 million pieces of mail, just visualize the Washington scene when these 312,000 pounds of mail are delivered—156 TONS; 576 pounds (17 sacks) to each politician. Congress will get the message, all right—the pro-life message!

STEP NO. 4—LOCAL COMMITTEE

You may wonder why the Committee of Ten Million needs to receive a copy of each group's letter. Here is why. When the Committee receives the letters, it will immediately sort them by states and then by Congressional Districts. The groups' names and addresses will then be typed on Scan Cards from which high-speed print-outs will be made by Congressional District. This information will then be mailed back to each local group so that each has the name and address of every other group in its Congressional District.

Then, upon receipt of the postcard, the neighborhood clubs can and should immediately get together and form "Congressional District #---- Voters For Life" composed of a representative from each of the neighborhood committees. This is Step #4. They are then ready to exert the power necessary to elect a pro-life Congress—a Congress that will enact the Human Life Amendment.

If the 17,699 Catholic pastors alone cooperate with Operation Avalanche, we will have a national average of 40 neighborhood pro-life groups in each Congressional District plus 435 Congressional District groups. This is the raw political power that will overcome the Supreme Court's "raw judicial power."

But for all this to happen, it is essential that the Committee of Ten Million automatically receive a copy of each group's letter to Congress.

AVALANCHE UNLIMITED

The cooperation of the nation's 17,699 Catholic pastors is not enough. Our goal is 20,000 Voters for Life organizations. The pastor of every congregation of every religion is cordially invited and urged to participate. "The right to life is not an invention of the Catholic Church or any other church." It is a basic human right.

Operation Avalanche is not even limited to pastors. Anyone who cares enough should take The First Step.

Local pro-life groups should not only take The First Step, but should immediately start a campaign to encourage *all* pastors to do so. These groups should continue to use their own name and letterhead, but include thereon their Cogressional District number (or numbers) and the slogan 1974—The Crucial Year. VOTE LIFE.

POST-OPERATIVE CARE

The completion of the four easy steps of Operation Avalanche will automatically transform the pro-life movement into the massive organization needed to force enactment of the Human Life Amendment. The publication of a 20,000 unit pro-life directory will be of great assistance to Congressional District, County, State and National Right to Life organizations.

The Committee of Ten Million will exercise no control over any of these groups. The Committee will serve the Congressional District units with a series of positive political action programs, materials, and stimuli designed to implement Operation Avalanche. The units are free to adopt or reject these items as dictated by their particular situation.

At this writing, no attempt will be made to describe the planned implementation; because nothing can be done in this regard until the first four steps have been taken. All this must await the completion of the 20,000 unit organization.

PRESERVATION OF HISTORIC SHIPS

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. CAREY of New York. Mr. Speaker, yesterday, my distinguished colleagues Senator Edward Kennedy and Representative John Murphy and I introduced legislation which would establish a National Trust for the Preservation of Historic Ships.

This legislation would provide for a Historic Ships Trust under the direction of a Board of Trustees to be authorized to acquire ships of national historic interest and to set up a program for not only their restoration but for their use as educational and training vehicles. At the same time, it would provide for restoration of harbor sites where the ships would be located.

As we approach the Nation's Bicentennial, this legislation has important meaning to all of us whether our districts are fortunate enough to contain historic ships and harbors or not. For without the courage of early sailors and the strength of mighty ships our history would have been quite different.

By restoring our mighty ships of yesteryear—ships like the *Alexander Hamilton* and the *Pioneer* of New York, and the *Alice Wentworth* of Boston Harbor, we will be providing this and future generations with an important link to the past. What is equally as important, is that this link will be a vibrant testimony to the important role our ships and ports have played in our history—a monument to which all of us can relate.

I am very pleased to have the opportunity to join with Mr. Kennedy and Mr. Murphy in this exciting project, and I look forward to the day when all of us will be able to enjoy firsthand the excitement of viewing the great ships which helped make this Nation an outstanding one.

A TRIBUTE TO DR. MARY McLEOD BETHUNE

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. DELLUMS. Mr. Speaker, it is with great pride that I salute the First Lady of Lincoln Park, Dr. Mary McLeod Bethune.

On June 10, 1974, thousands of people from all over the country gathered to celebrate the unveiling of a memorial to Dr. Bethune. The District of Columbia paid tribute to Dr. Bethune by making her the first woman and the first black so honored on public land in this our Nation's Capital.

Dr. Bethune was a living legend. Being the first and only are familiar phrases in her biography. Born the 15th child of freed slaves in 1875 in Maysville, S.C., she advised four Presidents, she founded Bethune-Cookman College and the National Council of Negro Women.

Because of her wide-ranging travels and her dynamic personality, Dr. Bethune became well known in national education, Government circles, and in black organizations. Honors, awards, medals: she had them by the score. Some are mere token payments to a member of a minority group. Others are real tributes to a real leader—sex, color, or race aside.

I would like to include in the Record a copy of her eloquently written last will and testament, so my colleagues can read what she has left in the hearts of black people everywhere.

The Bethune legacy to black people is love, respect, hope and responsibility.

The last will and testament follows:

My Last Will and Testament

(By Mary McLeod Bethune, Ph. D.)

Sometimes as I sit communing in my study I feel that death is not far off. I am aware that it will overtake me before the greatest of my dreams—full equality for the Negro in our time—is realized. Yet, I face the reality without fear or regrets. I am resigned to death as all humans must be at the proper time. Death neither alarms nor frightens one who has had a long career of fruitful toil. The knowledge that my work has been helpful to many fills me with joy and great satisfaction.

Since my retirement from an active role in educational work and from the affairs of the National Council of Negro Women, I have been living quietly and working at my desk at my home here in Florida. The years have directed a change of pace for me. I am now 76 years old and my activities are no longer so strenuous as they once were. I feel that I must conserve my strength to finish the work at hand.

Sometimes I ask myself if I have any other legacy to leave. Truly, my worldly possessions are few. Yet my experiences have been rich. From them I have distilled principles and policies in which I believe firmly, for they represent the meaning of my life's work. They are the products of much sweat and sorrow. Perhaps in them there is something of value. So, as my life draws to a close, I will pass them on to Negroes everywhere in the hope that an old woman's philosophy may give them inspiration. Here, then, is my legacy.

I leave you love. Love builds. It is positive and helpful. It is more beneficial than hate. Injuries quickly forgotten quickly pass away. Personally and racially, our enemies must be forgiven. Our aim must be to create a world of fellowship and justice where no man's skin color or religion is held against him. "Love thy neighbor" is a precept which could transform the world if it were universally practiced. It connotes brotherhood, and to me, brotherhood of man is the noblest concept in all human relations. Loving your neighbor means being interracial, interreligious, and international.

I leave you hope. The Negro's growth will be great in the years to come. Yesterday, our ancestors endured the degradation of slavery, yet they retained their dignity. Today, we direct our economic and political strength toward winning a more abundant and secure life. Tomorrow, a new Negro, unhindered by race taboos and shackles, will benefit from more than 330 years of ceaseless striving and struggle. Theirs will be a better world. This I believe with all my heart.

I leave you the challenge of developing confidence in one another. As long as Negroes are hemmed into racial blocs of prejudice and pressure, it will be necessary for them to band together for economic betterment. Negro banks, insurance companies, and other businesses are examples of successful racial economic enterprises. These institutions were made possible by vision and mutual aid. Confidence was vital in getting them started and keeping them going. Negroes have got to demonstrate still more confidence in each other in business. This kind of confidence will aid the economic rise of the race by bringing together the pennies and dollars of our people and ploughing them into useful channels. Economic separatism cannot be tolerated in this enlightened age, and it is not practicable. We must spread out as far and as fast as we can, but we must also help each other as we go.

I leave you a thirst for education. Knowledge is the prime need of the hour. More and more, Negroes are taking full advantage of hard-won opportunities for learning, and the educational level of the Negro population is at its highest point in history. We are making greater use of the privileges inherent in living in a democracy. If we continue in this trend, we will be able to rear increasing numbers of strong purposeful men and women, equipped with vision, mental clarity, health, and education.

I leave you a respect for the use of power. We live in a world which respects power above all things. Power, intelligently directed, can lead to more freedom. Unwisely directed, it can be a dreadful destructive force. During my lifetime I have seen the power of the Negro grow enormously. It has always been my first concern that this power should be placed on the side of human justice.

Now that the barriers are crumbling everywhere, the Negro in America must be ever vigilant lest his forces be marshaled behind wrong causes and undemocratic movements. He must not lend his support to any group that seeks to subvert democracy. That is why we must select leaders who are wise and courageous and of great moral stature and ability.

I leave you faith. Faith is the first factor in life devoted to service. Without faith nothing is possible. With it, nothing is impossible. Faith in God is the greatest power, but great too, is faith in oneself. In 50 years the faith of the American Negro in himself has grown immensely and is still increasing. The measure of our progress as a race is in precise relation to the depth of the faith in our people held by our leaders. Frederick Douglass, genius though he was, was spurred by a deep conviction that his people would heed his counsel and follow him to freedom. Our greatest Negro figures have been imbued with faith. Their perseverance paid rich dividends. We must never forget their sufferings and their sacrifices, for they were the foundations of the progress of our people.

I leave you racial dignity. I want Negroes to maintain their human dignity at all costs. We, as Negroes, must recognize that we are the custodians as well as the heirs of a great civilization. We have given something to the world as a race and for this we are proud and fully conscious of our place in the total picture of mankind's development. We must learn also to share and mix with all men. We must make an effort to be less race conscious and more conscious of individual and human values. I have never been sensitive about my complexion. My color has never destroyed my self-respect nor has it ever caused me to conduct myself in such a manner as to merit the disrespect of any person.

I have not let my color handicap me. Despite many crushing burdens and handicaps, I have risen from the cotton fields of South Carolina to found a college, administer it during the years of growth, become a public servant in the government and country and a leader of women. I would not exchange my color for all the wealth in the world, for had I been born White, I might not have been able to do all I have done or yet hope to do.

I leave you a desire to live harmoniously with your fellow man. The problem of color is worldwide. It is found in Africa and Asia, Europe and South America. I appeal to American Negroes—both North and South, East and West—to recognize their common problems and unite to solve them.

I pray that we will begin to live harmoniously with the white race. So often, our difficulties have made us supersensitive and truculent. I want to see my people conduct themselves naturally in all relationships, fully conscious of their many responsibilities and deeply aware of their heritage. I want them to learn to understand Whites and influence them for good, for it is advisable for us to do so. We are a minority of 15 millions living side by side with a White majority. We must learn to deal with people positively and on an individual basis.

I leave you, finally, a responsibility to our young people. The world around us really belongs to youth, for youth will take over its future management. Our children must never lose their zeal for building a better world. They must not be discouraged from aspiring toward greatness, for they are to be the leaders of tomorrow. Nor must they forget that the masses of our people are still underprivileged, ill-housed, impoverished, and victimized by discrimination. We have a powerful potential in our youth, and we must have the courage to change old ideas and practices so that we may direct their power toward good ends.

If I have a legacy to leave my people, it is my philosophy of living and serving. As I face tomorrow, I am content, for I think I have spent my life well. I pray now that my philosophy may be helpful to those who share my vision of a world of Peace.

HISTORIC SHIP PRESERVATION

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. MURPHY of New York. Mr. Speaker, often in our concern for the future we ignore the achievements of our past. It is fitting, therefore, that as our country prepares for its Bicentennial, we take a moment to reflect on one of the facets of our history which has contributed to this Nation's greatness—namely the men and the ships that have defended and protected our ports and harbors since the American Revolution.

Today, I have jointly introduced a bill with Congressman CAREY, of New York and Senator KENNEDY, of Massachusetts, which establishes a national trust for the preservation of historic ships. The purpose of this trust is to help preserve the ships which have played such a crucial role in America's development. The national ship trust will actively support both public and private preservation ventures and, in so doing, will be empowered to acquire with donated or appropriated funds, ships of national interest and importance in the technical, commercial, and cultural maritime history of the United States. The trust will be administered under the general direction of a board of trustees composed of 33 members of whom one shall be the Secretary of the Interior, ex-officio, and one shall be the Secretary of the Smithsonian Institution, ex-officio.

The preservation of these historic ships will be taken up in the context of an intensive educational program. For example, many of these ships will become part of major museum centers and, as such, will sponsor activist sail training, marine trade schools, and many other programs that will benefit the public. Furthermore, the restoration of these ships is planned to occur in conjunction with major port improvements that will focus on opening disused urban waterfronts.

In New York we are fortunate to possess one of the most beautiful and historic harbors in the world. The bill I have introduced today will insure that the historical significance of this harbor, far from being lost, will survive until we celebrate our tricentennial in 2076.

AMTRAK

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. GAYDOS. Mr. Speaker, there is considerable interest in the progress of Amtrak, the National Railroad Passenger Corp. Recently, Mr. James B. Johnson, assistant city editor of the Daily News in McKeesport, Pa., rode the train from Pittsburgh, Pa., to Colorado, a 1,600-mile trip. He conveyed his impressions, good and bad, in a series of two articles for his newspaper. I believe my colleagues will find his first-hand report interesting and informative. The first article follows:

TRAIN TRIP BOLSTERS BELIEF IN RAILROAD'S COMEBACK

(By James B. Johnson)

Train travel is making a comeback. And in grand style, too.

Pretty strong words for a way of life, or travel, that just a few years back seemed to be taking its last ride.

But I feel justified in saying the revival is real after a journey by rail that took me nearly 1,600 miles from Pittsburgh to Colorado.

I rode two Amtrak trains on the trip—the Broadway Limited and the San Francisco Zephyr—and in a series of two articles I'll try to cover the highlights of my first ride on the rails in 26 years. It was a memorable experience and I can recommend rail travel, even a short trip, to all who have the time and who like their feet on the ground, or close to it.

I could have flown to Colorado. Or I could have made the trip by auto. But I've flown before, and the high cost of fuel prompted me to rule out a highway journey.

Actually, my first choice for travel was rail. I wanted to see firsthand if Amtrak was for real. I had heard a lot about the National Railroad Passenger Corp. and its efforts to attract passengers—reports of good food, good service, good accommodations. It was a challenge, one I had to accept. And one I'm glad I did.

Not everything is perfect about Amtrak. But after riding the rails for 28 hours, I'm willing to give the people who run it more time to iron out the kinks as they attempt to restore train service to what it was in its heyday.

If, as I did, you opt for the train, be prepared for your first disappointment when you arrive at the old Pennsylvania Railroad terminal in Pittsburgh. It's a letdown.

The mausoleum-like structure is drab and dreary today. And more so at 12:30 in the morning, the time I arrived to await a 1:20 departure of the Broadway Limited. One bright spot though: Amtrak personnel at the terminal are courteous and helpful.

First thing I discovered was that the train would be a half-hour late out of New York. The news didn't startle me at all.

Surprisingly, the terminal was bustling with people, an encouraging sign and a far cry from a few years ago when people who went by train were looked upon as being weird.

There's nothing to do in the Amtrak terminal in the wee hours of the morning except sit. Which I did. There's no restaurant, no newsstand. Just a machine into which one can plunk some money for a coffee or cold drink.

About a half-hour before the train arrived, westbound passengers were advised that their baggage (mine was resting on a cart) would be taken to the train platform by Amtrak personnel. Nice people, I thought.

And at about 1:50 a.m. came the announcement I had waited for: the Limited was arriving! Being a neophyte at this kind of thing, I just followed the crowd and soon arrived at the platform, where I found my luggage waiting. Chalk up a plus for Amtrak.

The car I was looking for was nearly at the end of the train and by the time I reached it (pushing my supermarket-like baggage cart), I was huffing and puffing.

One of few disappointments during my travels with Amtrak occurred here. An attendant who appeared from the sleeping car seemed annoyed that I was boarding in Pittsburgh. He grumbled something to the effect that he didn't know I would be occupying a bedroom, and hurriedly "made up" my berth, outwardly unhappy at having to perform the task at 2 a.m.

(I was to discover later in my journey that the Limited does not compare with the Zephyr in terms of accommodations or service. Obviously, Amtrak has some catching up to do here. More later.)

As the Limited began to roll slowly out of Pittsburgh, I determined that the best way to while away time was to visit the club car. Although no drinks were being served at that hour, I was immediately invited to join another group in a chat that was to last for more than an hour.

It was here I learned that "going by train" was different, indeed. Train folks are friendly, anxious to talk and, finally, unhurried. Congeniality abounds.

At about 3.30 a.m., I decided to try out my berth. It was to be my first sleeping car experience since 1948. I soon learned how much I had forgotten about: 1—getting ready for bed on a moving train; 2—sleeping in one.

A suggestion or two is in order here. First, don't try to shave when the train is in motion, unless you have a real steady hand. Secondly, if you plan to reserve a bedroom on a train, and it's to be your first experience, I suggest you spend a night or two at home in a large bedroom closet, just to get used to confined quarters.

Just using the tiny bathroom in a sleeping car bedroom is something else!

I didn't sleep well en route to Chicago. The rolling motion of the train and the clickety-click of the wheels precluded anything that resembled sleep. You might say I rested well. But, I reasoned, it was better than traveling by coach.

The friendliness of train people continued at breakfast in the morning. Unfortunately, the smile of the passengers didn't have any effect on the Limited's dining car attendants. They were less than courteous and their attire, for want of a better word, was sloppy.

(Fortunately, I was to find that Amtrak personnel scored better on the Zephyr. Another strong indication that the Broadway Limited needs some personnel overhauling.)

However, the good food served on the Limited more than made up for the shortcoming. It was the first of three excellent meals I was to enjoy on Amtrak.

Joining me for breakfast was a young man from Baltimore en route to Texas. He was a rail buff and was thoroughly enjoying his trip. He was just one of many young people I was to meet on the train. All were courteous and friendly.

My conversation with the young man lasted for at least two hours. It was rewarding to me in that I was able to glean from him his opinion on train travel and the opinions of people he knew who have tried the railroad. All, he said, found their trips enjoyable.

Incidentally, the cost of meals on trains is quite reasonable. And the food is good. I had a substantial breakfast for well under $2. And it was better than some of the fare served up in motor inns and hotels at much higher prices, as I was to discover during my trip.

Once in Chicago, there was less confusion than I had anticipated. An attendant had placed my bags on the train platform and he didn't have his hand out for a tip (but I tipped anyway). Pushcarts were available at trainside; I placed my baggage in one of them and hustled off to find a locker in Union Station.

I had a six-hour layover in the Windy City and left the station as soon as I could, anxious to take in all that time would permit.

I kept one eye on Chicago and one on my watch. I didn't want to miss the pullout from Union Station of the San Francisco Zephyr. It is a train about which I had heard much. And it was to give me a trip I won't soon forget.

CAPTIVE NATIONS WEEK

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. ASHBROOK. Mr. Speaker, this, the third week of July, is Captive Nations Week. In a period when there is so much emphasis on détente with the Soviet Union and Communist China too many in positions of influence forget the captive nations and their peoples who number in the hundreds of millions.

The list of captive nations—those countries which have lost their freedom under communism—is depressingly long. The nations and peoples include: Armenia, Azerbaijan, Byelorussia, Cossackia, Georgia, Idel-Ural, North Caucasia, Ukraine, Far Eastern Republic, Turkestan, Mongolian People's Republic, Estonia, Latvia, Lithuania, Albania, Bulgaria, the peoples of Yugoslavia, Poland, Romania, Czechloslovakia, North Korea, Hungary, East Germany, mainland China, Tibet, North Vietnam, and Cuba. Each has been marked by oppression.

Ukrainians are under the Soviet boot. Valentyn Moroz, a 38-year-old historian, is being tortured and driven to insanity. Numerous other Ukrainians are imprisoned because their freedom would be inconvenient for the Soviet regime.

North Vietnam continues to oppress its own people while attempting to conquer South Vietnam.

Communist China continues its persecution of all its subjects except that small percentage in power. And those must be concerned with the continuing purges of that regime.

The Soviets in addition to their persecution of the Ukrainians persecute many other peoples for imaginary crimes. In the "Gulag Archipelago," Solzhenitsyn has detailed these activities of the Soviet regime. In his interview on American television, Solzhenitsyn has told us of the efforts of détente on the internal Soviet situation:

> This is the way it is. International détente does nothing to help the situation inside the Soviet Union. Tell me, please—let's be realists—what kind of guarantees are there that the treaties are being—will be fulfilled today or tomorrow? And when your businessmen conclude—speak—in alliance with our leaders say that trade guarantees peace, it's obvious to a child it's not true. It doesn't guarantee anything. On the contrary, trade goes on so long as there is peace, and when there isn't peace there won't be any trade.

We must remember these words of Solzhenitsyn and not be deluded by the Soviet leaders. We must remember the plight of the captive peoples. Their desire is that of all people for a life free from unrestricted arbitrary force.

A MOVE AGAINST INFLATION

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. MARTIN of North Carolina. Mr. Speaker, I wish to call the attention of the House of Representatives to a letter that will be sent to the President calling for a dramatic and unprecedented move against today's double-digit inflation.

Fiscal year 1975 need not be just the latest in a long series of budget deficit years. It can be the first year in a long series of balanced budget years. It can be—if the President and the Congress are willing to bite a very tough bullet.

This letter calls on the President to veto all fiscal year 1975 appropriations bills so that they can come back here and be considered en bloc and pared down to meet anticipated revenues.

What I am proposing is very strong medicine. It will cause problems for those who have won battles whether of inclusion or exclusion. It could have negative impacts, just as everything else we do. The most negative impact now being experienced by the American people today is galloping inflation, fueled in large part by deficit spending. Should appropriations bills have to be reconsidered our work load will increase. But if that work is only partially successful and inflation is reduced only to single-digit proportions and if the Government backs only part way out of competition for funds, it will all be worthwhile.

The text of the letter is as follows:

> DEAR MR. PRESIDENT: The most pressing concern for Americans today is Inflation. Compounded by international inflation and by shortages of many commodities, the basic underlying cause of inflation in this country is the lack of fiscal discipline in the federal government. We have for decades spent far in excess of revenues until today we have a national debt of $470,111,054,734.
>
> At the present time the only operative restraint on inflation is the tight money policy of the Federal Reserve Board. These high interest rates are creating critical pressures on our financial institutions, on the homebuilding industry and on the economy in general. Yet, if interest rates suddenly were eased without other anti-inflationary measures being invoked, we fear that a disastrous spurt in inflation would result.
>
> Drastic and dramatic fiscal measures are called for.
>
> Only if we impose unprecedented budgetary self-discipline can confidence in our government and in our economy be restored.

Consequently, we call upon you as President of the United States to take the boldest action possible. *We call upon you to combine all the Fiscal 1975 appropriations bills, enacted or pending, and veto each and every one of them.* Send them back to the Congress with a message that they be pared down to fit the projected revenues. Send them back with a message to the Congress and the American people that we establish a spending ceiling *this year* and that we balance the federal budget.

It is small satisfaction to us that the current appropriations bills are below the Administration's budget. While that was a step in the right direction, it is not enough in view of the present state of the economy. The only way to dramatically restore confidence and counter inflation is to balance the budget: and the only way to do that is for you to veto all the appropriations bills and let us bring them into balance with federal income. In this way, all could be returned to you *en bloc* after having been reconsidered *en bloc* for the first time in decades.

The Budget Control and Impoundment Act of 1974 will provide for a spending ceiling as we prepare for the FY 76 budget. We believe that will be too late. The economy needs that federal austerity *now*.

We, the undersigned, assure you of our intention to support such bold leadership with votes to sustain these combined vetoes. While we may have voted for passage of some or all of these bills, yet we are convinced that their overall impact is inflationary, and intolerable in the present situation.

We stand ready to do our part.

Respectfully yours,

JAMES G. MARTIN,
Member of Congress.

As of the moment, 31 of our colleagues have cosigned this letter and other cosignatories would be welcome.

ELECTRONIC SURVEILLANCE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. KOCH. Mr. Speaker, Prof. Herman Schwartz, professor of law at the State University of New York at Buffalo, has written an excellent report entitled "A Report on the Costs and Benefits of Electronic Surveillance, 1972." I would like to append material from this report for the information of our colleagues:

FROM PROF. HERMAN SCHWARTZ' REPORT

4. Comments

There are many troublesome problems about the accuracy of these figures, and the inferences to be drawn from them.

1. There is reason to think that the arrest figures are not only relatively insignificant but actually manipulated. On November 22, 1971 *Time Magazine* reported that federal agents had been given quotas of arrests to make, and had been told to load them into 1972, for obvious political purposes. "For example, New York City has a quota of 200; Philadelphia has 60, Columbia, South Carolina rates only five." *Time Magazine*, 11/22/71, p. 19.

(a) How significant is it that a high percentage of intercepts are "incriminating," assuming that that concept has an objectively verifiable meaning, if one is eavesdropping on say, a bookmaking operation? The operator is the only one who is liable to be prosecuted, and the large number of incriminating interceptions does not really strengthen the case against him—it merely indicates the size of the operation.

(b) These huge numbers of interceptions in gambling cases in turn raise a troublesome legal issue. The Act requires that the interception end when the information sought is first obtained, unless the judge orders otherwise. See 18 U.S.C. § 2518(4)(e). But as noted above, many judges have been automatically ordering "otherwise," leaving the stopping point to the complete discretion of the eavesdroppers.

2. How accurate and meaningful are these figures anyway? What controls are there on the reporting on the state level by police and other local officials, whose reporting in the past on other matters has been so questionable? Indeed, there are some peculiarities in these figures already touched on. For example, how is it possible to have two federal devices installed 10 days apart, for 15 days each in which *each* catches 8 people on 126 conversations of which one is incriminating? See 1970 orders #106 and 107. And, as noted, the Court in the *King* case found that the true figure for the percentage of incriminating conversations was not the 85% reported but 5 to 20%.

3. In 1969 Senator McClellan, in a rare burst of criticism at law enforcement, complained that many of the supporting affidavits were quite inadequate, and yet virtually no applications or extensions were refused by federal or state judges. Although his critical comments on the adequacy of the affidavits have disappeared, the almost perfect record of no judicial denials on both the federal or state levels, for either an initial or extension application, leaves continuing cause for concern as to the closeness of judicial scrutiny, a concern often expressed in New York (where court ordered wiretapping has been going on for many years), as well as in the more conventional search and seizure area. Nor can it be known how closely the statutory requirement that there be no alternative method of obtaining the evidence is being observed—the criterion depends so heavily on prosecutorial judgment and expertise that little such control is likely in any event.

4. (a) Most of this surveillance is for gambling and narcotics, the two areas where law enforcement has shown itself to be quite ineffective in dealing with the problem. Do we really want to allow federal and state police to commit such gross and widespread invasions of privacy to fight a battle law enforcement cannot win? Even if gambling is the lifeblood of organized crime, isn't it wiser to deal with the problem of legitimating and controlling it, as New Jersey is now contemplating, as so many official and semi-official bodies in New York[1] and New Jersey are recommending and as Nevada and others have done? Such legitimation, as former rackets prosecutor Judge Julius Helfand has stated, would help to eliminate police corruption, which is virtually inevitable when gambling is illegal. And is it clear that the wiretap attack on gambling really nets more than a few small-time operators? The big fish are really not likely to have hundreds of calls on their lines, yet it is reported that most of the orders in gambling cases produce a great many interceptions.

The federal government and some law enforcement agencies refuse to accept such an argument, but law enforcement authorities follow the same rule as other bureaucracies: never support anything to reduce one's jurisdiction, especially at a time when total jurisdiction is being expanded with massive amounts of money and men.

(b) The case for the indispensability of wiretapping is further weakened by the fact that many of the major industrial states which would seem to have major crime problems, have still not gotten around to passing such legislation—most of those who jumped on the bandwagon were such states as Arizona, Colorado, Georgia, Kansas, Nebraska, and South Dakota. These states use it largely for gambling, despite the absence of any substantial organized crime in those states; on the other hand, California, Pennsylvania, Illinois, Ohio and Connecticut all managed to get along without it through December 31, 1970, despite what would seem to be far more serious crime problems. Moreover, in 1970 at least 7 of the 19 states with wiretap authority did not find it worth their while to use it in 1970, and 7 of the 20 did not use it in 1971.

(c) And even where wiretapping is useful—and sometimes it obviously is—one can never know whether other, less intrusive methods would have been equally or more useful. Since the weapon is now legally available and there is pressure to build up a good track record for it, there is no incentive to use other methods, now that the facade of "sparing use" has been dropped.[2]

The claim that wiretapping is responsible for numerous convictions will of course continue, and without detailed analysis of the sources of evidence in particular cases, it is simply not possible to assess such a claim; such an analysis is now underway. Perhaps one good indication of the validity of such a claim can be seen with respect to other assertions—for example, Mitchell's statement in his 1970 Annual Report that the D.C. Crime Control Bill "also helped to bring a decisive drop in the D.C. crime rate"—even though, as Congressional Quarterly observed, "the Administration's anticrime measures did not take effect until months after the decline had begun." CQ, 4/30/71, p. 987. The reports of quotas and scheduling of arrests also raise suspicions about the reports and claims.

The causal link is made even more dubious by the fact that wiretapping is not the only new element in the future—enormous amounts of men and money have been added. It would be startling if such a enormous increase in effect had not produced significant results, regardless of wiretapping. The success that Ramsey Clark obtained against organized crime without electronic surveillance by the application of intelligence and coordinates is evidence of that.

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[1] The most recent of the many such studies and recommendations was made by the Hudson Institute for the New York State Commission on Gambling and was issued in February 1973.

[2] It should also be noted that the devotion to electronic surveillance by Messrs. Mitchell, Hoover and McClellan is, surprisingly enough, not shared by a large number of former prosecutors. Not only does Ramsey Clark reject it, but such ex-prosecutors as former Attorney General Stanley Mosk of California (now a Justice of the State's Supreme Court); former Cook County, Illinois, State's Attorney Dan Ward; former Detroit Police Commissioner Ray Girardin; Senator Thomas Eagleton of Missouri; former Attorney General Thomas McBride of Pennsylvania; former Philadelphia District Attorney Samuel Dash, and many others, depreciate its value. Judge Isadore Dollinger, former Bronx District Attorney, recently commented that even with respect to investigation of gambling—the "lifeblood" of organized crime and the area where most eavesdropping takes place—wiretapping is not of much use. One federal prosecutor told a *Wall Street Journal* reporter a few years ago: "All this bugging flap and most of the time we got nothing." Indeed, even Mr. Hoover once called electronic eavesdropping "a handicap to the development of sound investigational technique," although today this "handicap" has apparently been overcome, at least in Hoover's eyes.

IV. CONCLUSION

The conclusions in the 1971 ACLU Report seem to be confirmed by the recent figures and the more detailed analysis:

"It would, of course, be foolish to contend that electronic surveillance is of no value. Any investigative technique, particularly one which relies on surreptitiousness and secrecy, is bound to produce some useful information, especially when used instead of other devices. But that is quite a different matter from a claim that it is, in Frank Hogan's words, 'the single most valuable weapon' in law enforcement, or that those investigations in which it is used could not have been conducted successfully without it.

The minimum costs, on the other hand, are quite clear—the privacy of *at least* tens [and perhaps hundreds] of thousands of people has been invaded, often in a deliberate effort to chill free speech and association, as the Media papers show, where national security surveillance is concerned; many, many millions of dollars are being spent at a time when social services, which might help to get at the roots of the forces that breed crime, are being starved. And with what results? A handful of convictions of gamblers, pushers, and the like in a "war against crime" that can probably never be won by law enforcement methods. Surely, we have less pernicious ways to spend our scarce dollars."

THE DEFAMATION OF AMERICAN POLES

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. DINGELL. Mr. Speaker, pursuant to permission granted I insert into the CONGRESSIONAL RECORD an excellent article appearing in the Summer, 1974, issue of The University of Chicago Magazine entitled "The Defamation of the American Poles" about the great people who I am proud to say are my forebears.

THE DEFAMATION OF AMERICAN POLES

(By Mark M. Krug)

NOTE.—Mr. Krug (PhD '58) is professor of education in history in the Graduate School of Education and the College, associate member of the Department of History faculty, and director of the Schwartz Citizenship Project, established by Charles (PhB '08, JD '09) and Lavinia Schwartz.)

Approximately ten million Polish-Americans have good cause to feel injured and often even defamed by their fellow Americans. In the face of this attempt to denigrate them, Polish-Americans have, in the main, remained a silent minority.

It ought to be made clear at the outset that our reference here is to Poles who came to America from Poland and not to Jews who also immigrated, in large numbers, to the United States from Poland. The bulk of both of these immigration waves came between the years 1880 and 1915.

The American public has so far shown little curiosity to learn the story of the immigration of Polish-Americans, their ways of life, their aspirations, hopes and frustrations. Fiction writers who have written, especially in recent years, dozens of books based on the life of Jewish professors, businessmen, and Jewish mothers, Italian "Godfathers" and Irish politicians, have yet to write a novel based on the life, the customs, the predictions, and the dilemmas of Polish-Americans. Sociologists have produced many learned theories on American-Jews and American-Italians and other minority groups, but there is no scholarly sociological study of the Polonia, the Polish community in America. Broadway has produced Fiddler on the Roof, the Rose Tattoo, and many other plays with heroes and villains drawn from the white ethnic groups. All that the Poles got was Stanley Kowalski (or rather Kowalski as played by Marlon Brando) in Tennessee Williams' Streetcar Named Desire. There are no counterparts in the delineation of the Polish-American community (with the possible exception of Nelson Algren) of a Saul Bellow, Phillip Roth, Mary McCarthy, Jimmy Breslin or Mario Puzo.

Television producers are very sensitive to new opportunities for successful shows. Recently, they have apparently become convinced that there is a demand for "ethnic shows." So after "All in the Family" and after "Bridget Loves Bernie," they decided to put on the air a "Polish" detective, naturally a kind of superman with criminals and women, but they revealed their ignorance and carelessness by giving the detective a typically Czech name of "Banacek."

But while American Poles are little heard from, they are not entirely forgotten. Americans don't want to know much about them, who they are, whence they came from and how they live, but they have been flooded by the abominable "Polish jokes," heard in night clubs and on television, which picture all Poles as simpletons, fools and obscurantists. The fad of the Polish jokes seems to be weakening lately and for that we ought to be thankful. But still, once a week, millions of Americans laugh uproariously when Archie Bunker calls his son-in-law a "dumb Polack" or a "meathead." Sure enough, the son-in-law is an intelligent college student who is supposed to expose Bunker's bigotry, but survey after survey has shown that the heart of the listening public belongs to Archie. Americans have traditionally prided themselves in being ingenious, inventive and shrewd. For them to accept the image of millions of Polish-Americans as easily fooled, lacking imagination and incapable of accomplishing a fairly complicated task is a serious matter.

It is even more serious and more insulting, since it is so unjust and undeserved. Yet one must ask himself how did this phenomenon come to pass. The root cause of the present plight of the Polish-Americans must be sought in the history of their coutry of origin and in the story of their immigration to the United States.

The most significant fact to remember is that Poles who came to this country in large numbers between the years 1880 and 1910 did not come from a free sovereign homeland. In fact, since 1795 there had been no Poland on the map of Europe.

In 1795, after 800 years of existence as an independent state, Poland was a strong and distinct national entity. Poles, whose forebears accepted Christianity in the 9th century, considered themselves the defenders of the Roman Catholic faith and an outpost of western Christian civilization against the repeated onslaughts of the Russians, the Turks and other "heretic" invaders. Poles proudly claimed that Poland was a living "Christian wall" against the conquest of Europe by the Mongols, the Tartars and the Turks. Polish children were taught on their fathers' knees the story of the heroic contributions of King Jan Sobieski and his Polish army, who helped defeat the Turks in 1683 at the gates of Vienna. Poles also cherished the memory of their resistance to the repeated invasions by the Teutonic Knights, who came from East Prussia, and the victories attained in preserving Polish independence against the invading armies of Sweden and Russia.

For centuries, Poland's powerful neighbors were determined not to allow the Poles to live as an independent people. Finally, in 1795, Russia occupied eastern Poland, Prussia took the western and northern lands, and the southern part of Poland was incorporated into Austria. From that time on, for 125 years, Poles were ruled by three foreign powers. They regained their independence in 1918, when a free Poland was created by the terms of the Treaty of Versailles, based, in part, on the Wilsonian principle of self-determination of nations.

This long period of partition of Poland and the incessant struggle of Poles for independence—in particular two great uprisings, one in 1831 and the other in 1863—had a lasting and profound influence on the Polish people. They became one of the most nationalistic and patriotic peoples in Europe. To Poles, who had lost their independence to foreign invaders, and who were determined to regain their freedom, love of country became almost a national obsession. The Polish poet, Adam Mickiewicz, put it well in verse in one of his poems: ". . . . my fatherland, you are like health, only those who have lost you, can know your value." It was indeed a desperate struggle that the Polish people waged against the might of czarist Russia, the military machine of Prussia and immense power of the Austro-Hungarian empire. The occupying powers attempted in varying degrees to suppress the spirit of Polish nationalism through forced Russification or Germanization and through bribery, political concessions and often by brutual force.

All these efforts failed. Poles had no independent political institutions. Their military rebellions were suppressed. Their sons died on foreign battlefields, in a vain hope of enlisting the sympathy and the military aid in a fight for an independent Poland. But their dedication to the idea of a free Poland never faltered. If anything, during the period of foreign domination Poles became an even more united people—united by a will for independence and united in one language and culture and in one religious faith. Polish language became a precious and effective bond for Poles in all three sectors of occupation. To speak Polish, to write in Polish, to love the Polish language became almost a religious commandment for all Poles. The patriotic poetry of the great Polish poets, Adam Mickiewicz, Julius Slowacki, and the Messianic writings of Stanislaw Wypianski became not only great literature for educated Poles, but their most sacred treasures and a source of constant inspiration.

CHURCH AND STATE

For the mass of poor and largely illiterate peasants who formed the overwhelming majority of the population, the spirit of Polish nationalism was kept alive by the Polish Catholic church. While the Catholic church in Poland was faithful and obedient to Rome, it was primarily a *Polish* Catholic church because it supported the fierce Polish nationalism and kept the devotion to the Polish language, Polish customs and Polish hopes and aspirations for independence. Priests delivered patriotic sermons in Polish and religious schools taught Polish language and literature. This was often done in the face of dire threats of the occupying authorities. As time went on, the lines of demarcation between Polish nationalism and Polish Catholicism became blurred and they have remained blurred until the present time.

Since several million Poles came to America during the period of the occupation of their country by foreign powers, they brought with them to this country both the spirit of fierce Polish nationalism and an unbounded devotion to the Polish Catholic church. In that, they differed from Italians who came from a free Italy, and especially from Sicilians, who had little comprehension or feeling for Italian nationalism and who, while devout Catholics, viewed the Italian church and Italian priests with a great deal of suspicion, if not outright cynicism. Obviously, the contrast with Polish and Russian Jews, who felt little allegiance to the countries of their origin, was even greater. Both Polish nationalism and their special devotion to the Catholic church are still the most outstanding characteristics of those American Poles who have preserved their ethnic identity.

Polish patriotism stemming directly from the tragic history of Poland's partition is still a powerful force today. It is evident in the activities of the Polish-American organizations. American Poles are often exhorted by their leaders to maintain that spirit of Polish nationalism. For American Poles, Polish nationalism constitutes no conflict with their strong patriotic devotion to the United States.

The mass Polish immigration came, as we have said, in the last two decades of the 19th century and in the period before World War I. It was overwhelmingly peasant in character. During that period of time over three million Poles came to America, paralleling the massive Italian and Jewish immigrations. While the special character of these immigration waves influenced the nature of the Italian-American and Jewish-American communities, the status, the image and the problems of the contemporary Polish community, or of Polonia as Poles call it, reflect the after-effects of the original immigration in bolder and clearer relief. In comparison with the Italians, the Jews or the Irish, the Poles have made less economic and social progress in the American milieu. The reason for this phenomenon has, of course, nothing to do with the innate abilities of Poles, but is related to the point at which they started their journey to the New World.

Polish immigrants were overwhelmingly peasants who came from an occupied country and from a society which still practiced a variation of feudal economy. Professor Florian Znaniecki estimated that 60% of Polish immigrants were landless peasants who eked out a bare living as hired hands on large estates and that 27% were small landowners.

Polish immigration included few skilled workers or artisans. The mass of the Polish peasants who came to the United States had no skills to survive in the industrialized and strange country to which they came. They spoke rudimentary, peasants' Polish and were, to an overwhelming extent, illiterate, both in their own language and in English. Thus, unlike the Jewish immigrants and to some extent the Italian newcomers, most Poles were not able to benefit in their adjustment period from reading the few Polish newspapers in America. In addition, unlike the Jews who were experienced international wanderers, and unlike the Italians who benefited from the love and glamor that American society has always accorded Italy, Poles came from a country which was in chains and which was unknown to the Americans. The Italian immigrants, however, who came mostly from Sicily and southern Italy, did suffer from the "Mafia" image.

All that Poles had to offer America was their inordinate capacity and willingness to do hard physical labor. This contribution should have been accepted with gratitude by the booming American economy and industry, but in fact the Poles were shown little compassion and even less appreciation. The Poles, bewildered in the new society, were determined to adjust and to survive. To do this, they became unskilled laborers in the steel mills in Pittsburgh and Gary, in the Ford factories in Detroit and in the stockyards of Chicago. Some Poles who had experience in the coal mines in Poland, and many others who did not, went to work under hard and dangerous conditions in the coal fields of Pennsylvania.

No work was too hard, too menial, too coarse or too dangerous for the Poles. They had no choice and could not be choosy about jobs if their families were to survive in their new environment. This hard, demanding labor was a signal contribution of these millions of brawny and healthy immigrants who without complaining or rebelling helped to make America the industrial giant it is today. There was virtually no crime among the Poles; their young people did not consider illegal activities as one possible avenue for advancement in the new, strange and often hostile environment. Crime was unthinkable in a Polish neighborhood where the authority of the parents, of the priests and of the police was highly respected and where the emphasis was on hard work, thrift and savings. Savings banks abounded and most Polish fraternal organizations were (and are) also insurance and savings institutions.

How did America repay the contribution and the exemplary behavior of these Polish immigrants? What they got in return was not a sense of welcome and appreciation. On the contrary, ridicule and scorn were heaped on the heads of these simple uneducated folk who worked sixteen hours a day in dangerously insecure mines, mills and stockyards, for pitiful wages.

The reasons for this ridicule and the cruel and unfeeling image of the "dumb Polacks" must be explained because the problem of the image they present to America is still a serious dilemma facing Polonia today. First, there was great resentment that many Poles, like many Italians, have after a period of time returned to "the old country." This caused them to be branded as exploiters and sojourners in their new land. Feeling unwelcome in the new country, aliens in a cultural milieu which they did not understand, fearful that their children would be lost to them in an environment which violated many of their values, and doubtful of their prospects for economic advancement, many Polish immigrants were determined to save some money and return to their villages. In fact, between the years 1891 and 1910, 234,000 Poles returned to Poland.

Since many Polish immigrants intended to return, or were thinking of returning, "some day" to Poland, they felt consciously or subconsciously no compelling incentive, as did the Jewish and many of the Italian immigrants, to accept and bear the trials and tribulations of assimilation or to go through the educational steps necessary for naturalization.*

Among other factors, this phenomenon may account for the fact that the economic, social and educational advancement of Poles was much slower than that of the Jews, the Irish and the Italians. The realization that they have been outpaced by other immigrant groups has created another dilemma for American Poles—their persistent, although now gradually disappearing, sense of inferiority which has grown in direct proportion with the appearance of the periodic epidemics of the senseless, unjust and heartless "Polish jokes."

It is virtually impossible to exaggerate the severity of the cultural shock suffered by the mass of Polish peasant immigrants. They came to this country, not from the advanced regions of Poland, around Warsaw, Poznan and Lodz, but from the least advanced regions—the highlands in southern and eastern Poland. They came from isolated primitive villages where they had no interest and no part in the management of their own affairs and no voice in the political affairs of the region and of the nation. Politics was the exclusive domain of the aristocratic landlords and of the country gentry. If they voted, they did so as the local priest or government official told them to vote. Even the rudiments of the democratic process were unknown to them.

The Irish immigrants spoke English and had considerable familiarity with Anglo-Saxon mores and institutions, while Poles were largely illiterate in their own language. Jewish immigrants were overwhelmingly literate and were becoming "Americanized" daily by the Yiddish newspapers which devoted many pages to instructing them how to survive and to prosper in the new land. In addition, the Jewish immigration, especially that which came from Russia and Poland, and to a lesser degree, the large wave of Italian immigrants, contained a pool of potential leaders and spokesmen. Poles had few of these advantages.

GENERATION CARRYOVER

The children of the Polish immigrants suffered in the public schools the usual tribulations of the other immigrant students, but they had to cope with another handicap—their unpronounceable names. Anglo-Saxon and Irish teachers resented the effort it took to pronounce these names correctly and often suggested to a Stankiewicz or Wroblewski to tell his parents to change his name to "Stanley" or to "Warren." Polish children soon perceived, directly or by repeated innuendo, that to get along in school you had to forget or to hide your Polish ties and identity. When they told their Polish parents, who had struggled in occupied Poland to preserve their Polish identity, of their reluctance to speak Polish and of their desire to shorten their names, the reaction was often harsh and unyielding. No wonder then, that among many second generation Poles there developed a growing feeling of inferiority. They suffered from the hostility of their teachers to their cultural heritage and they were ashamed of their poor and illiterate parents who, as they soon discovered, did not even speak a "good" or literate Polish.

The generation gap was real and it was painful, and it had its effects on the psyche and the state of mind of the American Pole. The effects are still evident today. Professor Eugene Kusielewicz, president of the Kosciuszko Foundation, maintains that even the third generation Poles "suffer from the same feeling of inferiority that is characteristic of the rest of Polonia." This feeling of inferiority, he believes, is reinforced by the largely negative image that Poles present to the rest of Americans.

Many Polish leaders dispute the views of Kusielewicz and cite evidence which indicates that many second and third generation Poles are interested in and are proud of the Polish identity and culture. The truth probably is that some young Polish-Americans are ashamed of their ethnic origin and others are proud of being Polish, while the attitude of the vast majority fluctuates somewhere in between these two extremes. There is no question, however, that many young American families of Polish origin, well established economically and sure of their place in the American society, are taking advantage of the greater acceptance of ethnicity and are much more comfortable with their ethnic identity and affiliation.

A POLISH PRESIDENT?

The question of image that they present to the rest of the Americans is one of the major dilemmas for the Polish-American community. When Senator Edmund Muskie was running for the Democratic Presidential nomination, I asked Aloysius Mazewski, president of the Polish National Alliance, a 300,000-member organization, whether he, a well-known Republican leader, and the Alliance, which includes many Republicans, would endorse Muskie were he to get the

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* Professor Reverend M. J. Madaj suggests that this widely shared intention of an eventual return may provide at least a partial explanation for the slow process of assimilation or Americanization of the Polish communities. (M. J. Madaj, "The Polish Community—A Ghetto?" *Polish American Studies*, July-December, 1968, p. 69.)

UMI

nomination. Without hesitation Mazewski said: "Yes, we will, because our most important concern is the image of Polonia and what better way is there to improve this image than by having a Polish-American in the White House."

The defense of the image of American Poles is the major preoccupation of the Polish-American Congress. The Congress is an umbrella organization of over forty Polish fraternities, clubs and associations. It was organized in May, 1944, to help in the establishment of a free and independent Poland at the conclusion of World War II, but now the Congress devotes a great deal of its efforts to the strengthening of the political positions and influence of American Poles and to the defense of the public standing of Polonia in the United States.

The image problem lies heavy on the hearts of the Polish community, and it ought to lie as heavy on the conscience of the American people. For some reason, the dominant American society has chosen to brand the American Poles as slow-witted, and television shows and night club comedians delight in telling jokes, the butt of which is the stupid Pole who has difficulty in grasping a simple situation and who is easily out-witted. Such an image would be hard to bear for any group, but for American Poles, the descendants of a people which prides itself as having been the defenders of Christianity in Europe, which has produced writers like Sienkiewicz, Reymont (both Nobel Prize winners), Mickiewicz, Slowacki and Conrad, and scientists like Copernicus and Eva Sklodowska Curie, the painter Jan Matejko, and composers like Chopin and Paderewski, the burden is almost unbearable.

Nicholas von Hoffman wrote in his column in the *Washington Post* that "Poles have yet to make it as a respected group of people with feelings. . . . No other group in America has to put up with this sort of thing. Sure, there still are anti-Negro and anti-Semitic jokes going the rounds, and anti-other people jokes also, but nothing like the Polish jokes. Just about anybody who isn't Polish or at least Slavic thinks nothing of cracking one of these belittling, invariably unfunny, cruel jokes."

In recent years, American Poles have launched a long overdue counter-offensive. They have branded their image false and the "Polish jokes" as an unworthy and an un-American abomination.

The Polish-American Congress has established a special committee on education and cultural affairs, which has demanded from the communication media the elimination of "Polish jokes" and asked them to present the contributions and the positive life-styles of the Polish community in America. So far, this campaign has been only partly successful.

American Poles have only recently increased their efforts to support Polish cultural activities. There are two colleges, supported by Polish-Americans, where the Polish language and literature are taught extensively. But this effort is far from adequate.

In Polish-American communities throughout America, art clubs, academic group discussions, art shows, and poetry readings draw large and enthusiastic audiences.

In Poland, in spite of the restrictions of the communist regime, the Polish theater, one of the best in Europe, thrives. Playwrights like Stanislaw Witkiewicz, Tadeusz Rozewicz and Slawomir Mrozek have had their plays produced in France, Switzerland and England. Polish movie making is considered the most avant-garde in the world, and Hollywood has lured many Polish film directors and writers to work in America. The ancient Jagiellonian University in Crakow and Warsaw University rank among the finest in Europe, and on their faculties there are many world renowned scholars.

The record of the several generations of Poles in America provides no justification for the defamation and the mental anguish imposed on this group. But there is a growing spirit of self-confidence and pride in their cultural heritage among Americans of Polish descent.

CIA SECRECY AND MANIPULATION OF FOREIGN POLICY

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. HARRINGTON. Mr. Speaker, in the July 11, 1974, Washington Post, an exclusive interview was printed between Washington Post Staff Writer Laurence Stern and former CIA Agent Philip B. F. Agee.

In the interview, Agee revealed that the CIA conducted a pressure campaign against the Ecuador Government to end diplomatic relations with Cuba. Agee also admitted that he personally served as a conduit for funneling $200,000 in Chilean currency from a major New York City bank into covert election activities supporting Eduardo Frei and opposing Salvadore Allende.

Once again, when the veil of secrecy is lifted from around the CIA, it becomes all too clear that the CIA is involved in the formulation of its own secret foreign policy totally beyond the control of Congress.

In addition, the interview indicated that Agee, in order to reveal any of the CIA activities, felt it necessary to flee the country and "remain in seclusion in a remote stretch of English countryside." Because of CIA insistence on precensorship of every word written by a former CIA agent, those individuals in this country wishing to disclose CIA indiscretions or interventions in foreign policy are silenced, while others, having fled to reveal such information, might disclose information truly affecting national defense and not important to the furtherance of public debate.

The article follows:

EX-SPY TO GIVE DETAILED ACCOUNT OF COVERT CIA OPERATIONS

(By Laurence Stern)

LONDON, July 10.—Philip B. F. Agee is an ex-spy who is coming out of the cold with what is likely to be the most detailed account of covert Central Intelligence Agency operations ever compiled by an American intelligence officer.

The 39-year-old former CIA case officer, who hopes to remain in seclusion in a remote stretch of English countryside until his book is published, has finished a 200,000-word manuscript at which he has labored since he resigned from the CIA in 1969.

Agee's credentials as an officer in the clandestine ("dirty tricks") service of the CIA have been confirmed by authoritative sources in Washington. The CIA itself refuses to comment on any aspect of the case but officials are reported to be deeply concerned about Agee's prospective revelations.

In the course of an afternoon-long interview at his modest seaside hideaway Agee spoke guardedly of his eight years of covert operations against "unfriendly" governments and insurgent political forces. It was a world of manipulation of agents, news media, public officials, and military establishments through the classic espionage techniques of bribery, blackmail and mass propaganda.

In agreeing to talk to a reporter for The Washington Post, Agee withheld specific details that are in his manuscript which he felt might jeopardize his physical security before the book makes its appearance sometime within the next year. He did, however, make these points:

During a brief assignment at CIA headquarters in Langley in 1966 he set up the Mexico City "cover" operation for the CIA, conducted under the front of the Robert Mullen company, a Washington-based public relations firm that has figured prominently in the Watergate case. It was his involvement in the Mullen cover, established for a CIA operative engaged in anti-Soviet operations, which led last week to the surfacing of Agee's identity. CIA fears that Agee would publicly disclose the Mullen arrangement in 1972 led to its closing by the CIA and the "Western Hemisphere flap" alluded to in the report last week of Sen. Howard Baker (R-Tenn.).

In Mexico, Agee's cover was as the Olympics staff assistant to then-Ambassador Holton Freeman. In his Olympics role, Agee's covert mission during 1967 and 1968 was to "meet all kinds of people" in order to extend the Mexican CIA station's network of agents.

While serving in the CIA's Ecuador station in 1962 Agee participated in the launching of a pressure campaign against the Arosemena government to end diplomatic ties with Cuba. "President Arosemena didn't want to break relations but we forced him," Agee related. "We promoted the Communist issue and especially Communist penetration of the government." Eventually Arosemena fell and was replaced by a military junta.

Agee personally served in 1964 as a conduit for funneling $200,000 in Chilean currency from a major New York City bank into covert election support activities for Christian Democrat Eduardo Frei. Frei won. Agee handled the cashing of the check in Montevideo, where he was then assigned to the CIA station, and conversion into Chilean currency which was then sent on by diplomatic pouch into Santiago, he related. There was in 1964 a major covert program on Frei's behalf. Agee said that the United States also poured an estimated $20 million into the 1962 Brazilian election in support of several hundred candidates for gubernatorial, congressional, state and municipal offices.

The CIA operates in close coordination with an international network of trade union confederations and national labor groups which Agee said have proven to be effective instruments of political influence in Latin America. In Ecuador, Agee said, he served as a CIA case officer for a local branch of the American Institute for Free Labor Development (AIFLD), which was founded in the early 1960s as an affiliate of the AFL-CIO. He cited AIFLD, the International Confederation of Free Trade Unions, its Latin American subsidiary, ORIT, the Public Service International (comprised of government employee unions) and the various international trade secretariats as having given strong support to CIA-directed covert political programs.

The trade union organizations as well as other mass groups coordinate with the CIA chiefly through the international organizations division, which was in the center of the controversy over CIA funding of student, labor and cultural organizations seven years ago.

Agee last week was mentioned in press reports as having told his secrets to the KGB in a fit of drunken despondency. The Washington source responsible for the story later denied its authenticity.

Agee insists that he has never talked to the KGB, although he acknowledges that he intends to demonstrate in his book that the CIA has served as "the secret police force of American capitalism."

The former agent said he had made three trips to Cuba since 1971 to conduct research for his book and, as he put it, to witness the results of a "successful socialist revolution."

The Cuban trips were arranged by a Paris publisher who first contracted to publish Agee's book. One of the terms on which he went to Cuba, Agee said, was that he did not want to be debriefed by the KGB.

Agee's ideological break with the CIA and U.S. policy in Latin America started during his 1963–1966 assignment to Uruguay where his official mission was to direct operations against the Cubans and build up local security forces.

It was in Uruguay, which was an advanced welfare state by Latin American standards, that Agee said he lost his faith in the possibility of solving the region's problems through piecemeal reform.

Agee, who is under contract at present with British Penguin book publishers, said that his account, written in diary form, names numerous case officers, agents and particular episodes gathered from firsthand experience in the field. Such a narrative has never been published on the American clandestine services and Agee is apprehensive about the possibility of injunction action against him such as was taken against Victor Marchetti on his book co-authored with John Marks, "The CIA and the Cult of Intelligence."

In 1971 when he had embarked on the book project and was living from hand-to-mouth at a secret location in Paris, Agee said he came under surveillance by a pair of Americans who befriended him and advanced him small amounts of money. Agee said he determined to his certainty that they were retained by the CIA to find out the contents of his book.

The CIA, he said, first became aware of his intentions to publish the critical book after he wrote a letter to a Uruguayan political journal suggesting that the 1971 election there would be subject to CIA infiltration. In December of that year he received a visit from a former CIA colleague who tracked him down in Paris through French police connections.

Within several months, Agee said, he was in regular contact with the two Americans who professed an interest in the book and a desire to see the manuscript. It was to his new-found "friends" that Agee confided, after the first burst of Watergate publicity in the newspapers, that the Mullen organization was providing cover for the CIA in Mexico. The Washington public relations company was identified in early stories as an employer of Watergate conspirator E. Howard Hunt Jr.

Agee's "friends" in turn sent word to the CIA, as he reconstructs the events, that he might disclose the Mullen cover in his book. This was the origin of the "WH flap" alluded to in Baker's report.

Agee found himself in the remarkable position of having created the Mullen cover and having been responsible for "blowing" it five years later by divulging his awareness of it to agents—as he firmly believes today—of the CIA.

The CIA admitted in writing to Baker that as a result of the "WH flap" (the initials stand for Western Hemisphere division of CIA) it had to shift assets and personnel in Mexico as well as other posts in which Agee served to minimize the damage of his possible revelations.

It is Agee's opinion that the Mullen cover arrangement in Mexico is "completely irrelevant" to Watergate.

Nonetheless it was President Nixon's stated concern over exposing covert CIA operations in Mexico that prompted him to issue instructions resulting in the FBI's delay for nearly three weeks in June and July 1972 of its investigation of the "laundering," of Nixon re-election money through a Mexico City bank account.

The President said, however, on May 22, 1973, that he had learned there was no basis for having worried about exposing covert CIA activities in Mexico. Former CIA Director Richard M. Helms was providing repeated assurances of this.

The tortuous path that has brought Agee to his current position of self exile started in a conventionally middleclass home in Tampa, Fla. His father was a businessman and the atmosphere was politically "reactionary—no, say conventional."

He attended a Jesuit high school and went to Notre Dame, where Agee was first approached by CIA recruiters in 1956. He joined the following year and took three years of military training under the agency's auspices.

"It didn't take long to develop enthusiasm and decide to stay in. There was a combination of things, the aura of intrigue, the sense of patriotism and public service. It was intellectually stimulating and challenging work," as Agee saw it in the early period.

Now he sees the clandestine service and the agency generally as an instrument of political repression.

Agee manages to live on a series of meager advances while the book is being prepared for publication. His two young sons recently joined him from Falls Church, Va., where they had been living with their mother. The Agees are divorced.

EQUAL OPPORTUNITY IN BROADCASTING

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. RANGEL. Mr. Speaker, if equal opportunity is to become more than a mere catchword in our society, discrimination must end at all levels of Government and private industry. The media, especially, which possesses a great deal of influence in the political sphere, must begin to reflect the diversity of talent and initiative which exists outside the white middle-class community.

The Broadcast License Renewal Act passed recently by the House would hinder progress in achieving equal opportunity. For a variety of reasons set forth in the testimony of Mr. Ronald H. Brown, director of the Washington Bureau of the National Urban League, which I insert in the RECORD, minorities regard this act as a regressive measure which will effectively exclude them from ownership of or influence on the policies of broadcasting companies:

TESTIMONY OF RONALD H. BROWN

Mr. Chairman and members of this subcommittee, my name is Ronald H. Brown. I am the Director of the Washington Bureau of the National Urban League, Inc. My testimony today is presented in behalf of the National Urban League.

The National Urban League, Inc., is an interracial, nonprofit and nonpartisan community service organization which uses accepted practices and principles of social work, ecoonmics, law and other disciplines to secure equal opportunity in all sectors of our society for black Americans and other minorities. During its 63-year history, the National Urban League has grown to include 102 local affiliates throughout the country.

The National Urban League is greatly concerned about a number of provisions in the House passed bill HR12993. The bill has two stated purposes. First, to increase the responsiveness of broadcast licensees, and second, to promote stability within the broadcast industry. In commenting in opposition to this legislation, we believe that it is important to determine if in fact the communications bill does carry out those purposes.

At the outset, the legislation expands the term of broadcast licenses from three to five years. That provision not only gives the licensee a longer period in which to perpetuate any nonresponsiveness to community needs, but also provides a disincentive to those filing competing applications or petitions to deny.

Within this complex issue of communications, the National Urban League recognizes the presence of two sometimes competing interests—the interests of the broadcasting industry and the interests of the citizens being served. But we also recognize that the mandate of the present Communications Act is that a determination shall be made that the interests of the public will be served prior to granting the initial authorization or renewal of an existing license. The proposed legislation would have the effect of reversing this process by considering industry stability first and revoking or even questioning a license only when public interest becomes a substantial issue to be considered.

These amendments are proposed in the interest of stabilizing the industry. Yet, the need for this drastic change in existing legislation is not warranted by the facts. The number of competing applications is on the decline according to the House report on this legislation. Such applications began with a low in 1962 of zero, to a high in 1969 and 1970 of 12, dwindling thereafter to one in 1971, 9 in 1972 and 1973, and 6 through the period of March of 1974. These figures do not support a sudden need for stabilizing the industry.

What about the petition to deny as a destabilizing factor? Many public interest groups have begun to recognize the petition process as a vehicle for sensitizing the broadcasting industry to the needs of the community which the licensee is mandated to serve. Yet, figures indicate that no more than 200 petitions to deny have been filed since 1967. Is this number really of such significance, when we consider that there are more than 9000 TV and radio stations in this country, as to be considered a destabilizing factor?

And even if we assume, for the sake of discussion, that either the competing application or the petition to deny has been overly used by challengers and citizens groups, neither Congress, nor the Federal Communications Commission has shown a destabilization within the industry which would justify passage of this proposed legislation.

Some legislative supporters have viewed the involvement of citizens per se as a factor negatively effecting stability. Nevertheless, input and challenge by citizens have brought changes in employment and programming policies in accordance with community needs. The need for future challenges to that same station is decreased by its response to the initial challenge. This aspect of the citizen's challenge was shown in a study conducted by David Honig, who is presently with the National Black Media Coalition. The study indicated that—

"Petitions by minority citizen groups to the Federal Communications Commission to deny license renewals to broadcasters have highly significant, positive effects on the rate at which minorities are hired at the stations. This result is strongest for low-paying jobs, although petitions to deny also increase minority hiring rates for professional jobs."*

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*Effects of the FCC's Petition to Deny Process on Minority Employment in the Broadcasting Industry. ABSTRACT (at the printers), April 1974.

UMI

It is also true that stations within the same market often view such a challenge as an incentive to voluntarily change their existing practices without being directly challenged themselves. Thus, if programming and employment practices have been changed in response to the needs and demands of the community being served, isn't the second intent of the legislation—that is increasing the responsiveness of the broadcast licensee—diminished rather than increased?

The Federal Communications Commission, in this legislation is asked to provide additional procedures to assure that licensees ascertain needs, views, and interests of residents.

The small, centrally located Washington staff, does not have the internal mechanism to determine if challenges should be initiated. In the past, challenges have not been initiated by the FCC. The present "composite week monitoring device" is a somewhat ineffectual device for giving the Commission an opportunity to determine whether the licensee is meeting promises made on its original application. That device does not determine program substance. That is where the role of the citizen becomes important in the development of station programming. The FCC's procedure, where it has found that the broadcaster has not kept those promises made in the application, has been to send letters to the applicants concerning their nonperformance. This has resulted in a kind of informal "regulation by raised eyebrow." Yet the Commission has authority to levy forfeitures, order early renewals, issue cease and desist orders, and to revoke licenses. But rather, the Commission has preferred to use the milder letter writing enforcement technique. To citizens, this has meant an abdication of the Commission's responsibilities to serve as the "watchdog" of the industry. The Commission's performance record has caused many citizen's groups to know that if they don't complain, then the Commission will assume that nothing is wrong with the broadcasters operations. Citizens have vowed that their silence will not be interpreted by broadcasters as consent for broadcasters to continue the status quo.

For the first time minorities have been especially effective in using the petition to deny and in obtaining industry ownership. For the first time some minority groups are beginning to file competing applications. The competing application is often the only way in which minorities can enter the existing media monopoly. Few can afford to buy an existing license. Now, those fortunate few who already have licenses, would under this legislation, be given that license not for 5 years, but virtually in perpetuity unless some gross violation of the law is committed. Thus, the second purpose of the legislation, to promote industry stability, is accomplished by chilling citizen impact and by diminishing the opportunity for minority ownership.

When the provisions of this legislation are looked at simultaneously, the imbalance is clearly on the side of industry:

Lessening of paperwork for the industry and the Commission.

Stabilizing and assuring renewals even where service is minimal to community interests and competing applications not only promise but clearly demonstrate the potential for superior service.

Extending license renewals to five years.

Not considering cross-ownership issues in license renewals.

Changing the jurisdiction of the courts.

Just as citizens began to understand and utilize the existing administrative and judicial systems to seek redress of their grievances, now Congress, in its wisdom, seeks to change the rules and the forum in which those rules are applied. Citizen's groups, in following the system, have given recognition to the fact that the FCC does not have the field staff to monitor broadcasters across the country. Because of that limited staff, FCC action would only take place in response to citizen initiated complaints. No challenges to broadcasters' programming and employment practices have originated with the FCC.

As a general comment, the present bill serves to obviate the legislative mandate of the Commission, that the public interest, convenience and necessity be served in the granting of each license.

The five year extended license period notwithstanding, the negative impact of this legislation can be summarized in its effect upon citizens and their ability to obtain redress. If additional legislation and regulations are needed at all, they should provide for a more effective means of obtaining citizen access, not less. If Congress views the existing FCC regulations as unclear, then it should be recognized that in our view this bill will only serve to add to the already confused state of communication affairs. If the FCC is to rewrite regulations, the legislative mandate should be that such regulations are to be written with a degree of specificity which will provide licensees as well as the public, with adequate notice of what the expected level of performance should be.

It is our view that the continued case-by-case determination of a licensee's performance has proven satisfactory in deciding whether the licensee has met its social, economic and political responsibilities to the community. The need for additional rulemaking and legislation in this area has not been shown. There is no demonstrable need to change the existing legislation in favor of the industry. If amendments are necessary, they should be in favor of the community to be served.

AN EXHIBIT OF PHOTOGRAPHS OF MARTY LA VOR

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BRADEMAS. Mr. Speaker, I take this time to call to the attention of Members of the House an exhibit of splendid photographs by Marty LaVor, a member of the professional staff of the Committee on Education and Labor of the House.

In addition to being a highly regarded member of the staff of our committee—with a doctorate in the field of education and with particular knowledge of legislation affecting the handicapped and the poor—Marty LaVor is a fine photographer as well.

Mr. Speaker, I think it important to note that not only are his photographs outstanding, but that all proceeds from their sale be donated by Dr. LaVor to establish a photography program for poor and handicapped children.

The exhibit, which is being held at the Washington Gallery of Photography, 216 Seventh Street SE., continues through July 31.

TRIBUTE TO THE HONORABLE ERNEST GRUENING

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 2, 1974

Mr. BROWN of California. Mr. Speaker, I must express the same feelings which Mr. VANIK has already expressed regarding the inadequacy of the spoken word on such an occasion as this. Senator Gruening, for those of us who knew him as well as for many more who knew only of him, occupies such a special place in our hearts that our sadness upon his passing defies any attempt to reduce it to nouns and adjectives. The fact that we politicians tend to use hyperbole quite freely, for a variety of sometimes justifiable reasons, makes this communication even more difficult; for we have so many times described unexceptional persons of prominence, upon their demise, as "giants among men," and so forth, that such tired phrases cannot convey the immensity of the sincere admiration which many of us here feel for Ernest Gruening.

There are so many facets of his life which deserve comment that it is impossible to do justice to his memory in the brief time we shall spend eulogizing him here today. Senator Gruening is best known for two causes: his campaign to admit Alaska into the Union, and his never wavering opposition to this Nation's invasion and occupation of Vietnam. I was not here during the Alaskan statehood campaign, and so I am indebted to Mr. HALEY and some of our other colleagues for their accounts of that facet of Ernest Gruening's life.

I was here, however, during the Vietnam debate of the sixties, and I wish to acknowledge the early influence which Senator Gruening had on the development of my own awareness of that issue. Ernest Gruening and Wayne Morse have served over the last several years as constant reminders to us all that, no matter how long we have opposed the war, and no matter how consistently we voted against it, we could have opposed it sooner and more consistently. I can add little to what has already been said regarding his wisdom and courage on this issue; it is a universally accepted fact.

I have taken great pleasure today in listening to some of our colleagues mention some of the lesser-known activities of the Senator: Mr. GONZALEZ' remarks concerning his interest in Latin American affairs, Mr. CARNEY's account of the time he spent in the early FDR administration, Mr. MOAKLEY's recital of his career as a journalist, Mr. DRINAN's comments regarding his life-long battle for equal rights for all Americans, and all the other items which our various colleagues have discussed here today. Ernest Gruening's was a rich life, and even as we mourn his passing we must give thanks that we were allowed to have him with us for such a long time.

It is rare that one human being is able to have such an impact in so many diverse fields over such an extended period of tme. The only person who comes into my mind, as I search for another example of such a life, is Benjamin Franklin.

It is also rare to see a man of 87 leading the active life which Senator Gruening led right up until his final days. It was only a month or so ago that he called me from Los Angeles, where he was working on efforts to stop the current wave of political torture and executions that have been taking place in Chile since the overthrow of the democratically elected government there last year. Three months ago, as Mr. KASTENMEIER has mentioned, he appeared here to testify at hearings on the issue of amnesty for Vietnam war opponents. We have seen him, always there, campaigning for GEORGE MCGOVERN in 1972; testifying at the Daniel Ellsberg—Pentagon Papers trial; publicly urging the impeachment of the President—and very lucidly making a strong constitutional argument for it; speaking out on the need for population control; and on and on and on. It would be difficult for anyone to keep up with the schedule which Ernest Gruening has maintained over the past several years; that he managed to do so while in his eighties offers hope for the rest of us.

At the end of my remarks I would like to have inserted in the RECORD an article which appeared in the Washington Star-News just 4 months ago, which conveys the spirit of Ernest Gruening's last years. I would also like to include in the RECORD an item from the March 30, 1974, issue of the Nation, which further describes his life.

We shall miss Ernest Gruening sorely. All the superlatives, the fine words and high praises, can do nothing to relieve the grief which his family and close friends feel. But our sorrow will fade with time, while the spirit of Ernest Gruening will live on in our memories. We must take what comfort we can from the fact that we had him for so long, and rededicate ourselves to the principles and ideals which were so nobly represented by this kind, loving, and dedicated man, who gave us so much of himself.

The article follows:

[From the Washington Star-News, Mar. 10, 1974]

THE (EARNEST) GRUENING OF AMERICA

(By Judy Flander)

"This is the most interesting room in the house," says Ernest Gruening, leading the way into a living room crowded with aged furniture, Eskimo artifacts, and wall-to-wall paintings of Alaska, all slightly askew.

"That one's Dorothy's," he says stepping nimbly up on the old leather couch to straighten an oil painting. "Take a picture of that one," he instructs the photographer. "I'm very proud of my wife's art."

Hopping down from the couch, Gruening points out still another of his wife's paintings, a cabin on a wilderness lake with a mountain peak rising high above it. "That's our cabin at Eagle River Landing, 27 miles from Juno. It's still my official residence."

The mountain, it seems, also belongs to him in a way. "When I finished being governor of Alaska in 1953, the Juno Chamber of Commerce voted to name that peak after me when I die. Not allowed to do it when a person's still alive," he adds informatively.

At 87, Gruening (pronounced Greening), former senator from Alaska, is very much alive, with a mind as nimble as his body. Nimbler. A lifelong defender of liberal causes, he gives the lie to the contention that as politicians grow older, they grow more conservative.

"My case is just the opposite," he says, happily, walking out to the terrace of his West Beach Drive home where Dorothy Gruening and the Gruening cat were taking the sun on an unseasonably warm afternoon last week. Arthritis has largely grounded her, but Mrs. Gruening still takes an avid interest in her husband's concerns, as she has done since their marriage in 1914, five years after she graduated from Vassar.

"I've just done what a wife always does," she explains with her soft smile. By that she means she has borne his children (three sons, two of whom have died) and entertained his colleagues and their wives for nearly 60 years as her husband attended to his successive careers as journalist, politician, governor and senator.

Since his defeat in a re-election bid for the Senate in 1968, Gruening has continued his lively political life, lecturing at colleges where a 70-year age gap presents no communications gap; testifying before congressional committees, stumping for Sen. George McGovern when he ran for President in 1972, and writing, "Many Battles: The Autobiography of Ernest Gruening" (Liveright, $12.95).

He's never left off battling: For the State of the Union ("It needs rectifying."), for amnesty for Vietnam draft evaders and deserters ("They're the unsung heroes of the War.") and for total withdrawal of American men and money from Southeast Asia ("It's about time Congress put an end to it.").

Gruening had pocketed an "Impeach Nixon" button he was wearing when a photographer had arrived minutes before the reporter; but he allowed his feelings on the subject to show in no uncertain terms.

"Mr. Nixon has committed acts meriting impeachment. He has violated the Constitution repeatedly. He has connived or helped to cover up break-ins, forgeries, briberies and character assassinations of his political opponents.

"His private life," Gruening continues, turning up his nose, "is equally smelly. Beefing up his private estate with federal funds."

It is "relatively irrelevant" whether Nixon did or did not know about the break-in or cover up. "The fact is that these people were his associates and they evidently reflected his views and his thinking. He cannot escape responsibility for it."

Mrs. Gruening, holding a copy of the New York Times she's been reading, listens attentively, nodding her head. At Vassar, she'd been interested in economics and politics, she says at one point when conversation gets more personal.

"She was the soloist in the Vassar choir," her husband puts in proudly.

"There were a lot of soloists," she gently corrects him. "I went up to high E and could hold it after that."

The Gruenings met the summer after her graduation (when he was a student at Harvard Medical School; he received his degree but never practiced), at a country club in North Scituate, Mass., where her parents had a summer cottage.

"Afterwards we took a long-distance swim," Gruening remembers. "We swam a mile to Minot's Lighthouse."

That night, they went to the dance together at the country club. "It was during the days of the 'Merry Widow,'" says Mrs. Gruening. "And Ernest said, 'Why don't we dance the way they do it on stage?'"

They didn't get married for another four years because, Gruening says, "We took our time to get acquainted. We'll celebrate our 60th this fall."

In the years that followed, Gruening served in the military during World War I, and had a series of jobs as an editor at the Boston Herald, The Portland (Maine) Evening News, The New York Sun, The New York Post, The New York Tribune and the Nation magazine. Both the Gruenings supported Margaret Sanger's early campaign for birth control, a cause they still espouse.

"During medical school, I used to go into the Boston slums to help deliver babies, it was so pathetic to see those people with seven or eight children, all good Irish Catholic mothers, and all so poor and starving," says Gruening, who is currently a director of the Population Crisis Committee.

After his newspaper days, Gruening was appointed head of the Division of Territories and Island Possessions by President Franklin D. Roosevelt, with whom he had worked on "The Good Neighbor Policy in Latin America." Later, "President Roosevelt wanted to appoint me governor of Alaska. I didn't want to be governor, I thought it should be a native. But the President turned on his charm and persuaded me to go."

Then followed 13 of the pleasantest years in the Gruenings' lives. Dorothy Gruening took up painting because, "You had such unbelievable things to look at."

"We fell in love with Alaska," Sen. Gruening chimes in. "It has the most beautiful scenery in the world. Mountains rising right from the sea. Unspoiled." Mrs. Gruening is seldom without her ivory bracelets, which go halfway up each arm. "They're carved by the Eskimos from tusks," she explains. "Walrus tusks," he elucidates. "They wouldn't have elephants there."

"We had a walking club," continues Mrs. Gruening, blinking in the sunlight. "We would take along something to cook. And we would climb into the mountains in a snowstorm and enjoy it so much."

At an age when most men retire, Gruening left Alaska for Washington. As a senator, he was on the right side of all the good old liberal causes. But when it came to the Vietnam War, he stood virtually alone in his opposition.

"I was the first person in public life to say we should get out of Vietnam," he says proudly. That was in October of 1963. "I knew we had some troops down there and we had no business down there. The United States hadn't been attacked."

But the troops "so-called advisers,"—stayed, and in March of 1964, Gruening gave a full-length speech in the Senate, entitled, "The United States Should Get Out of Vietnam."

No one listened, least of all President Lyndon Johnson, who, Gruening says, "bears the responsibility of plunging us into the longest, costliest, most inexcusable, unjustified war in our history."

And why would President Johnson take on such fearsome responsibility? "Texas gut reaction. No one could lick us. We're there. The silliest thing in the world," Gruening says with asperity.

He claims that the only reason Congress voted for the Gulf of Tonkin Resolution is because President Johnson "deliberately concealed" a telegram from the commander of the U.S. Destroyer Maddox telling him that his ship had not been attacked by North Vietnamese forces as had previously been believed.

Only Gruening and former Sen. Wayne Morse of Oregon voted against the resolution "that gave the president the use of American armed forces any way he saw fit in Southeast Asia."

In Gruening's view, President Nixon takes the blame for the war where Johnson left off. "He's lied to the American people. He never actually ended the war in Vietnam. It is still going on with his support and approval. He is spending billions of dollars annually to support corrupt and ruthless dictatorships in Cambodia and Vietnam."

Gruening admits that "Congress is no ball of fire," but he hints that he has "reason to believe Congress will start to move soon."

"After Nixon's performance" the Republicans don't deserve a president in 1976 "although they've got plenty of good men. So good, the Republican party wouldn't nominate them." Gruening admires Sen. Charles McC. Mathias Jr. of Maryland, Sen. Clifford Case of New Jersey and Sen. James Pearson of Kansas.

But he wants a Democratic president. "We could do far worse than to nominate George McGovern again." Gruening also favors Sen. Gaylord Nelson of Wisconsin, whom he lauds for being "one of the three senators with the unique distinction of voting against the confirmation of Gerald Ford and one of seven who voted against Henry Kissinger."

If he were still a senator, Gruening says he would have joined Nelson. "Ford's only attribute for the presidency is that he hasn't stolen anything." And Kissinger supported all of Nixon's foreign policies "including bombing of Cambodia, the raining of death and destruction on an innocent people who just wanted to be let alone."

More than an hour had gone by and Gruening's voice, tough and rasping, began to sound a bit strained. The sun was going down and the air was cooler. Gruening said he would soon have to go inside and finish the speech he was going to make to the Woman's National Democratic Club later in the week.

His litany of complaint may have sounded like the voice of doomsday, but Gruening's faith in America seems unscathed.

"I think we have to try to bring America back to the ideals and principles proclaimed by our founding fathers 200 years ago and which served us well until about five years ago."

[From the Nation, March 30, 1974]

A Splendid Nomination

Odd nominations for the Nobel Peace Prize are a staple of political publicity, e.g., Richard M. Nixon, Henry Kissinger. Bombing cities in a small country by a major power is no impediment to nomination. Nevertheless there have been some excellent Nobel awards in the field of peace, both to individuals and organizations, and this year an American who richly deserves it has been nominated.

It is not generally known that Ernest Gruening earned an M.D. from Harvard (1912) before he turned to journalism and politics. He never practiced, but worked first on daily papers as a reporter, rewrite man and editor. From the outset he was a liberal Democrat and an opponent of imperialism and national aggression. After service in World War I he wrote for the leading periodicals of the era and was managing editor and editor of *The Nation* for several years until Franklin D. Roosevelt drafted him over the territories of Alaska, Puerto Rico, Hawaii, the Virgin Islands and some smaller islands in the Pacific. In 1939 President Roosevelt appointed him territorial governor of Alaska; twenty years later, when Alaska, under Gruening's leadership, had achieved statehood, he became its first Senator.

He probably would still be representing Alaska in the Senate, were it not for the fact that is most to his credit in a career of nearly seventy years of constructive achievement, and which alone would qualify him for the peace prize. Beginning in 1963, he went all out to oppose the war in Vietnam. Generally moderate in speech, he denounced the war in a series of eloquent yet down-to-earth statements: "I consider the life of one American worth more than this putrid mess." With Sen. Wayne Morse of Oregon, he voted against the 1964 Tonkin Gulf resolution and against successive Vietnam appropriation bills. The American people finally followed Gruening, an octogenarian, in opposition to the war.

On February 6, 1974, on the occasion of his 87th birthday, the former Senator was the guest, on the floor of the Senate, of his colleague George McGovern, who noted for the *Congressional Record* of that date (p. 2321) that Senator Gruening had been an "indefatigable champion of peace" for decades. As a journalist he inveighed against the gunboat diplomacy of the 1920s, and throughout his career he was a foe of imperialism and predatory nationalism.

In the January 29th *Washington Post*, Richard J. Barnet, reviewing Gruening's biography, *Many Battles*, called it the "uplifting story of an authentic hero": "You come away from [it] with a clearer appreciation of the tradition in which the current political battles against militarism, racism and subversion in high places are being fought, and a realization that these battles are but part of a continuing struggle to create a decent society."

A less known aspect of Gruening's crusading is his participation in the birth control movement, which is closely related to the peace movement. Here again Gruening, with Margaret Sanger and other farsighted leaders, was ahead of his time. He advocated enlightened family planning from the first decade of the century on, which the very concept was considered obscene by a majority of Americans, and its sponsors risked not only unpopularity but jail. By all indications the "population explosion" will be an underlying cause of future wars; there is no guarantee that the "underdeveloped" nations will starve as quietly as inhabitants of the sub-Sahara countries are starving by the thousands today.

Sens. Mark Hatfield and Frank Church have now joined Senator McGovern in nominating Gruening for the 1974 Nobel Peace Prize. The *Anchorage Daily News* (February 13) refers to Gruening as "a peace prophet, whose anti-war decisions were preludes to the mushrooming peace movement . . . the spark that fired the nation's young to protest the war in Vietnam." The Alaska legislature "wholeheartedly and enthusiastically supports and endorses the nomination of Ernest Gruening for the Nobel Peace Prize and respectfully requests the members . . . to give every consideration to the nomination of this great and distinguished Alaskan, American and world humanitarian." And of course *The Nation*, with which Mr. Gruening retains a connection as editorial consultant, is happy to add its voice to those already on record.

INFLATION: A VIEW FROM A DEMOCRAT

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. OBEY. Mr. Speaker, the National Observer is running a series of views on inflation, and for the fourth in its series, which appeared in the issue of July 13, it interviewed my Wisconsin colleague, Henry Reuss.

I think his views make most interesting reading. One may well disagree with an occasional observation and still appreciate the thoroughness of his arguments, both in explaining the roots of inflation and in pointing the way to some control of the problems plaguing our vast and complex economy.

Here are the proposals Congressman Reuss set out in the interview, which was headed, "Inflation: A View From a Democrat":

Inflation: A View From a Democrat—Lawmaker Calls for "Social Contract," Shift in Taxes To Tame the Economy

Inflation continues to erode the buying power of millions of Americans while provoking controversy over its causes and cures. In this interview with Observer Staff Writer Mark R. Arnold, Democratic Rep. Henry S. Reuss of Wisconsin outlines his plan for a new "social contract" to curb inflation. Reuss, a leading congressional authority on the economy, is a senior member of the House Committee on Banking and Currency and is chairman of the Joint Economic Committee's subcommittee on international economics. This is the fourth of a series of views on this controversial subject.

We're now in a situation that economists are calling "double digit" inflation, meaning that prices are rising more than 10 percent a year. This is something that hasn't happened since the early '50s. Why is it happening? Why are we in this fix?

Let me say first that if our country wants to get into Weimar Republic troubles, let us continue to ignore the dangers of inflation. The causes are complex and multiple. In some areas, such as inventories and industrial supplies, we face an old-fashioned credit-induced demand inflation. In the food and fuel sectors and at various times lumber, scrap, and many other commodities, an old-fashioned supply-shortage inflation is going on. We also suffer from an overextension of our money supply, resulting from the Fed's [Federal Reserve Board's] creation of too much money in the past two or three years. In addition, we suffer from the legacy of a fiscal inflation going back to the guns-and-butter foolishness of us Democrats in the late '60s. That originally gave the inflationary rotor a spin.

We tried to have both guns and butter instead of choosing between them?

We should have pared down them both. I would have pared down the guns, at least. But we should not have tried to have both. And now we face a new variety of inflation: the recurrence of cost-push inflation as wage demands in the post-controls era seek to make up for lost time.

Can you spell out the wage inflation?

Basically, labor, having been once burned on the price-wage cycle, is understandably going to ask for enough of a wage increase to take care of a little assumed future inflation. In many ways wage inflation is the leading current threat. But basically our problem is complex, and not to be solved by simplistic formulas.

What kind of formulas do you propose to deal with this inflation?

Well, you need an over-all strategy, a true incomes policy, something this Administration doesn't have. I'm talking about a social contract that endeavors, by dealing fairly with wage earners and recognizing their problems, to induce more moderation in wage demands than would be the case if we pursue our present dog-eat-dog policy.

How would your incomes policy work?

In the light of the current decay of the Presidency, the leadership for it would have to come from Congress, the Democratic leadership of the Congress. We should say to working people, who are roughly 80 per cent of American families, that the Government recognizes they've fallen behind, and understands wage increases are necessary. But that in the interests of being fair and still reducing inflationary wage boosts, the Government is prepared to move on three fronts: unemployment, supply, and tax redistribution.

Can we take those one at a time?

Okay. First, unemployment. Consistent with an anti-inflationary policy the Government can decrease unemployment by vastly expanding public-service-employment programs. I can envision 500,000 of these jobs in health, and education, and public safety, and the environment. The needs are huge.

These would be jobs for people currently unemployed?

Right. And they'd be employed by state and local governments Federally funded at the prevailing wage. Only a tiny part is left of the earlier Public Service Jobs program.

What about the argument that these are make-work projects?

Absolutely not true. These are jobs that need to be done. They are the least inflationary, least costly, and least energy-consuming jobs there are.

How so?

Being service jobs, they aren't energy-consuming. Noninflationary, because I wouldn't increase budget deficits a nickel to fund them. I'd fund the $3.5 billion such a program would cost by cutting waste out of the military budget, where, under the Nixon Administration's own assertion, at least $5 billion is there to make jobs. Jobs from defense contracts are about five times as costly as those produced by public employment.

When those workers went to spend their earnings, wouldn't that have an inflationary effect?

Economic activity created by this amount of money in the pockets of people otherwise unemployed would not, I think, be inflationary. It will be spent on consumption goods that are not in scarce supply.

They'll spend it on cars and televisions, won't they?

Yes, and there is a considerable excess capacity in both industries. So that, particularly when offset by budgetary cutbacks in tight aspects of defense industries, this would be an extremely good inflationary trade-off, I think.

So much for jobs. What was the second point?

Supply and prices. There is a popular illusion in the land that the Nixon Administration has settled down to expanding supply. This is hogwash. Until very recently, the Administration, particularly the Department of Agriculture, was seeking to limit supplies.

Little more than a year ago, Secretary [Earl L.] Butz was sending out a circular telling turkey growers to reduce production plans and raise prices, which they did. As a result, turkeys sold last Christmas for double the price of the year before.

For more than a year he wouldn't let the cattle graze on 60 million idled grasslands acres, with the result that we had a terrible meat shortage and prices of beef soared.

Now there's a more adequate supply of beef, and the cattlemen are demanding $3 billion in bail-out money and demanding, successfully, that Butz dispatch an emissary to Australia to pressure her into not exporting inexpensive and very good beef to this country. That's working to decrease supplies.

Is agriculture an exception?

Certainly not. Take scrap metals. They're very scarce and high-priced. But the Treasury Department gives export subsidies through the DISC [Domestic International Sales Corp.] program to exporters of scrap, lumber, fertilizer, and other scarce commodities, raising the price and abetting inflation at home.

Oil-well drilling equipment is terribly scarce in this country, which is one reason we don't have adequate domestic exploration. Yet the Export-Import Bank is engaged in a subsidized loan to Iran, a country that blackmailed us on the oil price. They're given a 5 per cent loan to import American drilling equipment cheaper than our own drillers can buy it.

Why is the Administration doing all this?

My own theory is this Administration has ceased to govern in any real sense. What we have is a Government composed of roving bands of feudal chieftains, each building his own empire, whether it's DISC, the Export-Import Bank, or the Agency for International Development.

What is AID doing?

They're sucking credit out of this country so that we can build housing for middle-class Latin Americans at a time when middle-class Americans can't get a loan to buy housing.

Well, what are you suggesting as a way to increase supplies at home?

I think Congress should set up a supply-price ombudsman, a Naderesque guy, to ride herd on supply and stand up to Secretary Butz when he wants to diminish supplies of beef and raise the price, to stand up to Treasury when it subsidizes export of scarce commodities. This ombudsman couldn't veto such practices, but he could focus public attention on them and build pressure to stop them.

The third point was taxes?

Right, the need to repair the damage to those two-thirds of American families who have been subjected to a "Robin Hood in reverse" rip-off in the past four or five years. It's well to remember that the only tax increase made by the Federal Government in the last two or three years has fallen exclusively on people with incomes of $13,200 a year and below. This is the increase in the Social Security payroll tax to its present backbreaking 5.85 percent, which you pay on the first dollar of wages.

What do you propose?

I favor a tax reduction beamed at the under-$15,000-a-year family. Either by raising the low-income standard deduction, or allowing families to take their personal exemptions as a tax credit rather than a deduction, or shifting the payroll-tax burden, or a combination of all three. This would increase after-tax income about $7 billion. And you could pick up that same amount of revenue by plugging loopholes, particularly loopholes that have a bad economic effect.

Such as?

DISC [subsidies for overseas trading corporations]. That's a billion a year.

Foreign oil bonanzas such as the foreign tax credit and foreign depletion allowance. That's a couple billion.

Then there's the fact that you can presently escape capital gains tax on securities if you hold onto them until you die. This provision distorts the stock market by inducing investors to hold onto moribund securities. It would make a lot more sense to encourage selling those securities before death and putting the money into new, vibrant, dynamic, energy-saving, environment-conserving, productivity-enhancing, capacity-adding capital investments.

In short, by knocking out some of these cockeyed bonanzas in the tax laws, we would restore a vibrant economy and, in the bargain, wash out the budgetary effects of a very necessary tax cut to low- and moderate-income families.

How would all this moderate wage demands?

Well, these steps would help to undo the Robin Hood in reverse, the taking from the average person and giving to the rich, which has gone on in the last four or five years, through tax policy, inflation, and growing unemployment. We would then be in a position to show that wage demands could be reasonable and need not be based on expectations of endless inflation.

The Administration says a tax cut would only aggravate inflation by swelling the deficit and pushing up prices. You don't credit that argument at all?

It's an argument without redeeming social significance. A tax cut would have precisely the opposite effect, in my view.

How so?

The $7 billion in relief to low- and moderate-income people would be spent on noninflationary things. And the revenue lost would be offset by plugging $7 billion in loopholes, which is now mad money that goes chasing around bidding up the price of inventories, supplies, and real estate, and investing in conglomerate takeovers that stifle competition.

Well, what if you got the $7 billion in tax cuts but not the loophole-plugging? That may be what the Administration is afraid of.

Well that would be inflationary. To add $7 billion to the deficit would mean the Government would have to borrow $7 billion more. It would raise interest rates. It would be bad business.

Irving Kristol recently wrote in The Wall Street Journal that our economy's in trouble because we've tried too long to live beyond our means. The bill is coming due, and we can't pay it. Is that true?

It reminds me of the 1932 cartoon that attempted to explain the Depression and where our money went by saying, "We spent it." I believe that overproduction isn't the cause of our inflation. The 20 or 30 per cent of the nation that is still very poor is not setting their sights too high when they hanker for flush toilets or a washing machine.

Why don't the Democrats—who control the Congress, after all—pass the kind of program you've been describing?

I've been working on my leaders and peers for many months. I hope within a few weeks we may have agreed upon a social-contract program like this.

MERCHANT MARINE NEEDS HELP

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. COHEN. Mr. Speaker, the Maine Maritime Academy training vessel, the SS *Maine* has recently returned from a training voyage to the Soviet Union. Among those who made the trip was a distinguished trustee of the Academy, J. Hollis Wyman, who has a long record of public service to the State of Maine and the Nation. Mr. Wyman returned with the impression that the strong support of the Soviet Government has rendered the Russian merchant marine training effort superior to the programs we operate in the United States.

Statistics confirm Mr. Wyman's impression. The Soviet Union is currently training roughly 20,000 cadets to become merchant marine officers. This compares to only about 3,000 in the United States. And we cannot realistically expect the situation to improve until we are willing to make an increased Federal financial commitment, in the form of subsidies, to our American merchant marine academies. At the present time, for example, the United States gives a $50 monthly subsidy to cadets at our six academies. That $50 grant was first approved by the Congress in 1958 to pay for uniforms and textbooks. Today, it does not begin to cover what the cadet must pay. Yet the Congress has failed to take action, despite the repeated introduction of remedial legislation.

We all know how important a strong merchant marine is to both our military and economic security. For that reason, I am sure my colleagues will be interested in Mr. Wyman's observations on the relative training policies of the United States and Soviet merchant marines and in his suggestions for improving our American procedures. I, therefore, wish to insert in the CONGRESSIONAL RECORD at this point a letter that he addressed to me upon his return from the Soviet Union.

Text of the letter follows:

July 3, 1974.

Hon. WILLIAM S. COHEN,
Longworth House Office Building,
Washington, D.C.

DEAR BILL: The Maine Maritime Academy training vessel, SS MAINE, has just returned from a visit to Russia and being a Trustee of the Academy, it has been my privilege, together with approximately 200 midshipmen, many members of the faculty, and some of the Trustees, to be guests of the Russians.

The efforts and money that Russia is putting into maritime training is truly unbelievable. The academy which we were privileged to visit has 6,000 cadets which is more than the entire enrollment for all the academies in the United States, including King's Point. This same single Russian academy has not one training ship, but five. We had a very extensive tour of one of these ships and it is our understanding that all of these ships are very new and similar to the one which we visited.

The ships are built for training, complete with classrooms and simulated controls. In short, they are built expressly for teaching. While we certainly are grateful for the ships which we receive, after all, they are old ships for which the Maritime Administration has no further use and most certainly cannot be compared in any way with the Russian training vessels.

Russia is a large nation, but a nation which is almost landlocked. She has a port on the north which is closed much of the year due to ice, Leningrad which we visited, and two others. Yet she is spending far far more on her Merchant Marine than the United States which has several thousand miles of seacoast and many seaports. In short, it is evident that Russia intends to build a Merchant Marine which will far exceed that of the United States.

For this reason, it seems most imperative that we start to catch up by providing a larger subsidy for our present maritime academies.

In closing, I cannot urge too strongly that you visit the Maine Maritime Academy at Castine again to see this great school and how much we are accomplishing with limited funds and high tuitions.

Sincerely yours,
J. HOLLIS WYMAN,
Trustee, MMA.

AGREEMENTS MADE IN CONFERENCE

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mrs. MINK. Mr. Speaker, you will recall that I offered a privileged motion on June 28 to raise the issue of certain agreements which had been made in the House-Senate conference on H.R. 69, the Elementary Secondary Education Amendments of 1974, affecting drastically the payments which certain schools would receive under the impact aid program, Public Law 874.

I have since then received additional materials from the Library of Congress which further corroborates my statements. I present them to the House in the hope that Members may have the opportunity to also review their district's entitlements and payments after seeing the effects as projected on a few select areas:

POSSIBLE EFFECTS OF SOME PROPOSED CHANGES TO ESEA TITLE I, PART C AND P.L. 81-874: EXPLANATION OF DATA CONTAINED IN TABLES

1. USOE ESEA Title I(C) appropriations of FY 1974. These data were obtained from the USOE computer worksheets of June 30, 1974 and represent the final Part C allotments by State, county, and school system for FY 1974. The national appropriation total was $47.2 million.

2. CRS Estimates ESEA Title I(C) H.R. 69 Conference Provisions for authorization in FY 1975. These data were based on the Senate version of H.R. 69, with a formula using 1970 census data and January 1973 AFDC data. The Senate version would allow the authorization for the single fiscal year only, with a national total of $75 million.

3. CRS Estimates PL 81-874, Sections, 2, 3, and 4 maximum possible loss at 20 percent. These data are an across-the-board 20 percent of Sections 2, 3 and 4 USOE-estimated payments by State, county, and school district in FY 1972, as published in the "Administration of Public Laws 81-874 and 81-815, June 30, 1972." Under the Senate version of H.R. 69, a school district may not receive payments of less than 80 percent of the preceding fiscal for Section 3. Since FY 1972 data are the latest available by county, and because Sections 2 and 4 are combined with Section 3, all three sections were used as a basis for this calculation. Many school districts, as well as States, are likely to receive more than 80 percent of the previous fiscal year payments, and therefore will not actually receive as great a loss as indicated here.

4. CRS Estimates PL 81-874, low-rent housing paid at 25 percent of 45 percent of the local contribution rate. These data represent an estimated payment for low-rent housing children if this provision had been funded in FY 1973, using a State's "average" local contribution rate as calculated by USOE for FY 1973, and numbers of low-rent housing children in average daily attendance (ADA) as estimated on the basis of data supplied by HUD for June 30, 1972. These estimates districts which are eligible to receive PL 81-874 payments.

5. USOE local contribution rate statewide average for FY 1973. These figures were supplied by USOE, and appear to be the total Section 3(a) payments in any given State divided by the number of 3(a) pupils in ADA. Although in many States the local contribution rate is constant for all school districts within the State, in 28 States there is a range of rates. If all the low-rent housing children were in school districts concentrated at the lower or higher end of the range in these States, significantly different payments would result.

6. CRS Estimates low-rent housing children in ADA, June 30, 1972. These estimates were made on the basis of various data supplied by HUD, including housing units under management on June 30, 1973 by State local housing authority; housing units occupied on June 30, 1972 by State; and ratios of school-aged children to number of units occupied by the elderly and the non-elderly, obtained in the new admission and re-examination survey by HUD for the twelve-month period ending September 30, 1973, by State. The estimated number of school-aged children are reduced to 80 percent in these tables to approximate average daily attendance.

COMPARISON OF VARIOUS ESTIMATES OF ESEA TITLE I, PT. C WITH PROPOSED AMENDMENTS TO PUBLIC LAW 81-874 IN H.R. 69

		CRS estimates				
State and county	USOE ESEA title I(C) appropriations fiscal year 1974	ESEA title I(C) H.R. 69 conference provisions authorization fiscal year 1975	Public Law 81-874, secs. 2, 3, 4, maximum possible loss at 20 percent, fiscal year 1972	Public Law 81-874, low rent housing, paid at 25 percent of 45 percent of LCR, fiscal year 1973 data	USOE local contribution rate, statewide average fiscal year 1973	CRS estimates low-rent housing children in ADA, June 30, 1972
California	$3,649,812	$9,000,000	$15,310,000	$3,830,000	$492.32	69,200
Alameda	216,359	540,000	920,000	420,000		7,600
Colusa	0	0	(1)	0		0
Glenn	0	0	10,000	0		0
Sacramento	124,179	400,000	1,090,000	250,000		4,600
Solano	27,552	0	880,000	70,000		1,200
Sutter	1,909	0	20,000	10,000		200
Yolo	0	0	10,000	30,000		600
Yuba	18,169	0	360,000	0		0
Kern	67,421	230,000	720,000	80,000		1,400
Kings	20,405	0	240,000	20,000		300
San Luis Obispo	680	0	30,000	30,000		500
Santa Barbara	2,333	0	740,000	80,000		1,500
New Jersey	1,738,060	4,990,000	2,750,000	2,680,000	741.54	32,160
Burlington	13,923	0	1,050,000	10,000		100
Camden	216,900	730,000	170,000	130,000		1,600
Ocean	18,129	0	180,000	20,000		200

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[1] Less than $5,000.

WHY IMPEACHMENT?

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. FISHER. Mr. Speaker, every Member is naturally anxious to learn all he or she can regarding impeachment. The impeachment of a President being a novelty under the American system, with so much involved, we need to draw upon the lessons of the historic past for guidance and enlightenment in our efforts to avoid the commission of grave and irreparable mistakes.

There is far more than just the fate of an individual involved in the outcome of the pending controversy. The evolution of the American system of applying justice must be reckoned with. Whether there is or is not grounds for complaint gives way to the overriding consideration of the proper approach to be followed.

That raises the question, which the House must face, of whether the impeachment method is indeed a primitive political weapon. It can be argued both ways, the resolution of which calls for the exercise of the best of our ability to exercise fair and unbiased judgment.

Among historians who have explored the historic role of impeachment in the Anglo-Saxon evolution dealing with the subject, O. R. Strackbein has emerged as a leading authority in this country. His analysis, entitled "Why Impeachment?" should be read by every Member of this body:

WHY IMPEACHMENT?

(By O. R. Strackbein)

The power of impeachment provided for in our Constitution was not an original composition of the framers of that document. It was taken from the English system, where it had been in use some four centuries.

In England, going back to 1376, it was a political weapon shaped during the raw struggles for power that for several centuries marked the history of that country. Impeachment became the weapon of faction or party. It was used by powerful opponents of monarchical tyranny as a means of disposing of the king's favorites; or by the king's men to overcome his enemies or rivals.

The power of impeachment was lodged in the House of Commons while the trial, if any, was lodged in the House of Lords. Here it is much the same as everyone now knows. The House impeaches, the Senate tries the accused.

While the English had a high senes of justice and injustice this sense came into play principally on the defensive side in contests. The offense, generally representing those who were in power, was not so punctilious; indeed, was inclined to ride roughshod over the opposition. It was, of course, and not only in England, ever thus!

It is not the one who treads on the toes of another who feels the pain. It is the latter who complains. In his turn, however, he may be no more sensitive than the other when he himself steps on yet another's toes.

If treaders on the toes of others were to remain immune to having their own toes trod upon, and need have no fear of such a reciprocal event, nothing would be done to halt or restrain toe-treading. However, if the victims, remembering the rudeness and unconcern of the treaders, should come into a position of dominance or at least to a point of challenging the transgressors without exposing themselves to a sure penalty, grounds for negotiation of some rules governing toe-treading would be found.

That is about how it developed in England with respect to political pressure after the barons wrested the Great Charter from King John in 1215 at Senlac or Runnymede. The underdog was developing some bite of his own and, while it was not yet wholly safe to challenge the overdog, it was no longer a fatal venture, and, indeed, some gain might be made toward a less oppressive relationship. While no one would yet in 1215 dare to be so bold as Parliament became over 400 years later in the time of Charles I, as to challenge the king himself, the interval of four centuries marked a gradual gain of the under over the overdog. That long span of time, however, witnessed much of very crude history.

When the English engaged in political contests in those early years, it seemed always to augur rough weather for squeamish or even rational souls. Nevertheless as the centuries passed, notable degrees of amelioration of the harshness so characteristic of the typical contests, such as the gruesome beheadings that made ghastly sights during the War of the Roses when Yorkists and Lancastrians battled each other for power in the 15th century, became perceptible, but the process was very, very slow. Even the Tudors in the following century (Henry VIII and Elizabeth I) were little better; and the Stuarts (James I and the two Charles) in the 17th century still left much to be desired.

By 1689 William III of Orange accepted the Bill of Rights. Yet there remained the three Georges in the 18th and 19th century to be dealt with. It can only be said that the river of amelioration of the human condition is a sluggish stream.

Tyrannies, defending themselves against the reaction of those who do not relish being victims, institute harsh measures of repression; and this harshness in turn begets harsh responses unless the repression is absolute.

The difference between the absolutism of dictatorship that suffers no opposition and a kingship that indulges some degree of it, lies in the intransigence, self-translated as realism (put the enemy down before he can stab you), of the former and the latitudinarianism of the latter. The former begets violent revolution and multitudes of corpses, with heads off or heads on. The more flexible regime, also had beheadings, to be sure, but they were retail rather than wholesale. They staged trials in the form of impeachment that were not trials but triumphs of the dominant party in the guise of justice. The difference nonetheless could be and was fateful: England had no French Revolution.

Without the guillotine and without the bloodbaths of the tyrants, the English developed a Constitutional system that was concerned with the widenig of freedom, albeit as a slow process. While the people below the aristocratic levels were not docile, as became evident from time to time, as during the Peasant's Revolt, in 1381 over the poll tax, neither were they emotionally so explosive and vindictive that no settlement was possible this side of annihilation of one side or the other. The half-loaf was not always spurned as not worth the eating of it.

As instruments against oppression, trial by jury slowly developed. This too was attended by rugged experiences. Effective opposition to excessive taxation was another slow-growing movement; but although slow, like a yeast it was not readily devitalized. "Taxation without representation" was probably not first uttered by American lips. Establishment of courts to settle differences peaceably so that the social order would not be forever disrupted by endless and violent disputes represented another long-term evolution; and refinement of justice was a constant aim of the English jurisconsults, such as Blackstone. Since these aims and efforts were often philosophical and theoretical, the practical world did not fully conform to the idealistic forms. In fact, of course, human institutions are not born ready-made and perfected as are the young of the cicada, the solitary wasp and other similar works of nature, which do not need and receive no instruction. Human institutions, it seems safe to say, are subject to human error of which there is always a surplus.

During all these centuries, 1376–1805, the English had recourse to impeachment, which was a style of safety valve. The career of the process, it should be noted, was very uneven. Once it was virtually laid aside for two centuries. Then it came into flower in the 16th and especially the 17th centuries, including the time of Charles I, only to fade away into oblivion early in the 19th century.

As a form it was a blood brother of the bill of attainder. The latter represented a means of shortcircuiting impeachment. It was the favorite instrument of wilful and impatient monarchs or their enemies (if the latter, for example, gained sufficient power in Parliament, as they frequently did in England) because it by-passed the judicial trial. It was a legislative act, and was outlawed for this country by our Constitution. In England it was abolished in 1870.

General enlightenment and the consequent amelioration of harsh measures (imprisonment for debts, hanging for poaching), plus increasing responsiveness of those in power to protests by those whose toes were being bruised discredited the bills of attainder and, in England, also impeachment. Conscience had to make concessions to greater decency.

In England the record of impeachment was not one of glory since it was a political weapon in judicial dress begun in the harsh times of centuries gone by. It aroused and inflamed the passions of enmity. A few heads rolled as a result of impeachment.

The Encyclopedia Britannica notes that the origin of impeachment lay in the 14th century: "When it grew up as a means of initiating criminal procedures based on 'clamor' and outcry." It adds that the first case (against Lord Latimer, 1376, under Edward III) "revealed a characteristic which persisted; subsequent *victims* of impeachment (in Britain) have often been political figures. Usually they have been royal ministers as well." (Emphasis added).

This account of impeachment adds 'By it (i.e., impeachment) unpopular ministers (such as Cabinet members here) and favorites, such as the Duke of Buckingham (1626), Archbishop Laud (1640), the Earl of Strafford (1640–41) . . . were brought down or at least brought into jeopardy."

Under the Tudors (e.g., especially Henry VIII and his daughter, Elizabeth I) the infamous Star Chamber came into use. It proceeded without a jury and thus represented a caricature of justice. Composed of Privy Council members and special judges, it could act on mere rumor and could and did resort to torture. However, it was abolished in 1641 by the Long Parliament which at the time was waging a furious battle against Charles I. He was using it as a weapon against his enemies. We should not forget that England even succumbed to burnings at the stake upon conviction of heresy (e.g., Joan of Arc), and trial by combat.

However, the slowly developing matrix of decency, fairness and even sportsmanship which characterized the British was offended by these harsh practices, and the writings of political scientists, philosophers and poets, (Milton, Locke, etc. and their French confreres) no less than jurists, whetted the sensibilities of both the gentry and the aristocracy. On into the 19th century this growing sensitivity was promoted by Bentham, John Stuart Mill, Shaftesbury, and even Dickens.) It was in that century that the British laid aside impeachment; indeed before abolishing bills of attainder (1805 as against 1870).

It is contended by some that Britain could do without impeachment because in the late 18th century days of William Pitt, the younger, the no-confidence vote emerged as a sure means of turning out the government. However, the two, the vote of no confidence, and impeachment, are quite different. In the first place, the vote of confidence is admittedly and essentially political. There is no trial—simply a vote on some important bill. By it a government that has lost the confidence of the country, as reflected in Parliament, can be turned out. A new election may be held within the span of the life of any parliament.

Impeachment, on the other hand, is aimed at an *individual* and only when the Presidency is involved in this country would conviction mean a change in the highest office. Congress even then would remain untouched. Only once in our history has a President been impeached (1868, Andrew Johnson) but he was not convicted and therefore remained in office. The other ten impeachment proceedings were principally of Federal District judges, and conviction had little effect. One Supreme Court Justice was the subject of impeachment; but, again, the result of conviction of such individuals would produce relatively minor effect compared with removal of the President.

The contention that the British gave up impeachment because they adopted the no confidence vote as a substitute, does not hold water. They might still wish to proceed against individual officials for treason or high crimes, without having to overturn a whole government in order to reach such alleged miscreants. The no confidence vote has nothing to do with grounds for impeachment. The British might even impeach a prime minister without upsetting the government. Therefore the two instruments are but little related to each other.

No! The British laid impeachment aside more likely because they found it to be an unsuitable instrument of government. The Warren Hastings trial, for example, lasted 7 years (1788–95) and he was acquitted, but was quite well ruined financially because of the costs of defense. No doubt expressions such as that of Walter Bagehot who wrote history and biography in Britain a hundred years ago generated reflections on the likely miscarriage of justice in such proceedings. He noted, for example, that "the accusations which are brought against a public man in his own age are rarely those echoed in after times".

In other words, the realization grew that so far as an instrument of justice was concerned, impeachment was a very unlikely weapon, because of its inseparable link with politics. Time was when a Prime Minister could be impeached by a hostile Parliament, because he had been in office for 20 years, and indeed indicted by his political enemies to be tried by these enemies sitting as jurors. Such an event may not have impressed those who thirsted after justice in the 18th century: for that was the fate of Prime Minister, Sir Robert Walpole when the Tories sought to get rid of him (a Whig) in 1742 by bringing charges against him in the Commons; but in the 19th century the British no longer cared to follow that route. The sense of justice having been refined by the effects of education, the study of political science and the growth of literature generally, the British began to rebel at such crude usages.

In the field of law much effort had gone into refinement of the judicial process, including the sifting and isolation of jurors to the end that preconceived ideas, prejudices, special relationships to the accused and other likely sources of bias, would be eliminated from judgment. The impeachment process is at odds with such objectives because the jurors are pre-selected by the mere fact of their membership in the legislature. That they may be highly prejudiced and are open to access by the press can have no effect on their right to sit as jurors. That they may indeed be prejudiced, at least politically, would follow from the generally adversary posture of members of opposed political parties. If the jurors are by majority members of the political party opposed to that of the accused, it would call for a sublime faith in the inherent fairness of man to his enemies to believe that partisan bias would not work its will.

The partisans, in fact, by political division, would be host to the human defect already noted. The opponents while perhaps making every effort not to be partisan in their judgment, just as we may be careful not to step on the toes of others, nonetheless cannot impose on their own feeling for justice any sense of outrage comparable to that of their opponent if it is the latter whose toe is being stepped upon. We can note as evidence of human nature also that it is not the apparent winner in a very close election who demands a recount. It is the loser. Yet each supposedly has an equal sense of justice. In sports and athletics it is also not the violator of a rule who calls the attention of the referee or umpire to an infraction. When the latter renders a decision it is always the one against whom the decision goes, who challenges the referee's decision. Self-interest is the invariable guide.

Impeachment as an instrument of justice falls heir to a variety of human weaknesses of this order. The instrument has not been cleansed or refined by long usage precisely because it cannot be cleaned since it bears structural defects within its very nature. It is full of ineradicable original sin. The effect of the growing civilization in political relations and in the relations between the people and their government, may be illustrated by an example that will cast a revealing light on the standstill throughout the centuries of impeachment practices. In the time of William and Mary (1694) one Mr. Dyer "who had presumed to report the Parliamentary debates in his *News Letter*, was brought to the bar of the House of Commons on December 22, and upon his knees was reprimanded by Mr. Speaker for his great presumption. It was resolved 'that no newsletter writers do in their letter or other papers that they disperse presume to intermeddle with the debates of any other proceedings of this House'" (History of English Parliament, G. Barnett Smith, vol 2, p. 50).

Any such action today would hardly be tolerated. Yet the practice of impeachment goes back to the Middle Ages. The time during which it was born was noted for its harshness and lack of sensitivity for human rights, justice or human dignity. This is the instrument we cling to today: an anachronism probably unparalleled in all other political usage.

The partisan politician who stands in opposition to the accused will be unable to feel the heel on his own toes for the simple reason it is not there. What is important is that he has no feeling over the pain caused by his own heel on the toes of another. Moreover, he will be delighted to inflict the pain because that is the nature of political rivalry and opposition.

This insensitivity to the pain, added to the delight of hurting a political opponent would permit him to imitate Falstaff who said to Slender: "Slender, I broke thy head. What matter hast thou against me?"

If the people seek justice for their highest elected official the quest will hardly succeed if the "jury" is predominantly of the party opposed to the accused. Party interest calls by its very nature for condemnation of the accused. There is in such a process an invitation to hypocrisy to such a degree that its indulgence must offend the very soul of justice and decency. The impeachment process thus remains a pretence at justice, as it was in the beginning.

If we proceed under the conceit that Presidential impeachment is the equivalent of or a substitute for the parliamentary system under which a vote of no confidence may turn out a whole government we deceive ourselves.

Under the parliamentary system the parliament itself is the body that is under challenge, on the supposition that the one currently sitting has lost the confidence of the voters. Here, under impeachment it would be the Congress declaring only its own lack of confidence in the President, so to speak, not that of the country. Indeed it might be that Congress itself has lost the confidence of the voters since the last election. Who is to know? There is no test other than the polls.

Under impeachment and conviction of the President we would have the legislature vacating the Presidency. Such an action would be similar to the power exercised over many centuries in Britain by the king. He could and often did either prorogue or dissolve the parliament on his own initiative or displeasure. The executive (i.e., the king) held the dominant power under a system that was quite different from the American. His was not a system of checks and balances such as we adopted, in good part as an escape from the monarchical system, and to which we were to look for restraint within our government: a built-in restraint, resting on the separation of powers.

Through the incongruous system of impeachment that we took from the British, and which they have abandoned, but which we grafted as an alien form on our system, we have empowered the legislature to do to our Presidency what the king formerly did to any parliament that in his eyes was obstreperous. The king gradually lost that power in England. Now we are in a battle to determine whether we are to imitate the English kings of long ago, and recognize in our Congress a power over the executive such as they formerly exercised over the Parliament.

Such a reversal of history would represent a lamentable anomaly. So, why impeachment?

A COMMENT ON THE PLATFORM OF THE NATIONAL COORDINATING COMMITTEE IN SOLIDARITY WITH CHILE—WASHINGTON, D.C., JULY 14–15, 1974

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. ASHBROOK. Mr. Speaker, The so-called "People's Lobby" for the Marxist-instigated, National Co-Ordinating Committee in Solidarity with Chile descended on Washington, D.C., on July 14–15, 1974. Let us review its statements as made in its publicity campaign.

Their platform reads like a horror story. Their research leaves much to be desired. To mention just a few facts:

First. Their platform makes the statement that Walter Rauf, a German Nazi is in Santiago to advise the junta on methods of dealing with prisoners in Chile. This is untrue. Walter Rauf came to Chile after World War II under a false name. He settled in the deep south and became a sheep farmer. He has never shown the slightest interest in politics and is of no importance in Chile, living quietly as a private citizen. West Germany demanded his being returned to that country when it was discovered that indeed, Walter Rauf was in Chile. This was taken to the court in Chile under whose jurisdiction it was ruled that in the passing of time the alleged crimes were no longer applicable. Mr. Rauf continues to farm quietly and has never been used as an advisor to the junta.

Second. Their platform also states that "a crematorium has been built to dispose of the bodies of prisoners": This is untrue. The only crematorium in all of Chile is in the general cemetery in Santiago and is used only for those who have requested that upon dying they should be cremated.

Third. In giving a list of important Popular Unity government leaders awaiting trial they include Anselmo Sule. This is untrue. Anselmo Sule is now free.

Fourth. Their platform states that "safe conduct out of Chile has been refused to hundreds of political refugees now crowding embassies in Chile." This is untrue. Safe conduct has been allowed to all refugees excepting 14 who are now held in an embassy in Santiago. The reason they are still there is that they are endeavoring to make satisfactory arrangements for their families and not because the Government is holding them prisoner. The Government would, in fact, be happy for them to depart.

Fifth. This committee's platform states: "Coal miners, longshoremen and construction workers are among the many gunned down for participating in work stoppages." This is untrue. All coal, nitrate, and copper miners are working diligently for increasing production and are being paid overtime if they choose to work more than the normal 8-hour shift. The same can be said of the longshoremen and construction workers. Meanwhile, some of the leaders who were not involved in obstructing production and were not involved in delinquent activities during Allende's administration are now cooperating with the Government in order to solve the problems facing those same workers who had been persuaded to join the subversives—with much apprehension out of fear of their own, and their family's, destiny should they not adhere to the revolutionary Communist cause of Allende's Popular Unity government.

Sixth. The National Co-Ordinating Committee in Solidarity with Chile's platform states categorically that both the Inter-American Development Bank and the International Monetary Fund have allowed the present Chilean Government enormous credits yet denied credits to the Popular Unity government under Allende. This is untrue.

INTERNATIONAL MONETARY FUND

When Allende came into power there were 44 main points on his agenda, one of which was to break relations with the International Monetary Fund which he stated was an imperialist institution. However, as time went by he found this to be untrue, and did, in fact, draw on the Fund. In all he drew $154 million in foreign currency and in cash—included in that $154 million was $54 million of special drawing rights, SDR, allocated to Chile by the Fund to reinforce their balance of payments.

Prior to this the former government had paid off most of the outstanding debt and consequently an unconditional line of credit was entirely available to Allende. However, conditional credit is insisted upon when a country exceeds the limit, and since this indebtedness was the legacy left to Chile by Allende's government as a consequence of its irresponsible fiscal policy, it necessitated the International Monetary Fund to place rules on the receiver of moneys for Chile because the borrowing country's formula had proven itself unstable and unworkable.

Thus, the present military government had to ask the Fund for a standby arrangement of credit. Therefore, the Chileans had to produce an economic plan to back any credit they received. They had a plan and needed advice. They went to the IMF. Consequently, on January 30, 1974, Chile received a standby credit to the equivalent of $95 million, on which it has, to date, drawn only $45 million, the balance being dependent on how the program develops. It is, therefore, false when the National Co-Ordinating Committee in Solidarity with Chile and its People's Lobby claim that $95 million has already been received from the International Monetary Fund and no credits were allowed to the Popular Unity government.

INTER-AMERICAN DEVELOPMENT BANK

Two credits have been granted to the present Chilean Government and are as follows:

The $22 million was approved in credit to Chile in April 1974, to help in the restoration of agricultural production, in a project costing $42.6 million. The Chilean Government is thus responsible for supplying $20.6 million in local currency to this project in order to receive the full $22 million grant from the Inter-American Development Bank. This project includes the seeding of the land, the stocking, breeding, and feeding of cattle, and the replacing and maintaining of machinery to work the land.

Under the Popular Unity government Allende appropriated the farms and shared them among the workers—temporarily. Their knowledge of agriculture, however, was limited; their knowledge of fertilizing and seeding and maintaining machinery, inadequate. Eventually no seeds or fertilizers were available and thus the production problem was compounded. Many of those to whom the land was allocated were not farmers; but worse, they received no advice. With the price of any produce that they might have been able to grow kept low by government subsidies, their expenses increased. Finally, they literally gave up and the land fell fallow; production dropped to an alltime low. The result of all this is that Chile, in 1974, has had to increase its imports of food from $160 million to more than $650 million which amounts to over two-thirds of the entire income received from her copper industry exports, or approximately $900 million. This dire situation is the direct result of Allende's so-called agrarian reform.

The $75.3 million was granted specifically for the Antuco hydroelectric plant to be constructed in the province of Los Angeles in the south of Chile and was approved by the Inter-American Development Bank on April 25, 1974. The application for this project was presented over 2 years ago and after negotiations and a feasibility study undertaken by the Bank during the ensuing months, credit was granted to Chile. The entire cost of this project was $262.1 million but to obtain the credit of $75.3 million, the Chilean Government has committed itself to provide the outstanding funds. This enormous sum will provide for the building of roads, the building of houses for the workers, and other facilities and necessities for their welfare—and the building of the hydroelectric plant. This project is expected to take 5 to 6 years to complete and the disbursement of this loan from the Bank will, therefore, be portioned out over that period of time. Intermittently, auditors from the Bank will check the funds which the Chilean Government has committed itself to spend on the stated project.

The Allende Communist/Socialist coalition government was granted by the Bank the following loans: $4.6 million for Austral University and; $7 million for Catholic University, both loans being announced officially by the Bank on January 14, 1971.

Chilean Foreign Minister Clodomiro Almeyda of the Allende government approached both the Soviet Union and Mainland China for financial assistance. The reply, in both cases was: "Work if you are true revolutionaries to produce more—that is better than money. Never ask for money, you must live on what you produce." However, they were more magnanimous when it concerned advisors, and many from the U.S.S.R. visited and stayed in Chile. Weapons, via Cuba were contained in crates ostensibly carrying "object d'art" and "bags of sugar" for Allende and the Chilean people. The accusation made by the National Co-Ordinating Committee in Solidarity with Chile regarding loans from both banks is therefore, erroneous.

Seventh. This committee's platform states that unemployment is over 25 percent in Chile, at this time. This is untrue. Figures from Santiago show that the unemployment rate is 9 percent and decreasing rapidly. Investments have increased over the past 6 months and there is absolutely no discrimination shown as to the investors; 40 new industries have been established in recent weeks and these include: plastics, textiles, the canning of food, electronics, et cetera, amounting to 6,000 million Escudos and $32,500, both from the private sector. An announcement by the Chilean Government was made on Thursday, July 11 declaring the rules and laws to which international businesses and investors must adhere. These 40 new industries alone will rapidly reduce unemployment, where again, it must be emphasized, no discrimination will be shown. Thus, the figure announced by the National Co-Ordinating Committee in Solidarity with Chile is totally false.

Eighth. This committee's platform complains of inflation in Chile. So does every Chilean, and rightly so. And who caused it? Under Allende's Communist/Socialist coalition government, inflation was covered up by printing millions of escudos in worthless paper money and filling people's pockets with escudos which when spent, rapidly emptied the shops. Stocks in the stores went unreplenished as longer and longer lines became evident throughout Chile as housewives attempted to obtain food for their families. The truth of the inflation was suppressed, of course. Allende and his ministers would have been foolish to allow the truth to leak out. They subsidized the food. Thus, those who openly did not oppose Allende's regime were favored and enabled to obtain food. Two pounds of meat used to cost less than one egg because Allende's coalition government subsidized meat produce.

The Popular Unity's target was the voting booth, and it knew that if people were fed it would receive more votes. There was discrimination in obtaining food under Allende but his scheme still would not have worked—by the time the Popular Unity was overthrown, many people were very hungry and had no desire to vote for Allende. Moreover, the animals and chickens were killed for food—one, because money was to be made and two, because there was no profit left in selling eggs and therefore the poultry was eaten. The Popular Unity government replaced none of the animals or the chickens and the result was a totally false economy and a make-believe production which rapidly dried up. Despite the fact that the Chilean economy was heavily subsidized, Chile, under the Allende government became the champions of the world for the highest inflationary figure ever recorded. By the time Allende was overthrown there was no meat in the shops nor animals nor poultry on the farms which necessitated the military government making food production first priority on its agenda. Food is no longer subsidized; but the price of food is exorbitant and there are items that are still unobtainable. Such are the consequences of the false Marxist economic policies followed by Allende's rule. The viable policies practiced by the present Chilean government following sound and honest trading traditions, should find the inflationary spiral dropping. Therefore, it can be fairly stated that the accusation made by the National Coordinating Committee in Solidarity with Chile is false and untrue when it blames the military government for the inflation in Chile, when, in fact, it was Allende's Marxist-Communist coalition itself which destroyed the Chilean economy and brought about today's inflation.

U.S. BANKS OPEN IN CAIRO

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. RARICK. Mr. Speaker, with U.S. banks already in Moscow and Peking, it comes as no shock to learn that four U.S. banks have now opened in Cairo, Egypt.

Perhaps this is the banking community's answer to inflation—draining American-generated credit to foreign lands.

I include a related newspaper clipping which follows:

[From the Washington Post, July 17, 1974]

FOUR U.S. BANKS TO OPEN IN EGYPT

(By Jim Hoagland)

CAIRO, July 16.—Egypt agreed today to allow four large American banks to begin operations here as part of the economic opening to the West by President Anwar Sadat's government.

Announcement that operating permits were being issued to the Bank of America, First National City Bank, Chase Manhattan and American Express was made at a press conference at the end of a three-day visit by Secretary of Treasury William E. Simon, who flew to Israel tonight.

The move means that the world's three largest banks—Bank of America, First City and Chase—will have investment and operational windows on Egypt's once tightly socialistic economy, which Sadat is trying to overhaul with the help of foreign investment and aid.

Simon and Egyptian Deputy Prime Minister Abdel Aziz Hegazzi also announced that the two countries would negotiate a tax equalization treaty to avoid double taxation of American firms that do business here. And they will form a joint Project Development Institute, to be located in Cairo, that will evaluate the ambitious economic development plans of Sadat's government.

Simon and Hegazzi ended their meeting on the same buoyant note heard during the past three days, with the American official continuing to express confidence in Egypt's economic future and the Egyptian repeating pledges to cut red tape and make conditions as attractive as possible for potential investors.

But Hegazzi showed new signs of sensitivity to outside questioning of Egypt's management of its economy, some disappointment with American commitments on foreign aid.

Asked if the 250 million that the Nixon administration is asking Congress to approve for aid to Egypt this year was sufficient. Hegazzi referred to an American military aid obligation to Israel of $2.2 billion during the October 1973 war and added:

"I would say 2.2 is the minimum to be hoped for Egypt, for progress and peace, using the words of President Nixon."

The $2.2 billion figure has previously been mentioned by Sadat as an American aid target figure and is rapidly becoming a generalized Egyptian expectation, at least at the popular level. Simon respond to Hegazzi's remark by noting that aid had to be appropriated by Congress.

Hegazzi told a questioner that the subject of domestic price controls and commodity subsidies paid by the Egyptian government had not come up.

"This is internal policy," he said tartly. "We are not ready to chuck it out at this moment. It has helped to keep inflation down."

In comments to reporters this week, Simon has repeatedly referred to subsidies and price controls as examples of policies that he would urge the Egyptians to drop in favor of a "freer enterprise economy."

The deputy prime minister, who is Sadat's top economic planner, bristled when reporters pressed him on reports that he had discussed with Simon a rescheduling of foreign debts. After saying that Egypt was doing a study "concerning the settlement of arrears," he stressed:

"We feel quite confident of our economy . . . as do international circles."

Hegazzi and Simon, who is here to follow up promise made by President Nixon to Sadat for American help in restructuring Egypt's economy, formally signed an agreement to set up a joint commission to negotiate settlement of $7.2 million in claims by American citizens against the Egyptian government. This will clear the way for the Overseas Private Investment Corp. to provide American government insurance for American money here.

Under the permits issued today, Chase, First City and American Express will be able to open branches in Cairo to deal in foreign exchange. Chase and First City earlier this year were allowed to post representatives here.

Chase and the Bank of America will establish separate joint ventures with Egyptian banks under the permits.

Egyptian and Saudi Arabian officials have expressed strong interest in having large American Banks operate here as channel for the oil revenues that Arab producers are being encouraged to invest.

JACK KEMP SALUTES THE BUFFALO FELICIAN SISTERS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. KEMP. Mr. Speaker, in 1874 five sisters of the Felician Order traveled to the United States with the hope of continuing the meaningful work of their founders, Mother Angela. Settling in Sharon, Wis., these five sisters established a parish school, an orphanage, a novitiate, and a school for aspirants in a remarkably short period of time.

In 1881, three sisters left Sharon to teach at St. Stanislaus School in Buffalo, N.Y., where, today, they have literally served hundreds of thousands of people in many ways. Their tireless work has encompassed working with the youths of Buffalo and other communities to working with the mentally retarded.

There are approximately 5,000 Felician Sisters throughout the world serving

UMI

people in seven countries. In the United States alone their service extends to seven different provinces encompassing seven major cities.

The five sisters voyaged to the United States during a period of expansion and exploration—when the United States was a wild and unknown country relying on the missions of brave men to forge the frontier and carve futures from abundant opportunities. The pioneer sisters contributed to this effort by undertaking a journey of sacrifice, hard work and devotion to those who were in need of of our great Nation.

The Felician Sisters deserve the attention of my colleagues. They have laid the foundation, and continue to establish precedence for the many charitable organizations who have so unselfishly contributed to the growth and welfare of our great Nation.

It is my privilege to have this opportunity to offer my sincerest wishes of thanks and appreciation to the Felician Sisters of Buffalo and the rest of the country and to ask my fellow Congressmen to join me in commemorating their 100th anniversary.

JUVENILE JUSTICE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. LEHMAN. Mr. Speaker, there is something terribly wrong with America's criminal justice system which sends three out of four youthful offenders back to prison within 5 years of their first offense. This shocking fact illustrates that in this country meaningful rehabilitation has been almost nonexistent.

The Committee on Education and Labor, of which I am a member, has indicated, through its support of the Institute for the Continuing Studies of the Prevention of Juvenile Delinquency, an awareness and concern and a willingness to do something about this situation. The committee's legislation, which recently passed the House, authorizes funding to support the newly established institute, especially for its training program for professionals and nonprofessionals which extends from law enforcement agencies to social service organizations.

It is my hope that with this support for the institute, especially with its emphasis on local control coordinated with Federal efforts, these tragic statistics can be reversed. The thrust of this legislation is to prevent the juvenile from reaching what unfortunately has become the end of the road—incarceration.

I strongly support this concept, not as money to be thrown at a problem, but as a responsible measure designed to curb what is becoming a national tragedy.

FIFTH ANNIVERSARY, LAUNCH OF APOLLO 11—ARMSTRONG, COLLINS, AND ALDRIN

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. TEAGUE. Mr. Speaker, I had the privilege of attending the fifth anniversary of the Launch of Apollo 11 yesterday at the John F. Kennedy Space Center, NASA. I could discuss the merits of the space program for hours, but two persons that made addresses at the ceremonies, the Honorable James Webb, former NASA Administrator and Dr. George M. Low, Deputy Administrator for NASA, spoke of the tremendous merits of our space program and their words deserve the attention of my fellow Members and the general public.

It was a pleasure to hear them review the space program and the goals we have attained and the new goals that we have set. It was also a pleasure to again be in the company of the three men that made that historic voyage 5 years ago, Edwin E. Aldrin, Jr., the lunar module pilot, Michael Collins, the command module pilot and Neil A. Armstrong, the commander of Apollo 11.

The Honorable James Webb's remarks follow and they are followed by Dr. George M. Low's remarks:

REMARKS BY JAMES WEBB

It is a great honor to participate in this dedication of the John F. Kennedy Space Center as a National Historic Landmark.

Pres. Kennedy understood the tremendous importance of his decision to create a rocket-powered transportation system to the regions lying outward from the earth. He undertook to point men's minds toward the beckoning new space horizons which promised new knowledge and new ways to make progress toward a better life—not just for ourselves in the United States, but for all mankind. He believed that the powerful new rockets that were opening up opportunities for man to explore the earth-moon system, to satisfy man's yearnings to escape the confines of Mother Earth and travel to the heavens, could also provide a powerful stimulus to co-operation among nations. He believed that co-operation in space exploration could lead on to co-operation in other fields and to a more peaceful world.

But what if co-operation could not be achieved? Pres. Kennedy was a student of history and he knew that down thru' the ages the mastery of a new environment, particularly when based on an out-in-front position in a major new technology, had always profoundly affected the future of nations; their relative strength and security; their relations with one another; and the concepts of reality held by their people. He was determined to drive toward preeminence in the new space-age technology until a secure basis for co-operation could be found. He had no doubt that space could become as important to national security and national development as the land, the oceans and the atmosphere; that rockets and spacecraft could become as important as ships, submarines and aircraft.

In support of these concepts, NASA has brought into being, here at this historic place, our nation's most basic resource for launching men and machines into space. Here we can count on trained technical and administrative personnel and a massive array of complex equipment to fuel and launch our nation's space missions. The successes achieved here result not only from teamwork between individuals, not only from effective interfaces between men and machines, but also because Dr. Kurt Debus and his associates in NASA, in the Air Force and other governmental agencies, in industry, and in universities have created a team of organizations—a much more difficult undertaking than to create a team of individuals.

This team of organizations has made it possible for the United States to sail on the new ocean of space. In history's record of those events which have the greatest significance in marking our nation's progress, the John F. Kennedy Space Center deserves the place we accord it today.

REMARKS BY GEORGE M. LOW

Five years ago this morning I sat at a console in the Launch Control Center, a few hundred yards from here, my eyes glued to instruments signalling the well-being of the Apollo 11 spacecraft. In that spacecraft, out on Pad 39A, Neil Armstrong, Mike Collins and Buzz Aldrin were ready to begin the most fantastic journey in the history of man—an incredible journey to explore another world.

We are here today to commemorate that historic moment by dedicating Pad 39A—the launching site of man's first landing on the moon—as a National Historic Monument.

In the years to come people from all nations and all walks of life no doubt will visit this site. Some will be awed by the tons of steel and concrete they see, while others will attempt to recreate in their minds the sight and sound that marked Apollo 11's flight into the heavens. Still others will pay silent tribute to the three men who dared the unknown. A few, I imagine, will shake their heads in wonderment and remark to themselves, "So this is where it all began!"

What began on that hot July morning five years ago was the future.

What kind of future? There are some who would paint a very dark picture. Perhaps the darkest view of all was projected by a body of scientists and industrialists known as the Club of Rome. In 1972 they published and widely circulated a report called "The Limits of Growth." In it, they concluded that our civilization would collapse before the year 2100, unless we immediately placed drastic restrictions on economic and technological growth.

Of course, the Club's predictions are wrong, largely because the calculations leading to these predictions fail to take into account the technological achievements of the future.

By analogy, the "Economist" pointed out that a study of London's transportation system made in 1872 would have predicted that by 1972 the city would surely be buried under a mountain of horse manure.

The fact is that our sun will shine for another 6 billion years before it expends its energy. This means that 6 billion years are available for potentialy magnificent achievements by the human species before nature rings down the final curtain. The road to the future is just beginning.

Please understand. I am not saying that the lot of man on earth is guaranteed with absolute certainty. Far from it. We are facing serious problems today—super problems having to do with the environment and natural resources and energy. Last fall and winter we had the first taste of the potential seriousness of these problems. We will face even bigger ones in the future.

Perhaps the chief lesson of the event that took place here, five years ago, is that we can solve these problems—that we can succeed in spite of what may appear to be insurmountable obstacles.

In Apollo, 400 thousand Americans were

dedicated to doing the impossible—and they did it. In Apollo, America had a plan—and a commitment to see it through. In Apollo, 200 million Americans backed their country to the limit—something we usually see only in war, but this time in peace. And in Apollo the entire world hoped and prayed and cheered Armstrong and his crew as representatives of not just the United States but of all men. Everyone was part of Apollo!

Apollo is the symbol of hope for the future of mankind. The symbol of hope for the future, because it is a demonstration that mankind can cope to achieve what at first appears to be impossible.

Apollo was in the forefront of the thrust for a new and better world, and so is NASA today. Unlike many of our sister agencies of Government which deal with the everyday duties of society, NASA is pushing beyond the frontiers of science and technology, and we do this peacefully, openly, and for the benefit of all. True, our major thrust is the exploration of space. We have put men on the moon and spaceships around Mars. We have extended our reach to Venus and Mercury, and glimpsed the mysteries of the distant world of Jupiter.

The same technology that made these feats possible has enhanced measurably the quality and security of life on our own planet: weather satellites warn us of storms; communication satellites have pushed back the barriers of ignorance; resource monitoring spaceships watch our farmlands, help us to locate vital minerals, and keep a watchful eye on the advances of pollution. Many of the discoveries and innovations our efforts produced have found their way into medicine, electronics, and products and services of all kinds. The views brought back by astronauts of our tiny planet, floating like a blue oasis in the void, have stirred our spiritual belief while making us aware of our cosmic heritage. And if the coming joint space venture with our Russian neighbors can be counted, we can lay firm claim to the easing of world tensions.

No matter our achievements, however, we cannot relax our pursuit of knowledge, for we must now face the coming crises of our times. Every effort must be made to see that the opportunity which our technology presents is not lost. We may be sure that the opportunity will not occur soon again, if ever. To fail now would mean a ravaged environment and depleted resources—a plunge into a new and terrible Dark Age from which there would be no return. We must refine, adapt, use and experiment with new sources of knowledge. In our pursuits we must push ahead in every area: in theoretical fields, which are now so remote from application that no one can see any connection; in fields so obtuse they cannot be successfully explained to the layman. For unless we continuously restore the fund of basic knowledge, we shall ultimately exhaust it.

This perspective has not been lost by the men and women of NASA. With the help of the Congress, American industry and universities, we are moving towards new and even more exciting adventures in space; adventures that will ultimately have practical application.

Ahead lies the Viking landing on Mars. Within a few years, Shuttle orbiters will add a new dimension to earth studies by ferrying teams of scientists and engineers to and from space on a regular basis. Beyond lies the construction of huge orbiting space stations with men and women scientists of all nations working together in harmony for a common purpose. They will investigate the earth, the sun, the stars, the universe; they will experiment with applications of weightlessness to medicine and manufacturing processes. Some day we will establish scientific outposts on the moon, and even tap its mineral resources. And in the not-too-distant future astronauts may tread the surface of Mars and the glaciers of the moons of Jupiter in search of extraterrestrial life.

It is not inconceivable, also, that one day we may even be able to listen to other civilizations in the distant reaches of our galaxy—to tap our cosmic heritage just as we have tapped the wisdom and the experience of the earliest civilizations of earth.

In the final analysis, the ability to move outward in space, to colonize other worlds in our solar system and to communicate with other intelligent beings, may represent the fundamental factor in the survival of our species.

The future began here at 9:32 a.m. on July 16, 1969. At that moment on July 16 in the year 2069, launch windows to Mars, Neptune, and Pluto will be open.

Will we fly through those windows

I think we will.

HELP NEEDED FOR SOVIET CITIZEN WHO WISHES TO EMIGRATE

HON. RICHARD H. FULTON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. FULTON. Mr. Speaker, Prof. Richard E. Heisey of the Department of Mathematics at Vanderbilt University, has brought to my attention the very needy case of a human being who is a citizen of the Soviet Union, Efim Slavinsky, who wishes to emigrate from that nation.

Professor Heisey has requested me to read a statement of concern into the CONGRESSIONAL RECORD, which I am pleased to do, and I think this concern will be shared by all who have the opportunity to read Professor Heisey's letter which I insert in the RECORD at this point and commend it to my colleagues for their consideration.

VANDERBILT UNIVERSITY,
Nashville, Tenn., June 12, 1974.

Hon. RICHARD H. FULTON,
House of Representatives,
Washington, D.C.

DEAR SIR: I would like to solicit your help in effecting the emigration from the Soviet Union of Efim Slavinsky. Violating his basic human right to live where he chooses, the Soviet authorities have twice refused him permission to leave. Mr. Slavinsky's plight has been brought to my attention by a friend of mine, H. W. Tjalsma, who is a writer and Russian literature specialist. His account of the systematic persecution undergone by Mr. Slavinsky prompts me to write this letter. Slavinsky's situation is characterized as desperate. Personal data follows:

Efim Mikhailovich Slavinsky. Born 10 November 1936 in Korosten (Zhitomirskaya oblast). Currently residing in the village of Ugor, City of Vladimir. First applied for permission to emigrate (OVIR, Vladimir) in October, 1973. Dismissed from employment in a Vladimir streetcar depot as a result. Refused permission to emigrate, Nov., 1973. Applied again for permission in the spring, 1974. Refused, April, 1974. Graduate of the Philological Faculty of Leningrad State University, specialist in modern American literature.

Mr. Slavinsky was arrested in June, 1969, and sentenced to prison in Novosibirsk. He has been required to reside in Vladimir since his release in 1971. Charges to the contrary, I am assured that Mr. Slavinsky is a serious scholar of high moral standards who exerted a deeply humanist influence on writers, poets and students in Leningrad for many years prior to his arrest.

I would greatly appreciate any help you can offer in this matter, particularly if you are able to speak to Soviet representatives. In addition, Mr. Tjalsma informs me that it would also be helpful for you to read a statement of your concern into the Congressional Record and then forward copies to the Soviet Embassy. Finally, would you kindly forward a carbon copy of any response to me you might be able to make to Mr. H. W. Tjalsma, 111 Delaware Ave., Ithaca, N.Y. 14850. This will help with the coordination of Mr. Tjalsma's efforts.

With my appreciation for any action you may take in this matter.

Sincerely,

RICHARD E. HEISEY,
Asst. Prof. (Visiting).

DR. WILLIAM HUGH McENIRY

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. MARTIN of North Carolina. Mr. Speaker, this past spring the educational community in Charlotte and North Carolina was shocked to learn of the death of Dr. William Hugh McEniry, vice chancellor for academic affairs at the University of North Carolina at Charlotte.

Dr. McEniry was not a native of North Carolina, but he and his wife, Mary, fell in love with the Tar Heel countryside and its people. Many of those people were very close to Dr. McEniry. One was Ken Sanford, director of information for the University of North Carolina at Charlotte. Mr. Sanford has written an article for the university's alumni magazine giving a brief look at the late educator's life. I want to include excerpts from that article in the day's RECORD.

The excerpts follow:

WILLIAM HUGH McENIRY—A LIFE WORTH CELEBRATING

(By Ken Sanford)

Dr. William Hugh McEniry was avidly recruited by Chancellor D. W. Colvard. Dr. McEniry was almost an institution at Stetson University. He had served in many posts there over a period of 27 years. Finally, as dean of the University, he had substantial input into the overall administration of the institution.

Dr. McEniry had deep roots at Stetson, and he was involved in some activities that were difficult to leave, but the Chancellor's recruiting finally paid off. What finally sold Dr. McEniry? "I believe," the Chancellor said, "that he reached the conclusion that he had had a very satisfying career at Stetson and that there was a real challenge here. He saw an opportunity to transfer his energies from the private sector to the public university."

Despite his love for his homeplaces both in Florida and at UNCC, Hugh McEniry was a member of a national educational community. Perhaps a few faculty members and certainly fewer students knew about this side of the man because of his modesty.

He was a consultant to a host of national higher education agencies. These included the Southern Association of Colleges and Schools of which he was once president, the Danforth and Ford Foundations and the College Entrance Examination Board. Just last fall he became president of the North Carolina Association of Colleges and Universities.

Little known too was his dedication to improved higher education opportunities for blacks. He was highly regarded by the presidents of predominantly black institutions. He took very seriously his position as a trustee of Johnson C. Smith University. He personally gave scholarships to some young black people. And he worked with the Ford Foundation in evaluating proposals for the upgrading of black colleges.

The vice chancellor had several opportunities for college presidencies. He rejected them all. His goal in life was to be the best academic administrator he knew how to be.

It's a strange thing to remember about a man who didn't call himself a writer, but what I remember vividly about Dr. McEniry was his ability to write clearly and concisely about complex education matters. It's often frustrating for a writer to come to a university campus and confront "educationese." It requires translation for the layman. This was not necessary in Dr. McEniry's case. Even the institutional self study which he pulled together for the Southern Association of Colleges and Schools reads well.

Something to remember abcut Dr. McEniry was one of his contributions to a statement of University goals: "In its relationship with students, faculty and staff members, alumni and the public, the University treats each person as an individual, respecting differences and guaranteeing individual rights of citizenship."

Typically, William Hugh McEniry had asked that there be no funeral for himself but rather that there be a "celebration of life." His was indeed a life worth celebrating.

PROPOSED AMENDMENT TO THE SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, tomorrow I plan to offer an amendment to H.R. 11500 to establish a more reasonable time period for implementation of the interim environmental standards. The committee bill provides a 120-day period in which State regulatory authorities are to incorporate the new interim standards into existing strip mining permits. Although this time period is sufficient, the concurrent requirement that existing surface mine operations comply with such standards is clearly inadequate. Indeed, we may expect an adverse impact on coal production to result from the committee's implementation schedule.

While continuing to allow 120 days for State permit revision, my amendment restructures this schedule by allowing a more reasonable 180-day period for existing operations to comply with the new standards. This schedule will minimize any adverse production impacts and grant hard pressed State regulatory officials adequate time to amend existing permits. The text of the amendment follows:

Page 152, line 12. Strike out subsection (c) and insert a subsection (c) to read as follows: "(c) On and after 180 days from the date of enactment of this Act, all surface coal mining operations existing at the date of enactment of this Act shall comply with the standards in subsection (b) above with respect to lands from which the overburden has not been removed. Within 120 days following enactment of this Act, the regulatory authority shall review and amend permits in order to incorporate in them the standards of subsection (b) above."

GEORGE BURGER

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. GROSS. Mr. Speaker, on May 18 of this year, George J. Burger, vice president of the National Federation of Independent Business and one of the best known and highly respected lobbyists in the Nation, celebrated his 85th birthday.

I would like to take belated note of that fact by including for insertion in the RECORD at this point a summary detailing highlights of Mr. Burger's long career in behalf of small businessmen in this country:

George J. Burger, Vice President in charge of Legislative Activities and Board Member of the National Federation of Independent Business since 1947, represented small businessmen at Washington, D.C. for the past quarter-century.

His interest has been generally in all things directly or indirectly affecting independent business fair opportunities. His chief concern has been in adequate enforcement of all antitrust laws, at the national, state and local levels, among businessmen, farmers, labor and government itself, to keep trade channels free of arbitrary restraints. He believes that adequate antitrust enforcement strengthens free enterprise, and thereby helps stave off otherwise inevitable trends toward state socialism or greater government interference with business.

Since 1947 Mr. Burger has directed Federation legislative efforts which have helped gain small businessmen the strongest, most effective representation ever in our nation's history in governmental affairs . . . through creation of the permanent Senate Small Business Committee (1950), creation of the Executive Branch Small Business Administration (established in 1953, made permanent in 1958), and creation of the continuing President's Special Cabinet Committee on Small Business. He has also directed efforts which resulted, in 1958, in Congressional enactment of $260 million in special tax revisions for smaller firms, in the Small Business Tax Adjustment Act.

In 1962, he was credited by the officials of the United States Treasury with playing a prominent part in the drive for enactment of the original 7% Investment Credit. In that year also, in concert with organizations representing doctors, lawyers, and other self-employed professionals, he worked successfully for enactment of H.R. 10, a measure which allowed, for the first time, self-employed business and professional people to take tax credits against payments made into their retirement programs. In 1964 he led the lobbying effort which resulted in reversal in the corporate tax structure favoring smaller corporations.

In 1966 Mr. Burger won a 25-year fight for independent tire dealers, securing for them equality with tire manufacturer-owned retail stores in payment of the federal excise tax on their tire stocks.

More than this, he has coordinated Federation legislative activities which have helped lead to, among other things, (1) Federal Trade Commission pioneering efforts to establish tire maximum discount ceilings as protections for independent dealers (1947), (2) the successful small business counter-drive against "basing point" proposals which could have wrecked antitrust protections against pricing unfairnesses (1949), (3) enactment of the Celler-O'Mahoney strengthener to Clayton Act prohibitions against monopoly procuring mergers (1950), (4) enactment of the McGuire Fair Trade Enabling Act, and creation of the Smaller War Plants Corporation to integrate small business productive potential into the Korean War programs (1951), (5) successful cooperation with the Independent Bankers Association in securing enactment of the Bank Holding Company bill (1955), and (6) in 1958 and 1959 a rash of Congressional enactments helpful to independent enterprisers, including measures for speedier enforcement of antitrust orders, the closure of legal loopholes which helped giant chains escape effective antitrust supervision over unfair pricing activities, bills to protect small interstate sellers against multi-state taxation of their incomes, etc.

Additionally, he has directed Federation legislative activities in cooperation with the Hoover Commission which have helped promote a claimed $7.5 billion in savings on government operations, and he has helped set the wheels in motion for elimination of burdensome Federal excise taxes on independents' telephone and telegraph bills, and has provided Capitol follow-up on Federation member wishes to reduce the size and number of Government establishments competing with independent businessmen. Presently he is working closely with a number of Congressmen on new legislative proposals aimed to require manufacturers who sell through both their own factory store chains and independent dealers, to treat both equally price-wise.

In his years at Washington, D.C., Mr. Burger has been a member of the Small Business Task Force of the National Security Resources Board, a member of the Business Advisory Committee to the President's Council of Economic Advisers, and a member of the Small Business Advisory Committee to the House Small Business Committee. Further than this, he has acted as consultant to both major political parties in drawing up the Small Business planks of their Presidential Year Platforms, testifying before their conventions in 1948, 1952 and 1956. Many of his recommendations were incorporated into these platforms, and subsequently voted into law.

Prior to 1947, Mr. Burger represented the nation's independent tire dealers at Washington, D.C. In that capacity he shared in leadership of the drives that led to enactment of the Robinson-Patman Law, which put teeth into Clayton Act prohibitions against unfair price discrimination, and that led to enactment of the Miller-Tydings Fair Trade Enabling Act. He worked closely with Congressmen in establishing the temporary House and Senate Small Business Committees in 1940 and 1941, and cooperated closely with these Committees in their studies of tire dealer problems. These studies have become the "bible" for Government officials working on small business problems to this day. By surveys of national conditions, he helped put the wheels in motion with Justice Department and Federal Trade Commission on projects that have freed independent service station operators to buy their tire-battery-accessory goods when and from whom they want. By espousal of the Tire Bill, a measure to bar tire manufacturers from selling at retail in competition with their independent outlets, he helped head off disastrous price wars in the rubber industry. In cooperation with the Small Business Committees he helped lay the groundwork for the Smaller War Plants Corporation, which helped integrate small business into the World War II effort, and for the Government rubber program which integrated tire independents into the war effort.

Mr. Burger is one of the few lobbyists to be cited by Members of Congress for outstanding service in the legislative process to his constituents. On February 8, 1970 the entire Membership of the Senate Small Business Committee presented him a plaque in honor of his years of Federal lobbying on behalf of small business. On August 13, 1970 the entire membership of the House Small Business Committee followed suit.

His Washington work carried him outside the small business field. For instance, he was instrumental in enactment of a law (1951) which authorized widows, parents, and next of kin of members of the Armed Forces who lost their lives in World War II to wear lapel buttons indicating their losses.

Mr. Burger has been active in the independent business field since 1910. From 1912 to 1935 he operated his own retail tire business, pioneering many of the nationally prominent tire lines in New York and New Jersey trade areas. He has long been prominent in independent tire dealer association activities. He was a founder member, in 1920, of the Greater New York City Tire and Battery Association. In 1921 he helped organize the first national tire dealer group—The National Tire Dealers Association. He served three terms as President of the NTDA and one term as organization secretary.

He was one of the founder members, and President, of the United Tire Stores of America, in 1929. The purpose of this organization was to give tire independents the benefit of mass purchasing power to help them meet the competition flowing from the Sears Roebuck connection with the Goodyear Tire & Rubber Company.

Mr. Burger became Secretary-General Manager of the National Association of Independent Tire Dealers, the successor to the National Tire Dealers Association, in 1935, the year of the organization's founding. He remained with NAITD until early 1941, being responsible for the building of the organization for representation of membership interests in the industry and at Washington, D.C.

In 1941 Mr. Burger founded his own Consultant Service for independent tire dealers, the Burger Tire Consultant Service and commenced publishing his own tire trade journal, the National Independent. His work was limited generally to tire dealer problems, until 1947, when he became Washington representative for both the Federation and the Consultant Service.

JAMES HERMAN "DIZZY" DEAN

HON. THAD COCHRAN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. COCHRAN. Mr. Speaker, all Mississippians and millions of Americans today are saddened by the death of one of baseball's great men, James Herman "Dizzy" Dean. It was my State's good fortune that Dizzy Dean adopted Mississippi as his State. We, in turn, adopted him as one of our favorite sons.

We all loved Dizzy Dean and appreciated his outstanding contribution to baseball as a great performer and as a radio and television commentator. We will miss him very much, but we will never forget all he has meant to us.

WEST UNION

HON. DICK CLARK

OF IOWA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 17, 1974

Mr. CLARK. Mr. President, on the Fourth of July, I participated in West Union's Independence Day parade in northeastern Iowa—the opening event of a 4-day celebration of West Union's 125th Jubilee.

A history of the town of West Union—which was settled in 1849—has been written by Judge W. H. Antes, a civic leader there for more than half a century. The historical sketch of West Union is a fascinating account, and I ask unanimous consent that a summary of that history be printed in the Extensions of Remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

The site of West Union was originally known as Knob Prairie to the band of settlers who first built cabins there in the spring of 1849. On April 23rd of that year, a Mr. William Wells settled in West Union, built a substantial log house on a site now occupied by the Farris Meyer family, and conceived the idea of laying out a town. Mr. Wells named the settlement West Union after a town of the same name in his home state of Ohio.

Shortly thereafter, the first house on the platted portion of West Union was built by the first county judge, Jacob W. Rogers. The "Ecker House," as it was thereafter known, was located on the site of the present Glen Wilson house on Wallace Street, and was not torn down until 1953.

In the years following the settlement of West Union, several stores and a hotel were opened and the town began to flourish. It was officially incorporated in 1866, when H. N. Hawkins became the first mayor and I. F. Clark became the first recorder. By this date, West Union was a thriving community complete with schools, businesses and professional establishments.

The earliest plat book of West Union—published in 1879—shows numerous carpenter shops, saw and planing mills, two grist mills, a pump shop, sorghum mill, broom factory, cheese factory, creamery, two ice houses, churches and a school. There were four early hotels. One, called the United States House, was a three-story frame building located on the site of the present bank building. A bugle would announce to the hotel guests the approach of the stage coach from McGregor to Dubuque. A second hotel, the Leverich House (later known as the Irvin House, the City Hotel, the Descent House and finally the Arlington Hotel, occupied the present corner of Traegers at the southwest corner of Vine and Walnut streets. This burned in the city's most spectacular fire on March 22, 1903.

One of the most interesting facets of West Union's history was the controversial struggle which eventually resulted in the designation of West Union as the County Seat of Fayette County. Five possible places to locate the county seat were selected by the Iowa Legislature in 1851. An election was held on the first Monday of April during that year, and after a run-off election several weeks later, West Union won by a margin of 35 votes.

During the next 15 years, the communities of Westfield and Fayette made three unsuccesfsul attempts to hold other elections and remove the county seat from West Union. In September of 1872, after a fire which burned the West Union Courthouse to the ground, another attempt was made to transfer the county seat to Fayette. This, too, failed. In 1922, when the rebuilt courthouse again burned down in a fire, a group of townspeople from Olewin attempted to have the county seat switched to their town—a move which also failed. The new, three-story courthouse in West Union, which remains today, was built in 1922.

The first public school house in West Union was a log structure erected in the summer of 1850, at the southeast corner of Elm Street. Many young people also were educated in churches, as well as in a private school known as the Ainsworth Academy. The original log building was replaced by a brick school built in 1881 on the north side of Main Street facing Court House Square, and that in turn was followed by a newer brick building—now the present high school—built in 1970.

The first newspaper in West Union, which was also the first in Fayette County, was called the Fayette County *Pioneer*. It was a Democratic paper, first published in 1853 by John Sharky.

West Union has produced a number of prominent citizens during its 125-year history. Included are the Honorable L. L. Ainsworth, a Democratic lawyer who served one term in the House of Representatives; the Honorable Walt H. Butler, former editor of the Fayette County *Union*, who also served one term in the House, and the Honorable W. E. Fuller, a Republican attorney who won two terms in the House. Numerous citizens of West Union also represented the county in the State Legislature, and at least six attorneys from West Union have become district court judges. In addition, three former state Superintendents of Public Instruction are from West Union: J. B. Knoepfler, Fred Neritt and May Francis.

West Union is famous for a variety of events, such as the Chautauqua, which began in 1907 and was an annual event until about 1924, with such well-known persons appearing as Williams Jennings Bryan, Robert M. LaFollette, Billy Sunday, Bishop Samuel Fallows and Carrie Nation. Probably as well known in West Union lore was the incident in 1854 when 15 to 20 women marched into the local saloon, armed with the proper tools, and rolled the beer kegs out into the street, allowing the contents to drain into the gutter.

Time and space will not allow additional remembrances of West Union. But West Union has provided Iowa with much fascinating history during its 125 years.

MRS. ALBERTA WILLIAMS KING

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. LEHMAN. Mr. Speaker, last month in an Atlanta church, another senseless atrocity was committed, and our Nation and the world itself are poorer for the loss of Alberta King.

Mrs. Alberta Williams King remained and worked behind the scenes during the civil rights movement, but her presence during those turbulent times was manifested in the confidence and courage of her son, the Rev. Martin Luther King, Jr., as he marched the streets and roads of Alabama and Mississippi.

Perhaps the legacy of peace and love left by Alberta Williams King will live on and help us to endure the long road we have yet to travel to reach the goals so eloquently described by her son.

MIDEAST NUCLEAR DEALS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. EVINS of Tennessee. Mr. Speaker, a number of newspapers and columnists have raised serious questions concerning the wisdom of the recent agreement announced by President Nixon to provide Egypt and Israel with nuclear technology for peaceful purposes such as generating electricity.

The New York Times pointed out in a recent editorial that not even France and Russia have been willing to hand their nuclear information over to their friends in the Mideast and this newspaper also points up the fact that "peacetime" nuclear technology supplied to India by Canada resulted in the development of the recent nuclear weapon exploded by the Indian Government.

An editorial in the Tennessean in Nashville points out that Egyptian and Israeli commitments that the technology will be used only for peaceful purposes might be broken later by new governments in those countries.

The Nashville Banner has editorially questioned the effectiveness and wisdom of extending nuclear testing bans between the United States and the Soviet Union when other countries—most recently India and China—continue to explode and test nuclear weapons.

An editorial published in the Washington Star-News, although essentially friendly to the administration's agreements with Egypt and Israel, raises the point that safeguards against the theft and loss of nuclear materials are questionable.

Columnist Milton Viorst recently revealed that France, known as a maverick in international affairs, recently refused Arab requests for nuclear technology.

A news article in the Christian Science Monitor points out that India's nuclear bomb was developed from technology introduced in that country by Canada under supposedly similar conditions.

Certainly these are serious questions that should be carefully considered.

Because of the interest of my colleagues and the American people in this matter, I place in the RECORD herewith copies of these and other articles and editorials.

The articles and editorials follow:

[From the New York Times, June 19, 1974]

MIDEAST NUCLEAR DEALS

The debate aroused by President Nixon's nuclear accord with President Anwar Sadat undoubtedly assures careful Congressional scrutiny well before Egypt receives the promised power reactors, fissionable materials and technology.

In normal course, this scrutiny would not come until a formal nuclear cooperation agreement had been negotiated, after which Congress would have thirty to sixty days to object if it wanted to do so. However, the controversial nature of this first nuclear agreement with an Arab country suggests that earlier consultation and Congressional hearings would be advisable to clear the air.

One reason for the current controversy on Capitol Hill is the Administration's failure to consult Congress adequately or in time. While some senior members of the Joint Atomic Energy Committee and the Senate Foreign Relations Committee reportedly were briefed a couple of days before the Nixon-Sadat accord, most Congressional leaders were taken by surprise by the announcement, even though the arrangement had been in negotiation for several months.

The questions now being raised should be answered swiftly. One question is whether the American and international safeguards that will be involved are indeed foolproof. New force has been added to worry on that score by India's detonation of a nuclear explosive, even though the evidence seems overwhelming that the weapons-grade plutonium for that explosive did not come from a safeguarded American reactor but from a Canadian reactor not covered by an inspection system to guard against diversion of the fissionable material.

What remains unanswered is what recourse the United States would have if, a decade hence, inspection revealed that a future Egyptian Government had decided to evade or repudiate its agreement after acquiring the atomic know-how and materials to make a bomb. India was able to extract weapons-grade plutonium from the fuel elements of its reactors because it had constructed a chemical separation plant for this purpose and was able to avoid international scrutiny. This technology, long restricted to the five nuclear powers, now is spreading. Japan reportedly is building a commercial plant and pilot plants are reportedly under construction or in existence in Argentina and Spain.

The question that requires answer is whether, as part of the "peaceful atom" aid both countries are to receive from the United States, Egypt and Israel should be asked to renounce construction of such plants—plants which would be commercially uneconomic and could only have one purpose, national control of weapons-grade plutonium. A commitment of that kind would not prevent repudiation of the agreement with Washington, but would provide a substantial delay between repudiation of the agreement and manufacture of a bomb.

Another basic question is whether the United States ought to sign new nuclear agreements with countries which have failed to adhere to the nuclear nonproliferation treaty. Neither Egypt nor Israel has adhered as yet, although Egypt has signed the treaty without ratifying it. All the nuclear powers except China have agreed under the treaty to apply international safeguards to any atomic assistance they grant. In the light of the Indian experience, Congress will have to consider whether an effort is needed to ban nuclear assistance to countries which fail to adhere to the nonproliferation treaty and to put all their reactors under safeguards.

The fact that agreements for peaceful nuclear assistance have been made with about 35 countries, including Israel, without any reports of safeguards evasion is not a sufficient answer to the current questions. Until now, not only the United States but also the Soviet Union and France have refrained from nuclear agreements with Arab countries. Despite all the hopes for a new era in the Middle East, the reality is that the cease-fire agreements made by Egypt and Syria with Israel have yet to be transformed into full-fledged peace settlements and normalization of relations. Israel's Arab neighbors still press irredentist claims, which are a long way from being resolved. On that basis, Congress will have to determine whether any nuclear deals are not premature.

The argument can, of course, be made that the United States is not the sole supplier of nuclear reactors and that the detailed safeguards on which Washington will certainly insist are better than the risk of less carefully drafted deals with the Soviet Union or other suppliers. It is the complexity of the issues involved that make full-dress Congressional evaluation both essential and urgent.

[From the Nashville Banner]

NEW NUCLEAR RUSH LEAVES WASHINGTON UNCONCERNED

The world's sudden rush for nuclear capacity has set off deep worry everywhere but in Washington, where even Secretary of Defense James R. Schlesinger expressed no great concern after China set off a test explosion in the atmosphere yesterday.

The test was China's 16th in 10 years and was the equivalent of a million tons of TNT. About a year ago China exploded a hydrogen bomb.

Mr. Schlesinger said the test "reflects the slow-paced" Chinese development of nuclear weapons.

Be that as it may, it's no afterthought that it comes on the heels of India's detonation of a nuclear device exactly a month ago.

The Banner said then that Communist China undoubtedly will earmark some of her nuclear devices for India "just in case." China now finds herself dwelling between two nuclear powers friendly to each other but both hostile to her.

India did not sign the 1968 treaty to prevent the spread of nuclear wapons. China has refused to join any international pact banning atmospheric tests.

So has France which just hours before China's test conducted a nuclear test over the South Pacific.

Both France and China have cited defense needs in refusing to join in pacts banning atmospheric tests.

That reason takes on added signficance in the light of India's nuclear capability.

As this newspaper has pointed out, the action of India, which has seen herself as the moral leader of the nonaligned world, makes it easier for such "pre-nuclear" countries as Israel, Egypt, Iran, Brazil and South Africa to flout world opinion by building their own bombs.

Just in the last few days, President Nixon announced twin nuclear aid agreements with Egypt and Israel during his Middle East tour. Congressional critics charge that the agreements will increase the nuclear weapons capability of both countries, despite assurances by them that the agreements involve only peaceful uses of atomic energy.

That's what India said when she detonated her bomb. Claiming that her nuclear development would be limited to earthmoving and similar constructive enterprises.

So nuclear knowledge is in the hands of the United States, Britain, Russia, France, China, and India. Now Egypt and Israel are being handed that knowledge.

Again we are reminded that nuclear scientists have long had a grim calculation: every time another country joins the nuclear club, the probabilities increase of the use of nuclear weapons in warfare.

The sudden testing by China and India, a month apart, does indeed call for concern, despite Mr. Schlesinger's lack of worry.

The French and Chinese explosions coincide with the recent statement by Soviet Communist party Chief Leonid I. Brezhnev that the Soviet Union is ready to extend the test ban agreement with the United States to include underground, as well as atmospheric tests.

But what good is that when the number of other nations with nuclear cabapility increases?

United Nations Secretary General Kurt Waldheim said he "regrets any decision by any power to continue nuclear testing."

We all should.

[From the Tennessean]

House Abdicates Nuclear Aid Role

The House has erred in rejecting a move that would have permitted a meaningful congressional review of President Nixon's pledge of nuclear assistance to Egypt and Israel.

The representatives defeated an amendment to a major appropriations bill which would have made the sale of nuclear reactors and technology contingent upon congressional approval. Instead, the House was satisfied with a promise from the chairman of the Joint Committee on Atomic Energy that his panel will study the ramifications of Mr. Nixon's offers.

The House action came over the objections of Rep. Mario Biaggi, D-N.Y. who warned that the Egyptian and Israeli assurances that the devices will be used for peaceful purposes might be circumvented later by changes in leadership in those countries.

Apparently, a majority of the House is fully accepting the argument of the administration and the Atomic Energy Commission that contractual safeguards and the nature of the fuel will prevent those foreign nations from diverting their newly-gained materials to military uses. Unfortunately, that position does not jibe with the recent experience in India where scientists detonated a device that was built with materials obtained from Canada for "peaceful" uses.

Mr. Nixon's unwise offer of nuclear capability to Egypt and Israel should receive a full airing, and the Congress certainly should retain the option of negating that gesture in the interest of human safety. It is regrettable that the House has abdicated that responsibility.

[From the Washington Star-News, June 18, 1974]

Atoms in the Middle East

The congressional cries of alarm over President Nixon's agreement to supply peaceful nuclear technology to Egypt for the most part miss the point. The critics' instinctive reaction is to see the arrangement as putting awesome weapons in the hands of irresponsible Arabs who only want to do you know what to the Israelis. The real danger is not that simply spelled out, nor is it avoided by reverting to one-sided Mideast diplomacy or by attempting to construct a nuclear cocoon around this country.

There has been a figurative explosion of nuclear knowledge in the last decade. The secrets of making the bomb have long been out, and third-rate countries can produce their own if they really want to. Little Israel is believed to have the ability and the materials, having acquired a suitable reactor from France in the 1950s. India used equipment provided innocently by Canada to set up its underground blast. Egypt long has been a candidate for such unwelcome proliferation of destructive nuclear power, and conceivably could get outside non-U.S. help toward this aim.

American diplomacy, however, has different goals both in the Middle East and in heading off the proliferation of nuclear weapons. Helping Egypt in peaceful economic development is one of the techniques in creating a Middle East in which there will be no recurrence of Arab-Israeli warfare. And Egypt has as legitimate a need for nuclear power plants as Israel, or Pakistan.

The United States also has been generally promoting peaceful uses of nuclear energy since President Eisenhower announced the Atoms for Peace program. There are cooperative agreements in this field with 35 countries, most calling for power-plant development.

There are dangers in the business, as Canada's experience with India has demonstrated. Reactors produce weapons-grade material (plutonium) as well as electricity or research findings, and their use must be monitored and the disposition of materials surrounded by foolproof safeguards. This can be done bilaterally and through the International Atomic Energy Commission. The Egyptian deal is predicated on the negotiation of safeguards, and these should be stern, as they should be in agreements with all customers for our nuclear knowhow.

Congressional concern could be focused more usefully on the need for more and more stringent safeguards over nuclear processes and materials, both internationally and at home. As the technology spreads and the makings of bombs become ever more difficult to trace, the potential for disaster will grow frighteningly. The main danger could be from terrorists or extortionists having sufficient knowledge to construct crude nuclear bombs if given the chance, a prospect that is drawing increased expert attention. And this could happen in California perhaps more easily than in Cairo. The safeguards had better live up to their name.

[From the Washington Star-News, June 20, 1974]

Nuclear Irresponsibility

(By Milton Viorst)

Last February, just after the collapse of the Washington oil conference, Libya's Prime Minister Jalloud went to Paris and offered the government of the late President Pompidou a deal: oil for France's energy needs in return for nuclear reactors.

Now, whatever else one might have said about Pompidou, one would never have said he was extremely scrupulous about French responsibilities to the international community (at least, the way most of the world would define them).

At the time, the French government was in a state of mild desperation about its oil supplies. The Arabs were still playing the embargo game. It seemed that France was willing to bust up not only NATO but the Common Market to assure its flow of oil.

Yet Pompidou refused Jalloud's request for nuclear reactors. He was willing to sell the Libyans planes, tanks and ships. He was willing to build them conventional power plants. But he would not give them the capacity to build nuclear bombs.

There is something disgusting in the fact that Richard Nixon and the United States of America—soliciting the cheers of the Arab world by introducing the nuclear factor into the Middle East—are willing to do what Georges Pompidou and the French would not.

Let us remember that not even the Russians have stooped to injecting the nuclear element into the Middle East. In their own way, they have been at least as desperate as the French to keep their hand in the Arab community. But while they have brought in huge quantities and the highest quality of modern arms, they have consistently turned down all Arab requests for a nuclear capacity.

I am, of course, aware of the various safeguards promised in the Nixon-Sadat communique from Cairo, as I am aware of the assurances from both sides of peaceful intentions. I would further add that I consider President Sadat the most responsible head of state in the Arab world.

But the Canadians also thought they had built safeguards into their nuclear agreement with the Indians, and I consider Mrs. Gandhi an equally responsible head of state.

Nonetheless, the Indians have exploded a nuclear weapon (which they continue to dismiss as merely a "device") and thereby have seriously upset the recently achieved political stability on the subcontinent.

So even responsible political leaders such as Mrs. Gandhi have been known to act irresponsibly, in what they consider to be the national interest.

As for the Egyptians, it is true that they are not drowning in oil to run power plants, but they have no shortage of friendly neighbors—whom they call their Arab brothers—who are.

Furthermore, the Sinai wells which Israel took from them in the Six-Day War, and which they count on getting back in forthcoming negotiations, can make them virtually self-sufficient in energy for years to come.

Would it not be reasonable to conclude that what Egypt wants is not the electricity created by nuclear energy but the byproduct, nuclear bombs? More bluntly, just whom does Nixon think he's kidding?

Thus far, the Israelis—having had to entertain Nixon after the Cairo visit—have been too polite to complain. It's irrelevant that Nixon has made them the same offer. They have long had nuclear technology, but they have been fastidious in keeping nuclear weapons out of Mideast politics.

Surely, we'll be hearing more from them on the subject, as I suspect we will from others, both inside and outside governments. Nixon's act is not likely to sit well with the rest of the civilized world.

Why he did it remains a mystery. Held in contempt by so many of his own people, was he responding to the warmth of the Egyptians? Was this "Watergate politics" in its international phase? Whatever it was, it was grossly irresponsible of him, and shameful for our country.

[From Newsday, June 15–16, 1974]

Spreading Nuclear Peril

In 1963 Canada, one of the world's richest sources of uranium, agreed to assist India in developing nuclear reactors, for peaceful use. India's pledge against military exploitation of that assistance was renewed in 1968 and again in 1971. But on May 18 of this year, India exploded a nuclear device. The Canadian government reacted with shock, and Pakistan, India's neighbor and recent enemy, termed the development "a new threat to our security."

This expansive insight into the impermanence of nuclear promises casts a dark shadow over President Nixon's jubilant diplomacy in Cairo—and indeed over the whole fabric of peace agreements taking shape in the Middle East. Is it possible that today's diplomatic triumphs are laying a foundation for tomorrow's nuclear war?

There has been no reason up to now to criticize Secretary Kissinger's summit diplomacy. But when President Nixon and Sadat announced their draft agreement to share nuclear information, it became clear that Nixon's trip to the Mideast was not only ill-timed but poorly prepared. A nation which only a few months ago was launching a surprise attack on Israel, condemning the United States as an enemy and participating in the Arab oil embargo should really be required to give more enduring evidence of its changed intentions than the parades and panoply of Nixon's three-day visit—especially with the Indian experience so freshly in mind.

Although the joint communique speaks of the nuclear deal as an agreement and not a treaty, it seems essential to us that all the details must be carefully reviewed in the Senate. And one immediate provision, we think, must be held in abeyance until that review. It states: "Pending conclusion of this [nuclear energy] agreement, the United States Atomic Energy Commission and the Egyptian Ministry of Electricity will this month conclude a provision agreement for the sale of nuclear fuel to Egypt."

This month? What's the hurry? Indeed, even in the best of circumstances is it wise to provide the fuel until a comprehensive

Mideast settlement is signed, sealed and delivered? That, after all, was supposed to be the purpose of all this summitry.

[From the Sunday News-Detroit, June 16, 1974]

NUCLEAR POWER FOR EGYPT?

President Nixon has agreed to give Egypt nuclear reactor technology and the fuel required for a program, according to a joint communique issued by Mr. Nixon and President Anwar Sadat. The offer is a highly questionable price to pay for amity.

Canada gave India nuclear technology and fuel, under strict conditions that were soon violated. Nuclear power reactors produce leftovers, among which is plutonium, the stuff that bombs are made of Scientists say it is virtually impossible to control these wastes. India bled them off and exploded a nuclear device in the desert near the Pakistan border, serving notice on the world that she has the potential to build a bomb.

Nuclear power reactors in Egypt will produce the same kind of wastes and they will be as impossible to control.

The United States deplored the Indian nuclear explosion. Why would we in turn set up a situation where the same thing could happen just as easily in Egypt?

The political uncertainties that lie ahead in the Middle East have not abated. While President Nixon waved from a train to the cheering crowds, Syria was issuing a statement accusing the Israelis of war atrocities against prisoners rivaling those of the Nazis. Israel and Lebanon were lobbing artillery shells at one another, after Palestinian guerillas had raided an Israeli farm from sanctuaries in Lebanon and—Lebanon claims—an Israel army unit had been intercepted on the Labanese border.

The world desperately wants a peace settlement in the Middle East but Americans are going to ask whether it is necessary for this country to give away the store to achieve it. It is one thing to help people build steel mills and refineries and quite another to teach them the mysteries of nuclear reactors.

[From the St. Louis Globe-Democrat, June 15-16, 1974]

BAD TIMING ON CAIRO NUCLEAR PLAN

President Nixon appeared to be on the road to a resoundingly successful trip to the Middle East until he unexpectedly announced that he had committed the United States to selling nuclear reactors and nuclear fuel to Egypt.

It was an unfortunate misjudgment on the President's part. Even if the pledge can be fully justified at a later date, the timing of the agreement and its announcement without prior discussion is bound to raise concern and divert attention from the many solid accomplishments being made on other issues.

Despite the disclaimer that safeguards would be taken to prevent the Egyptian nuclear program from being used for military purposes, there are bound to be serious reservations about the advisability of supplying Egypt with nuclear reactors and nuclear fuel at this time.

These doubts will be raised for two basic reasons. The first is the fact that it is becoming increasingly easy for nations which possess nuclear power reactors to make atomic bombs. The second is the volatile nature and instability of the Egyptian government.

It was totally unwarranted, for example, for Egyptian President Anwar Sadat to give Mr. Nixon a stern warning at a state dinner (supposedly aimed at promoting peaceful relations) that Egypt might resort to military force again to recover territory it lost to Israel in the 1967 war. There is the possibility that if nuclear aid is given to a friendly Egypt this year, it will have to be suspended to an unfriendly Egypt next year.

Experience has shown that even when stringent safeguards are established, it is possible for a nation to develop atomic weapons.

India is a prime example of this. The United States helped India build its first nuclear power plant in 1970. Canada for 18 years provided India with nuclear material and technical assistance in its nuclear program, apparently believing its safeguards would preclude India's developing an A-bomb. But several weeks ago India detonated a nuclear device, whose ominous reverberations are still being felt around the world.

The fact is that a nuclear bomb now can be made out of 20 pounds of plutonium. Nuclear power reactors produce fairly sizable amounts of plutonium. It is estimated that 45 nations which have nuclear research and nuclear power reactors (but no atomic weapons yet) will be producing more than 40,000 pounds of plutonium a year by the end of the 1970s.

Israel, which has two research reactors, is judged to be one of at least 26 countries that have the technological know-how to make plutonium bombs. It should be pointed out that Israel has said that it has no intention of developing these bombs. Israel's reactors, however, are under no outside safeguard agreements.

Against this background, it can be seen that even though President Nixon's intentions are the best—the plan is aimed at generating "substantial additional quantities of electric power (for Egypt) by the early 1980s to support its rapidly-growing development needs—it has the potential of touching off a race between Egypt and Israel to develop a plutonium bomb.

President Nixon may have been motivated by the fact that other nations—notably Russia—could supply Egypt with nuclear reactors and nuclear fuel if the United States doesn't do so. Or he may have felt that this program would offset this country's failure to aid Egypt in building the Aswan Dam in 1956, which led to hostile relations between Egypt and the U.S.

Whatever Mr. Nixon's reasons were, the poor timing and the lack of preparation for such a controversial step probably will create a furor that could detract from the very significant achievements of his tour.

OTHER COUNTRIES MOVE TO TIGHTEN RHODESIAN SANCTIONS

HON. EDWARD G. BIESTER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. BIESTER. Mr. Speaker, since 1971 the United States has been the only country in the world to legislatively thwart the United Nations economic sanctions against Rhodesia. At the time we chose to go in this direction proponents of such a move argued that we were the only country taking the sanctions seriously. That was untrue then and is certainly incorrect now.

In recent months, various nations have taken steps to insure that sanctions are being observed within their territories. One notable example is Japan where the government announced in July through its Ministry of International Trade and Industry that verification procedures are being improved in order to insure that Rhodesian goods do not enter Japan. This is very largely a result of the increased pressure being placed upon Japan by black African nations and a request by the U.N. Sanctions Committee to explain discrepancies in Japan's trade figures.

Another important move in this direction was taken by the European Economic Community which commissioned a group of experts in June to recommend methods of tightening sanctions against Rhodesia with the aim of blocking illegal channels of export to Europe.

The most significant development, however, was the May announcement by the Spinola government in Portugal that it is willing to cooperate with the British in closing loopholes in the United Nations sanctions against Rhodesia.

The argument then, which questions why we should support sanctions while others violate them, is specious. Both the U.N. and black Africa are placing increased pressure upon countries to observe sanctions and it is working.

Our continued violation of sanctions against the minority regime will only serve to irritate black African countries which export many vital raw materials to the United States as well as the black Rhodesians who will assume power in the country.

Mr. Speaker, I urge my colleagues to support S. 1868 which would repeal the Byrd amendment now permitting this country to violate the U.N. sanctions.

THE 15TH ANNIVERSARY OF CAPTIVE NATIONS WEEK

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. SARASIN. Mr. Speaker, this week marks the 15th anniversary of Captive Nations Week, a period designated by a joint congressional resolution of 1959, during which we can both reflect upon the personal freedoms that we enjoy and readdress ourselves to the struggle engaged by millions of oppressed people in Eastern Europe who seek to regain the civil liberties and national identity that they once enjoyed.

It has been nearly three decades since the hostilities of World War II came to a close. For many of the peoples of Latvia, Lithuania, Estonia, Czechoslovakia and other countries within the Soviet bloc, the deeper injury to national pride had just begun. For a time it seemed that these nations began to reassume some of their lost freedoms. Then, in August of 1968, we saw the Russian reaction to Dubcek's liberal policies. The Soviet Jews, too, represent a special case, of a nation which would be able to reassemble in its homeland, if not for the repressive emigration policies of the Soviet Government.

The three tiny nations of Latvia, Lithuania and Estonia suffer more greatly in that even their political frontiers, important marks of sovereignty, have been assimilated within the body of the Soviet Union. I cosponsored a concurrent resolution, House Concurrent Resolution 546, which expresses the sense of Congress concerning the European Security Conference's recognition of the Soviet Union's occupation of these three states, and I call on my colleagues to support this measure.

The morbid situation in which these nations of Eastern Europe find themselves could be easily set aside and forgotten if not for this annual commemoration in Captive Nations Week. I call on my colleagues not to let this commemoration continue as an annual anniversary, but to perpetuate this cause throughout the year and years to come by using the abilities that we have, to mitigate and hopefully eradicate the oppressive practices of the Soviet Government.

TRIBUTE TO MRS. GEORGIA CLEMENT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. ANDERSON of California. Mr. Speaker, July 27 will mark the end of the very successful tenure of Mrs. Georgia Clement as honorary mayor of San Pedro, Calif.

A position selected by the San Pedro Jaycees, the honorary mayor serves as the community's representative at the many festive, social, and civic occasions which take place throughout the year. In addition, the honorary mayor promotes the interests of the people of this unique and picturesque area.

Mrs. Clement, an active participant and leader in community affairs, has performed her duties as honorary mayor in an outstanding manner; speaking for the area, meeting with the various civic and professional organizations, and encouraging greater participation in the local activities.

The honorary mayor, who is also a full-time secretary to attorney Ron Perry in San Pedro, still finds time in her busy schedule to continue her volunteer work in such organizations as the Kidney Foundation, of which she is a member of the board of directors; Mary Star of the Sea; the San Pedro and Wilmington Boys Clubs; the Harbor Area Retarded Childrens' Foundation, of which she is also a member of the board of directors; and the San Pedro Chamber of Commerce.

In addition, Mrs. Clement, the wife of Mr. Elden Clement, is a homemaker and the mother of a 17-year-old daughter, Eldena.

A longtime resident of the Harbor area, she attended Banning High School and Harbor College prior to her employment with Douglas Aircraft, Sylvia's Bail Bonds, and her present position with Mr. Perry. Mrs. Clement is also self-employed, with her own public relations and photography business.

Mr. Speaker, Mrs. Clement, as honorary mayor of San Pedro, exemplifies the attitude of the people of the area: eager to help their neighbors, willing to sacrifice for others, convinced that San Pedro is the best community in the Nation, and proud of themselves and their accomplishments.

It gives me great pleasure to commend Mrs. Clement for her service to the community, not only during her tenure as honorary mayor, but also during the years she has dedicated herself to the betterment of her fellow human beings.

And I join the people of San Pedro in paying tribute to her work on behalf of this outstanding community.

EARL WARREN

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. FRASER. Mr. Speaker, the roadside billboards during the early sixties implored, "Impeach Earl Warren." School students were offered handsome prizes for the most ingenious essays telling why the American people should drive the Chief Justice of the United States from the bench.

How had the Chief Justice allegedly betrayed the public trust?

He had led the highest court of the land when it ruled that a black school girl could not be assured of equal education opportunity when she was forced to attend classes only with black teachers and black schoolmates regardless of where she lived. He presided when the Court decided that penniless indigents, no less than wealthy bankers, were entitled to legal counsel in court. He insisted that a married black woman on trial deserved to be addressed as "Mrs." by the judge as much as a married white woman. He even went so far as to say that Americans living in cities had as much right to representation in Congress as those who live on farms.

Were these rulings "high crimes and misdemeanors"? Did they betray the Constitution that Chief Justice Warren had sworn to protect and defend?

History will show, I am convinced, that Earl Warren acted in defense of the highest values of human dignity embodied in the Constitution of the United States. He did so not from the towering heights of complex intellect, but from a sound basic sense of right and wrong. He saw the law not as a threat to be feared by ordinary citizens, but rather as a guarantor of the rights set forth by the Founding Fathers.

His approach was not radical; it was not really even new. Nor is it correct to attribute the landmark Supreme Court decisions of the fifties and sixties entirely to him; the "Warren Court" was more than just Earl Warren.

His unique and indispensable contribution, it seems to me, was to remind America that in a complex postindustrial society, the individual still matters. At a time when impersonal and massive institutions threaten to submerge the rights of the individual, he insisted that human dignity be maintained. For this we all owe him a debt of gratitude. For this I am certain that the figure of Earl Warren will always occupy a giant-sized place in American history.

JULY FOURTH—VERY QUIET CELEBRATION

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. HANRAHAN. Mr. Speaker, the celebration of the Fourth of July just is not what it used to be. Even though we are having some hard times, we must never forget that America is the strongest and most prosperous country in the world. I believe the following editorial from the Calumet City Sun Journal is worth the recognition of my colleagues.

JULY 4, 1974 . . . A VERY QUIET CELEBRATION

Remember the phrase "Now more than ever before"? While it was created to convince voters of the necessity to re-elect a President, the slogan has even more direct application to today's celebration of our nation's birthday.

In these troubled times of self-doubt and disrespect for the political process there is a real need for a bit of old fashioned patriotism. While Watergate and its related turmoils have damaged confidence in our leaders and in our system as a whole today is still the fourth of July. Today is still a very special day.

Night club comics, talk show hosts and even clergymen have felt the need to rip apart our nation's political process. It has become fashionable to rap the President, degrade Congress and shoot holes through our entire governmental system. To us, it just doesn't make much sense.

There is no question that America is going through a dismal chapter in its history. As a newspaper, we would be the last to deny the existence of serious problems. But that is not to say America, with all of its imperfections is anything but a symbol of freedom. Our system of democracy remains the epitome of governments, the most successful experiment in the history of mankind.

Even an attack on its present weaknesses leaves one with the unmistakable impression that democracy is working. Where else would the crimes and unethical practices of top level leaders be aired in public. Where else would a nation's leader face an open challenge and be afforded the judicial system to clear his name? Where else would a free press be allowed to report the news without fear of censorship and political retaliation. The answer is nowhere . . . except America.

If anything, the tragedy of Watergate can readily be seen as a triumph for this country. As a nation, there should be a pride in the knowledge that our system of freedom balks when scandal strikes. Nothing is swept under the carpet. Our problems are there for all the world to see. Our solutions will be there as well.

Sadly, too many of us have grown callous toward our leaders, developing a deep-seated feeling of distrust and irreverence. These feelings have manifested themselves in our own local area. Only two communities in the Calumet region are hosting July 4 parades today. In times past, these towns and villages treated this holiday as an occasion to honor our country, a chance to show the stars and stripes, an opportunity to remember the great men who paved the way for freedom in the new land.

It is with shame that we must report

July 4 has become, to many, just another day off work. It's a sad state of affairs and we are all to blame.

In 1776, one hundred and ninety-eight years ago today, 56 men put their lives on the line by signing the Declaration of Independence. Their signatures were truly affixed to death warrants as each man was committing an act of treason. It is easy to see how much these men cared about America. Today, nearly two centuries later we are still bound by the principles set forth in that document and the Constitution which followed. After years of fighting countless foes from within and without, America stands free today, stronger and wiser from the experience.

But instead of pride and thankfulness, the predominant emotion today on this, the anniversary of our independence, is one of skepticism and distrust. This is wrong.

America is a nation with a history of overcoming adversity and bad times. We have yet to encounter a problem that could not be solved through hard work, sacrifice and understanding. There is no reason to believe that today's problems of ill deeds in high places will not be similarly dismissed.

But it will take time. The wheels of justice may turn too slowly for some, but in the end they lead us down a path of freedom, fairness and equality. The wrongdoers of Watergate will be justly punished, and our nation, its leaders and citizenry, will be the stronger for it.

In the meantime, the loss of faith and confidence serves no purpose. There is nothing to gain and far too much to lose. It's easy to wave the flag when times are good. It's a different story when a challenge is present. Thomas Paine wrote often of the "sunshine patriot". His message is just as meaningful today. Perhaps the sun isn't shining now, but a true patriot has no need to check a weather report before making his love of country known.

Rather than join the glib contingent of head shakers who choose not to support their own country, it is incumbent upon all of us to show the world we have not given up on America. We must fly our flag, salute our forefathers and pause to reflect upon our heritage.

In spite of current problems, America remains the strongest, fairest, most prosperous nation on the face of the earth.

We must never allow ourselves to forget that.

DAY CARE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. LEHMAN. Mr. Speaker, around the turn of the century, a Scandinavian political philosopher stated, "A nation may be measured by the concern of one generation for the next." If in this context our Nation is to be measured by its commitment to day care for children, then the United States will measure very short.

A fact of life in this country is that mothers of small children work. One-half of all mothers with preschool or school-age children are employed. One-third of mothers with children under 5 are now working. Not only in single parent households, but even with both parents in the home, in order to meet the burden of spiralling inflation, more and more mothers are being forced into the job market.

Although the day care needs of preschool children attract more attention, two-thirds of our children requiring day care are school-age children left on their own after school and during vacations.

The household with parents and children, and grandparents or aunts and uncles has almost faded from American life.

There is a very serious fall-short of our efforts in our national commitment to our young children. At this moment, the parents of almost 1 million American children are unable to find or unable to afford any care for their children while they are away working.

It is incredible, but true, that there are fewer than 700,000 spaces in licensed day care centers to serve the 5 million preschool children whose mothers work.

We, who advocate an expanded and adequate child care program, are not just idealists. We are also realists, and the reality is basically economic. The economics of now, and the economics of America's future well-being.

Most of a child's intellectual, emotional, and physical development occurs before the age of 5. If the child does not receive guidance in development during those earliest years, he may well suffer the consequences—and society in all its aspects may well feel the effects.

SIXTY-THREE ISRAEL WAR ORPHANS MARK BAR MITZVAH

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. BIAGGI. Mr. Speaker, I wish to bring to the attention of my colleagues an event which recently took place in the small village of Lubavitcher Chassidim on the outskirts of Tel Aviv, Israel. The event was a Bar Mitzvah mass which was for a group of 63 young boys whose fathers had died defending the nation of Israel. Included among this group were 18 young men whose fathers fell during the recent Yom Kippur war.

The difficulties of a young man having to grow up without the love and guidance of a father are numerous. The tragedy deepens when one realizes that these particular young men were orphaned so that they and all Jewish people might live in freedom and peace in their own sovereign state.

Among those in attendance at this moving ceremony was Prime Minister Rabin, who personally presented each of these young men with a medallion. In his remarks the Prime Minister noted that they deserved to be proud of their fathers for they gave their lives to insure that Israel's future might be secure. He said:

> You are part of a new history of Israel. You will also have to learn the art of war, but it is my wish that you will never have to make use of it.

A reminder of the present day Israel was seen by the attendance of several students who were injured in the tragic Maalot incident.

The children of Israel have heard the winds of war howling throughout their lives. As Israel begins her second quarter century of existence let us hope that these children and all Israel children of the future can taste the fruits of peace and help make Israel into the great State her founders designed her to be.

HEALTH SERIES BEGINS IN FALL

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. RANGEL. Mr. Speaker, in the past the "Children's Television Workshop" has provided us with such informative and entertaining programs as "Sesame Street" and "The Electric Company." And although these programs were primarily directed toward preschool and school-age children, they have gained a great many dedicated adult viewers.

On July 11 the Public Broadcasting System announced the introduction of a new adult television series on health entitled "Alive and Well" which will premiere in November. "Alive and Well," produced by CTW, will be an experimental educational series of 26 segments and dealing with such areas as alcohol abuse, cancer, and heart disease. For the edification of my colleagues, the following is a description of "Alive and Well" provided by the "Children's Television Workshop" news service:

CTW ANNOUNCES NEW ADULT TV SERIES ON HEALTH ENTITLED "ALIVE AND WELL"

NEW YORK, July 11.—"Alive & Well," television's most ambitious attempt to convey health information through entertainment techniques, will premiere November 20 in prime evening time on the country's 250 public broadcasting stations, it was announced today.

Details of the 26-week series, the first program produced for adults by the Children's Television Workshop (creators of "Sesame Street"), were described at a news conference. Joan Ganz Cooney, president of CTW, said the new series will begin production in September, following evaluation of a 60-minute test program which has just been taped and edited in the past two weeks.

Production of the first season's programs of Alive & Well, along with research and extensive outreach activity, is budgeted at $7 million. Two years of pre-production research and development will have preceded the broadcasts, she said.

Excerpts from the test show seen by reporters illustrated the variety of TV techniques, including song, dance, documentaries and situation comedy which will be employed on the show to treat subjects ranging from nutrition to exercise and from hypertension to breast self-examination.

Primary target audience for the series, Mrs. Cooney said, is young parents who play major roles in influencing the health of their immediate families. Of particular concern to the producers, she said, are the health problems and attitudes of low-income families.

Major underwriters for Alive & Well are the Corporation for Public Broadcasting, which has contributed $2,200,000 for development and production phases of the first season's shows, the Robert Wood Johnson Foundation ($1,737,000), Exxon Corporation ($1,037,500) and the Aetna Life & Casualty Co. ($1 million).

In addition, six foundations contributed amounts ranging up to $250,000 to cover part of the costs of the earlier research and development phases of the project. They include: Edna McConnell Clark Foundation, Commonwealth Fund, John and Mary R. Markle Foundation, vanAmeringen Foundation, Grant Foundation and the Ittleson Family Fund.

Additional underwriting, particularly to cover post-broadcast follow-up projects, is still being sought. The most recent grant is $50,000 from the American Cancer Society.

"BOLD ATTEMPT"

Dr. J. Robert Buchanan, dean of the Cornell University Medical College and chairman of the series' newly-formed national advisory council, characterized Alive & Well as "probably the boldest single attempt at mass health education ever attempted by the media."

"Although surveys indicate that the majority of people look to either doctors or TV for the bulk of their health and medical information," he said. "Physicians too often don't have the time, and frequently lack the skills to effectively explain conditions in terms that a patient can understand. The information offered by TV is often either inaccurate or self-serving as in the case of product advertising."

Dr. Buchanan said that "educational efforts of the kind planned by CTW are critically needed. Too many people have too little knowledge of the fundamentals of good health; and most people don't realize that their own actions play a major role in the kind of health they enjoy."

William Kobin, vice president of CTW's Future Works division and executive producer of the series, said that many of the 30 members of the advisory group have influenced the development of the program. Through a series of seminars and interviews with the health series staff, some 300 health experts have aided in selecting the 11 priority topics that will be covered in the series.

Kobin said that each show will usually cover several subjects and two or three different segments will be used to treat a single topic as a means of reinforcing the health message. Each topic will be treated several times during the six-month broadcast run of the series. The priority topics: alcohol abuse, cancer, child care, dental care, exercise, the health care delivery system, heart disease, hypertension, mental health, nutrition, prenatal care.

As with CTW's two previous experimental educational series, Sesame Street and The Electric Company, the Workshop's own staff has developed a curriculum that provides a framework for the show's writers and producers as well as a mechanism for testing appeal and impact to a degree previously unknown in TV production.

AUDIENCE REACTION SOUGHT

Dr. James Swinehart, research director for the Alive & Well series, said that test programs will be evaluated for appeal and retention by nearly 2,500 viewers throughout the country. Their reaction will aid CTW in creating programs for broadcast.

Several informational and behavioral goals are attached to each of the 11 topics, Swinehart said, because the series aims not only to inform but to motivate viewers to take some action for themselves or on behalf of others.

The Alive & Well pilot uses a resident company of eight performers who congregate in a small variety store called "Mac's Place." Head writer Tony Geiss and his staff have created a broad range of characters that include, among others, an intern at a nearby hospital and his wife who runs an exercise salon, the middle-aged owner of a sporting goods store who is going to paunch, a hip teenager, an elderly woman and a young woman raising her preschool child alone.

Al Morgan, the series senior producer who for seven years produced NBC–TV's "Today" show, said CTW had auditioned 200 actors for the roles, finally settling on a cast that is rich in Broadway, TV and motion picture experience. It includes Rex Everhart (who played Ben Franklin in "1776"), Priscilla Lopez (a principal in Broadway's "Pippin"), Joe Morton (currently starring in "Raisin"), Ethel Shutta (a veteran radio performer last seen on Broadway in "Follies"). Mark Baker (currently in the title role of "Candide" on Broadway) and Ben Slack (most recently seen in "Serpico" and "Man on a Swing").

PROMOTION AND FOLLOW-UP

An extensive follow-through project involving the Workshop's national network of community education services personnel and the staffs of the 250 public TV stations, will attempt to extend the reach of the program and reinforce its basic messages. An equally extensive public information campaign by CTW will attempt to attract a large audience to the series. Plans include special publications for health professionals and the viewing audience, plus a commercial network special previewing the series.

The program will be seen nationally beginning Wednesday, November 20, in an early evening time slot. Most PBS stations will repeat the show on Saturday or Sunday evenings.

FEDERAL LAND USE CONTROL

HON. WLILIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. HUDNUT. Mr. Speaker, last year the Environmental Protection Agency attempted to impose its will on local governments through imposition of parking surcharges. Such action has now been prohibited by Congress through an amendment to the Energy Supply and Environmental Coordination Act, Public Law 93–319.

Just recently we voted not to consider Federal land use control on this very House floor. But Federal land use control is not dead. It is being put into effect by EPA through proposed rules on "indirect source emissions" that will apply to construction projects commencing on or after January 1, 1975.

When we really look at the definition of "indirect source emissions" which means we have to carefully analyze some bureaucratic jargon, we find that what we are really talking about is land use control.

What is an "indirect source?" Briefly, it is a facility that stimulates traffic. In the words of the regulation itself:

> Such indirect sources include, but are not limited to: Highways and roads; parking facilities; retail, commercial, and industrial facilities; recreation, amusement, sports, and entertainment facilities; airports; office and Government buildings; apartment and condominium buildings; and education facilities.

The regulations further provide that—

> No owner or operator of an indirect source subject to this paragraph shall commence construction or modification of such source after December 31, 1974, without first obtaining approval from the Administrator.

Before I go further, let me also say that in this particular context, I am not arguing the case against land use controls. I am arguing the right of the Congress, not bureaucrats, to make this decision. It just happens that in this case, we made our decision and now the bureaucrats of the EPA are overruling us and making a contrary decision.

That, in my opinion, is not the way our Government is supposed to work.

We are elected by the people to run the bureaucrats, not to let the bureaucrats run us.

I think that this is the time to show both the people and the bureaucrats that we will live up to our responsibilities.

The distinguished gentleman from Texas (Mr. CASEY) has introduced a bill to prohibit the Environmental Protection Agency from considering indirect sources of pollution in the granting of construction permits. If the States and local governments want to have such provisions, that is all well and good, but it should not be required at the Federal.

All of us want clean air and the EPA has a most important role in achieving that goal, but reason must prevail. We must not allow the EPA, or any other Federal agency to circumvent congressional intent by bureaucratic lawmaking.

I am joining as a cosponsor of the bill, introduced by our distinguished colleague (Mr. CASEY) and urge all other Members to join us. By passing this bill we can make it clear to both the people of this Nation and to all of our Federal agencies that we accept our responsibilities as an elected Congress and that we will not tolerate rule by bureaucracy.

TRIBUTE TO WILLARD D. EDWARDS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. DELLUMS. Mr. Speaker, on July 19, Willard D. Edwards of Berkeley, business enterprise officer in the California State Department of Rehabilitation, retires after serving nearly 20 years of conscientious service. I want to commend his numerous contributions for the handicapped in California.

Mr. Edwards has played a critical role in the development and success of the business enterprise program. During his years in the program, he has been dedicated to establishing the blind in remunerative self-employment in small businesses of vending stands, snack bars, and cafeterias in public buildings and private plants. By providing the blind with the implements for self-employment, he has enabled them to become productive and self-sufficient individuals. Such an achievement is greatly appreciated by the entire community.

Mr. Speaker, such outstanding public servants such as Willard Edwards deserve the recognition of their community. I would like my colleagues in the House of Representatives to be aware of the time and the talent Mr. Edwards has contributed to the handicapped. I am honored to be a part in this effort to applaud such an individual.

ROBERT H. ROUTZAHN

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. BYRON. Mr. Speaker, over the last weekend Frederick County, Md., lost one of its most distinguished citizens with the passing of Robert Herman Routzahn.

It was my pleasure to know Bob Routzahn for many years and to follow his many activities in behalf of Middletown, his home town. However, his civic undertakings were not limited to Middletown since he took an active part in county government as well. Bob Routzahn will be missed not only by his family but also by his many friends throughout Federick County.

I would like to share the recent editorial from the Frederick Post commenting on Bob Routzahn's achievements:

ROBERT HERMAN ROUTZAHN

The scythe of time has cut down another outstanding Frederick County businessman, Mr. Robert Herman Routzahn of Middletown.

Mr. Routzahn was 65. He died Saturday, July 13, at Frederick Memorial Hospital. He was an avid sportsman and loved Middletown and the Middletown Valley.

He was president of the Middletown Valley Bank, president of the Thrift Loan Company of Middletown and a director of R. H. Sheppard Co. Inc. His loss to Middletown is significant, not only because of his leadership in its growing economy, but also because of his leadership and enthusiasm in community affairs.

It is significant and typical of Mr. Routzahn that his family should request that memorials in his name be made to the fund of the Middletown High School Band, a nationally known high school organization that received his support and the community's and as a result brought many laurels to this growing Frederick County town as its band traveled and performed in distant celebrations.

Mr. Routzahn was the kind of man who inspired others by demonstrating his personal faith in them and their ideas, doubtless one of his keys to success in business as in life.

He answered his country's call in World War II, serving with the Army in the European Theatre of Operations. Upon his return from service, he started the first vineyards in the Middletown Valley.

As a hunter and fisherman, he chose to share his love of the outdoors with others and was a member of the Catoctin Rod & Gun Club and the Maryland Forestry Association.

He carried over his responsibilities as a war veteran by joining and working with the Middletown AmVets, serving as one of the post's commanders in years past. He was also a member of the Veterans of Foreign Wars and the Elks.

Some years ago Robert Routzahn served as a member of the Frederick County Board of Supervisors of Elections, and Mr. James Messersmith recalls that he was secretary to the board and was intensely interested in the challenge of getting all eligible voters registered to vote.

"He was a good leader," Mr. Messersmith said, "and was highly respected by the people of Middletown Valley."

Mr. Routzahn was the son of the late John L. and Lucie Thomas Routzahn, members of early Middletown families.

He leaves his wife, Mrs. Betty Campbell Routzahn, and four stepchildren, Ann M. Remsburg, Samuel L. Remsburg, Robert Y. Remsburg and Timothy D. Remsburg, all at home; three sisters, Mrs. Lloyd P. Shank of Middletown, Mrs. Joseph M. Crevey of Braddock Heights and Mrs. Robert E. Clapp Jr. of Araby; one brother, John T. Routzahn of Middletown, and several nieces and nephews.

The family will hold private funeral services and interment, and the Rev. William Huddle will officiate. Gladhill Funeral Home is in charge of arrangements.

Middletown has lost a great leader, a true friend, a citizen whose dedication to his town can never be replaced and whose memory will endure forever.

MRS. HILDA BRUNGOT—A REMARKABLE WOMAN

HON. JAMES C. CLEVELAND

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. CLEVELAND. Mr. Speaker, as some of my colleagues in the House may know, the General Court of the State of New Hampshire is the third largest English-speaking representative body in the world. Within this distinguished body of public servants are some truly remarkable and nearly legendary figures.

One such person is Mrs. Hilda Brungot of Berlin, N.H. Mrs. Brungot is 87 years young and is running for her 20th term as a State legislator. During each of her 19 terms as a representative she has served her constituents and her State with distinction.

During these times when the public's confidence in their national political leaders and institutions has reached a new low, Mrs. Brungot should serve as an inspiration to all public officials. Her sincerity, judgment, and compassion as a representative are exemplary. I commend to my colleagues the following article from the front page of the Boston Globe on July 10, 1974:

HILDA BRUNGOT RUNNING AGAIN—FOR 20TH TERM

(By James Stack)

BERLIN, N.H.—Hilda Constance Fredericka Brungot, Grand Dame of the New Hampshire General Court, had to interrupt her campaign for re-election the other day.

It was really too bad because Mrs. Brungot, 87, running for her 20th term in the Legislature and facing the strongest opposition of her career, needs all the campaign time she can get.

Still, she brought her telephone solicitation of voters to a standstill to deal with a crisis involving a second-hand power lawn mower she bought last year.

The venerable machine came to grief when the boys who cut the grass around her home on Main, ran out of gas and refilled the fuel tank with turpentine by mistake.

"So I went out to an auction and picked up an oldfashioned hand mower that runs on elbow grease," she said. "No way to pour turpentine into that one."

It cost her all of $2.

"Thrift has always been the name of the game with me, whether I'm spending my own or the public's money," said the peppery great-grandmother.

"It's something I learned the hard way by working as a cook to bring up 10 children—six of my own and four state wards. So I know the value of money.

"Maybe that's how I've managed to get sent down to the Legislature for so long," she said.

"This will be my 20th term—if I'm lucky enough to make it. To tell you the truth, I'm running scared."

Mrs. Brungot's political beginning was back in 1930, when she served as a delegate to a Constitutional Convention at the age of 44.

According to Leon W. Anderson, the political columnist for the Concord Monitor, Mrs. Brungot's length of service as a lawmaker is unequaled in the state's history.

"It's not how long you serve," argues Hilda, who prefers the informality of the first-name exchange, "it's what you do while you're there.

"As you know from my record, I'm a hellion against new or increased taxes because I had to work until I was 75, and I know the workingman's problems.

"But I'm not there just because I'm a no-tax advocate," she said. "I've been on the Judiciary Committee—one of the most important of them all—for 14 terms."

"For the first time, I've got opposition on all sides," she said. "The Democrats used to leave a place on the slate open so that all my Democratic friends could write me in and I'd get both nominations.

"Now I've got two Republican opponents in the primary and, if I should win, one of three Democrats to face.

"This could be my 'Last Hurrah,'" Mrs. Brungot said, "but I hope it won't be. I want to go back to Concord because I feel I have a lot of experience to offer the younger ones."

Has Watergate affected her reelection?

"No," she said, "the state representative contests in New Hampshire are beyond the touch of things like Watergate. Every voter is practically a neighbor, there are so many of us (400 in the General Court). They vote on personalities, not big issues.

"I think all the opposition I'm getting is probably because they think it's about time I quit. But now that I've filed, I'm going to fight—and I'm good at that."

Mrs. Brungot agrees with the late General Douglas MacArthur, who said age was not a time of life, but a state of mind.

"That was a nice way of saying you're as young as you feel. Except for a touch of arthritis, I've never felt better or sharper in my whole life."

Mrs. Brungot, a product of sturdy Scandinavian stock (her father, Hans Christian Johanson, a native of Oslo, Norway, preceded her in the Legislature), believes firmly that determination, not age, is the key to achievement.

"I got my high school diploma when I was 80," she said. "Not because I needed it, but because I wanted to prove I could get it. I just didn't have time before."

Hilda Brungot has no patience for those who constantly push for reduction of the size of the New Hampshire legislature, said to be the third largest in the English-speaking world.

"The special interests and selfish lobbyists can sometimes fool 400 legislators, or a majority of them, but they can never buy them," she said.

She said the size of the New Hampshire legislature permits representation of all levels of society and all spheres of life in the state.

"Other places, you want to see your legislator, you ask for an appointment and don't always get it," she said. "Here in New Hampshire, you knock on his door and when he opens it, you tell him what you think—and he listens."

CRISIS OF CONFIDENCE—THE NEED FOR PUBLIC EDUCATION

HON. JOHN DELLENBACK

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. DELLENBACK. Mr. Speaker, one of the leading associations in the field of forest products is the American Plywood Association. Within its ranks are included most of the major plywood manufacturers. This means that in a leading timber producing State like Oregon what the goals and efforts of such an association are has a significant impact on employment and on the general economic welfare of our State and its people.

On June 25, 1974, Mr. John A. Ball, Jr., the president of U.S. Plywood Division of Champion International and the newly elected chairman of the APA Board of Trustees, spoke to the 38th annual meeting of the association held in Portland, Oreg.

I felt his remarks were stimulating and challenging and reflective of the thinking on at least one side of some very controversial issues of major importance. I am pleased to include them in the RECORD and in so doing to call them to the attention of my colleagues:

CRISIS OF CONFIDENCE: THE NEED FOR PUBLIC EDUCATION

(By John A. Ball, Jr.)

How indebted we are to Bill Hunt for his soul-searching talk on APA programs both past and present. It's comforting to know where we were, somewhat less assuring to know where we are, and, as Winston Churchill once observed, it is like peering into a mystery wrapped up in an enigma to figure out where we are going to be.

At the New York World's Fair, the theme song for the G.E. exhibit started with the line "There's a great big beautiful tomorrow." Yet today, ours is a society suffering a hangover compounded strongly of pessimism and cynicism.

If I were to blame it all on Washington, I would probably be in excellent company. No, I will not talk about Nixon. He's been kicked around so much when he sits down he leaves footprints.

The eminent pollster, Lou Harris, recently observed that public confidence in government is somewhat lower than a constituent democracy can afford.

Nor is he alone. In a recent survey, prepared for a Senate subcommittee no less—it was reported that Americans have confidence in only two of 24 institutions—the medical profession and garbage collecting. However, as a New Yorker I don't share the national high regard for the men of garbage.

Fortunately—like the politician who is way behind in public opinion polls on the day before election—I don't take too much stock in surveys—especially when confidence in organized religion is down to a mere 36 percent; and confidence in American companies like yours and mine less at 29 percent.

Unfortunately, there's little consolation in learning that some of our most important institutions are so low on the totem pole of public esteem.

It would be less than naive to overlook the unmistakable symptoms of dismay and despair so prevalent throughout the country. We all know the reasons—inflation—the aftermath of the Vietnam War—Watergate, and the oil crisis which left the nation roughly divided as to whether it was contrived or real.

Is it any wonder that no one seems to be above suspicion? Nowadays, anyone making public statements has a new concern about whether "it will wash". Even the word laundering no longer has the old sanitary connotation of clean shirts stacked up in a drawer.

Instead it has acquired a new connotation like concealing dirty linen or camouflaging questionable cash. And so—even we—the poor honest hewers of wood in the words of Henrik Ibsen are often branded as "enemies of the people".

I have no argument with people—especially those good folks who ultimately consume our products. Frankly, I love them. But let one company fool them, and then another, and is it any wonder they get the idea that everyone is trying to pull the wool over their eyes?

I'm sure they realize there are shortages—and when shortages are real—they understand them. But once the idea gets around that a shortage is phony, contrived or manipulated, the poor consumer feels he has been taken . . . and he can get mighty sore. As it is, successive shortages in wheat, meat and oil have left the people thin lipped and uptight.

Just recently there was new talk about a toilet paper shortage and once again the consumers had their bowels in an uproar. Granted they had been misinformed. Rumor mongers had transformed fantasy into fact. The repercussions were remarkable.

One moment the public whispered of a possible shortage; the next minute panic created one. People hoarded more toilet paper than they'd normally use in a year. It was a classic example of consumer psychology at work. After a while the truth caught up and the public learned that the alleged crisis was more a matter of someone's imagination rather than reality.

But there is one thing that is very slow to catch up—and that is confidence—that is confidence—the consumer's hard-to-correct impression—right or wrong—that he has been had.

All of which helps to explain the pervasive mood of skepticism and suspicion. It's getting so that every morning I wake up with the same thought. What's a sane person like me doing in a world like this?

Mistrust and credibility gaps have become contagious so that they extend beyond the confines of government to all industries—including our own. Someday, I'm sure, suspicion will subside. In the meantime, we are left with the task of restoring public confidence, not only in government but in our industry.

In the immortal words of the Andrew Sisters, it is time to accentuate the positive and eliminate the negative. And the fact of the matter—is that everything is not nearly as bad as it is made out to be—far from it.

We hear of international tensions—yet everything can't be wrong when no American soldiers have fallen in a foreign war in more than 18 months. We hear economists dredge up the specter of unemployment—yet everything can't be wrong when 95 percent of our work force is gainfully employed.

Does anyone remember the dark depression of the Thirties when we really had unemployment—more than three times greater than today. Of course job hunting isn't easy. I can't help think of a girl who applied for a job as a topless waitress at $10 an hour. They took one look at her figure and offered her a flat rate.

We are troubled over the shutting off of oil in the Mideast—yet everything can't be wrong when our peripatetic secretary of state pauses in his peregrinations to embrace and kiss the cheeks of almost every monarch in the area. You have to be impressed with Kissinger.

The minute there's trouble anywhere in the world, President Nixon's first reaction is, "Quick Henry, the flight". Yet if the latest information at hand is correct, we will have sufficient oil to see us through the months ahead even though we will be paying through the nose to get it.

We hear, of course, of corruption in public office—yet everything can't be wrong when, as shown in recent elections, the voters are intent on turning the scoundrels out and voting strict campaign reforms in.

We've spoken already of the prognostications of the pollsters—and yet everything can't be wrong when even one of them—the Gallup Poll—reports that 68 percent of those queried expressed confidence in the future. I still have some qualms about the future, however. Every time the economy starts making a U-turn, Arthur Burns gives it a ticket.

Anyone can come up with reasons to believe we face a crisis of confidence. One of them is inflation. Indeed, inflation has done terrible things to this country. For the first time in history, people can't even afford to be poor.

Yet it takes no great effort to balance a list of adversities with a solid inventory of assets and advantages. The choice is ours. We can be cynics or we can be optimists and I'll gladly admit there are arguments on either side—but such has always been the case.

I, for one, happen to believe that in the seeds of adversity whether our troubles be military, social, political or economic, lies the potential for new strength, new courage, new hope and new achievements.

I believe that the most remarkable aspect of our history is our ability to stage comebacks. If you have any doubt, just try equating the malaise of today with some of the real catastrophes of the past—World War II, the great depression, Vietnam.

As it is with the world, as it is with our country, so it is with our industry. The time has come to count our assets, collect our cudgels and confront our critics.

The time has come to address our adversaries—and let's face it—we do have adversaries—who disparage our contributions to the economy, who frustrate our efforts to function, who dishonor our very name in the forums of public opinion and who wage an incessant campaign in the courtrooms and legislatures throughout the country to constrain our productive activities through oppressive legislation, judicial injunction and executive decree.

We are under attack for desecrating the environment, destroying the ecology, despoiling the forests and depleting the nation of its precious resources. The cold, hard, real fact of the matter is that the charges invariably brought against us are untrue and must be refuted.

We might very well adopt the strategy of politicians who employ truth squads to counter the vicious canards of their opponents.

We can answer these accusations—we know it—but it does us little good to silently sulk in self righteousness. We have a job ahead of us in getting our message across so that our side of the story is clearly understood wherever it counts.

We must make our response and to be effective our voice must be loud and clear and heard across the nation.

As to the accusation that we are depleting the nation of its resources it is well to remember that thanks to the oil crisis the nation has suddenly become resource and energy conscious. Indeed the energy crisis comes up in the weirdest situations.

A fellow sat down on the couch beside his girl friend and reached to turn off the light. She said, "Are you going to conserve energy?" He said, "No, I'm going to give it everything I've got."

All industries require resources in order to function. And for the companies in our industry, the one indispensable resource is the tree.

If wood consuming enterprises are to continue operating profitably—indeed, if they are to continue to survive—they must have some assurance of a constant, dependable supply of trees. To ignore this fact, is to acquiesce in the extinction of our industry. Who could believe us to be so foolish?

But with us there is an important difference. Forest industries are far more fortunate than those dependent upon petroleum. As a resource, petroleum is subject to ultimate depletion as soon as the sunken reservoirs beneath the ground or under the seas run dry.

Trees, as a resource, on the other hand, in all their infinite variety, possess the priceless virtue of being renewable.

Fortunately, we have the necessary technology. For every tree removed from the forest, we have the expertise to replace it with another.

To do this we need the cooperation of the government. Recent events lead us to believe, however, that instead of cooperation, we are getting flak and interference.

Oh, I can cite some beautiful words. The President's Advisory Council on Timber and the Environment has firmly endorsed intensive management to substantially increase timber yields.

A study by the General Accounting Office noted that much more solid reforestation and stand improvement work will pay off in dollar and conservation benefits. In the words of Senator Hubert Humphrey there is a new awareness that positive steps are needed now.

His Forest and Rangeland Environmental Management Act, which can serve as a model for all resource legislation, has passed the Senate. House action is pending on a similar bill sponsored by Representative John Rarick of Louisiana.

The Humphrey-Rarick initiative could be a major legislative breakthrough. It aims to lift federal forest management from its traditionally low-priority status to full utilization of timber resources by the year 2000.

According to the U.S. Forest Service, tree growth is only half its potential on federal forest lands. It can be doubled through reforestation, timber stand improvement practices, harvesting over-age timber and prompt replanting of harvest tracts.

But there are complications. On the one hand, while Congress and one arm of the Administration valiantly struggle to replenish the shrinking wood supply, another arm of the government has been downright obstreperous.

The Office of Management and the Budget is harmfully engaged in impounding receipts from forest management and transferring them to other activities unrelated to forestry.

Funds for such essential purposes as thinning and replanting have been diverted or withdrawn in blatant disregard of the obvious need for a sustained commitment to the vital tree production program.

Even more provoking and more insidious have been the power plays of the preservationists.

Ever since the passage of the National Environmental Policy Act of 1970, a preservationist coalition of a dozen or more organizations . . . has launched a legal offensive that has either halted or impeded the necessary development of the nation's natural resources.

During the past four years, 42 lawsuits against government agencies have been filed in the U.S. District Court in Washington, D.C. alone by seven groups. The same group has filed hundreds of suits to stop timber management, grazing, mining, oil drilling, power plants and other activities.

They say Americans place greater confidence in garbage collectors and doctors. But isn't this a wonderful time to be a lawyer? Already, preservationist tactics and preservationist pressures have kept billions of board feet of badly needed timber off the market.

Worse still, they prevented both public and private foresters from growing more trees. Their latest blockbuster in the courts would distort ambiguous language in the Environmental Policy Act to block the entire Forest Service program.

The man in the street automatically takes sides with the preservationist because he wistfully thinks of wilderness as the favorite stretch of national forest he perceives through the rolled-up windows of his rapidly moving car.

The time has come for the man in the street to recognize that his interests are best served by taking sides with us. Which he will not do until we take steps to correct his faulty notions about ecology, environmental beauty, and shortages of trees.

We're not opposed to beautiful forests. I'm sure you'll all agree that forest use should run the complete gamut of public need and taste from forestry to snowmobiling, trail biking, family camping, sailing and hiking.

There is a place for solitude and the untouched wilderness concept—and we have neither the desire nor the inclination to take away that place.

Yet I can't help thinking that for every individual who saunters into the wilderness there are hundreds of others living in urban areas thousands of miles from the western forests. They too have concerns.

Preeminent among them in this age of galloping inflation is a desire for a decent living environment, up-to-date housing at a price they can afford and schools close to home.

Isn't it ironic that some of these concerned individuals have mistakenly joined the preservationist movement whose avowed objectives can only have the effect of negating their own vital interests?

Isn't it realistic to assume that once properly informed and educated, such concerned individuals would join us in our endeavors when upon analysis it is so evident we share similar goals?

Isn't it time that we let it be known that we, too, stand for beautiful forests, safeguarding of our resources and at the same time assuring an adequate flow of such resources to help erect the homes, schools and hospitals that are so urgently needed throughout the land?

Your American Plywood Association has the role of expressing these concerns and directing attention to glaring short-sighted errors of policy.

We emphasize that the total overhaul of forest funding is both urgent and mandatory if this nation is to avoid a pending timber shortage that could equal the Arab oil embargo in its crippling effect on the economy.

We deplore the negligence of the federal budget for 1975 that includes money to replant only 152,000 acres at a time when 3.3 million national forest acres need reforestation.

We are shocked that plywood and lumber companies are paying a delivered log cost of $400 a thousand board feet and more in national forest timber sales and are thereby laying the foundation for new sharp increases in wood product costs.

But as a spokesman, the APA is only one voice. That voice can swell into a thunderous chorus only when members make it their day-to-day concern to inform and educate so that the press, the radio stations, their customers, their suppliers and their employees get to know our side of the story.

We have to face the fact that we have failed to communicate successfully. The big battle before us is the one of fighting propaganda with facts. Let us lose that battle and we could very well lose the war.

Your APA has been spearheading improvement in human environment for almost 40 years—with outstanding results in consumer benefits and materials conservation. Today's house is being framed and sheathed with only 48 percent as much lumber and plywood as would have been used a generation ago.

Building better homes from fewer trees has never been more important than it is today. This same principle imbues the APA approach in the nonhousing markets and it is the central motivation of the new plywood promotion program we are developing at this meeting.

APA has been at the helm of our industry charting our course through these industry-laden Seventies. It has been choppy sailing as we recall the OSCILLATIONS OF OSHA, the PLYWOOD ENERGY ALLOCATION FOULUP and the GREAT BOXCAR BOONDOGGLE.

Now it will take additional skill and intestinal fortitude to unravel the boxcar mess, but APA will be in there trying.

The plywood industry is traditionally captive to the railroads by reason of the distance from mill to market and the sheer bulk of our product.

Yet the supply of cars continues to diminish and unless effective remedies are planned today and implemented reasonably soon, the industry—while anticipating a period of market recovery next year could face the worst transportation crisis in its history.

APA has the answers. We are asking, while there is still time, for the development of adequate motor carrier and intercoastal barge service. But APA can only lead and guide.

Without membership pitching in to provide the necessary teamwork, the prospects for success in this as well as other worthy endeavors are inevitably diminished.

I admit I have assaulted you with problems, but I would also leave you with the thought that every problem has its solutions and the strange thing about problems is that they somehow always appear to look a little simpler—only after they have been solved.

PERSONAL EXPLANATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. LEHMAN. Mr. Speaker, yesterday morning I was scheduled to take a National Airlines flight to Washington from Miami which would have landed in Washington at 10:10 that morning, in plenty of time for the first call of the House at noon.

Unfortunately, National Airlines went on strike yesterday, and the next nonstop flight available did not arrive in Washington until 2:20 that afternoon.

I would like the Record to show that had I been able to be present, I woud have voted for both H.R. 14494, simplified purchase procedures, and House Concurrent Resolution 559, additional copies of the hearings and report of the Committee on the Judiciary concerning the impeachment inquiry.

BETTER EDUCATION—NO BUSING

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. COLLINS of Texas. Mr. Speaker, America is concerned with providing greater opportunities for our youngsters through better education. One fact is becoming more apparent every day, and that is, the damage of busing to education.

Neighborhood schools prove to be the most effective educational system. Pasadena, Calif., is the newest case of factual data where busing lowers educational standards. Some judges and some school superintendents have misinterpreted the Supreme Court's decision of 20 years ago.

The Supreme Court ruled that a youngster could not be bused against his will out of his neighborhood nor could he be denied the right to go to his neighborhood school. But today under a Charlotte decision we are now busing students out of the neighborhood all over America.

In 20 years of forced busing, I have never found a school system where busing was beneficial to education. Busing develops racial friction and classroom unrest. But the big negative is that achievement learning scores dropped for both black and white.

I believe any child should have a fair opportunity. The best educational plan that has been submitted is the "freedom of choice plan" where a child has the right to choose any school in his district for which he is academically qualified.

There is too much decisionmaking in education based on the philosophy of sociology. What we need more is plain common horse sense. Let us stop bureaucrats from using American youth as guinea pigs. The results are in and they prove that busing never works out.

Here is an interesting analytical article written by Earl T. Gottschalk, Jr. in the Wall Street Journal on July 2. Headed up "Pasadena's Plight," it goes on to give a full story on the unsuccessful educational experience of Pasadena, Calif. This model city has given busing every chance and the results are failure. Below I quote from specific sections of this well written analysis by Gottschalk in the Wall Street Journal.

PASADENA, CALIF.—"This city is the best example in the U.S. of what happens to academic achievement in a school system with forced busing," says Henry Marcheschi, president of the Pasadena School Board, "And the record is a damning one."

The Pasadena School District now spends 50% more in "real" (adjusted for inflation) dollars than it did when it began school busing four years ago under a federal court order. "Yet test scores for math and reading of black students show blacks are doing significantly worse than they were before busing," Mr. Marcheschi says. Math and reading scores of whites have also declined.

What's more, the school system has lost 6,671 white students, or 37.4% of its white enrollment, in four years. In 1969 the school population was 58.3% white; in October 1973 it was 44% white, and a further decline is expected this fall. "If this trend continues, we aren't going to have enough white students left to integrate," Mr. Marcheschi says.

The controversy began in January 1970, when, as a result of a suit by the National Association for the Advancement of Colored People, Federal Judge Manuel Real found the Pasadena School District guilty of segregation. He ordered desegregation with "no majority of any minority" in any school. The result was the hastily drawn-up Pasadena Plan, which provided for busing of both blacks and whites and a vastly expanded curriculum filled with new programs to meet the needs of minority children.

(The school district's total population of 176,273, which includes Pasadena and some surrounding communities, is about 75% white and 17% black; the rest are Spanish-surnamed and Oriental.)

Pasadena Police Chief Robert McGovern says that incidents of violence in the schools have declined since busing began but adds that this is due partly to the presence of both plain-clothes and uniformed policemen on campus and an extensive school-police-relations program. He concedes that many students are still afraid to use school rest rooms.

The conservative school-board members back up their condemnation of the busing plan with statistics showing a decline in math and reading scores for black and white students and data showing a white flight from the district. But no matter how educators look at the district's reading and math scores, they are hard put to make a case that blacks have been helped academically by the forced-busing plan.

Reading-test scores of sixth-grade blacks in Pasadena fell to the 19th percentile in 1973 from the 20th percentile in 1969, the year before busing began. (The national average is the 50th percentile.) Arithmetic scores for sixth-grade blacks fell to the 14th percentile in 1973 from the 18th percentile in 1969.

Reading-test scores of sixth-grade whites fell to the 63rd percentile in 1973 from the 69th percentile in 1969. Arithmetic-test scores of sixth-grade whites fell to the 50th percentile in 1973 from the 63rd percentile in 1969.

THE HIJACKING CONFERENCE REPORT

HON. DAN KUYKENDALL

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. KUYKENDALL. Mr. Speaker, in connection with the passage of the antihijacking conference report today, I would like to mention a few individuals and groups who were of particular assistance to me in understanding the kind of problem confronting the committee. The Leland Fikes Foundation and the Aberrant Behavior Center, both of Dallas, Tex., provided funds as well as expertise. Dr. David G. Hubbard of Dallas is responsible for bringing important behavioral research information to the committee, which I now understand is so necessary to creating measures designed to discourage a certain kind of criminal activity. Federal Air Surgeon Peter Siegal and Dr. Herbert Hanes, head of the Behavioral Sciences Division of the Federal Aviation Administration, also made important contributions.

It is appropriate to recognize the participation of these individuals on the day of passage of S. 39.

COOPERATION IN CULTIVATING A COMMUNITY

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. BINGHAM. Mr. Speaker, I would like to draw attention to the positive action taken by two private educational institutions in my home county, out of concern for the surrounding community. The Bronx Zoo and the New York Botanical Garden now offer a wide range of programs to the public. These programs range from making facilities available for use by community groups to the training of former drug addicts in a program supervised by the nonprofit Wildcat Services Corp.

The Bronx Zoo and the New York Botanical Garden have also initiated projects outside their own grounds. For example, administrators of both the zoo and the garden have met with leaders of other local educational institutions and city planners to work on plans for a cultural center at a proposed business mall in the heart of the Bronx.

The continued cooperation between these private educational institutions and their surrounding communities can create relationships of mutual benefit. I commend these two fine institutions for their positive community spirit.

I include herewith, an article from the July 15 edition of the New York Times, more fully describing the activities of the Bronx Zoo and the New York Botanical Garden:

BRONX ZOO AND BOTANICAL GARDEN PUT NEW STRESS OF CULTIVATING COMMUNITY

(By Allan M. Siegal)

After 75 years of viewing the city through tall fences and with scholarly detachment, the Bronx Zoo and the New York Botanical Garden have begun letting their gates swing open for a wide range of community contacts.

Spurred partly by a changed view of their responsibility—and partly, they concede, by the political value of public appreciation—the two institutions are venturing increasingly afield from the sciences that earned their reputations.

So, for example, while the parent New York Zoological Society remains active in wildlife preservation at East Africa's Serengeti Park and elsewhere, the zoo deters local problem students from dropping out of DeWitt Clinton High School by offering keeper training. It also turns its 1,000-car parking lot over to baseball teams from neighboring city housing projects in the late afternoons.

The Botanical Garden—still a leading force in plant classification and biochemistry (where a medically important sex hormone was once discovered in a water mold)—finds time to train reformed drug addicts as carpenters and painters. Not long ago, its landscapers set up a community garden on crime-ridden Kelly Street in the South Bronx, and recently they designed a park called Youth Village on equally decayed Boston Road.

WORK WITH BRONX PLANNERS

Last July 2 the heads of the zoo and the garden, along with leaders of other local educational institutions, met with city planners to conceive a Bronx cultural center for the projected business mall at Fordham Road and Third Avenue. "It will be a mini-Lincoln Center—and not too mini, if all goes well," said William G. Conway, president of the zoo, while conceding that the idea was still highly tentative.

In planning not only for Fordham but for renewal of the entire north-south Bronx axis along Third Avenue, the zoo and the garden—their boards heavy with Rockefellers and Astors—have been meeting with Prospect Hospital and other representatives of the borough's poorest communities. The garden has offered to help design all of the borough's open space and to help choose its trees and plants.

As community contacts have grown, vandalism at both the zoo and the Botanical Garden has reportedly fallen in the last year. "I'm almost afraid to say it—it's a thing of the past," said Mr. Conway.

While a new police unit for the area is given much of the credit, John Reed, who directs educational programs at the garden, said, "I'd like to think some of the kids who were vandals now participate in our programs or know someone who does."

PRIVATE SOCIETIES

"We never dealt with the community before because we never really had to before," said Dr. Howard S. Irwin, a genial white-haired tropical botanist who has run the Botanical Garden since 1971 and assumed the post of president this year. "Our relationship to the community I don't think was ever terribly satisfactory."

Both the zoo and the Botanical Garden were founded in the eighteen-nineties as private societies. The city granted them the use of Bronx Park, some 500 acres divided about evenly between them, and the Parks Department still pays some costs of security and grounds maintenance. But with inflation, city support has declined in relation to over-all budgets. Both institutions have turned to other sources, including the State Council on the Arts, which has just granted the zoo $750,000 and the garden $500,000 on the basis of their educational services.

In the case of the garden, there has been another incentive to work with the community. The garden recently asked the city to return a 14-acre patch of adjoining land that had been detached years ago for a highway alteration that never took place.

The request was granted last July 1, but only after Dr. Irwin met with four separate community planning boards and held a formal public debate with an opponent who feared that the public would be fenced out.

"In the process," Dr. Irwin said, "we found a platform before the public, and we like it."

VOLUNTEERS HELP TEACH

New policies are reflected clearly in arrangements made at both the zoo and the garden for school visits in the last year or two. While such visits took place before, both institutions say they were virtually unsupervised field days.

"We used to find teachers sitting in the bus playing cards while the kids ran their own nature walks," said Mr. Reed. "So we developed school programs partly as a matter of policing."

Now the garden has three paid instructors plus six volunteers teaching school visitors and Girl Scout groups. Schools are pressed, by both zoo and garden, to arrange visits in series, with classroom work in between so the pupils can follow up what they learn.

In one Botanical Garden course, "Garbage Gardening," pupils are asked, "How can you create a garden with things you usually throw away?" Fruit seeds are then planted in cheese containers and used paper cups.

Thirty promising science students were given time off from five local high schools this year to take water samplings along the Bronx River in a Botanical Garden pollution study.

The garden has just obtained a grant from the National Endowment for the Arts to set up an environmental-studies center in the new Harlem River State Park. At the site, where Tremont Avenue meets the water, a full-time coordinator will lead studies of plant life, fish and pollution. He will be aided by aged volunteers and by students—receiving academic credit—from Lehman, Bronx Community, Manhattan, Mount St. Vincent and City Colleges.

TEACHING THE RETARDED

The garden has also set aside plots to teach gardening to several dozen slightly retarded students from nearby Theodore Roosevelt High School. Student teachers in an experimental program called LEAP are training in the garden's classrooms.

At the zoo, a joint program was set up with Local School Board 10, in the Third Avenue section, to train fifth-graders in animal ecology. Tests by Fordham University showed increases in the pupils' reading and mathematical skills after the course, apparently because their general motivation rose.

Under the supervision of the nonprofit Wildcat Services Corporation, newly reformed drug addicts are working at both the garden and the zoo.

"These kids are in transition back to straight society," Dr. Irwin said at the garden. "Work in a commercial setting is too rigid—it scares the daylights out of them. We have a relaxed flexibility they like. They do something different every day, and different jobs depending on the weather. Some of our staff were worried that we'd be robbed blind, and we've had a few small incidents. But it's worked well."

At the garden, the former addicts have mended fences and repaired disused storage sheds. At the zoo, they have been cleaning the bed and banks of the Bronx River. They also sorted out 70 years of clutter in the basement of the monkey house and are about to reorganize an archive of technical journals.

ONE YOUTH HIRED

Like the Wildcat program, the zoo's keeper training project with DeWitt Clinton High School serves mostly minority youths. According to James G. Doherty, associate curator of mammalogy, the program enrolls 15 youths at a time to work 15 hours a week. One youth has been hired as a keeper, he said, and several have decided to attend college. One is entering Cornell University's preveterinary program in the fall, Mr. Doherty said.

"Our motive is selfish," Mr. Doherty went on. "We give these kids the same work other keepers do, and we get a good look at how they perform. It's an excellent way of screening and hiring."

A similar program, for 20 girls, has been started with Walton High School. The girls are taught to groom and care for the zoo's riding stable of ponies, donkeys and camels.

"The only problem," Mr. Doherty said, "is that every time they get good, the race tracks hire them away."

THE LATE JEROME "DIZZY" DEAN

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mrs. SULLIVAN. Mr. Speaker, to the people of St. Louis who cheered his magnificent feats on the mound, and to sports enthusiasts throughout the Nation who admired excellence, the death of Jerome "Dizzy" Dean marks the passing of more than just another athlete, or character, or even a personality.

Dizzy Dean was an institution. In St. Louis he inspired not only admiration as a pitcher, but respect and affection as a human being. Whether in uniform or out, he was an irrepressible showman, and wherever he was, that was center stage.

Those of us who lived in the era of Dizzy Dean's remarkable record as the shining star of the St. Louis Cardinals will always remember the superb pitcher whose self-assurance inspired the confidence of his teammates and whose arm more than matched his self-assurance. After his playing days ended, he remained a part of baseball and won countless new younger fans as a most unusual commentator on the game.

The sports world will miss Dizzy Dean. To use Dizzy's own language structure:

They ain't making those kind any more.

IN COMMEMORATION OF CAPTIVE NATIONS WEEK, 1974

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. BIAGGI. Mr. Speaker, last Sunday, I joined thousands who marched at the annual parade in New York City which marked the 15th commemoration of Captive Nations Week. Since its inception in 1959, Captive Nations Week has provided an opportunity for Americans to demonstrate their solidarity with the more than 100 million people in 27 nations who are still forced to live under Communist rule.

This year's commemoration comes on the heels of the recently completed third major summit meeting between the Soviet Union and the United States concerning the further development of détente. Yet, despite all of the diplomatic fury and numerous agreements between our two nations, in recent years nothing has been accomplished to relieve the continuing plight of the captive peoples of the world.

Détente, to be effective, has to consider human and moral as well as political realities. Many people contend that it will be the foundation on which viable structure of peace can be built, yet without priority charges this cannot be.

In 1973, then Secretary of State William Rogers speaking on behalf of the administration stated that true détente could only occur when there is common agreement on the "principle of universal respect for the right of every country to independence and to its own internal development, free of outside interference and irrespective of its political economic or social views."

Yet, despite its own belief, the administration has been unable to convince the Soviets to change their archaic and repressive policies with respect to the treatment of their citizens and satellite nations.

The struggle for freedom continues for the brave peoples of Eastern and Central Europe. During this past year the plight of the citizens living in the Soviet Union captured world attention. The Soviet Jews, and their struggle for fundamental emigration rights, the Soviet intellectuals, who were continually thwarted and repressed in their efforts to print the truth, all pointed out to the world that the Soviet Union still must use coercion and force to control their citizens, and will go to any length to crush those who disagree.

As long as the U.S.S.R. continues these practices they cannot be expected to be responsible partners in international agreements. Any future agreements between our two nations must be made contingent on the Soviets adhering to a policy which at least respects the fundamental rights of all her peoples. We must insist on this, for without our intervention on their behalf the citizens living in captive nations will be forced to endure years more of oppression.

As we move through 1974, we stand on the threshold of a new era of international cooperation and understanding. Yet any peace we achieve can only be superficial unless it contains assurances that the right to self-determination for all peoples is included. Our priorities should be clear, and it is my fervent hope that before long freedom and liberty again return to the captive nations and peoples of the world.

STEAM-ELECTRIC POWERPLANTS

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. WALSH. Mr. Speaker, I have received the following information dealing with the more technical problems of the proposed effluent limitation guidelines for steam-electric powerplants recently issued by the Environmental Protection Agency and I would like to share this information with my colleagues.

As a former member of the New York State Public Service Commission, I have worked very closely with the representatives of the New York power pool and I have always been impressed with their professional performance and their monumental concern for environmental considerations.

With the sharply rising cost in utility rates now throughout the country, I feel that it is extremely important that all of my colleagues be made aware of the impact the proposed guidelines may have on electric rates in future years.

I, too, am deeply concerned that we not despoil our environment further but I am also acutely aware of the energy shortage which we face in this country and which we will continue to face for many years.

I am hopeful that working together with the experts in both the field of environment and the field of energy, we may be able to achieve the best of both worlds. This should be our goal.

The information follows:

NEW YORK STATE
ELECTRIC & GAS CORPORATION,
Binghamton, N.Y., July 10, 1974.

Hon. WILLIAM F. WALSH,
U.S. House of Representatives,
House Office Building, Washington, D.C.

DEAR MR. WALSH: As you know, the U.S. Environmental Protection Agency (EPA) has issued proposed effluent limitation guidelines for the steam electric power plants of the United States. With the great interest in environmental matters and the current chaotic conditions facing utilities in financing needed expansion, these proposals have more than ordinary meaning to each of our customers who also are a part of the electorate which you represent. We know that the matter of rising costs is of importance to everyone these days and feel that you would be interested in the comments of New York State investor-owned electric companies on the proposed guidelines.

There is a great debate in regard to most environmental matters these days regarding their desirability. All too often the matter of economic impact is overlooked or deemphasized. Chairman Wright, of the Subcommittee on Investigation and Review of the House of Representatives Public Works Committee, reflected our concern when he emphasized that such guidelines should be for the benefit of man and that it would be ridiculous to establish regulations in which the benefits were exceeded by the total cost.

The EPA has proposed an essentially uniform nationwide guideline that there should be no discharge of heat from power plants to receiving waters in spite of the fact that Congress had written into the Water Pollution Control Act many obvious reservations about heating being a "pollutant" since there was little evidence to support such a conclusion and many studies showing beneficial effects. Notwithstanding, the EPA has concluded that no heat should be added to receiving waters. The EPA also failed to consider or inadequately considered the many adverse environmental impacts resulting from a requirement for universal closed-cycle cooling. These include concentrated heat release to the atmosphere, increased fogging and icing, salt drift, additional water consumption, additional noise pollution, and aesthetic intrusion. Closed-cycle cooling also increases the consumption of precious fuel and reduces the generating capacity of a plant making it less able to meet the demand for electrical power.

The burden that these regulations would impose on our ratepayers is enormous. It is estimated that the average residential electric customer nationally would have to pay almost $250 a year in added costs—about equal to his present annual bill. Estimates made by the member companies of the New York Power Pool show that the people of New York State alone will be asked to pay almost $10 billion over a twenty-year period to implement these regulations. This would be in addition to increases they are already paying for fuel and capital costs for construction of new capacity to meet an ever-growing demand for power. In fact, such an added burden might well make it impossible for utilities to finance the construction of necessary additional generating capacity.

There is enclosed herewith a copy of the response to the proposed regulations by the New York Power Pool. These answers deal with some of the more technical problems. There is, throughout, emphasis of the need for the EPA to carry out the complex balancing of all costs and benefits to the taxpayers, as we believe was intended by Congress, and to promulgate regulations which would require the use of technology to the extent that the net benefits to man exceed the total cost.

I hope that you will encourage the EPA to carry out this very difficult task with the reasonableness that I feel Congress must have intended. Only through this approach can utility bills be kept at an economic minimum and the use of the State's total energy be optimal.

Sincerely,

LLOYD L. KELLY.

N.Y. POWER POOL,
Binghamton, N.Y., June 21, 1974.

Mr. PHILLIP B. WISEMAN,
EPA Information Center, Environmental Protection Agency, Washington, D.C.

DEAR MR. WISEMAN: The member companies of the New York Power Pool ("NYPP") have reviewed the Environmental Protection Agency's proposed effluent limitation guidelines, standards of performance, 316(a) guidelines and all supporting documents. Comments on these documents, are attached and include an evaluation of the economic impact on the NYPP member companies. These comments have been prepared by the NYPP assisted by our consultants, the NUS Corporation and Quirk, Lawler and Matusky Engineers.

The NYPP member companies support and endorse the Utility Water Act Group-Edison Electric Institute submission to you regarding these documents.

We are of the opinion that the proposed regulations are for the most part, unsupported by fact. The objective appears to be "zero discharge" without regard to whether or not net benefits to man's total environment will result, and without regard to the cost to the public. We find that the EPA has failed to adequately identify and consider the environmental, social and economic impacts of its proposals—to perform the complex balancing of all benefits and costs envisioned by Congress. The NYPP member companies find that, on balance, most of the estimated $9.7 billion cost to our customers for the period 1978–1997 is simply not justified by any "benefits" that may result, if indeed there are net benefits.

The NYPP member companies suggest that the EPA has exceeded its statutory authority by proposing effluent limitations for internal plant streams rather than discharges into the waterway, and by proposing that "gross" quantities of constitutents are to be regulated rather than "net" quantities added by the user. We also find that the proposed schedule of compliance with the thermal limitations ineffectuates the intention of Congress and compounds many of the problems, for example, our ability to maintain system reliability.

We recommend that the EPA carry out the complex balancing of all benefits and costs associated with these regulations, and publish effluent limitation guidelines that require application of treatment technology only in those cases where the net benefits to be derived by man exceed the total costs to him.

The NYPP member companies offer their full cooperation in assisting the EPA in these endeavors.

Sincerely,

G. L. HOUSTON,
Chairman, Environmental Committee.

COMMENTS OF THE NEW YORK POWER POOL ON THE U.S. ENVIRONMENTAL PROTECTION AGENCY'S PROPOSED EFFLUENT LIMITATION GUIDELINES AND STANDARDS OF PERFORMANCE FOR STEAM-ELECTRIC POWER PLANTS

CONCLUSIONS

1. EPA has not properly categorized the steam-electric power plant industry, proposing instead uniform industry-wide guidelines that do not take into account the diverse characteristics of that industry.

2. EPA has failed to carry out the Congressional mandate for the "complex balancing" of all benefits and costs associated with its proposed regulations.

3. EPA has proposed "effluent limitations" instead of the "effluent limitation guidelines" mandated by the statute.

4. EPA has, in many cases, proposed essentially "zero discharge" as a limitation without regard to cost or environmental necessity.

5. EPA has arrived at its conclusions employing an inadequate data base.

6. EPA has inadequately identified and considered the environmental, social and economic impacts of alternative treatment technologies.

7. EPA has grossly underestimated the cost of implementing its proposed regulations.

8. EPA has grossly underestimated the impact of its proposed thermal limitations on system reliability and has compounded the problem by proposing a rigid schedule of compliance.

9. EPA's proposed schedule of compliance with its thermal limitations does not serve to effectuate the "two-step" process envisioned by Congress and does not permit consideration of reports based on operating experience, EPA's own programs, and the efforts of the section 315 Commission.

10. EPA has exceeded its statutory authority in proposing effluent limitations for streams within the plant, rather than effluent limitation guidelines for discharges into a waterway.

11. EPA has exceeded its statutory authority in proposing effluent limitations on the "gross" quantities of pollutants in the discharge, rather than effluent limitation guidelines based on the "net" quantities of pollutants added by a user.

12. EPA has proposed many unreasonable chemical effluent limitations.

13. EPA has misinterpreted the Act by proposing uniform industry-wide thermal limitations with general application of section 316(a) provisions.

14. EPA has issued a section 316(a) guidance Manual which, if strictly adhered to, would preclude almost any applicant from obtaining a section 316(a) exemption by requiring considerably more data than necessary to comply with the Act.

RECOMMENDATIONS

1. EPA should properly categorize the steam-electric power plant industry taking into account all factors specified in the Act and any necessary additional factors. An example of a categorization system for thermal discharges is enclosed.

2. EPA should carry out a benefit/cost analysis of alternative treatment technologies to fulfill the "complex balancing" requirements envisioned by Congress and included in the Act. This analysis should include all "benefits" and "costs" to man's total environment.

3 EPA should publish effluent limitation guidelines that require application of a treatment technology only in those cases where the net benefits to man to be derived exceed the total costs to man.

4. EPA should publish "effluent limitation guidelines" rather than "effluent limitations." These guidelines shoud reflect a proper categorization of the industry and a benefit/cost analysis. If properly prepared, application of section 316(a) procedures should only be required in those cases where a plant does not fit into a particular category or fundamental issues that require a case-by-case analysis exist. Effluent limitations should be established on a case-by-case basis in a section 402 proceeding.

5. EPA should provide for flexible implementation of its regulations to allow consideration of reports based on operating experience and the section 315 Commission study, to allow the applicant to exercise his full rights under the Act, to allow for necessary design and construction periods, and to avoid severe impacts on system reliability.

6. EPA should publish chemical effluent limitation guidelines based on the "net" addition of pollutants by a user and applicable only to discharges into a waterway. Specific recommendations on chemical limitations are enclosed.

7. EPA should include in its section 316(a) regulations a provision for a demonstration of "no appreciable harm" based on a showing of compliance with State water quality standards.

8. EPA should withdraw its section 316(a) guidance Manual and revise it to reflect a reasonable interpretation of the Act.

JOHN BUSTAMANTE, DISTINGUISHED AMERICAN

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. STOKES. Mr. Speaker, one of Cleveland's most distinguished citizens, classified by Time magazine as being a young man, is John Bustamante. John is a fellow lawyer and longtime friend of mine. Last week, John became the only Ohioan listed among the Nation's 200 emerging leaders as selected by Time magazine. I was personally thrilled to see this honor accorded a man for whom I have such high personal regard and respect.

Mr. Speaker, I take this opportunity to bring to the attention of my colleagues an article written about John Bustamante by Bob Williams and Bob Modic which appeared in the Cleveland Press on July 9, 1974. I commend this article to my colleagues in order to share with them my pride in the achievements of this distinguished American:

BUSTAMANTE'S PHONES ARE ALL COLORS—AND BASIC BLACK

The only Ohioan listed among the nation's 200 emerging leaders selected by Time magazine is Cleveland attorney and businessman John H. Bustamante, interviewed here by Press reporters Bob Williams and Bob Modic.

Bustamante, by the way rhymes with roost-a-montie.

John H. Bustamante's law office, looking out over downtown Cleveland from the 11th floor of the Public Square Bldg., is more cluttered than usual now.

He's in the midst of moving the offices of the oldline black law firm—the first downtown—to new quarters in the Illuminating Co. Bldg. across the street. It's a black and white law firm now and one of the new names in it is that of Anthony Celebrezze Jr., son of the former mayor.

Bustamonte was just back from a weekend at his little place in the country, a cottage on almost 500 acres in Ashtabula County which he bought, he says, as a place to escape to—but is in the midst of oil land which he still is confident will turn out to be a productive investment.

Last week he had to rush down to Atlanta for the funeral of Mrs. Martin Luther King Sr. Bustamante went to school at Boston University with her son, the slain civil rights leader. While courting his wife Joy, when she was a student at Spellman College, Bustamante often stayed at the Kings' Atlanta home.

"Their home was like a way station for visiting blacks when they couldn't get into good hotels in the South," he recalls. "Mrs. King was a great lady and a wonderful cook—that was one of the attractions of staying there."

Expected momentarily in the law office were representatives of Operation PUSH of Chicago, headed by Rev. Jesse Jackson, a former top lieutenant of Martin Luther King and now a chief client of Bustamante.

One of the battery of four telephones in his office—the white one—is a direct line to Jesse Jackson in Chicago.

The black phone is for the First Bank and Trust, Ohio's first black-controlled bank opened two weeks ago on lower Superior Ave. Bustamante mentions the bank was organized in his office and he is its board chairman.

The red phone is what he describes as his hot line for principal clients—and his wife. The last one, tan, is for general callers.

All of this is to indicate that things are going well and busily now for Bustamante who came to Cleveland by chance 20 years ago this summer, and couldn't get a job.

On that arrival here, Bustamante wasn't exactly a vagrant hitchhiking his way through town. He came, in fact, with impeccable credentials.

Son of missionary parents, he was born in Cuba. Held a scholarship all the way through Boston University and its law school, from which he graduated among the top 10 students. Winner of a fellowship to Harvard Law School and a master's degree.

"Actually, when I came to Cleveland, I was on my way to San Francisco and a job with the Bank of America there," he recalls.

"But the fellow who was driving became ill and we had to stop here. While I stayed on with him, I became interested in Cleveland. In the 1950's, it had the reputation of being a city of racial cooperation, liberal and a place where things were going to happen."

The only person he knew here was Dargan Burns, now a leading black publicist and then public relations chief for Karamu House, where Bustamante came to meet the Jelliffes, its white founders, and which was one of the places which impressed him about Cleveland.

"At that time, in 1954, Perry B. Jackson was the only black judge in Ohio," Bustamante says. "I never had seen a black judge before and maybe that's why I went to his court to see him.

"He not only was a great jurist but it said something to me about the city that had elected him."

Judge Jackson put Bustamante up for a job as an investigator from Common Pleas Court, a political job that instead went to a white woman with a sterling record in the Republican Party. But the old News stirred up a fuss about a Harvard man being shunted aside, prodded no doubt by the judge, and Bustamante was hired, too. It gave him a pay check until he passed the Ohio bar examinations.

With this, he was able to enter the firm founded by the late Charles White, Chester Gillespie and the late Clayborne George, one of the few black firms which, instead of criminal law, was involved in business and civil cases.

There, Bustamante says, his bread and butter clients were the House of Wills Funeral Home and W. O. Walker's Call & Post, black community newspaper.

"They were the biggest black businesses in town" he notes.

Today, Bustamante is involved in businesses that are a lot bigger.

For example, there is the law firm itself which Bustamante has headed for the past few years along with the more senior John G. Pegg, whom Bustamante describes as a brilliant attorney as well as a great benefactor to him.

"I have the biggest black law practice in Cleveland," says Bustamante. Well-known clients have included former Mayor Carl Stokes and Martin Luther King.

Bustamante also is on the board of Higbee's and involved in its plans for development of the Flats into an entertainment area. He's on the board of Northern Ohio Bank.

He also has held major civic posts, including serving as board chairman of Central State University as an appointee of former Gov. James A. Rhodes.

He now is a member of the Lake Erie Regional Transportation Authority, delegated responsibility for seeking a site for a new airport.

He was the first black man accepted into the old Chamber of Commerce, now the Growth Assn., which he regards as an important step for both black and white communities here.

"It's through coming to know each other that businessmen work together," he says. "Black people have to realize we don't have the economic power and resources to do what has to be done and so cooperation is a necessity now."

Lest it be concluded that Bustamante may have forgotten he is black—which he says a black person should never allow to happen—he says, "You know, sometimes I'm in this office until midnight or after, talking to people some of them on welfare, many of them needing jobs. Somebody has to show they care.

"It makes me feel good to walk into Higbee's now and be greeted by black employees who never had a job before, and who I helped to get jobs. This maybe has been my greatest reward."

SS. PETER AND PAUL UKRAINIAN ORTHODOX CHURCH OF YOUNGSTOWN, OHIO, CELEBRATES GOLDEN JUBILEE

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. CARNEY of Ohio. Mr. Speaker, on Sunday, July 14, I had the honor and the pleasure of attending the 50th anniversary celebration of the founding of SS. Peter and Paul Ukrainian Orthodox Church, which is located at 1025 North Belle Vista Avenue in Youngstown, Ohio.

The idea of SS. Peter and Paul Ukrainian Orthodox Church originated with a small group of Ukrainian families in 1922. Since that time, the church has grown and prospered through the determination and generous sacrifices of many Ukrainian families in the Youngstown area. These dedicated families of the Orthodox Christian faith have come together as one wonderful family-in-Christ, and their beautiful church stands as a symbol of their devotion to Almighty God.

Mr. Speaker, it is a privilege for me to take this opportunity to extend my sincere congratulations and best wishes to Father William Olynyk, pastor, Mr. John Bury, president, and all the members of the parish of SS. Peter and Paul Ukrainian Orthodox Church on this joyous occasion. Mr. Speaker, I insert excerpts from the golden jubilee program in the RECORD at this time.

GLORY TO JESUS CHRIST

Very Reverend Father BASIL OLYNYK,
Pastor, Parish Committee, Faithful Members, SS. Peter and Paul Ukrainian Orthox Church, Youngstown, Ohio.

MY BELOVED: It is with deep joy and gratitude to Almighty God that we shall commemorate the fiftieth anniversary of your parish. The past fifty years in the life of your parish have been a living testimony of faith, courage, truth and freedom, as manifested by your founders and pioneers, their children, their children's children—the sons and daughters of our Holy Ukrainian Orthodox Church. Because they understood their mission and were witnesses for Christ, for His Bride the Church, you have grown to the commemoration of the Golden Jubilee of your parish. Your history testifies that faith was alive with action, during the past fifty years, and that this was expressed by the manifold sacrifices made by the Spiritual Leaders, founders, benefactors, and faithful members of your parish who not only had been "baptized into Christ," but also who had "dressed themselves with Christ" by their deeds carried out in love for His Holy Name.

The Golden Anniversary of your parish, indeed, will be a special time of giving thanks to Almighty God for all of His guidance and blessings upon your work in His Vineyard, the Church. And, at the same time, the event must be a time for rededication to the message and mission of Life in Christ. With such a message your mission will continue to be "dressed with Christ" and we shall look forward to an even more fruitful fifty years—and many many more—as the Holy Spirit guides each member into the fullness of Holy Wisdom, which is only in Christ our Lord. For all of this we shall assemble for communal prayer and I shall join my prayers unto yours and, together, in the Spirit of our Lord, our grateful souls shall be raised to the "seventh heaven."

On this most joyful celebration of your Golden Anniversary, I send forth my heartfelt greetings to your Pastor, Very Rev. Father Basil Olynyk and Family, to your parish Committee, your Church Organizations, and to all of the dedicated witnesses and communicants of your parish. May God's Blessing be upon you always now and forever.

With love in Christ,

CONSTANTINE.

DEAR PARISH MEMBERS: Let us all, those who were here 50 and more years ago, and those who came later, rejoice and be happy today because our Church under the Patronage of Sts. Peter and Paul is celebrating its Golden Anniversary. The days of our lives pass by rapidly, and yet we know that it is good to be alive when we have something and someone to live for. The original founders and members of our Parish, although subjected to the stresses and many challenges of a new land, found joy and fulfilment in their Orthodox Christian Faith. Many of them went to their eternal rest with the full knowledge that their descendants would not falter in their love for Christ. May their Memory be always Blessed. As the years of our Parish continue to multiply, may we all find ourselves ever closer to true peace, freedom and justice upon this earth.

I sincerely thank all our good friends and neighbors for their congratulatory messages found in this Book.

God bless us one and all.

Your Pastor,

Father WILLIAM OLYNYK.

On this glorious day, The Golden Jubilee of the Founding of our church, my first wish and desire is to sincerely and humbly thank our Lord for His blessings that he has bestowed upon us all. We all know that without God's Providence this memorable occasion would not be possible.

I wish to acknowledge the untiring efforts of all the Pastors, the pioneer founders and members—both those asleep in the Lord and those who are living who have made this occasion possibly by their many and generous sacrifices.

To the Merchants and Advertisers in this Souvenir Book, we render our thanks for their generous support.

Sincerely,

JOHN BURY,
President, Sts. Peter and Paul Ukrainian Orthodox Church.

STS. PETER AND PAUL UKRAINIAN ORTHODOX CHURCH

PARISH PRIESTS

1924–26—Rev. Basil Koshel (deceased).
1926–27—Rev. Paul Korsunowsky (deceased).
1927–28—Rev. Isidore Kostiuk (deceased).
1928–29—Rev. John Hovosad (deceased).
1929–31—Rev. Marian Kucher (deceased).
1931–33—Rev. John Kocan (deceased).
1933–35—Rev. Leo Wesolowsky (deceased).
1935–37—Rev. William Diakiw, Sr. (deceased).
1937–41—Rev. Stephen Musiychuk (deceased).
1941–48—Rev. Anthony Stangry.
1948–50—Rev. Stephen (Holutiak) Hallick.
1950–52—Rev. Michael Mostensky (deceased).
1952– —Very Rev. Mitred William Olynyk.

CANTOR AND CHOIR DIRECTORS

Luc Synczyszak.
Theodore Kolonsky, 16 years.
Peter Wesolowsky.
John Chaws.
Theodore Tyminsky.
George Skibinecky.
Very Rev. John Zayatz.
Adam Hylev.
Mrs. Adam Hylev.

ORIGINAL NINE TRUSTEES, MAY 10, 1927

Alex Bunowsky (deceased).
Alex Bunobersky (deceased).
Stephen Cyeyk (deceased).*
Stephen Rohan, Sr. (deceased).
George Prystash (deceased).
Nicholas Lopushansky (deceased).
John Bagan (deceased).
John Lopushansky (deceased).

FIFTY YEARS OF PROGRESS

The fortunate history of our parish actually goes back to the winter of 1922, when a small but determined group of Ukrainian families first met for the purpose of organizing a Ukranian Orthodox Church. A meeting was held at the home of the late Nicholas Merdich, on Hartzell Avenue, and the first Divine Liturgy for this group was celebrated in the home of the late Michael Woloschak of Randolph Street. The Very Rev. Leo Weselowsky was the celebrant, and the liturgical responses were sung by Andrew Gela and Frank Senediak.

The newly founded parish began to function more actively in the summer of 1924, when Alex Bobersky, Nicholas Fedyna, Mike Woloschak, Frank Senediak and others, initiated the purchase of a property on the corner of Russell and North Belle Vista Avenues. This property with a house on it was purchased for $7,500.00. The house became the first Parish Home. When enough money was collected, a little wooden church was erected next to the parish home, and the Great Apostles, Sts. Peter and Paul, were selected to become its Patron Saints. The Rev. Basil Koshel was called to become its first Pastor, and the Most Rev. Archbishop John Theodorovich came to bless and dedicate the church to the glory of God. The newly-created congregation which started with 25 families soon had a membership of 100.

In 1926 six acres of land at Donald and Osborne Avenues were purchased for burial purposes and to become a true Parish Cemetery. In recent years more land was purchased and today the cemetery totals 15 acres.

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*Relinquished his place and was replaced by Frank Senediak.

The final incorporation of the church and cemetery took place on May 10, 1927, in the name of 9 trustees, who were: Alex Bobersky, Alex Bunowsky, George Prystash, Nicholas Lopushansky, John Bagan, John Lopushansky, Stephen Tadla, Stephen Rohan, and Stephen Cycyk who relinquished his place to Frank Senediak. The Rev. Paul Korsunowsky served as Parish Priest from 1926 to 1927.

In 1930 the parishioners decided to build a new and larger church. Alex Bobersky was elected chairman of the Building Fund and Charles Serednesky as Secretary.

In 1932 a social hall was erected and was used for many years for religious instruction, Ukrainian language classed, choir rehearsals, and for plays and concerts.

On October 3, 1939, the construction of our present church building was started by the DeBartolo Company. Work continued whenever finances were available. At the end of that year the parish numbered 240 families. The new edifice was finally completed and dedicated by the Most Rev. Archbishop John on July 14, 1940. Our pastor during the years 1937 to 1941 was the Rev. Stephen Musiychuk.

In 1946 additional land was purchased and on it a Pavilion was erected by the members of the parish. The Rev. Anthony Stangry served as Parish Priest at this time.

The Rev. Stephen Holutiak (Hallick) served our parish from 1948 to 1950. On July 17, 1949, the Twenty-fifth Anniversary of our Parish was joyfully observed with Archbishop John celebrating the Pontifical Divine Liturgy.

Our present Parish Priest, the Very Rev. William Olynk, came to Youngstown on Labor Day in 1952. On May 23, of that year, the Junior Sisterhood was organized.

On Sunday, August 23, 1953, the newly painted and beautifully decorated interior of our church was blessed by Archbishop Mstyslav. The work was done by the Walter E. Boettcher Studio of New York.

Our Sunday School began to function when the Rev. Michael Mostensky was pastor from 1950 to 1952. As the attendance at the Sunday School increased, more space was required, and in 1956 seven classrooms with a kitchenette were constructed under the church.

In 1953 the erection of our beautiful parish rectory was started and completed the following spring. In June of 1954 it was blessed and dedicated by the Most Rev. Archbishop Mstyslav.

The new Iconostas in our church was blessed on May 15, 1958. St. Mary's Sisterhood contributed many thousands of dollars towards its construction. The Sisterhood also purchased three new bells with electric motors for the church.

Our Ukrainian Orthodox Center was dedicated by Metropolitan John on July 24, 1960. The full air-conditioned structure, two and one half stories tall, was built at the approximate cost of $250,000.00. The Burning of the Mortgage on this building took place on August 23, 1964. On that memorable occasion Metropolitan John celebrated the Pontifical Divine Liturgy.

The Youngstown Chapter of the Ukrainian Orthodox League, with the approval of the Parish Board of Trustees and of the Executive Officers, undertook the task of the Parish Board of Trustees and of the Executive Officers, undertook the task of starting a fund for the construction of a Chapel at our Parish Cemetery. Many fund raising campaigns were held, and on October 1, 1967, through the endeavors of League Members the Laying and Dedication of the Cornerstone of the Chapel was held. Archbishop Mstyslav officiated at this dedication.

Through the years many pious parishioners have graced our church with numerous lovely gifts. Their names will never be forgotten. They are enshrined in the hearts of all the faithful and certainly in God's Book of Life.

Through the efforts and sacrifices of many of our forefathers and the present parish members, we are, today on July 14, 1974, celebrating a great and joyous event, our Golden Jubilee. Let us give thanks to Almighty God for all the blessings bestowed on us so that we may be truly called a wonderful family-in-Christ.

Baptisms—876.
Marriages—352.
Burials—429.

CHURCH OFFICERS

Rose Rappach, Financial Secretary; Helen Senediak, Auditor; John Bury, President; Rose Senchesak, Recording Secretary; Mary Stermer, Trustee; Metro Fedyna, Trustee; Joseph Smith, Trustee.

Joseph Ewanish, Asst. Treasurer; Theodore Senediak, Trustee; Charles Hankavich, Vice-President; Very Rev. William Olynyk, Pastor; Michael Zets, Treasurer; Joseph Temnick, Auditor; John Senchesak, Chairman, Board of Trustees; Walter Pupa, Trustee; William Fitch, Trustee.

Stephen Serednesky, Trustee; Walter Zebel, Trustee; Mary Loshuk, Auditor; George Roman, Trustee; Michael Woloschak, Asst. Financial Secretary; Lewis Pusch, Trustee.

PRESIDENTS OF THE CHURCH FROM INCEPTION TO PRESENT DAY

1924—John Senedak.
1925—Alex Bobersky.
1926–27—Michael Hospodar.
1928—Michael Kichtan Jr. and Michael Pavelko.
1929—Charles Hankavich Sr.
1930—Michael Lenenski.
1931—Charles Hankavich Sr.
1932—Charles Pusch Sr.
1933–36—Charles Hankavich Sr.
1937—Michael Lenenski.
1938—Nicholas Lopushansky.
1939–40—William Konyshak.
1941—Dan Scroka.
1942–49—John Zabotsky.
1950—John Yurchyk.
1951–52—Mike Nestor.
1953–55—John Bury.
1956–59—Mike Fedyna.
1960–66—Nicholas Pavelko.
1967–74—John Bury.

COMMITTEES

General Chairman

Very Rev. William Olynyk, Helen Senediak, Stephen Serednesky.

Welcome

Mary Ann Senediak, Dorothy Mehalco, Mary Stermer, Betty Bindas, Joseph Smith, Becky Meredith.

Program Book

Stephen Serednesky, Helen Senediak, Charles Hankavich Jr., Theodore Senediak.

Social

Walter Pupa-Chairman, Joseph Temnick, Theodore Senediak, William Fitch, Steve Senediak, Jerry Evanoff, George Roman.

BOOSTERS

Mary Loshuk, Co-Chairman.
Elaine Yuschak, Co-Chairman.

PROGRAM—SUNDAY, JULY 14, 1974

9:30 A.M. Greeting of Right Reverend Bishop Constantine at the steps of the church by president John Bury. The Pastor, Very Rev. William Olynyk will greet the Bishop in the vestibule of the church.

10:00 A.M. Holy Pontifical Divine Liturgy celebrated by the Bishop. The "Bandurist" Choir of the church will sing the responses under the direction of Mrs. Olga Hylev.

Social Hour—Ukrainian Orthodox Center.

1:00 P.M. Banquet at the Ukrainian Orthodox Center.

Invocation, Right Reverend Bishop Constantine.

Presentation of Colors.

Welcome Address, John Bury, President.

Master of Ceremonies, State Senator Harry Meshel.

Introduction and greetings from Hon. Charles J. Carney, United States Congressman.

Address by Right Reverend Bishop Constantine.

Greetings from SS Peter and Paul Church Organizations and neighboring parishes, Very Rev. William Olynyk.

Closing Remarks: Stephen Serednesky, Helen Senediak.

Benediction, Right Reverend Bishop Constantine.

3:30 P.M. Afternoon music by Louie Kay Band.

4:00 P.M. Barbecued Chicken.

7:30 P.M. Grand Ball at the Ukrainian Orthodox Center with music furnished by Bob Turcola Band.

BLACK MARKET IN VIETNAM

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. ASPIN. Mr. Speaker, recent reports from Saigon indicate that jet fighters we have sent Vietnam as part of our military aid program are being dismantled and being sold for scrap metal on the black market. If these reports are true—and they have appeared in at least two Vietnamese newspapers—then Congress must begin immediately to reexamine our military aid for Vietnam.

According to reports from Saigon newspapers, a police raid in the Hoc Mon district near Saigon recently uncovered an illegal scrap metal depot filled with military equipment. Among the items found were the wings of at least 15 A–37 aircraft. The A–37 is a modern, twin-engine jet fighter worth about $500,000 an airplane. During recent years, particularly during the last few months before the cease-fire agreement of January 1973, the United States sent large numbers of A–37's to South Vietnam.

Now, this is clearly more than just another example of corruption and graft in South Vietnam. Common sense tells us that there is only one way that these planes could have gotten into the Vietnamese black market—and that is straight from the inventories of the South Vietnamese Air Force. It is simply impossible that so many A–37 wings—30 in all—could have come from planes that were shot down in combat. They would have been downed at widely separated locations, and it just does not make sense that their remains would have been hauled to a central scrap heap. It is also impossible that such a large number of A–37's were out and had to be junked. The representative of the Cessna Aircraft Co. which makes A–37's, told my office that no A–37's have been retired in Vietnam. That leaves only one strong possibility: that the A–37 wings were taken from planes in good condition, straight from the inventories of the South Vietnamese forces. It this is so, and it appears to be, we are faced with a major scandal involving the perversion of American military aid to South Vietnam.

Accordingly I have asked the General Accounting Office to begin a full-scale investigation in the reports that equipment sent to Saigon as part of the U.S. military aid program is being sold on the scrap metal black market there. Until the South Vietnamese can account for every aircraft they have received from the United States, Congress should freeze all aircraft shipments to Vietnam. In the face of reports we have received, that is the least we can do now.

For the information of my colleagues, I am placing the two newspaper reports in the RECORD. One article is from Dan Thu, President Thieu's official party newspaper. The other is from Dien Tin, a Catholic opposition paper. Both appeared on May 24, 1974.

The articles follow:

[From the Dien Tin, May 24, 1974]

SEIZURE OF 20 MILLION PIASTERS WORTH OF SCRAP ALUMINUM AND COPPER AT HOC MON, INCLUDING FUSELAGES OF FIGHTER AIRCRAFT, A-37 WINGS

GIA DINU.—According to Thanh Dien news agency, the security services at Hoc Mon district recently discovered a depot containing scrap copper and other items of military use which has been illegally amassed and valued at 20 million piasters. This depot belongs to an organization which exports scrap metal. As a result of recent governmental orders prohibiting the export of such, metals, these materials have been illegally stored at this depot without the authorities being notified.

After learning about the existence of this depot, police authorities at Hoc Mon, in conjunction with the Military Police of the Special Zone at the Capital and authorities from the 5th Division of the Viet Nam Air Force, launched a raid on May 20th at 3:20 p.m. and surrounded the house at No. 4/2, Tan Hung hamlet, Tan Thoi Hiep village, Hoc Mon district. A guard of Pakistani nationality, named Chulam-Mouson, age 39, was at the site.

The inspection of this depot uncovered 70 tons of connecting ends of floating bridges, 10 pontoon floating bridges, 4 assault boats, 40 water tanks, 3 aircraft fighter fuselages, 30 wings of A-37 aircraft, B-45 aluminum window frames, 190 tons of scrap aluminum and 2 aircraft gasoline tanks.

The authorities took note of all the above items and the guard was invited to police headquarters for further questioning. We have learned that all these scrap materials which belong to the military have been illegally sold to an organization specializing in such exports. Several mysterious big-wigs are involved in this organization. According to sources close to the inquiry, the depot of scrap metal was worth 20 million piasters. The investigation of this affair is still in the hands of police authorities. (Thanh Dien)

[From the Dan Chu, May 24, 1974]

A BIG SCRAP METAL WAREHOUSE IS DISCOVERED IN HOC MON NEAR TAN SON NHUT

GIA DINH (Dan Chu), May 23.—A scrap metal and equipment depot valued at more than 20 million piasters has just been discovered in Hoc Mon district May 20 and all was confiscated and the guards arrested.

This illegal equipment storehouse contained 75 tons of airport paving material, 10 floating pontoon bridges, 4 combat boats, 39 water tanks, 3 helicopter bodies, 30-A37 wings, 47 aluminum window frames, 190 tons of scrap aluminum, 2 aviation gasoline containers, 120 helicopter skids, and 24 helicopter propellers.

The National Police command confirmed the discovery this morning and said it occurred as part of a combined operation involving the police and a number of other agencies, such as Military Police and Air Force Security officers.

The military forces surrounded the apartment at number ½ Ap Tan Hung, Tan Thoi Hiep village, Hoc Mon district at 3 p.m. May 20. The Air Force warehouse took possession of the material and security agencies arrested only the guard holding Pakistan citizenship named Chulam Housen, 39 years old.

This is the first time an illegal scrap metal depot has been found in Gia Dinh since the Senate raised the question of controlling scrap metal, a major national resource.

At present, personnel at the Ministry of Commerce and Industry say that no one knows the amount of scrap metal remaining throughout the whole country. Senators say that there are many scrap hideouts maintained by people around the country.

The material just uncovered in Hoc Mon was nearly all scrap metal from helicopters and A36B's and was discovered at the edge of Tan-Son-Nhut airbase.

At present, the Republic of Vietnam altogether has only 90 tons of scrap metal at the Tan-Son-Nhut turned over by the U.S.

It is not yet clear whether the scrap metal discovered at Hoc Mon came from the 90 tons at Tan-Son-Nhut or was collected by iron, brass and aluminum dealers before, causing the resources to be lost.

CAPTIVE NATIONS WEEK PROCLAMATION

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. RARICK. Mr. Speaker, in the President's proclamation declaring Captive Nations Week, 1974, Mr. Nixon said:

> Consistent with the principles upon which this Nation was founded, we believe that democratic liberties are among the basic human rights to which all men are entitled. We do not seek to impose our beliefs upon others, but we do not hide our sympathies towards the desires of those who, like us, cherish liberty and self-determination.

It has now been 15 years since Congress authorized and requested that the President of the United States issue a proclamation designating the third week of July as Captive Nations Week and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President was further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

With new directions in foreign policy being formulated by the internationalists "peace-at-any-price coalition" in our Federal Government a token resolution is about all the captive peoples of this world can count on from the United States. The great "détente" said to promise peace in our generation through spiritual and economic merger among the United States and the so-called Communist superpowers seems to have dulled the luster of encouraging aspirations for freedom and self-government among the people of the captive nations.

The possibility of making a profit through deals with the Communist dictators poses a greater threat to the enslaved people of the world as we continue to subsidize their Communist captors.

We Americans have indeed come a long way from the 1959 Captive Nations Week declaration deploring the Communist enslavement of a substantial part of the world's population to where today we are supplying the leaders of the same Communist conspiracy with the know-how, materiel, and financial aid to continue their subjugation over the people of these overrun countries.

This year's Captive Nations Resolution has become so routine and perfunctory that it is far overshadowed by last week's proclamations for United Nations Day and World Population Year.

The leadership of individual liberty under God and self-determination which rightfully belongs with the American people has now been dulled or lost because of political expediency. Today's apathy toward our Captive Nations brothers should be a severe warning of the threat to the American citizens themselves.

I ask that the 1974 proclamation be inserted, followed by the 1959 proclamation issued and signed by President Eisenhower when Mr. Nixon was Vice President.

[Title 3—The President—Proclamation 4302]

CAPTIVE NATIONS WEEK, 1974

(By the President of the United States of America)

A PROCLAMATION

Consistent with the principles upon which this Nation was founded, we believe that democratic liberties are among the basic human rights to which all men are entitled. We do not seek to impose our beliefs upon others, but we do not hide our sympathies towards the desires of those who, like us, cherish liberty and self-determination. In support of this sentiment, the Eighty-Sixth Congress on July 17, 1959, by a joint resolution, authorized and requested the President to proclaim the third week in July of each year as Captive Nations Week.

Now, therefore, I, Richard Nixon, President of the United States of America, do hereby designate the week beginning July 14, 1974, as Captive Nations Week.

I call upon the people of the United States to observe this week with appropriate ceremonies and activities, and I urge rededication to the cherished ideal of freedom for all.

In witness thereof, I have hereunto set my hand this twelfth day of July, in the year of our Lord nineteen hundred seventy-four, and of the Independence of the United States of America the one hundred ninety-ninth.

RICHARD NIXON.

PUBLIC LAW 86-90: PROVIDING FOR THE DESIGNATION OF THE THIRD WEEK OF JULY AS "CAPTIVE NATIONS WEEK"; ADOPTED BY THE 86TH CONGRESS OF THE UNITED STATES OF AMERICA IN JULY 1959

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious, and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led, through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations is one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence:

Now, therefore, be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that the President is authorized and requested to issue a Proclamation designating the third week of July, 1959, as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

THE REAL FACE OF INFLATION

HON. JOHN C. CULVER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. CULVER. Mr. Speaker, the ravages of inflation are tracing deep scars on our social and economic landscape. No issue is of greater concern to the people of Iowa with whom I have been meeting all over my State.

The President is obviously out of touch with these concerns. He met last week with a wholly unrepresentative collection of big businessmen, who told him pretty much what he wanted to hear: "Everything is fine, or it will be if you just give us a few more special tax concessions."

That is not at all the story I hear. The President should listen, as I have, to a longtime Iowa retailer who is closing up his store. Always in the past, this man has borrowed in July to buy his Christmas inventory. This year, he found wholesale prices out of sight and interest rates nearly doubled. It was too much for him. The impact of current inflation on small business is just devastating, and creates the real long-term risk of fastening monopolistic domination on our economy.

Inflation is also severely undermining traditional family budgeting in this country. At present inflation rates of about 13 percent, a typical Iowa family with a $12,000 yearly budget must scrape up an additional $1,560 just to maintain last year's living standards. This is the harshest kind of taxation without representation.

The small family farm operation is also suffering a severe cost-price squeeze, as inflation impacts heavily on our farmers' already tight operating margins. Here too, we face the very real prospect of forcing farm sellouts to giant corporations, which would drastically alter our rural society in Iowa.

The President and his prosperous visitors show no appreciation of these facts. If they talked to the kind of people I meet, they might begin to realize that the very last thing we need is further tax favoritism for big business. In my judgment, we need not more tax loopholes but far fewer, so that we can prudently lower the tax rates on low and moderate incomes. It is, after all, the lower-income people who most deserve relief, since more of their budget is of necessity committed to items that have most risen in price, such as food and fuel and housing.

The administration's response to these realities has been nothing short of frivolous. One moment there is the suggestion that average taxpayers are to blame for inflation for not volunteering higher tax payments. This is like telling a tornado victim he could have saved his house by chopping it down. Then we have a reported Treasury proposal to cut $9.3 billion from retirement, disability, and social security benefits—which would impact ruinously on the elderly, the poor, and the handicapped who are the very people least able to defend themselves against inflation. Clearly, there is no leadership to be found on the inflation front within the administration.

This means that we in Congress must be the ones who are responsive to the real face of inflation, the one I have been seeing in my meetings all over Iowa. We have taken a constructive first step with passage of the Budget and Impoundment Control Act. Now we must address ourselves to defense spending cuts and to meaningful tax reform, as essential elements in an overall attack on inflation that brings genuine relief to the people who are hurting the most.

NATIONAL PARKS AND RECREATION SUBCOMMITTEE REPORTS LEGISLATION TO SAVE NEW RIVER

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. MIZELL. Mr. Speaker, as you and my colleagues are aware I have been urging legislation to study segments of the New River in North Carolina and Virginia for possible inclusion in the wild and scenic rivers system.

Yesterday the National Parks and Recreation Subcommittee of the House Interior and Insular Affairs Committee held a markup session on my measure H.R. 11120. I am pleased legislation was reported which will save the New River.

A distinguished and able Member of this body, the honorable ROY A. TAYLOR of North Carolina, serves as chairman of this subcommittee and at the beginning of yesterday's meeting he presented an outstanding statement in regard to the importance of studying the New River.

Therefore, I would like to insert the text of his remarks in the RECORD so all Members of the House of Representatives will have the benefit of his wise counsel not only as chairman of this subcommittee but as a North Carolinian:

STATEMENT OF CHAIRMAN ROY A. TAYLOR

H.R. 11120 would add a segment of the New River in North Carolina and Virginia to the study section of the Wild and Scenic Rivers Act.

We first heard testimony on this proposal on October 30, 1973. Because there is considerable controversy surrounding this river, we did not include it in the omnibus bill recently passed by the Full Committee. We then held a separate hearing on the New River on June 3 of this year. At that time, we heard more than 30 witnesses on this bill.

Since our hearing, the Federal Power Commission has issued an order granting a license to construct the Modified Blue Ridge Project to the Appalachian Power Company. The effective date of the license is January 2, 1975. Passage of H.R. 11120 would preclude construction of the project while the river is being studied for possible inclusion in the National Wild and Scenic Rivers System. However, if the New River is not designated for study in this session of Congress, the dams will be built. No future Congress will have the ability to consider this legislation.

It is worth mentioning also that much of the 40,000 acres which would be flooded by construction of the dams is productive agricultural land. Our needs for power are currently a subject of much discussion. I wonder if our needs for food may someday be even more critical.

In testimony in favor of this bill, the witness from the Interior Department stated that the study could be completed within two years. It is the opinion of the Chair that this study should be made. At the completion of the study, Congress would then have to act again to include the New River in the Wild and Scenic Rivers System. We would then have the benefit of a thorough look at the potential of the river from a viewpoint other than that of power generation.

I, for one, am opposed to using the Wild and Scenic Rivers legislation for the purpose of trying to block a power project. The issue is not should the power project be approved or blocked. The issue is does the New River

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possess the wild and scenic qualities that would justify its consideration for addition to the Wild and Scenic Rivers System.

It is my opinion that it does possess such qualities. All of the evidence presented to the committee on that issue is in the affirmative.

The State of North Carolina is also fortunate to have the service of the Honorable James G. Martin on the National Parks and Recreation Subcommittee. Since entering the Congress just last year Mr. Martin has established himself as a dedicated legislator who studies legislation in great detail which comes before his committees.

It is appropriate, therefore, that the House have an opportunity to be made aware of Mr. Martin's indepth and knowledgeable study of the complex issues involved in this legislation.

I would like also to insert the statement of the Honorable James G. Martin as presented to the markup session on this measure yesterday before the National Parks and Recreation Subcommittee:

Statement of the Honorable James G. Martin

Legislation similar to H.R. 11120 has already passed the Senate. The Governor and the General Assembly of North Carolina favor this bill. The governments of Ashe and Alleghany Counties in North Carolina and of Grayson County, Virginia, while somewhat nervous about restrictions on future economic growth, favor this bill. Every environmental organization favors this bill. I would like to say some few words about the New River and the people who live near it. And, I speak as one who has gone many extra miles to protect present and future sources of energy, including electric power.

First, the New River. This is no piddling creek. The New River is the oldest river, geologically speaking, in this hemisphere. It is probably the second oldest in the world, after the Nile. We wax poetic over trees a couple of hundred years old or a courthouse built in 1812. But, before there was man: there was the New River. New River has been spared the devastation of three Ice Ages. This bill before us will preserve what was spared by Riss, Mindel, and Weurm, the ice ages that erased preexisting life in North America and thrice gave this continent a clean geological slate.

New River, because of its relative isolation and because of having been spared glaciation is the scene of more than rare scenic beauty. Its basin is the home of life forms that existed in North America before the ice, including a unique mix of plant life characteristic of Northern and Southern United States and including 8 rare species. Some things have changed, of course. The mountains have. In fact, the New River has outlasted two mountain ranges and is currently resident in the third to rise about it.

And, then there are the people. These are not suburbanites who think nothing of moving from Alexandria to Chevy Chase, or even from coast to coast. Most of the people who live in Ashe and Alleghany were born there into families that have been there for generations. Many are farming bottomland that has been passed down for 150, maybe more, years.

This bill, if enacted, will do two things. First, it will hopefully lead to the preservation of our most ancient natural heritage from the encroachment of industry and commerce, while leaving it accessible to naturalists and those who just need a breather from urban life, such as the 1800 who canoed New River's rapids last year. Secondly, it will admittedly thwart plans for a hydroelectric dam which would do in a year or two what three ice ages failed to do over a span of 100 million years.

I would champion this bill if there were no dams proposed because New River is in fact a wild and a scenic river which ought to be in the System. There are some things you just do not do. You don't paint the Capitol and you don't permit this hemisphere's oldest dated river to be destroyed whether by subdivisions or by dams.

Let us examine the cost *vs* the benefits. Basically the power benefits accrue to Virginia and the fundamental cost will lie in North Carolina, which will lose four times as much lineal mileage of essentially free-flowing river.

It has been projected that this proposed combination of conventional and hydroelectric pumped storage facility will generate four billion kilowatt-hours initially (2½% of the total load of the American Electric Power System). It will consume 5½ billion kilowatt hours of energy at off-peak hours, using the more efficient steam plants to pump the water back up hill. This will afford greater energy efficiency and a net annual saving of a half million tons of coal, a saving of roughly 1½% of the 1973 coal consumption of the company (therefore, less than 1% of 1985 coal tonnage). While that is no trivial amount, it does not justify converting this national treasure into mudflats. Granted that the facility will provide annual profit and will displace $8½ million agricultural yield and will displace some 1000 families.

If an historic disaster is to be avoided, we must act this year. Next year the question will be moot. The Federal Power Commission has authorized a dam to be built downstream which will destroy the New River. They have deferred, however, until January 2, 1975, to allow the Congress to determine whether the New River should be included in the Wild and Scenic River System, which is not a statutory concern to the FPC. The option is ours—to preserve our State's historical anomaly or—by inaction, to do what the greatest forces of nature were thrice unable to do.

Finally, I would like to commend and express my appreciation to my colleagues from North Carolina for their leadership in this issue which so greatly affects our State. I know as the full Committee on Interior and Insular Affairs prepares to consider this legislation the assistance to be rendered by Mr. Taylor and Mr. Martin will be invaluable.

AMTRAK

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. GAYDOS. Mr. Speaker, yesterday I placed into the Record the first of two articles containing a firsthand report on the services and facilities provided by Amtrak, the National Railroad Passenger Corporation.

Today, I am inserting the second article by Mr. James B. Johnson, assistant city editor of the Daily News in McKeesport, Pa., who rode the train for 1,600 miles from Pittsburgh to Colorado. Those of my colleagues interested in Amtrak will find Mr. Johnson's report most informative. The article follows:

Amtrak Making Big Gains Despite Below-Par Start

(By James B. Johnson)

If you're contemplating rail travel, keep one thing in mind. Namely:

When Amtrak assumed responsibility in 1971 of operating, under contract, the intercity passenger trains of 13 major railroads, much of the rolling stock on hand was in poor shape.

Money authorized by Congress is being used to acquire new cars and locomotives and to overhaul the existing fleet.

Obviously, much needs to be done before Amtrak can achieve one of its major goals, that of "improving the quality of service that can be noted readily by the riding public."

But, in one person's opinion, Amtrak is making great strides with the equipment it has. In the San Francisco Zephyr, it chalks up another big plus.

Don't let the word "Zephyr" fool you. It's just a train. But it appears to be made up of the best cars Amtrak can put on the track.

It's not a "crack" train. (Nobody ever did explain to me what a "crack" train is.) It is a good train, though, and the people who man it make it that way. Again, a purely personal opinion.

Union Station in Chicago was jammed on the Saturday I boarded the Zephyr for what was to be a 19-hour journey to Greeley, Colo., about 50 miles north of Denver. It reminded me of days gone by when the old PRR terminal in Pittsburgh really hummed.

Movement to the train, when its impending departure was announced, was orderly. With my luggage cart out front (I was getting the hang of it now), I found my way to my assigned sleeping car, where a porter checked my ticket and hoisted my luggage aboard.

It was at trainside where the service Amtrack strives to provide on the SFZ first came to the surface.

Welcoming boarding passengers and directing them to their cars was an Amtrak passenger agent. The badge pinned to his coat identified him as John Varhol.

His task was to assist passengers, hear their complaints and try to keep them happy. From what I observed, he was doing a good job of it.

Amtrak personnel aboard the Zephyr were in sharp contrast to their counterparts on the Limited. All were neatly dressed and courtesy abounded.

I found my room to be a comfortable one (but I must admit to wondering if I could sleep in it). It was sparkling clean and my luggage already had been placed in the room and out of the way.

When the Zephyr pulled out of Chicago at 3:45 p.m.—on time—I washed quickly, donned a change of clothes and departed my room to inspect this train about which I had heard so much.

Coach passengers, I found, were seated in clean air-conditioned cars. Two double-decker "dome" cars were part of the Zephyr's equipment and both were filled to capacity. I had to settle for a quick look from topside because there were no seats available.

Soon, the SFZ was speeding across the Illinois plains, where planted fields were broken only by farmhouses and barns. Here, I said to myself, is America's heartland.

Conversation aboard a train can be found quickly in the club car. And on the Zephyr. I again found friendly people.

As I sat and chatted with many persons on the car, I asked the inevitable question: Why are you riding the train?

The woman from Michigan with a little girl in tow said she found rail travel to be cheaper. A Coloradoan said he had driven to

Chicago with his wife for a stay at the home of her parents. Having to return home sooner than his spouse, he opted for the train "because I haven't been on a train in years."

Again, young people were aboard in large numbers and seemed to enjoy this way of travel more than their elders. They could be found in knots throughout the train—laughing, chatting, dozing.

About three hours out of Chicago, I began searching out the dining car. I was anxious to taste the food and experience the service about which Amtrak has boasted so much.

My discovery was a pleasant find. The dining car was bright and clean and tables were covered with spotless linens. Vases of carnations added a bright touch to each table and attendants were natty in white jackets and black trousers.

It was a first-class facility.

Menu prices read like this: Pot roast of beef, $2.95; lake trout, $3.50; rib eye of beef, $3.75; sirloin of steak, $5.75; baked ham, $3. Shrimp appetizer was offered for $1.70 and a cup of fresh fruit was 90 cents.

For "early bird" diners, Amtrak was offering a 4 to 6 p.m. special: fried chicken for $2.25. All dinners included a salad, baked potato, vegetable, coffee, warm rolls and butter.

Wine was available for $2 a half-bottle (domestic variety) and for dessert there was strawberry shortcake, chocolate pudding and apple pie with cheddar cheese, all at reasonable prices.

(There was but one dining car on the Zephyr, a questionable decision on the part of Amtrak in view of the large number of people aboard. An equipment shortage, perhaps?)

Despite the rush of passengers to the dining car, service appeared to be fast. Diners were not hurried in the least, I observed.

I was seated at my table by the maitre'd—a Mr. Gentile—who summoned a waiter and quickly moved on to accommodate other passengers arriving to dine.

My waiter introduced himself as Michael Monroe, handed me a menu and offered a wine list. I observed him serving other tables and later suggested he must be a "veteran" at the job, referring to the manner in which he flitted about the rolling car with heavy trays.

A "veteran" he was, he responded, but of Vietnam, not Amtrak. And he had been a waiter on the train for but five weeks. Like a boxer who rolls with a punch, waiters, I presume, learn to "roll" with the train.

During dinner, two young ladies from Michigan were seated at my table. One, I learned, had never before traveled on a train, and for the other, it was her first trip by rail in 16 years. Neither expressed regret at opting for the train instead of flying to Denver, their destination. They were having fun and agreed they had made the right choice.

I lingered in the dining car until nearly 9:30, made a quick "pass" through the entire train (one enterprising youth had brought a bicycle aboard and literally had stuffed it into his roomette; I couldn't figure out how he was able to move about), stopped briefly in the club car and then headed for my bedroom.

To my surprise, I found that my bed had been made up by the sleeping car attendant. Later, he inquired if I desired to be awakened in the morning. I declined, figuring I wouldn't sleep anyway.

Apparently the rush of the two previous days had taken a toll and sleep came with surprising ease. When I awakened at about 6 a.m., I determined from my Amtrak schedule that the train was in Nebraska but nearing Colorado.

There was just a short time after breakfast to pack my luggage prior to the Zephyr's arrival in Denver, where I was due to switch cars for the last leg of my trip to Greeley.

Would I go again by train? Most surely. It was better than I had anticipated. Oh, I grumbled at times and probably will again. But I met folks I'll never forget—the railroad buff from Baltimore, the student from Uruguay, the young mother whose two children were forever "inspecting" the train and the two young ladies from Michigan who found rail travel exciting.

Personally, I believe Amtrak is on the right track. It's trying to make train travel an adventure once again.

Better yet, take the word of one little girl, all of 10 years old, who perhaps put it best when she said, "I like trains. They're fun."

I agree.

COMMITTEE REFORM SHOULD INCLUDE A STANDING COMMITTEE ON URBAN AFFAIRS

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. BADILLO. Mr. Speaker, the Select Committee on Committees' reorganization proposal, commonly known as the Bolling committee reform bill, has been available for our consideration for the past 4 months. In addition, the Democratic Committee on Organization, study, and review has completed 2 months of examination of the reform proposal and has now made its recommendations available to us. I believe that there is no reason to delay any longer the House debate on realinement of committees and revision of certain outdated operating procedures.

The House has not reorganized its committee structure since 1946, nearly three decades of decisive change in the way Americans live and relate to the institutions of their society and to other nations. It would be derelict to procrastinate any longer, and I urge the leadership of the House and the principal sponsors to bring these proposals to the floor now so that we may debate how the House can best attune itself to the realities of contemporary American society.

As the idea of committee reform has slowly gathered momentum, I have received many thoughtful letters from State and local officials in response to my proposal to create a standing Committee on Urban Affairs in the House, the vast majority in support of the concept. But just as importantly, these Governors and mayors have elucidated the continuing relationship of the problems of urban centers to the quality of life in every part of the country.

I have shared these communications with my colleagues by placing them in the RECORD, and I include some of the most recent to indicate the kind of support the idea of a Committee on Urban Affairs has generated from all regions of the United States:

CITY OF RALEIGH, N.C.,
July 9, 1974.

Hon. HERMAN BADILLO,
Congress of the United States, House of Representatives, Washington, D.C.

DEAR MR. BADILLO: This is in response to your recent letter, advising me of your proposal to establish a standing Committee on Urban Affairs in the U.S. House of Representatives. I fully agree that the urban crisis is not being responded to anywhere in the Federal government.

Our great cities, the economic and cultural centers of the Nation, are falling into decay because of the absence of a national commitment to attack their problems. With the flight of the articulate and affluent to the suburbs, political power and the focus of legislation have fled with them. The fact that the Community Development and Housing Bill, pending in Congress today, with all Federal housing programs expired on June 30, is a prime example of this absence of congressional focus. I, therefore, agree that the Committee of Urban Affairs legislate jurisdiction of which shall include: public and private housing; urban development; urban mass transportation; relocation assistance; and regional planning for urban affairs, including environmental protection, economic development, residential patterns and other matters which have related or simultaneous impact on a large metropolitan center and adjoining suburbs or nearby cities and towns.

Accept my congratulations on your efforts and I sincerely hope you will be successful. If in the future I may be of any assistance to you, please do not hesitate to call on me.

Sincerely,

CLARENCE E. LIGHTNER,
Mayor.

N.Y. CONFERENCE OF MAYORS AND MUNICIPAL OFFICIALS,
Albany, N.Y., July 8, 1974.

Hon. HERMAN BADILLO,
Washington, D.C.

DEAR CONGRESSMAN BADILLO: Thank you for your letter of June 24th and for the support you are giving to the effort to assure adequate rail service for New York State. This looks like a long, hard battle and your continuing support will be greatly appreciated.

Thank you, too, for the copy of your floor speech on the creation of a Committee on Urban Affairs in the House. The creation of such a committee could do much to help urban America. Focusing the concern and the responsibility for urban problems and urban programs in one committee should result in a much better organization and integration of the efforts to remedy urban problems. This improvement, hopefully, would reflect better concepts and more effective programs as well as the elimination of duplication and of inter-program competition.

Hopefully, too, the creation of such a committee would hasten the realization that urban problems and needs exist in many communities of less than 50,000 population. Those communities should be included in the responsibility of a Committee on Urban Affairs. Uniting their voices with those of cities over 50,000 population is important just as is uniting the voices of the various members of Congress interested in urban affairs.

Please keep us informed of developments you know of both in the field of rail transportation and in the field of a Committee on Urban Affairs.

Sincerely,

RAYMOND J. COTHRAN,
Executive Director.

STATE OF DELAWARE,
EXECUTIVE DEPARTMENT,
Dover, Del., July 3, 1974.

Hon. HERMAN BADILLO,
Member of Congress, U.S. House of Representatives, Cannon Building, Washington, D.C.

DEAR REPRESENTATIVE BADILLO: Thank you for your letter of June 19, 1974 concerning the need for a standing House Committee on Urban Affairs. I am happy to have the opportunity to comment on your proposal.

I support your amendment on the new

UMI

standing committee. For too long the problems of our nation's cities have been handled without the benefit of a coordinated plan. The chronicles of congressional committees either duplicating the efforts of one another, or worse yet, working at cross purposes, have tragically demonstrated the need for a reform along the lines that you propose. In addition, government services should be easily accessible. As is so often the case, urban dwellers who most need assistance, do not know which congressional committee is responsible for a particular program. If, however, all urban area problems were placed under "one roof," urban residents could more easily make their needs and demands known.

As you point out, various states have already begun to recognize the need for a concerted effort to remedy what is now called the urban crisis. In 1970, Delaware underwent extensive reorganization from a Commission to a Cabinet system. At that time, a Department of Community Affairs and Economic Development was created. The thrust of its assignment is urban affairs. The Department includes the Division of Housing, the Office of Human Relations, and the Office of Economic Opportunity. Therefore, in terms of Delaware's table of organization, it would enhance administrative efficiency if a congressional committee dealing with similar concerns were established.

Certainly it must be realized that urban problems cannot be handled in isolation. Urban maladies reflect much more than what goes on in the inner city. Yet, unquestionably, a commitment and a coordination of effort is needed as a necessary step in the eradication of the larger societal problems.

Thank you again for allowing me to reply to your amendment. I wish you every success.

Sincerely,

SHERMAN W. TRIBBITT,
Governor.

STATE OF NEW MEXICO,
Santa Fe, July 21, 1974.

Hon. HERMAN BADILLO,
U.S. House of Representatives, Cannon Office Building, Washington, D.C.

DEAR REPRESENTATIVE BADILLO: Thank you very much for your letter of June 20, 1974 concerning your proposal to establish a standing House Committee on Urban Affairs.

While I certainly would not presume to instruct the U.S. House of Representatives as to how it should organize itself, I do believe that any action which would help focus attention upon the needs of our communities—both rural and urban—would benefit the citizens of my state.

I very much appreciate the opportunity to comment on this matter.

Sincerely,

BRUCE KING, *Governor.*

EXECUTIVE CHAMBERS,
Honolulu, July 2, 1974.

Hon. HERMAN BADILLO,
U.S. House of Representatives, Cannon Office Building, Washington, D.C.

DEAR CONGRESSMAN BADILLO: Thank you for your letter of June 20, 1974, addressed to Governor Burns, in which you express your belief that the House of Representatives should have a standing Committee on Urban Affairs. I believe there is merit to your proposal; certainly we would not object to such a committee if the House decides to establish one.

As you may know, we do not have any incorporated cities in Hawaii; we have only counties as our local level of government. The counties encompass both rural and urban areas and each operates under its home rule charter. Each has an elected mayor and council as its governing body.

Certainly, there is merit in considering an urban affairs committee; but I would expect there are many Federal programs which overlap both rural and urban areas. These include education, health, transportation, welfare, environment, and others. Perhaps one committee, whose prime function is urban affairs, could function along with other necessary standing committees. Urban and rural separation is not that distinct in many areas, and perhaps they should not be separate enclaves. But there are many problems which are peculiar to urban areas only.

It is my feeling that Congress should have adopted the National Land Use Policy bill; it also needs to adopt an urban growth policy act. Both would help very much in meeting the needs of urban America. An urban affairs committee could be very helpful in shaping such policy for the Congress. Perhaps the functional responsibilities of the various standing committees can be defined so as to minimize possible duplication and overlap. Thank you for letting me know of your concerns.

With warm personal regards, I remain,

Yours very truly,

GEORGE R. ARIYOSHI,
Acting Governor.

DR. CARLTON GOODLETT ON THE BLACK PRESS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. DELLUMS. Mr. Speaker, my good friend Carlton Goodlett, president of the National Newspaper Publishers Association, recently gave a speech to the stockholders' meeting of Foote, Cone, & Belding Communications, Inc., that touches on some of the central issues in building a viable black economy. These issues revolve around the difference between what the black community contributes to the national economy and what it receives back. At a time when American businessmen are eagerly eyeing a new mass market in the Communist countries, it might be suggested that a little more attention be paid to their responsibilities toward the nonwhite market in America.

I think my colleagues would be interested in Dr. Goodlett's remarks, and, therefore, I would now like to submit them to the RECORD:

GENERAL STATEMENT OF CONCERNS

Mr. Chairman: the United States of America continues to be a polarized country composed of two nations, one white and one black, both separate and becoming daily more unequal. The black nation-USA, with a population of 25 million persons, is larger than 152 other nations in the world; and to bring the comparison closer to home, of the 36 nations comprising North and South America, only three: the white nation-USA with 184 million, Brazil with 91 million and Mexico with 45 million, are larger than the black nation-USA. The estimated gross product of the black nation-USA is 4.5% of the Nation's total $1.15 trillion. In many metropolitan areas served by our company, blacks comprise from 30 to 40% of the population and, upon a cursory survey, an even greater percentage of our sales.

Despite the fact that blacks number approximately 25,000,000 persons in America, the policy of the advertising industry has not been one of even lip-service support of both Federal and State fair employment practices statutes.

We believe that Foote, Cone & Belding is no better or worse than our sister advertising agencies, and that we fall far short of the fair employment and equal opportunity mandate which requires that women and racial minorities be distributed from the board of directors chambers to the janitor's closets. The insensitivity of corporate enterprise to its responsibility to obey fair employment laws is amazing and in many instances distressing. We readily condemn the felon who violates the law; however, is a corporation which violates fair employment statutes less guilty, and is not the violence which the corporation inflicts upon the hopes and aspirations of non-whites as grave to society as the deeds of the felon who robs and steals?

FAIR EMPLOYMENT

While our company employs a number of racial minorities in menial, low-level capacities, we are demanding full equity in the employment of women and racial minorities, with no differentials in salary or opportunities for upgrading because of covert forms of discrimination.

It is regrettable that Foote, Cone & Belding is guilty of the same criticism leveled against America's 50 largest corporations with an excess of 2,500 top executive positions, none of which are filled by a single black person.

The law that there shall be no discrimination in employment based upon race, color, creed, sex or age demands that racial minorities, especially blacks, Chicanos and oriental Americans, and women, be integrated in all job categories of FCB, throughout the infrastructure of our company.

FAIR ADVERTISING

It is estimated that the gross billings of the U.S. advertising industry is approximately $20 billion per year. The policy of the advertising industry has not been one of reciprocal response to the needs of the black community, by urging and guiding the majority of its clients toward an equitable expenditure of the U.S. advertising dollars in the black press. U.S. business must be urged by the advertising industry and especially by our company to allocate a fair share of sustained advertising for the black community newspaper. Such constructive efforts in combatting institutional racism will reflect our awareness of U.S. business's responsibilities to the black community, which contributes from 20 to 30% toward the gross income of certain businesses such as foods, clothing, automobiles, alcoholic spirits, entertainment et al. The black community cannot develop a viable press when advertising corporations such as Foote, Cone & Belding remain insensitive to their role in ending the practice of discrimination in advertising and fail to acquaint each client with the black community's demands to receive a proportionate share of all consumer advertising budgets. It is the right of every black consumer to demand that promotional and advertising monies derived from black pocketbooks be returned to the black community, so that the black nation may maintain a black-owned communications medium which reflects its $45 billion purchasing power.

No community, white or black, can develop without a strong community newspaper. We predict that the returns in patronage and community good-will will increase for FCB's clients commensurate with their increased support by their advertising dollars of minority-owned community newspapers.

According to your records, while FCB spent in 1972 approximately $48,000 with black newspapers represented by Amalgamated Publishers, Inc., in 1973 a net figure of only $19,783.21 was spent with Amalgamated Publishers and none was spent with newspapers represented by Black Media, Inc. FCB's total billing figure for 1973 was $325,959,000, of which 11.1% was spent on newspapers—over $36 million, yet only $19,783.21 came to the black press.

The failure of advertising agencies to spend advertising dollars equitably in black newspapers is glaringly illustrated in the State of California—a State whose black population is 1,547,000; there are 17 sister States in the Nation with a smaller population. Our clients would not dare to deny to the States smaller than the population of black California a bigger share of their local advertising budgets. We venture to say that the purchasing power of California's blacks certainly exceeds that of the majority of States with smaller populations. However, the black newspapers of the black population of California are victims of Foote, Cone & Belding's covert institutional racism in the area of advertising. We feel certain that FCB's clients are also guilty of institutional racism, and the failure of our company to vigorously combat this racial blight is an insidious crime against the black consumer whose purchasing power easily determines whether Foote, Cone & Belding's clients show a yearly profit or a loss.

THREE RECOMMENDATIONS IN THE FORM OF MOTIONS

To rectify these wrongs, three recommendations are made in the form of motions:

1. That management be instructed to issue, within the next 6 months, a full report to our stockholders of its distribution of employees, based upon race and sex, delineating policies of promotion, in the main job categories.

2. That stockholders be given a report on the recommendations of FCB to our clients on the expenditure of their advertising dollars in both the white and the black press.

3. That a stockholders' fair employment and fair advertising committee be appointed to assist management in broadening its programs of fair employment and equitable upgrading, which would allow our company to become an outstanding example of how the advertising industry might assume a proper role in corporate responsibility in ameliorating the racial crisis and the crisis of sex discrimination, which threatens our national progress in the decade of the 70's.

STATEMENT OF THE HONORABLE FRED C. IKLE BEFORE THE COMMITTEE ON FOREIGN AFFAIRS OF THE HOUSE OF REPRESENTATIVES

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. HARRINGTON. Mr. Speaker, in 1961, Congress established the U.S. Arms Control and Disarmament Agency, which was to be an organization in "such a position within the Government that it can provide the President, the Secretary of State, other officials of the executive branch, and the Congress with recommendations concerning U.S. arms control and disarmament policy, and can assess the effect of these recommendations upon our foreign policies, our national security policies, and our economy. This organization must have the capacity to provide the essential scientific, economic, political, military, psychological, and technological information upon which realistic arms control and disarmament policy must be based"—Public Law 87–297.

On July 11, 1974, Dr. Fred C. Ikle, Director of the Arms Control and Disarmament Agency (ACDA), in lieu of appearing in person before the full House Foreign Affairs Committee, which was conducting hearings on arms transfers, submitted the following statement to the committee. This statement reflects no awareness of the original purpose of ACDA, filled as the statement is with bland and meaningless generalities, totally lacking in helpful recommendations for the Congress. One can only question the reasons for the Agency's existence.

The text follows:

STATEMENT OF HON. FRED C. IKLE

Mr. Chairman and Members of the Committee: The Secretary of State and the Secretary of Defense, along with other Administration witnesses, have already discussed with the Committee the President's proposed FY 1975 Security Assistance program and its role in supporting United States foreign policy objectives.

As Secretary Kissinger said, the basic philosophy behind the security assistance proposal is to "promote cooperation and to prevent confrontation and pressure on ourselves, our friends, and our allies." Secretary Schlesinger told the Committee that the principal purpose of security assistance is to "strengthen deterrence and promote peaceful negotiation by helping our friends and allies to maintain adequate defense forces of their own."

I share those views. The FY 75 program continues the desirable transition of many of our allies from grant aid recipients to purchasing nations, whereby they are encouraged to bear the primary burden for their defense. In addition, the program of grant aid and foreign military sales contributes to stability in important areas of the world. In my judgment, Mr. Chairman, the Administration's proposed FY 1975 security assistance program is a realistic approach to promoting a structure of peace in the world at a time when the opportunities for stability and cooperation are closer to realization than they have been within recent years.

The Arms Control and Disarmament Agency participates in the consideration of the security assistance program through the mechanism of the Security Assistance Program Review Committee (SAPRC), one of the interagency bodies in which ACDA insures that arms control and disarmament considerations are taken into account in policy formulation and implementation.

In our participation in the SAPRC—indeed, in all our actions on arms transfer matters—we are mindful of the concern over indiscriminate arms transfers.

Both the Foreign Assistance Act and the Foreign Military Sales Act require that decisions to provide assistance or make sales take into account whether such transfers "contribute to an arms race or increase the possibility of outbreak or escalation of conflict or prejudice the development of bilateral or multilateral arms control arrangements." The FY 75 security assistance program now before the Congress was developed with those provisions fully in mind.

Because no single nation can by itself effectively limit the international arms trade, we in ACDA continue to explore the possibilities for practical international arrangements for control over arms transfers which would insure the security of friends and allies, and at the same time hold promise of being negotiable. To assist us in our efforts in this problem area we held a symposium of government officials and private experts earlier this year to explore various possibilities for control. Later this summer we plan to publish a compendium of current statistics on world military expenditures and the world arms trade—data which should help to emphasize the nature and scope of the problem.

At the Conference of the Committee on Disarmament (CCD) in Geneva and at the United Nations the United States has urged that greater attention be focused on the control of conventional arms and has expressed its willingness to consider all approaches which might be suggested. There is not as yet an international consensus on the need for controlling conventional arms transfers or on ways in which such transfers might be controlled. So far it has not been possible to develop control arrangements which would meet the multitude of complex political, military, and economic objectives which underlie the arms transfer policies of suppliers and recipients alike. However, in my judgment the dangers to peace and stability inherent in the uncontrolled flow of arms make it imperative that within the U.S. Government we continue our search for possible approaches which might be pursued in the CCD or other forums to bring about international controls over conventional arms.

PINCONNING, MICH., CHEESE FESTIVAL

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. TRAXLER. Mr. Speaker, this week the city of Pinconning, Mich., will celebrate its annual Cheese Festival. The people of "the Biggest Little Town in Michigan" have a right to be justly proud of themselves, their town, and their nationally-known product, "Pinconning Brand" cheese. I ask my colleagues to join in a salute to this fine American city, its proud heritage, and its friendly, hard-working people.

Pinconning takes great pride in calling itself the "Cheese Capital of Michigan" because of the distinctive brand of cheese that shares its name. Pinconning's first cheese factory was built in 1915 by Dan Horn, a settler from Wisconsin. Next to the factory Horn also operated a small store. In 1939 the Wilson's Cheese Shoppe, specializing in all kinds of cheese, was opened by Mrs. Inez Wilson, Dan Horn's daughter. Ever since that time Pinconning has become well known for its very special cheese.

Although the original and other area cheese factories have since burned down or closed, "Pinconning Brand" cheese, as well as other brands, are still made there at a Kraft cheese plant. When in Pinconning, all visitors should make a special effort to visit one of the cheese stores.

Pinconning was first incorporated as a village in 1872. The city takes its name from the "pin" or wild potato which at one time grew along the river which runs through the community. Located about halfway between the Ohio border and the Straits of Mackinac on Lake Huron, Pinconning is ideally situated relative to industrial centers to the south and the wilderness playgrounds of the north.

For those who enjoy outdoor sports, Pinconning has much to offer. A mile from the city is Saginaw Bay, noted for its excellent perch fishing and water sport opportunities. A State park located near the city provides a boat launch site, picnic area, campaign grounds and a wildlife sanctuary. For hunters, Pinconning is small game country and only minutes away from deer country.

Winter sports enthusiasts can enjoy ice fishing and snowmobiling. Each year the local Lion's Club sponsors an ice carnival.

Whether one's goal is pleasure or business, Pinconning has much to offer. The city is endowed with several local industries providing employment for over 500 people. The biggest employer is Oldberg Manufacturing Co., makers of auto exhaust systems. Magline, Inc., is a local industry devoted to the fabrication of magnesium and aluminum products for the materials' handling industry. Other major employers include Gross Auto Electric, Kraft Foods, and Continental Telephone Co. of Michigan, which has its State headquarters located there.

Not to be overlooked is the fact that Pinconning is a rural community and farming in this area is among the best in the State. Locally most of Michigan's cucumbers for pickling are produced there and other major crops include beans, wheat, sugar beets, corn and feed grains. There are also many fresh produce farms in the area.

Pinconning is truly a fine place to live and to raise a family. With its many fine residential districts shaded by huge maple trees, the "Biggest Little Town in Michigan" is truly representative of the best of American small communities. I salute the city and people of Pinconning and invite all Americans who may be vacationing or travelling in Michigan this week to stop and enjoy the Cheese Festival in Pinconning, Mich.

Mr. Speaker, I would like to thank the Pinconning Area Chamber of Commerce for the background information contained in my salute to this fine American city.

FREEDOM OF THE PRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my Washington Report entitled "Freedom of the Press":

FREEDOM OF THE PRESS

Scarcely a meeting with Hoosiers passes without questions being raised about the role of the press (by "press" I refer to newspapers, magazines, radio and TV broadcasts). Is the press accurate? Is it fair? What can be done to make it "more responsible?" Does freedom of the press have limits, and, if so, what are they and who determines them?

Virtually every turn of events in Washington produces new questions about the press. Criticism of it, which is often harsh, relates not only to the performance of the press, but also to the extent of its freedom.

For most Americans the press is a cantankerous and troublesome institution. It can be irresponsible and inaccurate. It can also report facts with speed and analyze them with clarity. It can be indispensable to us, yet cause us to exclaim that we can believe nothing we read. Like politicians, the press has a credibility problem. In January, a Gallup Poll showed 67% of those interviewed agreed that newspapers are not careful about getting their facts straight. Another survey found that the public thought the press was less fair to the President than the Congress has been. These doubts and criticisms of the press are not new, of course, since the debate over the role of the press is one of the great struggles in American democracy.

The First Amendment to the United States Construction was written as one of the checks on the power of the national government. It provides that "Congress shall make no law . . . abridging the freedom of speech, or of the press." The rationale for this Amendment is that, if Americans are to remain free, they must govern themselves on the basis of informed public opinion that only a free press can assure. The First Amendment presupposes that right policy is more likely to emerge from a variety of sources than from a single, authoritarian source. In the words of Justice Hugo Black, the First Amendment gives "the free press the protection it must have to fulfill its essential role in our democracy. Only a free and unrestrained press can effectively expose deception in government." There is, then, a critical link between democracy, which depends on an informed citizenry, and the press, which disseminates information to those citizens. The public has a stake in being assured that the press is protected against government intrusion.

Fortunately, the American press, which is the most vigorous in the world, is extraordinarily diverse, both in ownership and attitudes, and pours forth a veritable cascade of words and opinions. It also has an extraordinary amount of freedom. It can publish what it wants to—government secrets, court proceedings, and sharp criticisms of public officials. It is independent from government, and suspicious of it. Much of the press is dedicated to informing the public objectively, without editorial comment. It does not, after all, have an easy task in reporting the tumultuous and complex events of the day. The burden on the press is to understand, to communicate, and to be fair. Newsmen constantly wrestle with problems of what to print and what not to print, who speaks the truth, what is fact and what is not, and what information is in the public interest. The press cannot be blamed for reporting the disquieting events of the day any more than the messenger can be blamed for the message.

A free society requires a free press, and a free press requires public understanding. This public understanding is especially important at the point of the relationship of the press to government. In American political life, an adversary relationship between press and government is appropriate. The tension between them is part of the system, and this tension increases when the public is deeply divided, as it was over Vietnam and is today over Watergate. As one commentator noted, "In theory, America's leaders have wanted a free and independent press as a check upon government; in practice, they wanted no such thing." A press that is complacent, and is not digging and analyzing, would only tempt those who hold power to greater abuses. In order to retain freedom, the people must know as much as possible about what their government is doing for, or to, them, and the information must come to them from sources in addition to the government. Except in rare instances, government should not be afforded the right to decide what and when the people are to know.

Naturally, the freedom of the press places a heavy responsibility on it, and, as it reports the events of the day, it has an obligation to be objective and to exercise self-restraint. It must inform the public on highly complex subjects, lay out the alternatives and the solutions. It must try to work out a balanced relationship with government, attacking government when it cheats, lies, hides, and protects itself, but also showing cooperation and understanding in allowing government the opportunity to govern.

When frustration with the press builds, for whatever reason, it is well to remember that freedom is endangered more from an overzealous government, seeking to protect the public from its acts, than from a free press that is often troublesome and sometimes wrong. In short, the nation is better served by a free press than by a controlled press. A free press may create problems, but it also safeguards liberty.

BEAUTY THE THEME IN WAXAHACHIE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. TEAGUE. Mr. Speaker, in an editorial in the Dallas Morning News on July 14, 1974, editorial director Dick West wrote about Waxahachie, Tex., which I have the privilege to represent. Waxahachie is one of the finest towns in Texas and Mr. West points out why. Two of those reasons are charm and good taste among the citizens, but more important than those is the citizenry's desire to make it a wonderful place to live and work.

I commend Mr. West's article to you and remind you that he is a Dallasite writing for Texans and his view is far from biased.

The editorial follows:

BEAUTY THE THEME IN WAXAHACHIE

(By Dick West)

For years The Dallas News has urged editorially that smaller communities and cities of Texas can remain vibrant and retain some of their young, if they spruce up and stress beauty instead of bigness.

Not every young man wants to leave his home town, but none wants to live in a rundown weed patch or shop in stores which have not had a coat of paint in half a century.

Howe and Haskell will never be as rich or as big as Houston, but both can be unique in their own spheres by being clean, comfortable and orderly. It takes little effort to mow a vacant lot, pick up trash, scrape and paint a garage and plant shrubs and trees instead of letting Johnson grass get big enough to bale.

Hundreds of Texas towns have instituted clean-up drives in recent years. The effort, for a while, is worth it—and so noticeable to us city folk, who drive through and feel the peace and tranquility away from the madding crowd.

Trouble is, so few of these places have a plan or persistence. It is so easy to relax and let shabbiness return.

Recently we spent an afternoon in Waxahachie which is considering a bold experiment in beautification.

It has retained Marvin Springer of Dallas as a city planner and is negotiating with Naud Burnett, noted Dallas landscape architect with impeccable taste.

The central idea is to restore the original beauty and charm of businesses circling the courthouse square, particularly those older structures with their unique "gingerbread" decor.

Some are 75 to 90 years old, but they are structurally sound and can be turned into show places through ingenuity and effort. Thousands in Dallas would drive to Waxahachie—even shop and eat—if the beauty and restoration become a reality.

A prime example of what can be done around the square is Raney Furniture Company, a magnificent restoration along the Williamsburg line. There is no prettier store of its kind in Texas.

The Citizens National Bank, headed by Marvin Singleton and founded (1868) seven years before Dallas even had a bank, is developing a 4-block area off the square along the lines which Dallas landscaper Burnett believes will make it one of the most attractive spots in Texas. There are flowers, trees and shrubs in a symmetrical design—and a creek with a pedestrian mall and eventually a waterfall.

The Ellis County Courthouse grounds under one proposal would be altered by broadening the sidewalks to form a real "square," and by tasteful plantings of ligustrums, magnolias, live oaks and yaupon.

More than 700 people work in Waxahachie's central business district, but there are only 500 parking places. Leaders of redesign and beautification hope to provide off-street parking for employees so that shoppers, attracted to the restored shops, could use the 500.

Enthusiastically behind the renovation is the Waxahachie Improvement Association headed by Ed Miles, who retired two years ago after commuting for 40 years when he worked for Adleta in Dallas.

"We can't compete with Dallas and Fort Worth in new, big buildings, but we can advance in our way if we stress charm, good taste and restore the original beauty of what we have," said Miles.

Ellis County has undergone vast economic changes the last 50 years.

When cotton was king in Texas, Ellis had 347,000 acres in cotton (1925) which yielded around 119,000 bales a year. The peak was 1920 with 152,000.

Last year Ellis' cotton crop was only 67,225. In 1925 the county had 6,000 farms, but now it has only 2,000—but farm and ranch acreage is greater today (546,000) than it was in 1925 (506,000).

What happened was diversification. Back in cotton's heyday, Ellis had only 50,000 acres in pastures and only 11,000 cattle of all kinds, dairy and beef. Now it has 125,000 acres with 62,000 cattle.

The economy is more stable than it was under a one-crop system, and the countryside far more beautiful.

There are understandable pockets of opposition to Waxahachie's bold objective, due primarily to the cost. But we have found, through the years, that the eventual results far outweigh the original investment in private and tax-supported beautification.

There is also concern about the future of the city's young people. A private survey showed that most of them wanted to live elsewhere after they finish college.

But that's natural; to a 17-year-old, the other pasture is always greener.

Many will return, if Waxahachie builds and beautifies. Just as important, it can attract thousands of older people now anticipating relaxing retirement away from the big cities.

A comfortable, beautiful community of 15,000 can offer a lot to a couple in their sixties who have endured the tensions and traffic of a big city and would love that quieter day when they can get away from it all, play a little golf and in the cool of the evening sit in a swing and smell hot cornbread, fried steak and peach cobbler in the kitchen.

POLITICAL EDITOR EARL C. BEHRENS

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. GUBSER. Mr. Speaker, one of the greatest institutions of the American free press is Earl C. Behrens, political editor of the San Francisco Chronicle, who is lovingly referred to by his many friends as the "Squire."

While serving as a member of the California Legislature, I developed great respect and a warm feeling of friendship for this sometimes somber, always kind, and always fair representative of what is the best in journalism.

"Squire" Behrens will soon retire at the age of 82 after more than 50 years as political editor of the Chronicle. He will be missed by his many friends. As one who likes to claim that status, I wish the "Squire" well and express the wish that other members of the press corps try their best to emulate him.

Recently an article appeared in the San Jose Mercury, written by the political editor, Harry Farrell. Harry's article does an excellent job of paying tribute to a great man and I submit it herewith:

THE SQUIRE RETIRES—PRESS CORPS GIANT

(By Harry Farrell)

A few weeks ago the San Jose papers carried a paragraph or so about the retirement of a veteran San Francisco newsman, Earl C. Behrens, at age 82.

It is not the usual thing in the news business to take more than passing note of a colleague's retirement, especially if he is a competitor.

In this case, though, it is only right that we tell about "Squire" Behrens, as he is always called—what he has done and stood for.

He has probably exerted more influence on California's politics than most of its governors and senators. And Californians who cherish the "right to know" about their government are eternally in his debt.

To 18 or 19 million Californians who do not read the San Francisco Chronicle, of which he was political editor, the name of Earl Behrens means nothing.

Like all newspapers, The Chronicle likes to think of itself as an institution, lending its prestige to the people who work for it. With the Squire and the Chronicle, however, it was the other way around. In political circles, the Squire was more of an Institution than his newspaper was.

We must put Earl Behrens' role in proper perspective, or—to use a recent cliche that he would shun—in the proper time-frame.

California's history as a state goes back to 1850, or 124 years. The Squire, when he retired on May 21, had been political editor of the Chronicle for 51 years. Thus he had been a direct witness to 41 per cent of the state's whole political history.

He had attended every session of the Legislature, watched the passing parade of personalities from Hiram Johnson to Ronald Reagan, recorded the swinging of the pendulum from Republican to Democrat and back again. He had observed the rise and fall of dozens of political movements—some serious and some kooky—for which California is famous.

The dean of politicians at Sacramento is State Sen. Randy Collier, who was first elected in 1938. Squire Behrens had already been covering the beat 15 years when the now white-maned Collier arrived at the State Capital as a young man.

Few if any in California's history have been fixtures on the Sacramento scene as long as the Squire. Leland Stanford's whole political career lasted only 36 years, Hiram Johnson's 40 years, Ronald Reagan's a mere eight years to date. Earl Behrens has been around more than half a century.

As his legend grew, the Squire became a formidable, forbidding figure as dean of the political press corps in the western United States. When we went to Sacramento as a green cub 20 years ago, he scared hell out of us. We still remember the reprimand he delivered when we breached good manners by blocking the view between the Senate rostrum and a speaking senator, while conducting an interview. We were downright resentful about it at the time. What business did this Chronicle man have, telling us how to cover our beat, anyhow?

We soon learned the answer. The Squire was not a tyrant. He was purely and simply a gentleman in the conduct of his profession. And as actual and titular head of the press corps, he made it his business to see that all of us observed the same sort of conduct.

It is because of this that the press at Sacramento has historically enjoyed more freedom, more respect, more stature than probably at any other state capital.

Actually, as we got to know Earl Behrens, we learned that his facade of gruffness was only that. Underlying it was a kindness that went out to both his news colleagues and the polticians who sometimes felt the sting of his typewriter keys.

The Squire has always been at his best defending the press freedom he engendered. Anytime a pol or a bureaucrat has begun pushing the press around—withholding news, dealing in secret, sequestering public records the Squire has led the fight for fairness. And he has fought just as hard for the San Jose Mercury, the Riverside Press-Enterprise, or the San Diego Union as for his own San Francisco Chronicle.

Earl Behrens looms as large nationally as in the state. He has covered every President since at least Calvin Coolidge, and he was quietly an adviser to many of them. He is truly a giant among Californians.

HUNGER IN AMERICA

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. LEHMAN. Mr. Speaker, the sub Sahara nations of Africa are plagued with famine and starvation. The simple cause there is a terrible drought—crop failures have resulted in a terribly severe food shortage.

The conclusion reached by a Senate subcommittee evaluating this Nation's hunger problem is that "5 years after President Nixon's promise to end hunger in America—the Nation's needy are hungrier and poorer."

Here is America, vast numbers of our people suffer from not enough to eat—maybe not starvation as in Africa, but certainly malnutrition and a steady physical deterioration that is a cruel form of starvation.

The immorality of America's hunger problem is that it does not result from a lack of food, but a lack of income.

Food lines the shelves of every supermarket, but the poor do not have enough money to buy an adequate diet and still pay for their other needs such as shelter, heat, medical care, and transportation to and from work.

Here in the United States, people are hungry only because they are poor.

Studies show that low-income people buy cheaper kinds of foods, or no food at all, at the end of the month when resources run out. As the money runs low, these people are forced to make tradeoffs in their family budgets between medical care and food, or food and rent.

The poor have been hit much harder by inflation than anyone else. Prices for such basic foods as rice and beans increased twice as fast as the prices for other kinds of food.

Food costs are more important to the poor, because that is where most of their money goes. Poor people spend up to 60 percent of their income just for food.

This country rejects the idea that to help provide enough money for parents to feed their children is not in the national interest, and even a disincentive to work.

Heaven will not look kindly on a people who lets the young, the aged, and the unfortunate go hungry in a land of plenty.

THE COMPLEX PROBLEM OF NATIONAL HEALTH CARE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. McCLOSKEY. Mr. Speaker, occasionally a constituent's letter speaks to a complex problem before Congress with such persuasive force that we welcome its inclusion in the RECORD.

The issue of national health care policy is as complex a problem as we presently face, and Dr. Howard Lindsey of San Mateo, Calif., has commented on the various bills now before the House in a manner deserving of the close attention of our colleagues.

The letter follows:

SAN MATEO, CALIF.,
May 15, 1974.

Hon. PAUL N. MCCLOSKEY, Jr.,
Washington, D.C.

DEAR MR. MCCLOSKEY: First, I am a leader within organized medicine: as a Councilor to CMA representing the five county seventh district; vice-president of the Health Care Foundation of San Mateo County; project director of the San Mateo County Professional Standards Review Organization (recently has submitted a proposal for a planning contract to HEW for PSRO status); Chairman of Mills Hospital Utilization Review Committee; and member of the San Mateo County Board of Public Health and Welfare. I am, not the least, a tax paying citizen. Needless to say, I have given much thought to the pending legislation on National Health Insurance.

Candidly, the thought of federally mandated comprehensive health insurance administered by any of the Washington bureaucracies frightens me. Not so much that it is not needed, but that the track record of Washington bureaucrats, is so bad. If there is one thing our health delivery system needs is a continuing opportunity for innovation and legislative fiat invariably stultifies innovation. Much of the legislation before you would threaten many of the pluses that currently exist within our present delivery system.

1. The active day to day involvement by the health insurance industry.

2. The same involvement by the local unions and individual consumers in ascertaining (self educating) the maximum benefits in terms of quality care in a competitive market-place. They need to be continually reminded that health, itself, cannot be purchased, that the "worried well" are a financial problem and that such things as psychiatric outpatient benefits are important, albeit expensive.

3. The increasing awareness by physicians of the need for public accountability as manifested by the burgeoning methodologies in approaching peer review—both as to cost containment and a hard look at quality.

Now, for your problems. Your questions relate specifically to bills within the legislative hopper.

THE ADMINISTRATION PROPOSAL

To me the least objectional of those that seem politically possible. Positive features include: administration by the private carriers; the employee contribution aspect which is so important in keeping the individual consumer aware of those facets within health care that constitute good care; the benefit package as outlined seems realistic; benefit packages would be put out to bid as to premium costs, thus retaining some of the aspects of a competitive marketplace. I have mixed feelings as to the voluntary aspects in that employees can opt not to take the coverage. So often the very human feeling that "it will never happen to me" leads to catastrophy.

My negative feelings include: the rather sudden increase in overall costs—the inflationary effect, and one wonders at how much our economy can stand. There is an administrative feature insofar as provider reimbursement is concerned that quickly turns off the physicians. The EHIP portion allows the physician to bill the patient directly his fee. The program would then pay the patient on the basis of a state or federally regulated fee schedule, though the patient would still be obliged to pay the physician that amount billed in so long as the physician's bill is judged by his peers to be his usual fee, that it is customary within the area and that it is reasonable insofar as extenuating circumstances surrounding the case might dictate. This we could live with. Under AHIP, which would provide insurance for the poor and those who would not qualify for the EHIP program, the physician is stuck with the assignment of benefits and the state fee schedule. Not acceptable—though admittedly, if this group were strictly limited to the poor it would be more palatable.

THE KENNEDY-MILLS PROPOSAL

The benefit package is quite similar to the administration's and seems likewise realistic. Deductibles and co-insurance features are less and on this point, again, I have mixed feelings. I fear as to the overall cost. It is interesting that within their proposal, the physician has the prerogative of direct billing all of his patients thus retaining the option of "balance billing" over and above the federal or state mandated fee-schedule. This is the only feature that I would choose from the Kennedy-Mills package over that of the Administration. The intolerable feature is the administration by the Social Security Administration plus the virtually wiping out of the private health insurance industry other than as fiscal intermediaries.

THE ULLMAN BILL

Sounds to me to be the most costly of the bills before you, also the most broadreaching in scope. It provides not only for National Health Insurance but a complex system of federal, state and area Health Care Corporations via which all health care would be delivered including comprehensive health planning, all forms of monitoring as to cost and quality down to which provider does what, to whom, at which place and for how much. All this to be administered by regulation emanating from a new Department of Health in Washington. Please look into this well before giving it any support. I have hopes that its price tag alone would make this proposal politically non-viable.

MEDICREDIT

Were I in your position, it would be difficult for me to give this proposal serious consideration. There are obvious appealing aspects within the proposal to physicians, e.g. voluntary, no visible regulatory mechanisms. Financing appears vague. Though my figures are not accurate, if something like 80% of the income taxes collected come from Mr. Average American and if he belongs to a family making somewhere around $12,000 per year and if he were to deduct $600 to $800 per year from the actual taxes he pays as a tax credit to purchase health insurance—what does that do to the total amount of taxes collected? Perhaps the biggest potential advantage (which might be a good one) is to remove government from the position of "middle man" thus making it less expensive administratively.

THE LONG AND RIBICOFF BILL

Catastrophic insurance coverage is a politically intriguing concept. It is cheap, has fairly universal appeal, and it gets Congress off of the hook in terms of doing something this year without committing itself to the "whole bag of worms". However, to put into the hands of the Social Security Administration a federally mandated, compulsory, $2,000 deductible catastrophic health insurance program would be like letting the fox into the chicken coop. Every two years (even years) the program would be expanded with deductibles lowered to the end result of a compulsory SSA administered national health program with all the built-in evils that I personally find so intolerable. I would rather see us face our problems now.

Some additional thoughts before I close. There are three main weaknesses in our current approach to the concept that access to quality health care is truly everybody's right.

1. The temporarily unemployed. The Federal government could mandate a program that would tie a health insurance mechanism to unemployment insurance the latter of which is fairly universally available.

2. The uninsurable or high insurance risk persons. The insurance industry needs a prod to develop pools to include these persons into the insurance mechanism. Perhaps as a carrot the role of the government should be to re-insure the carriers with the stick remaining the current threat of NHI to the insurance industry generally.

3. Finally, preventive medical services. I will submit that for the most part, presently available "health insurance" is not health insurance at all but in reality is "sickness insurance". Somehow, packages such as prenatal care; well baby care; pre-school screening; drug and venereal disease counselling; nutritional counselling; the annual or bi-annual physical evaluation, to name a few, must be incorporated into any program to the extent that their costs can be identified and hopefully pre-paid much as an appendectomy.

I would not submit that solutions to this latter are readily available but I would hate to leave their resolution to the federal government and the Social Security Administration. I apologize for the length. The above has at least helped me in organizing my thinking.

Respectfully,

HOWARD W. LINDSEY, M.D.

THEY ONLY WAIT WHO ALSO SERVE

HON. PAUL W. CRONIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. CRONIN. Mr. Speaker, July marks the 50th year of the existence of the Foreign Service of the United States of America and gives us all an opportunity to pause and reflect upon the great achievements of this dedicated service which represents our Government in 129 embassies around the world. This anniversary month is a time for all of us not only to rededicate the Foreign Service but to remember its founder, Representative John Jacob Rogers from Massachusetts, who ably represented our own Fifth Congressional District for many years.

Although he faced popular opposition to the idea of U.S. presence on foreign soil by Americans who supported isolationism, Congressman Rogers persevered with his idea to join together the consular and diplomatic functions of the executive branch and to formalize our Diplomatic Corps into an active and forceful body. Certainly his foresightedness has been borne out during the last half century of diplomatic achievements in the part of the United States.

The Honorable John Jacob Rogers, with the assistance of his wife, Edith, made great inroads into the realm of foreign affairs conduct. Together they worked on behalf of their homeland abroad, marking a distinguished career. When Representative Rogers died, his wife carried on his work for the Fifth Congressional District of Massachusetts serving in Congress with the enthusiasm and dignity that her husband brought to the seat. The Foreign Service today is a living memorial to John Jacob and Edith Nourse Rogers, and a tribute to their unselfish hard work. At this time we should all pause and remember their work as portrayed in the following editorial published in today's New York Times:

[From the New York Times, July 17, 1974]

THEY ONLY WAIT WHO ALSO SERVE

(By C. L. Sulzberger)

JIDDA, SAUDI ARABIA.—It is startling to recall that fifty years ago the United States, which is now the world's most diplomatically involved nation, had no adequate Foreign Service. Only in July, 1924, when the act sponsored by Representative John Jacob Rogers of Massachusetts became law, did today's efficient system of representation develop.

The idea of having regular foreign envoys was always somewhat repugnant to most Americans who were imbued with a romantic concept of isolation from the nasty outside world from which they and their ancestors fled. A Department of Foreign Affairs was created in 1781 by the revolutionary government which had to enlist aid abroad and finally to negotiate peace. In 1789 this was reorganized into the State Department.

For years its representatives were appointed on the basis of a political spoils system. In 1856, the thought of merit as a qualification was first legally acknowledged. Subsequent acts in 1906 and 1909 gave civil-service status to those serving in foreign missions.

However, it was only with the Rogers Act that the existing diplomatic and consular services were joined into a single Foreign Service that admitted qualified applicants after examination and then assigned and promoted them according to need and merit. By establishing a uniform scale of salaries and representation allowances (always far too stingy) it became possible for individuals without private means to serve the State Department.

One useful result of the welding of diplomatic and consular officials into the same career service was that it opened doors to the highest office to competent consuls who would otherwise have been prevented from playing active policy-making roles. An outstanding example has been Robert Murphy, a young vice-consul in Munich when the Roger Act became effective. He subsequently rose to the rank of ambassador and Under Secretary of State.

Had there been no Rogers Act or its equivalent, the United States would be in no position to play its extraordinarily active role in international affairs today. In 1924 the United States had only 122 persons in its diplomatic service—plus 511 consular officials (including Mr. Murphy). Now the Foreign Service numbers 3,290. In 1924 Washington was represented by 54 small diplomatic and consular posts abroad. Today we have 129 embassies alone.

The trend begun by the Rogers Act has not, however, been completed. At the time of its enactment only 35 per cent of our missions abroad were under career diplomats. Now 68 per cent of the far larger number of missions are headed by career officers; yet that figure means 32 per cent of our embassies are under noncareer envoys. In other words, the spoils system is still far from dead.

The American public was recently shocked to learn as part of the fall-out from the Watergate scandal how flagrantly some diplomatic posts overseas have been peddled about by political influence merchants and fund-raisers. Some of the resulting appointments have ranged from embarrassingly comic to well-nigh catastrophic.

However, it cannot be forgotten that certain of our noncareer ambassadors have been among the most distinguished public servants the United States ever produced and rank with such early amateur envoys as Benjamin Franklin and John Jay.

Nevertheless, while always leaving space for specially qualified noncareer ambassadors, it seems only just that the implied intentions of the Rogers Act should be fully carried out. Each and every post abroad should be open to members of the career Foreign Service with adequate pay and allowances to maintain even the costliest embassy out of public hands.

As things stand, the most luxurious positions are most coveted by beneficiaries of the spoils system. Likewise, the most difficult and dangerous positions are always awarded to career diplomats. Thus it was a hard-working pair of U.S. public servants, Ambassador Cleo Noel and George Moore, who were kidnapped in Khartoum, Sudan, across the Red Sea from here, by Palestine Arab guerrillas and brutally murdered. Similar tragedies have involved career diplomats in Brazil and Guatemala.

In the United States where equality of opportunity has always been stressed—as well as equality of hardship or danger in times of crisis—it would be useful to recall this philosophy in assigning overseas posts. There is no sense continuing even vestigial favoritism or amateurism—when not fully qualified by talent—at the expense of that industrious, courageous body of men, largely unknown, who serve us in a world from which we cannot isolate ourselves.

ELDERLY WANT INDEPENDENCE, AND THAT MEANS MONEY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. BROWN of California. Mr. Speaker, most often when we legislators discuss and vote on national issues, the plight of the elderly poor is somehow very much overlooked, obscured, or ignored. Our Nation has an extensive record of interest in the health of its citizens, but today, this concern is often either shelved behind other more popular issues or earmarked for a discussion of our present administration of social security benefit payments.

Whether we feel its urgency or not, the time has come for our society to recognize the changes that will accrue with the dramatic increase of our senior citizen population in this decade and the immediate ones to follow. Priorities must be rearranged not only to improve the administration and processing of social security benefit payments, but also to better the general social and personal well-being of this increasingly important segment of our population. Understanding, thoughtfulness, and creativity should be the cornerstones of our logic in meeting the need for adequate and direct assistance to the elderly poor. In this regard, I commend to the readership of my colleagues the following article from the San Bernardino Sun-Telegram, May 26, 1974:

ELDERLY WANT INDEPENDENCE, AND THAT MEANS MONEY

(By Rose Sold)

Money—that's the answer to the problems of the poor as the poor see it themselves.

Dr. Richard S. Sterne, former director of social research for the Citizens' Planning Council of Rochester, N.Y., found this out in a three-year (235-day) study of Rochester's urban elderly poor.

Dr. Sterne concluded that "poor people desire no organization and want few services. They want to be independent individuals, and the best way to help them, we think, is to give them more money and let them supply their own wants."

He charges that administrators of programs for the urban elderly poor appear to direct programs so as to impress superiors instead of meeting clients' needs.

"Service delivery in Model Cities-type areas is characterized as often being monopolistic and generally paternalistic. Moreover, social service agents often have a different conception of client wants than do the clients . . . Agencies should deliver to their clients what the clients really want . . . not what we think is good for them."

Dr. Sterne, who left Rochester in 1973 to become associate professor in urban studies and sociology at the University of Akron (Ohio), has reported his findings in a book "The Urban Elderly Poor," coauthored with Dr. Alvin Rabushka, associate professor of political science at the University of Rochester, and James E. Phillips, a research analyst in Rochester. While in Rochester, he taught at St. John Fisher College and was visiting professor at the State University at Genesee.

Dr. Sterne's study, funded by the Department of Health, Education and Welfare's Administration on Aging disclosed a distinct racial split among the aged poor. Elderly whites do not want to be involved with their black peers, while elderly blacks admire their white peers and would like to be able to work and socialize together, he found.

The white elderly poor in the central city are beset by fears, Dr. Sterne says. They believe it no longer safe to live there or walk the streets at night. They want more police foot patrols and a return to a neighborhood of earlier years.

A world crisis is facing mankind unless something is done now to plan for the phenomenal growth in its older population, the executive director of the American Association of Retired Persons-National Retired Teachers Association, (AARP–NRTA) said in Rochester, N.Y., recently.

Bernard Nash, who also heads the newly formed International Federation of Aging (IFA), an association of social scientists of 13 countries, said political and social concerns must be faced but "the critical factor is economic."

Nash said the population of persons over 60 will almost double in the next 11 years, to an estimated 407 million. By the end of the century, if the present trend continues and if medical science does nothing to increase the life span (which it claims possible) the number is expected to rise to 585 million.

He said the population profile is growing toward an inverted pyramid with older citizens at the broad top.

Nash said the older population in developing nations of Asia and Africa will increase by 156 per cent in the next 30 years. Our own older population will double in that period, he said.

"Who will support these people?" he asked.

On a seminar program with Nash was Cyril F. Brickfield, legislative counsel of the nearly seven million-member AARP–NRTA legislative counsel.

Brickfield, in an interview, forecast major revisions in the Social Security system by 1976.

He said Social Security benefit payments are failing to help the elderly keep pace with inflation because the payment base is too small. He said one proposed revision would provide for retirement income of 75 to 80 per cent of what the worker was making prior to retirement.

Brickfield said that undoubtedly general revenues will have to be used toward Social Security benefit payments and suggested that corporate income would have to be taxed. Nash said galloping worldwide inflation is a problem for all the aging. In the the United States, he said, the problem is compounded by the trend toward early retirements.

He pointed out that two recently-signed major labor contracts in private industry provide for the same "30 and out" features that military and civil service workers have.

Nash said that the IFA was formed as the result of concern among social scientists that international attention to the elderly has been focused on medicine and little on their social and personal well being. "Medicine is so far ahead of us it has us frightened," he said.

The group will hold its first meeting in Nairobi, Africa, in July, with speakers expected from "every part of the world" and delegates attending from all over, including "small villages of Africa." "It will be the world equivalent of the White House Conference on Aging," he said.

In pointiing up the change in the world's population, Nash pointed to these statistics:

During the Roman Empire, the life expectancy was 18 years; in 17th century Europe, it was 25 years.

In the United States in 1900, one out of 25 persons lived to be 65; today one in every 10 dies.

In India, until recently, parents thought it necessary to have six chilren to have two or three grow to adulthood. That's no longer necessary. Its population, now 560 million, is expected to reach one billion by the end of the century.

At the turn of the century, the United States had 3.3 million persons over 65; now there are 21.9 million. That number will double in the next 30 years.

TRIBUTE TO THE LATE SENATOR ERNEST GRUENING OF ALASKA

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 2, 1974

Mr. EVINS of Tennessee. Mr. Speaker, I was deepely shocked and saddened to learn recently of the sudden passing of former Senator Ernest Gruening of Alaska, and I want to take this means of paying a brief but sincere tribute to this brilliant, scholarly and dedicated public official.

Ernest Gruening was an outstanding Senator—Alaska's first Senator—and he had the highest professional standards of integrity and intellectual honesty. President Johnson once referred to Senator Gruening as "the noblest Roman of them all."

I recall that Senator Gruening called on me personally soliciting my support for Alaskan statehood, a cause he championed and strongly supported. During our visit he indicated his strong support for the Tennessee Valley Authority and he disclosed also that he was a great admirer of Cordell Hull of Tennessee.

As a matter of fact, in a recent letter to me he referred to Cordell Hull again and expressed the view that this great Secretary of State has not received the credit from historians that he deserved for his "good neighbor policy" and other notable achievements.

Senator Gruening during our visits also informed me that the resolution for Alaskan statehood was modeled after the Tennessee statehood plan resolution.

After the passage of the Alaska resolution, which I supported, Senator Gruening was elected as the first Senator from Alaska, certainly a fitting and appropriate honor and tribute by the people of that great State. His record of public service was outstanding—he served Alaska and the Nation faithfully and well.

Senator Gruening was an outstanding, perceptive, scholarly, informed legislator—his incisive mind cut through the extraneous and unimportant to the core of the issue at hand.

He was author of a book on public power, wrote his own autobiography and was a noble fighter for freedom.

We maintained our contact and our friendship over the years and I was always inspired after a visit with, or letter from Ernest Gruening—he was indeed "one of the noblest Romans of them all."

I want to take this means of conveying to Mrs. Gruening and other members of his family this expression of my deepest and most heartfelt sympathy in their loss and bereavement. My wife Ann joins me in these sentiments.

A LONG LOOK AT SOCIAL SECURITY

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. HANRAHAN. Mr. Speaker, there have been many complaints about the costs of social security benefits. Hopefully, a tax boost will not be necessary to cover the costs of these benefits. I wish to insert the following editorial from the Wall Street Journal for the interest and information of my colleagues:

A Long Look at the SSS

We read with interest last week's cover story in U.S. News and World Report on the Social Security System, which concludes that the system is in desperately poor financial condition. "The failure to reform Social Security, almost everyone agrees, could lead in the long run to disaster."

It is worse than that. USN&WR says that by 1990, even though a worker pays a maximum Social Security tax of $2,070.45, which has to be matched by his employer, the system will be paying out $20 billion more in benefits than it takes in that year. Unhappily, the assumptions cranked into these numbers are those of the Social Security Administration, numbers that are obsolete and ridiculously optimistic. Unless taxes are increased substantially, or benefits reduced substantially, deficits on the order of $20 billion could arrive by 1980, growing by leaps and bounds from there.

The most disheartening number, an official one, is provided by the Treasury Department. As of June 30, 1973, the unfunded liability of the system was $2.1 trillion. Another way of putting it is this: In a very real economic sense, the national debt is at least $2.1 trillion larger than the politicians say it is. If, as of June 30, 1973, the system had refused to accept new workers, saying it would only collect taxes and pay benefits to those already covered, its outlays over the next 75 years would exceed receipts by $2.1 trillion, plus market rates of interest compounded annually. In the last year, this number has grown by about $300 billion.

So far, Congress has blinked away this enormous pool of debt by passing a law that defines "actuarial soundness." Its reasoning is that the SSS would never close off to new work-force entrants, hence there would always be new workers to pay the benefits to the new recipients. By the congressional "dynamic assumptions" definition of actuarial soundness, the system is only in deficit by $62 billion, spread over the next 75 years.

As it happens, for the dynamic assumptions method to hold up the assumptions have to be as dynamic in reality as they were on the planning boards. They have not been. Working on the 1960 Census figures, the Social Security bureaucrats projected a 1964–1975 birth rate gradually declining from 21 per 1,000 to 20 per 1,000, then climbing again. Instead, the birth rate dropped like a stone throughout the period and now stands at around 15 per 1,000. The bureaucrats projected a growth in real wages over the period of 2.1% a year; between 1965 and 1973 real wage growth averaged 1.7%.

The errors imply much higher taxes are required to sustain benefit levels, and of course imply economic insanity if Congress continues to hike benefit levels. How much higher taxes? In their "Actuarial Audit of the Social Security System," Robert Kaplan of Carnegie-Mellon University and Roman Weil of the University of Chicago assert that realistic assumptions "imply taxes 50% to 75% higher than current levels." The SSS actuaries will not be able to avoid admitting some of this when they put out their new assumptions based on the 1970 Census. The

Kaplan-Weil argument is that the dynamics have worsened since 1970 and should be faced up to now.

What's to be done? The first thing is that the public has to be told, by the politicians, that it is not possible to maintain the current rate schedule and benefit level. One or both have to be adjusted. It is of vital importance that the public be told in that most of the work force is now counting on the purchasing power the current benefit levels yield for their retirement years.

Congress may cringe at the idea of trimming these benefit levels, but sharp tax boosts won't be popular either. Liberals will want to dip into the general fund to keep the system going a little longer, but within two or three years this method will be cleaning out the Treasury. All other "worthwhile" government programs will have to be chopped out to sustain Social Security. That, too, appears to be politically impossible. Indeed, there are no politically appealing ways to straighten out this mess. But the longer the nation waits to do it, the more it will hurt.

DR. KISSINGER, THE NEW MRS. VANDERBILT

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. GAYDOS. Mr. Speaker, there is not a person in this country to my knowledge who does not have the highest respect for Italy and the keenest sympathy for that nation in its present economic difficulties.

This is because Italy not only is a good friend and ally but also is the native land of the parents and grandparents of many of our finest citizens.

Having said this, I want to protest the false assurances given Italy by Secretary of State Henry Kissinger during his recent visit to Rome. He told the Italian leaders that we Americans stand ready to help Italy out of its inflation troubles.

The Associated Press, in a dispatch from Rome, quoted Dr. Kissinger as having said to President Giovanni Leone:

> We are following Italian events with sympathy and affection. You can count on the fact that in whatever moment Italy should find itself in difficulty, we will do everything possible to assure its stability and progress.

The first thing possible, the AP continued, would be a substantial U.S. loan. There have been persistent reports, the news agency explained, that Italy is seeking this and that it was the principal item on the agenda of Dr. Kissinger's talks in Rome.

Where, I might ask, would Dr. Kissinger get the money? Certainly, a loan big enough to bail out a country the size of Italy from an inflation situation running at the rate of 20 percent a year would be in the several billions. Have we Americans the resources to come up with it?

Dr. Kissinger surely is aware that our inflation rate has been in the double figures and that governmental borrowing now at high rates of interest is one major cause of our own dilemma. In order to help out Italy, it would be necessary for our government to borrow more, thus shooting up the interest rate here still further and sending our own inflation percentaage to a level at least close, if not equally, to that of Italy.

It is easy, of course, for a U.S. diplomat to speak overseas in bountiful terms. It assures a good reception, and, indeed, enables press conference claims of great success. But the fact that our diplomats have been doing this for the last quarter century, and then following through with gifts and loans of the money of our people, is the greatest reason why this country is in an economic bind today. Our Government has overextended itself.

Furthermore, it is unfair, in my opinion, for an inflation-threatened, debt-ridden nation such as ours to be holding out false hopes of aid to others. Efforts now are being made to hold down the new Federal budget to around the $300 billion mark—a level of spending that still would result in a deficit of $6 billion or more. There is also talk in administration circles of the need of higher taxes. Prices continue to climb throughout the economy. We are in no shape, therefore, to help anyone and, in fact, we could stand some sizable help ourselves.

Dr. Kissinger has been getting around in recent months, dropping promises here and raising hopes there, and the end result could be widespread disappointment among our supposed friends when it is found we cannot deliver. This is not right in my estimation and neither is it good either for our position in the world today or in the future.

The Secretary of State reminds me of a Mrs. Frederick Vanderbilt of a bygone era going among her needy Hyde Park neighbors and handing out gifts and promising help in their problems. Mrs. Vanderbilt was the "Lady Bountiful" of New York's Dutchess County while Dr. Kissinger has made the world his operating area. However, the difference is that Mrs. Vanderbilt actually had the money and Dr. Kissinger does not.

SENATE—*Thursday, July 18, 1974*

The Senate met at 11 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father God, Lord of history and of every day, in this hallowed moment when we shut the door upon the outer world with its tumult and shouting may we know ourselves for what we are—sinful, needy, wistful human beings claiming Thy redemption and renewal. And in this quiet mood may we also know Thee as Thou art—the transcendent, sovereign God of love and grace who rules all men and nations, ever ready to help those who call upon Thee in spirit and in truth. With Thy benediction upon us may we face the toil of this day with clear thinking, honest dealing, and the holy vision of a better world where all men are ruled with justice and truth.

In these fateful days when our frail hands and feeble judgments have a part in the shaping of the world that is to be, give us the wisdom to discern Thy will and the courage to do it. When the day is done measure our lives by the life of Thy Son who went about doing good and in whose name we pray. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, July 17, 1974, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. The nominations on the executive calendar will be stated.

NATIONAL RAILROAD PASSENGER CORPORATION

The second assistant legislative clerk read the nomination of Roger Lewis, of the District of Columbia, to be a member of the Board of Directors of the National Railroad Passenger Corporation.

Mr. WEICKER. Mr. President, I have recently removed my "hold" on the nomination of Mr. Roger Lewis to the Board of Directors of Amtrak.

I have been long concerned with the Federal Government's commitment to the national intercity rail passenger system. I have been particularly disturbed by the apparent lack of determination on the part of top management of Amtrak to provide vigorous leadership and to act forcefully to promote the progress of Amtrak.

On the basis of several meetings and certain correspondence with Mr. Lewis in recent weeks, I am now satisfied that Mr. Lewis has understood the message, that Amtrak must fight hard to strengthen the Federal commitment to rail passenger service, and particularly the concept and system of Amtrak. At this point, I can only hope that Mr. Lewis' professed determination to fully develop the Amtrak system will result in a vastly improved nationwide rail passenger system for the American public.

Mr. President, I ask unanimous consent that a letter from Mr. Roger Lewis to me, dated July 11, on the subject of the future of Amtrak, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 11, 1974.

DEAR LOWELL: Due in large part to the foresight of many members of Congress, Amtrak came into being in 1971 and set about the task of rebuilding the sorrowfully wasted transportation asset that rail passenger service had become. We now know in light of the profound effects of the energy crisis that to overcome the tremendous physical obstacles, and to provide the service that the public so desperately needs at this time, our work should have commenced not three years ago, but many years before that.

Perhaps our country's finest tradition is one of overcoming seemingly impossible obstacles with a combination of determined effort and cooperation. If the Senate should see fit to confirm my reappointment to the Amtrak Board you can rest assured that there will be no lack of determined effort either on my part or on the part of anyone else associated with the Company. That effort must, of course, be made in close conjunction with members of the legislative and executive branches of government, without whose cooperation and support neither I, nor any combination of Amtrak officials, can achieve the goal expressed in the Rail Passenger Service Act of 1970. Because it is so vital to maintain the level of these mutual efforts, I intend to provide vigorous leadership and to be especially active in opposing any governmental policy or development that threatens our continued progress.

I am proud of the work that the Company has done so far, but the challenge is now greater than ever. Amtrak, conceived originally as something of an experiment, now has become an enterprise that must not fail. I believe that I can do much to see that it does not fail, and with your help and the help of others, to assure that within the shortest possible period the American people once again will be afforded the level of comfort, convenience and reliability in rail passenger travel that our times demand.

Sincerely,

ROGER LEWIS,
President.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

Mr. PACKWOOD subsequently said: Mr. President, earlier this morning the Senate by voice vote confirmed the nomination of Mr. Roger Lewis as a member of the Board of Directors of the National Railroad Passenger Corporation.

This hurried decision was made in the absence of a number of opposing Senators, myself included. Had a rollcall been conducted, as many of us assumed would be the case, the outcome might have been very different.

While Roger Lewis may now be a member of the Board through parliamentary maneuver, I wish to advise the Directors of Amtrak that I am fervently opposed to Mr. Lewis' reelection as President of the Board.

To my mind, if we might generalize, there are two major problems which will continue to face Amtrak, and which have confronted Roger Lewis since 1971. The problems are: First, rail passenger accessibility to as many people and the widest area as possible; and second, efficient service. Accessibility and proficiency, these are the standards by which we must judge those who have been responsible for the development and maintenance of Amtrak. From this perspective I could not have voted for the nomination of Roger Lewis, and likewise, I expect the Board of Directors of Amtrak to recognize the inadvisability of elevating Lewis, again, to the presidency of the Board. I would like to provide some information as to why I am so firm in my opposition to Mr. Lewis.

I fully understand that when Congress took over the Nation's rail passenger service it was essential to operations to trim trunklines to the bone so as to insure efficient service. Routes which did not merit continued passenger service had to be cut out if we were to successfully revamp the system. But it was also my understanding that from time to time Amtrak would designate experimental routes, to be in effect 2 years to determine if some regions caught short by the initial route design in 1971 could indeed support services by Amtrak. Or, if for some reason the merits of an added route escaped the notice of Amtrak, the Corporation could be requested to conduct a study which would determine the estimate of losses, if any, which would be applicable if Amtrak were to commence rail passenger service between two points. After receipt of such information, and a decision by those States involved to underwrite two-thirds of any expected losses, such a route could be implemented.

Mr. President, with those assurances the Pacific Northwest Regional Council, composed of the States of Idaho, Oregon, and Washington, actively pursued the establishment of a route linking Portland, Oreg. with Ogden, Utah. Such a link would cut in half a more than 200,000-square mile void of service extending from western Oregon to eastern Wyoming. Without it, the bulk of the population of eastern Oregon and the entire State of Idaho has no access to Amtrak. The entire tier of Northern States from Washington to Wisconsin must connect in Chicago or Sacramento if they want to travel by rail to Denver. What could be a 350-mile trip is doubled twice again; of course, it would be senseless to embark on such a circuitous journey.

At least, Mr. President, this situation demands a feasibility study. However, instead of cooperation from Amtrak under Roger Lewis, the Pacific Northwest Regional Council has only met with frustration. A letter from Gov. Cecil D. Andrus, of Idaho, was unanswered for 2 months. Typically, the eventual response was less than an answer to important questions raised by the Governor and Mr. Jack Padrick, Federal Cochairman of the Pacific Northwest Regional Commission. The letter, received in the middle of April, cited a study "currently in progress." As of this morning the Regional Council reported nothing has been received from Amtrak and phone calls are still going unanswered. This situation is deplorable, and it must be remedied. I do not expect such cavalier treatment by any official of the Government to any citizen, but I am particularly upset by the disdainful treatment of Governor Andrus.

If Mr. Lewis' relations with his fellow public servants in trying to improve and expand Amtrak routes is any indication of what to expect with maintenance and operation of the trains themselves, again, we are in for another disappointment. Continually, trains are late and sorely in need of repairs. Money available to remedy this situation has been too frequently used for cosmetic frills.

What is lacking is direction—strong management from an Amtrak head who knows railroads, knows the problems, and can get at the answers. Mr. Lewis has, instead, served as a caretaker of a rail system which needs expert attention. He has presided over an increase in the number of rail passengers, but contributed little to it.

In an interview with Fortune magazine, Mr. Lewis in explaining his task as president of Amtrak said:

> I like to visualize myself as the leader of the orchestra. My idea is to make music out of pandemonium.

This country has yet to hear the sweet song of success from Amtrak it deserves. It is time for a new maestro, and I hope the Board of Directors for Amtrak will now vote accordingly.

FEDERAL ENERGY ADMINISTRATION

The second assistant legislative clerk read the nomination of Marmaduke Roberts Ligon, of Oklahoma, to be an Assistant Administrator of the Federal Energy Administration.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDENT pro tempore. The nomination will be passed over.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

The second assistant legislative clerk read the nomination of H. Mason Neeley, of the District of Columbia, to be a member of the Public Service Commission of the District of Columbia

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF STATE

The second assistant legislative clerk proceeded to read sundry nominations in the Department of State.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

COUNCIL ON INTERNATIONAL ECONOMIC POLICY

The second assistant legislative clerk read the nomination of William D. Eberle, of Connecticut, to be Executive Director of the Council on International Economic Policy.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia (Mr. Talmadge) is recognized for not to exceed 10 minutes.

ADMINISTRATION CREATES HAVOC IN TOBACCO COUNTRY

Mr. TALMADGE. Mr. President, I rise today to document once again how this administration has tinkered with the marketing system for agricultural products, creating disastrous economic conditions for our farmers.

On December 14 of last year, I wrote to Secretary Butz to express my strong opposition to a rumored increase in the flue-cured tobacco marketing quota for 1974.

I pointed out that any increase in the quota would have a disastrous effect on the pocketbooks of flue-cured tobacco farmers, and provided the USDA with a detailed economic analysis of what could occur.

Mr. President, I ask unanimous consent that my letter of December 14, 1973, be printed in the Record at this point in my remarks.

There being no objection, the letter was ordered to be printed in the Record, as follows:

December 14, 1973.

Hon. Earl L. Butz,
Secretary of Agriculture,
Department of Agriculture,
Washington, D.C.

Dear Mr. Secretary: It has come to my attention that some segments of the tobacco industry are advocating an increase in the flue-cured marketing quota for 1974. I believe that such action would be a grave mistake and inimical to the best interest of our tobacco farmers.

As you know, the marketing quota for 1974 was set in July at 1,179 million pounds, the same as 1973, and ten percent above 1972. And as I understand it, undermarketings in 1973 could add as much as 50 million additional pounds to the 1974 quota for an effective quota of approximately 1,229 million pounds. In addition, the law permits an excess of 10 percent of quotas to be marketed without penalty. This added to the effective allotment provides a possibility of marketings of 1,347 million pounds next year under the existing quota. A ten percent increase in quota would introduce an additional possibility of 118 million pounds of marketings in 1974 for a grand total of 1,465 million pounds to be available for 1974.

Inasmuch as total disappearance this year is now estimated at 1,190 million pounds, some 275 million pounds less than possible marketings next year, the urgency for an emergency increase in the marketing quota for flue-cured tobacco loses all of its validity.

But, more importantly, is the effect that marketings of this magnitude would have on prices received by farmers. Undoubtedly, prices would fall to support levels. This year preliminary estimates of average prices received by farmers were approximately 11.5 cents per pound above the national average support price, but only about three cents above that received in 1972.

This level of prices was necessary in order for farmers to compensate for some of the additional costs of production suffered in 1973. The Index of Production Items, Interest, Taxes, and Wage Rates jumped an astronomical 18 percent in November 1973, as compared to 1972, while prices received by farmers for tobacco in 1973 increased only three percent over 1972.

There is no indication that costs will abate. As a matter of fact, all indications are just the opposite. Fuel prices are skyrocketing as are fertilizer prices. Cost of machinery and equipment are increasing faster than farmers can figure.

Therefore, any increase in the quota would appear to have a disastrous effect on the solvency of flue-cured tobacco farmers to a loss position in 1974.

As a result of my study of this situation, Mr. Secretary, I have concluded that you should not even consider further the increase advocated by the trade. Please do not make such a mistake.

With every good wish, I am
Sincerely,
Herman E. Talmadge,
Chairman.

Mr. TALMADGE. Mr. President, despite my warning the Department of Agriculture put a notice in the Federal Register of December 26, 1973, that the Department was considering not only an increase, but the complete termination of the national marketing quotas and acreage allotment for flue-cured toabcco for the 1974–75 marketing year.

I again wrote to the USDA to express my strong objections. I pointed out that the USDA threat to terminate quotas altogether was only a knife held at the throat of farmers to force their acceptance of an increase in quotas. I deplored this type of blatant coercion.

Mr. President, I ask unanimous consent that my letter of January 9, 1974, be printed in the Record at this point in my remarks.

There being no objection, the letter was ordered to be printed in the Record, as follows:

January 9, 1974.

Mr. William L. Lanier,
Director, Tobacco and Peanut Division, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, Washington, D.C.

Dear Mr. Lanier: On December 14, 1973, I wrote to Secretary Butz to express my strong opposition to any increase in the flue-cured tobacco marketing quota for 1974. I pointed out that any increase in the quota would have a disastrous effect on the solvency of flue-cured tobacco farmers.

Therefore, I was shocked and amazed when there was published in the *Federal Register* of December 26, 1973, a notice that the United States Department of Agriculture is considering not only an increase, but the complete termination of the national marketing quota and acreage allotment for flue-cured tobacco for the 1974–75 marketing year.

This would be ruinous to the American tobacco farmers. As you know, the marketing quota for 1974–75 was set in July at 1,179 million pounds, the same as in 1973, and ten percent above 1972. This quota was based upon estimated utilization of 690 million pounds domestically, 455 million pounds for exports plus an upward adjustment in excess of requirements of 34 million pounds. The Register announcement indicates the Department now feels this insufficient to meet our needs.

But what are the facts? The latest information from the Department available to me indicates that needs for 1974–75 are now estimated at 695 million pounds for domestic use and 500 million pounds for exports, for a total of 1,195 million pounds. This is 1.4 percent above the original quota announced in July of 1973.

Now, what are the supply possibilities of flue-cured tobacco for 1974–75? The quota amounts to 1,179 million pounds. And as I understand it, the base quota plus 1973's net undermarketings gives an effective quota for 1974–75 of about 1,230 million pounds. In addition, the law permits an excess of 10 percent of quotas to be marketed without penalty. This added to the effective allotment provides a possibility of 1974–75 marketings of 1,348 million pounds. Furthermore, as of November 30, 1973, flue-cured tobacco under loan totaled about 323 million pounds. Therefore, the total supply available for marketings in 1974–75 appears to be about 1,671 million pounds. This is 476 million pounds or about 40 percent more than presently estimated requirements for 1974–75.

Therefore, the need for an increase in the allotment loses its validity. The threat to terminate quotas is revealed only as a knife held at the throat of farmers to force their acceptance of an increase in quotas. This is typical of other recent actions by the USDA affecting a number of other programs.

Furthermore, marketings of the magnitude that are possible under the existing quota would have a negative impact on prices received by farmers. Undoubtedly, prices would fall to support levels.

This year preliminary estimates of average prices received by farmers were approximately 11.5 cents per pound above the national average support price, but only about three cents above that received in 1972.

This level of prices was necessary in order for farmers to compensate for some of the additional costs of production suffered in 1973. The Index of Production Items, Interest, Taxes, and Wage Rates jumped an astronomical 18 percent in November, 1973, as compared to 1972, while prices received by farmers for tobacco in 1973 increased only three percent over 1972.

There is no indication that costs will abate. As a matter of fact, all indications are just the opposite. Fuel prices are skyrocketing, as are fertilizer prices. Costs of machinery and equipment are increasing faster than farmers can figure.

Therefore, any increase in the quota would have a detrimental effect on tobacco farmers and could severely disrupt the economy of such tobacco-producing areas as South Georgia. A termination of quota is unthinkable and the USDA threat to terminate must be rejected as the kind of blatant coercion that it is.

With every good wish, I am
Sincerely,
Herman E. Talmadge,
Chairman.

Mr. TALMADGE. Mr. President, incredibly, on January 14 of this year, Secretary Butz ignored my warning and increased the 1974 tobacco acreage allotment by 10 percent at the behest of the big tobacco companies.

However, since the Secretary had ignored my warnings and the economic analyses I had presented, I could do nothing but issue the strongest statement I had ever made against Secretary

Butz and his policies. These remarks seemed harsh at the time, but the prices that farmers are now receiving for their tobacco make them seem mild. My warnings of December and January have become a reality in July.

Mr. President, I ask unanimous consent that my statement of January 15, 1974, be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BUTZ STOMPS GEORGIA FARMERS TO AID MAJOR CORPORATE INTERESTS, TALMADGE SAYS

WASHINGTON.—Senator Herman E. Talmadge of Georgia, Chairman of the Committee on Agriculture and Forestry, lashed out at Agriculture Secretary Butz today for increasing the flue-cured tobacco allotment and thereby "poking holes in the pocket books of small farmers."

Butz announced the increase in the allotment late yesterday. Talmadge responded by predicting that the move could cut tobacco prices paid to farmers by more than five cents a pound in the face of drastically increasing production costs charged by the inflationary spiral. The Georgia Senator had written to USDA officials on December 14, 1973 and January 9, 1974, strongly objecting to any increase in flue-cured tobacco quotas.

Talmadge said the decision to increase the allotment was obviously made after Department of Agriculture officials met with large corporate tobacco buyers who requested the increased planting. "Tobacco farmers usually think that the buyers are trying to get their tobacco at depression-level prices, and in this case they are evidently correct."

As for Secretary Butz, the Senator said, "Dr. Butz likes to travel around the country portraying himself as the saviour of the American farmer, but in this instance, as with the continuing effort to gut the peanut program, he's leading the farmers in my State down the road to ruin. That's hardly the role you would expect of a saviour."

Talmadge pointed out that he had tried, and that the farmers had tried to get the Department of Agriculture to avoid making decisions on the peanut and tobacco programs which would cause economic hardship for family farmers, "But there is an innate hard-headedness in this Administration which transcends economic reason. Not since Sherman marched through Georgia have we witnessed such a brutal attack on our farm economy."

Talmadge recommended to farmers that at harvest time when the full force of these measures was felt in their bank accounts, they write to Butz and ask, "Why, Mr. Secretary" "Why?"

Mr. TALMADGE. Mr. President, my office has been swamped with telephone calls from irate farmers who see a year's work being sold for a pittance.

This administration, despite my early warnings, has taken it upon itself to reduce income to tobacco farmers at a time when fuel, fertilizer, herbicides, farm machinery, labor, and all other farm inputs are from 20 to 50 percent higher now than in 1973.

We have just gone through the exercise of pushing through emergency legislation to save the livestock industry because of bungling by this administration in tinkering with the beef marketing system.

The rhetoric of this administration on the economy is above reproach. But as former Attorney General Mitchell once said, "Watch what we do, not what we say." I have been watching all right—watching one grand foulup after another that has plunged this Nation into economic chaos.

Rhetoric is not enough. My tobacco farmers have had it with fine words and promises. They are paying in a very literal way for the mistakes made by Secretary Butz.

Now I call on the Secretary to bail himself out of this mess immediately, without the Congress having to go through the time-consuming process of doing it for him. Farmers are losing money right now—today.

The big tobacco corporations got the Secretary in this jam by getting him to increase acreage. Now let them get him out.

I urge the Secretary to call a national meeting of the big tobacco corporations so that he can ask them to pay tobacco farmers the prices they must have to survive.

The companies have done themselves no favors by cutting the heart out of the income of their suppliers.

After an investigation of possible collusion among buyers last year by the staff of the Committee on Agriculture and Forestry, I asked USDA to conduct a thorough investigation of its own.

The USDA coordinated this request with the Antitrust Division of the Justice Department which initiated a full-scale investigation. USDA is actively assisting the Antitrust Division in this effort and I have today asked that these investigations move into the tobacco warehouses now. I urge the Secretary to intensify these investigations of buyer collusion and bring them quickly to a head.

Farmers cannot withstand the onslaught of increased costs in the face of lower prices. They must be protected. Prices must improve immediately before the whole crop is lost.

QUORUM CALL

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TAFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 10 minutes, with statements therein limited to 2 minutes.

YEAR-ROUND DAYLIGHT SAVING TIME

Mr. TAFT. Mr. President, the Department of Transportation recently released its report on the effects and results of winter daylight saving time. The findings of the report are inconclusive, however, the report does recommend that the second year of year-round daylight saving time be amended to provide that during that year, the Nation observe DST for 8 months of the year and standard time for the remainder, from the last Sunday in October 1974 through the last Sunday in February 1975.

The report states that after the January 6, 1974 DST transition, the effects were so small that they could not in general be reliably separated from effects of other changes occurring at the time. These other changes included fuel availability constraints, speed limit reductions, Sunday gasoline station closings, and voluntary reductions in the use of lighting, heating, and unnecessary travel.

Year-round daylight saving time may have resulted in a flattening of the daily peakloads and a decrease on the order of 0.75 percent in electricity consumption for January and February. Savings of approximately 1 percent for March and April in fuel consumption for electricity production are inferred only from the experience of transitions to DST in previous years.

Savings of 1 percent of our electricity consumption translates into six-tenths of 1 percent of our daily consumption of 17 million barrels of oil per day. The report states that the predominant fuel saved is coal, but we are not short of coal. The estimated savings of oil, the commodity in shortest supply, is miniscule, 14,500 barrels a day.

The Department's report concludes that travel and gasoline use were down during January and February, but up on March and April. Analyses of heating fuel effects of year-round daylight saving time were inconclusive.

No significant effects on traffic safety can be attributed to winter daylight saving time, according to the report. The decline in motor vehicle fatalities in January through March, 1974, as compared to those months of 1973, are largely attributable to the lowering of speed limits and restrictions on the availability of gasoline. While there was an increase in schoolchildren fatalities during the hours of 6 a.m. to 9 a.m. in February 1974 versus February 1973, there was a decrease in fatalities occurring in the early evening hours.

Reports from 37 States and the District of Columbia indicate that school districts in 18 States advanced their school hours because of the problems of dark mornings.

In my State of Ohio, the Columbus Board of Education noted fears of parents whose children had to go to school in the darkness last winter. The board sent questionnaires to parents asking if a later school opening would be beneficial and helpful. The problems caused by dark mornings have been severe in Ohio. Working parents have schedule conflicts in driving their children to school, yet they do not want them to walk in the dark. Even in March, on the western side of the eastern standard time zone, where I live, people had to drive with lights on after 8:15 a.m. As a result, 66.4 percent of the schools indicated they would prefer a later starting time. However, the school board has not yet changed the schedule because it is waiting to see if the Congress will take action and repeal winter daylight saving time. The people in Ohio overwhelmingly reject winter DST.

Last March, the Senate had an opportunity to repeal winter DST in acting on my amendment to the minimum wage bill. The amendment, as modified, would have ended winter daylight saving time from the last Sunday in October until the last Sunday in April. The amendment was defeated in the Senate by the slim margin of 48 to 43.

One of the arguments against my proposal was that it might be thrown out in the House-Senate conference on the minimum wage legislation.

Another argument of the opposition was that we had no conclusive evidence on the effects of year-round daylight saving time, and should at least wait until the Department of Transportation report was available for study, before repealing our law. At that time, the chairman of the Commerce Committee promised hearings on the report "just as soon as it was available." It is now available and I believe we should go ahead with hearings as quickly as possible.

Well, the DOT report has been available since July 1, and it still does not give us any conclusive evidence on the effects of year-round daylight saving time. It does, however, recommend that winter DST be discontinued from the last Sunday in October through the last Sunday in February.

I have asked for hearings on the report soon, and I will ask again. My constituents will not be satisfied until the law is changed. The press reports of the DOT findings, or lack of them, have regenerated the mail on this subject from anxious parents and others who are affected adversely.

School starts early in September, and some few places in August. We must act now, if we are to act responsively and responsibly for our constituents on this problem.

I yield back the remainder of my time

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

S. 3700. A bill to provide for the establishment of the Clara Barton House National Historic Site in the State of Maryland, and for other purposes (Rept. No. 93–1020).

By Mr. ERVIN, from the Committee on the Judiciary, with amendments:

S. 754. A bill to give effect to the sixth amendment right to a speedy trial for persons charged with criminal offenses and to reduce the danger of recidivism by strengthening the supervision over persons released pending trial, and for other purposes (Rept. No. 93–1021).

By Mr. McGEE, from the Committee on Post Office and Civil Service, with an amendment:

H.R. 5094. An act to amend title 5, United States Code, to provide for the reclassification of positions of deputy U.S. marshal, and for other purposes (Rept. No. 93–1022).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. SCHWEIKER:

S. 3776. A bill to provide individuals serving as grand or petit jurors certain employment rights. Referred to the Committee on the Judiciary.

By Mr. CHURCH (for himself and Mr. McClure):

S. 3777. A bill to authorize the establishment of city of Rocks National Monument in the State of Idaho, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. MATHIAS:

S. 3778. A bill for the relief of Monica Ribandeneira. Referred to the Committee on the Judiciary.

By Mr. DOLE:

S. 3779. A bill to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans farm and business loan programs. Referred to the Committee on Veterans Affairs.

By Mr. BENTSEN:

S. 3780. A bill for the relief of Choi Soon Yung. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 3781. A bill to amend chapter 55 of title 10, United States Code, to provide maternity benefits to wives of certain former members of the uniformed services and to certain former female members. Referred to the Committee on Armed Services.

By Mr. JAVITS (for himself, Mr. Kennedy, Mr. Taft, Mr. Williams, Mr. Hathaway, Mr. Cranston, Mr. Pell, Mr. Beall, Mr. Hughes, Mr. Stafford, Mr. Schweiker, Mr. Randolph, Mr. Dominick, and Mr. Eagleton):

S. 3782. A bill to amend the Public Health Service Act to extend for one year the authorization of appropriations for Federal capital contributions into the student loan funds of health professions education schools. Ordered to be placed on the calendar.

By Mr. FULBRIGHT:

S. 3783. A bill to implement certain provisions of the International Convention on Fishing and Conservation of the Living Resources of the High Seas, and for other purposes. Referred to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BEALL:

S. 3781. A bill to amend chapter 55 of title 10, United States Code, to provide maternity benefits to wives of certain former members of the uniformed services and to certain former female members. Referred to the Committee on Armed Services.

Mr. BEALL. Mr. President, I send to the desk a bill to provide maternity benefits to the wives of certain former servicemen and to certain former servicewomen.

This legislation is prompted by a letter from the father of a former serviceman from Baltimore County who called to my attention this problem based on his son's experience, which more than any argument I could advance, makes the case for remedial action.

The constituent in his letter to me pointed out that his son was honorably discharged from the military on February 8, 1974, at the rank of sergeant, after 4 years of service in the U.S. Air Force.

During his period of service, the sergeant was married and at the time of his discharge his wife was pregnant. Upon leaving the military his armed services medical coverage, including the provisions for maternity care, was terminated. It is obvious that the sergeant would find it virtually impossible to purchase private insurance that would reasonably cover his wife's pregnancy. This is because premiums for health insurance are essentially based on the risk assumed by the insurer. For all practical purposes, the risk of hospitalization for a woman already pregnant is 100 percent.

Therefore, premiums would have to be based on the total cost of maternity care. The sergeant, of course, following his discharge could have purchased private insurance, but such private insurance policies would have included a provision excluding benefits for pregnancies existing prior to the commencement of the policy.

The lack of insurability in this case is often compounded by unemployment suffered by the veterans. Mr. President, I agree with the sergeant's father who said in his letter to me that—

> It seems inequitable to me that the Government would discharge a young man without continuing benefits for this situation. He is now unemployed with limited funds from his separation and unable to purchase the needed insurance. Is there something that he can do to obtain medical services for his wife and the soon-to-be-born baby?

Fortunately, since our correspondence, the sergeant has found employment. But even if an individual were to find immediate employment upon leaving the military, the loss of his maternity care insurance would work a significant financial hardship on the individual. In the case of the sergeant in question, the total cost for maternity care was $2,230. This particular case was not typical since some complications were involved, but the average cost is nevertheless substantial, $800.

Mr. President, I ask unanimous consent that the full text of the bill be included at the conclusion of my remarks.

I urge the Senate Armed Services Committee and the full Senate to give favorable consideration to this measure.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3781

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 55 of title 10, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 1089. Maternity care for pregnant wives of certain former members and for certain former female members

"(a) In any case in which the wife of a member of a uniformed service is pregnant at the time her husband is discharged or released from active duty under honorable conditions after having served on active duty for a period of more than 30 days, the Secretary of Defense shall provide such wife with health benefits in connection with that pregnancy under section 1076 or 1079 of this title, as appropriate.

"(b) In any case in which a member of a uniformed service is pregnant at the time of her discharge or release from active duty under honorable conditions after having served on active duty for a period of more than 30 days, the Secretary of Defense shall provide such former member with health benefits in connection with that pregnancy under section 1076 of this title."

(b) The table of sections at the beginning of chapter 55 of such title is amended by adding at the end thereof the following:

"1089. Maternity care for pregnant wives of certain former members and for certain former female members."

SEC. 2. No benefits shall be paid to any person for a period prior to the date of enactment of this Act by virtue the amendments made by the first section of this Act.

By Mr. SCHWEIKER:

S. 3776. A bill to provide individuals serving as grand or petit jurors certain employment rights. Referred to the Committee on the Judiciary.

Mr. SCHWEIKER. Mr. President, I am introducing legislation today to guarantee that every person serving on a jury in the United States will have the right to return to his or her prior employment when jury service is completed.

Everyone knows the sixth and seventh amendments to our Constitution guarantee the right to trial by jury. Few people realize, however, that the overwhelming majority of jurors risk discharge by their employers as soon as they accept jury duty, and the juror who is not permitted to return to his prior job does not have any legal remedy, under either State or Federal law.

Historically, this has not been such a critical problem, because the frequency and the duration of jury trials were relatively low and short, and most employers tolerated the brief absences caused by jury duty. Today, expanded procedural safeguards have resulted in increasingly prolonged trials, and the incidence of jury trials has sharply increased. Indeed, in the Federal courts alone, there were over 70,000 jury trials during the 10-year period ended in 1973, which means that theoretically more than 840,000 American citizens could have been dismissed from their employment, without redress, simply for accepting the constitutional responsibility to serve as Federal jurors.

This situation was called to my attention by James A. Villanova, an assistant U.S. attorney serving in Pittsburgh. Mr. Villanova sent me two newspaper clippings—which I ask unanimous consent be printed in the RECORD in full following my remarks—detailing how two Watergate grand jurors were fired outright, and two others requested to be relieved to protect their employment. In addition, two jurors in the Mitchell-Stans trial were discharged by their employers. These are only the most publicized examples of persons who have been economically penalized simply for trying to be good citizens. Mr. Villanova informs me that this problem is pervasive, and that it is consequently increasingly difficult to find jurors who are willing to serve.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHWEIKER. Mr. President, jury duty is vital to our system of government. The jury is an institution which not only protects the legal rights of litigants, but also puts into practice our commitment to "government by the people." Aside from voting and paying taxes, jury duty represents the most direct participation which many of our citizens ever have in a governmental function. If we permit the price of this civic participation to be loss of employment, we should not be surprised that citizens shirk involvement in Government, or that the public confidence in Government continues to decline.

My bill would extend to citizens drafted for jury service the same basic reemployment protection granted to citizens called to military service. It would apply to jurors serving on both State and Federal juries, including grand jurors and trial—petit—jurors alike. This bill has the following major provisions:

First, any employee—except a temporary worker—who applies for reemployment within 15 days after completion of jury duty must be rehired with his former seniority, status, and pay, provided he receives a certificate from the court verifying his service. In the event that some disability sustained during jury duty renders him unqualified for his former position, he must be restored to the nearest reasonable approximation of his previous job.

Second, my bill provides that any employee restored to his position shall be considered to have been on furlough or leave of absence during his jury service for purposes of insurance and other employment benefits, and that such employee cannot be discharged without cause for a 1-year period thereafter.

Third, original jurisdiction is created in the Federal district courts to grant money damages under this measure, regardless of the amount of controversy, and the district courts are required to give precedence to recovery actions filed under this bill.

Finally, the U.S. attorney is required to act as attorney for any person seeking relief under this measure, and no attorney fees or court costs may be charged.

Mr. President, I ask unanimous consent that the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3776

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 121 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1875. Employment rights

"(a) In the case of any individual who leaves a position (other than a temporary position) in the employ of any employer to perform jury service and who receives a certificate from the court verifying such service, and makes application, within fifteen days after he is relieved from such service, to be reemployed in such position—

"(1) if such position was in the employ of a private employer, such individual shall—

"(A) if still qualified to perform the duties of such position, be restored by such employer or his successor in interest to such position or to a position of like seniority, status, and pay; or

"(B) if not qualified to perform the duties of such position by reason of disability sustained during the period of any such service but qualified to perform the duties of any other position in the employ of such employer or his successor in interest, be restored by such employer or his successor in interest to such other position the duties of which he is qualified to perform as will provide him like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case;

unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so; or

"(2) if such position was in the employ of any State or political subdivision thereof, it is declared to be the sense of the Congress that such individual should—

"(A) if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority, status, and pay; or

"(B) if not qualified to perform the duties of such position by reason of disability sustained during the period of such service but qualified to perform the duties of any other position in the employ of the employer, be restored to such other position the duties of which he is qualified to perform as will provide him like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case.

"(b)(1) Any individual who is restored to a position in accordance with the provisions of paragraph (1) of subsection (a) of this section shall be considered as having been on furlough or leave of absence during his period of jury service, shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to establishing rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such individual entered upon jury service, and shall not be discharged from such position without cause within one year after such restoration.

"(2) It is declared to be the sense of the Congress that any individual who is restored to a position in accordance with the provisions of paragraph (1) of subsection (a) of this section should be so restored in such manner as to give such individual such status in his employment as he would have enjoyed if he had continued in such employment continuously from the time of his entering upon jury service until the time of his restoration to such employment.

"(c) In any case in which two or more individuals who are entitled to be restored to a position under the provisions of this section or of any other law relating to similar reemployment benefits left the same position in order to enter upon jury service, the individual who left such position first shall have the prior right to be restored thereto, without prejudice to the reemployment rights of any other individual to be restored.

"(d) For purposes of this section, the term 'jury service' includes service upon any grand or petit jury of the United States, the District of Columbia, or any territory or possession, or of any State or political subdivision thereof.".

(b) The analysis of such chapter 121 is amended by adding at the end thereof the following new item:

"1875. Employment rights.".

Sec. 2. (a) Chapter 85 of such title is amended by adding at the end thereof the following new section:

"§ 1364. Employment rights of jurors

"(a) The district courts shall have original jurisdiction, without regard to the amount in controversy, to require any private employer to comply with the provisions of section 1875 of this title and to award damages for any loss of wages or other benefits suffered by reason of such employer's action.

"(b) The district courts shall give precedence to civil actions brought under this section. Upon application of any individual claiming entitlement to the benefits of section 1875 of this title, the United States attorney for the district in which the employer charged with a violation of such section maintains a place of business shall, if reasonably satisfied that the individual making application is entitled to such benefits, appear and act as attorney for such individual in any action necessary to require such employer to comply with such section. No fees or court costs may be taxed against any individual bringing any action under such section. Only the employer shall be deemed a necessary party to any such action."

(b) The analysis of such chapter is amended by adding at the end thereof the following new item:

"1364. Employment rights of jurors.".

Exhibit 1

Watergate Duty Tough on Jurors—Two Quit To Save Business Interests; Two Others Lose Jobs

Washington.—Low pay and long hours have taken their toll on at least two of three grand juries investigating the Watergate break-in conspiracy.

Two persons have quit the jury to protect their businesses and two others have lost their jobs.

"BEGINNING TO DRAG"

The foreman of the official grand jury, which was empaneled nearly 19 months ago, says that jury is "beginning to drag" as the investigation wears on.

"Jury duty is usually Tuesday, Wednesday and Thursday so the heart is taken out of the business week," Julian G. Murphy, a Washington insurance salesman, said yesterday.

Murphy was one of two persons on the grand jury convened last August who asked to be relieved of his duties.

Chief Judge John J. Sirica granted Murphy's request along with that of Margaret Henry.

CITES "FATIGUE PROBLEM"

Murphy, 53, said he was suffering financially because the $20 per diem paid to the jurors did not make up for lost insurance business and he added "there is a fatigue problem, especially for the middle aged."

"You have to work nights and to go to the jury days," he said. "I had only three days vacation with my family."

The original grand jury was first called together in June 1972 and was expected to be in session only two months to deal with narcotics cases.

JURIES ADDED

But the Watergate break-in was discovered June 17, 1972, and the jurors have been pursuing the case ever since with the aid of two more recently installed juries. The two other grand juries have been empaneled since then.

"Most of them want to see this thing through, but it has been dragging on," foreman Vladimir N. Pregelj of the original jury said. "The jurors are sometimes beginning to drag.

"This (case) has been going on a long, long time and we'd like to get it over with as soon as possible."

The original jurors have met 98 separate days in the last 19 months, sometimes with little advance warning.

Pregelj said they "feel a sense of the seriousness and importance of the case and what we're doing," but their recent attempts to obtain more per diem pay brought to light some problems involved in shepherding the nation's no. 1 criminal case through the courts.

SOUGHT $25 PER DIEM

The jurors claimed they were entitled to $25 per diem instead of the normal $20.

Judge Sirica agreed, and asked that the increase for the 12 jurors involved be retroactive. The 11 other jurors are civil servants who receive full government pay but no per diem while on jury duty.

The administrative office of United States courts granted the increase, but would not make it retroactive. The jurors have asked the special Watergate prosecutor's office to intervene.

The two original jurors who need the money most are those who lost their jobs while on the jury.

"One woman was dismissed outright and the other was given so much harassment by her employer she was forced to resign," Pregelj said. He said both women are secretaries but he would not identify them or their former employers.

He said neither woman had been able to find another job.

"Imagine if you were an employer and someone asked for a job but said they couldn't work every day and sometimes would have to take two or three days a week off," Pregelj said. "Would you hire them?"

The women told Pregelj they were not qualified to receive unemployment compensation because their grand jury demands made them "unemployable."

Two Stans Jurymen Lose Jobs

New York.—Two of the jurors in the Mitchell-Stans trial have lost their jobs. The employers in each case say the firings were the result of staff cutbacks.

U.S. District Court Judge Lee P. Gagliardi, who presided at the trial in which former U.S. Attorney General John N. Mitchell and ex-Commerce Secretary Maurice H. Stans were acquitted, said he was looking into the situation.

Rolando DeTouche, 33, a provisional assistant engineer-technician in the New York City Department of Transportation, was told after the trial that he was one of 2,500 provisional city employes being laid off for economy reasons.

DeTouche, who held the job for five years, said he got the bad news when he asked for several days off to hold a family reunion after being sequestered for 10 weeks.

"I was told I could have plenty of time off from now on," DeTouche said. "I was stunned."

The other juror, Theresa Cavanna, an insurance clerk with the Maryland Casualty Co. for 13 years, said that when she returned to work Monday she was told that her job had been eliminated as part of a general cutback in staff.

By Mr. CHURCH (for himself and Mr. McClure):

S. 3777. A bill to authorize the establishment of City of Rocks National Monument in the State of Idaho, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. CHURCH. Mr. President, on behalf of my distinguished colleague from Idaho (Mr. McClure) and myself, I introduce for appropriate reference a bill to authorize the establishment of a City of Rocks National Monument in Idaho.

At the urging of many Idahoans, including especially those people who live in close proximity to the Silent City of Rocks, and those ranchers who graze their cattle in the area, I am happy to introduce this legislation which is also being submitted, today, by Idaho's Congressmen Orval Hansen and Steve Symms.

Of particular concern to local residents is the threat of vandalism and defacement to the rock formations themselves. Each passing year sees an increased flow of visitors to the area and ranchers have cited instances of interference with their grazing operations as a result of unregulated visits.

Presently designated a national historic landmark, the City of Rocks is located in south-central Idaho, just south of Burley, Idaho, on the headwaters of the Raft River. The City of Rocks National Monument would comprise approximately 32,000 acres of which no more than 3,000 acres would comprise a "core area," the principal portion of the monument area in which the unique rock formations are located. With national monument status the National Park Service can provide protection and interpretation of the area's unique geologic, scientific, historic, and scenic features.

The rocks form elaborate sculptures of deeply eroded granite spires, rims, and boulders—some of which have an estimated age of 2½ billion years. Geologists say this area has a remarkable record of faulting and folding, and they stress the importance of its study. The national park system, in which the national monument would be included, contains no other phenomena of eroded granite and genesis domes similar to those displayed here.

This spectacular area of monolithic outcroppings and overhangs attracted early man, and already one ancient campsite is under study by archeologists. It is anticipated that further sites will be discovered.

Two historic Shoshoni Indian winter villages are known to have existed nearby, and it is known that as recently as the 1900's Indians camped in the area.

But it is not just the geologic and archeologic values that makes the City of Rocks meritorious as a national monument. During the great westward migration of America, the City of Rocks became famous as a stopping place on the Oregon and California Trail. The City of Rocks afforded the emigrants passage around hazardous marshes on the upper Raft River, water, good campsites, and pasture for animals. It became a spot for rest, and travelers of the 1800's wrote their names on the strange formations, many of these rosters can be seen today.

Settlement of the area did not occur until the mid-1870's, at which time settlers had begun ranching and grazing cattle in the area. A log-cabin store was opened, and a school and church established on the north side of Almo Creek. Although some dry farm wheat has been grown in the past, the land is now generally used for pasture. Ranching is the primary occupation of the area and the proposed monument lands have served these ranching families for decades.

The authors of this bill intend that these grazing operations be allowed to continue subject only to those limitations consistent with the purposes of the monument. In discussing this proposal with many of the ranchers, I know their desire is to protect the area and to continue their grazing operations. We seek to attain these goals by calling for creation of a national monument while including specific provisions to protect grazing and to prevent the use of condemnation.

Mr. President, the bill I introduce today is a simple one. I want to reiterate that this proposal is merely a beginning, the final bill will be determined after public hearings and consideration in committee and then by both Houses of Congress. But, I do believe our proposal will provide the framework necessary to begin the task of creating a City of Rocks National Monument.

The Nation will soon celebrate its 200th birthday. For Idahoans, inclusion of this area in the national park system will be a fitting tribute to our national heritage.

I ask unanimous consent that the text of the bill appear at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3777

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to preserve for the benefit and enjoyment of present and future generations an area containing outstanding geological formations and unique historical values, including the passage of thousands of emigrating Americans pursuing expectations of new lives in the West, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to acquire lands and interests therein for the establishment of the City of Rocks National Monument.

(b) The City of Rocks National Monument shall comprise the lands generally depicted on the map entitled "———", Number "———" and dated ———, which shall be kept on file and available for public inspections in the office of the Director, National Park Service, Department of Interior, and in the office of the Assistant to the Regional Director of the Pacific Northwest Region, National Park Service, Boise, Idaho; Provided, however, that such area shall not exceed 32,000 acres. Within the boundaries of the national monument; said map shall also outline the boundaries of a "Core Area" which shall not exceed 3,000 acres.

(c) The Secretary shall establish the monument by publication of a notice to that effect in the "Federal Register" at such times as he determines that sufficient property to constitute an administerable unit has been acquired.

SEC. 2. (a) The Secretary is authorized to acquire by donation, purchase with donated or appropriated funds, exchange or bequest such lands, or interests therein, including scenic easements, which he determines are needed for the purposes of this Act.

(b) Notwithstanding any other provision of law, any Federal property located within the boundaries of the monument may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the purposes of this Act.

(c) Any land or interest in land owned by the State of Idaho or any of its political subdivisions may be acquired by exchange.

(d) In exercising the authority to acquire property by exchange, the Secretary may accept title to any non-Federal property, or interest therein, located within the monument; and notwithstanding any other provision of law, he may convey in exchange therefor any federally owned property within the State of Idaho which he classifies as suitable for exchange and which is under his administrative jurisdiction. The values of the properties so exchanged shall be approximately equal or, if they are not approximately equal, they shall be equalized by the payment of cash to the grantor or to the Secretary as the circumstances require.

SEC. 3. The grazing use of public land outside the Core Area but included within the boundaries of the City of Rocks National Monument shall, upon enactment of this Act, be deemed to be a use compatible with the purposes of such monument and the provisions of this Act.

SEC. 4. Pending establishment of the monument and thereafter, the Secretary shall administer property acquired pursuant to this Act in accordance with the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4), as amended and supplemented, and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–467), as amended.

SEC. 5. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

Mr. McCLURE. Mr. President, today I cosponsor a bill to provide for the establishment of the City of Rocks National Monument in the State of Idaho. The City of Rocks is an area in southern Idaho which combines outstanding geological formations and historical values against a background of exceptional scenic grandeur.

The Albion Mountain Range runs down through this area, and it has a geologic history that goes back more than 2½ billion years. The basic crystalline complex of the range was buried by tons of newer rocks which resulted in high temperatures and extreme pressures at great depths below the Earth's surface. As time passed, this overburden of new rocks was uplifted and finally after 10 miles of vertical uplift, the ancient rocks which formed the base of the mountain range were exposed by erosion. Some geologists claim that some of the ancient rocks originated far to the West and were moved to this area on thrust faults. And so, the area is one where great and interesting scientific debate abounds.

As a result of the erosion process, the unique monoliths of eroded granite were exposed, and it is this area that we know as the City of Rocks. Aside from the outstanding geologic history that the City of Rocks tells us, the area is also important for its "mantled gneiss domes." As its name implies, this is a structural uplift, or dome, generally covered by the foliated metamorphic rock called "gneiss." Throughout the world, gneiss domes usually form the exposed cores of any great mountain chain's hinterlands. Although many gneiss domes do exist, few are so easily seen and interpreted as those in the City of Rocks area.

And the City of Rocks also has historical values. Ancient people found there among these strange rock formations, some protection from a hostile environment. Archeologists believe that prehistoric people lived in the area of the City of Rocks, and there is one known ancient campsite to back that up. It is known that there were at least two large historic Shoshoni Indian winter villages and that as recently as the 1900's, Indians camped in the area.

But the most important historical value of the City of Rocks is the role it played in the great westward migration during the 1800's. The movement of thousands of emigrants across plains and mountains to the Far West was a dramatic event unduplicated in our history. The tenacity, bravery, and energy of those pioneers is legendary in the annals of American achievement. During the 19th century, the picturesque City of Rocks was the junction of a number of transportation routes where thousands of these emigrating Americans paused while pursuing their hopes and expectations for a new life in the West. The westward migration and each ensuing frontier settlement born out of this far-flung frontier movement have provided this Nation with a unique heritage of dynamic struggle in colonizing a continent—and the City of Rocks was instrumental in that movement.

The overland migrations were composed of three significant population movements: the optimistic pioneer farmers moving into the fertile valleys of California and Oregon; the persevering Mormons, searching for an area where they might live in peace; and the hordes of Forty-Niners heading West with visions of quick and easy wealth. Thus, the westward migration of Americans resulted from a combination of circumstances and motives. But beneath it all was a desire to improve their prospects for the good life whether expressed in terms of land or gold or simply the freedom to pursue happiness.

The longest, most significant and most heavily traveled route of overland migration during the 19th century was that known as the "Oregon Trail." It was the sole artery of overland travel to Oregon and later became the most important access route to the California Gold Rush of 1849. And the early pioneers were constantly searching for new travel routes in order to avoid such menacing barriers as the Salt Desert and the Great Salt Lake. The City of Rocks, sometimes called the "Silent City of Rocks," owes much of its prominence to the proximity of these everchanging historic routes. The first practicable route to California, going north of the Great Salt Lake, passed directly through the City of Rocks area.

During the earlier years, this route was spoken of as the "California Trail." But after 1846, it was sometimes referred to as the "Applegate Trail" due to its use by Oregon-bound emigrants who wished to enter the Willamette Valley from the South. In this instance, it served as an alternate route to the Oregon Trail.

In 1848, a new connection to the California trail was established from the Mormon settlement at Salt Lake to a junction with the orginal California trail. This new connection went just south of the Twin Sisters in Emigrant Canyon in the City of Rocks. This route later became the main emigrant thoroughfare and was known as the Salt Lake Cutoff.

The City of Rocks area provided emigrants with a passage around the hazardous marshes of the upper Raft River, good campsites, plenty of water, and pasturage for their animals. Their arrival at City of Rocks was usually an occasion for a rest and an interesting respite from the arduous journey. As they climbed over the unusual rock formations of eroded granite, many of these rocks became covered with the names of those who passed by on the trail. I can well imagine that the members of the wagon trains not only added their names to the roster, but searched the rocks for the names of relatives and friends who had preceded them westward.

To the emigrant, the City of Rocks was the portal to a new and unpleasant adventure, a change from the comparatively easy pull through the Platte and Snake River Basins to the arid, danger-ridden Great Basin. City of Rocks, with its rugged skyline, portended rough passage through Granite Pass ahead and a descent to hardship in the bleak Humboldt Valley beyond. Here, at City of Rocks, amidst the apprehensive view, was a chance for forage, rest, and merriment before embarking on a new regime of travel. City of Rocks, too, was a relief from past boredom of travel, a place for wonderment among the granite pinnacles, such a contrast from the easterly plains.

It is not difficult to imagine the emigrants' hardships as they crossed southern Idaho en route to Oregon and California some 120 years ago. Mute evidence of their crossing still remains—worn rock ledges and old junipers that bear scars of the ropes and handmade chains used to help loaded wagons down steep grades, the ruts of the wagon wheels, handmade oxshoes, horseshoes, and lengths of chain and various pieces of metal rusting in dry washes and on sagebrush flats.

And so we have an area which is nothing less than an epilog of people, land, and events. The beautiful and unusual geological formations as well as the historical values of City of Rocks are superlative. In addition, there is an abundance of interesting plants and animals in the area. The delicately balanced blending that characterizes this area's collective resources—natural, historical, cultural, and scientific—ascribe a special significance and appeal to the area. And I think that these resources must be preserved in some manner.

The City of Rocks was designated a national historic landmark in 1963 and a national natural landmark in 1974. The national park system contains no other phenomena of eroded granite and gneiss domes similar to those displayed in the City of Rocks area, and nowhere in the entire system is there emphasis on the California trail and the people who used it. It is for these reasons as well as the desire to preserve the area that I cosponsor this bill today.

By Mr. DOLE:

S. 3779. A bill to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans farm and business loan programs. (Referred to the Committee on Veterans Affairs.)

VA FARM AND BUSINESS LOANS FOR VIETNAM VETERANS

Mr. DOLE. Mr. President, I am introducing a bill today to make Vietnam veterans eligible for the VA business loan program and to raise the lending levels under the VA business and farm loan programs to a meaningful level. VA loan guarantees would be increased to $100,000 for farm loans and $219,000 for business loans.

The purpose of this bill is to help those Vietnam-era veterans in Kansas and other States who are trying to start their own businesses or farms. World War II veterans received VA assistance in getting started in their own businesses. Many of us here benefited from these loan programs. I challenge any member of the Senate or anyone else to explain to me why Vietnam veterans earned an equivalent award any less than veterans of World War II or any other war.

ASSISTANCE NEEDED MORE THAN EVER

The difficulty of veterans getting started in farming and business these days is even greater now than it was 25 years ago. Veterans need realistic farm and business loan programs even more now than we did in the earlier era.

The difficulties of a young veteran trying to get started in farming are especially acute. In trying to buy farmland, he faces prices that rose 13 percent in fiscal year 1973 and 25 percent in fiscal year 1974. Farm real estate values are expected to rise another 15 percent during 1975. And these figures are on a nationwide average. Farm landprices have risen even more sharply in Kansas and other major agriculture States. For example, land which sold at $200 an acre in 1971 or 1972 is now selling for $500 to $1,000 per acre. In an area where a young farmer normally needs at least 160 acres or more to make a living, as in Kansas, the size of the investment is tremendous.

FARM EXPENSES SOARING

And the cost of farm real estate is only part of the problem. Agricultural expenses have doubled and even tripled in the past year or so. Fertilizer prices are two or three times as high as last year, and in some cases of imported or "blackmarket" fertilizer, the prices are six or seven times as high as last year. The price of fuel has nearly doubled. The cost of equipment has also risen sharply.

All of these increased expenditures make it harder for a young farmer to get started, and veterans interested in farming are generally young men facing these difficulties.

This country needs young farmers perhaps more than ever in its history. With the tremendous migration of our population from rural to urban areas, we have seen a trend where a large number of our farmers are approaching retirement age. Because of the expense and difficulty of the agriculture business, many young men choose an urban job and a steady income instead of the continual risk involved in farming.

At the same time, we are seeing a trend where food is increasingly becoming the No. 1 issue in the world. The food production requirements placed on American farmers have increased sharply in the past 2 years and are expected to continue to increase in the future. This is why we need more young farmers.

Veterans going into farming, by and large, would be young farmers. They would help insure a continuity of expertise in our agriculture industries.

LOAN LEVEL GROSSLY INADEQUATE

Mr. President, we see that the level of loan garantees provided under the VA farm loan program is totally inadequate. A maximum limit of $4,000 on real estate and $2,000 on non-real estate loans is reminiscent of an era 25 years ago.

As I have already outlined, the cost of getting started in agriculture is many, many times this amount. Agriculture is one of the most capital-intensive industries and a loan limitation of $100,000, as my bill provides, is hardly excessive. This is the lending level of Farmers Home Administration, and I certainly believe that veterans should be eligible for the same level of assistance as other young men.

SIMILAR CONDITIONS IN BUSINESS

Mr. President, the situation of a young man trying to start his own business is similar to that of a young farmer. The expenses of real estate and property have skyrocketed.

In order to be competitive in today's industry, the small independent businessman must be able to operate on a size and efficiency adequate to enable him to be competitive. The young veteran trying to get started in his own enterprise faces a tremendous problem.

We see that the Vietnam-era veteran is not even eligible for the VA business loan guarantees. My bill corrects this situation by making Vietnam-era veterans eligible for the program.

In addition, in a manner parallel to the farm loan program, we see that the level of VA business loan guarantees is still about a quarter of a century behind the times. The maximum loan limit of $10,000 is hardly adequate to get anyone started in business. My bill raises the loan limit to a level equivalent to that of the Small Business Administration. This limit, $219,000, will hopefully enable more young veterans to establish their own independent commercial operations.

Mr. President, the Senate is presently working on an improved veterans education bill. I support these efforts and have taken a leading role in getting veterans education legislation introduced. However, not all veterans are attending school and these men need assistance just as other veterans do. In any event, all veterans who are trying to get established in their own business enterprises need assistance.

In my opinion, this bill is greatly needed and is long overdue. I urge every Senator to support this measure.

Mr. President, I ask unanimous consent that the text of the bill be inserted at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

UMI

S. 3779

A bill to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veteran farm and business loan programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection 1803(b) of title 38, United States Code, is amended by deleting the first sentence thereof.

SEC. 2. Subsection 1812(b)(4) of title 38, United States Code, is amended by striking out the period at the end of the sentence and inserting in lieu thereof the following: ", or $100,000, whichever is the lesser."

SEC. 3. Subsection 1813(b)(4) of title 38, United States Code, is amended by striking out the period at the end of the sentence and inserting in lieu thereof the following: ", or $219,000, whichever is the lesser."

SEC. 4. Section 1818 of title 38, United States Code, is amended as follows:

(a) Subsection (a) is amended by deleting "(except sections 1813 and 1815, and business loans under section 1814, of this title)" and inserting in lieu thereof "(except section 1815 and business loans under section 1814 of this title)"; and

(b) Subsection (c) is amended by deleting "sections 1813 and 1815, and business loans under section 1814 of this title" and inserting in lieu thereof "section 1815 and business loans under section 1814 of this title."

By Mr. JAVITS (for himself, Mr. KENNEDY, Mr. TAFT, Mr. WILLIAMS, Mr. HATHAWAY, Mr. CRANSTON, Mr. PELL, Mr. BEALL, Mr. HUGHES, Mr. STAFFORD, Mr. SCHWEIKER, Mr. RANDOLPH, Mr. DOMINICK, and Mr. EAGLETON):

S. 3782. A bill to amend the Public Health Service Act to extend for 1 year the authorization of appropriations for Federal capital contributions into the student loan funds of health professions education schools. Ordered to be placed on the calendar.

THE EMERGENCY HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT

Mr. JAVITS. Mr. President, I am going to present a bill which, for reasons of its being a very serious emergency, I am going to ask unanimous consent to go right on the calendar, although I will not call it up today, but explain it in great detail so Members will have until, say, next Tuesday to look at it carefully.

The bill is sponsored by 12 of the, I think it is, 16 or 17, whatever is our total number, of the members of the Committee on Labor and Public Welfare.

Mr. President, on behalf of myself and Senator KENNEDY and of Senators TAFT, WILLIAMS, HATHAWAY, CRANSTON, PELL, BEALL, HUGHES, STAFFORD, SCHWEIKER, RANDOLPH, DOMINICK, and EAGLETON, I am introducing today the "Emergency Health Professions Educational Assistance Act" (S. 3782), and a companion measure is being introduced in the House of Representatives by the distinguished chairman of the Public Health and Environment Subcommittee, Representative PAUL G. ROGERS of Florida.

Our bill is an emergency measure which would authorize the extension of the present Health Professions and Nursing Loan Programs for 1 year at the fiscal year 1974 authorization levels of $60,000,000 and $35,000,000 respectively. Without such legislation thousands of nursing and medical students just beginning their education will be denied the opportunity to receive financial assistance and many may be compelled to drop out. First year students are not eligible for such financial assistance without the provisions of this bill.

Mr. President, I intend in a moment to ask unanimous consent that this bill be placed on the calendar, but I do not do so now.

Under the terms of the continuing resolution House Joint Resolution 1062, "activities for 'Health Resources' as set forth in the 1975 budget" shall receive "such amounts as may be necessary for continuing projects or activities—not otherwise provided for in this joint resolution or other enacted Appropriation Acts for the fiscal year 1975—which were conducted in the fiscal year 1974 and are listed in this subsection at a rate for operations not in excess of the current rate or the rate provided for in the budget estimate, whichever is lower, and under the more restrictive authority . . ."

The loan program provisions of the Public Health Service Act with respect to these loans authorize funds to enable the Government to honor its commitment of loans to previous recipients, and the administration intends to fund only those students who received loans last year. The administration only requested phase-out money in the fiscal year 1975 budget for health loan programs but has requested no new student loan program funds, as indicated by the following appropriations chart:

[In millions of dollars]

	Fiscal year—		
	1973	1974	1975 (budget estimate)
Health professions loans	36	36M	30
Nursing loans	24	[1] 24	18

[1] Cut 5 percent to $22,800,000.

The enactment of this authorizing legislation will enable an appropriation to be provided by the Senate in the 1975 Labor/HEW appropriations bill. Also it may enable schools to spend even a reduced appropriation for all classes and so some funds might be available to the beginning classes. The schools might be able to use the funds more flexibly.

While the Senate and House Committees are currently working on the development of health manpower legislation which would revise the expired loan programs, it is now apparent that action cannot be completed in time to provide support to this year's entering class of nurses, physicians, dentists, osteopaths, pharmacists, veterinarians, optometrists, and podiatrists.

Over one-half of the entering classes in medical school—14,500 students—will require loans and over one-half of the loans to be made would have come from the health professions loan program; 96,000 nursing students enter school this year and approximately 20 percent—19,200—were expected to receive the special nursing student loans in addition to the other grants and loans for which they, as undergraduate students, qualify.

Without this emergency legislation the loan fund cannot be utilized except on behalf of those students who had previously received loans. In view of the late date other financial aid funds for entering students are already allocated on the expectation that health loan funds would have been available. This is truly a national problem affecting students in institutions throughout the country.

Mr. President, the bill, as I say, is sponsored by the overwhelming majority of the members of the Committee on Labor and Public Welfare, and a companion measure is being introduced in the House of Representatives for the very same reason, that it is an emergency.

What we are trying to do is see that those who go to nursing and medical schools, the first-year students, may be able to have their student loans at the opening of the fall session.

What has happened is that the authorization has expired as of June 30. 1974, which would accommodate loans to these first-year students. The administration does not desire to make loans to first-year students, and hence has simply allowed the law to lapse without seeking renewal, because it simply wants to continue loans to students already in the medical schools and the nursing schools. So that is the key issue.

To understand the impact of this cutoff of funds more completely, I ask unanimous consent that the full text of a report entitled "The Impact of the Health Professions Loan Programs on Selected Medical Students at Private Universities" from John C. Crowley, assistant executive secretary of the Association of American Universities be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE IMPACT OF THE HEALTH PROFESSIONS LOAN PROGRAMS ON FIRST YEAR MEDICAL STUDENTS AT SELECTED PRIVATE UNIVERSITIES

COLUMBIA UNIVERSITY

Medical School: The total student enrollment in 1973–74 was 580, of whom 147 were 1st year students. Minority students constitute 12.5% (72) of the total enrollment. Minority enrollment has continued to increase at a rate of 1.7% compounded annually. Sixty percent of the total student body receive some financial assistance, 90% of minority students receive assistance.

Total student body financial aid from all sources in 1973–74 was $1,740,000. Of this $850,000 was in the form of scholarships and grants and $890,000 was provided in the form of loans. A total of 515 loans were granted, of which 225 (43.7%) were health professions loans totaling almost $300,000.

In the words of medical school financial administrators the health professions loan program is "very critical, we could not survive" without it. The Columbia University medical school is "committed to the enrollment of the best qualified students; without these loans the medical school could not continue to live up to its commitment and obligation to provide high quality medical education to the best qualified students."

School of Dentistry: In the dental school 55% of the student body requires financial assistance. Private scholarship resources compared to the medical school are modest. Therefore 75% of the available aid is in the form of loans. Approximately ⅓ of the total loans granted are health professions loans.

Thus dental students are highly, dependent upon them.

Trend: The financial aid officer at the Medical School of Columbia University reports that the growth rate in total financial aid provided over a seven-year period (1967–74), as a result of the steady increase in the cost of education to the medical student, is 9% compounded annually. During this period the number of students requiring financial aid has increased at a rate of 5.1% compounded annually. The total student population, has increased 3.5% annually. Therefore the aggregate financial aid requirements between 1967–1974 increased at a rate of 19.5% compounded annually. In this setting the Health Profession Loans provide a vital financial assistance service.

HARVARD UNIVERSITY

The Health Professions loan fund at the Harvard Medical School constitute approximately ¼ of the total loans made to students. Approximately $325,000 is awarded annually in Health Professions loans.

Of a total 1st year class in 1973–74 of 165 students, 115 received financial aid. Of these, thirty-four students each received a health professions loan of $1,500. Three students received $1,000 each. Although the annual individual loan limit under the program is $3,500, the maximum health professions loan per student for first-year students was restricted to $1,500, or less, to avoid an inequitable distribution of these scarce loan funds among the total student body. Advance students received a maximum loan of $2,000, down from $2,500 the year before.

If health professions loans are further reduced the repayments received by the medical school would probably have to be distributed inequitably among the four classes in order to provide health professions loans to the most needy first-year students. In effect this would mean a thinning-out of the program, as approximately 45 needy upper class students would have their health professions loans restricted.

These students frequently come from disadvantaged and minority families. The Financial Aid Officers at the Harvard Medical School stressed that although other loan funds might be available, they would be available only at substantially higher interest rates and without the valuable deferment and service cancellation provisions of the health professions loans.

The health professions loans have been an incentive for minority and disadvantaged students to enter the health professions. The overriding concern of financial aid administrators at all the medical schools contacted, including the Harvard Medical School, was that the upward trend toward greater enrollments of minority and disadvantaged students would be seriously slowed, or even reversed, if the federal commitment to provide low cost loans to medical students is ended.

UNIVERSITY OF IOWA

Medical School: In the fall of 1974, the medical school of the University of Iowa will enroll an estimated 671 students, of whom 238 (35.5%) will be advanced students eligible for the health professions loan program. A first-year class of 181 students is projected, including 83 students eligible for these loans. The 238 continuing students would be eligible for a total of $272,559 in loans, and first-year students would need an estimated $95,450, for a total health profession loan need of $368,009.

The medical school expects to enroll 26 minority students, all of whom would participate in the health profession loan program. The Financial Aid Office of the University reports that no private resources are available to provide needy students with such long term loans. Medical students, therefore are highly dependent upon the health profession loan program.

Dental School: The anticipated total 1974 fall enrollment is 338 students. Of these 115 advanced students are eligible for a total of $283,354 in health professions loans. Of the first-year class, 42 students are eligible for a total of $102,900 in loans. Therefore 157 dental students at the University of Iowa are eligible this fall for a total of $386,254 in health professions loans.

In just these two schools at the University of Iowa needy students will be eligible for health professions loans in excess of $750,000. First-year students will the eligible for almost $200,000 in loans. The program, therefore, is of vital interest to the medical students of the University of Iowa.

NEW YORK UNIVERSITY

Medical School: In 1973–74, 191 students (31.2%) of a total enrollment of 612 received health professions loans totaling $259,920. Of these 191 students, 47 (24.6%) were first-year students.

School of Dentistry: In 1973–74 23.5% (169) of the total school enrollment of 720 students financed their medical education in part with health professions loans. Of the 169 students participating in the health professions loan program 61 (36.1%) were first-year students. The total amount borrowed by dental students was $196,045.

The health professions loan program is centrally important to the student assistance program for medical and dental students at New York University.

STANFORD UNIVERSITY

In academic year 1973–74 109 students (29%) of a total enrollment of 370 in the medical school borrowed a total of $132,613 in health profession loans. Of these 109 students 26 were first-year students. This loan fund is the largest loan fund of the Stanford Medical School and is, therefore, crucial to their aid program.

Until the authorization for health professions loans is passed, the medical school is not assigning any loans to its incoming class. Of the 86 incoming students this fall, however, it is estimated that 30 students would qualify for these loans. If first-year and advanced medical students can not obtain a health profession loan they would be forced to borrow very high cost loans, such as an AMA loan which has an interest rate calculated at the total of the current prime rate *plus* two percent—a very high rate in today's money market!

Low income students are the most frequent borrowers under the program, and, therefore, the group of students least able to cope with this financial burden would be hardest hit. The total 9-month budgeted cost to the student at the medical school is $6,540, including $3,570 for tuition. The health professions loan program is vital to the needy student in meeting this very substantial cost of professional education.

UNIVERSITY OF PENNSYLVANIA

School	Total enrollment, 1973–74	Total health professions loans		First-year loans	
		Number	Amount	Number	Amount
Medicine	603	233	$307,000	70	$103,000
Dentistry	580	237	247,000	67	64,850
Veterinary	372	134	209,000	40	75,000
Nursing	216	64	47,000	(1)	(1)

[1] Not available.

The Student Financial Aid Office of the University of Pennsylvania prepared the data shown above. The office concludes that without the health professions loan fund many students would be unable to meet the high costs of a medical education.

To illustrate, a first-year student in the School of Dentistry in academic year 1974–75 will require $8,750 to meet the total costs incurred during the 9-month academic year. This amount includes $3,710 tuition and fees and $2,250 for books and instruments. Needy students already are required to borrow the maximum available guaranteed student loan before additional aid is provided. If a student with full need borrows $2,500 under the G.S.L. program his remaining need will be between $5,550 and $6,250 depending upon the amount saved from summer earnings. Without a health professions loan existing resources could not fill that aid gap, and that student may be denied access to the School of Dentistry. The University does not have sufficient private resources to assume the financial burden of meeting the aid requirements of all needy students now served by the health professions loan program, which even at current levels is inadequate to meet the needs of students. A further reduction would place unprecedented burdens on both students and their schools.

Mr. JAVITS. Mr. President, I also ask unanimous consent to have printed in the RECORD a list of the members of that association.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ASSOCIATION OF AMERICAN UNIVERSITIES—MEMBERSHIP

Brown University, Providence, R.I. 02912.
California Institute of Technology, Pasadena, Calif. 91109.
University of California, Berkeley, Calif. 94720.
Case Western Reserve University, Cleveland, Ohio 44106.
Catholic University of America, Washington, D.C. 20017
University of Chicago, Chicago, Ill. 60637.
Clark University, Worcester, Mass. 01610.
University of Colorado, Boulder, Col. 80302
Columbia University, New York, N.Y. 10027.
Cornell University, Ithaca, N.Y. 14850.
Duke University, Durham, N.C. 27705.
Harvard University, Cambridge, Mass. 02138.
University of Illinois, Urbana, Ill. 61801.
Indiana University, Bloomington, Ind. 47405.
Iowa State University, Ames, Ia. 50010.
University of Iowa, Iowa City, Ia. 52240.
The Johns Hopkins University, Baltimore, Md. 21218.
University of Kansas, Lawrence, Kan. 66044.
University of Maryland, College Park, Md. 20742.
Massachusetts Institute of Technology, Cambridge, Mass. 02139.
McGill University, Montreal, Quebec, Canada.
Michigan State University, East Lansing, Mich. 48824.
University of Michigan, Ann Arbor, Mich. 48104.
University of Minnesota, Minneapolis, Minn. 55455.
University of Missouri, Columbia, Mo. 65202.
University of Nebraska, Lincoln, Nebr. 68508.
New York University, New York, N.Y. 10003.
University of North Carolina, Chapel Hill, N.C. 27514.
Northwestern University, Evanston, Ill. 60201.
Ohio State University, Columbus, Ohio 43210
University of Oregon, Eugene, Oreg. 97403.
Pennsylvania State University, University Park, Pa. 16802.
University of Pennsylvania, Philadelphia, Penn. 19104.
Princeton University, Princeton, N.J. 08540.
Purdue University, Lafayette, Ind. 47907.
University of Rochester, Rochester, N.Y. 14627.

University of Southern California, Los Angeles, Calif. 90007.

Stanford University, Stanford, Calif. 94305.

Syracuse University, Syracuse, N.Y. 13210.

University of Texas, Austin, Tex. 78712.

University of Toronto, Toronto, Ontario, Canada.

Tulane University, New Orleans, La. 70118.

Vanderbilt University, Nashville, Tenn. 37203.

University of Virginia, Charlottesville, Va. 22903.

University of Washington, Seattle, Wash. 98105.

Washington University, St. Louis, Mo. 63130.

University of Wisconsin, Madison, Wis. 53706.

Yale University, New Haven, Conn. 06520.

Mr. JAVITS. Mr. President, we have, for insertion in the RECORD, an analysis of the situation of a large number of private universities and at various medical schools, including Columbia, Harvard, the University of Iowa, New York University, Stanford in California, and the University of Pennsylvania, by way of illustration from those institutions as to what it means to their first-year classes.

A brief review of the students' situations on several campuses and in different programs of study across the Nation—exclusive of information according to the financial aid director for all 72 State University of New York institutions, that the decision to cut off health professions and nursing student loans will affect over 1,800 State university students in the health field—indicates:

At State University of New York/Upstate Medical Center, 43 freshmen students, of whom 16 come from families with incomes under $10,000, and which university required parental contributions for health professions loan eligibility will need $94,121.

At Rutgers University one-third of the entering class, 52 freshmen students need $70,650.

At the University of New Mexico—which has exhausted its own resources to aid new students—there are now pending applications for health professions and nursing loans from 60 new students in nursing, 35 in medicine, and 25 in pharmacy.

At Stanford University Medical School no loans are assigned to the incoming class of 86, yet 30 qualify for these loans.

Low-income students are the most frequent borrowers under the program, and, therefore, the group of students least able to cope with this financial burden would be hardest hit. The health professions loan program is vital to the needy student in meeting this very substantial cost of professional education.

At the new medical school at the State University of New York, Stony Brook, each student applying for aid must borrow the maximum allowable loan from the New York State administered national guaranteed student loan program. They must also apply for the health professions loan program. Finally, each student must complete a financial statement which is reviewed by the college scholarship service to determine the total amount of the student's financial need. Notwithstanding these stringent requirements over one-half of the entering class of 48 has been determined to need additional loan assistance through the health profession loan programs. The 10 colleges in City University of New York offering nursing programs expect to have 1,100 initial year nursing students eligible to participate in the loan program. Based on last year's average loans these students could expect to receive loans totaling $600,000.

It has been suggested that students in the health area participate more fully in the other general student assistance programs. Because of the short time remaining before school opens, many of the programs are simply not available to the students this year and even more importantly the available funds are insufficient to meet the needs of the nonhealth students. Appropriations for these programs were made 1 year in advance and have already been allocated to the institutions without anticipating this new group of needy students.

Taking the student aid programs individually, some freshmen nursing students will be eligible for basic opportunity grants—BOG grants—but this program, which holds promise for the future, has not been fully funded and therefore grants which can never exceed one-half of a student's financial need, will be reduced. In addition, grant aid is available only to the most needy students. The supplementary opportunity grant program—for undergraduates only—and the college work study program—for graduates and undergraduates—have been funded at about the same level for several years. During this time numerous new institutions and students have become eligible for funds and there is simply too little money to meet the need of all eligible students.

In addition, the allocations for these programs too have already been made with the expectation that health students would have other alternatives. The nonhealth student loan programs will provide almost no relief to these students.

In 44 States students are not allowed to borrow more than $1,500 per year from the federally guaranteed loan program. With average costs of $6,000 at private medical schools and $3,500 to $4,500 costs at public schools, the national guaranteed student loan—NGSL—is miniscule. Further, because of tight money and high interest rates, banks are reluctant to invest additional funds in guaranteed loans and according to the National Association of Student Financial Aid officers, loans are even more difficult for students to obtain for this fall. Many health professions institutions also do not allow their students to work the first year because of the very heavy schedule in the beginning year. Both the Comprehensive Health Manpower and the Nurse Training Acts of 1971 forbid national direct student loan—NDSL—to students eligible to participate in special health loan programs. Again funding for direct loans is inadequate for additional unexpected students.

In order to permit an orderly transition and in order to avert the disastrous effects of the President's budget, I believe it is necessary to extend these two legislative authorities for 1 year. That is exactly what the bill does. It makes no substantive changes in the law at all. It adds no new money but simply extends the life of the provisions from June 30, 1974, to June 30, 1975.

Mr. President, the case, we think—that is, the overwhelming majority of the members of our committee—is a very strong one, and it is only because it is an emergency, without in any way being a precedent, that the matter is in limbo at this particular moment, and hence the desire to avoid the committee stage, though it is our own committee, by putting the bill up on the calendar, where it can be called up at the earliest possible convenience because of its emergency nature.

I send the bill to the desk for myself, the Senator from Massachusetts (Mr. KENNEDY), and a number of cosponsors, all of whom are members of the Committee on Labor and Public Welfare, and ask unanimous consent that the bill be placed on the calendar.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice, and will be placed on the calendar.

Mr. JAVITS. Mr. President, I have discussed this matter with the majority leader and with the deputy majority leader, and again wish to emphasize that this is not a precedent, either for me or for anyone else. It is just an emergency, and the concentration of the sponsorship by members of our own committee, we believe, justifies this particular type of action.

Mr. MANSFIELD. Mr. President, if the Senator will yield, the Senator has well stated the position of the majority leader. It is because of the unusual emergency nature of the situation that this is being allowed at this time, but I want to join the Senator from New York in emphasizing that this is not to be considered a precedent for the future.

Mr. JAVITS. I thank my colleague.

Mr. TAFT. Mr. President, I am pleased to cosponsor the Emergency Health Professions Educational Assistance Act introduced by the Senator from New York (Mr. JAVITS).

This bill would extend for 1 year the authorization of appropriations of a program in the Public Health Service Act providing for Federal capital contributions into the student loan funds of health professions educational schools. This authorization ended June 30 of this year. In order that extension legislation could be enacted for legislation whose authorization ended on June 30, House Joint Resolution 1062, a continuing appropriations bill, was passed and made law on June 30. Whereas most of the programs in the Public Health Service Act were funded through September 30 by this resolution, the student loan program was not. Since it was not a part of the administration's 1975 budget proposal, it was not included in the continuing resolution.

Although the administration's deletion from their budget proposal appears to have been just an attempt to change from one program of assisting health professions students to another, it has grievous consequences for needy students entering medical school this fall. They must attempt to put together their loan package immediately, and they have no place to turn.

The various health bills extending and revising the Public Health Service Act are still before the Labor and Public Welfare Committee. These bills are quite controversial, so it is likely that it might be a while before they become law. The need for loans is too urgent for any of these bills to be passed in time.

There remains the option of the National Health Service Corps which is still funded. Unfortunately, however, it is funded at only $3 million, whereas the administration has requested $21 million. With insufficient funding, the corps would not be able to offer nearly enough positions for all the health professions students needing financial assistance.

The only other option for Federal aid is the Federal guaranteed student loan program, a loan program open to all graduate and undergraduate students. This program seems to the one, to which the admiinstration wishes to shift health professions students. Unfortunately the maximum amount that can be borrowed in 1 year under that program is $2,500. Considering the high cost of health education, this does not go a long way. The administration has realized this and proposed that the maximum amount be raised to up to $8,000 a year. This, however, is still just a proposal and can do little for students entering health professions schools this fall.

To make matters worse, officials at Ohio State University advise me that many banks do not enter into the guaranteed student loan program, and those that do usually offer a maximum yearly rate consderably less than $2,500.

Also, many banks do not allow students to participate unless their parents are already customers of the bank, and then require cosignatures.

Even with Federal capital contributions into the student loan funds of health professions schools, Ohio State University needed approximately $600,000 in student loans last year for students in their six health professions schools. If this legislation continuing these Federal contributions is not passed, officials at Ohio State predict they will need over $2 million in student loan money. They have no idea where they will get these funds. This will either put Ohio State into financial crisis, or they will have to accept only those students able to pay full tuition if such students exist. Nationwide, this situation could harmfully affect all of the health professions schools in the country this year, and it could have a harmful effect on the entire health field in the years to come. With the obvious extreme urgency of this legislation, I urge immediate passage of the Emergency Health Professions Educational Assistance Act.

By Mr. FULBRIGHT:

S. 3783. A bill to implement certain provisions of the International Convention on Fishing and Conservation of the Living Resources of the High Seas, and for other purposes. Referred to the Committee on Foreign Relations, by unanimous consent.

Mr. FULBRIGHT. Mr. President, I am today introducing a bill to implement certain provisions of the International Convention on Fishing and Conservation of the High Seas, and for other purposes, and I request unanimous consent that this bill be referred to the Committee on Foreign Relations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2022

At the request of Mr. **Tunney**, the Senator from Rhode Island (Mr. **Pell**) was added as a cosponsor of S. 2022, the Flexible Hours Employment Act.

S. 2801

At the request of Mr. **Proxmire**, the Senator from Alabama (Mr. **Allen**) was added as a cosponsor of S. 2801, a bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes.

S. 3460

At the request of Mr. **Domenici**, the Senator from Mississippi (Mr. **Stennis**), the Senator from Ohio, (Mr. **Taft**), and the Senator from Texas (Mr. **Tower**) were added as cosponsors of S. 3460 to amend the Internal Revenue Code of 1954 with respect to certain charitable contributions.

S. 3480

At the request of Mr. **Tunney**, the Senator from Washington (Mr. **Jackson**) was added as a cosponsor of S. 3480, the National Summer Youth Sports program.

S. 3513

At the request of Mr. **Tower**, the Senator from Texas (Mr. **Bentsen**) was added as a cosponsor of S. 3515, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Neuces River project, Texas, and for other purposes.

S. 3625

At the request of Mr. **Domenici**, the Senator from Texas (Mr. **Tower**) was added as a cosponsor to S. 3625, a bill to provide for the recycling of used oil, and for other purposes.

S. 3649

At the request of Mr. **Pell**, the Senator from South Dakota (Mr. **Abourezk**), the Senator from Tennessee (Mr. **Baker**), the Senator from Texas (Mr. **Bentsen**), the Senator from Tennessee (Mr. **Brock**), the Senator from Massachusetts (Mr. **Brooke**), the Senator from California (Mr. **Cranston**), the Senator from Maine (Mr. **Hathaway**), the Senator from Minnesota (Mr. **Humphrey**), the Senator from New York (Mr. **Javits**), the Senator from Maryland (Mr. **Mathias**), the Senator from New Hampshire (Mr. **McIntyre**), the Senator from Wyoming (Mr. **McGee**), the Senator from Montana (Mr. **Metcalf**), the Senator from Minnesota (Mr. **Mondale**), the Senator from New Mexico (Mr. **Montoya**), and the Senator from Wisconsin (Mr. **Nelson**) were added as cosponsors of S. 3649, the Social Security Recipients Fairness Act of 1974.

S. 3717

At the request of Mr. **Humphrey**, the Senator from New York (Mr. **Javits**) was added as a cosponsor of S. 3717 to extend the Emergency Petroleum Allocation Act of 1973 to June 30, 1976.

S. 3758

At the request of Mr. **Hatfield**, the Senator from Maryland (Mr. **Mathias**) was added as a cosponsor of S. 3758, a bill to amend section 121 of the Internal Revenue Code of 1954 to increase the exclusion from gross income of gain from the sale of a residence by an individual who is 65 years or older.

S. 3769

At the request of Mr. **Pell**, the Senator from Illinois (Mr. **Stevenson**) was added as a cosponsor of S. 3769, a bill to amend title II of the Social Security Act to increase to $3,000 the annual amount which an individual may earn without suffering deductions from monthly insurance benefits on account of excess earnings.

SENATE RESOLUTION 360—SUBMISSION OF A RESOLUTION AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING FOR INQUIRIES AND INVESTIGATIONS

(Referred to the Committee on Rules and Administration.)

Mr. CHURCH submitted the following resolution:

S. Res. 360

Resolved, That section 4 of Senate Resolution 51, Ninety-third Congress, agreed to February 22, 1973, is amended by striking out "$411,000" and inserting in lieu thereof "$415,500".

CONSUMER PROTECTION AGENCY ACT—AMENDMENTS

AMENDMENT NO. 1576

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY submitted an amendment, intended to be proposed by him, to the bill (S. 707) to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. BUCKLEY. Mr. President, yesterday the Senate adopted almost unanimously an amendment to S. 707 introduced by the distinguished junior Senator from New Mexico (Mr. **Domenici**) that would offer small businesses limited protection against some of the onerous overhead burdens that the Consumer Protection Agency could impose on them. I am encouraged by this vote to believe that this body shares my growing concern over the heavy burdens that are being imposed increasingly on small businesses and small people by the regulatory bodies and agencies we continue to proliferate.

I therefore hope that the amendment to S. 707 that I now send to the desk may find wide support. The purpose of my amendment is to protect small businesses from two other areas where they can be subjected to undue burdens and even to harassment by the all-powerful Consumer Protection Agency that is to be created under this bill.

The first concerns agency adjudications of violations of laws. These proceedings are administrative trials prosecuted by Federal agency lawyers before their own commissions in which a businessman or business is charged with violating a law or regulation under law.

Within the spectrum of all Federal agency proceedings and activities, there are relatively few such agency adjudications. But, in these, small businessmen are particularly vulnerable because of the expense of defending themselves—often in Washington, D.C.—and because of the bad publicity these proceedings generate.

Most small businesses do not have large batteries of lawyers and public relations men to keep the Federal Government at bay. Indeed, many consumerists have cited these factors in their allegations that Federal agencies often will go after the little guy who has inadequate resources to defend himself, rather than take on a giant of industry who will give the prosecuting agency no quarter.

For example, this was one of the main criticisms of the Federal Trade Commission voiced by Ralph Nader when he and his colleagues investigated that agency several years ago.

It is difficult enough for a small businessman to defend himself against a giant and prestigious agency such as the Federal Trade Commission. To allow another full agency—the ACA—to intervene as a dual prosecutor against the small businessman would be too much, I am afraid, for many smaller companies.

The second area of small business vulnerability in need of safeguarding is related to the first. It involves judicial review of such adjudications of violations.

Under S. 707, where a businessman has successfully defended himself in an agency adjudication, and is found innocent of all charges by the agency with the responsibility to make such findings, the ACA can appeal that finding of innocence to the courts in an attempt to overturn it. Moreover, the ACA can even reopen cases that have been resolved.

This, of course, places a disproportionately heavy burden on a small businessman who not only would find himself the subject of an unexpected court battle, but would have to face the prospect of having the whole case reopened if the court, when confronted by the specter of one Federal agency challenging another, remands the case back for further consideration.

My amendment provides small businesses with the necessary protection by exempting agency proceedings in which they are involved from intervention by the ACA.

The exemption I propose will not materially inhibit the legitimate work proposed for the ACA, but it will protect small enterprises against the prospect of heavy added costs anytime they become involved in agency proceedings; costs that can either force them to close down or to capitulate to bureaucratic harassment.

Mr. President, it is time we thought seriously of the consequences of too much of our legislation on the cost of doing business. The interests of the consumer will not be served if we limit competition and innovation by creating a business overhead that only large corporations can afford.

Mr. President, I ask unanimous consent that the amendment be printed at this point in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1576

On page 59, line 12, after the word "concerning" insert the following:

"(A) an adjudication of an alleged violation of law against any person which is a small business concern as defined under Section 3 of the Small Business Act (15 U.S.C. 632), or (B)"

DEPARTMENT OF AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1975

AMENDMENT NO. 1557

(Ordered to be printed and to lie on the table.)

Mr. ABOUREZK submitted an amendment, intended to be proposed by him, to the bill (H.R. 15472) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974—AMENDMENT

(AMENDMENT NO. 1578)

(Ordered to be printed and to lie on the table.)

Mr. BAYH (for himself, Mr. Hruska, Mr. Mathias, Mr. Cook, Mr. McClellan, Mr. Fong, Mr. Hart, Mr. Hugh Scott, Mr. Kennedy, Mr. Thurmond, Mr. Burdick, Mr. Gurney, Mr. Abourezk, Mr. Bible, Mr. Brock, Mr. Case, Mr. Church, Mr. Clark, Mr. Cranston, Mr. Gravel, Mr. Humphrey, Mr. McGee, Mr. Montoya, Mr. Moss, Mr. Pastore, Mr. Randolph, Mr. Ribicoff, Mr. Mondale, Mr. Cannon, and Mr. Eastland) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 821) to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes.

Mr. BAYH. Mr. President, I am gratified to join today with my distinguished colleague, Senator Roman Hruska and numerous cosponsors in introducing an amendment in the nature of a substitute to S. 821, the Juvenile Justice and Delinquency Prevention Act of 1974. The Juvenile Justice and Delinquency Prevention Act is the product of a 3-year, bipartisan effort, which I have been privileged to lead, to improve the quality of juvenile justice in the United States and to provide overhaul of the Federal approach to the problems of juvenile delinquency.

I originally introduced this measure as S. 3148 during the 92d Congress when it received strong support from youth-serving organizations and juvenile delinquency experts around the country. I reintroduced S. 821 on February 8, 1973. The Senate Subcommittee on Juvenile Delinquency of which I am chairman, held 10 days of hearings and heard 80 witnesses on S. 821 and S. 3158. These hearings demonstrated the need for a comprehensive coordinated juvenile delinquency effort combined with assistance to States, localities, and private agencies to prevent delinquency and to provide community-based alternatives to juvenile detention and correctional facilities.

I was gratified when on March 5, 1974, the Senate Subcommittee To Investigate Juvenile Delinquency reported S. 821 unanimously to the full judiciary. S. 821 originally proposed the creation of a new office to administer the program in the Executive Office of the President and the bill as reported from the subcommittee placed the program in the Department of Health, Education, and Welfare. The Judiciary Committee amended and reported the bill on May 8, 1974, placing the program in the Law Enforcement Assistance Administration (LEAA) of the Department of Justice and making certain other changes.

I have been working closely with the distinguished ranking minority member of the Judiciary Committee (Mr. Hruska) to develop a strong bill which provides for administration of this program within LEAA and which guarantees that the program can achieve the crucial goals of S. 821 as originally introduced. I am pleased to announce that Senator Hruska and I have been able to work out this substitute amendment that preserves the essence of the original Juvenile Justice and Delinquency Act while placing the program in LEAA. It achieves such vital objectives as coordination of Federal delinquency programs; authorization of additional resources to States, localities and public and private agencies for community-based prevention, diversion, and treatment programs; creation of centralized research, training, technical assistance, and evaluation activities; and adoption of basic procedural protections for juveniles under Federal jurisdiction. We are gratified that so many of the original cosponsors have joined this effort along with additional cosponsors which assure a broadly based support for the substitute amendment.

The substitute amendment creates a Juvenile Justice and Delinquency Prevention Office in LEAA headed by an Assistant Administrator who will administer a newly created juvenile delinquency prevention and rehabilitation effort within LEAA, and who will have policy control over all juvenile delinquency programs funded by LEAA. S. 821 thus assures a comprehensive approach within LEAA and this office will also have the responsibility of carrying out the goal of the original S. 821 to coordinate all Federal juvenile delinquency programs. Moreover, this office will provide the desperately needed leadership to deal with the multifaceted problem of delinquency.

The substitute amendment also provides that LEAA shall maintain the same level of financial assistance for existing juvenile delinquency programs as LEAA maintained in 1972—namely, $140 million. The substitute amendment further authorizes substantial new funds over the next 2 years to carry out the additional programs which it establishes. In this way we have guaranteed the kind of substantial resources necessary to combat the delinquency crisis in this country. As is well-known, juveniles account for more than half of the crime in this country and no agency of the Federal Government has ever devoted the kind of resources needed to solve the problem. The funding authorized in S. 821 is a substantial step in the right direction of matching resources with the gravity of the problem.

LEAA is a block grant program so that major decisions on expenditure of funds are made at the State level where the program is administered by the State planning agency. Thus, S. 821 provides for administration of the juvenile program at the State level by the State planning agency. However, to guarantee proper consideration of the needs of juveniles, this substitute amends the LEAA Act to provide that the State planning agency must be representative of agencies related to the prevention and control of juvenile delinquency and shall include representatives of citizen, professional, and community organizations including organizations related directly to the prevention of delinquency.

These same provisions also apply to the LEAA regional planning units in the State so that the substitute amendment assures participation in the allocation of funds at the State and local level of persons experienced in delinquency prevention. The participation of these agencies and organizations who have experience in dealing with the day-to-day problems of juvenile delinquency is further assured by their participation in an advisory group to support the State planning agency in the administration of this program. The Governor will appoint the group from persons with a special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice. Membership will include units of local government, juvenile justice agencies, agencies concerned with delinquency prevention and treatment, private organizations concerned with delinquency prevention and community-based treatment, and organizations which represent employees affected by this act. A majority of the members of the group shall not be governmental employees and at least one-third shall be under the age of 26.

S. 821 had always recognized that solutions to the juvenile delinquency problem must come at the State and local level. Thus, the substitute builds on existing provisions of the Crime Control Act of 1973 to assure that States will develop a comprehensive juvenile justice plan in order to receive funds under the new juvenile delinquency programs created by S. 821 and under existing LEAA juvenile delinquency funding. S. 821 builds on the existing LEAA juvenile delinquency program to provide for comprehensive planning to develop and to maintain services to prevent juvenile delinquency, to divert juveniles from the juvenile justice system and to provide community-based alternatives to juvenile detention and correctional facilities.

The substitute amendment carries forward the major purpose of S. 821 namely, to provide funding for delinquency prevention. Rising crime statistics demonstrate that the whole focus of LEAA's effort in the juvenile justice field must be toward prevention. The substitute amendment incorporates the vital provision of the original S. 821 to require that 75 percent of the newly authorized State funds must be expended on advanced techniques in developing and maintaining services to prevent juvenile delinquency, to divert juveniles from the juvenile justice system and to provide community-based alternatives to juvenile detention and correctional facilities. These programs are the heart of S. 821 and include community-based services for prevention and treatment of juvenile delinquency through development of foster care and shelter care homes; youth service bureaus and other counseling, educational and supportive services for delinquents, youth in danger of becoming delinquent and their families; youth initiated services, and expanded use of probation and probation subsidy programs.

These programs open the possibility of communities creating meaningful alternatives for youth who were previously incarcerated. Witnesses before the subcommittee have repeatedly testified that many delinquents who were institutionalized could be better and more humanely handled in community-based programs at less cost to the public while preserving the public safety. Such programs will mean a significant reduction in crime.

S. 821, as originally introduced and as contained in the substitute amendment, has placed a heavy emphasis on the role of the private voluntary agency in developing prevention and treatment alternatives. S. 821 provides the necessary assistance and direction to create an effective partnership with the private sector. The substitute amendment authorizes direct special emphasis grants to public and private agencies to develop and implement new and innovative and effective approaches to juvenile delinquency programs. The substitute amendment mandates that 20 percent of these funds must go to private nonprofit agencies who have had experience in dealing with youth. This provision, combined with the provision for representation of the private agencies on State planning boards, assures a meaningful role to the many dedicated private agencies and individuals who have long worked on the delinquency problem.

The substitute amendment also establishes a National Institute of Juvenile Justice within the Office of Juvenile Justice and Delinquency Prevention at LEAA. This Institute will serve as a clearinghouse on information concerning juvenile justice and will conduct training, research, and evaluation. The Institute will provide vitally neded leadership in developing effective research, training, and information services relating to juvenile delinquency. It is an essential part of the new comprehensive coordinated Federal approach to delinquency and will give added focus and strength to the new Juvenile Justice and Delinquency Prevention Office.

Finally, the substitute amendment contains in title II a series of specific amendments to existing Federal law, to guarantee certain basic protections to juveniles under Federal jurisdiction. Title II as revised in the substitute amendment, amends the Federal Juvenile Delinquency Act to guarantee certain basic procedural and constitutional protections to juveniles under Federal jurisdiction. Although less than 700 juveniles are annually processed through Federal court, it is important that the Federal Government set an example of how juveniles should be treated. In its emphasis on both due process and on community-based treatment for juveniles this title furthers the goals of S. 821.

There are numerous other gratifying aspects of the substitute amendment which confirm my belief that it is the best possible bill to do the job that needs to be done in the delinquency field. After 3 years of study, I know it is vitally important to pass S. 821 as soon as possible. The substitute amendment goes a long way toward assuring that juvenile delinquency will be a priority concern of LEAA. At last, one department of the Federal Government will have authority to create the long-needed comprehensive, coordinated Federal program to provide meaningful alternatives to youth—preferably before they are involved in the juvenile justice system. I will vigilantly review LEAA's activities to assure that the strong accountable Federal responsibility to the delinquency crisis required by S. 821 is forthcoming. With the authority contained in the substitute amendment, I have every expectation this will be the case.

The Juvenile Justice and Delinquency Prevention Act represents a commitment to our Nation's future. I urge my colleagues in the Congress to support the substitute amendment and hope that they will act expeditiously to provide the Federal leadership and resources so desperately needed to deal with juvenile delinquency. By enacting S. 821 we will contribute significantly to the safety and well-being of all our citizens, particularly our youth.

Mr. President, I ask unanimous consent that the substitute amendment as presented be printed in the RECORD, following the remarks of the distinguished Senator from Nebraska (Mr. HRUSKA).

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HRUSKA. Mr. President, I would like to preface my comments on S. 821, as amended, with a few words about my valued friend, the distinguished Senator from Indiana. Senator BAYH for a long time has been the leading advocate on juvenile delinquency prevention and control. The dedication and spirit of cooperation which he has exhibited should serve as an inspiration in the effort against one of our leading national problems—juvenile crime.

I have agreed to cosponsor this proposed substitute amendment to S. 821—The Juvenile Justice and Delinquency Prevention Act of 1974. Juvenile crime is reaching crisis proportions. Comprehensive legislation could help to stem the tide of rising crime and provide viable alternatives for youthful offenders to insure meaningful processing and rehabilitation.

It is well recognized that one of the keys to controlling overall crime in this country is to reduce and to prevent juvenile crime. Juvenile crime has skyrocketed in the past decade. The seriousness of the problem is reflected in the ominous statistics.

The arrests of juveniles under 18 for violent crimes such as murder, rape, and robbery have increased 216 percent from 1960 to the present. During the same period juvenile arrests for property crime, such as burglary and auto theft have increased 91 percent. Juveniles under 18 are responsible for 51 percent of the total arrests for property crimes, 23 percent for violent crimes and 45 percent for all serious crimes.

Juvenile crime takes an enormous toll each year. In 1970, the material cost was in excess of $4 billion. Even more costly was the immeasurable loss in human terms to both the victims of juvenile crime and to the juveniles themselves. The intangible effects of public fear and private despair are substantial.

Despite all current efforts, the recidivism rate for juvenile offenders is estimated to range from 60 to 75 percent and higher. It is generally agreed that policemen, judges, and probation officers who deal with juveniles are extremely dedicated. Too often, however, their efforts are negated by outmoded procedures, a lack of funds and inadequate facilities for caring for youth offenders. Even more discouraging is the use of the criminal justice system to deal with troublesome or problematic youth perceived to be too difficult to be dealt with by normal community facilities. Nearly 40 percent of juveniles incarcerated have committed no criminal act. The figure is staggering in recognition of the detrimental effects that incarceration has been shown to produce with first offenders and juveniles.

There is a strong need to provide alternative programs utilizing resources other than the police, courts, and corrections to rehabilitate youth and prevent the development of a criminal career. The problem of juvenile delinquency cannot be attacked in a singular manner. It requires a multifaceted approach involving all aspects of the youth's life.

LEAA is the obvious and natural agency to administer this program. LEAA already possesses the administrative structure necessary for the effective and efficient operation of the juvenile delinquency program.

Currently LEAA has in operation 55 State planning agencies which plan, coordinate, and implement various programs of LEAA. Under existing LEAA legislation, States are required to include in their State plans comprehensive programs for the improvement of juvenile justice. The State agencies have already developed forms, regulations, grant fund mechanisms, guidelines, and other procedures necessary for the efficient operation of the juvenile delinquency program. With a minimum of modification, the existing structure with qualified and competent personnel can go into operation immediately to implement this legislation.

Perhaps the most compelling reason that LEAA should administer the program is the dedicated commitment to juvenile delinquency prevention and control that it has made over the past 5 years.

Although LEAA was never given primary responsibility in this area, it has assumed the dominant position. Recent amendments to the Omnibus Crime Control and Safe Streets Act have prompted LEAA to take a number of new initiatives. Juvenile justice and delinquency prevention is one of LEAA's four national priority programs. A juvenile justice section has been established in the National Institute of Law Enforcement and Criminal Justice, the research arm of LEAA. It is important to note that S. 821, as amended, provides for the establishment of a National Institute of Juvenile Justice within LEAA. Locating this body here will expand the level and nature of delinquency research already conducted by LEAA and will increase the focus on the prevention of delinquency.

LEAA has already spent tremendous sums for juvenile delinquency programs in its first 5 years. During the fiscal year 1972, LEAA awarded nearly $140 million on a wide-ranging juvenile delinquency program. Of this total, $21 million or 15 percent was for juvenile delinquency prevention. In fiscal year 1973, the amount of funds for juvenile delinquency prevention programs has increased to $34 million.

LEAA has funded approximately 2,000 juvenile delinquency projects. Although there is no official count available for the number of juveniles affected, it could reach several million. A further indication of LEAA's strong commitment in this area is the assumption of control it has assumed over the Interdepartmental Council. The Council created in HEW legislation sought to coordinate all Federal juvenile delinquency programs. LEAA now supplies the leadership and a core of permanent staff for the Council. It will likely retain this position under the proposed amendment.

It is unquestionable that LEAA has the capability, capacity and the desire to do the job. Failure to give LEAA a comprehensive mandate as proposed by this legislation would seriously weaken the Federal juvenile delinquency prevention and control effort.

The amendment to S. 821 makes several notable improvements in the committee amendments while at the same time retaining all of the major provisions of what I perceive to be a progressive and imaginative approach to the solution of the problem of juvenile delinquency in the United States.

The amended bill provides for strong Federal leadership in coordinating the resources necessary to develop and implement effective programs at the State and local level to prevent and treat juvenile delinquency. I would like to briefly summarize the major provisions of this bill.

Title I of the bill incorporates the findings and purposes of the committee bill into the findings and purposes of the Omnibus Crime Control and Safe Streets Act.

Title II amends the Federal Juvenile Delinquency Act to clarify the language and add guarantees to protect the rights of juveniles while in contact with the Federal criminal justice system, consistent with existing judicial interpretations of our Constitution.

Title III provides a new part F for the Omnibus Crime Control and Safe Streets Act entitled "Juvenile Justice and Delinquency Prevention." It establishes in the Department of Justice, Law Enforcement Assistance Administration, an office of Juvenile Justice and Delinquency Prevention, headed by an assistant administrator, appointed by the President with the advice and consent of the Senate. It establishes an Interdepartmental Council on Juvenile Delinquency charged with coordination of all Federal juvenile delinquency programs and a National Advisory Committee for Juvenile Justice and Delinquency Prevention to make recommendations regarding planning, policy, priorities, operations and management of all Federal juvenile delinquency programs.

Title IV establishes a Federal assistance program for State and local government for juvenile justice, delinquency and related programs. Substantial grants are authorized through existing mechanisms of the Law Enforcement Assistance Administration to encourage the development of comprehensive programs designed to impact on all facets of juvenile delinquency. This is a key feature of the bill, utilizing the LEAA block grant mechanism as the primary vehicle to infuse funds into the States in an orderly, coordinated and effective manner.

Title V establishes a National Institute of Juvenile Justice within the Juvenile Justice and Delinquency Prevention Office. The Institute will serve as a center for national efforts in juvenile delinquency evaluation, data collection and dissemination, research and training, and adoption of national standards for the administration of juvenile justice.

Title VI authorizes, for purposes of part F, appropriations of $225 million over the next 2 years. This increased funding should provide an effective impact on juvenile delinquency.

Title VII establishes a National Institute of Corrections within the Federal Bureau of Prisons. This represents a much needed effort to provide a coordinating mechanism for a fragmented corrections system in need of direction and intercommunication.

Mr. President, this amendment treats a broad range of complicated and comprehensive problems. It attempts to logically assemble the various component elements in a program of juvenile delinquency and prevention.

I frankly cannot subscribe to each and every facet of the bill. However, it is the result of a healthy compromise within the ranks of the membership of the Committee on the Judiciary. In my opinion this give and take has been fruitful and apparently this view is shared by my colleagues on the committee where there has developed a virtual unanimity on the amendment introduced today.

This bill meets the problem of juvenile delinquency in an effective manner. I believe it to be the best possible beginning to meet the need for a national program which will produce results over all of this Nation. I respectively urge all Members to support this amendment vigorously.

EXHIBIT 1

SUBSTITUTE AMENDMENT

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Juvenile Justice and Delinquency Prevention Act of 1974".

TITLE I—FINDINGS AND DECLARATION OF PURPOSE

SEC. 101. (a) Section titled "Declaration and Purpose" in Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 Stat. 1881; 87 Stat. 197], is amended by inserting immediately after the second paragraph thereof the following new paragraph:

"Congress finds further that the high incidence of delinquency in the United States today results in enormous annual cost and immeasurable loss in human life, personal security, and wasted human resources and (2) that juvenile delinquency constitutes a growing threat to the national welfare requiring immediate and comprehensive action by the Federal government to reduce and prevent delinquency.

(b) Such section is further amended by adding at the end thereof the following new paragraph:

"It is therefore the further declared policy of Congress to provide the necessary resources, leadership, and coordination to (1) develop and implement effective methods of preventing and reducing juvenile delinquency; (2) to develop and conduct effective programs to prevent delinquency, to divert juveniles from the traditional juvenile justice system and to provide critically-needed alternatives to institutionalizaton; (3) to improve the quality of juvenile justice in the United States; and (4) to increase the capacity of State and local governments and public and private agencies to conduct effective juvenile justice and delinquency prevention and rehabilitation programs and to provide research, evaluation, and training services in the field of juvenile justice and delinquency prevention."

DEFINITIONS

SEC. 103. Section 601 of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 Stat. 1881; 87 Stat. 197], is further amended by adding the following new subsections:

"(p) the term 'community-based' facility, program, or service, as used in Part F, means a small, open group or home or other suitable place located near the adult offender's or juvenile's home or family and programs of community supervision and service which maintain community and consumer participation in the planning, operation, and evaluation of their programs which may include, but are not limited to, medical, educational, vocational, social, and psychological guidance, training, counseling, drug treatment, and other rehabilitative services;

"(q) the term 'Federal juvenile delinquency program' means any juvenille delinquency program which is conducted, directly, or indirectly, or is assisted by any Federal department or agency, including any program funded under this Act;

"(r) the term 'juvenile delinquency program' means any program or activity related to juvenile delinquency prevention, control, diversion, treatment, rehabilitation, planning, education, training, and research, including drug abuse programs; the improvement of the juvenile justice system; and any program or activity for neglected, abandoned, or dependent youth and other youth who are in danger of becoming delinquent."

TITLE II—AMENDMENTS TO THE FEDERAL JUVENILE DELINQUENCY ACT

DEFINITIONS

SEC. 201. Section 5031 of title 18, United States Code, is amended to read as follows:

"§ 5031. Definitions

"For the purposes of this chapter, a 'juvenile' is a person who has not attained his eighteenth birthday, or for the purpose of proceedings and disposition under this chapter for an alleged act of juvenile delinquency, a person who has not attained his twenty-first birthday. and 'juvenile delinquency' is the violation of a law of the United States committed by a person prior to his eighteenth birthday which would have been a crime if committed by an adult."

DELINQUENCY PROCEEDINGS IN DISTRICT COURTS

SEC. 202. Section 5032 of title 18, United States Code, is amended to read as follows:

"§ 5032. Delinquency proceedings in district courts; transfer for criminal prosecution

"A juvenile alleged to have committed an act of juvenile delinquency shall not be proceeded against in any court of the United States unless the Attorney General, after investigation, certifies to an appropriate district court of the United States that the juvenile court or other appropriate court of a State (1) does not have jurisdiction or refuses to assume jurisdiction over said juvenile with respect to such alleged act of juvenile delinquency, or (2) does not have available programs and services adequate for needs of juveniles.

"If the Attorney General does not so certify, such juvenile shall be surrendered to the appropriate legal authorities of such State.

"If an alleged juvenile delinquent is not surrendered to the authorities of a State or the District of Columbia pursuant to this section, any proceedings against him shall be in an appropriate district court of the United States. For such purposes, the court may be convened at any time and place within the district, in chambers or otherwise. The Attorney General shall proceed by information, and no criminal prosecution shall be instituted for the alleged act of juvenile delinquency except as provided below.

"A juvenile who is alleged to have committed an act of juvenile delinquency and who is not surrendered to State authorities shall be proceeded against under this chapter unless he has requested in writing upon advice of counsel to be proceeded against as an adult, except that, with respect to a juvenile sixteen years and older alleged to have committed an act after his sixteenth birthday which if committed by an adult would be a felony punishbale by a maximum penalty of ten years imprisonment or more, life imprisonment, or death, criminal prosecution on the basis of the alleged act may be begun by motion to transfer of the Attorney General in the appropriate district court of the United States, if such court finds, after hearing, such transfer would be in the interest of justice.

"Evidence of the following factors shall be considered, and findings with regard to each factor shall be made in the record, in assessing whether a transfer would be in the interest of justice: the age and social background of the juvenile; the nature of the alleged offense; the extent and nature of the juvenile's prior delinquency record; the juvenile's present intellectual development and psychological maturity; the nature of past treatment efforts and the juvenile response to such efforts; the availability of programs designed to treat the juvenile's behavioral problems.

"Reasonable notice of the transfer hearing shall be given to the juvenile, his parents, guardian, or custodian and to his counsel. The juvenile shall be assisted by counsel during the transfer hearing, and at every other critical stage of the proceedings.

"Once a juvenile has entered a plea of guilty or the proceeding has reached the stage that evidence has begun to be taken with respect to a crime or an alleged act of juvenile delinquency subsequent criminal prosecution or juvenile proceedings based upon such alleged act of delinquency shall be barred.

"Statements made by a juvenile prior to or during a transfer hearing under this section shall not be admissible at subsequent criminal prosecutions."

CUSTODY

SEC. 203. Section 5033 of title 18 United States Code is amended to read as follows:

"§ 5033. Custody prior to appearance before magistrate

"Whenever a juvenile is taken into custody for an alleged act of juvenile delinquency, the arresting officer shall immediately advise such juvenile of his legal rights, in language comprehensive to a juvenile, and shall immediately notify the Attorney General and the juvenile's parents, guardian, or custodian of such custody. The arresting officer shall also notify the parents, guardian, or custodian of the rights of the juvenile and of the nature of the alleged offense.

"The juvenile shall be taken before a magistrate forthwith. In no event shall the juvenile be detained for longer than a reasonable period of time before being brought before a magistrate."

DUTIES OF MAGISTRATE

SEC. 204. Section 5034 of title 18, United States Code, is amended to read as follows:

"§ 5034. Duties of magistrate

"The magistrate shall insure that the juvenile is represented by counsel before proceeding with critical stages of the proceedings. Counsel shall be assigned to represent a juvenile when the juvenile and his parents, guardian, or custodian are financially unable to obtain adequate representation. In cases here the juvenile and his parents, guardian, or custodian are financially able to obtain adequate representation but have not retained counsel, the magistrate may assign counsel and order the payment of reasonable attorney's fees or may direct the juvenile, his parents, guardian, or custodian to retain private counsel within a specified period of time.

"The magistrate may appoint a guardian ad litem if a parent or guardian of the juvenile is not present, or if the magistrate has reason to believe that the parents or guardian will not cooperate with the juvenile in preparing for trial, or that the interests of the parents or guardian and those of the juvenile are adverse.

"If the juvenile has not been discharged before his initial appearance before the magistrate, the magistrate shall release the juvenile to his parents, guardian, custodian, or other responsible party (including, but not limited to, the director of a shelter-care facility) upon their promise to bring such juvenile before the appropriate court when requested by such court unless the magistrate determines, after hearing, at which the juvenile is represented by counsel, that the detention of such juvenile is required to secure his timely appearance before the appropriate court or to insure his safety or that of others."

DETENTION

SEC. 205. Section 5035 of this title is amended to read as follows:

"§ 5035. Detention prior to disposition

"A juvenile alleged to be delinquent may be detained only in a juvenile facility or such other suitable place as the Attorney General may designate. Whenever possible, detention shall be in a foster home or community based facility located in or near his home community. The Attorney General shall not cause any juvenile alleged to be delinquent to be detained or confined in any institution in which the juvenile has regular contact with adult persons convicted of a crime or awaiting trial on criminal charges are confined. Insofar as possible, alleged delinquents shall be kept separate from adjudicated delinquents. Every juvenile in custody shall be provided with adequate food, heat, light, sanitary facilities, bedding, clothing, recreation, education, and medical care, including necessary psychiatric, psychological, or other care and treatment."

SPEEDY TRIAL

SEC. 206. Section 5036 of this title is amended to read as follows:

"§ 5036. Speedy trial

"If an alleged delinquent who is in detention pending trial is not brought to trial within thirty days from the date upon which such detention was begun, the information shall be dismissed on motion of the alleged delinquent or at the direction of the court, unless the Attorney General shows that additional delay was caused by the juvenile or his counsel, or consented to by the juvenile and his counsel or would be in the interest of justice in the particular case. Delays attributable solely to court calendar congestion may not be considered in the interest of justice. Except in extraordinary circumstances, an information dismissed under this section may not be reinstituted.

DISPOSITION

SEC. 207. Section 5037 is amended to read as follows:

"§ 5037. Dispositional hearing

"(a) If a juvenile is adjudicated delinquent, a separate dispositional hearing shall be held no later than twenty court days after trial unless the court has ordered further study in accordance with subsection (c). Copies of the presentence report shall be provided to the attorneys for both the juvenile and the Government a reasonable time in advance of the hearing.

"(b) The court may suspend the adjudication of delinquency or the disposition of the delinquent on such conditions as it deems proper, place him on probation, or commit him to the custody of the Attorney General. Probation, commitment, or commitment in accordance with subsection (c) shall not extend beyond the juvenile's twenty-first birthday or the maximum term which could have been imposed on an adult convicted of the same offense, whichever is sooner, or a period not to exceed the lesser of two years or the maximum term which could have been imposed on an adult convicted of the same offense.

"(c) If the court desires more detailed information concerning an alleged or adjudicated delinquent, it may commit him, after notice and hearing at which the juvenile is represented by counsel, to the custody of the Attorney General for observation and study by an appropriate agency. Such observation and study shall be conducted on an outpatient basis, unless the court determines that inpatient observation and study are necessary to obtain the desired information. In the case of an alleged juvenile delinquent, inpatient study may be ordered only with the consent of the juvenile and his attorney. The agency shall make a complete study of the alleged or adjudicated delinquent to ascertain his personal traits, his capabilities, his background, any previous delinquency or criminal experience, any mental or physical defect, and any other relevant factors. The Attorney General shall submit to the court and the attorneys for the juvenile and the Government the results of the study within thirty days after the commitment of the juvenile, unless the court grants additional time."

JUVENILE RECORDS

SEC. 208. Section 5038 is added, to read as follows:

"§ 5038. Use of juvenile records

"(a) Throughout the juvenile delinquency proceeding, the court shall safeguard the records from disclosure. Upon the completion of any juvenile delinquency proceeding whether or not there is an adjudication the district court shall order the entire file and record of such proceeding sealed. After such sealing the court shall not release these records except to the extent necessary to meet the following circumstances:

"(1) inquiries received from another court of law;

"(2) inquiries from an agency preparing a presentence report for another court;

"(3) inquiries from law enforcement agencies where the request for information is related to the investigation of a crime or a position within that agency;

"(4) inquiries, in writing, from the director of a treatment agency or the director of a facility to which the juvenile has been committed by the court; and

"(5) inquiries from an agency considering the person for a position immediately and directly affecting the national security.

Unless otherwise authorized by this section, information about the sealed record may not be released when the request for information is related to an application for employment, license, bonding, or any civil right or privilege. Responses to such inquiries shall not be different from responses made about persons who have never been involved in a delinquency proceeding.

"(b) District courts exercising jurisdiction over any juvenile shall inform the juvenile, and his parent or guardian, in writing in clear and nontechnical language, of rights relating to the sealing of his juvenile record.

"(c) During the course of any juvenile delinquency proceeding, all information and records relating to the proceeding, which are obtained or prepared in the discharge of an official duty by an employee of the court or an employee of any other governmental agency, shall not be disclosed directly or indirectly to anyone other than the judge, counsel for the juvenile and the government, or others entitled under this section to receive sealed records.

"(d) Unless a juvenile who is taken into custody is prosecuted as an adult—

"(1) neither the fingerprints nor a photograph shall be taken, without the written consent of the judge; and

"(2) neither the name nor picture of any juvenile shall be made public by any medium of public information in connection with a juvenile delinquency proceeding."

COMMITMENT

SEC. 209. Section 5039 is added, to read as follows:

§ 5039. Commitment

"No juvenile committed to the custody of the Attorney General may be placed or retained in an adult jail or correction institution in which he has regular contact with adults incarcerated because they have been convicted of a crime or are awaiting trial on criminal charges.

"Every juvenile who has been committed shall be provided with adequate food, heat, light, sanitary facilities, bedding, clothing, recreation, counseling, education, training, and medical care, including necessary psychiatric, psychological, or other care and treatment.

"Whenever possible, the Attorney General shall commit a juvenile to a foster home or community-based facility located in or near his home community."

SUPPORT

SEC. 210. Section 5040 is added, to read as follows:

"§ 5040. Support

"The Attorney General may contract with any public or private agency or individual and such community-based facilities as halfway houses and foster homes, for the observation and study and the custody and care of juveniles in his custody. For these purposes, the Attorney General may promulgate such regulations as are necessary and may use the appropriation for 'support of United States' prisoners' or such other appropriations as he may designate."

PAROLE

SEC. 211. Section 5041 is added, to read as follows:

"§ 5041. Parole

"The Board of Parole shall release from custody, on such conditions as it deems necessary, each juvenile delinquent who has been committed, as soon as the Board is satisfied that he is likely to remain at liberty without violating the law and when such release would be in the interest of justice."

REVOCATION

SEC. 212. Section 5042 is added to read as follows:

"§ 5042. Revocation of parole or probation

"Any juvenile parolee or probationer shall be accorded notice and a hearing with counsel before his parole or probation can be revoked."

SEC. 213. The table of sections of chapter 403 of this title is amended to read as follows:

"Sec.
"5031. Definitions.
"5032. Delinquency proceedings in district courts; transfer for criminal prosecution.
"5033. Custody prior to appearance before magistrate.
"5034. Duties of magistrate.
"5035. Detention prior to disposition.
"5036. Speedy trial.
"5037. Dispositional hearing.
"5038. Use of juvenile records.
"5039. Commitment.
"5040. Support.
"5041. Parole.
"5042. Revocation of parole or probation.

TITLE III— JUVENILE JUSTICE AND DELINQUENCY PREVENTION OFFICE

SEC. 301. Section 203(a) of Ttitle I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 Stat. 1881; 87 Stat. 197], is further amended by deleting the second full sentence and inserting in lieu thereof the following:

"The State Planning Agency and any regional planning units within the State shall within their respective jurisdictions be representative of the law enforcement and criminal justice agencies including agencies directly related to the prevention and control of juvenile delinquency, units of general local governments, and public agencies maintaining programs to reduce and control crime, and shall include representatives of citizen, professional, and community organizations including organizations directly related to delinquency prevention.

SEC. 302. (a) Parts F, G, H, and I of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 State. 1881; 87 Stat. 197], and all references thereto, are redesignated as Parts G, H, I, and J, respectively.

(b) Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 Stat. 1881; 87 Stat. 197], is further amended by adding after part E the following new part F:

"PART F—JUVENILE JUSTICE AND DELINQUENCY PREVENTION

"ESTABLISHMENT OF OFFICE

"SEC. 471. (a) There is hereby created within the Department of Justice, Law Enforcement Assistance Administration the Office of Juvenile Justice and Delinquency Prevention (referred to in this Act as the 'Office').

"(b) The programs authorized in Part F (hereinafter referred to as 'this part') and all other programs concerned with juvenile delinquency and administered by the Law Enforcement Assistance Administration shall be administered or subject to the policy direction of the Office established under this section.

"(c) There shall be at the head of the Office an Assistant Administrator who shall be nominated by the President by and with the advice and consent of the Senate.

"(d) The Assistant Administrator shall exercise all necessary powers, subject to the direction of the Administrator of the Law Enforcement Assistance Administration.

"(e) There shall be in the Office a Deputy Assistant Administrator who shall be appointed by the Administrator of the Law Enforcement Assistance Administration. The Deputy Assistant Administrator shall perform such functions as the Assistant Administrator from time to time assigns or delegates, and shall act as Assistant Administrator during the absence or disability of the Assistant Administrator or in the event of a vacancy in the office of the Assistant Administrator.

"(f) There shall be established in the Office a Deputy Assistant Administrator who shall be appointed by the Administrator whose function shall be to supervise and direct the National Institute for Juvenile Justice established under section 501 of this Act.

"(g) Section 5108(c)(10) of Title 5, United States Code, is amended by deleting the word 'twenty-two' and inserting in lieu thereof the word 'twenty-five'.

"PERSONNEL, SPECIAL PERSONNEL, EXPERTS, AND CONSULTANTS

"SEC. 472. (a) The Administrator is authorized to select, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions vested in him and to prescribe their functions.

"(b) The Administrator is authorized to select, appoint, and employ not to exceed three officers and to fix their compensation at rates not to exceed the rate now or hereafter prescribed for GS-18 of the General Schedule by section 5332 of title 5 of the United States Code.

"(c) Upon the request of the Administrator, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to the Assistant Administrator to assist him in carrying out his functions under this Act.

"(d) The Administrator may obtain services as authorized by section 3109 of title 5 of the United States Code, at rates not to exceed the rate now or hereafter prescribed for GS-18 of the General Schedule by section 5332 of title 5 of the United States Code.

"VOLUNTARY SERVICE

"SEC. 473. The Administrator is authorized to accept and employ, in carrying out the provisions of this Act, voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (41 U.S.C. 665(b)).

"CONCENTRATION OF FEDERAL EFFORTS

"SEC. 474. (a) The Administrator shall implement overall policy and develop objectives and priorities for all Federal juvenile delinquency programs and activities relating to prevention, diversion, training, treatment, rehabilitation, evaluation, research, and improvement of the juvenile justice system in the United States. In carrying out his functions, the Administrator shall consult with the Interdepartmental Council and the National Advisory Committee for Juvenile Justice and Delinquency Prevention.

"(b) In carrying out the purposes of this Act, the Administrator is authorized to—

"(1) advise the President through the Attorney General as to all matters relating to federally assisted juvenile delinquency programs and Federal policies regarding juvenile delinquency;

"(2) assist operating agencies which have direct responsibilities for the prevention and treatment of juvenile delinquency in the development and promulgation of regulations, guidelines, requirements, criteria, standards, procedures, and budget requests in accordance with the policies, priorities, and objectives he establishes;

"(3) conduct and support evaluations and studies of the performance and results achieved by Federal juvenile delinquency programs and activities and of the prospective performance and results that might be achieved by alternative programs and activities supplementary to or in lieu of those currently being administered;

"(4) implement Federal juvenile delinquency programs and activities among Federal departments and agencies and between Federal juvenile delinquency programs and activities and other Federal programs and activities which he determines may have an important bearing on the success of the entire Federal juvenile delinquency effort;

"(5) develop annually with the assistance of the Advisory Committee and submit to the President and the Congress, after the first year the legislation is enacted, prior to September 30, an analysis and evaluation of Federal juvenile delinquency programs conducted and assisted by Federal departments and agencies, the expenditures made, the results achieved, the plans developed, and problems in the operations and coordination of such programs. This report shall include recommendations for modifications in organization, management, personnel, standards, budget requests, and implementation plans necessary to increase the effectiveness of these programs;

"(6) develop annually with the assistance of the Advisory Committee and submit to the President and the Congress, after the first year the legislation is enacted, prior to March 1, a comprehensive plan for Federal juvenile delinquency programs, with particular emphasis on the prevention of juvenile delinquency and the development of programs and services which will encourage increased diversion of juveniles from the traditional juvenile justice system; and

"(7) provide technical assistance to Federal, State, and local governments, courts, public and private agencies, institutions, and individuals, in the planning, establishment, funding, operation, or evaluation of juvenile delinquency programs.

"(c) The Administrator may request departments and agencies engaged in any activity involving any Federal juvenile delinquency program to provide him with such information and reports, and to conduct such studies and surveys, as he may deem to be necessary to carry out the purposes of this Act.

"(d) The Administrator may delegate any of his functions under this title, except the making of regulations, to any officer or employee of the Administration.

"(e) The Administrator is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

"(f) The Administrator is authorized to transfer funds appropriated under this Act to any agency of the Federal Government to develop or demonstrate new methods in juvenile delinquency prevention and rehabilitation and to supplement existing delinquency prevention and rehabilitation programs which the Director finds to be exceptionally effective or for which he finds there exists exceptional need.

"(g) The Administrator is authorized to make grants to, or enter into contracts with, any public or private agency, institution, or individual to carry out the purposes of this Act.

"(h) All functions of the Administrator under this Act shall be coordinated as appropriate with the functions of the Secretary of the Department of Health, Education, and Welfare under the Juvenile Delinquency Prevention Act (42 U.S.C. 3801 et seq.).

"JOINT FUNDING

"SEC. 475. Notwithstanding any other provision of law, where funds are made available by more than one Federal agency to be used by any agency, organization, institution, or individual to carry out a Federal juvenile delinquency program or activity, any one of the Federal agencies providing funds may be requested by the Administrator to act for all in administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each Federal agency, and the Administrator may order any such agency to waive any technical grant or contract requirement (as defined in such regulations) which is inconsistent with the similar requirement of the administering agency or which the administering agency does not impose.

"INTERDEPARTMENTAL COUNCIL

"SEC. 476. (a) There is hereby established an Interdepartmental Council on Juvenile Delinquency (hereinafter referred to as the 'Council') composed of the Attorney General, the Secretary of Health, Education, and Welfare, the Secretary of Labor, the Director of the Special Action Office for Drug Abuse Prevention, the Secretary of Housing and Urban Development, or their respective designees, and representatives of such other agencies as the President shall designate.

"(b) The Attorney General or his designee shall serve as Chairman of the Council.

"(c) The function of the Council shall be to coordinate all Federal juvenile delinquency programs.

"(d) The Council shall meet a minimum of six times per year and the activities of the Council shall be included in the annual report required by section 474(b)(5) of this title.

"(e) The Chairman shall appoint an Executive Secretary of the Council and such personnel as are necessary to carry out the functions of the Council.

"ADVISORY COMMITTEE

"SEC. 477. (a) There is hereby established a National Advisory Committee for Juvenile Justice and Delinquency Prevention (hereinafter referred to as the 'Advisory Committee') which shall consist of twenty-one members.

"(b) The members of the Interdepartmental Council or their respective designee shall be ex officio members of the Committee.

"(c) The regular members of the Advisory Committee shall be appointed by the Attorney General from persons who by virtue of their training or experience have special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice, such as juvenile or family court judges; probation, correctional, or law enforcement personnel; and representatives of private voluntary organizations and community-based programs. The President shall designate the Chairman. A majority of the members of the Advisory Committee, including the Chairman, shall not be full-time employees of Federal, State, or local governments. At least seven members shall not have attained twenty-six years of age on the date of their appointment.

"(d) Members appointed by the President to the Committee shall serve for terms of four years and shall be eligible for reappointment except that for the first composition of the Advisory Committee, one-third of these members shall be appointed to one-year terms, one-third to two-year terms, and one-third to three-year terms; thereafter each term shall be four years. Any members appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term.

"DUTIES OF THE ADVISORY COMMITTEE

"SEC. 478. (a) The Advisory Committee shall meet at the call of the Chairman, but not less than four times a year.

"(b) The Advisory Committee shall make recommendations to the Administrator at least annually with respect to planning, policy, priorities, operations, and management of all Federal juvenile delinquency programs.

"(c) The Chairman may designate a subcommittee of the members of the Advisory Committee to advise the Administrator on particular functions or aspects of the work of the Administration.

"(d) The Chairman shall designate a subcommittee of five members of the Committee to serve as members of an Advisory Committee for the National Institute for Juvenile Justice to perform the functions set forth in section 407 of this title.

"(e) The Chairman shall designate a subcommittee of five members of the Committee to serve as an Advisory Committee to the Administrator on Standards for the Administration of Juvenile Justice to perform the functions set forth in section 409 of this title.

"COMPENSATION AND EXPENSES

"SEC. 479. (a) Members of the Advisory Committee who are employed by the Federal Government full time shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Advisory Committee.

"(b) Members of the Advisory Committee not employed full time by the Federal Government shall receive compensation at a rate not to exceed the rate now or hereafter prescribed for GS–18 of the General Schedule by section 5332 of title 5 of the United States Code, including traveltime for each day they are engaged in the performance of their duties as members of the Advisory Committee. Members shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Advisory Committee."

TITLE IV—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

SEC. 401. Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 Stat. 1881; 87 Stat. 197], is further amended by adding the following sections to new part F thereof:

"FORMULA GRANTS

"SEC. 480. The Administrator is authorized to make grants to States and local governments to assist them in planning, establishing, operating, coordinating, and evaluating projects directly or through contracts with public and private agencies for the development of more effective education, training, research, prevention, diversion, treatment, and rehabilitation programs in the area of juvenile delinquency and programs to improve the juvenile justice system.

"ALLOCATION

"SEC. 481. (a) In accordance with regulations promulgated under this part, funds shall be allocated annually among the States on the basis of relative population of people under age eighteen. No such allotment to any State shall be less than $200,000, except that for the Virgin Islands, Guam, and American Samoa, no allotment shall be less than $50,000.

"(b) Except for funds appropriated for fiscal year 1974, if any amount so allotted remains unobligated at the end of the fiscal year, such funds shall be reallocated in a manner equitable and consistent with the purposes of this part. Funds appropriated for fiscal year 1974 may be obligated in accordance with subsection (a) until June 30, 1976, after which time they may be reallocated. Any amount so reallocated shall be in addition to the amounts already allotted and available to the State, the Virgin Islands, American Samoa, and Guam for the same period.

"(c) In accordance with regulations promulgated under this part, a portion of any allotment to any State under this part shall be available to develop a State plan and to pay that portion of the expenditures which are necessary for efficient administration. Not more than 15 per centum of the total annual allotment of such State shall be available for such purposes. The State shall make available needed funds for planning and administration to local governments within the State on an equitable basis.

"STATE PLANS

"SEC. 482. (a) In order to receive formula grants under this part, a State shall submit a plan for carrying out its purposes in accordance with the requirements set forth in Sec. 303 (a) of Title I. In accordance with regulations established under this title, such plan must—

"(1) designate the State planning agency established by the State under section 203 of this title as the sole agency for supervising the preparation and administration of the plan;

"(2) contain satisfactory evidence that the State agency designated in accordance with paragraph (1) (hereafter referred to in this part as the 'State planning agency') has or will have authority, by legislation if necessary, to implement such plan in conformity with this part;

"(3) provide for an advisory group appointed by the chief executive of the State to advise the State planning agency and its supervisory board (A) which shall consist of not less than twenty-one and not more than thirty-three persons who have training, experience, or special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice, (B) which shall include representation of units of local government, law enforcement and juvenile justice agencies such as law enforcement, correction or probation personnel, and juvenile or family court judges, and public agencies concerned with delinquency prevention or treatment such as welfare, social services, mental health, education or youth services departments; (C) which shall include representatives of private organizations: concerned with delinquency prevention or treatment; concerned with neglected or dependent children; concerned with the quality of juvenile justice, education, or social services for children; which utilize volunteers to work with delinquents or potential delinquents; community-based delinquency prevention or treatment programs; and organizations which represent employees affected by this Act, (D) a majority of whose members (including the Chairman) shall not be fulltime employees of the Federal, State, or local government, and (E) at least one-third of whose members shall be under the age of twenty-six at the time of appointment.

"(4) provide for the active consultation with and participation of local governments in the development of a State plan which adequately takes into account the needs and requests of local governments:

"(5) provide that at least 50 per centum of the funds received by the State under section 481 shall be expended through programs of local government insofar as they are consistent with the State plan, except that this provision may be waived at the discretion of the Administrator for any State if the services for delinquent or potentially delinquent youth are organized primarily on a statewide basis;

"(6) provide that the chief executive officer of the local government shall assign responsibility for the preparation and administration of the local government's part of a State plan, or for the supervision of the preparation and administration of the local government's part of the State plan, to that agency within the local government's structure (hereinafter in this part referred to as the 'local agency') which can most effectively carry out the purposes of this part and shall provide for supervision of the programs funded under this part by that local agency;

"(7) provide for an equitable distribution of the assistance received under section 481 within the State;

"(8) set forth study of the State needs for an effective, comprehensive, coordinated approach to juvenile delinquency prevention and treatment and the improvement of the juvenile justice system. This plan shall include itemized estimated costs for the development and implementation of such programs;

"(9) provide for the active consultation with and participation of private agencies in the development and execution of the State plan; and provide for coordination and maximum utilization of existing juvenile delinquency programs and other related programs, such as education, health, and welfare within the State;

"(10) provide that not less than 75 per centum of the funds available to such State under section 481, whether expended directly by the State or by the local government or through contracts with public or private agencies, shall be used for advanced techniques in developing, maintaining, and expanding programs and services designed to prevent juvenile delinquency, to divert juveniles from the juvenile justice system, and to provide community-based alternatives to juvenile detention and correctional facilities. That advanced techniques include—

"(A) community-based programs and services for the prevention and treatment of juvenile delinquency through the development of foster-care and shelter-care homes, group homes, halfway houses, homemaker and home health services and any other designated community-based diagnostic, treatment, or rehabilitative service;

"(B) community-based programs and services to work with parents and other family members to maintain and strengthen the family unit, so that the juvenile may be retained in his home;

"(C) youth service bureaus and other community-based programs to divert youth from the juvenile court or to support, counsel, or provide work and recreational opportunities for delinquents and youth in danger of becoming delinquent;

"(D) comprehensive programs of drug abuse education and prevention and programs for the treatment and rehabilitation of drug addicted youth, and 'drug dependent' youth (as defined in section 2(g) of the Public Health Service Act (42 U.S.C. 201 (g));

"(E) educational programs or supportive services designed to keep delinquents and other youth in elementary and secondary schools or in alternative learning situations;

"(F) expanded use of probation and recruitment and training of probation officers, other professional and paraprofessional personnel and volunteers to work effectively with youth;

"(G) youth initiated programs and outreach programs designed to assist youth who otherwise would not be reached by assistance programs;

"(H) provides for a statewide program through the use of probation subsidies, other subsidies, other financial incentive or disincentives to units of local government, or other effective means, that may include but are not limited to programs designed to:

"(A) reduce the number of commitments of juveniles to any form of juvenile facility as a percentage of the State juvenile population;

"(B) increase the use of non-secure community-based facilities as a percentage of total commitments to juvenile facilities; and

"(C) discourage the use of secure incarceration and detention.

"(11) provides for the development of an adequate research, training, and evaluation capacity within the State;

"(12) provide within two years after submission of the plan that juveniles who are charged with or who have committed offenses that would not be criminal if committed by an adult, shall not be placed in juvenile detention or correctional facilities, but must be placed in shelter facilities;

"(13) provide that juveniles alleged to be or found to be delinquent shall not be detained or confined in any institution in which they have regular contact with adult persons incarcerated because they have been convicted of a crime or are awaiting trial on criminal charges;

"(14) provide for an adequate system of monitoring jails, detention facilities, and correctional facilities to insure that the requirements of section 482 (13) and (14) are met, and for annual reporting of the results of such monitoring to the Administrator;

"(15) provide assurances that assistance will be available on an equitable basis to deal with all disadvantaged youth including, but not limited to, females, minority youth, and mentally retarded or emotionally handicapped youth;

"(16) provide for procedures to be established for protecting the rights of recipients of services and for assuring appropriate privacy with regard to records relating to such services provided to any individual under the State plan;

"(17) provide that fair and equitable arrangements are made to protect the interests of employees affected by assistance under this part;

"(18) provide for such fiscal control and fund accounting procedures necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title;

"(19) provide reasonable assurance that Federal funds made available under this part for any period will be so used as to supplement and increase, to the extent feasible and practical, the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs described in this part, and will in no event supplant such State, local, and other non-Federal funds;

"(20) provide that the State planning agency will from time to time, but not less often than annually, review its plan and submit to the Administrator an analysis and evaluation of the effectiveness of the programs and activities carried out under the plan, and any modifications in the plan, including the survey of State and local needs, which it considers necessary; and

"(21) contain such other terms and conditions as the Administrator may reasonably prescribe to assure the effectiveness of the programs assisted under this title.

"(b) The Board appointed pursuant to Sec. 482(a)(3) shall approve the State plan and any modification thereof prior to submission to the Administrator.

"(c) The Administrator shall approve any State plan and any modification thereof that meets the requirements of this section.

"(d) In the event that any State fails to submit a plan, or submits a plan or any modification thereof, which the Administrator, after reasonable notice and opportunity for hearing in accordance with sections 509, 510 and 511, determines does not meet the requirements of this section, the Administrator shall make that State's allotment under the provisions of 481 (a) available to public and private for Special Emphasis Prevention and Treatment Programs as defined in Section 483.

"(e) In the event the plan does not meet the requirements of this section due to oversight or neglect, rather than explicit and conscious decision, the Administrator shall endeavor to make that State's allotment under the provisions of 481(a) available to public and private agencies in that State for Special Emphasis Prevention and Treatment Programs as defined in section 483.

"SPECIAL EMPHASIS PREVENTION AND TREATMENT PROGRAMS

"SEC. 483. (a) The Administrator is authorized to make grants to and enter into contracts with public and private agencies, organizations, institutions, or individuals to—

"(1) develop and implement new approaches, techniques, and methods with respect to juvenile delinquency programs;

"(2) develop and maintain community-based alternatives to traditional forms of institutionalization;

"(3) develop and implement effective means of diverting juveniles from the traditional juvenile justice and correctional system;

"(4) improve the capability of public and private agencies and organizations to provide services for delinquents and youths in danger of becoming delinquent; and

"(5) facilitate the adoption of the recommendations of the Advisory Committee on Standards for Juvenile Justice as set forth pursuant to section 409.

"(b) Not less than 25 per centum or more than 50 per centum of the funds appropriated for each fiscal year pursuant to this part shall be available only for special emphasis prevention and treatment grants and contracts made pursuant to this section.

"(c) At least 20 percent of the funds available for grants and contracts made pursuant to this section shall be available for grants and contract to private non-profit agencies, organizations or institutions who have had experience in dealing with youth.

"CONSIDERATIONS FOR APPROVAL OF APPLICATIONS

"SEC. 484. (a) Any agency, institution, or individual desiring to receive a grant, or enter into any contract under section 483, shall submit an application at such time, in such manner, and containing or accompanied by such information as the Administrator may prescribe.

"(b) In accordance with guidelines established by the Administrator, each such applicant shall—

"(1) provide that the program for which assistance is sought will be administered by or under the supervision of the applicant;

"(2) set forth a program for carrying out one or more of the purposes set forth in section 482;

"(3) provide for the proper and efficient administration of such program;

"(4) provide for regular evaluation of the program;

"(5) indicate that the applicant has requested the review of the application from the State planning agency and local agency designated in section 482, when appropriate, and indicate the response of such agency to the request for review and comment on the application;

"(6) provide that regular reports on the program shall be sent to the Administrator and to the State planning agency and local agency, when appropriate; and

"(7) provide for such fiscal control and fund accounting procedures as may be necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title.

"(c) In determining whether or not to approve applications for grants under section 483, the Administrator shall consider—

"(1) the relative cost and effectiveness of the proposed program in effectuating the purposes of this part;

"(2) the extent to which the proposed program will incorporate new or innovative techniques;

"(3) the extent to which the proposed program meets the objectives and priorities of the State plan, when a State plan has been approved by the Administrator under section 482(c) and when the location and scope of the program makes such consideration appropriate;

"(4) the increase in capacity of the public and private agency, institution, or individual to provide services to delinquents or youths in danger of becoming delinquents;

"(5) the extent to which the proposed project serves communities which have high rates of youth unemployment, school dropout, and delinquency; and

"(6) the extent to which the proposed program facilitates the implementation of the recommendations of the Advisory Committee on Standards for Juvenile Justice as set forth pursuant to section 409.

"GENERAL PROVISIONS

Withholding

"SEC. 485. Whenever the Administrator, after giving reasonable notice and opportunity for hearing, to a recipient of financial assistance under this title, finds—

"(1) that the program or activity for which such grant was made has been so changed that it no longer complies with the provisions of this title; or

"(2) that in the operation of the program or activity there is failure to comply substantially with any such provision; the Administrator shall initiate such proceedings as are appropriate under sections 509, 510, and 511 of this title.

"Use of Funds

"SEC. 486. Funds paid to any State public or private agency, institution, or individual (whether directly or through a State or local agency) may be used for:

"(1) securing, developing, or operating the program designed to carry out the purposes of this part;

"(2) not more than 50 per centum of the cost of the construction of innovative community-based facilities for less than twenty persons (as defined in sections 601(f) and 601(p) of this title) which, in the judgment of the Administrator, are necessary for carrying out the purposes of this part.

"Payments

"SEC. 487. (a) In accordance with criteria established by the Administrator, it is the policy of Congress that programs funded under this title shall continue to receive financial assistance providing that the yearly evaluation of such programs is satisfactory.

"(b) At the discretion of the Administrator, when there is no other way to fund an essential juvenile delinquency program not funded under this part, the State may utilize 25 per centum of the formula grant funds available to it under this part to meet the non-Federal matching share requirement for any other Federal juvenile delinquency program grant.

"(c) Whenever the Administrator determines that it will contribute to the purposes of this part, he may require the recipient of any grant or contract to contribute money, facilities, or services.

"(d) Payments under this part, pursuant to a grant or contract, may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursements, in such installments and on such conditions as the Administrator may determine."

TITLE V—NATIONAL INSTITUTE FOR JUVENILE JUSTICE

SEC. 501. Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 Stat. 1881; 87 Stat. 197], is further amended by adding the following sections to new part F thereof:

"SEC. 490(a). There is hereby established within the Juvenile Justice and Delinquency Prevention Office a National Institute for Juvenile Justice.

"(b) The National Institute for Juvenile Justice shall be under the supervision and direction of the Assistant Administrator, and shall be headed by a Deputy Assistant Administrator of the Office appointed under Section 471(e).

"(c) The activities of the National Institute of Juvenile Justice shall be coordinated with the activities of the National Institute of Law Enforcement and Criminal Justice in accordance with the requirements of Section 471(b).

"INFORMATION FUNCTION

SEC. 491. The National Institute for Juvenile Justice is authorized to—

"(1) serve as an information bank by collecting systematically and synthesizing the data and knowledge obtained from studies and research by public and private agencies, institutions, or individuals concerning all aspects of juvenile delinquency, including the prevention and treatment of juvenile delinquency;

"(2) serve as a clearinghouse and information center for the preparation, publication, and dissemination of all information regarding juvenile delinquency, including State and local juvenile delinquency prevention and treatment programs and plans, availability of resources, training and educational programs, statistics, and other pertinent data and information.

"RESEARCH, DEMONSTRATION, AND EVALUATION FUNCTIONS

"SEC. 492. The National Institute for Juvenile Justice is authorized to—

"(1) conduct, encourage, and coordinate research and evaluation into any aspect of juvenile delinquency, particularly with regard to new programs and methods which show promise of making a contribution toward the prevention and treatment of juvenile delinquency;

"(2) encourage the development of demonstration projects in new, innovative techniques and methods to prevent and treat juvenile delinquency;

"(3) provide for the evaluation of all juvenile delinquency programs assisted under this title in order to determine the results and the effectiveness of such programs;

"(4) provide for the evaluation of any other Federal, State, or local juvenile delinquency program, upon the request of the Administrator; and

"(5) disseminate the results of such evaluations and research and demonstration activities particularly to persons actively working in the field of juvenile delinquency.

"TRAINING FUNCTIONS

"SEC. 493. The National Institute for Juvenile Justice is authorized to—

"(1) develop, conduct, and provide for training programs for the training of professional, paraprofessional, and volunteer personnel, and other persons who are or who are preparing to work with juveniles and juvenile offenders;

"(2) develop, conduct, and provide for seminars, workshops, and training programs in the latest proven effective techniques and methods of preventing and treating juvenile delinquency for law enforcement officers, juvenile judges, and other court personnel, probation officers, correctional personnel, and other Federal, State, and local government personnel who are engaged in work relating to juvenile delinquency.

"INSTITUTE ADVISORY COMMITTEE

"SEC. 494. The Advisory Committee for the National Institute for Juvenile Justice established in section 478(d) shall advise, consult with, and make recommendations to the Assistant Director for the National Institute for Juvenile Justice concerning the overall policy and operations of the Institute.

"ANNUAL REPORT

"SEC. 495. The Assistant Director for the National Institute for Juvenile Justice shall develop annually and submit to the Administrator after the first year the legislation is enacted, prior to June 30, a report on research, demonstration, training, and evaluation programs funded under this title, including a review of the results of such programs, an assessment of the application of such results to existing and to new juvenile delinquency programs, and detailed recommendations for future research, demonstration, training, and evaluation programs. The Administrator shall include a summary of these results and recommendations in his report to the President and Congress required by section 474(b)(5).

"DEVELOPMENT OF STANDARDS FOR JUVENILE JUSTICE

"SEC. 496. (a) The National Institute for Juvenile Justice, under the supervision of the Advisory Committee on Standards for Juvenile Justice established in section 478(e), shall review existing reports, data, and standards, relating to the juvenile justice system in the United States.

"(b) Not later than one year after the passage of this section, the Advisory Committee shall submit to the President and the Congress a report which, based on recommended standards for the administration of juvenile justice at the Federal, State, and local level—

"(1) recommends Federal action, including but not limited to administrative and legislative action, required to facilitate the adoption of these standards throughout the United States; and

"(2) recommends State and local action to facilitate the adoption of these standards for juvenile justice at the State and local level.

"(c) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Advisory Committee such information as the Committee deems necessary to carry out its functions under this section.

"SEC. 497. Record containing the identity of individual juveniles gathered for purposes pursuant to this title may under no circumstances be disclosed or transferred to any individual or other agency, public, or private."

TITLE VI—AUTHORIZATION OF APPROPRIATIONS

SEC. 601. Section 520 of Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 Stat. 1881; 87 Stat. 197], is further amended by adding at the end thereof:

"SEC. 602. (a) In addition to any other appropriation authorizations contained in this title there is authorized for the purpose of Part F: $75 million for the FY ending June 30, 1975; $150 million for the FY ending June 30, 1976.

"SEC. 602. (b) In adition to the funds appropriated under this section, the Administration shall maintain from other LEAA appropriations other than the appropriations for administration, the same level of financial assistance for juvenile delinquency programs assisted by the Law Enforcement Assistance Administration during fiscal year 1972.

TITLE VII—NATIONAL INSTITUTE OF CORRECTIONS

SEC. 701. Title 18, United States Code, is amended by adding a new chapter 319 to read as follows:

"Chapter 319—National Institute of Corrections

"SEC. 4351. (a) There is hereby established within the Bureau of Prisons a National Institute of Corrections.

"(b) The overall policy and operations of the National Institute of Corrections shall be under the supervision of an Advisory Board. The Board shall consist of fifteen members. The following five individuals shall serve as members of the Commission ex-officio: the Director of the Federal Bureau of Prisons or his designee, the Administrator of the Law Enforcement Assistance Administration or his designee, the Chairman of the United States Parole Board or his designee, the Director of the Federal Judicial Center or his designee, and the Assistant Secretary for Human Development of the Department of Health, Education and Welfare or his designee.

"(c) The remaining ten members of the Board shall be selected as follows:

"(1) Five shall be appointed initially by the Attorney General of the United States for staggered terms; one member shall serve for one year, one member for two years, and three members for three years. Upon the expiration of each member's term, the Attorney General shall appoint successors who will each serve for a term of three years. Each member selected shall be qualified as a practitioner (Federal, State, or local) in the field of corrections, probation, or parole.

"(2) Five shall be appointed initially by the Attorney General of the United States for staggered terms; one member shall serve for one year, three members for two years, and one member for three years. Upon the expiration of each member's term the Attorney General shall appoint successors who will each serve for a term of three years. Each member selected shall be from the private sector, such as business, labor, and education having demonstrated an active interest in corrections, probation or parole.

"(d) The members of the Board shall not, by reason of such membership, be deemed officers or employees of the United States. Members of the Commission who are full-time officers or employees of the United States shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Board. Other members of the Board shall, while attending meetings of the Board or while engaged in duties related to such meetings or in other activities of the Commission pursuant to this title, be entitled to receive compensation at the rate not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5, United States Code, including travel time, and while away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence equal to that authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(e) The Board shall elect a chairman from among its members who shall serve for a term of one year. The members of the Board shall also elect one or more members as a vice-chairman.

"(f) The Board is authorized to appoint, without regard to the civil service laws, technical, or other advisory committees to advise the Institute with respect to the administration of this title as it deems appropriate.

Members of these committees not otherwise employed by the United States, while engaged in advising the Institute or attending meetings of the committees, shall be entitled to receive compensation at the rate fixed by the Board but not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5, United States Code, and while away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence, equal to that authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(g) The Board is authorized to delegate its powers under this title to such persons as it deems appropriate.

"(h) The Board shall be under the supervision of an officer to be known as the Director, who shall be appointed by the Attorney General after consultation with the Board. The Director shall have authority to supervise the organization, employees, enrollees, financial affairs, and all other operations of the Institute and may employ such staff, faculty, and administrative personnel, subject to the civil service and classification laws, as are necessary to the functioning of the Institute. The Director shall have the power to acquire and hold real and personal property for the Institute and may receive gifts, donations, and trusts on behalf of the Institute. The Director shall also have the power to appoint such technical or other advisory councils comprised of consultants to guide and advise the Board. The Director is authorized to delegate his powers under this title to such persons as he deems appropriate.

Sec. 4352. (a) In addition to the other powers, express and implied, the National Institute of Corrections shall have authority:

"(1) to receive from or make grants to and enter into contracts with Federal, State, and general units of local government, public and private agencies, educational institutions, organizations, and individuals to carry out the purposes of this section and section 411;

"(2) to serve as a clearinghouse and information center for the collection, preparation, and dissemination of information on corrections, including, but not limited to, programs for prevention of crime and recidivism, training of corrections personnel, and rehabilitation and treatment of criminal and juvenile offenders;

"(3) to assist and serve in a consulting capacity to Federal, State, and local courts, departments, and agencies in the development, maintenance, and coordination of programs, facilities, and services, training, treatment, and rehabilitation with respect to criminal and juvenile offenders;

"(4) to encourage and assist Federal, State, and local government programs and services, and programs and services of other public and private agencies, institutions, and organizations in their efforts to develop and implement improved corrections programs;

"(5) to devise and conduct in various geographical locations, seminars, workshops, and training programs for law enforcement officers, judges and judicial personnel, probation and parole personnel, correctional personnel, welfare workers, and other persons, including lay, ex-offenders, and paraprofessional personnel, connected with the treatment and rehabilitation of criminal and juvenile offenders;

"(6) to develop technical training teams to aid in the development of seminars, workshops, and training programs within the several States and with the State and local agencies which work with prisoners, parolees, probationers, and other offenders;

"(7) to conduct, encourage, and coordinate research relating to corrections, including the causes, prevention, diagnosis, and treatment of criminal offenders;

"(8) to formulate and disseminate correctional policy, goals, standards, and recommendations for Federal, State, and local correctional agencies, organizations, institutions, and personnel;

"(9) to conduct evaluation programs which study the effectiveness of new approaches, techniques, systems, programs, and devices employed to improve the corrections system.

"(10) to receive from any Federal department or agency such statistics, data, program reports, and other material as the Institute deems necessary to carry out its functions. Each such department or agency is authorized to cooperate with the Institute and shall, to the maximum extent practicable, consult with and furnish information to the Institute;

"(11) to arrange with and reimburse the heads of Federal departments and agencies for the use of personnel, facilities, or equipment of such departments and agencies;

"(2) to confer with and avail itself of the assistance, services, records, and facilities of State and local governments or other public or private agencies, organizations or individuals;

"(13) to enter into contracts with public or private agencies, organizations, or individuals, for the performance of any of the functions of the Institute; and

"(14) to procure the services of experts and consultants in accordance with section 3109 of title 5 of the United States Code, at rates of compensation not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5 of the United States Code.

"(b) The Institute shall on or before the 31st day of December of each year, submit an annual report for the preceding fiscal year to the President and to the Congress. The report shall include a comprehensive and detailed report of the Institute's operations, activities, financial conditions, and accomplishments under this title and may include such recommendations related to corrections as the Institute deems appropriate.

"(c) Each recipient of assistance under this title shall keep such records as the Institute shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

DEPARTMENT OF AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1975—AMENDMENTS

AMENDMENTS NOS. 1579–1582

(Ordered to be printed and to lie on the table.)

Mr. HUMPHREY submitted four amendments, intended to be proposed by him, to the bill (H.R. 15472) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

AGRICULTURAL APPROPRIATIONS AMENDMENTS

Mr. HUMPHREY. Mr. President, I am today introducing four amendments to the agriculture appropriations bill so that they can be printed, distributed and reviewed in advance of Monday's session.

I wish to take this opportunity to commend the distinguished Senator from Wyoming (Mr. McGee), the ranking minority member, Mr. Hruska, and the committee staff for producing a budget which reflects the needs of agriculture and the American people.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the text of the amendments be printed in the Record.

There being no objection, the amendments were ordered to be printed in the Record, as follows:

Amendment No. 1579

On page 12, line 3, strike "$1,500,000" and insert in lieu thereof "7,500,000", and on line 12 of page 12 strike "$108,991,000" and insert in lieu thereof "$114,991,000".

Amendment No. 1580

On page 13, line 15, strike the figure $1,500,000" and insert in lieu thereof "$7,500,000", and on line 17 of page 13 strike the figure "$218,674,000" and insert in lieu thereof "$224,674,000".

Amendment No. 1581

On page 26, line 12, strike the figure "$20,000,000" and insert in lieu thereof "50,000,000".

Amendment No. 1582

On page 51, line 24, strike the figure "$1,315,630,000" and insert in lieu thereof "$1,321,630,000", and on page 52, line 3, strike the figure $34,000,000" and insert in lieu thereof "$40,000,000".

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Nelson Denlinger and James Thornton be given permission of the floor during the consideration of the agriculture appropriations bill, H.R. 15472.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1583

(Ordered to be printed and to lie on the table.)

Mr. HRUSKA submitted an amendment, intended to be proposed by him, to the bill (H.R. 15472), supra.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 1553

At the request of Mr. Ervin, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of amendment No. 1553, intended to be proposed to S. 1361 for the general revision of the copyright law, title 17 of the United States Code, and for other purposes.

NOTICE OF HEARINGS ON SENATE JOINT RESOLUTION 119 AND SENATE JOINT RESOLUTION 130

Mr. BAYH. Mr. President, the Senate Subcommittee on Constitutional Amendments is scheduling further hearings on two proposed amendments to the Constitution: **Senate Joint Resolution 119**, for the protection of unborn children and other persons, and **Senate Joint** Resolution 130, to guarantee the right of life to the unborn, the ill, the aged, or the incapacitated.

The next day of hearings will be on Wednesday, July 24, in room 6206, Dirksen Senate Office Building, beginning at 10 a.m.

Any persons wishing to submit statements for the hearing record should contact the Subcommittee on Constitutional Amendments, room 300, Russell Senate Office Building, Washington, D.C. 20510.

ANNOUNCEMENT OF HEARINGS ON S. 2234

Mr. WILLIAMS. Mr. President, the Subcommittee on Securities of the Committee on Banking, Housing and Urban Affairs will hold 3 days of hearings on S. 2234 which I introduced with Senators BROOKE, MCINTYRE, PROXMIRE, and TOWER and S. 2683, which Senators BROOKE and TOWER and I introduced at the request of the Securities and Exchange Commission. The bills would provide for the reporting and public dissemination of information concerning the holdings of transactions in securities by institutional investors.

The hearings will be held on August 13, 14, and 15, 1974, at 10 a.m. in room 5302, Dirksen Senate Office Building.

ANNOUNCEMENT OF HEARING ON S. 3394, THE FOREIGN ASSISTANCE AUTHORIZATION BILL

Mr. FULBRIGHT. Mr. President, I announce that the Committee on Foreign Relations will hold a hearing on Wednesday, July 24, at 10 a.m. in room 4221, Dirksen Senate Office Building, to hear public witnesses on the President's legislative request for foreign assistance authorization, S. 3394.

ADDITIONAL STATEMENTS

ACCESSIBILITY: THE LAW AND REALITY

Mr. CHURCH. Mr. President, the Senate Special Committee on Aging has turned its attention within the last 2 years to architectural barriers which deny or limit accessibility to buildings and transportation systems for elderly and handicapped persons.

On behalf of the committee, I conducted hearings which clearly demonstrated that the Architectural Barriers Act of 1968 falls far short of guaranteeing accessibility in Federal buildings constructed since that time.

In addition, I have worked with other Senators who are concerned about accessibility problems within the Capitol of the United States and within the Senate office buildings. Our concern focused not only on the difficulties encountered by visitors to these public facilities, but by handicapped persons whose work opportunities might be limited because of barriers inside or near those buildings. With the Architect of the Capitol, I toured these structures and was impressed with the problems which were uncovered by our guide, a person who required a wheelchair for mobility. Senator JENNINGS RANDOLPH, chairman of the Subcommittee on the Handicapped, took a keen interest in the same problems and joined with Senator WILLIAMS, the chairman of the Labor and Public Welfare Committee, in seeking corrective action. I am happy to report that such action has begun, and it is continuing with the help of Mr. Edward H. Noakes, the chairman of the Committee on Barrier Free Design for the President's Committee on Employment of the Handicapped.

One of our key concerns, of course, has been the effectiveness of the Architectural Barriers Act, and we have been on the watch for useful information on that subject.

One of the most helpful sources of documentation was recently sent to me by Mrs. Evelyne R. Villines, executive secretary of the Iowa Governor's Committee on Employment of the Handicapped.

It is a report called "Accessibility—the Law and the Reality." It is based upon actual surveys by architects, disabled persons, and recorders who surveyed 34 buildings built since the Architectural Barriers Act became law. Their overall conclusion:

> The Architectural Barriers Act of 1968 has not met the stated intent of Congress—to insure that certain buildings . . . are . . . accessible to the physically handicapped as it pertains to Iowa.

Mr. President, other Senators who are equally impressed by this report will discuss its content and other findings in greater detail. I will add my praise to theirs, and I will also suggest that the Iowa model be applied in other States, as well. Finally, I would like to add a word of commendation for Mr. Noakes, who helped to design the survey and who worked closely with Mrs. Villenes and her associates.

Mr. RANDOLPH. Mr. President, as chairman of the Subcommittee on the Handicapped of the Senate Labor and Public Welfare Committee and as a member of the Special Committee on Aging, I have had a longstanding commitment to make our society barrier free for handicapped individuals.

It was my responsibility to sponsor the Architectural Barriers Act of 1968. The principal purpose of that legislation was to insure that certain buildings financed with Federal funds would be accessible to those who are physically handicapped. Additionally, the Rehabilitation Act of 1973 included my amendment to establish an Architectural and Transportation Barriers Compliance Board to insure compliance with the standards developed pursuant to the Architectural Barriers Act. This Board was and is fully supported by Senator STAFFORD, ranking minority member of the subcommittee, Senator CRANSTON, floor manager of the measure, Senator WILLIAMS, chairman of the full committee and all other members of the Subcommittee on the Handicapped.

Much progress, to be sure, has been made since the enactment of the 1968 law. However, further improvements are still needed if we are to develop a barrier-free society for disabled persons and assure them a full opportunity to participate.

This point was made very forcefully in a recent report prepared by the Easter Seal Society for Crippled Children and Adults of Iowa, the Governor's Committee on Employment of the Handicapped, and the Iowa Chapter of the American Institute of Architects. Their survey of 34 federally funded projects in Iowa provides clear and convincing evidence that the spirit and letter of the Architectural Barriers Act has not always been maintained.

Major areas of concern of the report included parking lots, rest rooms, water fountains, public telephones, and adequate precautionary devices for individuals with sight handicaps.

For example, nearly 70 percent of the federally funded projects did not provide parking spaces for disabled individuals. Moreover, in several cases general parking was not even within proximity of the building. Since mass transportation systems are only beginning to become accessible to handicapped persons, they are very often dependent on specially equipped cars. These conditions will, of course, only intensify the problems handicapped persons encounter in even getting to and from their job.

A need also exists to make public telephones more accessible for the disabled. Only about one-half of the buildings surveyed in Iowa had telephones available to handicapped persons. Most of these, though, were office desk phones which are ordinarily available during business hours. Coin operated public phones were generally too high, and the cords too short. Additionally, no telephones surveyed were equipped for persons with hearing disabilities. Because many business, financial, and other transactions are now concluded by telephone, these oversights can create formidable barriers for handicapped Americans. I am hopeful that they can be corrected promptly.

Finally, the study noted that there was, in most cases, adequate identification of rooms and offices from the standpoint of the general public. But there was a basic lack of understanding about some of the unique problems of the blind. For instance, one project had knurled handles or knobs to identify doors not intended for normal use. The need for such safety features, it seems to me, is especially compelling because some of these "off-limits" areas could conceivably prove to be dangerous for a blind person.

Mr. President, the joint report by the three Iowa agencies is a powerful document which merits the attention of every Member in the Senate. Senator CLARK, it is my understanding, will ask unanimous consent to have the findings, recommendations, and conclusions reprinted in the RECORD. For the Subcommittee on the Handicapped, I will transmit to the Architectural Transportation Barrier Compliance Board copies of the Iowa study and the remarks of my colleagues.

Mr. President, the Subcommittee on the Handicapped has been working closely with the Architect of the Capitol to make the buildings on Capitol Hill accessible to all citizens; I am gratified that architect Edward Noakes, consultant on this project, has submitted a good report and that work has been started. I urge my colleagues in the Senate to study the Iowa report and the work done on the Hill. It will help us to become even more sensitive to the barriers which mobility-impaired persons face and work to eliminate those barriers in our own States.

Mr. President, I commend the able and diligent chairman of the Special Committee on Aging, Senator CHURCH, for his initiative in coordinating this colloquy on the critical issue of architectural barriers. We have worked in a constant endeavor to insure that the handicapped and elderly have complete access to Federal and other buildings and installations. Additionally, I am grateful for the participation of the Senator from New Jersey, Mr. WILLIAMS, the Senator from Illinois, Mr. PERCY, and the Senator from Iowa, Mr. CLARK, in bringing to the attention of our colleagues and the public the continuing need to develop programs for the elimination of architectural and transportation barriers, thereby providing fuller opportunity for the handicapped and elderly of America.

Mr. WILLIAMS. Mr. President, in far too many cases persons with physical disabilities have found that our society is "off limits" to them. Barriers, both physical and psychological, face them at every turn, from buildings and transportation systems which will not allow them entrance—to public policies and attitudes which preclude them their birthright. As a consequence, large numbers of persons with physical disabilities are being denied equal opportunity to participate fully and effectively in all facets of life.

Despite public laws which argue for full and free access, often these laws fail because of a lack of compliance procedures. As the Subcommittee on the Handicapped found during consideration of the Rehabilitation Act of 1973, compliance with the major Federal law on the subject of Architectural Barriers (Public Law 90–480) faltered because of unclear compliance procedures and administrative responsibility. As a result of these findings, the subcommittee, under the able leadership of Senator JENNINGS RANDOLPH, Senator STAFFORD, and Senator CRANSTON, created the Architectural and Transportation Barriers Compliance Board, currently housed in the Department of Health, Education, and Welfare and charged with oversight and investigation of compliance with Public Law 90–480 and other laws seeking a barrier-free environment.

A recent study on "Accessibility—the Law and the Reality," conducted by the Iowa Chapter of the American Institute of Architects, Easter Seal Society for Crippled Children and Adults of Iowa, Inc., and the Iowa Governor's Committee on Employment of the Handicapped—gives further confirmation to the need for implementation of the Architectural and Transportation Barriers Compliance Board.

This hard-hitting factual document includes several sound and sensible recommendations to help assure that buildings financed with Federal funds are, in fact, accessible to persons with disabilities.

Public buildings, and especially Federal buildings, are financed with tax dollars from all Americans and include many dollars contributed by Americans with physical disabilities. Yet most of these buildings, despite laws on the subject, are constructed without the slightest consideration to the special needs of these persons. My colleagues here today have pointed out many of the recommendations cited by the Iowa study. One of the major points made is that there is a general lack of understanding about the problems of persons with various types of disabilities. As that study states:

> The most positive answer lies in education—an informed design professional, agency administrator, building owner, and general public will best assure that the needs of the handicapped are met.

Educational efforts were urged in a number of critical areas, including handrail design, safety identification requirements for the blind, and others.

The recent Iowa report also urged action on several fronts to help make this goal a reality.

One of the priority recommendations was to require that accessible parking spaces for the handicapped be located within proximity of buildings financed with Federal funds. Because this provision is not now mandated, many handicapped persons are deterred from seeking valuable social services at Federal agencies, inquiring about helpful Federal benefit programs, or perhaps seeking employment with a U.S. agency. But in the words of the Iowa report, "This shortcoming is relatively easy and inexpensive to correct and should be accomplished." And, I fully concur.

The report noted that over one-third of the 34 buildings surveyed in Iowa did not have accessible drinking fountains. To correct this problem, the Joint Committee urged that plumbing code standards and manufacturers recommendations for mounting height should be adjusted to facilitate use by those in wheelchairs.

This report is the first of its kind that I have seen, but its importance cannot be overestimated. It represents the effort of an individual State to review public policy in this area comprehensively, and to make sound and reasonable recommendations for change. This kind of awareness serves an important role in the policy process.

As my distinguished colleague, the Senator from West Virginia has noted, with the assistance of Senator CHURCH and other colleagues, the Subcommittee on the Handicapped has undertaken a study of the Capitol area, and the Architect of the Capitol has begun work to make these buildings barrier-free. These efforts, along with work being done on major mass transportation systems, will serve to stimulate a comprehensive awareness of these problems. This is also one of the major goals of my proposal for a White House Conference on the Handicapped (S.J. Res. 118) which is pending before the House Committee on Education and Labor. It is my hope that this Conference can develop a blueprint for comprehensive action to make our society barrier-free for the disabled.

In conclusion, Mr. President, I commend this report, "Accessibility—the Law and the Reality," to my colleagues, and will join with Senator RANDOLPH in transmitting this report with the statements made today to the Architectural and Transportation Barriers Compliance Board for their review and action.

Mr. PERCY. Mr. President. I take this opportunity to join my colleagues in commending the Easter Seal Society of Iowa, the State's Governor's Committee on Employment of the Handicapped and the Iowa Chapter of the American Institute of Architects for their fine effort to survey the effectiveness of the Architectural Barriers Act of 1968, Public Law 90–480, in Iowa. Although Public Law 90–480 was enacted in 1968, the Iowa effort represents the first attempt to systematically review the statewide application of the law. The strength of this Iowa effort lies in its sensitive conclusion that the success of Public Law 90–480 will depend not so much on the punitive enforcement of the letter of the law but, rather, on the education of the industry, government, and the public to a full understanding of the meaning of accessibility.

Without such an understanding, architects, designers, and building professionals tend to follow the letter of the law, not its spirit. Take the example of entrances, the key of access to any facility. When Congress enacted the Architectural Barriers Act of 1968, it intended that facilities financed with Federal funds be designed and constructed to be accessible to the physically handicapped. However, the accessibility standards specify only that at least one primary entrance to each building be usable by individuals in wheelchairs. Following the letter of the law, wheelchair users could be relegated to one entrance, not necessarily the most convenient entrance. Following the spirit of the law, all doors would be uniformly wide enough for wheelchair users to pass through. As the Iowa report "Accessibility, the Law and the Reality" indicates, compliance with the spirit of the law is a still distant goal.

In the interest of attaining that goal, the Iowa effort can act as a blueprint for all other States interested in undertaking similar surveys. For my own part, I have suggested to the Illinois Governor's Committee on Employment of the

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Handicapped that it coordinate a similar effort to review the effectiveness of Public Law 90–480 in Illinois. With sufficient interest Public Law 90–480 may finally fulfill the intent of Congress that the independence and dignity of all handicapped persons be realized.

Mr. CLARK. Mr. President, about one out of every seven Americans has a permanent physical disability. But all of the available statistics, facts and studies show that these individuals can be productive citizens if they are given a full opportunity to participate in our society. To achieve this goal, it is absolutely essential that public facilities and buildings be accessible to the physically handicapped.

In 1968, under the leadership of my friend and colleague Senator RANDOLPH of West Virginia, Congress took an important step with the enactment of the Architectural Barriers Act. This legislation already has had a major impact in opening the doors to new employment, service, and other essential opportunities for handicapped persons.

Recently, a comprehensive study on the provisions of Public Law 90–480 was made by the Iowa Chapter of the American Institute of Architects, in conjunction with the Easter Seal Society for Crippled Children and Adults of Iowa and the Governor's Committee on Employment of the Handicapped. Their conclusion: The spirit of the law still has not been fulfilled.

More than 3,000 buildings have been constructed with some form of Federal support since the Architectural Barriers Act became law. In Iowa, 34 projects have been federally funded since 1968. And, these 34 buildings were thoroughly investigated to determine whether they met the standards and requirements of the Architectural Barriers Act.

The report gave this candid assessment:

> Although there have been great improvements made as a result of the law, too many deficiencies were noted to judge the majority of projects built under the law fully accessible. There is an apparent lack of full understanding of the problems of the physically handicapped on the part of the design professionals, building owners and agencies administering federal funds.

This condition, however, need not persist. This society should not be "off limits" for the disabled. With a clear-cut sense of commitment and sound policies, facilities can be made barrier free for the handicapped, and at a reasonable cost.

Mr. President, in many respects Iowa has been a leader in removing architectural barriers for aged and handicapped persons. The recent study by the Iowa chapter of the American Institute of Architects on "Accessibility—the Law and the Reality" is an outstanding example of this leadership.

Despite some of the sobering conclusions, it remains optimistic:

> Fortunately, we are in a time when the potential and value of each human life is recognized. It is the fervent hope of the agencies sponsoring this survey that it will serve as an example for similar projects across the country, that as a result there will be an ever increasing circle of awareness of what needs to be and should be done to provide buildings which recognize the independence and dignity of all handicapped persons.

Mr. President, I commend the report on "Accessibility—the Law and the Reality" to my colleagues, and ask unanimous consent that the first three sections be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION 1.—THE CONCEPT AND DEVELOPMENT OF THE SURVEY

The Architectural Barriers Act of 1968, Public Law 90–480, was passed by the Nintieth Congress on August 12th of that year. Its purpose was to insure that certain buildings financed with federal funds are designed and constructed as to be accessible to the physicially handicapped. The authority to prescribe standards for design, construction and alteration of buildings under their administration to conform to the law was granted to the Administrator of General Services, Secretary of Housing and Urban Development, and Secretary of Defense, each in consultation with the Secretary of Health, Education and Welfare. In practice, all adopted the basic design criteria of the American Standard Specifications for making buildings and facilities accessible to, and usable by, the physically handicapped, A117.1 (R 1971).

More than 3000 buildings have been constructed under the jurisdiction of this law. The President's Committee on Employment of the Handicapped expressed concern that these buildings vary in their degree of accessibility. As a result, their Barrier Free Design Committee—chaired by Edward H. Noakes, AIA, invited the Iowa Chapter American Institute of Architects to spearhead a survey of 34 projects in Iowa, federally funded since 1968, to determine to what extent they fulfill the standards set by the law.

Consumer assessment was considered extremely important. Since the Governor's Committee on Employment of the Handicapped and the Easter Seal Society for Crippled Children and Adults of Iowa, Inc., are active in working with problems confronting the handicapped they were contacted, responded eagerly, and became very effective co-sponsors of the pilot project. A steering committee composed of representatives from the three sponsoring agencies and students from Iowa State University, School of Architecture, Ames, Iowa, was organized. The Regional Office of the General Services Administration in Kansas City was advised of the proposed project, endorsed it and has provided advice and counsel throughout the survey.

The initial meeting of the Steering Committee was held October 15, 1973, with the following general plan developed:

A. Since there were apparently no available federal funds for this purpose, it was decided to plunge forward depending on volunteer efforts with individuals paying their own expenses. Costs of mailing, preliminary printing, duplication, etc., were to be absorbed by the sponsoring agencies.

The question of printing costs for the final completed report was a concern. Fortunately, through the cooperation of the Governor's Committee on Employment of the Handicapped, this problem was resolved.

B. Each survey team would be comprised of an architect, a disabled individual who is confined to a wheel chair, and a recorder. Organization of the teams was a joint effort by the executive directors of the three sponsoring agencies.

C. The 34 buildings in the Iowa inventory were divided into 12 geographical groups—each of which could be surveyed by one team.

D. A checklist to be used as the common basis for judgement of the buildings was to be developed by a subcommittee. The basic source for material, was ANSI 117.1 (R1971) and information from survey forms used for accessibility survey projects at Iowa State University and the State University of Iowa.

E. On completion of the checklist, a trial run survey was to be conducted by a team from the Steering Committee: Villines (Consumer), Karlsson (Recorder), and Broshar (Architect). This team would then serve as the "faculty" for an all day orientation session with all team members prior to conducting the general survey.

F. It was determined that the final report would consist of two parts: The first part would deal with those items not complying with the standards and the Barrier Act of 1968. The second part would deal with evaluation of the standards and their effectiveness in fulfilling the intent of Congress to provide accessibility for physically handicapped persons.

G. A time table was established with target dates as listed:

November 10th—All team members assigned and committed.

November 15th—Checklist completed for review and refinement by the Steering Committee.

December 7th—Orientation Session of all team members from 10:00 A.M.-3:00 P.M. at the Eastern Seal Society, Camp Sunnyside—lunch to be catered.

December 7th-January 15th—Surveys to be made and reports submitted to the Iowa Chapter, AIA.

January 15th-April 1st—Reports recapped, summary prepared and final comprehensive survey and recommendation document prepared and printed.

Although some modifications were required the general plan and time table held up quite well in practice and in the judgement of our committee could be effectively used as guidelines for similar projects.

The response from those contacted to serve on teams was excellent. One man and wife, both wheel chair consumers, volunteered to serve on a team together—one as a recorder and one as a consumer. The orientation session was most effective: Participating were Edward H. Noakes from Washington, D.C., and Tom Crawford from the Kansas City office of the G.S.A. The team participation was enthusiastic and attendance was nearly perfect. In addition to serving its educational function, the meeting established an excellent spirit of goodwill and common cause. Teams were also briefed on means and methods of contacting the news media regarding the survey activities. The resultant coverage by television and newspapers across the state was very good. Once apprised of the nature of the project, building owners were very cooperative in scheduling surveys, providing guides, and making facilities available to the teams.

Reports were generally completed and submitted in accordance with the time schedule. The Steering Committee then was faced with the frustrating task of sorting out and organizing the data so that the individual problem areas could be defined and analyzed, conclusions drawn and recommendations developed. To organize this work into "bite size" elements, the staff of the Easter Seal Society prepared a tabulation of the survey reports, including pertinent comments. Copies were distributed to each survey committee member, who in turn prepared his own brief overviews prior to meeting to determine the conclusions. Two all day sessions were then required to develop the summary and recommendations, so that the report could be written. The self defined role of the committee has been to inform, recommend and, if possible, educate. One of the direct results of the project was a seminar on Barrier Free Architecture presented by committee members to approximately 200 architectural students at Iowa State Universtiy in March. A Barrier Free Workshop is planned for the member Iowa Chapter, AIA, after completion of the report. The owners of a project surveyed will be furnished with a copy of their individual checklist, a copy of the final printed report, and a letter thanking them for their cooperation and urging their careful analysis and consideration of corrections where needed. Finally, a "wrap up" meeting is planned for all survey workers and others who have participated so that they can be informed of the overall results and impact of their efforts.

SECTION 2.—CATEGORICAL SUMMARY OF THE SURVEY AND RESULTANT RECOMMENDATIONS

A. Parking Lots

In nearly 70% of the projects parking provisions were not made for the handicapped. Several instances were noted in which "not even general parking" was provided in close proximity to the building. It should be pointed out that some parking, close to the building access, is much more critical to the handicapped than to the general public.

Recommendation:—Although the standards appear to be clear and concise, wording is not mandatory. It is recommended that provision of accessible parking spaces approximate to the building and otherwise in accordance with the standards be required. Of those projects surveyed with parking lots, many did not identify or provide accessible stalls. This shortcoming is relatively easy and inexpensive to correct and should be accomplished.

B. Walks

General compliance with recommendations of the standards was excellent. However, about 20% were deficient in "blending to a common level" where walks cross other walks, driveways or parking lots.

Recommendation:—The standard is adequate, but additional awareness of the need for "blending of surfaces" for the handicapped as defined in 4.2.3 is required.

C. Ramps

Of the ramps encountered, most complied with the requirements. There did appear to be confusion regarding use of handrails. There was apparently some problem in defining the difference between a ramp and a sloping walk.

Recommendation: The standards should stipulate at what minimum slope handrails are required. Other requirements seemed clearly stated.

D. Entrances and exits

Nearly all of the buildings surveyed met the minimum requirement of one primary entrance usable by individuals in wheelchairs.

Recommendation: Although the standard does state it is preferable that most entrances and exits be accessible, it is the recommendation of the committee that this should be strengthened. Emergency exits, under most existing codes, become hazards for the handicapped.

E. Doors and doorways

General compliance with door size requirements was excellent although in the judgment of the teams there were some problems with ease of operation and change of level through the doorways. Both of these problems relate directly to hardware.

It should be pointed out that excessive level changes at the threshold are potential hazards for all users of buildings.

Recommendations: Since the problem of ease of operation relates to hardware, it is recommended that the finish hardware manufacturers be given the challenge to develop door closers which will allow opening with relative ease while closing firmly and with adequate resistence to wind pressures.

While automatic entrances provide an ideal solution, economics generally preclude their use on all but primary entrances on major buildings.

F. Stairs and steps

Nearly one-fourth of the stairs surveyed were built with abrupt nosings diagrammed as unacceptable in the standards. This is probably related to standard detailing practice for steel pan stair construction, a very popular and economical method of building stairs. There was some confusion regarding the wording in the standards—"Steps in stairs that might require use by those with disabilities. . . ."

Some variation in handrail heights (from 29 inches to 34 inches) was encountered, and rarely did the handrails extend the prescribed 18 inches beyond the top and bottom steps. Conformance with riser height recommendations was generally good.

Recommendations: Clarification is necessary in the wording of the standard regarding which stairs shall not have abrupt (square) nosing. It was not clear to the committee how to determine which stairs might not be required for use by the disabled.

In addition, studies in modifying standard details for metal pan stairs both by architects and the industry, could be beneficial in resolving this problem.

Although the handrail requirement is clearly stated, there have been a number of varying standards and practices in use for many years. Education, administration and a standardization of codes all are required for a satisfactory solution.

G. Floors

There are two basic areas of concern here—the surface of the floors and a common level throughout a given story.

From their answers it is apparent that team members had some difficulties in defining "non slip". For example, both vinyl asbestos tile and terrazzo were listed as slippery and non-slip. In general, however, the floors were judged to be satisfactory. Regarding the requirement that floors on a given story be of a common level, although only three "no's" were indicated, a careful review of the comments indicates that at least five or six additional projects had mezzanine or other areas separated and accessible only by stairs or non-complying ramps. This problem seems to relate particularly to educational facilities with lecture rooms requiring sloped or stepped seating for proper vision lines.

Recommendations:—Although it was apparently not a major problem, it would be advantageous to have a more specific definition of "non-slip".

A literal reading of 5.5.2 would appear to be too narrow in scope. It's most important that the designer be aware of the potential needs of the handicapped during the conception as well as the detail portion of the design process. Whereas, it may be mandatory to have tiered seats in a lecture room or auditorium, provisions for accessibility of both a handicapped student or audience member as well as a handicapped lecturer should be an integral part of the design program.

H. Rest rooms

In general, the details prescribed by the standards were provided. However, there was considerable discussion both by the survey teams and the reviewing committee as to the adequacy and appropriateness of certain standards.

Most facilities did have an appropriate number of accessible toilet rooms for each sex. did have maneuvering space for wheelchairs and did provide oversized toilet stalls as required. On the other hand, over 25 percent had inadequate doors to provide access to the designated stall; grab bars in many cases differed from the standards; and the maneuvering space in front of the stalls was too small for wheelchairs turning in 40 percent of the cases surveyed. A majority of the toilet rooms did not have drain pipes and hot water pipes covered, had mirrors, dispensers and shelves higher than 40 inches above the floor, and did not provide wall mounted urinals at the required level.

Recommendations:—Total study of rest room accessibility standards is required to provide facilities which recognize the independence, privacy and dignity of the handicapped individual. Specific areas of concern include the following:—

(1) Toilet stall design—The required stall depth of 4 feet-8 inches was considered less than minimum. Additional study should be directed to side vs. front access to the water closet and its effect on stall design.

(2) Grab bars—The standards prescribe bars parallel to the floor, whereas many of the surveyors preferred the 45 percent angle bars encountered. It's apparent that different configurations benefit different handicaps, but perhaps a combination of the two would benefit all. This requires further study.

(3) Accessible urinals—There was a general lack of understanding for the mounting height requirement. If the 19 inch mounting height is valid, plumbing code mounting heights, as well as those recommended by fixture manufacturers, should be brought into compliance.

(4) Although the covering and/or insulating of pipes under a lavatory is listed as a footnote under Art. 5.6.3, there should be some clarification of the hazard. Often the location of the piping thermostatically controlled hot water, or other reasons would appear to eliminate the problem.

I. Water fountains

In retrospect, it appears that our questionnaire was more detailed than necessary, and as a result there was some confusion on the part of the survey teams.

One conclusion was clear—over one-third of the buildings did not have accessible drinking fountains in accordance with the standards and the law.

The major problem with drinking fountains was the height of controls and bubbler. Most were wall mounted and the manufacturer's standard mounting height of 40 inches is excessive for most wheelchair users. The other inaccessible fixtures were either flush mounted recessed fountains or fountains mounted in narrow recesses.

Recommendations: — Planning Code standards and manufacturers recommendations for mounting height should be adjusted to accommodate the wheelchair users. The inconvenience of lower height to the average user is minimal if anything, particularly when compared to the benefit to the handicapped.

The provision of paper cup dispensers will solve the problem in many existing inaccessible drinking fountain installations.

J. Public telephones

At least half of the buildings surveyed had telephones available and accessible to disabled persons. However, most of these were desk phones in offices which are only available when the offices are open. Coin operated public phones were generally too high—the coin slot was too high and the cord too short.

At least, it was noted, the handicapped person was unable to reach the coin slot when he couldn't dial.

No telephones surveyed were equipped for persons with hearing disabilities.

Recommendations:—Since the telephone companies are generally responsible in de-

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termining both the numbers and types of installations of public telephones, they should be informed of these deficiencies and the law. The wording of the standard should be clarified to state whether the equipping of an appropriate number of public telephones for those with a hearing disability is a recommendation or a requirement.

K. Elevators

Where applicable, most elevators were available and useable by the handicapped. One exception was an educational institution where the handicapped were expected to use a freight elevator which was judged inaccessible because of its key operation, as well as a number of apparent operational hazards. A common criticism (more than half) was that the controls were mounted too high, and most did not have raised or indented letters on the controls.

Although our check list asked if the cab were 5 feet x 5 feet, it more appropriately should have asked if the elevator allowed for traffic by wheelchair. In several instances, it was noted that a cab less than the dimensions noted was adequate. There was concern expressed in one instance over the distance between elevator car and threshold being a hazard. No reference to this is made in the standard.

Recommendations:—Elevator manufacturers should be made aware of the need for lower mounting heights for operating controls. There was unresolved discussion regarding the appropriateness of raised or indented letters on the controls. Obviously, this should be resolved as the result of a study beyond the scope of this report.

L. Controls

In general the controls and switches noted were within the reach of individuals in wheelchairs. Fire alarm switches and fire extinguishers in some instances were high, but with new standards all would be accessible.

Recommendation:—With the seemingly illogical "standard" mounting heights for the switches and controls generally used in public buildings and the resultant jumbled appearance, it would seem evident that all should be mounted at one common height which would be a convenience to the public and also accessible to the handicapped.

M. Identification

Although identification of rooms and offices for the general public was quite good in the projects surveyed, there was a general lack of understanding of the problems of the blind. The standards are definitive and when followed would appear to benefit all users as well as the blind.

Only one project of all those surveyed used knurled door handles or knobs to identify doors which are not intended for normal use and might prove dangerous if entered by a blind person. There was a general lack of familiarity with this identifying device both on the part of the surveying teams and the review committee.

Recommendations:—The solution to compliance to this standard appears to be education and administration. Fortunately, it is relatively easy to accomplish in existing structures.

N. Warning Signals

Three fourths of the buildings did not have visual warning systems while most had audible.

Recommendations:—Since the equipment and systems are available to meet this requirement, education and administration are the means to assuring compliance with the law. State and local fire marshals should be aware of this requirement since alarm systems fall within their domain.

O. Hazards

Conformance with the requirements of this section was generally quite good.

Deficiencies generally related to signs, fixtures or objects that projected into hallways (below 7 foot heights) and a review of the comments indicates that a number of these problems are the result of items added after completion of the project.

Recommendations:—None.

SECTION 3.—GENERAL CONCLUSIONS

The conclusion of this survey must be that the Architectural Barriers Act of 1968 has not met the stated intent of Congress—"to insure that certain buildings . . . are . . . accessible to the physically handicapped as it pertains to Iowa.

Although there have been great improvements made as a result of the law, too many deficiencies were noted to judge the majority of projects built under the law fully accessible. There is an apparent lack of full understanding of the problems of the physically handicapped on the part of the design professionals, building owners and agencies administering federal funds. The standards adopted while generally good, require clarification in certain areas and detailed review in others.

The standards clearly define the various categories, but the difficult problem of deciding what degree of disability should be designed for has not been resolved.

The lack of understanding cited is illustrated in the classroom building which featured second floor toilet facilities beautifully executed in compliance with the detailed requirements of the standards, but accessible only by non-conforming stairs or non-conforming key operated elevators. Several of the buildings surveyed had met all entrance acessibility requirements, but failed to provide any parking spaces within a reasonable walking distance to the entrances.

Compliance with the total spirit of the law is the ideal to be sought. The specific accessibility deficiencies are noted in the second section of this report, along with tabulation sheets. Major areas for concern seemed to be parking lots, rest rooms, water fountains, public telephones and provisions for those with sight handicaps.

The American Standards were generally judged to be good. It was the feeling of the review committee that accessible parking for the handicapped be required rather than recommended, that stairs meeting accessibility standards should be more closely defined, and that a total restudy of toilet room requirements—particularly toilet stall size and shape be initiated.

Some problems encountered related to manufacturing or industry standards. The hardware industry, if properly motivated, should be able to solve the problems encountered by the handicapped with difficult door closers. Modification of industry standards such as plumbing fixture mounting heights, control and switch heights, pay telephones, and elevator controls to conform to the accessibility standards would resolve the problems simply.

Several areas for improvement can be noted: Improve the standards, educate industry to meet their obligations, strengthen administration of the law. But, the most positive answer lies in education—an informed design professional, agency administrator, building owner, and general public will best assure that the needs of the handicapped are met. Although the scope of this survey is limited to buildings built under Federal Law P.L. 90–480, it is also a law in Iowa that all public buildings be accessible. It seems only logical that any building designed for public access and use should be equally accessible to the physically handicapped.

Fortunately, we are in a time when the potential and value of each human life is recognized. It is the fervent hope of the agencies' sponsoring this survey that it will serve as an example for similar projects across the country, that as a result there will be an ever increasing circle of awareness of what needs to be and should be done to provide buildings which recognize the independence and dignity of all handicapped persons.

THE MEDIA

Mr. GOLDWATER. Mr. President, much of the American press—in the opinion of most of the Nation has gone beyond the bounds of fairness in its determination to drive Nixon out of office.

I have known this for some time, as have other politicians and even commentators.

But it took a top editorial writer on a great newspaper to lay it out the way the situation really deserves.

My reference is to the Arizona Republic which, in a lead editorial in July 7 told the story the way it is. To quote the Republic, "the media is in hot water."

Mr. President, this condition rarely exists. Even more unusual is to have it pointed out by a segment of the media. This is fitting, however, because there is not a newspaper in the country which treated Watergate and related matters with more objectivity and fairness.

Even so, it is not often that one part of the media is moved to blow the whistle on one of its professional brethren.

The Republic's editorial points out that at a time when the press should be receiving plaudits for a job well done in the public interest it finds itself at a low point in public esteem.

The editorial said:

> At its annual convention last spring, the prestigious American Society of Newspaper Editors took on some of the aspects of a wake with committee chairmen reporting gloomily on the public's attitude toward the press.

It went on to attribute the public's attitude to the media's failure to be fair with the President.

Mr. President, because of its extreme importance to the Members of Congress, I ask that the July 7 editorial of the Arizona Republic be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PRESS IN HOT WATER

> While the Rodino committee moves with glacial deliberateness toward a vote on impeachment, the press is examining its own role in bringing the Watergate scandals to public attention. Quite obviously the media is in hot water.
>
> Time magazine's current issue contains an exhaustive six-page cover story headed "The Press: Fair or Foul." It is followed by a two-page essay titled: "Don't Love the Press, But Understand It."
>
> Newsmen, not congressmen or court prosecutors, exposed the activities of Dean, Magruder, Colson, the Plumbers, Kleindienst, Mitchell, Stans and all the rest.
>
> And yet, far from being hailed for cleansing the Augean stables, the press today finds itself at a low point in public esteem.
>
> At its annual convention last spring, the prestigious American Society of Newspaper Editors took on some of the aspects of a wake with committee chairmen reporting gloomily on the public's attitude toward the press.
>
> A recent Gallup poll found only half (52 per cent to be exact) of daily newspapers do a good job in presenting both sides of a controversial issue. Mervin Field's California

polls have shown a decline from 55 to 44 per cent in the number of people who consider the Watergate coverage as unbiased.

Perhap's because Time's reporting is often excellent but seldom unbiased, the thrust of the magazine's massive report is that attacks on the press, particularly over Watergate, have become "mindless and reflexive."

We're not at all sure that the present depressed state of confidence in the press can be so easily explained away. In simple point of fact, the Eastern Establishment press has carried out a nonstop assault on Richard Nixon such as no American president in this century has been exposed to.

Since Carl Bernstein and Bob Woodward sniffed the first breath of political corruption in the Watergate burglary. The Washington Post and its allies (Time, Newsweek, The New York Times, CBS, etc.) have shown all of the strengths but few of the restraints expected of the Fourth Estate.

That these attacks have performed a service for the country is crystal clear. That cannot, and should not, be gainsaid.

But they have frequently done so at the expense of law, tradition and good taste. The new Bernstein-Woodward book (which will earn the two young reporters a cool half-million dollars) tells how Bernstein, warned that a subpoena had been issued for him, called his managing editor at The Washington Post and told him to remove his (Bernstein's) files.

That may not be contempt of court, since the subpoena had not actually been served, but it certainly is obstruction of justice, and is just as reprehensible when newsmen do it as when government officials shred documents or when the President refuses to turn his memoranda and tapes over to a congressional committee.

In fact, it is more reprehensible unless you believe there is no such thing as executive privilege, and not even the Nixon-haters have made that claim.

How can a newspaper columnist (i.e. Jack Anderson) demand that the White House staff members obey the most minuscule provisions of the law, when he himself thinks nothing of violating the sanctity of the grand jury by publishing verbatim transcripts of grand jury testimony?

Much of the American press, in our estimation and probably in the opinion of most of the nation, has gone beyond the bounds of fairness in its determination to drive Nixon out of office.

It is failing in that goal, and if Congress can only be goaded into getting impeachment behind it, there is a chance that the government and the people will be able to find their way back to the sanity that has ruled most of America's 198-year-old history.

Then, and only then, will there be an end to what Time calls "an estrangement between the press and large numbers of Americans." We heartily concur in Time's opinion that such estrangment "is dangerous, not merely to the press but to the country." Where we differ from Time is fixing the blame for that estrangement.

NOT A LOSER IN THE CROWD

Mr. MOSS. Mr. President, the July/August issue of Astronautics and Aeronautics includes an article describing a recent Michigan symposium on Earth resources technology satellites. Similar symposiums have been held in Utah and in Oregon.

Because of the widespread interest in Earth resources technology satellites, which bring the benefits of our investments in space to State and local users, I ask unanimous consent that this article be printed in the Record for the benefit of my colleagues.

There being no objection, the article was ordered to be printed in the Record, as follows:

Not a Loser in the Crowd

(By Bruce Frisch)

(The ERTS in Michigan Symposium can serve as a model for other Sections to follow in their states:)

When Argentina bought an Earth Resources Technology Satellite (ERTS) ground station from Bendix, it conducted a ground truth survey of an agricultural area for the opening exercise in analyzing remotely sensed data. Government agents asked each farmer what he had planted where. Later, puzzled Bendix experts found their computerized crop classifications from ERTS data differed for many sections of land. Checking revealed that farmer had misled the government questioners in order to lower their taxes. The ground "truth" was wrong, ERTS right.

No doubt a number of Argentine farmers now believe in the accuracy of ERTS data. Last month the AIAA Michigan Section held a symposium to convince possible users in Michigan. "There's a great lack of communications between users and remote-sensing people," agreed Symposium speaker William Walsh of the Michigan Department of Natural Resources. "We tried to reach any level at which people are called on to write reports," explained William J. Pollard of Bendix Aerospace Div., co-chairman and sparkplug of the symposium. In the audience of around 100 sat many of just that sort of person.

In his keynote speech Rep. Marvin L. Esch, ranking Republican on the Subcommittee on Space Science and Applications of the House Science and Astronautics Committee, said he hoped "Michigan can move forward to become a model state showing other parts of the country what can be done to apply effectively the scientific knowledge which ERTS will afford us in the decade ahead." To put ERTS to use, said Esch, the Federal government must share the cost of application.

The speakers who followed quickly made clear that though 1000 mi. from the ocean Michigan has an overbearing concern for water. About 700 mi. of the state's Great Lakes shoreline are eroding quickly under the onslaught of recent high waters, pointed out Walsh. Around 300 mi. of that is developed, he said, as he showed houses slipping into the water.

On land, a shortage of information has contributed to the slowness in legislating land-use bills, said Albert Sellman of the Environmental Research Institute of Michigan (ERIM). "Proposed land-use bills deteriorate into critical-land use bills when government decides it's not ready to take on the whole job. . . . To control use, you must monitor." "There is a natural dislike in our society for organization and rationalization for planning, said Ray Guernsey of Johnson, Johnson and Roy, consultants. He hoped the information coming out of remote sensing could help overcome such antipathy.

Some problems ERTS cannot yet touch. It has too low resolution to help overcome what Donald D. Webster of DNR described as one of Michigan's biggest shortcomings, a lack of topographic maps of 7 ½-min quadrangles used in local planning. Michigan places 40th among the states in coverage and will not complete mapping following the present schedule until 2049. Although a rich state in a rich country, Michigan has the same underlying problem as poor, developing nations—limited money and manpower. Even for Michigan, Congressman Esch's proposal for cost sharing makes sense.

The smallest unit of ERTS resolution, the picture element or pixel, measures about 1.1 acre. The Michigan Dept. of State Highways and transportation uses an 8-pixel-square cell for its computer routing of new roads.

Laurence B. Istvan of ERIM squeezes information out of the ERTS data down to the individual pixel, since his interest lies in small lakes. When placed over a detailed topographic map, the stepped outlines of areas classified as water from ERTS data matched ponds and even islands in the ponds amazingly well. Altogether the program participants must have presented a score or more of actual uses of data from Skylab and ERTS spacecraft and KB-57, U-2 and lower flying aircraft.

The panel discussion at the end of the day brought out the reactions of some potential users to what they had seen. "This hocus-pocus stuff you were showing today" Nelson Thomas of the Environmental Protection Administration (EPA) called it. Nevertheless, he noted that EPA now times the sailing of its ships on the Great Lakes with ERTS overpasses.

"We're a nuts-and-bolts engineering outfit," said Charles Johnson of the Army Corps of Engineers. "We feel we're being beset by a bunch of salesmen who are selling us mysterious techniques that we're not too sure are useful. . . . They say try it, trust us, and let's do it. It would help a great deal if instead [of selling] you would concentrate on educating us as to exactly what each band means. Then we can go in and monitor contracts." Johnson's feelings suggest prefacing such a symposium with a short introduction to multispectral scanning and the forms of photography.

Don Lowe of ERIM partly agreed with Johnson. "Everyone thinks remote sensing was oversold to begin with," he said. "Now that we have the user's attention we have to produce."

However, Robert H. Johnson of Bendix throughout "the user wants information, and he could care less how we got it."

Thus by the end of the day the symposium reached a nice balance by getting feedback from the users.

In this and many other ways the Michigan symposium can serve as a model for other Sections in other states. Another Section will need another Willard Pollard—someone to supply the main push. But it probably should not rely so completely on one person. The excellent quality of the acquaintanceship of program chairman Robert H. Rogers of Bendix, himself an ERTS principal investigator. Pollard and Rogers limited those on the program to Michigan people which ensured their sticking to local interests.

On timing, Pollard found he needed reasonably firm plans about two months in advance in order to then send out letters inviting the most important personages. Be prepared for disappointment. Looking back, Pollard thinks it might have been wise to include in the letter to the governor the name of an acceptable alternative representative in case he could not make it, as he could not. Vice-President Ford sent a telegram read to the symposium wishing it success.

Watch for conflicts of dates. Top people in the Department of Natural Resources had to attend a meeting of the Commission which governs it and could not get to Ann Arbor.

The good cross section of attendees resulted from mailings to Section Members, the American Institute of Planners, 20 regional planning directors, the American Society of Photogrammetry, industry and business, and a list compiled by the NASA remote-sensing project at Michigan State Univ. of persons interested in remotely sensed imagery. Pollard got most lists simply by asking.

Philip Schaub at AIAA Headquarters wrote a press release and mailed it to his list of area media and will do the same for anyone else requesting it. The Sections's Larry Reed of Bendix called 10 of the most important local media individually. No release went out summarizing what the speakers would say, but Pollard now believes that papers and stations that did not attend might have found one useful. In any case, the symposium was not a media event; it aimed at informing the restricted group invited.

A key to the success of the symposium is that everyone involved felt he profited from the day. "There wasn't a loser in the crowd," says Pollard.

Bendix backing proved valuable. Pollard's request went from his boss, Earth-resources director Park Curry, up to Aerospace Div. general manager Robert Schaeffer. Schaeffer gave him an account number and $500 worth of man-hours to charge against. The symposium gained printing and other services, use of a meeting room, projectors and sound system, and an arrangement for attendees to eat in the company cafeteria. Pollard also then felt free to call on others in the company for odd jobs. He carefully avoided the hardsell of packing the program with company people. Only a panelist came from Bendix. No doubt Bendix has a strong vested interest, but others elsewhere do too and may welcome the opportunity to help.

At AIAA Headquarters Leonard Rosenberg worked closely with Pollard and stands ready to aid other Sections. ERTS benefits touch people's everyday lives like no other part of the space program. That is why, as Congressman Esch said, "No other space endeavor has received more unanimous and enthusiastic support from the Congress." Every state could use an ERTS symposium. One down, forty-nine to go.

HEARTBREAK OF THE HARD-OF-HEARING LEGITIMATE COMPLAINTS FALL ON DEAF EARS

Mr. PERCY. Mr. President, in previous remarks in the Senate I have pointed up serious problems with the present hearing aid delivery system. Study after study, as well as hundreds of consumer complaints from around this country—which I have now forwarded on to the Federal Trade Commission and the Food and Drug Administration—have attested to deficiencies in the treatment now afforded the Nation's hearing impaired. People within the industry have affirmed that changes are called for. In a significant letter to me, Tom Lantry, of Desert Hearing Aids in Palm Springs, Calif., wrote:

> Your statement about my industry the other day has many of them in an uproar. However, after working nearly 13 years in this business . . . I understand your attitude.
>
> Today, most of the so-called "hard sell" manufacturers and dealers do over 60% of their business by selling a new fitting to their present users. . . . I strongly doubt a true need of many present users for a new one every 2 to 3 years, and I criticize the industry's methods of inducing the second sale. I have done it, and I deeply regret it in many cases.

Mr. Lantry's constructive comments offer keen insight into a number of hearing aid-related problems. I will include his entire letter at the close of my remarks.

Recently, five newspaper articles, two from the Minneapolis Star and three from the Detroit Free Press, have come to my attention. The articles point out many of the problems so often associated with the sale of hearing aids. The Star articles appeared on November 13 and 14, 1972, and were written and carefully researched by Reporters Jim Shoop, David Nimmer, and Gordon Slovut. The articles from the Free Press ran in the February 11, 25, and 26, 1973, editions and were written by Trudy Lieberman after considerable investigative work.

The Star sent two researchers to 12 dealers in the Minneapolis area. One was a 69-year-old woman whose hearing was found to be "essentially normal" by an otologist. She required no hearing aid. The second was a 43-year-old man. This gentleman was diagnosed by the same otologist. He was found to have a substantial hearing loss in his left ear. The loss was due to a condition called otosclerosis—a microscopic growth of the bone which prevents the normal transmission of sound to the inner ear. The condition can be corrected by surgery.

The major findings were as follows:

Eight of twelve hearing aid dealers did not tell the 43-year old man to see a doctor before buying an aid.

Four dealers recommended that he buy two aids, one for each ear, with prices ranging from $500 to $800. But, the researcher suffered no hearing loss in his right ear. The practice of selling two aids has been seriously questioned by Consumer Reports magazine which stated in 1971 that—

> Objective tests have not as yet demonstrated a significant improvement in understanding speech when two aids are used instead of one.

Most dealers displayed plaques proclaiming them to be "certified hearing aid audiologists." Yet, this title was bestowed on them by their own trade association after completion of a 20-week correspondence course.

One salesman told the male researcher after a tone test that the cause of his problem who so "obvious" that he need not give him three other tests. However, he incorrectly diagnosed the gentleman's otosclerosis condition as a "sensorinearal type loss."

The Star article concludes:

> Before a person shops for a hearing aid, he should see a doctor to determine what has caused the hearing loss and whether it can be corrected by medicine or surgery.

The Detroit Free Press reports extensive lobbying efforts by dealers aimed at a price increase in aids procured by the State of Michigan. These hearing aids are supplied to indigent and crippled children. The Michigan Departments of Social Services and of Public Health now pay dealers the net cost of each hearing aid plus a $180 markup of the price paid by the public, whichever is less. The price increase was granted despite the fact that a soon-to-be-released State senate committee report strongly endorsed the existing price formula.

The Free Press also chronicles some particularly distressing examples of dealer misdiagnosis, to wit:

A 21-year-old girl visited an ear specialist after suffering intense pain caused by eardrops given her by a hearing aid dealer. She had been struck in the ear with an open hand and the blow caused a perforation of the eardrum. The dealer gave her eardrops and told her to come back. Said an audiologist:

> The last thing you want to do is put anything in the ear that can drip into the middle ear.

An older woman wore two hearing aids for 2 years. She had a chronic, runny infection in one ear. Yet, the dealer had sold her an aid for the diseased ear and never suggested that she see a medical practitioner.

The Free Press is critical of Michigan's licensing board for hearing aid dealerships. The board took no disciplinary action against any dealer during the first 6 years of its existence. No Michigan hearing aid dealer had his license suspended or revoked. However, the Star reported "numerous" consumer complaints against some dealers.

Courtney Osborn, head of the speech and hearing section of the department of public health, summed up:

> The board is analogous to putting a fox in the henhouse. . . . [It] has been far more interested in the promotion of dealers than consumers.

Inadequacies in the care afforded the hearing-impaired at the dealer level have been brought to public attention by a number of organizations and individuals. Most notably, Ralph Nader's Retired Professional Action Group, the Public Interest Research Groups in both New York and Michigan, and Consumers Union have all issued comprehensive reports.

I personally have written to both the Food and Drug Administration and the Federal Trade Commission urging the two agencies to pinpoint problems with the present hearing aid delivery system and promulgate regulations necessary to protect the consumer. In addition, members of my staff and I have met at considerable length with industry leaders.

With regret, I must report that I have been deeply disappointed with the industry's reaction to so many legitimate complaints on behalf of and by hearing-impaired consumers. Rather than addressing headon some of the serious problems involved in the sale, fitting, and pricing of hearing aids, the industry seems preocccupied with defensive-backbiting and empty challenges.

For instance, in a June 24, 1974, letter to me which I will append to my remarks, Mr. Marvin Pigg, president of the National Hearing Aid Society, expressed a most disturbing attitude of noncooperation, bordering on hostility. Mr. Pigg seems to be more interested in undermining efforts to improve treatment for the hearing-impaired than with taking action to eliminate dealer malpractices.

Similarly, I found interesting a memorandum sent to all Florida hearing aid dealers by the Florida Hearing Aid Society called upon dealers to "sit down today and write PERCY. Encourage your clients to send letters to PERCY and pull from your files as many favorable letters from your clients as you can find. Make photo copies and send these with your letter to PERCY. Keep the originals as they will be valuable in the future. This man is attacking you and me and our livelihood. Make your letters strong . . . ." The memorandum goes on to state that the writein campaign was a "national" one organized by the Public Affairs Committee of the National Hearing Aid Society. I can only conclude that if the National Hearing Aid Society would expend the time, money, and effort to promote better care and service to the hearing-inpaired, instead of conducting writein campaigns, there might not be the need for a writein in the first place. Customer dissatisfaction could be significantly reduced.

I might add that to me, the truly significant letters received over the past few weeks have been the heartfelt outpourings of hundreds of hearing-impaired citizens from every area and region of the country complaining about consumer abuse, exorbitant prices, or other aspects of the present delivery system. I have transmitted these complaints to the FDA, the FTC, and to the National Hearing Aid Society in the hope that these grievances will be duly considered and corrective measures taken, both in the specific case and the future.

Mr. President, I ask unanimous consent that the several articles and documents I referred to earlier be appended to my remarks in the RECORD. They include a letter to me dated June 13, 1974, from Tom Lantry of Desert Hearing Aids, two articles from the November 13 and 14, 1972, editions of the Minneapolis Star, three articles dated February 11, 25, and 26, 1973, from the Detroit Free Press, a National Hearing Aid Society memorandum, dated June 17, 1974, the letter of June 24, 1974, from Mr. Pigg, and my response to him of June 26, 1974.

There being no objection, the material was oredred to be printed in the RECORD, as follows:

DESERT HEARING AIDS,
Palm Springs, Calif., June 13, 1974.

Hon. CHARLES PERCY,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR: Your statement about my industry the other day has many of them in an uproar. However, after working nearly 15 years in this business, 10 of them for Beltone dealers, I understand your attitude.

All of my years in this field have been spent in rural and semi-rural areas, including eastern Washington, northern Idaho, western Montana, and Riverside County in California the last 8 years.

For the last 2½ years, I have been running a small business by myself, in Palm Springs. I really mean "by myself". I have no employees, get occasional help from my wife, who also works.

There is a world of difference between my operation, and that of a large so-called "manpower" dealer. It is this difference which concerns me. This type of dealer probably trained most of the people presently working in my field. The degree of technical skill and knowledge is highly various, yet the delivery system which has evolved over the last 50 years, at least in my area, seems to work fairly well. One reason is that, in California, welfare recipients must see a licensed physician in order to get an aid paid for by the state. As to the 75% or more of our customers *not* on welfare, in my experience, lack of money is definitely *not* the reason 6 or 7 out of every 8 people who might benefit from wearing an aid do not do so. As the user of a hearing aid, you should know what the real reasons are. They relate to the affected person's delay in seeking help, for all the many reasons for that delay. I still insist, however, that lack of money is *not* one of those reasons.

Between your recently expressed view, and that of the large manufacturers who appear at Congressional hearings, there must be, it seems to me, a middle ground.

I am concerned about that middle ground for one reason only: since I sold my first Beltone aid, in 1962, near Spokane, Washington, my home town, I have always felt, and still do, that much of what my customer was buying from me, me personally, was as many years of free service on the aid as I could supply, and as they needed. In my present area, this can be considerable, because of the high mean temperatures in which we live here. Of course, I know as well or possibly even better than you, the unusual willingness of any dealer who fitted you, to provide you, personally, with any possible service he could perform, even if it meant a trip to your home to do so. Well, sir, I happen to believe that the little old black lady, in the nursing home in Blythe, Cal., 125 miles from my office, is entitled to just as good and frequent service on her aid, paid for by the state or not, as the wealthiest user I have here in Palm Springs, where I live. And, I firmly believe, anyone in my work, dealer or outside salesman, who does *not* believe this, is cheating his client, at the time of sale, whether or not the buyer knows it.

This, it seems to me is the heart of the whole debate. If the medical or audiological profession takes over my business, who is going to perform pure *service* work, where, and at what cost to existing users? Can the answer to this question be legislated? I am not at all sure of the answer. Like race relations, maybe the answer lies in the hearts of men, as Ike Eisenhower once said. If the small numbers of audiologists in this country, who appear to wish to do so, take my sales incentive away from me, how will those who do not live physically close to their offices get an ear mold re-tubed? Who will use the pipe cleaners and alcohol, or freon lube, to keep the battery tray and volume control clean and loose? Maybe this has never occurred to a non-user, but it must be somewhat evident to you, if you have worn an aid for more than 2 years. These and dozens of other questions had better be answered, I believe, before the present delivery system is even partially destroyed.

As much as the industry feared it, I believe that recent licensing laws, introduced and effective in the majority of the states, are a step in the right direction. All of us had to go back to the textbooks, and prove we had at least some basic information, to get a license. The test in California was tough, as proved by the people with over 20 years' experience who failed it the first time around.

But, even licensing laws, good or bad, still skirt, I believe, the real issue. What is a fair price for a hearing aid? Senator, may I ask, what is a fair price for a pair of bi-focal eyeglasses, for a tonsillectomy, for a stapedectomy, for a 12 cu. ft. plain refrigerator? In the majority of our world, competition has been the main deciding factor. This is even true in the medical profession, in my experience. 15 years ago, a stapedectomy in a famous office in Los Angeles cost nearly $2,000.00. 5 years ago, it got down to about $650.000 in this area, is now nearly $900,00, the last change due to inflation, I believe. The nub of the question then becomes, if I read you correctly the other day, should government now decide the price, who can sell, who can fit, who will service, who will manufacture, and so on.

I readily admit, I have few answers. I agree that it is your function, as a Senator, to question. My only request is that you make as certain as you can that, in your questioning, you find out 2 answers: first, what is best for those who now *wear* a hearing aid, and, second, and far more important, in my view, what can be done to get the huge majority of the hearing impaired who might benefit from an aid, or 2 aids, who now go unaided, to at least look into their problem, from some reliable source.

In my telephone book advertising, a year ago, I urged those reading my ad to *not* contact me, but their family doctor or a specialist, I have never had one person comment to me about that ad. That tells me something, I'm not positive just what, but it means something.

Once a process is begun which noticeably changes how the present manufacturers advertise, price, and distribute their goods, there may be no way back, if the changes hurt the public. Today, most of the so-called "hard sell" manufacturers and dealers do over 60% of their business by selling a new fitting to the present user. Just as you must feel, I strongly doubt a true *need* of many present users for a new one every 2 to 3 years, and I criticize the industrys' methods of inducing the "second sale". I have done it, and I deeply regret it, in many cases. Now that I am my own "boss", I do exactly the opposite, as my present repair business volume can prove. I hope, some day, to see some method found which will put a stop to this practice.

But, if steady sales volume is a necessity for most business, then what can the industry do to maintain sales, if the great majority of their prospects won't go near them, are not even identified right now? The answer is what they are now doing.

Specifically, how much good can be done by the new directional microphone, the new electret microphone, the limiting circuits now available, for the typical user, who is over 70 years of age, may have poor discrimination, other health problems, etc.? These are hard questions, in my own office, with the majority of old people who come to me, most of them by referral from local doctors. My most difficult task is to convince them, *really* convince them, that my fitting is not going to work a miracle, give them back their youth in the hearing dept. Most of them don't want the truth, but I make them face it, anyway. They *must* face it, or they will buy an aid, and, within 30 days, take it off for the last time, and never wear it again. Then, another tragedy is immediately in the making. They will respond to someone else's advertising, still looking for "the Golden Fleece." And, sure enough, they will be contacted, at home probably, by a nice, smiling guy who will convince them he has it for sale. I know. I have a nice smile, and I did it, for 10 years. I'm not ashamed of *most* of the sales I made, but certainly, some.

Finally, I doubt that you, yourself, Senator, will ever read this letter. I hope that whichever of your aides *may* read it will see what I am driving at. It is the gist of over a decade of experience, doing something I have come to love doing. My wife thinks I am something comparable to Ghandi, Jesus Christ, and Ralph Nader, in my work. I smile, but I'm glad she feels that way.

Incidentally, and lastly, as a life-long Democrat, I am extremely interested in who gets your party's nomination in 1976. I may have to vote for your candidate. Last time, I had to pass completely, a judgment recently vindicated. Good luck, God willing, I hope you make it.

Sincerely,

TOM R. LANTRY,
Licensed Hearing Aid Designer (and proud of it).

[From the Minneapolis Star, Nov. 13, 1972]

NEED A HEARING AID? SEE A DOCTOR

(NOTE.—This is another of The Minneapolis Star's articles dealing with consumer-related subjects. It was compiled and written by The Star's consumer team of Jim Shoop and David Nimmer, and medical and science writer, Gordon Slovut. A related article will appear in tomorrow's Star.)

A white-haired 69-year-old woman walks into the Beltone Hearing Aid Center at 512 Nicollet Mall and says she'd like her hearing tested.

"I don't have an aid," she says, "and I hope I don't have a problem. I've been having a little trouble hearing and I thought the best thing I could do is come in and have it checked."

She is led into a small room by a woman in a pantsuit who begins what is known in the trade as a hearing evaluation, in which her responses to a series of tones transmitted through headphones by an electronic device, called an audiometer, are tested.

When the test is over, the woman in the pantsuit says, "You have a slight hearing loss in both your ears and your left ear is a little bit worse than your right.

"You have trouble with children, you have trouble with radio, and you don't always get the punch line of jokes," she says. "Am I right? You wouldn't be able to hear fire and we do hear fire. The crackle. So it is a safety problem on top of being a physical problem. I would definitely fit that left ear."

Earlier she had remarked that while a hearing aid can sometimes bring faulty hearing "back up, we couldn't restore your hearing, you understand that."

She recommends a model priced at $379 and tells the customer that if worn regularly, it will help "stimulate" damaged nerve ends in her ear that are "withering and dying."

Later the 69-year-old woman was examined by a leading Minneapolis otologist, a medical doctor specializing in ear problems. He said her hearing was "essentially normal" and didn't require a hearing aid.

"She has a very slight high-tone loss in her left ear but certainly not enough to cause any problems. Her hearing is so darn good she certainly doesn't need amplification (a hearing aid)," he said.

What about stimulating damaged nerve ends?

"Nonsense," the doctor said. "That's quackery, pure and simple."

The elderly woman was not an ordinary hearing aid customer but one of two persons we sent to 12 Minneapolis-area hearing-aid dealers to find out what kind of services they offer and how well they perform them. All offered free hearing evaluations.

The second person was a 43-year-old man who was also tested by the same doctor and found to have a substantial hearing loss in his left ear. His condition is called otosclerosis, an abnormal, microscopic growth of bone which prevents the normal transmission of sound to the inner ear.

The condition can be corrected by an operation which our specialist said has up to a 98-percent success record. A hearing aid might also help a person with the disease, he said, but most people prefer natural hearing to the inconvenience and somewhat tinny sound of a hearing aid.

Medical doctors generally agree that before a person shops for a hearing aid, he should see a doctor to determine what has caused the hearing loss and whether it can be corrected by medicine or surgery.

Bert Dunlap, president of the Minnesota Hearing Aid Society, the industry trade association, and Robert Tischbein, secretary, said in an interview that every ethical dealer, when he suspects a medical problem, will send a customer to a doctor.

"There may be a brain tumor. There may be other things that I'm not qualified to evaluate," Tischbein said. "This is the best way to protect the public, and me, frankly."

Here's what we found in our survey:

Eight of the 12 hearing-aid dealers didn't tell our 43-year-old man to see a doctor before buying an aid.

Three dealers recommended one aid for his bad left ear, quoting prices from $235 to $375.

Four recommended that he buy two aids, one for each ear, at prices ranging from $500 to $800.

One, Dayton's Optical and Hearing Aid department in downtown Minneapolis, said his hearing loss wasn't serious and that a hearing aid might confuse him more than it would do him any good.

Tischbein, manager of Dahlberg Hearing Aid Center, 831 Marquette Av., was the only dealer to tell both of our subjects to see a doctor before he would administer a test or sell them a hearing aid.

Nine of the 12 dealers correctly told our 69-year-old woman that her hearing was good and didn't require an aid.

Two—Beltone and the Sears Brookdale store—suggested she buy a low-power aid for her left ear. The Sears salesman said the regular price was $219 but it was being offered as a sales item for $169.

On the other hand, the same Sears salesman was one of the four dealers to tell our 43-year-old man to see a doctor before buying an aid.

The variation in our results lends support to the view that a doctor is in a better position than a hearing-aid dealer to determine whether you have a medical problem.

There are many causes of hearing loss. Some, such as impacted ear wax, can be eliminated easily. Others, such as chronic infections of the sinuses, tonsils and adenoids, or fluid in the middle ear, can be treated by medicine or surgery.

An otologist (ear specialist) can also tell whether hearing loss is caused by damaged nerve centers in the inner ear, a problem which cannot be cured but may be helped by a hearing aid.

Should that be the case, he may refer you to a clinical audiologist, who is not a doctor but is professionally trained in methods of evaluating hearing problems and in prescribing which hearing aid is best for you.

He must have a certificate of competence from the American Speech and Hearing Association, the professional body governing the field audiology.

To get it, the audiologist must have a master's degree or the equivalent of 60 semester hours of postgraduate study, 275 hours of clinical experience while in college, and nine months of full-time employment in a hearing clinic after his postgraduate study.

Hearing-aid dealers have no medical school training, but some of the terminology and apparatus they use lend a kind of medical mystique to the business.

Most dealers display plaques proclaiming them to be "certified hearing aid audiologists," a title bestowed by the National Hearing Aid Society, the industry trade association.

To qualify, a dealer must take the Society's 20-week correspondence course, pass a four-hour examination and have two years' experience.

Dunlap, head of the St. Paul Beltone office, said he runs an additional three-month training program of his own and his employees attend company courses ranging from three days to a week.

There are no training or licensing requirements under Minnesota law. Thirty states do have licensing laws.

Most dealers are careful to say they are not doctors and cannot diagnose. But some in our survey made a stab at it anyway and turned out to be wrong.

A salesman at Telex Hearing Aid Center, 1127 Nicollet Av., told our 43-year-old man after a tone test that the cause of his problem was so "obvious" he didn't need to give three other tests.

"It's a sensorineural-type loss. It's a nerve deafness," the salesman said. The real cause, according to our doctor, is otosclerosis which can be cured by an operation.

A few hearing-aid dealers did ask if he had seen a doctor, but when he said no, they didn't suggest that he see one and proceeded to try to sell him a hearing aid.

The saleswoman at Beltone, for example, asked if he had been to a doctor and said her tests indicated he might have a conductive loss, the kind that can sometimes be cured with an operation.

Instead of suggesting a doctor's visit first, she recommended a hearing aid for each ear, called a binaural fitting, and estimated the cost at $800 or $850.

Our consulting audiologist recommended an aid only for his left ear to start with because the man hasn't had his hearing amplified before.

Whether a person may eventually benefit from two hearing aids depends on the individual. Some will, others won't, our consulant said. In any case, even with a single aid, a 30-day trial period is recommended to make sure a person can adapt to wearing an aid.

Consumers Union, a nationally recognized product-testing organization, said in a 1971 issue of its Consumer Reports magazine that "objective tests have not as yet demonstrated a significant improvement in understanding speech when two aids are used instead of one."

A lawsuit filed by the Minnesota attorney general's office accuses one of the dealers in our survey, Minnesota Hearing Aid Center Inc., Minneapolis, of fraud, false pretense and misrepresentation in its sales practices.

The suit alleges, in part, that the firm has "represented a need for and sold two hearing-aid devices ranging in price from $600 to $1,200 to persons for whom only one such device was needed" or none was needed.

In its contract with hearing-aid dealers, the Hennepin County Welfare Board prohibits the sale of two aids to a client unless a doctor or clinical audiologist specifically recommends them.

The county also restricts the dealer from selling any aid until the client has first been to a doctor or audiologist and has a prescription, accompanied by the results of the hearing tests.

Critics also have cited the unusually high cost of hearing aids, which, in technical complexity, are not essentially different from a transistor radio.

Hennepin County sets a maximum allowable limit of $275 on the amount it will pay for a standard single aid. The county pays less than that for most aids it buys.

Seven of the 12 prices quoted to us in our survey exceeded that amount. Two firms quoted prices ranging from $259 to $400. Three others gave prices of $169, $235 and $250.

Consumers Union quoted one manufacturer as saying the components of his aid cost approximately $30. The magazine then estimated the cost of labor, advertising and promotion at an additional $45, for a total of $75.

According to recent complaints filed by the Federal Trade Commission against several hearing-aid manufacturers, including Beltone and Dahlberg, the average price of a hearing aid to a dealer is about $100. The average retail price is about $350, the complaints said.

Dunlap and Tischbein don't disagree with such figures, but contend there are additional costs to be taken into account, such as the dealer's time and his office and equipment expenses.

[From the Minneapolis Star, Nov. 14, 1972]

See an Ear Man; It Might Be Wax

Some types of hearing loss can be cured—or lessened—with medicine or surgery.

Some types can be helped only with a hearing aid.

For some types, lipreading is the best hope.

Where should you go if you think you have a hearing problem?

"Straight to an ear man," says Dr. A. B. Rosenfield, director of special services for the Minnesota Health Department.

By "ear man" he means a physician who specializes in problems of the ear, usually called an otologist or otolaryngologist.

Why a specialist?

"Because he can find out the cause of your hearing loss," Dr. Rosenfield said. "It could simply be wax impacted in your ear, an infection, chronic otitis, nerve disease, a tumor, otosclerosis, any of many possible causes."

Your family doctor can refer you to an ear specialist, Rosenfield said.

For people who want to start directly with an ear specialist, there is the referral service of the Hennepin County Medical Society.

Thomas Hoban, executive director of the society, said callers are given the names of three ear specialists.

Why not start with a hearing-aid dealer? They advertise free hearing checkups.

Said Dr. John Lawrow, a Minneapolis specialist in internal medicine:

"Some types of hearing loss can be corrected by means other than a hearing aid. All a hearing aid dealer can do is sell you equipment which can amplify sound.

"Starting with a hearing-aid dealer is like going to a muffler dealer for a noise in the bottom of your car.

"You're almost certain to drive out with a new muffler. You may be surprised in a couple of days when one of your wheels goes rolling down the street.

"If you go first to a hearing-aid dealer for your hearing problem, you're likely to walk out with a hearing aid. He (the salesman) could very well miss a diagnosis—they aren't trained to diagnose anyway."

In his own practice, Lawrow said, he refers patients with hearing problems directly to an ear specialist.

Hoban, whose language is less colorful than Lawrow's, makes a similar point: "It's important to separate the person selling the equipment from the actual evaluation of the need for a hearing aid or the decision about the specific type of aid needed."

One of Hoban's relatives had a hearing problem. She began with an otologist, who said a hearing aid might help, and referred her to the Minnesota Regional Hearing Center, 2525 E. Franklin Av., an operation supervised by the otolaryngology department of the University of Minnesota.

An audiologist—a person with graduate training (in this case a doctorate) and experience in checking hearing problems evaluated Hoban's relative's hearing loss, tried a number of hearing aids on her and then gave her a written recommendation of the aids he considered to be best suited for her.

The recommendation doesn't have the weight of a drug prescription, but it can be used in dealing with a hearing-aid dealer. Inclusion of more than one recommendation gives a person a way of shopping for price.

A complete workup at the Minnesota Regional Hearing Center costs less than $40. That's a fraction of the charge for a hearing aid. The so-called audiogram—a check of how a person hears various tones—is only a small part of the audiological workup.

Ear specialists can help some hearing problems without ever referring a patient to an audiologist, most of whom work closely with doctors. Some work in the offices of otologists.

In the case of the 43-year-old man The Star sent to hearing-aid dealers, the medical specialist suggested surgery. The man has otosclerosis, a stiffening of the stapes, a bone in the middle ear. That affliction, fairly common among adults in their 30s and 40s, partially stops the transmission of sound to the inner ear and the brain.

The operation to correct the problem is called a stapedectomy. The surgeon, working with intense magnification, removes the stapes and the overgrowth of bone which blocks transmission of sound. He replaces the stapes with a stainless steel or synthetic artificial stapes.

Cost of the operation, if no complications develop, ranges from $450 to $600 in the Twin Cities area, according to a survey.

Hospitalization normally lasts two or three days.

The 43-year-old man has a group Blue Cross-MII policy. A spokesman for Blue Cross said that in this case the man would have no out-of-pocket costs if the surgical charge were $500.

"At most," the Blue Cross spokesman said, "we think he'd have to pay $40. The rest would be covered—doctor, hospital, the works."

There is no guarantee, of course, that surgery would be successful. Medical literature, however, cites success rates for stapedectomies in properly selected patients at 90 percent or higher.

Some of the other operations which help people who are hard of hearing:

Fenestration—opening of a window through the bony wall of the middle ear to the inner ear to let sound vibrations reach the hearing organ.

Myingoplasty—replacement of a punctured ear drum with a flap of skin.

Removal of infected tonsils and adenoids, or surgical treatment of sinusitis or mastoiditis.

The major types of hearing loss are:

Conduction deafness, which may be inherited (as in otosclerosis) or caused by chronic infections of the sinuses, tonsils and adenoids, infection or fluid in the middle ear, inflammation of the eustachian tube connecting the throat and middle ear, a perforated eardrum or chronic mastoiditis. In conduction deafness, the nerve endings may be in good condition but sound can't get to them because the problems prevent sound waves from getting through the middle ear to the inner ear. Aids usually are effective.

Nerve deafness, in which the sound is transmitted intact to the hearing nerve but there is degeneration of the organ of hearing, the nerve that transmits impulses to the brain, or of the brain itself. Sometimes aids help, sometimes they don't.

Mixed deafness, which is a combination of conductive and nerve deafness.

A legislative proposal by the Minnesota Speech and Hearing Association, the organization of audiologists (certified after graduate training and a sort of paid internship) and speech pathologists, might affect hearing aid salesmen's activities even though it wouldn't regulate them.

Eleanor Swanson, legislative chairman of the association, said the proposal is to enact strict requirements for qualification as an audiologist and to define exactly what an audiologist can do.

If an unqualified person were to perform the tasks of an audiologist, she said, "that person could be prosecuted."

There would be no requirement in the proposed law, as it now stands, to require that hearing-aid dealers use audiologists, she added.

In fact, she said, the present code of the association prevents audiologists from selling hearing aids.

How many persons are hard of hearing is uncertain. Estimates range from 10 to 20 percent of all Americans.

As the proportion of elderly persons in the United States increases, the number of persons with hearing problems is expected to increase.

[From the Detroit Free Press, Feb. 11, 1973]

State Will Pay More for Hearing Aids

(By Trudy Lieberman)

The State of Michigan will pay more for hearing aids for the indigent and crippled children, mostly because of the lobbying efforts by hearing aid dealers.

The Department of Social Services and the Department of Public Health will soon pay Michigan dealers the net cost of each hearing and plus a $180 markup or else the price paid by the public, whichever is less.

The vocational rehabilitation division of the Department of Education is expected to follow suit.

Until last May the Department of Public Health, which buys about 700 hearing aids each year, had been paying the market price minus a discount. Since May it has paid the net cost plus $125—a figure many dealers thought was too little. Hearing aids have cost the department about $200,000 a year.

Gottlieb Bieri, a Saginaw hearing aid dealer who is president of the Michigan Hearing Aid Society, declined to discuss the matter on the telephone with the Free Press.

The society is a group of 114 licensed dealers and salesmen.

In May, when the new cost formula took effect, the society encouraged its members not to participate in the state program.

Only 52 of the 183 licensed dealers provide hearing aids to the crippled children's program in the Public Health Department and in some parts of the state, such as Ingham and Saginaw counties, there are no providers.

The hearing aid dealers hired Emil Lockwood, a former state Senate Republican leader and now a powerful Lansing lobbyist, to work for them to get more money from the state.

Sheldon Segal, a Detroit area hearing aid dealer, said: "A great majority (of the money collected by hearing aid dealers for their political activities) has been used for the crippled children's controversy. It has paid off or seems to be paying off."

The Department of Public Health resisted attempts to pay more for aids but the Department of Social Services apparently has not.

Social Services will soon begin buying hearing aids under the medicaid program. Because the payment mechanisms for medicaid and crippled children's services are the same, both Social Services and Public Health must use the same formula for reimbursing dealers.

Social Services Director Bernard Houston wrote to the Public Health Department in late January saying that his department had decided to pay for hearing aids on the basis of cost plus $180 or the normal charge to the public.

Carbon copies of Houston's letter were sent to Lockwood and to Sen. Charles Zollar, R-Benton Harbor, chairman of the Senate Appropriations Committee, and Sen. Jerome Hart, D-Saginaw, a committee member.

Public Health Director Maurice Reizen said: "We acquiesced."

Houston's letter culminated a series of meetings between state departments, members of the Legislature and hearing aid dealers. Some of the meetings were held in the offices of Hart and Zollar.

"The pressure this office has been under has been unbelievable," said an official of the Public Health Department. "When Lockwood pulled us into Zollar's office, the message was clear."

In May, 1971, the Senate formed a special committee to investigate prices paid by the state for hearing aids. The committee, headed by Sen. Charles Youngblood, D-Detroit, has not released its report.

The Free Press learned, however, that the committee is recommending that the system currently used by Public Health "be continued and adopted by all state departments and agencies involved in purchasing hearing aids for residents of the state."

The committee's draft report says that "the information contained in the hearing aid dealer cost study prepared by the office of the auditor general indicates such a formula is equitable."

[From the Detroit Free Press, Feb. 25, 1973]

Hearing Aid Sales Still Uncontrolled Despite State Law

(By Trudy Lieberman)

(Thousands of Michigan residents with hearing problems turn for help every year to hearing aid dealers. Unfortunately, some dealers are ill equipped to help the aurally handicapped and untrained to make decisions that border on medicine. Free Press reporter Trudy Lieberman, in the first of two articles, examines complaints made about some dealers by state consumers.)

In 1966 the Michigan Legislature passed a law licensing hearing aid dealers in order to protect the public from deceptive, incompetent and high pressure practices.

But seven years later, it is still possible for a dealer to:

Engage in misleading and untruthful advertising.

Obtain leads for hearing aid sales by circumventing the licensing act provisions that prohibit door-to-door canvassing.

Imply that he is associated with the medical profession.

Sell hearing aids to persons who should be medically treated, who don't need them or can't use them.

And it is still possible for people to buy hearing aids through the mail with no recourse if the transaction goes sour.

"They (the dealers) are doing the same things they were before except that they are legal now," asserts Larry Paul, an audiologist in private practice with a group of physicians.

Dealers, many of whom oppose licensing, believe the law has been good to them, giving them a professional and legal status that is recognized by the state.

"The dealers association has taken legislation and turned it into professionalizing legislation. Dealers are professionals because of legislation, not because of training," says Courtney Osborn, chief of the hearing and speech section of the state Department of Health.

It is the matter of training and professionalism that is under question. Although there are many dealers who consider the interests of their customers, there is enough evidence to suggest that many people are being fitted with aids without having seen a doctor first or when they didn't need them.

Consider these documented cases, related by visits to a Detroit hearing clinic.

A 21-year-old girl recently visited an ear specialist after suffering intense pain caused by ear drops given her by a hearing aid dealer. She had been struck in the ear with an open hand and the blow caused a perforation of the ear drum and a small hearing loss. The dealer gave her ear drops and told her to come back.

"The last thing you want to do is put anything in the ear that can drip into the middle ear (the middle part of the hearing mechanism)," says an audiologist associated with the ear specialist who examined the girl

An older woman had been wearing two hearing aids for two ears although she had a chronic, runny infection in one ear. The dealer had put an aid into a diseased ear and never suggested to the woman she have the ear examined.

An older woman was wearing two aids after being told by a dealer she had a 20 percent loss in both ears and two aids would prevent her loss from becoming worse.

Complaining that the aids were too noisy, she visited a hearing clinic where the audiologist found she had a mild, high frequency loss outside the normal speech range. Her hearing otherwise was normal. She was told the aids were not necessary and in fact could be detrimental because they were bringing in excessive noises over long periods.

A 66-year-old man had been told by a hearing aid salesman he needed two aids costing $683. The man went to a hearing clinic for a second opinion and was told he had a moderate hearing loss in one ear and no measurable hearing in the other ear.

He was referred to a doctor who cleared up an infection in one of his ears. A hearing aid on a useless ear would have been a waste of money and an aid in the other ear would have compounded his medical problem.

To become a hearing aid dealer, a person must be at least 18 years old, a high school graduate, maintain a place of business in the state, pass a written examination administered by the state board of hearing aid dealers and serve two years as a licensed salesman under the supervision of a licensed dealer.

Of the 182 dealers in the state, 150 received licenses under the "grandfather clause" of the licensing act. This means that they did not have to pass any state examination to get a license.

Recent changes in the licensing law give the licensing board authority to accept the successful completion of a home study course instead of a written examination. The study course is conducted by the National Hearing Aid Society, a trade organization of dealers.

Says Horace Bradshaw, deputy director of the Michigan Department of Licensing and Regulation, under whose jurisdiction hearing aid dealers fall: "I support the concept of a correspondence course. It gives everyone a chance to qualify for licensing. It does prepare an individual to enter the field but it doesn't mean he's the best qualified.

"There are those licensed dealers who can give a competent examination and those who can't."

The Michigan Department of Licensing and Regulation reports that the bulk of the complaints it receives against hearing aid dealers are from people who say the aid they bought isn't doing the job they thought it would do.

"I think there are people who are fitted with aids who shouldn't have them. Many times the dealer has tried to adjust the aid and this hasn't done the job," Bradshaw said. Dealers say that sometimes people just don't learn to operate their aids properly.

Says Joe Swearingen, a Detroit hearing aid dealer: "They (dealers) are a very competent and dedicated group of people."

Some dealers, however, appeared to be defensive when contacted by the Free Press and some insisted on taping interviews. The president of the Michigan Hearing Aid Society, Gottlieb Bieri of Saginaw, declined to answer questions on the telephone.

Said Sheldon Segal, owner of Nu-Phonics Inc.: "We try to make people feel psychologically sound. We try to tell them it's not a shame to wear an aid. The dealer does this better than anyone."

Dealers point out that many of them have degrees in such fields as education and engineering and that they keep up with the hearing field by reading trade journals and attending meetings and workshops sponsored by trade associations and manufacturers.

They point to their certification program as another way of learning about the field.

"Our certification program is designed to encourage dealers to achieve a certain level of competency," says Lila Johnson, administrative assistant for the National Hearing Aid Society. "We are careful who we certify in the first place so it will not be necessary to withdraw it later."

Hearing aid dealers do not like to call themselves dealers and salesmen, although that is how they are licensed. They avoid those terms by using a variety of names such as state licensed consultant, hearing aid consultant, hearing specialist, certified audiologist or certified hearing aid audiologist, a term which means they have passed the basic requirements for certification by the National Hearing Aid Society.

"I am not a dealer," says Segal. "It (the word) has the connotation of a used car dealer. I am not a doctor and I am not a dealer with just a product. I am selling him (the customer) a service until he buys an aid."

The variety of names used by dealers plus a tendency for some dealers and their receptionists to wear white uniforms, often associated by many people with the medical profession, has caused some confusion among consumers.

"We ask people we see if they've seen a specialist and they say 'yes'. We ask further and it turns out the specialist was their friendly hearing aid dealer," says Isabelle Nichols, associate director of the Michigan Association for Better Hearing and Speech, a statewide United Fund organization.

While some dealers say that a person should see a doctor before visiting a dealer, such recommendations aren't always made to the hearing aid customer, who answers an ad or who walks in off the street.

Consider the case of Len Shafer, a 25-year-old who has normal hearing in one ear and a mild conductive hearing loss in the other. A conductive loss is one in which the sound has difficulty reaching the hearing mechanism of the inner ear. Shafer is under a doctor's care and is not a candidate for a hearing aid, according to the audiologist at Wayne State University who examined him.

Yet when he visited a Dearborn hearing aid dealer, the dealer performed only one of four recommended tests, told Shafer he had a mild hearing loss and tried to sell him an aid for $322.

The dealer urged him to have an earmold impression taken for both ears so that he could shift the aid from ear to ear. The dealer said wearing an aid on both ears from time to time would stimulate the nerve endings so they would be properly exercised. He was not told to see a doctor.

Another dealer Shafer visited performed the proper tests that revealed a potential medical problem but did not recommend he see a physician. Instead, the dealer told him to wear a hat in winter to keep the blood vesels around his ear warm.

The case of Helen Brown is similar. Mrs. Brown has a severe hearing loss in one ear and reasonably good hearing in the other. She has had four operations in the bad ear.

The salesman she visited in a Detroit dealership performed only one hearing test on her and told her she had a "damp" ear. The salesman tried to sell her a $452 aid and tell her about the financial arrangements she could make.

Mrs. Brown was not told to see a doctor and she reported most of the discussion was about financing.

"Most dealers know the basic tests," says Edward Hardick, an associate professor of audiology at Wayne State University. "Whether or not they do them depends on their motivation at the time. If they want to sell an aid, they forget all that stuff."

Critics of hearing aid dealers say that pressure to sell an aid often conflicts with the best interests of the hard-of-hearing person. According to a Federal Trade Commission attorney, some dealers have a quota of aids to sell and are put on notice if they aren't selling enough. "Salesmen will hang an aid on anybody whether they need one or not to make a quota," the FTC attorney said.

R. H. Brenaman of Beltone Detroit says: "We do have a quota but it's not mandatory. We made 100 percent of our quota last year. Detroit's a good town."

Although some dealers get customers referred from hearing and speech centers, they still use a variety of methods to obtain sales leads. Some are legal, and some just skirt the edge of legality.

One dealer pays customers $10 for each prospect who buys an aid.

Other dealers may give away batteries to customers if they refer prospects to the dealer.

The hearings aid dealers' licensing law prohibits door-to-door canvassing for prospects but there appear to be ways to get around this prohibition.

One woman reported that a salesman called her saying he was the Tri-County Social Services bureau and was taking a survey. He wanted to know if there were any hard-of-hearing people in her family. She later learned she had referred a friend to a hearing aid dealer.

Another woman said she was contacted by a dealer after she filled out a coupon for a non-working model of an aid to be worn in the privacy of her own home. She found that the dealer had already set up an appointment for her to have her hearing tested.

"Almost all ads have a coupon gimmick to get a name," says Joe Blanton of the Public Health Department's hearing and speech section.

There have also been reports of salesmen contacting people who have had ear surgery and trying to sell them aids a few weeks after their surgery.

"That's becoming a very common problem," says Larry Paul, an audiologist in private practice. "It's more common than we had realized. They are buying off someone on the hospital staff."

[From the Detroit Free Press, Feb. 26, 1973]

State Board Favoring Hearing Aid Dealers—Consumer Complaints Shrugged Off

(By Trudy Lieberman)

("Just because you have a licensing act doesn't mean you're going to get rid of the scoundrels in a hurry.")

No Michigan hearing aid dealer has ever lost his license for engaging in unethical conduct or unfair sales practices. No dealer has even had his license suspended.

And yet there have been numerous consumer complaints of questionable sales methods on the part of some dealers.

Why hasn't the regulatory board created by the 1966 licensing act for hearing aid dealers acted on the complaints?

"That board is analogous to putting a fox in the henhouse," said Courtney Osborn, head of the speech and hearing section of the Department of Public Health. "The board has been far more interested in promoting dealers than consumers."

The seven-man regulatory board is appointed by the governor. There are no dealers on it because the Michigan Constitution says that state licensing boards must not be composed of the people licensed.

There is an advisory group to the board made up of audiologists and medical doctors but they don't come to its meetings very often.

"Just because you have a licensing act doesn't mean you're going to get rid of the scoundrels in a hurry," said Horace Bradshaw, deputy director of the Department of Licensing and Regulation, under whose jurisdiction the board falls. "It takes time to set up rules and write examinations."

The board has been meeting since December, 1967.

A state official who is familiar with the licensing boards said that most boards are concerned with their profession first and consumers second and the newer boards are less concerned with the consumer. The hearing aid board is one of the newer boards, he said.

The Department of Licensing and Regulation has taken little initiative in investigating the practices of hearing aid dealers.

"You hear a lot of things (about sales practices) but I'm not involved," Bradshaw said. Bradshaw is deputy director for licensing.

Asked why he shouldn't be involved, Bradshaw said: "That's a good question, I could get out of that one by saying talk to the deputy director for regulation. Yes, I guess I should be aware of sales techniques.

"We do not investigate on our own," he said. "Most of the time we react (to complaints). We don't have the horses to go out and look for problems. We don't create trouble. We try to work with all people."

Although Bradshaw admitted that hearing aids "aren't my cup of tea," he will be assuming more control of the regulation of hearing aid dealers. An attorney general's opinion has relegated the licensing board to advisory status, meaning it can only recommend and suggest. The director of the department or a deputy will have direct control over the dealers.

Since the board has been in operation, there have been about 100 complaints from consumers and dealers. The board itself has initiated only seven.

It is difficult to learn what happened to these complaints because the files are secret. Neither the press nor the public can find out how the complaints were investigated or disposed of.

Licensing officials say that about half of the complaints were resolved in informal conferences between the board and the dealers.

"I would say we've been pretty effective," said licensing board president Fred Heinemann, "particularly in the minor infraction area."

When asked specifically which minor infractions, he said: "I can't think of any right now." Later Heinemann recalled that the board had found some dealers using the wrong audiometric equipment but said this problem had been corrected.

However, both Heinemann and board member Joe Swearingen said the board has not been effective in dealing with misleading and deceptive advertising and they blame this ineffectiveness on the attorney general's office, which acts as legal counsel for the board.

Heinemann estimated that there may have been 150 to 200 unethical ads turned over to the attorney general's office. "We were told there was little that could be done unless an aid was sold (as a result of the ad). We reached the point where it became useless to turn in advertising we considered unethical."

Swearingen said: "We have not received co-operation from the attorney general's office. We have been grossly mistreated as far as the attorney general is concerned."

An assistant attorney general had interpreted the licensing law to mean that the licensing department had to submit proof that an aid was sold as the result of a misleading ad before building a case against a dealer. However, the department has apparently done little to secure this proof or follow the advice of the attorney general's office.

For instance:

In May, 1971, the misleading advertising of a dealer came to the attention of the licensing board. Nearly a year later, in February, 1972, the board requested the dealer to appear at an informal hearing. Correspondence between the dealer's attorney and the board's ethics committee followed and no hearing was held.

In May, 1972, the board asked the attorney general's office what courses of action were open. In a memo to deputy licensing director Bradshaw, an assistant attorney general said that an investigator could try to buy an aid from the dealer based on his ad or the board could request the attorney general to issue a cease and desist order under the deceptive advertising statute under which it is not necessary to prove an aid was sold.

There was no response from the board. In July, the attorney general's office sent another memo asking what the board had decided to do. Again no response.

However, an entry in the meeting minutes of the licensing board reveals that the board closed the complaint based on the memos from the attorney general's office.

In another case where the attorney general's office told the board it could request a cease and desist order, the board failed to act. Instead, four months later the board called in the dealer for an informal conference. The dealer didn't come to the conference so the board scheduled no further meetings with him. The complaint was made part of his file.

Board president Heinemann said if the board could have used the deceptive advertising law, he did not recall being told this. The law has never been used against hearing aid advertising although it has been on the books since 1966.

"We're not getting sufficient information to support a violation," said Mrs. Gay Hardy, an assistant attorney general assigned to the Department of Licensing and Regulation. "Maybe we hear from them in four to six months from the time we request more information."

In one case, the board sent to the attorney general a memo requesting action on the license of a dealer who had taken money from consumers without delivering the aids.

"All I got was a memo saying that the dealer had left the country," said the assistant attorney general in charge of the case. "I got no statements from people the dealer took money from, no contracts, checks or any proof they gave him money."

The requests for additional information caused a three-month delay.

Another time the correspondence between the board, the investigatory staff and the attorney general dragged on so long that the hearing aid dealer died before a resolution of the case could be made.

[From the Detroit Free Press, Feb. 26, 1973]

If You Have a Problem

Here's what to do if you suspect you have a hearing problem:

Visit a doctor specializing in ear disorders. He will determine whether the disorder should be corrected by surgery or medicine.

Go to a hearing or audiological clinic. A professional there, with a master's degree in hearing and speech pathology, will decide whether you should be wearing an aid. Such an examination is mandatory for children under 16 before they can be fitted with an aid.

If you do purchase an aid without professional advice, try to obtain it on a one-month trial basis.

Don't buy an aid through the mail without first having your hearing tested.

If you sign a contract in your home for an aid, you have three business days in which to cancel the contract if you find that the aid is unsatisfactory.

Florida Hearing Aid Society,
Tampa, Fla., June 17, 1974.

Dear Florida Hearing Aid Specialist: You have no doubt read or heard about U.S. Senator Percy's (R. Ill.) attack on hearing aid dealers and specialists. Please read the full text of his June 10 news release, enclosed. Also the release the same day by the President of the National Hearing Aid Society.

After reading Percy's attack you will want to do something about it—and you can!

Please sit down today and write Percy. Tell him exactly how you feel. Send copies to your Senators Gurney and Chiles and your Congressman. All three Senators can be addressed—New Senate Office Bldg., Washington, D.C. 20510.

Here are some suggested points to make in your letter to Percy. However, please write whatever you wish.

1. Excellent, convenient service (including home service) provided now.
2. High degree of competency required by certification and licensing.
3. Total value received. Since price gouging is charged, total value to the consumer should be stressed in terms of original cost and total services and investment of dealer.
4. Programs by dealers to encourage hearing-impaired to seek assistance.
5. State legislative bodies are more responsive and are more competent to deal with this situation without resorting to the vast bureaucracies of the Federal Trade Commission and the Federal Drug Administration. Through licensing and their own agencies States are fully able to cope with any problems that may arise.
6. The attack by Senator Percy has the effect of attacking the entire hearing aid retail industry although, abuses, if any, are attributable to only a small number.

Important: Encourage your clients to send letters to Percy and cull from your office files as many favorable letters from your clients as you can find. Make photo copies and send these with your letter to Percy. Keep the originals as they will be very valuable in the future.

This write-in campaign is a National one. It is organized and directed by the Public Affairs Committee (PAC) of the National Hearing Aid Society.

Whether or not you are a member of the Florida Hearing Aid Society makes no difference. This man is attacking you and me and our livelihood. I urge you to write your letter *today*. Make it strong and tell him exactly how you feel about his unfair attack. The longer you wait the less effective our campaign will be. Please *do it now*.

Sincerely,

FLOYD C. SMITH.

NATIONAL HEARING AID SOCIETY,
Detroit, Mich., June 24, 1974.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: It is difficult to assess the total damage that has been sustained by the millions of hearing-impaired and by the thousands of dedicated and reputable hearing aid specialists from your attacks on the industry in public comments, news releases, and Congressional Record remarks.

You did acknowledge in your letter of June 13, 1974, to our National Executive Secretary Anthony DiRocco that you had "no intent to disrupt the present delivery system . . . nor castigate the vast majority of hearing aid dealers." But such comments are lost when compared with earlier broad statements about "files bulging with correspondence from Americans who have been badly served."

You also state in your letter to our Society that we share the primary objectives of improved care for the hard of hearing and eliminating consumer abuse on the part of the minority. As you, yourself, commented in hearings before the Subcommittee on Consumer Interests of the Elderly, "People procrastinate and delay for days, weeks, months, years in buying hearing aids." Yet the national headlines you achieved destroys the confidence of hearing aid users in their instruments and in their dealers, and it gives many foot-dragging potential hearing aid candidates yet another excuse for delay.

There is not an industry in the country that is without some consumer complaints, and ours is no exception. If you really want to do something about problems in the retail hearing aid industry, we invite you to begin by working with us. Then, if you find we can't do the job to your satisfaction, we will agree that you will be justified in attacking us in the press, urging FTC and FDA action, and passing legislation.

Therefore, we now challenge you to produce those files "building with correspondence" about hearing aids you claim to have received from dissatisfied users. We are particularly interested in the complaints you received prior to June 10 that inspired you to launch your attack.

You actually have complaints "bulging" from your files, we want to get them resolved as soon as possible. This has been our national policy for more than 10 years, and it will continue to be our policy. We believe this is the one true solution to the many questions you raise. After all, if a consumer is dissatisfied and seeks your help, it is a disservice to him to hold his letter exclusively for "evidence" rather than turning it over to an agency or organization that can help him gain satisfaction.

Based on our experience, we doubt that your "bulging" files contain many valid complaints that cannot be resolved. Nor can we find evidence of unresolvable complaints "bulging" at other government agencies. For example, a recent count of consumer complaints received by the Office of Consumer Affairs, HEW, shows that of 4,914 complaints, only 16 involved hearing aids. (Cameras, films and projectors were the topic of 28 complaints.)

We have dealer organizations in nearly every state that have been very successful in resolving complaints to the customer's satisfaction. In the few instances where a complaint cannot be resolved, the consumer is urged to turn his problem over to his state licensing board. The licensing board may then hold hearings and—if necessary—punish a recalcitrant dealer by withdrawing his business license.

Of course, your home state of Illinois is one of only 11 states which have no hearing aid specialist licensing law. Therefore, we can assume that any complaints you have from your constituents are from frustrated hearing aid users who have no legal recourse through a state agency.

For this reason, we urge you to let the National Hearing Aid Society work on these letters of complaint from your Illinois constituents through the Illinois Hearing Aid Dealers Association.

We pledge that we will look into each complaint conscientiously, make every effort to resolve the problem, and will give you a written report on each. We believe this can be of great service to everyone involved.

If you are truly interested in helping the hearing-impaired, as we are, you can help best by providing us with the complaints in your files so that we can resolve them. Just call Richard F. Fralick, our Washington representative, at 528-0362. He'll pick up whatever you have, and we'll do the rest.

Sincerely yours,

MARVIN H. PIGG, *President.*

U.S. SENATE,
WASHINGTON, D.C., *June 26, 1974.*

Mr. MARVIN H. PIGG,
President, National Hearing Aid Society,
Colorado Springs, Colo.

DEAR MR. PIGG: I have your letter of June 24, 1974, which I find personally disturbing because of the hostile and uncooperative attitude which you express, on behalf of the National Hearing Aid Society. I believe that you and your trade association would better serve the estimated 20 million hearing-impaired people in this country if instead of issuing empty challenges, you were to address yourself head-on to some of the serious problems involved in the sale, fitting, and pricing of hearing aids to persons who are in such dire need of the vital benefits which they can and do offer.

If the National Hearing Aid Society is truly interested in working toward that end, then I would suggest you begin to deal concretely with some of the very legitimate and agonizing concerns that are expressed in the several hundred letters which I have received, and which I am attaching herewith, as you requested. I urge that you also proceed to obtain directly, as I did, the many grievance letters from users and former users of aids presently in the files of the Food and Drug Administration, Federal Trade Commission, Virginia Knauer's Office of Consumer Affairs, and other government units, and consider those along with the complaints I am attaching. The letters to me indicate that the abuses in this area are even more aggravated than I first thought. There is clearly an undercurrent of dissatisfaction on the part of many present and former users of hearing aids which remains unattended to by the industry to the detriment of the industry and the very persons who are in most need of help.

I am also forwarding copies of these complaints to the Food and Drug Administration and the Federal Trade Commission, both agencies having jurisdiction in this area, so they can be aware of the kinds of deeply-felt grievances being expressed by hard of hearing citizens all around the country, including users in those states which have licensing boards.

It is my hope that, upon receipt of these complaints, the National Hearing Aid Society will reassess its intransigence and move from a position of defensive backbiting to one of positive and mutual cooperation with the government agencies concerned. And too, with critics of the status quo whose honest intent is to improve conditions in the industry in a manner which will inspire confidence on the part of the great number of hearing-impaired Americans who need assistance but will not seek help for fear of being ripped off.

I further believe that there needs to be a cooperative effort on the part of all of us in order to secure and redirect funds, resources, and expertise available within the federal establishment toward basic research into the problems of the inner ear which underlie acute hearing loss.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

CONGRESSIONAL PAY

Mr. McGEE. Mr. President, lest any Senator believes that public sentiment all around the country is decidedly against any equitable increases in the salaries of the Government's higher ranking officers, including Members of Congress, I would like to call attention to an editorial which was published this past spring in the San Antonio Express of San Antonio, Tex.

The editor of the Express recognizes full well that what he called timing and controls put Congress into an intolerable position on the latest pay proposal to come before it from the President. But he also recognizes that periodic salary adjustments, particularly in a time of raging inflation, are merited. I ask unanimous consent that the editorial titled "Congressional Pay Tiff Suggests a Better System Ought To Be Tried" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the San Antonio Express, Mar. 4, 1974]

CONGRESSIONAL PAY TIFF SUGGESTS A BETTER SYSTEM OUGHT TO BE TRIED

Timing and controls put the Congress into a politically intolerable position on the latest pay raise round.

The Congress had passed a law several years ago whereby each four years the President would review salaries of members of Congress, federal judges and agency officials. The law was designed to provide a way, without a lot of log-rolling, to review the pay scales, as all well-regulated businesses do.

President Nixon had been tardy in making his review. When it finally came, the wage-price guidelines were fixed at 5.5 per cent annually, inflation was raging and an election was coming.

The law required congressional veto of the raises to keep them from being automatic. And the opponents of raises started their campaign.

Congress and legislatures are placed in the position of having to deal with political sharp-shooters on the issue. That shouldn't be. Perhaps the proposal for Texas' new constitution would be better: a salary commission free of legislative dependency should set the salaries.

Legislators at all levels, who are forced to set their own salaries, are abused under the system. They are expected to be on call around the clock, keep their hands out of the treasury, do all kinds of special favors for constituents, protect the public interest and serve in a gold fish bowl job for small fees.

True, members of Congress earn more than most of us but in terms of top jobs in private business, they work for quite modest sums. The misdeeds of a few tarnish the deeds of those who really try to do the country a decent job. It's probably too idealistic to hope for, but politicians ought to be honored—and to deserve it. A salary review every four years is a reasonable plan.

THE PROBLEM OF FINANCIAL REFORM

Mr. TOWER. Mr. President, I was very much impressed by the remarks today by the distinguished Senator from New Hampshire, Mr. MCINTYRE, to the American Bankers Association's National Governmental Affairs Conference.

As ranking minority member of the Senate Banking Committee, I am pleased with the type of bipartisan leadership which Senator MCINTYRE has assumed as chairman of the Senate Subcommittee on Financial Institutions to press for orderly, constructive, and comprehensive reform. His remarks today summarize well the concerns which prompt an ever greater need to address the problem of financial reform in an expeditious manner.

Mr. President, I ask unanimous consent that these remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY U.S. SENATOR THOMAS J. MCINTYRE AT THE AMERICAN BANKERS ASSOCIATION NATIONAL GOVERNMENTAL AFFAIRS CONFERENCE/SYMPOSIUM ON INFLATION, WASHINGTON, D.C., JULY 17, 1974

This morning I'd like to concentrate my remarks on the crisis in confidence in our financial institutions, and to point up what I consider a most important first step toward resolving that crisis.

First of all, it should be obvious to everyone that the ravages of double digit inflation and a 12 percent prime rate have created a most difficult climate for the orderly operations of financial institutions.

While I don't intend to recite the litany of concerns about the general economy, I would like to recite a passage from a recent editorial in the New York Times. I quote—"As a result of the worst inflation this country has ever experienced in peacetime—and of the almost exclusive reliance on restrictive monetary policy to check that inflation—interest rates have gone through the roof and the *financial solvency of many institutions, both private and public, is now threatened.*"

Every day I come across reports like this about the crisis of confidence which surrounds the financial system in this country.

As Chairman of the Senate Subcommittee on Financial Institutions, I can tell you I am deeply concerned.

What is to be done to prevent the spreading crisis of consumer confidence from spilling over into concern about the continuing strength and viability of our financial institutions?

For the past year and a half, I have been advocating that the only way out of the recurring crises which threaten the stability of our financial institutions is through a comprehensive package of structural reform. Sometimes I get the feeling that I'm the only one left committed to this principle, but has it ever been more apparent than right now that financial reform is needed, much less inevitable?

Banking laws and regulations passed primarily to bring this country out of the Depression no longer provide a reasonable framework to deal with the problems of today. New economic forces are coming into play all the time.

And, as witnessed in so many areas today, events have a way of accelerating, almost overnight . . . accelerating to the point of threatening or even overturning long-established trends, traditions, and institutions.

In the financial community we have seen, within a relatively short period of time, a number of developments which, when taken together, have serious ramifications in their potential impact on consumer confidence.

All one has to do is catalogue what is being reported daily in the press—bank stocks on a sharp decline; municipal bond offerings being cancelled; a bone-dry mortgage market, at least at affordable interest rates; and questionable bank management practices in an atmosphere of inordinately tight financial pressures.

And what about new developments to which the financial system must yet respond? What, for example, will be the impact on our financial structure as billions and billions of petrodollars reflow to this country, for the most part into short term obligations callable on very short notice?

What will be the impact of continuing and increasing activity of banks and bank holding companies in non-bank-related areas? What about the prospect of increased competition from foreign banks seeking to gain a foothold in the United States?

I submit that I do not know all the answers, but I also submit that there are a lot of others in the same boat.

With all the Federal regulatory apparatus available to oversee the safety, soundness, and stability of our financial system, why do we seem to be finding new chinks in our armor every day? In this regard, believe me, I am very much aware of the fact that Congress is, in the truest sense, the Federal financial regulator of last resort.

Yet, since 1965, Congress has been dealing with the problems of the financial community on a piecemeal, issue-by-issue basis. Our legislative efforts are very analogous to the see-saw we used to play on as kids. If the weight on one side outbalanced that on the other, something had to be done to restore equilibrium. Quite frankly, the Federal government, for the past ten years, has been doing much the same with financial structure and regulation.

Year after year, one segment of our financial system would come to Congress and point out an imbalance in the competitive structure of the industry. Through legislation, Congress would then attempt to restore equilibrium. But no sooner would we act than another group within the industry would come along and point out that the action just taken, rather than restoring equilibrium, had provided yet another unforeseen imbalance.

So what we have had in recent years is a continuing reaction to correct one imbalance, both of which were caused by changing economic conditions.

The danger in continuing this piecemeal approach is obvious. The financial industry has become and will continue to be so completely controlled by government regulation that inefficient and outmoded practices are perpetuated without any recognition of the value of innovation and competition to the strength of the industry and to the benefit of the public at large.

Now we're confronted with yet another type of imbalance. This time it isn't the competitive structure of financial institutions themselves which we are being called upon to consider. Now the alarms are sounding on the external threat of disintermediation to financial institutions under Regulation Q, particularly thrift institutions, from the intense competition for funds by borrowers in the capital markets.

In the eight years that Regulation Q has been in effect industrywide, it has become increasingly obvious that, even among financial institutions themselves, Reg Q has not eliminated disintermediation but has, in and of itself, become a major contributing factor toward this phenomenon.

It has also become clear that a principal result of Regulation Q is that small consumer savers are not afforded a competitive rate of return on their investment. So our piecemeal legislative approach has resulted in substantial subsidy from small savers to large borrowers.

As a matter of public policy, this country must insure an adequate supply of money for housing at a reasonable price. At the same time, the small consumer saver deserves, at the very least, not to be discriminated against on the return he can get for his savings.

Nobody takes issue with either of these objectives. It is just that, for the moment, we are told, one must give way to the other lest the survival of a substantial number of savings institutions be seriously threatened.

We are witnessing, then, yet another precipitous assault on the stability of a substantial segment of our financial structure.

In the past, each segment of the financial community has been engaged in defending its own special interests with little recognition for orderly, constructive, comprehensive reform. Is it possible that we now have the force of events which will compel such recognition?

Financial reform is inevitable. I submit that it may already be underway. The only question in my mind is how we shall have it. Will we be out in front? . . . or chasing frantically behind to keep as few pieces from falling by the wayside as possible?

I just don't want to see any more band-aid, ad hoc, knee-jerk, pressure-packed approaches. We've had enough sloppiness already.

But to end as I began, there is more at stake now than just a rational approach to the problem. Given the present warnings, public confidence is in the balance. I think it should be readily apparent that, in the eyes of the public, there is a substantial difference between the safety, soundness and stability of corporate America versus the safety, soundness and stability of financial America.

Having already spent a great deal of time and effort on financial reform, I have been given a lot of advice: be practical, do what is feasible, reap the benefits of the educational process, but forget about coming up with anything very substantial in a comprehensive form.

Ladies and Gentlemen, the choice may not be mine. And if there is any doubt about my own commitment to seeing this process through in a responsible manner, then let me lay that doubt to rest today.

Thank you very much.

BUDGET CUT OF $10 BILLION RECOMMENDED BY BURNS

Mr. McGOVERN. Mr. President, the Chairman of the Federal Reserve Board, Mr. Arthur F. Burns, has called on President Nixon and Congress to cut Federal spending by $10 billion as a means of reducing inflation. I agree with this analysis. Indeed, I have long argued for a $10 billion cut in excessive military spending—the largest cost in the Federal budget.

The budget for fiscal year 1975 is presently estimated to be $305 billion, and some administration officials had previously shown some willingness to reduce this by $5 billion, to $300 billion. Mr. Burns has now upped the ante.

Unfortunately, some members of the administration do not go along with this "new" talk of budget cutting. Budget Director Roy Ash said talk of budget cuts in 1975 was like "baying at the moon." Treasury Secretary Simon is more optimistic about a balanced budget in 1976, but he also feels that there is some "controllable spending" which could be cut now. He has mentioned "overfunded" programs such as school lunch, school milk, and the food stamp program.

While I am in complete agreement with the necessity to reduce Federal spending, it is inconceivable to me that programs which are directly offsetting some of the effects of this ruinous inflation for some of our most affected groups would be singled out as candidates for reduction or elimination.

I also take sharp exception to the statement by Mr. Burns that the economy "is not being starved for money and credit." One need only examine the depression condition in the housing industry to realize that this sector of the economy is particularly hard hit by record high interest rates. And we have learned in the process—as Mr. Burns admits—that high interest rates are no answer to today's inflation. Indeed, they make it worse.

Finally, Mr. Simon suggests that "we are still paying for many of the bold new initiatives that have been proposed over the last 20 or 30 years." I agree with Mr. Simon, and I urge him to examine just a few of the extravagant military programs. The $10 billion budget cut which Mr. Burns is looking for is there—and much more.

Mr. President, I ask unanimous consent that an article on this subject by Peter Milius in the July 16, 1974 issue of the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 16, 1974]

TEN BILLION DOLLAR BUDGET CUT RECOMMENDED BY BURNS

(By Peter Milius)

Federal Reserve Board Chairman Arthur F. Burns called on President Nixon and Congress yesterday to cut federal spending $10 billion this fiscal year as a means of holding down inflation.

Even then, Burns warned the House Ways and Means Committee, he could not promise his board would ease up on its tight money policy—restricting the growth of the money supply to drive up interest rates in an effort to discourage borrowing, dampen demand and drive down prices.

Tight money and a tight budget together mean slower economic growth, Burns freely conceded, and these in turn mean that unemployment will be higher than otherwise, and family incomes lower.

But continuing inflation would be even worse, he said. "A period of slow growth is needed," he told the committee, which is considering changes in the tax laws.

Burns said the economy's present sluggishness probably will continue for some months. Actual output of goods and services—known as "real" gross national product—probably rose somewhat in the second quarter from the depressed level of the first, he said, but no vibrant recovery is near. The Commerce Department will publish preliminary GNP totals Thursday.

The Federal Reserve Board reported yesterday that industrial production in June remained unchanged from the May level. It rose at annual rate of 1.3 per cent in the second quarter, but declined at a 6.6 per cent rate in the first, and is 0.1 per cent below its level of a year ago.

The board's industrial production index covers about a third of the GNP.

Burns and the White House have been warning for months that the only way to deal with inflation is to put the economy through the wringer of tight money slowdown. Burns' testimony yesterday was a reaffirmation of his determination to see that policy through.

Burns, however, has felt that not enough is being done to hold down spending, and that the reserve board is thus having to do more than it should on the monetary side.

The $10 billion he wants cut from the budget is twice what the White House has set as a goal. The recommended spending total for fiscal 1975, which began July 1, is about $305 billion, with a projected deficit of $11.4 billion.

The President has said he hopes to lower the recommended spending total to $300 billion. That would still leave a deficit of about $6 billion, however, and Burns said yesterday that with inflation as high as it is the government ought to be running a surplus instead.

Director Roy L. Ash of the Office of Management and Budget has said he is not sure the $300 billion target can be reached, nor that reducing spending $5 billion will have much effect on the inflation rate.

In San Clemente, Calif., White House press secretary Ronald L. Ziegler said yesterday that the deficit in fiscal 1975 might turn out to be only about $5 billion even if spending is not cut, because revenues are rising beyond earlier projections.

The increased revenues are in part caused by inflation. As it bloats wages and profits, it also bloats taxes.

Burns, while deploring the damage done by high interest rates, also said the economy "is not being starved for money and credit," and that the money supply still is growing faster than the reserve board would like.

He said that most of the "special factors" that helped produce the inflation of the last two years are subsiding now—the worldwide boom, devaluation of the dollar, last winter's lifting of oil prices—but noted that wages are now rising sharply and may take their place in putting upward pressure on prices.

LAKE SUPERIOR: A PRIVATE DUMP?

Mr. PERCY. Mr. President, for over 2 years I have been following with interest the case of the United States and the States of Minnesota, Wisconsin, and Michigan against Reserve Mining Co. It is of great concern to me and to the people of the Great Lakes States that Reserve Mining's plant at Silver Bay, Minn., has continued to dump 67,000 tons of asbestos-polluting taconite waste every day into the formerly clear waters of Lake Superior.

Throughout the progress of the lawsuit and trial, the company has never seen fit to voluntarily cease the dumping. Apparently it has not occurred to Reserve that the sight of the ghastly taconite waste pouring into the beautiful waters of the "Big Lake" is an outrageous affront to environmental decency.

Nor has it seemingly disturbed Reserve that asbestos fibers, a known source of cancer in humans, are present in both the water and the air surrounding the plant and have been traced to the taconite dumping. In the face of evidence of a serious potential hazard to the shoreline communities which draw their drinking water from the lake, it is impossible for me to support the company's insistence on continuing the dumping without voluntarily developing an alternate procedure more in the public interest.

The district court judge in the case found that the discharge into the air and water "substantially endangers the health" of the residents of lakeside communities including the cities of Duluth, Minn., and Superior, Wis., and ordered a suspension of the plant's operations.

The district court stated in its findings that:

> Defendants have the economic and engineering capability to carry out an on land disposal system that satisfies the health and environmental considerations raised. For reasons unknown to this Court they have chosen not to implement such a plan.

Subsequently, the Eighth Circuit Court of Appeals stayed the lower court's suspension order and required Reserve to produce within 70 days a plan for on-land disposal of the taconite waste. Meanwhile, the dumping goes on, and if the appeals court permits it, Reserve intends to keep on dumping all during the 3 to 5 years required for construction of an on-land disposal system.

The court of appeals acted only to stay the district court order to immediately shut down the plant, and did not rule on the "merits" of the case. However, in summarizing its findings, the appeals court opined that on appeal the Government is likely to prevail on the environmental question, while Reserve is likely to prevail on the health risk question.

The States of Minnesota, Wisconsin, and Michigan asked the Supreme Court to lift the stay, while the Federal Government decided not to go to the Supreme Court over this issue. I understand that this was a tactical decision on the part of the Justice Department, and that a later appeal on the merits of the case is not precluded. The decision seems wise in retrospect since the Supreme Court on July 10 declined to reinstate the district court order.

On the question of the possible hazard to human health, the distinct philosophies have emerged. The philosophy of the district court is that even the possibility that thousands of cases of cancer in humans may appear after 20 to 30 years of exposure to asbestos fibers in the air and drinking water is far too great a risk for society to bear. In contrast, the philosophy of the appeals court is that shutting down a plant is too serious a step to take without proof positive that the asbestos fibers in and around Lake Superior are indeed causing cancer.

I can only say that as between the two, many Americans subscribe to the Federal district court's philosophy. The potential hazard to the health of those upper Midwest residents in their judgment is far too dangerous to trifle with.

Even if the health issue could be disregarded, the obvious degradation of the environment from this noxious discharge would be enough to warrant its cessation.

I believe that the Federal district court's findings and conclusions represent an excellent summary of this case. If any of his basic findings on the merits of the case are overturned at the appeals court level, then I would certainly urge the Attorney General to appeal to the Supreme Court. This is one of the clearest tests I know of whether our antipollution laws are adequate to protect the public health and environment.

The decision of the Federal district court was printed in the RECORD of May 6, 1974, on page 13331, at the request of my distinguished colleague from Michigan, Senator GRIFFIN.

Mr. President, I ask that a New York Times editorial of July 7, 1974, and two Washington Post articles dated July 6, and July 8, 1974, on the Reserve Mining case be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 7, 1974]

SUPERIOR, PRIVATE DUMP?

Federal District Court Judge Miles W. Lord continues to set an example of social conscience in the case of the Reserve Mining Company—while the company, in contrast, continues to put profits above the public health and the environment of three states.

After five and a half years of fierce obstructionism, Reserve Mining, which is jointly owned by Republic Steel Corporation and Armco Steel Corporation, at last faces a flat ban on its use of Lake Superior as a private dump for its iron ore wastes. Scientific experts, the Environmental Protection Agency and the states of Minnesota, Michigan and Wisconsin have pressed for such a ban partly on the ground that the 67,000 tons of tailings discharged daily into the lake contain asbestos fibers which some medical authorities believe capable of causing cancer and other diseases.

Appealing Judge Lord's injunction to close the plant last April, Reserve Mining was granted a stay by the Eighth Circuit Court on condition that the contending parties return to the District Court to work out a plan for ending "as quickly as feasible" the pollution of what was the purest freshwater lake in the world. While the higher court questioned the certainty of the health hazard, it affirmed that the original permission for the discharge had been "a monumental environmental mistake."

In the face of a judicial record like that, it is appalling that the company should want—much less be allowed—to continue its depredations even temporarily. Yet its lawyers' first line of argument at the new hearings was that the unsatisfactory compromise it proposed in place of the state's more stringent plan would cost less money. It is to the credit of Judge Lord that he brought them back to the issue. That issue, he said, was ecology, not economics. It is only regrettable that it should have taken nearly six years for the point to be driven home.

THREE STATES ASK COURT TO CLOSE MINING FIRM

(By George C. Wilson)

Minnesota and two other states asked the Supreme Court yesterday to shut down the Reserve Mining Co. which is now dumping 67,000 tons of waste into Lake Superior every day.

The petition—written by Minnesota state attorneys and signed by their Michigan and Wisconsin counterparts along with a lawyer for private environmental groups—was filed with Associate Justice Harry A. Blackmun.

Blackmun, a Minnesotan, oversees legal matters in the Eighth Judicial Circuit where an appeals court on April 22 lifted a shutdown order against Reserve issued by U.S. District Court Judge Miles W. Lord.

The Justice Department which filed the suit in the first place, rejected the requests of the Environmental Protection Agency and the Council on Environmental Quality to appeal the case to the Supreme Court.

In lifting the District Court order, the Eighth U.S. Circuit Court of Appeals went beyond the narrow question of whether Reserve could keep dumping waste into Lake Superior until the appeals court held a full-dress hearing on Lord's decision.

A three-member panel from the appeals court, in deciding to let Reserve resume operations, expressed itelf on what constitutes a health risk in terms that have alarmed environmental lawyers.

"Although Reserve's discharges represent a possible medical danger," the panel wrote, "they have not in this case been proved to amount to a health hazard" and thus the plant should be allowed to keep dumping into Lake Superior.

In yesterday's petition to the Supreme Court, Minnesota said that Reserve discharges into Lake Superior "large quantities of asbestos fibers which are a known human carcinogen." Judge Lord had found the discharge to be an unacceptable health risk.

"The issue involved in this case is one of unique and exceptional importance," said the Minnesota petition, "and the consequences of continuing the stay could well be disastrous. What is being threatened by the stay order is human life.

"Perhaps the most fundamental and important error of the court of appeals," continued the petition, "is that it seriously misconstrued the law when it forecast that appellees would not prevail on the merits of the health issue.

"This prediction reflects a basic misconception of what type of proof is necessary in order to prove the existence of a hazard to public health sufficient to warrant an injunctive remedy," the states argued.

The appeals court standard of requiring proof that "people are going to die" before a polluter is stopped "conflicts directly with long-standing public policy," the petition said.

Rather than let such appeals court interpretations stand, the states asked Blackmun to impose Lord's shutdown order until the case has been argued on its merits before the appeals court.

At the moment, Minnesota and Reserve are arguing over where the waste should be dumped on land if discharge into the lake is stopped. The next hearing on this question is Wednesday in St. Paul before Lord, who has been directed by the appeals court to help work out a settlement.

[From Washington Post, July 8, 1974]

ENVIRONMENTAL BACKFIRE

WINNERS SEEN LOSERS IN MINING CASE

(By George C. Wilson)

ST. PAUL, MINN.—The environmental movement now stands to be the loser when it "wins" the biggest pollution suit ever filed by the federal government.

Adding to this irony, the congressman who authorized one of the nation's first clean water acts has cleared the way for the public to pay for filtering out the waste the polluter being sued has been dumping into Lake Superior for the last 17 years.

And, as far as state officials here can divine, the federal government has no intention of interfering with this course of events—leaving the states to take over the last stages of the battle.

These are the new developments in United States of America vs. Reserve Mining Co.—a suit the Justice Department filed with trepidation on Feb. 17, 1972. The trial itself will mark its first anniversary Aug. 1—a yearlong, often uncomfortable confrontation between the Nixon administration and some of its political friends in the steel industry.

Reserve is owned by the Armco and Republic steel companies. The Reserve plant, on the edge of Lake Superior at Silver Bay, Minn., grinds up iron ore for those two companies and flushes the waste sand and gravel out the back door and into the lake.

The daily load of waste—called taconite tailings—is 67,000 tons. Besides polluting this cleanest of the Great Lakes, the Environmental Protection Agency discovered after the suit was filed that there were fibers in the lake and air which witnesses linked to Reserve's discharges. Worse than anything, medical witnesses testified that these fibers were the same kind that caused cancer and thus endangered the 200,000 people who drink water from the lake and breathe air polluted by the plant.

As the first anniversary of the trial approaches, it appears that state and federal officials will indeed reach their original goal of stopping Reserve from dumping tons of tailings into Lake Superior.

But, in getting there—as one attorney deeply involved in the case against Reserve put it—public health law has been made that, if left uncontradicted, "will be a far greater environmental disaster for the country than all this polluting of Lake Superior over the years."

The states of Minnesota, Michigan and

Wisconsin agree they face a Pyrrhic victory after all their work against Reserve. That is why they went to the Supreme Court last Friday. They do not want the Eighth Circuit Court of Appeals interpretation of what constitutes a public health risk to go into the lawbooks as the last word in this hallmark case. This would handicap other antipollution efforts throughout the United States, they agree.

Last month, the Justice Department refused to take the case to the Supreme Court—rebuffing the states and the federal Council on Environmental Quality and Environmental Protection Agency which recommended an appeal.

Byron E. Starns and James M. Schoessler of the Minnesota attorney general's office wrote for the three states and allied environmental groups last Friday's petition to Associate Justice Harry A. Blackmun of the Supreme Court. Said their petition:

"The legal issue involved in the determination of the amount of proof required to establish the existence of a health hazard is one of great importance to the future of nuisance and abatement cases . . .

"Perhaps the most fundamental and important error of the court of appeals is that it seriously misconstrued the law when it forecast" that those suing Reserve would not be able to prove the health hazard of the company's waste was dangerous enough to justify shutting down the plant.

"The court of appeals has put itself into the position of saying that unless it can be documented to a scientific certainty that people are going to die in the future, or unless actual deaths have already occurred, law and equity will not grant relief from a health hazard."

Instead of looking at pollution of the air and water from the viewpoint of "when in doubt cut it out," critics contend the appeals court had opted for requiring a corpse. This, they contend, is not the rightful standard for civil cases where "probability" of violation, not the "beyond a reasonable doubt" of criminal law, applies.

State and federal officials who have been fighting Reserve said in interviews that local, state and federal officials everywhere will be hard pressed under that interpretation to control potentially dangerous industrial wastes going tnto the air and water.

Despite those consequences, these same lawyers are pessimistic about the Supreme Court ruling before the Reserve case is settled under an agreement fostered by that same appeals court that wrote the controversial public health language.

That appeals court, in an order issued June 5, directed Reserve and the parties suing the company to go back to U.S. District Court and work out within 70 days an agreement for dumping the waste on land instead of into the lake as quickly as feasible.

Reserve has offered to dump on land. The remaining issues are how soon the company stops flushing the 67,000 tons of discarded sand and gravel into the lake every day and where on land it will deposit this waste.

Thus, it looks like this most costly and longest environmental case will be settled under something akin to a consent decree by mid-August unless the Supreme Court does the unexpected and steps in.

The case, despite 20,000 pages of testimony, leaves a mysterious trail of politics and unanswered questions dating back to 1972 when the Environmental Protection Agency asked the Justice Department to take on the steel industry.

Uncomfortable for the Nixon administration back in 1972, the industry had powerful contributors working for the Republican Party including C. William Verity Jr., head of Armco, and chairman of the Ohio campaign committee. It raised—according to Verity—between $50,000 and $55,000 for GOP candidates in the state.

It was also Verity whom Chairman Henry S. Reuss (D-Wis.) of the House Conservation Subcommittee had assailed earlier for "seeking and apparently obtaining White House intervention" in a federal court order issued in 1971 to stop Armco waste dumping in the Houston ship channel.

John N. Mitchell, as Attorney General in 1972, had to decide whether to name Armco and Republic as defendants in the pollution suit urged upon the Justice Department by the Environmental Protection Agency.

Thomas H. Truitt, who in 1972 was director of EPA's legal support services, recalled the administration's faint-heartedness.

There was "no question" about EPA's interest in getting Armco and Republic named as defendants along with Reserve, Truitt said in a telephone interview last week. "I know," said the former EPA legal officer, "because I was doing the lobbying for it. I was told the recommendation was on Mitchell's desk."

Mitchell, who later in 1972 left the Justice Department to temporarily head the President's re-election committee, rejected EPA's recommendation. Only Reserve Mining Co. was named as the polluter in the Justice Department suit filed on Feb. 17, 1972.

Armco and Republic tried to stay in the background after the trial started last Aug. 1, but a feisty federal judge—the John J. Sirica of this hallmark pollution case—decided to pull them in as defendants.

In explaining why he did so, 54-year-old Judge Miles W. Lord—a former Golden Gloves boxer—pulled no punches. Said Lord in a memo dated May 11, 1974:

"Armco and Republic each own 50 per cent of the outstanding stock of Reserve. The policy making body of Reserve, its board of directors, is made up of 11 individuals; five from Armco, five from Republic and one from Reserve. The Reserve board in reality makes no decisions. Armco and Republic jointly agree on policy decisions which are then rubber-stamped by the Reserve board . . .

"If the Reserve corporate entity were respected," Lord continued, "Armco and Republic would be free to take the benefits of these violations without being accountable for any fines, penalties or liabilities that attach to such conduct . . . It is quite clear to this court that Reserve is a mere instrumentality or agent of Armco and Republic which is being used to shield the parent companies from the consequences of the pollution of Lake Superior and the ambient air . . ."

So, under Lord's ruling the federal government took on the steel industry.

One court exhibit showed that Reserve spent $5.85 million on legal help and other services from 1969 through April, 1974, to justify its disposal methods and plans.

After hearing the medical pro and con in his court room for nine months, Lord—once a poor youth who knew mining firsthand and had paid his way through college by working at such jobs as janitor and cat skinner—ruled against the industry.

He said the risk of people getting cancer from the fibers was too great to take; that Reserve had to close its plant until it found a way to dump its waste on land like other taconite companies do.

In the shut-down order of April 20 and a May 11 memo elaborating on it, Lord seemed to have given environmentalists one of their biggest victories against a polluter. His two memos were a combination of righteous indignation and public health philosophy. If allowed to stand as the last word, Lord's interpretations would have made it much easier for local, state and federal officials to win pollution cases.

Some of Lord's findings:

"The evidence in the case indicates that the daily profit in the operation at Reserve is in the neighborhood of $60,000 per day. Each year that the plant remains in operation, there is a 90 per cent return on owners' (Armco and Republic) equity. In other words, for every dollar Armco and Republic initially invested in Reserve, they got back 90 cents each year the plant remains in operation.

"Defendants have the economic and engineering capability to carry out an on-land disposal system that satisfies the health and environmental considerations raised. For reasons unknown to this court they have chosen not to implement such a plan.

"In essence, they have decided to continue exposing thousands daily to a substantial health risk in order to maintain the current profitability of the present operation and delay the capital outlay needed to institute modifications. . . ."

Reserve witnesses, in testifying that disposing of its waste on land rather than in Lake Superior had been determined as infeasible, showed "bad faith" because no land disposal plans were in corporate files, Lord wrote.

"After listening to testimony for over nine months, the court has formed the opinion that the credibility of the defendants collectively in this case is seriously lacking. They have misrepresented matters to the court, they have produced studies and reports with obvious built-in bias they have been particularly evasive when officers and agents were cross-examined."

Lord, in discussing the public health question in his May 11 memo, made these points:

"At all times" Reserve's discharges into the air from its smoke stacks and into the lake via sluices behind the plant "adds millions of asbestos fibers to every quart of water drunk by every citizen of Duluth, Two Harbors, Beaver Bay and Superior (Wis.) at every time of the year. . . ."

"The evidence clearly indicates that the ingestion of amphiboles and asbestos fibers creates a hazard to human health."

In the light of those and other findings, Lord said, "the determinative issue is a simple one: a commercial industry is daily exposing thousands of people to significant quantities of a known human carcinogen and plans to continue doing so unless halted by this court."

Lord thus ordered Reserve shutdown as of 12:01 a.m. April 21, 1974. The steel companies immediately sought to get the shutdown order lifted. A three-member panel of the Eighth Circuit Court of Appeals, after a hurried hearing on April 22, lifted Lord's order until it had a chance to assess his full opinion.

On May 15, the appeals panel held a more leisurely hearing in St. Louis on the question of whether Reserve should be allowed to operate until it held a full hearing on the merits of the case. The appeals court decided on June 5 to allow Reserve to keep discharging into the lake for at least 70 more days, ordering the contesting parties to work on a cleanup plan under Lord's auspices in the meantime.

Reserve has proposed dumping its waste on land about a mile northeast of its Silver Bay plant at a place called Palisade Creek. Minnesota officials oppose that site, asserting the waste must be dumped farther inland to make sure the dangerous fibers do not drain back into the lake and return to the water supply.

Also, Reserve has said it would keep dumping into the lake another three years to give the company time to ready the land disposal site.

State officials here who have been fighting Reserve for years predict the company will go just far enough to satisfy the Eighth Circuit Court of Appeals. They add that the Washington hierarchy of Justice Department is tired of fighting the steel companies and wants a settlement—much to the distress of some of its lower ranking lawyers.

The defendants have contended all along that Reserve's discharges have not been proven as endangering the health of people who drink water from Lake Superior and breathe air near the plant.

The Eighth Circuit Court, in agreeing with the steel companies, set down these guidelines on June 5 for proving a polluter was endangering the public health:

Even if the number of asbestos and asbestos-like fibers in the air and water could be measured accurately, the three-member appeals court panel said, "there remains vast uncertainty as to the medical consequences of low levels of exposure to asbestos fibers." In other words, are the people around Lake Superior taking in enough fibers along with their air and water to cause cancer?

"The results of the tissue study" (which indicated deceased Duluth residents who had been drinking water out of Lake Superior for the last 15 years had no more asbestos in their tissues than Houston residents whose water was free of such fibers), the court said, "must weigh heavily against the assessment of any demonstrated hazard to health. We think it is clear that the tissue study raises a major obstacle to the proof that ingestion of Duluth water is hazardous . . .

". . . Although Reserve's discharges represent a possible medical danger, they have not in this case been proven to amount to a health hazard. The discharges may or may not result in detrimental health effects, but, for the present, that is simply unknown. The relevant legal question is thus, what manner of judicial cognizance may be taken of the unknown?"

"We do not think," said the appeals panel, "that a bare risk of the unknown can amount to proof in this case. Plaintiffs have failed to prove that a demonstrable health hazard exists. This failure, we hasten to add, is not reflective of any weakness which it is within their power to cure, but rather, given the current state of medical and scientific knowledge, plaintiffs' case is based only on medical hypothesis and is simply beyond proof.

"We believe that Judge Lord carried his analysis one step beyond the evidence. Since testimony clearly established that an assessment of the risk was made impossible by the absence of medical knowledge, Judge Lord apparently took the position that all uncertainties should be resolved in favor of health safety.

"Since the appropriate threshold level for safe toleration of fibers was unknown, the district court tipped the balance in favor of attempting to protect against the unknown and simply assumed that Reserve's discharge presents a health hazard.

"In doing so," the appeals court continued, "he disregarded the tissue studies of his own experts which provided direct evidence to the contrary.

"If we are correct in our conclusion that evidence does not exist in the record on which to find Reserve's discharges to be unsafe, the district court's determination to resolve all doubts in favor of health safety represents a legislative policy judgment, not a judicial one.

"We emphasize that our evaluation rests not on any view that the discharge exposes North Shore residents to no risk," the appeals court said, "but rather on the view that, given the evidence, no substantial danger has been or could be proven. It cannot be said, other than as a matter of conjecture, that the discharges will result in any higher incidence of disease than that experienced by a general public not similarly exposed.

"Although we are sympathetic to the uncertainties facing the residents of the North Shore, we are a court of law, governed by rules of proof, and unknowns may not be substituted for proof of a demonstrable hazard to the public health."

The appeals court, in contrast to Lord's ruling, thus rejected the warnings of the government's key witness on the health hazard—Dr. Irving J. Selikoff, director of the Environmental Sciences Laboratory and an acknowledged expert on the dangers asbestos fibers pose to humans.

"It is not prudent in any way," Selikoff testified before Lord, "to allow or to require these people to ingest particles which in other circumstances have been shown to cause cancer.

"We will not know whether or not these particular circumstances will cause cancer until 25 to 35—maybe 40—years have passed.

"This is, in my opinion, a form of Russian roulette, and I don't know where the bullet is located. But if we are wrong, then the consequences of that error are disastrous. Moreover, the consequences are particularly bad because while we play the game, others will have to pay the penalty."

Public officials from communities on Lake Superior, including the city of Duluth, have taken Selikoff's warning seriously enough to demand that their drinking water be filtered to remove the risky asbestos and asbestos-like fibers.

Rep. John A. Blatnik (D-Minn.), whose district includes the Reserve plant, has championed legislation to let the general public pay for the filtration system. He is chairman of the House Public Works Committee. Blatnik said in an interview that the Lake Superior situation is an emergency one and that there are established precedents for the nation as a whole to shoulder the cost of the public protection. The Lake Superior filtration system will cost about $12.8 million, according to recent government estimates.

Blatnik, who won state tax concessions for the steel companies that encouraged Armco and Republic to locate its processing plant in Silver Bay, said that the government mishandled the case in not assembling overwhelming evidence before suing Reserve.

Back in 1956, Blatnik pushed through Congress some of the first legislation to clean up the nation's streams and lakes. Now, 18 years later, Blatnik finds himself helping a polluter he encouraged to come into the state clean up its discharge. Blatnik is retiring from Congress at the end of this year.

Minnesota's junior senator, Democrat Hubert H. Humphrey, contended that it is justifiable to ask the public as a whole to finance the filtering out of fibers in Lake Superior. He compared that to residents around a lake paying for cleansing the water even though farmers had polluted it.

Grant Merritt, director of Minnesota's pollution control agency, and John P. Hills, who prosecuted the Reserve case in district court for the Justice Department, disagree. They said Reserve is definitely the polluter of Lake Superior and thus should pay for cleaning up the mess.

THE CONDITION OF OUR STOCK MARKET

Mr. BENTSEN. Mr. President, I would ask to include in the RECORD an excellent article by Peter Milius which appeared in the Washington Post on the condition of our stock market. I was pleased to see the article run on page two of the news rather than being buried in the financial pages. The deplorable condition of the equity markets must be of general concern because it affects our entire economy.

As this article points out, the price of an average share listed in the New York Stock Exchange has lost one-third of its value in the last 18 months. And the decline has been one of the longest in our history. Last summer when this decline had been underway for 6 months, the Finance Committee created the Financial Markets Subcommittee which I chair. We began hearings concerning the condition of the stock market and the ability of new businesses to raise capital to get started and to expand. Those hearings resulted in the introduction of my Stockholders Investment Act of 1973 in December.

Mr. President, the need for that legislation is even greater today than at the time I introduced it. We must restore health to our stock market if our economy is going to be able to expand its capacity to eliminate shortages and bring prices down. If we do not we will be faced with an economy of continuing shortage and higher price levels.

I am also submitting a summary of my bill which I intend to offer as an amendment to the general tax revision measure which we hope will soon be coming from the House.

I ask unanimous consent that the Washington Post article mentioned above and the summary of my bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 14, 1974]

EIGHTEEN MONTHS OF DOWNHILL RACING: BEHIND THE STOCK MARKET MALAISE

(By Peter Millus)

On Jan. 11, 1973, the day President Nixon announced Phase III of wage and price controls, a relaxation of the government's regulations, the stock market hit an all-time high.

The Dow Jones Industrial Average, the nation's most famous stock-price index, closed at 1,051.70. The less widely quoted but more comprehensive New York Stock Exchange price index closed at 65.48. The market had never ended a day at such levels before.

In the 18 months since, corporate profits and dividends—two of the reasons for which people presumably buy stocks—both have headed sharply upward. So have most prices—but stock prices haven't.

While everything else has been moving up, the stock market has been moving down, substantially.

When the market closed last week, even after rallying on Friday, the Dow Jones Industrial Average stood at 787.23, off 25.1 per cent from its value 18 months ago. The New York Stock Exchange index closed at 48.36, down 33.8 per cent.

More than $235 billion in paper wealth has been sheared away in those 18 months of losses, in common stock on the New York Stock Exchange alone. There are other stocks and other exchanges; the total is higher.

In percentage terms, to judge by the NYSE index, the shake-out is already the second worst since World War II. It is surpassed only by the 38.5 per cent the index lost from December, 1968, through May, 1970, the months leading into the 1970 recession. And no one knows whether this one is over.

People have been hurt in the process. More than 30 million Americans have at least a little of their money in the market. Some have a lot. Some are in it for the amusement, but some depend on it for their old age. Millions, though not all of them know it, have sizable interests in the market through their pension funds and insurance companies, both of which are big investors.

Yet while some individuals have suffered, the economy as a whole has not, at least not discernibly. The market and the economy are clearly related. The ups and downs of the market—the longer-term ones, not the daily ones—have generally foretold the economy's ups and downs in the past. The government has thus installed stock prices as one of its leading, or advance, economic indicators, a part of its economic early-warning system. It gave just such a warning in its downturn starting in 1968.

Yet that is not a cause-and-effect relationship, or at least not a clear one. The market, for all the space that newspapers give it—it rivals even the comics—is in some respects an institution off in a world all its own.

It rises or falls, great amounts of wealth are accumulated or lost, at least on paper, and yet it has little immediate effect on the basic economic aggregates—on production and profits, employment and incomes—except perhaps among stockbrokers.

In 1929, when the market crashed, the economy came down with it. Too much stock had nothing behind it, too much had been bought on credit, too much had then been pledged to raise money for further investments. Nothing is impossible, but there are regulations now to prevent much of what happened then. It is good when the market rises, bad when it falls—but not that bad.

What the market does, in theory, is serve as an intermediary between individuals who have savings they want to invest and corporations seeking capital. A corporation issues some stock. Individuals buy it directly themselves, or they do it indirectly by a kind of proxy through the pension funds or insurance companies or other institutions into which they have already put their savings.

They get a share of the corporation's profits and growth; it gets their money to expand or whatever else it wants to do. The market also provides the investors with a ready way to get rid of their shares, to convert them back into cash when they want to.

The market rises and falls by the law of supply and demand. When a lot of people want to buy stock, stock prices rise; when they don't, they fall.

What has happened in the past 18 months is that people haven't wanted to buy. The people who do most of the buying and selling in the market these days are the big institutional investors, the managers of all that money squirreled away in pension funds, insurance companies and their ilk.

They have been turning away from the stock market and into the money market, taking their money out of stocks and putting it instead into bonds or letting it out in what amounts to glorified loans, to the government, to corporations, and even to banks.

The reason for their turn-about has been inflation.

When the President announced Phase III in January of last year, investors had two thoughts in quick succession.

The first was that prices and profits would be free to go up faster, which was good; that may be why the market rose that day.

The second was that, as prices rose, the Federal Reserve Board would step in. That thought is enough to start prices down.

What the Federal Reserve Board does—what it has done time and again when prices have threatened to rise rapidly—is tighten up the money supply. The objective is to drive up interest rates, discouraging borrowing and demand, and thus eventually slow down inflation.

That means two things to someone with money to invest in stocks. One is that, as demand goes down, production also will decline, and so will profits. Dividend rates will thus go down—but interest rates are headed up. The investor thus moves out of the stock and into the money markets.

It is an oversimplification, but that is essentially what the big investors have been doing since Jan. 12 of last year, the day the market started downward.

Interest rates are at all-time highs today, while stock prices are depressed. They work on a seesaw.

When the market turned up in its rally Friday, it did so partly because of a sign that the seesaw might have begun to reverse itself. The Fed reported late Thursday that corporate loan demand dropped sharply last week from the week before. If loan demand falls, interest rates will, too. You want to get back in the market the day that it hits bottom and starts back up. You lose something if you're either too early or too late.

There is one further way in which inflation has affected the judgments that go into the market. It had led investors to put less value on the increased earnings companies have been reporting, their nominally higher profits.

Stock in some of the country's largest corporations is now selling at only four or five or six times the earnings, per share. At ratios like that, you would think a stock would be a better investment than a bond no matter what interest rate the bond was paying. But investors aren't sure those earnings are real.

For one thing, if your earnings go up 10 or 15 per cent in a year of 10 or 15 per cent inflation you haven't gained much. Your profits are up in dollar terms, but in purchasing power you've stood still.

Similarly, companies' profits rise in inflationary times simply by virtue of the fact their inventories rise in value. A lot of the profit reported in the past 12 months were of this sort. They are real in one way but illusions in another.

Sooner or later, the inventories will be used up and have to be replaced, at higher prices.

The same thing applies to the money corporations set aside for depreciation, to replace their worn-out plant and equipment. Rising profits are just like rising wages in inflation, often worth less than they seem.

It matters to people who own stock when the stock market falls. What does it matter to the corporations who's stock is doing the falling? Does it damage them at all.

It does if they want to raise more capital by issuing more stock. If they want to raise a certain amount of money, and their stock price is low, they have to issue more shares—in a sense give more of themselves away—than if the price is high. So they don't issue stock when prices are low.

Some companies have been squeezed by this situation in the last few months, particularly utilities. They need capital to expand, but with stock prices as low as they are, and interest rates high, they can't afford it.

That, though, is what the Federal Reserve Board has in mind when it tilts the seesaw; it wants to slow the economy down.

Most corporations, moreover, for all the mythology of the market, don't issue stock when they want to raise capital. New ones do, but established ones don't often, or haven't since World War II.

Most of their capital has been generated internally, either from set-asides for depreciation or by retaining earnings. Most of the rest they have borrowed in the money markets, through bonds and mortgages or simple bank loans.

In this, as in other respects, the stock market has not been all that important. It may become more so over the next several years, however. A lot of companies have borrowed about as much as they can. If they need more capital, and can't generate it internally, they may have to turn back to stocks.

In few of the years since World War II have corporations as a whole raised as much as $3 billion through the stock market—years when their total capital expenditures were steadily rising, until they are now at a rate past $100 billion a year.

By the late 1970s, though, one specialist at the Federal Reserve Board thinks, companies may be raising $10 billion to $20 billion a year on the market. Brokers would like that.

Meanwhile, though, there is that seesaw. When will it tilt again?

FACTSHEET to S. 2842—SENATOR LLOYD BENTSEN'S PROPOSED STOCKHOLDERS INVESTMENT ACT OF 1973

1. Limitations on the Stock Holdings of Pension Managers.—No pension fund could qualify for favorable tax treatment unless the assets of the fund were placed in the hands of a manager who invests no more than 5% of its aggregate discretionary pension assets in any one equity security and, in addition, who acquires no more than 10% of any equity security of any one company with respect to the aggregate discretionary pension accounts. This limitation would not apply retroactively. Managers of pension accounts would *not* be forced to dispose of current stock holdings to meet these limitations, but they could not acquire additional shares of any security in which the pension manager had reached the limitation.

If any manager of tax-exempt pension funds exceeds these limitations (for example, by purchasing an additional 1% of the total equity securities of a company in which it already holds 10%), a penalty tax equal to 5% of the excess holdings would be imposed on the manager by the Internal Revenue Service. In the event that the manager fails to dispose of the excess holdings within 180 days, IRS will impose an additional penalty of 100% of the excess on the manager.

Excess holdings that result exclusively from fluctuations in market values will not be subject to a penalty tax. These limitations will not apply to investments in companies with a capital account of less than $25 million. These limitations apply only to pension plans and not profit-sharing plans.

Limits on institutional holdings are necessary to protect the more than 30 million private pension plan participants from excessive concentration of pension investments in only a few select stocks and to encourage greater institutional interest in well-managed small and medium-size companies. In addition, these limits would help prevent a small number of large institutional investors from achieving too much control over our economy.

2. Venture Capital From Pension Funds.—Pension managers would be given leeway to invest 1% of the assets of any pension plan in companies with capital accounts of less than $25 million. This would be an exemption from any prudent man rule for 1% of the pension assets. However, the "leeway clause" would not relieve fiduciaries from any prohibitions against self-dealing or fraudulent transitions. The "leeway clause" would relieve a fiduciary from liability with respect to the risk of an investment.

This provision would facilitate the flow of pension investments to new and expanding smaller companies that are in great need of equity capital and which present a higher than normal risk but offer the possibility of a higher than normal return.

3. Graduated Capital Gains Tax.—Under present law, the maximum capital gains rate is 35% without regard to the special minimum tax provisions or any other provision. This legislation would decrease the maximum rate annually over the holding period of a capital asset until the maximum rate was reduced to about 14% for assets held fifteen years. Capital losses would be provided comparable sliding-scale treatment over the holding period of the asset. The present six

month holding period for capital gains treatment would be extended to twelve months. This would be phased in by one month per year.

This provision would help reduce the "lock-in" of long-term assets and provide greater liquidity in our capital markets. A graduated capital gains rate would also encourage the risk-taking spirit in America which has been so important to economic growth and the creation of new jobs.

4. Liberalized Capital Loss Treatment.—Today, if an individual's capital losses exceed his capital gains, he can deduct up to $1,000 against his ordinary income each year. This hasn't changed since 1942, yet per capital disposable income has risen over 400% since then. This bill would allow the individual to deduct up to $4,000 of capital losses against ordinary income. It would also allow a three-year carryback of capital losses against capital gains.

Liberalized loss treatment would encourage more risk investment which is so important in starting new businesses and creating new jobs. It would also encourage investors to take their losses, thus providing greater liquidity in our capital markets.

GENERAL DOUGHERTY TO ASSUME LEADERSHIP OF STRATEGIC AIR COMMAND

Mr. HRUSKA. Mr. President, during its years of existence, the Strategic Air Command, headquartered in Omaha, Nebr., has had a succession of outstanding military men as commanders in chief. The present commander of SAC, Gen. John C. Meyer, who is retiring from active duty on July 31, has continued that fine tradition.

As General Meyer retires from the Air Force, Gen. Russell E. Dougherty will assume command of SAC, having been transferred from his assignment as chief of staff at the Supreme Headquarters Allied Powers Europe.

Recently, Howard Silber, military affairs editor of the Omaha World-Herald, journeyed to Mons, Belgium, interviewed General Dougherty and developed a splendid question and answer session with him.

The resulting article is an excellent piece of journalism written by a highly qualified and well-informed newspaperman who has a superior knowledge of the Air Force. Mr. Silber has had his present assignment for a number of years and is a nationally recognized military writer.

Mr. President, I ask unanimous consent that the newspaper article, "New Boss Will Actively 'Sell' SAC Role," which appeared in the July 14, 1974 edition of the Omaha World-Herald, be printed in the RECORD at the conclusion of my remarks so my colleagues and all other interested persons will be able to obtain information in some depth on General Dougherty's thinking, aspirations, and concepts as he assumes his new assignment.

For example, during his interview, General Dougherty was asked to comment on the somewhat modish question frequently raised as to the possession of overkill nuclear capability by both the Soviet Union and the United States. In part, his answer is as follows:

> The argument is without a foundation in fact.
>
> You don't just count warheads and count cities and put the two together and come up with absolute assured destruction as a strategy for deterrence. Assured destruction is just one way of testing a force. It's not a strategy.
>
> I think if you answer that question honestly you find out that assured destruction is just a measure of a part of a strategy.
>
> As long as you're faced with a potential enemy who has the capability to destroy you then there is a fundamental bedrock aspect of a deterrent strategy that says you must maintain the capability to respond to that kind of threat.

Another concept frequently challenged by critics of the military and others is the necessity to maintain a superior military capability in view of the apparently high degree of détente. In this regard he spoke as follows:

> Whether we will continue to maintain this capability in the future is really a problem because the competition is great and the fruits of détente are very attractive.
>
> In fact, I think sometimes we're already eating those fruits before we even put out buds on the sapling tree of détente that has been made possible by the strength of the past.
>
> So, it could be a self-defeating proposition.
>
> Through strength we've been enabled to talk. The Soviet Union has shown me that it can sit at that table and talk about disarming and talk about peaceful measures and not let its strength down.

It would appear that General Dougherty conceives of an up-to-date and superior military position especially in the area of strategic forces as the basis and source of détente. This makes sense. In fact it is on that basis that President Nixon and Secretary of State Kissinger have been able to achieve great progress toward the cause of a durable peace.

The Air Force and the country are fortunate to benefit from the superior talent and sturdy characteristics which General Dougherty has developed. It is with confidence that we can expect all of his future achievements to be directed along the lines he has delineated in the interview with Mr. Silber.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Omaha Sunday World-Herald,
July 14, 1974]

NEW BOSS WILL ACTIVELY "SELL" SAC ROLE

(By Howard Silber)

MONS, BELGIUM.—As the next commander-in-chief of the Strategic Air Command, Gen. Russell Elliott Dougherty will shoulder some awesome responsibilities.

As he sees it, one of the most critical will be convincing the nation of SAC's importance and of its needs for the weapons to keep it the most powerful military command the world has known.

There can be little doubt that when Gen. George S. Brown, then Air Force chief of staff and now chairman of the Joint Chiefs of Staff, studied the list of qualified candidates last spring for what is generally regarded as the second most important post in the Air Force, he recognized that the coming three or four years could be the most critical ever for SAC.

The B52 bomber is wearing out rapidly, and there is no certainty of public and congressional acceptance of its prospective replacement, the B1.

The efficacy of the land-based missile, another mainstay of the Omaha-headquartered command, is being subjected to inquiry and, in some quarters, sharp attack.

The over-all concept of strategic deterrence, the foundation of both the nation's defense and of the highest level diplomacy of the United States, is being reexamined.

And, although opinion polls indicate that the public attitude toward the military has improved markedly since U.S. forces were withdrawn from Vietnam, defense spending proposals are being given close scrutiny in Congress and in the press.

SAC's chief must be much more than the stereotype of the stiff-backed, hard-nosed general who is prepared to unleash nuclear devastation on the order of the president.

His most important role, perhaps, is as an advocate for SAC and its strengths.

He must believe and he must be able to articulate those beliefs. He must be a credible salesman.

The man proopsed by Brown and accepted by the civilian bosses of the defense establishment as the successor to Gen. John C. Meyer is a veteran officer with about 12 years in SAC.

Dougherty is known as an astute planner, both here at Supreme Headquarters of Allied Powers in Europe, the top military command of the North Atlantic Treaty Organization, where he has served as chief of staff for the last 26 months, and at the Pentagon.

He is an attorney. He evidences a powerful command of the English language and is reputed to be one of the most brilliant orators in the Air Force.

In the earliest days of his military career, he was a trooper in the horse cavalry. And he remembers when money to feed the horses ran out.

The analogy between the failure of Congress to provide oats some 35 years ago and the coming decision on whether to put the experimental B1 into full production may not be a good one, he said.

Nevertheless, Dougherty cites it when he is asked what will happen to SAC if the B1 plan does not survive.

"I think the B1 is essential to continued effective deterrence," the 53-year-old Kentuckian said in an interview. "Some people may not agree with me.

"If more people don't agree with me than do, we're not going to get the B1."

But Dougherty doesn't plan a passive role.

"I'm going to try to help as best I can to interpret the needs" of SAC; "to interpret the future requirements as I see them and as SAC sees them for the continuing deterrent mission that's been ours."

As for arguments about strategic deterrence and its bombers and missiles:

"I would be appalled if the United States were not intensely interested and did not debate these key issues . . ."

What about the assignment beginning July 31 in Omaha?

Dougherty said he regards it as the best command job in the Air Force or possibly the entire military.

He and Mrs. Dougherty expressed delight at the prospect of living in Omaha.

One reason is that they will be just an hour's flying time from Evanston, Ill. Their first grandchild, the month-old son of their son-in-law and daughter, Mr. and Mrs. James Streicker, lives there.

Another is that the general will be able to keep closer tabs on the careers of his favorite second lieutenants. Mark and William Bryant Dougherty. The twin sons are in the Air Force.

And, although he has never lived in Nebraska, something unusual for a high-rankranking SAC officer, the general said he looks forward to cheering for the Big Red this fall.

"How can you live in Nebraska and not be a football fan?" he asked.

PROBLEMS AND HOPES

(By Howard Silber)

MONS, BELGIUM.—On May 1, 1972, Gen. Russell E. Dougherty left the Strategic Air Command's 2nd Air Force, pinned on his fourth star and reported here as chief of staff at Supreme Headquarters of Allied Powers in Europe.

Now the general is preparing to return to the United States.

He will go to Omaha as commander-in-chief of the Strategic Air Command, taking over from Gen. John C. Meyer July 31. Meyer is retiring from the Air Force after nearly 35 years in uniform.

In answering the following questions, Dougherty discusses defense problems, weapons, the North Atlantic Treaty Organization, his hopes for SAC and his expected role as its next chief.

Q. You are taking command of SAC at a critical time—although, maybe, every period is critical for a command such as SAC.

But if yours is a normal tour, the decision on whether to put the B1 into production probably will be made while you are commander-in-chief. Also, you are taking over at a time when the land-based missile concept is coming under more intensive attack. You will be in the position of helping to sell the B1 and, at the same time, helping to bolster the land based missile concept.

How do you plan to approach both of these?

A. I plan to approach them as a key contributing member to the Air Force team that will be faced with the decisions with the buy of the B1, the testing of the B1, with which SAC will be inititmately involved, and with the upgrading of our land-based missile force. I recognize what you say about the critical aspects of our times and I would certainly echo your inference that there have been many critical times before and this is just one of many.

But because SAC is a critical command, I suppose it is always going to be faced with critical decisions. And the critical nature of the command is such that the decisions are important, they're expensive and they are decisions that involve the whole of the United States, in fact the whole of the Free World.

From where I have just been serving in NATO, they definitely involve the future of the NATO alliance and its security in Europe as well as in North America.

So, I don't think we can walk away from the criticality of these things.

Also, the choice is not just ours. The choice is driven in large measure by those forces that are potentially inimical to us. And certainly the dynamism in the Soviet Union's strategic programs is such that we can't ignore it.

So, I'm going to try to help as best I can to interpret the needs of the command; to interpret the future requirements as I see them and as SAC sees them for the continuing deterrent mission that's been ours.

You don't do this sitting still. You don't do this inexpensively. And you don't do this without the intense devotion of a lot of people—more than the 160,000 in SAC.

I would be appalled if the United States were not intensely interested and did not debate these key issues of throw weight and technology of nuclear weapons; the strategic triad, and what Secretary Schlesinger (Defense Secretary James R. Schlesinger) calls "the NATO triad."

It's a different trilogy that he's talking about. But SAC and its people and its delivery systems are a key part of this whole international balance and the primary contributor to the strategic sufficiency of our country, without which I don't think any of the aspirations of our people for detente—for assured prosperity of our nation—could exist.

So, I hope to be very much a part of that and I hope to be a spokesman for our command requirements. Not a strident but hopefully, a persuasive spokesman.

Q. What will happen to SAC if the B1 decision is negative?

A. I was in the cavalry when they failed to appropriate money to feed the horses. The cavalry as such didn't survive that decision. I don't think the analogy would hold up with regard to SAC. If we didn't have the B1, we'd do the best we can with what we do have and with what the nation makes available to us.

I recall the phrase the secretary of defense used several months ago. He said, "A nation gets the kind of military force it deserves."

I know what he meant and, hopefully, our nation is going to get the best because it deserves the best.

I think the B1 is essential to continued effective deterrence. Some people may not agree with me. If more people don't agree with me than do, we're not going to get the B1.

If we don't get the B1, we'll try to make do with what we do have.

Q. There have been suggestions that an expanded fleet of FB111's might be a substitute for a B1 force. Do you see any significance applicable to the B1 in the fact that the F111 and FB111 production line is being kept open?

A. I don't have enough current knowledge of the situation to cast any light on that.

I'm very familiar with the FB111. In my prior role as commander of 2nd Air Force we had the two FB111 wings and the transition school that SAC conducts for the weapon system.

I've flown it. I know the people that made it. I respect it.

I participated in the initial decision on the B1 and its design as a member of the air staff. That was a good decision and I'm proud of that decision.

I don't look at these two things as competitive, though I recognize, realistically, that, to many people, they are competitive.

Q. There was a time when the Air Council was not unanimous on the B1. Could this be a weakness?

A. If those were honestly held opinions by knowledgeable people involved with the decision, I don't think dissent on the Air Council is necessarily bad. There are always differing perspectives and differing views on major issues.

But I can't accept the fact that the Air Council was not unanimous in this decision. I don't really recall there being that kind of dissent.

Certainly the Air Council was very, very searching in its inquiry and put the propositions that were before it to some very searching tests before it came up with a corporate decision and a recommendation to the chief of staff, the secretary of the Air Force and the senior officials in the Department of Defense.

JOINING BIG RED—WE'RE INTERNATIONAL

Q. I know you've never lived in Nebraska but I understand that you've already been warned that you'd better be a Big Red football backer. Is that correct?

A. I wouldn't want to mention any names publicly but, yes, I did get a letter saying that, if I weren't prepared to be a Big Red supporter, don't come.

It was from a friend and I'm sure that he was very serious.

How can you live in Nebraska and not be a football fan?

I'm looking forward to experiencing some of the thrills that other Nebraskans experience from September through December. In fact, frequently into January, it's my recollection.

It will be pretty great to be associated with a winning football team. I know Nebraska is going to have a winning team. They may not win enough to satisfy the residents of Nebraska but they will win enough to be nationally recognized by everyone.

In fact, they are internationally recognized. Surprisingly, Nebraska is very well recognized in Europe. We even find a lot of Europeans asking us for copies of our Stars and Stripes sports section because they keep up with what's going on in the major conferences.

This surprises a lot of people in the United States, but it's so.

PEOPLE MAKE SAC GOOD

Q. What was your feeling on being named to go to Omaha as SAC's chief?

A. You can't be designated as commander-in-chief of the Strategic Air Command without giving a lot of thought to it.

I suppose that the first feeling I have is one of humility. I don't mean by that that I'm apprehensive or scared of taking on the job, because I'm not.

But this feeling of humility comes over me because I understand what the job is.

I understand it from having been in the command. I understand it from having worked at Washington levels with things affecting the command. I understand the planning for strategic nuclear forces that is demanded by our national strategies. And I understand the importance of our U.S. strategic forces from the European perspective, where oftentimes they are far more important than they are to the average person in the United States because of proximity to the threat and because of a historical subjugation to the threat.

Yes, humility. Also, I'm delightfully surprised. I say delightfully because anybody that has the opportunity to command what I consider to be the Air Force's greatest command, if not the nation's greatest military command, is going to be delighted at the prospect.

And surprised because looking around at those people who might have been designated for this job, not only are they all very close friends of mine but they're people I've known—I know there are several officers who are well qualified to have commanded SAC. To have been chosen from that group for this job is surprising.

Contrary to what a lot of people think, senior officers in the U.S. Air Force don't ask for assignments and they don't volunteer nor seek assignments.

So I didn't ask for this job, but there isn't a job in my profession that I would rather have had.

SAC is a great command, and to make that great command even a little bit greater is quite a challenge.

Q. How are you going to make SAC greater?

A. That's the toughest question, I guess, you could have asked me.

The people of SAC can make it greater. The way they respond to the requirements of our national command authorities can make it greater.

Hopefully, we can be more responsive to our times; to the requirements of our national strategy of deterrence; to the challenges that are posed by the programs of the Soviet Union and, after all, as Secretary Schlesinger said the other day to Congress, we're not talking about the defense programs of Chad or Guatemala. Let's face it, we're talking about the defense challenges posed by the military programs of the Soviet Union and, specifically, the strategic programs of the Soviet Union.

I want to do what I can to help SAC respond better, faster, more flexibly; to make our weapon systems more powerful, more responsive; to make our peoples lives more comfortable, to make SAC a better place for good people to live and to raise families and to take pride in.

I watched my predecessors over the years do their best, and their best has been darned good. I'd like to try to keep that momentum that has marked SAC over the years.

MIRV IS A MEANINGFUL OPTION

Q. A year ago, shortly before he retired, Gen. Ryan (John D. Ryan, Air Force chief of staff and a former SAC commander-in-chief) was asked a hypothetical question: If he had one project and only one project that could be funded to enhance the capability of SAC, what would he choose?

He said he would equip all of the Minuteman missiles with MIRV (550 of the total force of 1,000 presently are authorized for multiple warheads).

A. If Gen. Ryan said it, my inclination would be to swear by it on the spot. I wouldn't propose to comment on it at this time because I think a question such as that is one that I would be better prepared to answer after the extensive exposure such as Gen. Ryan had to the command.

Certainly MIRVing, or I suppose you say converting to a Minuteman III configuration, all of the Minutemen of SAC would be a very meaningful option for the United States to consider and for the command to do.

We're faced with a very logical and reasonable new emphasis in our targeting flexibility and some aspects of the application of our strategy to this doctrine. It's a very needed and a very important thing that the United States is doing.

MIRVed Minuteman—the Minuteman III configuration—together with the ability to retarget those missiles remotely and in near real time would contribute greatly to the flexibility and to the options that would be available to the President.

I would think that Gen. Ryan being a very practical man, almost parsimonious when it came to husbanding the resources that were within his authority, would have inferred that this was a low-cost way to achieve increased options and sufficiency.

My own opinion on this is that it is a very worthwhile thing if we are to continue to maintain the kind of strategic sufficiency that has been successful and is being forced to the front of American debate on these things by the momentum and the recently revealed dynamic missile programs of the Soviet Union.

We just can't ignore what's going on on the other side of the Iron Curtain. And what's going on is something that forces us to look at options to improve our own capabilities.

Q. Then, to use a leading question, it would follow that work toward the next generation of land-based missiles would be very important. Would you comment?

A. I think that work toward the next generation of land-based and sea-based missiles is very important.

I read into that question an interest in throw weight. (The weight capacity of a missile). I suppose that's what you imply there, because to make dramatic increases in the throw weight you would really need at least leneration if not another model.

Throw weight, in a sense, is what it's all about in a missile.

You can compensate for lack of throw weight with technology just so far. At a point, you have to look at increased throw weight and this, of course, is the hallmark of concern that so many of us have with what is happening in the Soviet strategic missile program.

Where we thought percentages of increase in the order of 10, 20 or 30 per cent would be possible within their missile force we may be faced with orders of magnitude increase in throw weight.

Faced with that, we've got to consider how we can keep pace if we continue to provide the meaningful deterrence that's fundamental in national strategy for strategic forces.

TALK OF OVERKILL 'JINGOISTIC'

Q. General, it's become sort of modish among some politically motivated critics of the military and some unbiased people who may question the proliferation of nuclear weapons to make much of mutually assured destruction.

They use the premise that we have enough nuclear capability to wipe out the Soviet Union several times over and they have enough to wipe us out several times over in attempts to tear down the triad concept.

Can you answer that in a relatively few moments?

A. No, sir. Honestly, I can't answer that in a few moments. I think maybe I can provide a couple of indications of the answer to that question.

I know the arguments; I've heard them over the years.

I think they're more philosophical and doctrinal than they are substantive.

It's very easy for a person to be swayed by the jingoistic overkill philosophy and overstatements. I find this quite often among young people. They are very persuaded by this because the argument is almost a prima facie argument; it won't bear close examination but it sounds good at the outset.

I talk at every opportunity with these young people. In my assignment at SHAPE we made a point of trying to bring in young intellectual groups from the universities throughout Europe and I find it prevalent in Europe as I do and have in the United States.

The argument is without a foundation in fact.

You don't just count warheads and count cities and put the two together and come up with absolute assured destruction as a strategy for deterrence. Assured destruction is just one way of testing a force. It's not a strategy.

Also, it's wishful thinking to think that you could do things, that things are that precise, that things bear that measurement.

And what does a society accomplish if it assuredly destroys itself?

I think if you answer that question honestly you find out that assured destruction is just a measure of a part of a strategy.

As long as you're faced with a potential enemy who has the capability to destroy you, then there is a fundamental bedrock aspect of a deterrent strategy that says you must maintain the capability to respond to that kind of threat.

So that's a starting point. But it's not a complete strategy.

NATO OFFERS REASONABLE DEFENSE

Q. Would you assess the military capability of NATO today?

A. I think it fair to say that where NATO stands today is that we have a reasonable defensive posture against most forms of attack that this alliance might be subjected to.

We couldn't answer, we couldn't defend against and we couldn't provide our nations the assurance that we could defend against—any kind of attack you postulate.

Too many times visitors go home from here with the wrong answer. They postulate a situation and say, "Could you defend against that?"

Sometimes you may be faced with a 10-to-1 superiority along one part of NATO's European boundary.

The answer is, "No, we couldn't hold against that kind of attack."

So they go back and, the next thing you know, at a press conference at planeside they say:

"All the military leaders I talked to in Europe say that they can't defend for 24 hours, three days or one week. So what's the use? Why don't we go home?"

That's not the situation over here. We've had a reasonable capacity to defend NATO. Not a reasonable possibility of defending successfully against any form of attack that you can postulate.

We're faced with a very large standing force. It's very well armed. It's modernizing at a very rapid pace. You can't ignore that standing force right along the political boundary of NATO.

On the other hand, NATO is far from impotent.

Over the 25 years of its history we have tied together the nations of Europe with the United States and Canada and with the North Atlantic and SACLANT and his forces.

We've tied them together into a cohesive defensive environment that is well equipped with bunkering points, with airfields, reinforcing areas, with all sorts of things that make this a collective force.

And people who don't understand the difference between a collective force and a collection of forces don't understand what NATO is all about.

The individual strengths of the forces of the individual NATO nations are made stronger because they are banded together in every possible way to which our nations will agree.

We've got an integrated force. I've been a part of the integrated headquarters of that force.

Secretary Schlesinger has talked about the NATO triad. What he means is the strategic forces primarily provided by the United States—the forces for which we in SAC will be largely responsible—coupled with the theater nuclear forces that are by and large under Gen. Goodpaster's (Andrew Goodpaster, supreme allied commander in Europe) control operationally and the conventional forces.

The conventional forces in Europe are the very key to where that nuclear threshold is.

If they are weak and can be overwhelmed rapidly, the decisions with regard to nuclear weapons are going to be faced much sooner than anyone would like. In fact, no one likes facing them at all.

But there's an interaction of our strategic forces, the theater nuclear forces largely provided by the United States and the strong conventional forces that we've maintained over here and that European NATO nations are maintaining.

These are expensive and they are getting more so rapidly. The nations are being squeezed more and more by domestic programs, by the requirements of expanding economies, the requirements of social programs of all sorts.

When that happens, defense is the first place they look.

A lot of NATO nations are looking very searchingly at that right now. We could name almost any nation.

Whether we will continue to maintain this capability in the future is really a problem because the competition is great and the fruits of detente are very attractive.

In fact, I think sometimes we're already eating those fruits before we even put out buds on the sapling tree of detente that has been made possible by the strength of the past.

So, it could be a self-defeating proposition.

Through strength we've been enabled to talk. The Soviet Union has shown me that it can sit at that table and talk about disarming and talk about peaceful measures and not let its strength down.

GLOSSARY OF TERMS

B1—The advanced bomber proposed as a possible replacement for the B52. Three prototype planes are being produced by Rockwell International with the first flight expected next fall. A production decision will be based in large degree on the success of the prototype tests.

NATO—North Atlantic Treaty Organization.

Triad—the "three-legged" strategic deterrent of land-based missiles, sea-based missiles and nuclear-armed bombers.

Throw Weight—The warhead size and weight capacity of a missile.

FB111—The strategic bomber variant of the swing-wing F111, once known as the TFX.

2nd Air Force—One of three major units within SAC; headquartered at Shreveport, La. The others are the 8th and 15th Air Forces.

FB111 Wing—A unit consisting of two squadrons or about 30 FB111s and some aerial tanker planes.

Transition School—Where accomplished pilots are retrained to become proficient with an airplane in which they are not presently proficient.

Air Council—A panel of lieutenant generals, most of them Air Force deputy chiefs of staff.

MIRV—Multiple independently Targeted Re-entry Vehicle, or missiles with more than one warhead with multiple target assignments.

Minuteman III—The type of Minuteman missile designed for MIRV.

Real Time—In electronic computer lexicon, the concurrent updating of information.

Mutually Assured Destruction—The supposed capability of the United States and the Soviet Union to destroy each other with nuclear weapons.

Overkill—The potential of delivering more than enough nuclear destructive power to wipe out a military base or city.

SHAPE—Supreme Headquarters of Allied Powers in Europe. The military arm of NATO.

SACLANT—Supreme Allied Command Atlantic, a largely naval force of NATO, headquartered at Norfolk, Va.

OIL COMPANY CONCENTRATION

Mr. MONDALE. Mr. President, I recently introduced S. 3443, the Petroleum Moratorium Act of 1974, which would impose a moratorium on acquisitions by the 15 largest domestic oil companies of independent refiners, pipelines, and retail outlets.

A recent editorial by WCBS–TV in New York City talks about the problem of oil company concentration and its relation to S. 3443. I believe this editorial presents the issues fairly, and makes an effective case for legislation which would prevent the largest oil companies from further strangling competition while the Congress and the courts decide the future of competition within the industry.

Mr. President, I commend this editorial and ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Oil Concentration

People are mad at the oil companies. It's only human nature to be mad when the price of gasoline and heating oil is going up while oil companies' profits are soaring. These prices and profits have been stimulating more and more questions about the way the oil companies operate, and especially about whether more competition in the oil industry is needed.

The questions are being raised by congressmen, the Justice Department and the Federal Trade Commission. Fundamentally, the issue is whether competition is being destroyed in the oil industry because it has been increasingly dominated by a small group of huge companies.

A recent report prepared by the Library of Congress shows that in 1952 the 20 largest companies controlled 32.8 per cent of the total production of crude oil whereas now the same 20 control 70 per cent of the crude oil production. The report also documents a high degree of concentration in the other phases of the business. It shows that these 20 companies control 94 per cent of the proven oil reserves in America, 86 per cent of the refinery capacity, 69 per cent of the interstate pipelines, and 79 per cent of the gasoline retailing facilities.

And in a court suit against the eight major oil companies, the Federal Trade Commission claims that one result of this concentration is a tendency to throttle competition, that for over 20 years the eight companies have, through various arrangements, effectively controlled oil industry markets and squeezed out independents. The oil industry denies these charges and says that it's less concentrated than most large industries and that the expense and risks involved justify their joint actions. It is estimated that the FTC case will be in the courts at least eight years.

But what if the FTC proves its case? In the next eight years or so the oil industry could become more, even more concentrated while the case is being decided. To deal with this problem, Sen. Walter Mondale has introduced legislation that would halt the expansion of the largest oil companies until the case is decided. The Minnesota Democrat's bill would prevent 15 of the largest companies from acquiring any more pipelines, refineries or retail outlets after this July.

But the bill would not make the oil companies give up those they currently own, and it would not restrict the oil companies from expanding any of their present operations.

In our opinion, the Mondale bill makes sense. It does not punish big oil companies merely because they are big. It just prevents them from getting bigger while the courts decide whether they are strangling competition.

WORLD POPULATION YEAR

Mr. PERCY. Mr. President, 1974 has been proclaimed by the United Nations as World Population Year, and the World Population Conference will be held next month in Bucharest, Romania.

Overpopulation of the earth is a major cause of the current shortages of fuel, food, and metal ore resources that we are experiencing. Our planet has a tremendous wealth of natural resources and an immense capacity to produce the crops we need for food. But in recent years, world population has expanded so sharply and the per capita demand for resources has climbed so rapidly that humankind is quickly approaching a point where the earth will no longer be able to provide the basic components necessary for human survival for all who seek to survive.

The declaration of World Population Year by the U.N. marks a major attempt to gather international support for the concept of stablized population. It also is an indication of the great significance the United Nations attaches to the issue of population growth and of the priority the U.N. places on solutions to the complex problems of overpopulation.

For the first several months of this year, there was little public evidence that the United States was participating in World Population Year, and I was quite concerned. Recently, however, a number of events have occurred that indicate our Government and our people are indeed interested in and committed to participation in World Population Year.

First of all, the Secretary of the Department of Health, Education, and Welfare, Caspar Weinberger, has been named to head the U.S. delegation to the conference next month. I am confident that Secretary Weinberger will insure that the policies our delegation supports at the conference will be carefully balanced to assure effective progress toward reduced population growth while respecting the rights and beliefs of those nations not sharing our position. I know that Caspar Weinberger has the skill, sensitivity, and commitment required to achieve such a balance.

Last week, three additional events occurred that further demonstrate the growing recognition to the significance of World Population Year. On July 9, President Nixon issued a proclamation officially designating 1974 as World Population Year in the United States. I commend the President for this action, for his continuing strong stand in favor of population stabilization, and for incorporating into his proclamation the concept that human dignity and social justice are related inextricably to population stabilization. It is precisely this concept we as a nation must endorse and illustrate in our own country so that all nations will come to realize that unrestrained population growth will impoverish and humble the peoples of this Earth.

I ask that the Presidential proclamation be printed at this point in the ORD.

There being no objection, the proclamation was ordered to be printed in the Record, as follows:

By the President of the United States of America—A Proclamation

One of the most pressing challenges in the last third of the twentieth century is to find ways of meeting the basic needs of the world's burgeoning population.

The causes of population growth are well known: death rates have been cut dramatically by welcome advances in medical science and health services while birth rates have not declined. As a result, according to estimates by the United Nations, some 80 million people will be added to the world's population this year and, if current trends continue, the world's total population of more than 3.8 billion could double by the first decade of the twenty-first century.

While the causes are clear, the solutions are not. Many tough choices will have to be made. The United States has no interest in imposing solutions upon other countries, but it does seek to help in a way which maintains our traditional respect for human freedom and dignity. The concern of all nations should remain with the human and physical environment of all of our fellow men in seeking together ways in which mankind can discover new paths to partnership and progress.

As many of the developing countries have already discovered, it is urgent that acceptable solutions be found to this challenge. The United Nations has designated 1974 as World Population Year, and has called upon all governments and peoples to participate in its observance. In August of this year, the United Nations will convene a World Population Conference in Bucharest, Romania. The United States Government welcomes the declaration of World Population Year as an historic opportunity for all nations to study their own and world patterns of population growth and distribution.

Now, therefore, I, Richard Nixon, President of the United States of America, do hereby designate and proclaim the year 1974 as World Population Year in the United States. I call upon the Congress and officials of our Federal, State and local governments, educational institutions, religious bodies, private organizations, the information media, and the people of the United States generally to join this year in promoting a better understanding of the magnitude and consequences of world population growth and its relation to the quality of human life and in renewing our commitment to human dignity and social justice.

In witness whereof, I have hereunto set my hand this ninth day of July, in the year of our Lord nineteen hundred seventy-four, and of the Independence of the United States of America the one hundred ninety-ninth.

Richard Nixon.

Mr. PERCY. On July 11, the President announced the appointment of 20 persons as members of the National Commission for the Observance of World Population Year, 1974, whose responsibility it will be to promote the appropriate observance in the United States of 1974 as World Population Year. The appointed members are:

Clifford M. Hardin, of St. Louis, Missouri; Vice-Chairman, Ralston-Purina Company, St. Louis.

Mrs. Norman C. Armitage, of Alexandria, Virginia; President, National Federation of Republican Women.

Sprague H. Gardiner, of Indianapolis, Indiana; Professor of Obstetrics/Gynecology, Indiana School of Medicine, Indianapolis.

Edward N. Cole, of Bloomfield Hills, Michigan; President and Chief Operating Officer, General Motors Corporation, Detroit, Michigan.

Charles H. Crutchfield, of Charlotte, North Carolina; President, Jefferson-Pilot Broadcasting Company, Charlotte.

Lev E. Dobriansky, of Alexandria, Virginia; Professor of Economics, Georgetown University, Washington, D.C.

Mrs. Cecil G. Grant, of the District of Columbia; Public Schools Coordinator of Youth Serving Youth tutoring program; and part-owner, Colour Graphic Inc., Washington, D.C.

Rev. Dexter L. Hanley, of Scranton, Pennsylvania; President, University of Scranton.

Mrs. Jack A. Drown, of Rolling Hills, California; civic leader.

Mildred F. Jefferson, of Boston, Massachusetts; Assistant Clinical Professor of Surgery, Boston University School of Medicine; Active General Surgery, University Hospital, Boston University Medical Center.

Joseph M. Segel, of Yeadon, Pennsylvania; President of the Franklin Mint, Inc., Yeadon, Pennsylvania.

Frank W. Notestein, of Princeton, New Jersey; Visiting Senior Research Demographer, Office of Population Research, Princeton University, and President Emeritus, The Population Council of New York.

Aida Casanas O'Connor, of Orangeburg, New York; Attorney, New York State Division of Housing and Community Renewal, New York, New York.

Leahseneth O'Neal, of the District of Columbia; professional track star and Director of Tenant Relations, Savage-Fogarty Companies Inc., Washington, D.C.

Frank A. Palumbo, of Vienna, Virginia; Secretary-Treasurer, International Association of Fire Fighters, Washington, D.C.

Edward J. Piszek, of Fort Washington, Pennsylvania; President and Owner, Mrs. Paul's Kitchen, Philadelphia, Pennsylvania.

Jody Elmer Smith, of Ayrshire, Iowa; Mayor of Ayrshire.

Elvis J. Stahr, Jr., of Greenwich, Connecticut; President, National Audubon Society, Audubon House, New York, New York.

Arthur R. Taylor, of Summit, New Jersey; President, CBS, New York, New York.

Nicolas Palen Thimmesch, of Chevy Chase, Maryland; Syndicated Columnist, Los Angeles Times Syndicate, Washington, D.C.

The President also announced the designation of Clifford M. Hardin to serve as Chairman and the designations of Mrs. Norman C. Armitage and Sprague H. Gardiner to serve as Vice-Chairmen of the Commission.

Mr. PERCY. I am pleased that the Commission has been named, and I urge the members to seek all means of making known to all Americans the importance of World Population Year and the necessity for our country to continue and expand its leadership role in providing population assistance to those foreign nations desiring and requesting such aid.

The third event last week was the publication by the Washington Post of an editorial on world population. The editorial accurately points out that world population stabilization is necessary if humankind hopes to maintain the standard of living the developed countries have achieved and to improve that standard in the developing nations. But more importantly, the editorial gives a good idea of just how difficult achieving international cooperation for population stabilization will be. I ask unanimous consent that the Post editorial may be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The World Population

The United Nations World Population Conference, which will open in Bucharest August 19, should help to dispel some simplistic notions about the "population problem." The problem, to be sure, is real. The ancient, although cruel balance of nature is upset. Advances in public health and medicine have reduced infant mortality and extended man's life span. More people are born into the world than leave it. The present world population of 3.7 billion could double by the end of this century. The rate of increase is twice as fast in the developing countries, threatening their prospects for economic and social progress by wiping out what improvements in the standard of living there are.

One simple notion has it that poor people have many children because they don't know any better. Give them the pill, the coil or the loop, along with the education to use these devices, and they will happily comply with the kind of "family planning" Westerners think best for them. This condescending attitude has not worked very well. The most important lesson of 10 years of family planning programs in Africa, Asia and Latin America seems to be that poor people are not stupid. They respond quite rationally to their economic circumstances, which dictate that they have many children to help obtain food and provide for them in old age. The birth rate, it has been shown, falls when the standard of living rises—when the struggle for survival becomes less desperate and the fear of dying alone and in abject poverty fades.

Some representatives of developing nations argue, therefore, that family planning programs are futile and that "economic development is the best pill." But that, too, is simplistic. It is true, you can't have effective birth control without economic development. But neither can you have effective economic development without some birth control.

The Bucharest conference, which is expected to be the largest gathering ever to convene under the auspices of the United Nations, will therefore concern itself with a great deal more than birth control. Rapid population growth is not the only population problem. Some under populated countries, in fact, cling to the dubious belief that they must increase their populations to protect their territory, swell their labor forces and enlarge their domestic market. Others are more concerned about migrant workers (14 million Southern Europeans and North Africans are now working in foreign countries) and rapid urbanization than they are about the baby boom. Population problems and policies have a direct bearing on world resources, the environment and the livability of the world's growing cities.

The conference, directed by Antonio Carrillo-Flores, former finance and foreign minister of Mexico, seems to have been well prepared at numeorus international meetings. Experts have drafted a proposed world population "plan of action" which outlines principles, policies and goals and lays the groundwork for increased international cooperation. The deliberations in the capital of the Socialist Republic of Romania promise to be well attended and will be followed around the world. Following the U.N. conference on the Human Environment in Stockholm two years ago and preceding the U.N. conference on Human Settlements in Vancouver two years hence, the conference is part of the U.N.'s global effort to come to terms with the immense and frightening changes on this planet.

Mr. PERCY. Mr. President, the issue of population control is complex and highly sensitive. Yet we dare not shy away from it, for the concentrated efforts of all peoples and all nations are needed if we are to renew, in the words of the President,

> Our commitment to human dignity and social justice.

I urge my colleagues in Congress and all Americans to participate in whatever way possible in World Population Year.

CHILD AND FAMILY SERVICES ACT OF 1974

Mr. MONDALE, Mr. President, last week I introduced with Senator Javits and 22 other Senators S. 3754, The Child and Family Services Act of 1974.

I now have a section-by-section analysis on that legislation which should be helpful to my colleagues and others across this country who are interested in this legislation.

I ask unanimous consent that a copy of this section-by-section analysis be printed in the Record as part of my remarks.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

Section-by-Section Analysis of S. 3754, the Child and Family Services Act of 1974

(Introduced on June 11, 1974 by Senators Mondale, Javits and Senators Abourezk, Clark, Brooke, Case, Cranston, Hatfield, Hathaway, Hart, Hollings, Hughes, Humphrey, Kennedy, McGee, Metzenbaum, Nelson, Pell, Percy, Randolph, Ribicoff, Stafford, Stevenson and Williams.)

Section 1. *Title*—"Child and Family Services Act of 1974."

Section 2. *Statement of Findings and Purpose*—Finds that the family is the primary and most fundamental influence on children; that child and family services must build upon and strengthen the role of the family; that such services must be provided on a voluntary basis to children whose parents request them with priority for preschool children with the greatest economic and human need; that there is a lack of adequate child and family services; and that there is a necessity for planning and operation of programs as partnership of parents, community, state and local governments, with appropriate federal supportive assistance.

Purpose is to establish and expand child and family service programs, build upon the experience of Headstart, give special emphasis to preschool children and families with the greatest needs, provide decision making with direct parent participation through a partnership of parents, State, local and Federal government.

Section 3. *Authorization of Appropriations*—Authorizes $150 million for fiscal 1975 and $200 million for FY 1976 for training, planning, and technical assistance and $500 million in FY 1976 and $1 billion in FY 1977 for program operation. Headstart would be funded under separate authority, and its funding protected by a requirement that no operational funds could be appropriated for this new program unless and until Headstart is funded at the level it received in FY 1974 or 1975, whichever is higher.

Forward funding is authorized.

TITLE I—CHILD AND FAMILY SERVICES PROGRAMS

Section 101. Establishes Office of Child and Family Services in HEW to assume the responsibilities of the Office of Child Development and serve as principal agency for administration of this Act; and Child and Family Services Coordinating Council with representatives from various federal agencies to assure coordination of federal programs in the field.

Section 102. *Financial Assistance*—Defines purposes for which federal funds can be used: (1) planning and developing programs, including part-day or full-day child care in the home, in group homes, or in other child care facilities; other specially designed programs such as after-school programs; family services, including in-home and in-school services; information and referral services to aid families in selecting child and family services; prenatal care; programs to meet special needs of minorities, Indians, migrants and bilingual children; food and nutrition services; diagnosis of handicaps or barriers to full participation in child and family services programs; special activities for handicapped children within regular programs; programs to extend child and family service gains, including parent participation, into the elementary schools; (3) rental, renovation, acquisition or construction of facilities, including mobile facilities; (4) preservice and inservice training; (5) staff and administrative expenses of councils and committees required by the Act; and (6) dissemination of information to families.

Section 103. *Allocation of Funds*—Reserves funds proportionately for migrant and Indian children, not less than 10% for services to handicapped children, and not less than 5% for monitoring and enforcement of standards.

Allocates the remainder among the states and within the states, 50% according to relative number of economically disadvantaged children, 25% according to relative number of children through age five, and 25% according to relative number of children of working mothers and single parents.

Allows use of up to 5% of a state's allocation for special state programs under Section 108.

Section 104. *Prime Sponsors*—States, localities, combinations of localities or public and non-profit organizations are eligible to serve as prime sponsors.

The bills current provisions establish performance criteria for prime sponsor: demonstrated interest in and capability of running comprehensive programs, including coordination of all services for children within the prime sponsorship area; assurances of non-federal share; establishment of a Child and Family Services Council (CFSC) to administer and coordinate programs.

Public or private non profit organizations can serve as prime sponsors with priority on governmental units. Any locality or combination of localities which submits an application meeting the performance criteria may be designated prime sponsor if the Secretary determines it has the capacity to carry out comprehensive and effective programs. The state may be designated prime sponsor for all areas where local prime sponsors do not apply or cannot meet the performance criteria, provided that the state meets the performance criteria and divides its area of jurisdiction into local service areas with local child and family services councils which approve the relevant portions of the state's plan and contracts for operation of programs within the local service areas.

The Secretary may fund directly an Indian tribe to carry out programs on a reservation. He may also fund public or private nonprofit agencies to operate migrant programs, model programs, or programs where no prime sponsor has been designated or where a designated prime sponsor is not meeting certain needs.

Directs the Secretary to designate an alternative to any prime sponsor discriminating against minority group children or economically disadvantaged children.

Provides opportunity for Governor to comment on prime sponsorship applications and provides appeal procedure for applicants who are disapproved.

The sponsors want to particularly emphasize that as the bill is considered they intend to invite the testimony of representatives of Federal, State, and local government, as well as other experts, with respect to the best allocation of responsibility among various levels of government which will insure parental involvement, local diversity to meet local needs and appropriate State involvement to assure coordination and maximum utilization of available resources.

Section 105. *Child and Family Service Councils*—Sets forth composition, method of selection, and functions of councils. Half of members must be parents, selected by parents of children served by programs under the Act. The remaining members appointed by the prime sponsor in consultation with parent members, to be broadly representative of the general public, including representatives of private agencies in the prime sponsorship area operating programs of child and family services and at least one specialist in child and family services. At least one-third of the total council to be economically disadvantaged. The council selects its own chairperson.

A state prime sponsor must establish councils at the state level and for each local service area. Parent members of the state council to be selected by parent members of local councils.

Council approves goals, policies, action and procedures of prime sponsor, including planning, personnel, budgeting, funding of projects, and monitoring and evaluation.

Section 106. *Child and Family Service Plans*—Requires that prime sponsor submit plan before receiving funds. Plan must: provide services only for children whose families request them; identify needs and purposes for which funds will be used; give priority to children who have not reached six years of age; reserve 65% of the funds for economically disadvantaged children, and priority thereafter to children of single parents and working mothers; provide free services for children of families below the Bureau of Labor Statistics lower living standard budget and establish a sliding fee schedule based on ability to pay for families above that income level; include to the extent feasible, children from a range of socioeconomic backgrounds; meet the special needs of minority group, migrant, and bilingual children; provide for direct parent participation in programs, including employment of parents and others from the community with opportunity for career advancement; establish procedures for approval of project applications with priority consideration for ongoing programs and applications submitted by public and private non-profit organizations; provide for coordination with other prime sponsors and with other child care and related programs in the area; provide for monitoring and evaluation to assume programs meet federal standards; where possible, supplement funds provided by this Act with assistance from other sources.

Requires that the Governor, all local education agencies Headstart and community action agencies have the opportunity to comment on the plan.

Establishes appeal procedures if plans are disapproved.

Section 107. *Project Applications*—Provides for grants from prime sponsor to public or private organizations to carry out programs under the prime sponsor plan, pursuant to a project application approved by the CFSC.

The project applicant must establish a parent policy committee (PPC), composed of at least 10 members with 50% parents of children served by the project, at least one child care specialist, and other representatives of the community approved by the parent members. The PPC must participate in the development of project applications and must approve basic goals, policies, action and procedures of the applicant, including personnel, budgeting, location of center, and evaluation of projects.

The application must: provide for training and administrative expenses of the PPC; guarantee free services for economically disadvantaged children with fees according to the fee schedule for other children; assure direct participation of parents and other family members, including employment opportunities; provide for dissemination of information on the project to parents and the community; and provide opportunities for the participation of children, regardless of participation in nonpublic school programs.

Section 108. *Special Grants to States*—Authorizes special grants to the states, on approval of Secretary, to establish a child and family services information program to assess goals and needs in state; to coordinate all state child care and related services; to develop and enforce state licensing codes for child care facilities; and to assist public and private agencies in acquiring or improving such facilities. A state must establish a Child and Family Services Council to receive a special grant.

Section 109. *Additional Conditions for Programs Including Construction or Acquisition*—Allows federal funding for construction or acquisition only where no alternatives are practicable and federal funding for alteration, remodeling, and renovation. Provides that no more than 15% of a prime sponsor's funds may be used for construction; that no more than half of that may be in the form of grants rather than loans, and that construction assistance will be limited to public and private non-profit agencies, organizations, and institutions.

Section 110. *Use of Public Facilities for Child and Family Service Programs*—Requires that federal government and prime sponsors make facilities they own or lease available for child and family service programs, when they are not fully utilized for their usual purposes.

Section 111. *Payments*—Provides 100% federal share for fiscal 1976 and 1977, 90% federal share for fiscal 1976 and 1977, 80% for subsequent fiscal years. Provides 100% federal share for programs for migrants and Indians, and allows waiver of part or all of non-federal share where necessary to meet needs of economically disadvantaged children.

Non-federal share may be in cash or in kind. Revenues generated by fees may not be used as non-federal share but must be used by prime sponsor to expand programs.

TITLE II—STANDARDS, ENFORCEMENT, AND EVALUATION

Section 201. *Federal Standards for Child Care*—Authorizes a national committee on federal standards, with one-half parent participation, to establish standards for all child care services programs funded by this or any other federal act. The 1968 Interagency Day Care Requirements would continue to apply until such standards are promulgated, and any new standards must be consistent with the 1968 Requirements.

The Secretary must submit the proposed standards for approval to the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor. No prime sponsor or project applicant is allowed to reduce services below these standards.

Section 202. *Development of Uniform Code for Facilities*—Requires a committee to develop a uniform minimum code dealing with health and safety of children and applicable to all facilities funded by this Act.

Section 203. *Program Monitoring and Enforcement*—Requires the Secretary through The Office of Child and Family Services, to establish an adequately trained staff to periodically monitor programs to assure compliance with the child care standards and other requirements of the Act.

Section 204. *Withholding of Grants*—Provides procedure for withholding of funds to programs which have failed to comply with standards or requirements of the Act.

Section 205. *Criteria with Respect to Fee Schedule*—Requires Secretary to establish criteria for adoption of the schedules based on family size and ability to pay with considerations for regional differences in the cost of living. The criteria must be submitted for approval by the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor.

Section 206. *Evaluation*—Requires the Secretary to make annual evaluations and report to Congress on federal child family services activities.

TITLE III—RESEARCH AND DEMONSTRATIONS

Section 301. *Research and Demonstration*—Authorizes child and family services research and requires that the Office of Child and Family Services coordinate research by federal agencies.

TITLE IV—TRAINING OF PERSONNEL FOR CHILD AND FAMILY SERVICES

Section 401. *Preservice and Inservice Training*—Provides for training of personnel, including volunteers, employed in programs assisted under this Act.

Section 402. *Technical Assistance and Planning*—Provides technical assistance to child and family services programs.

TITLE V—GENERAL PROVISIONS

Section 501. *Definitions*—Defines terms used in the Act.

Section 502. *Nutrition Services*—Requires that procedures be established to assure adequate nutrition services in programs under the Act, including use of Section 13 (special food service programs) of the School Lunch Act and the Child Nutrition Act.

Section 503. *Special Provisions*—Anti-discrimination provisions, including separate provisions on sex discrimination. Requires that programs meet the minimum wage. Prohibits use of funds for constructing, operating, or maintaining facilities for sectarian instruction or religious worship.

Section 504. *Special Prohibitions and Protections*—Provides that no child may be the subject of research or experimentation without parental approval, and that no child may be forced to undergo examination or treatment if parents object. Protects legal rights and responsibilities of parents with respect to the development of their children.

Section 505. *Public Information*—Requires that all applications, plans, and written material pertaining thereto be made available to the public without charge.

Section 506. *Repeal or Amendment of Existing Authority and Coordination.*

Section 507. *Acceptance of Funds.*

EARL WARREN: LATE CHIEF JUSTICE OF THE UNITED STATES

Mr. MATHIAS. Mr. President, it was Abraham Lincoln who warned us, "Fellow citizens, we cannot escape history." Certainly Earl Warren did not escape history and it is a measure of his stature that he did not try. He confronted some of the toughest problems of his generation, and he never flinched. It was his nature to meet decisions frontally; he did not allow them to overtake him from the rear as he fled from them. This is not to say that he was always right, but rather that he habitually acted upon what he thought was right.

I recall his description of a visit to Boston where he told the audience that he thought Lincoln had believed what he said about the dignity of the individual and the value of human life. Then Chief Justice Warren added that he agreed with Lincoln and applied the Lincolnian philosophy to some current economic and social issues. The Chief Justice concluded the anecdote by remarking with a chuckle, but no sign of regret, that he had never been invited back.

His measure as a judge is memorialized in the judgments of the Court over which he presided. I think he clearly understood what Sir William Blackstone meant when he said that the law is "the principal and most perfect branch of ethics." Chief Justice Warren tried to keep the law of the land an accurate expression of our national ethics, and in so doing he not only conserved the most ancient traditions of our jurisprudence, but vested in the law the vitality and validity that each generation must impart.

And now, as in his lifetime, Chief Justice Warren cannot escape history. Speeches in the Senate will not alter history's view of him. But we who knew him well and personally can salute him as he passes and say both thanks and farewell.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the International Convention on the Prevention and Punishment of the Crime of Genocide represents a significant chance for an increase in international moral cooperation. By ratifying the convention the United States could join with more than 70 other nations in a commitment against this henious crime. Twentieth-century international relations have often, sadly, been characterized by an avoidance of ethical considerations. The Genocide Convention directs its signers toward a recognition of a fundamental human freedom—the right to life itself—and pledges them to action against those who would systematically abuse this right.

The convention does not, for all its significance, fundamentally alter the conditions of relationships between nations. Contrary to the contentions of some critics of the pact, it does not alter the rules of warfare governing the treatment of either prisoners or civilians. Nor does it apply to such controversial issues as voluntary population control measures or racial discrimination, or to events of actions in any nation's past. It is directed toward systematic exterminations, not domestic conflicts or conditions.

The Genocide Convention is, however, a significant moral opportunity. The ratification of the accord would demonstrate, as the late President Harry Truman said when he first submitted the pact for the approval of the Senate in 1949, "that the United States is prepared to contribute to the establishment of principles of law and justice." Indeed, we can scarcely claim the leadership of the free world if we continue to decline to support this most basic human liberty.

UNION STRIKE VOTES AND THE SECRET BALLOT

Mr. HANSEN. Mr. President, I listened with great interest to my colleague from Michigan—Senator GRIFFIN—yesterday as he discussed his amendments to S. 1566, one of which would allow for a union strike vote to be by secret ballot. I wish to add my support to his effort.

A labor union members' vote on whether or not to strike seems to me, Mr. President, every bit as important, if not more important, a decision as any vote he or she may cast for any public office. A strike vote immediately and directly affects his family and his livelihood.

It seems to me, therefore, Mr. President, that such an important decision should be made via the sanctity of the secret ballot.

The Congress over the past several years has championed the cause of one man, one vote and civil rights. It appears somewhat hypocritical not to carry this same ideology and protection into the area of strike votes for the working men and women of this country.

It is my understanding, Mr. President, that all too often crucial strike votes are held by voice or show-of-hands after the union leadership has presented its position.

I am not in favor of increasing "secrecy per se" in this country, but I am in favor of guaranteeing every labor member a free choice on his or her desires in strike issues totally devoid of any "pressure."

Without the protection of a secret ballot, Mr. President, I contend, each voting member will be subjected to peer groups and social pressures which, in essence, deny free choice.

I cannot believe, Mr. President, that when the cause for strike is right—is justified—that a sceret ballot could in any way alter the members' decision to strike. I cannot believe that a secret ballot will hamper in any way the right of collective bargaining. In fact, in many ways it might enhance that right by guaranteeing that a strike, if called, is truly the result of membership desire.

However, when a strong case against striking can be made and the members of a union genuinely desire to keep working for the time being, or to resume working, the secret ballot will protect that course of action.

Mr. President, I again compliment my colleague from Michigan for his effort in this area and pledge my support to him.

Thank you.

SOCIAL SECURITY IS SOUND AND WORKING

Mr. CHURCH. Mr. President, last year the Senate Committee on Aging launched a comprehensive inquiry into "Future Directions in Social Security."

During the past 2 years, the committee has heard excellent testimony about various alternatives for strengthening the social security program, not only from the standpoint of elderly retirees but also from the vantage point of today's workers.

This task takes on added importance because all Americans have a vital stake in assuring the integrity of this system. In one form or another social security touches the lives of almost every American family.

Today 30 million persons receive retirement, survivors, or disability benefits. Nearly 100 million workers will make contributions to the program in 1974. In return, they will receive credits toward benefits for themselves and their families.

These basic facts underscore the necessity for insuring that social security is built upon sound economic, actuarial, and social principles for the present as well as the future.

In recent weeks, however, scare stories have been circulated about the solvency of the social security system.

These accounts—oftentimes based upon misleading and inaccurate information—have only created needless anxiety and apprehension for millions of Americans who have contributed to social security.

The social security program—and I want to emphasize this point—can be improved. And, it should be improved. But, articles which rely upon half-truths will serve no useful purpose in our national dialog concerning the future directions for social security.

All responsible viewpoints must be presented in this debate to assure that the best possible system for all is developed. And this, of course, is a major purpose of the Committee on Aging's hearings.

In this regard, Wilbur Cohen—a former Secretary of the Department of Health, Education, and Welfare; a renowned authority on social security; and now the Dean of the School of Education at the University of Michigan—recently responded to some of the attacks.

His article, entitled "Social Security is Sound and Working," merits the attention of all Members of the Senate.

Mr. President, I commend this article to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY IS SOUND AND WORKING

(By Wilbur J. Cohen)

The recent articles on the American Social Security System by Warren Shores are a collection of prejudicial half-truths, misstatements, and misleading comments. They are a grossly unfair and inaccurate presentation.

Their cumulative effect is to create anxiety, misunderstanding and doubt about the financial integrity of the Social Security System. These articles are vicious and unfortunate attacks on the peace of mind of millions of older citizens and other beneficiaries of the program, as well as being a collection of misleading and inaccurate statements.

The "solution" to the problems presented by Mr. Shores is the impractical idea of having Congress repeal the federal law creating our Social Security System and giving Americans the option of buying government bonds or commercial bonds to cover their retirement and disability and their survivors as social security now does for eligible persons. Everyone has this option now, but it is not a realistic alternative to the problem social security was intended to alleviate. Shores' "solution" didn't work before the depression in 1929—that's why Congress created social security in 1935—and it would not be a feasible solution to old age dependency or poverty for millions of people now or in the forseeable future.

Arthur Shores' major problem is that he apparently doesn't understand the difference between the concepts of "insurance" and "savings." The second reason that the conclusions he arrives at are inaccurate is that he mixes up and is confused by those statistics and figures which he does give to readers and then fails to give all the information and data necessary to evaluate his freak illustrations. Shores is obviously a devotee of the philosophy that "the exception proves the rule. "Let us take his charges one-by-one and show the immensity of his misrepresentations and his use of the "big lie."

1. Mr. Shores says "social security has not done any part of what it set out to do." This is a flat outright lie. If there were no social security program today, there would be 12.5 million more persons in poverty in the United States. This would be an increase of 50 percent in the number of people in poverty. There are 25 million people with incomes below the poverty line at the present time. How can Shores in good conscience claim then that social security hasn't done "any part" of what it set out to do?

SOCIAL SECURITY IS VALUABLE FAMILY PROTECTION

2. Mr. Shores has related examples of persons who could receive more in benefits by some other investment of their funds. Social Security is a government-operated insurance plan.

The essence of "insurance," whether public or private, is that some people will pay into the plan more than they receive back, some will receive back more than they paid in, and some will break even. This is in contrast to "savings" in which each person always receives back more than he paid in. Social Security was never designed to be a substitute for a savings-bank system. It was designed to be insurance.

Thus, an individual who lives to age 85, 90, or 95 years will receive back in pension payments much more than he or she paid in premiums. A person who dies the day before he or she retires will have lost all the payments.

A mentally retarded person or a retired, disabled, or deceased person may receive $50,000 or more in social security payments during his lifetime.

The widow and children of a deceased young worker may receive a total of $50,000 or $100,000 even though the payments into the social security system were only $2,000. A widow with young children can now receive over $700 a month in survivors' benefits. Moreover, these benefits are not taxable. This is a tremendous financial security for young families. Survivors' benefits under social security are frequently the only continuing monthly benefits received by most families where the worker has died.

What Mr. Shores doesn't disclose when he argues that each worker should be permitted to buy his own protection is that there is a vast difference in the cost of private life insurance among different companies in the United States. A study made by the Pennsylvania Insurance department shows that for a man age 35 the average annual cost of a straight $10,000 life cash-value insurance policy varied from $42 a year to $86 among the 50 largest companies in the nation—a 100 percent difference in cost between the lowest and highest!

What Mr. Shores also doesn't tell is whether each citizen will buy the cheapest insurance or the dearest. In social security, he or she gets the benefit of the maximum protection at the minimum cost—and at the lowest administrative costs. No private insurance company can provide the same coverage as the federal Social Security System does unless it charges the wage earner higher costs for administering the program.

Mr. Shores ignores the great advantage of social security over most private insurance and private pension plans. Social security benefits will automatically increase in the future as the cost-of-living and wages increase. This mandatory requirement has already been written into the existing federal statutes governing social security. Thus, while most insurance contracts and private plans guarantee a fixed amount of dollars, the social security plan now guarantees an inflation-proof benefit! The government-paid insurance benefits will increase in amount as the years go on. Shores tries to compare present social security benefit levels with present private insurance benefit levels in order to show that social security benefits will be inadequate in the future. By intentionally or unintentionally neglecting to tell readers that government insurance (but not private insurance) must pay more in the years ahead, it becomes obvious that all the illustrations used by Mr. Shores are basically erroneous for the future.

What Mr. Shores also forgets to tell the reader is that social security benefits are never taxable to the recipient. So when a retired worker and his wife after age 65 receives $480 a month in social security benefits, they are receiving the equivalent of approximately $600 a month in taxable income.

For instance, Mr. Shores leaves out of his articles the fact that the social security program has the lowest administrative cost of any comparable private insurance, pension or retirement system. In 1974, the total administrative cost of the old age and survivors' benefits was 1.6 percent and for disability benefits, 4.7 percent. The total combined cost for all three types of benefits was 1.9 percent.

If the social security system saves only two percent in administrative costs each year as compared with private insurance, the savings which go into paying benefits would be $1 billion a year at the present time. What private system can compare with this? Why doesn't Mr. Shores tell about some of the values and good points of social security? His articles were directed solely at picking out a few very extreme examples and overlooking the major and overwhelming instances of comprehensive and valuable protection.

There are 30 million people receiving social security checks every month. It has not missed a payment in 34 years. It has never gone bankrupt and ceased to do business as have a number of private insurance plans. Shores also neglects to mention that some private pension plans like Studebaker and Kaiser-Frazer have failed to carry out their pension commitments. As long as social security payments are guaranteed by the federal government, I do not believe there will ever be any default in the commitments made under the social security program. Most people, but not Mr. Shores, know this.

SOCIAL SECURITY IS GOOD INSURANCE

3. Mr. Shores says the "social security system is emphatically unlike insurance." Mr. Shores doesn't give his definition of insurance so the reader is left in the dark as to what he means. Insurance is simply a system of, a large number of individuals making payments in advance into a pooled fund for certain specified risks and benefits from which pool the benefits are paid in accordance with the agreement entered into by the parties. Some beneficiaries are intended to receive more than they paid in and some less. Insurance is not savings where each saver always receives more than he originally paid in.

There are different kinds of insurance.

There is pure insurance like term life insurance in which the individual does not get any reimbursement at all if the risk death doesn't occur during a year that the policy is in force.

This is like automobile or fire insurance in which no money at all is received by the beneficiary if no hazard occurred. It is like Blue Cross or Blue Shield health insurance in which no reimbursement is made if the individual is not sick and incurs no bills. Mr. Shores implies that an insured social security beneficiary who never has the hazard occur (such as disability) is being cheated because he hasn't received any insurance benefits back.

Endowment life insurance is a combination of pure insurance and savings. It is necessary to know what kind of insurance is being purchased. Just as there are many kinds of automobiles, there are many kinds of insurance. The costs vary on the model, size, and quality purchased.

The great value of social security as a national insurance pool was best expressed many years ago by Winston Churchill.

Churchill said that social security brings the magic of the averages to the rescue of the millions. It is not a savings bank. It is low-cost insurance.

In this connection it is important to remember that among the 30 million persons who receive social security every month, 2 million are disabled persons under age 65, that nearly 5 million are children, and nearly a million are younger widows and mothers. Social security is a strong support for families in addition to its retirement income features.

It should be remembered that each individual's contribution to social security covers four different insurance coverages: Old age; death at any age; disability at any age; and hospitalization for the aged and disabled.

From the 6.85 percent paid by the employee (and an equal amount by the employer), the following allocations are made:

	Percent
Disability coverage	0.575
Hospitalization coverage	.900
Total	1.475

This leaves 4.375% for old age and survivors' (death) coverage. The survivors' insurance coverage is worth about 0.375%. Thus, an employee is paying only about 4% for old age protection and 1.85% for the other three coverages.

U.S. GOVERNMENT BONDS ARE A GOOD BUY

4. Mr. Shores says the social security trust fund is "simply a myth." What nonsense. If the United States government bonds in the social security fund are a myth, then government bonds are a myth for the banks, insurance companies, and private investors who bought them too.

The amazing inconsistency of Mr. Shores is evident when he recommends that workers be required to buy federal bonds as a substitute for social security. Why are they a myth in one case and a desirable purchase in another? Mr. Shores is just uninformed and inconsistent.

SOCIAL SECURITY IS NOT BANKRUPT

5. Mr. Shores says the "Social Security System is bankrupt." He comes to this erroneous conclusion because there is not sufficient money in the social security fund today to pay off all its obligations for the indefinite future. If this criterion is used then practically every private pension plan in the United States is also bankrupt. By this criterion, the Civil Service Retirement fund is bankrupt, so is the Railroad Retirement system, and practically all state and local public employee retirement systems.

The fact of the matter is that a governmental system does not need to be a full-reserve system such as private companies must have in accordance with state insurance laws. It is simply mischievous and misleading to label social security as bankrupt. No responsible private insurance actuary would do so and none has done so. It is only a misinformed non-expert who would make such a misstatement.

There is $40 billion in United States government bonds which back up the Social Security System. These bonds are guaranteed as to principal and interest by the federal government. They have the same value as government bonds held by banks, private insurance companies, and individuals.

DISABILITY INSURANCE

6. Mr. Shores says that a twenty-seven-year-old freight handler could buy a disability insurance benefit from a private insurance company for "about" $10 a month and get more protection than he could get from social security. He neglects to say the man would have to pass a medical examination and that if he couldn't he would be denied disability insurance coverage. He fails to point out that social security provides the disability insurance coverage to all persons without any medical examination. It covers the weak and the strong; the person with medical difficulties; the young and the older person.

Mr. Shores does not tell that the cost to the individual goes up with the hazard of his occupation and is much more for an older person. In other words, Mr. Shores does not tell the whole truth—only that little part of the iceberg above the water he wants to see.

THE RETIREMENT TEST

7. Mr. Shores at various points in his articles refers to the retirement test as the "saddest, least defensible part of social security." He refers to it as "punishing." But he doesn't tell the reader that to repeal the retirement test would cost $4 billion a year in increased taxes in the beginning and this would mount in future years.

Even more, Mr. Shores doesn't tell that all of the $4 billion a year would go to about 3 million beneficiaries while 27 million beneficiaries would not get a single cent more!

It seems appropriate and reasonable for a retirement system to provide that payments are based upon some test of being retired. Why should contributions by all employers and all workers be increased in order to pay benefits to persons not retired and who in many cases are earning as much as they did before?

Mr. Shores omits from his discussion all these significant considerations which the Congress has carefully weighed. If Mr. Shores is in favor of repeal of the retirement test, why wasn't he honest enough to recommend additional taxes of $4 billion a year to cover the cost? It's easy to criticize a provision if you don't take the responsibility of figuring out how to pay for the alternative?

Mr. Shores incorrectly uses out-of-date figures relating to the retirement or earning test. He refers to the test as $140 a month. At the present time it is $200 a month and the law provides for automatic increases in this amount as prices rise. Mr. Shores also incorrectly describes the effect of this test on a widow with two children since he neglects to consider and mention the fact that the children's benefits will continue to be payable even if the mother goes to work full time. Moreover, he fails to point out that if the mother has three or more children, her employment would not reduce the total family payment whatsoever. These are the kinds of omissions which make Mr. Shores' articles incomplete, erroneous, and misleading.

SOCIAL SECURITY ENCOURAGES THRIFT

Mr. Shores doesn't really understand the objective of the Social Security System as established by the Congress. The idea was not to provide a completely adequate benefit for everyone. Congress wished to give individuals a basic floor of protection on which individuals could build a supplemental protection by additional savings, investments, and work. Congress wanted to leave individuals the opportunity to utilize the private enterprise system to build greater security. Thus, the Social Security System gives individuals an incentive to save and work to improve their economic security. It would be foolish to repeal a tried-and-tested system for the Shores-Friedman kind of plan which would put the younger and disabled worker at a great disadvantage.

Mr. Shores says that as a result of social security "saving is discouraged." But he doesn't give any documentation to this allegation. The reason he doesn't document it is because he can't. All the evidence is that savings of the American people have remained at a high level. If savings is or will be discouraged, it is primarily due to inflation. I challenge Mr. Shores to prove his point. If anything, private insurance companies will tell you that social security has served to stimulate purchase of additional protection.

PROPOSALS FOR IMPROVEMENT

I believe that the Social Security System needs further improvement. The system has been improved by the Congress over the past 40 years. I am sure it will continue to be improved.

However, I am opposed to the radical solution proposed by Mr. Shores which throws the baby out with the bath. I believe we should continue the basic elements of the present system which are:

A contributory, earnings-related system which builds upon individual responsibility for meeting costs and encourages thrift and incentives.

A legal right to benefits which is backed by a guarantee from the federal government and legal recourse to the courts for payment.

A nationwide system which assures a maximum degree of protection at the minimum administrative cost.

The changes which I believe are needed in the Social Security System and which I believe are practical and realistic are:

1. Refund of social security contributions to persons whose incomes are below the poverty line as advocated by Senator Russell Long, the Chairman of the Senate Committee on Finance.

2. Reduction in the social security tax rate from 5.85 percent to 5 percent and an increase in the maximum earnings limitation from the present $13,200 a year to cover all earnings for the employer contribution and to $25,000 a year for the employee contribution.

3. Increase in the retirement test from $2400 a year to $3200 a year which is above the present poverty line for an aged couple. This amendment is supported by many members of Congress.

4. Revision of provisions which discriminate against women by making widowers and husbands eligible for benefits on the same basis as widows and wives as proposed by Congresswoman Martha Griffiths of Detroit.

5. Coverage under social security of all household employment so that women will earn benefits in their own right and can receive them whether they are married, divorced, remarried, or single.

6. An increase in the low benefits being paid to many older people.

7. Reduction in the waiting period for disability insurance benefits to three months from the present five months.

8. Establish the Social Security Administration as an independent Board as it was in 1935. Make the Board independent from the Budget Bureau, take the receipts and expenditures out of the Consolidated Budget, and make the Board report directly to Congress. Over 33 Senators are supporting this idea along with Chairman Wilbur D. Mills of the House Committee on Ways and Means.

Mr. Shores' only direct quotation in his articles is by Professor Milton Friedman, the leading proponent of a radical solution to changes in social security. Mr. Shores did not seem to consult or quote from anyone in Congress like Chairman Wilbur D. Mills, or Russell Long, who helped design the present system. He quotes an unnamed "spokesman for the Illinois Department of Insurance" so it is impossible to check the source or meaning of his quotations.

SHORES' VIEWS ARE NOT SHARED BY THE EXPERTS

There are at least 25 other experts on social security in the United States who do not share Professor Friedman's ideas or who would be willing to rebut the statements made by the unknown "spokesmen." Why weren't these distinguished experts consulted or quoted to give a fair presentation of differing views. Obviously Mr. Shores doesn't believe in giving equal time to his opponents.

For those who wish to read about different points of view, here are some references:

An American Philosophy of Social Security: Evolution and Issues by J. Douglas Brown, Princeton University Press, 1972.

Future Directions in Social Security, Hearings before the Special Senate Commitee on Aging, July 1973, Washington, D.C.

Social Security: Universal or Selective: A debate between Milton Friedman and Wilbur J. Cohen, American Enterprise Institute for Public Policy Research, Washington, D.C. 1972.

ETHNIC STUDIES GRANTS FOR FISCAL YEAR 1974

Mr. SCHWEIKER. Mr. President, for the information of my colleagues, I ask unanimous consent that a breakdown, by State, of eligible applications and grants for the ethnic heritage studies program—Title IX, Elementary and Secondary Education Act of 1965—for fiscal year 1974, and a list of all grantees, be printed in the Record at the conclusion of these remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

Ethnic heritage studies program—Breakdown of proposals received and funded by State

	Received	*Funded*
Alabama	13	1
Alaska	8	1
Arizona	16	0
Arkansas	5	0
California	88	3
Colorado	12	1
Connecticut	16	1
Delaware	5	0
District of Columbia	37	2
Florida	17	1
Georgia	13	0
Hawaii	8	1
Idaho	3	0
Illinois	54	3
Indiana	12	1
Iowa	9	1
Kansas	11	0
Kentucky	3	0
Louisiana	8	0
Maine	4	0
Maryland	11	0
Massachusetts	36	3
Michigan	34	1
Minnesota	19	2
Mississippi	6	0
Missouri	6	1
Montana	4	0
Nebraska	2	0
Nevada	2	0
New Hampshire	2	0
New Jersey	33	2
New Mexico	21	1
New York	138	5
North Carolina	16	0
North Dakota	8	0
Ohio	27	1
Oklahoma	14	0
Oregon	5	1
Pennsylvania	42	3
Puerto Rico	4	0
Rhode Island	4	1
South Carolina	5	1
South Dakota	11	1
Tennessee	14	0
Texas	24	1
Utah	6	0
Vermont	3	0
Virginia	10	1
Virgin Islands	2	0
Washington	18	0
West Virginia	2	0
Wisconsin	15	1
Wyoming	1	0
Guam	1	0
Totals	887	42

TITLE IX, ELEMENTARY AND SECONDARY EDUCATION ACT: THE ETHNIC HERITAGE STUDIES PROGRAM, FISCAL YEAR 1974

The following is the list of applications receiving awards as a result of the competitive process under the Ethnic Heritage Studies Program. The organizations listed below will be cooperating with local ethnic associations or groups. In some cases, specific organizations are shown.

ALABAMA

Alabama Center for Higher Education, 2121 8th Avenue North, Suite 1520, Birmingham, Ala. 35203 ---- $30,000

Black studies research and demonstration project

ALASKA

Alaska State-Operated Schools, 650 International Airport Road, Anchorage, Alaska 99502 ---- $60,000

With the cooperation of: Anchorage Community College & Alaska Native Foundation.

Ethnic studies materials for Alaskan Native children and teachers of Indian children

CALIFORNIA

Bakersfield College, 1801 Panorama Drive, Bakersfield, Calif. 93305 ---- $70,000

With the cooperation of: California State College, Bakersfield & Bakersfield City School District.

Project MECHICA: Materials development program in chicano studies

California State Department of Education, Bureau of Intergroup Relations, 721 Capitol Mall, Room 634, Sacramento, Calif. 95814 ---- $70,000

California ethnic heritage program

Japanese American Citizens League, 22 Peace Plaza, Suite 203, San Francisco, Calif. 94115 ---- $60,000

Contributions of Japanese Americans to American life: Curriculum development program

COLORADO

Social Science Education Consortium, Inc., 855 Broadway, Boulder, Colo. 20302 ---- $45,000

With the cooperation of: The Council of State Social Studies Specialists, The Social Studies Supervisors Association (SSSA), and The College and University Faculty Association.

Analysis and dissemination of ethnic heritage studies curriculum materials

CONNECTICUT

University of Connecticut, Department of Sociology, Storrs, Conn. 06268 ---- $100,000

Intergroup relations and ethnicity: The peoples of Connecticut

DISTRICT OF COLUMBIA

Frederick Douglass Museum of African Art, 316–318 A Street NE., Washington, D.C. 20002 ---- $60,000

Ethnic heritage studies program with an emphasis on Afro-Americans

National Education Association, Civil and Human Rights, Washington, D.C. 20036, total with NJEA ---- $90,000

Jointly with: New Jersey Education Association.

The NEA/NJEA multi-ethnic racial curriculum development program

FLORIDA

Florida State University, Science and Human Affairs Division, 302 Education Building, Tallahassee, Fla. 32306 ---- $40,000

With the cooperation of: The American Hellenic Education Progressive Association, the Daughters of Penelope, & the Comparative and International Education Society.

A project in multi-cultural learning: Greek American contribution to the American Society

HAWAII

University of Hawaii, College of Education, Department of Educational Foundations, 1776 University Avenue, Honolulu, Hawaii 96821 .... $55,000

Ethnic Resources Center for the Pacific

ILLINOIS

Illinois State Department of Education, Superintendent of Education, 188 West Randolph Street, Chicago, Ill. 60601, total with University of Illinois $170,000

Jointly with: University of Illinois at Chicago Circle, P.O. Box 4348, Room 3030–ECB, Chicago, Illinois 60680.

Illinois/Chicago project for inter-ethnic dimensions in education

Southern Illinois University at Carbondale, Ill. 62901 .... $19,000

With the cooperation of: The Association for the Advancement of Baltic Studies, the Latvian Foundation, Inc., and the Latvian Theatre Association in America.

Drama and theater of Baltic-American youth

INDIANA

Indiana University Foundation, University at South Bend, P.O. Box F, Bloomington, Ind. 47401 .... $40,000

Ethnic heritage study program

IOWA

Kirkwood Community College, Arts and Science Division, 6301 Kirkwood Boulevard, SW., Cedar Rapids, Iowa 52406 .... $25,000

General ethnic heritage and specific Czech heritage curriculum model development

MASSACHUSETTS

Boston Children's Museum, Jamaicaway, Boston, Mass. 02130 .... $40,000

Ethnic discovery project

Brandeis University, Philip W. Lown Graduate Center for Contemporary Jewish Studies, Waltham, Mass. 02154 .... $80,000

Center for Contemporary Jewish Studies program for Jewish ethnic heritage studies

Harvard University, Fellows of Harvard College, Harvard University Press, 1350 Massachusetts Avenue, Cambridge, Mass. 02138 .... $45,000

Harvard Ethnic Encyclopedia: Stage I

MICHIGAN

Michigan Southeast Regional Ethnic Heritage Studies Center, 163 Madison Avenue, Detroit, Mich. 48226 .... $170,000

Ethnic heritage studies program in southeastern Michigan

MINNESOTA

Gustavus Adolphus College, Scandinavian Studies, St. Peter, Minn. 56082 .... $25,000

With the cooperation of: American Scandinavian Foundation.

Expanded program in Scandinavian studies

Mankato State Colege, Minorities Groups Studies Center, Mankato, Minn., 56001 .... $60,000

A model program in multi-ethnic heritage studies

MISSOURI

Washington University, Lindell & Skinker Boulevards, St. Louis, Mo. 06130 .... $50,000

Ethnic heritage studies in urban neighborhoods

NEW JERSEY

New Jersey Education Association, Instruction Division, Trenton, N.J. 08608, total with NEA $90,000

Jointly with: National Education Association.

NEA/NJEA multi-ethnic/racial curriculum development program

Rutgers University, State University of New Jersey, 10 Seminary Place, New Brunswick, N.J. 08903 .... $60,000

The Institute of Ethnic and Intercultural Education

NEW MEXICO

Cuba Independent Schools, P.O. Box 68, Cuba, N. Mex. 87013 .... $11,000

With the cooperation of: KNME–TV Channel 5, the Federation of Rocky Mountain States, and its Satellite Technology Demonstration Project.

Cuba schools ethnic heritage project

NEW YORK

Anti-Defamation League of B'nai B'rith, Program Division, 315 Lexington Avenue, New York, N.Y. 10016 .... $65,000

Task force to define cultural pluralism to develop and test strategies for its effective teaching

City University of New York, CUNY Research Foundation, Convent Avenue at 138th Street, New York, N.Y. 10031 .... $60,000

Curriculum development program in comparative university

New York State Education Department, Burean of Social Studies Education, Washington Avenue, Albany, N.Y. 12224 .... $70,000

Italo-American curriculum studies

Buffalo City Schools System, 712 City Hall, Buffalo, N.Y., 14202, total with University College at Buffalo $75,000

Jointly with: New York State University College at Buffalo-Research and Development Complex, 1300 Elmwood Avenue, Buffalo, N.Y. 14222.

Ethnic heritage curriculum development project

OHIO

Cleveland Public Schools, 1380 East Sixth Street, Cleveland, Ohio 44114 .... $170,000

With the cooperation of: Greater Cleveland Intercollegiate Academic Council on Ethnic Studies.

The ethnic heritage studies development program

OREGON

Portland Center for Urban Education, 0245 S.W. Bancroft St., Portland, Oreg. 97201 .... $45,000

Increasing the understanding of multi-ethnic heritage

PENNSYLVANIA

Duquesne University, Tamburitzans Institute of Folk Art, 1801 Boulevard of the Allies, Pittsburgh, Pa. 15219 .... $65,000

Development of ethnic heritage studies kit

King's College, 133 North River Street, Wilkes-Barre, Pa. 18711, total with University of Scranton $60,000

Jointly with: University of Scranton, Ethnic Studies Program, Scranton, Pa. 18510.

The study of ethnic minorities in northeastern Pennsylvania: Lackawanna County: University of Scranton/Luzerne County: King's College

RHODE ISLAND

Rhode Island Department of Education, 199 Promenade Street, Providence, R.I. 02908 .... $50,000

With the cooperation of: Providence School Department & the Department of Languages at the University of Rhode Island.

The ethnic heritage studies program of Rhode Island

SOUTH CAROLINA

Charleston County School District, Division of Instruction, 3 Chisholm Street, Charleston, S.C. 29401 .... $30,000

The ethnic history of South Carolina program

SOUTH DAKOTA

South Dakota Department of Education and Cultural Affairs, State Capitol Building, Pierre, S. Dak. 57501 .... $45,000

Indian ethnic heritage curriculum development project

TEXAS

Southwest Educational Development Laboratory, 211 East Seventh Street, Austin, Tex. 78701 .... $50,000

Ethnic heritage studies program: Czechs, Poles, and Germans in Texas

VIRGINIA

Dilenowisco Educational Cooperative, Wisconsin County School Board, Media Services, 1032 Virginia Avenue, Norton, Va. 24273 .... $50,000

Ethnic heritage studies program for five school divisions in Appalachia

WISCONSIN

State Historical Society of Wisconsin, 816 State Street, Madison, Wis. 53706 .... $45,000

Ethnic heritage studies: Old World Wisconsin and ethnic America

Total $2,375,000

To acquire more information concerning the Ethnic Heritage Studies Program, please write or call—Ethnic Heritage Studies Branch Division of International Education, U.S. Office of Education, ROB No. 3, Room 3907, 400 Maryland Avenue, S.W., Washington, D.C. 20202, 202-245-9506 or 202-245-2262.

UNITED STATES-CUBAN RELATIONS

Mr. PELL. Mr. President, in this era of détente, the continuing cold war with Cuba is an anachronism. The President of the United States has traveled across the world in hopes of improving relations with the Soviet Union and the People's Republic of China; yet we continue to ignore and attempt to isolate our neighbor off the coast of Florida.

American hostility toward Cuba is characterized by the 1962 Cuban resolution, a document that in spirit belongs to an outdated age of confrontation diplomacy and that in substance is no longer applicable. The resolution attempted to isolate Cuba from the rest of the hemisphere; increasingly it is not Cuba but the United States that is becoming isolated by its unwillingness to reassess its policy. It was for this reason that last December I introduced a bill (S. 2802), to repeal the resolution as a necessary first step on the path of normalizing our relations with Cuba. A modified form of that legislation, calling for a review of United States-Cuban policy was adopted by the Senate as part of the USIA-State Department authorization bill.

I am heartened by the growing recognition that change in our Cuban policy is overdue.

Recently, the distinguished New York Times columnist, C. L. Sulzberger, presented a perceptive analysis of the compelling arguments for broadening the application of détente, including our relations with Cuba. I ask unanimous consent that Mr. Sulzberger's column, "Détente Around the Edges?" from the New York Times of July 13, 1974, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Détente Around the Edges?

(By C. L. Sulzberger)

PARIS.—I cannot understand why the United States, so earnestly seeking détente with all the important power blocs pays so little apparent attention to small sores festering along the edges.

One would think a nation resolved to work out accommodations with the Russians, the Chinese, the Arabs and those Europeans with whom we have had a tendency to bicker, would also take the tiny steps required to regularize other quarrels on a miniature scale.

Specifically I have in mind the continuing cold war between the U.S.A. and Cuba, which doesn't seem to have much point in an era of relaxing tensions, and also the continuing failure to arrange diplomatic relations with those two small but strategically located states, Outer Mongolia and Albania.

Cuba is the most crucial of the three nations mentioned because of its relationship to continental America, its Caribbean position and proximity to the Panama Canal, its association with anti-U.S. propaganda and guerrilla movements elsewhere, and its symbolic implication as the locus of the nuclear age's greatest superpower confrontation.

A decade ago I asked Fidel Castro if he foresaw improvement of relations. He said: "This question depends on the relations of the United States with all Socialist countries and we are not interested in improving relationships for ourselves alone.

"We now receive aid from only one side for the simple reason that there is only one side to help us. It is practically impossible that the U.S.A. should help us because the U.S.A. would demand ideological concessions and we will never be prepared to make concessions of that sort. . . .

"I think it will require many years before diplomatic relations are restored. I don't think conditions exist in the United States that permit positive steps. I believe an improvement of relations must be regarded as a long-term affair."

Yet "many years" have now passed. United States relations with virtually "all Socialist countries" have improved. No "ideological concessions" (if one excepts our suggestions that Russia ease up on dissidents and would-be emigrants) have been demanded.

Moreover, the hatred has seeped out of Washington-Havana debates. Fidelismo is no longer regarded as an immediate menace to Latin America. And Moscow doesn't like indefinitely financing the sagging Cuban economy.

The mini-crisis of 1970–71 over a reported Soviet submarine base at Cienfuegos has subsided into a cat-and-mouse game where each side (sometimes mischievously) toys with the other.

One would therefore think this is a propitious time to do something useful. Indeed, the State Department has quietly set in motion "preliminary steps for change."

But the hard truth is that so long as Bebe Rebozo remains President Nixon's intimate friend, the Department doubts whether it can ever get a White House go-ahead for serious negotiations. Mr. Rebozo is closely tied to some particularly anti-Castro refugees around Miami and Mr. Nixon is said to feel very deeply on the Cuban affair.

Thousands of miles distant from this impasse are the separate-but-equal cases of Albania and Outer Mongolia. They are separate—one on an inlet of Mediterranean Europe and the other at Asia's northeast end—but they are equal as favored clients, respectively, of the Chinese and Soviet Governments.

Peking does everything it can to help its only true European ally while Moscow makes massive use of the Mongols by, among other things, stuffing their broad land with military equipment and Soviet troops with which to menace China.

Clearly the logical thing is for Washington to use the present quest for global détente to open simultaneously diplomatic relations with each of these satellites, thus balancing Moscow's pleasure at our recognition of Mongolia with Soviet displeasure at our recognizing Albania—and the reverse for Peking.

The two weak nations in question are politically and strategically of great interest as observation points for the United States. From Albania American diplomats might sniff out, from a new vantage point, additional information about Soviet machinations against neighboring Yugoslavia. And from Mongolia they might be in a better position to check tension along the Sino-Russian frontier and the seriousness of Moscow's intentions against Peking.

Thus, both in the name of détente—very much the *mot d'ordre* nowadays—and in the name of diplomatic horse sense, it might be well to start talks with all three of the countries mentioned with a view to regularizing what remains a foolishly irregular situation.

SOUTHERN ILLINOIS UNIVERSITY CONCERT CHORALE

Mr. PERCY. Mr. President, I wish to extend heartiest congratulations to the Southern Illinois University Concert Chorale for recently winning the international choral competition in Spittal, Austria. In winning the coveted Spittal choral competition, the group became the first American chorus ever to win this competition.

Fortunately, we in the Washington area will have the opportunity to hear this outstanding group this weekend as they will be performing at 1 p.m. on Sunday, July 21, in a free concert in the Grand Foyer of the John F. Kennedy Center for the Performing Arts sponsored by Alliance for Arts Education "Showcase" series. I hope that many of us will have the opportunity to hear this outstanding group from the Edwardsville Campus of Southern Illinois University this Sunday.

EARLY SCREENING

Mr. MONDALE. Mr. President, nearly 7 years ago, the Congress approved landmark legislation designed to assure that every poor child in this country receives the proper medical examinations and treatment. This effort is known as the early and periodic screening, diagnosis, and treatment program.

I have been deeply disturbed at the apparent unwillingness of the Department of Health, Education, and Welfare to fully implement the program. It took more than 2½ years and the filing of a suit in court to even get draft regulations issued.

In 1972—when HEW tried to further postpone and dilute EPSDT—I and some of my colleagues fought in Congress to assure that all the children covered by the program would receive the services to which they were entitled. The result of our efforts was a penalty clause in the 1972 Social Security Amendments. Specifically, the amendments required that States which did not implement EPSDT would be subject to a penalty of 1 percent of their AFDC funds.

A most informative article in the June 29 issue of National Journal informs us that EPSDT is still a matter of conflict and dispute within HEW—and the ones who are suffering are the 13 million children eligible for services. I request unanimous consent that a copy of this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Health Report/HEW, States' Child Care Record May Affect Agency's Insurance Role

(By John K. Iglehart)

Nearly seven years ago, Congress directed the Health, Education and Welfare Department to design a plan for finding poor children with medical problems and providing treatment for them.

Two years ago, HEW still had not come up with a workable program and Congress imposed a July 1, 1974, deadline on the department, hoping to force faster action.

But despite the personal interest and involvement of HEW Secretary Caspar W. Weinberger, the department has no hope of meeting the deadline.

And its inability to cope with a relatively small slice of the total national health problem is raising doubts on Capitol Hill that it would deal effectively with a national health insurance program.

The program in question is Early and Periodic Screening, Diagnosis and Treatment (EPSDT), a small element in HEW's vast array of health missions.

It is difficult to pinpoint any single reason for the department's failure to meet the deadline.

Part of the delay has been caused by internal HEW bickering over the best approach. States partly are responsible becasue of their concern that they cannot afford a fully implemented program, which eventually could cover as many as 13 million children.

Either way, the delay has hurt HEW on Capitol Hill.

The department's unwillingness to persuade states to comply with the law raises questions about the department's ability to launch a national health insurance plan, a medical task of far greater magnitude.

The unwillingness of some states to implement EPSDT largely because of potential costs works against the Administration's argument that states should play a major role in administering and monitoring national health insurance.

"The performance of HEW and the states on EPSDT doesn't leave much to your imagination on how they might perform under health insurance," said an aide to Sen. Abraham Ribicoff, D-Conn., who was a leading sponsor of the child health plan in 1967.

"For all intents and purposes, Congress has given up on HEW's implementation of EPSDT within the context of the present medicaid program," said a House Ways and Means Committee official. "Congress now is prepared to federalize medicaid."

In its health insurance legislation (HR 12684, S 2970), the Administration has called for establishing two financing programs, one for the working population and another for non-working and low-income groups.

The states would play a key role in financing the second program, a task that would give them more incentive to control costs, according to the Administration analysis.

Sen. Russell B. Long, D-La., chairman of the Senate Finance Committee, and Rep. Wilbur D. Mills, D-Ark., chairman of the House Ways and Means Committee, are advocating health insurance bills that call for federal administration of the program. States would have only a secondary role.

Mills told Weinberger at a health insurance hearing April 24:

"You are going to have a hard time convincing me that any state has administered medicaid as well as the Social Security Administration has administered medicare," Mills said. The EPSDT program is a part of medicaid.

Standing: On paper at least, the EPSDT program enjoys priority standing with Weinberger. He has emphasized his interest in it at staff meetings and voiced concern in private conversations with ranking department officials that HEW's programs may be overemphasizing the older population at the expense of the young.

Moreover, implementation of EPSDT is one of the Secretary's program objectives for fiscal 1974.

In reality, though, the department never has committed the resources necessary to aid or prod states to implement the program. A telling statistic is the number of staff members which HEW has assigned to the task.

Seven professional staffers work on EPSDT in Washington, but four have decided to leave or have left HEW. In the department's 10 regional offices, one staffer, on the average, is responsible for working with the states in each region.

HEW never has been able accurately to estimate how much states spend for EPSDT because the funds flow from a general pot of medicaid money that will total in excess of $10 billion in fiscal 1975. The department does estimate that 30 per cent of these monies are spent for children's health services of all kinds.

Under the program, which was first authorized by the Social Security Amendments of 1967 (81 Stat 821), states must inform all recipients of Aid to Families With Dependent Children (AFDC) of "the availability of child health screening services." The eligible child population is estimated to number 13 million.

States also must "provide or arrange for the provision of such screening services" and "arrange for . . . corrective treatment." The services are financed under a medicaid formula which obligates the federal government to pay from 50 to 83 per cent of the cost; the states pay the rest.

PRESSURES

Pressures are mounting on HEW to account for its efforts to implement EPSDT six and a half years after Congress authorized creation of the program.

Sen. Ribicoff asked Weinberger in a letter dated June 11 to describe in detail what the department has done to implement the program.

Further, court suits have been brought against 10 states, claiming they have failed to implement the program fully. The states are California, Colorado, Connecticut, Illinois, Indiana, Michigan, New York Ohio, Pennsylvania and Vermont.

Thus, with hope of meeting the statutory deadline of July 1 gone, with Ribicoff's expressed interest, and with the pending court suits, the department is going to have to develop a strategy for enforcing the stiff penalty which Congress mandated as a part of the Social Security Amendments of 1972 (86 Stat 1329).

Under the provision, HEW "shall" reduce by 1 per cent the federal payment to the Aid to Families with Dependent Children (AFDC) program of any state which fails to implement the EPSDT program.

With federal expenditures of $4.1 billion provided for the AFDC program in the President's fiscal 1975 budget, the financial pain of a 1 per cent reduction in a state's payment could be substantial.

PROBLEMS

Full implementation of EPSDT has been stymied by a number of factors, the most important being concern at HEW and in the states over the potential cost of screening some 13 million eligible children for medical ailments and then providing corrective services.

States

The federal-state medicaid program itself has been a significant impediment to the full implementation of EPSDT. Although financed primarily with federal dollars, medicaid really is a state program, or, more accurately, 50 state programs.

Within general federal guidelines, states select the kind and amount of services they wish to provide, determine the groups eligible for assistance, dictate the standards health-care providers must follow, set the levels of reimbursement and administer the program.

The commitment that states have made to the medicaid program varies widely. California and New York offer a broad range of benefits to medicaid recipients. In New York, the medicaid budget now exceeds that of the budget for aid to needy children (AFDC).

A number of states offer only the minimum range of benefits required by law: inpatient and outpatient hospital care, skilled nursing home care, physician care, home health services, laboratory and X-ray services, family planning services and screening and treatment of individuals under the age of 21.

Although EPSDT is one of medicaid's mandatory services, states have implemented it with the same varying degrees of enthusiasm that they have shown for the total medicaid program.

SRS

The child health care program is only one of several that has been hindered by bureaucratic warfare between the director of the Social and Rehabilitation Service (SRS) and his career staff.

SRS Administrator James S. Dwight Jr. has established priorities which feature efforts to improve management of the welfare system and to purge the public assistance rolls of ineligible recipients of welfare funds. Dwight's prescription includes relentless budget cutting, both within SRS and in the programs it administers.

The SRS career staff has a totally different set of priorities, which favor liberalizing the agency's programs so that more, rather than fewer, low-income families receive federal help.

The conflict between Dwight and the SRS bureaucracy has generated turmoil within the agency. Staff morale is low and a number of recent resignations have resulted, including those of Howard N. Newman, medicaid commissioner, Karen F. Nelson, medicaid's chief of program, planning and evaluation, Joseph Manes, medicaid's long-term care specialist; and Barney F. Sellers, head of EPSDT.

Congressional discontent with Dwight's stewardship of SRS also is mounting. The best reflection of it was in the passage May 24 by the House of a bill (HR 14225) that would remove the Rehabilitation Services Administration, the most popular SRS program, from that agency and place it in Weinberger's office. The vote was 400–1.

Earlier in the year, Congress removed the Administration on Aging from SRS and placed it in the Secretary's office because, in the view of legislators, Dwight's support of the program was weak.

EVOLUTION

The history of the EPSDT program is a textbook example of what happens to a program which Congress authorizes—and then rarely tends to—and to which the executive branch never fully commits itself.

The problems of a lack of financial resources, an absence of available screening services and the inability of states effectively to link eligible children with services which are available all have stood in the way of fulfilling a commitment which President Johnson first articulated in a message to Congress on Feb. 8, 1967.

Mr. Johnson outlined a 12-point welfare program which included a commitment to "expand our programs for early diagnosis and treatment of children with handicaps."

The President noted that nearly 500,000 children were receiving treatment at that time under HEW's health program for crippled children, but he said "more than twice that number need help."

"The problem is to discover, as early as possible, the ills that handicap our children. There must be a continuing follow-up and treatment so that handicaps do not go neglected," Mr. Johnson said.

EPSDT was sold to the President by former HEW Secretary (1968–69) Wilbur J. Cohen, when he was the department's undersecretary.

Chairman Mills scheduled hearings before the Ways and Means Committee a week after the message. And by Aug. 17, the House had passed the Social Security Amendments of 1967, which included a provision that required states to screen, diagnose and treat the medical ailments of children of low income families starting July 1, 1969.

The Senate Finance Committee approved similar legislation and the program cleared Congress on Dec. 15 of that year. President Johnson signed the bill into law Jan. 2.

HEW dragged its feet in developing regulations to implement the program. But two and a half years later, the former SRS administrator, John D. Twiname, proposed "tentative" regulations for EPSDT which interpreted the law quite broadly.

The regulations stipulated that states were to provide screening services for all eligible children under 21. If ailments were found, the states were obligated to correct them regardless of whether the necessary treatment was a service normally provided under the medicaid program.

States strongly objected to the proposed regulations, arguing that the comprehensiveness of the services required would have a dramatic impact on state budgets.

As a result, HEW rewrote the regulations and watered them down. The new regulations instructed states to provide services to children that normally were a part of medicaid benefits which they offered.

HEW also said that states were obligated only to screen, diagnose and treat children under age six at the start, eventually expanding the program to serve all children under 21 years.

The Senate Finance Committee gave its blessing to the department's more restrictive interpretation of the law by including a provision in the Social Security Amendments of 1970 which conformed with the proposed regulations. These amendments, however, never became law.

Finally, almost four years after President Johnson signed into law the Social Security Amendments of 1967, former HEW Secretary (1971–1973) Elliot L. Richardson approved EPSDT regulations on Nov. 4, 1971, to become effective 90 days later.

Congress showed its concern over the lack of movement on the part of HEW and the states to implement EPSDT when it approved as part of the Social Security Amendments of 1972 a provision imposing a tough penalty on jurisdictions that did not meet the statutory requirements.

But, on the whole, Congress has paid little attention to the program. Besides Ribicoff's letter, the most recent expression of congressional interest in EPSDT was voiced by Rep. David R. Obey, D.-Wis., a member of the House Appropriations Subcommittee on Labor-HEW.

At a hearing April 24, Obey pressed Dwight to explain why HEW's implementation of EPSDT never has gotten off the ground.

CONFLICT

HEW policy makers always have been at odds over the degree to which the department should commit itself to implementing the EPSDT program. There are essentially two schools of thought on the question.

One school advocates an aggressive approach to implementation, "beating the bushes to link the children with the services," said one HEW official who supports this approach.

The other school frowns on such tactics and maintains that HEW should adopt a passive role, not going out of its way to advertise the program and not forcing states to implement it fully.

The two schools clashed last year through internal department memoranda and the result has been a middling approach to the implementation of EPSDT.

Newman memo

The seeds of conflict were planted by a memorandum dated Dec. 12, 1973, from medicaid commissioner Newman and Saul R. Rosoff, acting director of the Office of Child Development, to their program chiefs in HEW's 10 regional offices.

Newman and Rosoff announced that they had agreed to fund some 200 demonstration projects that would utilize private, nonprofit Head Start agencies "in making EPSDT services available to medicaid eligible children ages 0–6."

Newman and Rosoff noted that the medicaid and Head Start programs had "common bases" which could facilitate implementation of the EPSDT program. They continued:

"Both agencies serve low income families. Both are concerned with continuity of health care and have the similar objective of integrating services provided through all available state and local resources. These similarities set a common frame of reference that can generate a wide range of local collaborative activities. Therefore, medicaid and Head Start are initiating a collaborative effort."

Although the language was bureacratic, Newman and Rosoff were saying that HEW would institute an aggressive program that would seek out low-income youngsters to undergo medical screening and receive corrective services, if necessary.

"Head Start will refer potentially eligible Head Start children to medicaid for enrollment and medicaid will pay for needed health services as required by EPSDT regulations," the memorandum said.

Dwight rebuff

SRS Commissioner Dwight learned of the Newman-Rosoff memorandum some weeks after it had been sent to the department's regional offices. Several states, a HEW staffer said, including Connecticut and Texas, had expressed concern to Dwight that the new EPSDT-Head Start project would force these jurisdictions, against their will, to expand the screening program.

On Jan. 10, 1974, Dwight wired SRS's regional commissioners: "Disregard the 12–12–73 memorandum from Howard Newman and Saul Rosoff, 'collaboration between selected Head Start grantees and state local medicaid agencies for delivery of EPSDT services.' That memorandum has not received SRS clearance and should be considered only as a recommendation to me."

Dwight also asked regional commissioners to comment on the Newman-Rosoff proposal. One month later, he issued another memorandum to SRS regional commissioners which essentially outlined the passive approach toward implementation of the EPSDT program.

Dwight said that "SRS has a primary interest and obligation under the law to insure the availability of EPSDT services," but he maintained that the statute does not require the kind of aggressive outreach program that Newman and Rosoff envisioned.

"The federal government will not directly engage in outreach and will not require any state to engage in outreach to secure additional eligibility for the Title XIX (medicaid) program," Dwight said in his memorandum, dated Feb. 14. "This is a prerogative and a choice which should be strictly limited to the states. The states are the operator of Title XIX and their choice determines the scope of service and eligibility for Title XIX."

Dwight directed that the "primary emphasis" of the 200 Head Start demonstration projects be to make EPSDT services "available to medicaid eligible children who are also enrolled in Head Start" rather than encouraging these children to enlist in the program.

But recognizing, as Dwight put it, that "outreach is inevitable in such a project," he directed that state medicaid directors and Governors would have to approve individual demonstration projects "before this activity is initiated in any state."

Dwight oversees medicaid and SRS' other programs while adhering to a view that for HEW to prod states to take actions they essentially do not want to take is an unproductive exercise.

"I have an affinity for how to get states to do something—otherwise I have wasted five years of my life," Dwight said in an interview. "If we start dictating procedures to the states then we will get ourselves in trouble."

Dwight came to Washington in 1972 to work as an associate director of the Office of Management and Budget. Before that, he served in California as a deputy finance director in the administration of Gov. Ronald Reagan, R.

Dialog

Dwight's plan for limited implementation of the program, as outlined in his Feb. 14 memo and as evidenced in the number of people he has assigned to the task, is the subject of mounting debate within HEW.

The issue has been a topic of discussion at two of the Secretary's recent management meetings. Weinberger regularly holds such sessions to keep track of objectives which HEW's agencies establish through a system of management that the Administration has adopted in most executive departments.

The system is known as management by objective (MBO). Under MBO, the departments each year must set objectives and, once they are approved by the Office of Management and Budget, mold their operations to accomplish the stated goals.

Weinberger meetings

At the Secretary's management meeting Jan. 15, Stanley B. Thomas Jr., assistant HEW secretary for human development, brought up the issue which had arisen over utilizing Head Start grantees to implement EPSDT.

Dwight explained that he had rescinded the Newman-Rosoff memo because of complaints from a number of states about the use of private Head Start grantees as an outreach vehicle for state-run EPSDT programs.

The ensuing discussion revealed that the key issue was the extent to which the availability of EPSDT services should be advertised by HEW, and thus generate additional demands on state medicaid programs without state consent.

Weinberger concluded the discussion by directing Newman, Rosoff and Dwight to reconcile their differences or, failing that, submit a memo to the Secretary on the issues involved.

The concern expressed by Thomas about the implementation of the EPSDT program was echoed two and a half months later by Bernice L. Bernstein, director of HEW's New York regional office, at another management meeting March 28.

Dwight led off the discussion on EPSDT by reporting that his agency had been overly optimistic in setting a goal of screening two million children in fiscal 1974. A more realistic estimate, Dwight said, would be the screening of from 1.2 million to 1.4 million children.

At that point, Mrs. Bernstein, who was speaking for all of HEW's regional directors, said that a lack of commitment on the part of SRS to provide adequate field staff to implement EPSDT was a major problem. She also called for more active involvement in the task by the office of Dr. Charles C. Edwards, assistant HEW secretary for health.

Dwight replied that SRS was not able, unfortunately, to provide additional medicaid staff members to the regions because all employees were fully committed to higher priorities until July 1975. He said the situation could worsen for EPSDT implementation.

Weinberger concluded the meeting by emphasizing his strong commitment to implement EPSDT. The official minutes of the meeting read:

"The Secretary stressed that this is an extremely important objective which should not fall short of achievement due to inaction or delay on the part of HEW. He expressed his strong desire that regional PHS (Public Health Service) personnel take an active role in assisting states to implement this program. . . ."

Young memo

More recently, John D. Young, HEW's assistant secretary-comptroller, also has questioned whether the department's implementation of the EPSDT program complies with the law.

Young, according to several SRS staffers, sent a memorandum to John R. Ottina, assistant HEW secretary for administration and management, suggesting that, in light of the July 1 deadline, SRS's management objective for implementing the EPSDT program be strengthened.

Young said in the June 5 memo:

"The SRS proposal to make available EPSDT services to eligible children and to screen three million children should be reconciled with the legal mandate to provide screening for all children, in other words eight million plus.

"Now that push has come to shove, as far as the financial penalty is concerned, we suggest that SRS invest much more than $40,000, which in budget terms represents two man years, in the effort.

"Also, the OPS (Operational Planning System) objectives should detail how SRS will monitor EPSDT and apply financial sanctions where necessary. The plan should also include development of a tracking system to indicate whether health screenings are actually followed up with by diagnosis and treatment."

Young was making reference to the MBO management system. Ottina and Thomas S. McFee, his deputy for management planning and technology, are responsible for administering the internal management system.

The implementation of the EPSDT program was a management objective established by the SRS in fiscal 1974. McFee said in an interview that because of Weinberger's commitment to the goal it likely would be upgraded in fiscal 1975.

It was SRS' first crack at upgrading the objective which Young questioned Dwight had suggested that the "resources required" to operate EPSDT in fiscal 1975 totaled $2.6 million, including $40,000 for the salaries and expenses of two staff members.

STATES

HEW's grudging commitment to the children's health program has been reinforced to a large degree by the states, which have feared from the beginning that EPSDT would only add to what was already an onerous financial burden—medicaid.

States have recognized the problems which exist, according to Howard Newman, but they have failed to correct most of them because of a concern over the potential cost.

In a speech March 12 to the National Health Forum, Newman said:

"There was universal acknowledgement of the need for comprehensive health services for poor children, and that such services were not readily available or accessible to the needy.

"Today, many of those problems still exist. In certain areas, a child in a poor family has only half the chance of those with higher incomes to live to his or her first birthday. Half of all poor children are not immunized against polio. About two-thirds have never been to a dentist. And poor children have three times more heart diseases, seven times more visual impairment, six times more hearing defects, five times more mental illnesses than the more affluent," Newman said.

He said that EPSDT got caught in the squeeze between rising welfare expenditures and the states' concern over the potential cost of the screening program.

"States were reluctant to embark on this venture, and the federal government was reluctant to insist. The number of welfare program recipients had been increasing steadily and the bulk of this increase was in the addition of children whose families needed public assistance. . . . Despite its obvious long run, and even short run, benefits, EPSDT posed a problem for public budgets," he said.

Links

Beyond the problem of its potential costs, EPSDT posed a significant obstacle for medicaid programs that never had been called upon to develop services. To make the vital link between providers of care and the intended recipients was a new and foreign task for state medicaid programs.

Medicaid was established in 1965, primarily as a federal-state mechanism to finance the cost of the basic health needs of some 27 million poor Americans. Many state programs are not equipped to manage the development of new service programs within the context of medicaid, even if they had the money.

But pressed by court suits, a number of states now are committing new resources to develop the EPSDT program. The states which have most impressed HEW with their efforts to implement EPSDT are Alabama, Iowa, Michigan, Missouri, Mississippi and Virginia.

In California, the EPSDT program helped influence the state legislature to enact a law which directed the state government to make screening services available to all children.

Texas has made a special effort to extend dental services to children eligible for the EPSDT program. Dental services are generally the most difficult to attain of those services provided under the program.

New York

New York has decided to step up its implementation of EPSDT, in the face of a court suit which charges the state with not developing a program and, as the result of the recent appointment to a high state post of Beverlee A. Myers, a former HEW official committed to EPSDT.

In a project that will start in September, New York State's Department of Social Services and Department of Health will strive to link children eligible for EPSDT with a comprehensive range of health services.

"The program began in 1972 in New York, but to date it has not been effective in reaching the target population," according to a state document which outlined plans to upgrade EPSDT implementation.

Through a marriage of New York's medicaid program and the regional medical program (RMP), another HEW enterprise which seeks to improve the health delivery system in a variety of ways, the state agency hopes to make the vital link between eligible children and screening services.

The agency plans to focus its efforts initially on approximately 450,000 eligible children in upstate New York. Medicaid funds would finance the screening, diagnosis and treatment services. But RMP monies would be used to identify the children and educate their parents to the merits of EPSDT.

New York spends more than $2 billion a year to finance health services under medicaid. It spends an average of $300 a year on individuals who participate in medicaid.

Mrs. Myers, a deputy commissioner of the State's Department of Social Services, rejects the notion that the EPSDT will be a costly endeavor for states. "We may well be able to reduce that $300 figure, or at least control how it is spent better, through EPSDT because it will encourage the delivery of more primary care and less hospital care."

"The program should demonstrate that a relatively small amount of flexible RMP funds can be used as leverage to make the expenditure of relatively large amounts of medicaid funds more effective," Mrs. Myers said in an interview.

In New York City, the state agency plans to follow two approaches to implementation. One is to inform parents of preschool children through letters of the availability of screening services, which are provided by New York City's Health Department.

Second, New York plans to screen older children through a linkage with the schools they attend, an approach which has not been used widely in other jurisdictions. Before New York can move forward with this approach, though, HEW must grant its approval because it will require the department to waive a program regulation.

OUTLOOK

Come July 1, Dwight said, HEW would be prepared to assess the penalty provided by law on states that have failed to implement the EPSDT program. But he said that "assessment of the penalty is an admission of failure" to put EPSDT in place.

SRS's apparrent strategy, as reflected in Dwight's comments and the agency's MBO statement, is to grant states the benefit of the doubt on the question of implementation.

SRS's proposed MBO statement on implementing EPSDT indicates that the agency does not plan to move precipitately to impose the penalty.

For one thing, a lot of money is involved and a quick cut-off would bring screams of indignation from the states and their representatives on Capitol Hill.

Second, a reduction in the funds would only hurt those individuals who can least afford it—the welfare recipients. And third, Dwight is prepared to give states every benefit in finding ways to comply with the law, such as phasing in programs over time.

SRS's proposed MBO statement on implementing EPSDT shows that the agency plans to use the first three months of fiscal 1975 to assess which states have not complied with the law.

On Capitol Hill, meanwhile, a spokesman for Sen. Ribicoff said that he is prepared to take HEW to task if it fails to require states to comply with the EPSDT law.

THE ENERGY CRISIS

Mr. TAFT. Mr. President, there has come to my attention an address made by Putnam B. McDowell, president of Marion Power Shovel Co. to the Marion, Ohio, Chamber of Commerce on January 29, 1974. In my opinion it is an extraordinarily perceptive analysis of the energy crisis which should be shared with my colleagues. While I do not necessarily ascribe to the comments as to individuals, political candidates, or international relations, the ideas propounded are helpfully provocative and validly challenge some of our prevalent shibboleths dominating public thinking on the subject. I therefore ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE ENERGY CRISIS: REAL—NOT CONTRIVED

(By Putnam B. McDowell)

President Dunn, distinguished guests, members and friends of the Marion Area Chamber of Commerce:

This opportunity to speak to many of Marion's most distinguished citizens comes to me just before my 50th birthday and I am, therefore, reminded that someone once said that "middle age is when you know all the answers and nobody ever asks you the questions."

Since I'm about to enter solid middle age, this may be the last time I get asked the questions and I'm going to take full advantage of it and give you what I think are the answers to some of the questions you should be asking about the nation's energy problems, about how it is affecting relations between industry and the public in general and about how it may affect the relationship between your community and our company—Marion Power Shovel. We, of course, build the mining equipment which is a key to relieving the energy crisis through increased coal production.

Never in my business career have I seen such strong evidence of failure on the part of the public and of politicians to understand and respect the functioning of our profit-based economy than is evident in the daily headlines concerning the energy crisis, which I assure you is real—not contrived.

Because I am alarmed by what I see and hear and because the future of Marion Power Shovel and, to an extent, the Marion community is involved directly with energy, I want to talk mostly about that subject tonight.

In the summer of 1973, when I last spoke publicly in Marion, I predicted that the business of Marion Power Shovel might double in the coming decade. The expansion program we announced last October was based on that kind of assumption. I must now tell you that we will double in volume before mid 1976, based on orders and letters of intent now in hand, which extend already into 1978. There is strong evidence that we may triple by 1977–78. since our company already contributes roughly $20 million per year to the economy of Marion, through payrolls and taxes, you can see that the massive purchases of mining equipment now being made by the coal industry will necessarily have a significant effect on Marion, Ohio. How much effect will depend on the extent and location of our further expansion. We must face and resolve, within a few months, a number of questions which I thought last summer we might have five years or more to settle. They include the question of availability of labor here in Marion, which in turn raises such questions as the adequacy of Marion's housing, educational resources and other community services. In short, the community must ask itself how far it is prepared to go in order to encourage continued expansion by the Shovel here at home.

Another major factor is the judgment we at the Shovel must make about the attitude of this community and of our employees toward increasing productivity to ensure that the Shovel can compete effectively with manufacturers in other parts of the U.S. and in other nations—especially nations like Japan—which will soon be desperate to expand exports in order to pay the staggering increase in energy costs, which they face as a result of higher prices of Arab oil. We at the Shovel must also consider carefully whether the prospects are good for peaceful and constructive collective bargaining of labor contracts, which will reopen next year, as we are pressing for heavy output of the machines which our nation so desperately needs for added coal production. It is still my conviction that it is better to expand here in Marion—but there are many factors which compel us to examine alternatives.

The list of projects which your organization has on its agenda for the coming year responds directly to many of the questions I've mentioned. As a matter of enlightened self-interest, Marion Power Shovel commits itself, wholeheartedly, to support however and wherever it can, your efforts to improve downtown Marion, the airport, your schools and, in particular, the new Tri-Rivers Vocational School, low-cost housing and all of the other forward-looking undertakings which your staff and committees have identified.

Before returning to the broad subject of energy, let me take just a moment to describe our company for those who may not have heard about it before. The Shovel, of course, is an old company dating back to the 1880's and has been a pioneer and leader in excavating equipment ever since. It has been owned for the last eight years by the Hillman Company, a Pittsburgh-based private investment company of which I am an officer and director. Hillman has, for generations, been involved in coal and is today one of the larger holders of metallurgical coal deposits in the U.S.

Over the years Hillman has prospered and diversified into banking, oil and gas and a wide range of other activities from airlines to air conditioning. Marion Power Shovel is now one of our largest and most important holdings. I have served as Chairman of the Board of the Shovel since 1966 and am currently in my second tour of duty as President, and expect to continue indefinitely to be closely associated with the day-to-day conduct of the company's affairs.

We build power shovels, walking draglines and rotary blast hole drills, which are used for mining coal, iron ore, copper, bauxite and phosphate and in heavy construction work, such as dams.

Some of our machines stand 20 stories tall and cost up to $15 million or more. None are really small. All are highly engineered. We are one of a very small number of companies world-wide which can design and build such equipment. You here in Marion never see our product because it goes out piecemeal, sometimes on as many as 120 railroad cars for one machine—and is then put together in the field—throughout the U.S. and in Australia, India, Africa, Morocco, Turkey, South America—in fact, anywhere in the world where there are large quantities of minerals to be mined.

Coal, of course, is our largest market—especially today—and that brings us back to the energy shortage, which has already inconvenienced you and which is going to alter your way of life and that of your children for some time to come.

Anybody who tells you that there is not an energy shortage is doing you a disservice. If there is not a shortage, I ask you to explain to me why the coal industry has placed orders for a half-billion dollars of walking draglines in recent months, and why they are committing to billions of dollars for mines where those machines will dig. That is not rumor—it is fact. If we are, as Ralph Nader claims, "awash with oil," why is Syncrude, a consortium of major oil companies, committing now to a billion-dollar project to extract oil from the Athabasca tar sands in Canada? That's not rumor, it's fact. We at the Shovel have the orders to prove it. Why did Gulf Oil just bid over $200 million for a mere 5,000 acres of government-owned oil shale, just as openers, on an immense project to extract oil—the hard way—from oil shale? Why has El Paso Natural Gas placed commitments for machines to dig the coal for a plant to convert coal to gas and by-products? If there is not a serious shortage of oil now and prospectively, these hard-headed companies, which are being described daily in the press as self-seeking, are making some spectacular errors against their stockholders' interests. I doubt very much that they can be that wrong.

There is a shortage. It has been coming on for years and would have arrived without the Arabs, and it will be here long after the Arabs turn their oil back on—as they will soon do. The fundamental shortage was caused by years of underpricing gas and oil in relation to coal and other forms of energy. This increased the demand for petroleum products in an explosive fashion. So, we burned more and more gas and oil where coal would have served as well—instead of saving gas and oil for those things they are most valuable for—like lubrication, plastic products, pharmaceutical bases and so on. While we depleted our limited oil reserves rapidly, we as a nation sat on our 300 to 600-year supply of coal. With gas and oil so cheap, we couldn't dig the coal at a cost which would compete, so our great coal industry stagnated. Even today, in 1974, we are hardly mining any more coal than we did two years ago.

Coal, which as short a time ago as 1966 had 64% of the market for utility fuels, has fallen to 50%; while oil, which formerly supplied 8% of utilities' requirements, rose by 1972 to 20%. That's where your petroleum went—we put it right under the boilers in place of coal, which we left in the ground.

Why was gas and oil priced so low? Among other things, the gas and oil industry is regulated by some 60 federal and state agencies and bureaus, which largely determine where and how much gas and oil is produced in the U.S. or imported. These agencies held prices down, "in the public interest." Consumption rose, of course, at these bargain rates.

The incentive to do more exploration, which is a high-risk business, was dampened and new reserves were not developed. The return on investment in oil refining, which is our worst bottleneck short term, dropped from 10% in 1968 to under 7% in 1972, and capital flowed away from petroleum to other fields and, of course, flowed overseas where U.S. oil companies found other nations more willing to permit them a reasonable return on investment.

Over the last 10 to 20 years, is there one of you who hasn't witnessed the following scene? A local utility announces that because of rising costs, they intend to seek an increase in rates for their gas or electricity. At that point, consumer groups and local government officials rise up in defense of the consumer and block or modify the increase. Some political figures have used this route as a way to rise to higher office. The cumulative effect of this well-intentioned effort, taken in so many communities and over so many years, has played a key role in underpricing gas and oil and has contributed mightily to the present shortage. The road to hell is, indeed, paved with good intentions.

Against this background, there was added the following:

1. Growing dependence on Arab oil, while our foreign policy in the Mideast led us further and further into opposition to the Arabs in their confrontation with Israel. Without regard to the merits of either policy, they were indeed strange bedfellows!

2. Growing ecological concerns were translated precipitously into law—and raised gasoline consumption per car and drove utilities further toward oil and gas to replace high-sulphur coal, which was no longer permitted as fuel. This shut down much coal production. The more stringent mine safety act raised underground mining costs for coal, while the threat of unreasonably severe anti-strip mine legislation created uncertainties which slowed expansion of coal mining by surface extraction methods.

3. Finally, these trends coincided with the time when the Arab's recognized that they had been underpricing their oil and that they could use this moment in history, both to correct their error and to employ oil as a bargaining tool against Israel.

I am neither condemning the ecologists nor advocating that we abandon Israel. I am simply saying that as a nation we did not foresee what it would cost us to pursue simultaneously all these goals, including the goal of low energy costs for the consumer. "When you get something for nothing—you just haven't been billed for it yet." I didn't invent that phrase myself. I just suggest that it fits the present case. It is time for America to face the facts. Among them is the fact that the national policies mentioned earlier as contributors to our energy problems, are under the control of not private business but of the same Congress which is now blaming private enterprise for so much of our trouble.

This is no time for the politicians and the Naders to pursue the devil theory by trying to convince you that a conspiracy by the oil companies has created our present dilemma or to pretend that there is not a shortage, which is precisely what Nader has been saying.

I want someone to explain to me how our oil industry, while regulated by 60-odd federal and state agencies and congressional committees, could conceivably have carried off such a conspiracy in an industry which has 7,000 oil and gas producers—including my company—127 refining companies, 30,000 marketing companies and 200,000 independently-owned retail outlets.

Moreover, how does Mr. Nader explain the fact that most of the rest of the world has a far worse energy crisis than the U.S.? In tonight's audience, we have our associates from Japan—Sumitomo—one of the great Japanese companies, and a representative of the British government. If they could speak here, they would tell you that the non oil-producing industrial nations, including Britain and Japan, have energy problems which dwarf those of the U.S., which is still rich beyond measure in potential energy sources, especially coal. Do our domestic gadflies maintain that the U.S. oil companies not only hood-winked the U.S. government but also the governments of the rest of the world? That's incredible!

Bear in mind, too, that the most recent anti-business headlines come from Senator Jackson—an avowed candidate for the presidency of the U.S. in 1976. We should know by now that there is no truth, there is no fairness, there is no objectivity in presidential candidates of either party. They simply play to the base emotions of the public and, in particular, play the scapegoat game in times of crisis. I am becoming convinced that the business of the country is too important to be entrused to active political candidates for discussion.

There undoubtedly has been some bad judgment and some unrestrained self-interest practiced in the energy picture. But to concentrate on those ever-present imperfections which exist in every society—whether free or controlled—as an explanation for a most serious and fundamental problem can only mislead the public and further delay us in our search for fundamental solutions to a fundamental problem.

You, undoubtedly, sense some exasperation on my part with Mr. Nader. He puts me in mind of a wonderfully short prayer:

"Oh Lord, just make me as certain about something as some people are about everything."

He also reminds me of Robert West's remark, as follows:

"Nothing is easier than fault-finding: No talent, no self-denial, no brains, no character are required to set up in the grumbling business."

What started as a very useful movement—"consumerism"—is rapidly turning into the grumbling business in this country.

When the history of this period is written, it will be seen that the Naders and Jacksons were nibbling on minutae and thus just diverted the public eye from the hard truth about energy.

Now a word about profits and oil company profits in particular.

You've all seen the headlines:

"Oil Profits Soar"

"Gusher of Profits" (That one comes from a national news magazine whose president and editor is a classmate and friend who I know is a fair and sensible fellow, a "prince among men"—who should know better.)

Not one of the papers or magazines which has been headlining the turn around in oil profits has bothered to tell the public these things:

1. Oil profits have just begun to recover from a five-year decline. Out of 29 major industry groups, oil ranked 25th, fourth from the bottom in growth of earnings 1968–72. Their earnings declined 2.2% in that time.

2. Most of the earnings improvement comes from the overseas oil business not from the U.S. consumer.

3. Much of the earnings come from chemicals—not oil.

4. Over the five-year period, the oil companies ranked only 17th on return on equity investment. Sixteen industries did better and only 11 did worse. The oil companies earned on the average 10.9% on their stockholders' investment. This compares with the 5% you can get at your local savings bank.

At the top of the list at 15.7% return is personal consumer goods. In other words, we don't care if investors in lipstick and kleenex get rich, but we think it's outrageous that a basic industry which has to invest hundreds of millions at a crack makes more than 10% at a time when your bank will pay you 6% to 7% on a risk-free certificate of deposit.

5. By the way, two of the industries which have done worse than oil in the last five years or so are:

Airlines—who are now being accused of gouging by dropping routes because of fuel shortages—they had the worst earnings trend of all, and earned 4.9% on their stockholders' money—less than you get at the savings bank—and

Steel—which now can't produce what we need because at a 5% return they were not about to expand. Mark my words, in another quarter or two, you will see headlines implying that steel is enjoying outrageous windfall profits—and you won't be told about those 5% returns for 1968–72, at which level they just can't attract capital.

Then, there is the coal industry, where two of our larger coal companies apparently lost money or just about broke even in 1973. Yet, there has already been talk about guarding against windfall profits in coal.

You have no doubt heard the charge that those oil companies which bought up coal companies are holding coal off the market in order to keep oil demand up. Let me read you the record of the second largest coal company, Consolidation Coal, which is owned by Continental Oil:

Before Continental ownership we can see a $13.5 million investment and five new mines over a five-year period. After Continental ownership, $41.3 million was invested and 22 mines in five years were opened. I think that answers every canard which we've seen in the papers on this subject.

You know that the government has proposed an excess profits tax on oil and at the same time says it will spend $1.8 billion, as a start, on energy research. Well, if the companies have such high profits, the government should encourage them to do the research and development. If the industry is too poor to do the research itself, why increase their taxes? You can't have the argument both ways.

If the critics of profits would come out in the open and say, "We don't think our profit-oriented economic system is up to the task and we believe we should abandon it in favor of socialism or another form of planned economy," then, at least, we could have discourse about what system has a better track record and might be adopted.

But, when they attack the least signs of profit improvement in an industry which is expected, under our system, to find billions of fresh capital in order to do its job—then they are simply harassing the players without contributing a viable alternative.

Higher oil prices will adjust the very imbalances which led to our present situation. Higher prices will ration precious oil; they will bring the coal out of the ground and permit the production of gas and oil from coal. Higher oil prices will stimulate exploration for new oil. Yes, this will increase the cost of energy to the consumer, but how else is that consumer going to get his oil and gas—will he vote to have his government tax him to produce the money to drill for oil and refine it?

Who is kidding who—Mr. Nader?

Who is pulling the wool over whose eyes—Senator Jackson?

Oil costs money and the consumer is ultimately going to pay the bill and it's going to be a bigger bill so long as more people want more oil than there is to go around. If you took every cent of profit out of gas, oil and coal, the price of energy would still go up in large multiples of the old bargain prices—and something is going to have to give.

There will be devaluations among our trading partners and, as a result, the U.S. will encounter more foreign competition. The U.S. may have further balance-of-payment problems and the Arabs may become the world's bankers, at least for a time.

All of these things may happen and may continue until the breeder reactor or solar energy or some other new concept becomes a reality in the next century—as a substitute for fossil fuels. Let us hope that U.S. technology will be in the forefront on such developments.

Ladies and gentlemen, you have been patient. It is a rare occasion when a businessman sees a subject about which he has some hard knowledge—being so grossly misrepresented to the public, and I appreciate the chance to speak out on that subject tonight.

In brief summary—the energy crisis will persist for a time. Short-run solutions, such as more coal production, will begin to help in two or three years. It will take a decade or more to develop longer-term solutions, including atomic energy. Higher fuel prices will have to be paid. The sooner prices improve and stabilize, the sooner you will see more oil and coal being located and brought out and the less risk there will be to your own jobs and businesses, which can adjust to higher energy costs, but not to an empty fuel tank.

Tell this to your children. Take this story to their teachers. In Haim Ginott's words, "Children are like wet cement. Whatever falls on them makes an impression." A lot of half-truths and scapegoatisms are falling on them today and may seriously distort their view of how the real world works.

To the officers, staff and directors of the Chamber of Commerce, I say again—the Shovel needs a vigorous community in which to grow, and your programs will bring that about. Thank you for what you are doing for this community.

CONTEMPORARY INSTITUTION OF THE PRESIDENCY

Mr. MONDALE. Mr. President, in early June I had the privilege of addressing the Center for the Study of Democratic Institutions in Los Angeles on the subject of the contemporary institution of the Presidency.

A recent editorial in the Duluth News-Tribune makes reference to this speech, but more importantly goes on to discuss the need for clear thinking on the part of the American people with regard to all of our institutions of Government. I commend this editorial to my colleagues, and ask unanimous consent that it be printed in the Record at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

What, Not Who

Sen. Mondale did not spare President Nixon in his California speech on the crisis of the presidency. But he did make the needed point that there is much more to the solution than choosing the right people. He traced the great increase of several kinds of presidential power, and the natural presidential tendency to dominate or bypass his political party. He conceded that many of these powers were used by Presidents Kennedy and Johnson and handed on to President Nixon who made more conspicuous use of them.

We are getting close to an awkward fact. Americans, as school children, learn that we have a government of laws, not of men. Most of them don't seem to believe this for very long. Much more than the presidency is affected.

Popularity of a special kind leads to legislation adding to the powers of an elected official. What he does not get by law, he can often have by asserting a new power. Thus precedents are set. The mob cheers and smiles. But sooner or later the power is used in an unpopular way. Usually this is done by a new official, who is not well liked, anyway. Then people begin to grumble. At heart they want lots of power for good guys and practically none for the other kind. No government can operate in that manner.

People are just as childish in viewing the other branches of government. The U.S. Supreme Court was praised by conservatives when it seemed to be a brake on New Deal experimentation, and it may be praised by them again if it follows recent tendencies of the new majority. But for more than a generation people who didn't like some added safeguards for civil rights and defendants' rights were grumbling about the courts' power. And a pre-eminence of congressional power has its unattractive side, too.

The cure calls for a kind of abstract thinking. That is more difficult than ever in an age of small-screen relations. It is one more challenge—and an unfair one—for the American school system.

SAVE THE CHILDREN FEDERATION

Mr. PERCY. Mr. President, the Save the Children Federation—SCF—has for years been applauded for its work on behalf of impoverished children around the world.

Now SCF has changed its emphasis to focus on community development in an effort to bring new hope to a portion of the 1 billion people of the world who have not shared in economic growth and development and who are faced by the threat of widespread food shortages.

The new strategy involves assisting poverty-stricken communities to make decisions about their own priorities and then assisting them to achieve their goals. In this way whole communities are strengthened and their residents, adults as well as children, are better able to withstand the danger to survival which threatens the developing world.

Not long ago the Christian Science Monitor published an article by Kenneth McCormick which describes in some detail the new direction of the Save the Children Federation. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, July 5, 1974]

SAVE THE CHILDREN FEDERATION WIDENS ITS OUTREACH

To send an impoverished child from a developing nation hundreds of miles away to school, or to help build a school in the child's community—which is more effective? This question has prompted the 42-year-old Connecticut-based charitable organization to shift from an individual to a community self-help program. Below—how it happened and how it works.

(By Kenneth McCormick)

NORWALK, CONN.—Appropriately headquartered in a sparsely furnished, red-brick Victorian building that once was an orphanage, the Save the Children Federation (SCF) tackles the problems of the "old woman who lived in a shoe" with the crusading spirit of Charles Dickens.

Launched during the depression era to feed hungry children in Appalachia, this international "child sponsorship" organization has embarked on a significant new course: putting up "whole communities" for adoption throughout the world.

For 42 years, the SCF has funneled funds from American donors to individual needy children, as near as New Mexico's Indian reservations and as far as Vietnam.

LONG-RANGE SOLUTION

But in response to growing food shortages and deteriorating living conditions of the world's poor, SCF executive director David L. Guyer now terms community "self-help" programs the best possible long-range solution to children's needs.

"If we can do something about stabilizing family and community life, then we can create a healthier environment for children to grow up in," says Mr. Guyer.

Two years ago, Chino Betances, a native of the Dominican Republic, visited a remote valley on the tropical island's frontier on behalf of Save the Children.

UNIQUE OPPORTUNITY

Hipolito Billini, as the community is called, had a population of about 2,500 with an average yearly income under $250. More than 1,000 inhabitants in the poverty-stricken valley were under 15 years old, living in dirt-floor shacks with primary diets of rice and beans, below subsistence level.

Mr. Betances talked with community leaders and offered them a unique opportunity: If they would organize a representative community council to list the priority needs of the valley and if community members would do all the necessary construction and farm work, the SCF would provide the materials necessary to build a school, clinic, and nutrition center, and to begin fertilized farming, or whatever else the council decided was paramount to the community's survival.

MORE NOW BENEFIT

Hipolito Billini took the SCF offer. With the technical advice of SCF representative Betances, the valley's inhabitants of all ages slowly are building their community from the roots up into a more viable unit.

"This community had all the motivation to get itself going and pull itself up," says SCF worker Marion Ritchey. "It just lacked the material input, which we were able to provide."

By expanding its program from single children to helping whole communities, the SCF now benefits some 20,000 more children and a host of other community members.

SCF donors still "sponsor" individual children in the selected "target" communities, but the money is pooled together for community projects.

"The major accomplishment in the new program comes in people coming together to make decisions about their needs," says Mr. Guyer, who contends that children ultimately will be helped best by gaining confidence in themselves and their community through solving their own problems.

The SCF director, talking with the Monitor recently about his organization's new approach, cited other reasons for the shift in emphasis from individual children to entire communities:

Before, the SCF faced the dilemma of choosing to help only one child among many in a community, leaving neighbors and even brothers and sisters behind without any assistance.

DECISIONS EASIER

"The criteria for selecting communities is somewhat easier: They have to be the poorest communities we can find that demonstrate a real desire to utilize our 'self-help' program," says Mr. Guyer.

"It's far more socially beneficial to spend the same money building an entire school in a community rather than sending a single child hundreds of miles away to school," he says.

From years of experience, the SCF has learned the importance of the surrounding social environment on an individual child's development. "You have to improve his surroundings to really help him," says an SCF worker.

M'NAMARA'S WARNING

The strongest reason for this transition from child to community is the concept of building up communities to safeguard against impending dangers which threaten the survival of people in developing countries.

World Bank President Robert S. McNamara has warned in recent speeches that nearly a billion people in developing nations are being left out of economic growth, "entrapped in conditions of deprivation which fall below any rational definition of human decency."

It is these same billion world poor that, economists warn, will all be affected by a spreading food crisis.

"This food situation," says SCF board member Dr. Margaret Meade, "will give new impetus to people meeting their needs through strengthening their communities." While Save the Children cannot save all the communities for these billion poor, its innovative program is a potential development strategy that rich nations may adopt to assist developing countries.

TWO BASIC CONCEPTS

At the heart of the SCF community program are two concepts: self-help, and self-sustaining projects.

"We agree with Tanzania's President Nyerere," says SCF program director, Dr. Melvin Frarey. "People cannot be developed; they must develop themselves.

"The key is for developing communities to make their own decisions [on projects] based on viable alternatives," he continues. "When they make the decisions on priorities, they get behind it instead of us coming down there and dictating what's to be done."

Dr. Frarey sees the role of the SCF as a catalyst, easing communities over stumbling blocks and providing them with their first material input.

The goal is for the program in each "target" community where the SCF operates (currently 29) to become self-sustaining, allowing the SCF to drop out of the picture.

"A breakthrough in community development is coming," predicts Mr. Guyer. "The ecological and urban problems of this decade are giving people a greater realization of their interdependence. People have to work together."

A PLAN FOR THE NATION'S RAILROADS

Mr. HARTKE. Mr. President, I have become increasingly concerned about the need to devote a more adequate share of our resources to the development of existing technology in the field of rail transportation and to the research and development of new technology for high-speed ground transportation of passengers and freight. Recent events have demonstrated to the American people the need for a healthy rail transportation system for the movement of both passengers and freight, and the shortcomings of our current system are becoming more evident. In order to avert what may be the movement toward outright nationalization of rail transportation facilities in the United States in the face of inadequate service, I am becoming convinced that we must develop adequate legislative mechanisms to divert sufficient resources into our rail transportation system to assure its health and viability.

The self-evident wisdom in the decision made by many countries, such as England, to allocate resources to the development of a strong and healthy rail transportation system is now becoming clear; their investment is now paying substantial dividends. Not only can freight be transported efficiently and reliably, giving good service to customers, but the quality transportation of passengers by rail is becoming increasingly desirable. I am hopeful that my colleagues will join me in what must constitute substantial legislative efforts in this regard in the near future.

Mr. President, I ask unanimous consent that a recent editorial from the Kokomo, Ind., Tribune be printed in the Record at the conclusion of my remarks. This editorial accurately summarizes many of these issues and reflects the increasing public awareness of the need for a healthy public transportation system in the United States.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Kokomo (Ind.) Tribune, Apr. 10, 1974]

Hartke's Railroad Plan

U.S. Sen. Vance Hartke makes a strong and impressive case for revitalizing America's railroad system by building high-speed trains that would cut traveling time radically and avert the problems of motorcar pollution caused by an over-saturation of automobiles on the streets and highways.

Writing in Pageant magazine, the Indiana senator says there is a simple choice before us: we can have a high-speed rail system, second to none; or we can sell steel rails for scrap and drive more motor cars, crowd into narrower living spaces, breathe more fumes, and turn the world's finest interstate highway system into the world's biggest parking lot.

Hartke isn't proposing to replace the automobile. The motor car has a proper place and will continue playing a big role in transportation, he says, but dependence on it could be relieved by a fast efficient and popular rail system.

Last year Hartke proposed legislation for a pilot project offering rail schedules between major East Coast cities for traveler-commuters, hoping it would catch on across the nation. He says research by government agencies demonstrates that high-speed rail corridors can be built between cities by adapting existing ground-level trackage to sustain average speeds of 150 miles per hour.

He agrees that curves would have to be straightened, tracks welded and upgraded, and says electronic signaling and controls would need to be installed and rights-of-way isolated for scurity.

In addition, he says, engineers experimenting with unconventional rail-like systems predict that elevated rights-of-way can be built to accommodate vehicles at speeds of 300–400 miles per hour, and by 1986.

The cost for such a system would not be prohibitive, he contends, if one measures standards applied to transportation generally. The estimated total cost is $5.5 billion—roughly one year's accumulation by the Highway Trust Fund, and less than half a billion dollars annually if spread over the life of the contract.

Hartke writes that the system he envisions could produce a travel time of 20 hours between New York and Los Angeles, and one hour and 50 minutes between Washington and Boston, with much shorter times over shorter distances. All that America needs to accomplish this is will of purpose, he declares, adding that the benefits would be regeneration of impacted, decaying cities and bringing rural areas closer to the mainstream of national, economic activity.

Where services are upgraded, riders and revenue increase and there are lower costs and thus lower fares, the Senator argues. "America literally can move, or stand still and begin the breath of death," is the way he puts it.

He points out that the Japanese, Germans, English, French, Spanish and Scandinavians all are building or have built high-speed rail systems, while the U.S. Department of Transportation "talks seriously of allowing the 20,000-mile Penn Central Railroad to fall into oblivion."

The Senator's article was directed chiefly to the opportunity to build a topnotch passenger system, but the improvements he envisions—in particular the upgrading of trackage—would constitute an immense benefit to freight service, too.

Saying he is convinced that the financial crisis of the railroads today bespeaks no more than a weakness of will, he calls for America to "seize upon bankruptcy as an opportunity to build from the very fires of destruction, a new Phoenix." It is quite a challenge, an imaginative one, and one that America ought to be capable of accepting and translating into reality.

THE RECOVERY OF ENERGY FROM SOLID WASTES

Mr. DOMENICI. Mr. President, during the last 2 weeks, the Panel on Materials Policy of the Committee on Public Works has been holding hearings on several pending bills whose purpose is to enhance the recovery of energy from solid wastes. The Panel was created by the distinguished chairman of the Public Works Committee, Mr. Randolph, and is chaired by him. It is my honor to serve with him on the Panel.

The problems involved in putting our wastes back to work are many, and they are complex. As a former mayor, I have looked at some of them from the other end of the telescope. I hope to be able to help in their solution from this end.

Whatever solutions we may propose will depend on the dedication and leadership of our chairman, the Senator from West Virginia. This morning, he spoke to the U.S. Chamber of Commerce on this subject. His speech clearly presented the magnitude of the problem we face. He summarized the crucial problems with which we must deal, and, perhaps most important, gave a realistic appraisal of our present state of progress and the next steps which might be taken.

While I have some ideas of my own on measures which may provide incentives to mine our trash piles, Senator Randolph's speech inspires my confidence that the bill which we will soon report to this body will be both forward looking and soundly based. I commend the speech to my colleagues as a preview of coming attractions.

Mr. President, I ask unanimous consent that the full text of Senator Randolph's speech be printed in the Record.

There being no objection, the text of the speech was ordered to be printed in the Record, as follows:

Solid Wastes—An Untapped Resource

When Athelstan Spilhaus was President of the American Association for the Advancement of Science he said "Waste is simply some useful substance we do not yet have the wit to use."

Should this be true, then we are indeed lacking in wit. The quantities of resources that pass through our economy, to be discarded as solid waste, are staggering.

Urban wastes amount to 230 million tons annually, while our society is generating 4.4 billion tons—the principal sources of solid wastes are animal wastes, 1.7 billion tons; and agricultural wastes, 640 million tons. Industrial sources account for 140 million tons.

However, by the year 2000 the United States will have to cope with 12 billion tons annually if current *ad hoc* materials policies are perpetuated. To avoid an escalation of the current unsatisfactory situation, we must institute a comprehensive rational National Materials Policy which closes the present cycle of resource extraction, use, and discard to include reuse as a fundamental premise. We must eliminate the word "waste" from our vocabulary and substitute the word "conservation."

The driving force is the fact that we may be unable to sustain our society unless we extend the conservation ethic to raw materials. We are committed to clean air and clean water. We must be equally committed to clean cities and clean countrysides and the repeated reuse of non-renewable resources that are becoming more and more precious.

Solid wastes exemplify our wholesale depletion of renewable as well as non-renewable resources. In 1971, packaging consumed 5 percent of U.S. industrial energy to generate over 40 million tons of solid waste that was thrown away at substantiated public expense.

Many well-intentioned individuals have attacked the symptoms of these problems, usually, for example, with attempts to ban, tax or place deposits on beer and soft drink containers.

During our hearings in the past two weeks, representatives of 1.7 million workers who would be adversely affected by a bottle or can ban testified in opposition to such an action. The solution ultimately rests with recycling and reuse.

It is estimated that our country will have to spend $500 billion or $600 billion in the next decade to achieve energy self-sufficiency. This entails a $5 billion or $6 billion expenditure for each percent increase in energy supply. Yet an investment of only $5 billion for energy recovery from municipal solid waste streams will produce 2.5 percent of the increase in the national energy supply. This is two and one half times more cost effective than developing new conventional energy sources.

Earlier this year Interior Secretary Rogers C. B. Morton warned that the United States in the next few years could face a minerals crisis, one even worse than the energy crisis. As the world's most prodigious consumer of materials, we must now turn to recycled materials to supply our industrial machines.

Significant achievements toward materials conservation are possible through programs which encourage the reduction in unnecessary use of materials, the reuse and repairability of products and the extension of product lifetime.

There is considerable support for the concept of resource recovery; however, there is room for improvement. For example, recycling of paper could easily drop from 20 percent in 1970 to below 17 percent by 1985. Yet with proper incentives an actual increase in the recycling of paper could be achieved approaching 26 percent. Achievement of this goal could save our country some $230 million in solid waste disposal costs.

First, the Federal government must eliminate unsafe collection and disposal practices.

Next, the Federal government must encourage reuse and recycling of materials and conservation of energy.

Third, the Federal government has a special obligation to establish purchasing policies which emphasize the use of these materials.

Reuse of non-renewable and renewable resources was the fundamental premise of the 1970 Amendments. The world is faced with finite natural resources on which to draw for economic growth and solid wastes represent a virtually untapped source of materials.

Several bills—S. 3277, by Senator Domenici; S. 3549, by Senator Muskie; and S. 3560, which I introduced—all place a strong emphasis on resource recovery through grants, loans and technical assistance to state and local governments. These provisions attest to the almost unquestioned need for the country to embark on a very serious national policy geared to recycling.

Federal minimum standards are needed for disposal of solid wastes consistent with comprehensive regional waste management plans. Federal incentives are needed to stimulate further development of resource recovery techniques.

There also is a considerable body of evidence that our current freight rate structure discriminates in favor of the transportation of virgin materials. Should this be the case then legislation on resource recovery should require at least equitable treatment by the ICC, if not preferential freight rates.

Legislation is needed that represents a positive and far-reaching approach—which commits our country to a national materials policy of resource recovery.

My legislation takes such an approach. In carrying out such a policy it recognizes the validity of an area-wide viewpoint in solid waste management. The bill provides for the area approach and provides assistance for planning and execution.

Under my proposal, the Environmental Protection Agency is required to establish standards for solid waste disposal in communities of over 2,500 population. They must prohibit all open dumping or burning and comply with requirements of the air and water pollution Acts.

Achievement of significant abvances in resource recovery will require assured and stable markets for recycled materials such as steel, aluminum, glass, paper, and plastics. Such markets will be guaranteed under Section 218(a) of S. 3560. This places a heavy responsibility on industry to guarantee markets for recovered resources. Moreover, the full impact of these guarantees will not be known until the EPA Administrator promulgates regulations.

It appears that our consumption of virgin resources can be significantly curbed by a true commitment to effective reclamation and recycling. Rather than squandering resources by dumping them, we must recycle them again and again.

The technology now exists to recycle increasing quantities of materials. We must now commit ourselves to installing the systems and restructuring the market to encourage and absorb recycled materials.

Solid waste management and energy questions are closely related. I believe there is a real future for technologies which extract energy, as well as solid materials, from wastes. One firm, Union Carbide Corporation, is conducting a very promising demonstration program in this area near Charleston, West Virginia. With an investment of $3 million of its own funds, Union Carbide is operating a plant with a capacity to recover usable gas from 200 tons of raw municipal garbage a day. This could be the equivalent of one barrel of oil for each ton of garbage processed.

Should recycling not be successful, source reduction may be the only alternative. And I say this recognizing that implementation of a national all-reusable beverage container system could result in the loss of employment for some 60,500 people who would have to be accommodated elsewhere in the economy. This would be a rather dramatic adverse impact in the interest of litter control.

At this time we are just entering the recycling era and we do not have enough practical experience on which to determine whether source reduction, such as the banning of non-returnable containers is in the overall national interest.

In a sense, solid waste management was our first generation effort.

The second generation—recycling—has yet to be tested. However, the foundation for such a national policy was established in the 1970 Resource Recovery Act.

The third generation is product design to improve the potential for materials reuse.

We have yet to consider the wider range of options beyond ban-the-can proposals, for example, the modification or redesign of products to enhance their potential for recycling.

Source reduction should be employed only as a last resort where necessary to reduce or realocate consumption away from scarce materials. It remains to be determined whether recovery techniques can be made efficient enough to handle this resource depletion problem.

Both returnable bottles with 10-trip lives and non-returnable bottles with one-trip lives ultimately end up in the solid waste stream. Regardless of its original form, this resource will be lost forever if we cannot recover, recycle, and reuse those materials, as well as the hundreds of similar packaging materials that flow through our grocery stores or other distribution outlets.

Through legislation developed by the Senate Committee on Public Works, significant Federal programs have been mounted to conserve and enhance the quality of the air we breathe and the water we drink.

During this same period, insufficient attention has been given to pollution of the land and to the growing problem of solid wastes. Despite enactment of the Resource Recovery Act of 1970 and its predecessor, the Solid Waste Disposal Act of 1965, no major Federal program has been initiated. Our States and communities continue to need the basic technical and financial assistance to cope on a realistic scale with solid waste management.

In order to examine in detail issues relating to a National Materials Policy and to work toward their solutions I created the Panel on Materials Policy.

During present hearings the Panel will explore how best to strengthen the program of the Environmental Protection Agency to provide a realistic and workable response to the multiple solid waste questions that have been posed. After these hearings we will draft a comprehensive solid waste management and resource recovery measure that will facilitate substantial new efforts which build on programs developed pursuant to the Disposal Act of 1965 and the Recovery Act of 1970.

Our Nation and its people produce 4.5 billion tons of solid waste a year. We must give major attention to ways of converting this waste into useful materials. We face a complex problem but we can solve it.

America has grown rich with use-and-discard attitudes made possible by what we thought was an inexhaustible supply of resources. Reality is now forcing us adopt conservation attitudes and to develop the potential for re-using many materials formerly considered waste.

Premier Khrushchev said he would "bury us." That boast has not been achieved. But nearer home—on our own land—we must act wisely to curb a "burying" threat that could badly cripple our economy and slow our progress toward realism in the use of this vast untapped resource.

ETHNIC STUDIES PROGRAM ACT

Mr. SCHWEIKER. Mr. President, implementation of the first year of the Schweiker "Ethnic Heritage Studies Program Act," Public Law 92–318, title IX of the Elementary and Secondary Education Act of 1965, has been completed. I would like to report to my colleagues on vast untapped resource.

Guidelines for the program were not published in the Federal Register until April 12, 1974, with a May 17, 1974, deadline for submission of applicants. In this short 1-month time period, an incredible number of applications, 1,026 were received by the Office of Education, requesting a total of $83,152,631. Only $2,375,000 had been appropriated for the program, and thus only 42 grants for fiscal year 1974 were able to be awarded for 39 projects in 27 States and the District of Columbia.

The diversity and geographical distribution of the applicants interested in participating in this new program were also impressive. Applications were received from every State in the country, the District of Columbia and Puerto Rico. One of the goals of the act, encouraging various ethnic and minority groups to work together in their local communities, is already being met, as indicated by the large number of multiethnic project applications received. The Office of Education reports that proposals were submitted from urban, suburban, and rural areas, representing project applications at metropolitan, regional, statewide and national levels. Office of Education officials report that there has never been such widespread interest in a new program, and that this massive outpouring of applications in such a short time is unprecedented.

Mr. President, at the conclusion of these remarks, I ask unanimous consent to have printed in the Record the June 30, 1974, "Information Sheet," prepared by the Office of Education, describing the implementation of the Schweiker Ethnic Heritage Studies Program Act for fiscal year 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SCHWEIKER. The Senate-House conference committee on H.R. 69, the education bill, has already approved my Senate-passed amendment to extend the Ethnic Studies Act for 4 years, through fiscal year 1978. Once this 4-year extension is ratified by the full House and Senate, and signed into law, I look forward to close cooperation between the Office of Education, Congress, ethnic and minority groups, community organizations, and educational institutions to further develop the impressive momentum begun in the first-year fiscal year 1974 program.

As the legislative history of the Ethnic Studies Act indicates, and I have stressed this many times as the author of the act, the initial implementation of the act was essentially a "pilot program." This limited pilot program meant that over 97 percent of all applicants were not able to be funded this year, and that worthwhile proposals in many States and regional areas were not included in the initial start-up funding.

One of my major concerns in drafting the bill was to guarantee the active participation in the program by ethnic, minority, and community groups. The focus of the bill is on educational development and curriculum materials, and educational institutions have an important role to play. But equally important is the grass roots participation of members of a local community.

This is why the requirement of local advisory councils for every project funded under the act was put into the law. The legislative intent is for these advisory councils to have a meaningful role in the ethnic studies programs. Every project, whether conducted under the auspices of an educational institution or an ethnic or community group, must reach into the local community.

I will be working closely with all groups, and with the Office of Education, to insure that the program guidelines, and the project grants, reflect this emphasis on ethnic, minority, and community group participation in the Schweiker Act.

A word of praise is due to the Director of the Ethnic Heritage Studies Branch in the Office of Education, Dr. John Carpenter. He has worked hard to implement the program in a short period of time to set up program evaluation guidelines and procedures that would be fair to all applicants, and to meet the goals of the legislation. The first-year "start-up" of this act would not be as far along as it is today without his personal commitment to the constructive goals of ethnicity and without his tireless efforts. I am proud to note he is a native of Wilkes-Barre, Pa. I look forward to working closely with him to build on this first-year effort, and to make the program even better in the future.

The purpose of the Schweiker Ethnic Heritage Studies Program Act is to encourage greater understanding of the ethnic backgrounds and roots of all citizens in America. It's goal is to help achieve greater mutual understanding and mutual cooperation among all people as a constructive force in all American communities.

I am pleased by this first-year "start-up" record. There are improvements that have to be made, of course, as there are with any new program but I look forward to working with my colleagues, and all interested groups, to achieve significant progress in the Ethnic Studies Act in future years.

EXHIBIT 1

THE ETHNIC HERITAGE STUDIES PROGRAM

TITLE IX, ELEMENTARY AND SECONDARY EDUCATION ACT

1. Program purpose

a. to afford students an opportunity to learn more about the nature of their own heritage and to study the contributions of the cultural heritage of the other ethnic groups of the nation.

b. to reduce the educational disadvantage and social divisiveness caused by personnel and curricula which do not recognize the cultural influences in the lives of individuals and communities.

c. to recognize and realize the educational gains which can result from cultural pluralism in a multiethnic nation.

d. to engender in citizens of our pluralistic society intercultural competence—self-acceptance, acceptance of one's culture, and acceptance of persons of other cultures.

2. Program policy

"In recognition of the heterogeneous composition of the Nation and of the fact that in a multiethnic society a greater understanding of the contributions of one's own heritage and those of one's fellow citizens can contribute to a more harmonious, patriotic, and committed populace, and in recognition of the principle that all persons in the educational institutions of the Nation should have an opportunity to learn about the differing and unique contributions to the national heritage made by each ethnic group, it is the purpose of this title to provide assistance designed to afford to students opportunities to learn more about the nature of their own heritage and to study the contributions of the cultural heritage of the other ethnic groups of the Nation." Title IX, ESEA

3. Appropriation

In Fiscal Year 1974 the total amount appropriated for Title IX, ESEA, was $2,375,000.

4. Period of application for support

The criteria of eligibility and selection, based upon the Act, were published in the *Federal Register* on April 12, 1974 and concomitantly were published in the *Guidelines for Application*. As stated in the *Federal Register* it was required that all applications arrive at the OE Application Control Center by close of business on May 17, 1974 or be mailed by registered or certified mail by May 13, 1974.

More than 14,000 copies of the *Guidelines* were mailed by the Ethnic Heritage Studies Branch to ethnic associations, school districts, state departments of public instruction, post-secondary institutions and, on request, to interested individuals. As defined in the Act, "the Commissioner is authorized to make grants to, and contracts with, public and private nonprofit educational agencies, institutions, and organization . . ." Title IX, ESEA

5. Type and amount of assistance

Assistance was provided as a result of competitive applications. Approximately 40 grants were provided during Fiscal Year 1974.

The maximum grant for a regular project did not exceed $95,000. Three special grants of $170,000 and a fourth special grant of $110,000 were made in accordance with the financial provisions described in the *Guidelines*. The special grants were awarded for applications proposing either major urban or rural area programs or State, regional, or national programs.

6. Type, amount, and sources of request for assistance

a. The Office of Education received 1,026 applications for approximately 40 grants in Fiscal Year 1974. 97.3% of the proposals were unfunded.

b. The amount of support requested by eligible proposals was $83,152,631. The appropriation represents less than 2.7% of the amount requested in the eligible applications.

c. Proposals were received from every State and from the District of Columbia and Puerto Rico.

d. The majority of applications received and funded proposed multiethnic projects. They were prepared as a result of the cooperation of numerous ethnic groups and educational institutions.

e. Proposals were submitted from urban, suburban and rural areas. They included metropolitan, regional, State-wide and national initiatives.

f. A broad spectrum of ethnic diversity was evident in the applications. It is estimated that more than 50 different ethnic groups were associated in the proposed initiatives.

7. The Evaluation and Selection Process

The basis of the evaluation was 26 general and specific criteria published in the *Federal Register* on April 12, 1974, and promulgated simultaneously in the *Guidelines for Application*. A *Technical Review Form* containing these criteria was used by each reviewer in evaluating every application. The degree to which the application met the criteria was determined for each criterion.

Sixty-eight field and federal personnel participated in the Technical Review Process. Each application was reviewed by a panel which included expertise in ethnicity, curriculum and personnel development, social sciences and/or humanities. On every panel, one member possessed ethnic background related to the ethnic group or groups with which the project was concerned. Reviewers were chosen from among specialist who had not presented a proposal or who were not members of organizations which in part or *in toto* has applied for support under the Act. All applications benefited by evaluations and ratings of three individual reviewers. Thereafter, the reviewers, as a panel group, recorded criteria averages and provided ratings of each proposal as "highly recommended," "recommended" and "not recommended."

The names of the reviewers who participated in the evaluation and selection process may be obtained by writing to the Ethnic Heritage Studies Branch.

8. Period of Obligation

The funds appropriated were obligated by June 30, 1974. Successful proposals resulted in agreements with the Office of Education. Applicants who submitted proposals which were not selected were so informed in writing during the last week of June.

CHILD ABUSE

Mr. MONDALE. Mr. President, as chairman of the Subcommittee on Children and Youth, I have been deeply concerned with the problems of child abuse, and have therefore worked with my committee to draft proposals which would help to prevent and rectify the injuries and injustices caused by these detrimental incidents. For several months our committee conducted an investigation, held hearings, read reports, listened to testimony, and visited victims to learn of the nature and severity of the problem. Based on our research, the Child Abuse Prevention and Treatment Act was introduced, passed, and signed into law on January 31, 1974. It is my hope that this measure will provide the extra support needed by agencies like Child Protective Services of Hennepin County to serve battered and neglected children and their families.

I request unanimous consent that an article from the May 20 issue of the Minneapolis Star be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHILD ABUSE: IT RANGES FROM SWEARING AT A YOUNGSTER TO MURDER

(By Randy Furst)

Molly Johansen, 19, knows the meaning of child abuse—first hand.

She's lived in terror of her father most of her life.

She's been beaten with a belt, slugged, thrown and dragged by her hair. "It was unbearable," she says. "And he did it to all the kids and did it to my mother too. The first time my brother was beaten, he was 3 weeks old."

Molly's father beat her and the others when he was drunk. He beat them when he was sober.

Today, Molly lives in an apartment by herself in a Twin Cities suburb. She bares the emotional scars of a battered child.

Molly's name is ficticious. Her story is real. Prof. David Gil of Brandeis University, an expert on child abuse, estimates that as many as two million youngsters are the victims of child abuse in the United States each year. But he says that no one knows exactly how many. Most child abuse goes unreported. Gil estimates that from 500 to 1,000 children each year are beaten to death.

The case of Molly Johansen is an extreme one. Evidence of less severe abuse of children is far more common.

The Child Protective Services of Hennepin County, for example, says that 85 percent of its cases of physical abuse to children are labeled "moderate"—the bumps, bruises and welts that mostly come from beatings.

Often a family or personal crisis is the precipitating cause of the beatings.

"We're all potential child abusers," says Martin Coyne, a unit supervisor in Child Protective Services. He says he believes that physical punishment "is an extreme punishment and frankly it should be resorted to seldom, if ever."

To help parents come to grips with child abuse, a program has been launched by the Hennepin County Mental Health Center at Hennepin County General Hospital.

At weekly Monday evening group sessions, parents are encouraged to discuss problems with child discipline. Marsha Eldot, a psychiatric social worker, says the group is for parents who have concerns about mistreating or neglecting their children.

"The purpose is to help parents learn more appropriate child-rearing practices," she says, "and to let them know that they are not alone in their problem. We want to offer support to parents."

She says she hopes the sessions will help stem the abuse problem before it becomes "severe." The hospital also has available a Crisis Intervention Center and, along with Child Protective Services, does education on child abuse in the community.

Psychologists and social workers interviewed last week appear to agree on one basic precept: Parents who engage in child abuse, for the most part, love their children. But in a family beset with problems, the kids can become the scapegoats.

David Malone, 38, a south Minneapolis construction worker, accepts "95 percent of the blame" for the beatings he administered with a belt to his two children a year ago.

Malone is separated from his wife. After the beating, the children ran to a neighbor's house, the neighbors called police and eventually the children were taken away by welfare officials and placed in a foster home. Malone feels he was tricked into giving the children up by the Child Protective Agency.

But a year later, Malone talks about the beatings calmly. "I came home one day and caught my 8-year-old son teaching his younger sister how to strike matches," Malone says. It had not been the first time he'd seen the boy playing with matches, Malone says, but this time the anger boiled over. Instead of the usual spanking, he went for his belt.

"Things were building up," says Malone. "Baby-sitting problems, money problems, job problems, I was mad."

Malone has had a number of counseling sessions with a psychologist at Hennepin General. His children will be returned to him soon and today he looks at discipline differently.

When you're about to explode, Malone advises parents, "leave the damn belt alone and instead sit down and talk it out. They may be just kids—but they're human beings. If they're rebelling, they may be doing it to annoy you. So sit down with them and find out why."

In its offices at 407 S. 4th St., the Child Protective Services handled 586 cases last year involving child abuse and neglect. There were five children's deaths in Hennepin County last year believed to be due to child abuse, and six other deaths statewide.

The number of cases of child abuse in the area is "far below the national trend," says Martin Coyne, who works in the agency. "One reason is that the Hennepin County area has nothing that resembles the crowded, deplorable conditions that exist in some major cities of the country."

Coyne says his agency does not regard spanking in and of itself child abuse. But it becomes that, he says "when it is carried to the extreme" resulting in bruises and other injury and "causes undue emotional upset to the child."

Coyne's advice to school and other social service personnel as well as the average citizen is to report child abuse cases to his agency.

"If you know of someone in your neighborhood," he says, "I'd confront him first and say, 'Listen Joe, you cut out beating up your kid or I'm going to report you.' "

When a case is referred to the agency, Coyne says a case worker "responds immediately to preclude further abuse of the child." Coyne says the worker will "begin immediately to work with the family to identify the problem and the solutions which will allow the child to remain in his own home in a secure and satisfactory environment."

He says that 8 percent of the agency's cases involving physical abuse wind up in court. The court may take the child from the parents. The child may temporarily be placed in a foster home

Coyne says that before parents are taken into juvenile court, the family is "offered services and the parents are either unwilling or unable to protect their child and the parents are unable to make positive changes."

Coyne contends his agency "is not here to punish the parents for wrong-doing, but to protect the children and make every positive effort within our ability and resources available to help families stay together—happily and securely."

Three years ago, Vincent DeFrancis, director of the children's division of the American Humane Association, hailed the county's protective service facility as the best such public agency in the country.

Nonetheless, there is no unanimity on how to combat child abuse.

Gil, author of a 5-year federal study on child abuse, criticizes current approaches by governmental authorities. Gil's study, considered among the most exhaustive ever done in the United States, is reported in his book "Violence Against Children."

Gil says agencies like Child Protective Services and programs such as those that have been launched at General are needed. But he argues that they don't attack the "root causes" of child abuse—the social structure which he says promotes "economic and social inequality.

"Parental abuse is a very minor problem compared to what society does to children," Gil said in an interview last week. "We are using parents as scapegoats. We're making a big noise about parental abuse and we don't pay attention to the legally sanctioned abuse that goes on all the time."

Gil terms the federal program of Aid to Families of Dependent Children (AFDC) as "child abuse on a massive scale." He says that insufficient welfare payments forces children "to exist at a level that is inhumane."

"Children are not fed properly," Gil says. "They are not housed properly. Other families won't let their children play with an AFDC child which interferes with their development."

Gil says that child abuse is a symptom of general social injustices. Until families lead a harmonious existence and fundamental social changes are made, child abuse will continue, he says.

Indeed, attitudes about children and discipline are changing. Sue Lund, a clinical psychologist, talks about "children's rights." Corporal punishment, once widespread, is now considered child abuse by many in the social work and psychology field, although it continues in some areas.

"Emotional abuse" such as constant berating of a child or swearing at children for example is also viewed today as part of the child abuse syndrome. Some psychologists call emotional abuse more dangerous than beatings, because the bruises will heal, while the emotional scars will remain.

The rise of the women's movement, says Mrs. Lund, has focused the spotlight on the women's role of subservience to her husband. Often the wife's role is confined to raising children. For those who seek careers or a life outside the home, staying with the children 24 hours a day can increase family tensions.

Welfare case records show that women, more than men, are responsible for physical child abuse.

"I need to get out of the apartment sometimes," says a mother who participates in the group sessions at Hennepin County General Hospital. "If I can just get away from these four walls and be by myself sometimes, it can relieve the tension."

The mother said that at times she has beaten her infant if the child didn't behave.

"I'd hit him," she says, "and then I'd ask myself, 'What am I doing.' "

Now she's attending the weekly sessions and says she's learning she's not the only parent with problems. She says she's beginning to understand herself. Discussing the problem, the mother says, "is what I need."

SOME 60,000 CASES—600 DEATHS

(By Gordon Slovut)

A doctor in Minnesota—or any other state—is legally required to report suspected cases of child abuse to the proper authorities.

The laws protect the doctors against liability suits "regarding release of information."

So says Dr. Barton Schmitt, pediatric consultant to the National Center for Prevention and Treatment of Child Abuse and Neglect, but he adds:

"Despite these laws, physicians sometimes go to great lengths to avoid diagnosing child abuse. They often fear that detection and reporting of child abuse will require them to personally treat this complex psychosocial problem.

"The responsibility for proper treatment rests with the child protective agency in the community—not with the physician."

Schmitt, who took this internship and residency training in pediatrics at the University of Minnesota Hospitals, is on the staff of the University of Colorado Medical Center. He was in the Twin Cities recently to address the annual meeting of the Minnesota Academy of Family Physicians.

During that appearance, he told the doctors that they aren't playing it safe if they fail to report suspected cases.

Doctors can be prosecuted under criminal law for failure to report such cases and there is a case in California where a doctor is being sued in a civil action on grounds that he should have reported a case of child abuse, Schmitt said.

In the United States, he said, child abuse happens to 60,000 youngsters per year—and 600 of the cases end in death.

There are, says Schmitt, five general classifications:

Physical abuse. These involve injury in anger (a parent hits a child for misbehaving), harsh punishment (such as dipping a child in scalding water), accidents due to neglect and deliberate assault or murder.

Nutritional neglect. This is the most common cause of underweight infants—60 percent of the cases of failure to thrive are caused by this. These infants, when kept in a hospital, usually start gaining weight quickly.

Sexual abuse. A stepfather or a mother's boyfriend is more likely than a natural father to be involved.

Emotional abuse. Continual scapegoating, terrorizing and rejection of a child. This is difficult to detect, but "these children are eventually physically abused, abandoned or imprisoned in their room."

Medical-care neglect. When a child with a chronic disease deteriorates because the parents ignore medical recommendations, "reporting and foster placement may be indicated."

Schmitt says most parents who abuse their children were abused as children and "are often lonely, immature, isolated, unloved, depressed and angry people."

He said doctors sometimes can diagnose child abuse by detecting several symptoms.

These can include no explanation for an injury, a description of the injury that is vague, bizarre or variable; the baby is so young the type of accident, such as a fall, is unlikely to have caused the damage; accidents happen repeatedly; parents have delayed in seeking medical care; parents disappear during the child's admission to the hospital; the child hasn't had immunizations and there have been previous, untreated illnesses, and the child's condition in the hospital doesn't bear out the parent's contention that the child has a poor appeite, vomits a lot or has diarrhea frequently.

He also told the doctors there are a number of "signs" of abuse such as tiny hemorrhages in the retina of the eye—damage that can occur from severe shaking of a child by his shoulders.

What should a doctor do when he suspects the basis for a problem is child abuse or neglect?

The first thing, says Schmitt, is "hospitalize the child' to give him protection "until the safety of his home can be evaluated."

What's the outlook in child abuse cases?

"In cases of child abuse where the child is returned to his parents without an intervention, 5 percent are killed and 35 percent suffer permanent physical damage from repeated abuse," Schmitt said.

"The untreated survivors also have emotional problems. Physically abused children often relate violently to the world when they grow up; emtionally deprived children often relate only shallowly to people.

"Early detection and intervention are mandatory in the syndrome known as the battered child."

In a city of 100,000, he said, 30 cases of child abuse can be detected every year.

In a metropolitan area of 2 million persons, such as the Twin Cities area, that would mean 600 cases could be detected every year.

Does the fact that fewer than that are reported mean there's less child abuse in the area?

"When neglect cases are vigorously reported," he says, "their numbers will equal the (projected) figures," Schmitt said.

CAPTIVE NATIONS WEEK

Mr. BEALL. Mr. President, this week, pursuant to an act of Congress in 1959, we in this coutry mark Captive Nations Week. It is a time when we reaffirm our continuing sympathies and concerns for those people throughout the world who seek freedom and individual self-determination, but are forcibly prevented from reaching these priceless goals.

Our country has over the past months moved toward developing improved relations with all nations of the world. However, we must not allow these new relationships to mask the fact that millions of citizens in the captive nations still long for liberty. We must continue to remember these people, and their desires. As the principal spokesman for freedom in the world today, our Nation can do no less.

SENATOR WEICKER AND FAMILY

Mr. HOLLINGS. Mr. President, on July 14, the Parade Sunday supplement in newspapers all across America featured a cover story on our friend and colleague, LOWELL WEICKER. Reading the article in my hometown News & Courier/Charleston Evening Post, I was struck by the perceptiveness of the profile as written by Mr. Lloyd Shearer.

Here is a portrait of a Senator deeply and totally dedicated to a government by law under the Constitution. Senator WEICKER minces no words, and he hits the nail on the head when he says:

> I'll tell you this, most of the time we've gone wrong in this country, we've gone wrong because we departed from the U.S. Constitution and its spirit and tried to do things differently.

During the past year, people all over the Nation have had an opportunity to get to know this man better, and their response to his straightforward and uncompromising search for the truth has been very affirmative. People are looking for political leaders who believe in the people—believe in the Constitution—believe in America. If the turmoil of the past many months proves anything, it is that the heart and soul of America is clean and strong—the people still cherish their ideals. It is leadership that has failed. And it is through the efforts of people like LOWELL WEICKER that trust and confidence and truth will be restored to political office.

Mr. President, I hope that my action in requesting insertion of the Parade profile, will not embarass my good friend from Connecticut. I put it in the RECORD in order that those who may have missed the article will have a chance to read it, because it is the kind of thing we need to be reading.

Mr. President, I ask unanimous consent that Lloyd Shearer's penetrating story in the July 14 Parade be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOWELL THE LION-HEARTED: A PROFILE OF SENATOR WEICKER OF WATERGATE FAME

(By Lloyd Shearer)

WASHINGTON, D.C.—Before Watergate, Lowell Weicker, Jr., 43, first-term Republican Senator from the Democratic state of Connecticut, enjoyed one signal physical distinction: at 6 feet 6 he was the tallest member of the U.S. Senate.

Today, maverick Weicker, by virtue of his Watergate committee behavior and oratory, had developed another distinction, a moral one which positions him as the most vocally idealistic member of the U.S. Senate.

While cynics and diehards have sought to rationalize the evils of Watergate in terms of traditional politics, i.e., "They all do it . . . Politics is a dirty business . . . Every other administration has done the same things, sold out to big business, wiretapped enemies, pulled fast ones for major campaign contributors. . . ."—man-mountain Weicker has doggedly rejected the infection of such rapidly spreading moral jaundice.

"I don't want to hear that everybody does it," he bellows. "I come from the state of Connecticut, and I can only relate to the experience I've had in politics and government, [three terms in the state assembly, one term in the U.S. House of Representatives, 3½ years in the U.S. Senate] and believe me, everybody does not do it.

"This country is a decent place, peopled by honest, decent men, and that includes politicians. To say 'Everybody does it,' is to describe a pervasive rottenness that just doesn't exist in the United States, and I refuse to believe that it does.

"Do you know what to me was the most surprising, profound, and meaningful revelation of Watergate?" he asks. "It was," he declares, his words tumbling so fast that they trip over each other, "the incredible abuses committed by our law enforcement and intelligence community—the FBI, the Justice Department, the Internal Revenue Service, the CIA, the Secret Service, the military.

SOMETHING NEW

"Influenced by the White House, the abuses of these agencies have been unparalleled, at least to my knowledge, in the modern history of this country."

Removing his spectacles, rubbing his bright blue eyes, running the fingers of his right hand through his sand-color hair, Weicker asserts: "We can live with or without Richard Nixon. To me he is no more important than the four Cuban-Americans or any other individuals involved in Watergate. Individual guilt or innocence is something that has and will be determined by the judicial process, or, in the case of the President, by the Congress.

"In my judgment the major lesson of Watergate is that we cannot live with government agencies that are influenced or pressured to impose conformity of thought and action upon the people of this country by equating dissent with disloyalty.

"I pick up a newspaper," Weicker explains in mild outrage, "and I read that several weeks ago the FBI investigated Don Sahtarelli who happens to be a former law enforcement official himself. Santarelli is a

Nixon loyalist, if you will, yet he makes a speech in Norfolk, Va., in which he questions police crime statistics.

GETTING ANGRY

"Some people obviously disagree with him; so they pressure the FBI into sending an agent down there to check out what it was he said.

"Now I'm getting damn mad about all this business. The FBI has many valid functions to perform, but checking out citizens who disagree with them is not one of them.

"The same thing with the IRS. It has many valid functions to perform, but auditing and harassing American citizens on a so-called political enemies list is not one of them either. Neither is it the damn business of the IRS to audit the taxes of anyone who attends a rock festival."

(It was Lowel Weicker who, conducting his own investigation, revealed early this year a startling status report of a special compliance group organized inside the IRS in 1969, to collect information on all persons or groups advocating so-called extremist views.)

"Do you realize," Weicker says, "that this special compliance unit was supposedly set up to keep tabs on terrorist, subversive, and militant organizations. Yet in the hundreds of documents we examined, there wasn't one terrorist, one subversive, on militant individual or organization. The list consisted of Lowell Weickers, people like you and me."

Senator Weicker, who attended Culver Military Academy as a boy and later served as a lieutenant in the Army (1953–55), is a friend of the military. He has also supported Nixon's Vietnamization policies, "but how in heaven's name," he explains, "can anyone read Department of Defense surveillance reports about Army agents breaking into a guy's room in Berlin, an American civilian, and finding an autographed picture of George McGovern on the wall and not get angry?

"Now, gosh darn," he fumes. "I think it's incredible that our military men in Berlin have enough time on their hands to go chasing around, investigating American civilians who are guilty of the great crime, supporting Sen. George McGovern.

WHITE HOUSE MEMO

"Let me give you another example," he continues. "I write a column for weekly newspapers in Connecticut, and in a column I wrote several months ago, all I did was to reprint a memo written on White House stationery—and to me "The White House, Washington, D.C., is an address which has always represented integrity, honor, and decency.

"The memo was from Jack Caulfield to John Dean. In black and white, it sets forth a contemplated breaking and entering and burglary of the offices of Potomac Associates, one of those think-tanks. That memo speaks for itself in a thousand different, awful ways.

"It sure drives me up a wall when I think of all those guys over at the White House in 1972 who wore American flag lapel pins while they advocated burglary, wiretapping, committed perjury, impugned the patriotism of those who disagreed with them and tossed due process into the shredder."

BLAMES THE PUBLIC, TOO

Weicker blames not only the Nixon Administration and its unquestioning fanatics for Watergate, but he also blames the American electorate. "The quality of political ethics in a democracy," he states, "is determined by the voting public. In 1972 the electorate demanded peace at any price, quick answers to complex problems. It sought to protect accumulated wealth rather than expand opportunities for the poor.

"My feeling is that we have reached the point now where we have to decide what kind of democracy we want.

"Democracy," he declares, "is bloody inefficient, especially when it comes to law and order. The motif of the Constitution and the Bill of Rights is the importance and dignity and liberty of the individual, the freedom to blossom and flower and develop and grow and experiment as a person.

"If law and order is the prime requisite of our society, then there are other forms of government which are far more efficient. Our Constitution does not guarantee a structured peace. In fact it guarantees trouble, because it encourages a nation to strive, to seek out trouble, to find out where the raw spots are.

"I remember Martin Agronsky, the newsman here in Washington, telling me about one of his last interviews with the late Supreme Court Justice Hugo Black. Martin interviewed Black after the Supreme Court handed down a group of decisions which made it more difficult to convict criminals. Justice Black said, 'Martin, the whole Bill of Rights makes it more difficult to convict in America. It is far more difficult to convict a man if he has the right to a jury trial, the right to counsel. One of the major purposes of the Constitution and the Bill of Rights, our system of justice and its principles, is to make it damn difficult to close the prison doors on an American."

FOLLOW THE CONSTITUTION

Weicker maintains, "We've had less law and order in this administration, because people departed from the Constitution. Those guys over at the White House thought to voice dissent was to be disloyal, that those of us who disagreed were traitors. I'll tell you this, most of the time we've gone wrong in this country, we've gone wrong because we departed from the U.S. Constitution and its spirit and tried to do things differently."

It is inevitable that any Republican who so forcefully criticizes an incumbent Republican administration will stimulate retaliation. Weicker's mail advises him, among other things, to "go back to Russia where you obviously come from," to "stop betraying your country," and to "quit shooting your mouth off, because you're nothing but a stupid, silly jerk without an ounce of patriotism."

The Senator finds the equation "Disagreement equals disloyalty" particularly vexing. "Such logic," he points out," reflects the attitude of the Nixon Administration which sought to "get" the guys who disagreed with their policies.

THE PRESIDENT'S SUPPORTERS

"Last year in February," he narrates, "I was invited to the White House for a 'Peace with Honor' reception. I learned that invitations were extended, not to the whole Congress in celebration of getting us out of Vietnam, but only to those of us who had supported the President's position. Since the reception was designated 'Peace with Honor' the implication was clear—those who had disagreed either did not want peace or they were dishonorable men and women.

"Apparently it never occurred to the White House that the people who doubted the correctness of our role in Vietnam were just as patriotic and helpful in getting us out of the quagmire as were the President and his supporters.

"Just thinking about that got me so mad I refused the invitation, and I haven't been asked back since. My role in Watergate," he adds, "was not one to endear me in the hearts and minds of the palace guard who extend White House invitations. No matter—I couldn't care less. No man should place popularity above principle."

Weicker suspects that "I'm never going to be anybody's darling—the Republican Party's or the Democratic Party's because I'm too outspoken, and I prize my independence too highly." Which is why he insists he has no designs on higher political office. "I don't want to be Vice President. I don't want to be President. All I want is to remain a U.S. Senator. I behaved the way I did in Watergate out of principle, not because I wanted to make a name for myself and climb the political ladder. I saw evil, and I exposed it.

"Hell, I'm no wild-eyed liberal who hates Nixon and everything on the conservative side. I supported Barry Goldwater very vigorously in 1964, and in 1968 I delivered four of our delegates to Richard Nixon. People who doubt my loyalty to the Republican Party forget the summer of 1972.

"There was a young Republican from Mississippi, Gil Carmichael, well-qualified, sensitive, intelligent, progressive, who was runing against Jim Eastland. I have nothing against Senator Eastland, but he's a Democrat. Carmichael, far more conservative than I am, truly representative of Mississippi, was a superb opposition candidate, but Agnew and Nixon abandoned him. They wouldn't support a Republican against a Democrat. I, myself, I had to go around the Senate and get 12 other Senators to come out in Carmichael's behalf. We found out during the Watergate hearings that there was a White House strategy to abandon certain Republican candidates when they were running against Democrats who were in tight with Nixon, and Jim Eastland is of course one of those Democrats.

"Then during the same summer, if you recall, there was the Youth for Nixon organization. I saw their operation in New Hampshire; and I considered it pretty much of a fraud operation. I called up Bob Dole [Senator Dole was Republican National Chairman], and I told him that insofar as Connecticut was concerned, I wanted the Young Republicans separated from the Committee to Re-Elect the President and placed under the Republican National Committee. The way that Committee to Re-Elect the President maneuvered—you could smell them a mile off."

Lowell Weicker, who describes himself as "scrappy, competitive, honest, and independent," has the wherewithal to remain so.

NO NICKNAME

He was born into a wealthy family in Paris on May 16, 1931, and christened Lowell Palmer Weicker Jr. "I've never had a nickname. People have always called me Lowell."

Weicker is the second son of Lowell P. Weicker and the former Mary Bickford Paulsen. His father was manager of foreign operations for the family business, E. R. Squibb & Sons, the well-known pharmaceutical house, at the time baby Lowell was born.

"My grandfather, Theodore Martin Weicker," the Senator explains, "came from Darmstadt, Germany, to this country about 1890 or so. He was a graduate chemist from the University of Heidelberg, and he had a job as U.S. branch chief for Merck & Co. He met Dr. Squibb, a pharmacist in Brooklyn, and together they set up what was to become a most profitable business. Grandfather Weicker acquired a controlling interest around 1904 or '05 and served as a leading officer of the company until he died in 1940."

CITY AND COUNTRY HOUSES

Weicker and his two brothers and sister were reared in New York City (Park Avenue), Long Island (Oyster Bay) and Connecticut (Greenwich), attended a series of expensive private schools. Lowell went to Buckley, Culver Military, prepped at Lawrenceville, entered Yale where he rowed, debated, majored in political science. One of his classmates was William F. Buckley, the vocabularian, TV performer and conservative columnist.

After graduating from Yale in 1953, Weicker served in the Army for two years, then entered the University of Virginia Law School, where he was graduated in 1958.

In 1953 he married Marie Louise "Bunny" Godfrey, a "Navy brat" from Rye, N.Y., whom he claims to have met at a Phi Gamma Delta houseparty at Yale. After "Bunny" was graduated from Connecticut College, having majored in psychology, they met again in

Paris. She went to work as a researcher at Fortune magazine, gave it up to marry Weicker and spend the next five years at Fort Sill, Fort Bragg, and Charlottesvillle, Va., where the first Weicker child, Scot, was born. The Weickers have two sons, Scot and Gray, and an adopted son of sorts, Brian Bianchi. Brian's parents were close friends of the Weickers. When they died recently, the Senator and his wife asked Brian to move in with them. They have since become his legal guardians.

Lowell Weicker entered politics two years after he was admitted to the Connecticut bar in 1960. He was elected to the Connecticut state assembly for three terms, simultaneously worked as Greenwich's First Selectman, the equivalent of mayor, and earned good marks in the suburb of the millionaires by keeping the local tax rate low.

In 1967 he decided to run for Congress. He campaigned long and hard—"I lost 35 pounds in the campaign"—but won the seat in the House, representing Connecticut's Fourth Congressional District.

As a freshman legislator, Weicker drafted an amendment to the Housing and Urban Development Act of 1969, insisting upon the replacement of demolished housing units on a one-for-one basis. The legislation was passed, earning Weicker the reputation of being a "comer."

Three and a half years ago, "even though it meant facing my eighth election in eight years," Weicker decided to run for the U.S. Senate seat held by the late Sen. Thomas Dodd, a politician with an inordinate liking for money and alcohol. In a three-way general election against Dodd, who ran as an independent and Joe Duffey, who ran as the Democrat, Weicker, representing the Republicans, was elected with 42 percent of the vote. Duffey, who got 34 percent, and Dodd, who received 24 percent, killed each other off, allowing Weicker to win with only a plurality.

HIS COMPANIONS

It was the veteran Hugh Scott, Senate minority leader, who recommended Weicker for the Watergate committee and thereby brought him into national prominence. The other two Republicans on the seven-man committee was the quick-tempered, hapless Edward Gurney of Florida and the diminutive front-runner Howard Baker of Tennessee.

Of these three it is probably Weicker whose performance was most memorable, particularly his emotional outburst on June 28, 1973 that "Republicans do not cover up . . ., do not . . . threaten, do not commit illegal acts. And God knows, Republicans don't view their opponents as enemies to be harassed." It was a brief but moving speech which prompted an immediate, enthusiastic ovation by spectators in the Senate Caucus Room.

During the course of Watergate, Weicker, relying on his own team of researchers, supervised a separate investigation of relevant scandals. His men uncovered scads of incriminating documents—on the IRS; on the U.S. Army files on politically active Americans in Germany; on the Nixon domestic intelligence plan originated by Tom Charles Huston, a White House aide, and subsequently vetoed by J. Edgar Hoover because it was patently illegal; on the dirty tricks engaged in by Nixon politicos, and on much more, all of which he released to the full Senate committee. And all of which transformed him from a relatively unknown Senator into a national figure.

OPPOSES PARTISAN JUSTICE

As a result of his Watergate research, Weicker says, "I'm seriously thinking that the Attorney General of the United States should be elected by the people instead of being appointed by the President. Attorneys General are elected in about 40 states and territories, and I'm inclined to believe the same should hold true in the federal government. We can live with partisan politics in this country but not with partisan justice. The Attorney General of the U.S. should be held accountable for his actions by the people and the greatest accountability is achieved through the electoral process."

Weicker believes, too, that Presidential aides like H. R. Haldeman and John Ehrlichman should be confirmed by the Senate. "Men like those," he points out, "had far more power than Cabinet members who have to be confirmed. The Senate should have some basic information beforehand about the men the President proposes to place in positions of power and influence. If that had been the case I can assure you that I wouldn't have voted to confirm a hater like Bob Haldeman."

CAREFUL STRATEGY

Although he is on occasion blunt and characteristically outspoken, Weicker does his homework before he takes a position on anything. He is a responsible man who thinks problems through, which is the same way he plays tennis. Strategy lies behind his strokes, just as thought lies behind his words.

"There are many people," he concedes, "who are far more gifted than I am in looks, intelligence, charm and a lot of other qualities. But I tell you this, I try hard, I fight hard, I work hard, and despite Watergate, I remain an incurable optimist."

ACQUISITION OF MARCOR CORP.

Mr. BROOKE. Mr. President, on June 18, in the CONGRESSIONAL RECORD, I commented on the proposed acquisition by the Mobil Oil Corp. of Marcor Corp., the parent company of Montgomery Ward and the Container Corp. I also asked for unanimous consent to insert in the RECORD the text of a letter of inquiry I had sent to Mr. Rawleigh Warner, Jr., chairman of the board of Mobil Oil.

I have now received a reply from Mr. Warner and ask unanimous consent that it be printed in the RECORD following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

MOBIL OIL CORPORATION,
New York, N.Y., June 28, 1974.

Senator EDWARD W. BROOKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BROOKE: This is in reply to your letter of June 18 concerning Mobil's possible acquisition of a major interest in Marcor. I am glad to have the opportunity to give you the facts, and I am particularly pleased that you touched on the relationship of earnings to investments.

I believe the attached copy of a letter to our shareholders that is going into the mail today is self-explanatory. I should like to make a few additional points in order to be fully responsive to your letter.

You say it has been suggested that a significant fraction of the proposed acquisition will be financed by Mobil's 1973 profits. This is demonstrably not the case, and could not possibly be. Our capital and exploration outlays in 1973 exceeded our profits of $849 million by approximately $485 million; which is to say, an amount equivalent to our entire earnings last year and close to half a billion dollars more has long since been spent. Nothing, I think, could better make the point that you raise: that higher oil company profits than in the past are needed to fund increased exploration and drilling costs and other costs. Since we would use other sources of money to acquire a major interest in Marcor, there is no inconsistency involved.

The only constraints we see on future investments in the oil business are those imposed by government. In view of the rhetoric directed against the oil industry, and the manifold threats of punitive legislation against it, it strikes me that the wonder is not that oil companies may be looking into diversification opportunities, but rather that they are continuing to invest record sums in the oil business.

I hope this information will be helpful to you. If you have further questions, please let me hear from you again; I consider this a very important matter and one on which people need facts. If you wish to pursue it further, we will arrange for one of our senior people to visit with you in Washington.

Again, I thank you for writing and for giving us the opportunity to put the facts before you.

Sincerely,

RAWLEIGH WARNER, Jr.

MOBIL OIL CORP.,
New York, N.Y., June 28, 1974.

TO ALL MOBIL SHAREHOLDERS:

As many of you know, Mobil has announced that it is considering the acquisition of a major interest in Marcor Inc., the parent company of Montgomery Ward & Co., Incorporated and Container Corporation of America.

We believe we have sound reasons for this move. Marcor management has performed well under difficult circumstances and has made substantial progress over the years, against very tough competition. We believe the resources and strengths Mobil can provide would enable Marcor to be even more competitive. The acquisition of a major interest in Marcor would put us into business fields different from those we are now in, with different business cycles. It also would offer us the opportunity to obtain a new and substantial source of income in the United States. In 1973 we purchased 1,235,000 shares of Marcor, which represents about 4.5% of the total shares of Marcor common stock outstanding.

The announcement of what we are considering has understandably raised a number of questions, which I will try to answer for you in this letter.

We have no intention of withdrawing from the oil business, nor in fact even of minimizing our role in oil. The vast majority of our capital and other expenditures will continue to be made in the oil business and in related energy businesses for as long ahead as we can see into the future. We cannot, however, ignore the many charges that have been directed at the oil industry by politicians and some segments of the communications media, nor the fact that more than 3,000 bills have been placed before the Congress with the intention of inhibiting the oil industry in one way or another.

Mobil has had a formalized diversification policy for a number of years. We have conducted a thorough analytical study, and Marcor emerged as a company that meets the many rigorous tests we applied—including the need for the strengths we can bring to it to make it an even stronger competitor.

While a diversification investment necessarily lies outside the energy business, we have no intention of becoming a multifaceted conglomerate. We are considering this step because we are satisfied that this would be a fine investment for your company and one that could over the years ahead, add immeasurably to the over-all strength of the Mobil organization and thus to your investment in Mobil.

Now let me enlarge on these points a bit.

With respect to our continuing investment in the oil business, we are still planning to spend a record $1.5 billion on capital and exploration outlays in 1974, in addition to the possible acquisition of Marcor. Our outlook for the five-year budget period immediately ahead is for continued record expenditures, assuming that the government of the various countries in which we have interests don't do things that will dramatically interfere with our ability profitably to produce oil and to transport it, refine it, and market it. Our capital expenditures will respond appropriately to such opportunities to earn attractive rates of return as may be afforded us by the governments of both producing and consuming countries. We are optimistic that we will have opportunities to earn such rates of return on substantial amounts of capital in the oil business.

I said earlier in this letter that, as the result of our long and detailed analysis, we are favorably impressed with Marcor management and we consider this a sound investment. It follows then that if we prove successful in this acquisition, it is our intention to work with and support that successful management team and to help provide it with the resources it needs to become even more competitive. We would, of course, play a role appropriate to a substantial and concerned investor and owner. Since we believe in the Marcor management, we also believe its members would continue to be as enthusiastic as they are now and would see that equal or greater opportunities lie ahead for them.

This is in the nature of a preliminary explanatory letter to you. While your board of directors has accepted in principle the desirability of this investment and diversification, we have not yet reached a conclusion on the price to be offered for Marcor stock. But with our long-term debt at only 16% of our invested capital, we are satisfied that we have the financial flexibility to make this acquisition and still continue to take advantage of such opportunities as are made available to us in the oil business.

I would like now to address myself to some of the derogatory comments that have been directed at the oil industry and specifically at Mobil. These revolve around such charges as "extortionate" or "obscene" profits, failure to spend enough on oil in the United States, and failure to build enough refining capacity in this country.

In 1973 our net income represented 7.4% of revenues—that is to say, 7.4¢ out of every dollar—and our rate of return on average total assets was 8.5%. In each instance this was the highest figure, by a major factor, in the past 10 years; and in our view these key indices of profitability are neither extortionate nor obscene.

To the charge that we have been investing more money overseas than here, it should be understood that each of the past 10 years has shown a higher percentage of such outlays in the U.S. and Canada than in all the rest of the countries where we have interests. This is true with respect both to capital investments and to exploration expenditures.

In the period beginning with the federal lease sale held in December of 1970, Mobil has spent more money on offshore leases in the Gulf of Mexico than any other oil company—$850 million, including $330 million so far in 1974 alone.

It should also be known that your company constructed the most recent large new U.S. refinery, in Joliet, Ill., the biggest ever built from scratch in this country. Further, we are now in the process of trying to expand and modernize our refinery at Paulsboro, N.J. By the time we hope to have received all the necessary clearances and permits from the various federal and state agencies involved, we will have committed more than $80 million in the clear hope that we shall receive those permits that will allow us to spend more than $300 million on that expansion and modernization.

In light of the charges made against us, I cannot help but feel that the Senators and Congressmen who have been attacking the oil industry in general and Mobil in particular would serve their country better by increasing the opportunities and improving the climate for investment in oil than by making what we believe are ill-informed statements and by threatening punitive legislation against oil companies. To cite only two specific examples, the Congress could move to open up the outer continental shelf offshore our East and West coasts to oil exploration, and it could facilitate the siting and expansion of refineries in this country.

We in Mobil management would not want you to think we are immune to the criticism being leveled at us. We are not, but neither are we frightened by it. Rather, we believe the Marcor investment would represent a right move for your company; that it could only help to strengthen the organization; and that we are most hopeful of bringing this diversification move to a successful conclusion.

When and as we have more to report, we shall be pleased to do so.

Sincerely,

RAWLEIGH WARNER, Jr.

Mr. BROOKE. Mr. President, I have again written Mr. Warner restating two issues outlined in my earlier discussion. I ask unanimous consent that this letter also be permitted in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 18, 1974.

Mr. RAWLEIGH WARNER, Jr.,
Chairman of the Board, Mobil Oil Corporation, New York, N.Y.

DEAR MR. WARNER: Thank you for your response to my letter concerning the proposed acquisition of Marcor Corporation by Mobil Oil and for supplying me with a copy of your letter to Mobil shareholders. As I had placed my original letter to you in the Congressional Record of June 18th, I am inserting your response in today's Record, together with this letter and some additional comments.

My original letter and statement were motivated by two concerns. First is the continuing trend toward the concentration of economic power in the United States. It seems to me that traditional free-market forces are less able to operate as decisionmaking is concentrated in fewer and fewer hands. The social and economic impact on individual citizens of an increasing feeling of impotence and of their inability to affect their own fate imposes on government the obligation to act in behalf of the public interest to maintain a balance between corporation profit motives and as free a market place as can be obtained in our mixed economy.

My second concern is more specific. I must tell you that the information you supplied relative to the relationship of profits, the need for increased capital to finance exploration and drilling costs, and the Marcor acquisition, was less than compelling. It appears irrelevant to discuss which dollars are used for drilling costs and which for acquisitions. The point is that Mobil has generated sufficient capital and cash flow for both purposes, and at a time when the public is paying the highest prices in history for your products.

To argue that high profits are necessary for expanded drilling and exploration while stating that the capital for acquisition comes from other sources is puzzling. Without unusually high prices, the other capital sources would have to be utilized for that portion of exploration and drilling costs now covered by profits. To further suggest, as you do in your letter to your shareholders, that "Senators and Congressmen . . . would serve their country better by increasing the opportunities and improving the climate for investments in oil . . ." is to ignore that fact that you have yet to demonstrate a reasonable justification for your present rate of profit increase or to rebut my earlier suggestion that increased profits are being used to increase economic power rather than expand exploration for new energy sources.

Sincerely,

EDWARD W. BROOKE.

Mr. BROOKE. Mr. President, I must add, Mr. President, that I am concerned about the implications of the stated intentions of the management of the Mobil Oil Corp. to move this acquisition to a successful conclusion. I assume that the Justice Department's Antitrust Division is already researching the affair. And I hope my colleagues, Senators HART, and HRUSKA will consider utilizing the Antitrust and Monopoly Subcommittee of the Judiciary Committee to investigate fully the relationship between increased oil company profits and the utilization of those profits to increase the concentration of economic power in an economy already capable of sustaining double digit inflation and a high rate of unemployment simultaneously.

LAMAR SIZEMORE

Mr. TALMADGE. Mr. President, last Monday, citizens of the city of Atlanta and people throughout all Georgia were saddened by the untimely passing of Lamar Sizemore, one of Atlanta's foremost attorneys, an outstanding civic and business leader, and a man of considerable influence in government and politics in Georgia for many years.

During my administration as Governor of Georgia, Mr. Sizemore served as an assistant attorney general, and over the years we developed a very close personal relationship. Lamar Sizemore was a man of great intelligence and insight, and a gentleman of unquestionable honor and integrity. Atlanta and Georgia have lost a great leader, and I have lost a great friend. I mourn his passing and extend my deepest sympathy to the Sizemore family.

There appeared in the Atlanta Constitution and Journal news articles and editorials of Mr. Sizemore's passing, and I bring these to the attention of the Senate and ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Atlanta Constitution, July 17, 1974]

SIZEMORE—MANY DIDN'T REALIZE HIS INFLUENCE

(By Sam Hopkins)

Atlanta attorney Lamar Sizemore could be such an unassuming man with his slow countrified drawl that probably many of his friends never realized the vast influence he had on state government down through the years.

Sizemore, who died of a stroke Monday night while on a business trip to New York, often was the "mastermind" behind many political events and the confidant of governors, U.S. senators and legislative leaders.

Atty. Gen. Arthur Bolton Tuesday called Sizemore "one of the most ethical lawyers" he had ever known and a man "who had more guts than any 10 men I knew."

The latter reference was to the fact that Sizemore nine years ago suffered an earlier stroke that left him partially paralyzed, but yet he afterwards increased his business activity.

Sizemore personally plotted the campaign strategy for Jimmy Bentley's successful race against Compt. Gen. Zack Cravey back in 1962 and then helped Bentley structure the reorganization of the department which many people felt had fallen into disrepute.

Bentley recalled Tuesday that Sizemore did all of this "without compensation."

"Lamar was completely unselfish," Bentley said, "whether he was putting together a political campaign or a political concept. He never wanted to take the credit for anything, and he knew all the major personalities on the Georgia political scene for 25 years. He moved in all the circles of political power."

Bentley added, "Lamar deserved the front row, but he always sat on the back row because that's where he wanted to be."

Sizemore, knowledgeable sources say, was probably as instrumental as anyone else in the appointment of several federal judges through his close friendship with Sen. Herman Talmadge and the late Sen. Richard B. Russell, both of whom trusted his judgment and political skill.

In fact, two close friends of Sizemore's said he could have been a federal judge himself if he had wanted it.

"Talmadge and Russell would have both accepted him as a judge," one friend said. Under the political party patronage system, the U.S. senators in a state must approve of all nominees to the federal bench.

The late House Speaker George L. Smith of Swainsboro was particularly close to Sizemore and often called on him for advice and counsel on legislative and political matters.

A skilled attorney, Sizemore many times through the years was sought out to write legislative bills for the House and Senate.

U.S. Undersecretary of Agriculture Phil Campbell, who was formerly state agriculture commissioner, was particularly close to Sizemore.

Campbell recalled Tuesday that years ago Georgia had one of the weakest milk laws and that Sizemore drew up "one of the tightest Grade A milk laws in the nation.

"But I had to wait five years to get it passed," Campbell said. "That bill sat in the left-hand top drawer of my desk for five years while I was agriculture commissioner until I could catch the dairy people off guard and get it passed."

The statute is still considered the "toughest Grade A milk law in the nation," Campbell said.

Sizemore also was the "mastermind" behind the "Battle of the Budget" in the legislature back in the early 1960's when Ernest Vandiver was governor.

Down through the years governors had eroded the power of the legislature in controlling the appropriation and spending of state revenue.

But in the "Battle of the Budget" the legislature finally wrested control of the budget from the governor and since then has retained the authority of spelling out how state money must be spent.

Back at the time, another of Sizemore's close friends, former state Treasurer Jack Ray, was chairman of the House Appropriations Committee.

Back in the mid-1960's Sizemore was considered the unofficial "general counsel" for what was known as the State Capitol "Clique"—a group of elected state officials who formed a closely knit political force.

The "Clique"—once referred to as the "Wiregrass Mafia"—included Campbell, Bentley, Ray and Public Service Commission Chairman Crawford Pilcher.

For their own political reasons, the "Clique" members, all longtime Democratic figures, suddenly announced they were switching to the Republican Party.

It has been unofficially reported that Sen. Herman Talmadge—who was Sizemore's closest friend—also had planned to switch parties at the time but changed his mind at the last minute, apparently from the political instinct that it might be the wrong move.

Whether Talmadge ever really contemplated that or not, it could have been disastrous if he had because most of the newly turned Republicans were either defeated or forced to retire, with the exception of Campbell, who accepted the Washington job with the U.S. Department of Agriculture.

"Lamar Sizemore," one close friend recalled, "was not only a great guy and one of the really ethical lawyers in the business, but he was as good a political strategist as this state's ever seen."

Another friend commented. "He was a real student and worker at the game of power politics, and as far as I know he never got anything out of it personally. He probably did more to change political history in Georgia than anyone else."

Sizemore, who had been counsel for the state Democratic party and counsel for the Governor's Commission on Economy in Government back in the early 1960's, was a trustee of Mercer University where he received his A. B. and law degrees.

Members of the Mercer's board of trustees will serve as special honorary pallbearers at Sizemore's funeral Thursday.

Funeral services will be held at 11:30 a.m. Thursday at the Patterson Spring Hill Funeral Home in Atlanta, with burial at Arlington Memorial Park in Sandy Springs.

The family asked that in lieu of flowers memorial gifts be made to Mercer University.

Sizemore was to have taken a key part at a meeting of the Mercer trustees in Atlanta Thursday morning. Because of his death, the meeting has been cancelled. Sizemore was chairman of the Atlanta committee for Mercer's capital funds drive.

[From the Atlanta Constitution,
July 17, 1974]

LAMAR SIZEMORE

Lamar Sizemore died this week at the ripe young age of 53 and, though he never personally sought any elected office, he probably knew and understood and influenced as many things in Georgia state politics and government as any single individual over the past couple of decades or so.

He was liked and respected by political enemies, as well as friends, and for good reasons.

He possessed sheer raw intelligence in abundant amounts and coupled that with a consistent courtesy and personal charm and quick wit. His judgment and advice were valued by a good many people in government, and he exercised considerable influence for this reason alone, not because he himself held any particular position or public office.

This newspaper, often as not, ended up on the opposite side of things in relation to attorney Sizemore. But he was worthy of respect. And it can be fairly said of him that he loved his state and his country and believed in the political processes and helped make them work.

[From the Atlanta Journal, July 16, 1974]

SIZEMORE RITES TO BE ANNOUNCED

Funeral arrangements for Lamar W. Sizemore, 53, a senior partner in the law firm of Heyman and Sizemore, are incomplete and will be announced later.

Sizemore of 93 Clarendon Ave., Avondale Estates, died Monday, apparently of a stroke, while on a business trip to New York.

He moved to Atlanta in 1950 and in 1953 accepted an appointment as assistant attorney general under the administration of former Gov. Herman Talmadge. He administered the state's Subversive Activities Law and investigated and prosecuted persons and organizations suspected of plotting or acting to overthrow the federal or state government. He was the secretary of the Georgia Democratic party and a member of the national party's credentials committee in 1968 when a group of black state politicians challenged the regular contingent's right to represent the state in the national Democratic convention. He supported the regular delegation, chosen by then-Gov. Lester Maddox and state party chairman James Gray.

Sizemore was counsel for the Governor's Commission on Economy and Reorganization in 1959 and 1960.

He was graduated from Mercer University in 1941 with an A.B. degree and in 1948 he received his L.B. degree from the Mercer Law School.

He was chairman of the Atlanta Committee of Mercer University Capital Fund Drive and was named to Mercer's board of trustees in December 1973.

At the time of his death, Sizemore was a member of the Atlanta and American Bar Associations, the Federal Bar Association, the International Bar Association, the State Bar of Georgia, the Lawyer's Club of Atlanta and the Association of American Life Insurance Counsel.

He was director and general counsel of Interfinancial, Inc., an Atlanta-based holding company with wide spread insurance and related interests, director and general counsel of the Atlanta and West Point Railroad, general counsel of the Georgia Railroad, director and general counsel of Gray Communications Systems, Inc.; director of the Western Railway of Alabama, director of Purolator Services, Inc. and director and general counsel of the Hamilton Bank and Trust Co.

He was a deacon and active member of the First Baptist Church of Decatur and a member of the Board of Trustees of the Richard B. Russell Memorial Library Foundation. He was also a member of the Kappa Sigma Phi Alpha Delta Legal Fraternity, the Capital City Club and the Commerce Club.

Surviving are the widow, Mrs. Elizabeth Pickron Sizemore; sons, Lamar Sizemore Jr., Gregory Sizemore, Alan Sizemore, all of Atlanta; daughter, Kathy Sizemore of Atlanta and brother, Dr. Julian J. Sizemore of Columbus.

EDUCATION BENEFITS FOR VIETNAM VETERANS

Mr. DOLE. Mr. President, I wish to hail the President's signing of Public Law 93–337, which extends the time period in which a veteran must use his education benefits from 8 to 10 years. I believe that this significant step is tangible proof of the President's commitment to give Vietnam veterans "* * * an opportunity to enjoy not only our public blessings, but also the real benefits of peace—the education, the jobs, the housing, the medical care, the many other advantages that make America a great Nation," as he promised in his March 31 statement on Vietnam Veterans Day.

It is particularly important to note that the President overruled the objections of the Office of Management and Budget and disregarded a formal veto message that had been prepared. Fiscal responsibility is of critical importance; however, I am in concurrence with the President and the majority of Congress in viewing benefits for Vietnam veterans as an investment in America's future. It is an investment that will more than repay by far our initial investment. We will benefit directly from increased tax revenues and more productive employment coming from better trained veterans.

As I have stated previously, I do not believe that the President will veto the new GI bill increases proposed by Congress. I believe that this is particularly true in regard to the tuition assistance provision of S. 2784, now under consideration in conference committee.

The principal intention of the tuition assistance provision is to give all Vietnam-era veterans an equal opportunity to enter education and training programs and to enable hundreds of thousands of Vietnam-era veterans to use their benefits for the first time. There is room for disagreement as to how much benefits for veterans already in school under the GI bill should be increased, but clearly there should be no disagreement that all Vietnam-era veterans should have an equal opportunity to enter schools.

Many of us benefited from tuition payments after World War II and in my opinion, we should not deny them to today's veterans. I hope the House conferees will recognize the President's actions as an indication that they are at liberty to act on the tuition assistance provision as they judge proper, without regard to the threat of a veto. I urge the House-Senate conference to act swiftly and favorably on the tuition assistance provision so that thousands of Vietnam-era veterans may begin making plans to enter education and training programs this September.

PERFORMANCE ROYALTIES: LONG OVERDUE JUSTICE FOR MUSICAL ARTISTS

Mr. WILLIAMS. Mr. President, for a number of years, I have supported, and in fact, introduced legislation to provide for royalty payments for musicians, other artists and recording companies when their talents are used for public performance. That concept is shown as performance royalty.

The distinguished minority leader, Mr. Hugh Scott, is another who has felt most strongly that a sound recording is a unique rendition of a piece of music and that the varied talents that make it possible should be compensated when the recording is played publicly for profit. Mr. Hugh Scott was a leading voice in the Copyright Subcommittee and in the full Judiciary Committee when it considered this provision in S. 1361. It is now embodied as Section 114 of S. 1361.

The section represents a considerable compromise from the performance royalty rate as originally proposed. Initially, it was suggested that 2 percent of annual gross revenues of broadcast stations would be a fair basis for unlimited use of copyrighted recordings. This was approved by the subcommittee.

The rate, as reported, now would require 39 percent of all stations to pay only 1 percent with the remaining 61 percent paying lesser amounts. The performance rate for the latter would be a flat $250 a year for stations with income of $25,000 to $100,000 and $750 a year for stations with income of $100,000 to $200,000. Stations with gross revenues of less than $25,000 pay nothing.

The minority leader's thoughtful and persuasive remarks on the subject are contained in his Separate Views accompanying the report on S. 1361.

Because those views are a clear and concise explanation of an important principle, I ask unanimous consent that they be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Performance Royalty (Sec. 114)

I would particularly like to comment on Section 114 of S. 1361. This section requires users of copyrighted sound recordings for profit to pay a performance royalty to those who make a creative contribution to recorded music—performing artists, musicians and record companies. Although a copyright was granted to sound recordings by Congress in 1971, the issue of a performance royalty was deferred until Congress' consideration of the Copyright Revision Bill. Under section 114, entities like broadcasters, juke box operators, and background music services that make use of the recorded music would have to pay a small royalty to the artists for the right to play it.

For many years I have felt very strongly that the musical artist deserves a reward for his creative efforts. Thirty years ago when I served in the House of Representatives, I introduced H.R. 1570 (78th Congress) which would have established a performance right in sound recordings. Later in the 80th and 82nd Congresses I introduced similar bills that would mandate a performance royalty for the musicial artists.

I very strongly support the inclusion of the performance royalty in the present Copyright Revision Bill. Although I realize that the broadcasters, especially, have objections to paying any fee to artists, I believe the principle is important and should be supported. The argument has been made in opposition to the royalty that radio stations give free publicity to record companies and the artists who make the records. I think this argument misses the point. The real issue is whether or not a person who uses creative talents should receive compensation from someone else who takes them and profits from them. More than 75% of the air time during which advertising is sold is spent playing music. I believe if the artist's creative efforts are used in this way that he is entitled to some compensation. The performance royalty in Section 114 establishes a small payment for the right.

It should be noted that the concept of rewarding creative efforts is not at all unprecedented. Presently, the radio and television industries make yearly payments to organizations representing the individuals who compose music. The fees paid to ASCAP, SESAC, and BMI for the composers are far in excess of what the Copyright Bill sets out for a performance royalty. I find it indisputable that the creative efforts of the musical artist who performs are equally as valuable as those of the individual who writes the music. In fact, it is the special creative talents of the musical artist which really bring a particular musical composition to life. In light of this, it is an anomaly that the performers or record companies get *nothing* for their contributions to irreplaceable programming material.

I find it significant that almost forty countries have established performing rights in recordings. These nations have acknowledged the necessity to reward the creativtly of their gifted musical artists. It should be no less important for us in the United States. It is particularly key to recognize performing rights because of the unique form of activity it entails. We all know by name the famous musical artists who remain popular year after year. Unfortunately, most musical performers have a very short productive life. It is an industry in which tastes and public attitudes toward a certain type of music can literally change overnight. Some artists have only one popular song and are never successful again. If the song is played again at a later time, the artist should be entitled to share in the benefits it bestows on the broadcasters. An example of a song which has endured over a long period is Bing Crosby's rendition of "White Christmas". There must be hundreds of versions of this song, but it is Mr. Crosby's special treatment which is continuingly popular at Christmas each year. He, like any other artist, should share in the fruits of his creative effort even after the actual sale of his records diminishes.

During numerous discussions prior to the Judiciary Committee meeting, there were many statements made to the effect that small radio stations, especially, could not afford to pay a performance royalty. I argued that most stations could easily pass on the 2% rate to their advertising sponsors. For example, if the rate for one hour of advertising was $100, then the rate would go to $102. This clearly would not be an exorbitant increase. However, I do realize that the very small radio station might be in a situation where it could not pass along the 2% rate. Therefore, in the Judiciary Committee I moved to lower the rate (2%) which the bill had originally set. The new formula which was approved gives a substantial measure of relief to over 60 percent of the radio stations in the country. The four percent of the nation's radio stations that have net advertising receipts of less than $25,000 a year would pay no performance royalty at all. Stations with between $25,000 and $100,000 a year from net advertising receipts would only pay a blanket $250 each year. It is significant to note that about 27 percent of all radio stations would fall under the $100,000 figure. For those stations with yearly net advertising receipts between $100,000 and $200,000, only a flat $750 fee a year would be due. In that $100,000–$200,000 range approximately 34 percent of the nation's radio stations are included. Finally, for all stations with above $200,000 a year in net advertising receipts, a royalty of 1% of those net receipts would be due each year. The total revenues under the formula as revised at my recommendation would be significantly less than one half of what revenues would have been under the original 2% royalty rate.

In conclusion, I want to emphasize that the creation of a performance right for sound recordings is entirely consistent with the overall policy approach of the Copyright Bill to foster and protect the creative arts. In Section 116, the bill creates a new performance right for composers when juke boxes use compositions embodied in sound recordings, and Section 115 has been changed to increase the fees record companies must pay composers for use of their music in a recording. Most significantly, the bill establishes new rights in the case where a cable television station picks up broadcast material from the air and retransmits it. Under Section 111, the cable television station must pay a copyright fee under a compulsory license to the copyright owners. I would suggest on the same rationale which the broadcasters have been using to establish liability for the copyrighted material taken by cable systems that broadcasters and others similarly should have to pay for copyrighted musical performances they use for their programming.

Senator Hart has indicated his desire to join me in my views on the performance royalty.

NATIONAL MEDICAL ASSISTANTS' WEEK

Mr. DOMINICK. Mr. President, on June 19, 1974, I introduced Senate Joint Resolution 217, to designate the third week of September of each year as "National Medical Assistants' Week." The American Medical Association House of Delegates recently met in Chicago, and adopted a resolution supporting the American Association of Medical Assistants. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES Resolution: 109 (A-74)

Introduced by: Frank A. Rogers, M.D. Delegate, California

Subject: American Association of Medical Assistants

Referred to: Reference Committee H (Charles L. Leedham, M.D., Chairman)

Whereas, The American Association of Medical Assistants is not only an outstanding professional organization dedicated to the education and self-improvement of medical assistants, but is the one and only professional organization endorsed and continuously supported through liaison activities by organized medicine at all levels; and

Whereas, It is recognized that the loyalty and allegiance and devotion of the members of this organization to their doctor-employers and to organized medicine in the majority of instances goes well beyond the common grounds of employer-employee relationship; and

Whereas, The Medical Assistants Association is probably the most constant, able and devoted ally of the medical profession; and

Whereas, The American Association of Medical Assistants is a nonprofit organization, totally pledged against ever becoming a union, therefore be it

Resolved, That the American Medical Association hereby commend the American Association of Medical Assistants for their devotion and accomplishments in the field of medical assistant education, both locally and nationally; and be it further

Resolved, That the American Medical Association request all state medical associations to continue active, formal support of this organization and further urges individual physicians to pay the dues of their medical assistants so that membership in this most important and worthwhile organization will continue to grow.

THE CONGRESS AND STRATEGIC ARMS

Mr. FULBRIGHT. Mr. President, the recent summit has underscored the need for the Congress to take the lead in providing broad, constructive guidance in the quest for effective and comprehensive arms control. The process of normalizing relations between the Soviet Union and the United States would have benefited greatly if meaningful agreements had been reached during the recent talks to limit or reduce the strategic offensive arms of the two sides. Despite the apparent last-minute endeavors of the President and the Secretary of State to get good strategic arms agreements, the most positive result of the summit in terms of the arms race was the arrangement by the two sides to resume the SALT talks in August and to provide the two negotiating teams with institutions arising out of the summit.

It was no surprise that further strategic agreements limiting offensive weapons were not achieved at the summit. There was no agreed American negotiating position and no unanimity on the American side as to what should or could be achieved. If we cannot agree among ourselves, we would be wrong to expect that good, comprehensive SALT agreements might somehow be worked out at the 11th hour.

I do not fault the President or the Secretary for their basically fruitless attempts to achieve arms agreements. But I believe their difficulties demonstrate clearly the need for Congress to take a strong hold in the development of broadly abused strategic policies and positions. The proposals which could then be presented in negotiations could lead to the strategic limitations which are now so imperative.

The Senate has played a strong advisory role in regard to strategic issues in the past. I recall Senate Resolution 211, which was introduced by Senator BROOKE and 39 cosponsors in July 1969. In its final form, the resolution urged the President to propose a mutual moratorium on multiple independently targeted reentry vehicles—MIRV's. In its report, the Committee on Foreign Relations noted that a suspension of flight testing of MIRV's would be important to a successful suspension of MIRV deployment. This suspension was viewed by the committee as an "essential element" of a wider suspension of further deployment of all offensive and defensive strategic nuclear weapons. The Senate approved Senate Resolution 211 by a vote of 72 to 6 on April 9, 1970.

The Senate's advice did not bring on the sort of agreement sought. Had the Senate's advice prevailed, the United States and the Soviet Union would be far better off today. And billions of dollars would have been diverted to far better uses.

The need for firm guidance from the legislative branch is particularly acute now. Members of the Congress are in a unique position to take into consideration all aspects bearing upon our strategic military programs—the needs and perceptions of the American public and our allies, foreign policy considerations, the economic situation of the United States and other countries, and the impact of military programs upon our economies and available resources.

Failure to apply this knowledge to the development of independent perspectives can lead to acquiescence in narrow judgments. This problem can be seen in the way the Congress tends to accept and to approve military judgment in the strategic area. The military services, by nature, attach the gloomiest possible significance to Soviet strategic programs. They assume the worst possible outcome for the United States of all strategic endeavors of the Soviet Union. I do not fault them for this because it is their charter to assume the worst may occur and to defend us in the most difficult of circumstances. However, I do fault the Congress when it accepts these judgments as growing from a complete and impartial analysis of the issues.

The military are not alone in having a confining perspective. Narrow judgments can be held by all men—including Members of the Congress. It is not unknown for narrow judgments to be central themes in attempts to secure personal political gains. Technologists support the advance of technology—often with scant regard for the political and military implications of their projects. Scientists in weapons laboratories justify to themselves any other programs which will keep them funded—and busy—such as mini-nukes and newer, more deadly MIRV's.

Acceptance of narrow judgments, in the case of strategic arms limitation questions, has led us to spend a great deal of time worrying about what the Russians could do under agreements we might make with them. We brood about the possibility of Soviet cheating and put together all sorts of dizzying calculations as to what the Soviet Union will do under this or that provision of some possible agreement.

In the midst of these Byzantine calculations, we lose sight of the larger, most critical strategic issue now facing us—what the Russians and the United States will do if there are not further comprehensive agreements limiting and reducing strategic programs.

Let us think for a minute about what will happen if we do not have effective controls. The United States will deploy more accurate and more powerful warheads on its missile forces. There will be a completely new submarine fleet. We may—in paroxysms of fear—reverse our considered strategic policies of the past and emulate the Soviet Union by developing advanced ICBM's capable of thrusting huge throw weights in a nuclear war, and we may rush into a huge new bomber program. The Russians, if our darkest fears are realized, may deploy a whole new generation of land-based missiles. They could follow the lead we are setting with our Trident program and develop a new generation of submarines. They could suddenly become interested in bombers and build a competing bomber fleet.

Both sides could be engaged in a ruinously expensive quest for a superiority which could not be achieved. There is no doubt that this quest would lead to a mutual arms spiral which would enhance and embellish the fears on both sides. The insecurities of the present time would be as nothing compared to the insecurities of the 1980's, if present trends continue.

If we are going to face arms control questions realistically and work to achieve strong agreements, we must divest ourselves of the mistaken idea that we are somehow inferior in strategic arms. It is simply not true.

When SALT I was concluded in 1972, the United States had 5,888 nuclear warheads in its strategic arsenal, as compared with 2,220 in the Soviet arsenal. Since that time, the United States has added more than 2,000 strategic warheads. The Soviet Union force has been increased by less than 400 warheads. This huge difference in favor of the

United States will continue at least through the term of the interim agreement on strategic arms. I have no reason to doubt that a substantial edge in nuclear warheads will be maintained well into the 1980's.

At some point, the Soviet Union may have a larger number of submarine-based missiles than the United States but they will have to retire land-based missiles in equal number to achieve a wide lead. Despite any Soviet advantage in total launchers, the United States has now—and will maintain for some years—a major lead in the numbers of warheads the submarines can deliver. All Soviet strategic missiles on submarines hold one warhead each. By contrast, some of our submarine missiles—the 496 missiles being deployed on Poseidon submarines—can carry 10 warheads each. The less sophisticated Polaris submarines carry A-3 missiles with three warheads each.

We have more than 400 strategic bombers. Most of these are B-52's with a typical force loading of four nuclear bombs and eight nuclear short-range attack missiles each. Our bomber force can carry nearly 4,000 separate nuclear warheads now. The Soviet bomber force of 140 planes—100 of which are powered by slower, turboprop engines—carries an estimated 250 warheads.

As if this were not enough, we have 15 aircraft carriers capable of delivering nuclear weapons on the Soviet Union, as well as hundreds of forward-based aircraft able to strike the Soviet Union.

The main Soviet advantage is in the numbers of land-based missile launchers and in overall throw weight. We must realize that the warheads the launchers carry—not the launchers themselves—constitute the threat.

Of course, the launchers and the throw weight could become a considerable threat in the 1980's if the arms race is unchecked. Similarly, the Russians will find the U.S. arsenal even more frightening in the 1980's if we continue without cease to build upon our advantages.

We do not—and will not—gain political or economic advantage through pressing strategic programs. And the Soviet Union will not gain political or economic advantage through strategic developments.

The only sane course for the two sides is restraint. For our mutual good, we must find ways as soon as we are able to control and to reduce our strategic arsenals.

I agree completely with the point made by the Secretary of State in his press conference in Moscow following the recent summit when he said:

> If we have not reached an agreement well before 1977, then I believe you will see an explosion of technology and an explosion of numbers at the end of which we will be lucky if we have the present stability—in which it will be impossible to describe what strategic superiority means. And one of the questions which we have to ask ourselves as a country is what, in the name of God, is strategic superiority? What is the significance of it, politically, militarily, operationally, at these levels of numbers? What do you do with it?

If this prospect is not to become reality, we must move now to make a broad strategic agreement a reality. We must stop upping the ante by pursuing programs which tend to move us away from agreement, rather than toward it. There are those who are not really interested in bringing the arms race to a close. We have an obligation to be attentive to their proper concerns, but we must not fall into the trap of avoiding—out of narrow fears—the kind of agreements which can save us.

I do not wish to imply that I believe dealing with the Russians is an easy task. Obviously, they can take a hard line with us just as we can with them. However, our side must be able to approach the Soviet Union with soundly based, comprehensive proposals which represent the considered consensus of American leadership.

We cannot afford to continue with a situation in which we cannot achieve agreement with the Soviet Union because we cannot agree, even among ourselves, as to what we must seek.

CAPTIVE NATIONS WEEK—AND DÉTENTE

Mr. HRUSKA. Mr. President, the week of July 14th through the 20th marks the 15th anniversary of the celebration of Captive Nations Week. It is proper that we remember this important occasion for it reminds us that America still powerfully symbolizes the values and traditions of independence, freedom, justice and human rights.

The very progress that has been made in United States-Soviet relations does not diminish the need for us to remember those peoples of Eastern Europe who have been burdened by communism for so long. In fact, it enhances it.

Writing in the 1830's, a young Frenchman named Alexis de Tocqueville made the following observation:

> The American struggles against the obstacles that nature places before him; the Russian is at grips with humanity. The one combats wilderness and savagery, the other combats civilization decked in all its armament: moreover, the conquests of the American are won by the plowshare, those of the Russian by the sword.
>
> To attain his end, the first depends on the interest of the individual person, and allows the force and intelligence of individuals to act freely, without directing them. The second in some way concentrates all power of society in one man.
>
> The one has liberty as the chief way of doing things; the other servitude.
>
> Their points of departure are different, their paths are divergent; nevertheless, each seems summoned by secret design of providence to hold in his hand, some day, the destinies of half the world.

Those words, written over 140 years ago carry the essential differences between the United States and the Soviet Union. We do not sanction repression. We do not condone violation of human rights. We still carry the banner of freedom in the world. Yet, we cannot escape the fact that we, the United States and the Soviet Union, occupy space on one planet and to a very great degree hold the destiny of the world in our hands.

Any effort at cooperation and understanding, no matter how insignificant it may at first appear, is bound to have positive effect for those who share that planet with us. As we progress with this process, there is also a great need on our part to insure that the peoples of Eastern Europe are not forgotten.

Hopefully, when the Soviets feel secure, then perhaps they will no longer feel the necessity to rule the peoples of the Baltic States and Eastern Europe with an iron hand. When ideas can begin to flow between the United States and the Soviet Union, then perhaps they can begin to trickle throughout the Communist world. That is the great hope for détente.

ADOPTION OF SENATE-PASSED VERSION OF COMMUNITY DEVELOPMENT MEASURE URGED BY 19 SENATORS, 28 MAYORS

Mr. HUMPHREY. Mr. President, 19 Senators and 28 mayors have apprised the conferees meeting on the Housing and Community Development Act of 1974 that they will reconsider their support for this legislation, unless the final version of the measure more nearly conforms to the Senate passed bill.

In a letter to Senate and House conferees, initiated by Senators BIDEN, STEVENSON, and me, the 19 Senators said:

> We believe the House bill is particularly deficient in the objectives it sets and in its formula for the allocation of community development funds.
>
> Both the House and Senate bills recognize, as they should, the legitimate and growing needs of our suburban areas for community development assistance. But the House bill does so at the expense of both large and small cities that have worked hard and effectively over the years to reverse the decay and decline in their communities.
>
> We believe that this is unwise and unfair to those who have worked hardest and longest to create a momentum to make their cities more liveable. Both needs must be served, not one at the expense of the other.

Mr. President, we urged the conferees to adopt two principles in their effort to work out an acceptable compromise between Senate and House passed bills:

First, adequate funding should be provided to permit all communities, regardless of size, to participate in the community development program.

Second, those cities that have participated effectively in community development programs in the past should have those efforts continued with the full support of the Federal Government.

These cities, we feel, should not be penalized by congressional adoption of an arbitrary formula, one that allocates funds without regard to need or demonstrated capacity.

Mr. President, we also strongly objected to the termination under the House-passed bill, of the existing public housing, homeownership, and rental assistance programs and urged that they be adequately funded for at least 2 more years.

The cosigners of this letter believe that the Senate bill has the strong support of the vast majority of the American people and that the threat of a veto by the administration should not prevent Congress from doing what is necessary.

Our letter concluded by informing the conferees that:

As supporters of the Housing and Community Development Act of 1974, when it was passed by the Senate last March, we must appraise you of our intention to seriously reconsider our support for this legislation, unless the provisions and principles (outlined in the letter) are included in the version of this bill reported by the conference.

Those signing the letter to the conferees, in addition to Senators HUMPHREY, BIDEN, and STEVENSON, were Senators HUGH SCOTT, JOHN V. TUNNEY, DICK CLARK, RICHARD S. SCHWEIKER, THOMAS F. EAGLETON, JENNINGS RANDOLPH, FLOYD K. HASKELL, JAMES ABOUREZK, WALTER F. MONDALE, PHILIP A. HART, CHARLES H. PERCY, J. BENNETT JOHNSTON, DANIEL K. INOUYE, EDWARD M. KENNEDY, JACOB K. JAVITS, and THOMAS MCINTYRE.

Mr. President, Congressman DONALD M. FRASER and I submitted petitions yesterday to the House and Senate conferees on behalf of 28 mayors, outlining their specific objections to the House-passed version on the Housing and Community Development Act.

Providing leadership on the petition effort are Minneapolis and St. Paul, Minn., mayors, Albert J. Hofstede and Lawrence Cohen. Their support includes Mayors Joseph Alioto, San Francisco, Calif., president of the National Conference of Mayors; Coleman A. Young, Detroit, Mich.; Kenneth A. Gibson, Newark, N.J.; Richard F. Walsh, Kansas City, Kans.; Richard J. Hatcher, Gary, Ind.; Henry Maier, Milwaukee, Wis.; and Gary A. Greenough, Mobile, Ala., among others.

Mr. President, I ask unanimous consent that the letter to the conferees from 19 Senators, and the petition from the 28 mayors, which was transmitted to the conferees, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 17, 1974.

Hon. JOHN SPARKMAN,
Chairman, Committee on Banking, Housing and Urban Affairs, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: We wish to bring to your attention our deep concern regarding H.R. 15361, the House passed version of S. 3066, the Housing and Community Development Act of 1974.

With regard to its Community Development provisions, we believe the House bill is particularly deficient in the objectives it sets and in its formula for the allocation of Community Development funds.

The Senate bill establishes Community Development block grants to be spent in accordance with specified national priorities. This is to insure that the Federal taxpayers' dollars are spent where the need is greatest. By failing to establish clearly defined priorities, the House bill would permit dissipation of scarce Community Development resources. It is essential that the Senate concept be retained.

Both the House and Senate bills recognize, as they should, the legitimate and growing needs of our suburban areas for community development assistance. But, the House bill does so at the expense of both larger and smaller cities that have worked hard and effectively over the years to reverse the decay and decline in their communities. We believe that this is unwise and unfair to those who have worked hardest and longest to create a momentum to make their cities more liveable. Both needs must be served, not one at the expense of the other.

We urge the conferees to adopt two principles in their effort to work out an acceptable compromise in conference.

First, adequate funding should be provided to permit all communities, regardless of size, to participate in the community development program.

Second, those cities that have participated effectively in Community Development programs in the past should have those efforts continued with the full support of the Federal government. These cities should not be penalized by Congressional adoption of an arbitrary distribution formula, one that allocates funds without regard to need or demonstrated capacity.

With regard to the Housing provisions of the House passed bill, we strongly object to the termination of the existing public housing program and the home ownership and rental assistance programs (Section 235 and 236). We seriously doubt that the Section 23 program, by itself, will adequately meet the urgent housing needs of low and moderate income people.

While this new approach warrants testing, we strongly urge the conferees to authorize the continuation of the existing programs for at least two more years.

We believe that these programs should be adequately funded during that period.

And, the improvements to these programs contained in the revised National Housing Act should be adopted.

These three steps are essential to any new housing legislation. We urge the Senate conferees to hold firm to these minimum requirements.

To maintain momentum in community development in our hard pressed urban areas, and to help meet the housing needs of low and moderate income Americans, we urge you to retain these provisions of the Senate passed bill.

We believe that the Senate bill has the strong support of the vast majority of our people and that the threat of a veto by the Administration should not prevent Congress from doing what is necessary.

As supporters of the Housing and Community Development Act of 1974, when it was passed by the Senate last March, we must apprise you of our intention to seriously reconsider our support for this legislation, unless the provisions and principles mentioned above are included in the version of this bill reported by the Conference.

Sincerely,

HUBERT H. HUMPHREY, ADLAI E. STEVENSON III, JENNINGS RANDOLPH, RICHARD S. SCHWEIKER, JAMES ABOUREZK, HUGH SCOTT, EDWARD M. KENNEDY.

JOSEPH R. BIDEN, JR., THOMAS F. EAGLETON, CHARLES H. PERCY, JOHN V. TUNNEY, JACOB K. JAVITS, WALTER F. MONDALE, DICK CLARK.

FLOYD F. HASKELL, PHILIP A. HART, DANIEL K. INOUYE, J. BENNETT JOHNSTON, THOMAS J. MCINTYRE.

U.S. SENATE,
Washington, D.C., July 17, 1974.

Hon. JOHN SPARKMAN,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Mayors Al Hofstede and Lawrence Cohen, of Minneapolis and St. Paul, Minnesota, have asked that I transmit to you the enclosed petition signed by twenty-eight mayors urging that certain provisions be included in the Housing and Community Development Act (S. 3066) now in Conference.

I hope that the Senate conferees will give full consideration to the concerns raised by these mayors.

Best wishes.

Sincerely,

HUBERT H. HUMPHREY.

To the members of the Conference Committee on Community Development Legislation and to the members of the Senate and House Appropriations Committees:

We, the undersigned mayors, are concerned about pending community development legislation, and in particular, a number of provisions in the House Bill (HR15361). While many of the differences between the Senate and House versions are negotiable in conference committee, there are some issues regarding both funding and substantive legislation which have serious consequences for many of our nation's cities and which, if not resolved, will seriously jeopardize our support of community development legislation.

It is essential that an effective and responsive community development law be enacted by the Congress of the United States. Virtually everyone in the housing and community development fields will acknowledge that these programs need to be improved.

WHAT MAKES A GOOD BILL?

There are a number of basic criteria that community development legislation should meet. These are the criteria that any mayor or public official with any basic knowledge of the development process would identify as the minimum ingredients to make community development work. These are:

1. There should be adequate funding for all communities, irrespective of size, with funding levels based on a reasonable assessment of need. Above all, prior levels of funding should not be arbitrarily reduced.

2. The transition from categorical to special revenue sharing programs should be orderly and transition funding should be adequate and not deducted from block grant settlements.

3. The flow of incremental Federal grants for community development should be guaranteed so that multi-year development efforts may proceed without being delayed by waiting for federal money.

4. Housing for low and moderate income families should be provided as a fundamental and inherent part of the community development process in amounts sufficient to meet overall community needs.

5. Federal pre-application requirements should be held to a minimum; however, removal of slums and blight and ability to produce housing for low and moderate income families should be maintained as national priorities.

We urge you to prepare a conference bill which recognizes these criteria. Specifically, appropriations and community development legislation must embrace, at a minimum, the following:

1. Transition funding for cities with ongoing programs must be maintained at those levels established during FY–1970 to FY–1973. Additionally, such funding should be appropriated to cover the duration form July 1, 1974, until such time as a replacement program is fully implemented.

2. Funding under the community development act must be reasonably related to need. Accordingly, cities with both demonstrated need and with established experience levels should not have their entitlement arbitrarily reduced by a mechanistic formula. Experienced cities with populations under 50,000 should not be penalized by elimination of direct entitlement, under the formula.

3. Community development programs cannot succeed without concurrent housing assistence programs for low and moderate income families. Existing programs which have worked should not be eliminated in favor of a new and untested replacement, (Section 23), and therefore, such existing programs should be funded and extended until the new program has been operational for at least a year and has proven itself as a viable alternative.

Since the passage of the Housing Act of 1949, significant progress has been made in meeting our community development needs.

Let us not throw out this legacy by adopting deficient legislation.

Mayors Signing Community Development Act Letter

ORIGINAL

1. Albert J. Hofstede, Minneapolis, Minn.
2. Wallace E. Holland, Pontiac. Mich.
3. Donald E. Johnson, Muskegon, Mich.
4. Paul R. Soglin, Madison, Wis.
5. Richard J. Hatcher, Gary, Ind.
6. Joseph L. Alioto, San Francisco, Calif.
7. Bartholomew F. Guida, New Haven, Conn.
8. Paul C. Visser, Flint, Mich.
9. Richard F. Walsh, Kansas City, Kans.
10. Norman Y. Mineta, San Jose, Calif.
11. Coleman A. Young, Detroit, Mich.
12. Robert W. McGraw, Rockford, Ill.
13. Kenneth A. Gibson, Newark, N.J.
14. Doris A. Davis, Compton, Calif.
15. Lyman S. Parks, Grand Rapids, Mich.

SUBSEQUENT

16. Richard E. Olson, Des Moins, Iowa.
17. Jerry J. Miller, South Bend, Ind.
18. Lawrence Cohen, St. Paul, Minn.
19. Ted C. Wills, Fresno, Calif.
20. Henry W. Maier, Milwaukee, Wis.
21. Edward Zorinsky, Omaha, Nebr.
22. Ivan A. Lebamoff, Fort Wayne, Ind.
23. George A. Athanson, Hartford, Conn.
24. Jerry M. Patterson, Santa Ana, Calif.
25. Gary A. Greenough, Mobile, Ala.
26. James H. McGee, Dayton, Ohio.
27. Thomas P. Ryan, Jr., Rochester, N.Y.
28. Gordon Johnston, Tacoma, Wash.

THE CONSUMER PROTECTION AGENCY ACT

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a group of editorials favoring the Consumer Protection Agency.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From Business Week, Apr. 6, 1974]

A Consumer Spokesman

Businessmen understandably are somewhat nervous about the drive to create a federal agency charged with looking out for the interests of the U.S. consumer. But the legislation taking shape this week in the House deserves the support of business as well as the various groups that now speak for the consumer.

Basically, the bill would create an "ombudsman" to represent consumer interests before Congress and most federal regulatory agencies, including the Federal Trade Commission, the Food & Drug Administration, the Interstate Commerce Commission, and the new Product Safety Commission. Consumer interest as defined in the bill would include everything from quality to availability and adequacy of choice.

There is a danger, of course, that another agency would simply multiply the red tape and increase the delays that already frustrate businessmen when they deal with the government. But it is also possible that the new agency could help speed the regulatory process by improving input and clarifying issues.

Beyond that, a consumer agency could improve the level of debate between business and the consumerists. By putting a sharp focus on the vague charges the consumer groups now feel free to make, it could show business where its real problems are. And by equalizing the balance between well-financed, well-organized business groups and the often disorganized consumer spokesmen, it could help restore public confidence in the regulatory process.

The chances of getting a fair and workable bill adopted may be better now than they will be after election. There is no telling what part consumer unrest will play in next November's voting. But as Representative Frank Horton (R-N.Y.), a co-sponsor of the bill, says, "Prudence dictates moving when the situation is stable and the factors understood."

[From the Washington Star-News, July 3, 1974]

Consumer Bill Faces Filibuster

(By Sylvia Porter)

The 1974 Consumer Protection Agency Act—potentially the most important consumer protective legislation in a half-century—is heading for a bitter fight and probably a filibuster when it reaches the Senate floor after Congress' July 4 recess.

The data-gathering role of the CPA is a "dangerous" tool which "might be used to persuade other agencies to agree with the consumer advocate viewpoint," says the powerful U.S. Chamber of Commerce.

The agency could be "a distruptive force empowered to wander to and fro through the halls of government and . . . to engage administration agencies in guerrilla warfare," adds Sen. James B. Allen, D-Ala., who led the filibuster that defeated the bill in 1972 and who, with Government Operations Committee chairman Sam J. Ervin, D-N.C., is likely to lead the filibusters in 1974.

It's a "bad idea whose time has come and gone" and a too powerful "Caesar within the federal bureaucracy," declare other opponents getting set up kill the legislation again.

What's this bill all about? Briefly, the CPA would:

Serve as the consumer's watchdog both within and outside the federal regulatory agencies; represent you at formal and informal proceedings held by other federal agencies; refer complaints to appropriate sources;

Appeal anti-consumer decisions and rulings in the courts and subpoena information from federal agencies if the CPA deemed it relevant to your health or safety;

Distribute important information on consumer products and services and encourage both public and private product testing.

It would, in sum, be the consumer's first independent nonregulatory agency at the top levels of government.

In the words of Sen. Charles H. Percy, R-Ill., it would "temper the arrogance, cynicism and callousness of those who would deceive, cheat, injure or even kill buyers and users of goods and services."

It would, in the words of Rep. Ben Rosenthal, D-N.Y., "give consumers equal clout with business when federal decisions are made affecting the health and economic well-being of the public." It would, in the words of Sen. Frank Moss, D-Utah, halt the "inclination by the regulators to simply do what industry asks."

Would it develop into a huge and costly new federal bureaucracy? Not with a budget of $15 million and a small staff of lawyers (although, of course, it could grow).

Would it hurt business and hamper the work of the federal regulatory agencies by permitting the consumer's agency to participate in and challenge decisions made by the regulators?

Presumably, only fraudulent businesses would be threatened; the CPA would not have the power to issue regulations.

Since the law does not require that agencies notify the public that certain investigations or informal procedings are taking place, many issues are decided before consumers even know they are being considered. Where the agency decides not to act, consumers may never know an investigation even took place.

Consumers have no organized lobby before Congress.

If anything, you are appallingly undersupplied with time, money and organization to represent your interests before the federal agencies which make critically important decisions for you.

[From the Fort Wayne (Ind.) Journal Gazette, May 27, 1974]

A Consumer Representative

The consumer at last may have a voice in the government policy-making process if a bill that would create a Consumer Protection Agency clears its final hurdles. The bill, which already has passed the House, recently was reported favorably by the Senate Government Operations Committee, and should reach the Senate floor by the end of the month.

Special-interest pressure against the bill has been understandably intense. A National Association of Manufacturers lobbyist calls it the "worst bill I've seen in 33 years in Washington," and other business community spokesmen warn ominously of institutionalizing "Naderism" within the federal bureaucracy. Ironically, these comments comprise the bill's strongest endorsement. Ralph Nader, a long-time consumer-protection advocate, presumably has the public interest more at heart than business and lobbyists.

The new Consumer Protection Agency would have a relatively simple task in shielding consumer interests against the onslaught of big-business pressures. It essentially would act as a consumer advocate before other federal agencies. Presently there is no spokesman for the consumer in proceedings that often directly affect him. Hearings normally feature the federal agency on one side and the representatives of special interests on the other. Because the pending legislation would give the consumer a role in determining the outcome of events tied to his interests, the bill's opponents argue the agency would have direct regulatory powers over industry—an argument that isn't substantiated by the facts.

The already-passed House bill, for example, very clearly empowers the consumer agency only to appear at formal and informal proceedings of other agencies, to appeal decisions of other agencies to the federal courts under restricted circumstances, to request other agencies to subpoena information of interest to consumers from business, to obtain such information directly from businesses and publicize hazards, and to serve as a clearinghouse of consumer complaints and request enforcement actions by other agencies.

The regulated industries, however, traditionally have enjoyed close relationships with the regulatory agencies, such as the Food and Drug Administration, the Interstate Commerce Commission, and the Federal Aviation Administration. Any proposal that endangers this friendly arrangement by permitting another agency to intervene on the consumer's behalf is considered a threat. Appeals to the courts and forced disclosure of information also are unsettling to many corporations.

The lobbyists' contention that all business or all industry is opposed to the new agency is undercut by some major defections. Montgomery Ward and its parent firm, Marcos, totally support the consumer proposal, and several other companies, including Motorola and Zenith, also endorse it. "If you're ever going to support any piece of consumer legislation," a Wards vice persident advised a recent business conference, "support this one."

The same advice could apply to the senators who soon will be taking up the bill. A filibuster already is threatened, and big business is gearing its lobbyist forces for one of the biggest propaganda barrages Congress has seen. Who really speaks for the consumer-voter should be evident after that legislative battle.

[From the Providence (R.I.) Bulletin Apr. 15, 1974]

Hope for CPA

For more than 10 years consumer advocates have sought to establish an independent Consumer Protection Agency (CPA) funded by Congress. Last Wednesday, the House of Representatives voted 293 to 94 to move ahead with caution and meanwhile the Senate is considering similar legislation.

This may be the year in which Congress ends its vacillation on this issue but it is still too early to forecast. In 1970, the Senate passed a similar measure overwhelmingly only to see the House counterpart killed in the rules committee. In 1971, positions reversed. The House gave strong support to CPA but in 1972 three attempts to end a Senate filibuster failed.

Opponents argue on two main fronts: one, that at least 33 federal agencies are now engaged in activities related to consumer interests and this constitutes adequate protection in the marketplace; and two, that further allocation of governmental power to consumers could lead to unwarranted harassment of business and industry and to a resulting backlash with unfavorable consequences for the consumer himself.

Why, then, is there a need for CPA? Is it another political boondoggle to win votes back home, another concession to the empire-building of bureaucracy? Neither possibility can be dismissed out of hand. The political implications of consumerism are awesome for the senator or representative forced to take a stand. And there is a little question that CPA would require a staff of several hundred initially and that the agency's workload could be expected to grow.

But CPA can be justified on other grounds. Despite the wide diversity of consumer activity in government, including the Federal Trade Commission, Food and Drug Administration, Securities and Exchange Commission, Office of Consumer Affairs, the President's Committee on Consumer Interests, and numerous other departmental offices and divisions, not one has the scope of political independence to function as a national consumer spokesman and to coordinate the aims and activities of other government agencies.

The House-passed bill would grant no regulatory powers to CPA. To obtain information from other agencies it would have to prove relevance to consumer affairs. Its right to seek judicial review would be limited, and initially funding would be for three years, enabling Congress to re-evaluate the agency at the end of that time.

CPA would be authorized to receive and evaluate complaints, gather and disseminate consumer product information and promote research.

Several years ago, Atty. Gen. Louis J. Lefkowitz of New York State, voiced the view held by many Americans and since supported by glaring examples of corruption in government. "Existing fragmented and piecemeal enforcement and regulation by scores of federal bureaus and agencies," he said, "plays into the hands of special interest groups with vested interests who are more concerned with the status quo than with new programs designed with the consumer in mind. It is absolutely imperative that the federal government take appropriate action now to regulate and police the economy of our affluent society for the benefit and protection of the consumer."

CPA, in our view, should be regarded as an experiment, not a panacea, aimed at balancing commercial and consumer interests with greater precision and fairness. The milk price scandal, the wheat deal with Russia, the current indictments charging high government officials with exercising improper influence over regulatory agencies—these are some of the reasons why many believe that CPA is needed to advocate and press for the rights of consumers. It ought to be given a chance.

[From the Frankfort, Ky., Journal, April 19, 1974]

CONSUMER PROTECTION

Better a compromise Consumer Protection Agency (CPA) than none at all—and CPA legislation, which finally seems ready to flower, comes just at a time when American consumer confidence needs a boost.

The consumer confidence index has dropped 40 points since last fall, according to a business fact-finding organization, the Conference Board. The Albert Sindlinger telephone poll reports the severest decline in confidence in 25 years. Meanwhile, Mrs. Eunice Howe has resigned her nearly four-year chairmanship of the President's consumer advisory council in dissatisfaction with White House consumer efforts.

"I believe the time has come to set in motion transition from advice to action on national consumer policy . . . ," she says. "It is my fervent hope that in resigning I might add some small, small stimulus to an overwhelming vote by both houses for the passage of a consumer protection agency bill."

Such bills have been offered for several years, always thwarted with the help of opposition by industry. But the more enlightened businessmen are beginning to recognize a mutuality of interest with consumers. And the compromise CPA legislation now emerging omits some of the sterner measures favored by consumerists, such as the right to intervene in lower governmental decisions. "I firmly believe that legitimate business has nothing to fear from this legislation," says Rep. Frank Horton, leading Republican on the House Government Operations Committee which recently gave overwhelming approval to a CPA bill, later passed by the House.

Restrictive amendments were included, but the House defeated a weaker bill favored by Mr. Nixon. If the expected Senate approval comes through, the final legislation could go to the President by summer.

A vigorous consumer protection agency could help to restore consumer confidence by assuring the public of representation when federal industry regulatory agencies make decisions on such matters as safety and standards.

[From the Los Angeles, (Calif.) Times, Apr. 14, 1974]

THE CONSUMER DESERVES TO BE HEARD

The Senate should do this year what it did in 1970, and pass legislation to establish a consumer-protection agency. The House has already acted, approving a strong and carefully drawn bill providing that the interests of consumers will be represented in proceedings of other federal regulatory agencies.

The need for such representation is clear. Everything done by regulatory agencies directly or indirectly affects consumers. The consumer viewpoint deserves to be heard.

Under the House bill, the consumer agency would simply have the rights currently available to other parties in federal administrative procedures. The agency would serve as advocate, not regulator. Private consumer groups are free to appear now in many proceedings, but the new agency would have the expertise, resources and access to information that these groups frequently lack.

For example, the consumer agency could request that products whose safety or efficacy had been seriously questioned be tested by appropriate government agencies, and the results made public. It could testify and seek information when hearings are held on such things as sanitation standards in food-processing plants, or on petitions to increase airline fares. It could ask another government agency to initiate a proceeding, and if that request were denied, the reasons would have to be made public.

Among other things, the agency would serve as a central registry for consumer complaints and industry responses, and its files would be open to the public. The agency would have access to all information within other federal agencies but, quite properly, special restrictions would be placed on access to trade secrets or information received on a confidential basis.

Both the powers given to and the limitations imposed on the consumer agency in the House bill make sense. It is hard to think of any good reason why there should not be competent and vigorous advocacy on behalf of consumers—and that is all of us—in the proceedings of regulatory agencies, which annually make hundreds of decisions touching on how much the public will pay for things or how well public health and well-being will be safeguarded.

The consumer interest is seldom completely ignored in these proceedings, but neither is it always forcefully represented. A consumer protection agency would serve that necessary function.

[From the Roanoke (Va.) World-News, Apr. 30, 1974]

PROTECTING THE CONSUMER

According to the Conference Board, a business fact-finding organization, the consumer confidence index has dropped 40 points since fall. There are many reasons for this, of course. But one of them is the consumer's ongoing suspicion that government regulatory agencies are stacked to his detriment and to the advantage of business and industry.

Legislation now before the Congress should go far toward allaying that fear. It would create a Consumer Protection Agency that would serve as the consumer's voice before those government agencies that deal with consumer matters.

The new agency would have no regulatory powers of its own. It would perform the services of an advocate—seeking court action on the actions of other agencies that appear to be anti-consumer, soliciting action by other agencies on behalf of the cosumer, and so forth.

The House bill creating the Consumer Protection Agency has survived numerous assaults in committee and on the floor itself. Though not as strong as it began, the legislation is viable. Its survival is, we think, a testimony to the strength of the desire of the American consumer for a certain voice in Washington. The Senate should keep this in mind as it considers similar legislation this month.

Certain elements of the business community have a history of opposition to such legislation. More enlightened businessmen, however, realize they have nothing to fear from a Consumer Protection Agency so long as they are not trying to cheat or otherwise abuse the consumer.

Their colleagues ought to come around. To oppose creation of an agency that would do nothing more than give the consumer a reasonable voice, is to give the appearance that you have something to fear from such an agency.

[From the St. Louis (Mo.) Post-Dispatch, Apr. 13, 1974]

A BILL FOR CONSUMERS

Once again, a bill to establish a federal Consumer Protection Agency has advanced in Congress, and once again the same tired arguments, which in the past have proved successful, are being raised in opposition to it. Since legislation to create such an agency first passed the Senate in 1970 (only to be killed that year by the House Rules Committee), the fundamental question has been whether the office should have sufficient authority to adequately represent the interest of consumers or whether it should exist in little more than name only.

Under a bill approved by the House, the agency would have an array of considerable powers. While it would lack regulatory authority of its own, the CPA would take part in formal rate-making proceedings of such agencies as the Interstate Commerce Commission and it would participate informally on policy-setting deliberations of the Federal Food and Drug Administration and other such offices. Most importantly, it would be authorized to intervene on behalf of consumers in court cases, although to do so it would need the judge's approval.

As usual, the agency is being opposed by business groups led by the U.S. Chamber of Commerce. Principally the objections center on the court powers that would be given the CPA, a grant of authority that its critics say would be abused by endless appeals of regulatory rulings. Yet the House bill is carefully drawn to prevent irresponsible litigation. As things now stand, consumers, unlike big business, have no special advocate among the federal agencies. It is far past time to remedy this unequal situation and the way to do this is through passage of the CPA bill.

[From the Des Moines (Iowa) Tribune, June 1, 1974]

Consumer Agency Bill

The bill setting up a Consumer Protection Agency has cleared the Senate Government Operations Committee after passing the House on a 293–to–94 vote early in April.

The House-passed bill would give the consumer agency authority to obtain consumer information from businesses, to publicize hazards and questionable practices, to request enforcement action from other government agencies and to appeal decisions of other agencies to federal courts.

Trade associations, notably the National Association of Manufacturers and the National Association of Food Chains, are leading lobbying efforts against the bill. Their main objections center on the agency's license to intervene in consumer matters before such other agencies as the Food and Drug Administration, Interstate Commerce Commission and Federal Aviation Administration, with which regulated industries usually have cultivated good relations.

But the trade associations appear to be having difficulty maintaining a united front. Several companies—Montgomery Ward, Motorola and Zenith among them—have declared support for the bill.

While not as strong as they originally had hoped for, the bill is satisfactory to most consumer groups. It is a reasonable compromise that would give consumers a much-needed sounding board in the federal government. It merits a fair trial.

[From the Atlanta (Ga.) Journal, May 28, 1974]

Necessary Voice

There has been a long history of efforts to establish a consumer office in Washington, effectively opposed for a variety of reasons.

But it is an idea whose time may be about to arrive after years of adjustments and debates.

The Consumer Protection Agency Act has been passed out of the House, come out of two committees in the U.S. Senate and is expected to be on the Senate floor for consideration around June 10.

There is some speculation that the bill will face a filibuster in the Senate once it is brought up. The time and effort put into struggling for evolution of a consumer agency since Sen. Estes Kefauver introduced a bill in 1961, deserve a better fate than that.

The legislation before the Senate would establish a Consumer Protection Agency as an independent, nonregulatory body, representing the interests of consumers before other federal agencies and courts.

The bill has drawn strong support from consumer groups who feel it necessary because consumer interests have lacked the continuing effective representation that other interests have produced in arguing their cases.

An independent advocate agency of the kind proposed would be a far better approach than the creation of Cabinet-level Department of Consumer Affairs proposed at one time in 1969 by Sen. Gaylord Nelson. Nelson's department would have been cast in both an advocate and regulatory role.

The combination of the two would have led to numerous attacks on the department's credibility and heavy-handed bureaucracy.

The Senate Committee on Commerce in its report on the pending Consumer Protection Agency Act emphasized that the pending legislation specifically avoids combining the two roles. "It has no authority to alter any other agency's regulatory authority. It has no authority to initiate a judicial proceeding for the enforcement of any other agency's authority. The CPA is primarily an advocate."

That is as it should be. Regulatory agencies themselves can supply only a modicum of consumer advocacy. In some cases, in fact, they have appeared genuinely unaware that important consumer interests are affected by their decisions.

There is a strong desire for better representativeness and checks and balances in Washington. The creation of a consumer advocate agency will at least assure citizens that important consumer issues will be given full attention and consideration when regulatory agencies weigh the balance of interests in their decision making.

[From the Denver (Colo.) Rocky Mountain News, Apr. 16, 1974]

Help Is on the Way

For a long time now, many concerned citizens have felt that much is left to be desired in the cozy and often secret relationships between federal regulatory agencies and the industries they are charged with regulating.

Often, too, their suspicions have been well-founded.

Now, after years of delay, Congress seems about to establish a Consumer Protection Agency. Legislative work is expected to be completed before summer, and President Nixon has already given his commitment in favor of such an agency.

Although some of the original proposals for the agency's powers have been watered down in order to muster enough support from Congress, it still would have wide-reaching prerogatives to act as a sort of consumer ombudsman, a gadfly roaming through the government with enough sting to intervene in any federal agency activity that might affect the nation's consumers.

Many industry lobbyists feel that the agency would be just one more nuisance, an impediment to doing business. Others, however, agree that it could weed out dishonest business practices and thereby help restore consumer confidence in the goods that industry produces.

Certainly some such free-wheeling outfit, with no commitments except to the interests of consumers, is long overdue. After all this time, we hope it lives up to its advance billing.

[From the New York Times, July 16, 1974]

Consumers' Voice

For the third time in four years the Congress is attempting to create an institutional voice for consumer interests in Washington, to balance the well-organized activities of business lobbies and trade associations. Only the prospect of a filibuster, perhaps starting today, seems to stand between this much-needed legislation and Senate passage, following last April's overwhelming approval by the House of Representatives.

The bill would create a Consumer Protection Agency, a relatively small bureau whose function would be to present the consumer viewpoint in hearings and other proceedings before Federal regulatory agencies. It would have no regulatory power of its own.

In any administrative procedure, the presentation of advisory voices is the best guarantee against domination by one or another vested interest. "Consumers" are no monolithic or exclusive bloc of society, any more than is "business." Yet for too long an imbalance has existed in Washington that allowed the business-financed trade organizations to present their viewpoints on any issue pending in regulatory proceedings, without an equally coherent and informed presentation of how decisions might affect consumers. The Consumer Protection Agency is aimed at correcting this imbalance, not at imposing a veto power or superagency control.

In 1972 similar legislation passed the House, but was filibustered to death in the Senate. The leader of that filibuster, Senator James B. Allen of Alabama, has signaled his intention of trying to repeat his previously successful obstructionism. But this issue cannot be allowed to fail once again on a procedural ploy; the Senate owes the electorate a straightforward vote on its merits.

FOOD FOR THE NEEDY

Mr. HUMPHREY. Mr. President, I would like to call attention to an article, "Food for the Unfed," by Coleman McCarthy, which appeared in the Washington Post on July 17.

Mr. McCarthy tells us correctly that the plight of the poor is not a new problem. Unfortunately, it no longer creates a sense of alarm in us when we are told that we should attune our attention and understanding toward feeding the underfed. Americans are constantly being subjected to one "crisis" or another. But as he so aptly states, the "sleeping overfed" must be awakened to the gravity of this moral dilemma which is becoming more acute every day.

I have submitted a resolution in the Senate to sound the alarm on the situation that former Senator Tydings personally witnessed in Calcutta. It is easy to contrast the starving of India with our own food problem of how to avoid eating too much. But it is another matter for our Government to help initiate the decisive action required to address the urgent problems of hunger and starvation in the world.

Unfortunately, this administration cannot seem to make up its mind on its response to the food crisis. The media, the public, and citizens such as Mr. Tydings have been calling for positive action. Mother Teresa eloquently outlined the need before the recent Senate Foreign Relations Committee hearings on the world food resolution, Senate Resolution No. 329.

We now have the opportunity to provide the necessary leadership and make a moral commitment to aid the helpless poor. I only hope that this chance will not be passed up in favor of easy rhetoric.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Food for the Unfed

(By Colman McCarthy)

The sight of starving children struggling with ravens and emaciated dogs for scraps of food on rotten piles of garbage or the late evening garbage trucks picking up corpses from the sidewalks in the daily clean-up, leaves you with a sickness of soul and mind and spirit for weeks and weeks thereafter.

The sickened citizen was Joseph Tydings. He is a former Maryland politician, now with the Population Crisis Committee, who recently visited the Halora, the infamous slum in Calcutta. He returned to Washington and went before the Senate Select Committee on Nutrition and Human Needs, one of the few government groups willing even to recognize that the world's food supply is ominously low and uncounted human beings are starving. "On the street of Calcutta," Tydings said, "we were exposed to scenes which defy description and belief in which human life has sunk on some spots of this planet." Tydings did not come to testify on Calcutta, because that is an old story, however, haunting in each retelling. Instead, his voice was one more speaking out in what is currently called the world food crisis.

Even before trying to understand the proportions of the global food shortage, the word "crisis" creates problems. It is now used so commonly—as in the energy crisis, the financial crisis, the Watergate crisis—that Americans see it as merely another manufactured tactic, a fake scare word. So the alarm of the hunger crisis already has a tinny ring to it. Here we go again, we say, just having gone and returned from yesterday's crisis, well and safe as usual.

On a deeper level than this verbal one, Americans are protected in another way from the reality of famine and hunger. We are a nation of overfed people, and *our* food problem is how to avoid eating too much. Quackish schemes have no trouble attracting dupes who want to lose weight by other means than proper diet and self-denial. It is now common for newspapers and magazines to carry the ultimate indictment of glutted Americans: ads for weight salons or reducing schemes next to news accounts of starvation in Africa, Latin America or elsewhere. The pictures of big-bellied children nursing on emptied breasts tell of the other "weight problem."

So feeding the unfed will not be done until the sleeping overfed are awakened. Those who have been among the starving and dying know that just to get across the message of this disaster is an accomplishment, not to mention solving it. Norman Borlaug, the agronomist of the green revolution, came to the hearings to offer a thought on how to jar the plicymakers. "We might have better agriculture and food production policies if all those government officials who were involved would . . . quit eating for 14 days before they were going to make their decision on policies on pricing for food and priorities for investments in agriculture, and then also during the last three days go without water. Maybe they would not only learn something to their distress about the value of food from a biologic standpoint, but also something to their distress about the behavior of human beings under shortage of food and famine."

Borlaug's statement tells much about the indifference of the fed toward the unfed but, even more, it implies that the situation is nearly hopeless: the pain of an empty stomach, not moral values that insist each human life is sacred, has the power of prompting officials of rich nations to share the wealth.

But what if on the personal level—far from the policymakers and the safe collective conscience—an individual wants to act against world hunger? It is, after all, people who either have or don't have food. What can the fed citizen do? On the immediate practical level, he can begin eating less meat, or, eat none at all. Specialists like Margaret Mead and Frances Moore Lappe have been saying that feeding American cattle places such a demand on the world's grain supplies that the price of grain is pushed far beyond the reach of the poor and hungry. Or as Commonweal magazine asks in its current issue: "With the world desperately short of grain, how long can we Americans justify a per capita consumption of 2,000 pounds of grain a year, most of it inefficiently used to fatten meat-producing animals, when one-fifth of that amount would constitute an adequate diet in most parts of the world?" For many Americans, life without steaks and hamburgers suggests a stark asceticism, a perpetual Lent. But this may be because the victims of famine are out of sight; they are dying across an ocean, not across the street. It is also because we see the meat by itself in the supermarket and do not see the immense amounts of grain needed to produce it, grain that could be directly feeding people.

The call to give us meat—most of it is tasteless and tough anyway, not to mention the health risk—involves no nutritional sacrifice, because protein sources are easily available elsewhere. More crucial, it is a symbolic gesture, one that the policymakers cannot fail to notice. By itself, living on a diet of vegetables, fruit and grains is not enough, but it is a positive beginning. A recent survey of the Overseas Development Council revealed a 68 per cent favorable answer on whether the world's rich countries should help the poor ones. Yet, even with this expression of the people, the Nixon administration cannot bring itself to decide whether to expand American food aid to deal with worldwide hunger. "We are seeking to find ways to do it," Edwin M. Martin of the State Department recently told a Senate Foreign Relations subcommittee. "But I can't give you assurance that we will do so."

The same time that wealthy America was denying its responsibility to share its food, Mother Teresa, the Catholic sister who cares for Calcutta's dying, came to Washington to say: "The poor are the hope of mankind, the salvation of mankind. We will be judged on what we have done for the poor."

History has never seen a country collectively decide to sacrifice its standard of living for the goal of relieving the suffering of another country. If anything, as in war, it is always the opposite—citizens will sacrifice for the purpose of increasing the misery of the other tribe. So, in this sense, there is a war on, with people dying of hunger as painfully as though bombs or napalm fell on them. And this war appears to have few protestors in America, only a congressional committee or two, and a few people who see a moral link between their own plentiful food supply and the non-supply of the hungry.

THE BRITISH MIRACLE

Mr. PELL. Mr. President, 10 years ago when we were devising legislation to create for the first time in our Nation a National Endowment for the Arts, I gave special attention to the examples set in this very important area by foreign governments. Especially, did we consider the Arts Council of Great Britain. Its work stemmed from efforts made during the darkest days of World War II, and from a nation's recognition that the arts have an abiding significance to civilization which temporary severe hardships and tragedy cannot alter. Indeed, there was a clear recognition of the inspirational value of the arts in a time of desperate trouble.

Today our own Federal program to support the arts has increased in scope and importance. A year ago in this Chamber I had the opportunity of managing through to successful conclusion, legislation to reauthorize this program at increased levels of funding, unprecedented in our own history. I regret that these levels were not sustained by the Congress, but I am convinced that the initiatives taken by the Senate—by a better than 2-to-1 margin, after 2 days of discussion and debate—were of immense importance to the future of this program, and to raising our national sights to its true value.

The Senate-passed bill of a year ago would have authorized $140 million for support of the arts for the fiscal year just beginning—a figure reduced by the Senate-House conference to $100 million, and by this administration to a request for $82 million. Despite such reductions, a healthy increase in funding for both the Arts Endowment and its sister partner, the National Endowment for the Humanities, are prospects to which we look forward. I have urged full funding at the congressionally authorized level—$100 million for each endowment.

And I urge such levels with particular reference to the growth of Government support for the arts in Great Britain.

As a recent article in the New York Times points out, Great Britain is spending currently over $100 million a year for the arts. The British are providing that support with a population one-fourth the size of ours, and with a gross national product one-twelfth the size of our own. Were we to compare favorably with them we would be spending up to $1.2 billion annually through the National Endowment of the Arts.

The article in the Times is entitled "The British Miracle." The article emphasizes the remarkable vitality of the arts in Britain—a vitality which has produced world-wide acclaim, not to mention competition which often places our own creative artists at a disadvantage.

Mr. President, this is an article to which we should all give thought.

It was brought to my attention in particular by the thoughtfulness of one of my constituents, Mr. James O. Barnhill of Providence in my home State of Rhode Island. I ask unanimous consent that the full text be printed in the Record at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

The British Miracle

(By Anthony Lewis)

London, June 26.—Over the post-war years we have had the German Miracle, the Italian, the Japanese—the spurts of economic growth that made those countries newly rich. The British read about all that and longed for an economic miracle of their own, something to end the long slow slide down the international prosperity tables.

No economic magic has turned up here so far, unless it is the vision of North Sea oil in the future. But there has been a miracle of another kind, one that is not often mentioned but that is reason enough for the British to feel a sense of achievement. That is their record in the arts.

Visitors to this country are always struck by the extraordinary richness and variety of theater, music and dance. They may assume that it has always been thus in Britain, but it has not. The rich cultural life has been made possible by a transformation, in the last 25 years, of public and official attitudes toward the arts.

Before World War II, official interest in the performing arts was largely confined to censoring them. Shaw was just one of many who complained of an atmosphere hostile to creativity in ideas or forms. For 100 years and more efforts to build a national theater had got nowhere.

Today the British Government spends about $42 million a year on subsidies for theater, music and dance. Another $58 million goes to museums and galleries, and $4 million for the Film Institute. Other significant sums are spent by local governments, for building new theaters or subsidizing repertory companies.

The figure of over $100 million in national Government support for the arts is astonishing, considering Britain's size and economic situation. In the United States, Federal spending on aid to the arts is $61 million in the current fiscal year—a lower figure in a country with four times the population and about twelve times the gross national product.

Account must also be taken of the British Broadcasting Corporation, in a way the most significant cultural phenomenon in this country. While the public television stations of America struggle against official parsimony, the B.B.C. has revenues of $33 million a year from license fees imposed by Parliament. The B.B.C. carries on a good music network, its own orchestras, drama and a general creative program that makes its television output the most interesting in the world.

Of course artistic excellence need not depend on public money. One example of an institution that survives on private support is the incomparable Aldeburgh Festival, with its roots in the villages and churches and mysterious countryside of East Suffolk. To hear the music of Benjamin Britten or Henry Purcell in Aldeburgh is to feel the connection of land and art.

But there can be no doubt that the performing arts generally require public subsidy today to survive on a level above the frivolous. It is no accident that the plays of Harold Pinter, Tom Stoppard, David Storey and Edward Bond have usually been produced by the subsidized theater companies: the National, Royal Shakespeare and Royal Court. A new National Theater, an exciting building designed by Denys Lasdun and being built by the national and London governments, is nearing completion on the south bank of the Thames.

In the end it is not buildings or statistics that matter but particular artistic experiences. And so it is appropriate to anchor this attempt at describing something that Britain does well, very well, in the writer's experience of one performance.

It was Verdi's "Falstaff," played at the royal opera house, Covent Garden, the other evening with Tito Gobbi in the title role. "Falstaff" used to be considered an oddity; now performances are beseiged. More and more people have come to see this work of Verdi's eightieth year as an ultimate use of music and drama to express human weakness and glory, failure and aspiration.

The crucial thing about the character of Falstaff is that he is not a buffoon. Vain, yes, and gullible, and deceiving, but with a reservoir of wisdom and dignity and force; the force of life, for Falstaff is the symbol of life, of humanity with all its imperfections. That, at least, was what Verdi and his librettist, Boito, saw in the character. They perhaps saw more than Shakespeare.

The other night Tito Gobbi was all those things. He was the butt of the Windsor wives and their outraged men, but he remained larger than any of them; he remained in control. When he sang of how he had been slim enough to slip through a ring when he was page to the Duke of Norfolk, he sang of all our regretted yesterdays, but with spirit undimmed by physical change.

A great performance is always a small miracle. That the arts thrive as they do in this country is a larger one.

MISSING SERVICEMEN IN SOUTHEAST ASIA

Mr. BARTLETT. Mr. President, I believe my colleagues in the Senate will find interesting a report on our missing servicemen in Southeast Asia. I ask unanimous consent that there be printed in the RECORD a letter, dated July 9, 1974, from GILLESPIE V. MONTGOMERY, a Member of Congress from the 3d District of Mississippi.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 9, 1974.

DEAR COLLEAGUE: At the encouragement of the Defense Department and because of my own personal interest, I again went to the Far East during the Fourth of July Recess, this time only to seek information on the missing in action and the bodies of Americans not recovered from Southeast Asia.

I hope that you will be able to take just a few minutes to read this report, as I think that it will help update you on this sad and frustrating situation in which we find ourselves.

SOUTHEAST ASIA

There are 1140 Americans classified as missing in action and 1226 who were killed in action but whose bodies have not been recovered from communist zones.

The key to the whole situation is for the communists to let United States or neutral country identification teams go into the communist zones and recover our dead at the crash and grave sites and find out what happened to those who cannot be found in or near aircraft crash sites.

Not only did I meet with our Americans working on the MIA problem in Southeast Asia, but I also met with leaders of friendly governments in Laos and South Vietnam and with the Viet Cong in Saigon, the communist leaders in Laos (Pathet Lao), the First Counselor of the North Vietnamese Embassy in Laos, and the military attaches of India and Australia.

I asked only two questions of both the communist and the friendly representatives: First, Do you know of any Americans, military or civilian, classified as MIA who are still alive? Second, When are you going to let American or neutral identification teams go to crash sites and recover remains or determine if the pilot and/or crew got out of the plane? This is what I found out:

SOUTH VIETNAM

Ambassador Martin; the US representatives and Republic of Vietnam reprsentatives to the Four Party Joint Military Team (FPJMT); Col. Son, the Provisional Revolutionary Government (Viet Cong) representative to the FPJMT; B/G Ulatoski, Commander of the US Joint Casualty Resolution Center, all stated that they know of no Americans—military or civilian—classified as missing in action who are still being held captive in South Vietnam.

I asked the communists (Viet Cong) in Saigon, "When will you permit identification teams to inspect crash sites and bring home our dead for proper burial?" I was told that recovery of bodies was a little detail and they would not permit Americans to go to the sites. (Under the Paris Accords, we should be permitted to do this.)

Captain Rees, a member of an unarmed US identification team of our Joint Casualty Resolution Center, was murdered in cold blood by the Viet Cong on December 15, 1973, at a crash site in South Vietnam. Under the Paris Accords, we are required to notify the Viet Cong of intended site investigations, which no doubt helped them set up the ambush of Captain Rees's team; of course, since then no American teams have been sent out.

Any mention of Southeast Asia in the Congressional Record is read by the communists. They were quite disturbed by the Huber-Zablocki resolution (H. Con. Res. 271), which passed 374 to 0. The North Vietnamese and Viet Cong sometimes receive information from the Record before our own times receive information from the Record before our own members of the Four Party Joint Military Team in Saigon.

LAOS

I had long talks with the Deputy Prime Minister of the Coalition Government and the Minister of Economics, both communists (Pathet Lao). They were emphatic that the only American alive and held captive in their zone is Mr. Emmet Kay, an American civilian pilot captured after the ceasefire. I was told that he would be released as soon as the prisoner exchange between the Pathet Lao, the Royal Laotian Government, and the North Vietnamese could be worked out.

I met with General Michigan, India Army, who is head of the ICCS, and the Military Attache of the Australian Embassy. They both had only recently visited Sam Neva, Headquarters for the Pathet Lao in Northern Laos, and stated that they knew of no other Americans alive in Laos other than Emmet Kay.

General Vang Pao of the Royal Laotian Army told me he knew of no Americans still alive. He did mention that when he is permitted to go into communist areas, his group would be able to recover two American bodies.

The Deputy Prime Minister said the Pathet Lao would not permit American or other identification teams to go into their zone until the people were better acquainted with the new government and there was peace throughout Laos.

We pointed out in both Laos and Vietnam that time will destroy the crash sites and make finding the site and recovery of bodies impossible.

Since our government recognizes the new Laotian government, it is my understanding from US A.I.D. officials that Pathet Lao, as members of the coalition government, would be eligible for US aid. Ambassador Whitehouse assured me, however, that not one nickel of US aid would go into the communist zone of Laos until we had been given an accounting of our missing and have recovered the bodies of our men killed in Laos.

NORTH VIETNAM

I requested to go into North Vietnam, but my visa was turned down by them. However, I did meet with the Counselor of the North Vietnamese Embassy in Vientiane, Laos. He stated that there were no Americans still held captive in North Vietnam and that no search and identification teams would be permitted in North Vietnam until there was peace throughout Southeast Asia and the US had withdrawn its 24 thousand soldiers dressed as civilians in South Vietnam.

When the JCRC team went to Hanoi and picked up the bodies of 23 Americans who died in captivity in North Vietnam, there was a 24th body but the North Vietnamese would not release the remains of that American because they said he did not die in captivity.

CAMBODIA

The press corps in Saigon gave me pictures and descriptions of the 19 American and third country correspondents who are missing in Cambodia. I gave copies of these brochures to the three communist groups while in Saigon and asked that they give us information on these men. I did not go into Cambodia.

SUMMARY

(1) We tried so hard to develop evidence that Americans are still alive in Southeast Asia, other than Emmet Kay, but could not. The only way to be sure is for identification teams to go into the communist zones and search.

(2) I believe that the North Vietnamese have made good records of the American crash sites in North Vietnam, that the Viet Cong have some records, not as complete, and that the Pathet Lao have no records.

(3) The communists are not going to let us search the crash and grave sites until we bring some type of pressure on them. Time works against us since evidence at the site is very perishable in the tropical environment.

(4) The coalition government in Laos has a fighting chance of working. However, North Vietnam is going to continue fighting in South Vietnam and will not withdraw from Laos, in my opinion.

(5) The South Vietnamese are fighting well and are also giving us good assistance in resolving cases of the missing U.S. personnel that they can get to.

(6) In order ever to have peace in South Vietnam and in all of Southeast Asia, the major powers—Russia, China, and the U.S.—are going to have to reach an agreement on the continued supplying of these Southeast Asian nations with military aid.

(7) As elected officials and individuals, we must intensify and continue the public pressure for a full and factual accounting of MIA's and return of known dead. This appears to be the only tactic that has an effect on the other side.

Sincerely,

GILLESPIE V. MONTGOMERY,
Member of Congress.

P.S. I have requested a Special Order for Tuesday, July 16, and would urge you to join with me in discussing this important matter and showing that Members of Congress are vitally concerned about the plight of our missing servicemen.

CONSUMER PROTECTION AGENCY ACT

Mr. BAYH. Mr. President, I am pleased to add my support, as a cosponsor, to S. 707 to establish a Consumer Protection Agency. This landmark legislation reflects an awareness of consumer concerns within Government and business and is aimed at assuring that American consumers are listened to in matters affecting their health, safety, and their pocketbooks.

The most important function of the CPA will be to represent consumer interests before Federal agencies and courts. It will participate as an advocate in Federal agency proceedings to speak for the financial, safety, and health interests of consumers. The CPA will also be authorized, where necessary to protect consumer interests, to seek judicial review of an agency proceeding which by law is subject to review.

The CPA will in no respect have the power to regulate the activities of businesses. It will have no authority to issue regulations and orders governing the way individuals and businesses live or work. It will have no authority to force other Federal agencies to take any particular regulatory actions.

On the contrary, the CPA will act solely as an advocate and spokesperson for consumer interests.

Whenever we experience skyhigh mortgage rates or highly inflated price rises or fare hikes, when we have a meat shortage or a gas crisis, when we have a political milk deal or international wheat deal—the consumer is usually the first to feel the squeeze and often the last to be heard.

In part the consumer experiences these misfortunes because the agencies and departments of the Federal Government have often failed to have adequately put before them the needs and concerns of the consumer in the course of the decisionmaking process.

This legislation will guarantee that henceforth there will be someone in Washington to speak for consumers in the halls and hearing rooms of the Federal Government. This should help end some of the public's mistrust of Government.

The CPA bill is one of the most important pieces of consumer legislation ever to come before the Congress. It has been exhaustively considered since 1969. The Senate has twice before, in 1970 and 1972, considered on the floor legislation creating a Consumer Protection Agency. The Senate passed legislation by a vote of 74 to 4 in 1970 and in 1972 a final vote on the merits of the bill was prevented by filibuster. In both those years, as I do today, I support the CPA. This year, the House has already passed the CPA bill by a vote of 293 to 94.

Mr. President, since the CPA bill was considered in the Senate in 1972, my colleagues have undertaken extensive efforts to answer the criticisms expressed about the bill. This bill is expressely designed to insure that in protecting the consumer, the Agency does not unduly burden business and that the regulatory process is made more fair, expeditious, accountable, and responsive to the needs of consumers. It contains many safeguards to protect the responsible businessmen and not obstruct the orderly process of government.

Included among them are the following:

1. The CPA will have no regulatory authority. The CPA can not overrule, veto or impair any Federal agency's final determinations. CPA cannot institute enforcement proceedings against alleged violators of law, or impose fines or other penalties. No authority granted to the CPA may be construed to supersede, supplant, or replace the jurisdiction, functions or powers of any other agency to discharge its own statutory responsibilities. Sec. 3(2), Sec. 17(b).*

2. Limitations on CPA intervention. CPA may intervene as a party in formal agency proceedings, but the Administrator must exercise discretion to avoid unnecessary involvement. He must refrain from intervening as a party unless he determines that participation to that extent is necessary to adequately represent an interest of consumers. Where the submission of written views or information or the presentation of oral argument would suffice, he must limit his involvement accordingly. Sec. 7(a).

3. Protection against disruption and delay of agency proceedings and activities. When intervening or participating in agency proceedings, the Administrator must comply with the host agency's statutes and rules of procedure. Sec. 7(?) When submitting oral or written views in an informal agency activity, the Administrator must do so in an orderly manner and without causing undue delay. Sec. 7(b).

4. Protection against misuse of a host agency's compulsory process. Where CPA seeks to use an agency's subpoena authority for discovery purposes, the host agency retains discretion and control over the CPA's access to such authority. The host agency has discretion to deny CPA's request if it "reasonably determines" either than (1) it is not relevant to the matter at issue, (2) it would be unnecessarily burdensome to the person specified, or (3) it would unduly interfere with the host agency's discharge of its own statutory responsibilities. Sec. 7 ( ).

5. Limitations on CPA's Power to Issue Interrogatories to Business. The Administrator's authority to gather information from businesses through the use of interrogatories may not be exercised to obtain data which (1) is available as a matter of public record, (2) can be obtained from another Federal agency, or (3) is for use in connection with his intervention in any pending agency proceeding involving the person to whom an interrogatory is addressed. Sec. 11 (b)(2). Interrogatories may not be directed to businesses unless required to protect the health or safety of consumers or to discover consumer fraud or other unconscionable conduct detrimental to consumers. Moreover, any interrogatory must be relevant to a legitimate inquiry and not unnecessarily burdensome to the person to whom it is addressed.

6. Protection against arbitrary, capricious or vindictive intervention by the CPA. The Administrator is required to set forth explicitly and concisely in a public statement the interest of consumers which he is representing, and, to the extent practicable, any substantial interest of consumers which he is not representing, in any formal agency or court proceeding. Sec. 14(g). Any party to a proceeding or participant in any activity in which the Administrator took part may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review on the ground that the Administrator's intervention or participation resulted in prejudicial error. Sec. 14(e) (1)(8).

7. Protection against publicity of frivolous consumer complaints against a business, its products or services. Upon receipt of consumer complaints which the Administrator has determined are not frivolous, the CPA must notify the companies named and afford them a reasonable time to comment before complaints may be publicly displayed. When placed on public display, these complaints must be displayed together with any comments received. Sec. 10(c).

8. Limitations on CPA's access to information held by other federal agencies. Federal agencies may deny CPA access to classified information and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act; policy and prosecutorial recommendations intended for internal agency use only; information concerning routine executive and administrative functions, personnel and medical files, and information which agencies are expressly prohibited from disclosing to another federal agency.

9. Protection against CPA access to income tax records. There is no authorization in this act to any federal agency to divulge the

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* All Section references to bill as reported by the Government Operations Committee, May 28, 1974.

amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit the Administrator access to any Federal income tax return. This will insure that records which are now treated as confidential by the IRS with respect to access by other federal agencies will be treated in the same manner with respect to the CPA. Sec. 11(d).

10. Protection against disclosure of confidential information relating to business practices and trade secrets. Federal agencies may deny CPA access to trade secrets and other confidential business information if the agency could not have obtained the information without an agreement to keep it confidential and if the failure to obtain the information would seriously impair the carrying out of the host agency's program and CPA's access to it would be likely to cause substantial competitive injury to the person who provided it. Sec. 11(c)(6). Where CPA is given access to this information by another agency, CPA may not disclose it to the public. Where CPA obtains this data from a source other than another agency, it may disclose it only in two very limited circumstances: (1) when required to protect the public health or safety; or (2) in a manner designed to preserve confidentiality, to Congress, the courts, or another agency. Sec. 12(c).

11. Protections against disclosure to the public of false or misleading information regarding a business. CPA is directed to take all reasonable measures to insure that any information it discloses is accurate and not misleading or incomplete. If it is, CPA is required to promptly issue a retraction, take other reasonable action to correct the error, or release significant additional information which is likely to affect the accuracy or completeness of information previously released. Sec. 12(d).

12. Protection against "surprise" disclosures to the public of information likely to injure the reputation or good will of a business. The CPA is required, as a matter of course, to give prior notice to businesses likely to sustain injury due to release of information and to afford an opportunity to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. Sec. 12(d). In releasing information naming products or services CPA must make clear when all products have not been compared and CPA may not indicate expressly that one product is a "better buy" than another.

Mr. BAYH. Business can and should support the bill also. The following questions and answers address some business comments on the bill:

Q. Would CPA create more unnecessary bureaucracy unresponsive to consumers?

A. CPA is a response to the fact that the existing bureaucracy has been closed to those without power, money, and organization. CPA would "break in" to the bureaucracy, carrying the views of consumers who have been unable to penetrate the agencies making crucial decisions affecting them. Rather than increase bureaucracy, CPA would help to make it more responsibe to citizen interests.

Q. Would CPA be a super agency with powers never before given to a Government agency?

A. CPA would have absolutely no power to regulate, to impose penalties, to grant or deny licenses, or to make rules. It would serve simply as an advocate. CPA would have no greater right to obtain information from business or from other agencies than other government agencies.

Q. Would CPA radically alter the way Government relates to business?

A. To the extent that Government and business have reached closed-door decisions without giving due consideration to the consumer interest as defined in the bill would present relationship. However, CPA would not change the regulatory responsibilities of other agencies nor would it prohibit business and other interested parties from communicating with these agencies. CPA would simply open the door on these deliberations, exercising its right to participate to the same extent as other interested parties.

Q. Would CPA mean more delay and red tape for business?

A. CPA would be bound by the same procedural rules and time limits which apply to business and other parties to agency proceedings. CPA would simply enter an ongoing agency proceeding or activity, in accordance with the rules of the host agency. Also, the CPA will have limited resources ($15 to 25 million)—less, for example, than the Defense Department's public relations office; and it would therefore be able to participate in only a relatively few carefully chosen cases.

Q. Would CPA be a "dual prosecutor"?

A. CPA would have no power to decide the outcome of a case or to impose any fines or other penalties. Its rights in enforcement proceedings would be the same as those of other parties, i.e., the same rights to advocacy, discovery, cross-examination of witnesses, and presentation of evidence.

Q. Would CPA harass business with "fishing expeditions"?

A. CPA is given limited power to gather consumer-related information by sending interrogatives (i.e., questionnaires) to those engaged in business activities which substantially affect consumers' interest. Business can challenge these requests in court and they will be enforced only if CPA can show that they seek information that substantially affects consumer health or safety or which is necessary to discover consumer fraud or other unconscionable conduct detrimental to consumers. They will not be enforced if the recipient shows that they are excessively burdensome. Moreover, CPA cannot use this power if the information is already available publicly or from another agency. CPA has no independent subpoena power, but it does have the same right to ask a host agency to use its subpoena power during an agency proceeding as any other party has under the Administrative Procedure Act. CPA may also request that an agency issue a subpoena relevant to an informal agency activity, but the host agency will issue the subpoena only if it is relevant and not excessively burdensome either to the host agency or to the recipient.

Q. Could CPA expose trade secrets?

A. CPA employees would be subject to the same criminal penalties for unauthorized disclosure of trade secrets and other confidential information which apply to employees of other federal agencies. CPA would not be authorized to disclose trade secret or other information acquired from another agency if that agency stated that the information is exempt from disclosure under the Freedom of Information Act. Where CPA acquired trade secret information from another source, it could be disclosed only if necessary to protect the public health and safety.

Q. Would CPA have unique rights to seek judicial review of agency decisions which would open all agency decisions to "second guessing"?

A. No. CPA can seek judicial review of decisions in which it did not participate. However, participation in an agency proceeding is not a prerequisite for standing to seek review of the agency's decision. Any person who is "aggrieved" by a decision may seek judicial review of that decision whether or not he participated below. Where consumer viewpoint, CPA would change the statutory standing and it may initiate judicial action or intervene in an ongoing case, as any "aggrieved" party could. Prior to initiating judicial review of decisions in which he did not participate, however, CPA must petition the host agency for rehearing or reconsideration, even in cases where other interested parties would not be required to so petition. Thus, CPA's ability to seek review of these decisions to "second guessing" to which they are not already subjected.

Q. Would CPA make informal negotiations between Government and business impossible?

A. No, but CPA would participate in these non-structured activities by presenting written or oral submissions in an orderly manner and without causing undue delay. The Federal agency would have to give full consideration to these submissions. Such orderly participation does not make negotiations impossible. It merely assures that the decision-makers are cognizant of the impact proposed negotiated agreements will have on consumers before negotiations are concluded.

Q. Would CPA result in less consumer protection by increasing costs and reducing choice in the marketplace?

A. CPA would have no power to take products off the market or to set standards which products must meet. To the extent that products on the market are unsafe or ineffective, the consumer interest may warrant bringing these facts to the attention of the appropriate regulatory agency. CPA could petition the agency to act, but the regulatory agency would decide whether action was warranted, as they do today. If in fact a product is unsafe, consumer interests and common justice require that this fact be raised.

Mr. BAYH. This legislation cannot by itself guarantee the public will regain its faith in the integrity of the Government. Nor can it cure inflation or guarantee that no consumer will ever be overcharged or defrauded again. But it represents an important effort in that direction.

Yet, the great majority of American businesses have nothing to fear from the bill. The CPA will help to protect their good name and promote the consumer's faith in American business generally. It will help end the practices of a few that may give a whole industry a bad name.

I support the fundamentals of this bill and the basic concepts it contains and hope that the Senate after a reasonable time for debate will act favorably on the legislation.

Mr. President, I ask unanimous consent to insert in the Record at this point a copy of an editorial in support of the CPA which appeared in Business Week.

The PRESIDING OFFICER. There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From Business Week, April 6, 1974]

A Consumer Spokesman

Businessmen understandably are somewhat nervous about the drive to create a federal agency charged with looking out for the interests of the U.S. consumer. But the legislation taking shape this week in the House deserves the support of business as well as the various groups that now speak for the consumer.

Basically, the bill would create an "ombudsman" to represent consumer interests before Congress and most federal regulatory agencies, including the Federal Trade Commission, the Food & Drug Administration, the Interstate Commerce Commission, and the new Product Safety Commission. Consumer interests are aggrieved, CPA is given include everything from quality to availability and adequacy of choice.

There is a danger, of course, that another agency would simply multiply the red tape and increase the delays that already frustrate businessmen when they deal with the government. But it is also possible that the new agency could help speed the regulatory process by improving input and clarifying issues.

Beyond that, a consumer agency could improve the level of debate between business and the consumerists. By putting a sharp focus on the vague charges the consumer groups now feel free to make, it could show business where its real problems are. And by equalizing the balance between well-financed, well-organized business groups and the often disorganized consumer spokesmen, it could help restore public confidence in the regulatory process.

The chances of getting a fair and workable bill adopted may be better now than they will be after election. There is no telling what part consumer unrest will play in next November's voting. But as Representative Frank Horton (R–N.Y.), a co-sponsor of the bill, says, "Prudence dictates moving when the situation is stable and the factors understood."

SENATOR RANDOLPH STRESSES EQUAL OPPORTUNITY FOR THE HANDICAPPED—COMMENDS U.S. NEWS & WORLD REPORT

Mr. RANDOLPH. Mr. President, I bring to the attention of the Senate an article in the July 22, 1974, issue of U.S. News & World Report " 'New Deal' for Handicapped in Jobs, Housing, Recreation . . ." The story states an improvement of the status in the areas for some handicapped individuals.

I am gratified that with the support of my colleagues, Federal legislation has been approved in the areas of education, rehabilitation, and housing for the handicapped. The Subcommittee on the Handicapped, which I have the responsibility to chair, has been involved in the development of regulations on transportation, architectural barriers, and consumer protection issues involving hearing aids and the distribution of energy supplies.

Despite these advances, which will guarantee equal opportunities for the same handicapped individual in many areas, I agree with those who state that all the problems of the handicapped will not be solved quickly. We must continue our efforts until we have reached a goal of equal opportunity for all handicapped Americans.

I commend U.S. News & World Report for bringing to the attention of the public information about the social and economic concerns of handicapped individuals. Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"NEW DEAL" FOR HANDICAPPED IN JOBS, HOUSING, RECREATION . . .

Fresh hope for better jobs—and a better life off the job—is dawning for the nation's 11 million physically and mentally handicapped persons.

Under pressure of rising militancy among these Americans, Government and business now are moving more boldly than ever before to bring them into the mainstream of the nation's economy and social concerns.

Spending on vocational rehabilitation is being stepped up. Jobs are opening to the handicapped in business and industry. At the same time, a major effort is under way to adapt housing, transportation and recreation facilities to needs of the handicapped—now often turned away because of their condition.

PLENTY OF COMPLAINTS

Experts in this field warn that the problems of such Americans will not be solved quickly. Complaints of unfulfilled promises still run high among the handicapped.

Yet there is growing determination to bring a "new deal" for these people who, in the past, have had to live in whole or partial dependency save for a fortunate few who "made it" through exceptional ability, family resources, hard work—and luck.

Much of this drive centers on the plight of many of the 320,000 disabled veterans of the Vietnam War—aimless, jobless and embittered. But it also extends generally to the blind, the deaf, the crippled, and the mentally retarded.

It is the handicapped themselves who are making sure that the nation becomes aware of their problems.

Their new mood was signaled a year ago when several hundred persons—many in wheel chairs—kept an all-night vigil at the Lincoln Memorial, in the capital, to protest a presidential veto of a rehabilitation bill passed by Congress.

Today, unwilling to languish on the fringes of U.S. society, the handicapped are lobbying, filing legal actions, and demonstrating in the new spirit of what some call "crutch power."

In the words of a U.S. official:

"The handicapped are going the way of the blacks and the Indians in demanding civil rights; the right to determine their own destinies."

About 100 handicapped persons, in wheel chairs and on crutches, gathered recently at a midtown intersection in New York City, causing a 3½-hour traffic jam at midday until they won an exemption from the State's odd-even gasoline-sales program.

MEASURE OF REGULATION

In Berkeley, Calif., two young disabled militants rebelled at what they regarded as overregulation of their lives by hospital officials. The pair forced the University of California to begin a special program for handicapped students with federal help under the program for aid to minority education.

In Florida, an organization calling itself WARPATH—World Association to Remove Prejudice Against the Handicapped—has threatened a major airline with a lawsuit, claiming that its president was taken off a scheduled flight because an agent did not think a person in a wheelchair should fly.

Jeffrey Friedman, a young law student, sued the commissioners of Cuyahoga County because, being in a wheel chair, he could not enter public buildings in downtown Cleveland. Result: All existing county-owned buildings and all future construction must have ramps and other features for the handicapped.

A paraplegic's legal suit is forcing Washington, D.C., to install elevators for the handicapped at all stations—at a cost of 65 million dollars—in the subway system now being built.

A major prop for this militancy is the Rehabilitation Act of 1973 and Department of Labor regulations. They add up to this:

Any company with a business contract of more than $2,500 with the Federal Government—an estimated half of all business enterprises in the United States—must take "affirmative action" to employ and promote the handicapped who are qualified.

Any handicapped individual can file a complaint with the Department of Labor if he feels that a business has failed to comply sufficiently with "affirmative action."

The Federal Government itself is a major employer of handicapped people.

At the end of 1973, over 2,000 severely handicapped people were employed in the executive branch after being hired under special, noncompetitive procedures, for jobs paying from $5,017 to $20,677 a year.

Of this number, more than a third, most of them deaf, were employed by the U.S. Postal Service, mostly as distribution clerks—unbothered by the consistently high noise level in that category of work.

The Internal Revenue Service employs 93 blind people in its offices across the country to answer taxpayers' questions—on the telephone or face to face.

IN WATERGATE CASE

A number of deaf-mute teen-agers are employed as messengers by the Watergate Special Prosecution Force.

Eighteen States have programs similar to the federal one for hiring handicapped people.

Furthermore, the Federal Government is paying 80 per cent of the States' costs of vocational-rehabilitation programs. Total federal spending for vocational rehabilitation—including disabled veterans—now comes to about 1 billion dollars a year.

During the fiscal year that started July 1, well over a million beneficiaries will be involved.

One reason for rising outlays—in addition to inflation—is concern over the status of many disabled veterans. Says Robert H. Ruffner of the President's Committee on Employment of the Handicapped:

"Many of the disabled young veterans are turned off. They see no future for themselves. They've got to be reached, encouraged and motivated. . . .

"Some employers just don't want the handicapped around. Some employers say 'They are too different,' or 'They will upset the other employes.' "

To help remedy that situation, the Veterans Administration has mailed out queries to 55,000 out of the 320,000 disabled Vietnam War veterans about their employment status and whether they need help in finding a job. So far, 12,000 have asked aid in finding a job or in job improvement.

Meanwhile, U.S. Government efforts to find jobs for veterans—disabled ones especially—continue to meet with frequent criticism as inadequate. Norman B. Hartnett, employment director of the Disabled American Veterans, told a Senate subcommittee on April 30, 1974:

"[The Department of] Labor's manpower administration officials have been insensitive to the needs of job-seeking veterans, and their indifference has been manifested by inadequate funding, insufficient staffing, intolerable delay, and an absence of innovative programs to enhance employment and training prospects for veterans.

"Further, the 'special emphasis' program for the employment of qualified disabled and Vietnam-era veterans by federal contractors may be best described as "Too little! Too late! Too lamentable!' because of woefully weak and totally inadequate regulations, and a lack of enforcement."

EMPLOYERS TAKE A HAND

In response to such criticism, the National Alliance of Businessmen, in co-operation with the Veterans Administration and the U.S. Employment Service, has been finding jobs for 10,000 disabled Vietnam War veterans. Reports of 4,424 placements were received during a recent 11-month period.

Numerous private business firms are actively involved in the effort to hire the handicapped. A few examples: Du Pont, the chemical-industry giant, employs more than 1,400 handicapped people in various occupations. A recent study showed that 91 per cent rated average-or-better in job performance when compared with the total employe population.

A recent three-year program of the Institute of Industrial Launderers to employ mentally retarded workers in its plants from coast to coast has yielded these results: More than 600 individuals received training; only 10 had accidents—nine of them minor—on the job. Ninety-four per cent had perfect attendance records.

Jeno's, Inc., a Duluth, Minn., food-processing firm, employs about 1,000 persons—about half of them with physical and mental impairments. On the payroll are deaf, blind, amputees, paralyzed and others. They hold positions at nearly all levels of the firm's operations.

Several Fairchild electronics plants are hiring the handicapped. One, on a Navajo Indian reservation in New Mexico, employs about 300 handicapped workers out of a total of 800.

The plant makes high-quality semiconductor devices used in virtually all types of electrical systems, including those for U.S. space programs.

CLEANEST BUILDINGS

In Portland, Oreg., an association of building owners and managers teamed up with a union local and a rehabilitation center to arrange for mentally retarded people to clean up office buildings at night. Result is said to be the cleanest downtown office buildings in the history of the city.

What about those Americans too severely handicapped to support themselves by working?

As of January, 1974, about 2 million such individuals were drawing disability checks averaging about $183 a month under the regular Social Security program. Some 1.3 million persons were drawing federal checks under a Supplemental Security Income program. Average payment is a little over $106 a month, augmented in many cases by payments from State welfare programs.

Summing up the trend, Bernard Posner, executive director of the President's Committee on Employment of the Handicapped, says:

"We see that people with some kinds of handicapped conditions still don't share in the good life. Among them are those with stigmatic conditions such as epilepsy and mental illness; those with disabilities which impede communications: blindness, deafness, cerebral palsy; those with disabilities that worsen as time goes on: multiple sclerosis, muscular dystrophy. So we have a long way to go."

Yet, he adds, the future for many handicapped Americans is increasingly hopeful. One reason: the worsening shortage of applicants for service jobs where relatively low status and pay often result in a high turnover rate.

QUALITY OF WORKERS

Said Mr. Posner: "It's no wonder that employers are increasingly turning to the qualified mentally retarded people as a way of filling such jobs with reliable workers." Parallel efforts are under way to improve the lives of the handicapped by removing many physical barriers.

The New Jersey housing finance agency recently ruled that all buildings it finances must be free of architectural barriers such as steps, narrow doors, inaccessible bathrooms, and elevators that cannot accommodate wheel chairs. The decision affects hundreds of millions of dollars' worth of multifamily housing.

In North Carolina, the State building code was recently amended to provide that 1 out of every 10 residential units in apartment projects be made accessible to handicapped occupants—including adjustable work areas in the kitchens, redesigned bathrooms, and electrical outlets mounted at a height that can be reached from wheel chairs.

The recently-launched San Francisco Bay Area rapid-transit system has aids for the handicapped such as elevators at 34 stations, wide car aisles for wheelchair access, ramps instead of steps, accessible rest rooms, and even Braille directional symbols for the blind.

Amtrak, the national railroad system, has established a policy of considering the requirements of the handicapped in designing new facilities. This involves level walks without steps, ramps and handrails, phones and water fountains at wheel-chair level, raised platforms at stations that meet the level of cars.

SPECIAL BUSES, TOO

The Department of Transportation is providing funds to three bus manufacturers to design a new kind of city bus more accessible to the handicapped and the elderly through reduced floor height, wider doors and advanced lift and ramp-design for boarding.

The National Park Service has issued a special National Park guide for the handicapped—who also benefit from transcripts of audio programs and lectures for the deaf; Braille markers and plastic contour maps for the blind; ramps, handrails and guardrails for visitors in wheel chairs; and oxygen, plus trained personnel to administer it, for heart patients at high-altitude spots.

In such ways, Government and private initiative—often under the pressure of militant "crutch power"—are moving to create brighter prospects and a better life for the nation's handicapped.

Profile of America's Handicapped

About 11,265,000 Americans aged 16 to 64—one out of every 13 in that age group—are classified as physically or mentally handicapped beyond the normal range of human differences.

By category:

Retarded—3.5 million.

Paralyzed or physically deformed—1.8 million.

Cardiacs and hypertensives—1.4 million.

Advanced arthritis—1 million.

Deaf (totally or partly)—900,000.

Blind (totally or partly)—700,000.

Others—2 million.

More facts, based on the 1970 census, and excluding handicapped in institutions—

IN EDUCATION

Compared with the population at large, more of the nation's handicapped failed to complete the eighth grade—22 per cent compared with 14 per cent for total in U.S. Fewer of them—5 per cent against 9 per cent for the total population—completed four years of college or more.

IN INCOME

21 per cent of U.S. handicapped persons were living below the poverty level, compared with 14 per cent for the population as a whole.

IN JOBS

About 42 per cent of the adult handicapped were employed, compared with 53 per cent of the total adult population.

THE THIRD UNITED NATIONS LAW OF THE SEA CONFERENCE

Mr. PELL. Mr. President, I am sure that many of you are aware that the Third United Nations Law of the Sea Conference is now underway in Caracas, Venezuela. This conference hopes to deal not only with a regime governing the exploitation of the natural resources of the seabed, but with a broad range of related issues, including the breadth of the territorial sea, passage through international straits, fishing and the conservation of the living resources of the sea, the preservation of the marine environment and scientific research.

If successful, this conference could mark a new era of international cooperation and could create an independent source of economic assistance for developing nations. If a failure, this conference could mark the beginning of a dangerous period of jurisdictional and worldwide power conflicts. The recent fishing controversy between Great Britain and Iceland and the Aegean Sea Continental Shelf boundary dispute between Greece and Turkey are indicative of what the future holds for the world community if an agreement on these issues is not soon concluded.

The U.S. position on these issues has been generally positive and constructive. The original U.S. proposal, submitted to the United Nations in 1970, provided the basis for a farsighted and equitable international agreement. Since that time the United States has consistently bargained in good faith and made the compromises necessary to advance the negotiations.

Ambassador John R. Stevenson's recent conference speech indicating that the United States is willing to accept a conditional 200-mile economic resource zone is another example of the willingness of the United States to advance the efforts of international cooperation.

In this regard, I highly commend Ambassador Stevenson for his brilliant work in seeking to achieve a consensus.

Mr. President, I hope that the Senate will continue to support the U.S. delegation in their effort to obtain an international agreement which will protect not only the resource interests of the United States, but the long-term overall welfare of the entire international community. I ask unanimous consent that Ambassador Stevenson's 200-mile economic zone statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Address by Ambassador John R. Stevenson

Three Auguries of a Successful Conference. Mr. President, the practical and favorable working conditions which the Venezuelan Government has so graciously provided are the first of three auguries of a most successful conference. The other two are the adoption on schedule by consensus of the rules of procedures, and second, the constructive, moderate tone and the developing consensus on substance reflected in the statement given in the last two weeks.

Adoption of Rules of Procedure. The adoption of the rules of procedure on schedule by consensus was significant because these rules are a reasonable accommodation between those who wished to avoid premature voting and those who were concerned because it showed what inspired, firm and sensitive leadership; as provided by you, Sir, can do in reconciling differences and leading us to a generally acceptable result. You have set a high standard for our committee chairmen, but knowing and respecting all of them as I do, I am convinced that the team of Engo, Aguilar, Yankov and Beesley will live up to this challenge. The conference has selected its leadership with care and with great wisdom.

Moderate and Constructive Tone of General Debate. Our delegation has noted with a growing sense of appreciation and optimism for the future, the generally moderate, constructive tone of the statements made in the course of the last two weeks. Only very few delegations have departed from this general pattern, misrepresenting past events and the present positions of some delegations, including our own.

We are not here to engage in mutual recriminations. We must roll up our sleeves and get down to the practical business of drawing up a generally acceptable constitution for the oceans before disputes over conflicting uses of the same ocean space and unilateral action by individual states put such agreement out of our reach.

Growing Consensus on Limits of National and International Jurisdiction. In the course of listening to and reading the statements made during the last two weeks. I have been struck by the very large measure of agreement on the general outlines of an overall settlement. Most delegations that have spoken have endorsed or indicated a willingness to accept, under certain conditions and as part of a package settlement, a maximum limit of 12 miles for the territorial sea and of 200 miles for an economic zone, and an international regime for the deep seabed in the area beyond national jurisdiction.

The United States has for a number of years indicated our flexibility on the limits of coastal state resources jurisdiction. We have stressed that the content of the legal regime within such coastal state jurisdiction is more important than the limits of such jurisdiction. Accordingly, we are prepared to accept, and indeed we would welcome general agreement on a 12-mile outer limit for the territorial sea and a 200-mile outer limit for the economic zone provided it is part of an acceptable comprehensive package, including a satisfactory regime within and beyond the economic zone and provision for unimpeded transit of straits used for international navigation. Coastal state economic jurisdiction beyond 200 miles with which the Conference must deal: jurisdiction over the resources of the continental margin when it extends beyond 200 miles and jurisdiction over anadromous fish such as salmon, which originate in coastal rivers but swim far out into the ocean before returning to the stream of their birth to spawn and die.

A number of states have expressed the view that under the continental shelf convention and the continental shelf doctrine of customary international law as interpreted by the International Court of Justice, they have rights over the resources of the continental margin and that they will not accept any law of the sea treaty which cuts off the rights at 200 miles.

Other states are reluctant to reduce the common heritage of mankind by recognizing coastal state jurisdiction beyond 200 miles. Still others, including the United States, have suggested an approach which gives coastal states the limit they seek, but provides, through uniform payments of a percentage of the value of production, for the sharing by other states in the benefits of the exploitation of the nonrenewable resources in part of the area. This would seem to be an equitable basis for an accommodation.

With respect to salmon, the views of my country are well known. This species of fish depends for survival on the maintenance at considerable economic cost of a favorable environment in coastal rivers and streams, and can effectively be conserved and managed only if caught, when returning to the fresh waters of its origin, in the internal waters, territorial sea or economic zone of the host state. The very survival of this species of fish may depend on the action we collectively take at this conference.

Consensus on limits of national and international jurisdiction is conditional on the nature of coastal and international regimes within these limits. The statements to date make clear that in the case of a large number of states whose agreement is critical for an effective, generally acceptable treaty, the growing consensus on the limits of national jurisdiction i.e., a maximum outer limit of 12 miles for the territorial sea and of 200 miles for the economic zone—is conditional on a satisfactory overall treaty package and, more specifically, on provisions for unimpeded transit of international straits and a balance between coastal state rights and duties within the economic zone.

Territorial Sea. With respect to the coastal states' right to establish a territorial sea of up to a maximum of 12 miles, it is the view of many delegations, including our own, that general recognition of this right must be accompanied by treaty provisions for unimpeded passage through, over and under straits used for international navigation. The formulation of treaty language which will maintain a nondiscriminatory right of unimpeded transit while meeting coastal state concerns with respect to navigational safety, pollution and security will be one of the second committee's most important tasks.

Economic Zone. Our willingness and that of many other delegations to accept a 200-mile outer limit for the economic zone depends on the concurrent negotiation and acceptance of correlative coastal state duties.

The coastal state rights we contemplate comprise full regulatory jurisdiction over exploration and exploitation of seabed resources, non-resource drilling, fishing for coastal and anadromous species, and installations constructed for economic purposes.

The rights of other states include freedom of navigation, overflight, and other non-resource uses.

With respect to the zone as a whole, we contemplate coastal state duties to prevent unjustifiable interference with navigation, overflight, and other non-resource uses, and to respect international environmental obligations. With regard to the seabeds and economic installations, this includes respect for international standards to prevent interference with other uses and to prevent pollution. With regard to fishing, this includes a duty to conserve living resources.

For the seabeds, we also contemplate a coastal state duty to observe exploration and exploitation arrangements it enters into.

For fisheries, to the extent that the coastal state does not fully utilize a fishery resource, we contemplate a coastal state duty to permit foreign fishing under reasonable coastal state regulations. These regulations would include conservation measures and provision for harvesting by coastal state vessels up to their capacity and could include the payment of a reasonable license fee by foreign fishermen. We also contemplate a duty for the coastal state and all other fishing states to cooperate with each other in formulating equitable international and regional conservation and allocation regulations for highly migratory species, taking into account the unique migratory pattern of these species within and without the zones.

The negotiation and elaboration of these duties is a critical responsibility of the second committee.

With respect to the related assertions by a number of states of coastal state plenary jurisdiction over scientific research and vessel-source pollution throughout the economic zone, the statements made clear that the willingness of many delegations, including my own, to negotiate on the basis of conditional acceptance of a 200-mile economic zone does not include acceptance of a requirement of coastal state consent for scientific research and coastal state control over vessel-source pollution within the zone.

For our part, we believe that, as an alternative to coastal state consent, a series of obligations should be imposed on the researcher and his flag state to respect coastal state resource interests in the zone. The obligations would include advance notification, participation, data sharing, assistance in scientific research technology and in interpretation of data, and compliance with applicable international environmental standards.

Vessel-source pollution presents a troublesome problem to the entire international community, including coastal states. At the same time, interference with freedom of navigation must be prevented. We believe international standards enforced by flag and port states, with provision for specific additional coastal state enforcement rights, can accommodate these legitimate interests. In this connection, we believe the coastal state may be authorized to take enforcement action in emergencies to prevent imminent danger of major harmful damage to its coast, or pursuant to a finding in dispute settlement that a flag state has unreasonably and persistently failed to enforce applicable international standards on its flag vessels. Of course, flag and port states would retain their right to set higher standards.

While important differences in our positions remain to be resolved in this session, we are heartened as we embark in these negotiations by the realization that most states want to ensure both effective prevention of vessel-source pollution and protection of navigational freedoms.

We hope that the third committee can make major progress in producing agreed articles on these scientific research and pollution questions.

International Seabed Regime Beyond National Jurisdiction. Just as coastal state rights within the zone must, if we are to reach agreement, be balanced by duties, the international authority's jurisdiction over the exploitation of the deep seabed's resources—the common heritage of mankind—must be balanced by duties that protect the rights of individual states and their nationals—most critically in our view their right to nondiscriminatory access under reasonable conditions to the seabed's resources on a basis that provides for the sharing of the benefits of their exploitation with other states.

The statements made do indicate that there are substantial differences among us in our interpretation and proposed implementation of the common heritage principle. Both developing and developed countries have many aspirations concerning the common heritage; in some cases these are in harmony and in others they are not. My delegation believes that on a variety of issues which seem on the surface to present a wide gulf we are closer together than we think. Let us employ every possible method of work to ensure that we find these points of harmony and proceed at once to reflect this harmony in draft articles. This we believe is the principal task before the first committee at this session.

Interest of Landlocked and Geographically Disadvantaged States. Most prior speakers have referred to the desirability, indeed the necessity, of providing special benefits in a comprehensive Law of the Sea treaty for the landlocked and geographically disadvantaged states. The most widely supported proposals are that landlocked states' right of access to the sea and special rights in the fisheries of adjacent coastal states be recognized.

Although these recommendations do not directly affect the United States, we applaud coastal states' willingness to provide these benefits as part of an overall equitable and widely acceptable settlement and, we will, of course, support such provisions.

Much more controversial is the proposal of some landlocked and other geographically disadvantaged states that they participate in the benefits of the exploitation of nonrenewable resources—principally petroleum and natural gas—of the continental margin, either through a direct right of access to neighboring coastal states' continental margins or by the establishment of limits of coastal state jurisdiction that will keep some of the continental margin outside of coastal state control and within the common heritage.

It is my delegation's view that, as part of a satisfactory and widely acceptable treaty, an equitable and perhaps the most practical accommodation in this area may well be to provide for coastal states' exclusive rights in the continental margin, but also to provide for international payments from mineral resources at a modest and uniform rate in the area beyond 12 miles or the 200 meter isobath, whichever is further seaward. These payments would be used primarily for developing countries, including developing landlocked and other geographically disadvantaged states. Landlocked and other geographically disadvantaged states should not expect that sharing in the benefits from deep seabed hard minerals alone could make a significant contribution to their economies.

Compulsory Dispute Settlement. Mr. President, my government believes that any law of the sea treaty is almost as easily susceptible of unreasonable unilateral interpretation as are the principles of customary international law. This is particularly true when we consider that the essential balance of critical portions of the treaty, such as the economic zone, must rest upon impartial interpretation of treaty provisions. One of the primary motivations of my government in supporting the negotiation of a new law of the sea treaty is that of making an enduring contribution to a new structure for peaceful relations among states. Accordingly, we must reiterate our view that a system of peaceful and compulsory third-party settlement of disputes is in the end perhaps the most significant justification for the accommodations we are all being asked to make.

Objectives for the Caracas Session. It is the view of my delegation that the conference should strive to adopt an entire treaty text this summer. What is required to do so is not so much technical drafting as the political will to decide a relatively small number of critical issues. Once these decisions are made, the number of treaty articles required to implement them for the territorial sea, straits and the economic zone would not be large. The deep seabed regime will require more articles, and the first committee should concentrate on the preparation of agreed articles whenever this is possible.

What an electrifying and heartening development it would be for the international community, and what a deserved tribute to our Latin American host, if we could adopt an agreed text this session!

If we do not at least try to reach agreement on the treaty this summer, we may well not even achieve the basic mimimum required to finish next year and in the interim prevent further unilateral action prejudicial to the success of the conference.

The minimum objective for Caracas, as we see it, is to complete treaty texts on most, if not all, of the critical articles—the territorial sea, straits, the economic zone, the seabed regime and the authority's functions pollution from ocean uses, and scientific research. To achieve this objective, it is critical to recognize now that neither a statement of general principles, nor articles which define the rights of coastal states and of the seabed authority without defining their corresponding duties, would be satisfactory, or indeed at all acceptable, to a number of delegations including our own.

As I indicated at the outset there is already a very general agreement on the limits of the jurisdiction of coastal states and the seabed authority provided we can agree on their corresponding obligations. It is the negotiation of these duties that should be the main thrust of the negotiations this summer.

This is not, as some delegations have implied, an attempt to destroy the essential character of the economic zone—to give its supporters a juridical concept devoid of all substantive content.

On the contrary, the coastal states' exclusive control over the nonrenewable resources of the economic zone is not being challenged. In the case of fisheries, coastal state management and preferential rights over coastal and anadromous species would be recognized. The principal of full utilization will ensure that renewable resources which might not otherwise be utilized will give some economic benefit to the coastal state and help meet the international community's protein requirements. Agreed international conservation and allocation standards for the rational management of tuna should in the long run benefit coastal states which seek to engage in fishing these species and would maintain the populations of the tuna that migrate through their zone. Finally most states are prepared to agree to coastal state enforcement jurisdiction with respect to resource exploitation within the economic zone.

Gentlemen, we have come to Caracas prepared to negotiate on these critical questions. They are not merely the legal fine print to be filled in once general principles have been agreed, but the very heart of the conditional consensus we are well on the way to achieving. Years of preparation have brought us to the moment when we must complete the task that we have undertaken. We must not let this opportunity pass.

Thank you, Mr. President.

NEW TAX BREAKS FOR BUSINESS?

Mr. HUMPHREY. Mr. President, I would like to call the attention of the Senate to an article appearing in the Wall Street Journal of July 12 dealing with administration thinking on economic policy.

After months, even years, of inaction and standing pat with its tight money policy, the administration now seems to be moving toward an initiative in the direction of new and expanded tax subsidies to industry. These subsidies would be intended to stimulate investment and expand capacity.

It is clear that capacity constraints in many industries have limited growth and are a prime cause of inflation in 1974. Let me point out, however, that the existence of capacity constraints and rising prices themselves provide the strongest possible incentive for corporations to invest in new facilities. In fact, corporate investment has been the strongest component in this year's otherwise weak economy. Firms producing new machinery and equipment are booked up solid for many months into the future. Additional incentives would not add materially to those that already exist and, if they did, they would just extend the waiting time for delivery and help to drive up the prices of machinery and equipment even faster.

The only sector for which such expansion incentive might make sense is the machine tools and equipment sector itself, which is very slow to expand even in the face of heavy demand, because of the exceptionally cyclical nature of that business. This is the real bottleneck in the manufacturing sector of the economy. It would I believe, be a mistake to extend new tax subsidies indiscriminately to other investors.

Mr. Rush, the President's economic counselor, is quoted as saying that corporate cash flow—profits plus depreciation allowances—is not nearly sufficient to provide all the funds needed for investment. Even without any background as an economist. Mr. Rush should know that this is a thoroughly spurious and deceptive argument. Corporations do not expect to finance investments exclusively from cash flow. On average, 50 percent or more of industrial investment in this country is financed with borrowed capital.

It seems absurd to me that the Federal Reserves continues to run an unprecedentedly tight money policy with interest rates well above 10 percent, and that the administration simultaneously would consider measures to subsidize spending in the only really strong sector of the economy; namely, business investment. This combination is inconsistent. The proposal would add new corporate loopholes to the tax code, and we all know very well how difficult—how almost impossible—it is to close these loopholes once they exist.

I am glad to hear that Mr. Rush has agreed to testify at the mid-year hearings of the Joint Economic Committee, and I shall welcome the opportunity to clarify some of these issues with him at that time.

Mr. President, I ask unanimous consent that the article referred to above be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEMAND FOR MORE TAX INCENTIVES TO SPUR INDUSTRIAL EXPANSION PRESENTED TO NIXON

WASHINGTON.—The top White House economic policymaker reacted sympathetically to "a strong demand" by corporate executives that the government provide more tax incentives to spur industrial expansion.

Kenneth Rush, economic counselor to President Nixon, said the plea for business tax incentives was a major message that he and the President received in a White House meeting with 25 businessmen and economists. After the session, which lasted more than two hours, Mr. Rush told newsmen that while the Nixon administration firmly opposes any tax cut for individuals as inflationary, he considers tax incentives for industry as "noninflationary" because they would increase productive capacity rather than increase consumer demand.

The session, billed as the start of a new presidential effort to establish a "dialog" on inflation and the economy with various groups, didn't indicate any important new economic initiatives are in the works. Mr. Rush indicated the group generally endorsed the administration's policies, though they expressed concern about double-digit inflation and are "unhappy" about the troubled state of financial markets.

From the corporation chiefs, who included the heads of such companies as General

Motors Corp., Du Pont Co., U.S. Steel Corp., and Sears Roebuck & Co., the President and his aides heard "a strong demand for increasing the cash flow" of corporations through new tax preferences, Mr. Rush said. The businessmen suggested such moves as an increase in the investment tax credit, accelerated depreciation allowance and other write-offs against their federal income taxes.

The White House official, who said he would receive in writing and study the specific proposals of the meeting's participants, didn't commit the administration to support any new tax incentives for industry. But he indicated that the administration's opposition to tax cuts didn't necessarily apply to tax-reducing incentives for capital expansion.

"MUST HAVE HEAVY INVESTMENT"

"We must have heavy investment in new facilities by industry" to build the industrial capacity needed to overcome inflation-breeding shortages, Mr. Rush said. Corporations' current cash flow—profits plus depreciation allowances—aren't "nearly sufficient" to provide the funds needed for expansion, he said.

"A tax cut for individuals means increased demand without increased production," the official said. But a tax incentive that spurs industrial expansion would contribute to the fight against inflation, he contended.

President Nixon "didn't volunteer an opinion" on the businessmen's ideas for tax incentives, Mr. Rush said. "This was primarily a listening exercise," he added. Mr. Rush also indicated that the administration's position on tax incentives for industry won't be determined until a current study on future capital needs is finished. The study isn't likely to be done before the end of the year.

The official said he came away from the meeting encouraged that "the business people and the economists felt we are on the right track as of today" in pursuing an anti-inflationary economic policy.

SUGGEST AN EASING OF FED POLICY

"The businessmen felt the underpinnings of the economy are strong," Mr. Rush said. But "they are quite unhappy with the prime rate, with the state of the (stock) market, and the weakness in the bond market," he said. Another participant said that some businessmen suggested an easing of the Federal Reserve Board's monetary policy so that interest rates would decline.

There wasn't any discussion of the problems of the housing industry, one of the weakest sectors of the economy, Mr. Rush said. Several housing and home-financing trade associations publicly complained that they hadn't been invited to the White House to offer their views.

On another subject, Mr. Rush said he didn't think the credibility of the administration's anti-inflation position would be hurt by the President's decision to sign a veterans' education-benefits bill that's expected to add more than $700 million to federal outlays in the current fiscal year. Although the White House has stressed that its searching for ways to cut the budget, the President decided to sign the veterans' bill because Congress probably would have overridden a veto, Mr. Rush explained.

The official also minimized the impact of a $700 million addition to federal spending. "The amount involved here isn't of such a nature to have an impact on inflation," he contended.

NATIONAL ENERGY AND ENVIRONMENT POLICIES CAN BOTH BE WELL SERVED—SENATOR RANDOLPH URGES EPA CLARIFICATION ON COAL RECONVERSION—CITES TIMES ARTICLE

Mr. RANDOLPH. Mr. President, enactment last month of the Energy Supply and Environmental Coordination Act of 1974 was a realistic response by the Congress to the need for adjustment to present and anticipated energy situations.

This measure was developed deliberately and accommodates energy and the environment to each other in a workable manner. It establishes a procedure by which some electric generating plants could be converted from oil or natural gas to coal as a fuel. This conversion could take place, however, only under conditions designed to protect public health.

Mr. President, I regret that since passage of that act there has been misunderstandings about both its intent and effect. An article in the July 11 editions of the New York Times on the impact of this measure included information that was at variance with that we had received during consideration of the act.

Today I sent a letter to John R. Quarles, Deputy Administrator of the Environmental Protection Agency, decribing the facts as I understand them and asking for that agency's plans for implementing the Energy Supply and Environmental Coordination Act.

Mr. President, I ask unanimous consent that the New York Times article and my letter to Mr. Quarles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

LIMITED COAL USE IS SEEN FOR UTILITIES—U.S. AIDE SAYS FEW PLANTS MEET RULES

(By Edward Cowan)

WASHINGTON, July 10.—The second-ranking official of the Environmental Protection Agency says that "only a few" East Coast electric utilities will qualify, under new statutory standards to fuel their boilers with coal rather than oil.

John R. Quarles, the Deputy Administrator, acknowledged in an interview last week that one recent analysis by the agency put the number of eligible power stations at two. Mr. Quarles did not endorse that number, saying the question was still under study.

Under the Energy Supply and Environmental Coordination Act of 1974, signed by President Nixon on June 22, the Environmental Protection Administrator has wide latitude to restrict utility conversions to coal from oil. The bill was a result of the recent oil shortage.

Within the agency, sentiment is against such conversions because the available coal will be relatively high in sulphur content and few utilities have ordered or installed chemical "scrubbers" to keep sulphur oxides from escaping into the air.

In response to what the agency regards as an intensifying campaign by utiilties for the installation of tall chimneys as an alternative to "scrubbers," E.P.A. physicians and scientists have made a new study. It tentatively concludes that "failure to control sulphur oxides emissions will result in thousands of excess deaths and millions of excess illnesses" during the period 1975–80.

"Excess" means deaths in addition to those that would occur if the emission and ambient air standards of the Clean Air Act are met.

However, the study itself acknowledged several important caveats" and said the findings were "clouded by significant scientific uncertainties involving many key aspects of the sulphur oxides problem."

A copy of the study, labeled "preliminary draft." was made available to The New York Times.

Among the tentative findings were that failure to meet air standards would lead to 6,000 "excess or premature deaths" a year, aggravated heart and lung disorders in elderly persons, more frequent attacks of asthma among persons afflicted with that ailment and 400,000 to 900,000 attacks a year of "acute respiratory disorders like croup, acute bronchitis and pneumonia" among otherwise healthy children.

STANCE OF UTILITIES

The document was made available to rebut arguments by some electric utilities, most notably the American Electric Power Company, that the Clean Air Act should be amended to sanction "tall stacks, monitoring" and "so-called intermittent controls" of sulphur emissions as an alternative to strict emission limitations.

"Intermittent controls" would be a temporary shutdown of a generator or temporary use of stand-by stocks of low-sulphur coal.

A. Joseph Dowd, a vice president and general counsel of American Electric Power, which generates 93 percent of its electricity from coal, told the Senate Public Works Committee on May 13 that under normal atmospheric conditions "tall stacks disperse emissions so widely in the atmosphere that their ground level concentrations are innocuous to human health."

The E.P.A. view is that such "dispersion" merely shifts the problem because eventually the sulphur oxides are changed into sulphuric acid, which falls as "acid rain."

Mr. Quarles recalled in the interview that during last winter's oil shortage "conversion captured a lot of publicity." In fact, he noted, a number of obstacles have become clear, including the unavailability of reliable supplies of coal, the growing fear of a coal shortage next winter and technical problems of adapting to coal.

Federal Energy Administration officials said an initial December estimate that 48 East Coast oil-burning utilities could convert to coal within a year had been scaled back to 14 utilities having 22 generating units. Of the 14, five or six could convert within a few weeks if they could find coal, one expert said.

"The industry hasn't responded with the alacrity expected," Mr. Quarles commented. He acknowledged that his own agency as well as state and local environmental regulators had figured in the hesitation.

BALKING ON CONTRACTS

The utilities, he said, do not want to sign long-term contracts to buy coal until they are sure what air standards are going to be. Without such contracts, the coal companies will not open the new mines necessary to provide additional large volumes of coal.

Mr. Quarles said that "the country does need to use its coal" and that "from my viewpoint, giving heavy emphasis to environmental concerns, it probably would be desirable to have more conversions."

In most cases, that means installation of scrubbers to trap sulphur oxides, Mr. Quarles said. The largest coal-burning utilities, American Electric Power and the Tennessee Valley Authority, oppose scrubbers, he noted.

"Many in the industry believe they should not be required to install continuous reduction technology," Mr. Quarles commented. "There is a widespread belief that this is an unsound thing to do." The opponents have said that the scrubbers are not reliable and that installation costs would be high.

"There is some merit to their position as to the degree of development of the technology," Mr. Quarles said. Consequently, he went on, the E.P.A. would not insist on having scrubbers installed by every plant that failed to meet the Clean Air Act's July 1, 1975, "deadline" for satisfying air standards.

"I hope to avoid a knock-down, drag-out

confrontation," Mr. Quarles said. "There has been some tendency within the industry to dig in their heels." He cited newspaper advertisements by American Electric Power saying that scrubbers created great volumes of sludge and that tall stacks would be cheaper and just as good.

"Many power plants can dispose of sludge," Mr. Quarles said. "They might have to buy some land or build some dikes. We already dispose of a lot of sludge in this country."

U.S. Senate,
Washington, D.C., July 18, 1974.

Hon. John R. Quarles,
Deputy Administrator, Environmental Protection Agency, Washington, D.C.

Dear Mr. Quarles: On June 26, 1974, the President signed the Energy Supply and Environmental Coordination Act of 1974. This measure represented a wholesome reconciliation by the Congress between national energy and environmental policies. Its successful implementation will represent a first step towards energy self-sufficiency through the increased use of domestic coal supplies consistent with the protection of public health and long-term environmental goals.

The success of this undertaking depends on the adoption of an affirmative stance towards the realistic implementation of this statute. I have discussed with John Sawhill, the Administrator of the Federal Energy Administration, the need to expeditiously designate those electric power plants that will be considered as potential candidates for conversion from oil and natural gas to coal. I was assured by Administrator Sawhill that his Agency would adopt a positive approach because of the significant contribution that this statute can supply in achieving the goals of Project Independence.

I am concerned by the recent article in the New York Times by Edward Cowan entitled, "Limited Coal Use Is Seen for Utilities," (a copy is attached) which reports you as saying "only a few" East Coast electric utilities will qualify for conversion from oil to coal under the criteria contained in the Energy Supply and Environmental Coordination Act. This information does not coincide with the preliminary data furnished to the Committee on Public Works by Roger Strelow, Acting Assistant Administrator for Air and Waste Management, by letter of May 31, 1974.

The letter indicated that some twenty-three electric power plants involving forty-two boilers conceivably might be converted provided, in some instances, additional particulate and/or sulfur oxide control systems are installed. It must be noted that a requirement for additional controls can be required by the Administrator of the Environmental Protection Agency as a condition of any conversions ordered by the Administrator of the Federal Energy Administration. This authority was intended to insure the protection of public health.

Thus, I am equally concerned by the statement in the New York Times article alluding to a draft EPA study that tentatively concluded that " 'failure to control sulfur oxide emissions will result in thousands of excess deaths and thousands of excess illnesses' during the period 1975–80." Even if this is theoretically possible, it cannot occur under the provisions of the Energy Supply and Environmental Coordination Act.

I would appreciate an indication of the plans of the Environmental Protection Agency for the implementation of this Act and whether the Times' article accurately indicates your position or that of your agency.

With best wishes, I am,
Truly,
Jennings Randolph, *Chairman.*

CHILDREN: A CASE OF NEGLECT

Mr. HUMPHREY. Mr. President, there is a scandal in health care for children in America and I want to commend ABC News for airing this shocking problem last night in an excellent documentary entitled, "Children: A Case of Neglect."

I have consistently worked to improve nutrition and preventive health care for our children. It is about time our Government shows some compassion for the millions of children who are neglected and mistreated. ABC documented a shocking picture of health care for children, that demands public attention.

We are the wealthiest nation in the world and in the history of mankind by any standards. We spend more than $94 billion on health care in America, but we have a two-class medical system. It is first class health care for those who can afford insurance or can afford to pay in advance for care. But it is second class for those who must rely upon free clinics, emergency rooms at crowded hospitals, and our overcrowded neighborhood health centers.

We have at least two acute barriers to good health care for our children. Price is the most abrasive barrier of them all. Some 25 percent of American children under 21 get inadequate medical care. Twenty million children are medical indigents. They come from the inner cities from families that earn less than $6,000 a year. They can not afford even basic health care.

A second barrier to good health is the shortage of doctors, especially in central cities and rural areas. Right here in our Nation's Capital, in Kingsman Park, which has a population of 85,000, people must make appointments 3 months in advance to see a doctor. It has only one general practitioner and he has a case load of 9,500 patients. Again, the children get little or no health care.

In some low-income areas within a few blocks of this Senate chamber, almost 33 percent of pregnant mothers get no prenatal care. A baby can be born in Iceland, Japan, Canada, Sweden or nine other nations that are not as wealthy as ours, and that baby has a better chance of surviving its first year than one born here. This is outrageous. Something must be done.

Mr. President, I shall address the crisis in child health care in further remarks in the Senate in the near future. At that time I shall present recommendations on specific legislative actions which can and must be taken without delay.

I applaud ABC News for this vitally important public service in presenting the story of the urgent need for extension and improvement of child health care in America. I wish to take this opportunity to mention those who have participated in the development and presentation of this program: Herb Kaplow, narrator; Brit Hume, investigative reporter and coauthor; Pamela Hill, coauthor and producer-director.

Mr. President, I ask unanimous consent that the text of this outstanding program be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

ABC NEWS CLOSEUP ON CHILDREN: A CASE OF NEGLECT

Herb Kaplow. Each year, there are about 12 million American children who never see a doctor. Why?

The infant death rate in this country is higher than in 13 other nations. Why?

Seven years after enactment of a government program to detect and treat children's illness, only about 10 per cent of the eligible children have even been examined. Why?

Tora Mae Collins. It wouldn't be so bad you know, if it was a grown-up because a grown-up can stand it, but a little child can't.

Herb Kaplow. America is thought of as a nation of indulgent parents whose children get the best care money can buy. Americans themselves like to believe this nation cares for the health and happiness of its children.

Hop Spriggs. We had to let our children go on with round worms and they had got so bad on that one of them at least, had vomited up a large worm which could have easily could have taken its life.

Well, they get so they won't eat and they cough a whole lot and these are the symptoms that we've learned ourselves that causes it, its worms you see.

Herb Kaplow. Some Americans are convinced that the children of poverty receive better care through Welfare and Medicaid than the children of those who pay their own medical and food bills.

Mrs. Rowe. The police said that boy's seriously ill said just go on, just get him to the emergency room and we took them to the emergency room and that doctor would not hardly come and he said could you deposit three days' pay cause we didn't have insurance. They'd asked me.

I said no, not at this time. He said, just take him home and give him some aspirin. It scared my husband to death. He had taken convulsions. We had to hold him in bed.

Herb Kaplow. Many Americans assume that even the poorest children can be well fed and healthy if only their parents will take advantage of assistance programs.

Mrs. Fitch. Well, we don't have no care for Mitchell. He cries every night and I have to prop his legs up on pillows. He can hardly walk. I really don't know what's really wrong with him. You know I'd love to have him checked by doctors.

Herb Kaplow. This is a program about a stark painful reality. It's about families who find it difficult or impossible to pay for medical care for their children and so it's about inadequate care or no care at all.

This is a program about the price children and their families are forced to pay because of this.

Hop Spriggs. It's very hard to have to stand by and see your children go without things that they really need, you know what I mean? It's not because we don't want to do it. It's just because we can't do it, you see.

Herb Kaplow. This hour is about some of America's children and about five programs of the federal government that were designed to help them. It is about the inadequate care these children receive when they are sick. It is about their need for regular care.

It is about children who sometimes do not survive. It is not a program about the majority of American children who often get the best care money can buy but about a minority which is not as small as it may seem.

No one knows for sure but the most authoritative estimate is that each year there are about 12,000,000 children in this country who receive no medical care.

After three decades of remarkable general improvement in the health of America's children they are still beyond the reach of the nation's health care system. Yet, in the one sense, these children are the lucky ones.

They are lucky because . . . They have lived on . . . despite an infant death rate that is sharply higher among poor people than among rich. These children have survived despite an overall infant death rate in America that is among the highest of any modern nation.

These are the children who have the highest incidence of easily correctible medical problems but who continue to suffer because they have the least food and medical care.

We haven't done much to provide needy children in this country with regular health care. What we have done is to provide some children with some crisis care, care which is available only in emergencies.

The 1960's brought about a revolution in the financing of medical services. With Medicare, the federal government set up a broad system to help the elderly pay for their medical needs. With Medicaid it was different. It involved the states and was designed to help people on welfare. And it did help many people. But Medicaid also became linked to the inequities of welfare. One result: children got the least out of Medicaid. Children make up almost half of Medicaid's eligible recipients. But children have gotten less than one fifth of Medicaid funds. The largest share of Medicaid has gone to the elderly supplementing what they receive from Medicare.

The result is dramatically illustrated by one statistic. Fifteen years ago children got about half of every federal dollar spent on personal health care. Today children get only 10¢ of that dollar. While needy people of all ages have been excluded from the American health care system, it has been children in need who have gotten the least.

Medicaid allows each state to administer its own program and set separate benefit levels. As a result, three states, New York, California, and Massachusetts have cornered half of all Medicaid funds.

Dr. Karen Davis of the Brookings Institution has determined that the south, where nearly half of America's poor people live, gets less than one fifth of the Medicaid money. The result is that a poor child receiving Medicaid in Wisconsin will receive a high $250 worth of benefits a year; while in New York, a child would get $182 a year. But a poor child in Mississippi will get $66 a year or in Kentucky only $83.

These differences in Medicaid benefits can mean the difference between sickness and health for children, between anxiety and peace of mind for parents. In some states like California and New York, benefits are available not just to the poor but to low income working families and their children.

In too many states, Medicaid doesn't even reach most of the poor children. In North Carolina, Arkansas, Louisiana, and South Carolina, for example, only one poor child in 10 receives any medicaid assistance, 9 out of every 10 poor children receive none.

Rashi Fein. I think the medicaid experience was an experiment at trying to do these things through the states and I think that as an experiment, regrettably, it can be classified as a failure.

Herb Kaplow. There is evidence that Medicaid actually misses as many poor children as it reaches.

Dr. Davis of Brookings has estimated that in 1972, six million poor children received Medicaid while the same number did not.

But the shortage of health care for children is not just a problem of the poor, and the appearance of health among working and middle class children is not always the reality.

Low income working families, are sometimes most in need of care. They are the families not poor enough for Federal programs and not rich enough to pay.

Among city children the least amount of money is spent on the health care of those from families earning $6,000 to $11,000 a year.

Mrs. Caldwell. You spend a lot of sleepless nights, wondering how you're going to pay for 'em and who can you miss paying to try and pay the hospital bills or take them to the doctor. I do feel trapped. Because I can't meet . . . I can't do the things that I need to do with the salary I make and all of the Federal programs that I've applied for they said I weren't eligible.

Hill. Q. Why is that?

Mrs. Caldwell. Well, they say because with my salary, I make too much. Even with six children.

Herb Kaplow. If families in need live in a city, as Mrs. Caldwell does, then their children can probably get emergency treatment at a hospital. They may have to wait several hours.

They may have to accept charity or rely on local health programs which may or may not cover their children's needs. Or they may be saddled with bills they cannot pay.

Mrs. Caldwell. Well, being a parent, naturally you worry, I guess, me, I think in the past three or four months I've lost about 13 pounds wondering and worrying about how I'll be able to pay, you know, for medical care and other bills that I'm just not really able to pay.

Herb Kaplow. For needy children in rural areas, the problem is more serious. Local health programs and charity are less likely to be available. Hospitals and clinics are scarce and those that exist, are often unable to accept all the children who need attention.

Mrs. Rowe. I stay worried all the time 'cause we had a lot of sickness and when you go if you don't have the money, they are not interested in you. And we have been trying for ten months to get that medical card. We've not got it yet.

Jay Blevins. I know a lot of children that's never saw a doctor . . . School age children that never saw a doctor. . . .

They doctor them at home the best they can. Do what they can for them, sometimes they survive, sometimes they don't.

We just hope that it's not bad enough that we have to take them to a doctor. It's because we don't have the medical card to do it, we don't have the finance to cover it and we know for surely, they are not going to give us no help without these things.

ACT 2

Herb Kaplow. To many American parents these faces reflect reality. But for some parents such images contradict the reality they see daily.

These are the parents of children who get no regular medical care, and sometimes, not enough food to eat.

Their children suffer problems which the most elementary medical attention, if given regularly, would prevent. Their children have the most trouble with their vision, their hearing and their teeth. . . . Studies have shown that ⅔ of all poor children in this country have never been to a dentist.

Virginia Shepard. Well, every time I eat on my teeth, they hurt. . . . Uh, we start eating and they hurt and I go to, go to bed . . .

Herb Kaplow. Examinations of poor children in 8 states of the Medicaid screening program have shown that one child in four is in need of dental work. . . . Untreated eye problems were found by the White House Conference on Children, in 1970, to affect 12 million children. . . . Since then, a screening program has found that as many as a quarter of the children examined have uncorrected sight problems.

Carol Younce. Well, it's been about five or six months and I, I've been having headaches just about every day since I broke my glasses. I can hardly see the board and it takes my grades down.

Harvey Waller. I couldn't see too much and I wanted some friends. And I didn't have nobody to play with.

Herb Kaplow. For almost 10 years Harvey Waller was crosseyed.

Harvey Waller. And they talk about me. And they make me sad.

Dimple Waller. When they are whipping him, he'd think they whip him just cause for nothing.

Harvey Waller. I wish I could play baseball—and I wish I can play football, and . . .

Herb Kaplow. It was not until he was placed in a foster home that the Harris County Child Welfare Unit arranged the surgery.

Harvey Waller. And I wish I could play kick ball. . . .

Dimple Waller. And now they treat him right 'cause he ain't crosseyed. They ain't got nothing to say about him.

Harvey Waller. I used to make C's and B's. . . . Now I make A's and B's.

Michael Dean Carroll. In school, usually when I get a book to read, I can't understand the word, then I ask my teacher, and she, she said that I'm misunderstanding it again. You know them little ol' bitty ol' football . . . My brother, he, he threw one, and I couldn't see it, and it hit me in the arm. . . .

Herb Kaplow. Children who suffer the most uncorrected eye problems also are vulnerable to hearing loss. . . . Two medical screening programs have shown, that from a fifth to a half of the children examined had some hearing problem.

Tina Carroll. It's just that I have very bad hearing. . . . Yeah, I would get, when I get colds, and my ears would run or something, and I'd be, sometimes I would get a earache, just sometimes.

Hill. Tell me a little bit about that earache, Timothy. Tell me how bad it hurt?

Timothy Carroll. Bad . . .

Tina Carroll. Well, if it start hurting real bad he starts screaming. Kind of, you know like, he told the doctor he can't hardly hear the teacher, and he talks real loud when he talks. . . .

Tom Carroll. When you see a kid suffering, why you're suffering too . . . Timothy, well, I don't think, uh, you know he's gonna make, be able to make it to school, with his problems.

Herb Kaplow. It isn't easy to pay attention if you have an ear problem and can't tell what's going on. It isn't easy to concentrate if you have a toothache all the time. . . . And it's hard to study if you have a headache because you need glasses, and it can be just as difficult if you haven't had enough to eat.

Hill. Q. What did they tell you at the clinic about being anemic?

Michael Dean Carroll. They said that some time I never did get enough iron in my blood. . . .

Hill. Q. And-uh, did they tell you why?

Michael Dean Carroll. They say I don't eat enough food.

Herb Kaplow. Both Michael Dean and Timothy (Carroll) suffer a form of undernutrition shared by millions of other American children—iron deficiency anemia. . . . A recent survey of poor children in ten states found that in some areas, as many as 32% had iron deficiency anemia. . . . It is a condition that can lead to other problems, because scientists now know that anemic children have a lowered resistance to disease. The federal food stamp program has made progress in feeding needy families, but many children still find that they don't have enough food to eat. . . .

Jay Blevins. And food going up every, day, and our stamps never been raised any . . . And that makes it kind of hard to make it stretch a month . . .

Hill. Q. About how long does a month's supply of food stamps last for a family of your, your size. . . .

Mary Blevins. I would say about two or two and a half weeks . . .

Hop Spriggs. Most times I would say, (three thirds) of the times during a month, it is a time without milk for us . . . I would say a lot of times they would have been hungry.

Jean Mayer. The families on food stamps are perpetually behind the real cost of the food. If you have, uh, one or two adolescents in that family of four, with an almost bottomless appetite, then the amount allotted is grossly inadequate.

Winick. And if you attempt to give medical care without giving adequate nutrition, is one, increase the amount of medical care you have to do, increase the cost of that medical care that you have to give and, at the same time, decrease your chances for success.

Jay Blevins. Well it makes me feel angry, bitter, helpless, all . . . I mean, not knowing, knowing that the kids should have more food than what they have . . . (music) . . .

V. O. And not anything that you can do about it.

C. Arden Miller. I think it's close to a national scandal. As long ago as 1915 and before, we were anguishing, as a nation, over our public responsibilities toward children, and we've not really much progressed beyond that anguish.

Senator Mondale. As a matter of fact, in running through children's programs, is an assumption that we're taking good care of our children. In fact, the statistics in many cases are shocking.

Herb Kaplow. Some of those statistics deal with the immunization of children against disease, a process that has enabled medicine to control dread diseases like diphtheria, small pox and polio . . . All these diseases have declined sharply, but today half of all American pre-school children have not been inoculated against diphtheria, and nearly half of all poor children have not been immunized against polio in the crucial pre-school years.

Herb Kaplow. What little we have done to provide regular preventive care for children has been threatened by actions of the Nixon Administration. First, the administration failed for three years to implement a program calling for the regular screening and treatment of Medicaid children.

The Early Screening program, as it is called, is supposed to provide periodic examinations for all Medicaid children with treatment whenever needed. The purpose is to get preventive care to some of the children most in need of it. The program was especially aimed at detecting and correcting elementary problems such as those affecting children's eyes, ears and teeth.

The Early Screening Program was enacted in 1968, and was supposed to take effect in mid 1969. But, by late 1970, the program was still not underway. Not until a lawsuit was filed by a citizen's group were any regulations issued for the program and it was not until 1972 that the program finally got started. Today HEW officials estimate that at least a dozen states are still not in compliance with the program, and only about ten per cent of the eligible children have been screened.

Trister. Under the statute the children are supposed to be screened periodically, It's supposed to be a regular process. Well, if you're only screening 10% in the first 7 years, it's gonna be some 15 or 20 years before you get around to seeing the children again, and this is just not what the program is intended to be.

Document: A private study made for the government estimates that, of all the children found to need treatment, less than half actually got it, and even fewer got the recommended dental and eye care.

Weinberger. I'm not familiar with the-uh, with those statistics, but, uh, we are undoubtly in a situation in some states where they haven't yet established the necessary networks of-uh, providers and of care. . . .

Senator Mondale. The problem of screening is one of the most outrageous examples of lawlessness in terms of children's health. . . . Very few states have done anything, and the Federal government, that's supposed to enforce the law, has done practically nothing.

Hume. Mr. Secretary, we're seven years down the road from the enactment of this program . . . (unintelligible answer) . . . You acknowledge that a number of states are, are not in compliance . . . and you also indicate that no compliance action, uh, has been taken as yet against any state. Isn't it a little bit late for you to be talking here about, about patience and hope and so forth?

Weinberger. No, because the compliance program that the Congress enacted doesn't start until July 1, 1974 . . . We've not had any authority to withhold funds or take effective action. . . .

Hume. Do I understand you to say that the department was wholly without means to take enforcement action for the non, for noncompliance in this program?

Weinberger. There was no, uh, no specific enforcement authority on the books, uh, prior to July 1, '74, and that was only enacted quite recently.

Document: Medicaid Law—July 30, 1965. If the Secretary . . . finds . . . that in the administration of the plan there is a failure to comply substantially with any such provision; the Secretary shall notify such State agency that further payments will not be made to the State . . . or, that payments will be limited to categories . . . not affected by such failure.

Herb Kaplow. Other HEW officials say the Department has been reluctant to cut off funds because it was considered too harsh.

The man who headed the Early Screening program until rceently, Barney Sellers, has told ABC News that he left the program dissatisfied with the Federal effort to make his program work. When he left, his staff had been cut from about 20 to fewer than 10, and no one else was being hired . . . There is another Federal effort for Child health that has been a striking success . . . It is the Children and Youth program established nearly a decade ago . . .

Dr. LaPorte. (Baby Cries) Oh, I'm sorry . . . Yeah I'm sorry . . . Jeez . . . Aaaawwhh . . .

Herb Kaplow. The program has never been large . . . There are 59 Children and Youth projects around the country. They reach only one of every 22 children who would benefit from such assistance . . . In the areas where they do operate the children enrolled receive a full range of medical attention, with the emphasis on preventive care . . . The success of the program is illustrated clearly by statistics. The annual cost of medical care for a child in the program has been cut significantly. The number of children hospitalized was reduced by 60% in a four year period.

Herb Kaplow. The Children and Youth programs are now being turned over to the states as intended by the original legislation. Projects were formerly managed by the old Office of Maternal and Child Health within HEW. This office was the center of the Federal child health effort, but it has now been disbanded in the name of efficiency by the Nixon Administration. The staff formerly assigned to the Children and Youth project has been transferred to a new HEW bureau with more general responsibilities. The staff in the Department's regional offices has also been sharply reduced. These moves prompted Dr. Arthur Lesser, who headed the old maternal and child health office to leave the government in protest.

Lesser. If I were to continue, uh, I would, uh, perhaps tacitly, be giving the impression that all is well . . . the present administration's attitude towards the maternal and child health programs has not only been lacking in support, uh, but in certain respects it's actually been destructive.

Connely. All the remaining people still funded by the program to be carrying out activities in maternal and child health are now assigned to work in any kind of a program. If you're for example, a pediatrician, and prepare yourself, uh, yourself in your career to be expert in management of child health and child medical problems, you now may be assigned to go to work in old age homes. I don't think that's any incentive for any professional person.

Degnon. Uh, last year the Congress indicated that it wanted the personnel within these programs maintained. Uh, subsequently, the administration decided that these personnel would not be available to the program, and recently Congress has had to come forward again and indicate once more to the Administration that the quality of these programs is to be maintained, and the personnel working in the programs are to remain with these programs.

Hume. Did not Congress specifically recommend that the positions, uh, be restored, while it was clear from the, uh, 1974 budget that they were to be eliminated, the positions.

Weinberger. Congress usually feels very strongly about anybody being dismissed because the person being dismissed goes to his Congressmen, and, uh, letters are written and pressures develop of that, from that source.

Hume. I wonder while you feel that, with a transition as yet incomplete, uh, why, dropping people at this point, is indeed a timely and, uh, sensible move . . . Uh . . .

Weinberger. We didn't feel that it was proper to, uh, nor did we have any basis for justifying a continuance of their employment . . . but there hasn't been any disruption in the program.

Document: Private study of the program done by the Academy of Pediatrics. Reduced effort in HEW regional offices . . . The effort being put forth represents at least a 50% reduction over a comparable time period last year . . . Comments raging from "chaos" to "severe depression" are readily offered by regional staff members, and equally readily perceived by those who speak with regional staff. Forty percent of positions for physicians previously identified with Title V programs in regional offices are vacant. Decentralization had reduced the level of technical competence for Title V programs to a point where the programs cannot function adequate.

Degnon. The federal government in the regional offices are no longer in a position to provide the technical support to the states, as the states assume expanded responsibilities for the development of maternal and child health, and children and youth programs.

Cunningham. But many states, the medium and small size states, who have, uh, very small staffs and are very heavily dependent upon the assistance and consultation that they've been used to receiving from the Federal government, are going to have real difficulties.

Miller. The Washington agencies, the regional offices of HEW seem to be devoid of people with specific expertise in relation to children.

DEGNON. If most people knew of the programatic and budgetary manipulations going on in Washington in regard to health programs for children, there would just be a tremendous cry of outrage.

HERB KAPLOW. If a child happens to be born poor in this country, or black, that child has nearly 1½ to two times the chance of dying in its first year as do children born in the middle class. There are 8 American states where the infant death rate for minority children is over 75% higher than the national average for whites.

They are not just the southern states where poverty is concentrated. They include Indiana, Illinois, New Jersey, Wyoming, North Carolina, Alabama, Mississippi.

Our infant death rate is not a Southern problem nor is it a problem confined to minority groups. It is a national problem.

An American child would have a better chance of living through its first year, if it were born in Sweden. An American child would have a better chance of living through its first year if it were born in Japan or England, or Wales, or France, or across the border in Canada, or in eight other nations.

The richest and most technologically advanced country on earth is the United States. But to a pregnant mother who cannot afford to pay, like Tora Mae Collins, it offers almost no care and not enough to eat.

COLLINS. I went and had one checkup and that was when I found out that I was pregnant. Yes, he said that if I didn't have the money for my next checkup he wouldn't examine me.

HERB KAPLOW. The difference between what science knows and what society does is dramatically illustrated by America's infant death rate. Our high infant mortality is not a mystery. It is not a problem that science cannot resolve Indeed, most authorities agree that we know what to do about it. But, so far we have not chosen to apply our knowledge.

To put it bluntly, we have not chosen to spend the money to reduce the over fifty-five thousand infant deaths each year.

HILL. How much did Paula weigh when she was born?

COLLINS. She was a full 9 months baby but she just weighed four pounds and 13 ounces cause I didn't have the right medical care.

HERB KAPLOW. Medical science has known for some time that small babies like Paula Collins—called low birth weight babies—die in considerably greater numbers than those of normal weight. Seventy percent of all infant deaths reported each year are low birth weight babies, weighing 5½ pounds or less.

Q. Has she been particularly sickly in these few months?

COLLINS. Yes, she has been sick just about all the time since she has been born, and we worry about her. Mostly sit up all night with her because she can't rest.

HERB KAPLOW. Poor white people have almost one and a half times the number of these fragile infants as middle class people have. Poor black people have roughly twice the number. The causes of low birth weight are complex, but an important cause, scientists now know, is malnutrition or undernutrition in the mother.

They also know that the less medical care a mother has in pregnancy, the more likely she is to have a low birth weight baby, or a baby born prematurely.

MAYER. We know that such children are much more likely to be underdeveloped either physically or mentally. They also seem to be more vulnerable to almost any infant disease. Anything which can be done to reduce the number of such children, is automatically going to also considerably reduce the infant mortality and the number of serious birth defects, including mental retardation.

HERB KAPLOW. What can be done is illustrated by a test program in Guatemala sponsored by our government. Additional food and medical care were provided to pregnant and nursing mothers and infant children. The early results show that in villages where food and care were given, the infant death rate was reduced to half that of the villages where no care was given.

JEAN MAYER. It's worth it to realize that we could bring down our infant mortality by almost fifty percent on the basis of what we know.

LESSER. With the present knowledge that we have there really is no excuse for this. We know what can be done about it, why don't we go ahead and do it?

JOHN KNOWLES. The differences in infant mortality amongst various social and economic groups is a pox on this country. It can't be tolerated and there's no excuse for it.

HERB KAPLOW. But even when low birth weight babies live, they often suffer a variety of later problems. Studies show that they do less well in school. They tend to be small. They have higher incidence of mental retardation and Cerebral Palsy. No one really knows for sure whether those problems are caused by the undernutrition of the pregnant mother, and the infant, or, whether they are caused by the deprived conditions in which poor children grow up. But some authorities believe we now have the knowledge to try and reduce the rate of mental retardation.

JEAN MAYER. Oh, I don't think there is any doubt but that sound nutrition could reduce the prevalence of mental retardation in this country. I'm not saying by any means that all mental retardation is due to malnutrition.

There are obviously a great many other reasons but, the link between mental retardation and low birth weight is very well established. The link between low birth weight and malnutrition is also very well established. And it is the inevitable consequence of this—that there is a link between mental retardation and malnutrition.

HERB KAPLOW. It is probably impossible to guarantee every child normal size at birth. But authorities are unanimous that the number of low birth weight infants could be sharply reduced if their mothers were better fed and cared for during pregnancy.

The best estimate is that 500–600 thousand pregnant mothers every year receive inadequate care. From 25 to 35 percent of low income women in large cities still deliver their babies with little or no prenatal care. The Federal Government has a small pilot to provide prescription food to pregnant and nursing mothers and their small children. It is called the Women, Infants and Children program and it now operates in two hundred twenty-nine communities. A hundred fifty thousand mothers and small children receive food.

Each community may choose its own way of delivering the food.

In Dallas it is delivered directly to the families.

Congress has now expanded the funding of this program to a hundred and fifteen million dollars, in order to preserve and expand the projects where they now operate. But even so, they reach fewer than eleven percent of the mothers and young children who might benefit from extra food.

This program would have lasted only three years. A delay by the Nixon Administration in getting it started has cut its life to about two years. The law creating this feeding program was enacted in September, 1972. It ordered that the program start immediately. And also specified that twenty million dollars be spent in each of the first two years of the program.

Document: In order to carry out the program . . . during the fiscal year 1973, the Secretary shall use $20,000,000 . . . In order to carry out such program . . . during . . . 1974 . . . the Secretary shall use $20,000,000.

But, by February of 1973, five months after the law was passed, the program had not yet begun. The Agriculture Department was saying openly that it had no intention of spending the designated twenty million dollars for the first year. And the Department planned to spend only about eight million in the second year.

YEUTTER. There was by no means the need to expend twenty million dollars the first year because the program wasn't in operation the first year and the question then became how much is needed in the second year. Forty million dollars, twenty million dollars or something less.

POLLACK. Congressional law was clear, forty million dollars shall be spent. The Executive has to comply with the law.

Q. HUME. Now, what is puzzling to me is how you and the people of the Office of Management and Budget, could get from that language something other than the intention that you should use twenty million dollars that year. How did you do that?

YEUTTER. I don't in any way disagree with the language that's present there, Brit, but at the same time, it seemed to me that any public official has an obligation not to waste funds that have been appropriated.

And I do not believe that the Congress meant shall use under any circumstances, shall use no matter whether practical or impractical, shall use if you have to pour it down the drain in your bathroom.

HERB KAPLOW. In June, 1973, Secretary Yeutter was warned by Senator Hubert Humphrey, one of the sponsors of the legislation, that the Department's failure to spend the specified amount, violated the intent of Congress.

Document: Senator Humphrey at the Select Committee Hearings:

"This is not optional the Secretary shall use $20 million.

"It is mandatory. It is obligatory, but nothing has happened . . . you apparently pay no attention to the laws we pass.

"—if the whole country did this, there would be unbelievable lawlessness."

HERB KAPLOW. In June, 1973, a Federal Court in Washington in response to a citizen's law suit ordered the Agriculture Department to begin the program immediately. In August, the Court further directed the Department to spend the forty million dollars designated by Congress.

There is another program which has proved what the Federal Government can do to reduce the number of infants who die in this country.

It is called Maternal and Infant Care. In nearly all the areas where the program has operated, the infant death rate has declined significantly.

There are 56 federal maternal and infant care projects around the country. The problem is that these reach only 130,000 women—only about 1 out of every 5 mothers who might benefit from such assistance.

It is not hard to understand why the program has succeeded. It provides nutritional advice during pregnancy. It provides regular checkups regardless of ability to pay.

VOICE. It is not hurting her—she just said she is tired of pushing.

WOMAN. OK, rest a little bit, baby.

VOICE. OK, I'm going to give you more oxygen to breathe. You are not hurting are you? Okay, where does it hurt you, right down at the bottom, or in your tummy? In your stomach?

HERB KAPLOW. And, if there is danger at

UMI

the time of birth, as in Diane Smith's case, it provides the special care that is needed.

Dr. George Jackson. Here we go, it's a boy . . . (child crying). See him, see your baby.

Diane Smith. Oh, he looks just like my husband!

Dr. Jackson. Just like your husband, he is a pretty baby.

Herb Kaplow. The Maternal and Infant Care program is a companion to the Children and Youth preventive care programs examined earlier. Both were operated by the same agency inside HEW which has now been disbanded by the Nixon Administration.

Experts believe that this program, like its companion, is in jeopardy.

They fear that without adequate federal guidance and funding in the transition to the States the effectiveness of the program may be lost.

Secretary Weinberger. We believe very firmly that the States know more about their local problems than we do here in Washington, and that they would then use the money primarily to establish the Maternal and Infant centers so that you could make a massive attack on infant mortality and the other diseases associated with infancy.

Lesser. It's as if the government were saying, this nation's infant mortality rate with its serious internal differences, its serious disadvantage as compared with other nations, is no concern of the Federal Government at all.

Degnon. These programs are not only in jeopardy in terms of being forced to reduce their service capacity—some of them may be in jeopardy insofar as having to close.

Miller. We as a country have made no serious effort at all to see that these advantages, that these services reach every child who would benefit. We are still a long ways from that kind of commitment.

Herb Kaplow. The Maternal and Infant Care programs have been a clear success despite the fact that they reach less than a fifth of those who could benefit.

For hundreds of thousands of others like Mary Shepard and her infant son, Steven, no such care is available.

Mary Shepard. Well, he had those worms, you know, and it's what killed him. He had them so bad that they couldn't cure him of them. I didn't know he had 'em until he took real bad off. I put him in the hospital and they couldn't do nothing for him.

Herb Kaplow. It would cost money to avoid such deaths. But there is also a price for doing no more than we do now.

It is paid in the lives of small children.

ACT 4

Senator Mondale. The easiest people to ignore in American Society are children. They usually accept being cheated with equanimity. They don't strike, they're just there.

So that you have this pathetic picture of infants and children, who should be our first priority, really our last. And they suffer in silence. And often their health is taken away from them for life.

Herb Kaplow. The problems these children endure are often caused by the way they live. By inadequate nutrition, improper sanitary facilities, by unsatisfactory housing. More care and food will not eliminate all these problems, but it would be a long step forward; for millions of American children, it would change their lives.

If we care about our children, why then do we not give care to them more often? Why do we allow such distance between the popular image and the unfortunate reality? And how do we begin to close that distance?

One way to provide care for children in need is to help their families pay for it. Congress is now debating that solution in the form of National Health Insurance.

But no bill being seriously considered would give children the kind of complete priority that would make sure they receive care without financial barriers. And even the best National Health Insurance plan would only be a beginning for children in need. It would not help those who live where there are not enough doctors or clinics to care for them.

Knowles. No, just passing a law that finances medicine and facilitates or removes financial barriers to getting needed health services is not going to solve the problem.

Fein. Well, I think we have to remember that the dollars are an important barrier to care but they're not the only barrier to care. In addition to having a system where people can afford to get the care, we do have to target our resources. We do have to develop special resources for child health care.

You've got to do more than eliminate the economic barrier. You've actually got to put services in place.

Herb Kaplow: As we have seen tonight, doctors and hospitals alone can do little for the hungry child or one that is born to a hungry mother. For hunger continues in this country and until we change that, we will be haunted by the sickness that malnutrition brings to children.

The child health programs we have examined tonight are small and even they are faltering. In the past 15 years, federal money spent on health care has grown enormously. But children have gotten a steadily shrinking share of it. Where many other nations have moved ahead in child health and reducing infant deaths, America has lagged behind—leaving an estimated 12 million children every year without any medical care.

It may be argued that society is not responsible for sick and hungry children brought into the world by parents who cannot care for them. But, if society is not responsible, certainly these children are not either. They did not ask to be born poor and sick and if their parents cannot help them, is it possible that in this nation, in this time, we will not insist that they at least be given a chance, the chance that proper nutrition and decent health care can bring?

Knowles: You don't have to take it away from anybody, we can afford a couple of more billion dollars, quite frankly, to develop comprehensive health services for children and youths.

Fein: Frankly, I'm tired of the argument that we ought to do these things because they are good economic investments.

I think we ought to do these things because we ought to be humane, and we ought to be decent.

I would like to think that we are a decent people.

DEPARTMENT OF AGRICULTURE—ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1975

Mr. HRUSKA. Mr. President, on Monday next, the Senate will consider H.R. 15472 which makes appropriations for agriculture, environmental, and consumer protection programs, totaling in excess of $13.5 billion.

It is a vitally important measure, having a broad scope which has direct impact on virtually all persons and activities of our Nation.

In due time, this Senator will comment upon the bill as a whole.

These remarks will be devoted to the sole appropriation item of $305,000 for the purpose of collecting line-of-business data on business firms as determined by the Federal Trade Commission. [Page 50, lines 13 to 16, of the bill; page 70 of Senate report.]

After an account of history and background, I shall propose an amendment thereto.

LEGISLATIVE AUTHORITY FOR SUCH REPORTS

The Alaska Pipeline Act—Public Law 93-153—signed into law on November 16, 1973, contains authority for the FTC to gather the information called for by the reports in question.

This newly acquired authority has long been sought by FTC, but on grounds detailed later in my remarks was denied the same till passage of the act mentioned.

The need and purposes for the report data as described by the FTC include the following:

First. To enable the Commission to investigate the extent of competition in the U.S. economy in general and in specific industries;

Second. To ascertain industry performance as to profitability;

Third. To determine the extent of sales promotion activity in industry;

Fourth. To determine industry performance and expenditures in research and development; and

Fifth. That such data would be useful in supporting rational policy planning procedures within the Federal Trade Commission.

Additional purposes to which the data will lend itself would include the filing of civil antitrust suits by Government and by private parties; and access to data giving vital information and unfair competitive advantage to foreign corporations which are not required to file reports.

There is much to be said for the desirability of gathering such information. In general, this will be of some value overall.

But, Mr. President, to possess any usefulness and effectiveness of proposed reports requires, first, that they be reliable, uniform, accurate, and adequate; and, second, that they not contain data which will present distorted results. In the words of the economist—that they not be "contaminated" or be "polluted" with misleading figures.

In past years, authority for such reports has been denied by Congress principally because there has not been any reasonable assurance that such requirements as to quality would be forthcoming. This for a variety of reasons which I will state later.

Mr. President, it is submitted that the present procedures and forms proposed by FTC for these reports fail to meet these requirements. They cannot possibly comply with the necessities of a quality and of attributes which will do the job; which will make them useful and meaningful for their declared and intended purposes.

In fact great and irreparable harm will be inflicted upon the FTC program, upon the public generally, and upon our economy if the report forms and procedures presently proposed by the FTC are insisted upon.

The amendment which I shall propose will go far to assure a goodly degree of success toward meeting the stated requirements.

Mr. President, this subject is highly complex and technical. It goes deeply into structure and management features of American industry, as well as into the principles and procedures of accounting.

The stark, inescapable fact is that there are no rules or generally accepted accounting principles governing cost allocation common or uniform among segments of a company; nor are there generally accepted accounting principles to guide joint costs, or transfer pricing (whereby firms charge themselves for products moving from one division or subunit of a company to another of its divisions or subunits).

COMPTROLLER GENERAL'S REPORT ON PROPOSED FORMS

The Comptroller General, pursuant to the 1973 act, reviewed the proposed report program. His finding was that it was consistent with the requirements of the law, subject to the following provisions:

a. The approval to collect the data is limited to the initial round of reports and approval of additional cycles by GAO will be subject to significant reduction in or elimination of the problems which make the initial data unreliable.

b. FTC conducting intensive discussions with business representatives either on an across-the-board basis or on a sample or pilot basis to advance the ease and accuracy of line-of-business reporting as rapidly as possible, and

c. FTC exploring with other Federal agencies, including Census and Securities and Exchange Commission, the possibility of coordinating or consolidating its LB data needs with data collected by those agencies.

The Comptroller General's clearance was subject to expiration on December 31, 1975.

In his report rendered on May 13, 1974, to the Chairman of the FTC, the Comptroller General explains the reasons for the limited and restricted approval.

First he noted these objectives which have been directed to the report program:

1. The data submitted cannot be meaningful for stated FTC purposes and will be misleading if used as a basis for action because of line-of-business classification, cost allocation and transfer pricing (intra-company sales) problems;

2. The burden has not been minimized as required by statute; and

Then he goes on to discuss remiss meaningfulness of the data which the program calls for.

Mr. President, I ask unanimous consent that pertinent excerpts of the Comptroller General's evaluation report be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

MEANINGFULNESS OF DATA

CLASSIFICATION

As we have indicated, there is considerable support for the idea of product-line reporting. There is a considerable amount of such reporting at the present time, but there are significant differences in details of the form and content of such reports.

For example, the Securities and Exchange Commission (SEC) now requires product-line reporting by companies filing its so-called 10K reports. It permits the reporting companies, however, to designate the product lines to be reported upon. While this permits flexibility and adaptation, it precludes meaningful aggregation, one of the FTC objectives.

The Financial Executives Institute, in May 1971, recommended including line-of-business disclosures in annual reports to shareholders. The New York Stock Exchange has endorsed this recommendation and has urged companies to make their annual reports to shareholders at least as informative as the SEC's 10K report. The Financial Accounting Standards Board is conducting a study of the problems of this type of reporting.

DILEMMA

This support in principle for line-of-business reporting disintegrates, however, when we turn to the specific FTC proposal. We believe this is because of a fundamental dilemma with regard to classification and related matters which is not yet fully resolved or compromised. On the one hand, individual business firms vary greatly in their organization, financial structure, and product lines. These variations are products of historical accident or the individual preferences of business leadership. To accurately reflect management, financial, and product-line structure of a specific business, therefore, the classifications and allocations must take account of these individualities.

On the other hand, if information is to be collected from 500 firms and compared and aggregated, the data must be collected on the basis of definitions and specifications sufficiently uniform to make comparison and aggregation possible. Given the variations in business structure, uniform definitions will require most, if not all, responding businesses to report on a basis different than that on which they operate, with consequent impact on management practices and costs.

The FTC, by reducing, redefining, and broadening its classes in each successive draft, obviously has tried to move toward resolution of this dilemma. The March submission contains some 225 categories of lines of business compared with approximately 600 earlier. The FTC staff reports that the reduction in categories has two purposes:

(1) the quality of the data is affected by joint (common) cost and transfer pricing problems. By broadening the categories and defining them on an establishment basis,[1] the magnitude of the joint cost and transfer pricing problems have been reduced; and

(2) the Bureau of Economic Analysis, Bureau of the Census, Federal Reserve Board, and the Conference Board complained that the LB data would not be consistent with any other data currently available. To respond to this complaint, the lines of business included in the March version were formed by beginning with the Standard Industrial Classification (SIC) system at the three-digit level with further breakouts for industries where concentration is high; where there has been substantial antitrust interest in the past; or, where firms within the three-digit category specialized in particular four-digit segments, e.g., printing machinery versus food machinery. The FTC expected these changes reduce the burden on the respondents.

However, the inherent conflict between FTC's product-line categories and individual business's normal management categories appears to remain. The aggregated figures on profits, sales, and expenditures by FTC line-of-business categories that will emerge from the reports probably will be neither accounting figures nor economic figures. The aggregated profit for each FTC category will be the end product of subjective judgment by each company in allocating costs common to two or more FTC categories and in computing transfer costs, and an arbitrary allocation of all of the sales, costs, and profits of a multi-category establishment to the category to which the primary activity of the establishment is assigned.

EXAMPLES

We do not know the extent to which the data will be distorted because of this practice, but examples furnished by companies suggest the distortion will be substantial. For instance, one company reports that three of its establishments in 1972 made shipments totaling $127 million that must be reported under FTC category 20.05 (Preserved fruits and vegetables excluding canned specialties), although 33½ percent of the sales actually should be distributed through seven other FTC categories.

Another firm reports that all sales and costs of one of its establishments will be allocated to a primary FTC classification although less than 50 percent of the total sales are represented by that category as follows:

FTC CATEGORY

(Percent of Sales)

	1971	*1972*
34.05 (Plumbing and heating, except electric)	39.1	42.4
36.07 (Household refrigerators and freezers)	40.2	36.1
35.20 (Refrigeration and service machinery)	19.9	21.5
36.12 (Household appliances)	.8	.0

Note, also, that in the example between 1971 and 1972 the "primary" category would have shifted from category 36.07 (Household refrigerators and freezers) to 34.05 (Plumbing heating, except electric).

A pulp and paper mill reports that some $155,000,000 in sales all of which would be classified as FTC category 26.03 (Paperboard mills), 40 percent or $62,000,000 will be misclassified.

Another company reports that, although the LB program would require reporting of a larger number of business segments than are currently included in published financial statements and reports to the SEC, the FTC code would actually result in greater aggregation than is currently disclosed in at least one instance. In that case, industrial chemicals included in the company's published report and reported to SEC accounted for 18 percent of 1973 sales and 17 percent of net income; on an FTC basis the company would report 24 percent of 1973 sales and transfers and an estimated 18 percent of net income as industrial organic chemicals. This greater aggregation required by the FTC is further complicated because it represents only a portion of the reported industrial chemical sales and net income, and includes portions of two other business segments.

While measures of the distortion in aggregate sales figures can be compiled by the FTC from answers to Item D in the report form, the FTC will not be able to measure distortion of cost or asset data.

COST ALLOCATION

At present no rules or generally accepted accounting principles govern the allocation of costs common among segments of a company. A variety of practices are followed. Dr. Robert K. Mautz reports that data from an independent research project financed by the Financial Executives Institute Research Foundation on the subject of financial reporting by diversified companies "showed that common costs are often so material that changes in the method of their allocation can have a significant impact on reported net income for the segments reported."

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[1] An establishment is a plant or economic unit, generally at a single physical location, where manufacturing operations or other services are performed.

The FTC's proposal for dealing with common costs is: (1) it will accept allocations of common costs already made by reporting companies and apparently intends to aggregate the resulting data although widely different allocation methods may have been used by different companies; and (2) for common costs not allocated by the reporting companies, the FTC will apply its own unspecified allocation formulas.

The subjective judgments by the FTC and the company in allocating common costs obviously will affect all figures to which they are applied as well as all figures derived from them, and the meaningfulness and comparability of such figures will be affected as well. Again the dilemma presents itself—varying individual business practices are not aggregatable, but if standard definitions are applied, the practices and the costs of the business area affected.

TRANSFER PRICING

The business and accounting communities regard transfer pricing as one of the very large unsolved problems in financial management. The FTC, itself, acknowledges that transfer pricing is one of the "stickiest" problems in line-of-business reporting.

Transfers of goods between divisions of a company present an extremely difficult accounting problem. The price at which one division or branch bills another for goods or services received is an arbitrary figure that has a great deal to do with the net profit reportable by both of the units affected. It constitutes income to one and cost to the other. Widely varying practices for pricing such transfers are found in business. Some companies use market value if a market exists for the item in question. Others transfer items between divisions at cost. Some use a price "bargained" between the divisions involved. Others use a price specifically selected to motivate the personnel in the affected divisions. Still others use an arbitrary billing amount for other special purposes.

Although the FTC asks for information about the method followed, it apparently plans to accept whatever practice is used and to aggregate the resulting line-of-business profit figures. Neither consistency nor accuracy can be expected.

Mr. HRUSKA. Mr. President, the most damaging portion of this evaluation report is found in the Comptroller General's words:

> We do not know the extent to which the data will be distorted because of this practice, but examples furnished by companies suggest the distortion will be substantial.

This being so, revision of the forms must be made to apply as soon as possible.

HRUSKA AMENDMENT

Rather than require the filing of substantially distorted reports for 1973 and 1974 as now called for, my amendment would limit the initial reports to data on "sales or receipts" for those periods.

During the interim, all parties concerned would be called upon to direct their efforts to expedite development of meaningful, reliable data on all aspects for the following years.

The amendment provides that on page 50, line 15, between the words "data" and "from", the following "on sales or receipts"

Mr. President, the amendment I have submitted which restricts the gathering of data by the Federal Trade Commission to sales and receipts in conjunction with its line-of-business reporting program is done not to weaken this program but rather to strengthen the program by insuring that the data gathered is a valid reflection of the variables that are to be measured and recorded. This recommendation will strengthen the program by insuring that the Federal Trade Commission will proceed slowly and cautiously in its gathering of extremely sensitive and proprietary information.

The amendment in no way seeks to curb or hinder the line-of-business reporting. It is merely an attempt to encourage the Federal Trade Commission to heed the advice that the Government Accounting Office gave when it suggested that the Federal Trade Commission perform certain pilot tests on several firms before launching into a wide scale survey of our 500 largest manufacturing enterprises. The GAO suggested a pilot study because it rightly perceived that there would be enormous problems involved with the gathering and comprehension of such a diverse body of data which has never been collected or produced before. An alternative to conducting an in-depth pilot study on several firms, which the Federal Trade Commission has rejected, is to gather the data by categories and thus to familiarize oneself on a step-by-step, "learning-by-doing" process. This latter approach is exactly what my amendment seeks to accomplish. Namely, it would limit the Federal Trade Commission to collecting data on sales and receipts for the first year. In ensuing years, they would collect data on the more complex areas of costs and profits.

Now, to some, it would appear that collecting data on sales only would involve very little learning and experience. However, this is not a valid approach since it does not reflect two very difficult problems that arise even in the collection of sales data. Specifically these problems involve the treatment of intermediate goods and the evaluation of inventories and sold goods. With respect to intermediate goods, the problem, simply put, is the point at which an internal division treats an intermediate good as completed and hence a sold unit. Further, the inventories of these intermediate goods are often valued by different accounting methods between firms particularly in times of rapid inflation. In other words, even with what appears to be a simply defined and interpreted category such as sales or receipts, there can be enormous variances across firms leading to difficult problems of accurately interpreting the data. As the Federal Trade Commission learns of these problems of sales and learns how to deal with them, it will become more adept and sensitive to the graver problems of correctly interpreting cost data where joint costs and transfer costs occur.

Why is it so crucial that the Federal Trade Commission manage this project so carefully and competently? There are three major reasons for this caution:

First, the data are to be used to study the underlying structure of our economy which comprehension can lead to better economic policies but only if that structure is accurately portrayed;

Second, as the Federal Trade Commission itself admits, there may well be several major antitrust suits filed based on this data. Surely, we do not wish to undertake or impose the enormous litigation costs that this implies without being very certain that there is probable cause for such suits;

Third and most important, the GAO indicates that of the firms they sampled, the minimum start-up costs of compliance would be $350,000 per firm, which was made up of larger firms, whereas the FTC found no start-up costs of less than $50,000 for even the smallest firms. If we take a mean figure of $175,000 to account for small and large firms, the start-up costs alone will amount to $87,500,000 based on the Senate and FTC proposal for sampling 500 firms. Add to this the annual cost of compliance as reported by the GAO and FTC of 15 percent per year with 5–7 years needed before sufficient data is collected and we arrive at a total cost of compliance of $175,000,000. Since this is a cost of doing business, it will be passed on to the consumer.

Is it reasonable to ask the American consumer to absorb $175,000,000 of Government-imposed costs without a reasonable assurance that the funds are competently spent?

Mr. President, I cannot emphasize enough the fact that we are not attempting to undermine this program but rather insure its successful application. We sincerely believe that the Federal Trade Commission has seriously and erroneously underestimated the problems of aggregating company data along their arbitrarily drawn product lines.

The major reason that there are these serious, almost insurmountable compatability problems is that although there are general accepted principles for financial accounting which constitute profit-and-loss statements, there are no accounting principles which govern internal managerial accounting which is the major source of data for line-of-business reporting.

As **Mr. Philip Hughes, Assistant Comptroller General** for the General Accounting Office, stated in his report on line-of-business reporting:

> This support in principle for line-of-business reporting disintegrates, however, when we turn to the specific FTC proposal. We believe this is because of a fundamental dilemma with regard to classification and related matters which is not yet fully resolved or compromised. On the other hand, individual business firms vary greatly in their organization, financial structure, and product lines. These variations are products of historical accident or the individual preferences of business leadership. To accurately reflect management, financial, and product-line structure of a specific business, therefore, the classifications and allocations must take account of these individualities.
>
> Therefore, the inherent conflict between FTC's product-line categories and individual business' normal management categories appears to remain. The aggregated figures on profits, sales, and expenditures by FTC line-of-business categories that will emerge from the reports probably will be neither accounting figures nor economic figures. The aggregated profit figure for each FTC category will be the end product of subjective judgment by each company in allocating costs common to two or more FTC categories and in computing transfer costs, and an arbi-

trary allocation of all of the sales, costs, and profits of a multicategory to which the primary activity of the establishment is assigned.

We do not know the extent to which the data will be distorted because of this practice, but examples furnished by companies suggest the distortion will be substantial.

Therefore, given the enormous costs involved, the admitted and readily apparent technical problems, and the potential misuse of this data, are we not doing the Federal Trade Commission, the American consumer, and we lawmakers, a distinct service by compelling the Federal Trade Commission to proceed in a cautious and competent manner in an area which is so sensitive and critical yet where they have no actual experience? Has not this thoughtful learning-by-doing approach always been the most fruitful particularly when dealing with such complex projects? Finally, there are certainly no risks or costs involved in this approach, only the potential for enormous cost savings for all.

LEGAL SERVICES CORPORATION ACT OF 1974

The PRESIDING OFFICER (Mr. HATHAWAY). Under the previous order, the Chair now lays before the Senate the message from the House of Representatives on H.R. 7824.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the amendment of the Senate to the bill (H.R. 7824) entitled "An act to establish a Legal Services Corporation, and for other purposes," with amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment to the text of the bill, insert:

That this Act may be cited as the "Legal Services Corporation Act of 1974".

SEC. 2. The Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new title:

"TITLE X—LEGAL SERVICES CORPORATION ACT

"STATEMENT OF FINDINGS AND DECLARATION OF PURPOSE

"SEC. 1001. The Congress finds and declares that—

"(1) there is a need to provide equal access to the system of justice in our Nation for individuals who seek redress of grievances;

"(2) there is a need to provide high quality legal assistance to those who would be otherwise unable to afford adequate legal counsel and to continue the present vital legal services program;

"(3) providing legal assistance to those who face an economic barrier to adequate legal counsel will serve best the ends of justice;

"(4) for many of our citizens, the availability of legal services has reaffirmed faith in our government of laws;

"(5) to preserve its strength, the legal services program must be kept free from the influence of or use by it of political pressures; and

"(6) attorneys providing legal assistance must have full freedom to protect the best interests of their clients in keeping with the Code of Professional Responsibility, the Canons of Ethics, and the high standards of the legal profession.

"DEFINITIONS

"SEC. 1002. As used in this title, the term—

"(1) 'Board' means the Board of Directors of the Legal Services Corporation;

"(2) 'Corporation' means the Legal Services Corporation established under this title;

"(3) 'eligible client' means any person financially unable to afford legal assistance;

"(4) 'Governor' means the chief executive officer of a State;

"(5) 'legal assistance' means the provision of any legal services consistent with the purposes and provisions of this title;

"(6) 'recipient' means any grantee, contractee, or recipient of financial assistance described in clause (A) of section 1006(a)(1);

"(7) 'staff attorney' means an attorney who receives more than one-half of his annual professional income from a recipient organized solely for the provision of legal assistance to eligible clients under this title; and

"(8) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

"ESTABLISHMENT OF CORPORATION

"SEC. 1003. (a) There is established in the District of Columbia a private nonmembership nonprofit corporation, which shall be known as the Legal Services Corporation, for the purpose of providing financial support for legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance.

"(b) The Corporation shall maintain its principal office in the District of Columbia and shall maintain therein a designated agent to accept service of process for the Corporation. Notice to or service upon the agent shall be deemed notice to or service upon the Corporation.

"(c) The Corporation, and any legal assistance program assisted by the Corporation. shall be eligible to be treated as an organization described in section 170(c)(2)(B) of the Internal Revenue Code of 1954 and as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code. If such treatments are conferred in accordance with the provisions of such Code, the Corporation, and legal assistance programs assisted by the Corporation, shall be subject to all provisions of such Code relevant to the conduct of organizations exempt from taxation.

"GOVERNING BODY

"SEC. 1004. (a) The Corporation shall have a Board of Directors consisting of eleven voting members appointed by the President, by and with the advice and consent of the Senate, no more than six of whom shall be of the same political party. A majority shall be members of the bar of the highest court of any State, and none shall be a full-time employee of the United States.

"(b) The term of office of each member of the Board shall be three years, except that five of the members first appointed, as designated by the President at the time of appointment, shall serve for a term of two years. Each member of the Board shall continue to serve until the successor to such member has been appointed and qualified. The term of initial members shall be computed from the date of the first meeting of the Board. The term of each member other than initial members shall be computed from the date of termination of the preceding term. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of such term. No member shall be reappointed to more than two consecutive terms immediately following such member's initial term.

"(c) The members of the Board shall not, by reason of each membership, be deemed officers or employees of the United States.

"(d) The President shall select from among the voting members of the Board a chairman, who shall serve for a term of three years. Thereafter the Board shall annually elect a chairman from among its voting members.

"(e) A member of the Board may be removed by a vote of seven members for malfeasance in office or for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

"(f) Within six months after the first meeting of the Board, the Board shall request the Governor of each State to appoint a nine-member advisory council for such State. A majority of the members of the advisory council shall be appointed, after recommendations have been received from the State bar association, from among the attorneys admitted to practice in the State, and the membership of the council shall be subject to annual reappointment. If ninety days have elapsed without such an advisory council appointed by the Governor, the Board is authorized to appoint such a council. The advisory council shall be charged with notifying the Corporation of any apparent violation of the provisions of this title and applicable rules, regulations, and guidelines promulgated pursuant to this title. The advisory council shall, at the same time, furnish a copy of the notification to any recipient affected thereby, and the Corporation shall allow such recipient a reasonable time (but in no case less than thirty days) to reply to any allegation contained in the notification.

"(g) All meetings of the Board, of any executive committee of the Board, and of any advisory council established in connection with this title shall be open to the public, and any minutes of such public meetings shall be available to the public, unless the membership of such bodies, by two-thirds vote of those eligible to vote, determines that an executive session should be held on a specific occasion.

"(h) The Board shall meet at least four times during each calendar year.

"OFFICERS AND EMPLOYEES

"SEC. 1005. (a) The Board shall appoint the president of the Corporation, who shall be a member of the bar of the highest court of a State and shall be a non-voting ex officio member of the Board, and such other officers as the Board determines to be necessary. No officer of the Corporation may receive any salary or other compensation for services from any source other than the Corporation during his period of employment by the Corporation, except as authorized by the Board. All officers shall serve at the pleasure of the Board.

"(b)(1) The president of the Corporation, subject to general policies established by the Board, may appoint and remove such employees of the Corporation as he determines necessary to carry out the purposes of the Corporation.

"(2) No political test or political qualification shall be used in selecting, appointing, promoting, or taking any other personnel action with respect to any officer, agent, or employee of the Corporation or of any recipient, or in selecting or monitoring any grantee, contractor, or person or entity receiving financial assistance under this title.

"(c) No member of the Board may participate in any decision, action, or recommendation with respect to any matter which directly benefits such member or pertains specifically to any firm or organization with which such member is then associated or has been associated within a period of two years.

"(d) Officers and employees of the Corporation shall be compensated at rates determined by the Board, but not in excess of the rate of level V of the Executive Schedule specified in section 5316 of title 5, United States Code.

"(e)(1) Except as otherwise specifically provided in this title, officers and employees of the Corporation shall not be considered officers or employees, and the Corporation shall not be considered a department, agency, or instrumentality, of the Federal Government.

"(2) Nothing in this title shall be construed as limiting the authority of the Office of Management and Budget to review and submit comments upon the Corporation's annual budget request at the time it is transmitted to the Congress.

"(f) Officers and employees of the Corporation shall be considered officers and employees of the Federal Government for purposes of the following provisions of title 5, United States Code: subchapter I of chapter 81 (relating to compensation for work injuries); chapter 83 (relating to civil service retirement); chapter 87 (relating to life insurance); and chapter 89 (relating to health insurance). The Corporation shall make contributions at the same rates applicable to agencies of the Federal Government under the provisions referred to in this subsection.

"(g) The Corporation and its officers and employees shall be subject to the provisions of section 552 of title 5, United States Code (relating to freedom of information).

"POWERS, DUTIES, AND LIMITATIONS

SEC. 1006. (a) To the extent consistent with the provisions of this title, the Corporation shall exercise the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act (except for section 1005(o) of title 29 of the District of Columbia Code). In addition, the Corporation is authorized—

"(1)(A) to provide financial assistance to qualified programs furnishing legal assistance to eligible clients, and to make grants to and contracts with—

"(i) individuals, partnerships, firms, corporations, and nonprofit organizations, and

"(ii) State and local governments (only upon application by an appropriate State or local agency or institution and upon a special determination by the Board that the arrangements to be made by such agency or institution will provide services which will not be provided adequately through nongovernmental arrangements),

for the purpose of providing legal assistance to eligible clients under this title, and (B) to make such other grants and contracts as are necessary to carry out the purposes and provisions of this title;

"(2) to accept in the name of the Corporation, and employ or dispose of in furtherance of the purposes of this title, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise; and

"(3) to undertake directly and not by grant or contract, the following activities relating to the delivery of legal assistance—

"(A) research,

"(B) training and technical assistance, and

"(C) to serve as a clearinghouse for information.

"(b)(1) The Corporation shall have authority to insure the compliance of recipients and their employees with the provisions of this title and the rules, regulations, and guidelines promulgated pursuant to this title, and to terminate, after a hearing in accordance with section 1011, financial support to a recipient which fails to comply.

"(2) If a recipient finds that any of its employees has violated or caused the recipient to violate the provisions of this title or the rules, regulations, and guidelines promulgated pursuant to this title, the recipient shall take appropriate remedial or disciplinary action in accordance with the types of procedures prescribed in the provisions of section 1011.

"(3) The Corporation shall not, under any provision of this title, interfere with any attorney in carrying out his professional responsibilities to his client as established in the Canons of Ethics and the Code of Professional Responsibility of the American Bar Association (referred to collectively in this title as 'professional responsibilities') or abrogate as to attorneys in programs assisted under this title the authority of a State or other jurisdiction to enforce the standards of professional responsibility generally applicable to attorneys in such jurisdiction. The Corporation shall ensure that activities under this title are carried out in a manner consistent with attorneys' professional responsibilities.

"(4) No attorney shall receive any compensation, either directly or indirectly, for the provision of legal assistance under this title unless such attorney is admitted or otherwise authorized by law, rule, or regulation to practice law or provide such assistance in the jurisdiction where such assistance is initiated.

"(5) The Corporation shall insure that (A) no employee of the Corporation or of any recipient (except as permitted by law in connection with such employee's own employment situation), while carrying out legal assistance activities under this title, engage in, any public demonstration or picketing, boycott, or strike; and (B) no such employee shall, at any time, engage in, or encourage others to engage in, any of the following activities: (i) any rioting or civil disturbance, (ii) any activity which is in violation of an outstanding injunction of any court of competent jurisdiction, (iii) any other illegal activity, or (iv) any intentional identification of the Corporation or any recipient with any political activity prohibited by section 1007(a)(6). The Board, within ninety days after its first meeting, shall issue rules and regulations to provide for the enforcement of this paragraph and section 1007(a)(5), which rules shall include, among available remedies, provisions, in accordance with the types of procedures prescribed in the provisions of section 1011, for suspension of legal assistance supported under this title, suspension of an employee of the Corporation or of any employee of any recipient by such recipient, and, after consideration of other remedial measures and after a hearing in accordance with section 1011, the termination of such assistance or employment, as deemed appropriate for the violation in question.

"(6) In areas where significant numbers of eligible clients speak a language other than English as their principal language, the Corporation shall, to the extent feasible, provide that their principal language is used in the provision of legal assistance to such clients under this title.

"(c) The Corporation shall not itself—

"(1) participate in litigation on behalf of clients other than the Corporation; or

"(2) undertake to influence the passage or defeat of any legislation by the Congress of the United States or by any State or local legislative bodies, except that personnel of the Corporation may testify or make other appropriate communication (A) when formally requested to do so by a legislative body, a committee, or a member thereof, or (B) in connection with legislation or appropriations directly affecting the activities of the Corporation.

"(d)(1) The Corporation shall have no power to issue any shares of stock, or to declare or pay any dividends.

"(2) No part of the income or assets of the Corporation shall inure to the benefit of any director, officer, or employee, except as reasonable compensation for services or reimbursement for expenses.

"(3) Neither the Corporation nor any recipient shall contribute or make available corporate funds or program personnel or equipment to any political party or association, or the campaign of any candidate for public or party office.

"(4) Neither the Corporation nor any recipient shall contribute or make available corporate funds or program personnel or equipment for use in advocating or opposing any ballot measures, initiatives, or referendums. However, an attorney may provide legal advice and representation as an attorney to any eligible client with respect to such client's legal rights.

"(5) No class action suit, class action appeal, or amicus curiae class action may be undertaken, directly or through others, by a staff attorney, except with the express approval of a project director of a recipient in accordance with policies established by the governing body of such recipient.

"(e)(1) Employees of the Corporation or of recipients shall not at any time intentionally identify the Corporation or the recipient with any partisan or nonpartisan political activity associated with a political party or association, or the campaign of any candidate for public or party office.

"(2) Employees of the Corporation shall be deemed to be State or local employees for purposes of chapter 15 of title 5, United States Code.

"(f) If an action is commenced by the Corporation or by a recipient and a final order is entered in favor of the defendant and against the Corporation or a recipient's plaintiff, the court may, upon motion by the defendant and upon a finding by the court that the action was commenced or pursued for the sole purpose of harassment of the defendant or that the Corporation or a recipient's plaintiff maliciously abused legal process, enter an order (which shall be appealable before being made final) awarding reasonable costs and legal fees incurred by the defendant in defense of the action, except when in contravention of a State law, a rule of court, or a statute of general applicability. Any such costs and fees shall be directly paid by the Corporation.

"GRANTS AND CONTRACTS

"SEC. 1007. (a) With respect to grants or contracts in connection with the provision of legal assistance to eligible clients under this title, the Corporation shall—

"(1) insure the maintenance of the highest quality of service and professional standards, the preservation of attorney-client relationships, and the protection of the integrity of the adversary process from any impairment in furnishing legal assistance to eligible clients;

"(2)(A) establish, in consultation with the Director of the Office of Management and Budget and with the Governors of the several States, maximum income levels (taking into account family size, urban and rural differences, and substantial cost-of-living variations) for individuals eligible for legal assistance under this title;

"(B) establish guidelines to insure that eligibility of clients will be determined by recipients on the basis of factors which include—

"(i) the liquid assets and income level of the client,

"(ii) the fixed debts, medical expenses, and other factors which affect the client's ability to pay,

"(iii) the cost of living in the locality, and

"(iv) such other factors as relate to financial inability to afford legal assistance, which shall include evidence of a prior determination, which shall be a disqualifying factor, that such individual's lack of income results from refusal or unwillingness, without good cause, to seek or accept an employment situation; and

"(C) establish priorities to insure that persons least able to afford legal assistance are given preference in the furnishing of such assistance;

"(3) insure that grants and contracts are made so as to provide the most economical and effective delivery of legal assistance to persons in both urban and rural areas;

"(4) insure that attorneys employed full time in legal assistance activities supported in major part by the Corporation refrain from (A) any compensated outside practice of law, and (B) any uncompensated outside practice of law except as authorized in guidelines promulgated by the Corporation;

"(5) insure that no funds available to recipients by the Corporation shall be used at any time, directly or indirectly, to influence the issuance, amendment, or revocation of any executive order or similar promulgation by any Federal, State, or local agency, or to undertake to influence the passage or defeat of any legislation by the Congress of the United States, or by any State or local legislative bodies, except where—

"(A) representation by an attorney as an attorney for any eligible client is necessary to the provision of legal advice and representation with respect to such client's legal rights and responsibilities (which shall not be construed to permit a recipient or an attorney to solicit a client for the purpose of making such representation possible, or to solicit a group with respect to matters of general concern to a broad class of persons as distinguished from acting on behalf of any particular client); or

"(B) a governmental agency, a legislative body, a committee, or a member thereof requests personnel of any recipient to make representations thereto;

"(6) insure that all attorneys engaged in legal assistance activities supported in whole or in part by the Corporation refrain, while so engaged, from—

"(A) any political activity, or

"(B) any activity to provide voters or prospective voters with transportation to the polls or provide similar assistance in connection with an election (other than legal advice and representation), or

"(C) any voter registration activity (other than legal advice and representation);

and insure that staff attorneys refrain at any time during the period for which they receive compensation under this title from the activities described in clauses (B) and (C) of this paragraph and from political activities of the type prohibited by section 1502(a) of title 5, United States Code, whether partisan or nonpartisan;

"(7) require recipients to establish guidelines, consistent with regulations promulgated by the Corporation, for a system for review of appeals to insure the efficient utilization of resource and to avoid frivolous appeals (except that such guidelines or regulations shall in no way interfere with attorneys' professional responsibilities);

"(8) insure that recipients solicit the recommendations of the organized bar in the community being served before filling staff attorney positions in any project funded pursuant to this title and give preference in filling such positions to qualified persons who reside in the community to be served;

"(9) insure that every grantee, contractor, or person or entity receiving financial assistance under this title or predecessor authority under this Act which files with the Corporation a timely application for refunding is provided interim funding necessary to maintain its current level of activities until (A) the application for refunding has been approved and funds pursuant thereto received, or (B) the application for refunding has been finally denied in accordance with section 1011 of this Act; and

"(10) insure that all attorneys, while engaged in legal assistance activities supported in whole or in part by the Corporation, refrain from the persistent incitement of litigation and any other activity prohibited by the Canons of Ethics and Code of Professional Responsibility of the American Bar Association, and insure that such attorneys refrain from personal representation for a private fee in any cases in which they were involved while engaged in such legal assistance activities.

"(b) No funds made available by the Corporation under this title, either by grant or contract, may be used—

"(1) to provide legal assistance with respect to any fee-generating case (except in accordance with guidelines promulgated by the Corporation), to provide legal assistance with respect to any criminal proceeding, or to provide legal assistance in civil actions to persons who have been convicted of a criminal charge where the civil action arises out of alleged acts or failures to act and the action is brought against an officer of the court or against a law enforcement official for the purpose of challenging the validity of the criminal conviction;

"(2) for any of the political activities prohibited in paragraph (6) of subsection (a) of this section:

"(3) to make grants to or enter into contracts with any private law firm which expends 50 percent or more of its resources and time litigating issues in the broad interests of a majority of the public;

"(4) to provide legal assistance under this title to any unemancipated person of less than eighteen years of age, except (A) with the written request of one of such person's parents or guardians, (B) upon the request of a court of competent jurisdiction, (C) in child abuse cases, custody proceedings, persons in need of supervision (PINS) proceedings, or cases involving the initiation, continuation, or conditions of institutionalization, or (D) where necessary for the protection of such person for the purpose of securing, or preventing the loss of, benefits, or securing, or preventing the loss or imposition of, services under law in cases not involving the child's parent or guardian as a defendant or respondent.

"(5) to support or conduct training programs for the purpose of advocating particular public policies or encouraging political activities, labor or antilabor activities, boycotts, picketing, strikes, and demonstrations, as distinguished from the dissemination of information about such policies or activities, except that this provision shall not be construed to prohibit the training of attorneys or paralegal personnel necessary to prepare them to provide adequate legal assistance to eligible clients;

"(6) to organize, to assist to organize, or to encourage to organize, or to plan for the creation or formation of, or the structuring of, any organization, association, coalition, alliance, federation, confederation, or any similar entity, except for the provision of legal assistance to eligible clients in accordance with guidelines promulgated by the Corporation;

"(7) to provide legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system;

"(8) to provide legal assistance with respect to any proceeding or litigation which seeks to procure a nontherapeutic abortion or to compel any individual or institution to perform an abortion, or assist in the performance of an abortion, or provide facilities for the performance of an abortion, contrary to the religious beliefs or moral convictions of such individual or institution; or

"(9) to provide legal assistance with respect to any proceeding or litigation arising out of a violation of the Military Selective Service Act or of desertion from the Armed Forces of the United States.

"(c) In making grants or entering into contracts for legal assistance, the Corporation shall insure that any recipient organized solely for the purpose of providing legal assistance to eligible clients is governed by a body at least 60 percent of which consists of attorneys who are members of the bar of a State in which the legal assistance is to be provided (except that the Corporation (1) shall, upon application, grant waivers to permit a legal services program, supported under section 222(a) (3) of the Economic Opportunity Act of 1964, which on the date of enactment of this title has a majority of persons who are not attorneys on its policy-making board to continue such a nonattorney majority under the provisions of this title, and (2) may grant, pursuant to regulations issued by the Corporation, such a waiver for recipients which, because of the nature of the population they serve, are unable to comply with such requirement) and which include at least one individual eligible to receive legal assistance under this title. Any such attorney, while serving on such board, shall not receive compensation from a recipient.

"(d) The Corporation shall monitor and evaluate and provide for independent evaluations of programs supported in whole or in part under this title to insure that the provisions of this title and the bylaws of the Corporation and applicable rules, regulations, and guidelines promulgated pursuant to this title are carried out.

"(e) The president of the Corporation is authorized to make grants and enter into contracts under this title.

"(f) At least thirty days prior to the approval of any grant application or prior to entering into a contract or prior to the invitation of any other project, the Corporation shall announce publicly, and shall notify the Governor and the State bar association of any State where legal assistance will thereby be initiated, of such grant, contract, or project. Notification shall include a reasonable description of the grant application or proposed contract or project and request comments and recommendations.

"(g) The Corporation shall provide for comprehensive, independent study of the existing staff-attorney program under this Act and, through the use of appropriate demonstration projects, of alternative and supplemental methods of delivery of legal services to eligible clients, including judicare, vouchers, prepaid legal insurance, and contracts with law firms; and, based upon the results of such study, shall make recommendations to the President and the Congress, not later than two years after the first meeting of the Board, concerning improvements, changes, or alternative methods for the economical and effective delivery of such services.

"RECORDS AND REPORTS

"SEC. 1008. (a) The Corporation is authorized to require such reports as it deems necessary from any grantee, contractor, or person or entity receiving financial assistance under this title regarding activities carried out pursuant to this title.

"(b) The Corporation is authorized to prescribe the keeping of records with respect to funds provided by grant or contract and shall have access to such records at all reasonable times for the purpose of insuring compliance with the grant or contract or the terms and conditions upon which financial assistance was provided.

"(c) The Corporation shall publish an annual report which shall be filed by the Corporation with the President and the Congress.

"(d) Copies of all reports pertinent to the evaluation, inspection, or monitoring of any grantee, contractor, or person or entity receiving financial assistance under this title shall be submitted on a timely basis to such grantee, contractor, or person or entity, and shall be maintained in the principal office of the Corporation for a period of at least five years subsequent to such evaluation, inspection, or monitoring. Such reports shall be available for public inspection during regular business hours, and copies shall be furnished, upon request, to interested parties upon payment of such reasonable fees as the Corporation may establish.

'(e) The Corporation shall afford notice and reasonable opportunity for comment to interested parties prior to issuing rules, regulations, and guidelines, and it shall publish in the Federal Register at least 30 days prior to their effective date all its rules, regulations, guidelines, and instructions.

"AUDITS

"SEC. 1009. (a)(1) The accounts of the Corporation shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants who are certified by a regulatory authority of the jurisdiction in which the audit is undertaken.

"(2) The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Corporation and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to any such person.

"(3) The report of the annual audit shall be filed with the General Accounting Office and shall be available for public inspection during business hours at the principal office of the Corporation.

"(b)(1) In addition to the annual audit, the financial transactions of the Corporation for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the General Accounting Office in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States.

"(2) Any such audit shall be conducted at the place or places where accounts of the Corporation are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Corporation and necessary to facilitate the audit; and full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to such representatives. All such books, accounts, financial records, reports, files, and other papers or property of the Corporation shall remain in the possession and custody of the Corporation.

"(3) A report of such audit shall be made by the Comptroller General to the Congress and to the President, together with such recommendations with respect thereto as he shall deem advisable.

"(c)(1) The Corporation shall conduct, or require each grantee, contractor, or person or entity receiving financial assistance under this title to provide for, an annual financial audit. The report of each such audit shall be maintained for a period of at least five years at the principal office of the Corporation.

"(2) The Corporation shall submit to the Comptroller General of the United States copies of such reports, and the Comptroller General may, in addition, inspect the books, accounts, financial records, files, and other papers or property belonging to or in use by such grantee, contractor, or person or entity, which relate to the disposition or use of funds received from the Corporation. Such audit reports shall be available for public inspection, during regular business hours, at the principal office of the Corporation.

"(d) Notwithstanding the provisions of this section or section 1008, neither the Corporation nor the Comptroller General shall have access to any reports or records subject to the attorney-client privilege.

"FINANCING

"SEC. 1010. (a) There are authorized to be appropriated for the purpose of carrying out the activities of the Corporation, $90,000,000 for fiscal year 1975, $100,000,000 for fiscal year 1976, and such sums as may be necessary for fiscal year 1977. The first appropriation may be made available to the Corporation at any time after six or more members of the Board have been appointed and qualified. Appropriations shall be for not more than two fiscal years, and, if for more than one year, shall be paid to the Corporation in annual installments at the beginning of each fiscal year in such amounts as may be specified in appropriation Acts.

"(b) Funds appropriated pursuant to this section shall remain available until expended.

"(c) Non-Federal funds received by the Corporation, and funds received by any recipient from a source other than the Corporation, shall be accounted for and reported as receipts and disbursements separate and distinct from Federal funds; but any funds so received for the provision of legal assistance shall not be expended by recipents for any purpose prohibited by this title, except that this provision shall not be construed to prevent recipients from receiving other public funds or tribal funds (including foundation funds benefiting Indians or Indian tribes) and expending them in accordance with the purposes for which they are provided, or to prevent contracting or making other arrangements with private attorneys, or with legal aid societies having separate public defender programs, for the provision of legal assistance to eligible clients under this title.

"SPECIAL LIMITATIONS

"SEC. 1011. The Corporation shall prescribe procedures to insure that—

"(1) financial assistance under this title shall not be suspended unless the grantee, contractor, or person or entity receiving financial assistance under this title has been given reasonable notice and opportunity to show cause why such action should not be taken; and

"(2) financial assistance under this title shall not be terminated, an application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the grantee, contractor, or person or entity receiving financial assistance under this title has been afforded reasonable notice and opportunity for a timely, full, and fair hearing.

"COORDINATION

"SEC. 1012. The President may direct that appropriate support functions of the Federal Government may be made available to the Corporation in carrying out its activities under this title, to the extent not inconsistent with other applicable law.

"RIGHT TO REPEAL, ALTER, OR AMEND

"SEC. 1013. The right to repeal, alter, or amend this title at any time is expressly reserved.

"SHORT TITLE

"SEC. 1014. This title may be cited as the 'Legal Services Corporation Act'."

TRANSITION PROVISIONS

SEC. 3. (a) Notwithstanding any other provision of law, effective ninety days after the date of the first meeting of the Board of Directors of the Legal Services Corporation established under the Legal Services Corporation Act (title X of the Economic Opportunity Act of 1964, as added by this Act), the Legal Services Corporation shall succeed to all rights of the Federal Government to capital equipment in the possession of legal services programs or activities assisted pursuant to section 222(a)(3), 230, 232, or any other provision of the Economic Opportunity Act of 1964.

(b) Within ninety days after the first meeting of the Board, all assets, liabilities, obligations, property, and records as determined by the Director of the Office of Management and Budget, in consultation with the Director of the Office of Economic Opportunity or the head of any successor authority, to be employed directly or held or used primarily, in connection with any function of the Director of the Office of Economic Opportunity or the head of any successor authority in carrying out legal services activities under the Economic Opportunity Act of 1964, shall be transferred to the Corporation. Personnel transferred to the Corporation from the Office of Economic Opportunity or any successor authority shall be transferred in accordance with applicable laws and regulations, and shall not be reduced in compensation for one year after such transfer, except for cause. The Director of the Office of Economic Opportunity or the head of any successor authority shall take whatever action is necessary and reasonable to seek suitable employment for personnel who do not transfer to the Corporation.

(c) Collective-bargaining agreements in effect on the date of enactment of this Act covering employees transferred to the Corporation shall continue to be recognized by the Corporation until the termination date of such agreements, or until mutually modified by the parties.

(d)(1) Notwithstanding any other provision of law, the Director of the Office of Economic Opportunity or the head of any successor authority shall take such action as may be necessary, in cooperation with the president of the Legal Services Corporation, including the provision (by grant or otherwise) of financial assistance to recipients and the Corporation and the furnishing of services and facilities to the Corporation—

(A) to assist the Corporation preparing to undertake, and in the initial undertaking of, its responsibilities under this title;

(B) out of appropriations available to him, to make funds available to meet the organizational and administrative expenses of the Corporation;

(C) within ninety days after the first meeting of the Board, to transfer to the Corporation all unexpended balances of funds appropriated for the purpose of carrying out legal services programs and activities under the Economic Opportunity Act of 1964 or successor authority; and

(D) to arrange for the orderly continuation by such Corporation of financial assistance to legal services programs and activities assisted pursuant to the Economic Opportunity Act of 1964 or successor authority.

Whenever the Director of the Office of Economic Opportunity or the head of any successor authority determines that an obligation to provide financial assistance pursuant to any contract or grant for such legal services will extend beyond six months after the date of enactment of this Act, he shall include, in any such contract or grant, provisions to assure that the obligation to provide such financial assistance may be assumed by the Legal Services Corporation, subject to such modifications of the terms and conditions of such contract or grant as the Corporation determines to be necessary.

(2) Section 222(a)(3) of the Economic Opportunity Act of 1964 is repealed, effective ninety days after the first meeting of the Board of Directors of the Legal Services Corporation.

(e) There are authorized to be appropriated for the fiscal year ending June 30, 1975, such sums as may be necessary for carrying out this section.

(f) Title VI of the Economic Opportunity Act of 1964 is amended by inserting after section 625 thereof the following new section:

"INDEPENDENCE OF LEGAL SERVICES CORPORATION

"Sec. 626. Nothing in this Act, except title X, and no reference to this Act unless such reference refers to title X, shall be construed to affect the powers and activities of the Legal Services Corporation.".

Resolved, That the House recede from its disagreement to the amendment of the Senate to the title of the bill.

The PRESIDING OFFICER. The time for debate on the motion to concur in the House amendment is limited to 30 minutes, to be equally divided between the majority and minority leaders or their designees. Who yields time?

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time for the quorum call be equally charged to both sides against the time that is allotted with respect to the Helms amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that John Scales may have the privilege of the floor during the debate on the legal services matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Under the same conditions?

Mr. JAVITS. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Chair will state that no motion has been made as yet relative to H.R. 7824.

Mr. HELMS. I thank the Chair.

Mr. GRIFFIN. Mr. President, reserving the right to object, if I may proceed, I understood that the motion had been made to concur in the House amendment.

The PRESIDING OFFICER. The Chair was informed otherwise, but the Chair will check further.

The Chair will state that time has been provided until the hour of 2 p.m. for the possible motion, but no motion has been made from the floor as yet.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HELMS. I yield.

Mr. JAVITS. I understand that a motion was pending. A unanimous consent agreement was made upon that pending motion and a vote has been provided for the pending motion.

Mr. GRIFFIN. That is my understanding, also, I wish to say to the Chair.

The PRESIDING OFFICER. The Chair stands corrected. A check of the Record does show that a motion to concur in the House amendment was made last Tuesday. So the question is on agreeing to the motion to concur in the House amendment to the Senate amendment to H.R. 7824.

Mr. HELMS. I believe there is a time limitation. Would the Chair state it?

The PRESIDING OFFICER. The time limitation on the motion to concur is 30 minutes.

Mr. HELMS. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. If the Senator will suspend for a moment, the time on the motion to concur in the House amendment, with amendments, is limited to 90 minutes, equally divided between the Senator from North Carolina and the Senator from Wisconsin.

Mr. HELMS. Mr. President, before proceeding to a motion that I shall make shortly, I might say for the Record that there is considerable misunderstanding among Members of the Senate about what is afoot in this matter. I shall address myself to that in some detail in a few moments.

I have just discussed with three Senators in the cloakroom and elsewhere this morning—purely by chance—on my way to the floor, as to just what is involved in this legislation, and it is their impression that backup centers have been removed absolutely from this bill.

I shall address myself to forthright statements by the distinguished proponents of the bill momentarily, but I want to make a unanimous-consent request, which I shall make in good faith, which should clear up any misunderstanding on the part of any Senator.

Since there is this misunderstanding, not by the Senator from North Carolina but by many Senators who have not been able to be present on this floor—as is the case right now, obviously—in a moment I shall ask unanimous consent that this bill be sent to the Judiciary Committee for 7 days, so that the Judiciary Committee can examine it and report back to the Senate whether in fact the backup centers and their activities have, indeed, been eliminated.

Mr. President, I say this with the full knowledge that the distinguished Senator from New York (Mr. Javits), the distinguished Senator from Ohio (Mr. Taft), and others have made clear that the backup center activities are not eliminated. But I want the Senate to know exactly what it is voting on. That is the only purpose of my desire to refer this matter for 1 week—just 7 days, Mr. President—to the Committee on the Judiciary, after which time the Committee can report back its understanding of what this measure is all about.

If the Committee on the Judiciary should report that the backup centers have indeed been eliminated, then the Senator from North Carolina will be silent in seven languages thereafter.

I reiterate, Mr. President, that I simply want the Senate, and the President of the United States to know what is in this bill. We have had enough confusion, and we have had enough misunderstanding. There is considerable misapprehension about this measure.

With that prefacing statement, I ask unanimous consent that irrespective of the unanimous-consent agreement which was entered into yesterday, I be permitted to move that this bill be referred to the Committee on the Judiciary for a period of 1 week.

Mr. JAVITS. Mr. President, I object.

The PRESIDING OFFICER (Mr. McClure). Objection is heard.

Mr. HELMS. Mr. President, I anticipated that my distinguished friend, the Senator from New York (Mr. Javits) would object. But I thought it well worth the effort to demonstrate just what the situation is, and I thank the Senator from New York for helping me prove my point.

Now, Mr. President, I move to concur in the House amendment, but with an amendment of my own which is at the desk, and which I ask be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 5, line 22 of the House amendment, or at the appropriate place, strike all through line 27.

On page 9, line 38, or at the appropriate place, strike the word "50 percent or more of its", substituting therefor the word "any"; strike the semicolon at the end of line 40, or at the appropriate place, and substitute therefor the words "or in the collective interests of the poor, or both;".

Mr. HELMS. Mr. President, I ask unanimous consent that the distinguished occupant of the chair (Mr. McClure) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, my amendment is very simple. The first part of it, obviously, would merely strike the language which authorizes direct funding of so-called backup center activities in the Corporation. The second part modifies the probation on funding certain public interest law firms to include all public interest law firms and to include firms which litigate in the collective interests of the poor.

The purpose of this amendment is to clear up an ambiguity which exists in the public mind, and no doubt in the minds of many of our colleagues. I know that I have talked to quite a number of the Members of both bodies who were under a misapprehension on this point. I have no doubt that the same misapprehension extends to the executive branch and to the White House itself. And that misapprehension is that the language of the House amendment removes the authority for backup centers.

Now the managers and proponents of this bill have been very straightforward in admitting that it is not so that the backup centers have been removed. The distinguished Senator from Wisconsin, the distinguished Senator from New York, and the distinguished Senator from Ohio have said several times on this floor that we are talking only about removing the contract and grant authority for backup centers. For instance, the distinguished Senator from Ohio said last Thursday:

> So far as the backup centers are concerned, one thing ought to be said that is perfectly clear, and that is that the House language that is expected to be adopted still permits a full degree of research and backgrounding by the corporation itself. It merely prevents the contracting out of that service to other institutions, and I think that is very proper.

When action was taken in the House on Tuesday, the manager of the bill, Representative PERKINS, explained the motion as follows:

> The change in the conference bill relates to who will perform the technical assistance, clearinghouse information, training and research activities that are essential to the proper representation of indigent clients. Under the bill, these functions will be carried out through the Corporation rather than through grant or contract . . .
>
> The research, technical assistance, training, and clearinghouse functions will be transferred to the Corporation. We expect the Corporation to do its best to make sure that these activities continue as effectively as possible. . . . Existing contracts and grants will, of course, continue to be honored through their expiration date. . . .
>
> Once the Corporation takes over these back-up functions, it will have to determine how they can best be provided. This bill does not restrict the Corporation's flexibility in this area. The Corporation may provide all of these services through its central office in Washington, or it can provide them through regional and other offices throughout the country.

Mr. President, those are the words of Representative PERKINS.

I continue to quote him:

> It can hire the necessary qualified personnel, and it may obtain consultation services from qualified individuals or groups when necessary. . . . In removing the authority of the Corporation to provide such services by grant or contract, the Congress merely changes the location of the function. We do not intend to minimize their importance.

Mr. President, I submit that that hardly qualifies as an elimination of the backup centers, as has been so widely advertised by the news media of this country.

So I think it is very clear that the House amendment changes nothing substantive. We will have pretty much the same people performing the same functions at virtually the same locations with the only change being that they will be paid directly by the Corporation as employees or consultants. In fact, it is an advantage for most of them since, although the Corporation while not a Federal agency by virtue of this peculiar legislation, its employees will be eligible for Federal employee benefits.

But even though the proponents of this bill have been straightforward in explaining that there is no substantial change, a misapprehension exists. Did this misapprehension not exist, I doubt very much that the Senate would have sent this matter to the House in anticipation of the House amendment. There has grown up a sort of shorthand explanation of the changes in the phrase "the backup centers will be eliminated." Because of the crush of Senate business at this particular season, many Senators have been occupied with hearings, conference committees, and other Senate business. They have not had the opportunity to be on the Senate floor to hear the often illuminating debate on this issue. As many of them have told me within the last 60 minutes, they were under the impression that the backup centers would be removed.

Moreover, the press seems to be under the same misapprehension. The headline in yesterday's Washington Post says "Backup Centers Out of Final Legal Bill." The story which follows reflects that headline. The lead paragraph says:

> Deleting authority for backup centers, the House approved a final compromise legal services bill by a 265-to-136 vote yesterday, bringing a three-year dispute to a verge of final settlement.

The Post continues by saying:

> The bill, which Senate sponsors said the President was committed to sign once the backup centers were out, was immediately sent back to the Senate for routine final approval.

We can see, Mr. President, that the misapprehension exists. Everybody is operating in good faith. The distinguished Senator from New York has been straightforward. He has said, in effect, that the backup centers have not been eliminated. Yet, I feel that the majority of the Members of this body confidently believe that the backup centers, as the Washington Post put it, have been deleted.

The article in the Washington Post was written by Mr. Spencer Rich, who is well-known to all of us here as an able and conscientious reporter who sits daily in the press gallery, covering complicated measures. Mr. Rich knows that I have a high regard for him as a highly competent practitioner of his craft. I have spent most of my life as a reporter and in various other forms of journalism, and I know the difficulties under which Mr. Rich and other reporters operate. Yet, even Mr. Spencer Rich seems to be under the same misapprehension as many of our colleagues with whom I have discussed the matter.

Immediately under the Post's story on the congressional action is another story about the resignation of the Director of the Office of Economic Opportunity, a story written by another well-known professional, Mr. Jules Witcover. This story includes the following paragraph, which I think is of great interest:

> A major target of conservatives has been the so-called legal services back-up centers, where the poor could go for legal aid. A compromise striking the provision for the centers for the legislation is being sought on Capitol Hill. In San Clemente, Warren—that is, White House Deputy Press Secretary Gerald Warren—Warren said that with their removal, "the chances of the President signing would be greatly enhanced."

Mr. President, the only thing that is clear is that confusion abounds. Despite the frankness of the distinguished managers of the bill, many Senators are confused, the press is confused, the public is confused, and I fear, even the White House is confused. The issue is highly technical. Mr. Witcover, for example, thanks that the backup centers are where the poor go for legal aid; but, in fact, the poor go to the neighborhood legal services projects for legal aid. This is one of the profound faults in the bill, as I have pointed out before; it creates another welfare bureaucracy where the poor are degraded by having to go stand in line, as it were, with a number for service. Although some backup centers do handle cases in some instances, the theory is that they "backup" the local projects.

The practice has been somewhat different. We know that the backup centers have been responsible for wholesale legal attacks on the very structure of our political, social, and legal system. It is quite clear, for example, that our antiabortion laws, a tradition inherent in the ethical and moral concepts of Western culture for centuries, and inherent in the separate legal system of our States, were struck down as a result of the coordinated strategy financed and supported by Federal funds through the backup centers. Although the right to kill unborn children was promoted allegedly in the name of the poor, it is the children of rich and poor alike who are being killed, and it was money wrung from the taxpayers of rich and poor alike that was used to bring about a morally offensive practice.

The same applies in many other areas. It was a backup center that did research and filed amicus briefs in the Detroit busing suits, which constitute an attack not only on the social structure of education and housing, but also an attack on the integrity of local jurisdictions and local government. Mr. President, I have to ask the question again: Why should the taxpayers of Detroit and its suburbs pay to sue themselves in court to bring about something that is morally offensive to them?

It was a backup center in California that sued to destroy the property tax as the basis of support for local education. It was a suit that was stopped only by the good sense of the California supreme court. The property tax has been an integral component of the social structure of education throughout the United States. It insures that local education will remain under local control, for we know that with State or Federal funding comes loss of local control and local support and interest. There are those who argue that other systems of educational support would be better; but such issues should be settled through the democratic process, and the taxpayer should not be forced to finance, through his taxes, the destruction of a political structure he supports.

Another issue, in which 22 backup center lawyers participated, was the DeFunis case where they advocated quotas for acceptance of students at educational institutions. The concept of quotas is fundamentally undemocratic, and highly offensive to the vast majority of Americans. It carries with it a long history of prejudice and injustice. Yet, you and I and every taxpayer paid, through the legal services backup centers, to defend that indefensible concept.

All of this is far removed from the business of providing legal services to the poor. Those who believe in manipulation of our social structure through litigation always have the courts open to them; indeed, with the state of social disintegration which afflicts our Nation, the courts are often highly receptive to such approaches. But it can only be some kind of sickness, some kind of death wish for our society, that urges the speeding-up of the process of distintegration through Federal financing of the judicial onslaught. It is bad enough for misguided private philanthropy to finance antisocial litigation, but the taxpayers of the United States should not be required to commit ambush on themselves.

The backup centers are the vehicle for this antisocial agitation. They bring together and support teams of researchers, strategists, and organizers who otherwise would not be working together. These teams are able to develop issues, prepare briefs, train other lawyers and paraprofessionals in the intricacies of their chosen area, hold strategy conferences, publish clearinghouse materials, newsletters, magazines, and even books propagandizing for political issues, all at the taxpayer's expense. If these activities were purely to provide legal aid to individuals, their activity would be much restricted. But as a matter of fact, they have worked very closely with advocacy groups, often of an extremist and militant nature. The list includes the American Indian Movement, the National Welfare Rights Organization, the National Farm Workers Organizing Council, the National Lawyers Guild, and many others. I think it should be a basic principle of democratic government that advocacy should never be financed with taxpayer's funds.

Mr. President, I have a current list of the backup centers and I ask unanimous consent that this list be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, if the Senators will take the time to look at this list in tomorrow's RECORD, at which time it will be too late, the first name on this list happens to be that of Mr. Alan Houseman, chairman of the Organization of Legal Services Backup Centers (OLSBUC). Everybody uses initials these days. Mr. Houseman, I am reliably informed, is a national officer of the National Lawyer's Guild, an organization known for its radical view of society and for its close affiliation with the Communist Party. I do not charge Mr. Houseman with being a Communist since I have no way of knowing that to be a fact. But it does indicate that Mr. Houseman occupies a part of the political spectrum that is abhorrent to the vast majority of the American people. I cite it merely because he is typical of the people whom the taxpayers are financing not only in the backup centers, but throughout the legal services program.

That is why those of us who have studied this program closely believe that the backup centers are a major factor in the program of social disorganization that has been pursued by the legal services program. If the backup centers are taken out—really taken out—we would still be left with a program of inherent instability because it is based on the staff attorney system. The staff attorney system is a root error that cannot be eliminated within the parameters of the bill that is before us. Band-aids can be put on; restrictions can be attempted; fiscal accounting procedures can be tightened, I suppose. The political unaccountability remains in this bill.

The backup centers can be removed, however, without endangering proper legal services to individual eligible clients. It is still a flaw that these "eligible clients" so-called, include groups and advocacy organizations. That is a basic injustice in the bill and an erroneous philosophy of governmental action. Removing the backup centers, hopefully, however, might tend to dampen the militancy of these destructive tendencies. It would not injure the efficiency of the local projects.

Mr. President, my amendment would delete the following authorization from the bill:

> (3) to undertake directly and not by grant of contract, the following activities relating to the delivery of legal assistance—
>
> (A) research,
>
> (B) training and technical assistance, and
>
> (C) to serve as a clearinghouse for information.

Deletion of this language would leave the local legal services projects in the same position as any other law firm. The corporation would have no specific authority to undertake research per se, but the local projects would still be able to undertake whatever research is necessary for the particular cases they are working on. That is the way any law firm works, the way any law firm provides quality legal service.

There is no reason why the Corporation should provide training and technical assistance to the local projects. The local projects should hire attorneys who are already trained, and have experience in the law. They should not hire attorneys who are just out of law school and would be mere clerks if they went into private practice.

There is absolutely no reason why the Federal Government should train attorneys at public expense, when the laws schools are jammed with applicants, and there are many fine attorneys available who have experience and do not need training. Of course, if the "training" envisioned in this bill goes into such activities as conducting strategy sessions to attack fundamental concepts of law, and the interchange of information about such attack strategies, then I think it is improper for Congress to authorize such activities.

Finally, the clearinghouse activities authorized in the bill should be deleted also, since there is virtually no way to curb the partisan abuses which historically have been associated with this concept. If this activity is deemed worthy of private philanthropy, it no doubt will continue; but there is no reason why the taxpayers should support activity which is biased against the prevailing social system.

I conclude, then, that the actual deletion of the backup centers—whether funded in-house or contracted out—would be a real improvement in a bill which is fundamentally unsound in philosophy. But the bill as it stands offers no change whatsoever. The location of the backup centers is irrelevant; it is the activity which is socially deplorable and should not be financed by public funds.

There is, however, one further problem. And that is that the deletion of this authority alone will not accomplish the removal of public funding of backup center activity. This activity includes the preparation of amicus briefs, cocounsel work with allied organizations, legal research for private advocacy groups, drafting model legislators, and proposed Executive orders governing agency activity, acting as "house counsel" for advocacy groups, lobbying upon request, publishing propaganda newspapers and books, and so forth. All of this has been justified under the rubric of "research," "clearinghouse activities," or providing "legal representation to eligible clients."

But the same activities can be carried on by so-called public interest law firms. In section 1007(b)(3), the Corporation is prohibited from funding any public interest law firm which "expends 50 percent or more of its resources and time litigating issues in the broad interests of a majority of the public."

This prohibition is represented to us as forbidding the funding of public interest law firms. But if read carefully, it does no such thing. The criterion of restraint refers only to resources spent on litigation. Nearly any one of these Naderesque operations could easily demonstrate that 51 percent or more of its resources are spent in activities other than litigation such as lobbying or publication. Therefore, almost any of them could be funded and perform essentially the same activities which are now performed by the backup centers.

Moreover, if we examine the legislative history, another possibility immediately appears. The original House-passed version, before it went to conference, contained another significant restriction.

It not only restricted grants to law firms that litigated in the broad interests of a majority of the public, but also those that litigated "in the collective interests of the poor, or both."

This brings out an important distinction between law firms that seek to serve the public interest and those that seek to serve a special interest, that is, the collective interests of the poor.

Ostensibly, a law firm could define itself as one serving the collective interests of the poor, occupy itself exclusively with class action cases and other activity devoted to the "collective interests of the poor," and be fully funded. By implication, paragraph 1007(b)(3) permits such funding.

It is plain that this so-called restriction is mere ornament that can easily be gotten around when you have 2,000 or 3,000 legal services lawyers paid by public funds, who will find it in their own interest to get around it.

So, if the Congress is really interested in "removing the backup centers," this language must be tightened up. My amendment would prohibit the Corporation, and I quote:

> (3) to make grants to or enter into contracts with any private law firm which expends any of its resources and time litigating projects in the broad interests of a majority of the public, or in the collective interests of the poor, or both.

This is a very tight prohibition. A corporation which is set up to deliver legal services to the poor has no business funding any activity which is conducted in the name of the general public. And if the services are to be delivered to the poor, it should be to poor individuals, and not to some vaguely defined "collective interest."

We must remember that the term "backup center" does not appear in the bill and is never defined. We are dealing only with broad grants of authority for funding activities. If these activities are not appropriate for public funding, it makes no difference whether the funding is direct through the corporation, or indirect through grants and contracts. And we must make sure that there are no inadvertent loopholes through which the same unsalutary activities might be squeezed by some future executives in the Legal Services Corporation.

Mr. President, the adoption of my amendment will be a clear signal to the Members of this body, to the House of Representatives, to the press and public, and to the White House that the backup centers have been removed. If it is not adopted, many people will be misled into thinking that backup center activity will cease.

Since the only public statement we have from the White House is that the possibility of signing the bill would be "enhanced"—and I repeat Mr. Warren's word "enhanced"—if the backup centers are removed I believe that there still is confusion among the White House staff. We have been informed on the highest authority, as the distinguished Senator from Nebraska (Mr. CURTIS) said on this floor the other day, that the President still had an open mind about whether he would veto the bill. I personally do not think the President will sign this bill if the backup center activity is not removed.

I also believe that the House would uphold a veto, if it should be forthcoming. On Tuesday, more than one-third of the House Members present and voting rejected the move to authorize direct funding of backup centers. And I am sure that many who did support the motion were under the misapprehension I have pointed out.

So let us be sure that no misunderstanding can exist. Let us really delete the backup centers. Let us enhance the probability that this bill will be signed into law by the President, if passed. I urge my colleagues to support my amendment.

Exhibit 1

Back-Up Centers

There is an Organization of Legal Services Back-Up Centers (OLSBUC) which keeps track of developments, address changes, programs, and can sort out the differences among national back-up centers, private back-up center, and technical assistance centers. This year's chairman of OLSBUC is Alan Houseman at Michigan Legal Services, Wayne State University, Law School Annex, Detroit, Michigan 48202. Phone 313-577-4822.

NATIONAL BACK-UP CENTERS

1. Center on Social Welfare Policy & Law, 25 West 43rd Street, 12th Floor, New York, New York 10036, (212) 354-7670.

Concentrates on cash assistance programs related to need, with some resources devoted to food assistance, Medicaid, and social security matters.

2. Harvard Center for Law & Education, 14 Appian Way, Larsen Hall, 5th Floor, Cambridge, Massachusetts 02138, (617) 495-4666.

Litigates, researches, and monitors pupil classification and grouping practices, including in some instances exclusionary devices which disproportionatey affect poor children; elimination and prevention of racial and other other invidious discrimination, issues associated with federal educational programs, such as Titles I and VII of ESEA, Title VI of the Civil Rights Act, day care and affirmative action; allocation of educational dollars and other resources within and among districts; the constitutional and statutory rights of students; alternative schools and Indian education issues.

3. Legal Action Support Project, Bureau of Social Science Research, 1990 M Street, NW, Washington, D.C. 20036 (202) 223-4300.

Provides social science research services on how the law adversely affects or aids the poor. Extensive data, analysis, and an abundance of social science experts are available. Litigation efforts are related to the Project's broad range of specialties.

4. Migrant Legal Action Program, 1910 K Street, NW, Washington, D.C. 20006, (202) 785-2475.

Specializes in the various aspects of farm labor law and civil rights of migrants. Areas of concern include Occupational Safety and Health, wage problems, Wagner-Peyser, offshore labor, immigration, the Sugar Act, food stamps, welfare, social security, and education. Given the special problems of migrants, the Program provides expertise on the specialties of the specialties. MLAP is unique in that it also maintains field offices. Most back-up centers publish their own newsletters. This one publishes this one.

5. National Consumer Law Center, One Court Street, Boston, Massachusetts 02108, (617) 523-8010.

Seeks to identify the major problems of low-income consumers and has been involved in attacks on the constitutionality of confessed judgments, prejudgment replevin, self-help repossession, and the termination of service by public utilities.

6. National Employment Law Project, 423 West 118th Street, New York, New York 10027 (212) 866-8591.

Deals with employment discrimination, unemployment insurance, labor relations, manpower programs, minimum wage provisions, compulsory work programs for welfare recipients, and employment rights generally.

7. National Health Law Program, University of California Law School Extension, 10995 Le Conte Avenue, Room 630, Los Angeles, California 90024, (213) 825-7601.

Studies health laws and how the poor are given or denied coverage. Areas of inquiry include accessibility of quality health care under Hill-Burton, tax exempt status of nonprofit hospitals without a requirement that charitable medical care be provided, the scope of services under Medicaid and Medicare, mental health, alcoholism and drug abuse programs, Occupational Safety and Health, Indian health, family planning and abortion, medical ethics, and comprehensive health planning.

8. National Housing & Economic Development Law Project, Earl Warren Legal Institute, University of California, Berkeley, California 94720, (415) 642-2826.

Provide assistance in housing law and community-based development. Housing law falls within landlord-tenant law, federal planning and redevelopment programs (public housing), housing production (rehabilitation and related contracting), and employment.

9. National Juvenile Law Center, St. Louis University School of Law, 3642 Lindell Boulevard, St. Louis, Missouri 63108, (314) 533-8866.

Works on the right to counsel in juvenile court, improving conditions in juvenile institutions, reforming standards and practices in juvenile court proceedings, and strengthening procedure for the transfer of children from juvenile court to be tried as adults in criminal court.

10. National Resource Center on Correctional Law & Legal Services, 1705 DeSales Street, NW, Washington, D.C. 20036 (202) 293-1712.

While not engaged in litigation, provides assistance on prison reform litigation and compiles studies on the rights of prisoners.

11. National Senior Citizens Law Center, 1709 West 8th Street, Los Angeles, California 90017, (213) 483-3990.

A national resource (with branch offices in Sacramento, California, Washington, D.C., and San Francisco) provides information and assistance with respect to the legal problems of the low-income elderly.

12. Indian Law Back-up Center, Native American Rights Fund, 1506 Broadway, Boulder, Colorado 80302, (303) 447-8760.

Responds with materials, advice, research, and formal participation as counsel in cases in which legal services attorneys who serve Indians desire assistance.

TECHNICAL PROJECTS

1. Legal Services Training Program, Columbus School of Law, Catholic University of America, Washington, D.C., 20017, (202) 832-3900.

Provides continuing and specialized education to legal services lawyers and gives special training to new lawyers and project directors.

BACK-UP CENTERS

2. National Clearinghouse for Legal Services, 500 North Michigan Avenue, Suite 2220, Chicago, Illinois 60611, (312) 943-2866.

Serves as a national communications network and information exchange for legal services attorneys. Publishes the Clearinghouse Review and maintains a library with document reprint services.

3. National Paralegal Institute 2000 P Street, NW, Suite 600 Washington, D.C. 20036 (202) 872-0655.

Trains paralegals, produces materials, gives advice, and generally encourages folks to become paralegals.

4. Technical Assistance Project National Legal Aid Defender Association, 1601 Connecticut Avenue, NW, Suite 777, Washington, D.C. 20009 (202) 462-4254.

Provides substantive fact finding and administrative technical assistance to legal services programs.

Mr. JAVITS. Mr. President, will the Senator from Wisconsin yield me 10 minutes?

Mr. NELSON. I yield 10 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I have listened to the argument made for this amendment with great interest. What it comes down to, Mr. President, as I see it, is this: Our colleague from North Carolina (Mr. HELMS) is going to tell the White House that it is confused. He is going to tell us that we are confused or misapprehending.

I think that is a pretty sophisticated aggregation: That the Senators are confused and do not understand what they are doing, that the House did not understand what it was doing, and that the White House does not understand what it is doing, but that all of us labored under an assumption, as defined by our colleague (Mr. HELMS), that we were going to eliminate backup centers while we were allowing them.

Fortunately, Mr. President, the words in the law are very specific, and hence I do not think that we need to depend upon the fact that a strawman is erected simply for the sake of knocking him down.

The fact is that it was made very clear time and time again that we were talking about centers which were called backup centers because it was a word of art. They were financed by grant or contract. They were, generally speaking, located on university or law school premises, and they had the specialized function of writing briefs, and so forth, respecting individual legal cases which might involve constitutional or other broadly generic law.

The fact is that the specific grant or contract authority for backup centers, which was the specific activity complained about—whatever may be the merits of the argument that those who engaged in it engaged in it for the purpose of or with the effect of propagating their social views—are not provided for in the bill as it now comes to us from the House of Representatives. That is what was stipulated for, and that is what we stipulated for.

My colleague says—and I think I noted his words exactly—"We will have the very same people serving the very same functions at the very same places."

Mr. President, I do not think that is justified by what we are bringing here at all. The fact is that the authority to fund these backup centers, to wit, the same people serving the same functions at the very same places are being taken out of the bill. What is being left in the bill is the normal legal firm function of in-house research training and the technical assistance and other facilities, including clearinghouse facilities which go with it.

I have headed a law firm myself for a long time, although I am no longer in it now; I was a practicing lawyer for many, many years, both individually and heading law firms.

One might just as well cut off his right arm as to be told that he cannot have research—persons who are specialists in research, working in his library and working on his briefs. That is simply one facet of the law which we simply cannot avoid.

If we want to have a law firm worthy of the name we simply have to perform that function.

Now, the objection taken by the White House, we understood very clearly, was they did not like the setup we had to furnish that type of service because they thought it created a class of people and the centers for social ideas and professional activity with heavy social implications which the President did not like.

So, the authority for these centers is being eliminated. But no one, as far as I know, had the remotest doubt about the fact that if we want to render law services to the poor we cannot render them one-half or one-quarter or two-thirds or five-eighths of the service to which they are entitled by not having service based upon research, training, and technical activities, which every appropriate law firm must have and which every legal representation must have.

So, Mr. President, the way in which the back-up activity are carried on—the type of center chosen—is what the White House stipulated be omitted from the bill, and it is being omitted.

The fact that research has to be done to back up any law firm's operations in its own establishment or through lawyers whom it hires and pays, is absolutely undeniable, and we might as well forget about giving legal services to the poor—except second class legal services—if we are going to eliminate completely the function of research and the other functions contained in the compromise section, based on the House bill.

So, Mr. President, I really do not believe there can be any misunderstanding or that there has been, but the Senate voted 75 to 18, and the House voted 265 to 136 exactly on that proposition.

Finally, Mr. President, this has been a long, hard, and very difficult progress which we have made in respect of the Legal Services bill. It is well known, whatever may ultimately be the fate of the OEO, that it is highly desirable that proven activities of great benefit to the poor and on a cost/benefit ratio of great advantage to the national interest should be preserved and carried on.

We have all agreed, the great majority, including the President, that the way to carry them on is through a Legal Services Corporation, essentially a corporation which will be an instrument of the bar, and that is what this is.

Every conceivable concession—many which I have reluctantly agreed to—has been made to the President's view.

In many respects this bill on lobbying, on political activity, on the personal time spent by individual attorneys goes further than anything the President has at any time asked for.

Mr. President, this is the final act. The only result of adopting Senator HELMS' amendment will be to throw the legal services proposition back to the House to destroy the understanding which we have arrived at, which will, after so many years, finally result in a Legal Services Corporation; it does only mischief, and all it does is to upset the applecart. We all know that, we are under no misapprehension as to that. This will again be in a tangle, in a turmoil, and the chances are it will never get done. It is very, very hard to put a structure together again constructed with such great difficulty and with such great delicacy as this one.

We have approved, the House has approved, it is back here for the final approval; from here it goes to the President. When we defeat the Helms amendment—which I deeply believe in the highest interests of this proposition—we should immediately vote on the motion which completes legislative action and sends the bill to the President. This will be a day long, long wished for not only by the poor and by many other people who are anxious to help the poor in this country, but by the organized bar which heavily and substantially supports exactly what we are doing. They are no wild-eyed radicals, Mr. President. But to cut off the right arm of the service which we want to give to the poor by eliminating the research, training, technical assistance, and other functions completely—and that is what we are talking about—simply makes no sense at all and just cheats the poor instead of helping them.

For all of those reasons, Mr. President, I hope the Senate will again vote, as it did just the other day, to go through with the proposition which we brought to the Senate, and of which the final act is here today, by rejecting the Helms amendment and approving by rollcall vote the motion made by Senator NELSON, of Wisconsin.

Mr. NELSON. Mr. President, how much time is left on this amendment or is there a time limitation?

The PRESIDING OFFICER. There are 23 minutes remaining on the motion of the Senator from North Carolina, and there are 15 minutes remaining on the motion to concur generally to the House amendment.

Mr. JAVITS. Mr. President, the opposition to the Helms amendment has time. How much time remains in the opposition to the Helms amendment?

The PRESIDING OFFICER. Twenty-three minutes, that is how much time remains to the opposition to the Helms amendment.

Mr. NELSON. Mr. President, the amendment proposed by——

The PRESIDING OFFICER. Will the Senator withhold to receive a message from the House of Representatives?

The Senator from Wisconsin is recognized. How much time does the Senator from Wisconsin yield himself?

Mr. NELSON. Mr. President, I yield myself 3 minutes.

The amendment proposed by the Senator from North Carolina (Mr. HELMS) would deprive the Legal Services Corporation of all authority to undertake research, training, and technical assistance, and clearinghouse information activities relating to the delivery of legal assistance under this legislation.

Let me remind the Senate that the administration's own proposal authorized the Corporation to carry out such backup activities, "either directly or by grant or contract"—exactly as did the Senate-passed bill and the original conference agreement.

The House of Representatives when it passed its bill deleted the authority to make arrangements for backup centers by grant or contract. While we felt that the administration's original proposal was better because it gave the Corporation's board of directors—appointed by the President and confirmed by the Senate—the flexibility to utilize contracts for backup centers if it wished, we have now compromised on that issue. We have acceded to the strongly felt view of many Members of the House—only recently adopted by the administration—that grants and contracts for backup centers should not be permitted.

The language in the revised conference agreement is now exactly that proposed by Congresswoman EDITH GREEN and adopted on the floor of the House. Unlike the amendmnt of the Senator from North Carolina (Mr. HELMS), the Green amendment did not deny the Corporation the authority to undertake backup activities directly.

I see no reason to go further than the revised conference agreement which is acceptable to the administration and has passed the House by a vote of 265 to 136.

While contracts for university based centers are now prohibited under the revised conference agreement, the personnel of the Corporation itself should still be able to conduct research, provide training programs, and technical assistance. Surely, it is more efficient and economical for the Corporation to make its personnel available for research on legal problems of the poor which may involve legal questions applicable to various parts of the Nation. The Helms amendment would deny the Corporation the authority to provide training to prepare legal services attorneys to serve in regular legal services programs. Furthermore, the Helms amendment would eliminate any authority for the Corporation itself to serve as a clearinghouse for information.

The second part of the Helms amendment—to section 1007(b)(3) of the conference agreement—prohibits grants and contracts with any private law firm which expends "any" of its resources and time—rather than 50 percent or more as the conference agreement provides—litigating issues in the broad interests of a majority of the public or—the Helms amendment would add—"in the collective interests of the poor, or both."

The conferees did not think we should deny the Corporation the discretionary authority to make grants and contracts with any law firm simply because it devotes time and resources to litigation in the collective interests of the poor. The purpose of the program is to provide economical and efficient legal services for the poor. A lawsuit to enforce a congressional statute to provide food for the poor may well involve litigation in the collective interests of the poor. There is nothing in this legislation which requires the Corporation to fund any law firm or any particular program. We should give the presidentially appointed board the flexibility to establish policies as to the kinds of law firms it wishes to make grants and contracts to.

Mr. President, I yield 5 minutes to the Senator from Ohio (Mr. TAFT).

Mr. TAFT. I thank the distinguished Senator for yielding.

I am not going to belabor the Senate with any prolonged discussion or tirade on the motion of the Senator from North Carolina. It is said that, an accusation has been made that, an attempt has been made to confuse somehow the Senate and House and the public generally.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. TAFT. Not on my time, Senator. The Senator has already used his time.

Mr. HELMS. I made no such accusation, I would say to the distinguished Senator.

Mr. TAFT. The implications, I think, were fairly clear, that a confusion was attempted to be foisted upon somebody with regard to this issue, and that certainly is not the case. I want to clarify that.

What we have here this morning, it seems to me, and I am trying to think of how to classify it, and I came first to the conclusion that it was cold hash which we had been over before. Then I came to the conclusion it was a little red herring thrown in. But, in deference to my good friend from North Carolina (Mr. HELMS), I have combined those two. I am taking out the word "red" with reference to anything that he said, and just called it the cold herring act.

Mr. President, the thing that I think is important to go into the RECORD at this time, really the only reason why I mention it, is that in discussions with the White House on this issue the very point the Senator is raising was raised specifically by me. The point was raised, the language would remain in in exactly the form in which the House amendment was put through, that specifically all that was being deleted was the contracting out of the grant authority.

I pointed out very specifically the commitments that have been made with regard to the bill, with regard to the change in the bill related to leaving in the language which the Senator would now with his language seek to try to delete from the bill.

I think that would be contrary to the commitments that have been made, and contrary, certainly, to what the Senate and the House already indicated, and it would be contrary to the understanding with the executive branch in this regard.

Finally, Mr. President, the other point I would like to make is that with all these dire dangers that have been pointed out, let us not take our eyes off the main point. What we are discussing here is the legal services program, which has been in an agency very indirectly controlled through the White House, without responsibility, as many of us thought, and under a legal services corporation, with direct responsibility back to Congress.

I would like to point out that the Members of this body, the people who will be directing the legal services research involved through the corporation are going to be who? They are going to be the board of the legal services corporation. And how are they appointed? They are appointed by the President, completely by the President.

A compromise was made in this bill from the bill previously considered by previous sessions of Congress. Those appointments are subject to confirmation by the Senate. If we do not like the people on that board it is our own fault. We have every right to act and to turn them down.

This idea that the administration is going to be thwarted by its own employees seems to me to be obviously pure baloney and not entitled to serious consideration.

So, really, we have no new issue before the Senate. This is another attempt to confuse and delay in a matter which Congress overwhelmingly on both sides expressed agreement and to which the executive branch has given approval, as well.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

Mr. HELMS. Mr. President, will the Senator withhold his request?

Mr. NELSON. Mr. President, I withdraw my request.

Mr. HELMS. Mr. President, I ask for the yeas and nays on my motion.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. NELSON. Mr. President, I ask that the time for the quorum be charged to both sides.

Mr. HELMS. Mr. President, the Senator from Wisconsin has 15 minutes.

Mr. NELSON. Mr. President, I ask that the time be charged against me.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask for the yeas and nays on my motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. NELSON. Mr. President, I ask for the yeas and nays on the motion to concur.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a question?

Mr. NELSON. I yield.

Mr. ROBERT C. BYRD. Mr. President, under the agreement of yesterday, the vote on the Senator's motion is to occur today not later than 2 p.m. Could we firm that up and have an hour, say at 2 p.m., so that all Senators would be on notice?

Mr. HELMS. I have no objection at all.

Mr. NELSON. Mr. President, if the Senator will yield, may I raise a point? I do not believe our side needs that much more time. We would be willing to vote earlier than 2 p.m. so that the Senate could get to subsequent business, if that is agreeable to the Senator from North Carolina.

Mr. HELMS. It is agreeable, but the Senator from Idaho did request time from the time remaining on our side on the motion.

Mr. McCLURE. Mr. President, will the Senator yield on that point?

Mr. HELMS. I yield.

Mr. McCLURE. All I need is 3 or 4 minutes. It certainly will not prolong the discussion.

Mr. HELMS. Mr. President, I yield to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. McCLURE. Mr. President, I thank the Senator for yielding.

Mr. President, again I wish to publicly commend the Senator from North Carolina (Mr. HELMS) for the tremendous amount of detail work he has put into the matter of the analysis of the bill and in the struggle over what the bill should have in it.

I have requested some time because I think it is important that we again put into perspective what we tried to put into perspective the other day in regard to White House assurances, so-called.

The Senate heard again today some assurances with respect to the agreements that have been worked out. I think that is precisely the point the Senator from North Carolina has been trying to make.

Does the Senator from West Virginia wish some time at this point?

Mr. ROBERT C. BYRD. Mr. President, I would ask if the gentleman would yield, with the understanding that he not lose his right to the floor.

Mr. President, I ask unanimous consent that with the vote on the House amendment, as amended, if amended, to occur immediately after the vote on the motion by Mr. HELMS, that the vote on the motion by Mr. HELMS occur at the hour of 2 o'clock p.m. today.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. McCLURE. Mr. President, I think it is important for us in the context of the assurances that have been given to the Senate today that something has been worked out with the White House, to again affirm what was said, as the Senator from North Carolina has tried to point out, that those assurances, whatever they may have been and from whomever they may come, were based upon an understanding of what is in the bill. We have focused primarily on one question here today, and that is the issue of what kind of backup services or backup centers shall be applied.

There is much else in this bill that is equally faulty. There are many other assurances given by the bill that are equally as invalid as the assurance here. There are many instances in the bill in which the language of the bill seeks to give assurances and then the final sentence in the paragraph takes away all the assurances that were given before. So, in essence, what we have is a very good selling job that the bill does something which people on the side of it that I am on have been told has been accomplished but, as a matter of fact, has not been accomplished.

Mr. President, I am talking about the backup services or backup centers. That is only one example of a multitude of such examples in the bill. I want to reaffirm again that whatever assurances have emanated from the White House come from two sources: One, from those who believe in the broad concepts of the bill but do not understand the specific implications of the language; and from those who, as the Senator from New York and the Senator from Ohio undoubtedly believe, want relatively unrestricted, totally autonomous legal services activities.

Mr. President, I have talked to some who object that legal services under OEO has been out of control. So they seek to solve the problem within OEO by removing legal services from OEO to a completely autonomous organization where it is totally out of control.

Is that the way to put controls on something that has been troublesome? I submit that this bill and the action taken increases the danger, increases the difficulty, and renders this legal services program far less subject to control than it has been under OEO, where we found that it was totally out of control.

To those who desire that result, I say vote "yes," vote for the bill, vote against the Helms amendment, vote for the agreement that has been worked out. But if you believe that these matters have been troublesome to the extreme in the past, then a vote for this legislation is only a vote to confirm all of the difficuities we have had before, to shove aside all the criticisms that have preceded this date, to affirm the kinds of actions that have been taken by some of the radicals who have been involved and who will continue to be involved.

The Senator from New York says it has been endorsed by bar associations and people within the bar associations, and that they are not a bunch of radicals.

Well, a bar association is like any other association. As a matter of fact, it is not too dissimilar to the Senate of the United States in some respects, at least in that there is a great breadth of opinion within that association as to what is appropriate and what is not.

Sometimes a small group seeks to speak for the entire group. The Senator from North Carolina again has delineated, has pointed out, has sharpened the focus on the one specific problem of many such problems in the bill.

I want to join with the Senator in the effort and to urge my colleagues in the Senate to vote for the Helms amendment, which will again present the issue very squarely, as to whether or not we want to control the kind of activities that will be taken by these people who ostensibly speak for the poor—that is the guise in which they operate—but seek to radicalize our society under the guise of acting for the poor and the disadvantaged.

I thank the Senator from North Carolina for yielding the time. I hope the Senate will support him, as I believe they should.

Mr. HELMS. I thank the able Senator from Idaho.

Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from North Carolina has 8 minutes remaining on the motion to concur with the House amendment.

Mr. HELMS. I thank the Chair.

I want to clear up one item with my distinguished friend from Ohio (Mr. TAFT). Earlier in my remarks, and I think prior to the arrival on the floor of the distinguished Senator, I paid tribute to him for his forthrightness. I do not know how he got the impression that I was saying he was deliberately trying to confuse the issue. If anybody has ever made himself perfectly clear on this, the Senator did so earlier last week. I quoted verbatim what he said on this floor at that time. He acknowledges that the backup center concept is being retained in this legislation. He has done so again today. The Senator from Ohio has been, as always, impeccably honest and straightforward, and I commend him. I differ with him on this legislation but I commend his forthrightness.

But the relevant question persists. Many other Senators are under the false impression that the backup center concept has been eliminated from this bill. The Senator from North Carolina and the Senator from Idaho, and others, are trying to make the Senate aware of the true circumstances. We simply want all Senators to understand precisely what it is they are voting on.

I thank the distinguished Senator from Ohio, my good friend, for his candor. He, too, has helped prove my point.

Mr. NELSON. Mr. President, I wish to present a statement which details background on the issue.

Mr. President, this legislation is the culmination of 3 years of consideration by the Congress and by the administration of legislation to transfer the program of legal services for the poor from the Office of Economic Opportunity to a federally chartered Legal Services Corporation.

The conference agreement on the establishment of the Legal Services Corporation was unanimously reported from the conference committee in a conference report signed by all the conferees of the Senate and of the House of Representatives.

This revised conference agreement reconciles the differences—which were largely differences of detail and specific language rather than basic framework or principle—between the Senate and House-passed versions of the bill submitted by the administration. The President requested the legislation in a message submitted on May 15, 1973, which was printed in the Senate committee report on this legislation (S. Rept. No. 93-495).

The bill meets in every essential respect the recommendations of the President in submitting the legal services legislation last year.

The original recommendation to establish a Legal Services Corporation was made in January of 1971 by the President's Commission on Executive Organization headed by Roy Ash, the current Director of the Office of Management and Budget. Both Houses of Congress moved promptly to accept that recommendation. But the efforts to establish a Legal Services Corporation in 1971 and

1972 both floundered over differences concerning the method of appointing the board of directors of the Corporation.

APPOINTMENT OF BOARD DIRECTORS

In vetoing the Economic Opportunity Amendments of 1971, the President objected to the Legal Services Corporation title of that legislation on the grounds that, while that bill provided for the President to appoint all members of the board of directors, 11 of the 17 were to be individuals selected from lists of recommendations from legal professional and client groups and from former legal services attorneys.

In 1972, the House and Senate again passed legislation to establish a Legal Services Corporation. The final bill provided for Presidential appointment, without any restriction, of a majority of members of the board of directors, but the administration still objected that, while the President could appoint whomever he wished, the bill provided that 9 of the 19 members of the board be generally representative of the organized bar and the legal profession as well as clients and former legal services project attorneys. In order to avoid a veto of the Economic Opportunity Amendments of 1972, the conferees on that legislation ended up deleting the legal services title.

In acting upon the pending legislation, both Houses of Congress accepted, without change, the President's recommendation on the method of appointing members to the Corporation's board of directors. The pending legal services legislation contains exactly the same provisions as the administration's bill regarding the appointment of members to the board of directors: All members of the board are appointed by the President, with the advice and consent of the Senate. The only requirements—which are exactly the same as those set forth in the administration's proposal—are that no more than 6 of the 11 members of the board shall be of the same political party, that a majority shall be members of the bar, and that none shall be a full-time employee of the United States.

OTHER PROVISIONS TAKEN FROM ADMINISTRATION'S BILL

The pending legal services bill provides for State advisory councils to be appointed by the Governor of each State. This proposal was contained in the administration bill and is retained in the conference agreement. The State advisory councils are charged with notifying the Corporation of apparent violations of the legislation's restrictions on the conduct of legal services personnel.

The administration bill contained a provision that State and local governments be eligible to carry out legal services programs if those programs are approved by the board of directors. The conference agreement similarly provides the authority to make grants and contracts with State and local governments when the board determines that more effective assistance will be provided through such arrangements.

The administration's bill also provided that the Legal Services Corporation conduct a comprehensive study of alternative methods for the delivery of legal services, including judicare. The conference agreement retains the provision for such a study and requires a report to the President and the Congress within 2 years.

The administration proposal would have prohibited the Legal Services Corporation from making grants or contracts with public interest law firms. The conference agreement likewise contains such a prohibition. A public interest law firm is defined as a private law firm which expends 50 percent or more of its resources or time litigating issues in the broad interests of a majority of the public.

The administration bill prohibited participation by the Corporation or by any program or any legal services project attorney in political activities of any kind. The conference agreement likewise contains an absolute prohibition on any such participation, whether during working hours or not, in political activity, whether partisan or nonpartisan.

The administration proposal prohibited the Corporation and individual programs from advocating or opposing ballot measures, initiatives, or referendums. The conference agreement similarly prohibits all legal services programs and personnel from advocating or opposing such ballot measures.

The administration proposal prohibited legal assistance with regard to a criminal proceeding. The conference agreement likewise prohibits legal assistance in criminal proceedings.

The administration proposal prohibited legal assistance to organize or plan for any organization or group, except as authorized by the Corporation. The conference agreement contains the same prohibition.

The administration bill provides that the Corporation shall establish guidelines for a system for review of appeals to be implemented by each program to insure the efficient utilization of resources and to prevent the taking of frivolous appeals. The conference agreement contains a similar provision.

The administration bill prohibited the support or conduct of training programs for the purpose of advocating particular public policies or encouraging political activities, labor or antilabor activities, boycotts, picketing, strikes, and demonstrations. The conference agreement contains a similar prohibition.

The administration bill provided that the Corporation insure that its employees and legal services project attorneys refrain from participating or encouraging others to participate in any rioting, civil disturbance, picketing, boycott, or strike. The conference agreement provides that at no time shall any legal services employee engage in or encourage others to engage in any rioting or civil disturbance, any violation of a court injunction, any other illegal activity, or any intentional identification of a legal services program with any political activity. The conference agreement further provides that, while carrying out legal assistance activities, no legal services employee shall engage in or encourage others to engage in any public demonstration or picketing, boycott, or strike, except for lawful employment-related labor activities in connection with the employee's own employment situation.

The administration bill prohibited full-time legal services attorneys from engaging in any outside practice of law. The conference agreement prohibits full-time legal services attorneys from engaging in any compensated outside practice of law, or any uncompensated outside practice of law except as authorized in guidelines issued by the Corporation.

With respect to representation before State and Federal legislative bodies, the administration's bill required the Corporation to insure that no funds made available to legal services projects by the Corporation be used at any time, directly or indirectly, to undertake to influence the passage or defeat of any legislation by the Congress or by State or local legislative bodies, except when formally requested to do so by a legislative body, a committee, or a member thereof. The conference agreement contains the same restrictions, but provides for an exception where representation by an attorney as an attorney for any eligible client is necessary to the provision of legal advice and representation with respect to such client's legal rights and responsibilities. The conference agreement contains restrictive language making clear that such an exception shall not be construed to permit legal services attorneys to solicit a client for the purpose of making such representation possible, nor does it permit soliciting a group with respect to matters of general concern to a broad class of persons as distinguished from acting on behalf of any particular client. The conference agreement therefore retains a strong prohibition on lobbying legislative bodies.

RESTRICTIONS ADDED BY CONGRESS

There are a substantial number of provisions in the conference agreement which are more restrictive than the Administration's own proposal.

The conference agreement retains the House-passed provision requiring legal services projects to solicit the recommendations of the organized bar in the community being served before filling project attorney positions and to give preference in filling such positions to qualified persons who reside in the community to be served. There was no such local preference in the administration's own proposal. So the conference reported bill is more restrictive in that respect.

The conference agreement provides that a defendant who wins a case brought by a legal services attorney may recover costs and attorney's fees if the court finds that the lawsuit was brought solely for the purpose of harassing the defendant or that the legal services attorney maliciously abused legal process. That provision is based upon an amendment adopted in the House. The administration's own proposal did not contain such a provision for a defendant to recover costs and fees from the Legal Services Corporation.

The conference agreement prohibits legal services lawyers from providing legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system. That provision was adopted on the floor of the House. It is a restriction which was not contained in the administration's own proposal.

The conference agreement also prohibits legal assistance with respect to any proceeding or litigation seeking to require an institution or individual to provide a nontherapeutic abortion, contrary to the religious beliefs or moral convictions of such individual or institution. That prohibition is another restriction that was not contained in the legislation submitted by the administration.

The conference agreement prohibits legal assistance with respect to any proceeding or litigation arising out of a violation of the Military Selective Service Act or of desertion from the Armed Forces. That prohibition was adopted by the Senate and the House, but it was not in the administration's bill.

The conference agreement provides that no class action suit, class action appeal, or amicus curiae class action may be undertaken, directly or through others, by legal services project attorneys, except with the express approval of the project director in accordance with policies established by the governing body of the project, a majority of which consists of local lawyers. That amendment was proposed by the Senator from Nebraska (Mr. CURTIS) and accepted in the Senate. The conference-reported bill retains that amendment, a restriction on class actions that was not proposed in the administration's own bill.

The conference agreement also restricts providing legal assistance with respect to any fee-generating case except in accordance with guidelines issued by the Corporation. This provision was added by the House to prevent competition with private lawyers for contingency fee cases. Once again, this is a restriction which was not proposed in the administration's bill.

The conference agreement also prohibits the use of nonpublic and nontribal funds received by legal services projects for any purpose prohibited by the Legal Services Corporation Act. The restriction is designed to assure that legal services staff attorney programs will not contravene the other restrictions in the act by attributing them to the non-Federal share of funds contributed to such programs. It is another restriction not contained in the administration's own proposed legislation.

Subsection (c) of section 1010 applies the restrictions contained in the conference bill generally to any non-Federal funds received by the Corporation or recipients. There are, however, two exceptions. First, where public funds are involved, that is funds from State or local government or other Federal funds, or Indian tribal funds, then the restrictions do not apply to funds made available for a specific legal assistance purpose. A second exception relates to the nature of the recipient which receives funds from other sources than the Corporation. In these cases, including legal aid societies—for example, the Legal Aid Society of New York City—then only the funds received from the Corporation would be subject to restrictions contained in the title and any other funds, whatever their source, would be subject to the terms under which they were provided.

Any violation of the bill's restrictions are to be enforced by the Corporation. The Corporation will issue regulations and guidelines which include specific procedures for suspension and termination of financial assistance to a project or of an employee for violations of the legislative restrictions. In addition, the Corporation is given the direct mandate to monitor and evaluate and provide for independent evaluations of programs supported in whole or in part under the legislation.

As a result of the action of the House last Tuesday, the bill that we now have before us differs from the original conference report in one respect. The bill that we will hopefully adopt today, and send to the President for his signature, alters the responsibility for handling the backup research, training, clearinghouse of information and technical assistance functions. Under this change in the conference bill, we have now accepted the House-passed provision that prohibits the rendering of the backup functions through grant or contract.

All of the backup functions will be assumed by the Corporation. Of course, since the Corporation under Section 1006(c)(1) of the bill may not "participate in litigation on behalf of clients other than the Corporation," all of the legal assistance activities conducted under this bill will continue to be rendered by the regular legal services programs. Legal services attorneys, whether they provide generalized legal representation or specialized representation on complex subject matters, will not be interfered with by this change in the conference bill, and it is expected that they will continue to provide high quality legal services for their clients. However, they will have to look to the Corporation—rather than grantees and contractees—for their research, information clearinghouse, technical assistance and training backup services.

We expect that the backup services will continue to be provided by the Corporation. Since these functions are of extraordinary importance to legal services offices, there should be no disruption in the provision of these functions. Therefore, until the Corporation is formed and has had the time to develop the capability to perform these functions, the current grantees would continue these functions. When the Corporation undertakes these functions, it can choose to provide them from its Washington office or local and regional offices. Whatever means are used by the Corporation, it should be understood that we expect that these services will continue to be provided in a manner that is responsive to the needs of the numerous legal assistance offices throughout the country.

The key to understanding the role of backup centers is this: Their functions are general and are not tied to research needed in the course of furnishing legal assistance with respect to a particular client or clients or research which is an integral or ongoing activity of a program furnishing legal assistance to eligible clients.

In the past, they have been called national backup centers for that reason—because their research and other activities have been generally available as backup support for programs throughout the Nation and their activities have not been linked to a particular program or client. Accepting the House bill's language on backup centers will therefore mean that the national, as distinct from client-connected or internal program research and inservice training activities, can only be carried out directly by the Corporation.

The Corporation can be expected to establish within its organization—whether at headquarters in Washington or in regional or branch offices around the Nation—backup or special assistance offices or divisions. For example, there could be, as a part of the Corporation itself, an Office of Special Assistance for Legal Services for Senior Citizens, and a similar office for Indians, for migrants, for the handicapped, and so forth. Such offices or units within the Corporation would be especially appropriate, it is important to point out, in view of the conferees' emphasis that services to deprived groups shall be a special concern of the Corporation. On this point, the joint explanatory statement of the committee of conference (S. Rept. No. 93–345) stated:

> The Senate amendment further required assurance of equitable services to significant segments of the population of eligible clients (including handicapped, elderly, Indians, migrants, and others with special needs). The Senate amendment also included a requirement to provide special consideration for utilizing organizations and persons with special experience and expertise in providing legal assistance to eligible clients. The House bill contained no comparable provision. The Senate recedes. The conferees agreed that service to these deprived segments of the population should be a special concern of the Corporation.

In addition, areas of subject matter expertise which have been covered by backup centers can be expected to be brought within the Corporation's functions as a part of its research, training, and technical assistance, and information clearinghouse activities.

Insofar as training goes, the House language on backup centers likewise will mean that national training programs, or training outside of a particular legal assistance program, could only be carried out directly as a part of the Corporation's own activities—that is, personnel providing the training would be employed directly by the Corporation and not through grant or contract.

With respect to training which is included within regular legal services programs under section 1006(a)(1), it should be noted that section 1007(b) provides:

> (b) No funds made available by the Corporation under this title, either by grant or contract, may be used—
>
> (5) to support or conduct training programs for the purpose of advocating particular public policies or encouraging political

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> activities, labor or antilabor activities, boycotts, picketing, strikes, and demonstrations, as distinguished from the dissemination of information about such policies or activities, except that this provision shall not be construed to prohibit the training of attorneys or paralegal personnel necessary to prepare them to provide adequate legal assistance to eligible clients.

Section 1007(b)(5) therefore recognizes that grants and contracts for legal services programs furnishing legal assistance to eligible clients will have inservice training and preparation programs for attorneys and paraprofessional personnel necessary to provide adequate legal assistance to eligible clients.

The House bill language now included in the revised conference agreement (section 1006(a)(3)) authorizes the Corporation—

> (3) to undertake directly and not by grant or contract, the following activities related to the delivery of legal assistance—
>
> (A) research,
>
> (B) training and technical assistance, and
>
> (C) to serve as a clearinghouse for information.

The words "related to" the delivery of legal assistance are the words which give a broader scope to the authority of the backup centers to carry out general research and supportive activities, in contrast to the more limiting words "furnishing legal assistance to eligible clients" and "for the purpose of providing legal assistance to eligible clients" which are used in paragraph (1) of section 1006(a) in describing the purpose of activities which regular legal service programs are authorized to carry out.

To summarize the effect of the change in the conference agreement, the new language, means that the Corporation is authorized to undertake directly, and not by grant or contract, research, training and technical assistance, and information clearinghouse activities "related to" the delivery of legal assistance. This does not prohibit similar activities without programs "furnishing" legal assistance to eligible clients, as distinct from such activities being merely generally "related to" the delivery of legal assistance, which under the revised conference agreement can now only be carried out directly by the Corporation.

Of course, legal services programs can and should cooperate with one another. A research or other supportive activity carried out under one legal assistance program qualifying under section 1006(a)(1)(A) should be available to other programs, in accordance with professional courtesy.

There are a variety of legal services programs—some covering a broad geographical area and others a smaller area. Some legal services programs—like law firms specializing in certain areas of law—might provide assistance, for example, to migrants, Indians, senior citizens, or others with special needs, over a broad geographical area. Of course, the requirements that attorneys be authorized to provide legal assistance in the jurisdiction where the assistance is initiated must be met—as provided in section 1006(b)(4) of the bill—as well as the requirement to consider the recommendations of the organized bar in communities to be served in filling staff attorney positions in legal services programs—section 1007(a)(8).

LEGISLATION MEETS ADMINISTRATION'S RECOMMENDATIONS

This conference report meets all the essential requirements the President requested the Congress to include in legislation creating the Legal Services Corporation. In fact it goes beyond the limitations requested by the administration and includes other restrictions added by the House and Senate.

Let us be clear about the nature of the Legal Services Corporation. The Corporation is in no way independent of the Federal Government. The Congress simply is following the Ash Commission's recommendations that the Legal Services Corporation is best administered outside an ordinary bureaucratic structure. Like every other federally chartered instrumentality, it is accountable to the people of the United States—through the appointment of its governing board, through the appropriations process, and through the need for the authorization committees to act upon the authorization at the end of 3 years. Furthermore, the Corporation and its grantees will be audited by the General Accounting Office. Its board of directors is to be appointed by the President, with the advice and consent of the Senate.

Let me reiterate that its appropriations must be enacted by Congress. The Office of Management and Budget will continue, as it does now, to include in the Budget that is submitted to Congress each January whatever amount of funds the administration desires to recommend for the Legal Services program for that particular fiscal year. The normal congressional appropriations process will take its course with respect to the Legal Services Corporation just as is the case with respect to the OEO legal services program now.

The provision of section 1005(e) of the bill providing that officers and employees of the Corporation are not officers and employees of the Federal Government for any purposes other than those specified in the legislation is designed to make clear, for example, that personnel slots, GS schedules, et cetera, are not subject to the usual civil service regulations and approval of the Civil Service Commission. The Appropriations Committees could, of course, indicate the number of personnel slots the Corporation would have to fill, and they would of course consider recommendations of the Office of Management and Budget and the Civil Service Commission with respect thereto.

The Board of Directors of the Corporation will make its own judgments about the future kinds of legal services activities the Corporation will be funding.

NEED FOR LEGAL SERVICES PROGRAM

For nearly a decade now, this Nation has challenged itself on many fronts to improve the lives of those of its citizens who live in poverty, by committing itself to a war on poverty. Among the most effective of these antipoverty programs has been the legal services program.

We live in a nation of laws. Poor persons face the same problems and have the same rights and claims under those laws as do persons who can afford to pay for legal assistance. By providing such assistance through federally funded programs to the poor person, we are permitting that person to live with dignity and respect within our Nation's laws—rather than with frustration outside of them.

To that end, the Congress has worked for more than 3 years to insure the continuation of the legal services program by enacting legislation to transfer that program from the Office of Economic Opportunity to an independent national Legal Services Corporation.

This administration has chosen to work with Congress to produce an independent vehicle for the continuation of those services, and the bill now meets in every essential respect the recommendations the President made when he submitted the Legal Services Corporation legislation last year.

We are now culminating the third congressional attempt to enact legislation to create the Legal Services Corporation. Previous efforts floundered in large part because of the administration's desire for the unfettered right of the President to appoint whomever he wished to the Board of Directors of the Legal Services Corporation. The pending legislation has totally met the administration's concern in that respect by providing for the President to name whomever he wishes to the Board, subject only to confirmation by the Senate.

The legal services program has been a controversial one from its inception. Inevitably, vindicating the rights of persons previously helpless to protect themselves legally has led to friction and conflict. Poor people, who were so often exploited or taken advantage of in the past, have had the assistance of attorneys under this program for the first time in their lives.

In fact, before the OEO legal services program was established, poor people often had no legal or very inadequate legal assistance in civil proceedings—against landlords and against agencies and institutions which affect the lives of the poor.

As a result, poor people—who are so often exploited or taken advantage of—have had the assistance of legal services attorneys with a sound grasp of how to protect the rights and responsibilities of persons who are otherwise virtually helpless before the legal system. The response of many who were the objects of lawsuits requiring them to change their practices was one of alarm and outrage—especially when legal services attorneys proved they could win 85 percent of their cases.

There are many restrictions and prohibitions placed on legal services attorneys under this conference report, and many checks on their activities to make sure they observe those restrictions.

I support the passage of this legislation because I believe the bill still adequately safeguards the one essential, overwhelmingly important element of a viable legal services program: the right of a poor person to high quality legal advice and representation as to his legal rights and responsibilties.

This element—and not the rights or prerogatives of the attorney himself—is at the core of the need for a federally funded legal services program.

And this legislation safeguards that element by insuring the structural independence of the Corporation—and by insuring that there shall be no interference with an attorney in carrying out his professional responsibilities to his client as provided in the Canons of Ethics and the Code of Professional Responsibility of the American Bar Association.

In summary, Mr. President, the pending bill is one of the most carefully considered pieces of legislation to come before Congress in a long time. I believe it deserves the overwhelming approval of the Senate and the signature of the President so that the Constitution's requirement for equal protection of the laws for all citizens can be a reality for poor persons as well as for the rich.

Mr. JAVITS. I am pleased that the Senator from Wisconsin, the chairman of the Senate conferees has included in the RECORD a complete statement with respect to the major elements of the conference agreement, as I did when the conference report was first considered here last week.

In particular, I am pleased with the chairman's statement following statements by the managers in the House of Representatives to the effect that the prohibition contained in section 1010(c) on the use of nonpublic and nontribal funds received by the corporation is subject to important exceptions: one relating to the source of funds and the other relating to the entity receiving the funds, whatever their source. This will permit the continuation of non-Federal funding for entities such as the Legal Aid Society of New York without subjecting that funding to the restrictions contained in this bill. That society and others like it depend very significantly on contributions from the organized bar, as well as other non-Federal sources, and during the conference we took care to insure that they and the other entities spelled out in the second exception, are exempt from the prohibition so that they can continue to receive funds as they do now, without restriction.

Mr. President, now I would like to take 2 minutes, if I may, of time in opposition to the amendment.

Mr. President, I think it is very significant, in all of this discussion about what people did not know about what they were voting on, to go back to when this measure was before us on January 31, 1974.

Senator HELMS made a motion to strike the backup authority from the bill, which was before the Senate. Certainly one would expect that people knew what they were voting on there. That was pinpointed and specific. The vote was 67 nays and 24 yeas. I think in view of that record, plus the record of the vote here the other day, in which this whole matter was spelled out with the greatest completeness for the Senate as to exactly what we were about and why, plus the vote in the House, which had before it everything that was said here, the vote in the Senate being 75 to 18 and the vote in the House being 256 to 136, I just cannot see how it can be argued that there is some confusion or difficulty, or that people do not understand.

I think the answer is that an effort is being made to try to do two things right now: First, to defeat this measure which is before us now, and hopefully would otherwise be able to go to the President tonight; and, second, to shake up the White House into some idea that it did not understand what it was doing in expressing the view as to how this matter would be handled when it got to the President's desk.

I do not think either one is justified. I think it is high time that this matter was at last brought to a definitive conclusion. I do not think the Senate is going to fall for the kind of irresolution, which an effort is being made to introduce, nor that the White House will.

I hope very much, therefore, that when the time comes to vote we will disapprove the Helms amendment which, by the way, it is agreed is to be voted on en bloc and with a back-to-back vote on the original motion which I trust the Senate will carry and at long last send the measure to the White House, where we have every right to believe it will be signed.

Mr. NELSON. Mr. President, I yield to the Senator from Minnesota.

Mr. MONDALE. Mr. President, I rise to support Senate concurrence in the House amendment to H.R. 7824.

It is, frankly, not with any great deal of pleasure or satisfaction that I rise to support this bill, in its latest reincarnation. For over 3 years, we in the Congress have attempted time and again to reach agreement with the White House on a legal services bill which would protect the attorney-client relationship, and insure equal justice for all poor Americans.

In 1971, I was privileged to introduce the first legislation calling for creation of an independent legal services corporation. This legislation, which had the bipartisan cosponsorship of 21 of my colleagues, would have provided the type of legal assistance which would have given the poor the same rights and privileges enjoyed by all those in our society wealthy enough to afford counsel. After extensive hearings and long negotiations with the White House that year, we felt we had reached agreement on a bill which incorporated features both of the legislation which I introduced, and the bill introduced by the distinguished Senator from Kentucky (Mr. COOK), embodying many of the administration's concepts in this area.

Sadly, we were mistaken, and the bill was vetoed in December of 1971.

In 1972, we again tried to reach agreement with both the House and the White House on a legal services corporation bill, an attempt which ultimately foundered on a number of issues. Again, however, the supporters of a strong and independent legal services program in the Senate indicated their willingness to reach meaningful compromise. And again, largely as a result of implicit White House pressure, these attempts to reach a compromise were frustrated.

Beginning last year, Congress for a third time began the process of attempting to enact this legislation. The administration sent to Congress a new legislative proposal which differed in substantial respects from their original proposal of 1971. House and Senate action and a long conference ensued, and once again we felt that we had reached an agreement which would receive White House support.

Frankly, even the conference report which was tabled last week in the Senate was a pale substitute for the type of strong legislation which many of us in the Senate have long felt was needed if we were to insure real independence for the legal services corporation and its attorneys. Yet, in good faith, we entered into an agreement on a conference report which we felt the White House could support. In some respects, even that conference report was more restrictive than was the President's 1971 or 1973 legislative proposals. Again, we indicated our willingness to compromise in order to save this vital program.

And yet even that apparently was not enough. Even the concessions which we made in good faith were apparently not sufficient to satisfy the White House's need to placate those who really do not feel deeply about the need for equal justice under the law for poor Americans.

And so we were asked to accept one final compromise, with the promise that the President would then sign the bill.

I know that the distinguished Senator from New York (Mr. JAVITS) and the distinguished Senator from Ohio (Mr. TAFT), to whom these assurances were made, only reluctantly accepted this final compromise relating to the funding of the present backup centers by grant or contract. As strong supporters of a vital legal services program, I know they were not eager to yield once more to unreasonable White House pressure.

And I know equally that the distinguished floor manager of this legislation, Mr. NELSON, who has done such an outstanding job for over 3 years in this most difficult legislative task, as well as the distinguished Senator from California (Mr. CRANSTON), were also most disappointed that this final concession had to be made. I shared in their disappointment, and in their reluctance to accede to this inherently unreasonable White House demand.

Unfortunately, however, we all knew that overriding a veto in the House would simply be impossible. And we all realized that the first need was to preserve as much as possible of the legal services program, and hope for the day when there is an administration which does believe in equality under the law.

It is particularly disappointing that the White House's price for approval of this bill relates to present backup center funding by grant or contract. It is my firm expectation that research and training functions will continue to be carried on in a variety of ways, since the 15 backup centers now in operation are a vital part in assuring the efficiency and effectiveness of the legal services operation.

Yet I find it very strange that an administration which supposedly prides itself on reducing Government expenditures and providing efficient use of taxpayers' moneys would insist as its price for approval, on restrictions relating to a funding provision which helps ensure efficiency and reduce costs. And it is particularly strange in view of the fact that the restriction on funding of backup centers which we are now approving was contained in neither the 1971 nor the 1973 administration-sponsored legal services proposals. And yet I suppose that this is merely the latest in a series of moves by this administration which are difficult to understand, considering that a strong and independent legal services corporation is in my view one of the most conservative, law and order pieces of legislation which the Congress could enact.

I am confident that under this legislation, legal services offices will be able to provide high-quality legal assistance, including assistance of a specialized nature. I am also confident that background research work in specialized areas and a variety of technical assistance and training functions will continue to be undertaken by the corporation. These functions are essential to continued effective performance by legal services attorneys.

Yet the limitations on the authority to provide these functions in the university-based backup centers now in existence will take its toll. I deeply regret that only in this way have we been able to assure the continued operation of the legal services program. And I await the day when national leadership will once again view its principal goal not as protecting the vested interests of the few, but rather as promoting the legal rights of all Americans.

Mr. President, this program has been probably the most successful, most cost-effective program of all created under the OEO program. It is an inexpensive program. It is based upon the finest notions of justice, of law and order, and of due process. It is designed to achieve the simple function of permitting poor people who could not otherwise go into court to do so and to have their just grievances adjudicated before the courts and the administrative tribunals of our land.

I find it especially remarkable and ironic that this administration, which this year alone will spend a million dollars of public money in defense of the President of the United States, before the impeachment tribunals and other proceedings, would so loosely spend the public money on the defense of a single man and then turn around and be so restrictive in providing the opportunity for poor people in this country to have their constitutional and legal rights asserted before the courts of this land.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. MONDALE. Mr. President, will the Senator yield me 2 additional minutes?

Mr. NELSON. I yield the Senator such time as he may desire.

Mr. MONDALE. Mr. President, this is a conservative program. It is supported by the American Bar Association. Over the years, we have heard several presidents of the American Bar Association stand up and say this program is needed. In order to have a good program, it has to be one in which the Canons of Ethics can be obeyed, a program that is as free as possible from political interference, a program which permits a lawyer to pursue all the remedies that a lawyer would pursue if he were representing a corporation or a wealthy client. But consistently the administration has tried to interfere with the program, to diminish its effectiveness, to discourage the best young men and women from joining the program, and to limit the remedies that would be available for lawyers under this program.

This administration has sponsored outrageous and some, I think, completely erroneous information about the conduct of the program over the years, and they have done everything they can to destroy its sophistication and its effectiveness. I think that their performance in this area is without reason and, in my opinion, is nothing less than outrageous.

I hope the day will soon come when once again we have leadership in this country that believes in due process, in law and order, and in justice. Then we can truly get down to the work of achieving equality in this country.

NEW HAMPSHIRE LEGAL ASSISTANCE ACCLAIMED

Mr. McINTYRE. Mr. President, the Senate is acting on the conference committee report setting up a national legal services corporation. I have wholeheartedly supported the legal assistance program, and today I feel compelled to again stress its importance. I believe that it goes without saying that the law's protection ought to apply equally to all people, regardless of race, creed, color, or income level. Equal justice for all is a revered principle in our country, yet without equal access to our legal system the principle becomes a lofty ideal, and nothing more.

The New Hampshire legal assistance program has worked since 1966 to make the concept of equal justice under the law a reality. Last year alone thousands of New Hampshire citizens who could not afford legal help were given a fair chance for representation under this program. It is not surprising, therefore, that the NHLA has won acclaim from several important organizations in New Hampshire, including the New Hampshire Bar Association, the Judicial Council of New Hampshire, bar associations of many counties, the Manchester Bar Association, and the Nashua Bar Association.

Recently, in a letter addressed to the President, the New Hampshire Bar Association reiterated its approval of the New Hampshire legal assistance, and urged continuance of this organization through the establishment of a national legal services corporation. The voice of the New Hampshire Bar Association should be heard, I believe. Certainly, there is no organization which can speak with greater knowledge and wisdom about the needs for legal assistance in New Hampshire.

Mr. President, I ask unanimous consent to have printed in the Record the letter from the New Hampshire Bar Association.

There being no objection, the letter was ordered to be printed in the Record, as follows:

July 2, 1974.

President Richard M. Nixon,
The White House,
Washington, D.C.

Dear Mr. President: The New Hampshire Bar Association records it continuing support of the work of New Hampshire Legal Assistance, and declares that services being rendered by the federally funded legal assistance program in this State are vital to realization of the ideal of equal justice; and recognizing that providing legal representation to the poor is an obligation of society, urges you to sign the bill establishing a national legal services corporation.

Very truly yours,

Arnold P. Hanson,
President.

Mr. CASE. Mr. President, since late 1966, the legal services programs, set up under the auspices of the Office of Economic Opportunity, have functioned in New Jersey to represent our poorest residents. One of the few tenuous links of communication during the riots of 1967 in Newark was the fledgling Newark legal services program. The most substantial advances in case law that have improved the lot of tenants in this State were handled by legal services lawyers. Some of the most significant process questions in the State were handled by its lawyers. For example, the right to counsel in municipal courts where the possibility of incarceration existed was established by legal service lawyers. Year in and year out, over 50,000 clients annually are represented in the State of New Jersey by approximately 130 attorneys in 13 programs. Overworked and poorly paid, they have maintained their morale despite the uncertain future that has faced the legal services program for the last 2 years. The clients they serve have nowhere else to go.

The legal services program was designed not only to assure that the poor had access to an attorney, but to assure that the type of services provided the poor were of the same quality as those available to citizens able to afford an attorney. Those who worked within OEO to set up the program realized early that the local legal services attorney was in vital need of backup assistance. Sometimes this was because of inexperience but all too often it was because of the shortage of resources and manpower necessary to keep current with legislative, administrative, and case law developments relevant to the poor. Unfortunately, local legal services programs are also severely understaffed and plagued with huge caseloads. Backup assistance—such as training of new attorneys, continuing legal education in new developing fields, and specialized research on complex legal problems or the complex Federal programs so vitally affecting the poor—was believed vital and was provided through national programs often affiliated with law schools.

The legislation we are approving today alters the delivery of this backup assistance and research by eliminating the Corporation's authority to provide such services through grantees or contractees. It is the intent of this legislation, however, that all such backup services continue. Background research and analysis in poverty law specialties, training of attorneys or paraprofessionals, technical assistance in the delivery of legal assistance activities, all of these are to be carried on by the Corporation. No program providing legal assistance to clients whether serving local, State, or wider geographic areas can function without these backup services.

We expect these services to continue while the Corporation determines how best to provide them and we expect the Corporation to evaluate carefully the best approach to use to assure their most effective and efficient delivery. The capacity to provide such backup assistance was developed throughout the history of the legal services program and after experimentation with various approaches. The Corporation cannot overlook this experience. It may be, for example, that the Corporation need not create an entire new staff to provide backup. A centralized office in Washington is not the only alternative open and use of the present regional office structure may allow the Corporation to take advantage of the expertise of legal services attorneys presently involved in providing backup services. The transition from grantees or contractees to a more directly controlled operation should be orderly and will take time to assure selecting and training personnel of competence and experience. It will not be necessary to precipitously dissipate the expertise and experience built up during the many years the OEO program was in effect.

Nothing in this legislation is designed to limit the Corporation's authority to fund legal services program designed to provide legal assistance to eligible clients. Litigation, legislative and administrative representation, and appellate practice on behalf of eligible client and client groups remain. Programs providing such legal assistance must be able to research their own cases, train their own lawyers, coordinate with other programs, and function like law offices in the private sector. Neither does this legislation alter the authority of the Corporation to fund programs serving specific client groups or with the capacity to carry on complex litigation or administrative representation on behalf of eligible clients at the State or National levels. Section 1006(a)(1) provides the Corporation with authorization language to assure funding of these legal assistance programs.

Let me reiterate again, that programs providing legal assistance under section 1006(a)(1) whether operating on a local, State or National level, will be substantially reduced and undermined if backup services; for example, research on complex legal problems, training, and technical assistance are not provided fully and effectively by the Corporation. We intend these support services to continue.

Mr. BROOKE. Mr. President, the present compromise on legal services is one I shall reluctantly support. Soon after the legal services program began, OEO recognized that programs providing legal assistance to eligible clients required support and backup services in order to assure the effective delivery of legal services to the poor. Neighborhood lawyers, working in programs deluged by clients, were unable to research the many Federal and State programs affecting the poor or research complex legal problems, were not trained in new fields of substantive law or procedure, and were unable to keep abreast of new developments, because no services provided to the private bar focused on poverty law specialties. To meet these problems faced by the neighborhood attorney, backup services were provided by OEO through programs funded by grant or contract. Now, a legislative compromise has shifted the approach.

However, this legislation does not eliminate these backup services; it does not eliminate specialized research, preparation of manuals and handbooks, the training of attorneys in procedure and substance nor does it eliminate the need for a clearinghouse or for technical assistance relating to the delivery of legal assistance activities. It is the intent of this legislation to continue these services to legal services attorneys. As much as I oppose this compromise agreed upon to preserve legal services, as much as I believe that the present means of delivery of such backup services have proved efficient and effective, and as much as I reject the contentions of those opposed to the so-called "backup centers," I have come to the conclusion that the corporation can undertake these services, and thus this compromise will have my reluctant support.

Backup services are not just necessary for local legal services attorneys. They are also necessary for legal services programs or program components who have the resources, capability, and specialization to participate in complex litigation or to represent client or client groups before State and Federal legislative and administrative bodies. These State and national programs require a clearinghouse, require the development of litigation manuals and handbooks, require specialized research and analysis, and require national training in technical, specialized poverty law subjects.

It is the intent of this legislation that such backup services continue to be provided and provided fully and without any interruption to programs providing legal assistance to eligible clients. In providing such backup, the corporation has substantial leeway. The development of a large staff working in one office may not be at all necessary. Regional offices, dispersed throughout the country and in close contact with local programs, should be considered. The delivery of training and technical assistance should utilize the expertise and experience developed in response to legal services program needs and may best be delivered through consultants. The corporation should carefully explore how most effectively and efficiently to provide these backup services while at the same time assuring that programs receive no substantial disruption in their delivery.

REIMBURSEMENT FOR SEWAGE TREATMENT PROJECTS

Mr. MOSS. Mr. President, I am pleased to rise in support of Senator Nelson's amendment appropriating funds for "reimbursement" sewage treatment projects, and to congratulate him for his fine work in focusing the Senate's attention on this problem.

The factual and legal background giving rise to the need for this amendment have been ably stated by Senator Nelson and others, and I shall not repeat what has already been said.

I do want to point out to my colleagues that the amendment deserves their support—not simply because it will ease the burden of indebtedness borne by communities and local taxpayers in every State—but also because it means a keeping of faith with the cities.

Federal relations with States and cities are strained by a lack of trust and a lack of communication. We all agree that this situation is deplorable and must be set right.

To accomplish that goal, we must—at a minimum—make sure that the Federal Government honors its pledges of financial assistance.

This amendment—fulfilling a promise of financial support on which cities have relied in building sewage treatment plants—is an important step in the right direction.

I urge the adoption of the proposal as an indication that it is just keeping faith with our cities and towns.

RECESS UNTIL 1:50 P.M.

Mr. NELSON. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:50 p.m. today.

There being no objection, at 1:09 p.m., the Senate took a recess until 1:50 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Taft).

LEGAL SERVICES CORPORATION ACT OF 1974

Mr. McGEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that further call of the quorum be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that there be inserted in the Record at this point the joint explanatory statement of the committee of conference, changed to reflect the revisions on the backup centers.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7824) to establish a Legal Services Corporation, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

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The House bill created an independent corporation in a separate provision that was not part of the Economic Opportunity Act. The Senate amendment created an independent corporation within the Economic Opportunity Act as a new title X. The House recedes.

The Senate amendment contained a list of findings and a declaration of purpose. There was no comparable House provision. The House recedes with an amendment clarifying the intention of the conferees that the program should be kept free from the influence of or use by it of political pressure, and a perfecting amendment.

The House bill defined legal assistance as provision of legal services under the Act. The Senate amendment defined legal assistance as legal advice and representation and other appropriate legal services consistent with the title. The conference agreement provides that legal assistance means the provision of any legal services consistent with the purposes and provisions of the title.

The House bill defined "staff attorney" as an attorney who receives more than one-half of his professional income from a recipient organization solely to provide legal assistance to eligible clients. The Senate amendment defined "staff attorney" as one who receives a majority of his professional income from provision of legal assistance pursuant to the title. The Senate recedes.

The House bill provided that the Corporation and programs assisted by the Corporation shall be eligible to be treated as tax-exempt organizations under the Internal Revenue Code, and provided that if such treatments are conferred the Corporation shall be subject to all provisions of such Code relevant to the conduct of tax-exempt corporations. There was no comparable Senate provision. The Senate recedes with a perfecting amendment.

The House bill liquidated the Corporation as of June 30, 1978, unless sooner terminated by an Act of Congress. The Senate amendment authorized appropriations for three years. The House recedes in view of the three-year authorization of appropriations.

The House bill computed the term of office of the initial Board members from the date of enactment. The Senate amendment computed the term of office of the initial Board members from the date of the first meeting of the Board. This difference occurred in several places throughout the House bill and the Senate amendment. The House recedes and the conference agreement reflects this decision throughout.

The House bill required the President to select from among voting members the chairman of the Board who shall serve a term of one year. The Senate amendment allowed the President to similarly select the first chairman who shall serve a three-year term; thereafter the chairman shall be annually selected by the Board from among its voting members. The House recedes.

The Senate amendment included offenses involving moral turpitude in the list of reasons to remove a Board member. The House bill contained no comparable provision. The House recedes.

Both the House bill and the Senate amendment required the Board to request the Governors of the several States to appoint State advisory councils. The Senate amendment required the Governor to consult the State bar association for its recommendations as to the attorney members of the advisory council. The House bill contained no comparable provision. The House recedes.

The House bill required the Board to appoint a State advisory council within 90 days if the Governor failed to do so. The Senate amendment authorized the Board to make such appointments. The House recedes.

The House bill required the State advisory council to furnish a copy of violations to the recipient affected. The Senate amendment established such a requirement as to apparent violations and required the Corporation to notify affected recipients. The Senate recedes with an amendment adding "apparent" before the word "violations" in the House language.

Both the House bill and the Senate amendment required that all meetings be open to the public unless the Board by a two-thirds vote decides that they be closed on a specific occasion. The Senate amendment required further that minutes shall be available to the public. The House bill contained no comparable provision. The House recedes.

The Senate amendment established a National Advisory Council charged with consulting with the Board and President of the Corporation. The 15-member council shall be appointed by the Board and shall serve for three-year terms and represent the organized bar, legal education, project attorneys, eligible clients, and the general public. The House bill contained no comparable provision. The Senate recedes. The conferees wish to make clear that by removing the requirement in the Senate bill that there be an advisory council they in no way intend to prohibit the Corporation in the exercise of its discretion from establishing an advisory council.

The Senate amendment required the Board to appoint a President and "other Corporation officers required by law". The House bill required the appointment of a president and "such other officers as the Board determines to be necessary". The Senate recedes.

The Senate amendment prohibited the use of political tests or qualifications in appointing or promoting or taking other personnel actions with respect to employees of the Corporation or a recipient. The House bill contained no comparable provision. The House recedes with an amendment adding "political" before "qualifications" to make clearer the restriction in the Senate amendment.

Both the House bill and the Senate amendment prohibit Board members from participating in any action with respect to any matter that directly benefits such member or pertains (specifically in the Senate amendment) to any firm or organization with which the member is then associated. The Senate amendment further required that there be no association with such firm or organization for a period of two years. The House bill contained no comparable provision. The House recedes.

The Senate amendment placed Executive Schedule level V as the maximum rate of compensation of any officer or employee of the Corporation. The House bill contained no comparable provision. The House recedes.

The Senate amendment provided that officers and employees of the Corporation not be considered officers or employees of the Federal Government and that the Corporation not be considered a department, instrumentality, or agency of the Federal Government for purposes of any Federal law or Executive order, except as specifically provided in this title. The House bill contained no comparable provision. The House recedes with a perfecting amendment.

The Senate amendment provided that nothing in this title shall be deemed to authorize any department, agency, officer, or employee of the United States or the District of Columbia to exercise any control with respect to the Corporation or any recipient or eligible client receiving assistance under this title. The House bill contained no comparable provision. The Senate recedes.

The Senate amendment permitted the Office of Management and Budget to review and submit comments upon the Corporation's annual budget request at the time it is submited to the Congress. The House bill contained no comparable provision. The House recedes.

The Senate amendment specifically required that employees of the Corporation be considered Government employees for purposes of work injury compensation, retirement, life insurance, and health insurance, and required the Corporation to make contributions similar to other Federal agencies for these purposes. The House bill contained no comparable provision. The House recedes.

The Senate bill included in several places the requirement that the Corporation in exercising its powers must at all times insure the protection of attorneys' professional responsibilities. The House bill contained no comparable provision. The Senate recedes in light of an agreement to include this provision in a single section—1006(b)(3)—as applicable to the entire title.

Both the House bill and the Senate amendment authorized the Corporation to make grants to and contracts with State and local governments. The Senate amendment limited this authority to cases, upon special determination by the Board, that would provide supplemental assistance which would not be adequately provided through nongovernmental arrangements.

The House bill included in the list of recipients "other appropriate entities." The Senate amendment modified "organizations and corporations" by "nonprofit." The conference agreement combines the provisions, with the understanding that the words "firms, partnerships, and corporations" are intended to refer to entities of attorneys authorized to practice law in the State in question.

The conference agreement provides that the Corporation is authorized to provide financial assistance to qualified programs furnishing legal assistance to eligible clients and to make grants to and contracts with individuals, partnerships, firms, corporations, and non-profit organizations, and with State and local governments only upon special determination by the Board that such services will not be adequately provided through non-governmental arrangements.

The conferees agree with the need to protect the legal services program from unwarranted interference, particularly interference which is brought for political purposes. It is recognized, however, that there may be circumstances where the best interests of the program would be served in using State and local governments. The conference agreement provides the corporation with limited discretion in these cases, but it is not intended that there should be any substantial shift of resources away from the present classes of recipients to State or local governments.

The Senate amendment authorized the Corporation to make such other grants and contracts as necessary to carry out the purposes of the title. The House bill contained no comparable provision. The House recedes.

* * * * *

[Material deleted is language explaining research back-up research functions which was set forth in Explanatory Statement accompanying original Conference Report: See addendum at end of Joint Explanatory statement.]

The House bill provided the Corporation with authority to terminate recipients after a hearing for violation of rules and regulations. The Senate amendment provided similar termination authority after other appropriate remedial measures had been exhausted and after a hearing in accordance with section 1011. The Senate recedes with an amendment retaining a reference to section 1011 procedures. The conferees intend that remedial measures short of termination be utilized prior to termination.

The House bill required the recipient to take appropriate disciplinary action against an employee who violates the Act or its by-laws or guidelines. The Senate amendment required similar remedial or disciplinary action in accordance with due process procedures. The House recedes.

Both the House bill and the Senate amendment prohibited attorneys from receiving any compensation for the provision of legal assistance under this Act unless such attorney is "authorized to practice" in the

House bill or "admitted or otherwise authorized by law, rule or regulation" in the Senate amendment. The House recedes.

The House bill applied restrictions with respect to picketing, boycotts, and strikes to employees of the Corporation and recipients who receive a majority of their annual professional income from the provision of legal assistance under the Act. The Senate amendment applied similar restrictions (except as permitted by law in connection with an employee's own employment situation) to all employees of the Corporation and recipients. The House recedes. The conferees intend that the prohibition against "encouraging" these activities should not be interpreted so as to preclude legal advice and representation for an eligible client with respect to such client's legal rights and responsibilities.

The House bill and the Senate amendment contained substantially similar provisions requiring the Corporation to insure that its employees and employees of recipients refrain from participation in, and from encouragement of others to participate in, rioting or civil disobedience, violation of an injunction, or any illegal activity. The House recedes.

In addition, the Senate amendment prohibited employees from engaging in public demonstrations and from intentionally identifying the Corporation with any prohibited political activities. The House bill contained no comparable provision. The House recedes.

The conference agreement, therefore, provides that the Corporation shall insure (1) that no employees of the Corporation or a recipient (except as to the employee's own employment situation), while carrying out activities assisted under this title, engage in or encourage others to engage in public demonstration or picketing, boycott, or strike, and (2) that no such employees shall at any time engage in or encourage others to engage in any of the following activities: (1) any rioting or civil disturbance, (ii) any activity which is in violaton of an outstanding injunction of any court of competent jurisdiction, (iii) any other illegal activity, or (iv) any intentional identification of the Corporation or any recipient with any political activity prohibited by section 1007(a)(6). The Board is required to issue rules and regulations to provide for the enforcement of this paragraph as well as section 1007(a)(5), which shall include remedies in accordance with the procedures of section 1011.

The Senate amendment required termination after appropriate remedial measures and after a hearing in accordance with section 1011. The House bill left these procedures to the Board. The House recedes with a clarifying amendment.

The Senate amendment required the Corporation to insure that in areas where the predominant language is other than English, the predominant language would be utilized in the provision of legal assistance whenever feasible. The House bill contained no comparable provision. The House recedes with an amendment modifying the requirement of the Senate amendment to provide that "the Corporation shall, to the extent feasible, provide that their principal language is used in the provision of legal assistance".

Both the House bill and the Senate amendment prohibit the Corporation from undertaking to influence the passage or defeat of any legislation by the Congress or by any State or local legislative body. The Senate amendment allowed the Corporation to testify and make appropriate comment in connection with legislation or appropriations directly affecting the activity of the Corporation. The House bill contained no comparable provision. The House recedes.

Both the House bill and the Senate amendment prohibited assets of the Corporation from being used to benefit any director, employee, or officer except as reasonable compensation for services. The Senate amendment explicitly allowed reimbursement for expenses. The House bill contained no comparable provision. The House recedes.

The House bill and the Senate amendment prohiibted the Corporation and any recipient from making available corporate funds, program personnel, or equipment for use in advocating or opposing ballot measures, referendums, or initiatives. The Senate amendment contained an exception to this prohibition where such provision of legal advice and representation is necessary by an attorney, as an attorney, for any eligible client with respect to such client's legal rights and responsibilities. The House bill contained no comparable provision. The conference agreement prohibits advocating or opposing such measures, but provides that an attorney may provide legal advice and representation as an attorney to any eligible client with respect to such client's legal rights.

The Senate amendment prohiibted class action suits, class action appeals, and amicus curiae class actions from being undertaken except with the express approval of the recipient's project director in accordance with policies established by the governing body of the recipient. The House bill contained no comparable provision. The House recedes.

The Senate amendment prohibited employees of the Corporation or recipients from intentionally identifying the Corporation with any partisan or nonpartisan activity of a candidate for public or party office. The House bill contained no comparable provision. The House recedes.

The Senate amendment made applicable to employees of the Corporation the provisions of the Hatch Act prohibiting active participation in political management or political campaigns and prohibiting interference in elections or coercing of contributions for political purposes. The House bill contained no comparable provisions. The House recedes.

The House bill provided that all attorneys while engaged in activities supported by the Corporation refrain from any political activity. The Senate amendment prohibited activity associated with a political party or association, or campaign for public or party office. The Senate recedes.

Both the House bill and the Senate amendment prohibited use of Corporation funds for transportation to the polls and voter registration activities. The House bill excepted representation in civil or administrative proceedings and legal representation in registration cases. The Senate amendment excepted legal advice and representation to any eligible client with respect to such client's legal rights and responsibilities. The conference agreement makes the exception for "legal advice and representation".

The Senate amendment prohibited certain political activity of staff attorneys in their "off time" by cross referencing certain provisions of the Hatch Act prohibiting interference in an election and coercing of political contributions. The House bill prohibited taking an active part in partisan or nonpartisan political management or in partisan or nonpartisan political campaigns. The Senate recedes with a clarifying amendment to make reference to the provisions of the Hatch Act prohibiting interference in an election, coercing of political contributions, and taking an active part in political management or political campaigns, and applies the political activities prohibition, as in the House bill, to both partisan and non-partisan political activities.

The House amendment provided that in any action commenced by the Corporation or a recipient on behalf of any party in which a final judgment is rendered in favor of a defendant against the Corporation or a recipient's plaintiff the court may award reasonable costs and legal fees to such defendant and such costs shall be paid by the Corporation. The Senate amendment contained no comparable provision. The conference agreement provides that a court may, upon motion by the defendant and upon a finding by the court that the action was commenced or pursued for the sole purpose of harassment of the defendant or that the Corporation or a recipent's plaintiff maliciously abused legal process, enter an order (which shall be appealable before being made final) awarding reasonable costs and legal fees incurred by the defendant in defense of the action, except when in contravention of a State law, a rule of court, or a statute of general applicability. Any such costs and fees shall be directly paid by the Corporation.

Both the House bill and the Senate amendment required the Corporation to establish guidelines for client eligibility. The Senate amendment required consultation with the Governors of the several States. The House bill contained no comparable provision. The House recedes.

The House bill and the Senate amendment required that the eligibility guidelines take into account family size, cost of living in the locality, and other related matters. The House bill further added assets, income, fixed debts and medical expenses. The Senate amendment required the determination to be based on appropriate factors relating to financial inability to afford legal assistance. The conference agreement consolidates both provisions.

The House bill prohibited eligibility for any individual capable of gainful employment if his lack of income resulted from refusal or unwillingness without good cause to seek or accept employment. The Senate amendment provided that eligibility guidelines take into consideration evidence of a prior determination that lack of income resulted from a refusal to seek or accept employment without good cause commensurate with such individual's age, health, education and ability. The conference agreement generally combines both provisions. It eliminates the phrase "commensurate with such individual's age, health, education, and ability", and provides that "evidence of a prior determination" that an individual's lack of income results from a failure "without good cause, to seek or accept an employment situation" will be a disqualifying situation.

The House bill required the Corporation to insure adequate assistance in both urban and rural areas. The Senate amendment required the Corporation to insure the most economical, effective, and comprehensive delivery of legal assistance to persons in urban and rural areas. The conference agreement provides that the Corporation shall insure the most economical and effective provision of legal assistance to persons in urban and rural areas.

The Senate amendment further required assurance of equitable services to significant segments of the population of eligible clients (including handicapped, elderly. Indians, migrants, and others with special needs). The Senate amendment also included a requirement to provide special consideration for utilizing organizations and persons with special experience and expertise in providing legal assistance to eligible clents. The House bill contained no comparable provision. The Senate recedes. The conferees agreed that service to these deprived segments of the population should be a special concern of the Corporation.

The House bill contained an absolute prohibition on the outside practice of law for attorneys employed full time in activities supported by the Corporation, and required that they represent only eligible clients. The Senate amendment prohibited attorneys employed full time in legal assistance activities supported in major part by the Corporation from any compensated outside practice of law and any uncompensated outside practice of law except as authorized in guidelines promulgated by the Corporation. The House recedes.

The House bill required that no funds made available to recipients be used to influence an executive order or similar promulgation by a Federal, state, or local agency or to influence the passage or defeat of legislation by Congress or state or local legislative bodies, except that recipient personnel may (1) testify when requested to do so by a governmental agency, a legislative body, or committee or member thereof, or (2) in the course of providing legal assistance to an eligible client (pursuant to Corporation guidelines) make representations or testify only before local governmental entities. The Senate amendment also prohibited use of funds to influence the passage or defeat of legislation except when such representations are requested by a legislative body, a committee, or a member thereof, or when such representation by an attorney as an attorney is necessary to the provision of legal advice and representation for any eligible client with respect to such client's legal rights and responsibilities. The Senate prohibition did not apply to executive orders.

The House recedes with the following amendments: the prohibition is extended, as in the House bill, to influencing the issuance, amendment, or revocation of any executive order or similar promulgation of any governmental body; the exception with respect to requested representations by attorneys is extended, as in the House bill, to include a request by a governmental agency; and the exception permitting attorneys to represent particular clients is qualified by stating that such exception shall not be construed to permit a recipient or an attorney to solicit a client for the purpose of making such representation possible, or to solicit a group with respect to matters of general concern to a broad class of persons as distinguished from acting on behalf of any particular client.

The House bill required the Corporation to establish guidelines for consideration of appeals to be implemented by each recipient to insure efficient utilization of resources except that such guidelines shall in no way interfere with attorneys' responsibilities. The Senate amendment required recipients to establish guidelines for a system of review of appeals to insure efficiency and avoid frivolous appeals. The conference agreement combines both provisions.

The House bill required recipients to solicit recommendations of the organized bar in the community being served before filling staff attorney positions and to give preference in filling such positions to qualified persons who reside in the community to be served. The Senate amendment contained no comparable provision. The Senate recedes. The conferees agree that the term "organized bar in the community being served" means the bar organization (or organizations) for the geographical area which most closely corresponds to the area to be served by the project.

The Senate amendment required that every grantee, contractor, or person or entity receiving financial assistance under the title or predecessor authority under the Economic Opportunity Act which files with the Corporation a timely application for refunding be provided interim funding necessary to maintain its current level of activities until (1) the application has been approved and funds pursuant thereto received or (2) application has been denied in accordance with the due process procedures of section 1011. The House bill contained no comparable provision. The House recedes.

The House bill required the Corporation to insure that all attorneys engaged in legal assistance supported under the Act (1) refrain from the "persistent incitement of litigation", (2) refrain from any other activity prohibited by the Canons of Ethics and Code of Professional Responsibility of the American Bar Association, and (3) refrain from personal representation for a private fee for a period of two years in any cases which were first presented to them while engaged in legal assistance activities supported by this Act. The Senate amendment contained no comparable provision. The Senate recedes with an amendment changing the 2-year prohibition to an absolute prohibition against legal services attorneys providing personal representation, for a private fee, in any cases in which they were involved while engaged in legal assistance activities.

Both the House bill and the Senate amendment prohibited funds to be used by grant or contract for the provision of legal assistance with respect to a criminal proceeding.

The conferees understand "criminal proceedings" to refer to proceedings brought by the Government of the United States or any of the States. It is not the intent of the conferees to prohibit representation of Indians charged with misdemeanor offenses in tribal courts, as distinct from criminal charges in Federal or State courts. Due to the unique legal problems encountered by Indians on reservations, this provision should not be construed to limit representation of Indian clients in tribal courts such as is now being provided in certain legal services programs on Indian reservations.

The House bill extended this prohibition to (1) fee-generating cases (except in accordance with guidelines promulgated by the Corporation) and (2) the provision of legal assistance in civil actions to persons who have been convicted of a criminal charge where the civil action arises out of alleged acts or failures to act connected with the criminal conviction and such action is brought against an officer of the court or against a law enforcement official. The Senate amendment contained no comparable provision. The Senate recedes with an amendment prohibiting the use of Corporation funds to provide legal assistance in civil actions to persons who have been convicted of a criminal charge where the civil action arises out of alleged acts or failures to act for the purpose of challenging the validity of the criminal charge.

The guidelines that the Corporation issues with regard to fee-generating cases should insure that staff attorneys do not unnecessarily compete with private attorneys while at the same time guaranteeing that eligible clients are able to obtain adequate legal assistance in all cases. Generally the private bar is eager to accept contingent fee cases (negligence cases or workmen's compensation cases); however, there may be instances in which no private attorney will be willing to represent such an individual either because the recovery of a fee is unlikely or the fee is too small or there is some other reason for which the private bar will not accept the case. The Corporation must be able to provide guidelines so that eligible clients will be able to obtain legal assistance in all appropriate cases whether fee-generating or not.

The House bill prohibited the Corporation from making grants to or contracts with any "private law firm" which expends more than 50% of its resources and time litigating issues either in the broad interests of a majority of the public or in the collective interests of the poor, or both. The Senate amendment prohibited grants to or contracts with any "public interest law firm" which expends 50% or more of its resources and time litigating issues in the broad interests of a majority of the public. The Senate recedes with an amendment striking from the House language "or in the collective interests of the poor, or both".

The House bill prohibited the Corporation from supporting or conducting training programs for the advocacy of any particular public policies or which encourage political activities, labor or antilabor activities, boycotts, picketing, strikes and demonstrations, except that this provision shall not be construed to prohibit the training of attorneys necessary to prepare them to provide legal assistance to eligible clients. The Senate amendment had a similar provision with the following exception: the word "illegal" is inserted before "boycotts, picketing, strikes, or demonstrations" and "encouraging" or "encourage can not be construed to include the provision of legal advice and representation by an attorney as an attorney for any eligible client with respect to such client's legal rights and responsibilities. The Senate recedes with an amendment clarifying the House exception especially with regard to training of attorneys and paralegal personnel.

The House bill prohibited the Corporation from providing funds to organize, to assist to organize or to encourage to organize or to plan for the creation or formation or structuring of any organizations except for the provision of appropriate legal assistance as in accordance with guidelines promulgated by the Corporation. The Senate amendment contained a similar provision with the substitution of the following exception: except for the provision of legal advice and representation by an attorney as an attorney for any eligible client with respect to such client's legal rights and responsibilities. The Senate recedes with an amendment striking out "appropriate" and inserting "to eligible clients" with respect to legal assistance. The conferees intend that guidelines promulgated by the Corporation would be consistent with attorney's professional responsibilities.

The House bill prohibited the Corporation from providing funds to provide legal assistance to any person under 18 years of age without the written request of one of such person's parents or guardians or any court of competent jurisdiction except in child abuse cases, custody proceedings, and PINS proceedings. The Senate amendment prohibited providing legal assistance to any unemancipated person of less than 18 years of age except with the (1) written request of one of such person's parents or guardians. (2) upon the request of a court of competent jurisdiction, (3) in child abuse cases, custody proceedings. PINS proceedings, or cases involving the initiation, continuation, or conditions of institutionalization, (4) where such assistance is necessary for the protection of such persons for securing or preventing the loss of benefits or services to which the person is legally entitled, (5) in other cases pursuant to criteria which the Board shall prescribe for these persons. The House recedes with an amendment deleting the fifth category and amending the fourth category to include the "imposition of services" and by adding at the end "in cases not involving the child's parent or guardian as a defendant or respondent".

The House bill prohibited the Corporation from providing funds to provide legal assistance with respect to any proceeding or litigation relating to desegregation of any school or school system. The Senate amendment contained no comparable provision. The Senate recedes with an amendment inserting "elementary or secondary" before school or school system.

The House bill and the Senate amendment prohibited the use of Corporation funds with respect to any proceeding or litigation which seeks to procure or compel the performance of an abortion contrary to individual or institutional religious or moral beliefs. The House bill described an abortion as a "nontherapeutic" abortion. In the Senate amendment the description is "an abortion, unless the same be necessary to save the life of the mother". The Senate recedes.

The House bill prohibited the use of corporate funds to provide assistance with respect to any proceeding or litigation relating to the desegregation of any institution of higher education. The Senate amendment contained no comparable provision. The House recedes.

The House bill required that two-thirds of the governing body of a recipient be lawyers who are members of the bar of a State in which assistance is to be provided. The Senate amendment required a majority of the Board to be lawyers of such a State. The Senate recedes with an amendment requiring that the governing Board be at least 60% lawyers.

The House bill allowed a waiver of the above requirement pursuant to regulations issued by the Corporation for recipients which serve a population unable to meet this requirement. The Senate amendment provided a mandatory waiver for programs currently supported under the Economic Opportunity Act which do not meet this requirement on the date of enactment, and a discretionary waiver for cause shown. The conference agreement combines both provisions.

The Senate amendment required the governing board of recipients to include an appropriate number of eligible clients. The House bill contained no comparable provision. The House recedes with an amendment requiring at least one individual eligible to be a client be on the governing board.

The House bill provided that lawyers shall not, while serving on a governing body, receive compensation from a recipient or the Corporation from any other source. The Senate amendment provided that members of the governing body shall not, while serving on such body, receive compensation from a recipient. The House recedes. It is the intent of the conferees that compensation does not include reimbursement of reasonable expenses.

The House bill and the Senate amendment required the Corporation to monitor and evaluate programs supported under the title to insure that the bylaws and guidelines of the title are carried out. The Senate amendment required the Corporation to provide for independent evaluations of programs supported under the title to insure that bylaws and regulations are carried out. The House recedes.

The House bill authorized the president of the Corporation to enter into contracts and make grants in the name of the Corporation and required the Board to review and approve any grant or contract entered into with a State or local government prior to such approval by the president. The Senate amendment authorized the president to make grants and contracts pursuant to this title. The House recedes in view of the requirement that the Board make a special determination included in section 1006(a)(1)(A)(ii).

The House bill authorizes the Corporation to establish other classes of grants or contracts that must be reviewed prior to approval by the president. The Senate amendment contained no comparable provision. The House recedes.

The House bill required the Corporation to notify the Governor and the Bar Association of the State where legal assistance will be offered thirty days prior to the approval of the grant. The Senate amendment required comparable notification with respect to Corporation-run activities as well as grants or contracts and also required public announcement of all such activities. The House bill had no such requirements. The House recedes.

The House bill required the Corporation to conduct a study of alternative methods of delivery of legal assistance to eligible clients. The Senate amendment required the Corporation to provide for comprehensive, independent study of the existing staff attorney program under the Economic Opportunity Act and, through the use of appropriate demonstration projects, to study alternative and supplemental methods of delivery of legal services to eligible clients. The House recedes.

The House bill required the Corporation to report to the President and the Congress on or before June 30, 1974, and to make recommendations concerning improvements, changes, or alternative methods for, the delivery of legal assistance. The Senate amendment required the Corporation to report to the President and the Congress not later than two years after the first meeting of the Board, and specifically required the report to include a discussion of the economy and effectiveness of changes in the delivery of services. The House recedes.

Both the House bill and the Senate amendment authorized the Corporation to prescribe the keeping of records with respect to funds provided and insure access to such records at reasonable times for assuring compliance with the grant or contract. The Senate amendment specified that compliance may also be with respect to the terms and conditions upon which financial assistance was rendered. The House bill contained no comparable provision. The House recedes.

Both the House bill and the Senate amendment required evaluation reports to be maintained in the principal office of the Corporation for a period of 5 years and that such reports shall be available for inspection by the general public. The Senate amendment further required that copies of any reports filed with the Corporation shall also be submitted upon a timely basis to the grantee, contractor, or entity upon which the evaluation was performed. The House recedes.

The House bill required the Corporation to afford notice and opportunity for comment to all interested parties prior to issuing rules, regulations, and guidelines, and further required the Corporation to publish in the Federal Register on a timely basis all of its bylaws, rules, regulations, and guidelines. The Senate amendment contained a similar provision regarding notice but required publication in the Federal Register 30 days prior to the effective date of rules, regulations, guidelines, instructions, and application forms. The Senate recedes with an amendment requiring publication in the Federal Register 30 days prior to the effective date of such rules, regulations, guidelines, and instructions.

Both the House bill and the Senate amendment required annual audits of the Corporation. The House bill (1) required such audits to be conducted by independent certified public accountants who are authorized to conduct such audits in the jurisdiction in which the audit is undertaken, (2) provided access to the necessary records to conduct such audit, and (3) provided that the annual audit must be filed with the General Accounting Office. The Senate recedes.

The Senate amendment required the GAO to conduct an audit and such report shall be submitted to the Congress and the President. The House bill specified that the GAO may audit, and, if such audit is performed, such report shall be submitted to the Congress and the President. The Senate recedes with certain technical amendments.

Both the House bill and the Senate amendment provide that nothing in this subsection shall give either the Corporation or the Comptroller General access to any reports or records subject to the attorney-client privilege. The Senate amendment extended this prohibition to the records and reports section. The House bill contained no comparable provision. The House recedes.

The House bill authorized the appropriations of such sums as may be necessary to carry out the activities of the Corporation until dissolved (June 30, 1973). The Senate amendment authorized the appropriation of $71.5 million for F.Y. 1974, $90 million for F.Y. 1975, and $100 million for F.Y. 1976. The conference agreement authorizes the appropriation of $90 million for F.Y. 1975, $100 million for F.Y. 1976 and such sums as may be necessary for F.Y. 1977.

The House bill made the first appropriation available to the "Board" at any time after the six or more members have been appointed and qualified. The Senate amendment made the first appropriation available to the "Corporation" after six or more members have been appointed and qualified. The House recedes.

The Senate amendment provided that subsequent appropriations shall be available for not more than 2 fiscal years, and that any subsequent appropriation for more than 1 year shall be paid to the Corporation in annual installments at the beginning of each fiscal year. The House bill contained no comparable provision. The House recedes with perfecting amendments.

The House bill and the Senate amendment both required the Corporation and recipients to account for, separately, any non-Federal funds.

The House bill prohibited the expenditure by recipients of such non-Federal funds for a purpose prohibited by the title but also provided that this provision shall not be construed to make it impossible to contract with or make other arrangements with private attorneys or private law firms, or with legal aid societies which have separate public defender programs. The Senate amendment contained no comparable provision. The conference agreement provides that funds received by any recipient from a source other than the Corporation for the provision of legal assistance shall not be expended by such recipients for any purpose prohibited by the title, except that this provision shall not be construed in such a manner as to prevent recipients from receiving other public funds or tribal funds (including foundation funds benefiting Indians or Indian tribes) and expending them in accordance with the purposes for which they are provided, or to prevent contracting or making other arrangemments with private attorneys, private law firms, or other State or local entities of attorneys, or with legal aid societies having separate public defender programs, for the provision of legal assistance to eligible clients under the title.

The House bill provided that effective on the date of enactment the Secretary of HEW shall take such actions as he deems necessary including the provision of financial assistance to (1) assist the Corporation in preparing its initial undertaking, and (2) to assist recipients in the provision of legal assistance until 90 days after the date of the first meeting of the Board of Directors.

The Senate amendment provided that the Director of the Office of Economic Opportunity shall take such action as necessary, in cooperation with the president of the Corporation, to arrange for orderly continuation of legal services programs assisted pursuant to the Economic Opportunity Act, and that the Director of the Office of Economic Opportunity shall assure that any grant or contract that will extend beyond 6 months after the date of enactment of the Act shall include a provision to assure that obligations to provide financial assistance may be assumed by the Corporation. The conference agreement combines both provisions.

The Senate amendment specified procedural requirements to insure that (1) financial assistance not be suspended unless the recipient has been given reasonable notice and opportunity to show cause why such action should not be taken, and (2) financial assistance shall not be terminated or an application for refunding shall not be denied and a suspension of assistance shall not continue longer than 30 days, unless the recipient has been afforded reasonable notice and opportunity for a timely, full, and fair hearing. The House bill provisions relating to porcedural requirements are discussed above. The House recedes.

The Senate amendment provided that the President may direct that particular support functions of the Federal Government, such as GSA, FTS, and other similar facilities, be utilized by the Corporation and its recipients. The House bill contained no comparable provision. The conference agreement allows the President at his discretion to make available support functions of the Federal Government to the Corporation for it to use to carry out the purposes of the title.

The Senate amendment contained a severability clause as to the invalidity of any provisions or any applications of this Act. The House bill contained no comparable provisions. The Senate recedes. The conferees understand that such a provision has been rendered superflous by court decisions.

The House bill authorized the appropriation of such sums as may be necessary for transitional purposes during fiscal year 1974. The Senate amendment contained no comparable provision. The Senate recedes with a conforming amendment.

The Senate amendment added a new section to title VI of the Economic Opportunity Act providing that no authority in the Economic Opportunity Act shall be construed to affect the power of the Corporation unless such authority specifically refers to the Corporation. The House bill contained no comparable provision. The House recedes.

The Senate amendment amended the title of the House-passed bill to reflect the fact that the Senate amendment is an amendment to the Economic Opportunity Act. The House recedes.

(End of Joint Explanatory Statement)

ADDENDUM EXPLAINING EFFECT OF HOUSE AND SENATE ACTION ON BACK-UP CENTERS

The House bill authorized the Corporation to undertake directly (not by grant or contract) research, training, and technical assistance, and clearinghouse activities. The Senate amendment allowed a similar list of activities to be carried on either directly or by grant or contract. The Senate recedes.

The research, training and technical assistance, and information clearinghouse functions authorized by this provision are of utmost importance for the continuation of high quality legal services. Such functions include clinical legal education and training in the area of paraprofessional personnel, as well as similar activities designed to harness resources of legal education and the organized bar to improve the quality and effectiveness of the provision of legal services to the poor and to ensure opportunities for minority and poor persons to engage in legal services programs and in the legal profession and related professional and paraprofessional work.

Mr. ABOUREZK. Mr. President, 3 years ago, President Nixon proposed the establishment of a Legal Services Corporation. In making this proposal, the President stated:

> The crux of the [Legal Services] program . . . remains in the neighborhood law office. Here each day the old, the unemployed, the underprivileged, and the largely forgotten people of our nation may seek help. Perhaps it is an eviction, a marital conflict, repossession of a car, of misunderstanding over a welfare check—each problem may have a legal solution. These are small claims in the nation's eye, but they loom large in the hearts and lives of poor Americans.

For the past 3 years, the Congress has worked hard to prepare a bill that would provide legal services to the poor, thereby providing legal remedies for the types of problems mentioned by the President. In 1971, Congress passed a bill that would have established a Legal Services Corpoation, but that bill was vetoed because the President wanted to retain the right to appoint the Corporation's board members. Now a new bill is before us that accedes to the President's wishes and that establishes a program along the lines that the President proposed.

This bill, therefore, represents a substantial compromise. It assures that first-rate quality legal services will be provided to the poor and it assures that the President can appoint members of the Corporation's board. The bill also represents a substantial compromise by the Senate to a far more restrictive bill passed by the House. Despite these compromises, and maybe because of them, we now have a bill that can and should be supported by everyone.

The most recent compromise on the back-up services of the program indicates how flexible the Senate has been in trying to reach an accommodation on this bill with the President and others. Under this compromise, clearinghouse of information, training, technical assistance and research services will now be undertaken by the Corporation. This is a change from the present system of providing such services through university-based centers. This compromise, however, does not alter in any way the provision of legal assistance. Legal services offices serving local, State and national clienteles—whether such offices were established for general representation or established for specialized representation on complex matters—will continue to provide high-quality legal services. Thus, the compromise has satisfied the President while it has permitted the Corporation to establish an effective legal services program.

Bar association leaders from around the country have strongly supported this bill. Editorials in most of the Nation's major newspapers have been solidly in favor of the bill's passage. Local officials—such as Governors, mayors, and county representatives—have heartily endorsed the bill. Indeed, half the Governors in the country—including the Governor from my State of South Dakota—have signed telegrams urging us to pass the bill currently before us. Clearly, then, this program has the support of responsible public officials and the general citizenry throughout the country.

I urge all my colleagues to pass this bill and I am hopeful that the President will quickly sign it. In these days of common concern about the quality of justice in America, we must make sure that no one is excluded from our judicial process solely as a result of inadequate funds. The establishment of the Legal Services Corporation as set forth in our bill will demonstrate, once again, that our system of justice remains vibrant and strong.

Mr. CRANSTON. Mr. President, I rise in opposition to the totally unjustifiable HELM'S amendments and in support of the bill establishing the Legal Services Corporation since that bill will help to assure that justice in our country is not based on a person's financial resources. This bill will asure poor people that they, too, have access to equal justice under the law. Thus, this bill is of extraordinary importance.

Insofar as the task of the conferees was to establish a high-quality program while assuring that potential program abuses are eliminated, it is important that we carefully consider the bill's provisions. In so doing, it will become apparent that the compromises that were reached under this bill were carefully considered and carefully crafted. There was a delicate balance worked out by the conferees with careful consideration of different views and approaches, but this balance should produce a very workable set of mandates and constraints.

Pursuant to the President's request, we have established the Corporation so that the President can select its Board of Directors. This provision marks a major concession that we have made to the administration. However, in selecting Corporation Board Members for our approval, we expect that the President will select eminent persons of distinction and leadership from the organized bar and persons with a background in legal aid work, as well as members of the legal services, client, and minority communities. This would provide the Corporation with the esteem experience, and responsiveness that it deserves.

We have agreed to a provision proposed by the President—providing for State advisory councils. These councils' sole responsibility will be to notify the Corporation of any apparent violations of the Corporation's statutory provisions. Although these State advisory councils will have no adjudication responsibilities when apparent violations are detected, their notification responsibilities will be of substantial service to the Corporation. Any meetings of the State advisory councils and any other advisory councils are required to be open to the general public, and our bill assures that all proceedings which follow a State advisory council's notifications will be carried out in a way that fully protects recipients' and employees' due process rights.

In discussing these State advisory councils, it is appropriate to mention that even though we did not require that a national advisory council be established, all of us recognized that such a council would be most valuable to the continued functioning of the Corporation and should be continued as in the past. The corporation has full authority to do so.

The Corporation and its personnel will not be controlled by Federal officers and employees but, instead, will be an independent entity. This is the critical reason for establishing the Corporation and, in so doing, we are assuring that the program will be fully and properly insulated from political pressures. To make this point clear, our bill guarantees that "officers and employees of the Corporation shall not be considered officers and employees, and the Corporation shall not be considered a department, agency, or instrumentality, of the Federal Government." In the same way, neither the Civil Service Commission nor the Office of Management and Budget will retain any control over Corporation personnel or position allocations.

Under the bill we have before us today, legal assistance programs throughout the country will continue to be funded to carry out the legal services effort for the poor. Among the recipients that can be funded through the Corporation are individuals, partnerships, firms, corporations, and nonprofit organizations. In addition, but under only the most extraordinary circumstances, State and local governments can be utilized to arrange for legal services programs. Funding through State and local governments is permissible only if no other class of recipient is reasonably available since such governmental entities are, by their very nature, political and our aim is to take this program out of politics.

Moreover, much of the work of legal services offices requires them to be advocates for their poverty clients with respect to State and local government programs, thus raising a serious conflict-of-interest problem where those governments are concerned. Thus, a special finding must be made by the Corporation's Board that no direct recipient could competently do the legal services work in a particular area before a legal services program can be funded through a State or local governmental entity. In essence, the conferees believe that the current class of recipients, as funded under the program carried out within OEO, is the group that can best and thus should continue to provide quality legal services to the poor.

In order to study the best way of providing legal services for the poor, we have asked the Corporation to provide us with a report concerning various possible alternative methods of legal services delivery—such as staff attorney, judicare, vouchers, prepaid legal insurance and the like. This study should be submitted to us within 2 years after the Corporation's Board has its first meeting. Prior to the submission of this report, and prior to congressional action based on our examination of the report, it is expected that the current type of recipients will continue to be funded. A shift from the current type of legal services delivery programs is not contemplated prior to our action on the Corporation's report.

One change—which I deeply regret, as I said on the floor a week ago—has been made in the Conference report since its filing. That change transfers control of the backup functions—consisting of reesearch, training, technical assistance, and clearinghouse of information relating directly to the delivery of legal assistance—from university-based centers to the Corporation. Thus, while these backup service functions are fully authorized and expected to continue, they will be handled through the Corporation and not run by outside grantees or contractees. It is absolutely preposterous to delete authority to undertake these vital functions, as is proposed by the HELMS' amendment.

This compromise passed by the House should not prevent the legal services offices from providing excellent legal services on a statewide or other geographical basis to the poor throughout the Nation. Of course no transfer to the Corporation of direct legal assistance activities for eligible clients is contemplated by this compromise since the Corporation, pursuant to section 1006(c)(1) in the bill, is not permitted to litigate in behalf of clients—other than for itself. Legal assistance activities will continue to be handled by legal services offices established to provide services directly to clients.

The Corporation is expected to continue the backup services without interruption. Until the Corporation is ready to assume these functions, which—because of difficulties in analyzing existing resources, formulating plans, selecting, hiring, and training qualified personnel and consultants and starting up operations—should take at least several months after the Corporation takes over the legal services program, it is expected that the backup work of the current centers will continue under section 3 of the bill. But, when the Corporation is ready to perform these services, they will be undertaken by the Corporation. Of course, in so doing, the Corporation will have the flexibility to perform these complicated services in the manner most appropriate to the needs they fill. For example, the Corporation will have to decide how much of these functions should be centralized in Washington and how much operated through Corporation offices in different locations around the country.

It is truly unfortunate that the Congress was forced into precluding the Corporation from making new grants or contracts to continue the outstanding work performed by the backup centers in the various areas of poverty law insofar as they were providing research, training, clearinghouse functions, and other technical assistance to help the local poverty lawyers in litigating complex cases. It is difficult to see how the Corporation will be able to attract the kind of full-time expert staff necessary to provide model briefs, caselaw training, case analyses and reports, interpretive summaries of frequently litigated regulations and laws, and other technical aids relating to the conduct of litigation which backup centers have provided, because the Corporation itself is prohibited from directly engaging in litigation. Thus, the Corporation will either have to give its recipients the additional resources necessary to obtain these services; or it will have to procure them for itself and then provide the product to legal assistance offices as part of its inhouse efforts to provide the research, training and technical assistance, and clearinghouse functions relating directly to the various areas of poverty litigation now provided by the litigating backup centers, but which section 1006(a)(3) would transfer to Corporation control once existing grants and contracts expire.

Of course, the Corporation would not have this problem with regard to acquiring the necessary expertise in such management areas as project director training, board training, planning procedures, office supervision, office paperwork control, ethical supervision, personnel practices, and other assistance in techniques of management and administration, because these are not concerned with the direct delivery of legal assistance by the litigating lawyers within the meaning and intent of section 1006(a)(3). The Corporation can thus make new grants or contracts to continue these services in carrying out the purposes and provisions of the act.

The conference bill places several restrictions and safeguards on the activities of legal services attorneys. As set forth specifically in the legislation, limitations would be placed on attorneys in programs receiving grants from the Corporation with regard to initiating certain cases. Of course, these limitations are not intended to interfere with such attorneys' continuing responsibilities on suits already in progress.

Before class actions, class appeals and class action amicus curiae proceedings are brought, legal services attorneys will need to obtain the approval of their local project staff directors. In addition, recipients will have to develop guidelines for review within the program of appeals by program attorneys or decisions not to appeal adverse decision, so as to give them the benefit of reviewing their appeal decisions with other knowledgeable attorneys. These provisions were not intended to interfere with the attorney-client relationship.

On these vital matters, Mr. President, the Corporation is not permitted, in any way, to interfere in the decisionmaking process as to whether actions should be pursued. These provisions were designed merely to encourage recipients and their attorneys to consider the most efficient and effective ways of representing their client communities and of utilizing their legal resources, including the taking of appeals where appropriate to settle large numbers of similar cases at once. Indeed, since it appears that class action proceedings are frequently most efficient, it is expected that such actions will be actively encouraged in appropriate cases to prevent waste of limited resources which would result from duplicative or repetitive litigation. Of course—and I stress again—nothing in this bill sanctions any interference in the crucial attorney-client relationship. The bill is explicit on that in section 1006(b)(3).

The bill also insures that attorneys in the program will be prevented from persistently inciting litigation in an unethical manner. This requirement, however, is not intended to inhibit attorneys from fulfilling their responsibilities to their clients to initiate whatever litigation is in their clients' interests or from providing education as to legal rights and responsibilities as all lawyers are encouraged to do. The bill merely prevents that persistent incitement of litigation which

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would be violative of the Canons of Ethics and the Code of Professional Responsibility.

The bill does not permit the filing of fee-generating cases "except in accordance with guidelines promulgated by the Corporation." Such guidelines should assure that poor people have complete access to the courts. Thus, if particular fee-generating cases are not accepted by private attorneys in the area, or if because of special circumstances such fee-generating cases can only be handled fairly and competently by legal services attorneys particularly equipped to protect local clients, such cases should be permitted by the Board to be handled by recipients and their attorneys. Moreover, the general constraints on accepting ordinary fee-generating cases do not, in any way, prohibit legal services attorneys from obtaining damages for their clients or from obtaining attorneys fees and costs awarded upon the discretion of the relevant court or pursuant to statutes designed to encourage suits or deter certain activity, in part by awarding such fees.

The bill prohibits legal services attorneys from filing cases on behalf of any unemancipated minor under 18 years of age. Four exceptions to this rule, however, are set forth in the bill: First, if the suit is filed pursuant to a written request of the child's parents or guardians; or second, if a request is made by a court of competent jurisdiction; or third, in child abuse cases, custody proceedings, PINS proceedings, or cases involving the initiation, continuation, or conditions of a child's institutionalization; or fourth, whenever it is necessary for the protection of the unemancipated minor in order to secure, or prevent the loss of, benefits, or to secure, or prevent the loss or imposition of, services under law in cases not involving the child's parent or guardian as a defendant or respondent.

Of these four exceptions, the last one requires the greatest amplification. In our creation of this exception, we intended to make sure that unemancipated minors would be able to legally protect themselves so that they can obtain all benefits and services that are available to them pursuant to constitutional, statutory, regulatory, and decisional law, whether such legal rights emanate from Federal, State or local sources. Unemancipated minors, therefore, will be enabled to protect their rights under the law. Only when litigation protecting minors' rights to services and benefits requires a lawsuit to be filed directly against minor's parents or guardians, then such suits cannot be handled by legal services attorneys. In this regard, it is important to note that when we referred to a "child's parent or guardian as a defendant or respondent," we only meant individual parents or guardians, not institutional ones acting as guardians like the State or some other entity or official thereof. Moreover, by referring to proceedings in which such individual parents or guardians are defendants or respondents, we meant only to preclude legal services offices from filing suits which, at the outset, are formally against unemancipated minor's parents and guardians. If such an individual guardian or parent under court rule or statute must later be joined as a party, or is brought into the case as a codefendant by the original defendant, that certainly would not bring the case within the prohibition and thus require the legal services attorney to withdraw. Nothing in this section, therefore, should be construed to eliminate a juvenile representation program as such. There is an enormous amount of juvenile representation to be done by the program.

With regard to who is eligible for legal assistance, it should be noted that the Corporation, after proper consultation with the Director of the Office of Management and Budget and the Governors of the various States, will establish indigency eligibility criteria. Once those standards are set, individuals who fulfill the Corporation's standards, and organizations substantially composed of such eligible individuals, will be fully entitled to legal representation. In devising the standards and methodology for applying those standards, the Corporation should be most concerned about insuring that a good relationship can immediately be established between the attorney and client. Therefore, simple, self-declaratory application forms should be utilized and the statement of the client should ordinarily be accepted by the recipient. Moreover, a mechanism should be established within each program so that a client can appeal any decision denying his eligibility for legal services.

Under the conference bill, legislative and administrative representation has been prohibited except when done in behalf of an eligible individual or group, and except when representations are made following a request by a legislator, a legislative committee, or an authoritative official of an agency or executive department, or some other governmental entity. These two exceptions to the rule are very important and I would like to explain them at this time.

Under the first exception, we tried to make sure that recipients and their employees will be unable to subvert this program so that it reflects merely their personal ideologies and goals. Therefore, legislative, administrative and executive representation is completely permissible as long as it is done in behalf of an individual or group client. Under this exception, those recipients and attorneys which generally represent an eligible group—such as an economic cooperative, or an impoverished senior citizens group, or a poor people's civic organization—may represent them before legislative and administrative bodies on issues that are of important consequence to such group.

In so doing, it should be clear that the attorney is permitted to provide the full complement of legal representation for his client, including testifying, drafting proposed legislation, commenting on proposed legislation and regulations, working with legislative committees, and the like. In short, representation for the client, and not for the attorney's pet causes, is what is permitted and encouraged by this bill. They may and should, of course, fully inform potential clients, and the groups they represent, about their legal rights, and the legal services available to them; if such persons or groups then request legal aid, then the attorneys may represent them before judicial, legislative, executive, and administrative bodies.

Under the second exception, representation and advocacy of positions are permitted if such representation and advocacy are made pursuant to a request by a legislative or administrative official.

Therefore, if an official or member of a legislative body requests that representations be made by a recipient, personnel of the recipient are fully authorized to advocate positions and make representations to the legislature. If an authoritative official of an administrative or executive agency requests that representations be made to the agency, then personnel of the relevant recipient can make such representations. If proposed regulations are published in the Federal Register and requests therein are made for comment on such proposed regulations, then recipients and their personnel will be permitted to comment. By setting forth the second exception to the general rule, therefore, it should be understood that we sought to keep the Legal Services program responsive to the informational needs of Government representatives and officials.

The conference bill also adopts the House provision that mandates recipients, when hiring staff attorneys, to grant a "preference to qualified persons" residing in the general area to be served. In applying this provision, it should be clear that preference is to be given only to persons who have been deemed to be qualified pursuant to standards established by the recipient. Thus, each recipient will establish the criteria by which it will determine who is most qualified for staff attorney positions. If, after the competence factors have been weighed as between prospective candidates for staff attorney positions, applicants are evenly qualified, the bill provides that a preference in hiring should be established for attorneys residing in the area to be served by the legal services program.

Under the bill, costs and fees may—in general conformity with State law, procedure, and court rules of general applicability—be collected against the Corporation by a victorious defendant who was unsuccessfully sued by a recipient—where the court makes an express finding that the action was commenced or pursued for the sole purpose—and I stress "sole purpose"—of harassing a defendant or that the recipient in representing a plaintiff maliciously abused legal process. Since such an expressed finding would entail a finding that the attorney violated the Canons of Ethics and the Code of Professional Responsibility, any such award of fees and costs to defendants should certainly be rare. When such a finding is made, however, the Corporation will be responsible for paying the fees and costs, and such fees and costs are not to be taxed against recipients or their employees.

It is our hope that the fees and costs provisions will induce a responsible use of the court system in compliance with the canons and code. It should be noted in this context that, while the bill permits fees and costs to be taxed against the Corporation only under the specific instances set forth in section 1006(f), a recipient—as I mentioned earlier—is not restricted in any way by this bill from obtaining reasonable fees and costs if a successful legal action is brought by such a recipient. Under numerous legal decisions, fees and costs have been awarded to plaintiffs when they proceeded as "private attorneys general" and in other instances, and this bill does not prevent such fees and costs from being awarded to recipients upon the discretionary judgment of a court.

In order to make sure that the program improves the provision of legal services to the poor, we have made sure that adequate legal training programs are developed. Although such training efforts may not advocate for, or encourage the advocacy of, boycotts, strikes, picketing, demonstrations, and the like, the proper legal training, and the full discussion of legal issues and alternative remedies, is fully permissible. Moreover, such permissible training should also include development and conduct of legal education sessions for community groups living in, or serving, poor communities.

Under the bill, recipients will not be able to use nonpublic funds, granted for providing legal services, for purposes that are prohibited by the legislation. This means that private foundation funds may not be used by a recipient for legal assistance activities that we do not permit that same recipient to engage in with Corporation funds. Exceptions to this rule, however, should be noted. First, it should be made clear that the use of public funds are excluded from this prohibition in section 1010(c) of the bill. Second, funds that are provided for the provision of legal services to Indians, even where those funds come from private foundation sources, are not covered by that section's proscription. And, third, the section permits the contracting and making of other arrangements with private attorneys, law firms, legal aid societies, and the like for the provision of legal assistance.

No grants or contracts can be provided to any private law firm which expends 50 percent or more of its resources and time litigating in the broad interests of a majority of the public. This provision, of course, should not affect any current program grantees nor any other programs that were developed to litigate in behalf of the poor.

Finally, it is hoped that the Corporation will administer the National Legal Services program in an efficient and economical manner. For this reason, we have permitted the Corporation to utilize the services of the GSA and FTS and other Federal Government support functions. It is our strong desire that the use of these economical services will be extended where authorized, to recipients and other program components—especially FTS phone lines between the Corporation and its programs and among programs, so that the nationwide legal services effort operates with the utmost economical care.

In sum, this bill clearly reflects numerous compromises. Although I opposed many of the compromises, on the whole this bill fully merits our support. I, therefore, urge all of my colleagues to vote for the modified conference bill so that we can carry on the task of providing equal justice to the poor of our land.

Mr. President, I ask unanimous consent that there be printed in the RECORD a. the conclusion of my remarks some 50 editorials from major newspapers from around the country, all but one in support of the conference agreement.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mr. **CRANSTON**. In closing, Mr. President, I want to express again my admiration for the most effective work on this legislation by the principal sponsors in this body, the distinguished subcommittee chairman (Mr. NELSON), the Senators from New York (Mr. JAVITS) and Ohio (Mr. TAFT), and my colleagues throughout this fight for acceptable legislation for the last 3½ years, Senators MONDALE and KENNEDY.

Mr. President, as we consider this legislation and prepare to send it to the President for his promised signature, it is most appropriate that we note with genuine sorrow the firing as the Director of the Office of Economic Opportunity of Alvin J. Arnett. Had it not been for the extremely courageous and effective leadership of Al Arnett and his principal aides, the Legal Services program would not be in the decent condition we now find so that an effective transition to a Legal Services Corporation is now possible.

Mr. President, it seems particularly tragic that effective leadership for the poverty program should have to be sacrificed to those who have always stanchly opposed the program and wished to dismantle it at a time when we are attempting to provide a statutory mechanism to insure equal justice for the poor under law. The poor and the near-poor in our Nation—tens of millions of individuals—owe a great debt of gratitude and high regard to Alvin Arnett for what he has done during the last year at OEO. I personally respect his performance and recognize that in many respects his contributions to the poverty program have been as significant as those of any OEO Director, despite his short tenure in office.

EXHIBIT 1

[From the Fresno (Calif.) Bee, May 15, 1974]

LEGAL SERVICES BILL IS FAIR COMPROMISE ON AID TO POOR

After a long and tortured legislative journey from the floor of the House of Representatives, where it was mangled last year, the legal services bill, approved by the Senate earlier this session, has cleared the House-Senate Conference Committee.

Those who wanted a strong, independent legal services corporation to furnish legal aid to the poor may be disappointed by the House-Senate compromise.

It is not a perfect bill but it is an acceptable one. Moreover, it represents an honest effort by the House and Senate to work out legislation which would satisfy the legal representation needs of the poor and also assure the President would retain some control over a program which has been highly controversial in the past.

First, the bill would take the legal services for the poor out of the crumbling Office of Economic Opportunity and create a new public corporation, under 11 directors, all appointed by the President and subject to confirmation by the Senate. This would give the program a new life.

Second, the compromise measure would retain the back-up centers for legal research—a vital resource system for the program. Research on certain aspects of poverty law, such as landlord-tenant relationships, would continue.

Third, the bill's chief backers, Sens. Jacob K. Javits, R–NY, and Alan Cranston, D–Calif., predict the President will sign it.

The compromise presents supporters of a strong legal services corporation with a choice between an imperfect measure or letting the program die with the remainder of the dismantled poverty program.

Congress should approve the compromise and the President should sign it. To do so would uphold the President's standing commitment to legal services for the poor and his often-made declarations supporting the rule of law and equal justice for all Americans.

[From KABC–TV, Los Angeles, Calif., June 17, 1974]

H.R. 7824: LEGAL SERVICE FOR THE POOR

American taxpayers spent nearly $400,000 last year to defend White House staff members on Watergate-related charges.

At the same time, the Office of Economic Opportunity's legal service program handled an estimated one and a half million cases at an average cost of $50 each. They were civil actions involving poor people who couldn't afford their own attorneys. Program guidelines forbid taking on criminal cases.

Funding for O.E.O. ends this month . . . but a proposal has been made to set up an independent National Legal Services Corporation. The measure, HR 7824, has been approved by the House and is now in the Senate where passage appears probable. However, Governor Reagan, who opposes government legal service for the poor, has wired President Nixon urging veto of the measure.

California Senator Alan Cranston said that the O.E.O. legal services program has helped the poor gain "full participation in our society".

We think the service should be continued. If you agree, we suggest you wire the President asking his support for HR 7824.

I'm John Severino. We'd appreciate your comments.

[From the Los Angeles Times, May 26, 1974]

"THOU SHALT NOTS" FOR THE POOR

The House of Representatives has now passed compromise legislation to establish a federal legal services corporation, and the Senate is expected to follow suit this week. Only the President's signature will then be needed to realize this three-year effort to help the nation's poor.

It is a good thing, making permanent one of the most useful and innovative elements of President Johnson's antipoverty program.

There would be more cause for celebration if the House had not exacted such a high price for compromise with the Senate when the joint conference committee put rival legislation together. The result is such that we are tempted to say that it is better than nothing, and leave it at that.

For it is a grudging extension of legal services to the poor, filled with suspicion, reservation, restriction. A man we know in poverty law work called our attention to the fact that, apart from the introduction, it is largely a recitation of "thou shalt nots."

It prohibits use of the corporation's funds, for example, in cases involving school segregation, abortion and Selective Service problems. And those who work in the poverty law program are circumscribed by regulations that render them political and civic neuters, on and off the job, with rules that go unreasonably beyond the usual legal restraints on political activity by federal workers.

But at least the program has been kept alive, made permanent, and provided with increased federal support. The bill provides $90 million for next year, $100 million for the following year, compared with the present funding level of $71.5 million. And the Senate conferees won out over the House in preserving federal support for back-up centers that provide the poverty law program with research, support and assistance in a variety of specialists, including laws affecting welfare, education, housing, juveniles, employment, health and senior citizens.

The House vote on May 16 was 227 to 143. The Senate vote, scheduled for Wednesday, is expected to be even more favorable. It will then be for the President to sign the legislation, which seems to meet all of the basic requirements he had set forth in giving his support in the first place.

For all its defects, the legislation stands as a reaffirmation of the national commitment to assure each citizen equal access to justice.

[From the Denver Post, June 7, 1974]

POOR NEED LEGAL SERVICES

A bill in Congress to set up an independent corporation to administer legal services for the poor may be in jeopardy when it reaches the desk of President Nixon.

The President reportedly is considering vetoing the bill because it is too restrictive on the activities of legal services lawyers and because of pressure by some conservative members of Congress.

The legal services bill isn't what it should be, but it is better than no bill, which would mean no legal services system for the poor unless some type of similar program still under the federal bureaucracy were set up.

In the past the legal services program was funded through the Office of Economic Opportunity (OEO), but that funding will cease June 30 as the OEO program is dissolved.

The bill now in Congress first appeared in 1971 when the President proposed consolidating the various types of poverty-law programs into one. He vetoed the legislation that resulted because the President was denied the complete discretion to nominate the corporation's board.

In 1972, Congress proposed the legislation but it died in a conference committee. In May 1973 Nixon again proposed his version, which was adopted by the House after the addition of a number of severe restrictions on attorney activity. The Senate adopted a modified version of the bill, and the effort has now been approved by a conference committee and re-approved by the House. It is awaiting a final Senate vote.

The bill now prohibits legal services lawyers from engaging in litigation about school desegregation, nontherapeutic abortion, the draft, desertion and amnesty, class actions and cases that generate fees. It also prohibits political activity by attorneys and opens the door to the termination of legal services back-up centers, which are resources for litigation in specialized types of cases.

If the bill were to be vetoed by Nixon, the damage to Colorado legal services program would be widely felt. For instance, the Arapahoe County program is entirely funded through OEO, and almost 47 per cent of the funding for Metropolitan Denver Legal Aid Society comes from that source. In addition, in Denver more than half of its funding already is jeopardized with the ending of the Model City program.

A veto at this point would place the burden of legal representation for the poor back on the state courts, a task they aren't economically ready to handle.

On the other hand, the signing of the bill into law will at least continue the program and allow future Congresses to decide if the restrictions against activities by attorneys are in the best interest. The bill should become law.

[From the Rocky Mountain News, June 18, 1974]

A GOOD PROGRAM

Neighborhood legal services for the poor will dry up soon unless Congress approves and President Nixon signs new legislation keeping the program alive.

A bill creating a new legal services corporation is under strong attack by conservatives, who say poverty lawyers spend too much time agitating for political and social reforms.

In fact, such lawyers spend most of their time handling divorce, child custody and housing dispute cases for people who have no other access to legal aid.

This has been one of the more successful antipoverty programs at providing practical help where help is needed.

Yet the program will expire unless new legislation, setting up an 11-member operating board, is approved by the end of the month.

The fear now is that Nixon will veto the legal services bill (which he once supported) in an effort to woo conservative support for his upcoming impeachment battle.

[From The Morning Record, Meriden (Conn.) June 7, 1974]

NO VETO ON LEGAL SERVICES, MR. PRESIDENT

Providing adequate legal services for the needy, long a subject of discussion, is still only an objective rather than an accomplishment after years of discussion and debate. Now, however, a carefully prepared program to this end is available, only to face loss by veto by President Nixon.

The proposed measure (H.R. 7824) provides for a federally funded nonprofit corporation which would succeed the Legal Services Program of the Office of Economic Opportunity. As a compromise measure, H.R. 7824 has the support of the House-Senate Conference Committee and the approval of the conservative American Bar Association which also recommends presidential approval.

Supporters of the measure believe, however, that President Nixon, distracted by Watergate and faced with the possibility of impeachment, may be preparing to veto the bill, perhaps as a concession to a handful of hard core conservatives in the Congress.

A veto of H.R. 7824 would be unfortunate and unfair. No individual should be denied justice for lack of ability to pay a lawyer to prosecute his claim or prepare his defense. This principle has long been recognized in criminal courts where persons accused of crime have access to public defenders. The same concept applies to parties to a civil action if they are unable to pay for legal services. Any provisions for public legal assistance must have appropriate restraints, of course; just such regulations are set forth in H.R. 7824.

In view of the care which has gone into the framing of this measure, and in view of the injustices which it would help to relieve, the measure deserves speedy passage. Persons interested in equal justice before the law could appropriately communicate their concern to the President, urging his approval of H.R. 7824.

How ironical it would be if a President, who is drawing heavily upon Federal funds to pay lawyers in his own defense, were to deny federally funded legal aid to his fellow countrymen who need help.

GUARANTEE OF EQUAL JUSTICE

Legislation to continue the provision of legal services to the poor is in its final stages of passage. The Senate-House conference committee report was accepted by the House of Representatives Thursday by a reassuring vote of 227–143.

The bill had been one of the most bitterly debated measures in the 93rd Congress, precipitating a six week debate in the Senate that was prolonged by a Southern filibuster.

The passage of the bill by the Senate, expected next week, will remove the threat that legal service facilities, such as Legacy, Inc., and TWLAP in Eastern Connecticut, will have to go out of business. These agencies were formerly funded by the ill-fated federal antipoverty program.

The opposition to the legal services programs was symptomatic of a frightening attitude toward the poor. Amendments that were offered to restrict the activities of the legal service agencies seemed to be motivated by an intense desire to deprive a single economic class of the justice that is readily available to other classes of citizens, both individuals and corporations.

They ignore the basic fact that a system of justice offers no justice at all if it gives an unfair advantage to one class of citizens over another. This principle has been recognized consistently by the United States Supreme Court in decisions that have guaranteed representation to the poor in criminal cases. It applies equally in civil litigation, the service whose continuance is at stake in the Legal Services Bill.

Most alarming were the claims of opponents that the government should not assist the poor in actions against state and federal laws.

Somehow, these opponents lose sight of the fact that our entire system of justice is designed to protect the average citizen against the arbitrary actions of government. Without the courts to provide due process of law, any democratic system would quickly collapse into autocracy.

Recognizing this basic principle, the American Bar Association and state associations have been among the most staunch advocates of the legal service program.

Contrasted with their support, however, have been statements of opposition like the one offered by Senator Russell B. Long of Louisiana, who contended that "no one but an idiot would hire a lawyer to sue himself."

Long's error, obvious to a school child, is that the government is not an entity unto itself, but simply an extension of the people, elected to execute the will of the people. Thus, the provision of legal services for the poor is rather a case of the people hiring a lawyer to sue for protection against governmental abuse.

The poor, it is generally acknowledged, also are numbered among the people, despite their financial incapacity. They are, in fact, as much a part of government as is Senator Long.

In fact, most of the services offered to the poor are not against government. They are the routine legal affairs that are common to the lives of all citizens, questions of property rights, wills, estates, divorce, custody, credit and consumer rights. Without such legal service, the poor, victimized by the more fortunate, inevitably become poorer. It is thus a matter of mutual benefit to all that these services be provided.

The bill that is so close to passage is actually a significant improvement in the provision of these services. Once it has been enacted and signed, the nation will have a permanent mechanism for the provision of legal services for the poor, a system that will be independent of funding of other social service programs, and protected from the changes in the political temper of the Congress.

It is a true demonstration of an American determination that the benefits of democracy belong to all as a matter of right, rather than of charity.

[From the Norwich (Conn.) Bulletin, June 19, 1974]

VICTIMIZING THE POOR

There is no longer any doubt that the issues of Watergate and impeachment will have a serious effect on the conduct of government until such time as both are resolved.

It will not be a consequence of inactivity on the part of a Watergate distracted Congress. The blame will belong solely to an Administration that is playing impeachment politics, a term that has been used by even the most conservative of national columnists.

Three bills of tremendous importance seem to have fallen victim to this brand of political manipulation. Strangely, each of them had been listed by President Nixon as measures of outstanding importance. One, the Land Use Planning bill, has succumbed to the threat of Presidential veto. It was rejected last week. Another, the measure to impose federal controls on indiscriminate strip mining of coal, is expected to suffer the same fate—although it is a major link in our effort toward energy self-sufficiency.

It seems, at present, that the major casualty of impeachment politics will be the bill to set up an independent legal services corporation for the poor, the bill that would guarantee the continuation of such local legal service agencies as Legacy, Inc., which serves the poor in New London County.

This bill, like the others, may be sabotaged because it is opposed by a small conservative block in the U.S. Senate whose votes will be crucial in any impeachment trial of the President. It is acknowledged that President Nixon is assiduously courting the votes of such a bloc so that the Senate cannot muster the two-thirds vote necessary for conviction. It is akin to buying a jury—but, in the context of impeachment, such a strategy is perfectly legal, whatever it may lack in terms of morality.

The fate of the legal services bill is particularly ironic. The bill, which is now the product of a Senate-House conference committee, reflects the thinking of the Administration in almost every respect. It was tailored to be veto proof, even though a great many concessions had to be made in order to bring it to that state. It is still anathema however, to the die hard bloc of conservatives who find it offensive that the poor should be able to enjoy, free of charge, the same quality of legal service as those who are self-sufficient.

It is that question of equality of services that is likely to sabotage the conference committee bill. For the bill provides for the use of poverty law research centers, groups of legally informed people who do the law research that hard pressed poverty lawyers do not have the time or the facilities to perform.

The case of Legacy illustrates the need for such centers. In New London county, a staff of six lawyers is forced to handle over 2,000 cases per year, approximately 350 cases per attorney. It is a staggering load that does not permit for the extensive research into the niceties of the law that are essential to the successful conduct of a case. At present, these lawyers may contact a poverty law research center for help. Such research often makes the crucial difference in the provision of sound legal service for a client.

The conservatives view such research centers as beehives of social activists. In fact, they provide a basic and ordinary function of the legal profession. The bill, as reported by the conference committee, so restricts the social activities of the legal service lawyers that social activism has become an unimportant point.

At present, the legal services for the poor are hanging by the thread of interim financing, renewed periodically at the whim of Congress and a beleaguered President.

The victims however, will be those to whom such services are the only avenue to the American ideal of equal justice.

[From the Washington Post, July 8, 1974]

FINAL PRESSURES ON LEGAL SERVICES

After several years of debate, compromises and strategies, legislation creating an independent Legal Services Corporation is now in the final stages. A Senate-House conference committee has already issued its report, with the House approving it (227–143) and the Senate about to vote. The issue would appear to be fully resolved, now that the conference report has been worked out, and only Senate approval is needed. Yet, as if it were fated to be plagued by the same controversy that has hovered above Legal Services since its beginnings 10 years ago, there are still doubts that the bill will be signed into law.

Doubts exist about President Nixon's intentions. He has already vetoed Legal Services legislation once. Another time, both the Senate and the House passed legislation, but a conference committee, seeing the threat of a veto, allowed the bill to die. In the current effort, care has been taken to create a corporation that would include restrictive provisions the President insisted on, most notably giving the President power to appoint a board of directors and also allowing state governors to appoint advisory committees. A number of other restrictions have been written into the bill, such as one barring the corporation's lawyers from selective service, abortion and certain desegregation cases. These restrictions are unfortunate—depriving the poor of legal opportunities taken for granted by other citizens—but the concessions were made on the notion that it was better to have a Legal Services corporation with at least some powers than to have none at all.

But the situation is still tense. Congress appears ready to present Mr. Nixon with a bill much in line with Mr. Nixon's own thinking, yet the fear of a veto is widely felt. "Impeachment politics" has been mentioned as a cause of a possible veto; another potential cause is the President's long record of indifference to many of the needs and rights of the poor. Previously, it was Spiro Agnew, the former Vice President, and Howard Phillips, formerly of the Office of Economic Opportunity, who made blind attacks against Legal Services. With these opponents now departed from the scene, it is up to the President to decide whether or not to continue this style of opposition. If only ideological questions were involved, the threat of a veto might be understandable. But Congress has been diligent to report a bill that the President himself said he wanted.

Regrettably, much of the debate on Legal Services has overlooked both the generally excellent record of the program and the many benefits it has provided to the poor. If the times were different, we would have a Congress and a President avid to expand the breadth of a program like this, not restrict it. But for now, the struggle is to keep Legal Services alive at least in some form.

[From the Atlanta Constitution, June 3, 1974]

LAWYERS FOR THE POOR

One of the lasting important legacies of the social activism of the 1960s was the strong feeling that the poor receive fair legal representation.

Such legal support was offered many disadvantaged citizens through poverty programs, programs funded by federal money and reaching poor people who had never really had adequate legal help.

For the past three years, a debate has continued in the U.S. Congress and with the Nixon administration on the proper form of a Legal Services Corporation to administer the legal services program previously part of the Office of Economic Opportunity. After considerable controversy, both House and Senate have at last agreed on the terms of setting up such a Legal Services Corporation.

The form is close to that recommended by President Nixon, though there are some changes and some suggestion that the President might consider vetoing the legislation altogether. It is important legislation, significant legislation. The President should sign the bill.

[From the Honolulu Advertiser, May 14, 1974]

LEGAL AID FOR POOR

The legal services bill which has emerged from a House-Senate conference committee is a reasonable compromise that merits enactment.

It would restructure into an independent nonprofit corporation the legal aid program which has operated under the Federal poverty office since 1966.

The Hawaii Legal Services Project, currently with 23 attorneys and six offices in the Islands, would be absorbed into the new corporation.

The aim is to provide legal protection and advice in civil cases. These include disputes over rent, welfare rights, custody, property, housing, divorce and debt.

Congress has battled over this subject for three years. Fortunately, significant restrictions voted in the House have been eliminated by the conference committee.

The compromise bill thus would continue to fund backup research centers at universities, which have contributed valuable assistance to the program here and elsewhere.

In addition, the bill would permit representation before legislative and administrative bodies—though the corporation's lawyers would not be allowed to solicit such cases. The House had voted to prohibit such representation altogether.

Improvements to the program should continue to be sought in years ahead, to eliminate what unwarranted restrictions remain. These include curtailment of desegregation activities.

Meanwhile, however, the compromise bill still could go a long and necessary way toward better ensuring equal justice to all—regardless of ability to pay a lawyer.

[From the Idaho Statesman, May 31, 1974]

THE LEGAL SERVICE BILL

Americans can be justifiably proud of a legal and judicial system that allows any citizen access to the law and the courts to right wrongs or seek justice.

The trouble is, that a lot of people are in practice denied access to the system. They can't afford legal services.

To correct that situation, a legal services system was created as part of the old War on Poverty. Now Congress has approved legislation to extend the service, with a legal services corporation.

The legislation had to overcome tough opposition. It is loaded with "thou shalt nots" that limit the kind of legal actions that can be filed. It restricts political activity by legal service attorneys.

This program has opposition in part because of its success. Lawsuits have been filed on behalf of consumers, changes urged before utilities commissions, information presented to legislative committees.

Now there is concern that President Nixon may veto the legal services bill. Pressure for a veto is expected from some of the conservative congressmen whose support may be important in impeachment proceedings.

It would be tragic if this successful effort to open the door of the legal system to lower-income Americans is lost to impeachment politics.

This legislation would prohibit assistance for segregation questions, for abortion or for Selective Service issues. The service is limited to civil matters.

In Idaho the legal aid service has offices in Boise, Caldwell and Lewiston, serving 15 of the 44 counties. Much of the assistance is in domestic relations, landlord-tenant disputes, public assistance, consumer transactions and debt problems. Part of the service is counseling, as well as legal action.

Idaho Legal Aid was successful in getting the Public Utilities Commission to change the cutoff policy on utility service. Its efforts sometimes benefit all consumers, not just the poor.

Legal services should be available to people of all income levels. This bill goes at least part way in making them available.

[From the Lewiston (Idaho) Morning Tribune, May 27, 1974]

Impeachment Politics

The name of the game on Capitol Hill these days is impeachment politics and President Nixon is showing signs of playing it of late with a bill to establish a legal services corporation.

The bill in question would establish a corporation to provide low-income people with legal assistance in civil, non-criminal actions. It would replace the existing legal services program operated by the floundering federal Office of Economic Opportunity.

The corporation concept was first introduced to Congress three and a half years ago. Dozens of bills to establish an independent corporation free of political influence have been hashed over since then. Only one ever made it through both houses of Congress. That was in 1971 and the bill was vetoed by Nixon.

Last spring, Nixon made his own proposal. In a message to Congress asking for such a corporation, he said, "Legal assistance for the poor, when properly provided, is one of the most constructive ways to help them to help themselves."

Early this month, House-Senate conferees reached agreement on a compromise bill which includes everything the President asked for in his message. The bill was quickly passed by the House, 227 to 143, and is expected to be approved by the Senate next week.

Nixon wanted the corporation to deny a lawyer to anyone whose poverty resulted from refusal or unwillingness to seek or accept a job; bar corporation attorneys from participating in political activities of any sort, including voter registration drives, at any time; deny use of corporation funds, directly or through attorney time, to influence passage or defeat of any federal, state or local laws, and deny free legal aid to persons under age 18 without the written consent of at least one parent or guardian or one appointed by a court, except in child abuse or custody cases.

He got all that and more.

The compromise bill prohibits corporation attorneys from participating in any cases involving desegregation, abortion or selective service (including desertion.) It includes a requirement that the corporation pay the court costs and legal fees of a defendant who is sued and wins his case, if the court finds that the legal services lawyers had acted improperly.

There's a requirement that legal services projects give preference to local lawyers when hiring staff.

These and a dozen other provisions are designed to tone down the program and make it more palatable to moderates and conservatives. The bill is being supported by liberals, even with all the restrictions, because it's the only game in town.

The bill would mean an end to the scramble for financing that has plagued the program since it was established by OEO nine years ago. Legal Services has operated on a budget of $71.5 million for three years. The compromise bill would give it a fiscal 1975 appropriation of $90 million and $100 million in fiscal 1976.

The bill is opposed by a conservative hard core that takes issue with concept of legal services. Legal services lawyers have won too many cases that have advanced the rights of welfare recipients. The conservatives have been appalled at government financing of legal actions resulting in, for instance, removal of residency requirements for welfare payments.

It's this group that Nixon is going after in an effort to duck impeachment in the House or conviction in the Senate. The word from Capitol Hill is that Nixon will veto the corporation bill in return for the right votes on impeachment or conviction.

There are several ironies in this. One of them is that the average cost per client served by the Legal Services program is roughly $30. Nixon's Watergate-related legal bills, all footed by the taxpayers, are expected to hit $1 million by the end of the year.

One million dollars would provide quite a bit in the way of legal services for low-income people.

A veto of this corporation bill would be a political travesty, a hobnailed dance on the backs of the poor at the expense of equal justice.

[From the Indianapolis Star, June 10, 1974]

Legal Services Bill Is Worth A Try

(By James J. Kilpatrick)

The legal services bill that emerged from conference committee a couple of weeks ago is far removed from the simple and straightforward program urged by the President last year. The bill contains several provisions that conservatives view with suspicion. Yet on balance, the measure holds the prospect of much more good than ill. The President should let it become law.

I am aware that many of my brothers in the conservative community disagree strongly with that view. The respected weekly, Human Events, asserts flatly that "Nixon Must Veto Legal Services Corporation." Ohio's John Ashbrook fought skillfully for recommittal of the bill, and lost by only half a dozen votes. I wish he had won.

It is not always true in politics that half a loaf is better than none: The half a loaf may be moldy. But it is generally true that King Compromise rules. He is no bad monarch. In the matter of the legal services bill, neither conservatives nor liberals got all they had hoped for. The question is whether the conference bill is better than no bill. I think it is.

The Congress is concerned here with a fundamental principle of American life. This is the ideal of "equal justice under law." I would suppose that few of my conservative brothers oppose this principle, and I would suppose that few of them believe the principle is now well served. Despite great improvements in recent years, especially in fields of criminal law untouched by the pending bill, the poor are still far removed from "equal justice."

The paramount purpose of a legal services program is to narrow this gap. We live, all of us, like so many flies floundering in a web of laws, rules and regulations. The well-to-do family, equipped by education, income and experience, may be able to cope with these complexities. The poor family, often functionally illiterate or handicapped by barriers of language, is frequently helpless. The President's idea of a proper legal services program was to create an agency that would serve this paramount purpose only—an agency that would limit itself to basic, conventional legal aid.

The new Federal corporation that would be created under this bill would be in a position, of course, to provide such fundamental aid. One hopes the directors, advisory committees, and working attorneys will have sense enough to hew to this line.

Unfortunately, the conference bill wound up with enough deceptive and uncertain language to leave justified apprehensions hanging in the air. The bill takes the form of an amendment to the existing but discredited Economic Opportunity Act; the effect is to give congressional custody of legal services not to the judiciary committees, but to the highly liberal committees on labor and public welfare. The bill continues, though for a limited time, the 13 "back-up centers" whose gaudy activism did so much to subvert the basic purposes of the former program under OEO. There is one provision, hard for me to understand, that may permit participating lawyers to promote social causes under the pretense that they are serving the armband brigades "on their own time." The provision smells fishy.

But there is also much that is good in the conference bill. The Senate receded in conference from some of the language that had set off alarm bells. In its final form, the bill bristles with prohibitions against political activity in the name of legal services. There seem to be abundant safeguards against the fostering of hot-dog radicals out to have a sensational time.

If the President will appoint a good solid board of directors for the Legal Services Corporation, and name the solidest of these appointees as chairman, it should be possible to expurgate the old abuses and get the program off to a constructive start. The venture may fail, but as we love equal justice it is worth a try.

[From WRTV-6, Indianapolis (Ind.), June 13, 1974]

It's the Only Legal-Services Measure We've Got

After many months of debate, both houses of Congress passed bills setting up an independent government corporation to provide legal services for the poor. But the bills differed greatly.

Then, after several more months of give-and-take, a conference committee succeeded in producing a compromise bill, which the House has approved and the Senate is expected to approve soon.

Now, however, there are strong rumors that President Nixon will veto the bill.

On the surface, it would seem he'd sign the bill without hesitation, since it's a far more conservative bill than the one he originally sent to Congress.

But, apparently, the President is fearful of offending some of the conservatives in Congress, whom he regards as his greatest strength in his fight against impeachment. So, a veto is possible.

We're not very happy with the legal-services bill, because we believe in the ideal of equal justice under the law for all Americans, even *poor* Americans. And this bill greatly restricts the kind of justice a poor person can seek with the help of a legal-services attorney.

It also imposes tight restrictions on the kind of things that legal-services attorneys can do—even on their own time. Tighter restrictions, in fact, than we in Indiana impose on many of our own judges and prosecutors.

Nevertheless, the compromise bill would enable the poor to have the services of competent legal counsel for most types of common civil action. And without this bill, there would be *no* federal help for poor people in need of legal assistance.

Conservative Columnist James J. Kilpatrick said, in endorsing the bill, "Despite great improvements in recent years, especially in fields of criminal law, untouched by the pending bill, the poor are still far removed from equal justice. The paramount purpose of a legal services program is to narrow this gap."

If you agree that this is an objective this nation should pursue, we hope you'll join us in urging President Nixon to sign the legal-services bill when it reaches his desk.

[From the Des Moines Register, June 14, 1974]

Legal Aid for the Poor

Congress has been struggling since 1971 to create a permanent Legal Services Corporation to operate legal aid programs administered by the Office of Economic Opportunity. The end of the struggle is in sight—provided the President does not veto the Legal Services Corporation Act.

President Nixon in 1971 vetoed one measure to create a corporation to provide legal services for the poor. The President said his chief objection was that he was empowered to name just six of the corporation's 17 governing board members. Congress upheld the veto and went to work to devise a substitute.

Different versions of a revised bill were passed by the House last year and the Senate this year. A conference committee report filed May 13 was approved by the House three days later. The Senate is expected to act soon to send the measure to the President.

The new bill calls for an 11-member governing board to be appointed by the President and confirmed by the Senate. The measure is honeycombed with restrictions to meet the objections of conservatives.

Legal aid lawyers, for example, are barred from providing "legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system." Lawyers for the poor are barred from giving legal assistance "with respect to any proceeding or litigation which seeks to obtain a non-therapeutic abortion" or from representing anyone in connection with a violation of the Selective Service Act.

A host of limitations are placed on the personal activities of legal aid lawyers. Legal services attorneys are barred even from taking part in non-partisan voter registration drives during nonworking hours.

The measure is backed by legal aid supporters, despite the restrictions, in the belief that it provides the best chance for putting federally-financed legal services on a permanent footing. The corporation would provide protection against the efforts now launched annually to scuttle or sharply curtail the nationwide legal aid program.

Fears of a presidential veto are based on the earlier veto and concern that the President may be tempted to play "impeachment politics." The lawmakers most opposed to the legal services program are lawmakers the President may be able to influence on impeachment by catering to them on other issues.

It would be deplorable if the nation's poor were made the innocent victims of Watergate.

[From the Louisville (Ky.) Courier-Journal, July 9, 1974]

Will Mr. Nixon Dare Repudiate "Legal Services"?

The votes of all four Kentucky and Indiana senators most likely will be cast in favor of creating an independent legal services corporation to serve the poor, when a bill on that subject comes up for consideration tomorrow. Both senators from each state were on the right side on January 31, when the upper chamber finally approved the measure. We hope all four senators will vote tomorrow—when the Senate-House conference report on the bill will be considered—since the highest possible total is needed to discourage a presidential veto.

In the January vote on final passage, Senator Hartke was paired for the bill, and Senator Cook was announced for it. Senators Bayh and Huddleston were on hand to vote "yes." The final count was 69–17 for passage.

According to the Action for Legal Rights lobby in Washington, an even bigger margin is "imperative" this time. Since mid-May White House officials have warned of enormous pressure exerted on the President to veto this bill, and the pressure is supposed to be coming from the very conservative members of Congress on whom Mr. Nixon might depend for survival in an impeachment trial. The President's Domestic Council has had heated debates on this question, almost daily.

BILL ALREADY WEAKENED

The friction within the administration is understandable, since to veto the bill the President would have to repudiate his own past position. Moreover, he would have to desert a compromise arranged for his benefit. The President had refused to sign any bill which wouldn't give him the power to appoint all members of the legal services corporation board, so the bill was rewritten to meet his objection, even at the price of giving the President too much control over the corporation.

The bill ought to be passed in its present form and sent to the President. More weakening simply isn't justified. The bill has been over-compromised to achieve a broad range of support. And the current support is extraordinarily broad, including governors from South Carolina to Massachusetts, bar associations from Arizona to New York and newspapers from Indianapolis to Washington.

If that sort of support out in the country won't convince the President he should sign the bill, maybe the rollcall in the Senate chamber tomorrow will do the trick.

[From the Boston Globe, June 5, 1974]

Of Mr. Nixon and Legal Aid

In the tradition of the Homestead Law and the Civilian Conservation Corps of other periods, the federally-subsidized legal services program has provided a better shake for millions of poor Americans in the past decade.

In 1973 alone, 500,000 needy Americans benefited from legal representation that almost certainly would have been beyond their means without the Federal support. For many old, infirm and powerless persons, this access to legal counsel stands as their only hope for redress of injustice: an unlawful raise in rent, repossession of a refrigerator, or discharge from a job. But now the Federal program is in jeopardy.

In 1971, President Nixon vetoed legislation to establish an independent, non-profit corporation to oversee the legal services agency. The veto prevented the transfer of the agency outside the jurisdiction of the Office of Economic Opportunity (OEO).

This year, a House-Senate conference committee has reported a compromise version of the bill Mr. Nixon rejected three years ago. The House last month approved the amended bill, but by a vote less than the two-thirds majority necessary to override a presidential veto. Final action on the bill in the Senate is expected this week.

If Mr. Nixon vetoes the bill this year, it almost certainly will mean the demise, as of June 30, of the legal services program, for Congress is proceeding apace with the dismantlement of OEO.

The compromise bill provides for a $190 million, two-year appropriation for legal services. It accords with the President's stipulation—the rationale for his 1971 veto—that he have the authority to appoint all 11 directors of the legal services corporation. As a further concession to conservatives, it would restrict more extensively than its 1971 predecessor the power of legal service attorneys to engage in political activities and litigate controversal cases, such as those involving abortions, racial desegregation and the Selective Service.

The legislation has the support of the American Bar Assn. and the bar associations in numerous states, including Massachusetts. But conservatives, most notably former OEO director Howard Phillips of Danvers, have been pressing Mr. Nixon to veto the bill, even in its diluted form.

The conservative Washington weekly, Human Events, reported that at least one "leading conservative Republican congressman," whose name was not disclosed, threatened that he would vote for Mr. Nixon's impeachment unless the President vetoed the legal services bill.

It would be a travesty if Mr. Nixon yielded to such coercion. Further, it would be particularly irksome for the President to veto a bill providing legal aid to poor people while the American taxpayers are spending untold sums, perhaps in the millions of dollars, for Mr. Nixon's legal defense.

Mr. Nixon should sign the legal services bill when it reaches his desk. Failure to continue the program would not only deepen the disillusion in this country but also would corrode its underpinnings of justice.

[From the Boston Herald American, June 14, 1974]

Equal Justice for All

It is an almost foregone conclusion at this point that Congress will go along with the administration in dismantling the federal Office of Economic Opportunity through which the Great Society's war on poverty was conducted.

But one of the phases of that federal effort to aid the needy—legal services for the poor and disadvantaged—is now given a fair chance of survival after almost four continuous years of controversy.

Recently, the governors of 28 states, the American Bar Ass'n, the heads of 22 state bar associations and a congressional conference committee endorsed the plan to establish an independent, non-profit national corporation to provide proper legal counsel for those who could not otherwise afford it.

House Rule 7824 subsequently has been passed by the House and is expected to be taken up shortly in the Senate. The new corporation would succeed OEO's Legal Services Program which had come under considerable fire because so much of its activity was directed toward the government itself.

But the years of trial and error have compromised different versions to make them more acceptable to all sides in Congress and in the administration. Some of the more controversial elements have been eliminated by absolute prohibitions again such activities as abortion, school desegregation and amnesty cases.

Even with these and other deletions—with which we are inclined to agree—there are still many other legal services that need providing for a great body of the citizenry if all are to receive, in fact, the equal justice under the law to which they are entitled in constitutional theory.

President Nixon has twice submitted messages since 1971 calling for the Legal Services Corporation; and though radical changes proposed by Congress led to threats of White House veto, most of those differences have now been resolved and the chances of passage are brighter now than ever before.

[From the Ann Arbor (Mich.) News, June 27, 1974]

County Legal Aid Group Performs Needed Service

Unless help comes fast, the Washtenaw County Legal Aid Society may be out of business. One moment of truth comes next

Sunday, when Legal Aid's Office of Economic Opportunity funding expires.

Even if Legal Aid gets over that shoal, its future is shaky. President Nixon is threatening to veto legislation which would establish a separate government corporation to operate the legal services program.

The upshot of it all is that President Nixon wants to clean house in OEO. To make a long story short, the legislation he has proposed—a separate corporation to operate legal services—has been compromised with various restrictions during its passage through Congress. The bill in its present form therefore is believed to be unacceptable to the President and he is threatening to veto it.

Politics, impeachment variety, may be behind the veto threat. Nixon needs to keep his strength among congressional conservatives, the very group which is urging him to veto the bill because Legal Aid and OEO are directly tied to "bankrupt" Great Society programs.

But if the veto materializes or if Legal Aid's funding is allowed to expire, the poor of Washtenaw County will be the big losers. At present, about 600 poor persons have court actions pending. With no money and in effect no program, the poor are without the services of lawyers.

Legal aid is a going concern in Washtenaw County. Michael Bixby, Legal Aid director, says that in 1973, the society provided legal advice or assistance to about 3,500 poor persons in the county. Since it was set up eight years ago, Legal Aid has served nearly 20,000 poor persons locally.

Without Legal Aid, the low income individual has no place to turn for the legal services which ought to be every one's right. With Legal Aid, he has "a chance to stand on equal footing" with big interests such as landlords, businesses and government.

It may be that public opinion and pressure will save Legal Aid from going under. There isn't much time left. But if a worthwhile program is to be kept functioning, the voice of protest must carry to Washington and to lower government officials.

[From the Detroit Free Press, June 2, 1974]

SENATE SHOULD PUSH LEGAL AID

The U.S. Senate should run the risk of a presidential veto and pass the compromise bill that would create the National Legal Services Corp. as a new, non-profit agency to provide legal aid for the nation's poor.

The alternative of further weakening the bill is a bad one. But the pressure to do just that has mounted since the House fell short of a veto-proof vote on the measure in mid-May and some congressional opponents carried their arguments to Mr. Nixon.

Proponents of an effective legal program can point to the president's own proposals in 1971 and again in 1973 for support for the plan in its present form. In fact, the bill that finally emerged after a series of amendments in the House of Representatives is weaker than either of those presidential proposals.

Both of Michigan's senators, Philip Hart and Robert Griffin, supported a stronger version of the bill last time it went to a Senate vote. Their suport, when the compromise version comes up soon, would help advise the president of their willingness to fight even a veto in their efforts to assure at least a minimum degree of legal services for the poor within our nation's court system.

[From the Minneapolis Star, June 12, 1974]

RIGHTISTS THREATEN LEGAL SERVICES BILL

(By Austin C. Wehrwein)

Former Chief Justice Warren once said:

"A right without an advocate is as useless as a blueprint without a builder or materials."

Advocacy is a professional service. The more money you've got, the more of it you can obtain. That's where the Legal Services program came in.

In the 10 years since its establishment, the Legal Services program has served more than 1 million clients at the remarkably low and efficient cost of $50 a case.

Its plain purpose is to make it possible for poor people to redress grievances and solve problems within the legal system. It is, philosophically, profoundly conservative.

It attracted bright young lawyers who ignited a national interest in "poverty law." This had a strong impact on not only law school students and professors, but on affluent law firms which contributed time, money and manpower to "pro bono" (public interest) legal activities.

In short, it was one of the most, if not the most, successful parts of the Office of Economic Opportunity (OEO) efforts.

For three years, however, its fate has been in balance, not withstanding support from the American Bar Association, from leaders in both parties, and when he was still in the White House, Melvin Laird. Ritualized opposition from California's Gov. Ronald Reagan could be traced to some actual, if distorted, fears among corporation farm owners. But much of the rather inexplicable opposition is framed in hot but cloudy rhetoric.

For example, Howard Phillips, who heads an organization called "Public Monitor," the ultra-right "answer to Common Cause," told congressmen that the bill was "a menace to your family, community and party. It is undermining the security of our nation."

(Phillips will be recalled as the former acting director of OEO whose ideological tantrums as he blantly tried to tear OEO apart regardless of orderely law were too much even for the White House management experts.)

Hard-core conservatives on Capitol Hill saw legal services legislation as a trading issue: They reportedly demand a veto as one of the bargains for support against impeachment and/or conviction.

The bill's fate has special interests for Minnesotans.

Rep. Al Quie, R-Minn., and Sen. Walter F. Mondale, each in his own way, played important roles in the legislative history. They were, consequently, on the Senate-House conference committee that earlier this month agreed on a compromise measure that would take the program out of the collapsing OEO and put it under a new public corporation.

In mid-May, Quie on the House floor sought to fend off a rightist attack. Quie is the model of a moderate gentleman, not given to invective. But he branded the ideological attack "incredible" for its "misinterpretations, omissions and mistakes . . . wildly distorted . . . almost wholly inaccurate."

"The important fact," Quie said, "is that we have a bill which after three years of work will provide a framework for an effective legal services program for the poor, free from political involvement and hopefully free from most of the controversy that has previously surrounded the program."

The rightist attacks at that point were especially galling because Quie had won concessions from his more liberal friends which he hoped would more than appease the White House.

In any event, as approved, the compromise provides for an independent corporation governed by an 11-member board of directors appointed by the president, and subject to Senate confirmation.

A 1971 bill, which inspired a veto, prevented President Nixon from naming all the directors. The current bill, which passed the House in late May, lets Nixon name them all, though no more than six could be of one party and at least six are to be lawyers.

An appropriation of $90 million in fiscal 1975 and one of $100 million in fiscal 1976 are authorized.

Stringent rules that were retained in the the conference bill include a ban on litigation concerning "nontherapeutic" abortions, school desegregation, or draft or military desertion laws.

There's a curb on lobbying, limiting it only to representation of a particular client who asks for it.

And legal service lawyers are "double Hatched." That is, there is not only the usual Hatch Act ban on partisan political activity, but the lawyers can't even participate in such nonpartisan activity as voter registration campaigns.

What the ideologue faction led by Sen. Jesse Helms, R-N.C., ostensibly finds obnoxious in this most moderate of all versions of the program is retention of research "back-up" centers, pending a two year study of their efficiency. The House conference report said research was of "utmost importance for . . . high quality legal services." Any successful law firm would say "Amen!" to that. It's the difference, often, between good and bum lawyering, precisely the point of even a much-circumscribed Legal Services program.

As Quie said, here is a reasonable bill, free from politics, the result of years of painstaking work and compromise with White House lobbyists like Laird and Leonard Garment.

It deserves expected Senate approval and Nixon's signature. It should not be a victim of irrelevant impeachment politics.

[From the Grand Rapids Press, Grand Rapids, Mich., June 10, 1974]

LEGAL AID NEEDED

Three years ago President Nixon proposed legislation which would move legal services from the Office of Economic Opportunity (OEO) to a nonprofit corporation. The tneory then—as now—was that while numbers of OEO programs were either badly conceived, badly administered or both, the justice involved in providing legal aid to the poor could not be questioned.

Justice notwithstanding, the aid program remains in the crumbling OEO, a victim of congressional sluggishness, White House nitpicking and a hardcore conservative element which is making the most of the President's need to keep it in his Watergate corner.

Mr. Nixon vetoed 1971 legislation on the grounds that it tied his hands on corporation appointees. Similar legislation died in committee in 1972.

A year ago the President again proposed a Legal Services Corp., and eventually H.R. 7824 and S. 2686 were adopted. The bill coming out of the conference, however, has been modified considerably and includes many restrictions which some sponsors feel will gut the legislation but others see as essential in obtaining presidential approval.

Included in the restrictions are prohibitions against taking on school desegregation, amnesty and nontherapeutic abortion cases, all of which are proper legal matters often affecting the poor but which are philosophically opposed by archconservatives.

Even so, a flawed bill in this case undoubtedly is better than no bill at all, and a Senate windup on the compromise version and the President's signature are needed urgently.

Currently caught between the failing OEO and the unresolved nonprofit corporate setup is the Kent County Legal Aid and Defender Association which currently is funded through federal funds and $25,000 from United Fund. Nine fulltime lawyers work for the county group, and about 3,500 cases are received yearly.

The Grand Rapids, Michigan and American bar association have offered unqualified endorsement of the legal services bill. U.S. Sens. Robert Griffin and Philip Hart supported even stronger legislation than now proposed, and it has been backed by 28 governors including William Milliken.

With all of this bipartisan support atop the President's initial request, it would seem unlikely that bill sponsors would be preparing for a White House veto, but that is the situation. When the latest legal aid proposal fell just short of a veto-proof vote in the House, opponents took their case to the President. Conservatives who have been using their Nixon loyalty to good advantage appear to be trading this issue, too, to force the President to do their bidding.

The idea that Americans who are poor, illiterate and often handicapped by the lack of education and experience receive equal justice is a sham. The organized bar, spurred by canons of ethics and a code of professional responsibility, sees the legal aid corporation as the best way to redress the problem. Right now it may be the only way.

[From the St. Paul Sunday Pioneer Press, June 23, 1974]

Legal Services Threatened

One of the most successful programs to come out of the Office of Economic Opportunity is hanging on the ropes as the end of the government's fiscal year draws near.

The Legal Services program, which has served more than a million people who otherwise could not have afforded legal assistance, could go out of business at the end of this month unless the Senate passes a bill to renew it and President Nixon signs the bill. The House has already approved the bill, which came out of a House-Senate conference committee.

The Legal Services program began 10 years ago when it was recognized that it often costs money to obtain the justice guaranteed in the Constitution and that many Americans couldn't pay the bill. The program has made it possible for poor people to redress grievances and solve problems and the cost has been only about $50 a case. It has caught the imagination of lawyers and law firms and has the backing of the American Bar Association.

Still, the program is in trouble. Some conservatives in Congress are bitterly opposed to Legal Services and have engaged in a name-calling campaign to torpedo the bill. Their attacks have been so unprincipled and illogical that so mild a man as Rep. Al Quie, R.-Minn., was moved to describe them as "incredible," "wildly distorted" and "almost wholly inaccurate."

Quie, who was a member of the conference committee, said on the House floor that the bill "will provide a framework for an effective legal services program for the poor, free from political involvement and hopefully free from most of the controversy that has previously surrounded the program." The bill bans paying attorneys' fees for litigation concerning "nontherapeutic" abortions, school desegregation and draft or military desertion laws as a concession to conservative elements.

Still the conservatives see a chance to kill the bill by playing impeachment politics. If they can persuade the President to veto the bill in exchange for their support on an impeachment vote, the veto probably couldn't be overridden.

Nobody knows what the President will do. But the program has been valuable to the poor and the cost ($90 million would be appropriated in fiscal 1975 and $100 million in fiscal 1976) is moderate in comparison with many other proposals now before the Congress. The Senate should pass the bill promptly and Mr. Nixon should put politics aside and sign it.

[From the Kansas City Times, June 5, 1974]

Evening the Scales of Justice With Legal Aid

The legal aid bill nearing final action in Congress has been a long time in the making. Even so, it does not stir elation on either side of the political spectrum. Conservatives tend to think the program would promote too much activism at the expense of the federal government. Liberals contend restrictions would unduly limit the lawyers in political activities and the type of cases they could take. Transcending these reactions and arguments, however, is the need for a system that will assure the poor of a fair day in court.

The details must necessarily be worked out. But the basic and important purpose of the legislation is to provide a framework for a legal services program. An independent, publicly financed Legal Services Corporation would be established. The 11 members of the governing board would be appointed by the President, with confirmations by the Senate. That wide presidential authority is a major concession by the legislative branch, an attempt by lawmakers to gain support for legal services.

Other provisions manifest the give and take by members of the House-Senate conference committee that worked out the final version of the measure. Research centers, usually located at universities to study legal problems of the poor will be funded. The Senate wanted them; the House opposed them, arguing they stimulated social activism. Concessions were made to the House on imposition of a total prohibition on political activities by legal aid lawyers. A compromise was also reached on school desegregation cases. The House also won its point on giving preference to local lawyers for legal assistance staffs. Funding provisions tipped toward the Senate.

The corporation would be the successor to the legal aid program of the Office of Economic Opportunity. That undertaking is considered one of the more successful in President Johnson's war on poverty. Literally thousands of poor persons have been provided adequate legal counsel that they could not have otherwise afforded. The program has put new meaning into this country's guarantee of equal justice under the law.

Detractors have complained that some OEO legal aid lawyers delved into social issues rather than the law. This is a judgment and in any event it was not the major thrust of the program.

The larger issue is and must be adequate legal counsel. For too long justice in this country has been based on ability to pay instead of equity. This legislation is absolutely necessary to a court system of fairness.

[From the Lincoln (Nebr.) Sunday Journal and Star, June 2, 1974]

Poor Need Lawyers, Too

While there is something terribly macabre about it, a pound of flesh is a tangible commodity. Not so justice.

That's an intangible, a principle of conduct among men and women. It is also supposed to be what our governmental system is all about, its end objective.

This week, the United States Senate is apt to pass a bill dealing with justice, establishing a federally-assisted Legal Services Corporation. The measure already has cleared the House, 227–143. Rep. Charles Thone of Lincoln was the only Nebraskan voting for the measure and he rates commendation for that action.

Perhaps Thone's past experiences as an attorney and chairman of the Lincoln Human Rights Commission make him more sensitive to the problems of poor people caught up in a legal system designed not for the poor.

What the new corporation would do is cement into existence the legal services program which came to life under the expiring antipoverty enterprise, the Office of Economic Opportunity. Existing legal services absolutely will end if the bill does not clear the Senate. Or is strangled by a presidential veto.

Political conservatives reportedly have demanded that veto, exercising delicious leverage which the presidential impeachment threat strategically gives them. The real test may, therefore, come on a veto override vote.

Conservatives have been angry about the federal legal services operation for years. They've accused the program of fostering a band of young red-hots, using government money to attack—too often successfully—either government programs and restrictive regulations or program administrators. California Gov. Ronald Reagan has been a particularly severe critic.

In rebuttal, lawyers for the poor cite a General Accounting Office study reporting that nationally less than 1% of their cases were in the areas of "law reform" or, really, enforcement of existing laws to secure constitutional or statutory rights.

The Legal Aid Society of Lincoln, Inc., its clientele sharply restricted by a low-income test, has a heavy case load dealing with such topics as bankruptcy, divorce, welfare matters, housing and consumer complaints. The society's budget this year is about $91,000. That's helping provide five lawyers, three secretaries and the associated office support. Local cash help is $11,500.

It would be a real blow to the low-incomed of this community if this service were destroyed in the game of impeachment politics.

What does one say about a society where the quality of justice is measured by the weight of litigant dollars?

[From the Concord (N.H.) Monitor, June 4, 1974]

Legal Assistance on Tenterhooks

A bill that would salvage a nationwide legal assistance program for the poor comes up for a vote in the U.S. Senate tomorrow and sorrowfully has become a pawn in impeachment politics.

The question is acceptance of a House-Senate conference committee report setting up an independent government corporation in place of the legal assistance program that now is part of the Office of Economic Opportunity that is being phased out June 30.

Though the bill is essentially the same as one proposed by President Nixon three years ago, a bloc of southern and conservative senators is opposed to it, and now a presidential veto is possible as part of Mr. Nixon's strategy of currying favor with conservatives to gain their votes against impeachment if that should become necessary.

One of the key votes against the Senate version of the bill was cast by Sen. Norris Cotton, R-N.H., because the measure didn't contain a provision for funding review for less than five-year periods.

Sen. Cotton consistently has voted with the conservative bloc. But he could go either way tomorrow. At stake as far as New Hampshire is concerned is a $700,000 two-year program which served nearly 6,000 indigent and needy persons in the state last year.

Sen. Cotton's amendment providing for two-year review of the legal assistance budget subsequently was adopted, and is in the bill upon which the Senate will vote tomorrow.

The Senator said in February the five-year review provision was his only objection. He wrote to Hilda Fleisher of Manchester, secretary-treasurer of N.H. Legal Assistance, on February 18 that despite his vote against the Senate bill "I remain a supporter of legal services and I will continue to do everything I can to assure funding for our own New Hampshire program."

The conference committee version of the bill contains an appropriation for $190 million to operate the program nationwide for the 1975–1976 fiscal years which begin on July 1.

The House approved the conference committee report May 16 after heated debate over a provision that would allow the new corporation to fund "back-up" research centers on legal problems of the poor. This section of the measure was approved by only seven votes, but the bill itself passed 227–143.

Since the Senate pased its tougher version of the legal assistance corporation bill Jan. 31, President Nixon has changed his position on a wide range of legislation he previously supported. The apparent aim, which the White House denies, is to take the side of the conservative bloc in hopes a minimum of 34 votes will stick with him in event of an impeachment trial in the Senate.

It takes two-thirds of the Senate membership of 100 to convict a President on impeachment charges.

The question on the legal services corporation vote is whether Sen. Cotton will remain a member of the conservative bloc or stand fast on his February pledge to N.H. Legal Assistance.

If the Senate rejects the conference committee report tomorrow, legal assistance programs for the poor will end on June 30. If President Nixon vetoes the program, it also will end unless both the House and Senate vote to override by two-thirds margins.

The vote on the Senate version of the bill Jan. 31 was 69–17—sufficient to override. But the House vote on the conference committee report was 20 votes shy of the necessary two-thirds.

The N.H. Legal Assistance program was on tenterhooks last year when Gov. Thomson refused to accept the federal funds to keep it going. But he was overruled by the U.S. director of OEO, Alvin Arnett.

Thus for the second time in six months, the N.H. Legal Assistance program is wobbling on the brink of extinction.

[From the New York Times, July 9, 1974]

Action on Legal Services

As the Senate returns to work, it can tune up for its tough summer schedule by approving with dispatch the legal services bill, which is as ripe for final action as any measure could be. This legislation would create a corporation to house legal services activities and insure the continuation of that program.

President Nixon proposed in 1971 to preserve the program—begun initially in the Office of Economic Opportunity—by creating a corporation which would keep it out of politics and insure its efficiency. That year, Congress passed such a bill; but the President vetoed it, principally because he felt his role in selecting the members of the board to be too limited. The current version—passed by the House last summer, by the Senate in January and approved unanimously by the Senate-House conferees—now awaits only Senate acceptance of the conferees' report and the President's signature.

The arguments for completion of work on this legislation are overwhelming. Legal services has been viewed by many as the most effective and efficient of the programs designed to deliver services to the poor. In a sense, the program has wrought a revolution of elemental fairness. It has opened wide the doors of the system of justice to America's poor for the first time.

The compromise now before the Senate represents months of tedious legislative effort to accommodate Mr. Nixon's reservations and those of conservative Congressional critics of the program. It does all of that and more. It is even more restrictive than the proposals sent up by the White House a year ago. It now needs only to be endorsed promptly by the Senate and signed into law by the President.

[From the Binghamton (N.Y.) Sun-Bulletin, June 12, 1974]

Law for the Poor

The relatively recent discovery, or at least open acknowledgment, that poor people have rights unrelated to their pocketbook situation has shaken a lot of the non-poor.

Nothing shakes up the Establishment so much as the idea that poor people may have a right to a lawyer. Not to defend themselves when they run into trouble with the police—everyone will grant them that. But if they have a run-in with bureaucrats, not cops, they may just decide to seek a legal remedy, and sue. This sort of thing brought the walls of legal segregation tumbling down in Dixie. And who knows what might fall next?

There is a bill in Congress, already passed by the house and expected to win Senate approval, that will set up the federal Legal Services Programs as a nonprofit corporation. It used to be an arm of the dying Office of Economic Opportunity. President Nixon asked for this action three years ago, and vetoed it seven months later because the bill passed didn't give him total control over naming its directors.

The hassle over this Legal Services Corporation—to fund local agencies like Broome Legal Assistance Corp.—has continued, and there is still doubt whether Mr. Nixon will sign the bill if it completes its congressional journey successfully.

But political paranoia is no presidential monopoly. The reactionaries in Congress swarmed around to tie up as many of these lawyers for the poor as they could with restrictions on activity for which government money could pay. The bill now in the works forbids Legal Assistance to handle any school desegregation cases, any kind of draft or amnesty cases, any nontherapeutic abortion cases. It restricts handling of class action cases. It forbids lawyers working with the program to undertake any political activity at all, such as giving someone a ride to the polls.

The bill also seeks to limit local agencies' use of legal back-up centers—there are now about a dozen, mostly in law schools about the country. The Nixon proposal called for a central agency in Washington to do research on cases requested by local agencies—the most blatantly wasteful notion outside the Pentagon that we can remember. But like those non-Nixon restrictions popped in by congressional conservatives, it is meant to clip the wings of lawyers who don't serve the Establishment.

It should be noted that, unlike the American Medical Association, the Establishment's bar groups across the country have generally rallied in support of Legal Services.

This bill has a lot of silly flaws, but it should be approved by the Senate and signed by the President. The passing of OEO must not mean an end to its services. And especially not of a service as vital to a citizen as the right to sue.

[From the Corning (N.Y.) Focus, June 29, 1974]

Legal Services Must Be Kept

Equal justice to all low-income Americans would be furthered by the Legal Service Bill soon to come up before the U.S. Senate for action.

Although it's a national bill, it would have an impact locally because the Office of Economic Opportunity now operates a Legal Services office in Corning, covering Steuben, Allegany and Cattaraugus Counties.

If the bill is not passed, OEO will be unable to continue to fund the program, operated locally by five attorneys.

The program, as well as the local office, provides legal representation to people financially unable to hire an attorney for civil suits—no criminal matters are handled.

The local office came into being immediately following the flood and initially handled flood-related cases, but has since branched out more into such fields as cases involving Social Security, the SSI program, welfare, Medicare and Medicaid, landlord-tenant and consumer problems.

During May alone the office handled 122 new cases and figures for June are expected to run even higher.

The bill has the backing of the American, New York State and Steuben County Bar Associations. It is also backed by the judiciary.

An earlier bill to fund the program was vetoed and the backers came up with this new bill, which has several additional restrictions on eligibility, income and assets, as well as types of cases which can be handled.

The administration drafted the current Senate version of the bill but it now appears the administration is reversing itself because of pressure from Southern Congressmen.

Most poor people, until recently, neither knew their basic rights nor obtained them. This nation should be proud that much has been done to correct this. Approval of this bill would not only assure continuation of current program but broadening of the bases from which they operate.

We strongly urge this bill be approved and urge residents to write Senators Jacob Javits and James Buckley to urge their approval.

[From CBS News, June 24, 1974]

Spectrum

I'm Nick Thimmesch.

Most Americans get enough to eat, have a chance to get a basic education, find a job, and get a measure of health care and support in old age. That's the way it should be. We are constantly trying to improve these basics through social legislation. It seems to me, however, that besides these basics, every American also has the right to legal services when he or she runs into trouble.

The poor, however lacking in resources, usually manage on the basics. But when it comes to coping with what can be called a valid civil dispute—or worse—the poor become confused. A middle class man or woman can get on the phone and raise the dickens with the landlord, the credit bureau or repairman. If the grievance isn't settled, the middle class person usually knows enough to get a consumer agency or the Better Business Bureau looking for him—or in more serious cases, a lawyer.

But the poor generally don't know where to start. They are stupified by a system which gets more complex every day. Consequently, they are often the passive victims of civil injustice, and sometimes, criminal injustice.

That's why we need a Legal Services Corporation as provided for in a Bill now resting in the Senate. Only two actions are required before it becomes a law: Senate approval of a joint conference committee report, and President Nixon's signature.

This Bill is controversial, and with cause. When the office of Economic Opportunity—the anti-poverty agency—was riding high, so were some of its activist lawyers in the legal services program. Some lawyers vented their egos by harassing government offices and businesses they despised as part of the "rotten establishment." The poor were pawns in this ego exercise. Other activist lawyers see legal services as a device to push their pet causes—abortion, school busing or whatever.

But the legislation now pending prohibits this kind of activity. With the help of the American Bar Association, and with the approval of some congressional conservatives, safeguards were written in to make sure the self-centered, single causist lawyers couldn't use the Legal Services Corporation to finance their activities. There's no reason this Bill shouldn't be tried out as a law.

In our country, all of us, liberals, centrists, conservatives, say that we believe in equal justice for all. Well, that's fine, but many people can't afford justice, or don't even know how to look for it. The Legal Services Corporation, which would have staff lawyers to help individuals with their legal problems, would be a fine mechanism, admittedly run by humans, to extend justice to more people.

The Senate should move on it now. And President Nixon, who should have some first-hand appreciation of the benefit of legal aid, should sign it without reservation.

[From the Rochester (N.Y.) Democrat and Chronicle, June 5, 1974]

Legal Service to the Poor Mustn't Die

There has been firm support for the concept of legal service to the poor from responsible national officials on both ends of the political spectrum, including President Richard M. Nixon.

The problem has been that the liberal definition of legal aid to the poor is a broad one, including such things as class action suits. The conservative view has been narrower, encompassing only such legal aid as is necessary to keep poor families afloat in this highly complex age.

Since Legal Services has been part of the old Office for Economic Opportunity, now going down for the third and last time, a new bill must be passed creating a Legal Services Corporation. President Nixon himself proposed this arrangement and would have the power to appoint its Board of Directors if a bill now emerging from the Congress is signed into law.

The trouble is that the fate of Legal Services, in the estimate of many on the Washington scene, has become embroiled in what is generally known as "impeachment politics." The conservative Washington weekly Human Events said in its May 25 issue that Legal Services has become the pivotal issue for House and Senate conservatives in defining their future relationship to the Administration.

The seriousness of a veto of the Legal Services Bill cannot be overstated. There are not, by most estimates, enough votes in the Congress to override. And with the congressional gears heavily clogged with impeachment business, the chance of a new bill passing both houses is effectively nil.

The poor of America need legal support of the kind the Federal Legal Services Corporation could give them. Mr. Nixon has supported that need in the past. He must continue to do so now, or face charges of abandoning his basic principles under fire.

[From the Charlotte Observer, June 23, 1974]

R. M. Nixon Versus B. J. Jackson

(By Reese Cleghorn)

A battery of lawyers is representing Richard Nixon in the impeachment proceedings and in his skirmishes with the federal courts. They are being paid by the taxpayers, and that probably is as it should be.

But because of President Nixon, a Charlotte citizen, we might call Billy Joe Jackson, may have no such help in his efforts to qualify for federal aid as an impoverished and jobless man with tuberculosis. The law does not clearly show whether he is immediately eligible, and he has been turned down for benefits. His only recourse is to go to court. But he cannot afford that, and shortly the office that has been providing legal services free may not have the funds to continue doing that.

Those two cases may seem to have little in common. One man is the President; the other is, by some lights, a nobody. But each is dependent upon good legal representation if he is to receive a fair shake. We live in a complex society, full of government entanglements and bureaucratic error, and the courts often are our only source of remedy.

For many years a poor man like Bill Joe Jackson could call upon the bar association or, in some places, the Legal Aid Society to provide free legal representation if he needed it to untangle some personal or financial problem. But such representation usually did not enable him to go into court against the government—local, state or federal—even though that might be necessary to determine whether he had been dealt with properly by government. In short, he might get legal help in dealing with a creditor or a landlord, but not with a bureaucrat.

The poverty program changed that. Throughout the country, legal services offices funded by the now-defunct Office of Economic Opportunity offered a fairer deal for the Bill Joe Jacksons (who are not, after all, so different from the W. Joseph Jacksons). If the client needed only legal advice, he might get that. If he needed representation in dealing with a creditor, he might get that, provided that a legal services lawyer thought he had a case. And—the new twist—if he needed to bring suit for remedy in the face of a questionable government ruling or a possibly unconstitutional practice, he might get that.

In short, his attorney could act like any other attorney, representing his client to the fullest extent that seemed necessary. This, after all, is the only way our legal processes can be made fair. If some people's attorneys may press whatever legal actions seem justified and other people's attorneys cannot, the latter are being denied "equal protection" under our laws.

But because some of the suits handled by federally-funded attorneys were directly toward City Hall and the state and federal governments, many politicians grew resentful. After all, they said, why should government finance suits against government? That is a Big Brother view, of course, resting upon the firm belief that the government must be right and the ordinary man must be wrong.

So it seems strange that many senators and representatives who are regarded as conservatives and foes of arrogant government have tried to obliterate the legal services program. (North Carolina's Sen. Jesse Helms even filibustered against it.) Just as strange is President Nixon's vacillation on the subject. In 1971 he advocated a strong legal services program, but there is now fear that he will veto the bill continuing the program.

The President did, in fact, veto a bill passed in 1971. Another version, in part designed to meet his stated objections, now has passed the Senate and House. Differences between the two houses' bills have been ironed out, and the House has accepted the compromise. The next step is for the Senate to complete its action. The votes are there, but some advocates of the bill are holding off, hoping the President may be persuaded not to veto the bill when it is passed.

Why would he veto? He proposed this very approach three years ago: the creation of a National League Services Corp. to run the program, with many limitations to assure that legal services lawyers would not go too far in influencing public policy.

If he does veto the bill, the obvious reason will be impeachment politics. He will have decided to appease the hard-core "conservative" bloc in the Senate, as he lately has appeased it on other matters, hoping to keep the 34 votes he may need in order to prevent his removal from office. (The ramifications of that for Charlotte will be explored in a subsequent column.)

He could conclude, on the other hand, that he already can count on the support of far-right senators such as Sen. Helms and South Carolina's J. Strom Thurmond and that what he should do is curry favor with more moderate senators who may be swayed to his side.

In any event, the President's desire to keep himself in office may be the determining factor in what he does about a matter of substantial national importance. That is not a very encouraging prospect for the Bill Joe Jacksons.

[From the Durham (N.C.) Morning Herald, June 6, 1974]

The Poor As Pawns

People who live in poverty don't have any clout in the Nixon administration, but they are apparently becoming quite important to the President these days.

Their newfound importance is detrimental to them, however, for they are becoming pawns in Mr. Nixon's struggle to hold office. The President must not lose any of his remaining conservative support in the House if he is to escape impeachment. And if he is impeached, he must keep his conservative support in the Senate to avoid conviction.

In an effort to solidify that support, Mr. Nixon has decided to abandon his own program for welfare reform. But that isn't all. According to the conservative weekly Human Events, Mr. Nixon is also under strong pressure to veto the Legal Services program for the poor—a bill that he has supported since it was drastically revised last year to let him appoint all the directors of the Legal Services Corporation.

The present bill, which the Senate will soon act on, is a product of almost endless compromises designed to curb or eliminate "social activism" on the part of Legal Services lawyers, and it is not as good as it should be. The bill puts so many restrictions on the lawyers that they would qualify as third-class citizens. They would not even be able to work for a school-bond issue after office hours, for example. And there are other unnecessary and unwise restrictions.

But the bill has two important things going for it, two things that shout for its enactment. First, it would remove legal services from all connection with antipoverty programs and permit it to stand on its own as an independent corporation.

Second and most important, it will continue to provide poor people who need legal help with that all-important service. As conservative columnist, James J. Kilpatrick, who supports the bill, recently wrote: "Despite great improvements in recent years in fields of criminal law untouched by the pending bill, the poor are still far removed from 'equal justice.' "

The Senate should pass the bill in its present form and resist efforts to re-establish the link between legal services and the other anti-poverty programs. If the President then is callous and opportunistic enough to veto legal services in an effort to save himself, perhaps the votes necessary to overturn the veto can be scraped together.

[From the Cleveland Press, June 17, 1974]

Poor Need Legal Services

Last year the U.S. Senate chose to go home for the holidays without passing a legal aid program for the poor. Finally, after much jockeying, the Senate is close to voting on a House-passed bill which would set up a Legal Services Corporation.

The Nixon Administration has been phasing out Office of Economic Opportunity programs for a couple of years, causing great concern over what will happen to lawyers who do legal work for the poor and are paid with federal funds.

The Legal Aid Society in Cleveland, for instance, gets a majority of its funds from the Federal Government, the rest from foundations. Its last grant of $381,000 from OEO will allow it to operate only through November.

If the Legal Services Corp. is established (keep your fingers crossed), Legal Aid here and other agencies around the country with more than 2000 lawyers doing work for the poor can apply to the corporation for money.

Opposition to such aid has come from those who charge many poverty lawyers stir up the poor against politicians and businessmen. That allegation is just so much bunkum, though. A General Accounting Office investigation last year found that poverty lawyers spend almost all their time helping the indigent handle contracts, bankruptcies, divorces and other matters for which the wealthy can afford to hire their own attorneys.

It would be mean-spirited for Congress to say that the affluent can have benefit of lawyers but deny this service to the poor.

There has been some apprehension that President Nixon, listening to the most conservative voices in the White House, would veto a Legal Services Corporation, but this does not appear to be the case now.

Restrictions have been placed on what lawyers can do with grants from the Legal Services Corp. They cannot lobby for legislation, for instance. That means the good work done by the Legal Aid Society in trying to get a landlord-tenant bill passed in Ohio would not be possible in the future. There are strict curbs on filing class-action suits, too, such as the one brought against the Jones & Laughlin Steel Corp. here. Also, Legal Aid would be restricted in the assistance it could give to neighborhood self-help groups.

Those are steps backward. Although the Legal Services Corp. bill is not so wide as a church door, nor so deep as a well, it is the only way that OEO legal agencies can keep going. For that reason we urge its passage, which seems likely but is certainly not assured. We suggest those interested strongly advise Senator Howard Metzenbaum and Robert Taft to vote "yes."

[From WKYC-TV Cleveland (Ohio), June 19, 1974]

Editorial

There's deep concern that the President's threatened veto of the $100 million Legal Services Corporation Bill will literally dismantle legal aid offices around the country, and that includes Cleveland.

The majority of legal aid funds come from the Federal Government, and unless the measure is allowed to become law, federal legal aid monies will be cut off after June 30th. It was originally proposed by the President. Now, unaccountably, he threatens to veto it. Apparently it's become too radical. The only replacement in sight is a highly restrictive measure proposed in the House of Representatives.

At best, the poor receive little more than super market justice. There are too few public attorneys, too little time to prepare cases, and too many people needing help. It will mean the term *equal justice under the law* will simply become inoperative. Somehow, if you're poor, you don't rate protection, or so the theory seems to go.

There's one added point: The public bill for the various legal services now used by the President in defense of himself is estimated at about $6 million. That's also legal aid.

At any rate, if we wish to call this a civilized country, that bill—the Legal Services Corporation Act—should be allowed to pass without a veto.

[From the Columbus (Ohio) Citizen-Journal, June 18, 1974]

Legal Aid in Trouble

Neighborhood legal services for the poor will dry up soon unless Congress approves and President Nixon signs new legislation keeping the program alive.

A bill creating a new legal services corporation is under strong attack by conservatives, who say poverty lawyers spend too much time agitating for political and social reforms.

In fact, such lawyers spend most of their time handling divorce, child custody and housing dispute cases for people who have no other access to legal aid.

This has been one of the more successful antipoverty programs at providing practical help where help is needed.

Yet the program will expire unless new legislation, setting up an 11-member operating board, is approved by the end of the month.

The fear now is that Nixon will veto the legal services bill (which he once supported) in an effort to woo conservative support for his upcoming impeachment battle.

Such an action would be unfortunate—not only for the President's own image, but for hundreds of communities that now benefit from free legal aid to the poor.

[From the Columbus (Ohio) Saturday Enquirer and Ledger, June 1, 1974]

A Blow To Legal Profession

Former Chief Justice Earl Warren observed the other day that the parade of attorneys accused of Watergate-related crimes has weakened confidence in the legal profession. Starting at the top, the President faces possible impeachment and the former Vice President has been disbarred in Maryland.

Such sensational, one-of-a-kind proceedings involving lawyers who are public officials naturally capture both the headlines and prime time. But the other lawyers in public service fields—legal aid, public defender, anti-poverty, consumer, environmental, civil and individual rights—need not be tarred as a group because of the activities of those few who have demeaned the law.

Right now a House-Senate conference is taking place that is designed to ameliorate differences over the creation of a National Legal Services Corporation. It would enable the existing Office of Economic Opportunity Legal Services attorneys to continue to represent indigent persons throughout the country. These dedicated attorneys 2,200 in 900 offices, are the only lifeline to the courts and administrative agencies for millions of unrepresented clients who cannot afford counsel.

The new corporation's lawyers need both the funds and the powers to perform effectively.

Symbolic?

The Louisiana contractor who bought a limousine he thought had once been Spiro Agnew's now finds he was duped.

Agnew had nothing to do with the deal, so the contractor isn't angry with him. But he feels that no one will be interested in the car now as an exhibit symbolizing something about important people in Washington, because the car isn't what it was purported to be.

Maybe he's wrong, though. Just because the car isn't what it was supposed to be doesn't make it any less symbolic of important people in Washington today.—The Atlanta Journal.

[From the Dayton (Ohio) Daily News, June 10, 1974]

Nixon Threatens Veto of Legal Aid for Poor

President Nixon, who makes $200,000 a year and gets free housing and an allowance besides, has accepted thousands of dollars worth of legal services from a succession of lawyers who are trying to keep him in office. That's called Protecting the Presidency.

But Mr. Nixon is hinting that he opposes continuing legal services for the nation's poor people. Those services are called a threat to the judicial system.

The White House is threatening to veto a compromise bill that would establish a corporation to run the free legal services programs that were set up under the Office of Economic Opportunity. The bill has already been modified to suit conservatives and Mr. Nixon, and it gives control of the corporation to the President, who would be able to appoint its directors.

Just a week or so ago everybody expected the bill to get quick congressional approval and the President's signature, but impeachment politics has thrown its future into grave doubt.

A few conservatives, who know Mr. Nixon is doing everything he can to make them happy so they won't vote for impeachment, are reportedly pressuring Mr. Nixon to veto the compromise. Bill supporters are negotiating with the White House, trying to convince the President not to veto.

What the bill's opponents object to is its continued funding of "backup centers," which have done creative and important research and lobbying work on behalf of the poor, stepping on a lot of toes in the process.

Some senators are thinking about cutting "backup centers" out of the bill to insure the President's signature, arguing that if the bill does not pass, the whole legal services program will die. They ought to hang tough.

The bill has the support of practically everybody, including the lawyers, and Mr. Nixon cannot in good conscience veto it.

[From the Morning Press, Lawton (Okla.), May 25, 1973]

Lawyers for the Poor

Legal services to the nation's poor will be provided by an autonomous corporation to be set up by the government at federal expense. Previously, legal aid was furnished by a branch of the Office of Economic Opportunity. The new corporation is the result of a House-Senate conference committee's consultation.

Congress, of course, must confirm the new conference bill. The chances are high that it will do so, as differing forms were passed by the two houses.

Apparently, Congress never learns. The previous legal aid group was disbanded because it became a protected haven for an ultra-liberal, anti-business, down-with-the-establishment, government-bating clique.

In the light of that experience, the final charter is designed to prevent the new agency from being politicized by the activist kind of attorneys who seem to be attracted by such opportuniites. Already, voices complain that the agency will be gagged. Not from the work for which it was designed, representing the poor. The danger is that it is heading for another disturbance such as the one that broke up the first attempt.

An agency to take care of the poor is needed. Another liberal political lobby we can do without.

[From the Delaware Times, Delaware County (Pa.), June 17, 1974]

Politics Threatens Legal Assistance

The federal legal services program for the poor reportedly is threatened by "impeachment politics." One of the most effective and few remaining weapons from the original war on poverty is only a few days away from dying for lack of funds.

David A. Scholl, executive director of the Delaware County Legal Assistance Association, gave a comprehensive account of the organization's record and present dilemma in a letter to the editor on this page last Wednesday.

The next day, a New York Times article by Warren Weaver Jr. explained why the program is in difficulty in Washington—"the crippling new Washington disease: impeachment politics."

Despite the huzzahs overseas, the President can have little doubt the House of Representatives will vote to impeach. He cannot be blamed for counting Senate votes for and against him. And he well knows that his strongest support will come from conservatives.

Many of these conservatives would like to see Legal Assistance die. They were enraged by the way poor people were able for the first time to use legal representatives and the judicial system to challenge alleged injustices in society.

Legal Assistance spokesmen by necessity poohpooh those significant victories because they have come back to haunt the program now at its time of need. They correctly point out that fewer than 15 per cent of their case load involved disputes with the political and economic establishment.

But conservative senators, whose votes are crucial in any impeachment trial, understandably have the President's ear. And he has let this put him in an inexcusable position.

The bill extending the life of Legal Assistance is very close to that proposed by the President in 1971. He wanted an 11-member corporation to operate the program, and he wanted the power to appoint them, subject to Senate confirmation. He got both.

He also received a number of restrictions on the activities of Legal Assistance attorneys. Were it not for impeachment politics, it is inconceivable that he would now oppose the bill, which has the strong backing of the American Bar Association, hardly a radical group.

But conservatives continue to oppose Legal Assistance and its backers fear a presidential veto unless the bill is sent back to conference and the program weakened still further.

While they agonize, the clock moves. In two weeks, the money stops and, as Scholl pointed out in his letter, attorneys already working for salaries far below what they could earn in private practice will not long remain.

What is needed is swift Senate action and, should there be a veto, a solid override by both houses of Congress.

[From the Philadelphia Inquirer, May 14, 1974]

LEGAL AID BILL WILL DO THE JOB

Congressional conferees have finally agreed on a bill to preserve the legal services program for the poor. It is a compromise of several compromises.

On the negative side, the compromise bill would prohibit legal services attorneys from handling cases involving Selective Service and bar them from bringing lawsuits to desegregate public elementary and secondary schools. Whatever one's views may be on these issues, they are issues which involve legal rights. The view of the conferees, however, was that without the prohibitions the bill probably could not get through the House.

In addition, the compromise goes much too far in forbidding the legal services lawyers from engaging in any kind of political activity, even nonpartisan get-out-and-register campaigns. It also contains a proviso giving preference to local lawyers in hiring staff. That could pose problems in recruiting, especially in rural areas.

On the positive side, however, the bill would create the public corporation, with a board whose 11 members would be appointed by the President with the advice and consent of the Senate.

It would increase funding from the present level, under the Office of Economic Opportunity, of $71.5 million, to $90 million in the next fiscal year and $100 million in the year after that. It would also retain funding for the "backup centers," vital for legal research but banned under the House-passed bill.

Thus, while the Senate conferees may have been compelled to yield too much, the version reported out at least preserves and in many ways advances the principle that equal justice is not just for those who can afford to buy it. The House and Senate should move promptly to send this measure to the White House.

[From the Pittsburgh Post Gazette, June 7, 1974]

LEGAL SERVICES PROGRAM IN DANGER

A program to provide legal services so the poor can have access to the courts is in danger of being entrapped in Watergate impeachment politics.

During the dismantling of various anti-poverty programs, the legal services program has been an exception. It was considered to undergird equal justice under the law.

To insure the survival of the program as a separate entity, Congress fashioned the Legal Services Corporation Act. Conferences with administration officials brought a compromise bill which the White House said it could support. The measure, H.R. 7828, received the endorsement of the American Bar Association and, in our state, the Pennsylvania Bar Association and the Allegheny County Bar Association among others. Congressional passage came in May.

But now fear has arisen that President Nixon may veto the measure to please a group of conservative senators who oppose the concept. If impeachment proceedings go to the Senate, it is expected that Mr. Nixon will lean heavily on conservatives to provide the one-third support necessary to block a guilty verdict.

We hope this assessment is wrong and that Mr. Nixon will sign the measure. As the support of such essentially conservative organizations as the bar associations demonstrates, proper representation for the needy in our complicated system of law and courts is necessary to provide justice for all.

[From the Providence (R.I.) Journal, June 11, 1974]

LEGAL AID CLOUD

Of all the advances made in recent years toward greater equality in the system of American justice, one of the most significant has been the creation of a publicly supported system of legal services available to people of limited means.

In its 300 centers across the country, the legal services program has provided many thousands of Americans with their first chance to obtain a lawyer's advice and help with their problems. For these people, the program has opened access to a legal system that few of them previously had reached.

Yet there now are signs, as Congress completes work on a bill giving permanent status to the legal services program in the form of an independent corporation, that this crucial enterprise may be in serious trouble.

President Nixon is under pressure from conservative members of Congress to veto the legal services bill, on which the House and Senate have all but reached final agreement. Given the strained temper of these times, it appears possible that the President may bow to this pressure from the right and turn down the legal services plan that he himself proposed three years ago.

The bill, as thrashed out by a conference committee of the House and Senate members, is much more limited in its scope than we would like to see. It places restrictions—restrictions that are harassing and needlessly tight—on the type of legal work that legal services lawyers may do. Nonetheless, it is felt to be a version that the program's lawyers can live with. Moreover, it may represent the program's only chance for survival: if the bill should be vetoed, the program could well die at the end of this month, when the fiscal year ends.

Some indication of what a blow this would mean can be gleaned from a look at the program in our state, Rhode Island Legal Services, Inc. Since it began five years ago, this agency has provided legal aid to more than 30,000 people. It now helps between 6,000 and 7,000 new clients each year on a broad range of civil problems from landlord-tenant relations through financial difficulties to domestic relations. It presently has in its files more than 2,500 pending cases, which would be thrown into chaos—and possibly simply allowed to expire—if the program were to shut down.

Beyond its invaluable assistance on individual legal problems, the program has become a vigorous force in advancing social justice. Its lawyers have had a positive impact, far greater than their small number would indicate, in such areas as welfare reform, the rights of prisoners, the availability of school lunches and the rights of handicapped children to equal educations with normal youngsters.

The broad public interest and the need for individual access to legal advice should prove persuasive enough that Mr. Nixon would not even consider vetoing this most important bill. But he never has been especially known for his sensitivity to the problems of the less fortunate, and thus the concern over the bill's fate has spread. With impeachment politics coloring most moves the White House makes, the concern has intensified.

We urge the Senate to give such solid support to the conference version of this bill that the President will be dissuaded from any thought of a possible veto. We urge him to sign it promptly into law. A veto of this measure, in our view, would indicate a most callous disregard for the ideal of equal access to our nation's system of justice.

[From the Memphis (Tenn.) Press-Scimitar, June 17, 1974]

LEGAL AID IN TROUBLE

Neighborhood legal services for the poor will dry up soon unless Congress approves and President Nixon signs new legislation keeping the program alive.

A bill creating a new Legal Services Corporation is under strong attack by conservatives, who say poverty lawyers spend too much time agitating for political and social reforms.

In fact, such lawyers spend most of their time handling divorce, child custody and housing dispute cases for people who have no other access to legal aid.

This has been one of the more successful anti-poverty programs at providing practical help where help is needed.

Yet the program will expire unless new legislation, setting up a 11-member operating board, is approved by the end of the month.

The fear now is that Nixon will veto the Legal Services Bill (which he once supported) in an effort to woo conservative-support for his upcoming impeachment battle.

Such an action would be unfortunate—not only for the President's own image, but for hundreds of communities that now benefit from free legal aid to the poor.

[From the Seattle (Wash.) Post Intelligencer, June 5, 1974]

EQUAL JUSTICE

The U.S. Senate has a job to do: Vote "yes" on a bill that will fund a legal-services program for another year.

The legal services bill, which is expected to be debated this week on the floor of the Senate, provides free legal counseling to the poor and indigent.

Strongly supported by the American Bar Association, major bar groups and law schools, the legal service program is believed by urban experts to be one of the best means to correct the injustices that led to rioting in the streets in the 1960s.

One of its problems has been that it is too successful. For example, six selected lawsuits recently resulted in the return to poor persons of $187 million to which they were entitled; suits brought in Boston, Cleveland, Detroit and other cities resulted in extending federal lunch programs to schools in poor communities, and an action in Seattle resulted in the extension of the commodity assistance program during the recent period of high unemployment.

Because Legal Services has battled for the poor against what is euphemistically known as "the establishment," some reactionaries in Congress are working against passage of legislation that will fund the program another year.

They must not succeed. The legal services bill already has been passed by the House of Representatives, and now it is clearly the obligation of the U.S. Senate to make certain the poor are not thrust back to a time when they did not have equal justice under law.

[From the Burlington (Vt.) Free Press, June 6, 1974]

LEGAL AID PROBLEMS

Vermont legal aid and similar agencies throughout the country which offer legal assistance to low-income people could be phased out by the end of the year if there is a Presidential veto of legislation that is likely to pass the Senate this week.

Vermont Legal Aid Director John Dooley, who is in Washington this week, estimated Monday that there is a 50-50 chance of a veto of a bill which would create a National Legal Services Corp. to channel funds to the program.

The corporation has been a part of the Office of Economic Opportunity, but that organization is due to close its doors June 30, Dooley explained.

The bill, creating the new corporation, passed the House and the Senate earlier this year and went to a conference committee, according to Dooley. "The conference report came out May 13 and the House passed it May 16," he said. "The Senate is expected to pass the conference bill this week and then the 10 days will start to run on the President's action."

Pressure is being put on by conservative congressmen for a veto and some White House advisers reportedly are pushing to kill the bill even though President Nixon himself supports the concept, Dooley noted.

He recalled that the Ash Commission in 1971 suggested the national legal services program be taken out of the OEO and put in a separate corporation. "Congress and the White House have been arguing about how to do it for three or four years now," he said.

"If the bill is vetoed, Legal Aid in Vermont could be out of business by the end of September," Dooley predicted. "Any federal money beyond that depends on the passage of the bill."

By the end of the year, all Legal Aid programs will "be out of business" unless the bill is passed, he said.

"In Vermont, we are taking about 6,000 cases a year statewide," Dooley noted.

He said the program's case load has grown year by year since it was started in the state in 1967. Right now, he pointed out, about 50 persons are handling cases in the state. The agency handles only civil cases and about 30 per cent of them are domestic relations cases, Dooley said.

The Vermont Congressional delegation supported the bill to create the national corporation, Dooley said.

Should the bill be vetoed, many of those people in low-income groups who now rely on Legal Aid will have no access to legal advice at all and will be forced into a position of spending portions of their slim incomes to hire lawyers to handle their cases.

Most bar associations and low-income groups support the program and lawyers and law professors serve on the agency's board.

We think the Legal Aid program in its seven-year tenure has done outstanding work for low-income persons and we believe it should receive the necessary funding to continue its excellent work.

[From the Milwaukee (Wis.) Journal, June 7, 1974]

A TEST OF LEADERSHIP

For several years, a bill to create a new version of legal services for the poor has been kicked around Capitol Hill like a tin can in an alley full of 10 year olds.

Now, a House-Senate compromise has run into a new kind of trouble. Painstakingly drafted, it is basically what President Nixon has sought. It is acceptable to the American Bar Association and other moderate groups. It has cleared the House. But, in the Senate, it is stuck in the mushy politics of impeachment.

Hard core conservatives demand that Nixon promise a deadly veto. So far, responses from the White House are unclear. But, since conservative senators are vital to maintaining the "one third plus one" Nixon needs against conviction in any impeachment trial, he's probably listening hard. Meanwhile, backers of the bill delay Senate approval, hoping that moderate voices will ultimately sway Nixon.

How far has Nixon's leadership capacity fallen? This reasonable bill—clearly needed to strengthen equal justice in America—is a test. The measure needs only a presidential nod. But, with Nixon fighting for survival, even that small gesture is proving sadly difficult.

[From the News-Sentinel, July 6, 1974]

LEGAL SERVICES LIMBO

The Office of Economic Opportunity probably was one of the most contentious and contended governmental structures in the history of American bureaucracy. Its sins were numerous, including the wanton wasting of public funds and an unwillingness or inability to apply itself to its assigned objective—the relief of poverty in the country. However, its greatest flaw was the fact that it became, almost overnight, a focus of ideological activism aimed at changing or altering the government to its liking. Somehow, it doesn't seem fair to the citizen or taxpayer to make him support legislatures to determine what government ought to be, and, at the same time, support a bureau dedicated to making government something else.

As a result of that flaw, the Nixon Administration terminated or dismantled the OEO, with quite broad support. Some of the OEO functions or subdivisions were abandoned. Others were assigned to various existing governmental departments or bureaus.

One such function or subdivision—the Legal Services program—has been consigned to a bureaucratic limbo until Congress and the President get together on what it ought to be and how it should be run and controlled. Twice, the House and Senate have passed measures which would establish an independent Legal Services Corporation to carry on the function of providing qualified legal counsel for indigents with legal problems and needs. On the first occasion, President Nixon vetoed the act with specific objections which may or may not have been resolved in new versions of the measure which still must be reconciled in House-Senate conference sessions.

Meanwhile, there seem to be severe apprehensions that the President again will veto the Legal Services Corporation bill and that the program will be dickered out of existence in vote trading over the Watergate-impeachment issue or that it will be continued on an interim 90-day financing basis until something jells.

Without passing on the adequacy of the pending legislation or on a possible veto, we would offer several observations and suggestions:

1. Legal Services appears to have matured considerably since the days when its principal interest seemed to center on the defense of pot and long hair.

2. That in the present context, there are occasions when all types and classes of citizens, including indigents, need and should have legal representation.

3. That, since the scope of these occasions and areas of need are relatively limited, adequate controls are needed to insure that the program does not again become a focus of political concern or contra-government activism.

4. And, finally, that if the Legal Services Program is worth saving (and there seems to be fairly general belief that it is), it is worth being saved properly which cannot be accomplished on a 90-day-to-90-day basis.

Mr. TUNNEY. Mr. President, the administration has fought against the poor at every turn. Nowhere has this attitude been clearer than in the battle over Legal Services. Despite continual congressional declarations of support, the administration has worked to deprive the poor of legal representation. I need not recall all the details of this fight. The administration has tried every tactic. First, it sought to subject the lawyers to the control of hostile local authorities. We stopped that. Then, it attempted illegally to refuse to spend money Congress had authorized and appropriated. Several of my fellow Senators went to court and stopped that.

Three days ago, we learned of the forced resignation of Alvin J. Arnett, Director of the Office of Economic Opportunity, further indicating the administration's contempt for programs which serve our Nation's poor. This firing could not have come at a more inopportune time. Just when a smooth transition of the existing programs is most needed, the Administrator of the program is removed. Arnett's mistake was not that he did not fulfill the responsibilities of his job, but his mistake was that he did his job too well. In attempting to serve the Nation's poor, fulfill the mandates of Congress, as well as the wishes of the Nation's Governors and mayors by seeking the continued life of the OEO programs, Mr. Arnett "lost his party compass." In exercising conscience and independence over partisan concerns and in garnering overwhelming support for the continued life of the community action program to the point where a veto would not hold, Arnett's effectiveness mandated his dismissal.

Arnett's firing makes it imperative that we delay no longer in enacting the independent Legal Services Corporation. The maintenance of the independence of this corporation and the attorneys in the program is more important than ever. Additionally, Arnett's firing makes clear the need to support the continuation of OEO's community action program under the auspices of an independent agency, free from political reprisals. It is for this reason that I will support legislation to be introduced shortly by Senators JAVITS, KENNEDY, and others, to accomplish this result.

For 3 years now, the Senate Subcommittee on Employment, Poverty and Migratory Labor and the full Labor Committee have worked long, and hard to reach a compromise legal services bill acceptable to the House and to the administration. The Senate-passed version of the bill, while not one I would have authored, gave supporters of legal services an acceptable bill. The conferees then attempted to reconcile differences in the House and Senate-passed version of the bill. The conference report, while weakening the bill, was an admirable attempt to single out broad areas of accord and to structure the bill to implement those aspects of a Legal Services Corporation upon which there is agreement.

The administration, sensing the inability of the Congress to override a veto on this program, has upped the ante. It now has required that the authority to contract with backup centers be deleted. These centers are vital to the legal services program. They assist neighborhood legal services offices in litigating, conducting research, compiling and analyzing the effect of recent administrative rulings and judicial decisions which might affect eligible clients. Without these centers, the whole legal services program will be less efficient and substantial duplication of work by many different legal services offices may result.

I feel that the support functions currently performed by the backup centers can and must be undertaken by the Corporation itself. In making this statement, I assume that the Corporation will recognize the importance of research, training, technical assistance and clearinghouse activities to overworked lawyers in the legal services offices, and will use its authority in this area. Such services must be provided to our local, State and national legal services programs. The Corporation can do this by setting up several offices around the country to do research, training, and other services, or its employees may all be located in one office.

Because the backup services are so important, I do not want them to be interrupted while the Corporation is being organized, and hiring and training the necessary personnel. Therefore, the existing Center should be enabled to continue providing backup services until they can reasonably be undertaken directly by the Corporation.

One of the basic premises of the legislation before us today, is that poor people are entitled to the same range of professional assistance as those who can afford to pay. This includes the provision of legal assistance by national legal services centers specializing in a particular area of law, or in the problem of a particular group of people. Since section 1006(c) prohibits the Corporation from participating in litigation or legislative advocacy except on behalf of itself, I assume the Corporation will fund specialized groups to provide legal assistance under section 1006(a)(1).

Government-sponsored legal services programs have been able to provide an important component of needed legal representation. These programs support the handling of 1.5 million cases each year in areas ranging from family problems to employment and consumer issues. In addition to the large volume of cases handled, there is evidence of high-quality lawyering in the programs. The General Accounting Office reports that only 28 percent of legal services cases lead to court action. Seventy-eight percent of those cases are won or settled while only 12 percent are lost.

Sometimes, the voluminous publicity surrounding landmark litigation often brought by legal services attorneys creates the mistaken impression that legal services attorneys spend too much time trying to reform the law instead of dealing with the more mundane but critical, day-to-day problems of their clients. The evidence available simply refutes this contention. For example, after 16 days of hearings, three justices concluded that from 95 to 98 percent of the cases handled by California Rural Legal Assistance dealt with day-to-day problems. A 1973 GAO report noted that legal services attorneys lack sufficient time to devote to law reform cases.

The Judiciary Subcommittee on Representation of Citizen Interests, which I chair, has, for the past year, been investigating new ways to bring affordable legal representation to all Americans. To date, we have held 15 days of hearings on various aspects of the problem. The subcommittee is studying new developments in the delivery of legal services such as prepaid legal services, legal clinics, and the increased use of paralegal personnel which may aid the "legal enfranchisement" of people at all levels of the economic spectrum.

Accordingly, two aspects of the amended bill are particularly important to the work of my subcommittee. First, I am pleased that the amended bill at least allows the Corporation to conduct research, in the area of the delivery of legal services in order to determine the most efficient and economic way to provide high-quality representation. These research efforts will be of great assistance to the work of my subcommittee. While I believe the ongoing efforts of the American Bar Association and numerous State and local bar associations can be most helpful to the Corporation, the research and developments effort must also include input from the consumers of legal services.

The second aspect of this legislation of particular importance to my subcommittee concerns the role of the organized bar in promoting or inhibiting developments in the area of legal services. In this regard, the subcommittee held a hearing in February of this year in Houston, Tex., the site of the ABA midwinter meeting, entitled "The Organized Bar: Self-serving or Serving the Public?" We learned that there is no simple answer to the question. Sometimes the ABA is motivated by narrow self-interest, such as I pointed out during the floor debate on the National No-Fault Motor Vehicle Insurance Act. But in urging Government-sponsored legal services for the poor, the ABA has taken a selfless stance.

From the inception of the OEO program in 1964, the ABA endorsed the notion of Government-supported legal services for the poor. In 1971, when the President suggested the establishment of an independent legal services corporation, the ABA went on record in support of this concept. The association has numerous times repeated its endorsement.

Since that time, the ABA's efforts have been directed toward insuring that the integrity and the independence of lawyers who provide legal services to the poor are not compromised. I applaud the association's efforts. As a result in part from the ABA's commitment, H.R. 7824 places no substantial restraints on the legal services attorneys' freedom to decide in what forms, and under what circumstances, their clients' best interests may be represented. The only significant restraints on legal services attorneys are those which are placed upon the profession at large by the Code of Professional Responsibility.

The sponsors of this bill have been given assurances that the President will not veto this bill. The price of these assurances has been high. But overall the program is a vital one which must be preserved.

This legislation will provide millions of Americans with needed legal representation; it is open and flexible in approaching new ways to deliver legal services and insures the independence and integrity of the providers of legal services. I urge a strong showing of support in the Senate.

I ask unanimous consent to insert certain statements and articles in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SAN FRANCISCO, CALIF.,
May 30, 1974.

Senator JOHN TUNNEY,
Capitol Hill,
Washington, D.C.

Following telegram was sent to President Nixon:

DEAR MR. PRESIDENT: The bar association of San Francisco joins with the Board of Governors of the American Bar Association in urging your approval of H.R. 7824. Based on its close observation of the Legal Services program in San Francisco for several years, this bar association is convinced that this Federal program is indispensable to the goal of equal justice which you eloquently expressed in your 1973 State of the Union address. With reference to your forthcoming proposal for a legal services corporation, H.R. 7824 in its present form is what has emerged from that proposal. While we would have preferred fewer restrictions than it contains for the corporation's lawyers we recognize that the scope of legal services for poor persons is a matter about which reasonable people strongly differ.

We urge prompt enactment of this bill.

Sincerely,
ROBERT H. FABIAN, *President.*

LOS ANGELES, CALIF.,
May 30, 1974.

Senator JOHN V. TUNNEY,
Senate Office Building,
Washington, D.C.

The House has reported out H.R. 7824, the legal services corporation bill; and although the compromised bill severely restricts the scope of legal services, it does assure the poor some access to judicial assistance.

It is my hope you will resist any attempts to further dilute the bill.

I urge the Senate's timely passage of this much needed legislation.

TOM BRADLEY,
Mayor of Los Angeles.

LEGAL AID SOCIETY
OF SAN JOAQUIN COUNTY,
Stockton, Calif., May 24, 1974.

Re Legal Services Corporation Bill, House Resolution 7824

JOHN TUNNEY,
U.S. Senator,
Washington, D.C.

DEAR SENATOR TUNNEY: As you may be aware, legislation creating the National Legal Services Corporation passed the House of Representatives on a 227 to 143 vote last Thursday. House Resolution is No. 7824, authored by Representative Albert Quie, R-Minn. I am writing this letter to you as a Directing Attorney of a Legal Services Program located in Stockton, California. This office supports the legislation that has passed the House and I am specifically asking you to do everything in your power to see that it passes the Senate with as strong a vote as possible.

The indications are, at this point, that President Nixon will veto this legislation unless it gets past the Senate with a strong margin.

In my opinion, the legislation provides a very strong program for legal services for the poor. I am asking you to please support this legislation as much as you possibly can, especially by getting as many Senators as possible to vote for it when it reaches the House.

Yours very truly,
JOHN W. COYNE,
Directing Attorney.

ALAMEDA COUNTY BAR ASSOCIATION,
Oakland, Calif., June 24, 1974.

Senator JOHN V. TUNNEY.
Senate Office Building,
Washington, D.C.

DEAR SENATOR TUNNEY: The Board of Directors of the Alameda County Bar Association has consistently supported the creation of a Legal Services Corporation. This position was reaffirmed at its meeting of June 6, and I was instructed to write to you urging you to support H.R. 7824 when it comes before the United States Senate for final approval.

Very truly yours,
HAROLD C. NORTON,
Secretary.

[From the Daily Journal, Los Angeles, Calif., June 10, 1974]

BAR URGES PRESIDENT TO SIGN LEGAL SERVICES LEGISLATION

(By Andrews Erskine)

The Los Angeles County Bar Association has sent a telegram to President Nixon urging that he sign the bill which would create a national legal services corporation if passed by the Senate.

The bill, House Resolution 7824, by Rep. Albert Quie, R-Minn., was passed by the House on May 16, and action by the Senate is expected this week.

The President has said that he will not sign a bill "one comma" more liberal than the original HR 7824, which he earlier approved.

The bill as it stands now is a compromise between the President's original bill and a more liberal measure sponsored by Sen. Alan Cranston, S 2686.

The telegram, authored by Association President G. William Shea and sent also to Senators Cranston and John Tunney, stated, "As you know, (the bill) is a compromise bill arrived at after scores of hearings and months of negotiations in an attempt to draw a fair balance between the competing interests. We believe that the bill will provide for continuation of an independent legal services program which will give important assurance that our courts are accessible to the poor."

It continued, "Contrary to certain claims, we believe that this measure does not provide legal services to the poor which are different in kind or in any way more political than legal services available to clients who pay."

The bill, which would take legal services out of the control of the federal Office of Economic Opportunity and place them under control of an independent corporation, has been termed one of the most controversial measures on Capitol Hill for some time, and has been the victim of much legislative logrolling.

It has drawn the fire of many conservatives, notably Gov. Ronald Reagan, who, on the day of the bill's passage in the House of Representatives, sent a telegram urging the President not to sign the measure.

Reagan said, "Signing this bill will mean that states will be subject to virtually unlimited harassment by tax-subsidized groups allied with or controlled by groups such as the ACLU, the National Lawyers' Guild and the National Welfare Rights Organization.

"This bill would perpetuate and extend drastic changes in the manner by which legal services have traditionally been provided in this country, providing interest groups which favor such things as unrestricted abortion, busing and increased welfare demands," the governor continued.

The Los Angeles Daily Journal reported last month that a Washington spokesman for the Governor said it was probable that the bill would pass the Senate, as that body has passed even more liberal legislation.

The telegram sent by the Bar Association expressed a different view, claiming that in the city of Los Angeles, the Legal Aid Foundation handles approximately 24,000 cases a year. When the efforts of the Pasadena, Long Beach and San Fernando Valley legal services programs are added, approximately 40,000 cases are handled per year for indigents in Los Angeles County alone.

"Should support for such legal services cease, the impact on indigents in this county would be gravely adverse," the telegram concluded.

Mr. McGOVERN. Mr. President, I am pleased to add my voice in favor of the Legal Services Corporation bill presently before us. This bill does not represent the type of bill that I would have liked to see us pass; it is filled with compromises that I disagree with. Nevertheless, insofar as it does take important steps towards assuring "equal justice for all," I will support it.

This compromise bill, which incorporates virtually all of the fundamental features that the administration requested, is of utmost importance to the poor in our country. It will make sure that the poor are provided with equal access to the judiciary so that their grievances can be settled in the courts rather than on the streets. It will demonstrate to all that ours is a society of laws rather than men, and that all people can protect their legal rights regardless of economic circumstances.

In my State of South Dakota, the legal services program has made a marvelous contribution to the poor, and consequently, to the State as a whole. Our programs in Rapid City and at Rosebud have worked well to make sure that the poor are adequately given their day in court. Without regard to ethnic background or political affiliation, the legal services program in our State has provided first-rate quality legal services.

It is now important to expand the program and to insulate it from all potential political pressures. This can best be done by establishing a politically independent Corporation. Certainly, if I had my way, I would change many of the restrictive features in this bill. But, despite such differences, this bill is effective enough to warrant the support of everyone in this chamber today.

The most recent compromise—the one which shifts the backup functions of research, technical assistance, training and clearinghouse of information from the current backup centers to the Corporation—is one of the compromises that I disagree with. However, since this compromise does not directly affect the provisions of legal assistance to eligible clients, and since legal services offices of a local, State, and national scope can continue to provide legal representation to the poor, even where such offices are established solely for the purpose of providing specialized legal assistance on complicated subject matters, I will support the bill presently before us.

I urge all of you to vote for this bill and I urge the President to sign it. As the President stated on May 5, 1971, when he first proposed the establishment of the Legal Services Corporation:

> The Federal program of providing legal services to Americans otherwise unable to pay for them is a dramatic symbol of this nation's commitment to the concept of equal justice.

The President's statement was appropriate 3 years ago, and it is no less appropriate today.

Our country so vitally needs reassurance that our Government is dedicated to the causes of justice for all. With the passage and signing of this bill, we can provide that reassurance, particularly to the impoverished across our land.

Mr. HUGHES. Mr. President, the bill that is currently before us is the conference bill with only one exception. That exception relates to the functions of research, training, technical assistance and clearinghouse information activities which are currently provided by numerous national centers throughout the country.

Under the amended bill currently before us, these functions will continue but they will be handled by the Corporation, and not through grant or contract. Thus research activities—which involve the preparation of position papers, model memoranda and complaints, as well as information distribution on legal issues of major concern to the poor—will be handled by the Corporation. This, however, does not suggest that the Corporation will be permitted to engage in litigation since the Corporation is prohibited from doing so under section 1006(c)(1) of the bill. To the contrary, all legal assistance activities will remain intact and they will be handled by legal services offices that provide representation to clients on a local, State, or national level—whether such offices were established for general legal representation purposes or whether they were established for the provision of specialized and complex representation on particular subject areas.

The research, training, technical assistance and clearinghouse information functions that we are going to shift to the Corporation are vital to the provision of high-quality legal services. Therefore, it is critical that no interruption be permitted in the continuation of these functions to local, State, and National legal services offices. Insofar as it should take the Corporation at least half a year subsequent to its first board meeting to develop the necessary expertise and to hire and to train the personnel necessary to carry out the backup functions, it is expected that the current backup centers will continue to provide research, training, technical assistance and clearinghouse informational functions until the Corporation is properly prepared to do so.

When the Corporation assumes these functions, it will have sole responsibility for them. This does not mean that the Corporation has to conduct all of these activities in Washington, D.C. To the contrary, the Corporation is enabled to deploy its personnel at different locations throughout the country so that these backup functions can be performed in the most efficient, effective and responsible manner. Moreover, the Corporation can obtain consultant services for these functions from individuals and groups that are especially equipped to help the Corporation in its responsibility for these backup functions. Consequently, it is clear that the Corporation will have the capability to discharge the backup functions efficiently, albeit without having them rendered by contract or grant.

The change in the conference bill, therefore, is not intended to diminish the program's ability to serve the poor effectively. Indeed, all of the legal assistance work that could be provided under the conference bill can still be conducted under the present bill. Local, State and national offices will continue to provide high quality legal assistance work for eligible clients. This is so regardless whether such offices handle either general and simple matters such as matrimonial and landlord-tenant cases, or specialized and complicated matters such as cases relating to benefits under the Social Security Act.

In sum, under this new bill, high quality legal services offices serving local, State, or larger areas will not be hampered in their mission of providing the poor with competent and appropriate legal representation. I am hopeful, therefore, that this bill will be immediately passed and signed by the President.

Mr. MONDALE. Mr. President, as one of the conferees on H.R. 7824, to establish a Legal Services Corporation, I would like to make some additional comments on this vital piece of legislation.

The legal services program established by this legislation is, of course, a continuation of the activities now funded through the Office of Economic Opportunity. In this regard, it is assumed that the institutions providing services today will, to the extent that they maintain their capacity to offer high-quality services and can operate in compliance with the requirements of the new legislation, continue to be used to provide legal services to the poor.

It is also assumed that there will not be a disruption in attorney-client relationships already established and in representation which is currently underway. Legal services attorneys are required under this legislation to act in conformity with the Code of Professional Responsibility and Canons of Ethics of their profession, a requirement which includes the obligation to carry through on the tasks at hand during the period of transition from OEO to the new Corporation. To do otherwise would violate legal services attorneys' ethical and professional responsibilities.

The conference report on the bill reflects the agreement of all the conferees, including myself. I thought it might be helpful to my colleagues in the Senate who are concerned about this legislation, however, if I were to spell out some of the particular compromises which have been reached with respect to important provisions in the bill which we passed last January.

One change has been made in the conference bill. That change relates to the backup functions of the Legal Services program, which are research, clearinghouse of information, technical assistance, and training relating to the delivery of legal assistance. According to our change in the conference bill, these functions will now be undertaken by the Corporation rather than by grant or contract.

These backup functions for the actual litigators are of vital importance to the provision of high-quality legal services. It is, therefore, expected that these services will continue to be provided, but they will no longer be undertaken by grant or contract. Of course, since these services are of critical importance, and since we expect that these services will continue to be provided without interruption the current university-based centers will continue their backup services until the Corporation is fully prepared to undertake them. Consequently, since it will most likely take the corporation at least half a year to hire and train appropriate backup personnel, the university-based offices will continue their backup work during this period of time.

This new backup services provision, of course, does not affect any other provisions in the bill, including section 1006(a)(1) which authorizes grants for legal assistance activities. Legal services offices, operating throughout the Nation, will continue to provide legal assistance to the poor, whether such offices were or are established for the provision of general or specialized legal services.

We hope that the Corporation will seek to provide these backup functions in a very effective manner. If this means that the Corporation finds that it is best to have these services provided through local and regional offices, then the Corporation is authorized to establish such offices. However the Corporation sets up the provision of these services, it is expected that they will be provided effectively and efficiently.

Section 1006(c)(5) prohibits the bringing of any class action suit, class action appeal, or amicus curiae class action by a staff attorney without the express approval of the project director in accordance with policies established by the governing body of the recipient. This is an area of responsibility that has been left to the local programs, and it is not expected to involve the Corporation in any way. It is clear that the Congress expects legal services attorneys to afford clients the fullest and most appropriate representation, explicitly including class actions where they appear to be the most efficacious manner of obtaining relief.

A local program may not become involved in such activity, however, until the project director gives his approval. It is expected that this will assure accountability within the local offices and promote proper attention to these types of activities.

The House provision directing the National Corporation to pay costs and fees when they are awarded by court order (and in conformity with State law, procedure, and court rules of general applicability) against a recipient in a case in which the recipient brought an action against a defendant and lost, section 1006(f), has been substantially altered to make clear that: First, such provision relates to situations only where the court finds that the action was commenced or pursued for the sole purpose of harassment of the defendant, or second, that the recipient's plaintiff maliciously abused legal process. Only on these limited circumstances can fees and costs be collected against the Corporation.

This section, therefore, is only applicable in the extraordinary situations where legal services attorneys have totally abused the judicial system in violation of the Canons of Ethics and Code of Professional Responsibility. Such fees and costs can only be charged against the Corporation and may not be taxed against recipients and their employees. Moreover, this provision is not intended to deter or limit legal services recipients from obtaining fees and costs in any cases where they have successfully brought suit for their clients. Thus, if recipients win a case for their clients and persuade a court that it is appropriate, under a "private attorneys general" or other legal theory, that they should receive fees and costs, this bill would certainly permit the court to exercise its discretion in this regard.

Legislative and administrative representation by recipients is covered in section 1007(a)(5) of the bill contained in the conference report. As it now reads, the act prohibits any attempt to influence executive orders or legislation with two exceptions, namely, that the attorney has been requested to make such representations by the agency or legislature involved, or any committee or individual member thereof, or the attorney is acting on behalf of an eligible client and is pursuing an appropriate remedy with respect to the client's legal rights and responsibilities. This provision assures that the legislative and administrative activities of the numerous local legal services programs and support projects may continue when the Corporation is established.

The purpose of the legal services program is to make lawyers available to individuals and organizations composed predominantly of eligible clients that need legal assistance with respect to their legal problems. It is not to provide a soap-box or source of income for individuals seeking to press ideological or sociological concerns of their own. The attorneys are not to be restricted in the full and efficient advocacy of their clients' cause, but it must be their clients' cause. At the same time the legislation makes available the expert services of the legal services attorneys to employees of agencies or legislators who may wish to draw on the knowledge or ideas that the attorney may have. Thus, the attorney may answer questions, testify, serve on an advisory body, or draft proposed legislation or rules, depending upon the request made.

In section 1007(a) (2) (B), we required that the Governors of the various States be consulted in setting client eligibility guidelines. The various factors relating to eligibility to be taken into account in the Senate and House bills were combined so that many factors are reflected. The criteria of section 1007(a) (2) (B) (iv) of course, do not include situations in which the determination which the client seeks to challenge is the determination that work has been refused or discontinued without good cause. There is not change in the expectation that information with respect to eligibility generally would be obtained solely through a simple form to be completed by the potential client, and that eligibility will be determined in a manner that produces utmost trust and confidence between attorney and client.

In section 1007(a) (8) the bill contains the House provision requiring that the suggestions of local bar associations be solicited before staff attorney positions are filled, and that preference be given to qualified persons residing in the community. This provision has the laudable goals of seeking a cooperative working arrangement with the local bar, and assuring that persons familiar with the local community are employed by the program to the extent a program is able to find qualified persons. This does not mean that a program is required to hire attorneys who will not serve the poor effectively or are otherwise not as qualified as other applicants.

Mr. **HUGHES**. The time has come to pass a bill and do away with the cloud of uncertainty which has hung over the legal services program around the country.

Resort to the courts for the solution of grievances is one of the most fundamental, enduring rights of citizenship. This ideal is readily embraced by most Americans as a fundamental right under our Constitution. As a matter of fact, the influence of our legal structure on the daily lives of most Americans is enormous. Permit me to quote from the testimony of a legal aid recipient before hearings I chaired in Iowa in April 1973:

> The low-income people need the counsel of the law professions as much, if not more, than the middle and upper income classes. To say that these people do not have the right or the need is stupid. The average lawyer will not handle a case involving a low-income I feel, because of the lack of monetary gain. If America is a land of equal opportunity, then we must provide an equal chance for the low-income people to have counsel. The only way we have to meet a large portion of this need is the use of the legal aid agencies. The ghetto areas need these lawyers for all types of problems, but predominately because of business racketeers who have large operations in their areas. The ghettos also come under garnishments often and easier.

I am convinced that the effort to make legal counsel available to everyone has been one of the single most important programs launched by the Federal Government for needy Americans. In Iowa our legal aid programs have been successful in countless ways unknown and unrecorded, except by the recipients themselves. They have been a major force for good in the State, and with an ongoing Federal commitment they could do much more.

I ask unanimous consent that a number of news stories and editorials from the Iowa press be included in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Des Moines Register, June 14, 1974]

LEGAL AID FOR THE POOR

Congress has been struggling since 1971 to create a permanent Legal Services Corporation to operate legal aid programs administered by the Office of Economic Opportunity. The end of the struggle is in sight—provided the President does not veto the Legal Services Corporation Act.

President Nixon in 1971 vetoed one measure to create a corporation to provide legal services for the poor. The President said his chief objection was that he was empowered to name just six of the corporation's 17 governing board members. Congress upheld the veto and went to work to devise a substitute.

Different versions of a revised bill were passed by the House last year and the Senate this year. A conference committee report filed May 13 was approved by the House three days later. The Senate is expected to act soon to send the measure to the President.

The new bill calls for an 11-member governing board to be appointed by the President and confirmed by the Senate. The measure is honeycombed with restrictions to meet the objections of conservatives.

Legal aid lawyers, for example, are barred from providing "legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system." Lawyers for the poor are barred from giving legal assistance "with respect to any proceeding or litigation which seeks to obtain a nontherapeutic abortion" or from representing anyone in connection with a violation of the Selective Service Act.

A host of limitations are placed on the personal activities of legal aid lawyers. Legal services attorneys are barred even from taking part in non-partisan voter registration drives during non-working hours.

The measure is backed by legal aid supporters, despite the restrictions, in the belief that it provides the best chance for putting federally-financed legal services on a permanent footing. The corporation would provide protection against the efforts now launched annually to scuttle or sharply curtail the nationwide legal aid program.

Fears of a presidential veto are based on the earlier veto and concern that the President may be tempted to play "impeachment politics." The lawmakers most opposed to the legal services program are lawmakers the President may be able to influence on impeachment by catering to them on other issues.

It would be deplorable if the nation's poor were made the innocent victims of Watergate.

[From the Des Moines Tribune, June 21, 1974]

VOLUNTEER WORKERS POUR INTO ANKENY FOR CLEANUP

(By Gary Heinlein)

Volunteers from surrounding communities converged on Ankeny Friday to lend a hand—and heavy equipment—as the city of 10,000 persons began to recover from the devastation of Tuesday night's furious storm.

Crews and equipment were concentrated in five areas where mounds of rubble were still piled along city streets, City Manager Jeff Segin said.

Segin said a sixth crew was at work in an area where there was less debris to haul away.

Volunteers included city crews donated by Ames, Johnston, West Des Moines and Urbandale, plus young people from Polk City, Knoxville, Ames, Des Moines and West Des Moines. In addition, Segin said, several construction firms have sent in men and equipment without charge.

A log and sign-in sheet being kept at the cleanup command post at the Hy-Vee store parking lot on U.S. Highway 69, indicated that among the volunteers were 23 teenagers and four supervisors from the Ames Youth Conservation Corps.

Jerry Dunn, 41, supervisor of the Conservation Corps contingent, said:

"We just decided to come down for a day and help clean up. It was all the kids' idea."

Dunn said the youths had been working on bike trails and other facilities at Ames Municipal Park, and Friday was to have been one of the "education days" provided for under the Youth Conservation Corps program—a day on which the youths would have been relaxing and discussing environmental topics.

But Dunn said the 12 girls and 11 boys who are members of the group heard about the need for volunteer help in Ankeny and decided unanimously to come to the city's aid.

A member of the group, Pat Reynolds, 16, an Ames High School senior, said in an interview:

"I wanted to help. Some people say it was my idea to come down here, but I just heard it on the radio and told people about it."

Another Conservation Corps member, Anda Galejs, 15, an Ames High School sophomore, denied that the cleanup work was too heavy for a girl. "It's just as hard for everybody," she said.

"Some guys just have more muscle, that's all."

Ankeny Manager Segin said the city still needs volunteers, provided they come in groups and check in first at the Des Moines Area Community College from where they will be bused to work areas.

Segin said the clean-up operation—now in its third day—is expected to continue until late Sunday. By then, he said, the bulk of the heavy work should be finished.

"But our city crews will be busy for I don't know how long after that," Segin added.

The city, in effect, is "sealed off" in an effort to keep out sightseers, officials said, adding that they are on the lookout for "con artists" intent on making a "fast buck" from the misfortunes of residents with bogus real estate deals and rebuilding offers.

In addition, a midnight to 6 a.m. curfew remains in effect.

Main entrances to the city were being guarded by Ames police. Military police were aiding in traffic control.

"Our biggest problem is still traffic," said City Councilman Jack Leinen, who was manning a two-way radio at the Hy-Vee parking lot, keeping in communication with police directing traffic.

"Cars are getting into the areas where we are moving debris with heavy equipment and it's causing jam-ups," Leinen said.

Leinen said that the new traffic-control measures were initiated after an extremely heavy inflow of sightseers from south of the community that turned Thursday evening's clean-up efforts into "a fiasco."

"Cars were lined up as far south as you could see," Leinen said. "We sealed off the south entrance to the city."

Leinen said residents have reported seeing suspicious persons and cars in tornado-damaged neighborhoods.

In other developments:

Classes resumed Friday morning at the Ankeny campus of the Des Moines Area Community College and officials at the college said registration for summer arts and sciences classes will continue Monday and Tuesday until 8:30 p.m. each day.

Robert Oberbillig, director of the Polk County Legal Aid Society, said Friday that the society is providing free emergency legal services to "all residents of Polk County who have suffered loses as a result of the tornado and severe storm."

The society will have lawyers available to answer questions and give advice at the Ankeny City Hall, or at the society's offices at 102 E. Grand Ave. in Des Moines.

Oberbillig said the services will be available throughout the weekend and "as long as necessary" to provide assistance to people who have questions or problems.

U.S. Representative Neal Smith (Dem., Ia.) was due to tour the city at 9 a.m. Saturday, followed by U.S. Senator Dick Clark (Dem., Ia.) at 10 a.m. Sunday. They were to survey damage and confer with local officials about possible federal disaster aid.

George Frink, disaster chairman for the Central Iowa Chapter of the American Red Cross, said disaster welfare inquiries from anxious relatives and friends throughout the United States poured into the chapter at the rate of about 50-an-hour Wednesday.

All but about 10 inquiries had been answered Friday and others were still coming in, he said.

[From the Des Moines Register, Jan. 12, 1974]

CLAIM NEW HOUSING CODE WOULD HURT FARM FAMILIES

(By John Hyde)

Critics of a proposed state housing code said Friday the code would cause hundreds of unnecessary expenses for farm families if it were to go into effect as drafted.

The proposed code could also cause dissension in small towns and would be a step backwards in the fight for tenants' rights, the critics contend.

The housing standards were designed by the Iowa State Department of Health, which was mandated by the Sixty-fourth General Assembly to develop a new state-wide code. The code will go into effect in some form July 1.

About 100 state, county and municipal officials, as well as interested individuals, appeared Friday at a hearing in Des Moines to criticize and comment on the proposed code.

"UNIFORM" CODE

The code would apply "uniformly to the construction, maintenance, use and occupancy of all residential buildings" in Iowa, but one state official said it is uncertain whether it could be enforced in rural areas.

Norman Pawlewski, Iowa Commissioner of Public Health, said the attorney general's office has been asked to prepare an opinion on the code's applicability to rural housing.

Harold Anderson, director of local affairs for the Iowa Farm Bureau, said the code should not concern itself with "isolated farm dwellings."

The cost to many farm families forced to meet the code, said Anderson, would be "exorbitant and unnecessary."

Anderson argued that the need for a strong housing code exists primarily in urban areas, where congestion creates a potential for health hazards.

Another critic of the proposed code, Robert Oberbillig, director of the Polk County Legal Aid Society, questioned "the validity of the code as applied to single, owner-occupied units."

Oberbillig said many of his clients could not afford to meet the code's requirements without some form of subsidy.

"Unless we have something better to offer," said Oberbillig, "these people should be allowed to remain there."

Oberbillig's main complaint centered on the code's protection of tenants' rights, which he said would be a "serious step backwards" from existing law.

At present, tenants living in units not meeting housing codes can legally withhold rents from their landlords, as a sanction, Oberbillig noted. The proposed code would require that the local board of health seek an injunction against the landlord before rents could be withheld, he said.

SANCTION OF TENANT

"That puts the tenants' chief sanction in the hands of the board of health," he said.

He also said the proposed code offers inadequate protection against utility cut-offs as a means of eviction.

Richard Biondi, president of the Iowa Environmental Health Association and assistant director of the Polk County Health Department, praised the bulk of the code, but he argued for changes in a number of sections. Enforcement of the Code should be the responsibility of local health departments, he said. The proposed code currently is vague on the subject of enforcement responsibilities, he said.

The minimum heating capacity of units should be 70 degrees, Biondi said, instead of the 68 degrees now in the code. Biondi said the extra 2 degrees would provide an important measure of comfort for the elderly and children. He also argued that temperatures should be measured 18 inches from the floor, where infants are, rather than the three feet now in the code.

Biondi also asked that the appeal process be shortened from 21 to 10 days, and that second notices, now required by the code, be eliminated. He also suggested that local health boards not be given the power to grant variances.

Arthur Peterson, Clear Lake city councilman, said he could not understand why "a person who owns a home and is satisfied should be subject to these standards."

"You can't infringe on someone's personal happiness and come in and inspect someone's house and say you're not living right," he said.

The proposed code has no "grandfather clause", which means that it would apply to all buildings, including those constructed and occupied at the time the code goes into effect.

"I don't know where we'd find a man to enforce that code in Clear Lake," Peterson continued. "If we did, he would have to wear a suit of armor."

Peterson said he would probably have to resign from the Clear Lake City Council if the code goes into effect, because of public criticism he expects to result from enforcement of its provisions.

THE ENFORCER

"Well, Mr. Peterson, it looks like you're going to have to resign," said Choquette. "The law states that the code shall be enforced by local housing boards and other officials. We don't have anything to say about that."

The proposed code sets minimum standards of lighting, ventilation, heating and plumbing for residences, as well as standards for space and density. It establishes an appeals procedure and a system of fines for landlords not complying.

In spite of its faults, said health official Biondi, its adoption will make Iowa a "leader in the nation in providing safe housing."

Mr. STENNIS. Mr. President, I rise to voice my very strong opposition to the revised conference report on the Legal Services Corporation bill.

In this bill as it is presented to us, Mr. President, are organizations, mechanisms, and procedures that brook interference with justice, rather than promoting it. In this bill are the means of creating strife, and if enacted it will surely do so, and on a wide scale. This legislation carries the means to promote dissent and to compound it over and over again. It does so in the name of social justice. What it will promote is social discontent, and the most discontented will be the average solid citizens who go about their business of creating a good home for their families, a good community for them to live in, and a good Nation, founded on Christian principles and the free enterprise system. They are the ones whose rights are going to be imposed upon. They are the ones who will suffer from this totally unsatisfactory approach to settling social problems, and they are the ones who will pay for it, in hard cash out of their pockets to the tax collector—cash that they do not have because their paychecks cannot stretch far enough to cope with the inflation that already has their backs to the financial wall.

Mr. President, there is enough dissent in this Nation without Congress passing legislation to provide the means to create more of it. Our civil and criminal courts are jammed. Civic procedures are often hamstrung by small numbers of highly vocal dissenters. Community endeavors are delayed or halted by small groups who use the laws Congress has already passed to circumvent worthy endeavors. The accomplishment of the greater good for the greater number is already an uphill battle. This bill would insure that to get any large number of people together on any worthy enterprise is going to be harder than ever.

Mr. President, I believe that the American people are beginning to think that the Federal Government does not understand them, or their problems. The people do not understand some of the things the Congress does, and I do not blame them. They will not know why the Congress has unleased on them a system of lawyers dedicated to promoting litigation on a grand scale, regardless of the facts, and I would not blame them, based on what is in this bill.

There have been discussions of whether the President would veto this bill as presented. I have no personal knowledge of his intentions in this regard. It was my understanding that he would veto a bill that departed radically from the proposal the President sent to Congress a year ago, embodying his recommendations for reform of legal services. I submit that this bill does depart drastically from the administration proposal. The funding of the so-called "back-up centers" was only one of many departures between the two concepts, in my opinion. A number of them were pointed out on the floor on July 10 by the distinguished Senator from North Carolina (Mr. Helms).

There is the matter of a termination date for the Corporation, rather than setting it in stone, as a monument to misguided good intentions, to be a permanent infliction to haunt us forever. There is the problem of the legal costs of the innocent parties sued. There is the furtherance of the pursuits of the purposes of advocacy groups, whether or not they are aimed at the greater good of the majority, or even have merit in any way. There are many others. These are unwise departures from common sense, logic, and justice, and invite rejection on their lack of merit. I hope and urge that this body, in its wisdom, will reject them.

The deletion of the funding for the backup centers would be a step in the right direction. These regional supporting offices were referred to in the other body as "hotbeds of social activism," which in my view would be an accurate description. As pointed out, however, by the distinguished Senator from North Carolina, the conference report as amended would still permit funding of backup centers within the Corporation, rather than through outside agencies, and would allow the use of "public interest law firms" to accomplish backup center functions. I strongly support amendment No. 1575, as offered by the Senator from North Carolina, to preclude these means of funding backup centers.

Mr. President, even if the backup centers are in fact eliminated, I oppose the purposes of this legislation. It does not do what it purports to do. It does, unfortunately, do many unwise things which it does not purport to do. It should not be inflicted on Americans. I urge very strongly that the Senate reject this legislation.

Mr. NELSON. Mr. President, many staff members have assisted the committee throughout its deliberations on the Legal Services Corporation Act and we are indebted to them for their dedicated efforts. Among these are the Employment, Poverty, and Migratory Labor Subcommittee's counsel, Richard E. Johnson, and its associate counsel, Larry Gage, who have worked closely together with the minority counsel, John K. Scales. Among other staff members to whom special thanks are due are Roger Colloff of Senator Mondale's staff, and Jonathan Steinberg of Senator Cranston's staff, as well as Randy Stayin, Roger King, and Robert Hunter of Senator Taft's staff. Blair Crownover of the Senate Legislative Counsel's office assisted the committee throughout markup and conference committee sessions.

Mr. JAVITS. I join with Senator Nelson in expressing appreciation for these services from the staff persons whom he has just named and I wish to commend again Senator Nelson, the chairman of the subcommittee, Senator Taft, the ranking minority member of the subcommittee, as well as Senator Mondale and Senator Cranston, who have contributed so much in the long struggle to establish a Legal Services Corporation which now is only one final step from realization.

Mr. KENNEDY. Mr. President, the legal services bill now before the Senate, H.R. 7824, is the culmination of 3 years of hard work and compromise. It is a product of three long conferences, the latest lasting over 6 weeks. It represents, despite its much diluted nature, the final hope to maintain a program of legal services for the poor. I believe we owe a special debt to Senator Nelson, for his work and leadership over the past 3 years on this matter. Senator Mondale, Senator Javits, Senator Cranston, and Senator Taft also deserve the commendation of those who support legal services for the poor, for their efforts.

The history of the struggle for an independent Legal Services Corporation began in 1971. Congress and the administration then endorsed the transfer of the national legal services program from the Office of Economic Opportunity to an independent Legal Services Corporation.

However, in 1971, the President vetoed legislation establishing that Corporation. In 1972, a revised bill died in conference under the threat of a second veto.

In both instances, the President insisted on full power to appoint the Corporation Board of Directors, while Congress urged that the board include nominees of various national legal professional organizations such as the American Bar Association and the Association of American Law Schools.

Our concern then and our concern still is to insulate the new Corporation from political pressures and insure that it will be responsive to the needs of the poor rather than the policies of the White House under any administration.

Despite these objectives, we were unable to persuade the White House to accept a truly independent board of directors. Therefore, during 1973, the Senate Labor and Public Welfare Committee worked closely with the White House staff to fashion a bill that acceded to the administration position regarding board composition. It also recognized administration concerns in a number of other areas, particularly involving the acceptance of additional restrictions on the permissible activities of the individual legal services attorneys.

While I opposed those restrictions as representing a view that the poor were not entitled to the same legal rights as other citizens, the restrictions were part of an agreement negotiated with the administration in return for its support of the bill.

The final product was approved in writing by Melvin Laird, former counselor to the President, by the American Bar Association, by numerous public interest organizations, and by many editors and columnists.

That bill was approved by the Senate after the House had passed a more restrictive version.

In the conference, we moved even further toward the administration's position. The conference report was a compromise; but it was a compromise that assured the continuation of all vital elements of the current legal services program, including backup centers.

Following the conference, some 30 Governors reiterated their support of an independent Legal Services Corporation. The American Bar Association also repeated its endorsement along with the heads of 22 State bar associations.

Even with that support, the White House sent its emissaries to the Congress to demand one more pound of flesh from the legal service program, or else the bill still would be vetoed by the President.

The demand was that legal services backup centers be removed. It is interesting to note that in the original administration bill, and in its previous agreement with the Senate on the Senate bill, the administration had not objected to the backup centers. Only recently has the conservative objection to those centers drawn full administration support.

In fact, the backup centers have been a successful and effective aspect of the legal services program for the past several years. They have offered research, technical assistance, and training relating to the delivery of legal assistance for new lawyers—assistance that has improved the quality of legal services programs around the country.

It is important to recognize that a GAO evaluation specifically commended the backup center effort to achieve reforms in the legal system in behalf of the poor.

It also was their success, not their failure, that angered conservative groups and drew the ire of the White House.

They have carried to the highest courts in the land cases on behalf of the poor—and many time they have won.

For an administration that was once so outspoken in defense of law and order, the backup centers should have been proud symbols of the best way for legal grievances to be resolved.

Instead, this administration demanded that the Congress—if it desired any legal representation for the poor at all—radically alter the operation of these centers.

I did not accept that compromise until it became evident that it was the only way to avoid a veto and until House leaders stated that a veto could not be overridden.

I am convinced that the functions the backup centers were providing will have to be maintained by the new Corporation. I shall discuss later the possible ways for this to be done. It is difficult to imagine that a corporation will not find it necessary to provide training to new lawyers, to provide research and a central clearinghouse for information for the various legal services programs and will not be ready to provide technical assistance relating to the delivery of legal assistance as well.

What has been done, however, is to interfere with the best way of accomplishing those functions—that is using our universities and law schools with their reservoir of legal talent—to continue to undertake those services. Instead, the Corporation will have to undertake those services on its own.

Recently, there has been some argument advanced that even now a veto is possible. A veto now would be the height of cynicism. A Boston Globe editorial is even more apt now than when it appeared on June 5, it stated:

> Further it would be particularly irksome for the President to veto a bill providing legal aid to poor people while the American taxpayers are spending untold sums, perhaps in the millions of dollars, for Mr. Nixon's legal defense.
>
> Mr. Nixon should sign the legal services bill when it reaches his desk. Failure to continue the program would not only deepen the disillusion of this country, but would corrode its underpinings of justice.

I believe that after 3 years of compromise between the Congress and the administration of this legislation, there is no excuse for any further delay in its enactment. No further compromises in reconciling those who believe there must be an independent legal services program for the poor, and those who object to that concept, can be made.

If the President chooses to veto this bill, it would mean that the administration has finally decided that the poor are not entitled to due process of law.

I opposed the inclusion of the present restrictions in this bill because I believe that legal advocates for the poor deserve to have the same freedom to defend the rights of the poor as attorneys for other groups in our society. Despite the restrictions, I urge that the amended bill before us be passed since it is the only vehicle to provide for the establishment of a separate Legal Services Corporation. Also, it is the only vehicle to carry us closer to a time when the poor of this country will be assured equal justice under law.

Mr. President, I also want to call attention to the remaining provisions of this bill which are important to insure that adequate and effective representation continues in the new Legal Services Corporation.

The governing body of the Legal Services Corporation will be an 11-member board of directors that is to be nominated by the President and confirmed by the Senate. We expect that the nominees to the board will be broadly representative of the organized bar, the client community, and the legal services lawyers, and that they will have already demonstrated an understanding and commitment to the principles found in the statement of findings and declaration of purpose of the act. It is my hope that the President will make appointments to the board as soon as possible after he signs this bill.

The conference bill provides for State advisory councils, whose sole function will be to notify the Corporation of apparent violations of this act. We used the word "apparent violations" because we definitely do not expect the councils to conduct investigations or hearings. That is the responsibility of the Corporation. Any meetings of these and any other advisory councils will, of course, be open to the public, in accordance with section 1004(g). No provision is made for resources to provide staff for these councils, and we do not expect the very limited resources of the Corporation to be used for such purposes, since it is expected that they will function only when necessary to provide the required notifications.

Under OEO, the National Advisory Council on Legal Services was a valuable body that provided input into the program from the organized bar, the client community, and the poverty bar. This act, like the Economic Opportunity Act, does not require the Corporation by statute to continue such an advisory council, but we fully expect that the Corporation board will do so, and will place on it people who have a demonstrated commitment to the provision of effective legal services to the poor.

Originally the Senate version of this bill had several provisions, such as the one contained in section 1005(e)(1), that precluded Federal bureaucratic and political control of the Corporation and its personnel. In conference, several of these provisions were dropped because it was felt that they were redundant. Now section 1005(e)(1) is designed to shield the Corporation from political interference. Similarly the bill recognizes that there are conflicts of interest or political influence problems with grants to State and local governments. This is why we have prohibited such grants except in highly unusual circumstances and only then upon a special determination by the Corporation board.

In two sections, 1006(d)(5) and 1007(a)(7), the local board of the recipients is required to establish guidelines to insure the efficient handling of class actions and appeals. These provisions are not to be interpreted so as to unethically restrict or even discourage program attorneys from bringing class actions or appealing cases on behalf of clients. The General Accounting Office issued a lengthy study in March 1973 which concluded that legal services programs should, in fact, resort more often to class actions and other economical law reform techniques that can result in more benefits to larger numbers of clients and potential clients. In any case, local boards should be especially careful not to interfere, in any way, in the attorney-client relationship.

The conference bill provides in section 1006(f) for the award of reasonable attorneys fees, to be paid directly by the Corporation, in instances of a court finding of malicious abuse of process. This process should not be read so as to restrict the award of attorneys fees to a legal services program funded by the Corporation. Indeed, we expect that the courts will award fees to legal services programs in cases where an award would be made to a private attorney or where such offices are functioning like "private attorneys general." Similarly, section 1007(b)(1) does not prohibit the award of attorneys fees when, for instance, damages are sought in cases local bar members do not wish to handle. We expect the Corporation to promulgate guidelines continuing current practices in OEO legal services; that is, if several members of the local bar or the local bar referral service express a lack of desire to handle a given fee-generating case, then it may be handled by a legal services lawyer.

In disqualifying potentially eligible clients from legal services under section 1007(a)(2)(B)(iv), because of a prior determination that the client is "voluntarily poor" and refuses to work, it is expected, of course, that the client will be eligible for services in order to rectify or challenge such a prior determination. Moreover, eligibility for legal services will be determined through a simplified self-declaratory form that is most conducive to establishing a trusted attorney-client relationship.

This bill contains several provisions that, while they are restrictive in tone, are aimed at curbing alleged abuses and are not to be construed as prohibiting an attorney from fully, effectively and aggressively representing an eligible client. For example, section 1007(a)(5) prohibits funds to be used to affect the legislative or administrative regulatory process unless an attorney is representing an eligible client or is so requested by a legislator or agency. This provision does not preclude the continuation of current programs or program offices, nor does it preclude attorney participation on governmentally or privately appointed boards, commissions, or organizations. In representing a client, or a group of persons predominantly composed of eligible persons, or responding to a request from a legislator or agency, the attorney may draft model statutes and court rules and comment on existing legislation as well as participate fully in hearings, and all other public and private aspects of the legislative and administrative process, just as a retained attorney would do on behalf of a paying client.

Section 1007(b)(4) limits juvenile representation to the areas provided in that section. It should be noted, however, that the "benefits" and "services" referred to in 1007(b)(4)(D) relates to all of the rights a juvenile should enjoy pursuant to the Constitution, statutes, and court decisions. And, while we have prohibited litigation initiated against the child's parent, we do not mean to prohibit suits where parents or guardians become defendants or respondents to an action subsequent to its initiation. Furthermore, this prohibition refers only to litigation against parents and guardians, not legal advice or the like. I might just add that when this prohibition uses the word "guardian," it does not refer to an institution, institutional official, foster parent, or the like.

Section 1007(b)(6) prohibits certain activities unless the attorney is representing eligible clients or an eligible client group. We have not meant to curtail any existing or continuing representation of national, State, and local poverty organizations. We expect that program attorneys will continue to act as corporate counsel to such organizations if such groups are composed primarily of eligible clients.

There are absolute prohibitions on certain types of cases in sections 1007(b)(6), 1007(b)(7), and 1007(b)(8). Because these cases were not limited under the existing program and since, to require programs to terminate cases upon enactment of this legislation would act like an ex post facto law and possibly violate the Code of Professional Responsibility, we expect that clients now being represented in these types of cases will continue to be represented to the final termination of their case.

Several provisions of the Legal Services Corporation Act seek to insure the hiring of quality attorneys and to focus those attorneys' full energies on the problems. For example, section 1007(a)(8) requires preference to be given to applicants who reside in the community to be served for attorney staff positions. Before any preference can be given, however, such applicants must be qualified by experience, commitment to the goals of the program, academic excellence, background, and second language proficiency where relevant. If all such factors are weighed evenly among individual applicants, preference should be given to local residents.

So that their full attention will be given to the problems of poor people, section 1006(b)(4) prohibits program attorneys from engaging in the outside compensated practice of law. It is expected, however, that they will be allowed and encouraged under guidelines established by the Corporation to fulfill, without compensation, the civic duties that all members of the legal profession are called upon to perform.

The bill authorizes $90 million for fiscal year 1975 and $100 million for fiscal year 1976. Some of us believe this level of funding is much too low. We certainly expect it to be no lower.

Section 1012 is intended to allow the Corporation the full benefit of such governmental services as FTS, GSA, and similar facilities for the sake of efficiency, economy, and wise use of taxpayers' money. For the same reasons, many of the same facilities should be made available to recipients.

Section 1010(c) limits recipients'—except those serving Indian populations—use of private foundation funds—as defined in the Internal Revenue Code—for purposes prohibited by this act. This does not, of course, affect any public funds.

One change has been made in the conference bill in order to assure that the President will sign this legislation. That change relates to backup services that are provided to aid legal assistance lawyers with their cases: training, technical assistance, clearinghouse of information, and research. These services, when provided solely as a separate backup for the litigating attorneys shall be transferred from university-based centers to the Corporation.

This compromise is not intended to inhibit the provision of high-quality legal services by offices serving city, local, State, or nationwide clienteles. Such functions cannot be performed by the Corporation, particularly because section 1006(c)(1) of the bill prohibits the Corporation from litigating in behalf of clients. Thus, offices that provide legal assistance to clients throughout the country, whether established for general representation purposes or for representation purposes or for representation on specialized subject matters, will continue to perform their vital legal assistance functions without any interference. They, of course, should expect, from the Corporation, backup research, training, technical assistance, and clearinghouse of information help on their litigation—help which is now provided by independent grantees or contractees.

The Corporation must acquire expert personnel for the performance of these backup services. Since the hiring and training of these people will take some time, and insofar as it is our intention that there will be no interruption in the provision of these vital services, we expect the current backup centers to continue this work until a reasonable transition can be effective after the Corporation is fully operating. This will give the Corporation time to provide these backup services in an uninterrupted and appropriate manner. And, once the Corporation undertakes these functions, it can do so by providing all of these services through its office in Washington or through regional and local offices established under its auspices.

While I reluctantly support this bill in its present form, because of the backup services provision, I fully expect the Corporation to continue to use the developed experience and expertise of the existing legal services programs that have served their clients so well. It is my fervent hope that those practicing under the Corporation will remain free from political influence, unethical practices, and interference in the attorney-client relationship. I intend to watch the Corporation's development with a critical eye to insure that the poor of our Nation receive equal justice under law.

I ask unanimous consent that two editorials on this subject by the Boston Globe and the Boston Herald-American be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Boston Globe, June 5, 1974]

Of Mr. Nixon and Legal Aid

In the tradition of the Homestead Law and the Civilian Conservation Corps of other periods, the federally-subsidized legal services program has provided a better shake for millions of poor Americans in the past decade.

In 1973 alone, 500,000 needy Americans benefited from legal representation that almost certainly would have been beyond their means without the Federal support. For many old, infirm and powerless persons, this access to legal counsel stands as their only hope for redress of injustice: an unlawful raise in rent, repossession of a refrigerator, or discharge from a job. But now the Federal program is in jeopardy.

In 1971, President Nixon vetoed legislation to establish an independent, non-profit corporation to oversee the legal services agency. The veto prevented the transfer of the agency outside the jurisdiction of the Office of Economic Opportunity (OEO).

This year, a House-Senate conference committee has reported a compromise version of the bill Mr. Nixon rejected three years ago. The House last month approved the amended bill, but by a vote less than the two-thirds majority necessary to override a presidential veto. Final action on the bill in the Senate is expected this week.

If Mr. Nixon vetoes the bill this year, it almost certainly will mean the demise, as of June 30, of the legal services program, for Congress is proceeding apace with the dismantlement of OEO.

The compromise bill provides for a $190 million, two-year appropriation for legal services. It accords with the President's stipulation—the rationale for his 1971 veto—that he have the authority to appoint all 11 directors of the legal services corporation. As a further concession to conservatives, it would restrict more extensively than its 1971 predecessor the power of legal service attorneys to engage in political activities and litigate controversial cases, such as those involving abortions, racial desegregation and the Selective Service.

The legislation has the support of the American Bar Assn. and the bar associations in numerous states, including Massachusetts. But conservatives, most notably former OEO director Howard Phillips of Danvers, have been pressing Mr. Nixon to veto the bill, even in its diluted form.

The conservative Washington weekly, Human Events, reported that at least one "leading conservative Republican congressman," whose name was not disclosed, threatened that he would vote for Mr. Nixon's impeachment unless the President vetoed the legal services bill.

It would be a travesty if Mr. Nixon yielded to such coercion. Further, it would be particularly irksome for the President to veto a bill providing legal aid to poor people while the American taxpayers are spending untold sums, perhaps in the millions of dollars, for Mr. Nixon's legal defense.

Mr. Nixon should sign the legal services bill when it reaches his desk. Failure to continue the program would not only deepen the disillusion in this country but also would corrode its underpinnings of justice.

[From the Boston Herald American, June 14, 1974]

Equal Justice for All

It is an almost foregone conclusion at this point that Congress will go along with the administration in dismantling the federal Office of Economic Opportunity through which the Great Society's war on poverty was conducted.

But one of the phases of that federal effort to aid the needy—legal services for the poor and disadvantaged—is now given a fair chance of survival after almost four continuous years of controversy.

Recenty, the governors of 28 states, the American Bar Ass'n, the heads of 22 state bar associations and a congressional conference committee endorsed the plan to establish an independent, non-profit national corporation to provide proper legal counsel for those who could not otherwise afford it.

House Rule 7824 subsequently has been passed by the House and is expected to be taken up shortly in the Senate. The new Corporation would succeed OEO's Legal Services Program which had come under considerable fire because so much of its activity was directed towards the government itself.

But the years of trial and error have compromised different versions to make them more acceptable to all sides in Congress and in the administration. Some of the more controversial elements have been eliminated by absolute prohibitions against such activities as abortion, school desegregation and amnesty cases.

Even with these and other deletions—

with which we are inclined to agree—there are still many other legal services that need providing for a great body of the citizenry if all are to receive, in fact, the equal justice under the law to which they are entitled in constitutional theory.

President Nixon has twice submitted messages since 1971 calling for the Legal Services Corporation; and though radical changes proposed by Congress led to threats of White House veto, most of those differences have now been resolved and the changes of passage are brighter now than ever before.

Mr. MATHIAS. Mr. President, if the concept upon which our Republic was founded—equal justice under the law—is to have any meaning in our adversary system of legal representation, then every individual must be provided the means whereby he can enforce his rights and redress his grievances. The Legal Services Corporation bill provides the opportunity to do just this—creating an independent structure to assure all Americans regardless of their economic position that they will have the assistance of a competent lawyer to pursue their just objectives aggressively within the framework of our judicial system.

I have seen the ability to accomplish this in my own State of Maryland. The Legal Aid Bureau, through funding receiving from OEO since 1966 has provided lawyers throughout the Baltimore metropolitan area, in those very areas where low-income populations are most prevalent. This program has provided a law firm for the poor that in its last year of operation served over 35,000 low-income citizens. The most common thread in all these cases was a lack of money to pay a lawyer. But the legal problems handled by these poverty lawyers covered the myriad day-to-day crises of the poor—evictions from homes, family problems, overreaching by unethical, fly-by-night sales artists, and countless problems with the bureaucracy of governmental agencies that touch upon the lives of the poor on a daily basis.

Lawyers funded by Federal programs have assured the poor of effective representation, and given to them the confidence that the law and the courts are a valuable tool accessible to them on a basis comparable to that of a person fortunate enough to be able to afford his own representation. New meaning has, therefore, been given to the concept of equal justice under the law, for the low-income community.

This bill creating the Corporation comes to us after a great deal of debate and fine study. It represents the best that can be done under all the circumstances. For example, there are checks on any kind of partisan political activity by Legal Services lawyers, assuring that legislative advocacy is solely to pursue the objectives of the low-income client community. Of importance is the Board makeup of this Corporation, regarding the composition and selection of board members, and providing for national and local advisory boards to assure input from every level. But most importantly, perhaps, is the clearly recognized protection in the bill of the vital attorney-client relationship.

The bill in short provides assurance to the low-income community of a meaningful commitment by our Government to the principle of equal justice under the law. The record of Legal Services under OEO is one which gives strength to the belief that this bill will create a corporation to continue this fine tradition of service. I, therefore, have no hesitation in giving my full support to this bill and urge its acceptance with no further amendments.

Mr. President, I ask unanimous consent that the following documents be printed in the Record at the close of my remarks:

First. Memo and resolution from the American Bar Association regarding H.R. 7824;

Second. A letter from the Maryland Bar Association stating its position on the bill;

Third. An editorial from the Baltimore Sun of July 8, 1974;

Fourth. A copy of a newspaper column by James J. Kilpatrick on the legal services bill; and

Fifth. An excerpt from the annual report of the Legal Aid Bureau of Baltimore, Inc., showing the type of services rendered during a recent year.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the American Bar Association, May 24, 1974]

MEMORANDUM—BOARD OF GOVERNORS ACTION ON LEGAL SERVICES CORPORATION LEGISLATION

To State and Local Bar Associations listed in ABA Redbook.

From Chesterfield Smith.

I am pleased to transmit for the information and appropriate action of your association a resolution adopted by the Board of Governors of the Association at its meeting in Washington, D.C. yesterday. The Board, in reaffirming the Association's support for a national legal services corporation, specifically urged favorable action on H.R. 7824 upon the Senate and enactment of the legislation, if passed, on the President.

The legislation, unanimously approved by a Committee of Conference of the House and Senate, has been passed by the House and is expected to be taken up by the Senate shortly after the Memorial Day recess. There has been considerable pressure mounted by the opponents of legal services to secure a veto of the legislation when cleared by the Congress. While I personally am inclined to the belief that the President favors the legislation, I am hopeful that those who support legal services will contact the White House so that the President will have that information.

A copy of the Conference Report is being forwarded to the state bar office with this memorandum. Please contact John Tracey of the Association's Washington Office for further information or any assistance needed on this matter by your association.

CHESTERFIELD SMITH.

Enclosure.

RESOLUTION ADOPTED BY BOARD OF GOVERNORS, MAY 23, 1974

Whereas, The American Bar Association since 1970 has vigorously supported the enactment of legislation authorizing a federally-funded, nonprofit corporation to succeed the Legal Services program of the Office of Economic Opportunity; and

Whereas, The U.S. House of Representatives on May 16, 1974, passed H.R. 7824, the Legal Services Corporation Act of 1974, as reported by a Committee of Conference of the House and Senate; and

Whereas, H.R. 7824 reflects a compromise of differing versions of legislation passed by both Houses of Congress after four years of Congressional consideration of the concept of a legal services corporation during which period the interests and concerns of all interested constituencies, including the organized bar, have been fully considered, debated and resolved; and

Whereas, H.R. 7824, in its current form provides framework which will allow the continuation of a professional program of legals services to the poor;

Now, therefore, be it resolved, That the American Bar Association reaffirms its support for a National Legal Services Corporation; and

Further resolved, That the American Bar Association urges the United States Senate to expeditiously act favorably on H.R. 7824; and

Further resolved, That the President of the United States is urged to approve and enact H.R. 7824 if and when it is approved by the Senate; and

Further resolved, That the President of the American Bar Association is authorized to communicate the position of the Association to the Senate, the President and to state and local bar associations.

MARYLAND STATE BAR ASSOCIATION, INC.,
Baltimore, Md., June 26, 1974.

JOSEPH A. MATERA, Esq.,
Baltimore, Md.

DEAR JOE: At the June 13, 1974 meeting of the Board of Governors the Board took the following action:

"The Secretary reported on the actions of the Executive Committee in a conference call meeting held June 5, 1974, and on motion of the Secretary, the Board ratified the following resolutions which had been adopted at that session by the Executive Committee:

"*Resolved,* That the Maryland State Bar Association, Inc. recommends that President Nixon sign the Legal Services Corporation Bill into law.

"*Rcsolved,* That the Maryland State Bar Association, Inc. urges President Nixon to appoint Norman P. Ramsey, Esquire to the Board of the Legal Services Corporation."

If any action is required I am sure you will be in touch with Hal or Norman.

Sincerely,

MANLEY E. DAVIS, Jr.,
Executive Director.

[From the Baltimore Sun, July 8, 1974]

A RIGHT-WING CAPTIVE

Government is supposed to be the art of the possible, which means compromise. For three years now Congress has been trying to work out a compromise plan for a Legal Services Corporation. Three separate bills have been written, two of which were re-written in compromising conference committees—and yet still no law has come forth. This idea of providing legal assistance to the poor with an organization which is isolated from political pressures is a tough one to work out to every politician's satisfaction.

Now apparently the best compromise possible has been reached. The most recent Senate-House conference committee agreed to just about all of the key demands of the House. House members preferred a tough and limited bill, with very strict limitations on how far poverty lawyers could go. The House version of the bill was more in line with President Nixon's proposal than was the Senate version. On only one really significant point did the conference committee go along with the Senate. That had to do with using "back-up centers" when the resources of the corporation were not adequate in regard to research, technical assistance and special training. The House's chief spokesman for banning the use of back-up centers, John Ashbrook, (who said in debate that the conference version of the bill was much more like the House version than Senate version) tried and failed to get the House to insist on this ban.

Thus the stage was set for a conservative, Republican, Nixon-leaning compromise. The House accepted it. The Senate is expected to when it returns from the July 4th recess. But now rightwing Republicans with California Governor Reagan in the fore are pressuring the President to announce that he will veto the bill, and some followers of the story believe the President might veto his own bill just to mollify his surest allies in an impeachment battle.

If this is true, it will be the second time that the President has abandoned his own best ideas for a reason related to impeachment, not the substance of the issue itself. (The first time was land use.) This puts the nation in an unusual and dangerous situation—enthralled to its far right wing. Compromise will be dead. This is one more reason why the impeachment question needs to be settled promptly one way or the other.

[From the Washington Star-News, May 29, 1974]

Faulty Bill, But Worth a Try

(By James J. Kilpatrick)

The legal services bill that emerged from conference committee a couple of weeks ago is far removed from the simple straightforward program urged by the President last year. The bill contains several provisions that conservatives view with suspicion.

Yet on balance, the measure holds the prospect of much more good than ill. The President should let it become law.

I am aware that many of my brothers in the conservative community disagree strongly with that view. The respected weekly, Human Events, asserts flatly that "Nixon Must Veto Legal Services Corporation." Ohio's John Ashbrook fought skillfully for recommittal of the bill, and lost by only half a dozen votes. I wish he had won.

It is not always true in politics that half a loaf is better than none: The half loaf may be moldy. But it is generally true that King Compromise rules. He is no bad monarch. In the matter of the legal services bill, neither conservatives nor liberals got all they had hoped for. The question is whether the conference bill is better than no bill. I think it is.

The Congress is concerned here with a fundamental principle of American life. This is the ideal of "equal justice under law."

I would suppose that few of my conservative brothers oppose this principle, and I would suppose that few of them believe the principle is now well served. Despite great improvements in recent years, especially in fields of criminal law untouched by the pending bill, the poor are still far removed from "equal justice."

The paramount purpose of a legal services program is to narrow this gap. We live, all of us, like so many flies floundering in a web of laws, rules and regulations.

The well-to-do family, equipped by education, income and experience, may be able to cope with these complexities. The poor family, often functionally illiterate or handicapped by barriers of language, is frequently helpless.

The President's idea of a proper legal services program was to create an agency that would serve this paramount purpose only—an agency that would limit itself to basic, conventional legal aid.

The new federal corporation that would be created under this bill would be in a position, of course, to provide such fundamental aid. One hopes the directors, advisory committees, and working attorneys will have sense enough to hew to this line.

Unfortunately, the conference bill wound up with enough deceptive and uncertain language to leave justified apprehensions hanging in the air.

The bill takes the form of an amendment to the existing but discredited Economic Opportunity Act; the effect is to give congressional custody of legal services not to the judiciary committees, but to the highly liberal committees on labor and public welfare.

The bill continues, though for a limited time, the 13 "back-up centers" whose gaudy activism did so much to subvert the basic purposes of the former program under OEO. There is one provision, hard for me to understand, that may permit participating lawyers to promote social causes under the pretense that they are serving the armband brigades "on their own time." The provision smells fishy.

But there is also much that is good in the conference bill. The Senate receded in conference from some of the language that had set off alarm bells. In its final form, the bill bristles with prohibitions against political activity in the name of legal services. There seem to be abundant safeguards against the fostering of hot-dog radicals out to have a sensational time.

If the President will appoint a good solid board of directors for the Legal Services Corporation, and name the solidest of these appointees as chairman, it should be possible to expurgate the old abuses and get the program off to a constructive start. The venture may fail, but as we love equal justice, it is worth a try.

Annual Report of the Legal Aid Bureau of Baltimore, Inc.

Services—1972

Total requests for assistance, all offices	35,226

TYPES OF CASES

Sales contracts	1,361
Garnishment and attachment	181
Wage claims	261
Bankruptcy	175
Other consumer and employment	1,633
State and local welfare	1,419
Social security	485
Workmen's compensation	186
Veterans' Administration	129
Unemployment insurance	652
Other administrative	1,161
Private landlord and tenant	2,636
Housing code violations	332
Public housing	139
Other housing	904
Divorce and annulment	5,888
Separation	2,651
Nonsupport	2,017
Custody and guardianship	1,665
Paternity	182
Adoption	312
Other family	1,961
Torts	[3] 1,006
Juvenile	324
School cases	31
Misdemeanors	777
Other criminal	1,225
Commitment procedures	284
Other miscellaneous	3,434
Prison assistance	[2] 1,815

SERVICES RENDERED [1]

Referral to:	
Lawyer referral services	3,610
Other grantee programs	107
Social agencies	442
Other	2,181
Consultation and advice	17,835
Completed with court action	2,772
Won	1,907
Lost	146
Settled	209
Client sustained on appeal	3
Prison assistance	[2] 1,806

[1] Services Rendered are noted after case is closed.

[2] Prison Assistance Statistics for period January through December, 1972.

[3] Referred to Lawyer Referral Service, or non-liability advice, non-insured defense, etc.

Mr. WILLIAMS. Mr. President, I am extremely distressed by the step we have had to take in order to gain assurances from the President that he will sign the Legal Services Corporation bill. I believe that the backup centers, which have been so vehemently but unjustifiably attacked on both sides of the aisle, have been a vital element in the provision of high-quality legal services to the poor.

However, I support the bill as it now stands because I believe that it is the only means we have for insuring the continuance of the Legal Services program. I understand that the vital functions now performed by the backup centers will not be allowed to die.

The language of the House bill, which we are adopting, authorizes the Corporation to undertake research, training, technical assistance, and clearinghouse activities. If local, State, and national Legal Services offices, burdened by high caseloads, are to remain abreast of the latest legal developments and make the most efficient use of staff time, the Corporation must accept its responsibility to provide these four services. Moreover, it must provide them in what it deems to be the most effective way, which may well mean locating its research, training, and technical assistance offices in different parts of the country.

The change from the conference report to which we will be agreeing will not affect the furnishing of a full range of legal assistance to eligible clients on a local, State, or national level. If this assistance is to be as complete and effective as possible, grantees under section 1006(a)(1) must, of course, be permitted to do research on their cases, and training of their own staffs, just as any private law firm does. Moreover, grants to programs providing legal assistance in specialized subject areas, or serving populations with unique problems, such as Indians or migrant workers, will probably remain necessary and shall, therefore, be continued.

Since backup services to neighborhood Legal Services programs are so important, they should be continued without interruption while the Corporation is being organized. In order to do this, funding to the present centers will have to be continued until the Corporation has hired and trained the staff necessary to perform research, training, technical assistance, and clearinghouse functions. Hopefully, this process will not take more than 6 months or so after the Board of Directors has met.

Thus, the Legal Services Corporation bill we are now considering, with the House language in section 1006(a)(3), should enable the full complement of services to programs, and legal assistance to the poor, to be provided without the abuses many fear from the performance of the support services by grantees.

Mr. HART. Mr. President, last week, I hoped to be able to lend my support and vote to the conference report on the Legal Services Corporation Act. That report, though creating a corporation with severe limitations on the types of services that could be provided and highly questionable controls on the staff attorneys funded through it, did at least preserve the vital components of the present legal services program. The process in which we are now engaged, based on an agreement between the administration and the Senate leadership on this legislation, will restructure the legal services program by placing the backup functions of research, technical assistance, and training directly under the corporation.

The backup services have been critical to the effective representation of the poor by the 13 federally funded legal services programs in Michigan. Local attorneys, often overworked in severely understaffed programs, were vitally dependent upon national backup assistance. They relied upon current developments in national poverty law specialties, research on complex issues, the training of young attorneys in litigation skills and substantive areas not covered by traditional legal education.

These services and more were made available to legal services attorneys in Michigan's State and local programs to enable them to successfully carry out their professional responsibilities.

It is clearly not the intent of this legislative compromise to eliminate these vital services or even to reduce their scope. Some of the backup functions—research, training, technical assistance—will be carried on directly by the corporation either through in-house centers or other mechanisms including the purchase of consultant services from those experienced in their delivery. Local or State programs could be provided funds to assure that training of the younger attorneys was carried out.

Nor is it the intent of this legislation to alter the delivery of legal services to eligible clients by national, State, and local programs funded with the capacity to carry on specialized litigation, administrative, or legislative representation, appellate assistance, and group representation. The OEO legal services program has wisely funded such programs to make available to our citizens who cannot afford lawyers the opportunity for full and complete professional representation wherever legal assistance is necessary. This legislative compromise provides authority to the corporation under section 1006(a)(1) to assure the continuation of the vital litigating and advocacy programs in Michigan.

The PRESIDING OFFICER. The question is on agreeing to the motion to concur in the House amendment with an amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. JAVITS. Mr. President, this is a yea-or-nay vote on the Helms amendment.

The PRESIDING OFFICER. The Senator is correct.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Arkansas (Mr. FULBRIGHT) are necessarily absent.

I also announce that the Senator from Colorado (Mr. HASKELL) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK) is necessarily absent.

The result was announced—yeas 34, nays 61, as follows:

[No. 315 Leg.]

YEAS—34

Allen
Bartlett
Bellmon
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fannin
Goldwater
Griffin
Gurney
Hansen
Helms
Hruska
Johnston
McClellan
McClure
Nunn
Randolph
Roth
Scott, William L.
Stennis
Talmadge
Thurmond
Tower
Young

NAYS—61

Abourezk
Aiken
Baker
Bayh
Beall
Bentsen
Bible
Biden
Brooke
Burdick
Cannon
Case
Church
Clark
Cranston
Domenici
Eagleton
Fong
Gravel
Hart
Hartke
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NOT VOTING—5

Cook
Fulbright
Haskell
Inouye
Long

So the motion to concur in the House amendment with an amendment was rejected.

The PRESIDING OFFICER. The question recurs on the motion to concur in the House amendment to the Senate amendment to H.R. 7824. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Hawaii (Mr. INOUYE) and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I also announce that the Senator from Colorado (Mr. HASKELL) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK) is necessarily absent.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The result was announced—yeas 77, nays 19, as follows:

[No. 316 Leg.]

YEAS—77

Abourezk
Aiken
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Dole
Domenici
Dominick
Eagleton
Fong
Fulbright
Gravel
Griffin
Hart
Hartke
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Tunney
Weicker
Williams
Young

NAYS—19

Allen
Buckley
Byrd, Harry F., Jr.
Cotton
Curtis
Eastland
Ervin
Fannin
Goldwater
Gurney
Hansen
Helms
Hruska
McClellan
McClure
Scott, William L.
Stennis
Thurmond
Tower

NOT VOTING—4

Cook
Haskell
Inouye
Long

So the motion to concur in the House amendment to the Senate amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. NELSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to .

Mr. JAVITS. Mr. President, I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Is this now the final step to send the measure to the President?

The PRESIDING OFFICER. The Senator is correct.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker has affixed his signature to the following enrolled bills:

S. 3679. An act to provide temporary emergency livestock financing through the establishment of a guaranteed loan program; and

H.R. 9440. An act to provide for access to all duly licensed clinical psychologists and optometrists without prior referral in the Federal employee health benefits program.

The above bills were subsequently signed by the President pro tempore.

ENROLLED BILL SIGNED

The PRESIDENT pro tempore announced that on today, July 18, 1974, he signed the following enrolled bill, which had previously been signed by the Speaker of the House of Representatives:

H.R. 11295. An act to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such act, and for other purposes.

DEPARTMENT OF AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 15472 which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 15472) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

The **PRESIDING OFFICER.** Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

The **PRESIDING OFFICER.** Will the Senate suspend until we have order?

Mr. STENNIS. Mr. President, may we have order? We cannot hear.

PROGRAM

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that I may proceed for 3 minutes notwithstanding any previous order?

The **PRESIDING OFFICER.** Will the Senator suspend until we have order.

Mr. STENNIS. May we have order, Mr. President. We cannot hear.

The **PRESIDING OFFICER.** The Senator may proceed.

Mr. HUGH SCOTT. Mr. President, I rise to ask the distinguished majority leader as to what is the order of business for today and hopefully the order of business for tomorrow and the order of business until Monday.

Mr. MANSFIELD. Mr. President, with the permission of the distinguished Republican leader, I will yield to the deputy majority leader so that he can give the Senate the benefit of some agreements which he hopes will be accepted by the Senate as a whole.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate.

The **PRESIDING OFFICER.** Senators are requested to take their seats or take their conversations to the cloakroom. The Senator may proceed.

Mr. ROBERT C. BYRD. Mr. President, the appropriations bill (H.R. 15472) is presently before the Senate, and under the plan as outlined by the leadership on yesterday and in the whip notice of today the Senate would proceed with consideration of the appropriations bill during this afternoon. Obviously it cannot be finished this afternoon and it would lap over until tomorrow. I am advised by various Senators that we probably would not finish it tomorrow and it would still be around here on Monday. Therefore, after consulting with the various Senators, the leadership is prepared to make the following unanimous-consent request: That on Monday the Senate convene at the hour of 10 o'clock a.m.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. ROBERT C. BYRD. That immediately following morning business on Monday the Senate resume consideration of the appropriation bill—before the Senate at the moment I am speaking, that the Senate resume consideration of the appropriation bill with a time limitation thereon of 2 hours, to be equally divided between Mr. McGee and Mr. Fong; that there be a time limitation on an amendment by Mr. Hruska of 2 hours; that there be a time limitation on an amendment by Mr. Case of 1 hour; a time limitation on an amendment of Mr. Nelson of 1 hour; a time limitation on any other amendment of 30 minutes; a time limitation on any debatable motion or appeal of 20 minutes, with the agreement to be in the usual form with respect to the division and control of time; provided further, that no vote occur before the hour of 3:30 p.m. on Monday.

Ordered further, that the vote on final passage of the appropriation bill occur at no later than 5 o'clock p.m. on Monday.

Mr. GRIFFIN. Mr. President, reserving the right to object, did the majority whip refer to a possible amendment by Senator Case?

Mr. ROBERT C. BYRD. Yes; with 1 hour.

Mr. HRUSKA. Reserving the right to object.

Mr. NELSON. Did the Senator say that no vote would occur prior to 3:30?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. NELSON. That all of these amendments may then be debated prior to 3:30?

Mr. ROBERT C. BYRD. The Senator is correct.

The **PRESIDING OFFICER.** The Presiding Officer in his capacity as a Senator from the State of North Carolina suggests the absence of a quorum.

Mr. ROBERT C. BYRD. I hope the Chair will not do that at the moment; the agreement will not be approved until the Senator now presiding has his opportunity to object.

Mr. HRUSKA. May I ask the assistant majority leader whether the opponents of an amendment may borrow on time allotted to the bill?

Mr. ROBERT C. BYRD. Yes, under the usual form.

Mr. HRUSKA. I thank the Senator.

Mr. ROBERT C. BYRD. In accordance with the usual form.

Mr. CRANSTON. When will the Consumer Protection Agency be again considered?

The **PRESIDING OFFICER.** Does the Senator wish rule XII to be waived?

Mr. ROBERT C. BYRD. Yes, paragraph 3 thereof.

Mr. CRANSTON. When will the Consumer Protection Agency bill again be before the Senate?

Mr. ROBERT C. BYRD. If the agreement is approved, the Consumer Protection Agency bill will not again be before the Senate until Tuesday, because the actions on the appropriation bill will consume all of Monday, at least up until 5 o'clock.

Mr. CRANSTON. I thank the Senator.

Mr. METCALF. Mr. President, reserving the right to object, and I am as interested in the Hruska amendment as the Senator from Nebraska is, he suggested that he may need to borrow time. I think a complete explanation of this amendment would entail greater time than maybe the 1 hour permitted, perhaps another half hour being more satisfactory. Then, we would not have to borrow some time from the bill.

Would the Senator from Nebraska join me in asking for another half hour on his amendment?

Mr. HRUSKA. On my amendment?

Mr. METCALF. Yes.

Mr. HRUSKA. I would be happy to. I think it may be a more orderly process that way because there may be other demands on the time of the bill and it would assure a little bit more orderly procedure.

Mr. METCALF. If we did not need it, we could turn it back.

Would it be satisfactory to the Senator from West Virginia if we had an additional half hour on the Hruska amendment?

Mr. HRUSKA. Mr. President, if the Senator will yield, I wish to say that later this afternoon I shall make a preliminary statement on my amendment which will outline its basis and reason. I shall do so in a more complete fashion tomorrow, so that would alleviate the demands on the time allotted to this matter, and then yield back.

Mr. ROBERT C. BYRD. Mr. President, I believe the Senator from New York reserved the right to object.

Mr. JAVITS. No. I was going to ask the same question the Senator from California (Mr. Cranston) asked about the CPA. That question has been answered.

Mr. HUGH SCOTT. Mr. President, may we have a ruling on the unanimous-consent request?

The **PRESIDING OFFICER.** Is there objection to the unanimous-consent request? Without objection, it is so ordered.

ORDER OF BUSINESS FOR TUESDAY, JULY 23, 1974

Mr. ROBERT C. BYRD. Mr. President, if the distinguished majority leader wishes me to proceed, I ask unanimous consent that on Tuesday next, at the conclusion of routine morning business the Senate resume consideration of S. 3164, the Real Estate Settlement Procedures Act, and that the amendment by the Senator from Wisconsin (Mr. Proxmire) be the pending question before the Senate at that time, with a time limitation of 2 hours, in accordance with the usual form, and that upon the disposition of the Proxmire amendment the Senate resume consideration of the unfinished business, the consumer protection bill.

The **PRESIDING OFFICER.** Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, do I understand, and I ask this only for the Record, that the agreement is merely on the Proxmire amendment and that there is no other agreement with respect to the bill?

Mr. ROBERT C. BYRD. The Senator is correct. I was unable to get an agreement on the bill. I took half a loaf, or as the saying goes, a bird in the hand rather than two in the bush.

Mr. GRIFFIN. I express the hope that, there being a unanimous-consent agreement to vote on the Proxmire amendment, we would be able to get to vote on the bill sometime thereafter.

Mr. ROBERT C. BYRD. The leadership on this side of the aisle agrees with the assistant Republican leader.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. MONDAY, JULY 22, 1974

Mr. ROBERT C. BYRD. Mr. President, in view of the agreements reached, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 10 o'clock a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR STENNIS ON MONDAY, JULY 22, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees are recognized under the standing order, the Senator from Mississippi (Mr. STENNIS) be recognized for not to exceed 15 minutes, prior to the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ASSISTANCE AND SERVICES FOR PRESIDENT AND VICE PRESIDENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed now to the consideration of S. 3647, and that the unfinished business be temporarily laid aside.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

The bill will be stated by title.

The bill was stated by title as follows:

A bill (S. 3647) to clarify existing authority for employment of White House Office and Executive Residence personnel, and employment of personnel by the President in emergencies involving the national security and defense, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Post Office and Civil Service with amendments on page 1, at the end of line 8, strike out "administrative and staff personnel" and insert in lieu thereof "employees".

On page 2, line 1, after "Executive Residence" insert "at the White House".

On page 2, in line 3, after the word "competitive" strike out "service, and to fix the pay of such personnel, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5 relating to classification and General Schedule pay rates. Such personnel" and insert in lieu thereof the word "service".

On page 2, at the beginning of line 7 insert the words "Those employees".

On page 2, at the end of line 10 after the words "pay of" insert the words "not more than".

On page 2, in line 12 after "(1)" strike out the words "not more than fifteen of such personnel at respective rates not more than" and insert in lieu thereof "fifteen employees at rates not to exceed".

On page 2, beginning at line 17 strike out the following language:

"(2) not more than twenty-five of such personnel at respective rates not more than the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of title 5; and

"(3) such other personnel as he considers necessary at respective rates not more than the maximum rate of basic pay then currently paid under the General Schedule of section 5332 of title 5.

and insert in lieu thereof the following new language:

"(2) twenty-five employees at rates not to exceed the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of title 5; and

"(3) thirty-five employees at rates not to exceed the rate of basic pay then currently paid for GS–18 of the General Schedule of section 5332 of title 5, without regard to chapter 51 and subchapter III of chapter 53 of such title.

On page 3, at the end of line 10, after the words "Executive Residence" insert the words "at the White House".

On page 3, in line 19, after the word "services" strike out the words "as he considers necessary".

On page 3, in line 21, after the word "Residence" insert the words "at the White House".

On page 4, in line 6, after "(f)" strike out the words "There are authorized to be appropriated each fiscal year such sums as may be necessary" and insert in lieu thereof the words "In order".

On page 4, at the end of line 11, after the word "responsibilities," strike out "including the use of such funds to—" and insert in lieu thereof "the Vice President is authorized to—"

On page 4, in line 22, after the word "service," strike out "and fix the pay of, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5 relating to classification and General Schedule pay rates—" and insert in lieu thereof "and fix the pay of not more than—".

On page 5, in line 1 after the words "at a rate" strike out "not more than" and insert in lieu thereof "not to exceed".

On page 5, beginning at line 5, strike out the following language:

"(B) not more than six employees at respective rates not more than the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of title 5; and

(C) such other personnel as the Vice President considers necessary at rates not more than the basic pay then currently paid under the General Schedule of section 5332 of title 5."

and insert in lieu thereof the following new language:

"(B) six employees at rates not to exceed the rate of basic pay then in effect for level III of the Executive Schedule of section 5314 of title 5; and

"(C) seven employees at rates not to exceed the rate of basic pay then currently paid for GS–18 of the General Schedule of section 5332 of title 5, without regard to chapter 51 and subchapter III of chapter 53 of such title."

On page 6, beginning at line 3, strike out the following language:

§ 106. Assistance to President in emergencies involving the national interest, security, or defense

"There are authorized to be appropriated to the President each fiscal year such sums as may be necessary to enable the President, in his discretion, without regard to any provision of law regulating employment and pay of persons in the service of the Federal Government or regulating expenditures of Federal Government funds, to respond to and deal with emergencies involving the national interest, security, or defense which may arise within or outside the United States of America."

and insert in lieu thereof the following new language:

"§ 106. Unanticipated personnel needs

"There are authorized to be appropriated to the President not to exceed $1,000,000 each fiscal year to enable the President, in his discretion and without regard to any provision of law regulating employment and pay of persons of the Government or regulating expenditures of Government funds, to appoint and pay employees to meet unanticipated personnel needs and to pay administrative expenses incurred with respect thereto."

On page 7, after line 3, strike out " "106. Assistance to President in emergencies involving the national interest, security, or defense."." and insert in lieu thereof " "106. Unanticipated personnel needs."."

On page 7, beginning at line 8, insert the following new language:

SEC. 4. (a) Section 102 of title 3, United States Code, is amended by striking out "Executive Mansion" and inserting in lieu thereof "Executive Residence at the White House".

(b)(1) Section 109 of such title 3 is amended—

(A) by striking out the section caption "Executive Mansion" and inserting in lieu thereof "Executive Residence at the White House"; and

(B) by striking out of the text "Executive Mansion" wherever it appears and inserting in lieu thereof "Executive Residence at the White House" each time.

(2) Item 109 in the table of sections at the beginning of chapter 2 of such title 3 is amended by striking out "Executive Mansion" and inserting in lieu thereof "Executive Residence at the White House".

(c)(1) Section 110 of such title 3 is amended—

(A) by inserting in the section caption, immediately before "White House", the following: "Executive Residence at the";

(B) by inserting in the first sentence immediately after "President's", the following: "Executive Residence at the White"; and

(C) by inserting immediately before "White House" wherever it appears "Executive Residence at the" each time.

(2) Item 110 in the table of sections at the beginning of chapter 2 of such title 3 is amended by inserting, immediately before "White House", the following: "Executive Residence at the".

SEC. 5. (a) Chapter 2 of title 3, United States Code, is amended by adding at the end thereof the following new section:

"§ 112. Statement of expenditures for employees

"(a) The President shall transmit to each House of the Congress reports with respect to expenditures for employees performing duties in the White House Office and the Executive Residence at the White House. Each such report shall be transmitted not later than sixty days after the end of each fiscal year and shall contain a detailed statement of such expenditures during the most recent complete fiscal year.

"(b) Each report required under subsection (a) shall contain (1) the name of every employee in the White House Office and the Executive Residence at the White House, (2) the amount of appropriated moneys paid to each such employee, (3) a general title and general job description for each such employee, (4) the amounts of any reimbursements made to each department, agency, or establishment for employees detailed to the White House Office under section 107 of this title, and (5) the name and general duties of the employee so detailed and the department, agency, or establishment from which the employee was detailed."

(b) The table of sections for chapter 2

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of such title 3 is amended by adding at the end thereof the following new item:

"112. Statements of expenditures for employees.".

(c) The amendments made by the provisions of this section shall apply with respect to fiscal years beginning after June 30, 1974.

Sec. 6. Effective July 1, 1978—

(1) sections 105, 106, and 107 of title 3, United States Code, are repealed; and

(2) items 105, 106, and 107 in the table of sections of chapter 2 such title 3 are repealed.

Mr. McGEE. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc.

Mr. TOWER. Mr. President, will the Senator yield to me for 30 seconds?

Mr. ROBERT C. BYRD. I yield.

Mr. TOWER. Mr. President, I ask unanimous consent that during the consideration of S. 3647 and all amendments thereto Pat Watkins and Linda Russell of my staff be permitted to have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS FOR MONDAY, JULY 22, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday the unfinished business be temporarily laid aside and remain in a temporarily laid aside status until the disposition of the agriculture appropriation bill, or the close of business that day, whichever is earlier.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HUGH SCOTT. Mr. President, I understand, then, as to Friday, since we have had no specific statement, that the order for Friday is "everybody out of the pool." Is that correct?

Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader will respond to the distinguished Senator from Pennsylvania.

Mr. MANSFIELD. Mr. President, the answer is in the affirmative. In other words, no session tomorrow.

Mr. HUGH SCOTT. I thank the distinguished majority leader.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order. The Senator is entitled to be heard.

The Senator may proceed.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, without the time being charged against the pending business, that the Senate proceed to the consideration of four following measures, all of which have been cleared on both sides of the aisle: Calendar No. 972, No. 973, No. 976, and No. 977.

The PRESIDING OFFICER. Without objection, it is so ordered.

OVERSEAS CITIZENS VOTING RIGHTS ACT OF 1974

Mr. HUGH SCOTT. Mr. President, I would like to point out that Calendar No. 976, extends and guarantees the right to American citizens abroad to vote in Federal elections. This has now been safeguarded by the action of individual members of the Committee on Rules and Administration in carefully checking certain provisions of the bill which were not satisfactory to them in their original form.

Now, all that is necessary for anyone seeking to vote who is an American citizen and is abroad, is to produce his or her passport or an acceptable Card of Identity and Registration to prevent duplicate voting by those who may have only a transitory or evanescent claim to American citizenship.

I think we have covered those provisions as well as we can so now it will be possible for those American citizens who are traveling in some other part of the world to take part in our elections.

Many of us who travel have been confronted by urgent calls to us by those of our fellow citizens who have not been in a position to vote, and I think we have done an act of justice, now that we have protected ourselves against possible fraud in the exercise of the franchise.

ROBERT J. BEAS

The bill (H.R. 3544) for the relief of Robert J. Beas was considered, ordered to a third reading, read the third time, and passed.

EMMETT A. AND AGNES J. RATHBUN

The bill (H.R. 7207) for the relief of Emmett A. and Agnes J. Rathbun was considered, ordered to a third reading, read the third time, and passed.

OVERSEAS CITIZENS VOTING RIGHTS ACT OF 1974

The Senate proceeded to consider the bill (S. 2102) to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens who are residing or domiciled outside the United States, which had been reported from the Committee on Rules and Administration with amendments, on page 1, in line 4, strike out "1973" and insert in lieu thereof "1974".

On page 3, at the end of line 22, strike out "States, the District of Columbia, and the Commonwealth of Puerto Rico;" and insert in lieu thereof "States and the District of Columbia;".

On page 4, at the end of line 1, strike out "Rico" and insert in lieu thereof "Rico, Guam, and the Virgin Islands".

On page 4, at the end of line 3, strike out "Guam, the Virgin Islands,".

On page 4, in line 9, after "United", strike out "States." and insert in lieu thereof "States, and who has a valid Passport or Card of Identity and Registration issued under the authority of the Secretary of State."

On page 5, at the end of line 5, strike out "and".

On page 5, in line 8, after "United", strike out "States." and insert in lieu thereof "States, and

(5) has a valid Passport or Card of Identity and Registration issued under the authority of the Secretary of State."

On page 7, in the fourth line of subparagraph (3) following line 5, strike out "(defined not to include the Territories and Possessions of the United States).

On page 8, between subparagraphs (10) and (1)), insert:

"Passport or Card of Identity and Registration Number________________
"Expiration Date____________"

On page 11, beginning with line 12, insert:

AUTHORIZATION OF APPROPRIATIONS

Sec. 9. (a) There are authorized to be appropriated to the Administrator of General Services such sums as are necessary to enable him to carry out his duties under section 5(d).

(b) Section 2401(c) of title 39, United States Code (relating to appropriations for the Postal Service), is amended—

(1) by inserting after "title" a comma and the following: "the Overseas Citizens Voting Rights Act of 1974,"; and

(2) by striking out "Act." at the end and inserting in lieu thereof "Acts.".

On page 12, in line 2, strike out "9" and insert in lieu thereof "10".

On page 12, in line 4, strike out "1974" and insert in lieu thereof "1975" so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Overseas Citizens Voting Rights Act of 1974".

CONGRESSIONAL FINDINGS AND DECLARATIONS

Sec. 2. (a) The Congress hereby finds that in the case of United States citizens domiciled or otherwise residing outside the United States, the imposition and application of a State or local residency or domicile requirement as a precondition to voting in Federal elections and the lack of sufficient opportunities for absentee registration and balloting in such elections—

(1) denies or abridges the inherent constitutional right of citizens to vote in Federal elections;

(2) denies or abridges the inherent constitutional right of citizens to enjoy their free movement to and from the United States;

(3) denies or abridges the privileges and immunities guaranteed under the Constitution to citizens of the United States and to the citizens of each State;

(4) in some instances has the impermissible purpose or effect of denying citizens the right to vote in Federal elections because of the method in which they may vote;

(5) has the effect of denying to citizens the equality of civil rights and due process and equal protection of the laws that are guaranteed to them under the fourteenth amendment to the Constitution; and

(6) does not bear a reasonable relationship to any compelling State interest in the conduct of Federal elections.

(b) Upon the basis of these findings, Congress declares that in order to secure, protect, and enforce the constitutional rights of citizens residing overseas and to enable such citizens to better obtain the enjoyment of such rights, it is necessary—

(1) to abolish completely for citizens residing overseas the domicile and residence requirements as preconditions to voting in Federal elections, and

(2) to establish nationwide uniform standards relating to absentee registration and absentee balloting by such citizens in Federal elections.

DEFINITIONS

SEC. 3. For the purposes of this Act, the term—

(1) "Federal election" means any general, special, or primary election held solely or in part for the purpose of selecting, nominating, or electing any candidate for the office of President, Vice President, Presidential elector, Member of the United States Senate, Member of the United States House of Representatives, Delegate from the District of Columbia, or Resident Commissioner of the Commonwealth of Puerto Rico;

(2) "State" means each of the several States and the District of Columbia;

(3) "United States" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands, but does not include American Samoa, the Canal Zone, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States; and

(4) "citizen residing overseas" means a citizen of the United States who is domiciled, or otherwise residing outside the United States, and who has a valid Passport or Card of Identity and Registration issued under the authority of the Secretary of State.

RIGHTS OF CITIZENS RESIDING OVERSEAS TO VOTE IN FEDERAL ELECTIONS

SEC. 4. (a) No citizen residing overseas shall be denied the right to register for, and to vote by an absentee ballot in any State or election district in any Federal election solely because at the time of such election he is not domiciled or otherwise residing in such State or district and does not have a place of abode or other address in such State or district if—

(1) he last voted or last registered to vote in such State or district, or if he did not so register or vote, was last domiciled in, such State or district prior to his departure from the United States;

(2) he has complied with the requirements concerning the casting of absentee ballots applicable in such State or district (other than any requirement which is inconsistent with this Act); and

(3) he is qualified to vote in such State or district but for his failure to maintain residence, domicile, or place of abode in such State or district·

(4) has not registered to vote and is not voting in any other State or election district or territory or possession of the United States; and

(5) has a valid Passport or Card of Identity and Registration issued under the authority of the Secretary of State.

ABSENTEE BALLOTS FOR FEDERAL ELECTIONS

SEC. 5. (a)(1) Each State shall provide by law for the registration or other means of qualification of all citizens residing overseas and entitled to vote in a Federal election in such State pursuant to section 4(a) who apply, not later than thirty days immediately prior to any such election, to vote in such election.

(2) Each State shall provide by law for the casting of absentee ballots for Federal elections by all citizens residing overseas who are entitled to vote in such State pursuant to section 4(a), and if required by State law have registered or otherwise qualified to vote under section 5(a)(1), and who have submitted properly completed applications for such ballots not later than seven days immediately prior to such election and have returned such ballots to the appropriate election official of such State not later than the time of closing of the polls in such State on the day of such election. In the case of any such properly completed application for an absentee ballot received by a State or election district, the appropriate election official of such State or district shall as promptly as possible in any event, no later than (i) seven days after receipt of such a properly completed application, or (ii) five days after the date the absentee ballots for such election have become available to such official, whichever date is later, mail the following by airmail to such citizen:

(A) an absentee ballot,

(B) instructions concerning voting procedures, and

(C) an airmail envelope for the mailing of such ballot free of United States postage.

(b)(1) In the case of a citizen residing overseas, a State or election district may accept as an application for an absentee ballot to vote in a Federal election (and as an application for registration to vote in such election, if registration is required by such State or district) a duly executed overseas citizen Federal election postcard in the form prescribed by paragraph (2).

(2) The form of the overseas citizen Federal election postcard referred to in paragraph (1) shall be as follows:

(A) The card shall be nine and one-half inches by four and one-eighth inches in size.

(B) Upon one side, perpendicular to the long dimension of the card there shall be printed in black type the following:

FILL OUT BOTH SIDES OF CARD

POST CARD APPLICATION FOR ABSENTEE BALLOT FOR FEDERAL ELECTIONS

State or Commonwealth of (Fill in name of State or Commonwealth).

(1) I hereby request an absentee ballot to vote in the coming election: (Presidential), (General), (Primary)*, (Congressional), (Special), Election.

(Strike out inapplicable words).

(2) *If a ballot is requested for a primary election, print your political party affiliation or preference in this box: (If primary election is secret in your State, do not answer).

(3) I am a citizen of the United States, and am qualified to register and vote in the above State in Presidential and Congressional elections, even though I am presently residing outside the above State and the United States and such State may not be my current domicile, and—

a. I last voted or was registered to vote in the above State.

b. The above State was my last domicile even though such State may not be my current domicile.

(4) I was born on ——.

(5) Until (Month) (Year), my home (not military) residence in the above State was ——— in the county or parish of ———.

The voting precinct or election district for this residence is ———.

(6) Remarks: ———.

(7) Mail by ballot to the following address: ———.

(8) I am NOT requesting a ballot from any other State, Territory or Possession of the United States, and am not voting in any other manner in this election, except by absentee process, and have not voted and do not intend to vote in this election at any other address.

(9) (Signature of person requesting ballot).

(10) (Full name, typed or printed)———.

Passport or Card of Identity and Registration Number———.

Expiration date ———.

(11) Subscribed and sworn to before me on (Day, month, and year); (Signature of official administering oath); (Typed or printed name of official administering oath); (Title or rank, service number (if any), and organization of administering official).

INSTRUCTIONS

A. Type or print all entries except signatures. Fill out both sides of card.

B. Address card to proper State official.

C. Mail card as soon as your State will accept your application.

D. No postage is required for the card if deposited with a U.S. Embassy, consulate, legation or other office of a U.S. Government agency, either within or outside the United States.

E. This card is an application to vote only in Federal elections. If you wish to request a ballot for State and local elections, as well as Federal elections, and are qualified to do so in your State, you can use the Standard Federal Post Card Application or other form accepted by your State for this purpose.

(C) Upon the other side of the card there shall be printed in red and blue type the following:

FILL OUT BOTH SIDES OF THE CARD

FREE of U.S. Postage Official
Including Air Mail Mailing
Address

OFFICIAL ELECTION BALLOTING MATERIAL—VIA AIR MAIL

To: (Title of Election Official); (County or Township); (City or Town, State).

(c) Overseas citizen Federal election post cards and the absentee ballots, envelopes, and voting instructions provided pursuant to this Act and transmitted to or from citizens residing overseas, whether individually or in bulk, shall be free of postage, including airmail postage, in the United States mail.

(d) The Administrator of General Services shall cause overseas citizen Federal election post cards to be printed and distributed to carry out the purposes of this Act, and he may enter into agreements with the Postmaster General, with heads of appropriate departments and agencies of the Federal Government, and with State and local officials for the distribution of such cards.

(e) Ballots executed outside the United States by citizens residing overseas shall be returned by priority airmail wherever practicable, and such mail may be segregated from other forms of mail and placed in special bags marked with special tags printed and distributed by the Postmaster General for this purpose.

ENFORCEMENT

SEC. 6. (a) Whenever the Attorney General has reason to believe that a State or political subdivision undertakes to deny the right to register vote in any election in violation of section 4 or fails to take any action required by section 5, he may institute for the United States, or in the name of the United States, an action in a district court of the United States, in accordance with sections 1391 through 1393 of title 28, United States Code, for a restraining order, a preliminary or permanent injunction, or such other order as he deems appropriate.

(b) Whoever shall deprive or attempt to deprive any person of any right secured by this Act shall be fined not more than $5,000, or imprisoned not more than five years, or both.

(c) Whoever knowingly or willfully gives false information as to his name, address, or period of residence in the voting district for the purpose of establishing his eligibility to register or vote, or conspires with another individual for the purpose of encouraging

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his false registration to vote or illegal voting, or pays or offers to pay or accepts payment either for registration to vote or for voting shall be fined not more than $10,000, or imprisoned not more than five years, or both.

SEVERABILITY

SEC. 7. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act, and the application of such provisions to other persons or circumstances, shall not be affected.

EFFECT ON CERTAIN OTHER LAWS

SEC. 8. (a) Nothing in this Act shall—

(1) be deemed to require registration in any State or election district in which registration is not required as a precondition to voting in any Federal election, or

(2) prevent any State or election district from adopting or following any voting practice which is less restrictive than the practices prescribed by this Act.

(b) The exercise of any right to register or vote by any citizen residing overseas shall not affect the determination of his place of residence or domicile (as distinguished from his place of voting) for purposes of any tax imposed under Federal, State, or local law.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. (a) There are authorized to be appropriated to the Administrator of General Services such sums as are necessary to enable him to carry out his duties under section 5(d).

(b) Section 2401(c) of title 39, United States Code (relating to appropriations for the Postal Service), is amended—

(1) by inserting after "title" a comma and the following: "the Overseas Citizens Voting Rights Act of 1974,"; and

(2) by striking out "Act." at the end and inserting in lieu thereof "Acts.".

EFFECTIVE DATE

SEC. 10. The provisions of this Act shall take effect with respect to any Federal election held on or after January 1, 1975.

Mr. PELL. Mr. President, as chairman of the Subcommittee on Privileges and Elections, I am indeed pleased by the action taken by the Senate today in approving S. 2102, to guarantee the constitutional right to vote in Federal elections for citizens of our Nation residing or domiciled outside the United States.

This legislation removes the stigma of second-class citizenship from these citizens. It makes them first-class citizens having an appropriate voice in the conduct of their Government.

Last September I conducted comprehensive hearings on this legislation. I have been involved in its development during the past 5 years.

A significant forerunner was the Federal Votings Rights Act Amendments of 1970, which provided an incentive for some States to permit the enfranchisement of civilian citizens temporarily living away from their regular homes and working or studying abroad.

In this respect, let me commend especially the work of Senator Goldwater who joined with me in urging at that time a broad interpretation of the 1970 legislation. While a number of States favored broader interpretations of this act, others—23 in total—did not move in this direction. This created confusion and, in my judgment, unnecessary hardships on the citizens involved. The need for today's legislation became increasingly evident.

Mr. President, this legislation affects approximately 750,000 citizens of our country.

During the hearings I pointed out,

> Hundreds of thousands of citizens whose vocations require them to live in foreign countries are denied the right to participate in the elective process because there are no absentee registration and voting procedures in the States where they formerly resided, or because they no longer can claim residence or domicile in such States.

I went on to say that,

> Most citizens cannot afford to maintain homes in two or more places, and therefore, lose a physical residence in the United States when they travel abroad for their employers, or as missionaries, or for any other purpose. But they are all citizens. They are interested in what goes on at home. They want to express their opinions, and most urgently, they want to vote—at least in Federal elections.

Essentially, this legislation makes clear that citizens, wherever situated, have an inherent constitutional right to vote, and that such a right should not be denied simply because those citizens cannot claim a residence in any State. The central provision of this legislation permits citizens to register and vote in that State where they last resided, or were domiciled, or where they were last registered.

Mr. President, I wish, in particular, to extend my commendations to Senator MATHIAS, who introduced this legislation in 93d Congress. He and I worked closely together on very similar legislative proposals. I was happy to report his bill favorably from the subcommittee.

Let me also express my high regard for Senator CANNON, chairman of the Rules Committee, for his initiatives in reporting this bill to the Senate.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SALE OF CERTAIN RIGHTS IN THE STATE OF FLORIDA

The bill (H.R. 377) to authorize the Secretary of the Interior to sell certain rights in the State of Florida, was considered, ordered to a third reading, read the third time, and passed.

ASSISTANCE AND SERVICES FOR PRESIDENT AND VICE PRESIDENT

The Senate continued with the consideration of the bill (S. 3647) to clarify existing authority for employment of White House Office and Executive Residence personnel, and employment of personnel by the President in emergencies involving the national security and defense, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no time be charged at this point against that bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This would be a good time at this point for someone to inquire if yea and nay votes are expected on any amendments or final passage thereon.

Mr. HATHAWAY. Mr. President, if the Senator from West Virginia will yield, I am in the process of offering an amendment drafted by the Senator from Wisconsin (Mr. PROXMIRE) with which I am in agreement. I do not know at this time whether to ask for a rollcall vote. It may be the managers of the bill may want a rollcall vote on that amendment.

I do not know how much time is needed by others before the amendment is offered in the next half hour.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. McGEE. Perhaps I can shed a light on that point. It will not take a great deal of time to lay the bill before the Senate, present the committee action, and the Senator from Hawaii (Mr. FONG) and I do not anticipate a protracted period of time on that.

Therefore, it will not be very long before the amendment is eligible. If we knew the full content of the amendment, we might dispose of it sooner.

Mr. HATHAWAY. I would be glad to discuss the amendment with the Senator, perhaps in the next 5 or 10 minutes. It would only take 15 minutes at the most.

Mr. GRIFFIN. Mr. President, I should raise something I just learned, and that is that the Senator from Connecticut (Mr. WEICKER) may have an amendment and he may ask for the yeas and nays. I hope that is not the case.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the Hathaway-Proxmire amendment.

The PRESIDING OFFICER. Does the Senator ask that it be in order to ask for the yeas and nays on the amendment?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it may be in order at this time to make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I make the request.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, what is the time agreement on this measure?

The PRESIDING OFFICER. There is a 1-hour limitation on the bill, the time to be equally divided between the distinguished Senator from Wyoming and the distinguished Senator from Hawaii.

Mr. McGEE. Lest that division of time be misleading to the Members of this body, the committee unanimously reported this bill, and the minority leadership and the majority leadership agree on the terms of the bill. However, in order to protect the time of any who may want to dissent from it, the Senator from Hawaii will be in charge of delegating that time to whoever may rise to speak in opposition. I yield myself 5 to 8 minutes.

Mr. President, one of the purposes of S. 3647 is to comply with rule XXI of the House, which provides that no appropriations shall be reported by the House Appropriations Committee for expenditures not previously authorized by law. S. 3647 provides the legislative authority for the appropriation of funds for staff support, administrative expenses, and the operation of the White House: and it provides authorization for staff support for the Vice President to enable him to provide assistance to the President in connection with the performance of the duties assigned to him. This bill does not appropriate money. This is an authorization bill for White House expenses.

The authorizations requested by the Office of Management and Budget in its proposal to the Senate have been substantially reduced in S. 3647 as reported by the committee. Whereas the request proposed authorization of an unlimited number of positions to pay scales at the pay rate for grade GS–18, the bill as reported provides authorization for a total of 35 such positions. This represents an increase of only 5 over the 30 now authorized for the White House and the Executive Residence at the White House. But it does impose a ceiling, rather than an open end, on the original request received from the Office of Management and Budget.

In the legislative proposal, an unlimited number of positions at pay scales at the rate for grade GS–18 were authorized for the Vice President. The bill as reported authorizes the Vice President to appoint seven such employees.

In total, S. 3647 authorizes 75 upper level positions, an increase of 11 over those now authorized and 10 over those as authorized in the House bill.

Specifically, S. 3647 authorizes for the White House and the Executive Residence at the White House 15 employees at the Executive level II pay scale, 25 employees at rates not to exceed the rate for Executive level III, and 35 employees at rates not to exceed the pay rate for a grade GS–18.

For the Vice President, the bill authorizes one employee at the pay scale of Executive level II, six employees at the pay scale for Executive level III, and seven employees at the grade GS–18 pay scale. The President is allowed experts and consultants at pay rates equal to the daily equivalent of those for Executive level II, and the Vice President may employ experts and consultants at the maximum rate for a grade GS–18.

The legislation as proposed would have authorized the President to secure goods and services "as he considers necessary for the maintenance, operation, improvement, and preservation of the Executive Residence at the White House." The bill as reported deletes the words "as he considers necessary," to convey the meaning and the committee's intention that the President in this instance shall be subject to the provisions of the Federal Property and Administrative Service Act of 1949.

The commitee considerably diminished the authority requested for emergencies involving the national interest, security, or defense. As requested, the bill would have authorized that there be appropriated each fiscal year "such sums as may be necessary to respond to and deal with emergencies involving the national interest, security, or defense, which may arise within or without the United States of America."

The committee considered this language very carefully, and I wish the junior Senator from Maine were in the Chamber so that I could explain the reason for the committee's action. Rather than allow such requests as may seem necessary, the committee considered this language far too broad and substituted for it a section authorizing $1 million to be appropriated each fiscal year for the purpose for which, in the past, such funds have in fact been used by the President—to pay for unanticipated personnel and administrative needs.

Further, the bill as reported requires a report from the President to the Senate and House on the expenditures he has made for employees performing duties at the White House office and the Executive Residence at the White House. The bill as reported provides that the report, to be made each fiscal year, shall contain, first, the name of every employee, second, the amount of appropriated funds paid to each such employee, third, a general title and job description of each such employee, fourth, the amount of any reimbursements made to departments and agencies for employees detailed to the White House and, fifth, the name and general duties of each such employee so detailed and the Department, agency, or establishment from which the employee was detailed.

S. 3647 also provides that the authorizations it makes are repealed as of July 1, 1978. At that time, Congress will have the opportunity to review again the President's and Vice President's personnel needs and the other authorizations of the bill in the light of conditions prevailing at that time.

Mr. President, the committee, having carefully considered this legislation, is of the opinion that the President needs and ought to have such personnel as the bill authorizes and that the Vice President is similarly in need of adequate staff suport. The committee has raised somewhat the levels at which certain of the 75 employees may be compensated. This was done in view of the fact that Executive-level salaries have not been increased since March of 1969 and that the pay scales involved are accordingly depressed when compared with those of comparable positions outside of Government, from which personnel will have to be selected in order to fill the positions. With the safeguards which it incorporates, S. 3647 constitutes a necessary housekeeping measure which I urge all Members to support.

The PRESIDING OFFICER. Who yields time?

Mr. FONG. Mr. President, I yield myself 5 minutes.

Mr. President, the purpose of S. 3647, is to provide legislative authorization for staff support, administrative expenses, maintenance, and operation for the White House Office of the President, the Executive residence at the White House, and for the executive duties and responsibilities of the Vice President.

This measure is necessary to comply with clause 2, rule XXI, of the House of Representatives as interpreted by the House Appropriations Committee.

During consideration of the Supplemental Appropriations Act of 1974, H.R. 11576, the House Report No. 93–663 accompanying that bill recommended that authorizing legislation be obtained for the funding of certain activities of the White House Office of the President and the Executive residence at the White House. This was to comply with clause 2, rule XXI, which in part provides that no appropriation shall be reported by the Appropriations Committee of the House of Representatives in any general appropriation bill for any expenditures not previously authorized by law.

As a result, H.R. 14715 was introduced in the House of Representatives and passed on June 25, 1974, I introduced a companion measure, S. 3647, in the Senate on June 13, 1974.

S. 3647 is similar to draft legislation submitted to the Senate by Director Roy Ash, Office of Management and Budget, on April 29, 1974.

Mr. President, it is very important that the Senate approve S. 3647 at this time. These appropriations include payments for the President's White House staff, the Vice President's staff, the President's Executive Office's representation, entertainment activities, and the continuation of certain commissions empaneled by the President to investigate unanticipated problems that arise from time to time.

Appropriations for these activities and payrolls are included in the Treasury-Post Office, General Government Appropriations bill. This appropriation bill is presently in markup in the Senate Appropriations Committee. To insure that the necessary funds are available in fiscal year 1975, it is essential that the Senate act favorably on this measure now.

It has long been the practice that appropriations for the President's Executive Office and White House staffing and operations were governed only by the amount of money appropriated in the appropriations bill rather than a specific authorization bill. However, as I stated earlier, the House Appropriations Committee maintains that under the new rules of the House, enactment of this authorization bill is a prerequisite to funding.

It is critical to the operations of the Executive Office of the President and his residence at the White House that this bill be approved.

It contains the authorization for his top staff, the top staff of the Vice President, and the necessary funds for the operations of the President's offices.

Because this authorization bill will be the law under which appropriations for the President's and Vice President's offices for the next 4 years will be made, the committee unanimously voted to add a few more positions than are presently being used by the Executive Office. The total number of positions authorized, however, is still less than that authorized in the original bill I introduced.

At the present time, under the provisions of section 105 and 106 of title 3, United States Code, the President is au-

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thorized six administrative assistants, the Executive Secretary of the National Security Council, the Executive Secretary of the National Aeronautics and Space Council, the Executive Secretary of the Economic Opportunity Council, and eight other secretaries or immediate staff assistants in the White House Office at rates of basic pay not to exceed that of level II, Federal Executive Salary Schedule. Excluding the Executive Secretaries cited in section 105, the President is now authorized 14 assistants at a rate of pay not to executive level II.

Other than those two provisions in law, there is no other authorization for the employment of persons on the President's staff outside of the General Schedule of the U.S. Civil Service System.

Section 3101 of title 5, United States Code, contains the permanent legislation with general authorization for such employment.

So, at the present time, the President is authorized by law to appoint 14 assistants at pay rates not to exceed Executive Level II and the positions contained in section 3101.

Under the applicable appropriations bills, the President at the present time has appointed 21 assistants at pay rates not exceeding Executive Level III—$40,000—and 30 assistants at rates not exceeding that of the GS–18 General Schedule pay—$36,000.

The Vice President under appropriations bill language has appointed one assistant at a level not to exceed Executive Level II, four assistants not to exceed Executive Level III and six assistants not to exceed the level of General Schedule 18.

S. 3647 would authorize the President to appoint 15 assistants at rates not exceeding Level II—an increase of 1; 25 assistants at rates not to exceed Level III—an increase of 4; and 35 assistants not to exceed General Schedule 18—an increase of 5.

The Vice President would have the same number—one—at a rate not to exceed Executive Level II; six assistants at a rate not to exceed Executive Level III—an increase of two; and seven assistants at a level not to exceed General Schedule 18—an increase of one.

In addition both the President and the Vice President would be authorized to appoint consultants limited only by the availability of funds in the appropriations bill.

It must also be pointed out that the President can also have detailed to the Executive Office certain employees from the other executive agencies and departments.

At the present time there are 30 such employees so detailed. The White House reimburses the deploying agencies for any employee detailed over 6 months.

S. 3647 also authorizes the appropriation of funds to cover the expenditures necessary for official reception, entertainment and representation activities of the White House.

Also authorized in the bill is $100,000 for travel expenses covering the President's staff and party.

A final authorization of $1,000,000 for unanticipated personnel needs is included in the bill. These funds are used to pay for the appointment by the President of commissions and committees to investigate problems that arise from time to time that were not programed. In the past this has included the Energy Policy Office, the Federal Property Council, the U.S. Puerto Rico Ad Hoc Advisory Group, and the Special Action Office for Drug Abuse Prevention.

The committee also voted to end the authorizations in this bill in July, 1978. At that time the Congress will have another opportunity to review the staffing of the President and Vice President and vote on another authorization bill.

The committee feels that the bill it has brought out is a fair one that will not hinder the operations of the Executive Office of the President and the office of the Vice President and provide the President with the necessary funds to carry out his official duties. It was a unanimous report from the committee.

This is not a liberal authorization bill. The committee has tightened several provisions in the bill as first introduced. The committee also imposed a number of restrictions in the bill it reported out as compared with the bill as originally introduced.

Undoubtedly, the bill will be referred to a conference committee with the House. The House bill is much more restrictive than the Senate bill. For this reason I believe that the Senate bill should not be amended to be more restrictive than that reported out by the committee.

I strongly urge Senate approval of S. 3647 without further amendment.

Mr. HARRY F. BYRD, JR. Will the Senator yield for a question?

Mr. FONG. I yield.

Mr. HARRY F. BYRD, JR. As I understand it, this legislation provided for 75 upper level——

Mr. FONG. That is true.

Mr. HARRY F. BYRD, JR. Did I understand the Senator to say that is a number greater than that has been requested by the White House?

Mr. FONG. The White House has requested unlimited; we put a ceiling on it for GS–18, whereas they asked for an unlimited number.

Mr. HARRY F. BYRD, JR. Well, I see. The request then was for an unlimited number of GS–18 and the committee put a ceiling?

Mr. FONG. That is correct, of 35.

Mr. HARRY F. BYRD, JR. How many are in that category at the present time?

Mr. FONG. At the present time, there are 30 employees who are drawing GS–18 pay of $36,000, and we have increased that by 5.

Mr. HARRY F. BYRD, JR. How many are now at Executive Level III?

Mr. FONG. Executive Level III is 21. We have increased it by 4 to 25, and there are presently 14 at Level II, and we have increased it by 1.

Mr. HARRY F. BYRD, JR. What is the figure for Level II?

Mr. FONG. Level II is 14, to 15.

Mr. HARRY F. BYRD, JR. Yes, but what is the dollar figure?

Mr. FONG. $42,500.

Mr. HARRY F. BYRD, JR. And then for Level III it is how much?

Mr. FONG. $40,000.

Mr. HARRY F. BYRD, JR. So the request, then, as I understand it—what was the request for Level II?

Mr. FONG. For Level II was 15.

Mr. HARRY F. BYRD, JR. Fifteen; and the committee gave what number on that?

Mr. FONG. Gave them 15.

Mr. HARRY F. BYRD, JR. And what was the request for Level III?

Mr. FONG. For III was 25.

Mr. McGEE. Grades 3, 4, and 5 were 25 all together.

Mr. FONG. Not to exceed the pay of Level III.

Mr. HARRY F. BYRD, JR. Yes. The committee met the request for level 2 and the request for level 3?

Mr. McGEE. Yes.

Mr. FONG. And we put a ceiling on GS–18's.

Mr. HARRY F. BYRD, JR. A ceiling on 18 of 35?

Mr. FONG. Yes; and this will be reviewed every 4 years.

Mr. HARRY F. BYRD, JR. This will stand for 4 years. Is it customary to make it as long as 4 years?

Mr. FONG. Heretofore there have been no authorizations. The White House has been limited only by the appropriation bill, except for the executive level 2, which was limited to 14.

Mr. HARRY F. BYRD, JR. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, I suggest the absence of a quorum, the time for the quorum call to be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATHAWAY. Mr. President, I send an amendment to the desk on behalf of myself and the Senator from Wisconsin (Mr. PROXMIRE) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HATHAWAY. I ask unanimous consent that further reading of the amendment be dispensed with, and that the amendment be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATHAWAY's amendment is as follows:

On page 4, lines 1 and 2, strike out "and accounted for solely on his certificate" and insert in lieu thereof a comma and the following: "except that the Comptroller General shall be furnished information requested by him relating to the expenditure of such funds and access to all necessary books, documents, papers, and records relating to any such expenditure, in order that he may determine whether the expenditure was for payment of official reception, entertainment, and representation expenses".

On page 7, line 7, immediately before the period insert "and by deleting 'and accounted for on his certificate solely' and inserting in place thereof a comma and the following: 'except that the Comptroller General shall be furnished information requested by him relating to the expenditure of such sums and access to all necessary books, documents, papers, and records relating to any such expenditure, in order that he may determine whether the expenditure was for payment of traveling expenses of the President of the United States.' ".

The PRESIDING OFFICER. Is this the amendment of the Senator from Wisconsin on which a 1-hour time limitation was agreed upon?

Mr. HATHAWAY. No, this is not the amendment for which an hour was agreed upon. I am still holding that amendment in my hand.

The PRESIDING OFFICER. In that case, there will be a limitation of 15 minutes on each side.

Mr. HATHAWAY. This is an amendment which requires that travel and entertainment expenditures be subject to GAO audit, which I believe the managers of the bill would agree to accept. We have discussed this previously.

Mr. McGEE. The only reason it was not in the original bill is that, as discussed in the committee, the GAO already has that authority; but it makes a good point that we underscore the responsibility to exercise that authority, and the committee is prepared to accept that amendment for inclusion in the measure.

Mr. HATHAWAY. I thank the Senator from Wyoming very much.

While I have the time, I would like to ask the Senator a few questions that may obviate the necessity of my offering the other amendment, of which the Senator from Wisconsin (Mr. PROXMIRE) is also a cosponsor, in regard to the number of personnel and other matters.

I understand that the total number of employees authorized by the Senate bill would be 75, which is 10 more than what the House authorizes in the bill it has passed. I would like to ask the Senator why we are authorizing 10 more.

Mr. McGEE. That is not quite the full picture on that yet. When the House selected the figure of 65, they still left language in their bill that made open-ended the actual final number on the GS–18s. It could just as well have been 95 or 100 later on, if the President so desired.

The Senate committee, after taking additional testimony upon the receipt of the House bill, decided upon two things. The first was that we were not going to leave that open end in there, and we decided we ought to be employed, and we proposed such a ceiling on that category.

Second, we put the ceiling at 75. The reason for the 75 was that the case was well made, in the committee's judgment, that with the new programs that are beginning to emerge in Congress now, we are faced with uncertainty as to how that would tax employees' time at the White House level, in order to meet those responsibilities. Because no one can know that at this point, since the measures have not finished their course through the legislative mill, we felt it was a reasonable figure to apply the 75. That is a ceiling, not a requirement; in other words, the President could go no higher than that, but we thought that was a legitimate protection for the executive branch, in view of some of the uncertainties in the pending legislation.

I would add, for the distinguished Senator from Maine, that likewise this is only the authorization; there is no money actually appropriated here, and that in itself is an innovation, since, in the past, it has been allowed to be open-ended.

Mr. HATHAWAY. Thank you. I commend the Senator from Wyoming as well as the Senator from Hawaii and the members of the committee for making this historic move in limiting the authorization of the numbers that can be on the White House staff. I understand that previous to this bill the only limitation was with the Appropriations Committee.

In the light of possible new programs, as the Senator has stated, I would assume when the matter comes before the Appropriations Committee that if it appears that the new programs are not going to work out, and the personnel will not be needed, that the money would not be appropriated for that purpose.

Mr. McGEE. That is correct.

Mr. HATHAWAY. With regard to job classification, I understand that job classifications for all White House personnel have to be presented to Congress.

Mr. McGEE. Yes. This, again, for the first time requires the President to describe each job position, the duties, the name, the salary, and all relevant information in that regard, and furnish that information to Congress; and that, again, is an advance forward from where we have been.

Mr. HATHAWAY. I understand also that there is a $1 million fund provided for in the Senate bill, which is not provided in the House bill. Until I talked with the Senator recently, I was afraid that we were providing some million-dollar slush fund for the President that the House was not; but I understand I am not correct in that regard, and that we are really placing a limitation of $1 million on unanticipated needs for personnel, whereas, if we did not have that limitation, there would be no limitation.

Mr. McGEE. Under the legislation that was submitted to the committee from the executive branch, that would have been unlimited. It was for unanticipated expenses for personnel, and there was no ceiling on it.

We weighed that one very carefully, and we appreciated the fact that there would be unanticipated kinds of things that would require personnel, but rather than leave that open-ended, which always leaves the risk that it might be abused, we decided to put the ceiling on that.

The ceiling we put on was $1 million, but it has to be accounted for.

Mr. HATHAWAY. Every year?

Mr. McGEE. Every year.

Mr. HATHAWAY. So that, if the President decided to hire 20 new people with that million dollars, and after his accounting at the end of the year, the Appropriations Committee could say, "We are not going to appropriate money for more than 5 or 10 of them next year" and the limitation would be whatever they decided?

Mr. McGEE. That is correct.

Mr. HATHAWAY. And the House bill did not have this provision in it?

Mr. McGEE. They did not have the money ceiling at all.

Mr. HATHAWAY. So there would be no limitation?

Mr. McGEE. That is correct.

Mr. HATHAWAY. There is one other point, which I have covered in an amendment which I shall offer shortly, that concerns the personnel which the President may borrow from various agencies downtown. I refer to those which are detailed, say, from the Department of the Interior to the White House.

I understand that the Senate bill has a requirement that the reason for this borrowing will be presented to Congress, but I would like to see a limitation such as that contained in the House bill, which limits the time of service of any of these persons detailed from an agency to the White House to 1 year.

Mr. McGEE. The bill really goes farther than that, than the House bill. What the bill does is specify that anybody taken from an agency, borrowed from an agency, it must not only be specified as to what he is borrowed for, described, but the agency then has to be compensated for him from the funds available to the White House. No more of the loose flow back and forth of agency personnel at the whim of a phone call from the executive branch.

Therefore, it is considerably tightened up. Under the existing law, a man borrowed from an agency, under whatever terms, cannot be retained for more than a year without a review of that, for approval for another year. It would be acceptable to the committee, and a reinforcing factor and a good offer, if we put that on the bill as a further requirement to live up to the letter of the law.

Mr. HATHAWAY. I thank the Senator. I shall offer that amendment as soon as the one pending is voted upon. I thank the Senator very much, and yield back whatever time I have remaining on the pending amendment.

Mr. McGEE. I yield back such time as I have remaining.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HATHAWAY. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 8, between lines 16 and 17 insert the following:

SEC. 4. Section 107 of title 3, United States Code, is amended to read as follows:

"§ 107. Detail of employees of executive departments to office of President

"At the request of the President, the head of any department, agency, or independent establishment of the executive branch of the Government shall detail, from time to time, employees of such department, agency, or establishment to serve in the White House Office. The President shall advise the Congress of the names and general duties of all such employees so detailed to the White House Office. An employee may not be so detailed for full-time duty on a continuing basis for any period of more than one year. The White House Office shall reimburse each such department, agency, or establishment, for the pay of each employee thereof so detailed for full-time duty on a continuing basis, for any period of such detail occurring after the close of the sixth month following the date on which such detail first becomes effective.".

Mr. HATHAWAY. Mr. President, I wish to ask——

The PRESIDING OFFICER. The Senator will suspend, the Chair wishes to ask the Senator from Maine if this is the amendment of the Senator from Wisconsin on which a time limit was set or is this another amendment of the Senator from Maine?

Mr. HATHAWAY. Mr. President, this is an independent amendment of my own. It is not the Proxmire amendment.

The PRESIDING OFFICER. The time is limited to 15 minutes to a side.

The Senator may proceed.

Mr. HATHAWAY. Mr. President, this is the amendment we just discussed which places a 1-year limitation on the President's borrowing power from other agencies. I presume the Senator is in agreement with the amendment and that there is no need for further discussion.

Mr. McGEE. Mr. President, the committee is prepared to accept the amendment. In one sense, it is sort of self-defeating, only in the context that a matter could be reasserted in a year's time, but it serves a constructive end.

Mr. HATHAWAY. I thank the Senator.

Mr. President, I yield back the remainder of my time.

Mr. McGEE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

Mr. FONG. Mr. President, may I have the amendment read?

The PRESIDING OFFICER. The amendment will be read.

The assistant legislative clerk read as follows:

On page 8, between lines 16 and 17 insert the following:

SEC. 4. Section 107 of title 3, United States Code, is amended to read as follows:

"§ 107. Detail of employees of executive departments to office of President

"At the request of the President, the head of any department, agency, or independent establishment of the executive branch of the Government shall detail, from time to time, employees of such department, agency, or establishment to serve in the White House Office. The President shall advise the Congress of the names and general duties of all such employees so detailed to the White House Office. An employee may not be so detailed for full-time duty on a continuing basis for any period of more than one year. The White House Office shall reimburse each such department, agency, or establishment, for the pay of each employee thereof so detailed for full-time duty on a continuing basis, for any period of such detail occurring after the close of the sixth month following the date on which such detail first becomes effective.".

The PRESIDING OFFICER. All time has been yielded back. The question recurs on the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. Who yields time? The Senator from Wyoming is recognized.

Mr. McGEE. Mr. President, the Senator from Connecticut has an amendment.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. WEICKER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read, as follows:

On page 8, line 19, strike out "section" and insert in lieu thereof "sections".

On page 9, line 13, strike out the quotation marks.

On page 9, between lines 13 and 14 insert the following:

"§ 113. Limitation upon access of executive branch personnel to tax returns

"Notwithstanding any other provision of law or of any regulation made pursuant thereto, no return made with respect to any tax imposed by the Internal Revenue Code of 1954 shall be open for inspection by, nor shall any copy thereof be furnished to, any officer or employee in the executive branch, other than the President personally upon written request, or an officer or employee of the Department of the Treasury or the Department of Justice concerned with the filing and audit of such return, the payment, collection, or recovery of the tax with respect to which such return was made, or the prosecution of any offense arising out of that return."

On page 9, in the matter between lines 16 and 17, strike out the end quotation marks and the last period and insert in lieu thereof the following:

"113. Limitation upon access of executive branch personnel to tax returns."

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. WEICKER. Mr. President, I intend to ask for the yeas and nays on this vote.

Mr. President, I wish to spend a few minutes describing what is in this amendment. We have before us a bill which is described as a bill to clarify existing authority for employment of personnel in the White House Office and in the Executive residence at the White House, and employment of personnel by the President in emergencies involving the national security and defense, and for other purposes.

Evidence has been acquired over the past several months that indicates widespread abuses by White House personnel, which abuses specifically have related to illegal access to Internal Revenue Service material. More specifically the tax returns of various American citizens.

The law on the acquisition of such returns by White House personnel has been somewhat on the fuzzy side. It is my purpose here to legislatively prohibit anyone from acquiring such information from such returns, except as they are required by the President himself for himself.

The record is replete with the acquisition of Internal Revenue Service files by the very type of personnel that are the subject matter of this bill. On the second page of the bill the statement is made:

Those employees shall perform such official duties as the President may prescribe.

My amendment specifically sets forth that area which is out of bounds whether ordered by the President, or anyone else.

Everybody is aghast at those instances that have been revealed in the way of Internal Revenue Service information coming into White House possession. But the question is: What are we going to do about it?

Here we have a bill, relating to White House personnel. We also have before us very specific examples of how these personnel, time and time again, acquired information from the Internal Revenue Service, and how it was used in a negative or derogatory sense.

I want to make sure that whatever duties are prescribed by the President under this bill, those duties will not include the right or the authority to gain such information except by him on his written request. It is as simple as that.

Here is the opportunity to make sure an enemy or friend list taxwise does not happen again, and it is with that in mind that I propose this amendment, which though limited in scope is very clear in the end which it seeks to achieve.

I ask unanimous consent, Mr. President, that Mr. Dotchin, Mr. Baker, Mr. Mihalec and Mr. Field, of my staff be permitted access to the floor during debate on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I also ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, I yield to the Senator from Hawaii.

Mr. FONG. Mr. President, I make the point of order that under the unanimous-consent agreement, this amendment is not germane.

The PRESIDING OFFICER. The point of order is not in order until the time of the Senator from Connecticut has been used up or yielded back.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. WEICKER. The time to be charged to both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, I yield to the Senator from Hawaii.

Mr. WEICKER. Mr. President, as I understand the ruling of the Chair, it is first in order that I should yield back the remainder of my time on this amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. WEICKER. I yield back the remainder of my time.

Mr. McGEE. I yield back to the time on this side.

The PRESIDING OFFICER. All time has been yielded back.

Mr. FONG. Mr. President, I make the point of order that under the unanimous-consent agreement, this amendment is not germane.

The PRESIDING OFFICER. The Chair after reviewing the matter, sustains the point of order that the amendment is not germane.

Mr. WEICKER. Mr. President, I appeal the ruling of the Chair, and I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. McGEE. Mr. President, I suggest the absence of a quroum, with the time not to be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FONG. Mr. President, I ask unanimous consent that my request for a ruling on the germaneness be withdrawn and that the decision of the Chair be vitiated.

The PRESIDING OFFICER. Without objection, the action on the point of order is vitiated and the appeal is withdrawn.

The question is on the amendment.

Mr. GRIFFIN. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. FONG. Mr. President, we are willing to accept that.

Mr. McGEE. Mr. President, we had a consultation here, with the distinguished Senator from Connecticut, and we are prepared to accept the amendment and take it to conference. I do not know what will occur in conference. We cannot make guarantees, as the Senator well knows, but we will take it to conference in good faith.

Mr. WEICKER. Mr. President, I thank the distinguished Senator from Wyoming and the distinguished Senator from Hawaii. I believe they will battle through this principle of privacy. It is not difficult or complicated. I think it should be established. I thank both Senators very much.

Mr. FONG. Mr. President, may I ask the distinguished Senator a question?

This does not debar the President or anyone in the White House from asking the Internal Revenue, if a certain person is up for appointment, whether he has any tax problems?

Mr. WEICKER. It requires the President to make that request in writing. He can then get that information, that is correct.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was agreed to.

Mr. McGEE. Mr. President, I know of no other amendments to the bill.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PROXMIRE. Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, is there a time limit on this bill?

The PRESIDING OFFICER. There is a time limit on the bill.

Mr. PROXMIRE. Have we had a third reading?

Mr. McGEE. Mr. President, we were just prepared to ask for the third reading.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PROXMIRE. Do I have the right to suggest the absence of a quorum under the circumstances?

The PRESIDING OFFICER. Not without time being used at this point.

Mr. PROXMIRE. Mr. President, I ask unanimous consent I may suggest the absence of a quorum for a brief period without time being charged to either side.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, I know of no other amendments.

Mr. FONG. We yield back the remainder of our time.

Mr. McGEE. We yield back the remainder of our time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

The bill was read the third time.

Mr. FONG. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MONDALE. Mr. President, I rise to support S. 3647, and to commend the Post Office and Civil Service Committee and its distinguished chairman (Mr. McGee) for the outstanding job which he and the committee have done in shaping what I believe to be legislation of historic importance.

I was privileged to testify before the distinguished chairman (Mr. McGee) and the distinguished ranking minority member (Mr. Fong) on this legislation on June 26. My comments then reflected the fact that S. 3647, as originally introduced, was a dangerous and potentially destructive piece of legislation. Based largely on language supplied by the Office of Management and Budget, it granted authority for key White House staff positions without limitations as to time, dollars or numbers. In my view, the bill as originally introduced would have been worse than no authorization at all, and would have been an endorsement of more of the same type of lawlessness and arrogance which has typified the White House in recent years.

Sadly, the White House staff of today bears little resemblance to the White House staff envisioned when the Executive Office of the President was created some 35 years ago.

President Roosevelt's Committee on Administrative Management, which first proposed the creation of an Executive Office of the President during the late 1930's, stated that assistants to the President "would not be assistant presidents in any sense," and "would remain in the background, issue no orders, make no decisions, emit no public statements." President Roosevelt, in the Executive order which created the EOP, followed this advice by directing that "in no event shall the administrative assistants be interposed between the President and the head of any department or agency."

This is surely a far cry from the White House staff of today. From an original staff of 6 assistants to the President under Franklin Roosevelt, the Executive Office of the President has mushroomed to a staff of over 2,000 today. And the administration has asked for over $100 million in budget authority for fiscal year 1975 to run the EOP.

This, of course, is not a sudden development. Previous administrations—and the Congress—must share the blame for the growth of a White House staff of enormous size and influence. But even in this context, I believe this administration has used the White House office staff—and particularly the key advisors to the President—to aggrandize and centralize power to a degree never before experienced in our history. As the National Academy of Public Administration noted in its recent report to the Senate Select Committee on Presidential Campaign Activities, "the principal assistants and counselors have been converted from intimate personal advisors to the President to the equivalent of assistant presidents managing the executive establishment out of the White House."

Along with the growth in the White House staff's size and arrogance has come the corresponding ability to hide behind bloated notions of executive privilege in seeking to avoid responsibility to the Congress. Only recently, the President's newly appointed economic czar, Kenneth Rush, refused to appear before the Joint Economic Committee, citing executive privilege. This is only the latest of a series of similar refusals, all of which are aimed at reducing the ability of the Congress to exercise its oversight responsibilities.

I am sure that many in this body have had the same experience as I have during the past 5 years. We worked on a piece of legislation, believing that the representatives of this administration with whom we were dealing were those who should be representing it: the Cabinet departments, whose heads are subject to Senate confirmation and general congressional oversight. We bargained in good faith with these Cabinet officers, believing that positive results could be achieved. And often, we reached agreement—or what we thought was agreement—only to be told at the last minute that the Cabinet officer with whom we were dealing was really only a front man, a PR official sent out by the White House to fend off inquisitive Congressmen.

The real decisions, we were then told, were being made in the White House, by staff members not subject to congressional scrutiny, who could claim executive privilege at will, and who did an excellent job of thwarting the will of the Cabinet officers, whose job it should be to make Government policy.

Many of the extremely important issues raised by the growth in size and arrogance of the White House staff clearly go beyond the scope of S. 3647. And yet this legislation is one important and historic part of the entire White House staff problem, for it marks the first time that much of the present key White House staff has been legislatively authorized.

Particularly because of the importance of this legislation, I am extremely pleased to note that the major problems with S. 3647 as introduced have been resolved, and many desirable features have been incorporated in the committee-reported bill.

First, the committee bill does away with the open-ended authorization for high-level White House staff personnel which was incorporated in the bill as introduced. Although the limit of 75 supergrade and Level II through V positions which it sets is in my view too high, since it expands the present staff by 10 authorized positions, the bill does incorporate the all-important concept of a legislatively mandated maximum on high-level personnel.

Hopefully, the Appropriations Committees of the House and Senate will exercise restraint in funding these positions, and will very critically examine the need for any expansion of key positions within the White House, in view of the rapid growth of these key positions in recent years.

Second, the bill as reported does away with the shockingly broad language in the original bill which would have authorized the President, without any limitation of dollar amount, to deal with "emergencies involving the national interest, security, or defense which may arise within or outside the United States of America."

The committee-reported bill has wisely eliminated this extraordinarily broad language, which in my view was inexcusable after all we have been through with Watergate. In its place, the committee has inserted a legislative authorization of up to $1 million annually, to be used by the President "to appoint and pay employees to meet unanticipated personnel needs and to pay administrative expenses incurred with respect thereto."

This language conforms with past usage of the so-called emergency fund of the President, which has been used for a variety of legitimate purposes for over 20 years. By placing a maximum of $1 million in yearly authorization, it successfully eliminates the potential threat of dangerous Presidential action which the White House language implied.

Third, the committee-reported bill placed a July 1, 1978 cutoff date for the authorization for White House personnel and the President's emergency fund envisioned by this legislation. I am particularly pleased with this provision of the bill since it will require future Presidents to come to the Congress and make their case for their own staff needs. In view of the usurpation by the White House staff of recent years of the functions of Cabinet officers and others to whom principal responsibility for executive department policymaking should be delegated, I believe that it is essential that any future President, of whatever political party, be required to come to the Congress and grant us our proper role in determining the size and shape of the White House staff.

Fourth, the committee-reported bill requires that statements of expenditures for White House office employees, including employees detailed to the White House office, be transmitted to the Congress on a regular basis. Once again, this provision was lacking in the bill as introduced, and once again, it performs an extremely valuable function by allowing the Congress to know precisely who is employed in key positions in the White House, what they are earning, and what the general range is of their responsibilities. In addition, by giving us a count on detailees in the White House, it will enable the Congress to frame legislation in the future which takes into account the real levels of staff assistance in the White House, and the necessity for placing future limits on the extent of detailing.

Mr. President, for too many years, we in the Congress let ourselves be lulled into unthinking compliance with White House wishes, whenever it came to staffing for the President. Comity between the branches of government, we were told, required that we not look at the authority for White House positions or the budget for these positions.

Yet for too long, comity has been used as an excuse by the Congress to shirk its responsibility to make the White House more responsive and accountable to the Congress.

We have the power of the purse. We have the power to authorize or not to authorize programs and positions. And unless we use these powers, comity becomes a cruel joke, slowly sapping the vitality out of our system of checks and balances.

When I testified before the Post Office and Civil Service Committee in opposition to S. 3647 as originally introduced, I stated that:

> The real question is whether we have an issue of executive usurpation and, if so, whether the role of authorizing and appropriating money to the White House and its staff can diminish this trend toward such usurpation.

I am happy to note that as a result of the action by the committee, I believe that this legislation will help us reduce the possibility of any White House, now or in the future, attempting to aggrandize power and centralize functions to the detriment of the national interest.

Mr. McGEE. Mr. President, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of H.R. 14715 and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read the bill as follows:

> A bill (H.R. 14715), to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes.

Mr. McGEE. Mr. President, I ask unanimous consent that the Senate vacate the yeas and nays on S. 3647 and ask for the yeas and nays on H.R. 14715.

The PRESIDING OFFICER. Without objection, it is so ordered.

The yeas and nays were ordered on H.R. 14715.

Mr. McGEE. Mr. President, I ask unanimous consent that all after the enacting clause of H.R. 14715 be stricken, and the language of S. 3647, as amended by the Senate, be substituted.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill was read the third time.

The PRESIDING OFFICER. All time has been yielded back.

The bill having been read a third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I also announce that the Senator from Colorado (Mr. HASKELL) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. Cotton), the Senator from Oregon (Mr. Packwood), and the Senator from Virginia (Mr. William L. Scott) are necessarily absent.

I further announce that, if present and voting, the Senator from Kentucky (Mr. Cook) would vote "yea."

The result was announced—yeas 85, nays 3, as follows:

[No. 317 Leg.]

YEAS—85

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Fannin
Fong
Fulbright
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—3

Goldwater
Helms
Roth

NOT VOTING—12

Cook
Cotton
Eastland
Ervin
Haskell
Inouye
Long
Metzenbaum
Packwood
Ribicoff
Scott, William L.
Stennis

So the bill (H.R. 14715) was passed.

The title was amended so as to read: "A bill to clarify existing authority for employment of personnel in the White House Office and in the Executive Residence at the White House, employment of personnel by the President to meet unanticipated personnel needs, and for other purposes."

Mr. McGEE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGEE. Mr. President, I ask unanimous consent that the title of H.R. 14715 be amended to read as follows:

An act to clarify existing authority for employment in the White House and in the Executive Residence at the White House, and employment of personnel by the President to meet unanticipated personnel needs, and for other purposes.

The motion was agreed to.

Mr. McGEE. Mr. President, I move to reconsider the vote by which H.R. 14715 was passed.

Mr. FONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGEE. Mr. President, I ask unanimous consent that S. 3647 be indefinitely postposed.

The motion to postpone was agreed to.

Mr. McGEE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McGEE. Mr. President, I ask unanimous consent that the Senate insist upon its amendments, and request a conference with the House of Representatives thereon, that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Fong, Mr. Randolph, and Mr. McGee conferees on the part of the Senate.

CONSUMER PROTECTION AGENCY ACT

The PRESIDING OFFICER. The Senate will resume consideration of the unfinished business which the clerk will report.

The legislative clerk read as follows:

(A bill (S. 707) to establish a council of consumer advisors in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

DEPARTMENT OF AGRICULTURE-ENVIRONMENTAL CONSUMER PROTECTION APPROPRIATION, 1975

Mr. MANSFIELD. Mr. President, I ask that the pending business be laid aside temporarily and the Senate turn to the consideration of Calendar No. 974, H.R. 15472, so that it may be the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

An act making appropriations for agricultural-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

SOUTH KOREAN DEFENDANTS: ANGRY POET AND FRAIL FORMER PRESIDENT

Mr. FULBRIGHT. Mr. President, will the Senator yield 30 seconds for the introduction of a bill?

Mr. JAVITS. Yes.

Mr. FULBRIGHT. In today's New York Times, there appears an article datelined Seoul, Korea, by Fox Butterfield, about the recent drive of the government to stifle all dissent against that regime

Since we now have before the Congress the foreign aid bills in which large sums of our people's money is to be given to the Government of Korea, I think it should be of interest to my colleagues to see what we are supporting with our money.

Ninety-one people have so far been convicted, 14 sentenced to death and another 100 awaiting trial for the crime of advocating democracy in that country.

I am constantly astonished that the Members of this body are willing and eager to support such repressive regimes as that which exists in Korea and Greece, but at the same time are so shocked by the immigration policies of the Soviet Union. It is, at least, an interesting psychological question to reconcile these views.

I ask unanimous consent to insert this article in the Record.

South Korean Defendants: Angry Poet and Frail Former President

(By Fox Butterfield)

Seoul, South Korea, July 17.—When Kim Chi Ha, South Korea's best-known young poet, heard a death sentence pronounced against him by a military judge last week, he was reported to have laughed.

"Even a sparrow squeaks before dying!" he is said to have shouted, quoting a Korean proverb. "So let me tell you my cause is just. I would do the same thing over again if I am released."

Yesterday, before another military tribunal, a former President of South Korea, Yun Po Sun, calmly admitted having given the equivalent of $1,000 to dissident students. Under emergency decrees proclaimed by President Park Chung Hee this year, that is a crime punishable by death.

The two defendants seem unlikely associates, either in crime or in their blunt defiance of the Government. Mr. Kim, 33 years old, is a brilliant satirical poet whose writing has twice been interrupted by bouts of tuberculosis. Mr. Yun, 77, is a frail, reclusive elder statesman from an old aristocratic family. They have been thrown together in the most sweeping series of political trials in South Korea's troubled history.

NINETY-ONE CONVICTED SO FAR

The trials, which began in February and March but then slackened off until June, are President Park's response to demonstrations last winter against his increasingly authoritarian 13-year rule. Ninety-one people have been convicted so far—14 of them sentenced to death—and it is estimated that 100 or more are in jail awaiting trial.

The prisoners, including clergymen, professors, students and members of the opposition, share certain links. They are largely from the urban middle class and well educated, and many are members of the Christian minority of 12 per cent, which has long played an active role in politics and movements for social justice.

Mr. Kim, a Roman Catholic, has long been under the influence of the Most Rev. Daniel Chi, the most outspoken Catholic leader, who was himself arrested last week but then released. For several years, Mr. Kim lived with and worked for the Bishop, and one of the charges against both of them was that Mr. Kim took money from the Bishop to give to student demonstrators.

Many years ago Mr. Yun's father built a small brick Presbyterian church next to their sprawling traditional home, which covers several acres in downtown Seoul.

"All we are working for is democracy in this country," Mr. Yun explained to a visitor earlier this week. Yesterday he was placed under house arrest and forbidden to talk with correspondents.

COMMUNIST LINK DENIED

"The students are Christians, not Communists," Mr. Yun said the other day, speaking in the English he learned 50 years ago as a student in Scotland. "If we don't have democracy here, why did the American soldiers come to Korea to fight and die?"

He sat on an old, carved Chinese-style wooden chair, surrounded by antique porcelain vases and scroll paint-ancestors. Above his head was a Chinese inscription reading, "Study and loyalty to repay the nation." It was drawn in the 19th century by one of Korea's last kings.

Mr. Yun, was elected President in 1960 after the overthrow of President Syngman Rhee, walks slowly with the aid of a cane. Seventy members of his family once inhabited the home—actually a series of tile-roofed compounds joined around a park—but only he and his wife live there now.

Mrs. Yun accompanied her husband to the court-martial yesterday. Each defendant is allowed to have only one close family member present.

Mr. Kim's wife went to the dozen sessions of her husband's trial, taking with her their son, born since Mr. Kim was arrested in April. She has not been allowed to visit him in prison or exchange letters with him.

IDENTITY IS CONCEALED

Though Mr. Kim is well known, many Koreans still are not aware that he was tried and given the death penalty. In announcing the verdict a military spokesman described him only by his little-used original name, Kim Young Il, and the strictly controlled press did not venture to supply the missing information.

To avoid her own arrest, Mrs. Kim declined to speculate whether the charges against her husband were true. However, a letter circulating in Seoul that was drawn up by families of some of the 54 others convicted in the same trial alleges that the Government manufactured the evidence and subjected the prisoners to "intolerable torture by water, electricity and denial of sleep."

Whatever the Government's case, there is no doubt that Mr. Kim's writing has incensed President Park for years. His poetry, in a lyrical, compelling style that drew heavily on traditional folk themes and classical allusions, grew more and more political.

His most famous poem, titled "The Five Thieves," describes an orgiastic contest in corruption between officials, businessmen and generals. It says:

Long ago peace reigned over the land.
Farmers ate to their fill. Many died of ruptured sides.
People went naked because they became tired of fine silk.
But right in the middle of Seoul there lived five thieves.
Watch the general—he crawls on all fours, with tens of thousands of medals made of gold and silver wrapped around his body.
He misappropriates his soldiers' rice and fills the sacks with sand.
What wonderful war tactics he has.

ORDER FOR NOTIFICATION OF THE PRESIDENT OF THE CONFIRMATION OF EXECUTIVE NOMINATIONS

Mr. MANSFIELD. Mr. President, on July 15 the Senate confirmed a number of nominations to the U.S. Railway Association, the National Railroad Passenger Corporation, and the Federal Energy Administration. The nominations were as follows:

U.S. RAILWAY ASSOCIATION

Arthur D. Lewis, of Connecticut, to be chairman of the Board of Directors of the U.S. Railway Association for a term of 4 years.

NATIONAL RAILROAD PASSENGER CORPORATION

Gerald D. Morgan, of Maryland, to be a Member of the Board of Directors of the National Railroad Passenger Corporation for a term of 4 years.

FEDERAL ENERGY ADMINISTRATION

The following-named persons to be Assistant Administrators of the Federal Energy Administration:

Leonard B. Pouliot, of Virginia.
John W. Weber, of Connecticut.
Eric Roger Zausner, of Virginia.

As in executive session, I move at this time that the President be notified of the confirmation of those nominations, so that they can be expedited to the White House for his signature.

The PRESIDING OFFICER (Mr. BARTLETT). Without objection, it is so ordered.

CONSUMER PROTECTION AGENCY ACT

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Robert Kerr of my staff be given the privilege of the floor during the consideration of this bill (S. 707).

The PRESIDING OFFICER (Mr. BARTLETT). Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on July 18, 1974, he presented to the President of the United States the following enrolled bill:

S. 3679. An act to provide temporary emergency livestock financing through the establishment of a guaranteed loan program.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the remarks of Mr. STENNIS, for which an order has already been entered, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION ON MONDAY OF H.R. 15472, APPROPRIATIONS FOR AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION PROGRAMS

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene again on Monday next at the hour of 10 a.m. After the two leaders or their designees have been recognized under the standing order, Mr. STENNIS will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business, of not to exceed 15 minutes, with statements limited therein to 5 minutes each, at the conclusion of which period the Senate will resume consideration of H.R. 15472, an act making appropriations for agricultural, environmental, and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

There is a time agreement on that bill under which no votes will occur before the hour of 3:30 p.m., and under which a final vote on the disposition of the bill will occur at 5 p.m., on Monday.

There will be rollcall votes on final passage of the bill and on amendments thereto.

ADJOURNMENT UNTIL 10 A.M. MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand adjourned until 10 o'clock on Monday next.

The motion was agreed to; and at 4:52 p.m., the Senate adjourned until Monday, June 22, 1974, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 18, 1974:

NATIONAL RAILROAD PASSENGER CORPORATION

Roger Lewis, of the District of Columbia, to be a member of the Board of Directors of the National Railroad Passenger Corporation for a term of 2 years.

DEPARTMENT OF STATE

Robert P. Smith, of Texas, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malta.

James B. Engle, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Dahomey.

COUNCIL ON INTERNATIONAL POLICY

William D. Eberle, of Connecticut, to be Executive Director of the Council on International Economic Policy.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

H. Mason Neely, of the District of Columbia, for a term of 3 years expiring June 30, 1977.

HOUSE OF REPRESENTATIVES—*Thursday, July 18, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

He leads the humble in what is right and teaches the humble His way.—Psalms 25: 9.

God be in the morning of our day and in the evening hours when our work is done; be in the thoughts that live in our minds, in the emotions which move our hearts, and in the daily labor of our hands that they may be acceptable in Thy sight who are our Strength and our Redeemer.

Cleanse our national life from discord, violence, and suspicion, from pride and prejudice and every evil way. Keep us from hating one another lest in our hatred we hurt ourselves.

In the midst of the work of this day keep us aware of Thy presence and let the light of Thy wisdom fall upon our pathway.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3679. An act to provide emergency financing for livestock producers.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6642. An act to suspend the duties of certain bicycle parts and accessories until the close of December 31, 1976.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1566. An act to provide for the normal flow of ocean commerce between Hawaii, Guam, American Samoa, or the Trust Territory of the Pacific Islands and the west coast, and to prevent certain interruptions thereof; and

S. 1791. An act to amend title VIII of the Foreign Service Act of 1946, as amended, relating to the Foreign Service retirement and disability system, and for other purposes.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1975

Mrs. HANSEN of Washington. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the Department of the Interior and related agencies appropriations bill for 1975.

Mr. McDADE reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

COMPOSITION OF COMMITTEE ON PUBLIC WORKS DURING REMAINDER OF 93D CONGRESS

Mr. O'NEILL. Mr. Speaker, I offer a resolution (H. Res. 1243) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1243

Resolved, That during the remainder of 93d Congress, the Committee on Public Works shall be composed of 42 members.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING ASSISTANCE TO RURAL VOLUNTEER FIRE DEPARTMENTS

(Mr. MIZELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MIZELL. Mr. Speaker, many of my colleagues joined me on June 26, 1974, in voting for my amendment to the agriculture appropriations bill to give rural volunteer fire departments $7 million to acquire badly needed equipment, training, and facilities.

Those of you who supported the amendment will be happy to learn that yesterday the Senate Appropriations Committee reported its bill which included the $7 million appropriations.

KERNER MUST GO

(Mr. GROSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, I am sure all Members of the House are aware that Federal Judge Otto Kerner of the U.S. Seventh Circuit Court of Appeals, has been convicted of mail fraud, conspiracy, and tax evasion; he has exhausted all appeals and has been ordered to report to a Federal prison on July 29.

I am advised by the Director of the Administrative Office of the U.S. Courts that Judge Kerner's salary of $42,500 a year continues to be paid to his account in a Chicago bank and will continue to be paid to him for the rest of his life unless or until he resigns or is impeached.

It is outrageous and unthinkable that the American people should be forced to pay this man another dime in salary. Therefore, Mr. Speaker, on next Tuesday, July 23, or thereafter, unless Kerner has resigned, I intend to initiate action in the House of Representatives necessary to impeach him.

PRIVATE BRIEFING SESSIONS BY THE COMMITTEE ON THE JUDICIARY

(Mr. SHUSTER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, I was told today by a member of the Committee on the Judiciary that the majority on the Committee on the Judiciary have been conducting private and therefore secret briefing sessions at night on the impeachment issue without the minority members being present.

Mr. Speaker, I hope I misunderstood, or I hope the information is inaccurate, but I call on the majority to confirm or refute the claim that they have been meeting separately on the impeachment issue.

It is a common practice for the majority and the minority to caucus separately on partisan issues, but did this happen in the case? If so, it uncovers the partisan nature of this inquiry.

Mr. Speaker, some of us have tried to keep an open mind on this subject, but the majority on the Committee on the Judiciary by its actions may well end up driving us into the President's corner.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

Mr. UDALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11500) to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of Interior to make grants to States to encourage the State regulation of surface mining, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Arizona.

The motion was agreed to.

The SPEAKER. The Chair requests the gentleman from Massachusetts, Mr. BOLAND, to assume the Chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11500, with Mr. BOLAND (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

Mr. HOSMER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore. One hundred four Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Before the Committee rose on yesterday, it had agreed that title I, ending on page 145, line 17, of the committee amendment in the nature of a substitute would be considered as read, printed in the RECORD, and open to amendment at any point. There was pending the amendment in the nature of a substitute offered by the gentleman from California (Mr. HOSMER), which constitutes the text of the bill H.R. 12898.

The gentleman from California is recognized at this time in support of his amendment.

(Mr. HOSMER asked and was given permission to revise and extend his remarks.)

Mr. HOSMER. Mr. Chairman, as I have indicated in the past during the proceedings in the Committee on Interior and Insular Affairs with respect to the proposition of attempting to regulate the surface mining of coal in order to prevent environmental depredations, it came to me that the writing of the bill was in the hands of those, however properly and honestly, who were dedicated almost exclusively to the protection of the environment that our society honors and holds dear. But in this focus, this narrow focus upon environmental considerations, it turns out that other considerations of equal importance in our society were being neglected. In this case most importantly the energy ethic.

To my mind, in my reading of history, the United States of America is indeed a unique political society and a unique economic society. This country from its very beginning was built on a foundation consisting of the ideas and beliefs and moralities of its people combined with ready access to, and availability of, energy. As the industrial revolution came to America and as our Constitution was written and as our country grew and developed from 13 struggling colonies into a great Nation of 50 States, the fundamental underpinning in a physical way of that society was this abundant availability of energy.

We were taught a lesson about that only a few months ago, last winter, when temporarily the Arab oil embargo cut off about 10 percent of our petroleum energy. What happened? The fabric of this society of ours that was underpinned by this availability of energy commenced to shake and to crack. Had that embargo continued until today, the United States would not be the strong, powerful, world-dominating nation that it is. Weakness, the lack of power, would eventually collapse us from within.

Therefore I reached the determination that it was my duty, and the duty of those who see as I do about the need to preserve our country and our way of life, to do everything in our power to bring about legislation which respects both ethics and not just one of them, which does not in its desire to clean up the environment dump the country into a vortex of political chaos, and economic depression.

I tried to draft the bill, H.R. 12898, which is now before us, so that it would accomplish these ends. So that it would not permit anybody to surface mine coal in this country if the land could not be reclaimed afterward. But, so that under this bill if they can dig coal and if the land can so be reclaimed and will so be reclaimed, the operation can continue.

The committee has chosen to draft legislation which, in effect, if not in bold language, will cripple much of the national capability to produce coal by surface methods. It has done so by giving lip service to reason but, in the final analysis, writing a bill which in many parts of the country will simply prohibit surface mining. Moreover, the committee has gone beyond the question of surface mining and extended the purview of the bill to the underground sector as well.

In 1973 surface mining of coal accounted for approximately 49 percent of production. Of that amount, 211 million tons—73 percent—was consumed by electric utilities.

Surface mining occurs in practically every state where coal is mined. Kentucky leads in surface mining output in terms of tonnage but in many states such as Indiana, Arizona, Alaska, Montana, North Dakota, Texas, Kansas, and Wyoming, surface mining accounts for virtually all the coal produced.

Surface mining has grown rapidly in the past several years as a result of a number of economic and geologic factors. It also has grown because of technological innovations which both enhance production efficiency and the capability to restore or reclaim mined land. However, for three years its increase in percentage of national output has slowed and even dropped slightly. This is largely the result of fears about the enactment of just such a bill as H.R. 11500.

There does not appear to be any feasible way to replace surface mining tonnage with deep tonnage, especially in the short or mid-term. Indeed, to the extent that such a conversion would be forced, the cost may well be measured both in terms of human life as well as in dollars. Thus, a bill such as H.R. 12898, which stops environmental degradation while still facilitating the extraction of needed energy resources, is the essence of reason.

The proponents of H.R. 11500 ignore a basic fact of life insofar as coal production is concerned and that fact is that America needs every pound of coal our mines can produce. From surface and from underground, from East, Midwest, and West, the major task of the American coal industry is to produce coal in ever increasing quantities. The objective of our legislation should be to insure that this surface mining is done properly and is followed by effective reclamation. As it stands, H.R. 11500 simply ducks the problems of reclamation by preventing mining.

It will impose arbitrary and unreasonable restrictions and standards on the surface mining of coal. The result will be disastrous to every American who relies in any major way on energy to support his lifestyle. And, that includes just about everybody.

Fewer than 5 percent of the surface coal mines in the United States produce as much as 200,000 tons of coal annually. This is an antismall business bill as well because 65 percent of the 2,309 surface coal mines in the United States produce 50,000 tons or less a year. Such small operations could never afford to research and prepare the exaggerated and unreasonably detailed mining permit applications H.R. 11500 requires.

The excessive costs of compliance with, and administration of its unnecessary requirements and overly restrictive standards of performance will hit hard at every consumer's pocketbook—not just in terms of his electric power bill, bill, but also in the cost of every item he buys, because no product comes to the market today without a substantial component of energy cost. Thus H.R. 11500 is also an anticonsumer bill.

It is unquestionably a most confused bill. Two hundred and two amendments to H.R. 11500 were sponsored during committee consideration. A whopping 137 actually were called up and 88 adopted while 49 were rejected. Many of those 49 were rejected without consideration on the merits because debate was arbitrarily foreclosed by a closure resolution. Of the 202 amendments, 98 were offered by various sponsors of H.R. 11500; and of those 98 amendments, 97 were sponsored by members of the two subcommittees—environment and mines and mining—which handled the bill. An additional 48 amendments were sponsored by subcommittee members who were not sponsors of the bill, yielding a total of 145 amendments sponsored by members of the two subcommittees. These statistics are recounted as incontrovertible evidence of how sorry a vehicle H.R. 11500 is.

This clearly demonstrates that H.R. 11500 as developed in 20 joint subcommittee markup sessions was unworkable. Unfortunately, after 19 markup sessions in the full committee, the bill still remains a bad product.

Title II is called the "heart of the bill," since it includes all of the procedural and performance requirements. It would seem, therefore, that the most careful consideration should have been given to this title, and that amendments would have been carefully explained and discussed by the committee prior to adoption or rejection of the amendment on its merits. This is particularly true because the legislative history of a measure can be very important to its ultimate interpretation by administrators and courts. Where no legislative history exists, the courts are left to their own imaginative interpretation of the legislative language unaided and without guidance from a clear expression of legislative intent. It would follow, therefore, that a thorough committee discussion and analysis of title II, and of amendments proposed and adopted or rejected, would have been regarded as essential, not just for guidance in writing the committee report, but also for those who will later be called upon to interpret and implement the legislative language.

But what are the facts?

The committee adopted a gag rule on April 3. Under that rule, 58 amendments to title II were to be disposed of without debate. With the exception of a few comments here and there, the record will disclose that the gag rule remained in force throughout the entire so-called consideration of title II.

Having failed to establish a legislative history concerning the "heart of the bill," it follows that the Secretary of the Interior, the States, the courts and the industry are left unaided in interpreting it. They will be on their own in extremely troubled waters.

A careful analysis of the various time factors in the bill will disclose a disregard for the numerous difficulties inherent in a "startup" regulatory program as complex as this. Delays in the opening of new mines are almost a certainty. The shutdown of some existing mines is more than likely. Expansion of existing mines will be delayed. The inevitable result will be a diminution of coal production in the short term. A delay in the expansion of coal production in the middle term.

H.R. 11500 will:

First. Impose arbitrary, confusing, unnecessary and unreasonable procedural requirements on the surface mining of coal. The results will be disastrous to consumers and small coal operators, making the bill anticonsumer and antismall business legislation—see title II, section 201 and section 211—H.R. 12898 will not do this;

Second. Illogically require each State to designate areas unsuitable for surface coal mining based solely on some regulator's arbitrary determination of whether reclamation is physically and economically possible. It allows no consideration of new mining and reclamation methods or other factors influencing a surface coal mine operator's economic ability to demonstrate that proper reclamation of such lands can be accomplished—see section 206—H.R. 12898 will not do this;

Third. Needlessly impose a costly, burdensome and onerous task upon any coal operator to submit detailed information with his permit application to surface mine coal. The economic impact of supplying such sophisticated and costly information will ultimately squeeze many small coal operators—whose contributions to the energy supply are essential—out of business—see sections 208, 209, 210, 213, 214, 215, 217, 218—H.R. 12898 will require essential and relevant information;

Fourth. Needlessly impose arbitrary and unreasonable environmental protection performance standards by:

Prohibiting the placement of spoil, and so forth, on the downslope in contour (mountain) surface coal mining even though it is to be properly shaped, graded and revegetated. This is an antismall business provision since it is largely small operators who operate on steep slopes—see sections 201(b)(1) and 211(c)(1)—H.R. 12898 differs considerably;

Requiring the restoration of the approximate original contour of the land after surface mining by backfilling, compacting and grading of the land with all highwalls, spoil piles and depressions eliminated. In many cases these steps may be unnecessary for putting the mined land in a responsible condition. When they are not necessary this requirement imposes a very costly and often physically impossible burden of finding enough soil to fill in the area, replace the overburden and topsoil and restore the land to its "approximate original contour—see sections 201(b)(2)(A) and 211(b)(8)—H.R. 12898 is less burdensome;

Requiring absolute preservation of the hydrologic integrity of alluvial valley floors and the restoration of the water recharge capacity of the minesite to approximate premining conditions as a prerequisite to obtaining a permit to surface mine coal. This assumes that nature's momentary hydrological conditions, which are sometimes sad, indeed, must be forever preserved and never improved, and to do all this would require the possession of the omnipotent powers of a Deity—see section 211(b)(14)(D) and (E)—H.R. 12898 is less absolute;

Fifth. Regulate underground coal mining operations and the surface effects of underground coal mining by imposing arbitrary and unreasonable procedural and environmental standards—see section 212. The regulation of underground mining is a separate subject and should not be confused with surface mining regulation. H.R. 12898 does not do this;

Sixth. Require the enforcement of unreasonable permit provisions that are overly harsh and needlessly discourage mining. They include civil penalties of up to $10,000 per day and criminal penalties of a $10,000 fine and/or 1 year's imprisonment and authority to issue arbitrary "shutdown orders" by inspectors and individuals from various Federal agencies as well as the States with limited and varying expertise or knowledge of surface mining operations and problems—see sections 220 and 224—H.R. 12898 does not do this;

Seventh. Permits citizen's suits, and public participation in all procedural matters and allows for almost constant intervention by third parties thus creating a level of litigious harassment which could lead to mischief and abuse of the legal process—see section 223—H.R. 12898 does not do this and requires those seeking to enforce its provisions to have a real and legitimate interest which they seek to protect;

Eighth. Impose a moratorium on surface coal mining on Federal and Indian lands by incorporating immediately upon enactment of H.R. 11500 all the procedural requirements and environmental standards to all surface mining and reclamation operations on federal lands. This will impose, together with tribal approval or disapproval, at a minimum, an 18-month moratorium on permits for new surface coal mining operations on Federal lands—see section 225 and title III—H.R. 12898 does not do this;

Ninth. Imposes a reclamation tax calculated on the basis of total BTU's contained in the coal produced or imported during the preceding quarter. The proceeds will pay for the acquisition and reclamation of abandoned or inadequately reclaimed lands. This anticonsumer provision will inequitably increase costs of electrical energy for citizens who buy from utilities burning strip mined coal. Any obligation here is a national one, not a haphazard local obligation—see title IV, section 401 et. seq.—H.R. 12898 does not do this; and

Tenth. Unfairly grants to surface owners—where the mineral and surface rights are in separate ownership—a veto power over the disposition of federally or privately owned coal. This could amount to a very substantial windfall to the surface owner and require the lessee-coal operator to pay twice for the same coal, first to the Federal Goverment for the lease, and second to the surface owner or leasee for his written consent to mine—see section 709—H.R. 12898 does not do this.

H.R. 12898—A VIABLE ALTERNATIVE

The wide scale adverse reaction to H.R. 11500 since it was reported by the Subcommittees together with the descent of the energy crisis has demonstrated the need to seek a legislative vehicle which provides a balanced and reasonable approach to the regulation of surface or strip coal mining. H.R. 11500 will stifle coal production at the very moment that as a Nation our national interest requires that it be increased. Millions of people have never seen a strip mine, but over a hundred million people in the last few months have seen a gasoline line at their neighborhood filling station. The need for coal, petroleum and all forms of energy is apparent, great and growing. In the face of that, something has to give. Considerations other than the strictly environmental ones must be brought fairly into play.

H.R. 12898 does that.

H.R. 12898 is a bill which is firmly committed to the strict regulation of surface coal mining in order to prevent the desecration of our natural inheritance by reckless mining practices and the shameful neglect of a sound reclamation program.

H.R. 12898 is a bill which is environmentally sound in protecting society from the adverse effects of surface mining.

H.R. 12898 calls for the expenditures and the efforts necessary to dig coal and obtain its value without, at the same time, sacrificing other values.

It will cost money to preserve environmental values. But preserving them is worth that money and the cost will be paid by the users of energy. However, there will be users of energy, because there will be energy to use. That is what H.R. 12898 will accomplish. That is what H.R. 11500 would not accomplish.

H.R. 12898 calls for the strict Federal regulation of surface coal mining operations, and authorizes the Secretary of the Interior to make grants to the States to encourage them to likewise regulate surface coal mining.

H.R. 12898 must be a good bill because it seems to make everybody a little unhappy: the administration does not like parts of it, the environmentalists do not like the idea of EPA being denied an arbitrary veto in the coal mining area and industry is screaming that it is being put in a straitjacket and threatened with jail. That is OK. Let them all scream. Let them all come in with their amendments and let the full U.S. House of Representatives resolve the issues. It is not a perfect bill, but it is written clearly and in a manner which is amendable. In contrast, H.R. 11500 has been turned into such a legislative nightmare that amending it is an almost impossible task.

In putting H.R. 12898 together, the views of all parties concerned was sought and their input requested. This is what can be called a ratcheting process. We sought to let them work out their frustrations and discover for themselves how hard it is to write a bill and how much compromise is required in the legislative process.

In seeking consensus on the various proposals and counterproposals, we hoped to produce a resignation to the need to fairly balance environmental values and energy values and other values recognized by society. We believe coal industry people and utility representatives will huff and puff, but eventually acknowledge H.R. 12898 as a superior vehicle for markup purposes and probably have some amendments they want. We do not expect the environmentalists who had the major hand in designing the one-sided H.R. 11500 will embrace H.R. 12898, but possibly if they really believe there should be legislation on this subject this year, they could grudgingly admit that it can be done with H.R. 12898 and a bill with reasonable respect for the environment enacted.

To reiterate, the objective of H.R. 12898 as a substitute for H.R. 11500 is to continue the production of coal by surface coal mining techniques, with due respect for the environment, and a conscious consideration of the energy requirements of this Nation. The ratcheting approach to writing this legislation has produced a reasonable bill that is a sound alternative to H.R. 11500. As a substitute H.R. 12898 can be marked up, amended, and be subjected to the full legislative process.

There should be no illusion that H.R. 12898 will accomplish its environmental objectives at no increase in the cost of coal to the consumer. Nobody gets something for nothing. It was cheap to rape the landscape. We will have to, and we should, pay to stop that sort of foolish waste. The increased cost of coal to the consumer which will result from the substitute bill is the necesary trade-off for the provisions to protect the environment from recurrence of the past excesses of irresponsible surface mine operators.

The following are amongst the major provisions of H.R. 12898, the balanced substitute for the unbalanced H.R. 11500:

First. An interim regulatory procedure which will take effect within 90 days from the date of enactment. The interim permit will provide for the restoration of the approximate original contour, require topsoil replacement, and a stable and self-regenerative vegetative cover. It will prohibit spoil placement on steep slopes, require stabilization of waste piles and the burying of toxic material, require protection of water quality and quantity, and protection from offsite damages. The regulatory authority may alter downslope and contour restoration requirements only if it will result in the land ending up with an equal or better economic, or public use—section 201;

Second. A procedure requiring the Federal Government to establish minimum coal mining and reclamation guidelines for State regulatory and enforcement programs within 180 days following the date of enactment—section 202.

Third. Provisions for approval of State regulatory programs which meet stiff Federal guidelines for surface coal mining and reclamation operations—section 203;

Fourth. Provisions for a Federal program to be implemented on Federal lands and in States which fail to adopt a federally approved plan within 24 months after the date of enactment—sections 204, 221;

Fifth. A provision compelling the States and Federal agencies to establish an objective land review program for designating areas unsuitable for surface coal mining operations under existing technology because they cannot be properly reclaimed. Decisions would be based on public hearings and scientific data—section 205;

Sixth. A ban on surface coal mining operations except in accordance with 5-year renewable permits conditioned on adherence to a sound mining and reclamation plan setting forth the engineering techniques to be used in the surface coal mining and reclamation operation—sections 207–209, 212;

Seventh. The posting of a reclamation bond or deposit adequate to assure satisfactory and permanent reclamation of the mined land, adequate insurance to compensate for any offsite damages from mining operations—sections 210, 211;

Eighth. Comprehensive mining and reclamation performance standards for both surface coal mining and surface operations incidental to underground coal operations—sections 213–214;

Ninth. Provisions insuring public notice of permit applications and provisions for public hearings on promulgation of State and Federal standards, mining permit applications, bond release procedures, and a provision authorizing citizen suits—sections 215, 220;

Tenth. Provisions requiring both State and Federal inspections of surface mining operations together with provisions for adequate monitoring and recordkeeping. Provisions for studies of subsidence and underground waste disposal in coal mines—sections 216–218, 302;

Eleventh. Stiff penalty provisions for violations by mine operators, including revocation, suspension, permit denials, and civil and criminal fines and imprisonment of up to 1 year—section 219; and

Twelfth. Protection for owner of the surface estate by requiring written consent of the surface owner prior to issuance of a mining permit or, in lieu thereof, execution of a bond to secure payment for any damages to the surface estate as fixed by agreement or court order—section 308.

The provisions of H.R. 12898 and section by section analysis are as follows:

The uncontroverted testimony before the committee is that under H.R. 11500 we will preclude some amount, whether it is 10 percent or whether it is 65 percent of this Nation's available surface coal reserves from use, if H.R. 11500 is enacted. There is no controversy about that. And there should be no controversy about the fact that the Nation cannot stand this loss of energy.

The CHAIRMAN pro tempore. The time of the gentleman from California has expired.

Mr. HOSMER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

AMENDMENT OFFERED BY MR. KETCHUM TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HOSMER FOR THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. KETCHUM. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from California (Mr. HOSMER) for the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. KETCHUM to the amendment in the nature of a substitute offered by Mr. HOSMER for the committee amendment in the nature of a substitute: Page 17, line 25. Strike the period and insert the following: "to bring such program into compliance with the decision of the Secretary. However, a State shall not be barred from resubmitting a revised State program or submitting a new program at any time after a decision of disapproval by the Secretary."

Mr. KETCHUM. Mr. Chairman, the amendment which I am offering relates to the State program as it is defined in the Hosmer substitute. The purpose of the amendment is to make it crystal clear that the State has the right to submit a State program for approval of the Secretary at any time following initial approval or disapproval by the Secretary.

Under this amendment, the State may submit a revised program as a result of any number of factors which could cause a State to want to change its program and its administration, and the State does so by submitting a revised State program.

Mr. Chairman, this amendment also provides that a State whose program is disapproved at any time may resubmit a new or revised program for approval until the program is finally approved. Please understand that under the State program, if there has been a disapproval, that the Feds move in and establish a program.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, this is essentially the language found in H.R. 11500, and I would be perfectly willing to see it go into the bill. I think it improves the bill.

It permits the State which for any reason does not want immediately to get into its own regulation program—perhaps it does not know it has coal reserves today, but it finds out 10 years later after all this activity has gone on under the substitute, if it is enacted—it can come in and say, "We would like to have a State program" and have the opportunity of going after one.

Therefore, Mr. Chairman, I support the amendment of the gentleman from California.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, the gentleman's amendment is consistent with a similar provision in the committee bill. It is perfectly acceptable to us on this side.

Mr. KETCHUM. I thank the gentleman from Arizona.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. KETCHUM) to the amendment in the nature of a substitute offered by the gentleman from California (Mr. HOSMER) for the committee amendment in the nature of a substitute.

The amendment to the amendment in the nature of a substitute for the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. SYMMS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HOSMER FOR THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. SYMMS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from California (Mr. HOSMER) for the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. SYMMS to the amendment in the nature of a substitute offered by Mr. HOSMER for the committee amendment in the nature of a substitute: Page 61, line 12, strike out all of "SEC. 217 (a)(2)" and insert in lieu thereof the following:

"(2) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any condition or practice exists, or that any permittee is in violation of any requirement of this Act of any permit condition required by this Act, which condition, practice, or violation also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources which cannot reasonably be considered reclaimable within the scope of the bonded reclamation plan, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the condition, practice, or violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the condition, practice, or violation has been abated or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section."

Page 62, line 25. Strike out "abated." and insert "abated or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section."

Page 91, line 11. Strike out "abated." and insert "abated by enforcement action pursuant to section 217(a)(3) of this Act or by judicial action."

Mr. SYMMS. Mr. Chairman, this amendment relates to the Federal enforcement of surface coal mining operations.

If I could very simply spell it out, what it does is give added enforcement to the agency so that in case there is jeopardy to life, property or environmental hazards, they actually have closure enforcement.

I think we felt that it was a weak spot in the bill, and it was a necessary part to make the Hosmer bill a strong environmental bill, as I am sure the gentleman from Arizona would like to have it.

Just to explain a little further, because of the many and varied types of activities which occur during surface mining and reclamation operations, conditions or practices that may occur on such operations which are not specifically covered by the requirements of the act. If the conditions or practices not specifically covered by the act or permit create imminent danger or environmental harm, as described above, the Federal inspector needs closure authority, which I spoke of earlier, to impose such conditions or practices, which are to be issued only if the environmental hazard to the public health or safety would not be corrected quickly enough by other administration action.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, I think that the amendment the gentleman has offered is a proper one and that it does take care of that contingency wherein there could be a possibility of the public health and safety being endangered under circumstances where, for some reason, there would not quickly be corrective measures taken, except by authority of the regulatory authority.

Therefore, I think this is an improvement of the bill. It is an improvement that was recommended by the administration, and I hope the gentleman's amendment will prevail.

Mr. SYMMS. I thank the gentleman for his contribution. Would the gentleman from Arizona yield for a question from me?

I just ask the gentleman from Arizona if he would not agree that this would strengthen the Hosmer substitute, although I realize the gentleman from Arizona has the committee bill which he is supporting and that this would not be considered an improvement that substantially strengthens that bill.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Arizona.

Mr. UDALL. Whether this weakens enforcement as I believe or strengthens it, certainly such a provision would not be acceptable to me.

However, I think the gentleman from California (Mr. HOSMER) is entitled to have his amendment in the nature of a substitute brought before the Committee of the Whole in whatever form he wants, so from that standpoint I take no position on it. It is perfectly all right with me if the committee wishes to adopt it.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for his comments.

According to my understanding, I believe this amendment would actually strengthen the Hosmer substitute, insofar as protecting the environment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. SYMMS) to the amendment in the nature of a substitute offered by the gentleman from California (Mr. HOSMER) for the committee amendment in the nature of a substitute.

Mr. HOSMER. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was refused.

The amendment to the amendment in the nature of a substitute for the committee amendment in the nature of a substitute was agreed to.

Mr. HOSMER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

AMENDMENT OFFERED BY MR. ROUSSELOT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HOSMER FOR THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from California (Mr. Hosmer) for the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Rousselot to the amendment in the nature of a substitute offered by Mr. Hosmer for the committee amendment in the nature of a substitute: Page 83, line 17. Strike out "Sec. 307" and insert a new "Sec. 307" to read as follows:

"Sec. 307. (a) Where the surface owner is not the owner of the mineral estate proposed to be mined by surface coal mining operations, the application for a permit shall include the execution of a bond or undertaking to the United States, the State, or the owner of the surface estate, whichever is applicable, for the use and benefit of the owner of the surface estate, to secure the payment of damages to the surface estate caused by the surface coal mining operations.

"(b) Upon a determination by the regulatory authority that damages to the surface estate has occurred, the owned of the surface estate shall be entitled to direct payment of up to eighty percent of the value of the bond or undertaking, executed pursuant to subsection (a) of this section, based upon the average value of surface estate as determined by at least two Federal or State qualified and licensed appraisers, and the payment of any damages in excess of eighty percent of the value of the bond or undertaking shall be determined by an action brought upon the bond or against the operator in a court of competent jurisdiction, and attorney fees and costs awarded in the discretion of court."

Mr. HOSMER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 388]

Andrews, N. Dak.
Arends
Ashley
Badillo
Baker
Brasco
Bray
Breaux
Brotzman
Burlison, Mo.
Carey, N.Y.
Carney, Ohio
Chisholm
Clark
Clawson, Del
Clay
Cohen
Conyers
Davis, Ga.
Davis, S.C.
Denholm
Diggs
Dorn
Dulski
Evans, Colo.
Fisher
Ford
Gettys
Grasso
Green, Oreg.
Gubser
Hanna
Hansen, Idaho
Hansen, Wash.
Harsha
Hawkins
Hébert
Heckler, Mass.
Howard
Ichord
Jones, N.C.
Jones, Tenn.
Landrum
Leggett
McCormack
McEwen
Mayne
Mills
Owens
Pritchard
Reid
Rhodes
Robison, N.Y.
Rooney, N.Y.
Rose
Shuster
Sisk
Steed
Steiger, Ariz.
Stuckey
Symington
Teague
Tiernan
Ullman
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Zwach

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Smith of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11500, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 367 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Rousselot).

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, I yield to the gentleman from Virginia (Mr. Robert W. Daniel, Jr.).

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, in order to meet America's energy needs and reduce our country's dependence on foreign oil in the years immediately ahead, we will need to double our coal production. At present surface mined coal accounts for half the 600 million tons annual coal production, and by 1980 some 800 million tons of coal may be surface mined annually.

I believe very strongly that the 100,000 acres that are surface mined annually should be restored during the mining process to mitigate the environmental impact of mining.

The country needs surface mining legislation which will permit increased coal production while protecting the environment during the mining and insuring that the land is returned to a usable state afterward. In my view, H.R. 11500, the committee bill, would not accomplish these goals.

H.R. 11550 would significantly reduce for the long run the Nation's coal base and, during this crucial phase of transition in our energy planning, would cut existing coal production. The Federal Bureau of Mines has estimated that the unfavorable impact of this legislation would amount to a cut in coal production of 187 million tons in 1975 and 251 million tons in 1980. I cannot vote for H.R. 11500, which would endanger our country's energy supply and make us even more dependent on foreign oil.

I do support the substitute bill, H.R. 12898, offered by Congressman Hosmer, on the grounds that this bill will permit significant expansion of coal surface mining while at the same time protecting the environment. H.R. 12898 would accomplish these goals by providing for the development of State programs to regulate surface mining and by requiring the subsequent reclamation of surface mined lands according to specific Federal environmental standards.

Mr. ROUSSELOT. Mr. Chairman, the purpose of this amendment is very simple in that it assures that the rights of the surface owners are protected where surface mining occurs, such as is described in this Hosmer substitute.

The amendment will guarantee that the surface owner, where damages to the surface of the land occur, can get direct consideration of 80 percent of the value of the bond.

It is my belief that the reason this is necessary is to be sure that the people or individuals who own the land will be assured that in case of bonding, at least 80 percent of that value will be available to the owner. The amendment makes sure that an owner does not have to be engaged in long litigation in order to so protect himself on the bonding procedure.

From what my colleague, the gentleman from Idaho, and several others have said, I know there was a close voice vote in the committee on this amendment. I would now like to yield to my colleague, the gentleman from California, who also supports this amendment.

Mr. HOSMER. Mr. Chairman, if the gentleman will yield, I do support the amendment. It allows the owner of the surface rights the opportunity to get 80 percent of his money without delay. He has to get affidavits from at least two qualified licensed appraisers as to the value of it, and he gets the average of the two estimates. Then only thereafter would he have to go to court. I would anticipate that in these cases or in that instance the suit would be settled promptly, so that in no time at all he would get 100 percent of his money without the necessity for litigation.

Mr. Chairman, I urge the adoption of the gentleman's amendment.

Mr. ROUSSELOT. Mr. Chairman, I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding. I rise in support of the amendment. I think it was originated by the gentleman from Montana as a committee bill. I think he would like to speak on it.

I would just like to say further that we are going to have a vote very shortly on the Hosmer substitute, and I rise in support of the Hosmer substitute.

The Hosmer bill would be acceptable to commonsense conservation and reclamation of our lands and I support it.

With this bill we could get on with the job of providing the Nation's energy needs. Many mining companys which are located in my district are eager to move into coal mining operations but they want this issue settled before risking capital. I urge a "yes" vote for commonsense.

Mr. MELCHER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Montana.

Mr. MELCHER. I think the gentleman in the well stated that he believes this amendment was offered in the committee.

Mr. ROUSSELOT. According to committee staff it was presented to the committee.

Mr. MELCHER. To my knowledge, it was never offered in the committee. I would defer to anybody else who served on the committee if that was not the case. It was not offered by myself. I would very strongly object to it.

Mr. Chairman, I would ask the gentleman if he would yield further.

Mr. ROUSSELOT. Let me comment first on the gentleman's statement. I was informed by two members of the staff that it was presented. I am not a member of the committee, as the gentleman knows. Because I have a vital interest in trying to protect the landowner against unwarranted litigation, I wished to offer this protective amendment. It appeared to me to be a reasonable and correct amendment to protect the landowner against unwarranted litigation in relation to the bonding procedure in this bill.

So I felt it was a reasonable position. The gentleman now informs me that he does not recall the amendment. The gentleman is on the committee, and if he was not there when it occurred, I cannot comment on that.

Mr. Chairman, I would be glad to yield further to the gentleman, as he requested. Does the gentleman wish to comment on this further?

Mr. MELCHER. Mr. Chairman, if the gentleman will yield, is it the gentleman's intention that during the time when the mining company is determining whether or not it wants to mine a particular piece of land, the surface rights owner will be held in some type of a limbo as to when he will move off or how soon he must move off?

Mr. ROUSSELOT. No. My intention is, as I believe I stated, that where damage has occurred to the land surface, the landowner would not be prevented from having access to at least 80 percent of the value of the bond and would not be held up for long periods of time in litigation.

Mr. MELCHER. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, I wish to make it very clear that I have had no knowledge of such an amendment ever being offered in committee or in the subcommittee. If it had been and I were present during that time, I would certainly have opposed it vigorously.

This is completely contrary to my beliefs as to the property rights of a landowner. The amendment just tells a mining company to post a bond and that if the landowner does not like the bond, he can go to court and fight out what the values for the surface are.

Mr. Chairman, I am disappointed that the author of the amendment should even have offered it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT) to the amendment in the nature of a substitute offered by the gentleman from California (Mr. HOSMER) for the committee amendment in the nature of a substitute.

The amendment to the amendment in the nature of a substitute for the committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California (Mr. HOSMER), as amended, for the committee amendment in the nature of a substitute.

The question was taken.

RECORDED VOTE

Mr. UDALL. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 156, noes 255, not voting 23, as follows:

[Roll No. 389]

AYES—156

Annunzio
Archer
Arends
Armstrong
Ashbrook
Bauman
Beard
Bevill
Biaggi
Blackburn
Bowen
Bray
Broyhill, Va.
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Cochran
Collier
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dennis
Derwinski
Devine
Dickinson
Downing
Duncan
Edwards, Ala.
Erlenborn
Evins, Tenn.
Fisher
Flowers
Flynt
Forsythe
Frelinghuysen
Froehlich
Gettys
Goldwater
Gray
Gross
Gubser
Guyer
Hammerschmidt
Hanrahan
Hansen, Idaho
Hastings
Hébert
Hillis
Hinshaw
Hogan
Holifield
Holt
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Kazen
Ketchum
Kluczynski
Kuykendall
Landgrebe
Latta
Lott
Lujan
McClory
McCollister
McSpadden
Mahon
Martin, Nebr.
Michel
Milford
Miller
Mills
Minshall, Ohio
Mollohan
Montgomery
Moorhead, Calif.
Murphy, Ill.
Myers
Nelsen
Nichols
Parris
Passman
Patman
Pettis
Poage
Powell, Ohio
Price, Tex.
Quillen
Railsback
Randall
Rarick
Rhodes
Roberts
Robinson, Va.
Rousselot
Runnels
Ruth
Sandman
Satterfield
Sebelius
Shriver
Sisk
Skubitz
Slack
Snyder
Spence
Staggers
Steiger, Ariz.
Stephens
Stubblefield
Stuckey
Symms
Taylor, Mo.
Thomson, Wis.
Towell, Nev.
Treen
Veysey
Waggonner
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wyatt
Wyman
Young, Alaska
Young, S.C.
Young, Tex.
Zion
Zwach

NOES—255

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Ashley
Aspin
Badillo
Bafalis
Barrett
Bell
Bennett
Bergland
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney, Ohio
Chisholm
Clark
Cleveland
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Dellenback
Dellums
Denholm
Dent
Diggs
Dingell
Donohue
Drinan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Flood
Foley
Ford
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gude
Gunter
Haley
Hamilton
Hanley
Hanna
Hansen, Wash.
Harrington
Harsha
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Holtzman
Horton
Howard
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kemp
King
Koch
Lagomarsino
Landrum
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Luken
McCloskey
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mallary
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Moorhead, Pa.
Morgan
Mosher
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
O'Brien
O'Hara
Obey
O'Neill
Owens
Patten
Pepper
Perkins
Peyser
Pickle
Pike
Podell
Preyer
Price, Ill.
Pritchard
Quie
Rangel
Rees
Regula
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Seiberling
Shipley
Shoup
Shuster
Sikes
Smith, Iowa
Smith, N.Y.
Stanton, J. William
Stanton, James V.
Stark
Steele
Steelman
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Talcott
Taylor, N.C.
Thompson, N.J.
Thone
Thornton
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Ware
Whalen
Widnall
Williams
Wilson, Charles H., Calif.
Wolff
Wright
Wydler
Wylie
Yates
Young, Fla.
Young, Ga.
Young, Ill.
Zablocki

NOT VOTING—23

Baker
Brasco
Breaux
Carey, N.Y.
Clawson, Del
Clay
Davis, Ga.
Dorn
Dulski
Grasso
Hawkins
Ichord
Jones, Tenn.
Kyros
Mann
Moss
Reid
Rooney, N.Y.
Steed
Symington
Teague
Wilson, Charles, Tex.
Yatron

So the amendment in the nature of a substitute, as amended, for the committee amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HECHLER OF WEST VIRGINIA FOR THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment in the nature of a substitute for the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. HECHLER of West Virginia for the committee amendment in the nature of a substitute:

Strike out all after the enacting clause and insert in lieu thereof the text of H.R. 15000 as follows:

That this Act may be cited as the "Strip Mining Abolition Act of 1974".

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Sec. 342. Recovery of overpayments.
Sec. 343. Review.
Sec. 344. Authorization of appropriations.
Sec. 345. Definitions.

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares—

(1) that there are coal mining operations on public, private, and Indian lands in the Nation which adversely affect the environment by destroying or diminishing, for an indefinite period, the availability of public, private and Indian lands for recreational, commercial, industrial, agricultural, and forestry purposes, by causing erosion, landslides, and subsidence, by contributing to floods and the pollution of waters and air, by destroying fish and wildlife habitat and forests and otherwise impairing natural beauty, by frustrating efforts to conserve soil, water, and other natural resources, by damaging and destroying public and private property, and by creating hazards to life and property;

(2) that the public has a right to expect that the Federal Government, the States, and local government will utilize all practicable means and measures to protect and enhance the quality of the environment;

(3) that the integrity, productivity, and beauty of the land surface must be protected for the growing requirements of present and future generations;

(4) that the reserves of all needed grades of coal in the United States are sufficiently extensive to permit the protection of the land surface in ways which will stimulate the development and utilization of nondestructive and efficient mining technologies while preserving our capacity to supply coal for the needs of society;

(5) that coal mining operations are activities affecting interstate commerce which can contribute to the economic well-being, security, and general welfare of the Nation where conducted in a manner that will protect and enhance the quality of the human environment; and

(6) that the overwhelming percentage of the Nation's coal reserves can only be mined by underground mining methods and it is therefore essential to the national interest in order to meet the energy needs of the Nation to concentrate on underground mining rather than relying on the surface mining of coal.

(2) that the public has a right to expect that the Federal Government, the States, and local government persons in a comprehensive program to prevent further damage to the soil, woodlands, waters, and natural resources of the Nation from unregulated or inadequately regulated surface and underground coal mining operations, to stabilize lands damaged by surface coal mining, to promote an effective continuing conservation land-use and management program for the coal mining industry, and to assist any worker adversely affected by this Act.

ADMINISTRATION OF ACT

SEC. 3. Except as specifically provided in this Act, the Administrator of the Environmental Protection Agency (hereinafter called "Administrator") shall administer this Act.

PUBLIC PARTICIPATION

SEC. 4. Public participation in the development, revision, and enforcement of any regulation, standard, or guideline promulgated and permit issued under this Act, and in the administration of this Act, shall be provided for, encouraged, and assisted by the Administrator and the States. The Administrator shall within sixty days after enactment of this Act publish regulations to carry out the purposes of this section. Such regulations shall be promulgated within sixty days thereafter.

GENERAL POWERS OF THE ADMINISTRATOR

SEC. 5. The Administrator, according to the provisions of this Act, shall—

(1) prescribe, in accordance with the provisions of section 553 of title 5, United States Code, such rules and regulations as may be necessary to carry out his functions under this Act;

(2) make investigations or inspections necessary to insure compliance with this Act and the rules and regulations adopted pursuant thereto;

(3) conduct public hearings;

(4) issue cease-and-desist orders to halt violations of this Act;

(5) order the revocation, suspension, or modification of any permit for failure to comply with any of the provisions of this Act or any rule and regulation adopted pursuant thereto;

(6) appoint such advisory committees, the majority of whose members shall have no pecuniary interest in coal mining operations, and the meetings of which shall be open to the public, as may be of assistance to him in the development of programs and policies;

(7) review and vacate or modify orders and decisions issued by him;

(8) perform such other duties as are provided by this Act; and

(9) publish all findings and determinations required to be made by the Administrator under this Act.

TITLE I—ENVIRONMENTAL PROTECTION COAL MINING LIMITATIONS

PHASEOUT SCHEDULE

SEC. 101. (a) On or after the date of enactment of this Act, no person shall open or develop any new or previously mined and abandoned site for coal surface mining operations on lands within any State.

(b) Six months after the date of enactment of this Act, no person shall conduct contour surface coal mining operations on lands within any State. Contour surface coal mining operations active on the date of enactment of this Act may continue to operate subject to existing State surface mining laws for a period not to exceed six months.

(c) Any person who, on the date of enactment of this Act, is actively carrying out surface coal mining operations, other than contour surface coal mining, may continue to do so as provided in this Act (1) if such person obtains a permit from the Administrator within six months after the date of enactment of this Act, and (2) if the Administrator determines that such mining is not in violation of, or will not result in any violation of, any provision of this Act, any provision of the Clean Air Act, the Federal Water Pollution Control Act, or the Refuse Act of 1899, or any regulation, standard, or requirement promulgated pursuant to those Acts. Any permit issued to such operator shall be for a term of not to exceed twelve months and shall not be renewable, except that surface coal mining operations whose calendar year 1973 production exceeded five hundred thousand short tons and which are located in States west of the Mississippi River may apply for three one-year permit renewals. In addition to complying with all applicable provisions of this Act, such permit shall contain the following specific conditions:

(1) Annual production during the first permit renewal year shall not exceed the total surface coal production of this surface coal mining operation during calendar year 1973.

(2) Annual production during the second permit renewal year shall not exceed 75 per centum of the total surface coal production

of this surface coal mining operation during calendar year 1973.

(3) Annual production during the third permit renewal year shall not exceed 50 per centum of the total surface coal production of this surface coal mining operation during calendar year 1973.

(d) No coal mining shall be conducted after the date of enactment of this Act in any area of the National Wildlife Refuge System, the National Park System, the national forest system (including but not limited to the national grasslands), the National Wilderness Preservation System including any area under study as a wilderness area, the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act and in any State park, forest, or wildlife area.

PERMIT APPROVAL OR DENIAL

SEC. 102. (a) Six months after the date of enactment of this Act, no person shall engage in surface coal mining operations unless such person has obtained a permit in full compliance with this Act from the Administrator.

(b) Upon the basis of a complete mining application and stabilization plan, the Administrator shall grant or deny the application for a permit and notify the applicant in writing. Within ten days after the granting of a permit, the Administrator shall notify the State and the local official who has the duty of collecting real estate taxes in the local prolitical subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

(c) No permit shall be approved unless the Administrator finds in writing on the basis of the information set forth in the application or from information otherwise available which will be documented in the approval, and made available to the applicant and the public, that (1) the requirements of this Act, and the rules and regulations adopted thereunder will be met, (2) there is objective assurance that the stabilization of the area of affected land can be achieved, and (3) the proposed postmining land use is (A) compatible with surrounding land uses, exclusive of surface mining, (B) practical with respect to need or the surrounding land uses, and (C) reasonable with respect to the likelihood of availability of both public and private resources and support which may be needed to achieve such objectives.

(d) Prior to the issuance of a permit, the Administrator shall review and alter a proposed mining and stabilization plan with respect to the methods, sequence, timing of specific operations in the plan, or the deletion of specific operations or areas from part or all of the plan in order to assure that the environmental protection objectives of this Act are met.

(e) No permits shall be issued by the Administrator unless the permit application affirmatively demonstrates that, and the Administrator makes specific written findings to the effect that—

(1) there is probable cause to believe that the proposed surface coal mining operation will result in stabilization of the land area affected pursuant to the performance standards set forth in section 105 of this Act and regulations promulgated pursuant to this Act;

(2) the postmining land use as proposed in the stabilization plan is practical, is likely to be achieved, and is not inconsistent with surrounding land uses;

(3) the land to be affected does not lie within three hundred feet from any occupied dwelling, unless waived by the owner thereof, nor within three hundred feet of any public building, school, church, community, or institutional building, public park, or cemetery; nor shall the land to be affected lie within one hundred feet of the outside right-of-way line of any public road, except that the regulatory authority may permit such roads to be relocated, if the interests of the public and the landowners affected thereby will be protected;

(4) no lake, river, stream, creek, or watercourse will be moved, interrupted, or destroyed during the mining or stabilization process; and that no mining or stabilization activities will be conducted within one hundred feet of any lake, river, stream, or creek during the mining and stabilization process, except that reaffectation and stabilization activities may be permitted within one hundred feet of such bodies of water where it will help alleviate an existing water pollution problem or restore a previously mined but unstabilized area;

(5) the operator is not presently ineligible to obtain a permit to conduct any coal mining operation under the law of any Federal program authorized by this Act;

(6) mining operations would not adversely affect nearby lands and waters to which the public enjoys use and access, or the mining of any area of land within one mile of publicly owned lands or parks or places located in the National Register of Historic Sites;

(7) the permit application does not include areas of land affected that are noncontiguous;

(8) the application on its face is complete, accurate, and contains no false information;

(9) no coal seam which serves as an aquifer will be mined or otherwise disturbed; and

(10) the area or region in which the mining is to take place has an annual average precipitation of at least ten inches.

(f) The applicant shall file with his permit application a schedule listing any and all violations of this Act and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air, or water environmental protection incurred by the applicant in connection with any coal surface mining operation during the one-year period prior to the date of application. The schedule shall also indicate the final resolution of any notice of violation. Where the schedule or other information available to the Administrator indicates that any coal surface mining operation owned or controlled by the applicant is currently in violation of this Act or such other laws referred to in this subsection, the permit shall not be issued until the applicant submits proof that such violation has been corrected or is in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation.

APPLICATION REQUIREMENTS

SEC. 103. (a) Each application for a mining and stabilization permit shall be accompanied by a fee as determined by the Administrator. Such fee shall be based as nearly as possible upon the actual or anticipated cost of reviewing, administering, and enforcing such permit and shall be in addition to the fee required for the Coal Mine Lands Stabilization Fund.

(b) The permit application shall be submitted in a manner satisfactory to the regulatory authority and shall contain, among other things—

(1) the names and addresses of the permit applicant (if the applicant is a subsidiary corporation, the name and address of the parent corporation must be included); every legal owner of the property (surface and mineral) to be mined; the holders of any leasehold or other equitable interest in the property; any purchase of the property under a real estate contract; the operator if he is a person different from the applicant; and, if any of these are business entities other than a single proprietor, the names, addresses of the principals, officers, and resident agent;

(2) the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person owning, of record or beneficially, either alone or with associates, 10 per centum or more of any class of stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface mining operation within the United States or its territories and possessions;

(3) a description of the type and method of coal mining operation that exists or is proposed, the engineering techniques proposed or used, and the equipment used or proposed to be used;

(4) the anticipated or actual starting and termination dates of each phase of the mining operation and number of acres of land to be affected;

(5) the written consent of the owner of the surface of the land and any person holding an interest in such surface including but not limited to the lessees of said surface upon which the applicant proposes to engage in, or is engaged in, coal surface mining;

(6) the names and addesses of the owners of all surface areas abutting on the permit area;

(7) a statement of any current or previous mining permits in the United States held by the applicant and the permit identification;

(8) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has ever held a Federal or State mining permit which has been suspended or revoked or has ever had a mining bond or similar security deposited in lieu of bond forfeited and a brief explanation of the facts involved in each case;

(9) an accurate map or plan to an appropriate scale clearly showing the land to be affected, prepared by or under the direction and certified by a registered professional engineer, or registered land surveyor and a professional geologist for the requirements relating to subsurface information. Such map or plan shall among other things show all the boundaries of the land to be affected, its surrounding drainage area, the location and names, where known, of all roads, railroads, rights-of-way, utility lines, oil wells, gas wells, water wells, lakes, streams, rivers, creeks, springs, and other surface watercourses, the names and boundary lines of the present owners of all surface areas abutting on the permit area and the location of all buildings on and within such abutting surface areas, and the purpose for which each building is used;

(10) typical cross section maps or plans of the land to be affected showing pertinent elevations, including the nature and thickness of the overburden, the nature and thickness of any mineral seam above the mineral seam to be mined, the nature of the stratum immediately beneath the mineral seam to be mined, the location of the aquifers or underground water, the estimated elevation of the water table, the location of any underground mines, and a profile of the anticipated final surface contour that will be achieved pursuant to the operator's approved stabilization plan. The information pertaining to the mineral seam required by this paragraph shall be kept confidential and not made a matter of public record, except that if such information becomes relevant to the parties to a hearing on the grant or denial of a permit or the forfeiture or release of part or all of a bond, such information may be disclosed to such interested parties under appropriate protective provisions;

(11) a proposed mining map or plan of the area of land to be affected on an appropriate scale, prepared under the direction and certified by any registered professional engineer or registered land surveyor, clearly showing the location of all rivers, streams, creeks, lakes, ponds, water impoundments, wells, springs, and any other watercourses,

all mineral croplines, existing deep and surface mining limits, the actual area to be mined, the location of pits, if any, that may be left in accordance with the operators approved stabilization plan, spoil areas, waste or refuse areas, topsoil preservation areas, test and drill holes and their surface elevations, barriers, if any, to control subsurface water movement, strike and dip of the coal to be mined within the area of land to be affected, the synclines and anticlines of the coal to be mined, the contours of the surface at sufficient intervals of elevation to accurately depict the contour of the terrain, location of all buildings having private sources of water supply within one thousand feet of the area to be affected, the location of all waste water impoundments, any settling or water treatment facilities, constructed or natural drainways, and the location of any discharges to any surface body of water on the area of land to be affected or adjacent thereto. The maps required under paragraphs (8) and (10) of this subsection may be consolidated;

(12) a copy of the applicant's advertisement to be published pursuant to section 108(a), which includes the ownership, a listing of all persons holding any interest in the surface or mineral estate including but not limited to lessees of said surface or mineral estate, a description of the exact location and boundaries of the proposed site sufficient so that the proposed operation is raidily locatable by local residents, and the location of where the application is available for public inspection;

(13) the name of the watershed and location of all known surface and underground waterways into which surface waters may or will be discharged;

(14) a determination of the hydrologic consequences of the mining and stabilization operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability;

(15) a complete and verifiable list of all deeds, leases, options, or other instruments granting to the applicant or his agents rights to or in the land or minerals to be affected by the proposed permit;

(16) when requested by the Administrator a statement of all lands, interests in lands, or options on such lands held by the applicant or pending bids on interests in lands by the applicant, which lands are contiguous to the land to be affected, and any information required by this subsection which is not on public file pursuant to appropriate laws shall be held in confidence by the Administrator;

(17) a statement of the result of test borings or core samplings from the land to be effected, including where appropriate, the surface elevation and logs of the drill holes so that the strike and dip of the coal seams may be determined, the nature and depth of the various strata of overburden, the location of subsurface water, if encountered, and its quality, the thickness of the coal seam found, an analysis of the chemical properties of such coal; the sulfur content of any coal seam and a chemical analysis of potentially acid or toxic forming sections of the overburden, and a chemical analysis of the stratum lying immediately underneath the coal to be mined; and

(18) such other information as the regulatory authority may require.

The collection and analyses of all information required under paragraph (17) of this subsection shall be conducted by a laboratory which is approved by the Administrator. The Administrator shall establish rules to preserve the integrity of the sampling. Information from test borings and core samplings required by this paragraph shall be made available to interested parties and that which pertains only to the quantitative and qualitative analysis of the coal seams (except the information regarding such mineral or elemental content which is potentially toxic in the environment) shall be kept confidential and not made a matter of public record. If such coal seam information becomes relevant to the parties to a hearing on the grant or denial of a permit or the forfeiture or release of part or all of a bond, such information shall be disclosed to such interested parties under protective provisions defined by the regulatory authority.

(c) The mining and stabilization plan which each applicant for a permit shall be required to submit with a permit application, consistent with the performance criteria provided for in this Act, shall include, at least—

(1) the identification of the entire area to be mined and affected over the estimated life of the mining operation and the size, sequence, and timing of the subareas for which it is anticipated that individual permits for mining will be sought;

(2) a statement describing the full range of uses to which the land was put and the predominant uses of the area immediately surrounding the area of land to be affected prior to the commencement of any mining, and a dsecription of the use or uses proposed to be made of the area of land to be affected following stabilization;

(3) a detailed description of the manner in which mining operations will be conducted and of the actions taken or planned to prevent adverse environmental effects during the life of the mining and stabilization operation;

(4) a detailed description of the measures to be taken during the mining and stabilization process to assure the protection of the quantity and quality of surface and ground water systems, both on- and off-site from adverse effects of the mining and stabilization process, and the rights of present users to such water;

(5) a detailed description of the stabilization activities that will be taken to return the mined area to a condition consistent with the applicant's proposed postmining land use and in accordance with provisions of this Act (including, but not liimted to preventing polluting discharges, seepages, mine and refuse bank fires, and other conditions that present an adverse effect on the health or safety of the public on the permitted site that resulted from previous mining operations);

(6) a detailed description of how the proposed postmining land use is to be achieved and the necessary public or private support activities which may be needed to achieve the proposed land use;

(7) a detailed time schedule, including interim completion dates, for key stages of the surface coal mining and stabilization plan;

(8) a description of the actions planned to insure compliance with the environmental performance standards set forth in this Act and supplemented by regulation by the Administrator; and

(9) such other requirements as the regulatory authority shall prescribe by regulation.

(d) each applicant for a surface mining and stabilization permit shall file a copy of his application for public inspection with the Recorder at the courthouse of the county or an appropriate official approved by the regulatory authority where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

(e) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the mining and stabilization operations for which such permit is sought, or evidence that the applicant has satisfied other State or Federal self-insurance requirements. Such policy shall cover the mined area and provide for both on- and off-site personal injury and property damage protection as a result of mining and stabilization operations and entitled to compensation under the applicable provisions of Federal or State law but in any event shall not be less than $100,000, or for such higher amounts as the regulatory authority deems necessary in light of potentional risk and magnitude of possible off-site damages. Such policy shall be for the term of the permit and any renewal, including the length of any and all stabilization operations required by this Act.

EFFECT ON STATE LAW

SEC. 104. Where any provision of any State law or regulation in effect upon the date of enactment of this Act or which may become effective thereafter, provides more stringent environmental controls and regulations of surface mining and stabilization operations than do the provisions of this Act or any regulation issued pursuant thereto, such provision of State law or regulation shall not be constructed to be inconsistent with this Act.

GENERAL ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS

SEC. 105. (a) Any permit issued pursuant to this Act to conduct surface coal mining operations shall require that such operations will meet all applicable performance standards established by this Act and such other conditions as the Administrator shall require by regulation or upon review of the permit application.

(b) The operator of all surface coal mining and stabilization operations shall as a minimum—

(1) restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining, or higher or better uses of which there is a reasonable likelihood, so long as such use or uses do not present any actual or probable adverse effect on public health or safety or pose any actual or possible threat of water diminution or pollution, and the permit applicants' declared proposed land use following stabilization is not deemed to be impractical or unreasonable, inconsistent with applicable land use policies and plans, involves unreasonable delay in implementation, or is violative of Federal, State, or local law;

(2) reduce the land disturbed incident to surface mining by limiting the amount of surface excavated at any one time during mining and combining the process of stabilization with the process of mining to keep stabilization operations current, and to complete such stabilization in any separate distinguishable portion of the mined area, as promptly as possible, but not later than the time specified in a stabilization schedule which shalll be attached to the permit;

(3) remove the topsoil from the land in a separate layer, segregate it in a separate pile from the subsoil, and when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any acid or toxic material, and is in a usable condition for sustaining vegetation when restored during stabilization, except if topsoil is not capable of sustaining vegetation, or if a separable subsoil can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner that subsoil which is best able to support vegetation;

(4) remove and segregate spoil materials and protect them from wind and water erosion until returned during backfilling;

(5) segregate toxic materials and those acidic, alkaline and saline materials which are toxic when uncovered during excavation or created in connection with the mining operation and promptly bury, cover, and compact and isolate such materials during the mining process to prevent contact with ground water systems and to prevent leaching and pollution of surface or subsurface waters;

(6) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated; except that in surface coal mining which is carried out at the same location over a substantial period of time, where the operation follows the coal deposit vertically and the thickness of the coal deposit relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than 10 degrees and to bury, compact, and isolate all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region;

(7) refrain from the creation of any permanent impoundments of water in the permit area;

(8) refrain from the construction of roads or other access ways within a streambed or drainage channel or in such proximity to such proximity to such channel so as to alter the normal flow of water;

(9) restore the topsoil or the best available subsoil which has been segregated and preserved;

(10) permanently establish on the regraded areas, and all other lands affected, a diverse and permanent vegetative cover native to the area of land to be affected and capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation of the area; except, that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved postmining land use plan;

(11) assume the responsibility for successful revegetation for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, or other work in order to assure a permanent, self-regenerative, effective, and diverse vegetative cover suitable to the area, except that:

(A) in those areas or regions of the country where the annual average precipitation is between sixteen and twenty-six inches, the operator's assumption of responsibility and liability will extend for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work;

(B) in those areas or regions of the country where the annual average precipitation is between eleven and sixteen inches, the operator's assumption of responsibility and liability will extend for a period of fifteen full years after the last year of augmented seeding, fertilizing, irrigation, or other work;

(C) in those areas or regions of the country where the annual average precipitation is ten inches or less, the operator's assumption of responsibility and liability will extend for a period of twenty full years after the last year of augmented seeding, fertilizing, irrigation, or other work;

(12) maintain the hydrologic balance at the minesite and in associated offsite areas and maintain the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during stabilization by—

(A) preventing acid or other toxic mine drainage;

(B) casing, sealing, or otherwise managing boreholes, shafts, and wells to prevent acid or other toxic drainage to ground and surface waters;

(C) conducting surface mining operations so as to prevent additional contributions of suspended or dissolved solids to streamflow or runoff outside the permit area above natural levels as measured prior to any mining, and avoid channel deepening or enlargement in operations requiring discharge of water from mines;

(D) removing all siltation structures from drainways after disturbed areas are revegetated and stabilized and preventing any discharge of silt from such structures during or after removal;

(E) restoring recharge capacity of the aquifer at the minesites to approximate premining conditions;

(F) preserving throughout the mining and stabilization process alluvial valley floors and stream channels; and

(G) where aquifers are disturbed during mining operations, place a layer of gravel, sufficient to serve as a carrier for ground water, directly above the first impermeable strata underlying the coal seam mined; and

(H) such other actions as the regulatory authority may prescribe;

(13) prevent any offsite damages that may result from such mining operations;

(14) with respect to disposal of coal processing wastes or other liquid or solid wastes, refrain from the use of impoundments, stabilize all waste piles in designated areas through construction and compacted layers with incombustible and impervious materials, and assure the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this Act; and drain within six months after the date of enactment all waste impoundments existing at the date of enactment insuring that pollution to surface or ground water systems is prevented during the draining process;

(15) with respect to the use of explosives—

(A) provide advance written notice to local governments and residents who would be affected by the use of such explosives of the blasting times and the posting of such times at the entrances to the permit area, and maintain for a period of at least three years a log of the magnitudes and times of blasts;

(B) refrain from blasting—

(i) where the course or channel of any surface or subsurface stream will be changed as a probable result of the blast; or

(ii) where the banks of a stream will be ruptured permitting water to enter the strip mining pit; or

(iii) where vibration or concussion will be felt beyond the licensed area unless prior written consent of the property owner or owners (where such vibrations or concussions will be felt) has been obtained; or

(iv) where the stability of the roof strata of an operating underground mine or the watercourse entering a mine will be adversely affected as a probable result of the blast; or

(v) where the safety of the public or private property or natural formations of more than local interest are endangered.

(C) before an explosion is to be set off, give sufficient warning so that any person approaching the area shall be given ample time to retreat a safe distance. Any public highway or entrance to the operation shall be barricaded and guarded by the operator if the highway or entrance is located within one thousand feet of any point of the blasting site; and

(D) before an explosion is to be set off within one thousand feet of occupied buildings or dwellings, notify any person within the area in a manner approved by the Administrator within twenty-four hours prior to the blast. The Administrator shall designate the time period during which such blastings may be done. Any blasting shall be done between the hours of sunrise and sunset;

(16) refrain from mining within five hundred feet or more of active or abandoned underground mine openings in order to prevent breakthroughs;

(17) operate any auger only to the dip of the resource; all auger holes being filled to a depth of a minimum of three times the diameter with an impervious and noncombustible material;

(18) construct access roads, haulroads, or haulageways with appropriate limits applied to grade, width, surface materials, spacing, and size of culverts in order to control drainage and prevent erosion within and outside permit area, and upon the completion of mining either stabilize such roads by regrading and revegetation or assure their maintenance so as to prevent erosion and siltation of streams and adjacent lands; and

(19) with respect to areas of sloping terrain, refrain from placing any spoil, debris, soil, waste materials, or abandoned or disabled mine equipment on the natural or other downslope below the bench or cut created to expose the coal seam.

For the purposes of this subsection, the term "sloping terrain" is any slope between ten and twenty degrees or such lesser slope as may be defined by the Administrator after consideration of soil, climate, and other characteristics of a region or State.

(c) The Administrator may impose such additional requirements as he determines to be necessary.

SPECIFIC PERFORMANCE STANDARDS FOR UNDERGROUND MINING OPERATIONS

SEC. 106. (a) Each permit issued pursuant to this Act relating to underground coal mining shall, in addition to the requirements of section 105(b) of this Act, require the operator to as a minimum—

(1) with respect to underground mines opened after the enactment of this Act and to the extent physically, and technologically possible, incorporate practices of backfilling all mine wastes and coal processing plant tailings in mine voids or other equally effective disposal methods;

(2) provide for adequate support for the ground surface by assuring appropriate permanent underground mine support in order to prevent subsidence, maximize mine stability, and the value and use of such surface lands, except in those instances where the mining technology used requires planned subsidence in a predictable and controlled manner;

(3) seal all portals, entryways, drifts, shafts, or other openings between the surface and underground mine workings when no longer needed for the conduct of the mining operations;

(4) with respect to surface disposal of mine wastes, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles created by the permittee from current operations through construction in compacted layers with incombustible and impervious materials and assure that the final contour of the waste accumulation will be compatible with natural surroundings and that the site is stabilized and revegetated according to the provisions of this section;

(5) refrain from the use of impoundments

in the disposal of mine wastes, coal processing wastes, and other wastes, drain within six months of the date of enactment all waste impoundments existing at the date of enactment insuring that pollution to surface or ground water is prevented during draining process, and stabilize remaining waste piles in accordance with the requirements of paragraph (4);

(6) establish on regraded areas and all other lands affected, a diverse and permanent vegetative cover capable of self-regeneration and plant succession and at least equal in extent of cover to the natural vegetation of the area;

(7) prevent off-site damages which may result from such mining operations; and

(8) prevent the discharge of water-borne pollutants both during and after mining.

(c) In order to protect the stability of the land, the Administrator shall prohibit underground coal mining under urbanized areas, cities, towns, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams.

(d) All operators of underground coal mines, both during and after mining, shall eliminate fire hazards and otherwise eliminate conditions which constitute a hazard to health and safety of the public.

PROMULGATION OF REGULATIONS

SEC. 107. (a) Not later than sixty days immediately following the date of enactment of this Act, the Administrator shall promulgate, in accordance with section 533 of title 5, United States Code, regulations for the administration of permits issued under this Act.

(b) All regulations except those referred to in subsection (a) of this section shall not be promulgated by the Administrator until he has—

(1) published proposed regulations in the Federal Register and afforded interested persons and State and local governments a period of not less than forty-five days after such publication to submit written comments thereon;

(2) held at least two regional public hearings on the proposed regulations.

The date, time, and place of any hearing held on the proposed regulations shall be set out in the publication of the proposed regulations. The Administrator shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the regulations.

PUBLIC NOTICE AND PUBLIC HEARINGS

SEC. 108. (a) At the time of submission of an application for a surface mining and stabilization permit, or revision or renewal of an existing permit, pursuant to the provisions of this Act the applicant shall submit to the Administrator a copy of his advertisement of the ownership, precise location, and boundaries of the land to be affected. At the time of submission such advertisement shall be placed in a local newspaper of general circulation in the locality of the proposed surface mine at least once a week for four consecutive weeks. Within seven days after the applicant has submitted his application, he shall also submit copies of letters which he has sent to various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the proposed surface mining will take place, notifying them of his intention to surface mine a particularly described tract of land and indicating the application's permit number and where a copy of the proposed mining and stabilization plan may be inspected. These local bodies, agencies, authorities, or companies have obligation to submit written comments within thirty days on the mining applications with respect to the effect of the proposed operation on the environment which are within their area of responsibility. Such comments shall be made available to the public at the same locations as are the mining applications.

(b) Any person or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed surface mining and stabilization operation with the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed and a hearing requested, the Administrator shall then hold a public hearing in the locality of the proposed mining within a reasonable time of the receipt of such objections. The date, time, and location of such public hearing shall be advertised by the Administrator in a newspaper of general circulation in the locality at least once a week for three consecutive weeks prior to the scheduled hearing date. The Administrator may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. At this public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with the applicable State and Federal laws. Not less than ten days prior to any proposed hearing, the Administrator shall respond to the written objections in writing. Such response shall include the Administrator's preliminary proposals as to the terms and conditions, and amount of bond of a possible permit for the area in question and answers to material factual questions presented in the written objections. The Administrator's responsibility under this subsection shall in any event be to make publicly available its estimate as to any other conditions of mining or stabilization which may be required or contained in the preliminary proposal. In the event all parties requesting the hearing stipulate agreement prior to the requested hearings, and withdraw their request, such hearings need not to be held.

(c) For the purpose of such hearing, the Administrator may administer oaths, subpena witnesses, or written or printed materials, compel attendance of the witnesses, or production of the materials, and take evidence including but not limited to site inspections of the land to be affected and other surface mining operations carried on by the applicant in the general vicinity of the proposed operation. A verbatim transcript and complete record of each public hearing shall be ordered by the Administrator.

DECISIONS OF REGULATORY AUTHORITY AND APPEALS

SEC. 109. (a) If a public hearing has been held pursuant to section 108(b) of this Act, the Administrator shall issue and furnish the applicant for a permit and persons who are parties to the administrative proceedings with the written finding of the Administrator, granting or denying the permit in whole or in part and stating the reasons therefor, within thirty days of said hearings.

(b) If there has been no public hearing held pursuant to section 108(b) of this Act, the Administrator shall notify the applicant for a permit within a reasonable time, taking into account the time needed for proper investigation of the site, the complexity of the permit application and whether or not written objection to the application has been filed, whether the application has been approved or disapproved. If the application is approved, the permit shall be issued. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for the said disapproval. The Administrator shall hold a hearing within thirty days of such request and provide notification to all interested parties at the time that the applicant is so notified. Within thirty days after the hearing the Administrator shall issue and furnish the applicant, and all persons who participated in the hearing, with the written decision of the Administrator granting or denying the permit in whole or in part and stating the reasons therefor.

(c) Any applicant or any person who is aggrieved by the decision of the administrator or if the Administrator fails to act within a reasonable period of time, shall have the right of appeal for review by a court of competent jurisdiction in accordancce with State or Federal law.

POSTING OF BOND

SEC. 110. (a) After a surface mining and stabilization permit application has been approved but before such a permit is issued, the applicant shall file with the Administrator on a form prescribed and furnished by the Administrator a bond for performance payable to the United States and conditioned that the operator shall faithfully perform all the applicable requirements under this Act. The bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface mining and stabilization operations. As succeeding increments of surface mining and stabilization operations are to be initiated and conducted within the permit area, the permittee shall file with the Administrator an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the stabilization requirements of the approved permit and shall be determined by the Administrator. The amount of the bond shall be sufficient to assure the completion of the stabilization plan if the work had to be performed by a third party in the event of forfeiture; in no case shall the bond be less than $10,000. Liability under the bond shall be for the duration of the surface mining and stabilization operation and for a period coincident with operator's responsibility for vegetation requirements in section 105(b)(11). The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, except that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(b) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. If one or more negotiable certificates of deposit are deposited with the Administrator in lieu of the surety bond, he shall require the bank which issued any certificate to pledge securities of the aggregate market value to the amount of such certificate or certificates, which is in excess of the amount insured by the Federal Deposit Insurance Corporation. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(c) Upon the receipt of the deposit of cash or securities, the regulatory authority shall immediately place the deposit with the Secretary of the Treasury who shall receive and hold the deposit in safekeeping in the name of the United States in trust for the purpose for which the deposit was made. The operator making the deposit may from time to time demand and receive from the Secretary of the Treasury on written order of the Administrator the whole of any portion of the deposit if other acceptable securities of at least the same value are deposited in lieu thereof. The operator may demand of the Secretary of the Treasury and receive the interest and income from the securities as they become due and payable. When deposited securities mature or are called, the operator may request that the Secretary of the Treasury or the aforesaid State authority convert the securities into other securities acceptable to the operator, and the Secretary of the Treasury or the aforesaid State authority shall so do.

(d) The amount of the bond or deposit required shall be increased or decreased by the Administrator from time to time as affected land acreages are changed or where the cost of future stabilization increases or decreases.

BOND RELEASE PROCEDURES

SEC. 11. (a) When the operator has completed successfully all surface mining and stabilization activities, but not before the expiration of the period specified for operator responsibility in section 105(b)(11), he may file a request for release of the bond or collateral for the applicable permit area. The request shall specifically include—

(1) the location of the land affected, the number of acres backfilled and regraded, and the approximate dates of the stabilization work;

(2) the permit number;

(3) the amount of the bond;

(4) a detailed description of the type of stabilization activities performed; and

(5) a detailed description of the results achieved as they relate to the operator's approved stabilization plan.

(b) Upon receipt of the notification and request, the Administrator shall, within one hundred days thereafter, make an inspection and evaluation of the stabilization work involved. If the Administrator finds that the stabilization meets the requirements under this Act, he shall so notify the surety company, the operator, and the Secretary of the Treasury and release the bond. The Secretary of the Treasury shall then return to the operator the amount of the cash or securities constituting the bond so released. If the Administrator does not approve of the stabilization performed by the operator, he shall so notify the operator by registered mail within a reasonable time after the request. The notice shall state the reasons for unacceptability and shall recommend actions to remedy the failure.

(c) With any application for bond release filed with the Administrator, the operator shall submit a copy of the first advertisement placed at least once a week for three consecutive weeks in a newspaper of general circulation in the locality of the surface mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the precise location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type of stabilization work performed. In addition, as part of any bond release application, the applicant shall also submit copies of letters which he has sent to various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the surface mining and stabilization activities took place, notifying them of his intention to seek release from the bond.

(d) Any person or the officer or head of any Federal, State, or local governmental agency shall have the right to file written objections to the proposed release from bond to the Administrator within thirty days after the last publication of the above notice. If written objections are filed, and a hearing requested, the Administrator shall inform all the interested parties, of the time and place of the hearing, and hold a public hearing in the locality of the surface mining operation proposed for bond release within forty-five days of the request for such hearing. The date, time, and location of such public hearings shall be advertised by the Administrator in a newspaper of general circulation in the locality once a week for three consecutive weeks.

(f) For the purpose of such hearing the Administrator shall have the authority and is hereby empowered to administer oaths, subpena witnesses, or written or printed materials, compel the attendance of witnesses, or production of the materials, and take evidence including but not limited to inspections of the land affected and other surface mining operations carried on by the applicant in the general vicinity. A verbatim transcript and a complete record of each public hearing shall be ordered by the Administrator.

(g) The Administrator shall make his decision on the bond release request not more than sixty days after the record of the hearing is transcribed.

(h) Any applicant or person who has participated in the administrative proceedings as an objector and who is aggrieved by the decision of the Administrator or if the Administrator fails to act within a reasonable period of time, shall have the right of appeal to an appropriate United States district court.

SUSPENSION AND REVOCATION OF PERMITS

SEC. 112. (a) Once granted, a permit may not be suspended or revoked unless the Administrator gives the permittee prior notice of violation of the provisions of the permit and not more than ten days within which to take corrective action, and the Administrator determines after a public hearing, if requested by the permittee, that the permittee remains in violation; except that if the continuation of any mining operation adversely affects the public health or safety, threatens damage to public and private property, endangers the quality and quantity of a public or private water supply, or poses other significant harm to land, air, or water resources, the permit, or such portion of the permit related to the offending activity, shall be suspended subject to subsequent determination, after a public hearing, if requested by the permittee, whether the permittee has violated the provisions of the permit.

(b) Following the hearing or any corrective action on the part of the permittee, the regulatory authority must issue and furnish the permittee a written decision, independently verified by the regulatory authority, either affirming or rescinding the suspension and stating the reasons therefor. The permittee shall have the right to appeal such decision of the regulatory authority to an appropriate United States district court.

(c) If the Administrator revokes the permit of the operator, the operator shall immediately cease any and all surface coal mining operations on the permit areas and the Administrator shall declare as forfeited the performance of surety bonds for the operation.

INSPECTIONS AND MONITORING

SEC. 113. (a) For the purpose of determining whether any person is in violation of any requirement of this Act—

(1) the Administrator shall require any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the Administrator, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as the Administrator shall prescribe, and (E) provide such other information relative to surface mining and stabilization operations as the Administrator deems reasonable and necessary;

(2) for those mining and stabilization operations which disturb strata that serve as acquifiers which significantly insure the hydrologic balance or water use either on or off the mining site, the Administrator shall specify those—

(A) monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence;

(B) monitoring sites to record level, amount, and samples of ground water and aquifers potentially affected by the mining and also directly below the lower most (deepest) coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation.

The monitoring data collection, and analysis required by this section shall be conducted according to standards and procedures set forth by the Administrator in order to assure their reliability and validity; and

(3) the authorized representatives of the Administrator, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface mining and stabilization operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect any monitoring equipment or method of operation required under this Act.

(b) The inspections by the Administrator shall (1) occur on an irregular basis averaging not less than one inspection per month for the surface mining and stabilization operations for coal covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this Act and the Administrator shall make copies of such inspection reports immediately and freely available to the public at a central location in the pertinent geographic area of mining. The Administrator shall establish a system of continual rotation of inspectors so that the same inspector does not consistently visit the same operations.

(c) Notices of pending applications and location maps shall be filed with appropriate officials in each county or other approriate subdivision of the State in which surface coal mining and stabilization operations under such permits will be conducted and shall be available for public inspection at all reasonable times.

(d) Each permittee shall conspicuously maintain at the entrances to the surface mining and stabilization operations a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface mining and stabilization operations.

(e) Each inspector, upon detection of each violation of any requirement of this Act, shall forthwith inform the operator in writing, and shall report in writing any such violation to the Administrator.

(f) Copies of any records, reports, inspection materials, or information obtained under this title by the Administrator shall be made immediately and freely available to the public at central and sufficient locations in the county, multicounty, and State areas of mining so that they are conveniently available to residents in the areas of mining as well as in Washington, District of Columbia.

PENALTIES

SEC. 114. (a) At the request of the Administrator, the Attorney General may institute a civil action in a district court of the United States for a restraining order or injunction or other appropriate remedy to enforce the purposes and the provisions of this Act and the regulations adopted hereunder.

(b) Any person who violates any permit condition or order issued under any provision of this Act shall be assessed a civil penalty by the Administrator. Such penalty shall be applied in the same manner, and under the same procedure except as modified herein, as those penalties under section 109(a) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 819(a)). Each occurrence of a violation shall constitute a separate offense. The Administrator shall issue regulations in accordance with section 553 of title 5, United States Code, within one hundred and eighty days after enactment of this Act, prescribing procedures for such assessments. The Federal Claims Collection Act of 1966 (31 U.S.C. 951 et seq.) shall apply to such assessments.

(c) Any person (1) who knowingly violates any provision of this Act or any regulation, permit condition, or order issued under this Act, or (2) who makes any false statement, representation or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act, or (3) who falsifies, tampers with, or renders inaccurate any monitoring device or method required to be maintained under this Act, shall upon conviction be punished. The penalties provided in section 109(d) of the Federal Coal Mine Health and Safety Act (30 U.S.C. 819) shall apply to this section and in the discretion of the court, one-third of said fine shall be paid to the person or persons giving information which shall lead to conviction.

(d) Any person aggrieved or adversely affected by any suspension ordered by an inspector, or of any order, rule, or regulation of the Administrator, may appeal to the Administrator for an order vacating or modifying the order, rule, or regulations, in the same manner, following the same procedure, as is provided for appeal to the Administrator under section 105 of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 815).

(e) In addition to any other remedy at law or in equity under the provisions of this Act, the Attorney General of the United States may apply to an appropriate United States district court for relief by injunction to enforce compliance with or restrain violations of any provisions of this Act or any rule, regulation, or order made pursuant thereto.

(f) The Administrator is authorized to commence a civil action for appropriate relief, including a permanent or temporary injunction, for any violation for which he is authorized to issue a compliance order under section 113. Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance. Notice of the commencement of such action shall be given immediately to the appropriate State.

(g) Wherever a corporation or other entity violates any provision of this Act, or any permit condition required by this Act, any director, officer, or agent of such corporation or entity who authorized, ordered, or carried out such violation shall be subject to the same fines or imprisonment as provided for under subsection (d) of this section.

(h) The remedies described in this section shall be concurrent and cumulative and the exercise of one does not preclude the exercise of the others. Further, the remedies prescribed in this section shall be in addition to any other remedies afforded by this Act or any other law or regulation.

(i) For the purposes of carrying out his responsibilities under this Act, including the enforcement thereof, the Administrator may by agreement utilize with or without reimbursement the services, personnel, and facilities of any Federal agency.

CITIZEN SUITS

SEC. 115. (a) Any person may commence a civil action on his own behalf—

(1) against any person, including (A) the United States, and (B) any other governmental instrumentality or agency (to the extent permitted by the eleventh amendment to the Constitution), who is alleged to be in violation of this Act, or

(2) against the Administrator and the Chief of the Corps of Engineers where there is alleged a failure of the Administrator or the Chief to perform any act or duty under this Act which is not discretionary with the Administrator or the Chief.

(b) The United States district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce this Act, or to require the Administrator or the Chief to perform such act or duty, as the case may be.

(c) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or the common law to seek enforcement of this Act or to seek any other relief, including relief against the Administrator or the Chief or any State agency.

(d) The court, in issuing any final order in any action brought pursuant to this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

(e) Any resident of the United States who is injured in any manner through the failure of any operator to comply with the provisions of this Act, or of any regulation, order, permit, or plan or reclamation issued by the Administrator, may bring an action for damages (including attorney fees) regardless of the amount involved or citizenship of the parties, in an appropriate United States district court.

(f) The Administrator, if not a party in any action under this section, may intervene as a matter of right.

UNDERGROUND MINE PERMIT RENEWAL

SEC. 116. Any operator who holds a permit issued under this title to conduct underground coal mining operations and who wishes to continue such operations beyond the original permit period shall apply to renew his permit within ninety days prior to the anniversary date of the permit issuance. An additional fee of $100 and a new map which outlines the area to be affected shall be filed with such application. Each renewal application shall be in a form prescribed by the Administrator and shall update the information provided in the original permit application. The Administrator shall approve the renewal application in accordance with procedures established by this title for approval of the original application.

AUTHORIZATION

SEC. 117. There are authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this title.

ANNUAL REPORT

SEC. 118. The Administrator shall submit annually to the President and the Congress a report concerning activities conducted by him, pursuant to this Act. Among other matters, the Administrator shall include in such report recommendations for additional administrative or legislative action as he deems necessary and desirable to accomplish the purposes of this Act.

INSPECTORS

SEC. 119. (a) The Administrator shall determine the number of coal mining inspectors needed to implement this title, and shall appoint them subject to the provisions of title 5 of the United States Code, governing appointments in the competitive service. Each inspector shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The qualification and training provisions of section 505 of the Federal Coal Mine Health and Safety Act of 1969 shall be applicable here.

(b) A coal mining inspector when making any necessary survey and inspection of coal mining operations under this title shall, at the request of the Secretary of the Interior, administer and enforce all Federal coal mine health and safety laws, rules, and regulations, and shall perform such other functions as prescribed by the Administrator.

FEDERAL PROCUREMENT

SEC. 120. (a) No Federal agency, including any Government corporation, may enter into any contract with any person, who has been convicted of any offense under this Act, for the procurement of minerals or solid fuels, goods, material and services if such contract is to be performed at or by any mine or facility at which the violation which gave rise to such conviction occurred, or if such mine facility is wholly or partly owned, leased, or supervised by such person. The prohibition in the preceding sentence shall continue until the Administrator certifies that the condition giving rise to such conviction has been corrected.

(b) The Administrator shall establish procedures to provide all such agencies with the notification necessary for the purposes of subsection (a) of this section.

(c) In order to implement the purposes and policy of this Act to protect and enhance the quality of the Nation's environment, within one hundred and eighty days after enactment of this Act, each Federal agency, including any Government corporation, authorized to enter into contracts and each Federal agency which is empowered to extend Federal assistance by way of grant, loan, or contract, shall effectuate the purpose and policy of this Act in such contracting or assistance activities by requesting incorporation into the terms of contracts and assistance those environmental protection standards and other requirements of title II of this Act and the sanctions and penalties described in section 216.

(d) No department, agency, or instrumentality of the United States shall purchase or otherwise obtain any coal from any supplier which coal has been extracted by means of surface mining on lands owned by any person who has not given his written consent to the extraction of such coal by surface mining.

RELATION TO OTHER LAWS

SEC. 121. Nothing in this Act shall be construed to conflict with any of the following Acts or with any rule or regulation promulgated thereunder:

(1) The Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742).

(3) The Federal Water Pollution Control Act (33 U.S.C. 1151–1175), the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clean Air Act (42 U.S.C. 1857).

(5) The Solid Waste Disposal Act (42 U.S.C. 3251).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act (16 U.S.C. 661–666c).

PROTECTION OF THE SURFACE OWNER

SEC. 122. (a) In those instances in which the surface owner is not the owner of the mineral estate proposed to be mined by surface coal mining operations, the application for a permit shall include the written consent of the owner or owners of the surface lands involved and any person holding an interest in such surface including but not limited to the lessees of said surface to enter and commence surface mining operations on such land.

(b) All coal deposits, title to which is in the United States, in lands with respect to which the United States is not the surface owner thereof are hereby withdrawn from all forms of surface mining operations and open pit mining, except surface operations incident to an underground coal mine.

(c) In those instances where the mineral estate proposed to be mined by surface coal mining operations and the surface is owned by the Federal Government and the interest in the surface is in the nature of a lease or a permit, the application for a permit shall include the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operation on such land.

(d) In those instances where the mineral estate proposed to be mined by surface coal mining operations and the surface is owned by the same person and there exists an interest in the surface in the form of a lease or permit, the application for a permit shall include the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operations on such land.

(e) No owner shall evict a lessee for the purpose of authorizing surface mining without a minimum of one year's notice and without providing just compensation for any improvements of said lessees. If the owner and said lessees are unable to reach agreement on just compensation, the district court in which such surface area is located shall have jurisdiction without regard to the amount in controversy or diversity of citizenship to consider and decide any action filed by the lessees to determine such compensation.

(f) In those instances where it is determined that the surface mining operation removes or disturbs a stratum which serves as a regional aquifer or whose absence would significantly affect the hydrologic balance or use of water either on- and off-site; the written consent of all owners of water rights and landowners (if not the water right owners) anticipated to be affected is required to be submitted as part of the mining application. Further, the operator must provide evidence of additional financial capability and assume responsibility for compensating consumers of water or owners of water rights or providing a substitute water supply, at least equal in quality, quanity, and reliability to such consumers or owners in the event that a degree of hydrologic impact of the operation was underestimated at the time of permit approval.

(g) For the purposes of this section, the term "surface coal mining operation" does not include underground mining for coal.

SEVERABILITY

SEC. 123. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

DEFINITIONS

SEC. 124. For the purpose of this Act—

(1) The term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam.

(2) The term "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce.

(3) The term "surface coal mining operations" includes—

(A) activities conducted on the surface of lands in connection with a surface coal mine or surface operations and impacts incident to an underground coal mine, the products of which enter commerce or the operations of which directly or indirectly affect interstate commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, and in situ distillation or retorting, leaching or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, loading of coal for interstate commerce at or near the mine site; except that such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include land affected by mineral exploration operations which substantially disturb the natural land surface, and any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas, and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities.

(4) The term "surface mining and stabilization operations" means surface mining operations and all activities necessary and incident to stabilization of such operations.

(5) The term "lands within any State" means all lands within a State,

(6) The term "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization.

(7) The term "operator" means any person engaged in a coal mining operation who removes or intends to remove coal from the earth by surface or underground coal mining operations, or who removes more than two hundred and fifty tons of overburden for the purpose of determining the location, quality, or quantity of a natural coal deposit.

(8) The term "contour" means the surface coal mining of a seam of coal upon a natural downslope in excess of twenty degrees from the horizontal adjacent to the outcropping of a seam of coal.

(9) The term "coal" means bituminous coal, subbituminous coal, lignite, and anthracite.

(10) The term "stabilization" or "stabilize" means the combined process of land treatment that eliminates water degradation, air pollution, damage to aquatic or wildlife habitat, flooding, erosion, other harmful effects or after-effects from surface mining operations, or surface effects from underground mines, so that affected lands are restored to a stable and nonharmful condition and create no danger to public safety, barriers to access or reduce the value of surrounding lands. The process may extend to affected lands surrounding the lands on which the original mining occurred and may require backfilling to approximate original contouring, grading, resoiling, revegetation, soil compaction, and stabilization, in order to eliminate water or soil pollution, erosion, flooding resulting from surface mining, water degradation or pollution from unfilled cracks and fissures or any other activity to accomplish stabilization of land to a stable condition at least fully capable of supporting the uses or higher or better uses which they were capable of supporting prior to any mining, so long as such use or uses do not prevent any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution of pollution.

(11) The term "restore the approximate original contour" means that part of the stabilization process achieved by grading from a point at the top of the highwall to a point at the toe of the spoil bank in which the maximum slope shall not exceed the original average slope from the horizontal and the surface configuration achieved shall complement and blend into the drainage pattern of the surrounding terrain, with all highwalls, spoil piles, and depressions eliminated.

(12) The term "silt" means soil, soil or rock particles, wood, debris, or other materials that are transported by suspension or floating in streams flowing from or through mining areas.

(13) The term "overburden" means all of the earth and other materials removed or excavated for the purpose of exposing a coal seam in order to surface mine the coal, and includes earth and other materials removed from their natural state in the process of surface coal mining.

(14) The term "spoil bank" means any deposit of removed overburden, waste, culm banks, or other similar material from either surface or underground coal mining operations.

(15) The term "written consent" means such written consent as is executed by the owner of the surface estate after the date of enactment of this Act, upon a form approved by the Administrator, and shall demonstrate that such owner consents to entry of an operator for the purpose of conducting surface coal mining operations and that such consent is given only to such surface coal mining and stabilization operations which fully comply with the terms and requirements of this Act.

(16) The term "permit area" means the area of land indicated on the approved map submitted by the operator with his application, which area of land shall be covered by the operator's bond as required by section 110(a) of this Act and shall be readily identifiable by appropriate markers on the site.

TITLE II—ABANDONED MINE STABILIZATION

ABANDONED COAL MINE STABILIZATION FUND

SEC. 201. (a) There is created in the Treasury of the United States a fund to be known as the Abandoned Coal Mine Stabilization Fund (hereafter refered to as the "fund").

(b) There is authorized to be appropriated to the fund initially the sum of $100,000,000, and such other sums as may thereafter be appropriated by the Congress.

(c) The following additional money shall be deposited in the fund:

(1) Money derived from the sale, lease, or rental of land stabilized pursuant to this title.

(2) Money derived from any user charge imposed on or for land stabilized pursuant to this title, after expenditures for maintenance have been deducted.

(3) Money derived from the stabilization fees levied under subsection (e) of this section.

(d) The Chief of the Corps of Engineers is authorized to use the money in the fund for the acquisition and stabilization of land under section 206 for acquisitions and filling of voids and sealing of tunnels, shafts, and entryways under section 207 and to make available to the Secretary of Agriculture, for his use under section 205, one-third of the money in the fund during any one year.

(e) All operators of surface coal mining operations active on or after the date of enactment of this Act shall for each calendar quarter following the date of enactment of this Act pay a stabilization fee to the Chief of the Corps of Engineers on a quarterly basis equal in amount to $2 per ton of coal mined during the preceding calendar quarter. All operators of underground coal mining operations active on or after the date of enactment of this Act shall for each calendar quarter following the date of enactment of this Act pay a stabilization fee to the Chief of the Corps of Engineers on a quarterly basis equal in amount to 25 cents per ton of coal mined during the preceding calendar quarter.

OBJECTIVES OF FUND

Sec. 202. Objectives for the obligation of funds for the stabilization of previously mined areas shall reflect the following priorities in the order stated:

(1) The protection of health or safety of the public.

(2) Protection of the enviroment from continued degradation and the conservation of land and water resources.

(3) The protection, construction, or enhancement of public facilities such as utilities, roads, recreation, and conservation facilities and their use.

(4) The improvement of lands and waters to a suitable condition useful in the economic and social development of the area affected.

ELIGIBLE LANDS

Sec. 203. The only land eligible for stabilization expenditures under this title are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other mining processes, and abandoned or left in an inadequate stabilization status prior to the enactment of this Act, and for which there is no continuing responsibility for such stabilization under State or other Federal laws.

STABILIZATION RESPONSIBILITY

Sec. 204. (a) Operators or permittees shall abate all offsite continuing or episodic polluting discharges, mine or refuse bank fires or other conditions that present an adverse effect on the health and safety of the public that resulted from past mining operations, and that exist within the permit area as designated in title I of this Act. Stabilization methods and procedures shall become a part of the mining and stabilization plan provided for in title I of this Act.

(b) Mining companies shall eliminate continuing polluting discharges, mine or refuse bank fires or conditions that present an adverse effect on the health and safety of the public of mined lands where the mining company has in the past conducted mining operations on or beneath the surface of the land, did not stabilize such land and on or after the effective date of this Act held the mineral rights to such land; or substantial areas of such land.

(c) Operators not in compliance with this section shall be subject to the procedures and penalties provided in title I of this Act.

STABILIZATION OF RURAL LANDS

Sec. 205. (a) In order to provide for the control and prevention of erosion and sediment damages from unstabilized mining lands, and to promote the conservation and development of the soil and water resources, the Secretary of Agriculture is authorized to enter into agreements of not more than ten years with landowners, residents, and tenants, and individually or collectively, determined by him to have control for the period of the agreement of the lands in question therein, providing for land stabilization, erosion and sediment control, and stabilization through conservation treatment, including measures for the conservation and development of soil, water (excluding stream channelization), woodland, wildlife, and recreation resources, of unstabilized mined lands and lands affected by mining.

(b) The landowner, resident, or tenant shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the proposed land uses and conservation treatment which shall be mutually agreed by the Secretary of Agriculture and the landowner, resident, or tenant to be needed on the lands for which the plan was prepared.

(c) Such plan shall be incorporated in an agreement under which the landowner, resident, or tenant shall agree with the Secretary of Agriculture to effect the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, resident, or tenant the Secretary of Agriculture is authorized to furnish financial and other assistance to such landowner, resident, or tenant in such amounts and subject to such conditions as the Secretary of Agriculture determines are appropriate and in the public interest for the carrying out of the land uses and conservation treatment set forth in the agreement. Grants made under this section shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on not more than thirty acres of land occupied by such owner, resident, or tenant.

(e) The Secretary of Agriculture may terminate any agreement with a landowner, operator, or occupier by mutual agreement if the Secretary of Agriculture determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitaton on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service, and the State and local committees provided for in section 8(b) of the Soil Conservation and Domestic Allotment Act, and is authorized to utilize the facilities, service, and authorities of the Commodity Credit Corporation.

(i) In all agreements entered into pursuant to subsection (a) of this section the Secretary of Agriculture shall require that, in hiring persons to perform work under the agreement, preference shall be given former employees of surface coal mines.

(j) Money in the fund created by this section, and in the fund created under section 201, shall be made available to the Secretary of Agriculture for the purposes of this section.

ACQUISITION AND STABILIZATION OF ABANDONED AND UNSTABILIZED MINED LANDS

Sec. 206. (a) The Congress hereby declares that the acquisition of any interest in land or mineral rights in order to eliminate hazards to the health and safety of the public from mined lands, construct, operate, or manage stabilization facilities and projects constitutes acquisition for a public use or purpose, notwithstanding that the Chief of the Corps of Engineers plans to hold the interest in land or mineral rights so acquired as an open space or for recreation, or to resell the land following completion of the stabilization facility or project.

(b) The Chief of the Corps may acquire by purchase, donation, or otherwise, land or any interest therein which has been affected by surface mining and has not been stabilized to its approximate original condition. Prior to making any acquisition of land under this section, the Chief of the Corps shall make a thorough study with respect to those tracts of land which are available for acquisition under this section and based upon those findings he shall select lands for purchase according to the priorities established in section 202. Title to all lands or interests therein acquired shall be taken in the name of the United States. The price paid for land under this section shall take into account the unrestored condition of the land. Prior to any individual acquisition under this section, the Chief of the Corps of Engineers shall specifically determine the cost of such acquisition and stabilization and the benefits to the public to be gained therefrom.

(c) For the purposes of this title, when the Chief of the Corps seeks to acquire an interest in land or mineral rights, and cannot negotiate an agreement with the owner of such interest or right he shall request the Attorney General to file a condemnation suit and take interest or right, following a tender of just compensation as awarded by a jury to such person. When the Chief of the Corps determines that time is of the essence because of the likelihood of continuing or increasingly harmful effects upon the environment which would substantially increase the cost or magnitude of stabilization or of continuing or increasingly adverse effects on life, safety, or health, or to property, the Chief of the Corps may take such interest or rights immediately upon payment by the United States either to such person or into a court of competent jurisdiction of such amount as the Chief of the Corps shall estimate to be the fair market value of such interest or rights; except that the Chief of the Corps of Engineers shall also pay to such person any further amount that may be subsequently awarded by a jury, with interest from the date of the taking.

(d) For the purposes of this title, when the Chief of the Corps takes action to acquire an interest in land and cannot determine which person or persons hold title to such interest or rights, the Chief of the Corps shall request the Attorney General to file a condemnation suit, and give notice, and may take such interest or rights immediately upon payment into court of such amount as the Chief of the Corps shall estimate to be the fair market value of such interest or rights. If a person or persons establishes title to such interest or rights within six years from the time of their taking, the court shall transfer the payment to such person or persons and the Chief of the Corps shall pay any further amount that may be agreed to pursuant to negotiations or awarded by a jury subsequent to the time of taking. If no person or persons establish title to the interest or rights within six years from the time of such taking, the payment shall revert to the Chief of the Corps and be deposited in the fund.

(e) States are encouraged to acquire abandoned and unstabilized mined lands within their boundaries and to transfer such lands to the Chief of the Corps to be stabilized under appropriate Federal regulations.

The Chief of the Corps is authorized to make grants on a matching basis to States in such amounts as he deems appropriate for the purpose of carrying out of the provisions of this title but in no event shall any grant exceed 90 per centum of the cost of acquisition of the lands for which the grant is made. When a State has made any such land available to the Federal Government under this title, such State shall have a preference right to purchase such lands after stabilization at fair market value less the State portion of the original acquisition price. Notwithstanding the provisions of paragraph (1) of this subsection, stabilized land may be sold to the State or local government in which it is located at a price less than fair market value, which in no case shall be less than the cost to the United States of the purchase and stabilization of the land, as negotiated by the Chief of the Corps, to be used for a valid public purpose. If any land sold to a State or local government under this paragraph is not used for a valid public purpose as specified by the Chief of the Corps in the terms of the sales agreement then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(f) The Chief of the Corps shall prepare specifications for the stabilization of lands acquired under this title. In preparing these specifications, the Chief of the Corps shall utilize the specialized knowledge or experience of any Federal department or agency which can assist him in the development or implementation of the stabilization program required under this title and following the standards for stabilization set forth in this Act. The Chief of the Corps of Engineers may, with the approval of the Administrator of the department or agency involved, call to his assistance temporarily any engineer or other personnel of any Federal department or agency. The engineers and employees shall not receive any additional compensation other than that which they receive from the department or agency by which they are employed, but they shall be reimbursed for their actual and necessary expenses incurred while working under the direction of the Chief of the Corps. The Chief of the Corps shall follow the consultation and notification procedures specified in section 108(a) prior to the final approval of a stabilization plan.

(g) Any proposed stabilization contract shall be approved by the Chief of the Corps. Except as otherwise required by subsection (i), the Chief of the Corps shall award each contract to the lowest qualified bidder after sealed bids are received, opened, and published at the time and place fixed by the Chief of the Corps and notice of the time and place at which the bids will be received, opened, and published, has been advertised at least once at least ten days before the opening of the bids, in a newspaper of general circulation in each county in which the area of land to be stabilized under such contract is located. If no bids for the advertised contract are received at the time and place fixed for receiving them, the Chief of the Corps may advertise again, but he may, if he deems the public interest will be best served thereby, enter into a contract without further advertisement for bids. The Chief of the Corps may reject any or all bids received and may fix and publish again notice of the time and place at which new bids for the contract will be received, opened, and published.

(h) In awarding stabilization contracts, the Chief of the Corps shall require that preference be given to former employees of surface coal mines.

(i) In selecting lands to be acquired pursuant to this title and in formulating regulations for the making of grants to the States to acquire lands pursuant to this title, the Chief of the Corps shall give priority to lands in this unstabilized state which will meet the objectives as stated in section 203 above when stabilized. For those lands which are stabilized for public recreational use, the revenue derived from such lands shall be used first to assure proper maintenance of such funds and facilities thereon and any remaining moneys shall be deposited in the fund.

(j) Where land stabilized pursuant to this title is deemed to be suitable for industrial, commercial, residential, or private recreational development, the Chief of the Corps may sell such land by public sale under a system of competitive bidding, at not less than fair market value and under other such regulations as he may promulgate to insure that such lands are put to a proper use, as determined by the Chief of the Corps. If any such land sold is not put to the use specified by the Chief of the Corps in the terms of the sales agreement, then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(k) The Chief of the Corps shall hold a public hearing, with the appropriate notice, in the county or counties or the appropriate subdivisions of the State in which lands acquired to be stabilized pursuant to this title are located. The hearing shall be held at a time which shall afford local citizens and governments the maximum opportunity to participate in the decision concerning the use of the lands once stabilized.

(l) (1) The Chief of the Corps of Engineers is authorized to use money in the fund to acquire, reclaim, develop, and transfer land to any State, or any department, agency, or instrumentality of a State or a political subdivision thereof, or to any person, firm, association, or corporation if he determines that such is an integral and necessary element of an economically feasible plan for a project to construct or rehabilitate housing for persons employed in mines or work incidental thereto, persons disabled as the result of such employment, persons displaced by governmental action, or persons dislocated as the result of natural disasters or catastrophic failure from any cause. Such activities shall be accomplished under such terms and conditions as the Chief of the Corps of Engineers shall require, which may include transfers of land with or without monetary consideration: *Provided*, That, to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and consideration shall accrue as a profit to such person, firm, association, or corporation. Land development may include the construction of public facilities or other improvements including reasonable site work and offsite improvements such as sewer and water extensions which the Chief of the Corps determines necessary or appropriate to the economic feasibility of a project. No part of the funds provided under this title may be used to pay the actual construction costs of housing.

(2) The Chief of the Corps may carry out the purposes of this subsection directly or he may make grants and commitments for grants, and may advance money under such terms and conditions as he may require to any State, or any department, agency, or instrumentality of a State, or any public body or nonprofit organization designated by a State.

(3) The Chief of the Corps may provide, or contact with public and private organizations to provide information, advice, and technical assistance, including demonstrations, in furtherance of this subsection.

FILLING VOIDS AND SEALING TUNNELS

SEC. 207. (a) The Congress declares that voids and open and abandoned tunnels, shafts, and entryways resulting from mining constitute a hazard to the public health and safety. The Chief of the Corps, at the request of the Governor of any State, is authorized to fill such voids and seal such abandoned tunnels, shafts, and entryways which the Chief determines could endanger life and property or constitute a hazard to the public health and safety.

(b) In those instances where mine waste piles are being reworked for coal conservation purposes, the incremental costs of disposing of the wastes from such operations by filling voids and sealing tunnels may be eligible for funding providing that the disposal of these wastes meets the purposes of this section.

(c) The Chief of the Corps of Engineers may acquire by purchase, donation, or otherwise such interest in land as he determines necessary to carry out the provisions of this section.

FUND REPORT

SEC. 208. Not later than January 1, 1976, and annually thereafter, the Chief of the Corps shall report to the Congress on operations under the fund together with his recommendations as to future uses of the fund.

TITLE III—ASSISTANCE TO WORKERS

AUTHORITY

SEC. 301. The Secretary of Labor shall determine whether applicants are entitled to receive assistance under this title and shall pay or provide such assistance to applicants who are so entitled.

PART A—READJUSTMENT ALLOWANCES

QUALIFYING REQUIREMENTS

SEC. 310. (a) Payment of a readjustment allowance shall be made to an adversely affected worker who applies for such allowance for any week of unemployment which begins after the thirtieth day after the date of the enactment of this Act, subject to the requirements of subsections (b) and (c).

(b) Total or partial separation shall have occurred—

(1) after the date of the enactment of this Act,

(2) before the expiration of the two-year period beginning on the day on which an individual becomes an "adversely affected worker" as defined in section 345(1).

(c) Such worker shall have had in the one hundred and fifty-six weeks immediately preceding such total or partial separation, at least fifty-two weeks of employment in a coal mine at wages of $15 or more a week, or if data with respect to weeks of employment are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary of Labor.

WEEKLY AMOUNTS

SEC. 311. (a) Subject to the other provisions of this section, the readjustment allowance payable to an adversely affected worker for a week of unemployment shall be an amount equal to 90 per centum of his average weekly wage or to 90 per centum of the average weekly manufacturing wage, whichever is greater.

(b) Any adversely affected worker who is entitled to readjustment allowances and who is undergoing training approved by the Secretary of Labor, including on-the-job training, shall receive for each week in which he is undergoing any such training, a readjustment allowance in an amount (computed for such week) equal to the amount computed under subsection (a) or (if greater) the amount of any weekly allowance for such training to which he would be entitled under any other Federal law for the training of workers, if he applied for such allowance. Such readjustment allowance shall be paid in lieu of any training allowance to which the worker would be entitled under such other Federal law.

(c) The amount of readjustment allowance payable to an adversely affected worker under subsection (a) or (b) for any week shall be reduced by any amount of unemployment insurance which he has received with respect to such week.

(d) If unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is paid to an adversely affected worker for any week of unemployment with respect to which he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 331) to a readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of readjustment allowance otherwise payable to him under section 312(a) when he applies for a readjustment allowance and is determined to be entitled to such allowance. If the unemployment insurance or the training allowance paid to such worker for any week of unemployment is less than the amount of the readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a readjustment allowance and is determined to be entitled to such allowance, a readjustment allowance for such a week equal to such difference.

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a readjustment allowance would exceed 85 per centum of his average weekly wage, his readjustment allowance for such week shall be reduced by the amount of such excess.

(f) The amount of any weekly payment to be made under this section which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

(g)(1) If unemployment insurances is paid under a State law to an adversely affected worker for a week which—

(A) he receives a readjustment allowance, or

(B) he makes application for a readjustment allowance and would be entitled (determined without regard to subsection (c) or (e)) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under other Federal law, be reimbursed from funds appropriated pursuant to section 344 to the extent such payment does not exceed the amount of the readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency.

(2) In any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which such payments were made, may be disregarded under the State law (and for purposes of applying section 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law.

TIME LIMITATIONS ON READJUSTMENT ALLOWANCES

SEC. 312. (a) Payment of readjustment allowances shall not be made to an adversely affected worker for more than one hundred and four weeks, except that, in accordance with regulations prescribed by the Secretary of Labor—

(1) such payments may be made for not more than twenty-six additional weeks to an adversely affected worker to assist him to complete training approved by the Secretary of Labor, or

(2) such payments shall be made for not more than thirteen additional weeks to an adversely affected worker who had reached his sixtieth birthday on or before the date of total or partial separation.

(b) Except for a payment made for an additional week specified in subsection (a), a readjustment allowance shall not be paid for a week of unemployment beginning more than three years after the beginning of the appropriate week. A readjustment allowance shall not be paid for any additional week specified in subsection (a) if such week begins more than four years after the beginning of the appropriate week. The appropriate week for a totally separated worker is the week of his most recent total separation. The appropriate week for a partially separated worker is the week in respect of which he first receives a readjustment allowance following his most recent partial separation.

APPLICATION OF STATE LAWS

SEC. 313. Except where inconsistent with the provisions of this title and subject to such regulations as the Secretary of Labor may prescribe, the availability and disqualification provisions of the State law—

(1) under which an adversely affected worker is entitled to unemployment insurance (whether or not he has filed a claim for such insurance), or

(2) if he is not so entitled to unemployment insurance, of the State in which he was totally or partially separated,

shall apply to any such worker who files a claim for readjustment allowances. The State law so determined with respect to a separation of a worker shall remain applicable, for purposes of the preceding sentence, with respect to such separation until such worker becomes entitled to unemployment insurance under another State law (whether or not he has filed a claim for such insurance).

PART B—TRAINING

IN GENERAL

SEC. 320. (a) To assure that the readjustment of adversely affected workers shall occur as quickly and effectively as possible, with minimum reliance upon readjustment allowances under this title, every effort shall be made to prepare each such worker for full employment in accordance with his capabilities and prospective employment opportunities. To this end, and subject to this title, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services provided for under any Federal law. Such workers shall also be afforded supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when such training is provided in facilities which are not within commuting distance of their regular place of residence. The Secretary of Labor in defraying such subsistence expenses shall not afford any individual an allowance exceeding $10 a day; nor shall the Secretary authorize any transportation expense exceeding the rate of 10 cents per mile.

(b) To the extent practicable, before adversely affected workers are referred to training, the Secretary of Labor shall consult with such workers' firm and their certified or recognized union or other duly authorized representative and develop a worker retraining plan which provides for training such workers to meet the manpower needs of such firm in order to preserve or restore the employment relationship between the workers and the firm.

(c) The Secretary of Labor is authorized to transfer funds appropriated to carry out this title to other appropriation accounts to be used to defray the costs of providing testing, counseling, training, and placement services under other Federal laws, as authorized by subsection (a).

PART C—RELOCATION ALLOWANCES

RELOCATION ALLOWANCES AFFORDED

SEC. 330. Any adversely affected worker who is the head of a family as defined in regulations prescribed by the Secretary of Labor and who has been totally separated may file an application for a relocation allowance, subject to the terms and conditions of this part.

QUALIFYING REQUIREMENTS

SEC. 331. (a) A relocation allowance may be granted only to assist an adversely affected worker in relocating within the United States and only if the Secretary of Labor determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides and that such worker—

(1) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which he wishes to relocate, or

(2) has obtained a bona fide offer of such employment.

(b) A relocation allowance shall not be granted to such worker unless—

(1) for the week in which the application for such allowance is filed, he is entitled (determined without regard to section 311(c) and (e)) to a readjustment allowance or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has obtained the employment referred to in subsection (a)(1), and

(2) such relocation occurs within a reasonable period after the filing of such application or (in the case of a worker who has been referred to training by the Secretary of Labor) within a reasonable period after the conclusion of such training.

RELOCATION ALLOWANCE DEFINED

SEC. 332. For purposes of this part, the term, "relocation allowance" means—

(1) the reasonable and necessary expenses, as specified in regulations prescribed by the Secretary of Labor, incurred in transporting a worker and his family and their household effects, and

(2) a lump sum equivalent to three and one-half times the average weekly manufacturing wage.

PART D—GENERAL PROVISIONS

AGREEMENTS WITH STATES

SEC. 340. (a) The Secretary of Labor is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency. Under such an agreement, the State agency (1) as agent of the United States, will receive applications for, and will provide, assistance on the basis provided in this title, (2) where appropriate, will afford adversely affected workers who apply for assistance under this title testing, counseling, referral to training, and placement services, and (3) will otherwise cooperate with the Secretary of Labor and with other State and Federal agencies in providing assistance under this title.

(b) Each agreement under this part shall provide the money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this part, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

(c) Any agreement under this part may require any officer or employee of the State certifying payments or disbursing funds under the agreement, or otherwise participating in the performance of the agreement, to give a surety bond to the United States in such amount as the Secretary of Labor may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this title.

LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS

SEC. 301. (a) No person designated by the Secretary of Labor, or designated pursuant to an agreement under this part, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this title.

(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this title if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

RECOVERY OF OVERPAYMENTS

SEC. 342. (a) If a State agency or the Secretary of Labor, or a court of competent jurisdiction finds that any person—

(1) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

(2) as a result of such action has received any payment of allowances under this title to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary of Labor, as the case may be, or either may recover such amount by deductions from any allowance payable to such person under this title. Any such finding by a State agency or the Secretary of Labor may be made only after an opportunity for a fair hearing.

(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary of Labor under this section shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

REVIEW

SEC. 343. Except as may be provided in regulations prescribed by the Secretary of Labor to carry out his functions under this title, determinations under this title as to the entitlement of individuals, for adjustment assistance shall be final and conclusive for all purposes and not subject to review by any court or any other officer. To the maximum extent practicable and consistent with the purposes of this title, such regulations shall provide that such determinations by a State agency will be subject to review in the same manner and to the same extent as determinations under the State law.

AUTHORIZATION OF APPROPRIATIONS

SEC. 344. There are hereby authorized to be appropriated to the Secretary of Labor such sums as may be necessary from time to time to carry out his functions under this title in connection with furnishing adjustment assistance to workers, which sums are authorized to be appropriated to remain available until expended.

DEFINITIONS

SEC. 345. For the purposes of this title—

(1) The term "adversely affected worker" means an individual who the Secretary determines, by reason of the requirements of title I, has been totally or partially separated from employment in a surface or underground coal mining operation.

(2) The term "average weekly manufacturing wage" means the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year (as officially published annually by the Bureau of Labor Statistics of the Department of Labor) most recently published before the period for which the assistance under this title is furnished.

(3) The term "average weekly wage" means one-half of the total wages paid to an individual in the high quarter. For purposes of this computation, the high quarter shall be that quarter in which the individual's total wages were highest among the first four of the last five completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary of Labor.

(4) The term "average weekly hours" means the average hours worked by the individual (excluding overtime) in the employment from which he has been or claims to have been separated in the fifty-two weeks (excluding weeks during which the individual was sick or on vacation) preceding the week specified in the last sentence of paragraph (3).

(5) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had his hours of work reduced to 60 per centum or less of his average weekly hours in employment and his wages reduced to 75 per centum or less of his average weekly wage in such employment.

(6) The term "remuneration" means wages and net earnings derived from services performed as a self-employed individual.

(7) The term "State agency" means the agency of the State which administers the State law.

(8) The term "State law" means the unemployment insurance law of the State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

(9) The term "total separation" means the layoff or severance of an individual from employment.

(10) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, including title XV of the Social Security Act, the Railroad Unemployment Insurance Act, and the Temporary Extended Unemployment Compensation Act of 1961.

(11) The term "week" means a week as defined in the applicable State law.

(12) The term "week of unemployment" means with respect to an individual any week for which his remuneration for services performed during such week is less than 75 per centum of his average weekly wage and in which, because of lack of work—

(A) if he has been totally separated, he worked less than the full-time week (excluding overtime) in his current occupation, or

(B) if he has been partially separated, he worked 80 per centum or less of his average weekly hours.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. HECHLER) for the committee amendment in the nature of a substitute, be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. HECHLER of West Virginia. Mr. Chairman, to the 156 loyal troops who stood by the gentleman from California in the Hosmer amendment, I would say welcome, come over to our side and join in support of the Hechler substitute, H.R. 15000.

Mr. Chairman, remarks have been made during this debate about the environmental ethic and the energy ethic. I would suggest, Mr. Chairman, that we who live together on spaceship Earth have to consider not only the minerals that we mine versus the environment, but we also must consider the people who live on this spaceship.

There are those who speak very glibly of the tradeoffs which are necessary between energy and the environment—as though this world were some kind of a big apple pie and you cut a one-sized piece for energy and leave what is left over for something called environment. Mr. Chairman, we all live together as passengers on this spaceship Earth, where our supplies of clean air, pure water, topsoil and minerals are indeed finite. Yet the reconciliation we seek is not as simply stated in terms of tradeoffs. What we really mean is how the people, the human beings on this Earth can be supplied with material goods and at the same time to preserve those finite resources of air, water, soil, forests, minerals and their relationship one to the other.

I suggest, Mr. Chairman, that strippable coal is a scarce commodity. We only have 45 billion tons left. As we shoot toward coal production of over a billion tons a year, and 2–3 billion in the years ahead, as we get into coal gasification and liquefaction, it is easy to see that by the end of this century all strippable coal may be exhausted.

In the Department of the Interior study entitled "Energy Research Program," it is predicted that western stripped coal will all be gone by 1996, and most of the eastern stip coal also.

The Hechler substitute, H.R. 15000, is supported by 41 Members of the House from 17 different States.

My substitute is the only approach to the energy needs of this Nation which involves planning for the needs of the 1980's and 1990's and thereafter.

To those people that talk about a need for coal, I say we are now exporting 10 percent of our total coal production. In the month of May, we exported 6 million tons of coal out of a total production of 57 million tons—over 10 percent.

What is more, it seems to me that the Duke Power Co. is really holding up vital coal production by refusing to sign a contract with the United Mine Workers in Harlan, Ky., to produce badly needed coal. Duke Power, a multibillion dollar corporation, has refused to allow its subsidiary to recognize the free choice of a clear majority of the Brookside coal miners, who voted over a year ago, to affiliate with the United Mine Workers of America.

HOW MUCH COAL WILL WE NEED?

We are now producing about 600 million tons of coal per year, of which about

10 percent is being exported. Critics of H.R. 15000 have pointed out that about 50 percent of current coal production is strip mined, and that abolition of strip mining would create a severe energy crisis.

Three years ago, when I first introduced and testified on legislation to abolish strip mining, horrified critics in the coal industry and elsewhere declared: "You are going to bring strip mining to a grinding halt overnight; that is irresponsible, since so much of our Nation's coal is strip mined." At the time, I carefully pointed out that it was highly unlikely that the legislation would be enacted in 1 day, and in any case the supplies and reserves of deep minable coal so far exceeded the strippable coal that from the standpoint of energy alone it was vital to put more emphasis on underground mining. Instead, the coal industry, with encouragement by Federal and State authorities, proceeded to close down many of their deep mines and continued the headlong rush toward increasing strip mining.

In charting the course which this Nation should take toward strip-mined coal, it is extremely important to assess what are the actual reserves and resources of coal, the quality and sulfur content of that coal, and how it is to be mined and transported to serve our energy demands.

The most recent objective analysis of coal reserves and resources was published by the Senate Committee on Interior and Insular Affairs in 1973, and entitled "Factors Affecting the Use of Coal in Present and Future Energy Markets." This document comprises an independent study from official sources. Based on estimates of the U.S. Geological Survey—

> The total coal resources of the United States amount to more than three trillion tons. Of these total coal resources, some 50 percent, or 1.5 trillion tons of bituminous coal and lignite, are considered to be recoverable reserves (i.e., minable under current economic conditions with present technology, or technology that may be available in the foreseeable future.) At current levels of output and recovery, these reserves can be expected to last more than 500 years.

RATIO OF DEEP TO STRIPPABLE RESERVES

The U.S. Bureau of Mines has estimated that approximately 45 billion tons of this are strippable. The ratio of the deep minable reserves to the strippable reserves, according to these figures, would seem to indicate that there is over 30 times as much deep minable coal as there is strippable coal.

I prefer to rely on the far more conservative statistics supplied by the U.S. Bureau of Mines, which indicate that of the 1.5 trillion tons, we should really pare that down to the very bare minimum of what we know we can recover economically with presently available technology.

The U.S. Bureau of Mines sets the figure of deep minable coal at about 356 billion tons, as against 45 billion tons of strippable coal. This is an extremely conservative analysis of the amount of underground coal this Nation possesses, but even using the most conservative figures you can see that the ratio is about 8 to 1 in terms of the larger supply of deep minable coal.

One of the first questions which naturally arises—how much of this coal is low-sulfur coal? You hear a lot of uninformed comment today from those who imagine that we only strip mine because deep mining produces coal with a lot of sulfur and a lot of smoke. You also hear a lot of comment that we had better open up the western coal fields of Wyoming, Montana, Colorado, and New Mexico for some quick and unregulated strip mining, because all that coal out there is low sulfur.

What are the facts?

Again, using the most conservative U.S. Bureau of Mines estimates, here are the actual statistics on availability and geographic location of both deep minable and strippable coal, as well as the sulfur content:

ECONOMICALLY RECOVERABLE COAL RESERVES USING PRESENT TECHNOLOGY

[In billions of tons]

	Deep-minable	Strippable
All reserves:		
Appalachia	67.6	5.1
Midwest	49.8	7.3
West	238.3	32.6
Total, United States	355.7	45.0
Low-sulfur reserves:		
Appalachia	18.6	1.8
Midwest	.2	0
West	202.7	29.9
Total, United States	221.5	31.7

Note: Library of Congress had indicated that 11,500,000,000 of the 45,000,000,000 tons of strippable coal can also be deep-mined.

SEVEN TIMES AS MUCH DEEP AS STRIPPABLE LOW-SULFUR COAL

What conclusions can be drawn from these statistics?

First. Quoting the Senate report—

> It is obvious that the sheer physical availability of coal will not be a limiting factor in its use as a fuel in the next few decades.

Second. Most of the midwestern coal in Illinois, west Kentucky, Missouri, and Ohio is high sulfur, with sulfur content of more than 2 percent. This would seem to limit the usefulness of the strippable coal in the Midwest.

Third. The huge bulk of low-sulfur reserves of coal are in the Western States of Montana, Wyoming, and New Mexico, yet there is also a large supply of low-sulfur reserves in West Virginia, Kentucky, and other States of the eastern Appalachian coal fields. In addition, western coal has a much lower Btu content, which means that western coal emits more sulfur per million Btu's.

Fourth. In both the huge western coalfields and the Appalachian area, the amount of low-sulfur coal which is deep-minable exceeds the surface minable coal by a total ratio of over 7 to 1.

Therefore, if the decision were made solely on the issue of how much deep minable versus strippable coal we have, it is my conclusion that we ought to shift our concentration away from strip mining toward deep mining. After all, we are concerned with the availability of total resources. If we continue to strip mine at the increasing rate which current trends indicate, the reserves of strip minable coal will be exhausted, perhaps by the end of this century.

The demands on strippable coal will shoot up even more by the decade of the 1980's, when the technology for coal gasification and liquefaction is perfected. At that point, when the reserves of strippable coal run out, the radical shift over to deep mining will impose drastic dislocations on our economy in terms of capital, machinery and equipment, trained manpower, and the other complex factors necessary to make the abrupt transition.

WHY NOT STOCKPILE STRIPPABLE COAL IN PLACE?

As an alternative, because strip minable coal is so valuable and essential in meeting the energy crisis, it would be preferable to stockpile the strippable coal in place and undisturbed below the surface. Then, if the need arises after the seams of deep minable coal are exhausted, the Nation could quickly turn to strip mining to meet energy needs without the economic dislocations caused by a shift in the other direction from strip mining to deep mining.

PEOPLE

Human beings are a resource.

Although inflation has probably increased the value of all the chemicals in the human body, nobody has effectively quantified the human suffering caused by strip mining. To be sure, there have been very strong contentions that without strip mining, coal and electricity would be priced out of the market and those in poverty-ridden areas would be deprived of the burden-lifting advantages of electricity and appliances. It has also been contended that without strip mining there would ensue brownouts and blackouts, cold homes in the winter, widespread and disastrous effects on jobs and people. These contentions have never been scientifically measured, or the alternatives of deep mining and other forms of energy considered.

All I want to do here today is to raise the issue among my colleagues. I am not here to contend that the people of West Virginia, Kentucky, Montana, and Wyoming deserve to be treated any differently than the people in the rest of the Nation. I just want to be sure that when you listen to the stories about blackouts and brownouts and say you have to continue strip mining, just listen also to people like Mrs. Bige Richie of Knott County, Ky., whose baby's grave was ruthlessly violated, the casket thrown over the hill and piled over with boulders and dirt by a strip mining company. It is about time that the Congress listen to Mrs. Harvey Kincaid of Fayette County, W. Va., whose home and property were invaded by the silt, sediment, polluted water and boulders from a strip mine. So she and her family had to move several miles away, only to have the same strip mining company start the same destructive process all over again above their new home.

Lots of people ask: Why do those who are damaged not go to court and collect if their property is affected? The Kincaids did go to court and were awarded $10,000 after a lengthy and expensive legal process. But a great deal of the damage is rather subtle and difficult to prove, like the hundreds of West Virginians who are gradually finding that their water wells are getting filled with brackish, metallic, and ill-smelling water—frequently some miles downstream from where the strip miners are operating.

HUMAN DAMAGES CAUSED BY STRIP MINING

How do you measure human suffering? Most of the scientific studies of the effects of strip mining deal with highly impersonal, almost heartlessly neutral factors. We know, for example, that the U.S. Geological Survey made a painstakingly thorough 10-year study entitled "Influences of Strip Mining on the Hydrologic Environment of Parts of Beaver Creek Basin, Ky.," published in 1970. The study made the startling conclusion that 30,000 tons of silt per square mile were discharged from a strip mined area in eastern Kentucky, while close by in a timbered valley where there was no strip mining only 27.9 tons per square mile annually were discharged. Scientific studies like that abound, but who speaks for the human beings who live in these valleys? The strip miners tell me that the people ought to move out so they can get on with their business, and when they are talking with the people they blame the people for causing their own problems by throwing trash in the streams.

One such study was completed in June 1973, at the University of Tennessee. It is entitled "Benefit/Cost Approach to Decision Making: The Dilemma With Coal Production," by F. Schmidt-Bleek and J. R. Moore. This study made over a 10-year period from 1962–72, surveyed all floods occurring in Ohio, Tennessee, and Virginia. Comparing the flood damages in 122 counties, of which 51 counties had strip mining at the time of flooding, the study found the level of damages in strip mined counties approximately double the level in those counties which did not have strip mining.

On October 1973 study, entitled "Strip Mining Increases Flood Potential of Mountain Watersheds," by Willie Curtis of the Forest Service, offers further evidence of how strip mining increases flooding. In examining numerous small watersheds in eastern Kentucky, Curtis found that the "peak flow rates increased by a factor of 3 to 5 after surface mining" along the streams. He also found that the rate at which flood peaks moved downstream was greatly increased in watersheds where strip mining had occurred. Clearly, people living in strip mined areas can expect more floods, greater damage, and less time to escape.

In Farmington, W. Va., the conscience of the Nation was aroused as a result of the death of 78 coal miners in the explosion which occurred on November 20, 1968. As a result, Congress responded to the disaster and enacted the very tough, Federal Coal Mine Health and Safety Act of 1969, which the coal industry insists is driving the price of coal upward. Strip mining is a slow disaster: It is continuous, without the single, searing flash of blinding light to arouse the Congress and the Nation. This is best illustrated by what happened in the 17-mile valley called Buffalo Creek in my congressional district. For years, I have been attempting to call attention to the serious damage to people's homes, property, and water supply from the strip mines high above Buffalo Creek. To be sure, a 76-year-old man from Amherstdale, W. Va., was trapped in some mud which came down from a strip mine, and when they found him the next morning he was dead. But that was only one life. Then the troubles caused by strip mines in Buffalo Creek were forgotten on the morning of February 26, 1972, when water behind a coal waste pile broke through and swept a 30-foot wall of water down the valley, killing 125 people. The people forgot about the strip mines when they were engulfed by a tragedy of that magnitude.

ALL HUMAN BEINGS ARE CREATED EQUAL

I am not suggesting that the problems of the urban electricity user are more important or less important than those of the Appalachian housewife, or the rancher in Montana who finds his land threatened. All I am saying is that this Congress should weigh the fact that all human beings are created equal and energy is a program which is a very human one involving all types of people.

I would also plead, Mr. Chairman, to keep your options open. I do not believe that unchallengable conclusions or rigorously factual information necessarily emanate from those who have a clear economic stake in the results. Why should the Congress accept what the National Coal Association tells us is essential for the prosperity and well-being of this Nation? I trust that due consideration will also be given to those human beings who are affected adversely by strip mining, and whose lives are being ruined by what is happening to their land and water supply.

TIMETABLE ON ABOLITION OF STRIP MINING

The reason we are so dependent on strip-mined coal today is that the Nation failed to plan 10 years ago for today's energy needs. If strip mining of coal had been banned 10 or 20 years ago, we would still be producing the same amount of coal from the underground mines of the Nation. It will be contended that the price per ton of coal would then be higher, yet I say it realistically should be higher. The present price of strip-mined coal conceals the actual social costs of this form of mining, and in effect society is subsidizing the profits of the strip mining industry by enabling the industry to destroy the soil and water.

Prof. William H. Miernyk, Benedum Professor of Economics and director of the Regional Research Institute of West Virginia University, testified on March 15, 1973, before the Senate Committee on Interior and Insular Affairs:

> Clearly, if surface mining were to be abolished tomorrow the Nation would be faced with a severe energy crisis. But even those who advocate complete abolition of surface mining, such as Congressman Ken Hechler from my state, would allow for an adequate period of adjustment.

What is an adequate period of adjustment?

THE SHIFT TO DEEP MINING IS INEVITABLE

The changeover from strip mining to deep mining, as stipulated in legislation which I have introduced, would occur within 6 months where the stripping is done on relatively steep slopes—"contour stripping" where the slope exceeds 20 degrees—and within 18 months where "area stripping" occurs where the slope is less than 20 degrees. In addition, in those Western areas like Four Corners and the Black Mesa where the annual stripping production of individual mines exceeds 500,000 tons, an additional, graduated 3-year extension is provided so that the supply of coal to Southwest utilities is not precipitously affected.

Here is how the timetable will work under the phasing-out proposal which I am supporting:

PHASEOUT TIMETABLE AND SHIFT TO DEEP MINING—1973 PRODUCTION FIGURES

	Million short tons
Total U.S. coal production	591
Total U.S. strip and auger production	289
Contour strip production (20° or steeper)	74
Area strip production (east of Mississippi, less than 20° slopes)	160
Western strip production	55

REPLACEMENT SCHEDULE

	Plus 6 mo	Plus 18 mo	Plus 54 mo
Quantity to be replaced	74	160	55
Sources for replacement:			
1. Cutoff of coal exports (except to Canada)	37		
2. Adding 6th day to existing deep mines	42		
3. Utilizing unused deep-mine capacity (existing)		100–137	
4. Reopening recently closed deep mines		15–20	
5. Introduction of long-wall technology		15	30
6. Opening new deep mines		20–35	80–120

In 1973, the total strip and auger coal production amounted to 289.5 million tons. Of this 289 million tons, 74 million tons, about one-fourth, was produced in the steep slope areas of Appalachia—over 20 degrees. This figure is based on the Council on Environmental Quality study and factors in the 7-percent decrease in Appalachian production which occurred between 1971 and 1972. One hundred and fifty-one million tons were produced in Appalachia and the Midwest on slopes less than 20 degrees. Western strip mines were responsible for 64 million tons of 1973 production, with 55 million of the 64 million being produced on large strip mines of greater than 500,000 tons annual capacity. In terms of the phaseout then, the scenario is as follows: In 6 months, 74 million tons of strip production will be lost; in 18 months all of the nonsteep slope eastern and midwestern production will be lost—151 million tons—along with 9 million tons of western strip production coming from small mines—less than 500,000 tons annually. The final step in the phaseout will be the elimination of 55 million tons produced by large Western strip mines, over a 4½ year period. This longer time frame is designed to allow the Western deep mining industry, now in its infancy, to develop gradually as a replacement for Western strip mines. Western deep mines, located primarily in Utah, Colorado, and New Mexico, produced just 10 million tons in 1973.

How will deep mining pick up the slack, replace this lost strip production? In the first 6 months, during which steep slope strip mining is gradually being reduced, the shift to deep mining would not be accomplished by opening new mines which, of course, takes more than 6 months. Instead, coal exports to nations other than Canada would be cut off. We presently ship more than 50 million tons of our best quality, high BTU, low-sulfur coal to foreign nations. This coal is primarily metallurgical coal, ideal for producing steel. Some of it is now being used also for producing clean electric power.

Ninety percent of export tonnage is produced in underground mines, 75 percent of the total comes from my home State of West Virginia. A cutoff on exports to nations other than Canada would free approximately 37 million tons of deep mined coal to replace the strip production lost by the contour mining phaseout. The domestic steel industry and several large utilities publicly support the cutoff of exports.

The second source for additional deep mined production would be to add a sixth working day at existing underground mines. The Bureau of Mines recently estimated that 42 million tons of additional underground production could be generated by adding a sixth day with no change in the number of shifts.

UTILIZING UNUSED DEEP MINE CAPACITY

The 18-month phaseout deadline will require the replacement of 160 million tons. The sources for this tonnage are shown in the table above. The major source is the utilization of existing unused capacity in present deep mines. Using U.S. Bureau of Mines figures, if you worked all deep mines on a 3-shift, 5-day-a-week basis instead of the present rate, this would produce 137 million additional tons of underground coal per year. According to Tom Bethell, research director of the United Mine Workers, a figure of 100 million tons would be a more realistic target allowing for downtime and engineering difficulties. From a safety standpoint, there do not appear to be any problems. Steve Liming, former acting safety director for the United Mine Workers of America, has noted that there are already quite a few mines which are operating three shifts per day with no unusual safety problems.

Mr. Liming indicated that the chief need in such speeded-up operations is for sufficient mechanics and electricians to make repairs quickly when mining machinery breaks down. In the interim or pending receipt of new machinery, crews can always be shifted to the type of jobs which are necessary but not immediate, that is, preparing new sections for further mining, or shifting to another area to work on an idle section.

Mr. Liming also added that recruiting new miners is becoming less and less of a problem, and cited the large number of returning Vietnam veterans who are making very good miners with many others eager to go into the mines when needed.

Between 1970 and 1972, 1,575 underground mines closed down. According to Bureau of Mines survey, 752 of these mines closed for reasons other than exhaustion of their coal reserves. These mines had an annual production of 28,940,000 tons in their last year of operation—in many cases the production level for the last year understates the annual capacity of the mine since some closed production levels for below the normal full year production level.

Reopening the 50 largest mines would result in annual production of nearly 14 million tons. With the advent of the energy crisis, many coal companies have already announced plans to reopen previously closed mines. According to the United Mine Workers Research Department, Consolidation Coal, Island Creek, and Pittston all have announced and are in the process of reopening previously closed deep mines. UMWA Research Director Tom Bethell indicated that a projection of 15-20 million tons production from these mines by the end of 1975 would be a good conservative estimate.

EXPANSION OF LONGWALL MINING

A third source of additional deep mine production is the expansion of the use of longwall mining equipment. Longwall mining means removing the coal by a cutting machine which travels from one end of the coal face to the other, biting several feet into the coal seam with heavy steel cutting picks. This is in contrast to the current method of tunneling in with machines like the continuous miner which attacks the face directly at a 90-degree angle.

According to rough preliminary estimates by the Research Department of the UMWA, the introduction of longwall equipment and techniques could expand deep mining production by 15 million tons by the end of 1975. Longwall has been gaining popularity in recent years in this country and is presently responsible for about 2½ percent of annual U.S. production. One of West Virginia's leading producers, Eastern Associated, introduced six new longwall machines in 1973. Company officials predicted that these machines would increase production by 2½ million tons annually. In a recent study, the Bureau of Mines projected longwall annual production of 85 million tons by 1985.

Longwall mining is both safer and more efficient in terms of the percentage of the coal reserve recovered. A row of hydraulically operated steel roof supports—like gigantic jacks—move forward with the cutting machine and the conveyor belt as the coal is sliced from the seam. These jacks virtually eliminate the No. 1 cause of fatalities in conventional deep mining: roof falls.

The annual report of the Kentucky Division of Reclamation for 1972 pointed out that—

> Longwall mining is a much safer method . . . Savings are made in the areas of roof support, ventilation and rock-dusting which can amount to more than 50 cents a ton.

While the longwall equipment is expensive, it offers 85- to 95-percent recovery in contrast to the 57-percent characteristics of the conventional forms of mining.

Longwall mining accounts for 92 percent of the underground coal production in Great Britain, but is only used now in approximately 45 mines in the United States.

OPENING NEW DEEP MINES

The final source of additional deep mine production is, of course, the opening of new deep mines. Large amounts of capital investment are now being committed to the opening of new mines, both deep and strip. According to the United Mine Workers, new mines scheduled to be in full production by the end of 1975 will have annual capacity of 35-50 million tons; 20-35 million tons will be in new deep mines. The leadtime for opening a new deep mine was once listed as 3 to 5 years, but with the sudden leap in demand for coal and more importantly in the spot market price for coal, leadtimes for deep mines have shortened considerably. Thus, at a minimum we can expect 20-35 million tons of new deep-mined production by the end of 1975 and probably more.

Over the 4½-year period during which large Western strip mines will be operating, we can expect a major effort toward opening new deep mines and bringing them to full production. Once the industry realizes that strip mining will be abolished, the capital will flow toward new deep mines. The estimate of 80 to 120 million tons is on the conservative side according to the UMW, but any estimate for this must be considered to be conjectural.

DEEP MINING WESTERN SEAMS OF COAL

It has been contended by the strong advocates of strip mining in the West that it would be impossible to deep mine the very thick seams of coal which are plentiful in western States.

At present, underground mining being carried out in Utah in the Kaiparowitz field is in thick seams of up to 30 feet. Conventional techniques are used, and the coal is mined on several levels. Experience in India, Czechoslovakia, and Germany indicate that there is no major problem with deep mining very large seams. In Czechoslovakia, both longwall and room and pillar methods are used to mine these large seams on several levels. The primary method is room and pillar using continuous mine equipment. The mining of a thick seam can be done in either ascending or descending order by mining 6-foot sections at a time. These methods prove out to be safer than small seam mining.

Contrary to the propaganda of the western strippers, the Department of Interior has also indicated support for the viability of western deep mining. In its recent publication, "Energy Research Program of the U.S. Department of the Interior," the Department considered two strategies for the major expansion of coal production as part of Project Independence. The first strategy involved maximum reliance on western strip mining; the second involved an expansion of strip and deep production in both the East and the West. Interior concluded that—

> We have to rely on underground mining to a large extent, both in the East and in the West.

The Department stated that reliance on strip mining—strategy 1—"would cause rapid regional social and economic changes and exhaust a very high portion of reported surface reserves in both the East and West by the year 2000, threatening rapid decline in surface mine development after the turn of the century." The study projected western deep mine production of more than 200 million tons annually by 2000.

AVAILABILITY OF MINERS

The shift from strip mining to deep mining will require a substantial number of additional underground miners. Deep mining commonly requires 2½ to 4 times the number of workers employed in strip mines to produce the same tonnage. It is true that some strip miners displaced by the phaseout may switch to deep mining but by and large strip miners are construction workers and highly skilled heavy equipment operators. They are far more likely to move into highway construction and housing jobs. What then is the outlook for recruiting new deep miners? A recent Bureau of Mines study carried out by the Institute for Research on Human Resources at Penn State provides considerable insight on this question. The study entitled "The Demand for and Supply of Manpower in the Bituminous Coal Industry for the Years 1985 and 2000," concludes that in the period 1975–2000 "the probability of shortages—of labor—is very remote." The study estimated that labor supply for 1975 would be 184,739 miners. In addition the study identified a supply of 54,868 "potential miners" for 1975. The potential miners category includes "persons who were miners at some time prior to 1970 but were employed as nonminers during 1970, as well as other persons who might choose employment in the coal mining industry if working conditions were sufficiently better than those of the next best alternative." The combined labor pool for 1975 would thus be 239,607 miners; 107,808 men were employed in underground mines in 1970, the most recent year for which comprehensive employment statistics are available. Phasing out strip mining and replacing the lost tonnage completely with deep-mined coal could, at its most severe impact, require double the present number of deep miners. The available labor pool for 1975 would be more than adequate to cover this demand.

The energy crisis has also spurred new interest among students in pursuing careers in mining engineering. Schools of mines show sharply increasing enrollments. Last year's crop of graduates was "the largest since 1955" according to Engineering and Mining Journal. And this year's is even larger.

LEADTIMES FOR OPENING MINES AND OBTAINING EQUIPMENT

It is often assumed that new strip mines can be opened much faster than new deep mines. However, according to research conducted by the Library of Congress, this is not the case. The Library study cites strip mine leadtimes of 4 to 5 years as compared with 2 to 4 years for new deep mines. Backlogs of orders for the giant shovels and draglines—which are manufactured by only two companies in the United States: Marion Power Shovel and Bucyrus Erie—and the time required to assemble the equipment once the parts are delivered to the minesite were listed as major factors in the long strip mine leadtimes.

This change in leadtimes has also been shown in announcements for new mines opening in West Virginia and eastern Kentucky. More than a dozen major new deep mines have been announced in the last few months; all are slated to reach full production by 1976 at the latest, some indicating partial production will begin immediately. Similar announcements for strip mines have not been forthcoming, probably because of the difficulty of obtaining equipment.

No such equipment problem seems to face deep mine operators. A Library of Congress survey found that deep mining equipment leadtimes ranged from a few months up to 1 year depending on whether or not the equipment was custom made. Joy Manufacturing Co., the leading underground mining equipment manufacturer, listed 5 to 6 month delivery times. In a recent letter to me, Joy President Jim Wilcock stated:

> I think we are doing pretty well in accommodating our customers in what they want.

From this survey, it appears that equipment companies could provide the necessary equipment to make the shift from strip mining to deep mining. The energy demands have already led to stepped up equipment production.

COST OF OPENING NEW UNDERGROUND MINES

The time required and the cost involved for the development of a new deep mine vary widely because of the number of factors involved. The major factors are depth of the coal seam, thickness of the seam, uniformity, and quality of the seam, roof characteristics, and amount of methane gas likely to be liberated during mining. Depth of the seam determines whether the mine will be a drift, slope or shaft mine.

Initial capital investment costs differ substantially for different ranks of coal and for annual production capacity. Recent Bureau of Mines studies of costs for hypothetical mines are difficult to compare because studies of strip and deep mines were conducted in different years and are thus based on fixed costs of significant difference. Inflation in the coal industry, particularly in the last year, has been incredible. The selling price of coal has risen tremendously in the last 6 months. However, certain general principles can be gleaned from these dated studies. Initial capital investment for large deep and strip mines are virtually identical—in some cases, initial capital investment is actually lower for the same-sized deep mine. This surprising fact can be explained by the knowledge that deep mining is labor-intensive while strip mining is primarily capital intensive. For example, capital investment for a 1 million ton annual production, 72-inch seam eastern bituminous strip mine run $12,727,500. For the same size eastern bituminous deep mine, the investment figure is $12,540,000. For a $3-million ton, 72-inch seam eastern bituminous strip mine, the initial capital investment figure is $28,005,000 in contrast to the same sized eastern deep mine figure of $29,711,000. Given the fact that the Bureau's study of strip costs is based on 1969 prices whereas the study of deep costs is based on 1971 prices, it is clear that deep mines do require less initial capital investment. Of course, the advantage enjoyed by strip mining comes from the fact that operating costs per year are much lower for strip mines—output per man day on strip mines is three times that of deep mines.

The fact that initial capital investment is lower for new deep mines than for new strip mines has important implications for the question of availability of capital for a shift to deep mining after stripping has been abolished. Clearly, the money slated for the development of the huge western strip mines could easily be shifted to cover the capital requirements of new deep mines. This would be true as well for strip mines planned in other areas. Moreover, banning strip mining would shift demand to the extensive deep mine coal reserves. It is a time-tested fact that capital will flow wherever a sound rate of return can be expected. The costs cited in the Bureau of Mines study all assumed a 12-percent annual return—more than enough to encourage development of new deep mines. Given the high projected future demand for coal, the expected annual return would become higher and long term utility contracts would become available. Hence investment in deep mines will become very attractive.

The coal industry itself could be expected to come up with major amounts of capital investment. We must remember that 12 of the 15 largest coal producers are subsidiaries of larger conglomerates—primarily oil and steel companies. The 1972 profits picture for the coal companies and their parent corporations was outstanding; 1972 profit levels ranged from a low of $2.6 million registered by North American Coal to a high of $28 million chalked up by Pittston. The parent corporations did even better with Gulf Oil, the parent of Pittsburg and Midway, racking up an amazing $447 million in profits; Continental Oil—Consol—$170 million. United States Steel $156 million and Bethlehem Steel $134 million. In addition, all of the subsidiaries showed increases in profits in the first quarter of 1973. The profits picture leaves no doubt that the capital is readily available for a shift to deep mining.

Nor is there a lack of expertise for this shift either on the management level or the operations level. Of the 15 largest coal producers, 14 operate underground mines—only Utah International is purely a strip mining outfit. A ban would simply mean that these major producers would expand their deep mine operations.

WESTERN COAL AND THE EAST-WEST SHIFT

Western strippable coal, of which there is an ample supply of 29.9 billion tons of the low-sulfur variety, is a very attractive market. The huge coal seams, the cheapness of the land, the shallow extracting by gigantic machines combine to place the FOB mine price in the $2 to $5 per ton range—a fantastic bargain.

In another section of my testimony, I shall analyze in depth the issue of reclamation of strip mined lands in the West as contrasted with an Appalachian region.

For the moment, let us examine the quality and attractiveness of western strippable coal. Unfortunately, western strippable coal has a much lower Btu level and high ash and water content. This was discovered when the TVA purchased a large quantity of western coal for its Johnsonville, Tenn., plant. On November 12, 1972, the TVA issued a public statement that the high water content of the western coal "has shown major operating problems in addition to the very high transportation cost involved." In short, the large amount of water in western stripped coal gummed up the TVA boilers, and henceforth they contracted for coal shipped from underground mines in Indiana. Most eastern plants are also equipped to burn low-water content coal, so this problem is likely to recur if massive shipments are contemplated.

STRIPPERS ARE STREAKING WESTWARD

However, major utilities such as American Electric Power, and major oil companies and energy conglomerates like Exxon are rushing into the West to grab up all available strippable reserves. What motivates this new coal rush? If this coal is low quality, why the tremendous interest? Western coal offers several attractions to these corporations. First, strip mining in the West requires few workers and generally does not require the operator to deal with unions. Output per man-day far exceeds anything achieved in the East, deep or strip. Second, western mining offers huge blocks of contiguous coal reserves. In the East, ownership of reserves is diverse; it is difficult to line up large blocks of reserves. Third, most western seams are quite thick compared with eastern coal seams; 75–100-foot seams are relatively common. This means that acreage disturbed for a given amount of production is far less, and reclamation cost is thus less of a factor. Further, overburden tends to be shallow and overburden ratios are very favorable. Fourth, western railroads are in far better shape than their brothers in the East. This makes transportation reliable, though expensive. Finally, the demand for low-sulfur coal resulting from implementation of the Clean Air Act makes western coal desirable because of its relatively low-sulfur content.

The sulfur level of western coal deserves closer scrutiny. As mentioned, western coal contains large amounts of water, up to 10 times the moisture content of eastern coal. Drying the coal for use in eastern boilers reduces the mass and thereby increases the percentage of sulfur content above acceptable levels. Moreover, given its low Btu value it takes 1½ to 2 tons of western coal to produce the same amount of heat generated by 1 ton of eastern coal. Yet massive plans have been drawn for the shipment of western coal to eastern markets. Both American Electric Power and Amax have announced plans to ship western coal to plants as far east as West Virginia. Rail transportation cost is high, but given today's sharply increasing coal prices, not high enough to price western coal out of eastern markets. A recent Bureau of Mines study cited unit train costs of $0.004–$0.005 per ton per mile which translates into $10 and up transport cost to eastern markets. However, many public service commissions allow direct passthrough to the consumer of any transport costs for fuels.

A new study by Michael Rieber of the University of Illinois at Urbana entitled "Low Sulfur Coal: A Revision of Reserve and Supply Estimates," points out that on a heat content basis, 55 percent of the recoverable low-sulfur reserves are located east of the Mississippi, primarily in West Virginia. What then is the key factor in the western coal rush? While the issue is complex, it appears the key factor is the control of large blocks of reserves. This control allows the holder the opportunity to sign long-term contracts and guarantee substantial return on his investment. Moreover, these large blocks are both ideal and necessary for the construction of large-scale energy conversion complexes—that is, coal gasification, coal liquefaction, and mine-mouth powerplants.

IMPLICATIONS OF THE EAST-WEST SHIFT

A major shift to the West will have a disastrous effect on the eastern coal industry. Bureau of Mines and Interior Department studies project serious negative impacts for the eastern industry if western stripping escalates sharply. The Bureau stated in a recent study:

> In the event of a major move of coal mining to the West, employment (mining) in all Eastern states should decline, with Pennsylvania and West Virginia experiencing the largest declines.

Interior also pointed to the disastrous effect of a boom-bust economy in the West. The traditional ranch life style will be shoved aside by an industrial boom that will peter out after the turn of the century. The tremendous impact on existing communities will be unprecedented. At the same time, industry will be moving away from Appalachia and the Midwest. As the energy conversion facilities develop, support industries will also develop. Trailer camps and honky tonks will replace the wide-open spaces. Phasing out strip mining is the only way to arrest this development and its consequences.

STRIP MINING AND REGIONAL ECONOMIC DEVELOPMENT

The East-West shift issue points to a basic area often ignored in the debate on the pros and cons of strip mining: Strip mining's relation to regional economic development. Prof. William Miernyk, director of the Regional Research Institute at West Virginia University, in a definitive study entitled: "Environmental Management and Regional Economic Development," has established that "the environmental damage from strip mining may undermine the entire regional economic development effort." Miernyk points out that in the case of Appalachia, the Appalachian Highway Development System is designed to open up possibilities for tourism and light industry as well as facilitating transportation of timber and coal. Miernyk concluded:

> The continued expansion of strip mining could easily offset the developmental impact of the Appalachian Highway System.

This analysis clearly has application in other areas threatened by strip mining. Few industries are likely to relocate in areas with contaminated water supplies, continual dangers of flooding, and blighted landscapes.

A recent study entitled: "Opportunity Costs of Land Use: the Case of Coal Surface Mining" by Robert Spore, an economist at the Oak Ridge National Laboratory, underlines Miernyk's conclusions. The study found that the value of strip mining all the coal along the Big South Fork of the Cumberland River in eastern Kentucky and Tennessee would total $13,906,000 while the recreational value of this area totaled $42,620,000. In short, the costs in terms of lost opportunities for recreation and tourism would be more than three times the value of all the coal in the area. All of this economic and recreational benefit to the people would be lost forever if stripping were permitted. This pattern of lost opportunities is already the rule in some arts of Appalachia—only abolition will stem the tide.

Dr. Robert Smith of the West Virginia University School of Forestry in testimony before the Senate Interior Committee last March, pointed out how strip mining is ruining the hardwood timber industry in Appalachia. Smith stated that strip mining—

> So disrupts the environment that it appears impossible for any forest regrowth in the foreseeable future. The rich sites are either destroyed directly by strip mining or else they receive the brunt of overburden

> and siltation from the stripping at higher elevations.

In short, strip mining is totally incompatible with timber, tourism, and industrial development. It is crucial to note that deep mining is quite compatible with these alternate land uses, while at the same time offering more plentiful supply of coal.

The situation in the West adds still another lost alternate land use to this equation.

Given the poor possibilities of reclamation in the West and the tremendous danger to ground and surface water supplies—which I shall discuss in more detail shortly—the lands of the West will no longer be useful as grazing land once they have been stripped. This will have a major and oft overlooked effect on the Nation's supply of beef and grain. North Dakota, for example, ranks first in the Nation in the production of spring wheat, durum wheat, and barley, yet if strip mining is permitted it will mean the loss of between 10 and 20 percent of the State's grain production. At a time of growing worldwide food shortages, we must ask whether we can afford to strip these lands—especially when the coal could be mined through underground methods without sacrificing the productive value of this land.

RECLAMATION IN GREAT BRITAIN AND GERMANY

There have been many studies of reclamation in Germany and in Great Britain, where strip mined coal constitutes less than 10 percent of the total coal production, in contrast to over 50 percent in the United States. There are some clear-cut differences between the land use ethics of Great Britain and Germany, where long and careful public planning precedes any attempt at strip mining—the pell-mell rush to strip which occurs in this country is unknown in Europe.

Under our cowboy capitalist approach to mining, we have placed heavy emphasis on how you extract the minerals from the ground in the quickest and cheapest fashion. Coming from a State which specializes in extractive industry, I regret we also have had a few extractive politicians, as in Maryland, who took out more than they put in, with very little reclamation, but that is another story. Throughout the mining industry, "reclamation" has become a recent craze, but it is sharply different in outlook than in Great Britain and Germany where true reclamation means reforestation and a thorough and intelligent restoration of the land. All too often esthetics are the ruling yardstick of reclamation success in this country.

The extensive study, "Surface Mining and Land Reclamation in Germany," by E. A. Nephew of the Oak Ridge National Laboratory indicates that costs of reclamation in Germany amount to between $3,000 and $4,500 per acre, while in Great Britain they may run as high as $7,179 per acre but average out close to $4,000 an acre.—The cost per ton ranged from 63 cents to $4.24/ton and averaged $1.35/ton for all British reclamation efforts. The topsoil and subsoil is carefully segregated, and later replaced, and rehabilitation of the land by experts in agriculture and forestry may take as long as 5 years following the mining operation.

DISMAL RECORD OF RECLAMATION IN UNITED STATES

The record for reclamation in this country is a dismal one. This is not due entirely to the lack of effort on the part of those operators and specialists charged with reclamation. There are a number of very serious problems with reclamation in this country which are not encountered in Germany and Great Britain. The critical environmental variables for reclamation are slope, sulfur content of coal and shales, acid-alkali balance in spoils, amount of rainfall, depth and thickness of the coal seam, and thickness of the coal seam, and amount and quality of the topsoil. In Appalachia, the combination of steep slopes, pyritic shales, heavy rainfall and thin topsoil combine to create monumental problems of erosion, sedimentation, landslides and acid drainage. The relatively flat, acid-free lands of Germany and Britain present no such difficulties.

Dr. Robert L. Smith, professor of wildlife biology, Division of Forestry, West Virginia University, recently stated:

> In the southern mountains, it is obvious to anyone who views strip mine reclamation that reclamation is not successful, nor is the land being restored. It is impossible to put the excavated material back and to re-establish any semblance of previous ecological conditions." Dr. Smith points out that hydroseeding and heavy fertilization can produce some vegetation, but this is generally short-lived. He states that "on no slopes can grass stabilize the soil." Reforestation is not even attempted on the steep slopes.

WEST VIRGINIA RECLAMATION

A great deal of the land in West Virginia and central Appalachia consists of steep slopes, heavy rainfall, thin topsoil, with acid from pyritic shales more serious in northern than southern West Virginia. The Stanford Research Institute was commissioned to study strip mining by the West Virginia State Legislature, and this study did not recommend abolition but pointed out some significant facts. Analyzing the 248,078 acres of land "disturbed" by strip mining as of October 1971, the report estimated that only 69,648—slightly over a quarter of the acreage—had achieved 75 percent vegetative cover. Even more significantly, the study indicated that if the acreage which had not achieved 75-percent vegetative cover, 60 percent had at one time been reclaimed to this standard either by the operator, the U.S. Soil Conservation Service of the reclamation fund maintained by the State. This means that nearly two-thirds of all reclamation in West Virginia has failed to maintain itself. This means that of the most barren lands which lack 75 percent vegetative cover, 6 out of every 10 acres had once been "officially reclaimed" but backslid into barren lands.

In its final report to the State legislature, the Stanford Research Institute grimly concluded the following about the cost of reclamation in West Virginia:

> Returns for such expenditures have been disappointing in the past, as reclamation work has not eliminated environmental effects of surface mining from most areas.

It was further concluded that so-called reclaimed land still held the danger of landslides, and yielded "from 400 to 600 tons of sediment per acre of spoil bank—annually." It was calculated that each new year of strip mine production in West Virginia adds 6 to 10 million tons of new sedimentation into the State's streams and rivers.

The study concluded:

> By 1980, the cumulative effect of leaching could yield roughly 3 million tons of dissolved solids from spoil banks.

Two recent studies underline the mammoth reclamation problems presented by mining in the mountains. A 1973 Senate study, "Factors Affecting the Use of Coal in Present and Future Energy Markets," pointed to the serious continuing problem of landslides on steep slopes and repeated violations of State regulations. Citing experience in eastern Kentucky, the Senate study stated:

> For all types of mountain strip mining, more than one third of the inspections revealed major violations including, for instance: exceeding bench width, operating off permit area, dumping excessive material over the outslope, and lack of drainage controls.

The following table and comment also appears in the Senate study:

TABLE 7.—PERCENTAGE OF OFFICIAL STATE INSPECTIONS IN WHICH ONE OR MORE VIOLATIONS FOUND AND RECORDED IN EASTERN KENTUCKY STRIP MINE OPERATIONS, 1971

Mining method:	*Percentage of inspections*
Conventional contour	43
Slope reduction	50
Parallel slope fill	34
Head of hollow fill	49
Pit storage of spoil	41
Mountaintop removal	47
Mountain auger	42

The significance of this is further emphasized when it is recognized that most damages from such violations cannot be remedied; the operator usually agrees to stop activities which are in violation and to avoid such practices in the future. This evidence reinforces the concept that certain surface mining practices cannot be regulated satisfactorily, and in these instances, the best answer is to prohibit those specific activities.

A second study, "Design of Surface Mining Systems in Eastern Kentucky," carried out by Mathematica, Inc., for the Appalachian Regional Commission, found landslides and sedimentation to be continuing major problems in mountain mining. Mathematica stated: "Landslides are still a widespread problem in eastern Kentucky."

The study also found that revegetation was not adequate to control sedimentation. Sedimentation was particularly heavy during ongoing operations; vegetation had little effect until the third year of plantings. Use of silt dams was suggested as a possible solution but Kentucky Natural Resources personnel indicated that such dams often created more problems than they solved. Construction of the dams caused "substantial environmental disturbance" and the dams presented a safety and environmental hazard, particularly once maintenance by the operator ended at the completion of reclamation. In short, a technological fix to the landslide and sedimentation problems has not been fully developed. Combining the technical problems of reclamation with the myriad enforcement problems—amply documented by the Mathematica study—one must conclude that real reclamation in the fullest and permanent sense is not possible in the mountains.

ACID DRAINAGE PROBLEMS

In flatter areas, vegetation can be partially successful and could be a step in the process back to forestation. However, the basic problem with flatland reclamation in the East and the Midwest remains that of controlling acid drainage and the leaching of toxic materials. Dr. Moid Ahmad of Ohio University, an eminent hydrologist, has shown conclusively, that so long as acid-causing pyrites are present in the overburden, no reclamation procedures can successfully stop acid drainage. Vegetation in no way insures an end to the acid drainage problem. A 1970 study conducted by Dr. Sutton of the Ohio Department of Natural Resources entitled, "Reclamation of toxic coal mine spoil banks" has found that even the heavy use of fertilizers was ineffective in neutralizing acidity. Lime applied at a rate of 42 tons per acre was ineffective. Unless the acid can be eliminated, vegetation will decline and reclamation will be reversed thus creating a new orphaned land, complete with all the original environmental problems of unreclaimed land.

A 1971 Case Western Reserve University study entitled, "Ecological Effects of Strip Mining. A Comparative Study of Natural and Reclaimed Watershed" compared two watersheds in Belmont County in southeastern Ohio, one of which had not been stripped, the other which had been stripped and reclaimed in 1968 by the Hanna Coal Co. The report states:

> The water draining from the mined and reclaimed watershed is highly acidic, having an average pH of 3.5. In contrast, the water draining from the natural system is neutral or slightly basic, having an average pH of 7.9. . . . In the affected system, Fe (iron) was found in concentrations greater than 400 times that found in the natural system, SO_4 (sulfate) averaged 56 times that of the natural system, K (potassium) 2.8 times, Ca (calcium) nine times, Mg (magnesium) 30 times, Mn (manganese) over 1,320 times, and Al (aluminum) was found to be over 3,000 times that of the natural system. These large amounts of ions produced high concentrations of dissolved solids. Average dissolved solids of the affected systems were 90 times that of the natural system.

CHEMICALS RELEASED BY STRIP MINING

The report drew the following conclusions:

> 1. Three years after reclamation one finds that the affected area cannot support plant or animal life.
>
> 2. Geologic formations high in sandstone must be reclaimed by better methods or should not be strip-mined at all.
>
> 3. The acid condition produced by strip-mining releases amounts of minerals and nutrients which are toxic to plant-life.
>
> 4. The highly dissolved chemical load entering Piedmont Lake from the affected area is rapidly increasing the eutrophication processes in the lake, and thus it is altering and destroying lake habitats.

HIGH COST OF "RECLAMATION"

In short, good reclamation like that found in Germany can only be accomplished on flat areas free of pyritic and other acid-causing materials. And, this can only be accomplished through careful, comprehensive land use planning, strict performance standards for the reclamation process, full public access to the planning process, a continuing program for revegetation and forestation over a 5- to 10-year period after completion of initial reclamation efforts, and above all a major commitment of money in the neighborhood of $4,000 per acre such as the Europeans have put forth.

Nephew sums up the German approach philosophically:

> Probably the most compelling reason for farmland restoration, however, is the prevailing conviction that to allow valuable soil to be irrevocably destroyed by a strictly temporary land use—mining—would present extreme folly.

RECLAMATION IN PENNSYLVANIA

The Pennsylvania law and the Pennsylvania reclamation methods have been widely touted as the solution to the Nation's strip mining and reclamation problems. The slopes are not as steep in Pennsylvania as in West Virginia. Even though the State law requires backfillings of strip-mined areas to their original contour and enforcement of the strip mining laws seems to be more stringent than most States, reclamation has been largely a failure in dealing with the problem of acid pollution from strip mining spoils.

A study completed by the Pennsylvania State University College of Earth and Mineral Sciences shows that a majority of strip mines in seams surrounded by highly acid shales discharge acid water in excess of the State water quality standards, regardless of the method of reclamation employed—50 to 67 percent of such strip mines which were regraded to original contour failed to meet water quality standards; 71 to 94 percent of such strip mines which were partially regraded failed to meet water quality standards.

THE BLOCK CUT TECHNIQUE OF STRIP MINING

Pennsylvania has introduced a new form of stripping known as the "block cut," which is designed to restore the mined land to its original contour by dumping the first cut on the downslope and then dumping subsequent cuts into the hole created by the first cut. This technique involves the segregation of the topsoil and the burial of the most toxic and acid producing strata in an effort to minimize their adverse effect. Reclamation is attempted concurrent with the mining operation.

The major advantage offered by the block-cut technique is that it can eliminate a majority of the downslope spoil dumping, thus cutting down on landslides. However, the first cut is still placed on the downslope and this cut must be quite large to allow space for the equipment to operate. Dumping of this first cut creates a large spoil bank which is subject to the monumental problems of landslides, erosion, and heavy sedimentation.

It should be recognized that the block cut is basically an earth-moving technique. As such, it cannot overcome the very serious problems of slippage, acid drainage and the leaching of toxic materials. While it can reduce general erosion and sedimentation, it does not eliminate these problems nor does it insure revegetation. It has never been proven feasible in the steep-slope areas of central Appalachia—only on the shorter, more gentle slopes of Pennsylvania has it been at all successful. Although a modified block cut has been attempted by Hobet Mining Co. in my congressional district—Mingo County—it is done while retaining the high wall. In fact, both coal operators and State officials have indicated that the block-cut method is too expensive in the steep mountains of West Virginia. At best, the block cut is an improvement over other reclamation techniques, but it falls far short of being a solution to the problems of reclamation.

RECLAMATION OF WESTERN STRIPPED LAND

The western lands are characterized by very thin topsoil, low rainfall, alkali and sodic spoils—no acid-producing materials—and the general scarcity of water. This has led many to the false conclusion that without much rainfall or acid-producing material, and fairly level land, strip mining in the West does not face the gigantic problems of reclamation confronted in Appalachia.

Dr. Robert Curry, assistant professor of geology at the University of Montana, testified before the Senate Committee on Interior and Insular Affairs that—

> The ground surface, once disturbed in the West, cannot recover to its present state of succession or vegetation without extremely long periods of geologic time—many times longer than we might expect man to inhabit the earth.

He added:

> In the West, unless precious water is imported and the sites are watered on the order of 200 to 2,000 years to simulate the naturally wetter conditions during the soil-forming periods, reclamation to the point of self-sustenance is impossible . . . When one considers the rising costs of water and fertilizer, and the rising values of sustained water quality, I estimate that ultimate costs of reclamation in the West are 10 to 100 times as great as those on steep, contour-stripped lands in the southeast.

I will now quote the final statement of Professor Curry in which he took a swipe at me, demonstrating that reclamation of strip-mined land in the Western States is far more serious than in my Appalachia:

> The oft-spoken threat that Colorado, Wyoming and Montana coal areas will become another Appalachia, as Representative HECHLER said the other day, is, I believe, a deceptive statement because the situation in the Western States is, in fact, somewhat

worse from the standpoint of reclamation alternatives, economic base, potential losses of water and land value.

NATIONAL ACADEMY OF SCIENCES STUDY

"Rehabilitation Potential of Western Coal Lands" is a landmark study prepared under the auspices of the National Academy of Sciences. This study underlines the danger of launching a big coal rush to strip mine western lands. It also indicates the very real threat which coal gasification plants will pose to the limited water supply in these western areas. Plans have been rushed forward to combine massive strip mining with giant coal gasification plants in the West.

The National Academy of Sciences study concludes:

> 1. "Pertinent data for rehabilitating mined land are virtually nonexistent. The necessary research has barely begun."
>
> 2. "Because water requirements are a major problem in western areas, water consumption and related on and off site environmental impacts that would result from conversion of coal by gasification, liquefaction or its use for electricity generation could far exceed the impacts from coal mining alone. . . . not enough water exists for large-scale conversion of coal to other energy forms. The potential environmental and social impacts of the use of this water for large scale energy conversion projects would exceed by far the anticipated impact of mining alone. We recommend that alternate locations be considered for energy conversion facilities and that adequate evaluations be made of the options (including rehabilitation) for the various local uses of the available water."
>
> 3. "The time required for this process of succession to heal the scars of a severe disturbance in desert and sage brush foothill areas may be decades and even centuries. Even when the best of proven techniques are applied in such desert areas, the potential for approaching the conditions and values of the original ecosystems is low."
>
> 4. (In foothill zone of the Rocky Mountains), "Steep slopes, south and west exposures and infertile soils can present insurmountable rehabilitation problems even when the best methods are diligently followed."
>
> 5. With respect to desert areas, broad valley basins and local areas among low hills, ridges and mesas), "The probability for successfully rehabilitating such areas is extremely low . . . Disturbing such areas for surface mining of coal amounts to sacrificing such values permanently for an economic award."
>
> 6. "The chances of approaching the original ecosystem are only moderate even on the best of sites and there is no probability of complete restoration anywhere."
>
> 7. "For much of the western coal region, the rates of erosion are among the highest in the nation, and soil is commonly lost through erosion and flash flooding."
>
> 8. "Surface mining activities may disrupt ground water flow patterns and interrupt traditional sources of water supply."

WATER—THE KEY VARIABLE IN THE WEST

In evaluating reclamation in the West, it is crucial to examine both the onsite and offsite impacts of mining on ground and surface water systems. While seemingly successful reclamation may be carried out at a particular site, a full understanding of the hydrologic situation is necessary before the reclamation can truly be evaluated. The key areas to be affected by strip mining are the aquifers, alluvial valley floors, and stream channels. The National Academy of Sciences study addresses itself directly to the water issue. Let me summarize the direct and indirect effects as spelled out by the NAS study:

In most areas of the West, the strippable coal seam serves as the aquifer, the water-carrying underground strata. This accounts for the high moisture content of western coal discussed earlier. Strip mining a coal seam aquifer can result in the following direct effects:

> Groundwater supplies upslope and downslope from the cut may be depleted either temporarily or permanently, disruption of ephemeral stream channels below the site, and change in the quality of water either through an increase in total dissolved solids or an increase in sediment load.

NAS states that:

> It is not known to what extent the aquifer characteristics of the stratum formerly occupied by the coal seam might be restored.

Piping the ground water out of the mining pit as is done at the Amax operation near Gillette, Wyo., can result in major channel erosion, channel deepening, and sedimentation problems. As the Interior Committee report on pending legislation points out:

> Deepening of the channel often results in lowering the ground water level.

These changes have very grave ramifications for beef and grain production in the West.

Erosional problems become even more significant where alluvial valley floors are involved. Alluvial valley floors are unconsolidated deposits formed by streams where the ground water level is so near the surface that it directly supports extensive vegetation. Alluvial valley floors receive water from surrounding areas and are thus capable of sustaining vegetation well in excess of what would be expected based on the precipitation levels in the area. These areas are the key hay meadows for cattle production. NAS states:

> The unconsolidated alluvial deposits are highly susceptible to erosion. Removal of alluvium from the thalweg of the valley not only lowers the water table but also destroys the protective vegetation cover by draining soil moisture.

The House Interior Committee in its report even concedes—

> That efforts by the Federal government to rehabilitate alluvial valley floors which have been denuded and damaged have been very expensive, of long duration, and only partially successful.

Thus, mining of these areas would mean the loss of vital grazing land—perhaps permanently. This is what is at stake in strip mining western coal.

The Academy study summarizes the offsite impacts of strip mining as well:

> (1) changes in volume of surface flow, both increases and decreases; (2) loss of groundwater; (3) deterioration of water quality; and (4) channel changes caused by an increase in sediment load; (5) destruction of aquatic habitats; and (6) increase in endemic diseases among users of water that has been contaminated by mining.

Recent data from a Montana Bureau of Mines study of Decker Coal Co's. operations at Decker, Mont., have confirmed the NAS conclusions concerning the effect of ground water levels. Wells within a quarter mile of the operations have dropped 20 feet in the last year; wells within a mile and a half have dropped 10 feet on the average.

And western strip mining has only just begun.

Can we afford to sacrifice productive land for what Gov. Arthur Link of North Dakota has aptly described as a "one-crop harvest"? Are we willing to sacrifice the land and life style of the West for this stripped coal when we can preserve the land and life style while deep mining the coal?

SAFETY RECORD IN UNDERGROUND MINES

To be sure, there are more accidents in deep mines, but a close look at the accident records of the major companies proves that this does not have to be the case. U.S. Steel, which operates only captive mines and produces 99 percent of its coal through deep mining, has by far the best safety records of any coal company. Similarly, Bethlehem Steel, which operates largely deep mines, ranks second in injuries and third in fatalities. This shows clearly that if a commitment is made to safety, deep mines can become safe. Here are the data on the 10 biggest producers from 1968 to 1971:

INJURIES PER MILLION MAN-HOURS

(Numbers in parentheses refer to rank of largest producers)

United States Steel mines (4)	2.72
Bethlehem Steel mines (10)	12.27
Consolidation Coal (2)	18.68
General Dynamics mines (6)	38.74
Peabody Coal (1)	46.91
Old Ben Coal (9)	47.40
Amax Coal (8)	48.23
Pittston (5)	56.57
Eastern Associated Coal (7)	62.51
Island Creek Coal (3)	72.13

The differences are less marked but still significant when fatality rates are compiled.

FATALITIES PER MILLION MAN-HOURS

United States Steel mines (4)	0.28
Amax Coal (8)	.35
Bethlehem Steel mines (10)	.44
Eastern Associated Coal (7)	.53
General Dynamics mines (6)	.72
Island Creek Coal (3)	.85
Peabody Coal (1)	.94
Old Ben Coal (9)	1.07
Pittston (5)	1.10
Consolidation Coal (2)	1.52

Particular note should be made of the Peabody figures: 80 percent of their coal production comes from surface mining, yet their accident record is poor. The good safety record of the captive mines stems from the fact that they have a strong commitment to safety—which is exhibited in their steel operations as well—and they are free from the competitive pricing pressures of the marketplace which push other deep mine companies to cut corners on safety. Abolition of strip mining would eliminate these pressures particularly in the case of marginal operators. It thus would allow deep mine operators to make the necessary financial commitment to safety.

Data for 1972 follow basically the same pattern as that for the period 1968–71. Again United States Steel and Bethlehem Steel underground mines rank one and two in lowest frequency of injuries per million man-hours, 5.30 and 8.97 respectively—note that for 1972 data was available separating deep and strip operations of the major producers. In comparison, Consolidated Coal's strip mines which ranked first among strip mines in lowest frequency of injuries, 18.31 per million man-hours, lagged well behind the steel company deep mines record. Of particular interest is the fact that Bethlehem's strip mines registered a 29.61 injuries per million man-hours rate, nearly four times higher than that compiled by their sister deep mines.

In the fatalities per million man-hours rankings, seven of the top nine underground mining companies showed lower fatality rates than the two leading strip producers, Peabody and Consolidation. Peabody and Consolidation strip mines had identical 0.61 fatality per million man-hours rates which were exceeded only by Old Ben deep mines—0.62 and by Consolidation's own deep mines—1.14—which were the most dangerous mines in the industry from a fatalities point of view. These statistics certainly cast doubt on the common assumption that strip mining is much safer than deep mining. Moreover, the combination of the good safety record of captive deep mines and the good safety records of European underground mines shows that deep mining can become a much safer operation.

Once again in 1973, United States Steel and Bethlehem Steel ranked Nos. 1 and 2 in safety. United States Steel's industry leading injury rate of 6.49 and Bethlehem's rate of 7.67 were far below the 38.26 posted by Pittston's strip mines, the 53.46 injury rate posted by North American strip mines, and the 20.03 rate posted in the strip mines of the Nation's No. 1 strip producer, Peabody Coal Co. In fact, large strip mining operations appear to be more dangerous than many deep mines. In 1973, the fatality rates on strip mines operated by the top two strip producers, Peabody and Consolidation Coal, were 0.47 and 0.45 fatality per million man-hours respectively. This is virtually identical to the industrywide rate of 0.50 scored by all underground operations in 1973. In short, large-scale strip mining is dangerous indeed.

And the trend toward increasing danger in strip mining seems to be continuing. In the first 4 months of 1974, the fatality rate for strip mines was 0.53, substantially higher than the 0.35 posted by deep mines nationwide during the same 4-month period.

EFFICIENCY IN COAL RECOVERY: DEEP AND STRIP

Strip mines are not necessarily more efficient in recovering all the coal in the area disturbed. Directly beneath the cut, strip mines will characteristically recover 90 percent of the coal. When auger mining is associated with strip mining, the augering recovers only 30–50 percent of the coal, reducing overall efficiency to around 60 percent. Whether or not augering is used, a solid block of coal must be retained between the strip cut and any future deep mine, further reducing efficiency. Even in area stripping, such solid blocks are commonly left where the overburden becomes too deep. Therefore, strip mines may range in efficiency of coal recovery from about 40 to 90 percent, with contour stripping on steep slopes being the least efficient.

In other ways, strip mining may directly injure the efficiency of subsequent deep mining. Heavy blasting characteristically associated with strip mining in rocky terrain may fissure rock strata above deeper coal seams and create new roof support and water drainage hazards for subsequent underground mining. Extensive strip mining of near-surface seams may so disfigure and destroy an area as to make future access and future human habitation difficult or impossible.

This is a distinct threat in areas like Boone County, W. Va., where removal of the 6.5 percent of the coal which can be strip mined would leave the land surface totally destroyed, making subsequent deep mining of the remaining 96 percent of the coal reserves difficult and in some cases impossible.

The U.S. Bureau of Mines estimates that underground mining recovers 57 percent of the coal affected by mining. However, new technologies, particularly "longwall mining" can increase that recovery rate to 85–95 percent. The application of these technologies in the United States has been slowed by the stagnation and price pressures on underground mining for which strip mining is primarily responsible.

ABOLITION OF STRIP MINING AND THE COST OF ELECTRICITY

What is the effect of the increase in the price of electricity which would result from the abolition of strip mining?

I have asked the Congressional Research Service of the Library of Congress to prepare an analysis of this comparison in rising costs, which follows:

> A ban on contour and auger mined coal would require the replacement of 50 million tons of such coal currently supplied to utilities (source: Bureau of Mines). A ban on all strip-mining would require the replacement of 214 million tons of strip-mined coal currently supplied to electric utilities. According to the Federal Power Commission, during the third quarter of 1972, the delivered price to utilities of deep mined coal was $9.40 per ton; the delivered price of strip-mined coal was $7.71. Thus, replacing the 214 million tons of strip-coal supplied to utilities in 1972 with deep mined coal would mean an increase of $361.7 million in delivered fuel costs to utilities, assuming that alternate fuel sources are either more expensive or unavailable. If this increase were all passed on to consumers of electricity, what would it mean to the average family's electricity bill? Just under one third of all electricity was consumed by residential users in 1972. Assuming that all rate payers are equally affected—which is an over-simplification, approximately $120 million of the increase in fuel costs will be passed on to residential users. There were more than 65 million residential users in 1972. Therefore, a ban on strip-mining would mean—taking the above assumptions in consideration—that the average family's electric bill would rise $1.80 annually or 15 cents per month.

ENVIRONMENTAL DAMAGE: DEEP AND STRIP

In every respect, strip mining is clearly more devastating to the environment than underground mining. Given the vast areas of land affected and the long term of the effects, this is the most significant comparison.

Strip mining characteristically involves the near-total destruction of the land surface throughout the area mined, and the spread of destruction through siltation, pollution, flooding, and so forth, far beyond the mined area. Underground since it characteristically removes coal from multiple underground seams in the same location rather than a single surface seam over a broader area. And in fact 95 percent of the surface undermined is not materially affected at all. The two principal exceptions are the undermining of towns which may lead to dangerous subsidence and the deposition of mine refuse on the surface. Undermining of towns can and should be prohibited to prevent future damage in this manner. Under better economic conditions and a stronger regulator framework, mine refuse could be reintroduced into the mine void or handled on the surface in a manner analogous to sanitary landfills to eliminate 75 percent of the potential surface disturbance.

WATER POLLUTION

The principal environmental characteristic which underground and strip mining clearly have in common is the production of acid and toxic water through the exposure of acid and mineral bearing shales to a combination of air and water. The strata of shale which are characteristically directly above and beneath the seam of coal are generally heavy producers of sulfuric acid when exposed to a combination of air and water.

In underground mines, water seeping through the roof and flowing out cracks and mine openings carries poisonous waters into streams—a major source of water pollution throughout the Appalachian region. This condition can be corrected in part by purposely caving in the mine roof following extraction of coal, by flooding the mine to the roof—which prevents access of air necessary for acid formation—by sealing all mine outlets, or by "back-filling" the mine with spoil material. All of these measures can reduce the problem, although frequently they do not cure it altogether.

In strip mines, the shale directly above the seam of coal is pulverized by the process of removal and cast on the spoil pile where it is exposed to air and rain water. Characteristically, since this strata is the last to be removed before the coal is reached, it reposes on top of the spoil pile. The strata of shale below the seam of coal is also exposed to air and water until it is recovered in the reclamation process.

The strip mine spoil banks have several characteristics which make them far more potent generators of acid than underground mines. First, the spoils are more directly exposed to air and water, both of which percolate to depths of 10 feet or more in the loose spoil material to generate acid water, which then runs out into surface watercourses or down into underground watercourses. Second, acid production is directly proportional to the surface area of the shales exposed to air and water; the pulverized shales in the spoil pile expose many more surfaces than do the solid shales underground. Third, acid production is also proportional to temperature, doubling for every 10° C rise in temperature. In summer months, shale exposed to air and water on spoil piles at 90° F will produce four times as much acid as shale underground at a constant 50° F.

Finally, acid production by strip mines is a greater problem because the acid water flows in all natural directions down off and down through the entire strip mine spoils, rather than through a few discrete openings as in underground mining.

Even though strip mining can be expected to produce more acid water than underground mining, this is not the major water pollution problem associated with strip mining. The major problem, particularly in mountainous areas, is sedimentation. Strip mined areas continuously erode, filling streams and rivers with sediment which impedes the flow of water, fills the stream channels and promotes flooding, coats stream bottoms and prevents the growth of aquatic plant and animal life, fills reservoirs and impoundments, clogs public water systems, and transmits pathogenic viruses. Erosion and sedimentation rates 500 times that of neighboring unstripped land are common, documented by the U.S. Geological Survey and many other studies.

Sedimentation problems are not significantly associated with underground mining.

Erosion from strip mined land also loads water with toxic quantities of other minerals such as manganese, aluminum, ammonium, magnesium, calcium, potassium, sodium. Not only does the erosion of these minerals from stripped spoils prevent revegetation in the soil of these spoils, but the toxic concentrations of these minerals in the runoff water inhibit life in the areas to which these waters flow.

The heavy blasting characteristically associated with strip mining also has adverse effects on underground watercourses in many areas—diverting underground water, opening fissures to pollute underground water with acid and toxic surface waters, et cetera.

Therefore, although the water pollution consequences of underground mining have been and continue to be serious, the water pollution consequences of strip mining are far more serious relative to acid production, sedimentation, toxicity, and destruction of underground watercourses.

AIR POLLUTION

Air pollution is occasionally a problem with either mining method, though it is not of the magnitude of the other problems. "Noxious gases," testifies Hollis M. Dole, "are emitted from the 292 burning coal refuse banks and the 289 known coal outcrop and mine fires," resulting from underground mining. These are extremely difficult to control once underway, but adequate environmental regulation can largely prevent this problem with future underground mining. "Backfilling" of mine spoils into the mine or depositing them between layers of earth as in sanitary landfills can prevent future gob pile fires. Coal outcrop fires can also be prevented by back filling spoils against coal seams left exposed.

Strip mining, like other earth moving processes, can produce some air pollution problems through creation of dust during the mining process. This can be controlled in part by watering and is rarely serious unless the strip mine is very close to inhabited areas. More serious is the wind erosion of strip mine spoils in arid regions. This is already contributing to duststorms in the Black Mesa and Four Corners areas of Arizona and New Mexico.

THE MOMENT OF DECISION

I would hope that one lesson would be learned as a result of the current energy shortage. We must plan for the future in our handling of energy; we can no longer muddle through or leave the crucial energy decisions to the big oil conglomerates who are motivated by profits, not by any concern for what is best for the people. We have come up short in this crisis, and if we deal with this crisis by stepping up strip mining we will come up short again in the 1980's when all our eastern strippable reserves will be exhausted.

At that point, industry will finally turn to deep mining, but it is likely that the deep mining industry will be virtually extinct and the economic dislocations will be catastrophic. Furthermore, vast acreages of land will be devastated and precious water polluted beyond reclamation.

I can see only one positive result of our present energy problem. It has focused attention on coal and forced a decision on the abolition of strip mining. Many people have asked me: "How can you favor phasing out strip mining now?" The answer is simple: This is the last chance to make that decision. If Congress allows the administration and the energy conglomerates to increase strip mining as the answer to the energy crisis, we will have committed the Nation to a catastrophic and virtually irrevocable course. I discussed earlier several approaches to making the shift to deep mining, utilizing unused deep mine capacity, reopening closed deep mines, halting coal exports, expanding longwall mining. These can and must be implemented immediately. In addition, efforts are being made to line up long-term contracts for coal and to pump major amounts of investment into the coal industry. The prerequisites for a massive commitment to deep mining are in place. All that is needed is the commitment by Congress to phase out all strip mining of coal.

Congressional indecision on this question will be fatal.

We must save the land and the people by stopping the destruction caused by strip mining.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. HECHLER of West Virginia was allowed to proceed for an additional 2 minutes.)

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from California.

Mr. BROWN of California. I want to commend the gentleman from West Virginia for his substitute. I think it provides a reasonable solution, both to our conservation needs and to our energy needs.

I think if we do not adopt the program represented by this kind of opportunity, our problems will increase rather than decrease. I want to commend the gentleman from West Virginia for his amendment. I intend to support his substitute amendment.

Mr. HECHLER of West Virginia. Mr. Chairman, I thank the gentleman for his remarks.

Reclamation has been a failure in West Virginia, and many other States. As I pointed out, 60 percent of the land which has been certified as reclaimed has, as of today, lost its vegetative cover according to the Stanford Research Institute, in a study made for the West Virginia State Legislature.

Mr. MOAKLEY. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Chairman, I rise in strong support of the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. HECHLER).

In the past few weeks, we in Congress have been inundated with information about the various proposals to regulate strip mining in the United States. Much of the information has centered around the need to coordinate the demands of the country for energy with the environmental problem. One would think that a choice has to be made, between energy and the ecosystem. I don't believe that such a choice is necessary.

By adopting the Hechler bill, H.R. 15000, as a substitute to the committee bill, H.R. 11500, we will be insuring real protection of our natural environment. But, most importantly, we will not be sacrificing any of the energy needs of the Nation.

According to the report of the Committee on Interior and Insular Affairs, only 3 to 18 percent of the Nation's coal is recoverable by strip mining techniques. It is the consensus of the committee, and of the coal industry, that the future of coal mining in the United States lies in deep mine operations.

Deep mining of coal will allow us to extract just as much coal per year as we currently extract by strip mining and deep mining combined. And, in this process we will eliminate the rape of the land which has taken place in the Appalachian Mountains, and could well take place out West.

So, if it is true that the future of coal in the United States will be in deep mining, isn't it obvious that we should encourage such operations immediately?

I think it is. And, the only way I can see to achieve such an incentive to deep mine coal is to phase out and ultimately eliminate all strip mining. And that is just what the Hechler substitute would do.

Many economic reasons exist which point out the need for abolition of all strip mining.

Should strip mining be merely regulated, rather than phased out, production would most likely be shifted from East to West. This is because of the easily recoverable coal out West; recoverable that is by strip mining.

But, should this shift occur, electric utilities in the East would be forced to pay higher transportation costs, passing them along to the already beleaguered consumers. Further, western coal that is recoverable by strip mining is very low grade. It is high in sulfur, and very low in Btu content. Eastern coal has two to three times the heat content, and thus the generating capacity of western coal. Thus, eastern consumers would not only have to pay for transportation costs, but would have to pay for two to three times as much coal.

It is ludicrous to think that such a situation would help anyone but the coal companies.

Yet, westerners need not fear that a phaseout of strip mining and the resultant shift to deep mine production would cause economic disaster for them either. Seams of high quality, low sulfur, high Btu coal are available, through deep mine operations in Colorado and Utah. Thus the West is guaranteed equal benefits from a phaseout of strip mining.

Finally, we must consider the human side of strip mining.

Hundred of families in West Virginia, Pennsylvania, and other coal States have been uprooted from strip mining. Families have been placed in danger as highwalls, and spoils slide down steep slopes. These people's lives and homes have become a national sacrifice to the profit hungry coal companies and strip mine operators.

The Hechler bill is the only measure which will adequately insure relief to these poor people. With its phaseout program, it stipulates tough standards on mountain slope mining. It disallows mining that would damage water supplies and water tables with drainage and acidity. It provides the human concern that seems to be lacking in any of the other proposals.

So, if we really want to protect the land and the people, while at the same time meeting the energy needs of the Nation, the Hechler substitute to the committee bill is the only sensible course of action.

In this country we have a total of 401 billion tons of recoverable coal. And, only 45 billion tons of that is strippable. That presents a ratio of 8 to 1 in favor of deep mining, all easily and economically recoverable with existing technology. To meet the Nation's energy needs, and to avoid the further rape of our lands, we must encourage deep mining by phasing out stripping, or all the strippable coal will be exhausted at the rate at which we are rushing to gouge it out.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from California.

Mr. CORMAN. Mr. Chairman, I thank the gentleman for yielding to me.

I too appreciate the advice and knowledge in this field of the gentleman from West Virginia. He is doing an excellent job, and I join him and support his substitute amendment.

Mr. Chairman, I appreciate this time to speak on behalf of H.R. 15000, a bill to provide an orderly phase-out of strip mining in the United States. This bill is especially important to those of us in the West because it will protect our environment and keep our water supply clean.

There is no question that at the present consumption level the United States has enough coal to meet its energy needs for scores of years to come. Coal currently provides 18 percent of our energy supply. What is at issue is how we extract our coal and how we will develop a long range national coal policy. Certainly in the short run we can strip mine our mountains and hills to meet our exigent energy demands. But is this the wisest policy? Strip mining despoils our environment, poisons our water supply, and can endanger whole communities by creating conditions ripe for landslides and floods. The January 1974, disaster in Slate Creek, where a coal waste avalanche caused families to evacuate their homes—some of which were destroyed—attests to this latter point.

By conservative estimates there is more than 8 times as much deep-minable coal as there is strippable coal. The public interest demands that we not merely skim that which is the most easily accessible, but that we create a long range policy that will enable us to develop the bulk of our coal reserves. H.R. 15000 does just this. It provides for an orderly phase-out of all strip mining operations in the United States over a 4½-year period. According to the United Mine Workers, this is a sufficient leadtime to convert to total deep-mining production.

I understand that some of my Western colleagues fear this bill does not represent the best interests of the Western States. This is not true for three reasons.

First, the measure will save tens of thousands of acres of untouched lands from eventual degradation at the hands of strip miners. In addition to the spoilation that results from strip mining, the fragile soil coupled with low rainfall make these plains particularly susceptible to destruction by erosion. Even if the land were subsequently reclaimed, it could take generations before it is ripe for vegetation. We must save our land now rather than attempt to salvage it later.

Second, the strip mining ban will insure that our precious western waters stay free of sodic solutions and other toxic substances associated with strip mining. We cannot allow our drinking water and irrigation supply to go the way of West Virginia's many contaminated lakes and rivers.

Third, the measure will protect the great breadbasket of the Nation from the disruptive forces of strip mining. We must insure that aquifers remain unpolluted and adequate water supplies be maintained for crops and livestock. For these reasons, Mr. Chairman, I strongly urge my colleagues to vote with me in support of Mr. Hechler's bill.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, is there anything in the gentleman's bill which relates to minerals other than coal?

Mr. HECHLER of West Virginia. No; there is not.

Mr. LAGOMARSINO. I thank the gentleman.

Mr. HECHLER of West Virginia. Mr. Chairman, I would like to quote from an article appearing in the Charleston, W. Va., Gazette yesterday:

> Strip mining destroys more jobs than it creates, and it definitely poses a threat to the growing, lucrative tourist industry in West Virginia, according to a study just completed at West Virginia University.

Further, strip mining can bring us temporary profits, like taking six or eight strong drinks in a row, but when the morning after comes, the coal is gone, the land is gone, and the people are impoverished, then we have a hangover with a mouthful of ashes. That is why I say we must shift to deep mining.

The hills of Appalachia are bleeding. Strip mining for coal has gouged deep and gaping gashes. The guts of our once-proud mountains have been ripped out and dumped into the gullies. When you fly over the Appalachian area, you see entire mountain-tops which have been scalped off. Others have been ringed around the top like peeling off an apple or, as John Quarles said a few days ago, "ugly scars which encircle the mountains like the coils of an angry snake" and "gutted hillsides raked by the claws of rushing water."

The Damoclean sword of strip mining is poised above the vast domain of our public lands and Indian lands where strip coal prospecting permits and leases have already been granted. What belongs to all the people must be preserved for the people, and not for Burlington Northern, Consolidation Coal, Amax, and the scores of other less-well-known land company fronts which masquerade under bucolic names like "Meadowlark Farms."

A cancer of the Earth is spreading across our Nation. This cancer has already attacked the mighty mountains of Appalachia, and brought leukemia to the pulsating rivers and creeks. Already nearly 3,000 square miles of our land have succumbed to this cancer, and 1,000 acres a week are being systematically stripped and devastated. Unless this cancer is checked, a total of 71,000 square miles of our land may be laid waste—the equivalent of a strip of dead tissue, 25 miles wide, stretching from coast to coast.

The cancer of strip mining is a menacing disease. Our lust for energy at the cheapest monetary cost today totally ignores the social costs passed on tomorrow and to future generations who will be paying the bill in polluted water, destroyed topsoil, landslides, floods, sedimentation, and barren moonscapes.

The agents which transmit this cancer are the giant earthmoving machines developed by an onrushing technology—machines that can gouge out 200 to 300 tons of earth and rock at a single bite, swing 3 Greyhound buses the length of several city blocks, tower 20 stories in the air, and use up enough electricity to power a medium-sized city in a day's work. These awesome giants pulverize and destroy layers of earth and rock which were fashioned in geologic eras longer than human history but are now being uprooted in a few minutes. Water tables are destroyed, depriving the Earth of its channels of nourishment. Deep strata of rock and shale are pulverized and exposed to the elements, where they will leech acids and toxic materials into the surrounding streams for generations.

Boulders are loosened by blasting and crash down the mountainsides. Nobody bothers to cry: "Look out below."

Mr. Chairman, Shakespeare had a few things to say about strip mining, even before he knew what a spoil bank or a drag line looked like.

In Julius Caesar, Marc Antony speaks these poignant words:

> O, pardon me, thou bleeding piece of earth
> That I am meek and gentle with these butchers

The Earth is bleeding in Appalachia. The hills are bleeding too.

I recall an observer who came down to visit my congressional district at the time of one of our greatest disasters, on February 27, 1972, when 125 men, women, and little children were swept to their deaths as a result of the irresponsibility and criminal negligence of the Pittston Coal Co., at Buffalo Creek. A coal slag heap, which we call a gob pile, which the coal company used as to impound water to wash their coal, burst at 8 o'clock in the morning on that fateful day. Like a giant, greasy fist, the 30-foot wall of coal sludge and water crashed down on my poor people that dark Saturday morning, sweeping homes, churches, and a twisted jumble of telegraph poles, railroad ties and people down the 17-mile Buffalo Creek valley.

An observer came down to view the incredible human carnage took a trip around to other hollows where other coal slag dams were hanging like swords of Damocles over the people. And he made this observation: "The hills throughout this whole area are leaking."

"No," I answered. "They're not leaking; they're bleeding."

The substitute bill which I am offering, H.R. 15000 has won widespread public support in every State in the Union. There are 41 cosponsors from 17 States. Many others of my colleagues have expressed support for a well-planned and orderly phasing out of the curse of strip mining, which has ripped, raped, gashed, gouged, gored and gutted the land and the people.

And the people who have suffered the most from strip mining are the people of the mountains.

I say to you with all the emphasis at my command: the people of the mountains are not going to stand still and let themselves become a national sacrifice area for the power-hungry strippers. You cannot count on the people of the mountains to sit back and remain docile, fatalistic and long-suffering in the face of the new demands being made by insensitive and arrogant strip miners.

What does the committee bill do about gob piles and impoundments?

I am glad that my friend from Ohio, Mr. REGULA, brought up the point about the damages done by deep mining, because my bill H.R. 1500 in Section 106 does contain protection against deep mining environmental damages—pages 33 and 35. The committee bill contains no like provisions.

Acid drainage control involves either prevention or treatment.

> Bulkhead seals, constricted with concrete, limestone, or other material are used to block mine entrances or inner tunnels of abandoned mines. These seals are designed to prevent oxygen from entering the mine and to retain drainage behind the seal—

According to GAO report:

> An EPA official stated that these seals had been the most successful underground acid drainage prevention technique developed and that under certain conditions a mine can be effectively sealed by this technique. Some types of bulkhead seals are being used commercially and are considered by EPA officials to be 75% to 99% effective in reducing acid pollution. The cost of these seals range from $1,000 to $20,000 per seal.

My bill also requires back-stowing of all mine wastes into the deep mines, which is an important preventive of the air-polluting gob piles. It is ironic that when you go back to look at the big gob pile at Buffalo Creek, as I do frequently and most recently on the Fourth of July, you climb up onto that heap of garbage and right on top is a neatly-lettered sign: "No Dumping."

In the area around these smoking gob-piles, the people see this acrid smoke pouring into the air, and they also live in fear whenever it rains that another disaster may occur. Yet these same people will be fined $25 for burning trash in their own back yards.

Mr. Chairman, in contrasting H.R. 15000 with H.R. 11500, I want to point out that the committee bill, which Mr. HOSMER aptly calls the "hell and high water" bill, really does keep the people of the mountains in hell and high water for several years. One major weakness of H.R.11500 is that for the first 3½ years of the bill—that is until 1978, you have ridiculously weak "interim standards." During this period until 1978, you have a virtual license for the strippers to proceed. The strippers can scalp off the tops of mountains—a favorite form of Appalachian devastation. No standards are included in the interim period to require the prevention of erosion and prevention of acid drainage, or the handling of toxic materials and auger holes.

If the operator can show he has difficulty in getting the equipment he can even be exempt from reclamation.

After 1978, the restrictions are supposed to get tougher in H.R. 11500, but the strippers will have a field day streaking through the loopholes.

The emphasis is on the States. I heard a lot of wonderful talk about the States and how well they have done in reclamation, but sadly the facts do not support these contentions of wonderful reclamation. So much of this is great P.R. work by the power and coal companies.

In those States where the mining industry controls the politics, you can not get good enforcement.

In Gilbert Creek, Mingo County, W. Va., we had a flood in 1972, and as I went to visit the people in that hollow, I could see with my own eyes the rocks, trash and spoil which had slid down the hill from the strip mine above. A schoolteacher showed me some of the effects of strip mining on the people of the area. I told him I wanted to bring some more people down the next day to take a more detailed look. He promised to take me around.

But when I came back the next day he was nowhere to be found. When I finally tracked him down, he was a different person. I was later told that he had gotten several calls from the school board, threatening him that he would be transferred so far away that they would put in a school where it would take a mule to get back and forth every day unless he shut up and stopped talking with me about strip mining.

The unbelievable pattern of fear and intimidation which the coal companies have spread throughout West Virginia and the Appalachian area is not only undermining our land, it is undermining the freedom which the people of this land are supposed to have under the constitution which governs us.

Let us move boldly and with foresight to save the land and the people by abolishing strip mining in an orderly way.

Ms. ABZUG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Hechler substitute amendment. I think that those of us in the east who have been studying this problem, have come to understand that there are some very serious human problems involved here which all of us have the responsibility to deal with.

Mr. Chairman, I commend the gentleman for his excellent efforts in this connection.

Mr. Chairman, our Nation is rushing down the strip mining road, rapidly devouring our tiny reserves of surface coal while abandoning those huge deep coal fields which are our greatest energy resource. When the strippable coal is depleted, in the not-so-far future, the country will be faced with economic chaos. Until then, surface mining operations will continue to leave an appalling path of environmental destruction. The scarred mountains, landslides, and polluted streams are reason enough to abolish strip mining this very day. But its horrors extend far beyond these consequences. In its wake, strip mining leaves the shattered dreams and broken spirits of human beings. To protect the lives of thousands of individuals and to prevent

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the crude exploitation of entire regions, strip mining must be stopped.

The people of Appalachia have carried the burden of surface mining for years now. They have seen their homes and farms ploughed under by the bulldozer, the products of a lifetime wiped out in a single day. They have watched as the coal companies extracted the wealth of their countryside, leaving a land and a population impoverished. And they know this "temporary" land use will poison their communities for generations to come.

Now the Great Plains are being promised this same devastation. The people of the West will be asked to stand by while their towns mushroom in size, their lifestyles are trampled by uncontrolled growth and the demand for public services swells to the breaking point. The Council on Environmental Quality notes that—

> There are few, if any, cities and villages in the region that could absorb these new employees and their families without extensive changes in their public and private capital facilities and, in many cases, their way of life.

When the strippable coal runs out, in 30 years or less, they will be left with ghost towns, huge public bills, and a land incapable of providing its former benefits.

To those who are not convinced of the dangers, we can only point to the experience of individuals in the East. To people like Alice Fugate who was killed by a boulder that crashed through her house. The rock came from a nearby strip mine which was using explosives to extract coal. At the time of Mrs. Fugate's death, her husband was pleading with the mine operators to be more careful with their blasting. Two months earlier, in the same county, families were evacuated as mudslides carried away a home and destroyed precious possessions. One can only point to those in Kentucky who have seen their family graveyards violated, to the thousands who have watched their water supplies filled with acid and silt, or to the town of Gilbert, W. Va., which was hit by flash floods caused by strip mining, floods that resulted in $7 million in direct damage. For most, the violence of strip mining is more subtle, but still just as devastating. Thousands of acres are now inhospitable, land which once helped people lead productive lives.

No regulatory bill will stop these tragedies. As can be seen by the incredible length of H.R. 11500, regulation is such a complex issue as to practically insure a myriad of loopholes and ambiguities. Past efforts have met with little success. West Virginia has had a supposedly model law on its books for decades, but the terrible destruction in that State continues. Supporters of H.R. 11500 have stated that Federal enforcement procedures will insure a better enforcement of strip mining regulations. Yet they are entrusting this vital task to a Department which has mismanaged such regulatory programs in the past and which opposes some of the most important provisions of H.R. 11500. In any case, how can regulation, no matter how strong, halt the dislocation of hundreds of families? How can it prevent the boom and bust economies? And how will it bring rain to the West, so necessary for proper revegetation?

It is easy for those of us in Washington or those who live far from the coal producing areas to dismiss the cries for help as insignificant in the face of our tremendous energy needs. But they are not. For thousands, we are their last hope. What is so incredible about this whole debate is that the answer is so obvious. Ninety-five percent of our coal can be obtained only by deep mining. New longwall technology makes more of it recoverable than ever before. This method is safe, too, for the machinery protects the miner from roof collapse. Recently enacted Federal legislation requiring adequate ventilation and coal dust prevention will virtually eliminate black lung problems, if we can rely on the experience of other countries. If the headlong rush to the West continues, the cost advantages of strip mining will be eliminated also. Transportation costs back to the eastern factories are staggering, often greater than the cost of the coal itself. With a minimum of hardship, we can convert back to deep mining in a short time. If this country must use coal, let us do so in a way that causes the least economic dislocation, the least environmental damage, and the least human suffering.

Meanwhile, while the Congress fails to act, strip mining chews up 1,200 acres per week. How many lives are shattered with it?

I urge your support for H.R. 15000. Abolition is the only answer.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as many of the Members of this House know, I have a particular interest in the area of business, minority enterprises and economic development, and it is not often that I speak on a bill which is not related to my particular committee assignment or subcommittee assignment.

We do not have the problem of strip mining to an extensive degree in the State of Maryland. However, more and more, as I travel around the country, I am aware of the fact that unless we take some positive, sensible measures to protect our environment, to strengthen our whole conservation program, we are going to find ourselves in 10, 15, or 50 years from now living in a country half ugly physically and half beautiful physically. When we consider the vastness of America, it is so very easy to think that a country this large could never become an ugly place in which to live, but indeed it can. We have seen this happen in our cities. They have become ugly, and, as I travel, I see this happening to our countryside simply because some vested interests are more concerned with a profit; more motivated by a ledger-profit psychosis than motivated in terms of a good environment for the country.

Mr. Chairman, I am grateful for this opportunity to speak in support of the substitute amendment offered by the gentleman from West Virginia. It makes sense. It is not a radical kind of approach that says, "Stop now and let the chips fall where they may." We have here, in the Heckler proposition, an orderly phased-out process.

The Hechler proposition makes sense in that it does not at all threaten our energy resources. His approach, indeed, would strengthen our energy resources if we pursue the option of extracting deep mine coal which exists in rather abundant supplies.

It seems to me that while we debate this measure, we should be considering what kind of natural legacy we are going to leave to future generations of Americans. I would respectfully suggest to my colleagues that if they vote for H.R. 15000 that will be the first positive step that this House has taken to insure that we are going to leave a legacy of a decent environment, a decent country, a beautiful country, and a country with sufficient energy reserves so that we will not be plagued by some of the energy problems that we went through last winter.

One would think that by now we, as a country, and specifically we, as Members of Congress, would have given up the notion that we can solve long-term problems with short-term, shortsighted solutions. It would appear, however, that we have not.

Today we address ourselves to the question of strip mining, but in a larger sense we are speaking to the issue of coal production, and in an even greater sense, to the energy crisis itself. In this respect, strip mining epitomizes the use of the short-term solution with a totally blind eye to the long-range costs, both financial and environmental.

The Interior Committee has agreed that strip mining is an evil, but faced with intense pressure from the coal industry, has produced a critically weak bill. I am sensitive to the industry pressure against enactment of a proenvironment bill. I am sensitive to the pressures every industry exerts against a proenvironment bill in their field. When, however, are we going to stop and say "enough." "Our environment is not an expendable commodity which we can sell to you even if we wanted to."

The bill drawn up by my colleague, Mr. HECHLER, is realistic in its expectations and in its implementation. It represents the long-term approach which we need to begin to adopt.

I urge support for the Hechler substitute.

Mr. FRASER. Mr. Chairman, we are being asked today to decide on the course our future coal production will take. Coal currently supplies only one-fifth of our energy needs. We rely on oil and gas far three-fourths of the energy we use. But domestic oil and gas supplies have peaked. For the immediate future this country must turn to coal.

All the evidence points to the fact that we will have to use our deep coal resources. The United States is now producing about 600 million tons of coal a year. We have 3 trillion tons of coal reserves, of which anywhere from 14 to 50 percent are considered recoverable under current economic conditions and existing technology. Using the most conservative of these estimates, there are 400 billion tons of coal reserve available to us today, enough for several hundreds of years. And 90 percent of these 400 billion tons of coal can be extracted only by deep mining.

Only one-tenth, then, of our national coal reserves are strippable. Moreover, in many instances, strippable reserves can be deep-mined. Of the estimated 45 billion tons of strippable reserves—located mostly in the western and central coal fields—11.5 billion tons can be recovered by deep mining.

The sooner that deep mining becomes economically attractive, the sooner we will be headed toward a long-term solution of our energy problems. EPA Administrator Russell Train has been outspoken in support of this alternative. He has said that with only a small percentage of our total coal supply strippable, our—

> Underground reserves are by all odds the predominant source that we have. We're going to have to get at this in any event.

Deep mining has been on the wane. More than 1,500 deep mines have been abandoned since 1970. The 1969 Coal Mining Health and Safety Act, from a short-term point of view, has made deep mining more costly than ripping up the earth and stripping off the surface coal. The result has been that half of U.S. production now comes from surface mines.

Strip mining is a recent phenomenon. It did not become technologically feasible to mine coal in this way, on a large scale, until the early 1960's. Strip mining involves less leadtime, lower capital investment, lower operating costs, and less skilled labor than deep mining. It is economically attractive, but only because the total costs have not been calculated—the costs of surface waters poisoned, land denuded, soil eroded, wildlife habitats destroyed and agricultural productivity lost.

Thus far, surface mining has gone on largely unregulated. State laws, for the most part, have not been enforced or have been unenforceable.

The Department of the Interior has estimated that two-thirds of the land stripped for coal has never been reclaimed—over 2.5 million acres, an area larger than the State of Delaware.

Mr. Quarles, EPA Deputy Administrator, spoke at a town meeting last week in a Pennsylvania region hard hit by poor strip mining practices. He referred to the lack of firsthand knowledge of most Members of Congress of the destructiveness of strip mining. Members debating strip mining regulatory legislation "will not have seen," he said, "the miles of ugly scars which encircle the mountains like the coils of an angry snake."

> They will not have seen the gutted hillsides raked by the claws of rushing water. They will not have seen the streams choked with sediment. Most of them will never know the acrid stench of a pond or marsh fouled by acid runoff. Few of them will ever hear the roar of a power shovel as it chews into a hillside.

Whether we have seen these things firsthand or not, we all recognize the need for legislation to prevent the senseless destruction that has accompanied strip mining in the past.

In two recent legislative milestones, the Clean Air Act of 1970 and the Water Pollution Control Act of 1972, Congress has clearly established that the air and water of this country are not to be used as a vast waste bin by industry or by individuals. Our air and water belong to all of us. They are part of the public trust, and on their wise use depends the public health and the well-being of posterity.

In the same way, we cannot allow our land resources to be exploited for quick gain, to the detriment of the long term public interest.

Certainly we need the coal, but we need the land and water, vegetation and wildlife, as well. And we can get the coal. We can get it by strictly controlling surface mining so that environmental damage is kept to a minimum and by devoting our major efforts to tapping our deep coal reserves.

Under H.R. 15000, the substitute bill offered by my colleague from West Virginia (Mr. HECHLER), surface mining of coal would be phased out over a 4½-year period, during which the large western and central strip mines could continue to operate until sufficient deep mining capacity could be developed to take care of our needs.

Needed coal production could be made up by shifting to deep mine technology. The 4½-year phase-out period would allow the leadtime needed to open new deep mines. Some lost strip production could be supplemented at once by existing deep mining capacity. A recent study done for the Senate's National Fuels and Energy Policy Study states:

> Although it may take two years or more to open new deep mines, some lost strip output could be made up almost immediately by existing and excess deep mining capacity. For example, there is at present excess capacity in some deep mines of Appalachia. Some mines are working less than full three shifts daily, or are mining fewer sections than they were three and four years ago; production could be expanded considerably in such mines.

If we strip all the coal there is to strip, estimates are that we would run out before the turn of the century and would have to turn to our deep reserves in any case. Far better that we do so now, before we turn vast areas of our West into another Appalachia.

But let me stress, this is not a regional issue—West versus East. It is not a special interest issue—coal industry versus environmentalists. It is a national issue of immediate and urgent concern to all of us. How we extract our coal resources—how wisely we do so, and how economically, in the full sense of the word—will affect the lives of all of us.

I hope that the Congress will phase out strip mining and make deep mining a more attractive economic alternative. The substitute bill offered by my colleague from West Virginia (Mr. HECHLER) would do this.

But if the House does not accept this proposal, I urge that at the least, it approve effective controls on strip mining which would permit full utilization of our domestic coal reserves without destroying the land.

Mr. BADILLO. Mr. Chairman, I rise in support of H.R. 15000, a bill to impose strict environmental and safety controls on the coal mining industry and to phase out strip mining over the next 2½ years. I believe that the Hechler bill is the one we should approve today because it is the only one which incorporates proper concern for the long-range use of the land with incentives for accelerated production of coal.

The heavy lobbying campaign of the coal industry against this legislation boils down to a representation that the energy shortage is so drastic that we should allow uncontrolled extraction of all strippable coal in America as rapidly as possible. This argument is undercut by the recent U.S. Government report that worldwide production of oil now exceeds demand by approximately 1.5 million barrels a day and that the surplus will be even greater in 1975. Petroleum Intelligence Weekly, an industry organ, agrees with this assessment and recently announced that crude oil is going begging in the marketplace. It is true that most of this excess is high-priced crude oil from Arab countries, but it cannot help coming down in price as the glut on the market continues.

The second significant aspect of our long-range desire to become self-sufficient in energy is that there is at least eight times as much deep minable coal as surface minable reserves at the most conservative estimate, indicating where our planning for the future should concentrate. Cries of scarcity are belied also by the fact that one-tenth of all coal being mined in the United States today is exported to other countries.

What we are being asked to do is to yield to the desire of coal producers to extract their product with the lowest possible cost, an acceptable goal on the face of it if it were not for the fact that the end result will be a ravaging of the land and permanent removal of vast tracts from any future productive use.

Anyone who has seen the devastation left behind by profit-hungry strip miners in Appalachia will realize that strict controls must be placed on those operators who have shown not an iota of responsibility for restoring the land once they have uprooted it, denuded it, and abandoned it after extricating what they are after. Among the consequences have been the dumping of large quantities of acid into mountain streams and rivers once used for drinking supplies and recreation, the permanent destruction of land once used for crop production, uncontrollable erosion from scarred and ravaged slopes, and destruction of homesteads and injury to people from manmade slides and floods.

It would be foolhardly to allow ourselves to be stampeded into thoughtless acquiescence with the aims of an industry which has proved its disregard for the future of the land in so many ways and places already. Now that most of the surface coal has been torn from the slopes of Appalachia, the industry is asking to be allowed to continue to pursue the same methods in the exploitation of surface coal deposits in the West.

Two facts are important. The first is that coal mined in the West will double or triple in price when shipped to east coast markets, making it more expensive than deep-mined coal from the Appalachian fields and thereby obviating the rationale of cheap production costs.

More importantly, there is virtually no scientific knowledge as to whether the arid western plains are reclaimable after the strip miners have moved through with their earth-gouging machines. More than 1,000 acres a day are being dug up in the West, and though the industry has given lipservice to reclamation, a Montana rancher was recently quoted in the New York Times as saying:

> We're not comforted by assurances of reclamation when, in fact, there is not one acre of reclaimed land in the Northern Great Plains which has been returned to agricultural production, much less grazing.

Coal is now being stripped from lands which get less than 20 inches of rain a year, and the National Academy of Sciences has estimated that it will take decades or even centuries for natural revegetation of such lands after they are stripped of their surface soil. What this means to the agricultural occupations or to the grazing and water rights of the people left in the wake of the coal strippers has not been addressed by the industry in any meaningful way to this day.

The gentleman from West Virginia deserves our thanks for his dedicated efforts to win passage of legislation to insure that the rights of all the people are protected. He has made the point that there is virtually no regulation of strip mining by the States today, and that in the one State with stringent controls, Pennsylvania, requirements for reclamation of stripped land have not cut coal production back, but have actually allowed it to increase.

The gentleman also makes the excellent point that we can begin now to open up our vast underground coal reserves with planning and foresight, while leaving the surface coal for future rapid extraction should we ever be faced with a genuine national crisis. The coal industry takes the opposite tack in its desire to deplete the Nation's strippable coal by intensive mining of it so that it will be nearly exhausted around the time we are talking about achieving energy self-sufficiency, in the mid-1980's.

Mr. Chairman, the committee bill, H.R. 11500, is not a bad piece of legislation. However it lacks some of the necessary environmental standards set by the Hechler measure. There is no reason, for example, to allow a grace period before protective regulations take effect. That would be tantamount to granting a license to wreak as much damage as fast as possible in the interim, 90 days or 6 months, until controls went into effect.

I believe that we have an opportunity in debating these different bills to establish a balance between the national need for energy and the danger of permanent depletion of limited natural resources. We recognize at last the finite nature of this planet's riches, and our concern for future generations requires that we take care not to permanently deplete lands that with proper care can be rehabilitated.

Proponents of the Hosmer substitute have failed to make the case for a crisis so imminent as to justify doing permanent damage to great tracts of land on a crash basis. We must recognize that there are more interests to be considered than those who produce energy for profit. Our coal reserves are too vast to convince me that we cannot adopt rational policies for systematic controlled extraction to meet our current needs while simultaneously planning in such a way that we will not blunder into an emergency as we did recently.

I urge the House to vote for responsible legislation that is in the long-term interest of the country, and not to allow overblown rhetoric to lead to lasting depletion of resources whose renewability is crucial to the future. We are not talking of nature simply as a scenic resource. We are talking about people's livelihoods, we are talking about land producing for the benefit of an entire region, we are talking about water for people, crops, and animals, and the quality of life for those inhabitants who remain behind after men and machines move on—all of these must enter into our deliberations. The Hechler bill meets the test. It deserves our approval.

Mr. VANIK. Mr. Chairman, I rise in support of the substitute offered by the gentleman from West Virginia.

Mr. Chairman, there are few Members in this chamber more qualified to address themselves to coal mining legislation than Congressman KEN HECHLER. He has been reelected seven times by a district that provides huge amounts of coal for American industry and utilities. His constituents know that he stands for safety and employment in the coal fields. He also, more than most Members of the House, knows firsthand of the devastation caused to the land and its people by strip mining.

Today he brings before us an amendment to H.R. 11500 in the form of a substitute bill. The substitute, basically, would reduce reliance on surface mining, in favor of a return to traditional, underground, deep mining.

Much controversy has arisen over the coal mining legislation that is before us today. Yet despite the avalanche of mail that each of our offices has received, it cannot be denied that our present overdependence on stripped coal will soon prove to be disastrous. Strippable coal reserves cannot last forever, so conversion to other mining methods must start as soon as possible to avoid a precipitous, forced change later. The sooner we change, the more of our Nation's lands will be saved from devastation.

This is what the Hechler substitute accomplishes. It provides a gradual decrease—up to 54 months in some areas—in strip mining in favor of underground mining. Some 97 percent of our Nation's mineable reserves are available only through underground mining.

The gentleman's proposal is not a radical measure as the mining industry would like us to believe, but a reasonable attempt to require the industry to think ahead responsibly.

I urge my colleagues to vote for the Hechler substitute.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. HECHLER) for the committee amendment in the nature of a substitute.

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HECHLER of West Virginia. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 69, noes 336, not voting 29, as follows:

[Roll No. 390]

AYES—69

Abzug
Addabbo
Anderson, Calif.
Aspin
Badillo
Bafalis
Bennett
Bingham
Bolling
Brademas
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Chisholm
Collins, Ill.
Corman
Dellums
Diggs
Dingell
Drinan
Eckhardt
Edwards, Calif.
Fascell
Ford
Fraser
Griffiths
Gude
Harrington
Hawkins
Hechler, W. Va.
Holtzman
Howard
Kastenmeier
Koch
Lehman
Long, Md.
Luken
Macdonald
Mitchell, Md.
Moakley
Moss
Pike
Podell
Rangel
Reuss
Riegle
Rodino
Roe
Rosenthal
Roush
Roybal
Ryan
St Germain
Sarbanes
Seiberling
Stark
Stokes
Studds
Thompson, N.J.
Tiernan
Van Deerlin
Vander Veen
Vanik
Waldie
Whalen
Wolff
Yates
Young, Ga.

NOES—336

Abdnor
Adams
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Bauman
Beard
Bell
Bergland
Bevill
Biaggi
Biester
Blackburn
Blatnik
Boggs
Boland
Bowen
Bray
Breaux
Breckinridge
Brinkley
Brooks
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Cleveland
Cochran
Cohen
Collier
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Donohue
Downing
Duncan
du Pont
Edwards, Ala.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gray

Green, Oreg.
Green, Pa.
Gross
Grover
Gubser
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harsha
Hastings
Hays
Hébert
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kazen
Kemp
Ketchum
Kluczynski
Kuykendall
Lagomarsino
Landgrebe
Landrum
Leggett
Lent
Litton
Long, La.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rarick
Rees
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rose
Rostenkowski
Rousselot
Roy
Runnels
Ruppe
Ruth
Sarasin
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Traxler
Treen
Udall
Ullman
Vander Jagt
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wright
Wyatt
Wydler
Wylie
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NOT VOTING—29

Baker
Barrett
Brasco
Broomfield
Carey, N.Y.
Clawson, Del
Clay
Conyers
Davis, Ga.
Dorn
Dulski
Grasso
Hansen, Wash.
Helstoski
Holifield
Ichord
Jones, Tenn.
King
Kyros
Latta
Madden
Metcalfe
Nedzi
Reid
Roncalio, Wyo.
Rooney, N.Y.
Sandman
Symington
Teague

So the amendment in the nature of a substitute for the committee amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there any further amendments to title I?

AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HOSMER to the committee amendment in the nature of a substitute: Page 142, line 3. Strike out "SEC. 101." and insert a "SEC. 101." to read as follows:

SEC. 101. The Congress finds that—

(a) the extraction of coal by underground and surface mining from the earth is a significant and essential activity which contributes to the economic, social, and material well-being of the Nation;

(b) there are surface and underground coal mining operations on public and private lands in the Nation which adversely affect the environment by destroying or diminishing the availability of land for commercial, industrial, recreational, agricultural, historic, and forestry purposes, by causing erosion and landslides; by contributing to floods and the pollution of water, land, and air; by destroying public and private property; by creating hazards to life and property; and by precluding post-mining land uses common to the area of mining;

(c) surface and underground coal mining operations presently contribute significantly to the Nation's energy requirements, and substantial quantities of the Nation's coal reserves lie close to the surface, and can only be recovered by surface mining methods, and therefore, it is essential to the national interest to insure the existence of an expanding and economically healthy coal mining industry;

(d) surface and underground coal mining operations affect interstate commerce, contribute to the economic well-being, security, and general welfare of the Nation and should be conducted in an environmentally sound manner;

(e) the initial and principal continuing responsibility for developing and enforcing environmental regulations for surface and underground coal mining operations should rest with the States; and

(f) the cooperative effort established by this Act is necessary to prevent or mitigate adverse environmental effects of present and future surface coal mining operations.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentlewoman from Hawaii.

Mrs. MINK. Mr. Chairman, I would like to inform the gentleman that we have very carefully studied the amendment he has offered and see no objection to it and we would be pleased to accept it.

Mr. HOSMER. Mr. Chairman, I am very pleased that the gentlewoman has decided to accept this amendment. I do not think however we should proceed very far without having an understanding of what it contains and what its purpose is.

My chief complaint against the bill H.R. 11500 as it now stands is that it is highly overweighted toward the environmental values at the expense of economic and energy considerations. The accuracy of this complaint is evidenced in the section 101 in its unamended state, and the gentlewoman from Hawaii has kindly agreed to this amendment of mine which would now strike that overweighing out and replace it with a more reasonable and well-balanced statement of finding.

The present section 101 deals with the environmental abuses that have characterized surface mining at certain times while it makes a few passing references to the importance of mining coal. It minimizes the importance of surface mining of coal in meeting the short-term energy needs while it maximizes the needs of deep mining coal in meeting the long-term energy needs.

To set the record straight, Mr. Chairman, there exists far more deep mineable coal than surface mineable coal. This simple fact is not in question. The controversy arises in looking at the need for coal to meet energy needs in the next 5 to 10 years.

I was rather sorry as a matter of fact when the gentleman from West Virginia (Mr. HECHLER) presented his amendment that we did not indulge in more discussion relative to the long term-short term satisfaction of energy requirements in our land because in the long term there is abundant energy in the United States. Our problem is to make it available for use.

We have done a number of things legislatively in this country that have made it difficult if not impossible to get energy for use. For instance in connection with the petroleum import quota system that was instituted during the Eisenhower era and still persists today, that system every 6 months is administered differently. We go from one way to another, and the result is that the people who would domestically go into the oil exploration business have been fearful that the administration of that Act would be such as to allow a flood of foreign imports. At the same time the people who would build refining capacity in this country have been fearful that the Act would be administered erratically in another way and not permit enough feedstock to come in to run the refineries. The result has been that we have too few refineries and too little domestic drilling.

Of course there are many other reasons for our domestic shortage, but I want the Members to understand that what the Government does has a great deal to do with the situation and therefore what the Government does is important and has an effect on the industry. Since Ruckelshaus against United States, the findings and objectives and hopes and aspirations that people write into the first couple of sections of their bills to sell them have turned out to be more than just mere puffery.

The Supreme Court has said that if they are in the bill, they must mean something; so when they interpret the law if they have a lot of things that overweighs them on the environmental side and underweighs them on the energy side, we are just going to get decisions on the interpretation of these bills that we pass here that nobody ever dreamed of and if they had dreamed about them and understood them, they would be a nightmare.

To set the record straight, Mr. Chairman, there exists far more deep mineable coal than surface mineable coal. The simple fact is not in question. The controversy arises on the need for coal to meet the energy needs in the next 5 to 10 years before we open up all these energy resources that we have. It is in this period of a decade where we are going to go through a veritable hell in this country because of the energy shortages that are just beneath the surface or far beneath the surface or deceptively for a few months above the surface.

Another aspect of my amendment, Mr. Chairman, is that it takes more time to identify and develop deep coal deposits than it takes to develop coal deposits near the surface. Deep mining is far more expensive than surface mining and it is much more labor intensive. A precipitous turn toward deep mining at this point in time would immediately cut coal production and immediately increase consumer costs for electrical energy.

It would also demand that thousands of Americans make their living in the bowels of the earth in the most dangerous occupation imaginable.

Those who question the morality of surface mining a tiny amount of land to meet the needs of a heavily industrialized urban society are ignoring the even greater moral question of unnecessarily condemning thousands of Americans to lives in the mines for the sake of environmental esthetics.

Several years ago, nearly a hundred miners met horrible deaths in a deep mine disaster at Farmington, W. Va. Since then, dozens have died in similar but less spectacular accidents. Additionally, dozens of thousands of miners have been inflicted with black lung—an odious debilitating disease known only to miners of deep coal.

If we place increasing emphasis on deep mining at the expense of surface mining, we shall be assuring ourselves that hundreds more will die in the mines and thousands more will suffer the pain and agony of black lung.

My amendment sets the record straight by declaring that surface mining—under appropriate controls—is the only way to meet energy needs in this decade. It is also the only way to avoid the human carnage occasioned by widespread dependence upon deep mined coal.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HOSMER) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT OFFERED BY MS. ABZUG

Ms. ABZUG. Mr. Chairman, I offer two amendments to the committee.

The Clerk read as follows:

Amendments offered by Ms. ABZUG: On page 145, insert between lines 17 and 18 the following new section:

"SEC. 103. The provisions of titles II (Control of Environmental Impacts of Surface Coal Mining), V (Office of Surface Mining Reclamation and Enforcement), VI (A Program for Non-Coal-Mine Environmental Impact Control) of this Act and sections 701, 703, 704, 706, 707, 708, 709, and 712 of title VII of this Act, shall be administered and enforced by the Administrator of the Environmental Protection Agency through the Director of the Office of Surface Mining Reclamation and Enforcement established by this Act. The provisions of titles III (Indian Lands Program), IV (Abandoned Mine Reclamation), and VII (State Mining and Mineral Resources Research Institutes) of this Act shall be administered and enforced by the Secretary of the Interior. It shall be the duty of the Administrator, the Director, the Secretary, and all other Federal officials and employees and the States having responsibilities to carry each of their responsibilities under this Act promptly and efficiently in accordance with the purposes of this title."

On page 145, line 16, strike the words "the Secretary," and insert therein "any Federal agency".

Ms. ABZUG. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

Mr. HOSMER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Ms. ABZUG. Mr. Chairman, I wish to consider the two amendments as they refer to the sections in title I.

Mr. HOSMER. I did not hear what the gentlewoman said.

The CHAIRMAN. The gentlewoman asked that the amendments be considered en bloc.

Is there objection to the request of the gentlewoman from New York?

Mr. HOSMER. Mr. Chairman, further reserving the right to object, is the gentlewoman going to present the rest of her amendments or just the first two en bloc?

Ms. ABZUG. The first two in section 1; the sections of the amendments that are in title I, I have asked to consider en bloc.

Mr. HOSMER. One and two?

Ms. ABZUG. Yes, sir.

Mr. HOSMER. Does the gentlewoman intend to offer an explanation of No. 2?

Ms. ABZUG. I intend to discuss the amendments; yes, sir.

Mr. HOSMER. Does the gentlewoman concede the adoption of her amendments, No. 1 and 2, which are being offered en bloc, does the gentlewoman intend to proceed then to the listed amendments 3 through 8?

Ms. ABZUG. I will make that determination at the time we get to that section.

Mr. HOSMER. I thank the gentlewoman and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. ABZUG. Mr. Chairman, I am offering an amendment that would place the administration of much of this act in the hands of the Environmental Protection Agency. I do so because it is of vital importance that this bill be vigorously implemented if we are to end the senseless rape or our countryside in pursuit of surface coal. After checking the record of the Department of the Interior on this issue, I have concluded, regretfully, that this Department is not prepared to vigorously enforce this legislation.

I have been somewhat concerned in the past few weeks with their effort to cripple this bill, and I therefore find it hard to believe that they would be enthusiastic in the administration of the bill. In a letter of May 29th to the chairman of the Committee on Interior and Insular Affairs, Secretary Morton stated he had concluded that the bill had several objectionable features which had to be changed in order to strike the right balance between our needs for environmental protection and our energy requirements.

Those of us who want to preserve the human environment consider these "objectionable" provisions the very heart of the bill. The Department's idea of a "proper balance" is really a tremendous imbalance in favor of industry. Every loophole and ambiguity of the bill would be utilized, if the Department of Interior is the enforcing agency. Past actions of the Department of Interior confirm our worst fears.

In 1972, a General Accounting Office study showed a dismal record of nonenforcement of environmental standards in coal mining on Federal and Indian lands. The Interior Department has been unable to enforce even these regulations which they find acceptable, instead allowing environmental degradation and abuse of the public interest. If they cannot do an adequate job with their own regulations, what are we to expect on a bill which they have made clear they vehemently oppose?

By contrast, the Environmental Protection Agency has a clear and ongoing interest in protecting the environment and a legislative mandate to do so. Administrator Russell Train and Deputy Administrator John R. Quarles have endorsed H.R. 11500. The EPA has considerable experience in operating permit systems and has a deep knowledge of the problems of water pollution crucial to working on the strip mining issue. I know this of my own experience as a member of the Public Works Committee.

Finally, I believe the EPA has no conflicting interest in the production end of the coal industry, nor is it staffed with coal company alumni like the Department of the Interior. It is eminently qualified to focus on the real purpose of this legislation, the protection of the environment.

The key to any regulatory bill is the quality of this enforcement. If this bill is to do anything to stop the devastation of Appalachia and the Great Plains, its only chance lies in a strong and continuing interest by the Federal Government. Without the Environmental Protection Agency handling it, this long and unholy alliance of the production oriented Department of the Interior and the coal dominated State agencies will insure that H.R. 11500 would merely be the latest in a series of meaningless reclamation laws not worth the paper they are printed on.

Mr. KETCHUM. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I thank the gentlewoman for yielding. The gentlewoman has mentioned the fact that the Department of the Interior apparently is rife with individuals who are members or have been members of the coal industry.

If that is true, I wonder if the gentlewoman might tell me who are the employees of the Environmental Protection Agency? Are they Friends of the Earth, the League of Conservation Voters, that sort of person? Do they come from industry also?

Ms. ABZUG. They do not come from the coal industry.

Mr. KETCHUM. I thank the gentlewoman.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the adoption of this amendment would upset one of the basic compromises the committee made when we began consideration of the legislation. There was the basic question, if we are going to have a new reclamation law, who will enforce it?

The environmentalists said put it in the EPA. The industry says, "Oh, no, put it in the Bureau of Mines."

The environmentalists said, "Well, the Bureau of Mines is a cozy little fiefdom wholly owned by the mining industry," and so forth.

So, one of the compromises we made was to put it in Interior, but to set up a new Office of Surface Mining Reclamation and Enforcement. We believe this is a fair compromise. It will be in an agency, a department, which has had some experience with mining.

EPA causes great fear and trepidation in the minds of business. People in coal mining think they will not get a fair shake from EPA.

Therefore, we think we have a pretty good, balanced solution, and the amendment should be rejected.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I think we have to point out that EPA actually has a role under this legislation. In fact, they have a signoff on water and air control. They have a mandated signoff. They have a role in situations where they should have a role, and the Department of the Interior and its office carries the brunt and the responsibility where, indeed, they have their role.

Mr. UDALL. The gentleman is correct.

Mr. HOSMER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The chair will count. Eighty-four members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. HECHLER of West Virginia. Mr. Chairman, I move to strike the requisite number of words, and rise in support of the amendment.

Mr. Chairman, this is a very vital amendment, because it concerns who is going to administer the regulations and who is going to set the guidelines for the administration of this bill.

The gentleman from Arizona mentioned that this administration by the Department of the Interior was the result of a compromise. A 19th century author once wrote:

> Compromise makes a wonderful umbrella, but a very poor roof.

In this instance it does make a very poor "roof" indeed. How can we expect that this strip mining legislation is going to be administered in the public interest by the Department of the Interior. The Department of the Interior has already announced its public opposition to this legislation.

How can we expect the foxes to guard the chicken coop and expect the public interest to be protected in the administration of this legislation?

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, the Department of the Interior has reservations about several facets of this legislation. However, on behalf of that agency and Mr. Sawhill's agency, I will offer several amendments, and, generally speaking, with the adoption of those amendments the Interior Department does support the legislation. I will say, in behalf of the Department of Interior, they have stuck pretty hard for a very vigorous enforcement.

Mr. HECHLER of West Virginia. Mr. Chairman, I want to say to the gentleman that is the loudest damning with faint praise that I have ever heard on the floor of this House. In all his public statements, the Secretary of the Interior has categorically expressed his opposition to this legislation.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I wish to express my support of the amendment offered by the gentlewoman from New York.

The magic word in environmental control is "enforcement." It matters little what kind of a law we have; if we do not have enforcement, we have nothing. I have seen case after case in Maryland in which pollution has destroyed the environment and has been allowed to run riot without real enforcement. No matter how much we prod these agencies, if they do not have their hearts in it, they are not going to enforce the law.

Mr. Chairman, I commend the gentlewoman for her amendment.

Mr. HECHLER of West Virginia. Mr. Chairman, the gentleman from Maryland is absolutely right.

I have a copy of a newspaper account which is headlined "Train Backs Mine Bill."

The statement is as follows:

> Administrator Russell B. Train of the Environmental Protection Agency today broke with the Administration and endorsed the House Interior Committee's strip mine bill.

I do not see how the Committee on Interior and Insular Affairs can come in with a bill that is opposed by the very people they are putting in control of it. The Administrator of the Environmental Protection Agency has announced he supports H.R. 11500.

Why not give the job to somebody who believes in it? The Department of the Interior is basically a management office. It manages land and resources. The Environmental Protection Agency is not a management office; it is an agency which is occupied with setting standards, like the standards on water quality which are so vital in terms of protecting the great water supply of our Nation against the acid pollution which comes from mine drainage, both deep and strip mines. It makes sense to have EPA handle this job of setting guidelines, particularly if we are going to devise a program such as H.R. 11500 has, to put the primary responsibility in the States.

How can we expect the State of West Virginia which is dominated by coal to administer this program when coal has its fingers around the neck of politics in West Virginia all the way from the State house down to the county courthouses, and to the precincts—in fact, I do not know how I have survived there.

But, nevertheless, if you put control of this program in the Department of the Interior I say it is going to be worthless. That is why I support the amendment offered by the gentlewoman from New York (Ms. ABZUG) and I ask for a vote on the amendment.

Mr. HOSMER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the strange thing about the Congress is that after somebody in the Congress finds that in the honest-to-God administration of government, that the administrators are departing from their notions of how the administration should be carried forward; they want to take all the duties from that outfit, set up a new government agency, and put the duties over there.

The gentlewoman from New York (Ms. ABZUG) is no less guilty in this respect than the gentleman from Arizona and the gentlewoman from Hawaii, and all the other coperpetrators of H.R. 11500, because they have gone off in the same kind of a snit.

We have a legitimate Government agency that is administering the coal mining laws, and so forth, of this country, and these people from the environmental camp are in a snit about the way they are being administered; they are not paying enough obeisance, or they are not counting enough beads for the environmentalists, so they want to set up their own administrative agency on how to go about this.

These H.R. 11500, hell-or-high-water people, handle this in title V by setting up this so-called Office of Surface Mining, Reclamation, and Enforcement.

The gentleman from Arizona tells the Members that this is a compromise. The gentleman set up a whole stack of straw here, and he just walks right in and says, "You know, the Department of the Interior and the Bureau of Mines are owned by industries, and therefore in a fair compromise I am going to give you this new Office of Surface Mining, Reclamation, and Enforcement, and give that office the powers of these other bureaus."

The gentleman from Arizona speaks a lot around this body. The gentleman from Arizona speaks a lot around these committees. The gentleman from Arizona speaks a lot in the conferences. The gentleman from Arizona speaks a lot on television and over the radio, and the gentleman has some very legitimate aspirations, I am sure, for so doing. But I cannot accept as whole cloth and unbiased his allegations that responsible bureaus of our Government are owned by any outside force. These bureaus down here, and the Secretaries, and the rest of the people in our Government, if nothing else, are honorable people. They have had to work hard. They have had to learn their jobs. They have had to learn to live under Democratic administrations and under Republican administrations. They have had to try to do what was right under both of them, despite all the noise that they hear from the Hill, and the allegations and the challenges and the slanders and the depredations that are going against some Congressmen's wishes.

Mr. UDALL. Will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Arizona.

Mr. UDALL. I thank the gentleman for yielding.

The gentleman misunderstood me. I think the people at the Bureau of Mines by and large are fine, hard working public servants. I have no one to single out.

Mr. HOSMER. Mr. Chairman, I decline to yield further.

The gentleman said industry was owned by the Bureau of Mines.

Mr. UDALL. If the gentleman will yield, no, the gentleman misunderstood me.

Mr. HOSMER. It is not owned by the Bureau of Mines?

Mr. UDALL. If the gentleman will yield, no, it is not owned by the Bureau of Mines. What I said was that many of the environmentalists thought and alleged that they could not get a fair shake from the Bureau of Mines, just as industry was arguing that they could not get a fair shake from the EPA.

Mr. HOSMER. All right, so we are to turn it over to the environmentalists to placate them? We have placated them once today on a vote on my substitute. I do not know how far we have to crawl on our knees to get the environmentalists' vote next fall, but I certainly do not interpret that last vote much differently than an effort at a crawling-on-the-knees kind of thing. The "Green Bigot Brigade" had their whips out and lashed it all down, and we are going to live under it, but we are going to freeze in the dark under it, too, I am afraid.

Outside on the wire UP item No. 1089 said as follows:

> Battered by continued heavy inflation, the output of the nation's economy slumped for the second straight quarter from April through June, the Commerce Department reported today.

If we put in all of the environmentalists' interests that either the gentlewoman from New York or the authors of the "Hell-or-high-water bill" want, we are going to push that slump a lot farther down in the economy and put it in a lot worse shape than we have got it already.

I suggest a "no" vote on the amendments.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DENT. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I do not like to oppose this amendment except for the reason that it is not taking into consideration the most serious element in this whole picture. While the environmental interest is of grave concern to all of us, we must also have concern about the lives of the men who work in these open pits. The greater portion of our whole problem is the mine safety laws, if we remove the mine safety laws from the Bureau of Mines administrative agency, and all of the features of coal mining, over to an agency that has no authority for the administration of the mining laws themselves. However, there is an answer to it, and I think that if we will wait just a minute, we will find that our answer to it is workable. It is just. It does not interfere one bit with the mining of the coal itself physically, and it does not interfere with the environment and the ecology in that operation. Why? Because we took our Bureau of Mines, we took our environmental agency, we took all of our minerals, the sand, the gravel, all of the mining done in Pennsylvania by strip mining and deep mining, and we put it all under the Environmental Protection Resources, and that is the head organization.

There are 17 agencies under that one head, so that all of the environmental problems that interlace with each other and cross over into each other, like the environmental problems in building a road or different problems with a coal mine right next door, are in one agency which combines the interests. We can do that, and it should be done. Whether we can do it at this point or not, I do not know, but we cannot do it with a shotgun approach to eliminate that interest that is the first and foremost—the mineworker's life, limb, and safety. That is all there is to it.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. I thank the gentleman for yielding.

This bill has absolutely nothing to do with mine safety. I think the gentleman and I would agree that there is perhaps argument for transferring the Mining Enforcement and Safety Administration from the Department of the Interior to the Department of Labor, or something like that.

This bill has absolutely nothing to do with mine safety. The gentlewoman from New York by her amendment merely transfers from the Department of the Interior to EPA the control over surface mining. It has nothing to do with mine safety.

Mr. DENT. Does the gentleman mean he does not have any mine safety inspectors in West Virginia?

Mr. HECHLER of West Virginia. This has nothing to do with mine safety.

Mr. DENT. If we transfer this to EPA, it has nothing to do with mine safety?

Mr. HECHLER of West Virginia. Absolutely nothing. Mine safety is not covered by any of the language in this bill.

Mr. DENT. But we have to mine coal and if we have to mine coal we have to characterize mine safety.

We in Pennsylvania believe this will not interfere with environmental protection. We put the deep mining and the strip mining under the environmental protection in our State. I believe the compromise arrived at in Pennsylvania on that point was the best they could do.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. ABZUG) to the committee amendment in the nature of a substitute.

Mr. HOSMER. Mr. Chairman, on that I demand a division, and pending that I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count.

One hundred Members are present, a quorum.

The question was taken; and on a division (demanded by Mr. HOSMER) there were—ayes 14, noes 74.

Mr. HOSMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the committee amendment in the nature of a substitute was rejected.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. HOSMER. Mr. Chairman, reserving the right to object, I could not hear what the gentleman from Michigan was saying. I had no idea whether it was a unanimous-consent request or what. Will the gentleman take the microphone and explain what he is asking the Committee to do?

Mr. DINGELL. I am glad to have the attention of my friend, the gentleman from California. For his information I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

Mr. HOSMER. I thank the gentleman from Michigan. I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to

the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Chairman, there are several matters in the bill that deserve some discussion during this debate in order to provide a clear statement of interest on the part of this House.

First, the committee's report (H. Rept. 93-1072) quite properly states—page 76—that the "success or failure of a national coal surface mining regulation program will depend, to a significant extent, on the role played by citizens in the regulatory process." I agree.

The committee's report then notes that sections 202 and 203 provide an opportunity for broad citizen participation in the development of regulations and the approval of State programs. In each case, at least one public hearing is required at which any person can participate by providing oral and or written comments. In addition, section 202 provides that any "interested" person can submit written comments on proposed regulations. Any citizen who takes the trouble to prepare and submit such comments clearly is an "interested" person.

Section 214(b) of the bill provides that any person "with a valid legal interest—shall have the right to file written objections" to a proposed surface mining and reclamation operation. I think the term "valid legal interest" is ambiguous and vague. I don't know who would qualify under this term. The committee's report—page 78—seems to equate this term with the judicial test of "standing" enunciated by the Supreme Court. I think this is a troublesome approach, because it will lead to administrative confusion and lengthy and costly litigation. The Secretary is simply not capable of deciding who does or does not have "standing" to exercise his right to file objections and request a hearing. Thus, I am pleased to see that this section does not preclude the possibility of any citizen—who may not have such an "interest"—from filing such "objections" and requesting a hearing.

Indeed, under the bill, if any citizen timely files written objections and requests a hearing, the Secretary must hold such hearing, because the bill does not require that only those who meet the "standing" test shall be entitled to a hearing. It merely gives such person a "right" to object. As I have said, it does not preclude others from requesting such a hearing.

My remarks apply equally to section 217(f), 211, and 201 of the bill.

Second. The bill sets forth a clear procedure for public, judicial, and interagency review of regulations, standards, et cetera, in a timely fashion. It is my understanding, based upon a reading of the bill, the report, and discussions with commitee members, that it is the clear intention of the committee and now the House that these regulations, standards, et cetera, shall not be subject to any other interagency review, such as that prescribed by the Office of Management and Budget in its memorandum of October 5, 1971, to all agency heads and referred to on page 11 of House Report 92-1323 of August 10, 1972. Interior must prepare regulations and standards and publish them for public review. During this review period—and not before—all Federal agencies, including EPA and OMB, will have an opportunity to comment. All such agency comments must be in writing and available to the public.

Third. Section 203 of the bill provides for the approval or disapproval of State programs. It states (page 160):

> The Secretary shall approve or disapprove a State program in whole or in part, within six full calendar months after the date such State program was submitted to him.

This is a mandatory requirement on the Secretary. If he does not act within this time frame, any citizen can sue him under section 223 of the bill.

Fourth. I am pleased to note that the committee bill does not expressly or impliedly affect the National Environmental Policy Act of 1969 in any way. The policies and procedures of NEPA will apply to various actions taken under this bill.

Fifth. I note that section 224 of the bill provides for the assessment of civil penalties for violation of title II of the bill. In some cases, such penalties are mandatory.

This House is fully aware of the debacle made thus far by Interior of the civil penalty provisions of the Federal Coal Mine Health and Safety Act of 1969. We do not want a repeat performance here. Interior must prepare and publish for public comment its procedures for implementing this civil penalty section. Those procedures must be streamlined and aimed at assessing and collecting penalties promptly. It must include in the regulations criteria which it must follow—including its administrative law judges—for applying the several factors for determining the amount of a penalty in section 224(a).

No provision is made in the bill for compromise or mitigation of civil penalties. The Federal Claims Collection Act of 1966 (31 USC 951, et seq.) will however applied. But the compromise authority of that act should be applied sparingly. If the several factors of section 224(a) are applied effectively and fairly, such compromise, and so forth, should never be necessary. Where compromise is made, it must be well documented.

Meetings, consultations, and so forth, with violators or their representatives for any purpose must be documented in the violation files and such files et cetera, are open for public inspection and review.

The offset provisions of the Federal Claims Collection Standards (4 CFR 102.3) shall apply to those penalties. See GAO opinion of February 16, 1973, B-170686.

Most importantly, the Department must hire and train adequate personnel, including lawyers, clerks, and administrative law judges to carry out this section.

The CHAIRMAN. Are there any further amendments to title I?

AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. HOSMER to the committee amendment in the nature of a substitute: Page 144, line 4. Strike out "SEC. 102." and insert a "SEC. 102." to read as follows:
>
> SEC. 102. It is the purpose of this Act to—
>
> (a) encourage a nationwide effort to regulate surface coal mining operations to prevent or substantially reduce their adverse environmental effects, to stimulate and encourage the development of new, environmentally sound surface coal mining and reclamation techniques, and to assist the States in carrying out programs for those purposes;
>
> (b) assure that the rights of surface landowners and other persons with a legal interest in the land or appurtenances thereto are protected from the adverse impacts of surface coal mining operations pursuant to the provisions of this Act;
>
> (c) assure that surface coal mining operations are not conducted where reclamation as required by this Act is not feasible;
>
> (d) assure that the coal supply essential to the Nation's energy requirements, and to its economic and social well-being is provided in accordance with the policy of Mining and Minerals Policy Act of 1970; and
>
> (c) assure that appropriate procedures are provided for public participation in the development, revision, and enforcement of regulations, standards, mining and reclamation plans, or programs established by the Secretary or any State pursuant to the provisions of this Act.

Mr. HOSMER. Mr. Chairman, we have not succeeded very well in getting the full membership of the Congress or this House to read what is in this bill; so I thought that it might be a nice idea to read what was in my substitute. I am not going to read what is in the "Hell-or-high-water" section 102; but this section has to do with the purposes of this act.

I mentioned in my statement regarding my amendment to section 101, that since Ruckelshaus against United States these findings and purposes clauses have a meaning and we have to be careful what we put in them if we want to get any kind of a reasonable interpretation on the bill.

Now, what is the situation with respect to section 102 of H.R. 11500 as it is now written? It states the purpose of the bill and in doing so reveals the environmental zealousness of the members of the staff who compose what I regard as this assault upon commonsense. In 10 paragraphs, comprising 263 words, we are time and time again told that this bill is written to protect the environment and to assure public participation in the "development, revision, and enforcement of regulations, standards, reclamation plans, or programs established by the Secretary or any State under this act."

In only one short spare little paragraph is it even suggested that the Congress is concerned about the future supply of coal and the adequacy of energy to support this Nation's economy.

Picture, if you will, some bureaucrat or court of law in the future trying to determine congressional intent in the passage of such a bill. What choice would this official have but to conclude that Congress cared more, very much more, about esthetics than anything else and cared not about assuring a dependable source of energy.

UMI

We will recall that in our previous colloquys about the two Sawhill letters, one of them postulated what would be the interpretation, the inflexible interpretation, of H.R. 11500. It would result in a very large amount of coal being taken out of production.

It was that we would preclude from production up to 187 million tons out of a total production of 300 million tons of surface mined coal annually. That is about two-thirds of all surface mined coal. Then, the second Sawhill letter was in answer to a request to give a figure for loss in the event there were a flexible interpretation, of H.R. 11500. The estimated loss was considerably less; nevertheless, it was a loss.

Furthermore, the second Sawhill letter point out that in H.R. 11500 as written, and I am sure Mr. Sawhill had in mind this very section 102, there was little chance that the law would be interpreted and administered in any but an inflexible way. That means that should we pass this bill, particularly with this section 102 in the form that it is written in H.R. 11500, instead of the form that I have offered as an amendment here, the lid will be nailed down again with another antienergy nail, that makes it more and more difficult to get the power we need to run our country.

My amendment rephrases this section to assure that future interpreters of this act will clearly understand that meeting our energy needs is at least as important as the environmental ethic—not more important, just at least as important.

During the recent debate on land use policy legislation, one of the proponents of the committee bill crudely threatened that Members who voted against that measure might find their names on some future "dirty dozen" list. I submit that Members who bow to this sort of heavy-handed pressure—and I am sorry to say that the vote earlier today seems to indicate that many Members did—and who ignore the desperate need for energy supplies, are asking to have their names placed on an even longer list of those who missed the opportunity to prevent misery and unemployment, depression and disaster.

Mrs. MINK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is a very great, substantive difference between the amendment which has been offered by the gentleman from California in the purpose section of the Hosmer bill as compared to the purpose section which we have very carefully written in our bill H.R. 11500.

In the first place, our bill makes reference to surface impacts in underground coal mining. There was a very extensive discussion which was had in the subcommittee and in the committee, which convinced us that it was not only essential for the bill to address the problems of the surface problems with regard to strip mining, but also much impacts that were evident as a result of underground coal mining operations. Such things as acid drainage, runoffs and other kinds of possible pollution of water, streams, and so forth from either abandoned or existing underground coal mine operations.

The pending Hosmer amendment, or substitute for section 102, would completely strike that aspect of our legislation and would make very, very deep inroad to the overall coverage of our legislation.

Second, subparagraph (b) or our bill H.R. 11500 requires that the Secretary in administering this bill establish priorities with regard to a nationwide program in order to determine the types of underground operations that are being undertaken in various parts of the country, determine their impacts on the environment, their locations of these mining activities, whether they are concentrated near population centers and what the impact of these operations might have on the future land uses of the area. We considered that a very important aspect of our legislation.

The third major change of the Hosmer substitute eliminates a very important protection of the property right. We have had extensive discussion about the rights of property owners, and while we admit those probably will be the subject of future amendments, nevertheless in order to keep the concept as a viable concept and a slated purpose of this legislation, we cannot accept the Hosmer language which merely says that his intent is to assure the rights of surface owners from adverse impacts of surface operations.

The whole purpose of the discussion on property owners is to protect their property rights, not just adverse impacts, so that particular paragraphs of the pending Hosmer amendment would completely vitiate the efforts of the committee to address themselves to this very important issue.

The fourth item of difference is a matter presented in paragraph (f) of our bill which says we want mining operations and operators to bear in mind that they have concurrent responsibilities toward reclamation, that they cannot only continue to dig out the coal from day to day and not have a continuing operating procedure which has a simultaneous reclamation feature to it.

The last aspect of the amendment does away completely with one of the purposes of the bill which is to deal with restoration of orphaned lands.

As the Members know, our bill takes up not only reclamation, but establishes a procedure for helping these States which had these lands mined in the past, by giving them power and funds to restore these lands, to bring them back into full utilization.

Mr. Chairman, I would urge the House to vote down this amendment and sustain the major purposes of this legislation by voting with the committee. I ask for a "no" vote on the amendment.

Mr. HOSMER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-nine members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. Hosmer) there were—ayes 17, noes 37.

Mr. HOSMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Symms: On page 143, following line 11, add a new subsection (f), as follows:

Every resident of the United States of America has a right to the benefit of full production, subject only to economic considerations, of coal as an energy fuel with respect to his comfort and employment and may enforce that right before any United States District Court.

And reletter the subsequent subsections.

The CHAIRMAN. The Chair will state that this is an amendment to section 101 in title I, which has already been amended in its entirety, and therefore the amendment is not in order.

Are there further amendments to title I?

Mr. HOSMER. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. RONCALIO of Wyoming. Mr. Chairman, I ask unanimous consent that the gentleman from California——

The CHAIRMAN. The gentleman from California (Mr. Hosmer) has made the point of order that a quorum is not present. The Chair will count. One hundred Members are present, a quorum.

The Committee will resume its business.

Are there further amendments to title I?

PARLIAMENTARY INQUIRY

Mr. KETCHUM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. KETCHUM. Mr. Chairman, I do not recall, but I believe I have been here the whole time, and I do not recall when the bill was originally read that it was going to be read section by section. I had understood it was to be read title by title, and we could amend it at any point at that time.

The CHAIRMAN (Mr. Smith of Iowa).

The Chair will state that the bill is being read title by title.

Mr. KETCHUM. Then why, Mr. Chairman, may I ask, is the gentleman from Idaho (Mr. SYMMS) not able to offer his amendment to section 101.

The CHAIRMAN. The Chair will state that that is because section 101 of title I has been amended in its entirety, and therefore a further amendment to that section would not be in order.

AMENDMENT OFFERED BY MR. SYMMS TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. SYMMS. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment to the committee amendment in the nature of a substitute offered by Mr. SYMMS: On page 145, following line 16, add a new subsection (k), as follows: Assure that every resident of the United States of America has a right to the benefit of full production, subject only to economic considerations, of coal as an energy fuel with respect to his comfort and employment and may enforce that right before any United States District Court.

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr SYMMS. I yield to the gentleman from Wyoming.

(By unanimous consent Mr. RONCALIO of Wyoming was allowed to speak out of order.)

PERSONAL EXPLANATION

Mr. RONCALIO of Wyoming. I am indebted and grateful to the gentleman from Idaho for yielding.

Mr. Chairman, I reluctantly announce that during the past hour and a half I was called over to the Senate side on three occasions to try to finish lunch with a visiting group from Wyoming and two of my colleagues in that body. I regret that I missed the vote on the amendment offered by the gentleman from West Virginia (Mr. HECHLER). Had I been here, I would have reluctantly voted against it.

Mr. SYMMS. I thank my friend, the gentleman from Wyoming, for his contribution.

Mr. Chairman, my amendment is what would be called the consideration of the workingman's amendment. It would give the workingman and people who are involved in coal mining the same rights as other groups would have to go to the district court and to enforce the fact that if the coal is available, they would be able at least to get a hearing in court, the same hearing that the Sierra Club or some other group would have to stop the mining of coal, and they would have the same right to go before the court to have coal mined.

The proponents of this legislation have assured us that this will not preclude coal mining, so with that in mind, I think that there should be no opposition to this amendment. I would be surprised if there were opposition to the amendment. I think that this amendment would only put into the legislation the assurance that economic considerations will have equal hearing under the law as will environmental considerations.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Michigan.

Mr. RUPPE. I thank the gentleman for yielding.

Looking at this amendment which indicates that each resident of the United States has a right to the full production of coal, does that mean that in those cases where an individual does not have to permit a mining company to enter onto his property if he is a surface owner, his rights to keep off an individual company are cast aside by this amendment, and that the right to mine coal, regardless of the surface owner's reservations or ownership, is simply disregarded? I would be very concerned about that.

Mr. SYMMS. I thank the gentleman for asking that question.

No; it does not. It only assures that the workingman would have the opportunity in court, to assure that the intention of this Congress is that they also will have equal consideration in the district court.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from California.

Mr. HOSMER. I thank the gentleman for yielding.

This amendment that is being offered by the gentleman is being offered in contemplation of how section 102 might be interpreted by a court or might be interpreted by an administrator of this law; is that correct?

Mr. SYMMS. The purpose of this amendment is so that is will be interpreted fairly by the people who write the Federal Register and write the regulations also so that there will be no misunderstanding on their part as to what was the intention of this Congress when we wrote this legislation into law.

As we have already been assured by the proponents of this legislation—it is not going to prevent coal mining, so there will be coal mining, but it will assure the opportunity for people to have employment when coal is available and assure that they will not be locked out of economic consideration due to the fact that some group is interested in the environmental reasons, but that equal opportunity in the courts will be given to both.

Mr. HOSMER. If the gentleman will yield further, is it the gentleman's impression that section 102 as now written overweighs consideration for the environmental ethic at the expense of the energy ethic?

Mr. SYMMS. The gentleman from Idaho is not presuming anything but I would prefer to have it very clear in this legislation that full consideration will be given to the economics of it. This may be 100 years down the road or next year, but I want to have it so that when the Federal Register will be written by the agency it will be understood in the RECORD that economic consideration will have equal consideration with the environmental consideration and that these workingmen will have the right to have employment if there is a need and a demand for coal. If coal is being locked up for environmental reasons I want to have the economic reasons be given equal consideration under the law.

Mr. HOSMER. Is it the intention of the gentleman that section 102 if amended would be interpreted so as to give equal consideration to the environmental ethic with the energy ethic?

Mr. SYMMS. With this amendment I think it would, yes.

Mr. HOSMER. I certainly want to congratulate the gentleman because we go through many periods in our history where there is a great amount of emotion and a great amount of excitement about certain things.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. HOSMER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Idaho (Mr. SYMMS).

Mr. Chairman, I remember when I was a youngster in junior high school around 1927 when Col. Charles Lindbergh, then a captain, flew nonstop across the Atlantic Ocean from New York to Paris. That was one of the most exciting events of those times. As a consequence of that, the Nation embraced the airplane to its heart and all around the country "Lindy" clubs were formed and all of the kids marked the roofs of their schools with the name of their town, and an arrow pointing north. All of the grownups went down to the airport every Saturday and Sunday and took the kids and did nothing but watch the airplanes come in and out. There was great excitement. There was then an almost hypnotic focus on the airplane and things that had to do with the airplane.

It has been awhile since 1927 and the wheel has kept turning and a great many other things have come up that are high in the Nation's attention and deep in the hearts of its people and have achieved a hypnotic focus in the public eye.

Indeed, and, in fact, over the last few years, concern for the environment has been one of those things. Concern for the environment is a good thing. The "Lindy" clubs were good things. The airplane is a good thing. In our society there are a great many good things.

I am proud that our society offers us these things. Over 200 million people can find, in the United States, something that they hold dearer than all other things, but they do not hold such things dearer to the exclusion of all other things because they well realize that even in a simple society, let alone in a complicated technological society such as ours, many, many considerations are important, many, many considerations which, in and of themselves, are in conflict with each other.

Most people realize those conflicts must be resolved in some manner which affords the proper respect to each and all of the values of our society.

Now, if we attempt to legislate in the laws that we write here in the Congress, dictate that some of these equal values will receive more respect than others, then we commence the process of distorting the fabric and the structure of our society. We introduce artificialities which in the end can prove quite costly.

Nobody back in 1929 in Congress passed a law that said there ought to be a Lindy Club. The kids just did it because they wanted to. But somebody now is trying to pass a law in this Congress that we have got to consider more highly environmental concerns than all other concerns.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding. I would like to ask unanimous consent to change the lines following number 16 to following line number 17, to put this amendment in proper order, if there are no objections.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. SYMMS. Mr. Chairman, and in order to have the amendment be the intent of the author, I would like to ask unanimous consent that the word "only" be stricken from the amendment, so that it reads: "subject to economic considerations", instead of "subject only to economic considerations."

I ask unanimous consent to strike the word "only" and then it will be in the proper form it was intended.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. HOSMER. Mr. Chairman, I am happy that the gentleman has made these requests and that we have this amendment in a good shape now.

I would say to the gentleman from Arizona and the gentlewoman from Hawaii that if, indeed, their protestations that the bill is not a creation of the environmental bigots, that they accept the gentleman's amendment, because his amendment will do precisely what I have said, give equal respect to equal values.

Mr. MYERS. Mr. Chairman, I move to strike the last word.

I do this to ask a question of the author of the amendment. As I interpret the amendment, the workers who are digging coal do not relate to the owner of real estate who might decide for a different use of the land after it has been used for strip mining. Would it in any way affect the farmer who decides not to revegetate his farm with regenerating plants and maybe would like to plant growth crops; would his economic impact have any rights in the amendment?

Mr. SYMMS. It would be considered.

Mr. MYERS. But a farmer who decided to use the land differently than this law provides to revegetate the land, what rights does he have?

Mr. SYMMS. If the farmer owns the land and the mineral rights, then he can do what he wishes. If the farmer owns the land, but not the mineral rights, this would be a different situation than where the Federal Government owns the mineral rights. The intent here is to be sure that the intention of this legislation weighs equally for economic considerations, as well as environmental considerations.

Mr. MYERS. I do not know if the gentleman has exactly answered my question. It is the intention of the gentleman that a farmer who owns the mineral rights would have the right to decide the future use of his land and how the land should be returned?

Mr. SYMMS. Yes; if he owns the mineral rights, there would be no argument. We have areas in the West where the people do not own the land, but own the mineral rights. That is a different situation.

The gentleman from Montana (Mr. MELCHER) has an amendment that covers that subject specifically.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. SYMMS) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. SYMMS) there were—ayes 12; noes 36.

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the committee amendment in the nature of a substitute was rejected.

Mr. HOSMER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-two Members are present, not a quorum. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 391]

Archer
Ashley
Baker
Brasco
Burke, Calif.
Carey, N.Y.
Chamberlain
Clark
Clawson, Del
Clay
Conte
Conyers
Cotter
Coughlin
Davis, Ga.
de la Garza
Dellums
Diggs
Dorn
Drinan
Dulski
Edwards, Calif.
Evins, Tenn.
Fish
Fisher
Flynt
Ford
Fraser
Frey
Fulton
Grasso
Gray
Gude
Hanna
Hansen, Idaho
Hansen, Wash.
Harsha
Hastings
Hébert
Ichord
Jones, Tenn.
Landrum
McClory
McEwen
Mathis, Ga.
Mills
Minshall, Ohio
Moorhead, Calif
Murphy, N.Y.
Passman
Powell, Ohio
Pritchard
Rangel
Rarick
Reid
Reuss
Riegle
Rooney, N.Y.
Satterfield
Sikes
Steed
Stuckey
Symington
Teague
Whitehurst
Whitten
Wilson, Charles H., Calif.
Young, Alaska

Accordingly the Committee rose; and the Speaker pro tempore (Mr. O'NEILL) having assumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11500, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 366 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. HOSMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, yesterday the gentleman from Arizona (Mr. UDALL) indicated that the schedule for today might conclude around 5 o'clock in the consideration of this bill, so that the Members could make their airplane reservations. I want to ask the gentleman from Arizona (Mr. UDALL) if that is still the intention of the gentleman.

Mr. UDALL. Mr. Chairman, if the gentleman will yield, the intention is subject to some cooperation from those in this Chamber. When we have lights and bells all afternoon, as we have been having, that is one thing; but it is our purpose and hope and belief that we can move to rise at 5 o'clock. We certainly would like to get into title II. But we have a whole series of delays here, which I happen to think were avoidable. If the gentleman from California can assure the chairman of the committee that we can get into title II, then certainly we would want to get out of here at 5 o'clock.

Mr. HOSMER. I would reply to the gentleman that if there are sufficient Members on the floor for the proper consideration of this bill then we can do that, because I am certain by the time they find out what is in the bill then of course they will flee from it.

So we will see how the afternoon proceeds.

Mr. UDALL. Mr. Chairman, I ask unanimous consent that all debate on title I and all amendments thereto cease in 10 minutes.

Mr. HOSMER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. UDALL. Mr. Chairman, I move that all debate on title I and all amendments thereto cease at 3:50 p.m.

RECORDED VOTE

Mr. HOSMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 217, noes 176, not voting 41, as follows:

[Roll No. 392]

AYES—217

Adams
Addabbo
Alexander
Anderson, Calif.
Annunzio
Aspin
Badillo
Barrett
Bennett
Bergland
Bingham
Boland
Bolling
Bowen
Brademas
Breaux
Brinkley
Brooks
Brown, Calif.
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney, Ohio
Casey, Tex.
Chappell
Chisholm
Clark
Collier
Collins, Ill.
Conte
Corman
Culver
Daniel, Dan
Daniels, Dominick V.
Danielson
Dellums
Denholm
Dent
Dingell
Donohue
Downing
Drinan
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fisher
Flood
Foley
Ford
Forsythe
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gonzalez
Goodling
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gunter
Haley
Hanley
Harrington
Hays
Heckler, Mass.
Helstoski
Henderson
Hicks
Hillis
Hogan
Holtzman
Horton
Howard
Hungate
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan

Karth
Kastenmeier
Kyros
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Luken
McCloskey
McCormack
McDade
McFall
McKay
McSpadden
Macdonald
Madden
Mahon
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Minish
Mink
Mitchell, Md.
Moakley
Montgomery
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murtha
Natcher
Nedzi
Nix
Obey
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Peyser
Pike
Podell
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Rangel
Rees
Reid
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roy
Roybal
Runnels
Ryan
St Germain
Sandman
Scherle
Schroeder
Seiberling
Shipley
Shuster
Sisk
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, James V.
Stark
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Sullivan
Thompson, N.J.
Thornton
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Waldie
Walsh
White
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wylie
Wyman
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zion

NOES—176

Abdnor
Abzug
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Bauman
Beard
Bell
Bevill
Biaggi
Biester
Blackburn
Boggs
Bray
Breckinridge
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Butler
Camp
Carter
Cederberg
Chamberlain
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conyers
Coughlin
Crane
Cronin
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
Delaney
Dellenback
Dennis
Derwinski
Devine
Dickinson
Duncan
du Pont
Edwards, Ala.
Esch
Flowers
Fountain
Frelinghuysen
Frenzel
Frey
Froehlich
Gettys
Gilman
Ginn
Goldwater
Gross
Gubser
Guyer
Hamilton
Hammerschmidt
Hanrahan
Harsha
Hechler, W. Va.
Heinz
Hinshaw
Holifield
Holt
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Colo.
Jones, Okla.
Kazen
Kemp
Ketchum
King
Koch
Kuykendall
Lagomarsino
Landgrebe
Latta
Lujan
McClory
McCollister
McKinney
Madigan
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Mayne
Michel
Miller
Mitchell, N.Y.
Mizell
Mollohan
Moorhead, Calif.
Moss
Myers
Nelsen
Nichols
O'Brien
Parris
Pettis
Pickle
Poage
Railsback
Randall
Rarick
Regula
Rhodes
Robinson, Va.
Roush
Rousselot
Ruppe
Ruth
Sarasin
Sarbanes
Satterfield
Schneebeli
Sebelius
Shoup
Shriver
Slack
Snyder
Spence
Stanton, J. William
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Towell, Nev.
Treen
Vander Jagt
Vanik
Veysey
Waggonner
Wampler
Ware
Whalen
Whitehurst
Wiggins
Winn
Wyatt
Wydler
Yates
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Zwach

NOT VOTING—41

Ashley
Baker
Blatnik
Brasco
Carey, N.Y.
Clawson, Del
Clay
Cotter
Davis, Ga.
de la Garza
Diggs
Dorn
Dulski
Fish
Flynt
Grasso
Gude
Hanna
Hansen, Idaho
Hansen, Wash.
Hastings
Hawkins
Hébert
Ichord
Jones, Tenn.
Kluczynski
Landrum
McEwen
Mills
Minshall, Ohio
Murphy, N.Y.
Passman
Powell, Ohio
Reuss
Riegle
Rooney, N.Y.
Sikes
Skubitz
Steed
Symington
Teague

So the motion was agreed to.

The result of the vote was announced as above recorded.

The **CHAIRMAN**. All time for further debate on amendments to title I has expired other than those amendments which have been printed in the RECORD.

AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. **HOSMER**. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HOSMER to the Committee amendment in the nature of a substitute: Page 144, line 4. Strike out "SEC. 102." and insert a new "SEC. 102" to read as follows:

SEC. 102. It is the purpose of this Act to—

(a) encourage a nationwide effort to regulate the surface coal mining operations to prevent or substantially reduce their adverse environmental effects, to stimulate and encourage the development of new, environmentally sound surface coal mining and reclamation techniques, and to assist the States in carrying out programs for those purposes;

(b) provide that the rights of surface landowners and other persons with a legal interest in the land or appurtenances thereto are protected from the adverse impacts of surface coal mining operations pursuant to the provisions of this Act;

(c) provide that surface coal mining operations are not conducted where reclamation as required by this Act is not feasible;

(d) provide that the coal supply essential to the Nation's energy requirements, and to its economic and social well-being is provided in accordance with the policy of Mining and Minerals Policy Act of 1970; and

(e) provide that appropriate procedures are provided for public participation in the development, revision, and enforcement of regulations, standards, mining and reclamation plans, or programs established by the Secretary or any State pursuant to the provisions of this Act.

Mr. **HOSMER**. Mr. Chairman, I make no apology for my numerous rollcalls and quorum calls today.

I make no apologies because in my view this piece of legislation before us is one of the most important that this House will consider. We have had extreme difficulty in keeping Members on the floor.

Having studied H.R. 11500 and explored its various nooks and crannies, I am quite satisfied that if the rest of the membership knew what was in it to the extent that a few of us know what is in it, we would have an overwhelming vote against it.

Mr. Chairman, it is not pleasant for a Member of this body to come here and agitate the other Members to the extent of trying to get them to stay on the floor to find out what is in a bill. I would not do this if it were not such an important matter.

Without contradiction, this bill, H.R. 11500, is gong to impede the production of coal in this country unnecessarily, and at a time when this Nation desperately needs every Btu of energy it can lay its hands on, and definitely needs, most of all, new domestic energy sources.

I tried, with H.R. 12898 to bring a bill into this House that would not have even let anyone dig a pound of coal by surface mining methods unless he first, could reclaim the land, and second were absolutely forced to do so. That was a pretty reasonable proposition, in my mind. It respected the environmental interests. It respected the energy interests.

In connection with the bill before us now, H.R. 11500, we are going to lose, according to the experts—and I do not include the gentleman from Arizona or the gentlewoman from Hawaii as experts on the extraction of coal by surface mining methods, because neither of them has ever taken a pound of coal out of the ground, and for that matter, I have not done so myself—so I had to go to the experts down at the Bureau of Mines and find out what will happen. They assure us, including Mr. Sawhill, that if this Nation and this Congress goes down this route, we are going to lose anywhere from two-thirds of our production down to about 10 percent.

The loss of any amount at this time in our history is unconscionable.

We have abundant energy in this country, but we have not cranked up to get it out of the ground and we have not cranked up to get it out of the nuclear reactors. It is going to take us about 10 years to get over this present energy crisis, this short-term crisis.

If we make an investment of around $500 to $600 billion in new extractive machinery, and other capital resources, we will, after a decade or so, put ourselves in a position where we will be over the short-term energy crunch and back again to the traditional position of American abundance in energy. However, we simply have to get through this 10-year period.

Even such an authority as Philip Handler, the president of the National Academy of Sciences, tells us that it takes about 10 years to get anything done in this country. And that the only way anyone can, in that short-term period of 10 years, augment the domestic energy supplies to any extent is to utilize the shortest leadtime methods there are. And, those are surface coal mining methods. There is enough coal that can be mined from surface mines in this country, if we take it as fast as we can, to carry us through to the year 2000.

Why should we not, if we can get the coal at this time to tide us over this decade of despair, go after it and get it? That is the point I am trying to make.

What we have before us is a bill, H.R. 11500, that was written by people who did not look at this situation in that way and who looked at it only from the environmental standpoint. They have come up with an overweighted, unbalanced bill. For that reason I must offer amendment after amendment in order to try to get the bill balanced in its approach to the major problem of our times—adequate energy to power America's complicated technological society.

Mrs. MINK. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

This has already been considered by the committee. The only change that has been offered by this amendment, as distinguished from the one we already voted down, is that each paragraph begins with the word, "provide." In the amendment we defeated, the word was "assure."

Mr. Chairman, I ask the Members, for the same reasons we pointed out before, to vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The question was taken.

RECORDED VOTE

Mr. HOSMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 146, noes 250, not voting 38, as follows:

[Roll No. 393]

AYES—146

Abdnor
Alexander
Archer
Arends
Ashbrook
Bauman
Beard
Bevill
Blackburn
Bowen
Bray
Brown, Ohio
Broyhill, Va.
Buchanan
Burgener
Burleson, Tex.
Butler
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Clancy
Clausen, Don H.
Cochran
Collier
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
Dennis
Derwinski
Dickinson
Downing
Duncan
Edwards, Ala.
Erlenborn
Evins, Tenn.
Findley
Fisher
Flowers
Fountain
Frelinghuysen
Frey
Froehlich
Gettys
Gray
Gross
Gubser
Guyer
Hammerschmidt
Hébert
Hillis
Hinshaw
Hogan
Holifield
Holt
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Jarman
Jones, Ala.
Jones, Okla.
Kemp
Ketchum
Kuykendall
Landgrebe
Latta
Lott
Lujan
McCollister
McSpadden
Mahon
Mann
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Mayne
Michel
Milford
Miller
Mills
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Myers
Nelsen
Nichols
Parris
Pettis
Pickle
Poage
Price, Tex.
Quie
Randall
Rhodes
Roberts
Robinson, Va.
Rousselot
Runnels
Ruth
Sandman
Satterfield
Scherle
Sebelius
Shriver
Skubitz
Slack
Snyder
Spence
Steed
Steiger, Ariz.
Stephens
Stubblefield
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Veysey
Waggonner
Wampler
Whitehurst
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wyatt
Wydler
Wyman
Young, Alaska
Young, S.C.
Zion
Zwach

NOES—250

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Aspin
Badillo
Bafalis
Barrett
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Bolling
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney, Ohio
Chappell
Chisholm
Clark
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Coughlin
Cronin
Culver
Daniels, Dominick V.
Delaney
Dellenback
Dellums
Denholm
Dent
Devine
Dingell
Donohue
Drinan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Fascell
Fish
Flood
Foley
Ford
Forsythe
Fraser
Frenzel
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gude
Gunter
Haley
Hamilton
Hanley
Hanrahan
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Holtzman
Horton
Howard
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jordan
Karth
Kastenmeier
King
Koch
Kyros
Lagomarsino
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Luken
McClory
McCloskey
McCormack
McDade
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mallary
Maraziti
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Natcher
Nedzi
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pike
Podell
Preyer
Price, Ill.
Pritchard
Quillen
Railsback
Rangel
Rarick
Rees
Regula
Reid
Reuss
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Schneebeli
Schroeder
Seiberling
Shipley
Shoup
Shuster
Sisk
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Steelman
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Ware
Whalen
White
Whitten
Widnall
Williams
Wilson, Charles H., Calif.
Wolff
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki

NOT VOTING—38

Ashley
Baker
Boland
Brasco
Carey, N.Y.
Clawson, Del
Clay
Cotter
Danielson
Davis, Ga.
de la Garza
Diggs
Dorn
Dulski
Flynt
Grasso
Hanna
Hansen, Idaho
Hansen, Wash.
Ichord
Jones, Tenn.
Kazen
Kluczynski
Landrum
McEwen
Mathias, Calif.
Minshall, Ohio
Murphy, N.Y.
Passman
Peyser
Powell, Ohio
Riegle
Rooney, N.Y.
Sikes
Symington
Teague
Thompson, N.J.
Wylie

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, under the rules I call up my amendment No. 14 and this is amendment No. 51 as printed in the Record. I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: Page 144, line 21, strike out "against the degradation of".

Mr. HOSMER. Mr. Chairman, for the Members who have a copy of the bill with them, this amendment applies to page 144. We are all the way down to there.

This is again the purposes clause. Section 102, subsection (e) now reads that one of the purposes of the act is to:

> assure that surface coal mining operations are so conducted as to protect against the degradation of the environment.

My notion is to strike out the words "against the degradation of" so that this subsection (e) would then read:

> assure that surface coal mining operations are so conducted as to protect the environment;

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, the language in the bill now is the product of an extensive compromise between my cochairman, the gentlewoman from Hawaii (Mrs. Mink) and that great scholar, the gentleman from Arizona (Mr. Steiger). We are willing to accept the amendment, but it pains the gentlewoman from Hawaii (Mrs. Mink) so much to accept it that she is unable to stand up and accept it herself, but we are willing to accept it if the gentleman will yield back his time and not ask for a record vote.

Mr. HOSMER. I am delighted to make a deal with the gentleman. I will not yield back my time but I will not ask for a record vote, either.

I want to say, gentlemen, and why I pointed attention to the bill, as I said several times during the colloquies on the floor, that if anybody really knows what is in this H.R. 11500 they would flee from it. I hope Members can find their copies when they leave here at 5 o'clock, take them back to the districts and take a look at them over the weekend, because we will have an opportunity to take some more action on this bill next week, and perhaps even the week after.

When the Members find out what is in it, I think they will find, like the gentleman from Arizona, that this suggestion of mine is a reasonable one, because the word "degradation" as found in here is simply a word that is reasonably undefinable and it lends ambiguity to the bill. They will also find that many more changes are desirable.

Now, unfortunately, this ambiguity on page 144 is repeated—not this particular ambiguity, but other ambiguities are repeated throughout this bill. The bill is redundant. The bill puts in some environmental precautions at one point and then a few pages later somebody thinks, well, gee, what we did back there a couple or three pages was great and let us do it here, and so they do it again a few pages later. Then some smiling face comes into the committee room that has been voted by proxy for 3 or 4 days, and on his own, de novo, he comes up with the same thought. He offers an amendment. He is a good guy. It is approved. He thinks that same thing would be great again, and so he turns up several pages later in the bill, with somewhat of the same idea, expressed in somewhat the same ambiguous way, and meaning something a little bit different.

Now, that is one of the many traps for the unwary that are in this bill because, my friends, for a bill that is written that loose way it presents manifold opportunities for anybody to go to court on regulations, anybody to go to court on any environmental statement, for anybody to go to court on the way the regulations are written or to be interpreted. We can see that before we could ever put into operation the machinery that is in this bill, we will have gone through the courts and we will have gone through hearings for an endless amount of time. For that reason we will not be issuing permits to establish new mines or renewing permits for old mines. We will not be digging coal. We will be freezing in the dark and that is why this bill has to be amended. That is why I posted my 175 amendments.

The CHAIRMAN. The question is on the amendment, offered by the gentleman from California (Mr. HOSMER), to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. HOSMER) there were—ayes 66, noes 47.

So the amendment to the committee amendment in the nature or a substitute was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—CONTROL OF ENVIRONMENTAL IMPACTS OF SURFACE COAL MINING

INITIAL REGULATORY PROCEDURE

Sec. 201. (a) No person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by the State unless such person has obtained a permit from the State regulatory authority.

(b) On and after the date of enactment of this Act, all new surface coal mining operations shall comply, and all new permits issued for surface coal mining operations shall contain terms requiring compliance with the following environmental protection standards:

(1) With respect to coal surface mining on steep slopes, no spoil, debris, soil, waste materials, or abandoned or disabled mine equipment may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that spoil from the initial block or short linear cut necessary to obtain access to the coal seam may be placed on a limited or specified area of the downslope: *Provided,* That the spoil is shaped and graded in such a way as to prevent slides, erosion, and water pollution, and is revegetated in accordance with subsection (3) below: *Provided further however,* That (A) the regulatory authority may permit limited or temporary placement of spoil on a specified area of the downslope on steep slopes in conjunction with mining operations which will create a plateau with no highwalls remaining, if such placement is consistent with the approved postmining land use of the mine site and (B) the provisions of this subsection (b)(1) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area.

(2)(A) With respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles, and depressions eliminated (unless depressions are needed in order to retain moisture in order to assist revegetation or as otherwise authorized under paragraph (2)(D) of this subsection).

(B) *Provided,* That in surface coal mining which is carried out at the same location over a substantial period of time, where the operation follows the coal deposit vertically and the thickness of the coal deposit relative to the volume of the overburden is large and where the operator demonstrates that the overburden, giving due consideration to volumetric expansion, at a particular point on the mining site is insufficient or unavailable from other portions of the site to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) in order to cover all acid-forming and other toxic materials, to achieve at least the angle of repose and to facilitate an ecologically sound land use compatible with the surrounding region but not necessarily meeting the revegetation requirements of subsection (3): *And Provided further,* That in surface coal mining other than as described in the first proviso of this subparagraph (B), and other than operations covered by subsection (b)(1) of this section, where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion, the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate original contour, backfill, grade and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding regions and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion and water pollution and is revegetated in accordance with subsection (b)(3) of this section;

(3) With respect to all surface coal mining operations, establish on regraded and all other lands affected, a diverse vegetative cover capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation: *Provided,* That introduced species may be used in the revegetation process where desirable and necessary to achieve the approved post-mining land use plan.

(4) With respect to all surface coal mining operations, remove the topsoil in a separate layer, segregate it in a separate pile from the other spoil, replace it on a backfill area, and when the topsoil is not replaced in a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or by other means so that the topsoil is preserved from wind and water erosion, remains free of any acid or toxic material from other strata or drainage, and is in a usable condition for sustaining vegetation when replaced during reclamation, except if topsoil is not capable of sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, preserve, and replace in a like manner such other strata which is best able to support vegetation: *Provided,* That if the appropriate State agricultural agency approves, it shall not be necessary to separate the topsoil and other strata of subsoil if it can be shown that a mix of such topsoil and subsoil and soil nutrient would be equally suitable for vegetation requirements and meet the requirements of sound reclamation practices. In such instances, the operator shall remove, segregate, and replace the mix of topsoil and such other strata in a manner prescribed by the appropriate State agricultural agency.

(5)(A) With respect to surface disposal of coal mine wastes, coal processing wastes or other wastes in areas other than the mine workings or excavations, stabilize all waste piles in designated areas through construction and compacted layers with incombustible and impervious materials assuring the leachate will not pollute surface or ground waters and the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to provisions of this Act; and

(B) With respect to the use of impoundments for the disposal of coal mine wastes, or coal processing wastes or other liquid or solid wastes, incorporate the latest engineering practices for the design and construction of water retention facilities and construct such facilities to insure that the construction will be so designed to achieve necessary stability with an adequate margin of safety to protect the health and safety of the public and which, at a minimum, is compatible with that of structures constructed under Public Law 83–566 (16 U.S.C. 1006); that leachate will not pollute surface or ground water, and that no mine waste such as coal fines and slimes determined as unsuitable for construction constituents by sound engineering methods and design practices are used in the construction of water impoundments, water retention facilities, dams or settling ponds.

(6) Minimize the disturbances to the hydrologic balance at the minesite and associated offsite areas and to the quantity and quality of water entering surface and ground water systems both during and after surface mining and reclamation giving particular attention throughout the mining operation to the aquifer recharge capacity of the mining area and to the protection of alluvial valley floors and stream channels.

(7) Upon petition by the permittee or other applicant for a permit and after public notice and opportunity for hearing, the regulatory authority may grant one or more exceptions to the environmental protection standards set forth in the first clause before the first proviso in paragraph (1) and the provisions of paragraph (2) of this subsection, if the regulatory authority issues a written finding that one or more such standards cannot reasonably be met and that the permittee has shown by proper documentation that each specific item of equipment which is named in the petition as being essential to the performance of the standard in question, cannot be delivered by the manufacturer or supplier prior to the date on which the operation is required under this

Act to be in compliance with said standards, and no other equipment owned by or readily available to the permittee or applicant is suitable for the performance of such standards.

The basis for any such exception shall be reviewed at least once every three months by the regulatory authority. If pursuant to such review, the regulatory authority finds that the permittee does not show, by proper current documentation, that the specific items of equipment named in the petition still cannot be delivered to the operator by the manufacturer then the exception shall be canceled.

At any time if the permittee is found to be in noncompliance with any other provision of this Act or if a State program pursuant to section 203 of this Act or a Federal program pursuant to section 204 of this Act is implemented, then any such exception shall cease to be effective immediately.

(c) On and after one hundred and twenty days from the date of enactment of this Act, all surface coal mining operations existing at the date of enactment of this this Act shall comply with the standard in subsection (b) above, with respect to lands from which the overburden has not been removed. During the one-hundred-and-twenty-day period commencing on the date of enactment of this Act, the regulatory authority shall review and amend permits in order to incorporate in them the standards of subsection (b) above.

(d) Upon petition by the applicant or permittee and after public notice and opportunity for a hearing, the regulatory authority may grant exceptions to provisions in the first clause before the first proviso in subsection (b)(1) and to the provisions of subsection (b)(2) of this section if the regulatory authority issues a written finding that one or more variations from these provisions will enable the affected land to have an equal or higher postmining economic or public use and such use will be achieved within a reasonable time, is consistent with surrounding land uses and with local, State, and Federal law and can be obtained only if one or more exceptions to the above provisions are granted.

(e) Not later than eighteen months from the date of the enactment of this Act, all operators of surface coal mines in expectation of operating such mines after the date of approval of a State program, pursuant to section 203 of this Act, shall file an application for a permit with the regulatory authority, such application to cover those lands to be mined after the date of approval of the State program. The regulatory authority shall process these applications and grant or deny a permit within six months from the date of approval of the State program, but in no case later than thirty-six months from the date of enactment of this Act. The application filed pursuant to this provision and the permit thereby obtained shall be in full compliance with this Act.

(f) No later than one hundred and eighty days from the date of enactment of this Act, and after issuing regulations in accordance with the procedures of section 202, the Secretary shall implement a Federal enforcement program which shall remain in effect in each State in which there is surface coal mining until the State program has been accepted pursuant to section 203 of this Act or until a Federal program has been implemented pursuant to section 204 of this Act. The enforcement program shall:

(1) include inspections of surface coal mine sites which shall be made on a random basis (but at least one inspection for every site every three months), without advance notice to the mine operator and for the purpose of ascertaining compliance with the standards of subsection (b) above. The Secretary shall order any necessary enforcement action to be implemented pursuant to the Federal enforcement provisions of this title to correct violations identified at the inspections;

(2) provide that upon receipt of inspection reports indicating that any coal surface mining operation has been found in violation of subsection (b) above, during not less than two consecutive State inspections or upon receipt by the Secretary of information which would give rise to reasonable belief that such standards are being violated by any surface coal mining operation, the Secretary shall order the immediate inspection of such operation by Federal inspectors and the necessary enforcement actions, if any, to be implemented pursuant to the Federal enforcement provisions of this title. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection;

(3) for purposes of this section, the term "Federal inspector" means personnel of the Office of Surface Mining Reclamation and Enforcement and such additional personnel of the United States Geological Survey, Bureau of Land Management, or of the Mining Enforcement and Safety Administration so designated by the Secretary, or such other personnel of the Forest Service, Soil Conservation Service, or the Agricultural Stabilization and Conservation Service as arranged by appropriate agreement with the Secretary on a reimbursable or other basis;

(4) provide that the State regulatory agency file with the Secretary and with a designated Federal office centrally located in the county or area in which the inspected surface coal mine is located copies of inspection reports made;

(5) provide that moneys authorized by section 701(a) shall be available to the Secretary prior to the approval of a State program pursuant to section 203 of this Act to reimburse the States for conducting those inspections in which the standards in subsection (b) above, are enforced and for the administration of this section.

(g) A coal surface mine operator operating pursuant to a valid permit and awaiting administrative action on his application for a permit from the appropriate regulatory authority may during the period prior to approval or disapproval of a State program pursuant to section 203 of this Act and for six months thereafter continue to operate his surface mine beyond the date of expiration of his permit subject to the terms and conditions of his permit or application in the event the appropriate regulatory authority has not acted on his application by the time his permit expires.

(h) During the period prior to approval of a Federal or Indian program pursuant to this Act, including judicial review of the approval of a Federal or Indian program, existing coal surface mining operations on Federal land and Indian land may commence or continue mining operations: *Provided*, That such operations shall be subject to and bound by the provisions of section 201(b) hereof. The enforcement procedures of section 220 shall apply to such coal surface mining operations and the Secretary shall order the random inspections of such operations in the same manner provided by section 201 (f) hereof. For purposes of this section existing coal surface mining operations means those in existence on the date of enactment of this Act and those for which substantial legal and financial commitments were in existence prior to September 1, 1973.

PERMANENT ENVIRONMENTAL PROTECTION STANDARDS

SEC. 202. Not later than the end of the one-hundred-and-eighty-day period immediately following the date of enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering a permanent regulatory procedure for surface coal mining and reclamation operations setting mining and reclamation performance standards based on and incorporating the provisions of title II and establishing procedures and requirements for preparation, submission, and approval of State programs and development and implementation of Federal programs under this title. Such regulations shall not be promulgated and published by the Secretary until he has—

(A) published proposed regulations in the Federal Register and afforded interested persons and State and local governments a period of not less than forty-five days after such publication to submit written comments thereon;

(B) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those regulations promulgated under this section which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857); and

(C) held at least one public hearing on the proposed regulations.

The date, time, and place of any hearing held on the proposed regulations shall be set out in the publication of the proposed regulations. The Secretary shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the regulations.

STATE PROGRAMS

SEC. 203. (a) Each State in which there is or may be conducted surface coal mining operations, and which wishes to assume State regulatory authority under this Act, shall submit to the Secretary, by the end of the twenty-four-month period beginning on the date of enactment of this Act, a State program which demonstrates that such State has the capability of carrying out the provisions of this Act and meeting its purposes through—

(1) a State law which provides for the regulation of surface mining and reclamation operations in accordance with the requirements of this Act and the regulations issued by the Secretary pursuant to this Act;

(2) a State law which provides sanctions for violations of State laws, regulations, or conditions of permits concerning surface mining and reclamation operations, which sanctions shall meet the minimum requirements of this Act, including civil and criminal actions, forfeiture of bonds, suspension, revocation, and withholding of permits, and the issuance of cease and desist orders by the State regulatory authority or its inspectors;

(3) a State regulatory authority with sufficient administrative and technical personnel, and sufficient funding to enable the State to regulate surface coal mining and reclamation operations in accordance with the requirements of this Act;

(4) a State law which provides for the effective implementation, maintenance, and enforcement of a permit system, meeting the requirements of this title for the regulation of surface mining and reclamation operations for coal on lands within the State;

(5) establishment of a process for the designation of lands unsuitable for surface coal mining in compliance with section 206; and

(6) establishment, for the purpose of avoiding duplication, of a process for co-

ordinating the review and issuance of permits for surface mining and reclamation operations with any other Federal or State permit process applicable to the proposed operations.

(b) The Secretary shall not approve any State program submitted under this section until he has—

(1) solicited and publicly disclosed the views of the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the heads of other Federal agencies concerned with or having special expertise pertinent to the proposed State program;

(2) obtained the written concurrence of the Administrator of the Environmental Protection Agency and respect to those aspects of a State program which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857);

(3) held at least one public hearing on the State program within the State; and

(4) found that the State has the legal authority and qualified personnel necessary for the enforcement of the environmental protection standards.

The Secretary shall approve or disapprove a State program, in whole or in part, within six full calendar months after the date such State program was submitted to him.

(c) If the Secretary disapproves any proposed State program in whole or in part, he shall notify the State in writing of his decision and set forth in detail the reasons therefor. The State shall have sixty days in which to resubmit a revised State program, or portion thereof: *Provided, however,* That no State program shall be resubmitted pursuant to this subsection after thirty months from the date of enactment of this Act: *Provided further,* That the Secretary shall approve or disapprove the resubmitted State program or portion thereof within sixty days from the date of resubmission.

FEDERAL PROGRAM

SEC. 204. (a) The Secretary shall prepare and implement a Federal program for the regulation of surface coal mining in any State which fails to—

(1) submit and obtain approval of a State program as required under section 203; or

(2) adequately implement enforce, or maintain a State program once approved pursuant to section 204.

(b) In the event that a State has a regulatory program for surface coal mining, and is not enforcing any part of such program, the Secretary may provide for the Federal enforcement, under the provisions of section 220, of that part of the State program not being enforced by such State.

(c) If State compliance with section 203 requires an act of the State legislature, the Secretary may extend the period for submission of a State program up to an additional six months in those States which have a constitutional convention in 1974 and whose legislatures do not meet in regular session until 1975.

RESUBMITTAL OF STATE PROGRAM

SEC. 205. A State which has failed to obtain the approval of a State program prior to implementation of a Federal program may submit a State program at any time after such implementation. Upon the submission of such a program, the Secretary shall follow the procedures set forth in section 203 (b) and shall approve or disapprove the State program within six months after its submittal. Approval of a State program shall be based on the determination that the State has the capability of carrying out the provisions of this Act and meeting its purposes through the criteria set forth in section 203 (a) (1) through (6). Until a State program is approved as provided under this section, the Federal program shall remain in effect and all actions taken by the Secretary pursuant to such Federal program, including the terms and conditions of any permit issued thereunder, shall remain in effect.

DESIGNATING AREAS UNSUITABLE FOR SURFACE COAL MINING

SEC. 206. (a) (1) To be eligible to assume primary regulatory authority pursuant to section 203, each State shall establish a planning process enabling objective decisions based upon competent and scientifically sound data and information as to which, if any, land areas of a State are unsuitable for all or certain types of surface coal mining operations pursuant to the standards set forth in paragraphs (2) and (3) of this section but such designation shall not prevent the mineral exploration pursuant to the Act of any area so designated.

(2) An area shall be designated unsuitable for all or certain types of surface coal mining operations if reclamation pursuant to the requirements of this Act is not demonstrated to be physically or economically feasible.

(3) An area may be designated unsuitable for all or certain types of surface coal mining operations if such operations will—

(A) be incompatible with Federal, State, or local plans to achieve essential governmental objectives; or

(B) affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and esthetic values and natural systems; or

(C) affect renewable resource lands in which such operations could result in a substantial loss or reduction of long-range productivity of water supply or of food or fiber products, and such lands to include aquifers and aquifer recharge areas; or

(D) affect natural hazard lands in which such operations could substantially endanger life and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

(4) To comply with this section, a State must demonstrate it has developed or is developing a process which includes—

(A) a State agency responsible for mining lands review;

(B) a data base and an inventory system which will permit proper evaluation of the capacity of different land areas of the State to support and permit reclamation of surface coal mining operations;

(C) a method or methods for implementing land use planning decisions concerning surface coal mining operations; and

(D) proper notice, opportunities for public participation, including a public hearing prior to making any designation or redesignation, pursuant to this section, and measures to protect the legal interests of affected individuals in all aspects of the State planning process.

(5) Determinations of the unsuitability of land of surface coal mining, as provided for in this section, shall be integrated as closely as possible with present and future land use planning and regulation processes at the Federal, State, and local levels.

(6) In no event is land to be designated unsuitable for surface coal mining operations on which surface coal mining operations are being conducted on the date of enactment of this Act or under a permit issued pursuant to this Act, or where substantial and financial commitments in such operations are in existence prior to September 1, 1973.

(b) The Secretary shall conduct a review of the Federal lands and to determine, pursuant to the standards set forth in paragraphs (2) and (3) of subsection (a) of this section, whether there are areas on Federal lands which are unsuitable for all or certain types of surface coal mining operations. When the Secretary determines an area on Federal lands to be unsuitable for all or certain types of surface coal mining operations, he shall withdraw such area or condition any mineral leasing or mineral entries in a manner so as to limit surface coal mining operations on such area. Where a Federal program has been implemented in a State pursuant to section 204, the Secretary shall implement a process for designation of areas unsuitable for surface coal mining for non-Federal lands within such State and such process shall incorporate the standards and procedures of this section.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the regulatory authority to have an area designated as unsuitable for surface coal mining operations, or to have such a designation terminated. Such a petition shall contain allegations of facts with supporting evidence which would tend to establish the allegations. As soon as practicable after receipt of the petition the regulatory authority shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time, and location of such hearing. Within sixty days after such hearing, the regulatory authority shall issue and furnish to the petitioner and any other party to the hearing, a written decision regarding the petition, and the reasons therefor. In the event that all the petitioners stipulate agreement prior to the requested hearing, and withdraw their request, such hearing need not be held.

(d) Prior to designating any land areas as unsuitable for surface coal mining operations, the regulatory authority shall prepare a detailed statement on (i) the potential coal resources of the area, (ii) the demand for coal resources, and (iii) the impact of such designation on the environment, the economy, and the supply of coal.

EFFECT ON STATE LAW

SEC. 207. Where any provision of any State law or regulation in effect upon the date of enactment of this Act or which may become effective thereafter, provides more stringent environmental controls and regulations of surface mining and reclamation operations than do the provisions of this Act or any regulation issued pursuant thereto, such provision of State law or regulation shall not be construed to be inconsistent with this Act.

PERMITS

SEC. 208. (a) After six months from the date on which a State program is approved by the Secretary, pursuant to section 203 of this Act, or the Secretary has promulgated a Federal program for a State not having a State program, pursuant to section 203, no person shall engage in surface coal mining operations unless such person has obtained a permit in full compliance with this Act from the appropriate regulatory authority.

(b) All permits issued pursuant to the requirements of this Act shall be issued for a term not to exceed five years and shall be nontransferable: *Provided,* That a successor in interest to a permittee who applies for a new permit within thirty days of succeeding to such interest and who is able to obtain the bond coverage of the original permittee may continue surface coal mining and reclamation operations according to the approved mining and reclamation plan of the original permittee until such successor's application is granted or denied.

PERMIT APPROVAL OR DENIAL

SEC. 209. (a) Upon the basis of a complete mining application and reclamation plan or a revision or renewal thereof, as required by this Act and pursuant to an approved State program or Federal program under the provisions of this Act, including public notification and an opportunity for a public hearing as required by section 214, the regulatory authority shall grant or deny the ap-

plication for a permit and notify the applicant in writing. Within ten days after the granting of a permit, the regulatory authority shall notify the State and the local official who has the duty of collecting real estate taxes in the local political subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

(b) No permit, revision or renewal application shall be approved unless the regulatory authority finds in writing on the basis of the information set forth in the application or from information otherwise available which will be documented in the approval, and made available to the applicant, that (1) the requirements of this Act, and the rules and regulations adopted thereunder will be met, (2) there is objective assurance that the reclamation of the area of affected land can be achieved, and (3) the proposed post-mining land use is (A) compatible with surrounding land uses, exclusive of surface mining, (B) practical with respect to need or the surrounding land uses, and (C) reasonable with respect to the likelihood of availability of both public and private resources and support which may be needed to achieve such objectives.

(c) Prior to the issuance of a permit, the regulatory authority shall review and alter a proposed mining and reclamation plan with respect to the methods, sequence, timing of specific operations in the plan, or the deletion of specific operations or areas from part or all of the plan in order to assure that the environmental protection objectives of this Act are met.

(d) No permit shall be issued by the regulatory authority unless the permit application affirmatively demonstrates that, and the regulatory authority makes specific written findings to the effect that—

(1) there is probable cause to believe that the proposed surface coal mining operation will result in reclamation of the land area affected pursuant to the performance standards set forth in section 211 of this Act and regulations promulgated pursuant to this Act;

(2) the post-mining land use as proposed in the reclamation plan is practical, is likely to be achieved, and is not inconsistent with surrounding land uses;

(3) the area proposed to be mined is not included within an area designated unsuitable for surface coal mining pursuant to section 206 of this Act or is not within an area under study for such designation (unless in such an area under study, the operator making the permit application demonstrates that, prior to September 1, 1973, he has made substantial legal and financial commitments in relation to the operation for which he is applying for a permit);

(4) the land to be affected does not lie within three hundred feet from any occupied dwelling, unless waived by the owner thereof, nor within three hundred feet of any public building, school, church, community, or institutional building, public park, or cemetery; nor shall the land to be affected lie within one hundred feet of the outside right-of-way line of any public road, except that the regulatory authority may permit such roads to be relocated, if the interests of the public and the landowners affected thereby will be protected;

(5) the impacts of the mining operations on the hydrologic balance on and off the permit area are minimized; the specific provisions of sections 211(b)(14) are met; the assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance specified in section 210(b)(14) has been made and the proposed operation thereof has been designed to prevent irreparable offsite impacts to hydrologic balance;

(6) the operator is not presently ineligible to obtain a permit to conduct any coal mining operation under the law of any Federal or State program authorized by this Act;

(7) the operator has not had a permit revoked by any regulatory authority under this Act within five years preceding the filing of the application;

(8) mining operations would not adversely affect nearby lands and waters to which the public enjoys use and access, or the mining of any area of land within one mile of publicly owned lands or parks or places located in the National Register of Historic Sites unless screening and other measures approved by the regulatory authority are used and the permit so provides, or if the mining of the area will not adversely affect or reduce the usage of the publicly owned land;

(9) the mining operations are not located within any area of the National Park System, the national forests, the National Wildlife Refuge System, the National Wilderness Preservation System, or the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act: *Provided, however,* That this paragraph shall not prohibit surface mining operations in existence on the date of enactment of this Act, or those for which substantial legal and financial commitments were in existence prior to September 1, 1973; but, in no event shall such surface mining operations be exempt from the requirements of this Act;

(10) the permit application does not include areas of land affected that are noncontiguous;

(11) the operator has not forfeited a bond or partial bond under this Act within the past five years; and

(12) the application on its face is complete, accurate, and contains no false information.

(e) The applicant shall file with his permit application a schedule listing any and all violations of this Act and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air, or water environmental protection incurred by the applicant in connection with any coal surface mining operation during the one-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation. Where the schedule or other information available to the regulatory authority indicates that any coal surface mining operation owned or controlled by the applicant is currently in violation of this Act or such other laws referred to in this subsection, the permit shall not be issued until the applicant submits proof that such violation has been corrected or is in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation.

APPLICATION REQUIREMENTS

SEC. 210. (a) Each application for a mining and reclamation permit pursuant to an approved State program or a Federal program under the provisions of this Act shall be accompanied by a fee as determined by the regulatory authority. Such fee shall be based as nearly as possible upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a State or Federal program, and shall be in addition to the fee required for the Abandoned Mine Reclamation Fund.

(b) The permit application shall be submitted in a manner satisfactory to the regulatory authority and shall contain, among other things—

(1) the names and address of the permit applicant (if the applicant is a subsidiary corporation, the name and address of the parent corporation must be included); every legal owner of the property (surface and mineral) to be mined; the holders of any leasehold or other equitable interest in the property of record; any purchase of the property under a real estate contract; the operator if he is a person different from the applicant; and, if any of these are business entities other than a single proprietor, the names, addresses of the principals, officers, and resident agent;

(2) the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person owning, of record or beneficially, either alone or with associates, 10 per centum or more of any class of stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface mining operation within the United States or its territories and possessions;

(3) a description of the type and method of coal mining operation that exists or is proposed, the engineering techniques proposed or used, and the equipment used or proposed to be used;

(4) the anticipated or actual starting and termination dates of each phase of the mining operation and number of acres of land to be affected;

(5) evidence of compliance with section 709;

(6) the names and addresses of the owners of all surface and subsurface areas abutting on the permit area;

(7) a statement of any current or previous surface coal mining permits in the United States held by the applicant and the permit identification;

(8) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has ever held a Federal or State mining permit which has been suspended or revoked or has ever had a mining bond or similar security deposited in lieu of bond forfeited and a brief explanation of the facts involved in each case;

(9) an accurate map or plan to an appropriate scale clearly showing the land to be affected and contour lines of the surface at sufficient intervals of elevation to accurately depict the topography of the terrain, prepared by or under the direction of and certified by a registered professional engineer, or registered land surveyor and a professional geologist for the requirements relating to subsurface information. Such a map or plan shall among other things specified by the regulatory authority show all the boundaries of the land to be affected, its surrounding drainage area, the location and name, where known, of all roads, railroads, rights-of-way, utility lines, oil wells, gas wells, water wells, lakes, creeks, streams, rivers, springs, and other surface water courses, the name and boundary lines of the present owners of all surface areas abutting on the permit area and the location of all buildings on such abutting surface areas and within one thousand feet of the permit area; and the purpose for which each building is used;

(10) typical cross-section maps or plans of the land to be affected including the actual area to be mined showing pertinent elevation and locations of test borings or core samplings required under subparagraph (16) including the nature and thickness of any coal or rider seam above the coal seam to be mined, the nature of the stratum immediately beneath the coal seam to be mined, all mineral crop lines, strike and dip of the coal to be mined within the area of land to be affected, existing or previous surface mining limits, the location and extent of known working of any underground mines, including mine openings to the surface, the location of acquifers; underground waters, and the estimated elevation of the water table, the location of spoil, waste or refuse areas, the topsoil preservation areas, the location of all impoundments for waste or erosion control, any settling or water treatment facili-

ties; constructed or natural drainways and the location of any discharges to any surface body of water on the area of land to be affected or adjacent thereto; and profiles at approximate cross-sections of the anticipated final surface configuration that will be achieved pursuant to the operator's approved reclamation plan. The information pertaining to the coal seam required by this paragraph shall be kept confidential and not made a matter of public record, except that if such information becomes relevant to the parties to a hearing on the grant or denial of a permit or the forfeiture or release of part or all of the bond, such information may be disclosed to such interested parties under appropriate protective provisions.

(11) a copy of the applicant's advertisement to be published pursuant to section 214(a), which includes the ownership, a description of the exact location and boundaries of the proposed site sufficient so that the proposed operation is readily locatable by local residents, and the location of where the application is available for public inspection;

(12) the name of the watershed and location of all known surface and underground waterways into which surface waters may or will be discharged;

(13) a determination of the hydrologic consequences of the mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability;

(14) a complete and verifiable list of all deeds, leases, options, or other instruments granting to the applicant or his agents rights to or in the land or minerals to be affected by the proposed permit;

(15) when requested by the regulatory authority, a statement of all lands, interests in lands, or options on such lands held by the applicant or pending bids on interests in lands by the applicant, which lands are contiguous to the land to be affected, and any information required by this subsection which is not on public file pursuant to appropriate laws shall be held in confidence by the regulatory authority;

(16) a statement of the results of test borings or core samplings from the land to be affected, including where appropriate, the surface elevation and logs of the drill holes so that the strike and dip of the coal seams may be determined, the nature and depth of the various strata of overburden, the location of subsurface water, if encountered, and its quality, the thickness of the coal seam found, an analysis of the chemical properties of such coal; the sulfur content of any coal seam and a chemical analysis of potentially acid or toxic forming sections of the overburden, and a chemical analysis of the stratum lying immediately underneath the coal to be mined; and

(17) such other information as the regulatory authority may require.

The collection and analyses of all information required under paragraph (16) of this subsection shall be conducted by a laboratory which is approved by the regulatory authority. The regulatory authority shall establish rules to preserve the integrity of the sampling. Information from test borings and core samplings required by this paragraph shall be made available to interested parties and that which pertains only to the quantitative and qualitative analysis of the coal seams (except the information regarding such mineral or elemental content which is potentially toxic in the environment), shall be kept confidential and not made a matter of public record. If such coal seam information becomes relevant to the parties to a hearing on the grant or denial of a permit or the forfeiture or release of part or all of a bond, such information shall be disclosed to such interested parties under protective provisions defined by the regulatory authority.

(c) The mining and reclamation plan which each applicant for a permit shall be required to submit with a permit application, consistent with the performance criteria provided for in this Act, shall include, at least—

(1) the identification of the entire area to be mined and affected over the estimated life of the mining operation and the size, sequence, and timing of the subareas for which it is anticipated that individual permits for mining will be sought;

(2) a statement describing the full range of uses to which the land was put and the predominant uses of the area immediately surrounding the area of land to be affected prior to the commencement of any mining, and a description of the use or uses proposed to be made of the area of land to be affected following reclamation;

(3) a detailed description of the manner in which mining operations will be conducted and of the actions taken or planned to prevent adverse environmental effects during the life of the mining and reclamation operation;

(4) a detailed description of the measures to be taken during the mining and reclamation process to assure the protection of the quantity and quality of surface and ground water systems, both onsite and offsite from adverse effects of the mining and reclamation process, and the rights of present users to such water;

(5) a detailed description of the reclamation activities that will be taken to return the mined area to a condition consistent with the applicant's proposed postmining land use and in accordance with provisions of this Act (including, but not limited to preventing polluting discharges, seepages, mine and refuse bank fires, and other conditions that present an imminent hazard to the health or safety of the public on the permitted site that resulted from previous mining operations);

(6) a detailed description of how the proposed postmining land use is to be achieved and the necessary public or private support activities which may be needed to achieve the proposed land use;

(7) a detailed time schedule, including interim completion dates, for key stages of the surface coal mining and reclamation plan;

(8) a description of the actions planned to insure compliance with the environmental performance standards set forth in this Act and supplemented by regulation by the regulatory authority; and

(9) such other requirements as the regulatory authority shall prescribe by regulation.

(d) Each applicant for a surface mining and reclamation permit shall file a copy of his application for public inspection with the Recorder at the courthouse of the county or an appropriate official approved by the regulatory authority where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

(e) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the mining and reclamation operations for which such permit is sought, or evidence that the applicant has satisfied other State or Federal self-insurance requirements. Such policy shall cover the mined area and provide for both on- and off-site personal injury and property damage protection as a result of mining and reclamation operations and entitled to compensation under the applicable provisions of Federal or State law but in any event shall not be less than $100,000, or for such higher amounts as the regulatory authority deems necessary in light of potential risk and magnitude of possible off-site damages. Such policy shall be for the term of the permit and any renewal, including the length of any and all reclamation operations required by this Act.

(f)(1) Any valid permit issued pursuant to this Act shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit, on application of the holder of the permit and the finding in writing by the regulatory authority that—

(A) the terms and conditions of the existing permit are being satisfactorily met;

(B) the present surface mining and reclamation operation is in full compliance with the environmental protection standards of this Act and the approved State plan pursuant to this Act;

(C) the renewal requested does not jeopardize the operator's continuing responsibility on existing permit areas;

(D) the operator has provided evidence that the performance bond in effect for said operation will continue in full force and effect for any renewal requested in such application as well as any additional bond the regulatory authority might require pursuant to section 216(d), and

(E) any additional revised or updated information required by the regulatory authority has been provided. Prior to the approval of any extension of permit the regulatory authority shall provide notice to the appropriate public authorities and take other steps as required in section 214.

(2) If an application for renewal on a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit the portion of the application for revision of a valid permit shall be treated as a new application which addresses any new land areas or any application and subject to the full standards applicable to new applications under this Act.

(3) Any permit renewal shall be for a term not to exceed the periods of the original permit established by this Act. Application for permit renewal shall be made at least one hundred twenty days prior to the expiration of the valid permit.

ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS

SEC. 211. (a) Any permit issued under any approved State or Federal program pursuant to this Act to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable performance standards of this Act, and such other requirements as the regulatory authority shall promulgate.

(b) General performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the operator as a minimum to—

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the solid fuel resource being recovered so that reaffecting the land in the future through surface coal mining can be minimized;

(2) restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining, or higher or better uses of which there is a reasonable likelihood, so long as such use or uses do not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution, and

the permit applicants' declared proposed land use following reclamation is not deemed to be impractical or unreasonable, inconsistent with applicable land use policies and plans, involves unreasonable delay in implementation, or is violative of Federal, State, or local law;

(3) assure that any temporary environmental damage will be contained in the permit area;

(4) reduce the land disturbed incident to surface mining by limiting the amount of surface excavated at any one time during mining and combining the process of reclamation with the process of mining to keep reclamation operations current, and to complete such reclamation in any separate distinguishable portion of the mined area, as promptly as possible, but not later than the time specified in a reclamation schedule which shall be attached to the permit;

(5) remove the topsoil from the land in a separate layer, segregate it in a separate pile from the other spoil when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any acid or toxic material, and is in a usable condition for sustaining vegetation when restored during reclamation, except if topsoil is not capable of sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner such other strata which is best able to support vegetation;

(6) stabilize and protect all surface areas including spoil piles affected by the mining and reclamation operation to control as effectively as possible erosion and attendant air and water pollution;

(7) insure that all debris, acid, or highly mineralized toxic materials, or materials constituting a fire hazard are treated or disposed of in a manner designed to prevent contamination of ground or surface waters and sustained combustion;

(8) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore approximate original contour of the land with all highwalls, spoil piles and depressions eliminated (unless small depressions are needed in order to retain moisture to assist re-vegetation or as otherwise authorized pursuant to paragraph (9) of this subsection): *Provided, however,* That in surface coal mining which is carried out at the same location over a substantial period of time, where the operation follows the coal deposit vertically and the thickness of the coal deposit relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the opproximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region: *And provided further,* That in surface coal mining other than as decribed in the first proviso to this paragraph (8)(and other than operations covered by subsection (c) of this section, where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate original contour, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion and water pollution and is revegetated in accordance with subsection (b)(13) of this section;

(9) create, if authorized in the approved mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed to achieve necessary stability with an adequate margin of safety compatible with that of structures constructed under Public Law 83–566;

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that discharges from the impoundment will not degrade the water quality in the receiving stream;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) such water impoundments will not result in the diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational or domestic uses;

(10) refrain from the construction of roads or other access ways up a stream bed or drainage channel or in such proximity to such channel so as to seriously alter the normal flow of water;

(11) restore the topsoil or the best available subsoil which has been segregated and preserved;

(12) establish on the regraded areas, and all other lands affected, a diverse vegetative cover native to the area of land to be affected and capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation of the area; except, that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved post mining land use plan;

(13) assume the responsibility for successful revegetation for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, or other work in order to assure a permanent, self-regenerative, effective, and diverse vegetative cover suitable to the area, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less, then the operator's assumption of responsibility and liability will extend for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work: Provided, That when the regulatory authority approves a long-term intensive agricultural postmining and use, the applicable five- or ten-year period for responsibility for revegetation shall commence at the date of initial planting for such long-term intensive agricultural postmining land use; Provided, further, That when the regulatory authority issues a written finding approving a long-term, intensive, agricultural postmining land use as part of the mining and reclamation plan, the authority may grant exceptions to the provisions in this subsection (b) which require a diverse, self-regenerative, or permanent vegetative cover;

(14) minimize the disturbances to the prevailing hydrologic balance at the minesite and in associated off-site areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing bore holes, shafts, and wells to keep acid or other toxic drainage from entering ground and surface waters;

(B) conducting surface mining operations so as to prevent additional contributions of suspended solids to stream flow or run-off outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(C) removing temporary or large silation structures from drainways after disturbed areas are revegetated and stabilized;

(D) restoring recharge capacity of the minesites to approximate premining conditions;

(E) preserving throughout the mining and reclamation process the hydrologic integrity of alluvial valley floors in the arid and semi-arid areas of the country; and

(F) such other actions as the regulatory authority may prescribe;

(15) prevent any offsite damages that may result from such mining operations and institute immediate efforts to correct such conditions;

(16) with respect to the use of impoundments for the disposal of coal mine wastes, coal processing wastes, or other liquid or solid wastes, incorporate the latest engineering practices for the design and construction of water retention facilities and construct such facilities to insure that the construction will be so designed to achieve necessary stability with an adequate margin of safety to protect the health and safety of the public and which, at a minimum, is compatible with that of structures constructed under Public Law 83–566 (16 U.S.C. 1006); that leachate will not pollute surface or ground water, and that no mine waste such as coal fines and slimes determined as unsuitable for construction constituents by sound engineering methods and design practices are used in the construction of water impoundments, water retention facilities, dams, or settling ponds:

(17) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine working or excavations, stabilize all waste piles in designated areas through construction and compacted layers with incombustible and impervious materials, and assure the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this Act;

(18) with respect to the use of explosives—

(A) provide advance written notice to local governments and adjacent residents and advance notice to other residents who would be affected by the use of such explosives by publication in a newspaper of general circulation in the locality of the proposed site at least once a week for four successive weeks of the planned blasting schedules and the posting of such schedules at the entrances to the permit area, and maintain for a period of at least three years a log of the magnitudes and times of blasts;

(B) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical conditions of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, (iii) adverse impacts on any underground mine, and (iv) change in the course, channel, or availability of ground or surface water outside the permit area;

(C) refrain from blasting in specific areas where the safety of the public or private property or natural formations of more than local interest are endangered;

(19) refrain from surface coal mining within five hundred feet of active or abandoned underground mine workings in order to prevent breakthroughs: *Provided,* That the regulatory authority may permit an operator to mine through an abandoned underground mine working where such mining through will achieve improved resource recovery, abatement of water pollution or elimination of public hazards;

(20) fill all auger holes to a depth of a minimum of three times the diameter with an impervious and noncombustible material; and

(21) construct access roads, haulroads, or haulageways with appropriate limits applied to grade, width, surface materials, spacing, and size of culverts in order to control drainage and prevent erosion outside permit area, and upon the completion of mining either reclaim such roads by regrading and revegetation or assure their maintenance so as to prevent erosion and siltation of streams and adjacent lands.

(c) The following performance standards shall be applicable to steep-slope surface coal mining and shall be in addition to those general performance standards required by this section: *Provided, however,* That the provisions of this subsection (c) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area:

(1) No spoil, debris, soil, waste materials, or abandoned or disabled mine equipment may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that where necessary spoil from the initial block or short linear cut necessary to obtain access to the coal seam may be placed on a limited specified area of the downslope: *Provided.* That the spoil is shaped and graded in such a way to prevent slides, erosion and water pollution and that the other requirements of subsection (b) can still be met.

(2) Complete backfilling with spoil material shall be required to a contour necessary to cover completely the highwall and return the site to the approximate original contour, which material will maintain stability following mining and reclamation.

(3) The operator may not disturb land above the top of the highwall unless the regulatory authority finds that such disturbance will facilitate compliance with the environmental protection standards of this section: *Provided, however,* That the land disturbed above the highwall shall be limited to that amount necessary to facilitate said compliance.

(4) No permit for a mining operation shall be issued for a period of time in excess of two years.

(5) For the purposes of this subsection, the term "steep-slope" is any slope above 20 degrees or such lesser slope as may be defined by the regulatory authority after consideration of soil, climate, and other characteristics of a region or State.

(6) With regard to postmining uses of land to which the performance standards of this subsection apply, any industrial, commercial, residential, or public facility development proposed for the affected land shall be shown by proper documentation to be:

(A) compatible with adjacent land uses;

(B) obtainable according to data regarding expected need and market;

(C) assured of investment in necessary public facilities;

(D) supported by commitments from public agencies where appropriate;

(E) practicable with respect to private financial capability for completion of the proposed development;

(F) planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and

(G) designed by a registered engineer in conformance with professional standards established to assure the stability, drainage and configuration necessary for the intended use of the site;

(d)(1) In cases where an industrial, commercial, residential, or public facility development is proposed for postmining use of the affected land, the regulatory authority may grant appropriate exceptions to the requirements for regarding, backfilling and spoil placement as set forth in subsection 211(b)(8) and in subsections 211(c) (1) and (2) of this Act, if the regulatory authority issues a written finding following public notice and public hearing pursuant to the provisions of section 214 that—

(A) after consultation with the appropriate land use planning agencies, if any, the proposed development is deemed to constitute a higher or better economic or public use of the affected land, as compared with the premining use;

(B) the higher or better economic or public use can be obtained only if one or more exceptions to the requirements for regrading, backfilling, and spoil placement as set forth in subsection 211(b)(8) and subsections 211 (c) (1) and (2) of this Act are granted.

(2) With respect to subsection 211(b)(12) and subsection 211(b)(13) of this Act, where postmining land use development is in compliance with all the requirements of this subsection and where the regulatory authority has found that an exception to the revegetation standards is necessary to achieve the postmining land use development, the regulatory authority may grant an appropriate exception allowing maintenance of the vegetative cover to be terminated in advance of the expiration of the five-year or ten-year periods of responsibility for establishment of a permanent vegetative cover at particular locations and times as specified in the approved schedule and reclamation plan.

(3) All exceptions granted under the provisions of this subsection may be effective for a period of not more than three years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that a substantial portion of the proposed development is in process of completion under terms of the approved schedule and reclamation plan.

(e) The regulatory authority may impose such additional requirements as he determines to be necessary.

SURFACE EFFECTS OF UNDERGROUND MINING OPERATIONS

Sec. 212. (a) In order to regulate underground coal mining operations, the Secretary shall promulgate rules and regulations embodying the following requirements and in accordance with procedures established under section 202 of this Act.

(b) Each permit issued under any approved State or Federal program pursuant to this Act and relating to underground coal mining shall require the operator to—

(1) provide for adequate support for the ground surface by assuring appropriate permanent underground mine support in order to prevent subsidence to the extent technologically and economically feasible, maximize mine stability, and the value and use of such surface lands, except in those instances where the mining technology used requires planned subsidence in a predictable and controlled manner;

(2) seal all portals, entryways, drifts, shafts, or other openings between the surface and underground mine workings when no longer needed for the conduct of the mining operations;

(3) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles created by the permittee from current operations through construction in compacted layers with incombustible and impervious materials and assure that the final contour of the waste accumulation will be compatible with natural surroundings and that the site is stabilized and revegetated according to the provisions of this section;

(4) With respect to the use of impoundments for the disposal of coal mine wastes, coal processing wastes or other liquid or solid wastes, incorporate the latest engineering practices for the design and construction of water retention facilities and construct such facilities to insure that the construction will be so designed to achieve necessary stability with an adequate margin of safety to protect the health and safety of the public and which, at a minimum, is compatible with that of structures constructed under Public Law 83–566 (16 U.S.C. 1006); that leachate will not pollute surface or ground water, and that no mine waste such as coal fines and slimes determined as unsuitable for construction constituents by sound engineering methods and design practices are used in the construction of water impoundments, water retention facilities, dams or settling ponds;

(5) establish on regraded areas and all other lands affected, a diverse and permanent vegetative cover capable of self-regeneration and plant succession and at least equal in extent of cover to the natural vegetation of the area;

(6) prevent off-site damages which may result from such mining operations;

(7) prevent the discharge of water-borne pollutants both during and after mining.

(c) In order to protect the stability of the land, the regulatory authority may prohibit underground coal mining under urbanized areas, cities, towns, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams.

(d) All operators of underground coal mines, both during and after mining, shall have abatement and remedial programs to eliminate any polluting discharge into our Nation's waters and to eliminate fire hazards and otherwise eliminate conditions which constitute a hazard to health and safety of the public.

(e) The provisions of title II of this Act relating to State and Federal programs, permits, bonds, inspection and enforcement, public review, and administrative and judicial review shall be applicable to surface coal mining and reclamation operations incident to underground coal mining with such modifications to the permit application requirements, permit approval or denial procedures, and bond requirements as are deemed necessary by the Secretary due to the differences between surface and underground coal mining. The Secretary shall promulgate such modifications in accordance with the rulemaking procedure established in section 202 of this Act.

REVISION AND REVIEW OF PERMITS

Sec. 213. (a) During the term of the permit the permittee may submit an application, together with a revised mining and reclamation plan, to the regulatory authority for a revision of the permit.

(b) An application for a revision of

a permit shall not be approved unless the regulatory authority finds that reclamation as required by this Act and the State or Federal program can be accomplished under the revised mining and reclamation plan. The revision shall be approved or disapproved within a period of time established by the State or Federal program. The regulatory authority shall establish guidelines for a determination of the scale or extent of a revision request for which all permit application information requirements and procedures, including notice and hearings, shall apply: *Provided*, That such revision or modification shall be subject to notice and hearing requirements established by the State or Federal program.

(c) Any extensions to the area covered by the permit except incidental boundary revisions must be made by application for another permit.

(d) The regulatory authority may require reasonable revision or modification of the permit provisions during the term of such permit: *Provided*, That such revision of modification shall be subject to notice and hearing requirements established by the State or Federal program.

(e) Permits issued pursuant to an approved State program shall be valid but reviewable under a Federal program. Following promulgation of a Federal program, the Secretary shall review such permits to determine if the requirements of this Act are being violated. If the Secretary determines that any permit has been granted contrary to the requirements of this Act, he shall so advise the permittee and provide ninety days for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Federal program.

(f) Permits issued pursuant to the Federal program shall be valid but reviewable under the approved State program. The State regulatory authority may review such permits to determine if the requirements of the approved State program are being violated. If the State regulatory authority determines that any permit has been granted contrary to the requirements of the approved State program, it shall so advise the permittee and provide ninety days for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the approved State program.

PUBLIC NOTICE AND PUBLIC HEARINGS

SEC. 214. (a) At the time of submission of an application for a surface mining and reclamation permit, or revision or renewal of an existing permit, pursuant to the provisions of this Act or an approved State program, the applicant shall submit to the regulatory authority a copy of his advertisement of the ownership, precise location, and boundaries of the land to be affected. At the time of submission such advertisement shall be placed in a local newspaper of general circulation in the locality of the proposed surface mine at least once a week for four consecutive weeks. Within seven days after the applicant has submitted his application, he shall also submit copies of letters which he has sent to various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the proposed surface mining will take place, notifying them of his intention to surface mine a particularly described tract of land and indicating the application's permit number and where a copy of the proposed mining and reclamation plan may be inspected. These local bodies, agencies, authorities, or companies have obligation to submit written comments within thirty days on the mining applications with respect to the effect of the proposed operation on the environment which are within their area of responsibility. Such comments shall be made available to the public at the same locations as are the mining applications.

(b) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed surface mining and reclamation operation with the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed and a hearing requested, the regulatory authority shall then hold a public hearing in the locality of the proposed mining within a reasonable time of the receipt of such objections. The date, time, and location of such public hearing shall be advertised by the regulatory authority in a newspaper of general circulation in the locality at least once a week for three consecutive weeks prior to the scheduled hearing date. The regulatory authority may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. At this public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with the applicable State and Federal laws. Not less than ten days prior to any proposed hearing, the regulatory authority shall respond to the written objections in writing. Such response shall include the regulatory authority's preliminary proposals as to the terms and conditions, and amount of bond of a possible permit for the area in question and answers to material factual questions presented in the written objections. The regulatory authority's responsibility under this subsection shall in any event be to make publicly available its estimate as to any other conditions of mining or reclamation which may be required or contained in the preliminary proposal. In the event all parties requesting the hearing stipulate agreement prior to the requested hearings, and withdraw their request, such hearings need not be held.

(c) For the purpose of such hearing, the regulatory authority may administer oaths, subpena witnesses, or written or printed materials, compel attendance of the witnesses, or production of the materials, and take evidence including but not limited to site inspections of the land to be affected and other surface mining operations carried on by the applicant in the general vicinity of the proposed operation. A verbatim transcript and complete record of each public hearing shall be ordered by the regulatory authority.

DECISIONS OF REGULATORY AUTHORITY AND APPEALS

SEC. 215. (a) If a public hearing has been held pursuant to section 214(b) of this Act, the regulatory authority shall issue and furnish the applicant for a permit and persons who are parties to the administrative proceedings with the written finding of the regulatory authority, granting or denying the permit in whole or in part and stating the reasons therefor, within thirty days of said hearings.

(b) If there has been no public hearing held pursuant to section 214(b) of this Act, the regulatory authority shall notify the applicant for a permit within a reasonable time, taking into account the time needed for proper investigation of the site, the complexity of the permit application and whether or not written objection to the application has been filed, whether the application has been approved or disapproved. If the application is approved, the permit shall be issued. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for the said disapproval. The regulatory authority shall hold a hearing within thirty days of such request and provide notification to all interested parties at the time that the applicant is so notified. Within thirty days after the hearing the regulatory authority shall issue and furnish the applicant, and all persons who participated in the hearing, with the written decision of the regulatory authority granting or denying the permit in whole or in part and stating the reasons therefor.

(c) Any applicant or any person who has participated in the administrative proceedings as an objector, and who is aggrieved by the decision of the regulatory authority, or if the regulatory authority fails to act within a reasonable period of time, shall have the right of appeal for review by a court of competent jurisdiction in accordance with State or Federal law.

POSTING OF BOND

SEC. 216. (a) After a surface mining and reclamation permit application has been approved but before such a permit is issued, the applicant shall file with the regulatory authority, on a form prescribed and furnished by the regulatory authority, a bond for performance payable, as appropriate, to the United States or to the State, under an approved State program, and conditioned that the operator shall faithfully perform all the applicable requirements under this Act. The bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface mining and reclamation operations. As succeeding increments of surface mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file with the regulatory authority an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the reclamation requirements of the approved permit and shall be determined by the regulatory authority. The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work had to be performed by a third party in the event of forfeiture; in no case shall the bond be less than $10,000. Liability under the bond shall be for the duration of the surface mining and reclamation operation and for a period coincident with operator's responsibility for vegetation requirements in section 211(b) (13). The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, except that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(b) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. If one or more negotiable certificates of deposit are deposited with the regulatory authority in lieu of the surety bond, he shall require the bank which issued any certificate to pledge securities of the aggregate market value to the amount of such certificate or certificates, which is in excess of the amount insured by the Federal Deposit Insurance Corporation. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(c) Upon the receipt of the deposit of cash or securities, the regulatory authority shall immediately place the deposit with, as appropriate, the Secretary of the Treasury or a similar State authority under an approved State program, who shall receive and hold the deposit in safekeeping in the name of the United States, or the appropriate State under an approved State program, in trust for the purpose for which the deposit was made. The operator making the deposit may from time to time demand and receive from the Secretary of the Treasury or the aforesaid State regulatory authority, on written order of the regulatory authority, the whole of any portion of the deposit if other acceptable securities of at least the same value are deposited in lieu thereof. The operator may demand of the Secretary of the Treasury, or the aforesaid State authority, and receive the interest and income from the securities as they become due and payable. When deposited securities mature or are called, the operator may request that the Secretary of the Treasury or the aforesaid State authority convert the securities into other securities acceptable to the operator, and the Secretary of the Treasury or the aforesaid State authority shall so do.

(d) The amount of the bond or deposit required shall be increased or decreased by the regulatory authority from time to time as affected land acreages are changed or where the cost of future reclamation increases or decreases.

BOND RELEASE PROCEDURES

SEC. 217. (a) When the operator completes the backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, he may report the completion to the regulatory authority, and request the release of 60 per centum of the bond or collateral for the applicable permit area. The request shall specifically include—

(1) the location of the land affected, the number of acres backfilled and regraded, and the approximate dates of the reclamation work;

(2) the permit number;

(3) the amount of the bond;

(4) a detailed description of the type of reclamation activities performed; and

(5) a detailed description of the results achieved as they relate to the operator's approved reclamation plan.

(b) Upon receipt of the notification and request, the regulatory authority shall, within one hundred days thereafter, make an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things, the degree of difficulty to complete any remaining reclamation, whether pollution of surface and subsurface water is occurring, the probability of continuance or future occurrence of such pollution, and the estimated cost of abating such pollution. If the regulatory authority finds that the reclamation meets the requirements of this Act, he shall so notify the operator and the Secretary of the Treasury or the appropriate State authority and release that portion of the bond requested. The Secretary of the Treasury or the appropriate State authority shall then return to the operator the amount of cash or securities constituting that portion of the bond so released. If the regulatory authority does not approve of the reclamation performed by the operator, he shall so notify the operator by registered mail within a reasonable time after the inspection and evaluation have been made. The notice shall state the reasons for unacceptability and shall recommend actions to remedy the failure.

(c) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan, the operator may request the release of additional bond or collateral for the applicable permit area. This request shall specifically include—

(1) location of the land, number of acres, and approximate dates of revegetation work;

(2) the permit number;

(3) the amount of bond sought for release; and

(4) a description of the revegetation work accomplished including seed bed and soil conditioning, the amount and timing of fertilizer application, the types of revegetation established and planting or seeding schedules and an estimate of vegetation survival and plant density.

Upon receipt of the notification and request, the regulatory authority shall within sixty days conduct an inspection and make such determinations as required in subsection (b) above. When determining the amount of bond to be released, the regulatory authority shall retain that amount of bond for the revegetated area which would be sufficient for a third party to cover the cost of reestablishing revegetation for the period of responsibility as specified in section 211 (b) (13) should failure occur.

(d) When the operator has completed successfully all surface mining and reclamation activities, but not before the expiration of the period specified for operator responsibility in section 211(b)(13), he may file a request as hereinbefore provided for release of any remaining portion of the bond. Upon receipt of the notification and request and within six months, the regulatory authority shall make an inspection and evaluation of the reclamation work. If the regulatory authority finds that the reclamation meets the requirements under this Act, he shall so notify the surety company, the operator, and the Secretary of the Treasury or the appropriate State authority and release that portion of the bond requested. The Secretary of the Treasury or the appropriate State authority shall then return to the operator the amount of the cash or securities constituting that portion of the bond so released. If the regulatory authority does not approve of the reclamation performed by the operator, he shall so notify the operator by registered mail within a reasonable time after the request. The notice shall state the reasons for unacceptability and shall recommend actions to correct the failure.

(e) With any application for total or partial bond release filed with the regulatory authority, the operator shall submit a copy of the first advertisement placed at least once a week for three consecutive weeks in a newspaper of general circulation in the locality of the surface mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the precise location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type of reclamation work performed. In addition, as part of any bond release application, the applicant shall also submit copies of letters which he has sent to various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the surface mining and reclamation activities took place, notifying them of his intention to seek release from the bond.

(f) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency shall have the right to file written objections to the proposed release from bond to the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed, and a hearing requested, the regulatory authority shall inform all the interested parties of the time and place of the hearing, and hold a public hearing in the locality of the surface mining operation proposed for bond release within forty-five days of the request for such hearings. The date, time, and location of such public hearings shall be advertised by the regulatory authority in a newspaper of general circulation in the locality once a week for three consecutive weeks.

(g) For the purpose of such hearing the regulatory authority shall have the authority and is hereby empowered to administer oaths, subpena witnesses, or written or printed materials, compel the attendance of witnesses, or production of the materials, and take evidence including but not limited to inspections of the land affected and other surface mining operations carried on by the applicant in the general vicinity. A verbatim transcript and a complete record of each public hearing shall be ordered by the regulatory authority.

(h) The regulatory authority shall make its decision on the bond release request not more than sixty days after the record of the hearing is transcribed.

(i) Any applicant or person who has participated in the administrative proceedings as an objector and who is aggrieved by the decision of the regulatory authority or if the regulatory authority fails to act within a reasonable period of time, shall have the right of appeal to an appropriate United States district court.

SUSPENSION AND REVOCATION OF PERMITS

SEC. 218. (a) Once granted, a permit may not be suspended or revoked unless the regulatory authority gives the permittee prior notice of violation of the provisions of the permit or of the State or Federal program pursuant to this Act and affords a reasonable period of time of not more than ninety days within which to take corrective action, and the regulatory authority determines after a public hearing, if requested by the permittee, that the permittee remains in violation: *Provided, however,* That the continuation of any mining operation endangers the public health or safety, threatens significant damage to public and private property, endangers the quality and quantity of a public or private water supply, or poses other significant harm to land, air, or water resources, the permit, or such portion of the permit related to the offending activity, shall be suspended subject to subsequent determination, after a public hearing, if requested by the permittee, whether the permittee has violated the provisions of the permit, State or Federal programs.

(b) Following the hearing or any corrective action on the part of the permittee, the regulatory authority must issue and furnish the permittee a written decision, independently verified by the regulatory authority, either affirming or rescinding the suspension and stating the reasons therefor. The permittee shall have the right to appeal such decision of the regulatory authority to an appropriate United States district court.

(c) If the regulatory authority revokes the permit of the operate, the operator shall immediately cease any and all surface coal mining operations on the permit areas and the regulatory authority shall declare as forfeited the performance surety bonds for the operation. The Secretary shall be notified immediately upon a revocation of any permit by any State regulatory authority.

INSPECTIONS AND MONITORING

SEC. 219. (a) The Secretary shall cause to be made such inspections of any surface mining and reclamation operations as are necessary to evaluate the administration of approved State programs, or to develop or enforce any Federal program, and for such purposes authorized representatives of the Secretary shall have a right of entry to, upon, or through any surface mining and reclamation operations.

(b) For the purpose of developing or assisting in the development, administration, and enforcement of any approved State or Federal program under this Act or in the administration and enforcement of any permit under this Act, or of determining whether any person is in violation of any requirement of any such State or Federal program or any other requirement of this Act—

(1) the regulatory authority shall require

any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the regulatory authority, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as a regulatory authority shall prescribe, and (E) provide such other information relative to surface mining and reclamation operations as the regulatory authority deems reasonable and necessary.

(2) for those mining and reclamation operations which remove or disturb strata that serve as aquifers which significantly insure the hydrologic balance or water use either on or off the mining site, the regulatory authority shall specify those—

(A) monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence;

(B) monitoring sites to record level, amount, and samples of ground water and aquifiers potentially affected by the mining and also directly below the lower most (deepest) and coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation. The monitoring, data collection, and analysis required by this section shall be conducted according to standards and procedures set forth by the regulatory authority in order to assure their reliability and validity; and

(3) the authorized representatives of the regulatory authority, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface mining and reclamation operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect any monitoring equipment or method of operation required under this Act.

(c) The inspections by the regulatory authority shall (1) occur on an irregular basis averaging not less than one inspection per month for the surface mining and reclamation operations for coal covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this Act and the regulatory authority shall make copies of such inspection reports immediately and freely available to the public at a central location in the pertinent geographic area of mining. The Secretary or regulatory authority shall establish a system of continual rotation of inspectors so that the same inspector does not consistently visit the same operations.

(d) Each permittee shall conspicuously maintain at the entrance to the surface mining and reclamation operations a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface mining and reclamation operations.

(e) Each inspector, upon detection of each violation of any requirement of any State or Federal program or of this Act, shall forthwith inform the operator in writing, and shall report in writing any such violation to the regulatory authority.

(f) Copies of any records, reports, inspection materials, or information obtained under this title by the regulatory authority shall be made immediately and freely available to the public at central and sufficient locations in the county, multicounty, and State area of mining so that they are conveniently available to residents in the areas of mining as well as in Washington, District of Columbia.

FEDERAL ENFORCEMENT

SEC. 220. (a)(1) Whenever, on the basis of any information available to him, including receipt of information from any person, the Secretary has reason to believe that any person is in violation of any requirement of this Act or any permit condition required by this Act, the Secretary shall notify the State regulatory authority, if one exists, in the State in which such violation exists. If no such State authority exists or the State regulatory authority fails within ten days after notification to take appropriate action to cause said violation to be corrected or to show good cause for such failure and transmit notification of its action to the Secretary, the Secretary shall immediately order Federal inspection of the surface coal mining operation at which the alleged violation is occurring unless the information available to the Secretary is a result of a previous Federal inspection of such surface coal mining operation. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection.

(2) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any condition or practices exist, or that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, which condition, practice, or violation also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the condition, practice, or violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the condition, practice, or violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section.

(3) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 201 or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, but such violation does not create an imminent danger to the health or safety of the public, or cause or can be reasonably expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative, shall issue a notice to the permittee or his agent fixing a reasonable time for the abatement of the violation. The Secretary, or his authorized representative, may extend the period of time as originally fixed, but in no event shall the original period or original period and extension exceed ninety days. If, upon expiration of the period of time as originally fixed or subsequently extended, the Secretary or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section.

(4) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 201, or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that a pattern of violations of any requirements of this Act or any permit conditions required by this Act exists or has existed, and if the Secretary or his authorized representative also finds that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this Act or any permit conditions, or that such violations are willfully caused by the permittee, the Secretary or his authorized representative shall forthwith issue an order to the permittee to show cause as to why the permit should not be suspended or revoked.

(5) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the surface coal mining and reclamation operation to which the notice or order applies. Each notice or order issued under this section shall be given promptly to the permittee or his agent by the Secretary or his authorized representative who issues such notice or order, and all such notices and orders shall be in writing and shall be signed by such authorized representative. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the Secretary or his authorized representative. A copy of any such order or notice shall be sent to the State regulatory authority in the State in which the violation occurs.

(b) Whenever the Secretary finds that violations of an approved State program appear to result from a failure of the State to enforce such State program effectively, he shall so notify the State. If the Secretary finds that such failure extends beyond thirty days after such notice, he shall give public notice of such finding. During the period beginning with such public notice and ending when such State satisfies the Secretary that it will enforce this Act, the Secretary shall enforce any permit condition required under this Act, shall issue new or revised permits in accordance with requirements of this Act, and may issue such notices and orders as are necessary for compliance therewith.

(c) The Secretary may request the Attorney General to institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the surface coal mining and reclamation operation is located or in which the permittee thereof has his principal office, whenever such permittee or his agent (A) violates or fails or refuses to comply with any order or decision issued by the Secretary under this Act, or (B) interferes with, hinders, or delays the Secretary or his authorized representative in carrying out the provisions of this Act, or (C) refuses to admit such authorized representative to the mine, or (D) refuses to permit inspection of the mine by such authorized representative, or (E) refuses to furnish any information or report requested by the Secretary in furtherance of the provisions of this Act, or (F) refuses to permit access to, and copying of, such records as the Secretary determines necessary in carrying out the provisions of this Act. Such court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in accordance with Rule 65 of the Federal Rules of Civil Procedure, as amended. Any relief granted by the court to enforce an order under clause (A) of this section shall continue in effect until the completion or final termination of all proceedings for review of such order under this title, unless, prior thereto, the district court granting such relief sets it aside or modifies it.

JUDICIAL REVIEW

SEC. 221. (a)(1) Any action of the Secretary to approve or disapprove a State program pursuant to section 203 of this Act or to prepare and promulgate a Federal program pursuant to section 204 of this Act shall be subject to judicial review only by the appropriate United States Court of Appeals upon the filing in such court within sixty days from the date of such action of a petition by any person who participated in the administrative proceedings related thereto and who is aggrieved by the action praying that the action be modified or set aside in whole or in part. A copy of the petition shall forthwith be sent by registered or certified mail to the Secretary, and the Attorney General and thereupon the Secretary shall certify, and the Attorney General shall file in such court the record upon which the action complained of was issued, as provided in section 2112 of title 28, United States Code.

(2) All other orders or decisions issued by the Secretary pursuant to this Act shall be subject to judicial review only in United States District Court for the locality in which the surface coal mining operation is located. Such review shall be in accordance with the Federal Rules of Civil Procedure. In the case of a proceeding to review an order or decision issued by the Secretary under section 224(b) of this Act, the court shall have jurisdiction to enter an order requiring payment of any civil penalty assessment enforced by its judgment. The availability of review established in this subsection shall not be construed to limit the operation of the rights established in section 223.

(b) The court shall hear such petition or complaint solely on the record made before the Secretary. The findings of the Secretary if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(c) In the case of a proceeding to review any order or decision issued by the Secretary under this Act, except an order or decision pertaining to any order issued under section 220(a)(2) of this title, the court may, under such conditions as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceedings if—

(1) all parties to the proceedings have been notified and given an opportunity to be heard on a request for temporary relief;

(2) the person requesting such relief shows that there is a substantial likelihood that he will prevail on the merits of the final determination of the proceeding; and

(3) such relief will not adversely affect the public health or safety or cause significant imminent environmental harm to land, air, or water resources.

(d) The commencement of a proceeding under this section shall not, unless specifically ordered by the court, operate as a stay of the action, order or decision of the Secretary.

(e) Action of the State regulatory authority pursuant to an approved State program shall be subject to judicial review by the court of competent jurisdiction in accordance with State law, but the availability of such review shall not be construed to limit the operation of the rights established in section 223.

REVIEW BY SECRETARY

SEC. 222. (a)(1) A permittee issued a notice or order pursuant to the provisions of subparagraphs (a)(2) and (3) of section 220 of this title, or any person having an interest which is or may be adversely affected by such notice or order or by any modification, vacation, or termination of such notice or order, may apply to the Secretary for review of the notice or order within thirty days of receipt thereof or within thirty days of its modification, vacation, or termination. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of the applicant or the person having an interest which is or may be adversely affected, to enable the applicant or such person to present information relating to the issuance and continuance of such notice or order or the modification, vacation, or termination thereof. The filing of an application for review under this subsection shall not operate as a stay of any order or notice.

(2) The permittee and other interested persons shall be given written notice of the time and place of the hearing at least five days prior thereto. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code.

(b) Upon receiving the report of such investigation, the Secretary shall make findings of fact, and shall issue a written decision, incorporating therein an order vacating, affirming, modifying, or terminating the notice or order, or the modification, vacation, or termination of such notice or order complained of and incorporate his findings therein.

(c) Pending completion of the investigation required by this section, the applicant may file with the Secretary a written request that the Secretary grant temporary relief from any notice or order issued under section 220(a)(3) of this title together with a detailed statement giving reasons for granting such relief. The Secretary may grant such relief, under such conditions as he may prescribe, if—

(1) a hearing has been held in the locality of the permit area on the request for temporary relief in which all parties were given an opportunity to be heard;

(2) the applicant shows that there is substantial likelihood that the findings of the Secretary will be favorable to him; and

(3) such relief will not adversely affect the health or safety of the public or cause significant, imminent environmental harm to land, air, or water resources.

(d) Following the issuance of an order to show cause as to why a permit should not be suspended or revoked pursuant to section 220(a)(4), the Secretary shall hold a public hearing after giving written notice of the time, place, and date thereof. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Within sixty days following the public hearing, the Secretary shall issue and furnish to the permittee and all other parties to the hearing a written decision, and the reasons therefor, concerning suspension or revocation of the permit. If the Secretary revokes the permit, the permittee shall immediately cease surface coal mining operations on the permit area and shall complete reclamation within a period specified by the Secretary, or the Secretary shall declare as forfeited the performance bonds for the operation.

ESTABLISHMENT OF RIGHT TO BRING CITIZENS SUITS

SEC. 223. (a) Except as provided in subsection (c) of this section, any person may commence a civil action on his own behalf—

(1) against any person (including (A) the United States, and (B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in violation of any regulation, order, or permit issued under this Act or of any provision of this Act.

(2) against the regulatory authority where there is alleged a failure of the regulatory authority to perform any act or duty under this Act which is not discretionary with the regulatory authority.

The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such or to order the regulatory authority to perform such act or duty, as the case may be, and to apply any appropriate civil penalties under this Act.

(b) Any resident of the United States who is injured in any manner through the failure of any operator to comply with the provisions of this Act, or of any regulation, order, permit, or plan or reclamation issued by the Secretary, may bring an action for damages (including attorney fees) regardless of the amount involved or citizenship of the parties, in an appropriate United States district court.

(c) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice of the alleged violation (i) to the Secretary, (ii) to the State in which the alleged violation occurs, and (iii) to any alleged violator of the regulation, order, or permit, or provision of this Act;

(B) if the Secretary or State has commenced and is diligently prosecuting a civil or criminal action in an court of the United States, or a State to require compliance with the regulation, permit, or order, or provision, but in any such action in a court of the United States any person may intervene as a matter of right;

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice of such action to the regulatory authority. Notice under this subsection shall be given in such manner as the Secretary shall prescribe by regulation.

(d) The court, in issuing any final order in any action brought pursuant to this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules or Civil Procedure.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of this Act or to seek any other relief (including relief against the Secretary or a State agency).

(f) The Secretary, if not a party in any action under this section, may intervene as a matter of right.

PENALTIES

SEC. 224. (a) In the enforcement of a Federal program or Federal lands program, or during Federal enforcement pursuant to section 201(f) or during Federal enforcement of a State program pursuant to section 220(b) of this Act, any permittee who violates any permit condition or who violates any other provision of this title, may be assessed a civil penalty by the Secretary, except that if such violation lends to the issuance of a cessation order under section 220, the civil penalty shall be assessed. Such penalty shall not exceed $10,000 for each violation. Each day of a continuous violation may be deemed a separate violation for purposes of penalty assessments. In determining the amount of the penalty, consideration shall be given to the permittee's history of previous violations at the particular surface coal mining operation; the appropriateness of such penalty to the size of the business of the permittee charged; the seriousness of the violation, including any irreparable harm to the environment and any hazard to the health or safety of the public; whether the permittee was negligent; and the demonstrated good faith of the permittee charged in attempting to achieve rapid compliance after notification of the violation of the violation.

(b) A civil penalty shall be assessed by the Secretary only after the person charged with a violation described under subsection (a) of this section has been given an opportunity for a public hearing. Where such a public hearing has been held, the Secretary shall make findings of fact, and he shall issue a written decision as to the occurrence of the violation and the amount of the penalty which is warranted, incorporating, when appropriate, an order therein requiring that the penalty be paid. Where appropriate, the Secretary shall consolidate such hearings with other proceedings under section 220 of this Act. Any hearing under this section shall be of record and shall be subject to section 554 of title 5 of the United States Code. Where the person charged with such a violation fails to avail himself of the opportunity for a public hearing, a civil penalty shall be assessed by the Secretary after the Secretary has determined that a violation did occur, and the amount of the penalty which is warranted, and has issued an order requiring that the penalty be paid.

(c) If no complaint, as provided in section 224 of this Act, is filed within thirty days from the date of the final order or decision issued by the Secretary under subsection (b) of this section, such order and decision shall be conclusive.

(d) Interest at the rate of six percent per annum shall be charged against a person on any unpaid civil penalty assessed against him pursuant to the final order of the Secretary, said interest to be computed from the thirty-first day after issuance of such final assessment order.

(e) Civil penalties owed under this Act, either pursuant to subsection (c) of this section or pursuant to an enforcement order entered under section 221 of this Act, may be recovered in a civil action brought by the Attorney General at the request of the Secretary in any appropriate district court of the United States.

(f) Any person who willfully and knowingly violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 201(f) or during Federal enforcement of a State program pursuant to section 222(a) of this Act or fails or refuses to comply with any order issued under section 222(a) or section 222(b) of this Act, or any order incorporated in a final decision issued by the Secretary under this Act, except an order incorporated in a decision issued under subsection (b) of this section or section 703 of this Act, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(g) Whenever a corporate permittee violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 201(f) or Federal enforcement of a State program pursuant to section 220(b) of this Act or fails or refuses to comply with any order issued under section 220(a) or section 220(b) of this Act, or any order incorporated in a final decision issued by the Secretary under this Act except an order incorporated in a decision issued under subsection (b) of this section or section 703 of this Act, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure, or refusal shall be subject to the same civil penalties, fines, and imprisonment that may be imposed upon a person under subsections (a) and (f) of this section.

(h) Whoever knowingly makes any false statement, representation, or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to a Federal program or a Federal lands program or any order or decision issued by the Secretary under this Act, shall, upon conviction be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(i) As a condition of approval of any State program submitted pursuant to section 203 of this Act, the civil and criminal penalty provisions thereof shall, at a minimum, incorporate penalties no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

FEDERAL LANDS

SEC. 225. (a) The Secretary shall promulgate and implement a Federal lands program which shall be applicable to all surface mining and reclamation operations taking place pursuant to any Federal law on any Federal land. The Federal lands program shall, at a minimum, incorporate all of the requirements of this Act and shall take into consideration the diverse physical, climatological, and other unique characteristics of the Federal lands in question.

(b) Within ninety days after the date of enactment of this Act, the interim environmental protection standards are to be made part of every existing surface coal mining operation on Federal lands within any State.

(c) Within eighteen months after the date of enactment of this Act, all requirements of this Act through the Federal lands program shall be incorporated by reference or otherwise in any Federal mineral lease, permit, or contract issued by the Secretary which may involve surface coal mining and reclamation operations or surface impacts of underground coal mines. Incorporation of such requirements shall not, however, limit in any way the authority of the Secretary to subsequently issue new regulations, revise the Federal lands program to deal with changing conditions or changed technology, and to require the lease, permit, or contract holder to conform any surface mining and reclamation operations to the requirements of this Act and the regulations issued pursuant to this Act. The Secretary may require as one of the terms and conditions of any permit, lease, or contract to surface mine coal owned by the United States that the lessee, permittee, or contractor give satisfactory assurances that the antitrust laws of the United States will be complied with and that no class of purchasers of the mined coal shall be unreasonably denied purchase thereof.

(d) The Secretary may enter into agreements with a State or with a number of States to provide for a joint Federal-State program covering a permit or permits for surface mining and reclamation operations on land areas which contain lands within any State and Federal lands which are interspersed or checkerboarded and which should, for conservation and administrative purposes, be regulated as a single-management unit. To implement a joint Federal-State program the Secretary may enter into agreements with the States, may delegate authority to the States, or may accept a delegation of authority from the States for the purpose of avoiding duality of administration of a single permit for surface mining and reclamation operation. Such agreements shall, at a minimum, incorporate all of the requirements of this Act, and shall not preclude Federal inspection or enforcement of the provisions of this Act as provided in sections 219 and 220.

(e) Except as specifically provided in subsection (d), this section shall not be construed as authorizing the Secretary to delegate to the States any authority or jurisdiction to regulate or administer surface mining and reclamation operations or other activities taking place on the Federal lands.

(f) This section shall not be construed as authorizing the Secreary to delegate to the States any authority or jurisdiction to regulate or administer surface mining and reclamation operations or other activities taking place on Indian lands or to delegate to the States trustee responsibilities toward Indians and Indian lands.

(g) During the period prior to approval of a Federal program pursuant to this Act, including judicial review of the approval of a Federal program, existing coal surface mining operations on Federal land and Indian land may continue surface mining operations as provided in section 201(h).

SPECIAL BITUMINOUS COAL MINES

SEC. 226. The regulatory authority is authorized to and shall issue separate regulations for the interim and permanent programs for those special bituminous coal surface mines which meet the following criteria:

(a) were in existence on the date of the Act and because of past duration of mining (at least ten years) have substantially committed to a mode of operation which warrants exceptions to some provisions of this title;

(b) involves the mining of more than one coal seam and where mining has been initiated on the deepest coal seam contemplated to be mined in the current operation;

(c) involves a mining operation that follows the coal seam on an inclination of fifteen degrees or more from the horizontal;

(d) involves an operation on the same site for the duration of the mining operation, and will under present mine plan conditions result in a pit depth in excess of nine hundred vertical feet from the original land surface.

Such alternative regulations shall pertain only to the standards governing on-site handling of spoils, elimination of depressions capable of collecting water, creation of impoundments, and regarding to approximate original contour and shall specify that remaining highwalls are stable; all other performance standards in this title apply.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that further reading of title II be dispensed with, that it be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. HOSMER. Mr. Chairman, reserving the right to object, I do so for the purpose of again asking the gentleman from Arizona as to his intentions respecting getting the membership out of here by 10 minutes to 5—or the Committee rising, at least, so that they have an opportunity to catch their airplanes.

Mr. UDALL. Mr. Chairman, if there is no objection to my request, it would be our purpose on this side at 10 minutes to 5 to move that the Committee do now rise.

Mr. HOSMER. I thank the gentleman.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

AMENDMENT OFFERED BY MR. MELCHER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. MELCHER. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. MELCHER to the committee amendment in the nature of a substitute: Section 210(f)(1), page 182, line 22, insert period after "permit" and strike remainder of lines 22 and 23.
>
> Line 22, insert after "permit", the following: "The holder of the permit may apply for renewal and such renewal shall be issued, subsequent to public hearing upon the following requirements and written finding by the regulatory authority that—".
>
> Page 183, line 18: insert period after "authorities", strike remainder of lines 18 and 19.
>
> Section 214(a), page 204, line 18, strike "or renewal".
>
> Section 214(b), page 205, line 19, insert after "proposed", "initial or revised application for a permit for".

Mr. MELCHER. Mr. Chairman, I will try not to take 5 minutes. I want to tell the committee briefly what we are trying to do with this amendment. The section referred to is the section that deals with the renewal of the mining permits after 5 years. It is envisioned that quite a few operations will want a renewal after the 5-year period. At the end of 5 years, then under the amendment they must have a hearing called by the regulatory authority As a result of that hearing, the regulatory authority will make a written finding that A, B, C, D, and E of this section have been complied with.

It will provide the public the opportunity to be present to make its questions known, to hear what is discussed prior to the renewal, and if they care to object to the renewal, they can voice their objections then on the points of A, B, C, D, and E.

As the bill came to the floor it requires that section 214 requirements apply to renewals. Section 214 does go into more detail and is drafted more for the initial application for a permit or for a revision of an application or a revision of a permit.

We find that we are more consistent in putting the hearing requirement for renewals in this section of the bill, and we do satisfy some objections that have been raised by business interests against the bill who have been advised by bonding companies that anything that would cause doubts and a renewal after 5 years or place it in jeopardy or cause undue delay would create a problem with bonding.

It is understood that provisions required in the act must have been, complied with during the life of the first permit and that a public hearing is held and the regulatory authority makes a written finding that the operator is in full compliance with environmental standards of the act, and the terms and conditions of the existing permit and will continue to do when renewed, has provided a performance bond as required, and that appropriate public authorities have been notified that a renewal of the permit is being considered.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Michigan.

Mr. RUPPE. I want to thank my colleague for offering this amendment. I think it is a very wise, virtually an essential amendment if we are going to have major undertakings developed for either mining, gasification or liquefaction of coal.

The fact of the matter really is that bonding companies will not extend 20-year coverage to any mining company or any firm if they have to go through all of the detailed provisions that are in this legislation at the end of the first 5-year period. We simply must make the renewal procedures more simplified and easier to achieve and give the companies that want to operate over a long period of time and need capital investment which will be amortized over 10 or 15 or 20 years the assurance to their bonding company that they have a likely opportunity for staying in business for that period of time.

Mr. MELCHER. Mr. Chairman, I yield to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, I would like to strongly support this amendment. The Southern County Gas Co. in my area in southern California is planning to build a plant to cost approximately a half billion dollars to produce 1½ billion cubic feet of gas by 1983.

If the bill goes through, they will not be able to get their long-term financing for the plant.

I think this is a good amendment. I personally would still have to come in every 5 years and show that they have complied, but they would not have to go through the complicated machinery provided by this bill. They would have to go through only with the initial proceeding for their permit.

Mr. Chairman, I support the amendment.

Mr. MELCHER. Mr. Chairman, I yield to the gentleman from California (Mr. KETCHUM.)

Mr. KETCHUM. Mr. Chairman, I thank the gentleman for yielding.

I am in doubt as to why this is necessary. In the bill it says:

> Any valid permit issued pursuant to this Act shall carry with it the right of successive renewal . . .

Please take a look at pages 182 and 183.

What we are really saying to this individual is that he has done everything right; he has his 5-year permit.

Mr. MELCHER. May I say to the gentleman from California that if he will turn to page 183, lines 18 and 19, he will see that part of the requirements refer to the steps taken in section 214.

Mr. KETCHUM. If the gentleman will yield further, I understand that, but I do not know why whoever your operator is has to go back for another public hearing after he has acceded to everything and he has done everything right, and he cannot get a permit renewal unless he has. I do not see why he has to go to another public hearing.

Mr. MELCHER. Mr. Chairman, I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Chairman, I would say to my friend, the gentleman from California, that what he said is correct, but a closer examination of the section with respect to the ability to renew mining permits reveals that such a right is substantially conditioned, if not neutralized, at 210(f)(1)(E) by the requirement that prior to the approval of the permit, the regulatory authority must provide notice to the appropriate authorities and take "other steps as required" by section 214.

The CHAIRMAN. The time of the gentleman from Montana has expired.

(On request of Mr. UDALL and by unanimous consent, Mr. MELCHER was allowed to proceed for 5 additional minutes.)

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I will be glad to yield to the gentleman from California.

Mr. HOSMER. I find on page 182, line 22, that the gentleman strikes certain language that reads as follows: "the finding . . . by the regulatory authority," and then he inserts in lieu thereof this language:

> The holder of the permit may apply for renewal and such renewal shall be issued, subsequent to public hearing upon the following requirements and written finding by the regulatory authority that—

Then we go to (A), (B), and (C).

I do not really understand the difference between the language which the gentleman wishes to strike and that which the gentleman wishes to insert insofar as its effect in law goes.

Mr. MELCHER. May I say to the gentleman from California that when in paragraph E we struck reference to section 214, we then removed the requirement for a public hearing, so it was necessary, if we wanted to retain the public hearing—and we do on the renewal of the permits—it was necessary then to restructure that sentence in (f)(1).

I think that the gentleman, if he will review it carefully, will find that it is consistent and sound and meritorious.

Mr. HOSMER. Mr. Chairman, if the gentleman will yield further, this mention was made by the gentleman in his preliminary remarks: that this is in connection with 5-year permits.

We also have 2-year permits in areas which are being mined where there are steep slopes.

Will the gentleman's language apply as well to the steep slope mining people with the 2-year permits as it does to the 5-year permits, or is it just applicable to the 5-year permit situation?

Mr. MELCHER. Mr. Chairman, I wish to yield to the gentleman from Arizona (Mr. UDALL) for the answer to that question.

Mr. UDALL. Mr. Chairman, the answer to the question is: Yes, it would apply to the renewal of any permit.

Mr. Chairman, if the gentleman will yield further, this is a good amendment, and it shows what we have been trying to do.

We have instances where industry comes in and says, "Look, we are going to invest a billion dollars in a large coal gasification plant, and yet you are going to put us through the full renewal procedure every 5 years."

This is a sensible attempt by the gentleman from Montana (Mr MELCHER) to shortcut and simplify the renewal procedure for an ongoing mining operation. I think it is a fair amendment and one which should be adopted.

Mr. HOSMER. Mr. Chairman, will the gentleman yield further?

Mr. MELCHER. I am happy to yield to the gentleman.

Mr. HOSMER. Mr. Chairman, I will ask the gentleman this:

Will this apply only to mining for the purposes of coal gasification and things like that, or does it apply in all instances?

Mr. UDALL. Mr. Chairman, if the gentleman from Montana will yield to me, I will answer the question.

No. There is a general application here to all renewals. But the impetus for the amendment came from industry. In trying to get some of these very large gasification plants started, they have found difficulty because of the complicated renewal procedure we had.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, with respect to the 2-year permits, we have run into this problem: That the 2-year operators on steep slopes will, if H.R. 11500 is enacted, have to acquire a great deal of very expensive machinery. I do not mean it is very expensive in terms of expense to Consolidation Coal Co. or some of the big outfits, but I do mean it is very expensive in relation to the small operators, and they are the operators who operate mostly on steep slopes.

Under a 2-year permit, it is impossible for them to get financing because 2 years is simply not long enough to assure the lender that they will have the earnings to pay back the loan.

Does this provision offered by the gentleman from Montana have any relevance to that problem? If so, what is it, and does it sufficiently guarantee the renewal of a permit, in the gentleman's opinion, in order to overcome the banker's reluctance to get into a tenuous situation?

Mr. UDALL. Mr. Chairman, will the gentleman yield further?

Mr. MELCHER. I would be glad to yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, this provides for the renewal of all permits, the 2-year permits and the 5-year permits. But it does not change the basic decision the committee made.

The committee felt that so much damage has been done from deep-slope mining, as compared to open-area mining, there ought to be a shorter permit. We had proposals for 10-year permits and for 1-year permits, and we finally agreed on 2- and 5-year formulas.

Mr. Chairman, we think this makes it easier for the mining industry to comply and to renew permits in both cases.

Mr. MELCHER. Mr. Chairman, I urge the adoption of the amendment.

Mr. RUPPE. Mr. Chairman, I move to strike the requisite number of words.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to my colleague, the gentleman from California.

Mr. HOSMER. Mr. Chairman, I thank the gentleman for yielding.

I am still having a great deal of difficulty with the explanation given by the gentleman from Arizona (Mr. UDALL) as to how this is an improvement to be wrought upon this language and as to the assurances he has given.

When I take this large, heavy bill away with me for the weekend, I will try to read it, and I hope that the Members will take this large, heavy bill home with them and read every word of it so that we may have an interesting discussion about it in the days and weeks ahead.

Mr. RUPPE. If the gentleman will notice, the language that the gentleman from Montana (Mr. MELCHER) has deleted, refers to section 214, public notice and public hearings, and the language in the committee bill prior to the submission of the amendment would suggest that to any renewal all the provisions of section 214 would apply, and would make it rather cumbersome at the time of a renewal for a company to secure renewal of either a 2- or a 5-year permit. At the same time, on page 206 there is also reference to the burden of proof in a request which establishes a renewal permit. The burden-of-proof problem I think would make it very difficult and burdensome for a company which had originally secured a permit to be again forced at the time of a renewal to carry the burden of proof. So the amendment simplifies the procedure, it deletes the burden-of-proof provision, so to speak, at the time of renewal. And yet in terms of gaining a bond or in terms of gaining finances, it would make it much easier for the company undergoing long-term mining or gasification, to secure that type of bond or that type of financing.

Mr. HOSMER. Mr. Chairman, if the gentleman will yield further, do I understand, then, that the real key is the deletion on page 204, line 18, of the words "or renewal"?

Mr. RUPPE. I believe that renewal strikes at the heart of the amendment. It is the renewal that we want to simplify. We are trying to relieve the operator from carrying the burden of proof of securing another permit application.

Mrs. BURKE of California. Mr. Chairman, if the gentleman will yield, I rise in support of the amendment offered by the gentleman from Montana (Mr. MELCHER). I would like to call the attention of my colleague, the gentleman from California (Mr. HOSMER) as to just how urgent it is to have some simplification of the procedure for securing of permits in southern California, where we are attempting to get a gasification plant, and there it depends upon the financing of that plant, so it becomes very important that we have some kind of assurances that it will be long-term financing, unless we do have some assurances that we can do this as long as the project is in accordance with and complies with the permit.

Mr. HOSMER. Mr. Chairman, if the gentleman will yield still further, I assure the gentlewoman from California that I completely understand the point she is making. I, too, have received visitations from Pacific Light Corp. who have a vast interest in this particular matter. As a matter of fact, I am sympathetic with the gentlewoman's viewpoint. What bugs me, however, is the language that is still in the bill at page 206, lines 8 to 10, which insist that there be a public hearing, and that the applicant for a permit shall have the burden of establishing that his application is in compliance with the applicable State and Federal laws.

The usual situation is that one is innocent until proven guilty. In this instance, there is a question in California that the gentlewoman is concerned about that will put a tremendous burden of proof upon the applicant to retain the renewal. As a consequence, I am wondering whether or not the bonanza that the amendment has been painted out to be is in fact present as long as this language that I have just quoted from on page 206 still remains.

Mr. RUPPE. I would make one final comment: We are trying to work out here the problem of permit renewals. We do have a question of burden of proof in initial applications that the gentleman has referred to on line 8, on page 206; it is something that we will probably have to address ourselves to.

Mrs. MINK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to answer the question raised by the gentleman from California (Mr. HOSMER).

As a result of the amendment that has been offered by the gentleman from Montana (Mr. MELCHER), the full section relating to public notice and public hearings, section 214, now does not cover renewal. So the gentleman's reservation that certain language on page 206 does not fully cover the problems that have been cited with regard to the gas companies who have suggested this amendment, is completely irrelevant.

By removing the reference of section 214 to the renewal section on page 183, we are saying that so long as the companies have had a valid permit and they show they are in complete compliance with the terms and conditions of their existing permit, and show they are in full compliance with the environmental standards and all of the other requirements of their permit, that after having a public hearing, the regulatory authority may renew that permit for an additional 5 years. So both amendments en bloc that the gentleman from Montana has offered will totally correct the renewal problem.

I support the Melcher amendment and urge its adoption.

Mrs. BURKE of California. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentlewoman from California.

Mrs. BURKE of California. Mr. Chairman, I wish to voice my strong support for H.R. 11500. The House Interior Committee, of which I am a member, has worked long and hard on this bill to provide sound environmental protection of the Nation's abundant coal lands without sacrificing much-needed energy resources. I believe the committee has done a good job on a difficult and complex piece of legislation. Congressman UDALL and Congresswoman MINK should be especially commended for the dedication and commitment they have shown.

There is no question that unregulated strip mining has caused untold destruction of our mineral lands throughout the country and particularly throughout the Appalachian region. With the prospect of vastly increased coal production as a result of current domestic energy shortages, it is absolutely essential that this Congress pass legislation to prevent the uncontrolled ravaging of our natural environment.

Coal is the most abundant energy resource in the United States today, accounting for more than 90 percent of our hydrocarbon reserves. Yet, in 1973 coal contributed only 18 percent of the Nation's total energy requirements, while oil and natural gas supplied more than three-fourths. It is clear that the need for coal-derived energy will increase dramatically over the next few years. But it is equally clear that we can meet this need in the long term only by developing and expanding our deep-mining capability. It is estimated that 97 percent of our total coal reserves is recoverable by deep mining and only 3 percent is recoverable by strip mining.

Thus we must look to long-term solutions to our energy problems, without of course neglecting our short-term interests and requirements. I believe the committee bill addresses itself to both of these considerations. While the bill clearly provides stringent environmental safeguards and demands full reclamation of strip-mined lands, it does not ban the strip mining of coal.

In addition to developing our deep mining capabilities, we must begin to develop such promising energy sources as geothermal, solar and ultimately fusion energy.

One of the more promising developments in the energy field has been the refinement of coal gasification technology. Natural gas is one of the cleanest fuels available, but even more than oil, it is in short and limited supply. Much effort, however, has gone into developing an industrial process whereby coal can be converted into clean-burning natural gas.

The Southern California Gas Co., like many other gas companies, has made substantial investments in the development of this process. The technology has been refined to the point where Southern California Gas is expected to begin construction of a major coal gasification plant near Four Corners, N. Mex., later this year. This plant, exclusive of the coal mining, transporting and processing operations, represents an energy investment of approximately $450 million, with over $60 million earmarked for environmental protection.

While Southern California Gas will be dependent on strip-mined coal for use in their New Mexico plant, I am pleased to note that the company supports the environmental standards and the reclamation requirements in the committee bill. However, I am concerned that Southern California Gas and other companies in similar positions may find it difficult to obtain long-term financing for their projects as an unintentional result of the permit renewal system.

Under section 208 of the committee bill, surface mining permits are granted for a term not to exceed 5 years. Section 209 provides for the renewal of permits, but only according to the procedural requirements prescribed for original applications. But it may be difficult to attract investors for a project such as the above unless there is some assurance that the facilities will be fully operational over the life of the project as long as the environmental requirements of this bill are fully carried out. I would support amendatory language to this effect to insure the development of this promising technology.

In the end, we have only one Earth. We must learn to balance the competing needs of our environment with those of our modern society. I believe this bill goes a long way toward meeting this tremendous challenge.

Mr. HECHLER of West Virginia. Mr. Chairman, I move to strike the last word.

I am rather puzzled at this amendment, because the only arguments I have heard for it are that it is going to make it easier for industry and the gas companies, and I should just like to know what it does for people. For example, what protection is afforded in the renewal of permits on those slopes greater than 20 degrees in the East? That is where the greatest damage has been done as a result of strip mining. This has been characterized as a softening amendment and one requested by industry.

I should like to ask the gentleman from Montana for his observations on what this amendment will do to the people in the mountains.

I can see that this would be a very useful amendment so far as the West is concerned.

Mr. MELCHER. If the gentleman will yield, the procedure that would be called for would be to demonstrate that the regulatory agency having authority after public hearing had found that the act had been complied with. That would require whatever requirements there are on the steep slopes.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Arizona.

Mr. UDALL. I thank the gentleman for yielding.

The applicant for renewal must make it very clear that steep slopes and any place else must show, reading from page 183:

> . . . the present surface mining and reclamation operation is in full compliance with the environmental protection standards of this Act . . .

Including steep slopes and all the rest.

Mr. HECHLER of West Virginia. I simply observe that during the course of the committee hearings a number of weakening amendments suggested by industry were accepted and adopted, and it seems to me that we are going even further in the same direction here on the floor.

Mr. MELCHER. Mr. Chairman, the committee strip mine bill, H.R. 11500, as presented to the House protects property owners' rights where the coal under amended homestead laws was reserved for Federal ownership. Pacific Power and Light, a utility company that serves the Northwest including parts of Montana, Wyoming, Idaho, Oregon, Washington, and California, contends that obtaining consent of the landowner to strip mine federally owned coal will force up the price of electricity.

They recommend condemnation procedures be legislated to settle landowners' interests that would expedite mining of coal they have under Federal lease. They have urged me to consider this alternative to protecting surface owners' rights in the manner that the bill now does it.

Condemnation by a coal company or an electric utility company to move aside a landowner and strip mine is a harsh remedy. Their motives should be examined as a case in point:

What does the land cost per acre?

How much coal per acre lies under the land?

How much return would the Government receive for the coal?

Pacific Power & Light has 15 Federal leases in Wyoming, and 5 in Montana which they share with Decker Coal Co. and Peter Kiewitt Co. I shall include with this statement a list of these leases, the acreage of each, and the date and method acquired as provided to me by the Bureau of Land Management.

Federal coal leases may be obtained through a preference right system or through competitive bonus bidding. In either case Pacific Power & Light is required to pay 50 cents per acre per year to retain each lease. On about half of their leases, obtained through competitive bidding, they paid a bonus of $1.01 to $2.28 per acre which, unlike the 50 cents per acre rental, is only paid once. One lease in Montana held in the name of Peter Kiewitt Co. had a bonus payment of $18.25 per acre.

The Federal lease by itself does not assure Pacific Power & Light that they can mine the coal. First the Interior Department must approve a mining plan and then issue a mining permit.

Pacific Power & Light purchased 5,880 acres of land in Wyoming on some Federal coal leases that they hold. They are in the process, they say, of attempting to buy more land from the owners. While they have not contacted all the owners involved in their 27,146 acres of Federal coal leases in Wyoming, Pacific Power & Light officials say that some of the owners that have been contacted have requested settlements for sale of their land which include compensation for inconveniences, costs of moving and for what they describe as fringe benefits which range from $750 to $1,000 per acre. That is what Pacific Power & Light would pay for ownership of the land and to completely eliminate any claims of the landowner.

How much coal is there per acre? Three of their leases picked at random in Wyoming and Montana, as reported by the U.S. Geological Survey have coal veins 21 to 43 feet thick lying underground from 26 to 150 feet. That averages each acre of land covers 55,000 tons of coal. Current contract prices for such coal is around $4 per ton.

Pacific Power & Light—and other companies with Federal coal leases—pay 50 cents per year per acre, and have some leases that they paid a bonus of $1 per acre or more, and will pay a royalty of 17½ cents per ton or 6 percent of the value of the coal to the United States when and if it is mined. The value of the coal in the case in point is $220,000 per acre. So settling up with the landowner is going to drive up the cost of electricity? In the case in point Pacific Power & Light is calling the price they are paying for the land and all incidental costs to remove all claims of the surface owner as excessive and inflationary. They have not contacted all of the landowners but object to the fact that the ones that they have contacted are asking as much as four-tenths of 1 percent of the value of the coal, and 1½ cents per ton, for coal that lies under the land. Windfall profit has been mentioned. The coal is federally owned, the lease costs are nominal, the royalty paid to the United States is 17½ cents per ton, or 6 percent, the coal seams are so thick production will run in a range around 55,000 tons per acre.

Windfall for whom?

The western homestead land, if it is to be strip mined, needs to be protected by a firm Federal policy. A basic policy we have approved in the committee bill requires consent of the landowner to have his land strip mined for the Federal coal. That is step No. 1.

Then the Interior Department must overhaul their leasing policy, making it relevant to current values of coal, obtain environmental impact statements as required by law, prevent coal leases from being obtained and held by speculators contrary to the public's interest and provide for realistic return to the Federal Government—17½ cents per ton is too low for coal worth $4 and more per ton. The Interior Department is now proposing 6 percent of the value as an alternative royalty and that is still too low.

Interior Secretary Rogers Morton is preparing a new policy for U.S. owned coal known as the energy minerals allocations recommendations system which he launched several months ago. An environmental impact statement is being circulated. Public hearings will be held in Salt Lake City, Billings, Casper, and Denver in August and comments will be received until August 30. A moratorium on new Federal coal leases and approval on mining plans and mining permits began in early 1971, except for a few ongoing operations where it was necessary to approve new mining permits to avoid shutting down a mine.

The public interest in what is to happen to our public lands and where they are to be strip mined for coal must be protected in the new policy that is being developed. I have called oversight hearings for August 12 and 13 to be held by the Public Lands Subcommittee of the Interior Committee to receive testimony from the Interior Department and the public as to the effect of the development of the energy minerals allocation recommendations system.

I believe it is timely and pertinent to chart the development of Federal coal—establish the guidelines. This bill, H.R. 11500, can set those guidelines for reclamation and protection of our land and water by strong and clear language. It must also protect private property rights of individuals, and I believe it unjust if we did not assure landowners the right to protect that surface—and the right to deny consent for it to be stripped instead of mined by underground methods. It is not going to break the coal companies, the utility companies, or anyone else to allow them a penny or two per ton of coal for being uprooted to start a new enterprise and a new life.

I include the following:

LEASES—PACIFIC POWER & LIGHT CO.

State	Serial number	Acreage	Type laase		Date issued
			Competitive	Preference	
MONTANA					
1	MO57934	7*0.0	× ($1.015)		Oct. 1, 1963
2	MO69782	2,346.7	× ($1.01)		July 1, 1965
Total		3,066.7			
Decker Coal Co. leases:					
1	MO57934-A	1,840.5	× ($1.015)		Oct. 1, 1963
2	MO61685	2,360.2	× ($1.00)		Mar. 1, 1964
3	MO73093	9,409.5	× ($18.25)		Aug. 1, 1966
Total		13,610.2			
WYOMING					
1	W2727	2,880.0		×	Oct. 1, 1969
2	W2728	1,280.0		×	Do.
3	0321780	2,908.0	× ($1.17)		Dec. 1, 1966
4	0322255	1,869.0	× ($2.00)		Do.
5	0312917	480.0		×	Apr. 1, 1967
6	0312918	3,779.0	× ($2.28)		June 1, 1965
7	0313558	4,276.0		×	Jan. 1, 1968
8	0313559	640.0	× ($2.28)		June 1, 1965
9	0244167	1,803.0	× ($1.31)		June 1, 1963
10	092140	671.0		×	July 1, 1962
11	092141	2,480.0		×	Do.
12	C054769	120.0	×[1]		May 31, 1963
13	038597	1,400.0		×	Aug. 1, 1958
14	038602	2,000.0		×	June 1, 1956
15	041355	560.0	× ($1.26)		July 2, 1956
Total acres		27,146.0	11,679	15,467	

[1] No bonus.

LEASES BY PACIFIC POWER & LIGHT CO. AND DECKER COAL

MONTANA

1. Private leases, 2, 200 acres.
2. State leases, 8, 2,760 acres.
3. Federal leases, 3, 16,676 acres.

WYOMING

1. Private leases, 1, 13,960 acres.
2. State leases, 17, 16,800 acres.
3. Federal leases, 15, 27,146 acres.

Total acres leased in Montana and Wyoming—78,210 acres.

Mr. SLACK. Mr. Chairman, during the previous Congress, in October 1972, the House considered and passed a surface mining bill which was offered as a means of protecting the environment. It was a harsh and punitive bill which fortunately was never finally enacted into law. Under the cover of environmental protection, it would have destroyed the coal industry.

I speak on this subject today with a sense of disappointment, because I had hoped that those who support surface mining reclamation would have learned a few things since 1972. I hoped that, given more time for study and assembly of facts, the supporters of this legislation would apply a broader gage to their thinking. Such, however, is not the case.

We are asked to approve for passage a proposal based largely on guesswork, just as in 1972. During 1971–72 the continuous roar of agitation for Federal surface mining legislation was based on the cry: "You cannot reclaim the land."

We do not hear that any more. The passage of time and more careful research by competent authorities reveals that the land can be reclaimed, and very often can be made more economically and socially useful than it was originally.

So we are back again to consider the same type of proposal. It is not an environmental protection law at all, or it would call for fair and equal application of its provisions to the entire mining industry, and to the operations of all industries which disturb the surface. It is a single-shot dagger at the heart of the coal industry, standing separate and alone.

The agitation for a Federal surface mining law began in the Eastern States, and has drawn most of its support from spots in the Midwest and Far West where opinions and projections of academics seem to command major attention. It is not the product of reasoned conclusion from persons who have spent their lives in the production and processing of coal.

It is interesting to note that not a single member of the committee which reported this bill represents a major coal producing district. I suggest this has much to do with the atmosphere of unreality which has clouded the subject during the past 4 years.

So much has been said on the subject that I will confine myself to a very few certainties.

Passage of this legislation will definitely mean that less coal will be mined at a higher cost per ton. There will be fewer miners working, millions of dollars in State and local taxes lost, and hundreds of millions in transportation and equipment sales wiped out, with obvious effects on the general economy.

As to its effect on our drive to be self-sufficient in energy sources, I leave that to the sound commonsense of the Membership.

I want to state for the Record that I favor reclamation. We should require that every ounce of our experience and expertise be applied to restoration of mined lands. And where the land cannot be restored, it should not be mined, not for coal or any other mineral.

But I represent one of the largest coal producing districts in the country. My people are bending every effort to increase the tonnage of coal mined, at the direct urging of this Congress and the Federal Energy Office.

I was not sent to the House of Representatives by the people of my district to vote for—

Less coal production and greater reliance on costly foreign oil;

Less electric power and a cutback in our standard of living;

Less chemical byproducts and job layoffs in the chemical industry;

Fewer mining jobs and unemployed miners with families on welfare;

Destruction of the business tax structure and increases in homeowner taxes to make up the difference; or

A general 25-percent reduction in the business transacted in my congressional district.

So I am opposed to this legislation, H.R. 11500.

If examined closely in relation to its consequences, it has no justification whatsoever. If surface mining control laws are needed, let the people of the States demand them from their legislatures. The types of terrain, methods of mining, and after-effects vary widely from State to State, and the people on the scene are the best judges of what correctives are required in separate and differing conditions.

Mr. FRENZEL. Mr. Chairman, I generally support H.R. 11500 as reported by the Interior Committee on May 30. But, I along with many other Members of this body, have some serious questions about the specifics of this bill. It surely needs amendment.

Strip mining in this country must be closely regulated. But, the wide ranging effects on consumers and energy suppliers, as well as conservation interests, must be considered.

After 3½ years of active consideration of this type of legislation, every Member of Congress now knows that we export 10 percent of our total coal production, that 90 percent of our Nation's fossil fuel reserves are in coal, that surface mining now accounts for almost 50 percent of our coal production, and so forth. We are familiar with the facts. We must now try to make the rough decisions which will govern energy production for years to come.

I will not review the specific provisions of the bill but I want to comment on several specific sections. In cases where the mineral rights to a plot of land are not owned by the surface miner—a common case in many area of the West—a miner would have to obtain the specific written consent of the owner. The bill also provides that if the mining operation will interfere with existing water supplies for the surface owner or his neighbors, the miner must either provide an alternate water source or get written permission. The provision regarding water rights makes good commonsense. Requiring the written consent of surface owners is questionable. This could well result in windfall profits for the surface user and could end up forcing the miners, and thus the consumer, to pay the Government once, and then the landowner again, for the same lump of coal.

Under H.R. 11500, Federal and State programs would have to designate areas unsuitable for surface mining if they are unreclaimable. Although lands already being mined could not be treated, this restricting provision also applies to conflicts with land-use planning, wildlife management, and historic preservation. It is a classic example of inflexible Federal legislation. It recognizes neither the differing capabilities of various mining concerns nor the development of advanced reclamation techniques. The problem of areas unsuitable for mining must be dealt with, but this is not the proper method.

One of the most controversial sections of the bill would require mine operators to restore strip-mined land to its approximate original contour. This would include the cleanup of all high walls, waste piles, and depressions unless insufficient waste material existed to do the job. This is a sound idea, but it unfortunately prohibits alternate "post mining" uses in recreation or certain types of agriculture, as well as being economically prohibitive in many cases. Identical land form is not necessary—environmental compatibility is and that should be the goal here today.

The bill establishes an abandoned mine reclamation fund in the U.S. Treasury. The fund, which would finance reclamation of abandoned or nonreclaimed areas, will be supported through Federal appropriations, lease revenues, the sale or rental of Federal lands, and user fees. This is a useful concept, but care must be taken today to avoid altering it into an anticonsumer, regionally oriented bonanza.

Many complaints have been heard about the public participation requirements in this act. I agree that the committee bill may be bending too far toward unrestrained legal interference. However, it is a well-intentioned attempt to protect the public interest and should be treated gently in any proposed modification.

I am also concerned about the transition period regulations which would be in effect for 30 months after enactment of this bill. I fear that it may impose impossible burdens upon the individual States as well as have a devastating effect upon our short-term coal requirements.

There are several other matters which must be considered in today's debate. The first is the probable fate of H.R. 11500 in conference. We must be careful to create better balance in our bill than exists in the Senate version. Second, we must be sure that energy consumers are not burdened with unnecessary costs or shortages. Great care must be taken not to make it impossible for energy producers and converters to do the job of supplying power to the public.

To maintain this evenhanded balance, I believe it necessary to vote down both the substitutes to be offered by the gentlemen from California and West Virginia (Mr. Hosmer and Mr. Hechler) and work carefully on the important amendments to be offered to the committee's bill.

Mr. McDADE. Mr. Chairman, the committee bill, H.R. 11500, generally represents an acceptable vehicle to provide for the orderly mining of surface coal in America. It is a compromise between a phaseout of strip mining and a minimal regulatory approach. The argument has been advanced by advocates of the Hosmer bill that the provisions of H.R. 11500 are too tough; that coal production will be cut; and our entire energy needs in turn will be jeopardized.

I take issue with those charges based largely upon our experience in Pennsylvania. The argument has been made that the enactment of strict controls on strip mining could result in the demise or near demise of the surface coal mining industry.

This same argument was made in 1963 to the Pennsylvania Legislature when it was considering the passage of a strong strip mining control law. There were protest marches made to Harrisburg by coal operators and miners and their families. Prophesies of darkened homes and businesses were made. But the Pennsylvania Legislature held firm and refused to bow to this strong lobbying pressure.

What has happened in Pennsylvania since 1963 under our tough strip mining law ought to be recognized by this Congress. Since the imposition of that law and even stronger amendments in 1970 and 1971, Pennsylvania has not only increased its strip mine coal production but increased it substantially by better than 16 percent; at the same time the number of coal operators has also increased. The following information compiled annually by the Pennsylvania Department of Environmental Resources will demonstrate the impact of the 1963 act and its amendments on the bituminous strip mine coal industry in Pennsylvania.

In 1963—when the industry was little regulated—there were approximately 357 operators surface mining approximately 24,233,669 tons of coal. In 1964, after the act was in effect, production dropped slightly to 24,019,760 although significantly the number of operators rose by 26 to 383.

In 1971, before the strong new Pennsylvania amendments were passed, the number of operators remained nearly level at 381 while strip mine coal production increased to 26,700,213 tons.

Most importantly, the figures for 1973 are just in and they show that strip mine coal production rose by over 2.5 million in the last 2 years under the strong new Pennsylvania All Surface Mining Act. The report reveals that approximately 380 operators strip mined approximately 29,500,000 tons of coal in 1973. This means that Pennsylvania has now replaced West Virginia as the No. 2 strip mine coal producer in the United States, despite West Virginia's less stringent restrictions on surface coal mining operators.

The lesson is clear: This Congress should not be swayed by dark threats and strident cries for so-called "flexible" provisions which amount to nothing more than loopholes.

Pennsylvania's experience suggests that by standing firm now we can insure that coal can be mined in such a way that our land and streams are protected.

One major reason we have been able to do both is that we have prefected the reclamation techniques necessary to protect post mined land. One such technique is the concept of approximate original contour. Both the committee bill and H.R. 12898 require backfilling to original contour as well as elimination of highwalls and spoil banks. But the Hosmer bill provides a loophole. Backfilling to—a.o.c.—elimination of highwalls and spoil banks is not required by wording of section 213(d)(1) of H.R. 12898 where "industrial, commercial, agricultural, residential, recreational, or public facility development is proposed for post mining land use of the affected land."

The only objective standard offered in evaluating the post mining land use is that the regulatory authority must have a "consultation with the appropriate land use planning agency, if any," and the regulatory authority must then determine whether the "proposed development is deemed to constitute an equal or better economic or public use of the affected land, as compared with the premining use."

In essence then the State regulatory authority needs only to have the consultation—but not concurrence—of the local planning agency, if any, and then the State regulatory authority must turn itself into a super planning agency and make the decision of possibly great local significance without local government concurrence.

The committee bill, on the other hand, while providing no such exception to backfilling to (a.o.c.), does in section 211(b)(2) set very specific requirements on post mining land use proposals. It states that the proposed use must "not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution." The Hosmer language does not even require that the regulatory authority consider these health, safety, and water pollution problems in granting an exception to approximate original contour.

Further, the committee bill goes on to say in section 211(b)(2) that the operator's proposed land use must not be: impractical, unreasonable, inconsistent with applicable land use policies and plans, involve unreasonable delay in implementation, or violative of Federal, State or local laws.

The Hosmer language does not require that these basic questions be answered before an exception to approximate original contour is given.

Thus, under the Hosmer bill, if an operator did not wish to backfill to approximate original contour and eliminate his high-wall, all he would be required to do was to merely propose that he was going to make an industrial park out of the affected area. Then all the State regulatory authority would be authorized to do would be to consult with the local planning agency, if any. And if the proposed land use had an "equal economic use as compared with the premining use," the exception must be granted. Thus if the premining use was merely a stand of trees in a forest that was not producing any money, then it would be reasonable for the operator to argue that his post mining land use need not be economically productive. This would of course be his argument if his proposed industrial park fell through and never got going.

The Hosmer bill, therefore, does not require that local planning and zoning compliance, it does not require that the proposed industrial park have a possibility of being a success. The regulatory authority cannot say to the operator: Your proposed industrial park is nowhere near a highway or railroad or an airport or that there are not enough people living near the area to work on the park, or that there are not sufficient water or sewage facilities in the area, or even that pollution would not be caused by the proposed land use.

In short, the Hosmer exception section, section 213(d)(1) lets the operator dictate at his whim when he will reclaim to approximate original contour, and is such a major loophole that the bill provides essentially no standard at all to guarantee reclamation. It is therefore totally unacceptable; it is weaker than any State law now in existence. It would be unworkable and provide no answer to the people of the United States who expect Congress to do something to protect our land and water.

The Hosmer bill also provides another loophole to approximate original contour in section 213(a)(8) when it states that if the permittee demonstrates that the overburden is insufficient to restore to approximate original contour, then the permittee is required only to "cover all acid forming and other toxic materials, to achieve an angle of repose—and to facilitate a land use consistent with that approved for the post mining land use of the mine site." This exemption could apply to nearly every mine where the coal seam is thick and not covered by much overburden, which is the case in nearly all Western coal fields. Thus, in nearly all Western strippings the operator need not backfill to approximate original contour and could leave ugly highwalls and spoil piles around the pit.

The reported bill in section 211(c)(8) does not give such a broad exemption. It recognizes that there are some mines where the coal seam is 90 feet thick and the overburden above it is 60 feet thick—for example, Gillette, Wyo. So it specifically states that the approximate original contour exemption shall apply only to those special operations.

This is only one such example of why we need the effective standards contained in the committee bill. All of us are concerned that coal provide a major role in our energy future. All of us are dedicated to the protection of our environment. I am convinced that H.R. 11500 will provide necessary safeguards and meets our needs.

Mr. ANDERSON of California. Mr. Chairman, I rise in support of H.R. 11500, the Surface Mining Control and Reclamation Act, which has been offered by Mr. UDALL.

This measure strikes a balance in that it permits our Nation to continue to mine the domestic coal needed to meet our energy demands, while at the same time it preserves our land from the ravages of uncontrolled strip mining.

First, coal is our most abundant energy resource, with proven reserves of 400 billion tons, enough to last our Nation 600 to 700 years at the present rate of production.

And 97 percent of this coal is recoverable only by deep mining operations.

Yet, because it is easier for the coal companies, and because replacing the land to a useful condition is not required, the coal companies have elected to strip the topsoil, destroying some $35 million a year in recreational resources, at a weekly rate of 1,000 acres.

As a result, the coal companies have gained the coal for the short term, while they have destroyed the land for generations.

But, the intent of this proposal is not to halt strip mining. Rather, the bill is designed to protect the environment by requiring the operators to rehabilitate the land to a useful condition, or ban strip mining in those areas where reclamation is not possible.

And, as a result, our Nation can continue to mine and use the abundant supply of domestic coal that we possess, and we can protect our land from the strip-mined "moonscapes" that exist in parts of our country.

Thus, I urge my colleagues to join with me in adopting this measure, thereby striking a balance between our need for energy resources and our need to preserve the land for future generations.

Mr. RANGEL. Mr. Chairman, the importance of efficient utilization of America's coal resources and effective environmental regulation seem to clash on this issue before us today, but I believe we have a great deal of middle ground on which to walk to adopt the best legislation to fulfill short-term needs and long-term obligations.

The purpose of the legislation before us is to provide Federal regulations to successfully step in where the States have failed to enact and enforce regulatory laws that will terminate the vicious raping of the land but allow the development of vital coal resources to prosper.

The energy crisis or shortage we are presently embroiled in dictates greater use of our coal resources. Nearly 50 percent of the 600 million tons of coal produced in 1973 came from one of three surface mining methods: contour mining, area mining, or open pit. Unfortunately, all three of these methods have been inadequately regulated by the 29 States which have surface mining laws and it is now imperative the Federal Government regulate this area to insure efficient, effective, and environmentally responsible surface mining. Although only 3 percent of the Nation's coal resources can be recovered by surface mining, the vast amount of coal this represents makes it compelling we utilize this resource to broaden our energy options and prevent another crisis from developing.

At the same time the environmental impact of surface mining must be given full consideration before enacting any regulatory guidelines. The importance of reclamation, stable and significant revegetation restoration of hydrologic balance is of paramount concern to all concerned about America's future generations. The environmental impact of surface mining should be built into the overall mining process and not dealt with as a secondary problem.

The two major aspects of surface mining—the efficient production of coal and effective environmental regulation can be handled in harmony with consideration for the short- and long-term benefits provided for.

A significant additional point relating to vital development of coal resources is the suggestion currently being debated on the conversion of metropolitan utility companies from oil to coal. If such a drastic move comes to pass, it is absolutely imperative that low-sulfur coal which comes from western surface mines be available for use in eastern metropolitan utility companies. The inner-city environment of almost all large northern cities is a national disaster area. The use of coal in place of oil in utility plants is a very dangerous consideration by itself but coupled with the acute problems of pesticide pollution multiple forms of lead poisoning and sustained and severe noise pollution, the addition of more harmful air pollution as a result of burning coal in metropolitan utility plants is a gross injustice to the people of inner cities. The only meager saving grace in the conversion process would be the use of low-sulfur coal obtained through surface mining. For this reason efficient utilization of western low-sulfur coal resources must be provided for in the best surface mining legislation we can adopt.

Mr. McCLORY. Mr. Chairman, the pieces of legislation which we are considering today present this House with what appears, at first glance, to be a head-on collision between legitimate environmental concerns and the crucial need to provide an adequate source of energy for our citizenry. This is not actually the case. Those who attempt to characterize the debate this afternoon as a confrontation between our energy demands and the national ecology, in my opinion, do a disservice by precluding a serious consideration of this legislation on its merits. The vast majority of Members agree that adequate provisions for reclamation of lands that have been strip mined are absolutely necessary to prevent future despoliation of the American countryside. They also agree that increased production of coal will be essential if the United States seriously intends to achieve self-sufficiency in the energy field within the next decade. As we consider the committee bill, the two authorized substitutes, and the many amendments which will apparently be offered, let us bear these two major points of agreement in mind, and seek a reasonable balance between these equally important competing concerns.

Mr. Chairman, in my own State of Illinois, it is estimated that there are approximately 18,868 acres which have suffered severe environmental damage through strip mining. It is further estimated that it would now cost more than $100 million to reclaim this land. Illinois has the largest coal reserve of any State in the Union; and I am, therefore, particularly interested in insuring that any legislation passed today contains safeguards that guarantee that there shall be no future pockmarked wastelands such as those strip-mined lands which now scar the countryside in Illinois. Surface mining operations are currently destroying approximately 100,000 acres annually across the Nation. Our first priority must be to require the reclamation of lands currently being strip mined.

Mr. Chairman, it is clear that H.R. 15000, introduced by the gentleman from West Virginia, is an unacceptable resolution of the competing interests involved in any serious consideration of strip mining regulation. This bill would entirely phase out the strip mining of coal over the next 4 years, at a time when there is a pressing need for a significant increase, and perhaps doubling, of national coal production. The Hechler bill is really no substitute at all for the other bills under consideration, because it totally ignores current energy demands and the environmental and economic costs of a complete shift to more expensive underground mining techniques.

Mr. Chairman, with respect to the reclamation provisions of both the committee bill and the Hosmer substitute, I am concerned that the requirements that the mined area be restored to its approximate original contour needs to be further clarified so that they will neither prevent strip mining and restrict coal production nor threaten the successful reclamation of the affected land. Whichever bill is adopted, we ought to make sure that we pass strip mining legislation that will do an adequate job of reclaiming mined areas without allowing vital energy requirements to be needlessly or arbitrarily sacrificed to environmental concerns. In brief, the reclamation requirements set out in this legislation at final passage ought to promote a balancing test of legitimate concerns for additional sources of energy while protecting essential environmental interests.

Mr. Chairman, both the committee bill and the Hosmer substitute utilize the "private attorney's general" concept in allowing citizen suits against alleged violations of the legislation. Considering our recent experience with such provisions in earlier environmental acts, we should take steps to insure that such suits are not abused to delay and possibly altogether prevent legitimate strip mining operations. This legislation should be written so that only those citizens who have been adversely affected or who have actively participated in the permit process should be authorized to bring suit to enjoin mining operations.

Mr. Chairman, in my opinion, the Hosmer bill—H.R. 12898—appears to provide the most reasonable and workable resolution to the competing interests that we must deal with in this issue. It is clearly in the best interest of the American people to have strip mining regulation which will allow an increase in coal production to meet the Nation's energy needs and reduce our dependence on foreign energy sources and materials. But it is equally apparent that we need not sanction any further ravaging of the American landscape in order to achieve this goal of energy self-sufficiency. I urge the House today to enact strip mining legislation with fully adequate reclamation provisions, that will allow this country to increase coal production while fully protecting the environment.

Mr. GRAY. Mr. Chairman, I had hoped that the Members of the House would adopt the Hosmer substitute to H.R. 11500 the committee bill, however, it appears that the Members are not yet convinced that the committee bill on surface mine legislation will destroy thousands of jobs in the coal mine industry and deny the Nation a vital energy resource. Mr. Chairman, I would never impugn the motives or question the judgment of my colleagues, however, I believe the House of Representatives is headed on another environmental binge that caused us to pass legislation establishing the EPA. I think in retrospect that we all can agree that some phases of EPA have caused more harm than good to the country. John L. Lewis, the longtime president of the United Mine Workers of America told me something that I have always remembered. He said, "KEN, you don't kill a dog to get rid of a flea." We surely are not going to kill a vital energy source to get at a few coal operators who may not restore some land to its original contour. Mr. Chairman, by and large, most of the unsightly land caused by strip mining was damaged years ago when the various States had no strip mining reclamation laws. My State of Illinois and many others have since passed stringent laws dealing with this problem. To go any further would kill a great amount of production of the energy that can make us self-sufficient in this vital field. Mr. Chairman, when I need advice I go to experts. Who knows this subject better than the companies who mine coal? I would like to read for the RECORD a wire I have received from the president of the Zeigler Coal Co. of Chi-

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cago, Ill., who presently is operating five mines in Illinois and Kentucky.

CHICAGO, ILL.,
July 16, 1974.

Hon. KENNETH J. GRAY,
Rayburn House Office Building, Capitol Hill, Washington, D.C.:

The Zeigler Coal Company is a prime supplier of vitally needed energy to utilities, industrials, public and educational institutions in the Midwest. One or more of the above are located in your District.

The surface mine reclamation bill, H.R. 11500, must be defeated. It will have a damaging effect on local, regional and the national economies by reducing and restricting the availability of desperately needed energy. The energy crisis is not past history, it is still with us today and will be for decades to come. The bill will cause a slowdown in a variety of industries within your District.

Everyone suffers if the availability of electric power is reduced and when the monster of runaway inflation is strengthened.

Zeigler presently operates 5 mines in Illinois and Kentucky and is planning further expansion to ease the energy shortage. We are vitally concerned about the well-being of our Nation and all of its people in this time of crisis.

We seek your support in our efforts and strongly urge you to defeat H.R. 11500 and vote for the substitute Hosmer bill H.R. 12898.

Thank you for your cooperation.

MICHAEL E. WALSH,
President, Zeigler Coal. Co.

Mr. Chairman, I also would like to read a wire addressed to the Speaker, other House leaders and myself from Mr. Edwin R. Phelps, president of Peabody Coal Co. of St. Louis, Mo., who has extensive holdings in Southern Illinois and providing thousands of jobs for my people:

ST. LOUIS, MO.,
July 16, 1974.

Floor consideration of Interior Committee approved surface mine legislation (H.R. 11500) and proposed substitutes by Rep. Hosmer (H.R. 12898) and Hechler (H.R. 15000) is scheduled today and tomorrow. Peabody Coal operates or has mineable surface mine coal reserves in fifteen states. Peabody Coal and the Nation has an enormous stake in the achievement of reasonable reclamation standards in any Federal legislation. Our reclamation experts have carefully analyzed H.R. 11500 and believe it to be structured in such a way as to constitute a serious threat to present and future coal production. It is, therefore, urged that H.R. 11500 be rejected and that the House accept H.R. 12898, a substitute measure which in itself contains reclamation requirements and restrictive provisions which must be very carefully administered in order to prevent unwarranted interruption to coal production in the future.

Our experience in the States wherein we engage in surface mining is that strict reclamation requirements have already been enacted into law during the five-year period of the current Federal legislative effort which are sufficient to protect the public interest and to insure against any ravaging of the land. If, however, Federal reclamation controls are to be adopted by the Congress, they should be flexible enough to permit the maximum production of coal consistent with acceptable and adequate State and Federal reclamation standards. The achievement of energy self-sufficiency in this country requires avoidance of any unwarranted controls, excessive reclamation requirements, or the establishment of cumbersome and time-consuming administrative machinery in any surface mine legislation. Copies of this statement are being sent to House members in the fifteen States wherein we operate or have substantial coal reserves.

EDWIN R. PHELPS,
President, Peabody Coal Co.

Mr. Chairman, all of these experts cannot be wrong. We must amend the committee bill to protect the rights of the coal mining industry or defeat the bill outright. I think the safest thing for America would be the latter. Thank you.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Montana (Mr. MELCHER) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

Mr. UDALL. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11500) to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of Interior to make grants to States to encourage the State regulation of surface mining, and for other purposes, had come to no resolution thereon.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. CONABLE asked and was given permission to address the House for 1 minute.)

Mr. CONABLE. Mr. Speaker, I take this time for the purpose of inquiring of the distinguished majority leader if he would inform this body of the schedule for the remainder of this week and for next week.

Mr. O'NEILL. Mr. Speaker, will the acting minority leader, the gentleman from New York, yield?

Mr. CONABLE. I yield to the distinguished majority leader.

Mr. O'NEILL. I am grateful to the gentleman for yielding.

The program for the House of Representatives for the week of July 22, 1974, is as follows:

Monday is District day, and there are no bills schedule.

On Monday and Tuesday we will consider the following:

House Resolution 1107, broadcasting of hearings and meetings of committees; and

H.R. 11500, Surface Mining Control and Reclamation Act, to conclude consideration.

For Wednesday and the balance of the week the program is as follows:

Interior appropriations for fiscal year 1975;

H.R. 15264, Export Administration Act, under an open rules, with 1 hour of debate;

H.R. 15578, Small Business Act amendments, under an open rule, with 1 hour of debate;

H.R. 13044, Defense Production Act extension, under an open rule, with 1 hour of debate;

H.R. 15416, AEC omnibus legislation, under an open rule, with 1 hour of debate; and

H.R. 15582, Atomic Energy Act amendments, to enable Congress to concur or disapprove certain international agreements for peaceful cooperation, under an open rule, with 1 hour of debate.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. CONABLE. Mr. Speaker, I thank the gentleman.

ADJOURNMENT TO MONDAY, JULY 22, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it ajourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL LEAVE

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, in the debate on H.R. 15000, the so-called Hechler substitute.

The SPEAKER pro tempore (Mr. MCFALL). Is there objection to the request of the gentleman from West Virginia?

There was no objection.

WESLACO LULAC

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker, I rise at this time to inform the Members of an event of great national significance at which I had the honor of presiding as master of ceremonies. The Weslaco, Tex., Council of the League of United Latin American Citizens—LULAC—to my knowledge, the oldest of the several national organizations comprised of Spanish-speaking citizens of our country—dedicated a beautiful memorial to all the citizens of that south Texas community who died while in the service of our country.

In a setting of unequaled beauty, surrounded by a magnificent playground where the children and people of Weslaco will enjoy countless hours of recreation, the LULACs have erected a monument which is a beautiful, yet serious, reminder of the great tragedy of war. It is composed of a white triangular shape, which depicts a mother, or the Nation; from its bosom protrude three marble cubes, signifying World War II, the Korean and Vietnamese conflicts. The figure gives the appearance of looking down upon four marble squares, resembling tombstones, which stand about 4 feet high. One is for the Army, the Navy, the Air Force and the Marine Corps. On each are engraved the names of those citizens of Weslaco who died while serving in each of the respective services. To the side are poles for the United States and Texas flags. In front is a black marble square, to be used for ceremonial occasions, and leading away from it, a divided walk with white rosebushes in the center. It is a very impressive monument.

At the ceremony the mayor of the city of Weslaco, the Honorable Pablo Pena, welcomed all to his fair city. We were honored to have the National President of LULAC, the Honorable Joe Benitez, place the first wreath upon this monument of love and dedication to the fallen heroes. An eloquent and inspiring oration was delivered by the Honorable Manuel Gonzalez of Waco, Tex. State director of the organization, who was introduced by the Honorable Tony Bonilla of Corpus Christi, the national vice president of LULAC.

The Weslaco Council president is Mr. Hernan Gonzales, and the chairman of the monument committee was Mr. Rene Garza, who gave an explanation of the history and the significance of the monument, assisted by Mr. Refugio Granados. The monument was blessed by the Reverend F. Alfonso Aisa. A group of volunteers from the Weslaco school band participated by rendering taps and our National Anthem. The honor guard was composed of the U.S. Marine recruiters assigned to our area of south Texas. I, as master of ceremonies, had the great honor, which I performed with deep pride, to lead the assembled group in the pledge of allegiance to our flag at the conclusion of the ceremony.

Mr. Speaker, the greatness and beauty of this act just cannot be expressed in mere words. Dedication to the principles and ideals of this country could be felt with an electrifying presence. The words of those who participated were those of patriots. Their wishes were for the preservation of the Union, the safeguarding of our individual liberties, and the bestowal of those liberties on all citizens without regard to color or creed. They sought the opportunity to live and work and to acquire an education for all who live in this great country of ours. They hoped that no person would be denied the sacred, God-given right to life, liberty, and the pursuit of happiness, as promised by our Declaration of Independence. They all asked, and I echoed the sentiment, "Is this too much to ask"? Is this too much to ask at the foot of that beautiful altar dedicated to those who have fallen in war to make all this possible?

The answer, of course, Mr. Speaker, lies in the hearts and souls of all Americans. But the implementation of those principles and ideals basically lies right here in this Chamber, and it is for this reason that I respectfully bring this event to your attention. We cannot, we must not, rest until all Americans can stand, with heads high, and say, in truth and in fact, "I as an American fully share in all the blessings of this great country of ours." If I am worthy of dying for my country, I should be worthy of sharing in its blessings I repeat what was said at Weslaco, "May God bless America" and respectfully add "and bless you my colleagues" as we labor to make all this possible.

FIFTH ANNIVERSARY OF MOON LANDING—"WE CAME IN PEACE FOR ALL MANKIND"

(Mr. BOLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOLAND. Mr. Speaker, this Saturday, July 20, marks the fifth anniversary of man's landing on the Moon.

We can all take pride in the fact that it was an American, Neil Armstrong, who first stepped onto the dusty surface of the Sea of Tranquillity. A few minutes later he was joined by Edwin Aldrin while their companion, Michael Collins, circled the Moon in the Apollo command ship. It was one of this Nation's finest hours.

Today, the tumult and the shouting have stopped. In our own way, we have all come to take space flight for granted. But if time has caused us to forget, it has not diminished the achievement we celebrate this week. The Apollo project harnessed the best spirit of this country, and for a brief moment the world came a little closer together. It is hard to believe that it all began less than 15 years ago. I recall vividly the day John Kennedy came before this House and announced the goal of landing a man on the Moon and returning him safely to Earth by the end of the decade. The promise was kept and the goal was achieved—but now that it is over with and behind us, some have asked if it was worth the cost. The answer is an unqualified yes.

Apollo will return its investment by a hundredfold. Already, more than 25,000 inventions have been spun off from the space program. From nonstick frying pans to miniature pacemakers, Apollo's contribution has only just begun. Advances in electronics, computers, and biosciences, which normally might take 20 or 30 years to achieve were accomplished in less than 10.

But technological breakthroughs are only a part of the Apollo program's benefits; 840 pounds of Moon rocks were brought back to Earth by 12 American astronauts. It will be years before all this material is examined and analyzed. The results could unlock the deepest mysteries of the universe and provide scientists with a better understanding of the Earth's origin.

But perhaps Apollo's most significant legacy is the intangible feeling we all shared as the astronauts looked back on the fragile spaceship Earth, suspended in the harsh blackness of space. It reminded us all how small and fragile we are, and how we must learn to live and work together if mankind and this planet are to survive.

It is right that we celebrate this anniversary, and I salute the hundreds of thousands of Americans that made it possible. Twelve Americans have walked on the surface of the Moon and returned safely to their mother planet. No other man or woman has ever left the confines of Earth gravity and stood on the soil of our nearest neighbor. That is an achievement we should not forget. It is an achievement we can be proud of—but we must temper our pride by remembering the promise we all shared on that day—and by recalling the message on the plaque that was left on the Moon that historic day 5 years ago:

"Here men from the planet Earth first set foot on the Moon—July, 1969 A.D."

"We came in peace for all mankind."

ATTACK ON SENATOR FRANK CHURCH DEPLORED

(Mr. HANSEN of Idaho asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HANSEN of Idaho. Mr. Speaker, among the highest priority tasks facing all Americans, especially those of us who hold public office, is to rebuild trust in government and politics which has been so seriously eroded by events of the past few months. The growth of cynicism and disillusionment among the people is alarming. If we do not reverse that trend, the system that has served us so well over two centuries could be in jeopardy.

Candidates for public office and their supporters have a special obligation and an opportunity in this election year to help repair the damage we have suffered by conducting clean campaigns to help raise the level of public confidence in politics. By our words and actions we should elevate rather than degrade politics.

Mr. Speaker, my concern about the urgent need to clean up politics and elections impels me to speak out to repudiate and condemn a smear campaign being waged against Idaho's senior Senator Frank Church by some official of the John Birch Society.

I deplore the tactics that are being used by that organization through the publication and circulation in Idaho of thousands of copies of an article that attempts to picture Senator Church as pro-Communist. I am shocked by the article, which is filled with statements out of context, misstatements and inaccuracies that distort the Senator's record of public service. This is reminiscent of the slanderous charge made a few years ago by Robert Welch, founder of the society, that President Eisenhower was a conscious agent of the Communist conspiracy.

I know I speak for the overwhelming majority of Republicans in clearly and completely disassociating our party from this unfair and untrue attack on Senator Church. No Republican candidates are involved in the dissemination of the article. I am sure that it does not reflect the viewpoint of all of the society's members in Idaho, many of whom I know to be well intentioned, sincere, and patriotic citizens. The time has come, however, to speak out to denounce tactics such as this that bring discredit to politics and elections.

I disagree with Frank Church on many public issues. Our differences are often wide and fundamental. But, I have great respect for him as a man and as a friend and I know him to be a loyal and patriotic American. We have worked closely together and in cooperation with other members of Idaho's congressional delegation in securing the passage of legislation of special benefit to Idaho such as the American Falls Dam replacement and the Sawtooth National Recreation area.

I particularly resent the scurrilous attack in the article against Mrs. Verda Barnes, administrative assistant to Senator Church. The author charges that Mrs. Barnes was handpicked for that position by Walter Reuther, which the facts show to be totally false, and that she has pro-Communist leanings. I have known Mrs. Barnes for 25 years. She comes from a pioneer Idaho family and grew up in St. Anthony, near my own home town of Idaho Falls. Her long list of accomplishments in many fields reflect much honor and credit on her native State. She is one of the most intelligent, capable, and humane person it has been my privilege to know.

Mr. Speaker, Frank Church and Verda Barnes need no defense from me. Each has given a lifetime of service that stands as the most eloquent and convincing refutation of the charges contained in the article. Rather my purpose here is to clearly disassociate myself and the Republican Party from these tactics and to condemn the kind of dirty tricks that have done so much in recent months to give politics a bad name and to put all elected officials under a cloud.

There is no place in politics for tactics such as this. I would hope that all candidates and their supporters will rise up and repudiate attempts such as this by outside forces to interfere in and try to influence the outcome of an Idaho election.

There are plenty of issues to permit an honest campaign. We should debate the issues openly and vigorously and confine our criticism to the public record and positions of candidates without making unfounded charges that reflect on their character, integrity, or patriotism.

By conducting our election campaigns at this level we can contribute greatly to the healing and cleansing process for which there is such a desperate need in America today.

DEALING WITH THE PROBLEMS OF THE AMERICAN ECONOMY

The **SPEAKER** pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Oklahoma (Mr. Albert) is recognized for 60 minutes.

GENERAL LEAVE

Mr. **ALBERT**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject matter of my special order.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. **ALBERT**. Mr. Speaker, it is not difficult these days to find evidence that the American economy is in deep trouble.

For instance, disheartening new statistics made public today confirm that we have a full-scale recession on our hands. The huge decline in national production in the first quarter of this year was followed by a further decline from April through June, two successive quarterly declines.

But we all knew the economy was in serious trouble. We knew it when we went to the grocery store and saw prices had gone out of sight; or when we looked for new housing, only to learn we would have to pay more than 9 percent for mortgage money; or 12 percent on a new car loan.

Business Week magazine has even gone so far as to say there are disturbing resemblances between the world today and the world in the summer of 1929, just before the start of the great depression.

Now this strikes me as excessively gloomy. I do not see any repetition of the great depression just around the corner. But, on the other hand, Business Week has a point: the problems of our economy are real and substantial.

They are manageable now, if we all pull together, but they are serious and will become more serious, if we do not begin working together.

Our biggest problem right now is, without question, inflation. Some people say that inflation cannot be controlled. I do not believe this. I believe that inflation can be controlled—if we use the right means.

I am genuinely sorry to say that the administration does not in my judgment have the right methods. I am sorry because we are all now paying the price for the administration's adherence to outmoded, ineffective, traditional Republican economic shibboleths.

In Republican economic theory, if I understand it correctly inflation is easy enough to control. The cause of inflation, under this theory, is too easy credit and too strong a drive toward full production and full employment. Therefore, tight money and high unemployment should cause inflation to decline, or even cease.

The trouble is that this theory is simply not working—as 6 years of experience with simultaneously high unemployment, high interest rates and even higher inflation should amply demonstrate to even the most ardent advocates of the old time religion.

For example, when the cause of inflation in a particular industry is a worldwide shortage of a particular raw material, squeezing down tightly on credit throughtout our whole economy is, frankly, a little like draining blood from a weakened patient. The answer here is clearly to work to increase supplies, or to develop substitutes—not to throttle the still healthy sectors of our economy.

Or, when the cause of inflation is inflationary expectations and strong market power on the part of both labor and business alike, the answer is obviously an income policy.

Congress gave the President power to fashion and administer such a policy under the economic stabilization program. And look what the administration did with it.

Instead of fashioning a fair and steady program, which would have made a real contribution to wringing inflation out of the economy, the President first delayed for months until he had to act in a crisis atmosphere. And then, when he finally acted, he fashioned a program which was both grossly inequitable and administered so badly that we in the Congress are hesitant now—even though we know we need an income policy—to give the President this authority again.

Under the administration's implementation of wage and price controls, prices and profits were allowed to soar, while the incomes of working men and women were held down tightly. The Nation was put through one of the most confusing and chaotic administrative performances I, personally, have ever seen—a succession of phases and freezes almost totally without guiding purpose and coherence.

The outcome of this has been that, not only do we still have rampant inflation, but the administration has virtually destroyed one of our most valuable tools for combating inflation. We are left trying to do battle against the inflationary market power of giant corporations with only the single, inappropriate tool of tight money. The large corporations, after all, are not much affected by tight money, since they finance most of their activities from retained earnings. An income policy is the key here, but the administration has rendered it ineffective.

If the large corporations are not much affected by the administration's tight money policy, who is? I think we all know the answer to that.

It is the average working person, who finds the cost of everything he buys soaring out of sight, because of the high interest charges he pays directly on items he finances and because of high indirect finance costs for manufacturing and carrying business inventories. It is the small businessman who suffers, when he finds credit unavailable at any price. It is the State and local governments, all of us, really, who must pay astronomical interest rates to finance badly needed public projects.

No, inflation cannot be curbed only by strangling the economy through terribly tight money and high interest rates. But what we can do this way is to put, quite literally, millions of people out of work. The unemployment rate has risen sharply from 3.3 percent when the administration took office and is climbing toward 6 percent by the end of the year. Each percentage point represents almost a million more unemployed persons.

Even if the supposed tradeoff between unemployment and inflation were a certain one—which it is not—I doubt that it would be worth the price. At best, we could trade about a half percent in inflation for about 1 percent or more in unemployment.

The tradeoff would simply not be worth the price even if it were a wise policy direction.

But it is not desirable direction for policy to encourage unemployment. After all, if a scarcity of goods is the cause of inflation and the bidding up of prices, what kind of economic sense does it make to drive unemployment up and production down even farther than they are now? We should be striving to put more people to work and to produce more goods, not trying to cut back on wages and employment.

Already this year we have experienced the sharpest decline in production in decades—and yet inflation will run at about 9 percent or above for the year, ample evidence, I believe, that the administration is working on the wrong side of the equation.

With unemployment high and production way down, it is not surprising that we have run some substantial deficits in the Federal Government in recent years. Now, this is an important matter, and one I want to dwell on for a moment, because it is so central to understanding the real causes of inflation.

The administration has frequently placed the blame on the Congress for large budget deficits and then they have said that these deficits are the cause of inflation. It is time we answered both of these arguments squarely.

First, has the Congress caused these huge budget deficits by going on spending sprees? Absolutely not. The actual expenditures made or authorized by Congress have been well within 1 percent of President Nixon's original recommended expenditures.

Why then have we had the huge budget deficits of the Nixon years and a 25 percent increase in the national debt? Because of large Federal revenue shortfalls resulting from the administration's mismanagement of the economy and consequent recessions.

The truth is that Congress has not overspent but that, rather, the administration's bad management of the economy has produced staggering revenue shortfalls.

That should answer satisfactorily, it seems to me, the argument that Congress has been overspending. But what of the President's second argument, that the current level of spending is too high, and is fanning the fires of inflation?

I do not believe the statement to be true. If our economy were bumping up against the limits of its productive capacity, then greater spending would, indeed, increase inflation. But we are running at barely 80 percent of our productive capacity—10 percent below the level of the noninflationary Kennedy-Johnson years.

The budget at full employment is heavily in surplus and there is no danger of overstimulation of the economy from the Federal budget at this time. In fact we are erring, if anything, on the other side by not spending a little more in the right places to take better care of the unemployed and those living on social security. Certainly in our present sagging economic condition we are not overstimulating the economy with the Federal budget.

But, still we do have rampant inflation. Where then does it come from? The Chairman of the President's Council of Economic Advisors blames the poor, beleaguered American citizen. Mr. Stein claims that the American public would not accept a tax increase when one was needed to finance the Vietnam War.

But, where was the Nixon administration at that time? Leading the fight, in 1969, and again in 1971, for a tax cut for big business. That is the record on how the administration helped stop inflation by increasing taxes to finance the war.

What about administration efforts to deal with serious supply bottlenecks?

In the area of fuel and energy shortages, the administration ignored the advice of its own blue-ribbon, Cabinet-level Commission to abandon oil import quotas. Thus the administration prevented the entry of foreign oil at a time when domestic supplies were critically low, ultimately making our Nation much more vulnerable than we need have been to the oil boycott and resulting skyrocketing fuel costs.

We all know how food prices have risen since Mr. Nixon took office. The food problem in the United States was once a problem of tremendous surpluses. But now food is scarce.

So, what did the administration do? It sold off America's grain to Communist China and the Soviet Union. Not for profit or advantage, but with taxpayer supported subsidies. The result? Increased food costs for the American consumer, decreased profits and possible losses for the farmer, and, for the first time in America's history, little or no surplus of food to fall back on should natural disasters prevent the industrious American farmer from performing at anything less than record levels of production. And, history is about to be repeated in other areas.

On the international front, the Administration has just finished selling off our stockpiles of copper and aluminum, rendering us vulnerable to the producers of these critical supplies, who appear about to curtail production in order to raise their prices.

In West Germany, in Switzerland, and even in the United States, a number of banks have failed or are in serious trouble due to speculation in foreign money markets.

In the United States the Franklin National Bank is now striving with the aid of massive inputs of money from the Federal Reserve, to restore itself to some reasonable state. In West Germany the Herstatt bank has collapsed.

The wildly fluctuating foreign money market is being seriously affected by increased flow of Arab oil wealth. The weakness of the Italian economy, the instability of governments worldwide all point to serious problems which require attention, not neglect; action, not reaction or inaction.

But, what is the administration doing? Nothing that I know of. And, doing nothing, as in the past, will hurt everyone, workers, consumers, businessmen, and farmers.

Instead of accepting responsibility for their errors, the administration is merely casting about for someone else to blame—most recently, the American public or, in other words, everybody but the administration.

The action is symptomatic of the failure to exercise the leadership and accept the responsibility that goes with the Office of the President.

I have no quarrel with the President. In fact, I would very much like to call upon him to deliver a positive program to get our economy moving again, for our constitutional system, as well as our economic system, works best when the President, of either party, exercises his substantial powers with strength and effectiveness. The President, under the Constitution, is the chief executive of the United States.

Unfortunately, it has become painfully clear that this administration has no real economic program.

Harry Truman, as we all know, used to say "The buck stops here." Under Richard Nixon, the buck of responsibility seems to have eroded as fast as the dollar of spending power. The value of both has rapidly evaporated over the past 5 years and with the loss, so have the hopes and aspirations of millions of Americans for a good home, a good life, and the pursuit of happiness.

It is certainly proper to ask what the Congress has done to meet this crisis in leadership in the economic field.

In contrast to the administration, the Congress has examined itself, found itself wanting, and moved to correct some deficiencies in its handling of budgetary matters.

The Congressional Budget Reform Act has become law and will provide the tools that Congress needs to better determine national priorities and relate spending to revenue. The Congress took the initiative and is working on the establishment of a National Commission on Supplies and Shortages. We are working on legislation to stop the big bank holding companies from further draining the mortgage market of funds.

The House has passed and sent to the Senate a bill to extend the Public Works and Economic Development Act of 1965, which will continue to provide job development aid to areas of high unemployment. Social security benefits have been increased to ease the effect of inflation on the elderly and disabled. Congress is in the process of authorizing the Joint Economic Committee to do an emergency

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study of the inflation problem and to recommend legislation.

The Democratic steering and policy committee has been meeting with some of the Nation's leading economists to review the problem and attempt to arrive at a consensus in the Congress on policies that need to be implemented now. The Democratic steering committee has received many significant recommendations from the panel of economists. I hope the Members of the House and the legislative committees—and the administration—will study these proposals carefully, as will the steering committee, for they may well represent some of the long-term solutions to the economic problems which are now so pressing.

The economists have recommended such measures as tax changes, better support for the unemployed, development of the new budget system for long-range purposes, revision in monetary and credit policies, issuance of Government purchasing power bonds, and measures to break supply bottlenecks.

Thus, the Congress is moving to fill the vacuum in leadership with positive legislative programs designed to alleviate some of the conditions we face—to restore balance to our tax and spending programs, to protect the consumer and worker, and to restore stability.

But Congress legislates; the President must administer. He must lead and use the programs provided by the Congress. The President has neither administered nor led, and he is not now doing so. The responsibility buck just keeps getting passed around, through a succession of four Treasury Secretaries, six wage and price controllers, four Chairmen of the Council of Economic Advisers, and untold numbers of Presidential counselors on the economy.

The American people will soon have an opportunity to make clear to the President their strong disapproval of the administration's economic policies and its failure to lead the fight to bring inflation under control. And, of course, a sound economy in the United States is far more important than a party victory for either party.

Each administration, when it enters office, establishes its own priorities. We have seen Mr. Nixon's, and they must be rejected.

We could have a strong, growing economy with full employment and low inflation. After all, we have controlled inflation in the past, under circumstances far more difficult than today's. But instead we are offered recession and unemployment as the cure for inflation.

Housing and food and public transportation in the cities could and should be plentiful. But instead, the President has offered America a depression in the housing industry, food prices that are out of sight, and vetoes of mass transit bills.

These conditions cannot—and need not—continue. It is time begin the long process of restoring confidence in our economy and in Government's ability to deal with our economic problems. Congress, under its Democratic leadership, has begun that process where it must begin: by examining its own budget procedures to root out the weaknesses and strengthen the tools needed to do the job.

It is time the administration acted to restore credibility in its economic leadership.

The way to do this, it seems to me, is to join with the Congress in rejecting a policy which says we must make our economy worse in order to make it better.

The American economy is fundamentally strong. The American people have always demonstrated their willingness to do what is necessary to meet any challenge. The economy, through its inherent strength, can survive the shocks of mismanagement of any administration over the short term. But what we cannot survive, over the long term, is the administration's notion that the only way to dampen the raging fires of inflation is intentionally to adopt policies that will mean fewer jobs and economic stagnation.

The Congress is not infallible, and we are willing to listen to the administration, but it is imperative that we soon begin to work together, using the kinds of policies now evolving in the Democratic Congress, to tackle the basic problems—to restore stability without either permitting, or encouraging, recession, tight credit and joblessness.

I now yield to the gentleman from Arkansas (Mr. Mills).

Before doing so, I might say that the gentleman from Arkansas and I, as well as other Members who are present, have been in a 2-hour meeting with some of the great industrial leaders of our Nation, and the gentleman from Arkansas, because of his great knowledge of the American economy and its problems was a very important part of that meeting.

I say that also of the two gentleman from Texas and the gentleman from Mississippi, who were also present there, as well as the gentleman from Wisconsin (Mr. Reuss) who made a very outstanding statement.

Mr. Speaker, I am now pleased to yield to the distinguished chairman of the Committee on Ways and Means, the gentleman from Arkansas (Mr. Mills).

Mr. MILLS. Mr. Speaker, I appreciate the gentleman from Oklahoma yielding to me so that I can express my deep appreciation to the gentleman, as Speaker of the House of Representatives, for taking notice of what our situation is today.

I do not want to alarm anyone. I do not want to add to what I think is a spirit bordering upon panic by our American people. I do know that they are looking to us to solve these problems.

I do know that the Members of the Congress have the guts—if I may use that word—to solve those problems when they are aware of the way to solve them. Through the proper leadership advised by labor, by business, with Governors, with mayors, and others, in seeking their advice, we can tell what those problems are. I think that the gentleman in the well, our distinguished Speaker, is showing that degree of leadership now, as he has in the past, that those of us who voted for him as Speaker knew he possessed in the very beginning. I congratulate the gentleman.

Mr. ALBERT. I thank the gentleman from Arkansas. I appreciate his kind words.

The knowledge possessed by the gentleman from Arkansas on the subject of our economy is a matter of nationwide recognition.

I now yield to the distinguished dean of the House, the gentleman from Texas, who has been a student of tight money and its consequences since before most of us were old enough to run for government.

Mr. PATMAN. I thank the Speaker for yielding.

Mr. Speaker, I congratulate the Speaker on the wonderful talk he has just made today. We were having testimony from Federal Reserve Bank presidents on the very questions he has discussed. One of the most knowledgeable and intelligent of the Federal Reserve Bank presidents before our committee was asked the direct question:

> Would you favor low interest or high interest to help the Nation as a whole, and all of the people, rich or poor?

He said:

> The answer is simple. It would be low interest rates. That way people can be helped, and we can build a country in time of peace, or at any time, but we cannot build it with high interest rates.

Mr. Speaker, I now invite the attention of my colleagues to the fact that to small business people this prime rate means nothing except a ceiling for the big man, General Motors, General Electric, and then when the little man comes in, he has to pay about 4 or 5 or 6 percent higher than the prime rate. The rest of us do not get the prime rate. Small business people must pay at least 15 percent even though their loan gets up to half a million dollars or a million dollars. They have to leave 15 percent there that the bank gets free use of, and they get no benefit from it at all.

It is disgraceful, really, how we are suffering a depression right now in housing. We are in a real depression, and it is because of high interest rates. In order for a person to buy a $20,000 home, he must agree to pay for 3 homes, $60,000; $40,000 will be in interest, and he will get title to one home. We are in this depression in housing, and the only way we can come out of it is to get these interest rates adjusted in some way. It is possible.

The Federal Reserve has made a terrible mistake for years in trying to stop inflation by making interest rates higher. That is just like trying to put out a fire in one's home by using gasoline instead of water. It would be just as unwise as that.

We must do something, and the Speaker has given us a good talk on what we should do and what we should consider. I think we all ought to join the Speaker of the House and do our very best to help stop this depression.

Who caused this inflation? A Federal Reserve administration spokesman said the people are responsible, which was such a ridiculous and untrue statement when obviously the cause was the Federal Reserve.

The Federal Reserve has raised interest rates without reason, making them excessive, exorbitant, and usurious.

The Federal Reserve is strangling the economy and is now attempting to put into effect policies that will cause millions of our poor people to be deprived of adequate and proper food.

Is a starvation diet in the offing for millions of our poverty-stricken people?

High interest is one of the principal causes of poverty, ignorance, disease, and crime among four of the greatest evils.

Mr. ALBERT. I thank the gentleman from Texas.

The leadership wants all to know that the talent of the House, the specialized talent, is in its great committees, and we have to rely on the committees, and their cooperation, their leadership, and their working together, hopefully, with the White House, so that we can do something.

I now yield to the distinguished chairman of the Committee on Appropriations, the gentleman from Texas (Mr. Mahon).

Mr. MAHON. Mr. Speaker, I want to commend the Speaker for using this time to discuss the very dangerous and critical situation that confronts us with respect to the economy and with respect to inflation.

As was pointed out so well in the meeting to which the Speaker alluded, one of the major factors involved in the present situation is a loss of confidence in regard to the economy. People realize their money has been devalued as a result of inflation already, and they fear and believe that it will be devalued even more in the future.

It seems to me that, as was said in the meeting on the economy we need the cooperation of Congress, the cooperation of the Executive, the cooperation of business and the cooperation of labor. We are all in the same boat together, and I think that the Speaker has demonstrated, not only in this talk today, but otherwise, his support of a program of cooperation in the overall best interests of the country in solving the very serious economic and fiscal problems before us.

It is best for the country and it is the best politics, so we need, as I say, to work together.

Now, with respect to cutting the President's budget, in the appropriation bills this year, as we did last year and the last 29 years before that in appropriation bills, when the Congress has concluded its work we will be below the President's budget in those appropriation bills. But, of course, in nonappropriation bills and back-door spending and otherwise we will not necessarily be below the President's budget. But as the chairman of the Committee on Appropriations I want to assure the Speaker of our cooperation and our desire to hold the line within reason.

I think if the country decides we really mean business and want to be responsible in the face of the situation which confronts us, there will be renewed hope, and renewed hope is what this country very much needs if we are to come out of this crisis which confronts us.

Mr. ALBERT. I thank the gentleman from Texas for his fine contribution.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the distinguished gentleman from New York.

Mr. CONABLE. I thank the distinguished Speaker for yielding.

Mr. Speaker, I would like to compliment the gentleman on his statement of the difficulties facing the Congress at this time. While it is quite usual at this time in an election year to come forward and describe the economy in the darkest hues, I will acknowledge the state of the economy as one to give us all concern, and I do not think for a minute that the Speaker is expressing the typical election year alarm about the state of the economy.

I would like to note the statement that the Speaker will encourage the Members of this Congress to consider positive suggestions emanating from the executive branch.

I note also his statement that the Democratic Party will come forth with positive suggestions, presumably this year, to address some of the problems that are bespoken here.

I have, I think, no authority for my side but we certainly will consider such proposals in as positive a frame of mind as the Democratic majority expresses with respect to Presidential leadership if congressional suggestions are made.

I am one of those who would agree with the Speaker completely that this Congress must participate in the solution of our economic problems and to that extent I will certainly do my utmost to cooperate.

I am, of course, concerned as we all are about the level of interest rates in this country, and I am sure the Speaker is not suggesting expansion of the money supply were that even within our power, such as is perhaps implicit in that of the statement of the distinguished gentleman from Texas. We have had some expansion of the money supply right down to the present time. The Federal Reserve Board has not increased the credit reserve of banks so I am sure there is no strong desire for expansion of credit to further inflict us all and concern us all. If there is any suggestion of that sort I would like to know it at this time.

It does seem to me we could get into very serious trouble were we to try to take direct steps to expand the supply of money at this stage.

Mr. ALBERT. The distinguished gentleman from Wisconsin is a much better authority on that subject than I. I tried just to outline the problem and not to give all the solutions. As I told the group today, we are trying to search for the answers because the American people want answers. There is a psychological wave that is similar to the 1920's wave that struck the country, and it is too bad. That has been proven by polls taken by economic poll takers and psychologists. We ought to try to head it off.

Mr. CONABLE. One last point, Mr. Speaker, if the distinguished Speaker will yield further. I think it does not avail us to blame the President for an expansion of the budget when we have directed an expansion of the budget over the years recently. It is, of course, incumbent on the Executive, as the Speaker has pointed out, to carry out the law. There is no question about the tremendous growth of Government implicit in the figures which show that in 1964 for the first time in this country's history we passed $100 billion; in 1971 we passed $200 billion and it is being requested, and I hope we can find some way to avoid it, that in fiscal year 1975 we will pass $300 billion.

This would not be possible, Mr. Speaker, had we not enacted the programs which have fueled the tremendous budget growth.

I think it is rather interesting to find people who have participated in this willingly and affirmatively sought to go even beyond the final figures in blaming on the President the carrying out of our directives in this respect.

Mr. ALBERT. The President, of course, is not restricted by the submission of his budget. He has complete authority in that direction. That is in the law. But we have cut the budget for over 30 years, as the gentleman from Texas has said.

Mr. CONABLE. Well, this is a fairly standard debate. This would not be possible if Congress was not a willing participant generally.

Mr. ALBERT. I thank the gentleman for his contribution.

Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. Reuss).

Mr. REUSS. Mr. Speaker, the Member from Oklahoma is doing an extraordinary and responsible thing in taking the well this afternoon to speak in measured tones of the very serious economic problem which confronts us, in a word, boiling inflation and a recurrent recession at one and the same time.

I think it is worthy of the highest attention of our leadership, which it is getting, to know if ever there was a time in the history of our country when we do not need recession or inflation, it is today. It is not necessary to rehearse the melancholy business which now absorbs the House Committee on the Judiciary. It is not appropriate to recall the fact that all the polls show there is increasing public disillusion with people in positions of authority throughout the Nation. One need not pause too long over the fact that once again voices of extremism at both extremes are being heard in the land. All these things make it so tremendously important that when the American people, as it does, hungers and thirsts for leadership in economic matters, it is now beginning to get it.

May I say to the gentleman from New York (Mr. Conable) that I, and, I am sure, other people on this side of the aisle, appreciate the cooperative and conciliatory tone he just used. I can assure him there is no disposition on this side of the aisle, either directly or indirectly, to induce the Federal Reserve System to crank out increments to the money supply. Indeed, many of us are critical of the Federal Reserve in the last few years for having overextended the money supply; but at the same time we do not regard with equanimity the situation where this week the great utility industry of this country was unable to get necessary capital to modernize itself. The greatest city of the land had to withdraw a request for public financing, where that backbone of American industry, the small innovative business that has always been relied on to produce new types of equipment that had the productivity when the small innovative business simply cannot get the capital it needs to, on the one hand, and then, at the same time, we find enormous gobs of credit being channeled and focused on things that are inflationary and bidding up the price of inventory and bidding up the price of raw materials and bidding up the price of real estate.

So that I think men of good will have to realize that we have not yet realized perfection in our monetary system, and we must seek and strive for new ways of channeling credit where it will help combat inflation and make a more progressive economy, and away from actions where it does just the opposite.

So, we would hope, Mr. Speaker, that in the words of Webster, "we may perform something worthy to be remembered under your leadership," and I welcome it.

Mr. ALBERT. I thank the gentleman for his contribution and for the hard work he has done in this field.

I yield to the distinguished gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, I certainly wish to congratulate you for having taken the time to call this to the attention of the country. As has been said, public opinion, the confidence of the people, means so very much. The leadership of the Speaker, his statement here today and his earlier advocacy and the eventual passage of the Budget Control Act, and many other things should add a great deal of confidence to the American people.

I would make this one comment, that within the Congress we have it within our power to give thought to this—and there will be differences of opinion—but it appears to me, as an amateur economist, that we do have a shortage of capital which leads to the inflation. Recognizing the problem is the first thing, and a solution is the second thing.

I think that we, as Members of Congress, should join with the Speaker in redirecting our attention to productive types of activities to the degree that we can so as to increase the capital, which, after all, is in short supply.

Now, and again, I get letters saying, "Fix the interest rate. Our capital does not bring what it is worth," whatever that is, whatever the law permits it to reach.

Mr. Speaker, I wish again to commend you and assure you of my efforts in line with yours and others of our leadership to redirect our activities in the areas that are most productive, and again commend you. I think the country will take renewed confidence in the fact that you have taken the floor today.

Mr. ALBERT. I thank the gentleman from Mississippi.

I yield to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I appreciate your yielding to me, and I share your concern about the economy. I think all of us do share concern about the economy at all times. I disagree a little bit with the gentleman from Wisconsin in that I am not sure that there is any time that it is appropriate that we have a recession or inflation at the levels we seem to be faced with at the moment.

However, I would say again that I cannot agree that the disillusionment with reference to the institutions of our society excludes in any way the Congress. I think that disillusionment is pretty widespread in a lot of our institutions.

Mr. ALBERT. May I say to the gentleman from Ohio that I said in a talk earlier today that I think there is some disillusionment with all the major institutions of our society.

Mr. BROWN of Ohio. I feel that is absolutely correct, Mr. Speaker, and unfortunately for this body, that includes the Congress. Perhaps the reason for that is because it was the Congress which encouraged the undertaking of wage and price controls, which seem not to have worked in retrospect. Therefore, I find some problem with the suggestion that we now ration the interest, or rather the money for expansion, and try to provide some specific control over interest.

I think perhaps we had better follow the advice—having just listened to a little bit of this colloquy—which the gentleman from Mississippi (Mr. WHITTEN) suggests, and that is that we should try to get back into more productive activities encouraged by the Government and get away from some of the unproductive activities.

One of the unproductive activities, it seems to me, is to pass so many programs and guarantee so many worthwhile needs of our society with Federal dollars—we now guarantee literally anything we can think of which people want to undertake in this country. When we have that kind of guarantee and those insurances, and then the expenditures that leave us with the deficits, there we wind up with the Federal Government denying the right of free choice to the average American citizen.

This is because the Government takes the money available for expansion for its own purposes, and individual citizens or individual businesses cannot get that capital that they need so desperately to, say, build a home or even buy a farm or expand an industry to meet shortages.

Industry is now competing with the monopoly control of money that the Federal Government now has.

Therefore, we have a real problem on our hands as long as we approach the problems of our society from the standpoint that the Federal Government ought to come first and we ought to go ahead with these deficit measures.

Mr. ALBERT. May I say to the gentleman that I realize that there is even that danger, but sometimes one who has occupied a position of leadership should try to correct the situation. I do not think we should play dead. I think we should undertake to try to do something at this time, and if we are making any gain, let us hope that it will be more than just an effort, but that it will amount to something worthwhile.

Mr. BROWN of Ohio. Just as a concluding comment, Mr. Speaker, I would join with you in hoping we can find the leadership we need to get the Government under some degree of control. I would say, frankly, to you, that I think that leadership has not been provided by the Congress. I hope it can be provided by somebody. I think it might be provided, perhaps, by the President. It ought to spring from the people, to some extent. Without the people, we cannot provide leadership.

Mr. ALBERT. The gentleman may disagree with me. But I am not willing to take the misdirection of the economy out on the hides of the poorest people in the country, the middle-income and lower-income people and neither will the majority on my side of the aisle, which will insist that we move forward to bring the economy under control in a way that will benefit all Americans.

I yield to the gentleman from Missouri, the distinguished member of the Joint Economic Committee and the Committee on Rules.

Mr. BOLLING. Mr. Speaker, I would like to join the others in congratulating you for the statement you have made.

It seems to me that there is enough blame to go around. It seems to me very clear that the Congress has some responsibility for the situation we have now, and it is absolutely impossible to say that the Executive does not have some responsibility, because everybody knows that the Executive can act more quickly and more effectively with regard to impact on the economy than the Congress ever can.

I think that the Speaker's willingness to undertake a discussion of this sort is extremely important because this is the same Speaker who has taken the initiative in all the efforts to make the Congress itself work more effectively organizationally.

I had the privilege, with the Speaker and others, of being present at the White House when the Budget and Impoundment Control Act which this Congress passed virtually unanimously was signed the other day.

We have before us a great controversy in an attempt to make the House work more efficiently, but what we need very badly is an understanding that no particular party's policy can be implemented with regard to the economy and that there must be some kind of understanding among us that the urgency of the situation requires a common approach.

I have understood what the Speaker said. It was in effect that we should try to seek a common approach to the solution of the problem, but we all have the responsibility, the executive and the legislative alike.

We should all get to the business of coming up with a common policy that could be put into effect, one that would solve these problems which affect all of us, whether we be rich or poor, but which lay more heavily on the poorest people of the land.

I congratulate the Speaker.

Mr. ALBERT. Mr. Speaker, the gentleman has said it better than I.

Mr. RHODES. Mr. Speaker, will the distinguished Speaker yield?

Mr. ALBERT. I yield to the distinguished minority leader.

Mr. RHODES. Mr. Speaker, I thank the Speaker for yielding.

I wish to compliment the Speaker for taking this time and giving the Members of the House an occasion to debate a subject which is certainly timely and certainly vital to all our people. It will be my purpose, I think next week, or perhaps at some time in the near future, to take a similar special order in the hope that we can do this periodically.

Mr. ALBERT. Mr. Speaker, I think the gentleman should take a special order on the economy. It has reached the point where the entire Congress is involved, not just one party and not just a few of its committees.

Mr. RHODES. Mr. Speaker, I certainly agree with the Speaker.

I would like to explore with my distinguished friend just one point that has been brought up. The subject is much too broad to go into all of its facets, but as I gather, every Member on this floor will agree with this: There may be those Members who do not agree, but I believe almost every Member agrees that one of the things that would be beneficial to the economy would be a reduction in Federal spending just as rapidly as possible, with the hope that getting the Federal Government out of the money market might have some salutary effect on the money market, so that the interest rates might go down and we could then have the private sector pick up whatever slack there might be.

I certainly agree with this proposition. I think the Congress is in somewhat of an ambivalent position, however.

My distinguished friend, the gentleman from Missouri (Mr. Bolling), just mentioned the Budget and Impoundment Act. The last part of that title, I think, is rather interesting, because this Congress has acted to inhibit the Executive in impounding funds.

Obviously one of the ways—there are probably only two ways—that this Congress or the Government could cut its spending would be by an impoundment of funds by the Executive, funds which have already been appropriated. Yet this Congress has acted to inhibit the President in his authority to do that.

The other way, Mr. Speaker, I think, would be if we were ourselves to make the type of study which would be required to set a spending ceiling which would be adequate, which would be a ceiling we feel is best for the economy and which we could live with.

Mr. Speaker, that brings me to a very concrete suggestion. The legislation which the gentleman from Missouri mentioned will not become operative until, I believe, the fiscal year 1976 or perhaps 1977. I might suggest the possibility that the committee which is called for, the Committee on the Budget, might be activated earlier than that time, and that this committee might actually meet before that time. Although it might not have the authority to impose a ceiling, it certainly could do the studies which would be necessary to determine what kind of a ceiling would be proper in the premises and to perhaps pass legislation in imposing this ceiling and directing the President to impound or preserve or do whatever is necessary with the funds already appropriated in order to allow the Government to live within that ceiling.

Mr. Speaker, I very seriously propose that as a possible answer.

Mr. ALBERT. Mr. Speaker, I thank the gentleman. I appreciate the gentleman's statement.

Mr. MOSS. Mr. Speaker, will the distinguished Speaker yield?

Mr. ALBERT. I yield to the gentleman from California.

Mr. MOSS. Mr. Speaker, I thank the distinguished Speaker for yielding.

I wish to compliment the Speaker on taking this time. I think it is critical to the underlying problem as I see it. We are dealing with an admittedly very complex situation.

However, at the moment we have a loss of confidence. That fact becomes evident in every issue of every financial journal in this Nation, whether it is in the listing of securities, the listing of bonds, the proposals for new underwritings, or the inability to raise capital. And now we have the matter of competition.

Mr. Speaker, I recall 41 years ago the magic of a President being able to say in a few words those things which brought about a feeling of renewed confidence.

I think this is what we expect of the President in a moment approaching a crisis, as we move now to a—well, I do not characterize it, but the front page of the paper this evening says a depression, by any classical definition, is here.

Mr. ALBERT. A recession is here.

Mr. MOSS. A recession is here.

Mr. ALBERT. A recession is here, according to the standard definitions.

Mr. MOSS. And we have a responsibility to those whose savings are in the bonds and the securities of some of our great utilities, prudent men and women who put money aside and did not want to look to Government, today find themselves without income. I think this is a first step in bringing about some kind of a renewal of confidence.

Mr. ALBERT. I yield to my friend, the gentleman from Washington (Mr. Adams).

Mr. ADAMS. Mr. Speaker, I want to compliment our distinguished Speaker, the gentleman from Oklahoma (Mr. Albert) for taking this special order, and particularly for the work that gentleman has done along with the gentleman from Wisconsin and myself, in bringing proposals to the Steering Committee. I will later today put in remarks in answer to the allegations of the credit question posed by the gentleman from New York, and to state that many of us are ready to certainly rethink our thinking in terms of balancing the budget, but we want to also have control over the so-called passthrough theory that is making interest rates go up. I understand the interest rate market is not a free market.

Again I want to compliment our distinguished Speaker, and I hope that the minority leader, the gentleman from Arizona (Mr. Rhodes) does what he says so that we can have a series of these discussions.

Mr. ALBERT. Mr. Speaker, I thank the gentleman.

I yield now to my longtime friend and classmate, the gentleman from Tennessee (Mr. Evins).

Mr. EVINS of Tennessee. Mr. Speaker, I have listened with great interest to the entire discussion on this subject, because it is a matter with which the entire Nation is concerned.

As I see it, it is a matter of high interest rates. A policy of high interest rates, coupled with low production and high unemployment is not a solution to the inflationary problem.

I asked Dr. Burns, when he came before our committee, whether he would recommend the expansion of public works for this Nation as a partial solution to our economic ills. He said no, public works are too slow. He said what we need, and what is the stated policy of this administration, is more unemployment compensation, longer payments, and more checks. He said that checks can be issued much faster, and what we need is a much faster solution.

I do not agree with that policy.

I think our distinguished Speaker, the gentleman from Oklahoma (Mr. Albert) is to be commended for taking this special order so as to bring about an examination of the economy of our Nation.

Mr. ALBERT. I thank my colleague, the gentleman from Tennessee.

Mr. Speaker, I now yield to my friend and colleague, the gentleman from Oregon (Mr. Ullman).

Mr. ULLMAN. Mr. Speaker, I want to congratulate our Speaker, the gentleman from Oklahoma (Mr. Albert) for taking this special order so as to begin this dialog. The country is in deep trouble, and I believe we would all have to state that we know this. The country is looking to the Congress for leadership. My judgment is that once we establish a format of policy that the Members of this Congress do have the courage to do the things that need to be done.

My judgment is that the American people are willing to tighten their belts and do the things that need to be done. The only thing we need is a proper format.

We have made a big step in the right direction by establishing congressional budgetary control, and I commend all of the Members of the House on this. Now we can implement that, but that will not solve all of the problems. We must find a better economic controlling mechanism so that we can take advantage of this in all of our committees.

This is a crisis.

Again I commend the gentleman from Oklahoma for taking the initiative of beginning this dialog.

Mr. ALBERT. I appreciate what the

gentleman has said, and welcome his contributions.

We are finding that the leading economists in the Nation, the most prominent businessmen in the Nation, as well as representatives of all segments of our economy, are ready to talk to us, because they are all concerned, whether they are Republicans, Democrats, or independents.

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I am happy to yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Speaker, I compliment the gentleman from Oklahoma (Mr. ALBERT) on taking this special order.

I would suggest that the Nation is crying out for one thing when you have inflation with a recession, and that is they are crying out for leadership.

I think, Mr. Speaker, they are crying out for a Congress that goes to the question of their problems. I think they are crying out for a Congress that is willing to look at the question of the tax problems, the question of our inflation problem, and the question of our transportation problems.

I think, Mr. Speaker, that you could lead a Congress that would go down in history if it would stay and do a job, and if it would be frank, if it would bite the bullet, and if it would go to the cause of the things that disturb people so much, because they have seen we politicians of this country become far too much politicians, and not the leaders that the forebears who started this country were. I think they have seen us far too often put the patch, the band-aid, on the sore without going to the cause of the infection.

Mr. Speaker, if we can do this in these times, one thing will happen. If Congress stays and works at its job instead of turning into a political morass, the people can have faith that they have leaders. I think this is what they are looking for because, Mr. Speaker, in all honesty they think they see them, and I think they desperately need them.

Right now, today, I look for the Winston Churchills, the Harry Trumans, even the Franklin Delano Roosevelts—the General Eisenhowers—who could inspire this Nation into biting the bullet for the task ahead of it.

Mr. MATSUNAGA. Mr. Speaker, I wish to compliment the gentleman from Oklahoma, the distinguished Speaker of the House, for the leadership he has assumed in seeking a solution to the economic morass in which we find ourselves as a nation. The complete failure on the part of the executive branch to give some indication even as to its recognition of the seriousness of the trouble in which our economy is, has led to a loss of confidence among our business leaders in the present administration's ability to find a solution. There has been a vacuum in national leadership, and as a consequence a psychology of fear for our country's future has developed among our people. As a deeply concerned Member of this House, I have, as the Speaker knows, expressed my concern to him in private. I am delighted that he has taken the initiative to fill that vacuum of leadership. This fact alone will raise new hope among all Americans and restore faith in our Government. I congratulate the distinguished Speaker.

Mr. ALBERT. Mr. Speaker, I yield back the balance of my time.

Mr. BENNETT. Mr. Speaker, I congratulate the leadership of the Democratic party in Congress, and particularly the Speaker of the House, for bringing into focus the most important domestic issue of our times—inflation.

Our currency is no longer predicated on gold or silver. There is a serious question as to whether there is enough of these materials to meet the needs for such a guarantee of currency. There is however, another value that can bolster the dollar and that is sweat, or sacrifice in some form.

Our National Government for many reasons has in the immediate past appropriated the funds needed for many worthy programs without regard to the money availability, the tax resources. This course of action satisfies the immediate needs but makes the value of the dollar decrease in actual value—in my opinion the chief source of inflation. Admittedly there are other inflationary pressures but this is the most powerful inflationary force.

There is no great pressure on Congress to increase taxes. Legislation is pending that would add some tax dollars to the Treasury but in modest amounts. The prospect for greatly increased taxes are not with us. The only other way to bring outgo of expenditures in line with income is to make cuts in expenditures. To accomplish this in the face of mounting demands on Congressmen to increase existing programs and to establish new expensive programs, such as a broad national health care program, obviously requires not only political courage by Congressmen but also some degree of restraint by congressional constituents.

When Congress enacted the budgetary reform legislation just recently signed into law by the President, it offered a procedural way for Congress to exert a greater influence on the budget and on priorities. This law will also make budgetary actions by Congress, and particular Congressmen, more visible. This can be very helpful in the fight against inflation but only if each Congressman will "bite the bullet" and vote with fiscal responsibility in mind rather than just approving every request for additional Federal appropriations for worthy objectives. The best way the American people can help fight inflation is to encourage Congressmen to exert fiscal restraint and make this point of view felt at the ballot box.

The day of dreaming that somehow the Government can spend large sums of money without taking it out of the hides of taxpayers, rich and poor, has gone. Inflation hits the little fellow the worst. There is no way to evade inflation if there is not to be some sweat, some sacrifice, behind the expenditures. There is no mystery to money. It has no value without sweat.

Mr. Speaker, I insert at this point in the RECORD an excellent editorial, "The Roots of Inflation," from the July 9 edition of the Florida Times Union; and another from the July edition of the same paper, "Determination Is Needed Too," as follows:

[From the Florida Times-Union, July 9, 1974]

THE ROOTS OF INFLATION

The finger of blame for most of the spiralling inflation of the past few years is gradually settling on root causes including government printing presses and government deficits.

Some say this explanation is too simplistic and they have a talking point. There have been severe economic dislocations caused by fuel and raw materials shortages plus other, less apparent, factors.

But the complexity of the situation does not drown out the sound of the presses in the industrialized nations of the world, printing far above normal supplies of money and thus cheapening the stock on hand.

Sen. Carl Curtis (R-Neb.) said on ABC-TV's Issues and Answers program Sunday that:

"I think it is absolutely necessary for the United States to put its financial house in order. By that I mean a return to a balanced budget now if we are going to halt inflation. We cannot go on increasing the debt, engaging in deficit financing without igniting all the other forces of inflation."

And a roundup in the Christian Science Monitor on the causes of inflation, written by David R. Francis, indicates what government response—not only in the United States but in other nations as well—has been to the deficit financing.

"The United States has had the highest rate of growth in the money supply since the end of World War II," Prof. David I. Meiselman, economist at Virginia Polytechnic Institute said.

During 1972 and 1973 the money supply in the U.S. grew about eight per cent, the article notes, about "twice as fast as what many economists regard as normal."

And in the nine major industrial countries outside the Communist bloc, the supply increased by an astounding 60 per cent in two and one-half years.

There are signs of a slacking off, both overseas and in the United States in the rate of money supply growth but the other side of the coin—the huge U.S. deficits—will continue unless Congress shows more restraint.

The adjustment will be painful but it must be made because the consequences of galloping inflation, spurred on by increasing government debt and an artifically created money supply, will be unbearable.

[From the Florida Times-Union, July 1974]

DETERMINATION IS NEEDED TOO

Back in his 1970 State of the Union message President Nixon said:

"In the decade of the Sixties the federal government spent $57 billion more than it took in in taxes.

"In that same decade the American people paid the bill for that deficit in price increases which raised the cost of living for the average family of four by $200 a month.

"Millions of Americans are forced to go into debt today because the federal government decided to go into debt yesterday. . . ."

Sound thinking. It would be hard for anyone with even elemental knowledge of economics to dispute the President's words.

But, what happened?

In the next three fiscal years after the President said these words Treasury Department figures show budget deficits of $22 billion, $23 billion and $12 billion—for a total (by coincidence) of $57 billion.

In other words, in the three years after President Nixon spoke those sound words, the federal government's unsound spending practices racked up in three years the same amount of deficit it took the previous decade to accomplish.

And the same "American people" who "paid the bill for that deficit" are still paying the increases, today.

The point in this backwards look, however, is not to bewail spilled milk (not at the present price of milk). Rather, this discrepancy between bespoken intentions and subsequent actions offers perspective upon a current effort—this time by Congress—to fight inflation by putting clamps on federal spending.

For, in fact, much of the blame for federal overspending must be given Congress; it, not the President, passes appropriation bills. Indeed, had it not been for several presidential vetoes, and impoundments, the deficit would have been much higher.

Congress, at long last, has passed a law designed to give Congress an overview of, and tighter controls upon, spending.

The plan will work this way:

A budget committee would be created in each house backed up by a congressional budget office with specialized research staff. These committees would be responsible for presenting to Congress by May 15 of each year a proposed ceiling on total spending, plus a breakdown by major categories.

After the President presents his spending proposals, the various separate appropriation bills (in the various categories) would be (tentatively) passed, this to be completed by Sept. 25.

Congress would then adopt a second (final) budget resolution either (a) cutting the various appropriations back to meet the limit or (b) raising the ceiling. This theoretically would be done by the beginning of the new fiscal year Oct. 1 (changed from July 1).

In theory, and as a matter of organization, this is a vast improvement over the former plan (or rather lack of plan) wherein Congress passed various appropriations without knowing or seemingly caring what the total was becoming.

But if it is to achieve the desired purpose, the new machinery must be matched by new determination. Without it, all that could result is that the Sep. 25 "fiscal showdown" date would simply result in the budget ceiling being pushed enough into the red to support the same old spending-as-usual.

Good intentions, on the part of Congress, aren't going to be enough, just as good intentions in a State of the Union message weren't enough.

It is going to take an unprecedented effort at budgetary restraint, at making hard choices among desirable programs, of trimming all fat and perhaps a little lean as well in necessary programs, to reverse a generation of deficit spending.

THE STRENGTHS AND SHORTCOMINGS OF OUR CHILD WELFARE PROGRAM IN VIETNAM

The SPEAKER pro tempore. (Mr. McFall). Under a previous order of the House, the gentleman from Wisconsin (Mr. Steiger) is recognized for 60 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, in yesterday's Congressional Record, I provided for consideration of my colleagues my report on the visit to Saigon I made on April 13. In that report I discussed what I feel are the strengths and shortcomings of our child welfare program in Vietnam and projected what I see as its significance for the future.

Today I would like to share with you letters I have received from voluntary agency representatives working with these children. Their insights are, I think, valuable. Also of interest are letters from AID's associate director for relief and rehabilitation, Mr. E. G. Ruoff, and from Mr. Stanley B. Thomas, Jr., of the Department of Health, Education, and Welfare, as well as an adoption information sheet from the U.S. Embassy in Saigon.

Those items follow:

World Rehabilitation
Fund, Inc.,
Vietnam Project,
Saigon, Vietnam, May 22, 1974.

Hon. William A. Steiger,
House of Representatives,
Washington, D.C.

Dear Congressman Steiger: Your interest in the child welfare program for Viet Nam is certainly appreciated. I do hope your mid April visit here was profitable.

In an attempt to answer the questions you raise in your May 6th letter to me, I will attempt to provide answers in the chronological order that the questions are presented.

1. Until such time as World Rehabilitation Fund receives the allocated grant for handicapped children and can begin full operations, it is difficult to accurately project future capabilities. I believe that with the rehabilitation services that World Rehabilitation Fund has established here in the past years, our capability for dealing with the physically disabled children is quite adequate.

2. I understand that all proposals must be approved by the Ministry of Social Welfare, and possibly in our case the Ministry of Health, before the proposal may be implemented. Since the child welfare package has just been implemented to a few vol agencies thus far, I have no feed-back to use as a guideline in answering this question. I would hope that the GVN will be closely involved since the burden should be on them to assume the program in the shortest period of time possible.

3. Again, as far as this particular Child Welfare package is concerned, since the grants have just been approved recently to a few agencies, it is not fair to appraise. I must say though, that past programs have been principally focused on providing relief with little in the way of training and "tooling up" the country to provide and continue their own programs.

4. In the particular WRF (Handicapped Children) Program, about ¼ of the first year's budget is allocated for training purposes. The second year's budget should have a greater portion allocated to training.

5. I'm not qualified to answer this since it is out of my field.

6. I have been informed that, though the child welfare program is referred to as a grant, proposals must be drawn up for each activity as well as a work plan and these approved by USAID and then the GVN. In the process of drawing up proposals, I have found that USAID has scrutinized these to the point of questioning my professional decisions. I feel that if there is going to be a constant battle, that it defeats the purpose of a grant and that USAID should keep the funds and attempt to execute the program on their own rather than the program getting mired down in petty administrative decisions. I was of the impression that a grant was given to an organization because the organization had the experience or some unique expertise to execute a project most expeditiously and effectively. Unless the vol ags are given more free rein, I don't think the child welfare program will be particularly successful.

7. I think that three years should be quite sufficient. In that time, with a genuine interest on the part of the Vietnamese, any program should be self sufficient. If it isn't, it would signify a lack of interest in one party or the other and no matter how much more time or money is expended, there would be very little improvement.

I hope the above will prove to be of help to you.

Sincerely yours,
Robert B. Wilson.

International Rescue
Committee, Inc.,
Saigon, South Vietnam, May 22, 1974.

Hon. William A. Steiger,
House of Representatives, Longworth Office Building, Washington, D.C.

Dear Congressman Steiger: This is in reply to your letter of May 6th, in which you posed seven questions concerning child welfare programs in Vietnam.

1. *Projection of IRC's future capability to meet the needs of children in Vietnam.*—This, of course, depends on availability of funds. Those programs supported solely by IRC, i.e., five-day care centers with a total of 425 children, and financial assistance to five Vietnamese child care activities with more than 850 children, will almost certainly be continued for an indefinite period, with the hope that all will eventually be taken over by Vietnamese private and/or public agencies. IRC's USAID funded programs, a 120-bed reception and convalescent center for children undergoing plastic and reconstructive surgery, a home nursery program and our newly established pediatric intensive care for orphans and children in adoption process depend on year to year funding. The two former programs will be phased out by the end of this year. It is hoped that the pediatric intensive care program, a part of the 7.2-million-dollar child care package, can be continued for at least three years if not longer.

2. *Role of the Government of Vietnam as relates to voluntary agency proposals.*—The Government of Vietnam is consulted by USAID on all USAID/Voluntary Agency contract proposals and "chops off" on such proposals. I get the impression that GVN concurrence is almost automatic. For non-contract programs the concurrence is even more automatic. I don't think GVN would stop any proposal unless it was completely illogical or politically very contrary to GVN policy.

3. *Overall rating of AID's child welfare program.*—A tough question. I would say that in the past AID's program, tied in with and very much dependent on the capability of the GVN, has been fair to good. I would think that the latest program, with the voluntary agencies, will be much more effective.

4. *Training of Vietnamese.*—Again, a difficult question, but I would say that much of the money and effort is directed toward training Vietnamese, not necessarily through formal training programs, but through maximum utilization of Vietnamese staff. And, in concurring on voluntary agency proposals, the GVN asks that US or TCN staffing be kept to the absolute minimum.

5. *Aid to voluntary agencies for adoptions.*—Since IRC is not involved with adoptions, I can't answer this question.

6. *Changes in AID's child welfare program.*—An even closer relationship with voluntary agencies, especially in the form of consultation and coordination in planning programs, would greatly enhance effectiveness of programs.

7. *Length of AID's program of specifically earmarking funds for child welfare programs.*—As was indicated during our meeting at the Embassy in Saigon, the need for such

support depends to a great degree on the economic situation in Vietnam. This situation is not good at present, especially in the urban areas. If it improves, i.e., unemployment drops, and prices of basic commodities stabilize, then the requirement for large child welfare programs will lessen. I would say that it would be necessary to continue to earmark funds for two to three years while maintaining the flexibility of adjusting as the situation requires.

I trust that the above information will be helpful. If I can be of any further assistance please let me know. By the way, for any future correspondence, please continue to use our APO address. Our street address will change very soon as we relocate to another building.

With grateful appreciation for your efforts in behalf of the children of Vietnam and the voluntary agencies, I am

Sincerely yours,

J. CARROLL MORRIS,
Director, IRC Vietnam.

Added Note: I have just this morning received a call from Mr. Ray Fontaine, E. G. Ruoff's deputy in USAID, to the effect that DOD is contemplating eliminating APO privileges for the voluntary agencies. Ray says that the Embassy here will try to dissuade DOD from taking such action, but we may need some help from friends such as you. If voluntary agencies were a heavy burden on the postal system, I could understand DOD's considering such action. However, we are not. And I'm sure that the DOD contractors will continue to be supported. If you can help, we would all really appreciate it.

Many thanks,

——— ———.

CATHOLIC RELIEF SERVICES,
U.S. CATHOLIC CONFERENCE,
Saigon, Vietnam, May 27, 1974.

Hon. WILLIAM A. STEIGER,
House of Representatives, Longworth Office Building, Washington, D.C.

DEAR CONGRESSMAN STEIGER: Many thanks for your letter of May 6, 1974 which represents the follow-up on your April 13th visit to Saigon. It was good seeing you again and your interest in our efforts is much appreciated.

I will respond to your questions in the order in which you have listed them:

1. It is anticipated that the areas of our involvement will continue to be in Orphanage Improvement, Child Nutrition and Nutrition Education, Prevention of Infant Abandonment and Home Nursery Programs. Programs will be in concert with the Government of Vietnam and with USAID.

2. Our basic agreement goes back to 1954 and it has proven to be a good one, elastic enough, and one which requires input and support from the Government of Vietnam. As regards the current Child Welfare programs, the host-guest relationship suggests planning and implementation coordination especially since the current appropriation has funds blocked out for the Ministries of Social Welfare and Health to engage in some programs like unto those of the voluntary agencies so that an atmosphere suggestive of partnership might be realized as well as the elimination of a possible "cornering of the market" by either the governmental or voluntary sectors. As for the possible stoppage of proposals, I feel that such would result only in the case of a program obviously in opposition to stated national goals and priorities.

3. With the demise of CORDS which was programed, at least for record purposes, for almost total "Vietnamization," the present Social Welfare Bloc of USAID as well as the Ministry of Social Welfare are aware of the fact that the ministry is lacking in certain areas and the assistance of the foreign voluntary sector is being solicited. USAID's child welfare program having gone through several refinements since last Fall seems sound and realistic. It is anticipated that cooperation/coordination involving the GVN/USAID/Vol Ags will tend to further iron-out kinks sure to be experienced.

4. Approximately 50% of the money and effort is going toward training.

5. No.

6. For the time being I feel that the present efforts should be allowed to proceed as programed. After six months an evaluation might suggest changes/modifications.

7. Four years.

With an assurance of cooperation in all matters of mutual interest, I am, with all good wishes,

Sincerely yours,

JOHN J. MCVEIGH,
Program Director.

SAIGON, VIETNAM,
June 3, 1974.

WILLIAM A. STEIGER,
Longworth Office Building, Washington, D.C.

DEAR CONGRESSMAN STEIGER: I am sorry I was not able to reply to your letter before this. Now my answers may be irrelevant.

(1) I am able to see our group only in the light of present need. I cannot project much into the future. Our group is not concerned with long range goals but with meeting the needs of a present crisis. I sincerely hope that in easing the burden of present crisis, we are freeing others to work on long range plans. Our responsibility for the long range planning, for each child, is passed on to the adoptive parents, once they receive their child. We exercise care in choosing adoptive parents, and they in turn are responsible for carrying out all our "long range plans" in the life of the individual child. We can think only in terms of individual children, rather than the "problem" as an entity in itself.

In one realm we may have some long term effect on child welfare in Vietnam. Our work with the disturbed, brain damaged and children with other handicaps not purely physical in nature. These children often cannot be placed for adoption. We already have the embryo of a special nursery for these children and we are sensitising child care workers, and the Ministry of Welfare to their needs. In this we are pioneers.

Our policy is not to compete for "business" with existing agencies, but to fill a gap where no other solution is available.

(2) The Government of Vietnam, as represented by the Ministry of Welfare is at the present moment, placing great stress on the contribution of the voluntary agencies. I have been rather dismayed to hear a Welfare official speaking of their reliance on the voluntary agencies, and on the funds contributed by these agencies and by the U.S. government and disbursed by the agencies. This confession was sad. I saw a desperation for money, so great that the Government is forced to submit to outside interference. I do not see the Vietnamese government as rejecting any serious voluntary agency proposal which would result in improvement of the welfare scene. However, I am hoping that they will not acquiesce to every scatter-brained scheme that is presented to them. I only hope they can retain enough spirit of independence, despite foreign aid, to speak their own minds. Anything else would be a tragedy both for Vietnam and America.

In fact, the Ministry of Welfare, with Dr. Bach in charge of child welfare, is begging voluntary agencies to contribute their expertise, and to help Vietnam. Dr. Bach is extremely realistic and is not carried away by false pride, or by nationalistic tendencies. She sees the huge need, and she sees their own inability to even begin to cope with the comparatively sophisticated problems of child welfare. She said quite bluntly that she would oppose any move to promote in-country adoptions at the moment, because they do not have the welfare apparatus which could provide adequate protection for the rights of the child. She expressed herself strongly in favour of over-seas adoptions as a means of easing their present child-welfare crisis.

(3) I am not qualified to rate AID's child welfare program. I have never come into contact with it before. In the past I have had contact only with other orphanages, and I have seen help given them by the military on an individual basis, or as part of an organised group effort. I know that help has been given to orphanages through AID related agencies, like CRS, but I do not feel competent to comment on the efficacy of this assistance.

(4) All the agencies are contributing in some sense towards training of Vietnamese personnel, but the ongoing efficacy of a program does not depend merely on training. It depends on a whole mentality, and it may take generations before Vietnam has the economic security which alone permits the development of a consciousness of welfare and the needs of others. The country is too unsophisticated in this sense, and the greater part of the people too poor to afford the luxury of thinking of others. For most of the people, it is a fight for their own survival. Altruism belongs to the economically secure.

(5) I can answer this only for our own agency. We do not regard the money as strictly for adoptions. We have made no extra promises that we shall accomplish more adoptions if we get any money. We have stated simply what we are doing, and what we shall continue to do whether we get any money or not. We have estimated that of the adoptions we handle this year, perhaps half will be for the U.S. and half for Europe, and some other cold countries. Money does not influence this decision. We are however, influenced by the fact that the children can leave for the U.S. in a very short time, whereas adoption to any other country means the child must spend much longer in Vietnam before departure. This is a critical factor.

(6) I would not presume to recommend any changes since I am only narrowly acquainted with the scope of the program.

(7) Three years would seem reasonable. However, the welfare money is useful only if a concurrent effort is being made to improve the economic position of Vietnam. The AID money is useful as assistance in a crisis, to help those who would not survive for the implementation of long range programs. There can be no lasting results unless the quality of life for the average person, improves remarkably. Our well fed orphan children will only grow into delinquent teenagers, and jobless adults.

These are a few personal thoughts stimulated by your questions. I only hope that some of the other agencies, with closer contact with AID, will be able to give you more specialized suggestions.

Sincerely,

ROSEMARY J. TAYLOR.

EMBASSY OF THE
UNITED STATES OF AMERICA,
May 16, 1974.

Hon. WILLIAM A. STEIGER,
House of Representatives,
Washington, D.C.

DEAR MR. STEIGER: Thank you for your letter of May 8 concerning the status of the application for a grant from the child welfare program from Rosemary Taylor of Friends For All Children (FFAC). We have processed the application from Rosemary and have held numerous discussions with her about priority needs. We now hope to have before the end of this month a draft grant agreement for approximately $100,000 for FFAC (Denver) consideration. The grant, as it is now anticipated, will be to cover the salaries for her entire Vietnamese staff for a 12 month period.

We have now concluded child care grant agreements with the International Rescue Committee, Travelers Aid, International Social Services, Holt Childrens Services, CARE and Catholic Relief Services totaling $3,308,000. Our most recent grant was just signed with CRS on May 17 for orphanage improvement. Our plans are to conclude additional agreements during the next month with World Vision, World Rehabilitation Fund and Catholic Relief Services. With the $1,207,000 child care agreement with the Ministry of Social Welfare already concluded, I feel the initial planning and funding phase for the child care program is nearly complete and that the implementation phase is now underway.

Thank you very much for your continuing interest in the child care program of Vietnam.

Sincerely yours,
E. G. Rouff,
Associate Director,
Relief and Rehabilitation.

Department of Health, Education, and Welfare, Office of the Secretary, Office of Human Development,
Washington, D.C., May 28, 1974.

Hon. William A. Steiger,
House of Representatives,
Washington, D.C.

Dear Mr. Steiger: During our discussion last week you asked about HEW's current activities with regard to Vietnamese orphans. At that time I indicated we had a number of initiatives underway that I would forward to you.

HEW's involvement for the past couple of years has been basically in assisting the Agency for International Development in analyzing the problems of Vietnamese children and exploring opportunities for expanding intercountry adoption by American citizens. This effort was formalized last October in a Department-wide Task Force which was charged with responsibility to identify ways that HEW and other Federal Departments could facilitate the intercountry adoption process. The Task Force recommended changes in existing regulations of the Immigration and Naturalization Service as well as recommended that HEW serve as a catalytic force in expediting the identification and placement of these children.

The Agency for International Development has as its major responsibility the coordination of activities in Vietnam and has been working with a number of international voluntary organizations facilitating the placement of these children. The main challenge to HEW is not in the international sphere so much as it is in encouraging State social service agencies to expedite the identification of potential parents, the initiation of home studies, and the provision of post-adoptive services. Federal funding is available to support these services through Title IV A and B of the Social Security Act. The Social and Rehabilitation Service and the Childrens Bureau provide technical assistance to State welfare agencies informing them about Vietnamese adoption procedures and funding which is available for this purpose. We encourage their assistance in facilitating home studies and actual adoptions. Regional office staff provide much of this continuing liaison.

Private social welfare agencies providing adoption services both locally and internationally have come to us for additional financial assistance to supplement the domestic adoptions. The Childrens Bureau works on a continuing basis with a number of these agencies such as Travelers Aid, Catholic Relief Committee, Holt Adoption Program and Friends For All Children.

We are currently reviewing a proposal submitted by the Interagency Vietnamese Adoption Committee (IVAC) which is primarily concerned with placement of Afro-Asian children, the children who are most alienated by Vietnamese society. IVAC is requesting joint funding from AID and HEW which would result in placement of over 300 children during the next two years. We will be reviewing this proposal and will make a funding decision this fiscal year.

We have been working with the Immigration and Naturalization Service which has the obvious control on immigration procedures to request that their processing forms be revised to expedite entrance to this country of Vietnamese orphans to be adopted. INS has improved considerably their services to petitioning parents and has asked the FBI to expedite the fingerprint investigations to also decrease the processing time. They have eliminated several documents of processing, and we feel that through our collaborative efforts, this process can be further streamlined.

Henry Kissinger, at the request of the President, recently sent Secretary Weinberger a letter expressing Presidential interest in assuring that adequate attention and resources be directed to improving the well-being of the Vietnamese war orphans. We will be continuing our efforts in this regard, and I will keep you informed as new initiatives are developed by the Administration.

Sincerely,
Stanley B. Thomas, Jr.

Adoption Information, U.S. Embassy, Saigon

Americans interested in adopting children in Vietnam should contact one of the agencies listed on the attached sheet. Each of these agencies has been licensed here to conduct intercountry adoptions. The agencies will provide information concerning the requirements to be met as a potential adoptive parent. Only after these requirements have been met will you be offered a child for potential placement in your home.

Americans resident in Vietnam should contact either Holt Children's Services, 441 Vo Tanh, Gia Dinh, telephone number PTT 41618, or International Social Services, 51 Mac Dinh Chi, Saigon, telephone number PTT 91693. These two agencies are prepared to assist persons resident here.

Under recent procedural changes promulgated by the Government of Vietnam all adoptions should be handled by one of the approved agencies. So your first step is to contact an agency for assistance.

You will find attached a summary of the Vietnamese and American regulations governing adoption and immigration of children for adoption. The agencies operating here are also familiar with the Vietnamese laws concerning adoption, United States immigration regulations, and special administrative procedures relating to Vietnamese adoptions. Your agency will be your guide through the entire process.

Many Americans adopting Vietnamese children in the past have found it a time-consuming and frustrating experience. While recent changes in administrative procedures here have made it possible for most children to depart for their adoptive homes in from two to four months of their placement, you will still find patience a necessity. There are many more American families seeking to adopt Vietnamese children than there are Vietnamese children available for adoption. Many children in Vietnamese orphanages are not legally available for adoption and some orphanages are still hesitant about placing children for adoption in a foreign country. By following carefully the instructions of the agency with which you choose to work, you will reduce your own frustration and speed the arrival of the child in the United States.

The following agencies with branches here in Vietnam are active in intercountry adoption work. All are either licensed or in the process of being licensed by the Ministry of Social Welfare of the Republic of Vietnam to handle such adoptions.

Prospective adoptive parents should contact one of the following agencies:

Holt Children's Services of Vietnam, P.O. Box 2420, Eugene, Oregon 97402, Telephone: (503) 687-2202.

Travelers Aid-International Social Service of America, 345 East 46th Street, New York, New York 10017, Telephone: (212) 687-2747.

Friends for All Children, 445 South 68th Street, Boulder, Colorado 80303, Telephone: (303) 494-7305.

United States Catholic Conference, 201 Park Avenue, South, New York, New York 10003, Telephone: (212) 475-5400.

Friends of Children of Vietnam, 600 Gilpin, Denver, Colorado 80211, Telephone: (303) 321-8251/321-8262.

Pearl S. Buck Foundation, Inc., 2019 Delancey Place, Philadelphia, Pennsylvania 19103, Telephone: (215) 732-1030.

World Vision Relief Organization, 919 West Huntington Drive, Monrovia, California 91016.

Mrs. MINK. Mr. Speaker, I would again like to join with my colleague from Wisconsin in offering additional information about our child welfare program in Vietnam. I am advised that as of June 30, 1974, $7.2 million had been obligated. I am deeply, deeply concerned, however, about the length of time it has taken to implement these programs. The money has been very slow to reach the people and programs it is intended to help. The priority Congress gave the child welfare program has yet to be expressed in a timely implementation. The information follows:

[Telegram]
(Unclassified)
Department of State,
Saigon, June 1974.

American Embassy, Saigon.
To: Secretary of State, Washington, D.C.
Subject: Child care program.

1. Status of grants to VOLAGS (and one contract with IRC) is as follows:

(Note.—Figures in U.S. dollars.)

SIGNED

INTENSIVE PEDIATRIC CARE UNITS (CONTRACT)

Saigon, IRC, $239,000.
Danang, IRC, $35,000.
Orphanage improvement, CRS, $1,355,000.
Day care centers, CARE, $1,180,000.
Adoption, TAISSA, $248,200.
Adoption, HOLT, $225,000.
Total, $3,282,200.

Note: Adoption grants provide also for child care services; TAISSA grant includes $24,200 for IVAC.

GRANTS IN PREPARATION (PIO/TS COMPLETED)

Adoption, CRS, $143,000.
Adoption, FFAC, $100,000.

Family assistance, Holt, $500,000.

Home nurseries, World Vision, $150,000.

Nutrition centers, World Vision, $200,000.

Total, $1,093,000.

PIO/TS IN SIGNATURE PROCESS

Home nurseries, CRS, $417,000.

Nutrition, CRS, $410,000.

Prevention infant abandonment, CRS, $25,000.

Total, $852,000.

Grand total: $5,227,200.

2. World rehabilitation fund had tentatively agreed to coordinate handicapped children project but subsequent discussions between HSW, USAID and WRF reps. led to agreement that MSW would itself assume coordinating role. MSW will make grants to WRF for physical therapy activities and to other organizations for assistance to emotionally disturbed and other handicapped children.

3. We expect CRS and FFAC adoption grants to be signed by June 11, and other grants in preparation (para 1 above) by June 18. Grants for which PIO/TS not yet completed will be signed before June 30.

4. Regarding inquiry as to status my friends' house request to CRS for subgrant, MFH did not request subgrant as such. However, CRS has arranged under its nutrition project to purchase the services of MFH to provide intensive care for seriously malnourished children. CRS will pay for food, maintenance, medical attention, etc. for about 100 children (i.e. occupancy of 100 beds) at approximately 50 thousand piasters per child per month. Thus MFH expects to receive from CRS approximately 60 million piasters (US dollars 97,000) during the one-year term of the CRS grant.

ADOPTIONS COMPLETED BY MSW-AUTHORIZED AGENCIES, CALENDAR YEAR 1971 THROUGH MAY 1974

Calendar year	FFAC	Holt	TAISSA	CRS	WVRO	Total
1971						150
1972						500
1973:						
A. To all countries (including United States)	583	30	43	0	26	682
B. To United States	298	30	29	0	18	375
January to May 1974:						
A. To all countries (including United States)	308	51	25	16	3	403
B. To United States	153	51	18	15	0	237

U.S. Voluntary Agencies currently authorized by the Ministry of Social Welfare, Government of Vietnam, to undertake intercountry child adoptions:

Friends For All Children (FFAC).

Holt Adoption Program, Inc. (Holt).

Travelers Aid—International Social Service of America, Inc. (TAISSA).

Catholic Relief Services (CRS).

World Vision Relief Organization (WVRO).

Friends of Children of Vietnam.

Pearl Buck Foundation.

CHILD WELFARE SERVICES IN VIETNAM, 1974

The Agency for International Development (A.I.D.) has initiated a new program designed to place greater emphasis on the needs of Vietnamese children disadvantaged by the war. In carrying out this program, the Government of Vietnam (GVN) and A.I.D. are seeking the maximum participation of United States voluntary agencies and international organizations. For fiscal 1974, A.I.D. has programmed $7.6 million in support of this effort.

The new child welfare program is designed to satisfy two main objectives. The more immediate objective is to provide basic and urgently needed assistance to indigent children requiring food, clothing, shelter and medical care. The longer range objective is to provide services which strengthen the family unit, the traditional provider of social welfare in Vietnamese society. Some examples of the assistance provided to child care are: pediatric care for indigents, food allowances for orphans, assistance to agencies processing adoptions, the refurbishing of orphanages, support for day care centers and the expansion of the training of child welfare workers.

Child welfare services in Vietnam are under the jurisdiction of the Vietnamese Ministry of Social Welfare. Given the tremendous demand that was being placed on the Ministry as a result of its responsibility for the care of over 200,000 refugees still in camps, the GVN agreed to use voluntary agencies to the maximum extent possible in the entire welfare field. There are about 20 American voluntary agencies, more than 10 private Vietnamese organizations and a number of foreign voluntary agencies all contributing to programs which benefit children and their families. It is estimated that American and other foreign voluntary agencies provide several millions of dollars worth of services for children in Vietnam each year. The U.S. encourages these private welfare organizations to expand their activities under the overall direction of the Vietnamese Ministry of Social Welfare. A.I.D. is also encouraging other bilateral donors and international organizations to assist the Government of Vietnam in this sector.

The major elements of the program are summarized below:

Orphanage support and improvement

Assistance in the form of food and clothing allowances, health care, equipment, improvement of facilities and staff training is planned for some 130 institutions caring for approximately 17,000 children. To date orphanages have received food supplementary cash allowances, Food for Peace (PL–480, Title II) commodities and a limited number have received funds for facility improvements.

Handicapped children

Assistance will be provided to improve custodial care and therapy in seven centers caring for some 2,000 children. The seven centers have not received U.S. support heretofore.

Pediatric clinics

Two clinics, one in Saigon, the other in Danang have been established to provide diagnostic and therapeutic care to children disadvantaged by hostilities. Particular emphasis will be placed on children selected by agencies processing intercountry adoptions and also on severely-ill children from orphanages and other child care institutions. The first clinic, with 70 beds/incubators, began operations in Saigon in January 1974. The Danang clinic with 30 beds began operations in May. The International Rescue Committee is the coordinating voluntary agency with World Relief Commission as the primary sub-grantee in Danang.

Day care centers

It is planned to provide assistance in the form of equipment, additional food and staff training for 275 existing day care centers and support in the development of 140 new centers. These 415 centers will serve approximately 88,000 children from four to six years of age while their parents work. To date, food supplements have been provided for about 23,000 children in the existing day centers, and also some funds have been provided for improvements.

Civilian widows' assistance

This activity is planned to provide support, vocational training and small scale capital assistance to 6,000 widows, and indirectly through them to an estimated 25,000 children. A pilot project for vocational training was launched in November 1973.

Foster care

It is planned to provide foster home care services for about 4,500 children as an alternative to their abandonment, institutionalization or adoption. Foster families will be provided funds to cover food, clothing and medical expenses for each child.

Home nursery care

It is planned to provide day nursery services for about 9,500 children who are too young for day care centers. A side benefit is the estimated 2,000 jobs it will create for widows or other unemployed women.

Nutrition centers

It is planned to expand three existing nutrition centers and create nine additional centers to care for about 7,800 seriously malnourished children. The nutrition centers will provide intensive medical care with special feeding for up to 60 days of severely malnourished or diseased children and return them to their families once they are returned to health.

Prevention of infant abandonment

Counseling service will be provided to emotionally distraught expectant mothers who might abandon their children. Trained counselors working in hospitals or maternity centers can identify these mothers and provide the advice and assistance necessary to prevent them from abandoning their children. A small pilot project has been initiated.

Midwife pediatric training

It is planned to provide training on basic principles of pediatric medicine and nutrition to midwives so they can assist mothers. The midwife is the health worker most respected by and accessible to lower income Vietnamese.

International adoption

This activity is designed to assist four agencies, Travelers Aid International Social Service of America (TAISSA), Holt Adoption Program, Catholic Relief Services and Friends for All Children, to expand and improve their intercountry adoption programs and related child welfare activities. Because of the special problems related to children of mixed parentage, a sub-grant of $96,000 has been given to Interagency Vietnam Adoption Program.

Training child welfare workers

This activity is designed primarily to strengthen the role of the Ministry of Social Welfare in developing and implementing family and child welfare services. This will be done by the training of child welfare workers and the upgrading of those already employed. Some initial training has taken place.

It should be recognized that there is a turnover among the children and mothers being assisted through the various child care activities, and that as children leave orphanages, or have their physical condition improve under medical programs, or as families become self-supporting, others will take their place. Hence, the numbers of children assisted are much more than the total of the capacities of the described child care services.

While $7.6 million is specifically earmarked for child care activities, we are confident that a total of about $42 million of U.S. funds is in direct support of child care programs. This is because more than 50 percent of the refugees who receive AID support are children under the age of 15 and more than half of the beneficiaries of our public health program are children. Therefore, using a 50 percent factor, which by any standards would appear conservative, the $42 million estimate represents an increase of about $11 million over 1973. (The $42 million total includes $1.6 million for medical supplies from DOD appropriations and $1.7 million of PL–480, Title II food donations, both managed by AID.)

STATUS OF CHILD SERVICES PROGRAM IN VIETNAM, JUNE 28, 1974

A brief summary on implementation to date of the various parts of the child services program is as follows:

A. *General.* The project agreement between the Agency for International Development (A.I.D.) and the Government of Vietnam's (GVN) Ministry of Social Welfare (MSW) was signed on February 20, 1974. Implementing documents which define each part of the program, the general approach and the objectives to be achieved and the agreements with voluntary agencies are at various stages of execution, some already signed as indicated below. It is expected that all agreements will have been fully executed by June 30. When agreements are signed, the voluntary agencies prepare detailed work plans for approval by the MSW, and A.I.D. and grantees will make sub-grants to other volags. It is agreed that the use of Vietnamese volags as sub-grantees will be encouraged.

The GVN has the responsibility for the following projects: (Figures in parentheses are in U.S. $000 and are subject to some modification as detailed projects develop.) Civilian widows (MSW, 476); general child welfare (MSW, 228); child health training school (Ministry of Health, 324); training of MSW employees (198); handicapped children (MSW, 234); volags have: foster care and family assistance (500); home nursery (567); nutrition centers (610); pediatric clinics (275); international adoptions (716); volags and MSW share: day care centers (1,180 for volags and 248 for MSW); orphanage improvement (1,355 and 138); prevention infant abandonment (25 and 19). Particularly for these "shared" programs, close coordination of volags with MSW will be required. $377,000 is programmed for A.I.D. personnel support costs.

B. *Day Care Centers.* Cooperative for American Relief Everywhere (CARE) is the coordinating agency (volag portion). The implementing document has been signed. A Grant Agreement was signed for $1.18 million on May 24.

C. *Civilian Widows.* MSW program is underway with $476,000 made available for this program in CY 1974.

D. *Family Assistance and Foster Care.* Holt Children's Services has agreed to coordinate this project. Implementing document has been signed and grant agreement is being prepared for signature. Potential participating agencies include Foster Parents Plan, Baptist Social Services, Christian and Missionary Alliance, Pearl Buck Foundation and Assemblies of God. Travelers Aid International Social Service of America (TAISSA) is already doing family service under its current contract.

E. *Home Nursery Care Nutrition Centers.* World Vision and Catholic Relief Services have agreed to coordinate project. Grant Agreement for World Vision has been signed. The implementing document for CRS is in the MSW/USAID signature process.

F. *Prevention of Infant Abandonment.* CRS has agreed to coordinate the volag portion of this project. The implementing document is in the MSW/USAID signature process.

G. *Orphanage Support and Improvement.* CRS is the coordinating agency (volag portion). A grant for $1.355 million was made available and signed on May 17. $138,000 has been made available to the Ministry of Social Welfare for orphanage support.

H. *Handicapped Children.* The MSW will coordinate this project and will make grants to World Rehabilitation Fund and other volags to meet the needs of various discrete groups of handicapped children.

I. *Pediatric Clinics.* International Rescue Committee, under contract, is operating the Saigon clinic and has entered into a subgrant agreement with World Relief Commission for a clinic in Danang. The total grant is $274,000.

J. *International Adoption.* Traveler's Aid-International Social Service of America, Holt International Children's Services, Interagency Vietnam Adoption Agency and Friends for All Children have received grants, a total of $573,200. Implementing documents to provide $143,000 to Catholic Relief Services have been signed and a grant agreement is under preparation for signature.

K. *Child Training School.* Project details are being developed between U.S.A.I.D. and the Ministry of Health (MOH). The MOH will implement this project. $324,000 has been made available for this purpose.

FREEDOM FROM MILITARY SURVEILLANCE ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, as part of the effort to help guarantee to our citizens the right to individual privacy, I am pleased to introduce today the "Freedom From Military Surveillance Act of 1974." This bill will be the House companion bill to Senator SAM J. ERVIN, JR.'s legislation that has already been reported favorably out of subcommittee to the entire Senate Judiciary Committee.

This bill, if enacted, when taken with several other reform bills that I have sponsored or cosponsored, would help to put an end to the attempts the Government has waged against the privacy of the American citizen.

This bill and H.R. 15492 the "Surveillance Practices and Procedures Act of 1974" to prohibit warrantless wiretaps by the Government;

H.R. 14037 to prohibit the use of the social security number from developing into a "standard universal identifier";

H.R. 14036, the "Code of Fair Information Practices of 1973" to protect the individual against the invasion of his privacy by Government computer data banks; and

H.R. 10906, the "Right to Financial Privacy Act of 1973" to protect the privacy of an individual's banking transactions, are all bills that I feel critically necessary to return to the citizens of this country the right of privacy, and I have accordingly sponsored or cosponsored them.

Specifically, the "Freedom From Military Surveillance Act of 1974" which I am introducing today, will protect the constitutional right of privacy of American citizens by prohibiting the Armed Forces of the United States from collecting information or conducting surveillance upon persons unaffiliated with the Armed Forces.

After the revelations relating to the undercover intelligence programs conducted by the Armed Forces in 1970 and 1971, the public outrage which ensued forced the military to discontinue its domestic intelligence activities. Surveillance was supposedly ended, and the fruits of prior surveillance destroyed.

However, many quarters of the Government and many citizens are not satisfied with leaving the assurance that the military will not renew its domestic surveillance, in the hands of the military. This dissatisfaction is becoming even more acute in view of the recent Army efforts to justify in U.S. district court its surveillance activities on American citizens living in Berlin, Germany. In this case Army attorneys presented a 127-page brief to U.S. District Court Judge William B. Jones wherein they admitted their continuing surveillance of civilians and asserted that the courts should not exercise jurisdiction in the matter and also claimed that:

> The Fourth Amendment cannot be used as a sword . . . to frustrate essential military intelligence activities overseas.

Mr. Speaker, when has it become the practice of the armed services to feel they are above the judicial system of the Government that supports them? And when and where have the armed services garnered the belief that the fourth amendment or the Constitution becomes null and void in the face of so-called essential military intelligence activities overseas?

In another vein, Mr. Speaker, I quote from the March 30, 1974, edition of the New Republic wherein a former National Security Council official describes the situation:

> After the great army political surveillance scandals of 1970–71, the administration assured the public that military intelligence would be brought under control. The Pentagon issued strict regulations against spying on civilians, thereby staving off some stricter supervision by Congress and the courts. But there was a catch. The controls did not apply overseas.

Mr. Speaker, these controls should apply overseas. An American citizen surely does not abdicate his constitutional rights when he visits abroad in respect to activities carried on by the U.S. Armed Forces. It is time the Congress took its proper role in this matter and enacted legislation designed to stop this invasion of privacy of American citizens perpetuated by the Armed Forces here at home or anywhere in the world. We cannot as a country afford to be caught in a hypocritical position of guaranteeing the rights of our citizens domestically, then allow our Armed Forces to disregard these guarantees when these same citizens travel abroad.

There may be times when in repelling invasion of dealing with domestic insurrection, investigating criminal conduct, or determining employment eligibility for the Armed Forces, exceptions may be justified. But this is for the Congress, as a representative of the people to decide and put into law.

In accordance with the constitutional power of the Congress "To make rules for the Government and regulation for land and naval forces" the bill provides that civil officers of the United States or members of the Armed Forces of the United States who willfully employ any part of the Armed Forces of the United States or the militia of any State to conduct investigations into, maintain surveillance over, or maintain records regarding, the beliefs, associations, political activities, or private affairs of any citizens of the United States not a member of the Armed Forces, or of any civilian organization, shall be fined not more than $10,000 or imprisoned not more than 2 years, or both.

The bill will neither limit or enlarge such legal authority of the Armed Forces of the United States as may exist to: first, investigate criminal conduct, if such investigation is lawfully the charge of the Armed Forces, second, determine the suitability for employment of civilian persons and prospective or actual contractors who are applicants for employment with the Armed Forces of the United States, and third, collect and maintain information necessary to the restoration of public order once the Armed Services of the United States has been deployed under statutory authority to suppress domestic violence.

The civil remedies section of this bill will give standing to any individual or organization who is subject to surveillance or investigation in violation of the act to sue for damages and for equitable relief. Provision is also made for a special class action suit for equitable relief to enjoin and redress violations of the act.

Mr. Speaker, in line with the intent of my bill, I am pleased that the President's Domestic Council Committee on the Right of Privacy headed by Vice President GERALD FORD, has directed one of its 14 initiatives on privacy toward the prevention of military surveillance of civilians. It is my understanding that the staff of Vice President FORD's committee has completely endorsed and supports passage of the bill I am introducing in the House today. I would hope that this Presidential committee on privacy accepts their staff recommendations and joins us in this effort.

In any event Mr. Speaker, though I am pleased that the Armed Forces have taken steps to stop surveillance of citizens, this is not a compelling reason for inaction on the part of the Congress, and I call upon my colleagues to support this legislative effort. We can thus insure that this practice will not return in years hence and also we will insure that this practice is stopped overseas.

UNITED STATES-SOVIET NAVAL BALANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 5 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, any complete assessment of the balance of military power between the United States and the Soviet Union must include an analysis of current strengths in the naval forces of the two countries. However, one cannot simply weigh the size of one navy against the other and come up with any meaningful conclusion. Instead, one must also consider the differing primary objectives of these naval forces, and arrive at a net assessment that includes a perspective as to how these naval forces might influence foreign policy directions. This type of analysis must weigh the capability of the respective forces to carry out these apparent objectives.

Because of our great dependence on overseas sources of raw materials and because of our strong ties with overseas allies, we must insure our access to the seas in both peace and war. Consequently, the U.S. Navy general purpose forces have been designed primarily to control the sea lines of communication and to project our military power across the oceans. The Soviet Union is less dependent on overseas sources of supply and is less involved with overseas allies. Its long-term objective is apparently to weaken our ties with our own allies and prevent us from coming to their assistance in time of war. Accordingly, in the past, the Soviet navy general purpose forces have been designed primarily as a defensive and spoiling force to disrupt our sea lines of communication and to obstruct the projection of our military force across the oceans. Today, a new and more offensively oriented Soviet naval posture is developing. The new Soviet carriers will add a new capability which will help to free selected major combat surface ships from total dependence on shore-based aircraft for tactical air support; new and modernized heavily armed carriers and destroyers will strengthen the already formidable combat capabilities of the surface ships and new underway replenishment ships will allow the fleets much more freedom of movement in distant ocean areas. Increased attention to the naval infantry and modernization of the amphibious lift capability—particularly with the new potential for sea-based tactical air support—also indicate new Soviet interest in projecting its offensive power from the sea. These Soviet capabilities are becoming more formidable with every passing year—and the large and increasingly sophisticated submarine force is causing considerable concern in U.S. naval circles.

MAJOR SURFACE WARSHIPS

CHART No. 1.—*Major Surface Ships*

U.S.

Major combatants: 174.

Inc: 14 Carriers (CVAN-68 NIMITZ comm date 15 Dec. 74); 7 Cruisers; 29 Guided missile destroyers; 33 Conventional destroyers; 28 Frigates; 63 Ocean escorts.

U.S.S.R.

Major Combatants: 221.

Inc: 2 Helicopter carriers; 17 Missile cruisers; 12 Conventional cruisers; 4 SSM missile destroyers; 39 SAM missile destroyers; 39 Conventional destroyers; 108 Escorts.

Chart 1 compares the number of United States and U.S.S.R. major operation combat surface ships. The Soviet force at mid-1974 is expected to consist of approximately two guided missile helicopter ships, 17 missile cruisers, 12 gun cruisers, 43 missile destroyers, 39 gun destroyers, and 108 escorts, for a total of 221 ships. It is likely that this force will decrease slightly as the retirement and transfer of older surface ships exceed the deliveries of the more sophisticated and generally heavier new ships.

A substantial Soviet naval modernization program is underway. Several new classes of combat surface ships are being constructed in the Soviet Union. Other older classes are undergoing major conversions involving the addition of new missiles, antisubmarine systems and communications equipment.

The largest Soviet surface combatant ever constructed is the recently launched Kuril class aircraft carrier. The ship is over 900 feet in length and should displace 30,000 to 40,000 tons when the fitting-out period is completed. Probably the most heavily armed class of ships in the world for its displacement—about 9,000 tons—is also being constructed by the Soviet Union. Two of these Kara class guided missile light cruisers are already operational and more are expected to join the fleet in the next few years. The Kara class is the first ship in any navy to be armed with three separate missile systems.

TABLE 2.—SOVIET MAJOR SURFACE WARSHIPS, 1958 AND 1972

Characteristic	Cruisers [1]		Destroyers [2]		Escorts [3]		All major combatants	
	1958	1972	1958	1972	1958	1972	1958	1972
Number of units	31	29	146	101	66	124	243	254
Mean tonnage [4]	12.4	10.4	2.3	2.9	1.3	1.2	3.3	2.9
Mean complement [5]	932	760	260	299	168	124	321	265
Number of surface-to-surface missiles (rails)	0	72	0	16	0	0	0	88
Number of surface-to-air missiles (rails)	0	46	0	86	0	0	0	132
Number of torpedo tubes [6]	216	218	1,318	831	198	657	1,732	1.706
Number of antisubmarine rockets [7]	0	396	832	1,636	1,152	4,552	1,984	6,584
Helicopter capacity [8]	0	50	22	20	0	0	22	70
Mine capacity [9]	5,140	2,980	11,270	5,260	2,700	3,930	19,110	12,170

[1] Includes two Moskva-class helicopter cruisers in 1972.

[2] As defined by Jane's.

[3] Ocean-going escorts larger than 1,000 tons.

[4] Standard displacement in thousands of tons.

[5] Maximum listed.

[6] The comparison of torpedo tubes is not really meaningful. The 1958 torpedos were anti-surface-ship weapons. The 1972 torpedos are chiefly designed for anti-submarine warfare.

[7] Number of launcher barrels. Ships that may be outfitted with either depth charges or rockets are, for purposes of this table, assumed to be outfitted with rockets.

[9] On-board maintenance, maximum capacity.

Sources: Force level data are taken from "Jane's Fighting Ships." 1958-59 and 1972-73, Data pertaining to ships' characteristics are derived from Jane's and Breyer, "Guide to the Soviet Navy."

Table 2 compares Soviet naval forces in major surface warships from 1958 to 1972. Symbolically, 1958 serves as a watershed in the evolution of Soviet naval capabilities. It is assumed that the number, type and characteristics of naval units acquired and retired during this interval reflect the evolution of Soviet thought about the utility of sea power. This comparison highlights the priorities that the Soviet Union places on the various missions that naval forces can potentially undertake.

Although the Soviet Navy in 1974 is no larger than it was in 1958, it is a more modern military force by contemporary standards and consequently far more capable in many respects. It is impressive in the extent of its modernization and in the scope of its now global deployment. It appears that the Soviet Union, like the United States, has been compelled during the last 15 years to trade quantity for quality in its naval force.

COMPARISON OF U.S. AND U.S.S.R. SUBMARINE FORCES

Chart No. 3.—Submarines

UNITED STATES

Submarines: 115.
Diesel powered, 14.
Nuclear powered, 101, including 41 SSBN, 60 SSN.

U.S.S.R.

Submarines: 315.
Diesel powered, 200.
Nuclear powered, 115, including 30 YANKEE Class SSBN; 2 DELTA Class SSBN; 30 Other balistic missile subs.

Chart 3 compares the number of United States and U.S.S.R. submarines. The Soviets have led the world in the production of submarines in the post World War II period. Since the end of the war the Soviet shipyards have built almost 600 submarines, compared to about 150 for the United States. Equally significant, since the 1940's the Soviets have put to sea at least 17 new classes of submarines—more than half of them nuclear powered—with many of these classes having several variations or subclasses.

In discussing the Soviet submarine fleet, one must address three specific categories:

First. Attack/torpedo submarines—submarines that attack an enemy surface ship or submarine using torpedoes.

Second. Guided/cruise missile submarines—submarines that fire antiship missiles, which sometimes can strike a ship beyond the range of the ship's antisubmarine weapons.

Third. Strategic/ballistic missile submarines—submarines armed with long-range, nuclear tipped missiles for striking an enemy's cities.

SOVIET ATTACK SUBMARINES

The Soviets operate almost 200 attack submarines. Most are diesel electric propelled and some are of recent construction. More than 30 of the torpedo-attack submarines are nuclear propelled, most being of the November and Victor classes. The latter are believed the fastest undersea craft in service today.

Although the Soviet Navy has just over 30 torpedo-attack nuclear submarines in service compared to 60 for the U.S. Navy, in total nuclear undersea craft the Soviets lead with an edge of 115 to 101 at the beginning of 1974.

SOVIET GUIDED MISSILE SUBMARINES

This is another area of naval technology in which the Soviets have pioneered. Building on German experiments during World War II, both the United States and the Soviet Navies experimented with forms of missile-launching submarines after World War II.

The Soviet Navy developed guided missile submarines in the 1950's as part of a strategy to counter U.S. aircraft carriers. Initially, existing submarines were converted to fire the long-range Shaddock missile. Then, submarines designed to carry the Shaddock joined the Soviet fleet: the diesel-propelled Juliett class and the nuclear-propelled *Echo* series.

After producing almost 50 submarines of the Juliett and Echo classes, the Soviets completed the first Charlie class submarine in 1968. This nuclear-powered craft can fire eight short-range, 25-mile antiship missiles while remaining submerged. Although the Charlie missile range is less than that of submarines armed with the Shaddock, the latter submarines must surface briefly before firing. The underwater launch capability of the Charlie makes this craft the most potent antiship submarine in service today. All of these guided-missile submarines also have conventional torpedo tubes.

The Soviet Navy's guided-missile submarines and their missile-armed bombers form the most potent threat to allied naval forces, especially when within range of Soviet land bases where the Soviets can launch coordinated attacks using reconnaissance aircraft to provide guidance for submarine-launched missiles.

SOVIET BALLISTIC MISSILE SUBMARINES

The development of nuclear weapons led to another role for the submarine, that of strategic or ballistic missile attack against land targets. Submarines are valuable in this role because the difficulty of their detection in the ocean depths makes them highly survivable against hostile preemptive attack.

The Soviets began converting existing diesel-powered submarines in the mid-1950's to fire short-range submarine launched ballistic missile—SLBM. Then, in the early 1960's the 22 Golf-class diesel and 9 Hotel-class nuclear SLBM submarines were constructed. These submarines were limited by mechanical difficulties, short-range missiles and the requirement for surface launch of their initial missiles.

The dreaded Yankee class, a long-range ballistic-missile-firing submarine, first appeared in 1967. Armed with 16 nuclear-tipped missiles of 1,300-nautical-mile range, this class is the Soviet counterpart for the U.S. Navy's Polaris program.

For several years now, we have been living with these submarines loitering off both our coasts within range of most of our industrial capacity and our strategic weapons launch sites. Thirty of these ballistic submarines have been built by the Soviets to date.

Within the past year, we have seen a new ballistic missile submarine follow the Yankee. Labeled Delta-class by NATO, this huge craft is the largest undersea craft ever built. She is armed with 12 of the awesome SS–N–8 missiles of about 4,000-nautical-mile range which could hit any target within the United States from either the Pacific or Atlantic Oceans, or could target the city of San Francisco while still in port at Petropavlosk, on the Soviet Union's Pacific coast.

Some 115 nuclear-propelled submarines are estimated to have been built in the Soviet Union to date, of which more than 80 are armed with either cruise or ballistic missiles. In contrast, the United States has 101 nuclear-powered submarines in commission of which only 41 are armed with missiles. In the Soviet Navy, an additional 40 diesel-powered submarines are armed with ballistic and cruise missiles of 400-mile range, posing a threat without a counterpart in the U.S. Navy.

SOVIET SUBMARINE MODERNIZATION

Since 1968, the Soviet Union has been producing nuclear-powered submarines at the rate of 15 to 16 a year, 9 to 10 of which have been ballistic missile submarines. If one assumes that all diesel-powered submarines built before 1958 will be retired by 1980 and present nuclear submarine construction rates will continue at the present level, the U.S.S.R. will have a force of some 200 to 230 torpedo attack and cruise missile submarines. Thus, the torpedo attack and cruise missile submarine force in 1980 will probably be less than one-half the size of the force in 1958, but more than three-fourths of it will be nuclear powered.

This contrast between diminishing force levels but increasing capabilities for individual units is apparent. Though the present force is less than the 1958 level, the Soviet submarine force is now capable in several respects, as indicated in the following chart noting the technological evolution of Soviet submarines from 1958 to 1972:

CHART NO. 4.—U.S.S.R. SUBMARINE FORCE COMPARISON 1958–72

Characteristic	Diesel-powered		Nuclear-powered	
	1958	1972	1958	1972
Torpedo attack and cruise missile submarines:				
Number of units	474	286	[1] (3)	61
Mean tonnage [2]	0.8	1.3	3.5	4.4
Mean range [3]	9.5	14.5	∞	∞
Mean complement	43.7	61.6	88	95
Total number of torpedo tubes	2,478	1,808	18	400
Total number of cruise missiles (tubes or rails)	0	98	0	304
Strategic (ballistic missile) submarines:				
Number of units	[4] 7	25	0	34
Total number of missiles (tubes)	14	72	0	427
Mean tonnage [2]	2.1	2.6		6.9
Mean range [3]	20.0	23.1		∞

[1] 3 nuclear units were listed as under construction in 1958.
[2] Maximum surface displacement in thousands of tons.
[3] At cruising speed, in thousands of nautical miles.
[4] Derived from issues of "Jane's" after 1958–59.

Sources: Force level data are taken from "Jane's Fighting Ships," 1958–59 and 1972–73. Data pertaining to ships' characteristics are derived from "Jane's" and Siegfried Breyer, "Guide to the Soviet Navy", translated by Lt. Cdr. M. W. Henley (U.S. Naval Institute, 1970).

One should note the increase in the number of nuclear-powered submarines, including strategic, cruise missile, and torpedo attack varieties. Between 1958 and 1972, aggregate submarine tonnage increased 50 percent despite declines in the force level. Similarly, the decline in the total number of torpedo tubes has not been proportional to the decline in force levels, since new submarines incorporate more tubes per boat. The diesel-powered force in 1972 was even more capable than its 1958 counterpart, with a 54-percent increase in the units' mean range, reflecting a halt in the construction of coastal and medium-range units and the retirement of prewar construction short-range submarines.

U.S. SUBMARINE FORCE

Today, Polaris and Poseidon submarine-launched ballistic missiles give the best promise of surviving a first strike by the Soviets or by any nation with nuclear capabilities. The 41 subs, most of which are constantly at sea, are each armed with 16 nuclear-tipped missiles—for a total of 656 engines of retaliation that could hit Soviet targets from the Western Pacific, from the Eastern Mediterranean, from the North Atlantic or from Arctic Seas. In 1970, this U.S. force was considered almost invulnerable. The Russian Navy might be able to knock out several of these submarines, but not all 41—at least in the opinion of then-Secretary of Defense Melvin Laird. But events do not stand still and the capabilities of the Soviet Navy have increased dramatically in the last few years. This includes its antisubmarine capabilities as well as the development of a Soviet submarine missile force probably equal to ours. Because of these developments, the Navy feels that we must have a new missile submarine combination with much greater range—both to protect the U.S. submarine force and our land-based missile systems. This submarine, the Trident, would carry 24 multiwarhead missiles, would have an initial range of 4,000 miles and a later range of 6,000 miles—compared with a maximum of 2,500 miles for Polaris-Poseidon. The 6,000-mile range is beyond any known or forecasted detection or attack capabilities of antisubmarine efforts. Moscow is less than 6,000 great circle miles from our west coast ports north of Los Angeles and from our entire east coast and gulf coasts. Tridents could offer deterrent persuasion while lying in harbor in New York, Charleston, New Orleans, San Francisco, or Seattle. Trident is designed to be faster and larger than the Polaris subs and quieter at any speed. Its missiles would carry as much threat as our land-based missiles in terms of wallop. Its purpose, as projected by the U.S. Navy, is to buy nuclear peace in an era in which the Soviet Union has been speedily escalating its arms while sitting with us in SALT disarmament talks.

Congress has authorized a bit over $5.1 billion for 10 Tridents which fixes the expected initial cost of each at a little over a half-billion dollars apiece. Funds have been appropriated in this fiscal year to build the first Trident sub. If appropriations consistent with the authorization continue, the second should be started next year. However, congressional support is slim and criticism of Trident is so persistent that future appropriations are hardly assured.

Much opposition centers in the fact that Trident would be so potent that it would play a disproportionately heavy role, compared to land-based missiles and our bombers, in fulfilling our deterrent policy. However, if the Soviets continue their rapid modernization moves in their own submarine force, opposition to the Trident program may well moderate.

UNITED STATES-U.S.S.R. NAVAL FORCE COMPARISON—SMALL COMBATANTS, SUPPORT SHIPS, NAVAL AIRCRAFT, AND PERSONNEL STRENGTHS

Chart No. 5 compares the relative strengths of the Soviet Union and the United States in small combatants, amphibious ships, support ships, as well as naval aircraft and personnel.

UNITED STATES

Small combatants: 88, including 14 Patrol; 9 Minesweepers.

Amphibious ships: 65, including 65 Amphibious ships.

Support ships: 135, including 86 Auxiliaries; 49 Underway replenishment ships.

Naval aircraft

Attack	about 1,500
Fighter	about 900
ASW	about 160
Patrol	about 400
Training	about 1,400
Helicopter	about 1,200
Other	about 700
Total	about 6,260

Personnel strengths, November 30, 1973

Afloat	308,000
Ashore	254,000
Total	562,000

U.S.S.R.

Small combatants: about 1,300, including 130 guided missile patrol boats; 300 patrol craft; 150 sub-chasers; 100 coastal escorts; 260 minesweepers.

Amphibious ships: about 160, including 100 amphibious ships.

Support ships: about 1,140, including 740 auxiliaries; 400 yard and service craft.

Naval aircraft

[Approximate amounts]

Strike/Medium Bombers	350
Tankers	100
Reconnaissance	100
ASW	400
Transport	200
Training	50
Total	1,200

Personnel strengths

Afloat	180,000
Naval Aviation	40,000
Coastal Defense	10,000
Naval Infantry	10,000
Training	50,000
Shore support	180,000
Total[1]	470,000

[1] Additional units are in reserve.

The total ship strength of the United States, including those ships reflected in previous charts, stands at 512, compared to 3,000 for the Soviet Union. However, one cannot accurately compare the forces on a mere quantitative level. Qualitative advantages must also be included, and the quality and capability of our individual ships has clearly gone up. Since 1969, there has been a 45-percent reduction in the number of U.S. ships. Many of those phased out were aging World War II vintage ships, although some were retired to free up funds for modernization. The United States failed to make the needed investment in our naval forces during the 1960's primarily because of the financial demands of the Vietnam conflict.

The United States has halted the decline in force levels and is embarked on the much delayed modernization program, which is expected to increase the surface combatant force to about 230 by the end of the 1970's, and increase the number of nuclear attack submarines to around 90 by the early 1980's. In part, the increased spending levels for naval modernization and replenishment reflects the estimates of the force required to carry out mission unrelated to United States-Soviet conflict. However, recent improvements in Soviet naval capabilities predicate an appropriate U.S. response. As Adm. Thomas H. Moorer, recently retired Chairman of the Joint Chiefs of Staff, stated:

> The problem we face with the continuing growth in Soviet naval capabilities relative to our own is a matter of increasing concern to the Joint Chiefs of Staff. Unless we accelerate the modernization of our fleet, the Soviets will increasingly challenge our control of the seas in those maritime regions essential to the success of our forward defense strategy as well as in the ocean areas closer to our shores.

We must recognize the divergences between the potential "war fighting" capability of the Soviet navy and its actual use as an instrument of foreign policy during peacetime. The two superpowers are engaged in a naval rivalry. The driving force behind this rivalry is not, however, the fear that one side or the other will achieve sufficient military advantage to initiate large-scale conflict. So long as the threat of escalation to nuclear war looms over any potential U.S. Soviet military engagement, the probability of a shooting war between the superpowers will remain small. Rather, both sides are motivated by fear of the political consequences of any sharp change in the relative naval balance. The United States has long enjoyed a position of overwhelming naval superiority. The fear is that some nations perceiving the naval and more general military balance turning toward the Soviet Union would be reluctant to associate themselves with the United States, would make concessions to the Soviet Union inimical to U.S. interests, and would eventually draw closer to the Soviet orbit. Beyond this, there is concern that growing Soviet naval capabilities may increase Soviet willingness to take risks in bringing pressure to bear on other countries and may diminish U.S. willingness to assume comparable risks.

There is sufficient evidence about increasing emphasis on the peacetime and crisis use of the Soviet navy for political purposes to suggest a need for insuring that the U.S. forces are fully capable of accomplishing the missions set out for them as instruments of naval diplomacy.

Rear Adm. Earl F. Rectanus, U.S. Navy, has eloquently assessed Soviet naval strategy as it relates to world diplomacy:

> The Soviets have shown, in recent years; a marked degree of assurance and self-confidence. This can probably be attributed more to military parity, particularly in strategic weapons, than to anything else. They have also been greatly encouraged by U.S. losses of influence in certain areas, with economic difficulties faced by Americans both at home and abroad, and by increasing U.S. domestic pressure to curtail foreign involvement. Largely based on these considerations, Moscow would like to believe that international predominance by the U.S. is on the wane.
>
> Current Soviet Naval and Maritime building programs as well as worldwide patterns of operational deployment are clearly being tailored to enhance their readiness for an expanding role in global involvement and to protect and exploit their overseas political and economic objectives. Soviet warships in company with supporting ships are being used more and more frequently as instruments of foreign policy in remote areas of the world. The Soviets learned the fallacy of long-range commitment with short-range power when they sought to introduce strategic weapons into Cuba in 1962.
>
> Thus, they have seen sea control achieved through sheer presence in a superpower environment where neither of the two superpowers can afford to back down from a confrontation lest they jeopardize their power image. The only alternative is to avoid confrontation. This suggests that the first credible naval force of a superpower on the scene of a critical issue may deter the other superpower from entering the scene.
>
> As naval strategy, this will require three principal elements: first, large numbers of warships and supporting auxiliaries with which to establish presence; second, sea-based air power in addition to missiles to achieve greater credibility as a projection force; and, third, the cultivation of more friendly ports throughout the world to facilitate logistics and to provide a plausible purpose for presence.
>
> All three of these requirements are receiving much attention by the Soviet Union. As mentioned earlier, general purpose forces are joining the Soviet fleet at a rate 50 percent higher than in the U.S. Navy. Combat credibility is high. With the advent of sea-based aviation, a long standing gap in the credibility of Soviet naval power beyond the range of land-based air becomes plugged. Moreover, the ratio of firepower-to-tonnage is the highest of any Navy in the world. The Soviets have conducted intensive efforts to cultivate friendly ports. Many strategically located developing nations, particularly in the Indian Ocean area, are receiving devoted attention through Soviet assistance, trade and good-will naval visits. A similar pattern has long existed throughout North Africa and can be seen in West Africa.
>
> The value of ships as instruments of foreign policy and political influence is well stated by a research associate of the British Institute for Strategic Studies:
>
> "In time of peace, a superior warship on the spot can achieve results not obtainable in other ways and without regard to the purpose for which the ship was built. What counts is the existence of the Soviet Navy, not the original motives of its builders . . . when the object is to threaten force rather than use it."
>
> The Soviets themselves summed it up well when, on 25 July 1971, radio Moscow declared:
>
> "The presence of the Soviet Navy on the high seas represents a guarantee against imperialist provocations off foreign shores . . . its presence is a bridle on the imperialists who want to use their fleets as a police force in the struggle against democratic and national liberation movements."
>
> CONCLUSION
>
> In summary, we may see during this decade, the world's greatest land power also become pre-eminent on the seas. Mastery of the seas, and all the benefits that go with it, was claimed by Great Britain from the defeat of the Spanish Armada in the Sixteenth century until the Twentieth century. The United States has enjoyed supremacy since World War II.
>
> For the United States, a nation whose character is so traditionally tied to the sea, such a challenging situation can influence the political, the military, the economic, and even the social systems of our great nation.

IMPLEMENTATION OF SUPPLEMENTAL SECURITY INCOME PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Esch) is recognized for 30 minutes.

Mr. ESCH. Mr. Speaker, a wire service report this week highlighted the difficulty being encountered by the Federal Government in implementing the supplemental security income program. The news account tells how a Portland, Oreg. man has been receiving an SSI check for about $145 each month despite his best efforts to explain to the local Social Security Administration office that he is no longer qualified for the payments. The individual even returned one check only to have the Government send him a duplicate 2 weeks later.

This incident might be blamed on a computer abberation and even considered somewhat amusing were it not for the fact that literally thousands of persons throughout the country are being frustrated in their efforts to receive checks to which they are legitimately entitled. Fortunately, the Social Security Administration has reacted in a positive fashion and I am convinced that efforts are now underway to clear up both computer and procedural problems plaguing the program. However, I intend to continue to monitor the situation closely through the General Accounting Office and SSA and Health, Education, and Welfare officials.

As a result of the interest expressed by many Members and staffs following my Dear Colleague regarding SSI, I intend at this point in the Record to summarize the problems we have uncovered plus the steps being taken as outlined in the very responsive letter I have received from Secretary Weinberger.

As I am certain has been the experience of other Congressmen, constituent complaints began this spring following implementation on January 1 of the SSI program which was signed into law in October of 1972. In early May I learned from various individuals including representatives of the Washtenaw, Mich., Association for Retarded Children that failure to insure a smooth transition from the programs replaced by SSI was creating widespread confusion among SSI recipients. This was particularly true of the handicapped and the transition from the aid-to-disabled program to SSI.

After a preliminary investigation, I found their charges to be true. In fact, it appears that what has occured is a general breakdown of the entire SSI program, leaving thousands of recipients either without benefits or totally confused as to eligibility. A tremendous backlog of cases piled up. For example, I understand that by mid-May there were some 630,000 new claims cases pending and that during the next 4 weeks there were an additional 150,000 new SSI applications. However, emergency measures to improve SSI program performance were ordered by Commissioner James B. Cardwell and a claims payment strike force was created to be directed by Elliot A. Kirschbaum.

On May 30, I sent a long and detailed letter to Secretary Weinberger outlining my concerns and I met with HEW and SSA officials. The problems were quite specific and because of the likelihood that similar situations may apply in the districts of other members, I am including a copy of the text of my letter to Secretary Weinberger at this point in the Record:

> May 30, 1974.
>
> Hon. Caspar W. Weinberger,
> *Secretary of the Department of Health, Education, and Welfare, Washington, D.C.*
>
> Dear Secretary Weinberger: The purpose of this letter is to express my shock and dismay over the incredible situation which has developed over the failure of the Social Security Administration to implement regulations under the Supplemental Security Income program, implemented under Title XVI of the Social Security Amendments of 1974.
>
> The failure to develop final guidelines to insure a smooth transition from the Aid to Disabled program to SSI, after more than 17 months, is creating widespread confusion and near hysteria at the local levels over the eligibility of thousands of handicapped for SSI benefits. While SSI apparently has developed "interim" regulations, they have apparently have not bothered to put them all together in one package.
>
> For example, SSI in Balitmore has failed to develop a final definition of "student status," or at least has failed to let the District Offices know what this definition is. If a person of age 18, applied December or earlier, he would be eligible for SSI benefits by virtue of grandfathering from A.D., no matter what the parents' circumstances. However, an 18 year old who applied after January 1, the effective date of SSI, must choose between financial benefits or education programs unless that disabled persons' parents' income and resources are nil. If a person selects "student status," the present guidelines extend the dependency of the handicapped adult until age 22, unless they keep that person out of school programs. All this is understood.
>
> However, the confusion comes in defining "student status." Michigan has passed a Mandatory Special Education Act providing the right to education for all handicapped until age 25, and has encouraged non-institutionalization of education benefits for the disabled. In many—in fact, most—instances, this means the handicapped are involved in part-time "community-school" training, which in only rare instances equals the benefits that would be provided under SSI if a disabled person elected not to participate.
>
> The effect has been that in this confusion, many parents are simply pulling their dis-

abled out of school to allow that person to receive full SSI benefits rather than the vastly reduced benefits if he or she maintained "student status." This, clearly, was not the intent of the law, and I certainly doubt that Congress meant to discourage self-sufficiency for the handicapped. But the problem largely results from the failure of the Social Security Administration to implement a standard of any kind, and the effect has been that parents and the handicapped themselves just don't know what to do, and they aren't getting any answers.

If this is confusing, it is because I am, the handicapped in Michigan, parents of handicapped in Mhichigan, officials at the local level, and I daresay, those at the national level are likewise confused.

It must stop. If there has been any problem—after 17 months—on the part of the Social Security Administration to understand the intent of Congress, they should have expressed their concern to Congress months ago—long before this situation was allowed to develop.

I have enclosed a seven point summary of concerns that have emanated from the lack of guidance from the Social Security Administration in my district. I would very much appreciate an immediate response to the concerns expressed therein, as well as full explanation for the delay. I have attempted to receive an explanation from Mr. Mettson at SSI in Baltimore, but to date have not received any kind of response.

I have sent copies of this letter to Chairman Wilbur Mills of the House Ways and Means Committee as well as to other concerned Members of Congress. I have also asked the General Accounting Office to make an investigation into this situation.

Sincerely,

Marvin L. Esch,
Member of Congress.

SUMMARY

The following are seven general areas of concern that I have discussed with representatives of the Washtenaw Association of the Mentally Retarded concerning the implementation of regulations under SSI for the handicapped.

1. Apparently, none—or very few—handicapped individuals have either been approved or denied SSI, in spite of early January applications. Even in cases where eligibility in terms of disability has already been established under Social Security disability, determinations and benefits are not forthcoming. The local offices of the Social Security Administration apparently are just as confused and unclear over the changing nature of the program guidelines.

2. A second problem concerns the subject of "student status." For example, if a person of age 18, applied December or earlier, he would be eligible for SSI benefits by virtue of grandfathering from A.D., no matter what the parents' circumstances. However, an 18 year old who applied after January 1, the effective date of SSI, must choose between financial benefits or education programs unless that disabled person's parents' income and resources are nil. If a person selects "student status", the present guidelines extend the dependency of the handicapped adult until age 22, unless they keep that person out of school programs. All this is understood.

3. Similar to the problem of "student status" concerns the *levels* of *assistance*. Under the Aid to Disabled Program, an individual living in a room and board situation received $128 per month assistance. However, since January 1, a person living in the household of another gets $100 per month, or one-third *less* than Michigan's $160 standard for independent living, as well as less than that of the old program.

In Michigan, most of the severely retarded are in this situation, and need the most care. If parents, or others keep this type of individual out of an institution or nursing home, they are rewarded with less than enough to meet actual room and board costs. When the person who can live independently gets $160 per month, and institutions $800 per month—$160 does not make much sense.

4. A serious problem arises out of definitions for "contributed income". Any services or assistance provided to individuals from private citizens or nongovernmental agencies is to be considered as income and deducted from payments. Similarly, previous support in a quarter, such as the family who paid as long as they could in a family group for their adult son, and applies for SSI for him, will have their previous support to him counted and his payments reduced by that amount. His payments are reduced even if they can no longer contribute and do not have available replacement funds.

5. The placement of persons out-of-State has virtually *stopped* in Michigan. Home operators, apparently, are unwilling to wait three to six months to get paid for clients in their home especially since they might never get paid at all.

SSI cannot, under their rules pass on a request for disability determination unless they determine financial eligibility first. A person in an institution, further, is not eligible. Therefore, until a person is living in a home, he cannot be approved financially and submitted for disability determination. Only those who can afford to pay privately for their housing and care are being placed since January 1.

6. Apparently, federal guidelines have cut Medicaid eligibility for those who have other than SSI income. Formerly, a person with an income of less than $240 per month was eligible for medical assistance if they met other eligibility standards. That maximum has been cut to $160 per month. Considering the fantastic increase in living and medical costs. This most certainly is a step backwards.

7. The question of "sheltered workshop" employment has also been raised. Apparently, the ability of a client to perform minimum sheltered workshop activities is being used as proof that he is not disabled, though to date neither regulations or guidelines have been issued that address this concern.

At the same time, I asked the General Accounting Office to begin an investigation into SSI's problems and I am pleased to report that GAO investigators, with whom I met last week, believe that progress is being made to correct computer problems and administrative difficulties. The GAO, however, will continue to monitor the program. I have also received a letter from Chairman Wilbur Mills in regard to my request for the Ways and Means Committee to consider overnight hearings. Chairman Mills responded on June 25 by letter, stating in part that his staff—

> Has been keeping closely in touch with developments and there, undoubtedly, are deficiencies and rough spots which vary with individual states. I think that both the staff and the Social Security Administration feel that the overriding problem at this time is to get the new application load under control and the checks flowing to those persons that were eligible under existing law.
>
> The Committee schedule for the weeks ahead is a busy one and I am not in a position to make a commitment to hold oversight hearings. However, your letter will be kept available for the benefit of the committee when it has an opportunity to consider this matter.

It is quite apparent, Mr. Speaker, that both Secretary Weinberger and the Social Security Administration are making a full scale effort to bring the problems under control. I have been very pleased by the cooperation of HEW and the SSA. Some of the problems appear to be not of their doing. Changes in the law have tended to impact differently on different States. In addition, changes subsequent to passage of H.R. 1 have caused SSA to revise and update the computer programing. This program, which has been called the most massive social program undertaken by the Federal Government, will no doubt continue to have implementation problems. But I am encouraged by progress to date in my own district and I wish at this point in the Record to print the entire letter of Secretary Weinberger to me dealing with the complaints raised in my letter of May 30.

The Secretary of Health,
Education, and Welfare,
Washington, D.C., July 11, 1974.

Honorable Marvin L. Esch,
House of Representatives
Washington, D.C.

Dear Mr. Esch: This refers to your letter of May 30 and your recent meeting with Mr. Stephen Kurzman, Assistant Secretary for Legislation, DHEW, and Mr. Arthur E. Hess, Deputy Commissioner of Social Security, about the supplemental security income program. I refer also to your letter to Mr. Sumner G. Whittier, Director, Bureau of Supplemental Security Income.

Mr. Hess has assured you of our great concern for the well-being of the aged, blind, and disabled especially during the transition through which we are going. Although the subjects in your letter were addressed at the meeting with Mr. Hess, I am glad to have this opportunity to clear up any misunderstandings or misgivings you may have about the implementation effort.

You have made a very strong point about the failure of SSA to develop regulations and instructions, particularly in regard to the definition of student. The regulations have been issued, it is true, piecemeal, as they were ready. The most important issuances—those concerning State agreements—were issued in August 1973 and all supplemental security income regulations were out in interim form by mid-February 1974. Many of the supplemental security income regulations follow closely established social security insurance program regulations. Instructions to be used by local SSA office personnel in the adjudication of claims have been available since late 1973, including guides for handling claims from disabled young adults (ages 18 to 22) who are attending training schools.

We are concerned that there has been confusion about the status of these disabled young people under the supplemental security income program. We have learned that under the previous aid to the disabled program in Michigan, young people age 18 or older in schools for the mentally impaired, were considered adults or independent and were eligible for aid to disabled adults. The SSI law, however, says that a parent's income must be deemed available to an adult child ages 18 to 21 who can be considered to be living in the same household with his parent and who is a student regularly attending school, college or university, or a course of vocational or technical training to prepare him for gainful employment. This provision applies to both the young adults who were grandfathered, as well as to those disabled young adults who apply under the new program.

The confusion that has arisen in the minds of the parents of these children grows more out of a change in the way the old and the new program determined "need" than a lack of understanding or formal instructions on the part of SSA's local offices.

Once the child reaches age 21, parental income cannot be deemed to him. Instead he is treated like any other eligible adult. If he is living with his parents or in the household of another, the basic Federal benefit would be reduced by one-third. If he is residing at a school, his payment would be reduced by the value of the support and maintenance provided by the school for which he, himself, does not pay.

The intent of the law was to relieve the parents, even though they might have adequate incomes, of total lifelong financial responsibility by making the "child" an eligible individual in his own right at age 18 or, if additional time were required to obtain training adequate for self-support, at age 21.

Knowing that many disabled children might be receiving education or training in facilities that would be classified as public institutions, the regulations specifically exempt such children from the statutory bar to eligibility for an inmate of a public institution. The child living at home and attending school under the State's public education system, or going to a private school, is considered still basically dependent on his parents' income and that income is deemed to be available for the child's use.

I would, at this point, like to address, in order, the seven areas of concern you have raised, with the exception of number two which we have just discussed.

1. From January through May 1974, the Michigan disability determination unit processed 13,151 claims. About two-thirds of these resulted in favorable determinations. As of the end of May there were 4,116 claims pending, this includes new claims and those for which additional medical evidence is necessary. The median processing time for cases in the Michigan State agency is 33 days. This is lower than the national median time. On the whole, the disability determination unit is in good shape. There are plans to obtain additional space and staff so that they will be able to further improve their performance.

3. The law establishes the amount of the Federal benefit at $140 for an individual and $219 for an eligible couple. When an eligible individual lives in the houehold of another, the law requires that his Federal payment be reduced by one-third. This provision takes into account the value of in-kind support and maintenance the individual receives in this kind of setting. The States may, at their option, add to the Federal payment amount and Michigan decided to supplement the benefit of people who reside in the household of another by $13. Of course, people who were receiving payments under one of the three former matched fund programs are assured receiving the same level of income they received in December 1973.

4. All income must be considered in determining the amount of a person's supplemental security income payments. Certain kinds of income, such as State assistance payments, may be disregarded. Support and maintenance payments made by parents for institutionalized children would, under present interpretation, be counted as unearned income and, after disregarding the first $20 a month, would cause a dollar-for-dollar reduction in the amount of the supplemental security income payment. However, such payments received in the quarter before the quarter of eligibility would not be counted. It must be added, though, that even though no one pays for the child's support and maintenance in an institution, the fact that he is receiving the care and that the care has value must be considered.

5. You describe a situation where an otherwise eligible individual is an inmate of a public institution and thus statutorily precluded from receiving any supplemental security income payments. Your concern is for the inmate who could benefit from placement in a community setting, but placement requires an assessment of the income from all sources which may be available for the individual's support outside the institution. Up to April, because of pending workloads in the State disability determination units, SSA was not accepting applications from inmates of public institutions because no payments were possible. You will be happy to know that in recognition of the importance of value of the out-of-institution placement, SSA has modified its policy. The institution will screen candidates for release. In those cases where eligibility seems probable and release is imminent, the local office will take an application and expedite the determination. Coordinative efforts are made to assure that the receipt of payment and the release to a community setting coincide.

6. In the area of Medicaid eligibility, please understand that, although Michigan has adopted the title XVI definitions of age, blindness, and disability, the State is free to establish income limits for each of these three categories for Medicaid eligibility purposes. The Federal law sets a ceiling above which the State cannot go; this ceiling is set at 300 percent of the basic Federal supplemental security income payment.

7. It is recognized that impaired individuals engaged in sheltered employment are generally less productive than unimpaired workers in commercial employment and that typically, they are limited to lower than average earnings in a sheltered environment where their handicaps are tolerated to a degree not found in outside employment. For this reason, when handicapped workers in sheltered employment have earnings of $146 or less per month, it will be presumed that they are not engaged in substantial gainful activity without regard to whether the work is comparable to that of unimpaired workers. Similarly, if average monthly earnings are over $146, the evaluation guides specifically caution the need to fully consider the possibility of a subsidy. However, the fact that an organization hiring handicapped individuals receives a subsidy, would not necessarily establish that a particular employee is being paid a subsidy. Whether the work of a particular individual constitutes substantial gainful activity must be determined by the individual's productivity rather than by the financial condition or motivation of the employer. Moreover, to completely exempt employees of sheltered workshops from the work provisions would be unfair to similarly impaired individuals who derive income from commercial employment. These are long standing principles of policy under the social security disability income program and are equally applicable to individuals under the supplemental security income program.

Please let me assure you, again, of our dedication to seeing that the new program's benefits reach every eligible individual. I regret that misunderstandings or doubts on this score have arisen between us. I welcome any further questions or comments you may have.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

INTRODUCTION OF BILLS CONCERNING THE MILITARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. PARRIS) is recognized for 5 minutes.

Mr PARRIS. Mr. Speaker, I am today introducing two bills which I believe are of considerable importance to the military community, and particularly to those who are retired or are contemplating retirement in the near future.

There is no question that under the current retirement program for former members of the armed services, a number of injustices exist. Certainly the most glaring of these is the decision of Congress to repeal specific provisions of the United States Code which entitled uniformed services personnel to retired pay based upon current active duty pay scales. To correct this injustice, in the first session of this Congress I introduced my own bill—H.R. 7886—and later joined with my distinguished colleague from California (Mr. WILSON) in sponsoring H.R. 14082.

The first of the two bills which I am introducing today would amend the survivor benefit plan provided for under title 10, United States Code, to reduce the existing 2-year marriage requirement to a 1-year requirement.

Under existing law, any spouse marraied to a member of the armed services at the time of retirement, regardless of marriage duration, is entitled to a survivor's annuity. However, when a member of the Armed Forces dies in service or marries after retirement, then the spouse to receive annuities must meet a 2-year marriage requirement or be parent of a child by that marriage. This 2-year marriage requirement was intended to protect against so-called deathbed marriages.

As my colleagues are undoubtedly aware, the military survivor benefits plan is closely modeled after the surviving spouse civil service retirement plan. The recently enacted Public Law 93-260 changed civil service retirement law to permit the widow or widower of an annuitant who dies in service or marries after retirement to receive annuities if she or he was married to the annuitant for at least 1 year. In addition, over the last decade other Government-sponsored systems, including the veterans' program and social security, have liberalized similar marriage requirements, reducing them to 1 year or less in many cases.

I strongly believe that in view of these recent developments with the civil service and other retirement plans, it is high time to take action to liberalize the military survivor benefit plan in the same fashion.

In addition, I am also introducing legislation which would amend the survivor benefit plan to prohibit reduction in retired or retainer pay in cases where the beneficiary predeceases the retiree.

A little-known fact is that under existing law, a military widow does not automatically receive a pension when her husband dies. On the contrary, at the time of retirement, a military retiree must either elect to have his retired pay reduced to provide an annuity for his surviving spouse in the event he should predecease her, or he may choose to deny his spouse entitlement to a survivor's annuity, in which case his retired pay would not be reduced. If the married employee decides to accept a reduced annuity with survivor benefit, his decision to do so is irrevocable, and the reduction continues in effect regardless of whether his spouse predeceases him.

The enactment of my bill would allow

the restoration of full retired pay to a retiree participating in the survivor benefit plan should he be predeceased by his spouse. Full retired pay would commence 1 month after the month in which his spouse's death occurred, and would continue until the retiree should elect to again participate in the survivor benefit plan by virtue of remarriage.

A comparable liberalization of this same aspect of the civil service retirement plan is included in S. 628, as adopted by the Senate. That bill is now in conference committee. In view of current congressional action on this aspect of the civil service plan, I feel it appropriate for the House and Senate Armed Services Committees to take action on the survivor benefits plan, to bring it more in line with that of the civil service.

Strong support for both these bills has been demonstrated by military retirees who reside in the Eighth Congressional District of Virginia, and I am sure the remainder of our Nation's military retirees are equally concerned about the 2-year marriage requirement and the "pay forever" aspects of the survivor benefit plan. I would urge my colleagues in leadership positions to give favorable consideration to both these bills in the immediate future.

THE NATCHEZ TRACE PARKWAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. BEARD) is recognized for 5 minutes.

Mr. BEARD. Mr. Speaker, the Natchez Trace is one of the most historic routes in the United States. In its early days, it was little more than a wide path cut through deep woods in what is now Tennessee and Mississippi. Later, as these territories were more heavily settled, it became the primary road in the region, linking Nashville, Tenn., with the Mississippi River at Natchez, Miss.

For some time, Mr. Speaker, there has been an ongoing project to complete the Natchez Trace Parkway, which, when completed, will be a scenic, 445-mile route from Nashville to Natchez, through one of the most beautiful and historic areas of our country.

The problem, as in so many cases, has been funding. In an attempt to remedy this situation, I am today introducing along with my good friend and colleague, DAVID BOWEN, legislation which will provide moneys for parkways from the Federal Highway Trust Fund and should help move the Natchez Trace Parkway to swift completion.

This bill is similar to that introduced in the other body by Senator JAMES O. EASTLAND; the National Park Service and the Interior Department have pledged to give the Natchez Trace top priority should these bills become law. It is my hope that we will see quick congressional action in this area.

CALL FOR LOBBYING CURB

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, I am today introducing with my colleagues WAYNE OWENS and DON MITCHELL, The Public Disclosure of Lobbying Act of 1974." Watergate has dramatized several lobbying abuses and underscored the serious need for corrective legislative action. I hope that when the impeachment hearings are completed that the House Judiciary Committee will take a long, hard look at the need for lobbying reform, and consider recommending a bill similar to this one. Our country can ill-afford more ITT and milk fund scandals. For the protection of the public interest, Government officials, and even the lobbyists themselves, comprehensive lobbying reform legislation must be enacted.

The efforts of organized groups to influence government policy is an inseparable part of the American political process. Lobbying is protected by the Constitution's guarantee of free speech and as an exercise of the right to petition for a redress of grievances. Today, hundreds of interest groups attempt to make their views known at all levels of government. These groups are commercial, industrial, labor, agricultural, racial, ethnic, religious—virtually every facet of life. Even agencies of one branch of Government lobby other branches. Such groups often provide valuable information to public officials, and have an important role in shaping policy. They inform the legislative and executive branches how various Government programs are working, where adjustments need to be made, and what injustices should be remedied.

Unfortunately, this constitutionally guaranteed right has in the view of many Americans been perverted into a sordid picture of lobbyists as "sleazy, under-the-table operators." Such descriptions are unfair to the vast majority of lobbyists. But, unless the activities of all lobbyists are brought out into the open, the secrecy which protects the unsavory conduct of a few will condemn the reputation of all.

As far back as the turn of the century, Congress tried to enact lobby reform laws. It was not very successful until 1946 when the Lobby Reform Act was passed. Although this legislation was a step in the right direction, it was filled with loopholes and ambiguities which allowed many organizations to escape coverage under the bill. One giant loophole was created when the Supreme Court in 1954 declared the Lobbying Act applicable only to individuals or organizations whose principal purpose is to influence legislation. Quite obviously, many organizations have been able to avoid compliance, because their lobbying activities, while substantial, are simply not their principal purpose. For example, one organization spent over $2 million one year on what are generally considered lobbying activities, but did not even have to file a lobbying report.

Another glaring deficiency of the 1946 act is the fact that it applies only to the legislative branch. More money is often spent at the executive branch, however, and, as the Milk Fund and ITT cases imply, abuses can occur.

The bill we are introducing today, the Public Disclosure of Lobbying Act of 1974, is based on the premise that the activities of those who would influence public policy should be open to inspection by the public. The bill is not designed to halt or even curtail lobbying of the legislative and executive branches of Government. Our intent is just to bring lobbying out into the open. The legislation will insure that public officials and citizens alike will be able to determine who is seeking to influence the Government.

The bill defines a lobbyist as any person who attempts to influence Government policy and who receives or makes an expenditure of $250 or more during a quarterly filing period for that purpose. The intent of the bill is that anyone who spends or receives a significant amount of money for lobbying will have to report their activities and this information will be for public knowledge. An independent Federal Lobbying Disclosure Commission is set up to monitor the activities of lobbyists. The Commission will review the lobbyists notice of representation—which they are required to file no later than 15 days after first becoming a lobbyist—and the various records lobbyists are required to submit under our bill. For the first time, control over lobbying is extended to lobbyists who operate before the executive branch.

Mr. Speaker, it's been nearly 30 years since Congress passed an act requiring information about lobbying activities. In each of these years, there have been questions raised about the ways certain lobbyists operate. The present law has proved totally incapable of curbing lobbying excesses. The era of Watergate has eroded America's confidence in our system of Government, and lobbying activities are partially to blame. Congress, in its aftermath, can do much to restore it by passing effective and far-reaching legislation such as lobbying reform.

I urge the immediate and favorable consideration of the Public Disclosure of Lobbying Act of 1974. It is fully supported by Common Cause and on August 1 we will reintroduce the legislation with additional cosponsors.

DAIRY IMPORT COUNTERVAILING DUTY DEVELOPMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. QUIE) is recognized for 10 minutes.

Mr. QUIE. Mr. Speaker, on February 20, 1974, I introduced H.R 12936, to require the Secretary of the Treasury to determine whether export subsidies are being paid on dairy products imported into the United States. Passage of this legislation would then force the Secretary to carry out present law requiring the imposition of countervailing duties when he finds that such export subsidies are being paid on foreign dairy products shipped into this country.

I am very pleased that a stipulation has been agreed upon in the case of National Milk Producers Federation against the Secretary of the Treasury. Under the terms of the stipulation, the Secretary of the Treasury has agreed to impose countervailing duties upon imports of cheese from the European Community, if export subsidies are reimposed on cheeses. The stipulation covers a period of 120 days.

Perhaps the most significant thing about this stipulation is that the Treasury Department recognizes that export subsidies had been paid on cheese imports. In fact, the European Community suspended the payment of these subsidies.

American dairy producers cannot compete with subsidized European production. To give you some idea of the subsidies which have been paid, the European Community offered a subsidy of 18 cents per pound on cheddar cheese exported to this country after February 15. Prior to that date, it was 31.7 cents per pound. The subsidy on Swiss cheese was set on February 15 at 33.8 cents per pound.

As indicated in the stipulation, both of these subsidies have been temporarily suspended. I am most hopeful that the court suit will resolve this problem. If not passage of my bill will require the Secretary of the Treasury to carry out the countervailing duties statute.

THE PUBLIC DISCLOSURE OF LOBBYING ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 20 minutes.

Mr. OWENS. Mr. Speaker, I am introducing today, along with the gentleman from Illinois (Mr. RAILSBACK) and the gentleman from New York (Mr. MITCHELL), the Public Disclosure of Lobbying Act of 1974.

The tragic revelations of the past 18 months listing campaign transgressions and abuse of public office have reinforced the principle that the people's business is best conducted in public view. This has stimulated support for a variety of congressional and campaign reform measures which have long been required to open, modernize, and improve Government performance.

The lobby disclosure proposal I introduce today is a necessary addition to this series of reforms. Opening the closed doors of committee meetings, revealing personal financial status, and disclosing all campaign contributions will not tell the full story of the public's business. We must also make public the substantial efforts and interest of organized lobbies.

As an exercise of the right to petition for "a redress of grievances," lobbying is sanctioned by the first amendment to the Constitution. Lobbying provides a legitimate means for interest group representation at the national level. Lobbyists inform the legislative and executive branches what their clients are thinking, how Government programs are working and where adjustments need to be made and injustices remedied.

Yet in the eyes of most people, lobbying is a vulgar activity practiced by means of secret payoffs, under-the-table deals, and slick con jobs. The basic problem is that lobbies to an appreciable degree operate in secret.

When an organization communicates openly, even expensively, it is exercising an important right and performing a necessary function. But when a group lobbies secretly, concealing its financial sources, and disguising the origin of its messages, then it is abusing that right and undermining that function. For public officials to respond in an informed and appropriate way to the conflicting demands on them, they must know who is making those demands and why.

Congress has long recognized the need for lobby disclosure, but the inadequacy of the Federal Regulation of Lobbying Act of 1946 is the main reason the public lacks information about lobbying. The act gives the impression that lobbying is under some form of public scrutiny, while in fact there is very little. Nearly all experts on the subject believe there is more lobbying today—not less. But less is reported. Only half as much spending is reported by lobby groups today as was reported in 1950.

The 1946 lobby disclosure law covers only those lobbyists whose "principal purpose" is to influence legislation. Many organizations simply state that their principal purpose is something else.

There are other flaws. No disclosure of grassroots lobbying, for example, stimulating letter writing campaigns, is required. In addition, the current law only applies to lobbying of the legislative branch, although some of the most important lobbying today is practiced on the executive branch agencies and departments. The law applies only to those who "solicit, collect, or receive" money for lobbying but does not require a record of how the money is spent.

No clear-cut responsibility is assigned for compiling and disseminating the disclosure information which is reported. And the law has been too vague to be effectively enforced. In its 20-year lifespan, the law has produced only one successful prosecution, and that occurred when the defendants pleaded guilty.

To illustrate the inadequacy of the 1946 act, the Association of American Railroads during the first 3 months of 1972 mounted a million dollar public relations campaign to promote the Surface Transportation Act. Under the Lobbying Act of 1946, only $4,972.12 was reported. The National Rifle Association, one of the most active lobbies, reported lobbying expenditures of $1,155.03 during the entire 92d Congress. In 1971 the El Paso Natural Gas Co., spent $893,862 "for purposes of influencing public opinion," but made no report at all under the Lobbying Act. The three full-time lobbyists of the National Association of Manufacturers listed expenditures of only $6,320 in 1972. Some large lobbies are not even registered because they claim that influencing legislation is not their "principal purpose."

I do not suggest that these organizations have acted wrongly. They are expected and entitled to represent their interests before the Government and to expand large sums of money in the effort. But the public and its officials are entitled to know what is being spent and for what purposes.

Full disclosure of lobbying activities would benefit both private citizens and public officials. Private citizens would better understand the nature of special interest pressures and would be better equipped to hold public officials accountable for their response to these pressures. Public officials would find it easier to evaluate lobbying pressures and put them in a better perspective.

In the words of Chief Justice Warren:

> Present-day legislative complexities are such that the individual members of Congress cannot be expected to explore the myriad pressures to which they are regularly subjected. Yet full realization of the American ideal of government by elected representatives depends to no small extent on their ability to properly evaluate such pressures. Otherwise, the voice of the people may all too easily be drowned out by the voice of special interest groups seeking favored treatment while masquerading as proponents of the public weal. This is the evil which the lobbying act was designed to prevent.
>
> Toward that end, Congress has not sought to prohibit these pressures. It has merely provided for a modicum of information from those who for hire attempt to influence legislation or who collect or spend funds for that purpose.

The problem of secrecy can be dealt with only through clear and exacting legislation requiring disclosure of how much lobbies are spending, whose money they are spending, and how they are spending it. The principle of open government, of decisionmaking processes that are visible and responsible, requires that lobbying not be a secretive affair. My proposal is based on the realistic premise that certain undesirable pressure activities could be controlled better by publicity than by prohibition.

Under provisions of this bill, the interested official and the interested citizen would be able to know who is pressuring the Government, for what ends, and by what means. The bill provides for:

1. AN EXPANDED DEFINITION OF LOBBYING AND LOBBYIST

These definitions are crucial elements of the bill:

> SEC. 2(9). Lobbying means a communication or the solicitation or employment of another to make a communication with a Federal officer or employee in order to influence the policymaking process, but does not include—
>
> (A) an appearance before a congressional committee, subcommittee, or joint committee, or the submission of a written statement thereto;
>
> (B) any communication or solicitation by a Federal officer or employee; or
>
> (C) except with respect to a publication of a voluntary membership organization, any communication or solicitation through the distribution in the normal course of business of any news, editorial view, letter to an editor, advertising, or like matter by—
>
> (1) a periodical distributed to the general public;
>
> (2) radio or television broadcast; or
>
> (3) a book publisher;"
>
> SEC. 2(10). "Lobbyist" means, with respect to any quarterly filing period, any person who engages in lobbying during that period and who—
>
> (A) receives income of $250 or more for such lobbying during that period, whether

such income is the prorated portion of total income attributable to that lobbying, or is received specifically for the lobbying; or

(B) makes an expenditure of $250 or more, excluding travel expenses, for lobbying during that period.

2. COMPREHENSIVE DISCLOSURE REQUIREMENTS

Each lobbyist would disclose who he is lobbying for, how much he is being paid and how much he is spending for lobbying, what legislative or executive action he is attempting to influence and which public officials he has contacted. Those who employ lobbyists would disclose comparable information. Disclosure would be filed through registration forms and quarterly reports.

3. A LOBBYING DISCLOSURE COMMISSION

The bill establishes an independent, six-member commission to administer and enforce the program. It is authorized to investigate failure to comply with the act, to initiate court actions to enforce the act, and to provide regulations. The commission's duties include making information filed with it available for public inspection and compiling and summarizing this information in periodic reports.

Disclosure is the most suitable control over lobbying—lobby laws should identify pressures, not restrict them. My bill would not make lobbying activities illegal, but it would require that they be pursued in the open. By demonstrating that lobbying on a large scale can take place honestly and openly, it would restore some dignity to the ancient and necessary practice of petitioning one's government, and it would increase respect for the process by which Congress and the executive branch receive information and make decisions.

I urge my colleagues in the House and particularly members of the Judiciary Committee to give this proposal their serious consideration.

LET US NOT REVERSE A HEALTHY TREND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, in the past two Congresses, considerable progress has been made in assisting States with their mounting financial problems. In the 92d Congress, a monumental revenue sharing package was enacted specifically to allow States to hold the line on their taxes while they met the constantly increasing demand for services.

It is obvious that the problems that revenue sharing was designed to alleviate, are most acute in our urbanized, industrial States. Their sharp population increase in the 1960's forced these States to search for many new methods to finance their skyrocketing State budgets. For many of these States, the answer became a lottery of some type. Since the enactment of the New Hampshire lottery in March of 1964, a dozen States have followed suit in an attempt to raise money for education, for health care, and for distribution to the various cities and towns under their jurisdiction.

This month, my own State of Illinois will commence ticket sales for its first lottery drawing to be held in early August. Revenues raised in the Illinois lottery will be used to help balance the budget of a State that has been particularly hard hit by an increased demand for State services. It is expected that in the first year alone, $60 million will be raised for this purpose.

In light of these new developments in State financing, I was greatly disturbed to learn that the Internal Revenue Service presently plans to revive a relatively obscure excise tax provision to impose a 10-percent excise tax on the gross rereceipt of all lottery revenues, except those lotteries in which the ultimate winner is determined by a horserace.

This narrow exception was enacted in 1964 when New Hampshire commenced its lottery for education. Such an excise tax does little but discourage States from embarking on such innovative methods to solve their own problems. In addition, we must remember that present law also requires that all lottery winnings be included as income in the year in which they are received—so, lottery receipts are already quite heavily taxed at the Federal level.

It is my understanding that while the Internal Revenue Service feels obligated to enforce the excise tax, it would not object to congressional legislation to relieve them of this obligation. I believe that the legislation which I am introducing today to exempt from the excise tax, State-run lotteries conducted for the benefit of the State and its residents, will solve the problem. It will relieve the harsh impact of double taxation which not only would deplete the financial return to the State, but would also discourage other States from introducing lotteries to better their financial needs.

AMENDMENT TO H.R. 11500

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, at the appropriate time I will offer an amendment to H.R. 11500.

The purpose of my amendment is to prohibit surface mining of coal in areas where average annual rainfall is less than 10 inches.

The National Academy of Sciences has determined that 10 inches of annual rainfall is the minimum necessary for successful reclamation of land that has been strip-mined.

Strip mining in this country has left unreclaimed a land area larger than the State of Delaware. Such mining must be put under strict controls. Reclamation must be required where possible and strip mining banned where reclamation clearly is not possible.

In areas receiving less than 10 inches average annual rainfall, successful reclamation is not possible. My amendment would prohibit strip mining in such areas.

This amendment, which follows, is set forth here to qualify for the necessary time to present it to the House:

AMENDMENT TO H.R. 11500, AS REPORTED

Page 172, line 4, strike the word "and" and insert therein the following subsection:

"(12) the area or region in which the mining is to take place has an annual average precipitation of at least ten inches; and"

Renumber the following subsections accordingly.

DEPARTMENT OF STATE OPPOSED TO AMERICAN BUSINESSMEN PARTICIPATION IN "KRIMTEKHNIKA"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, next month, there will be a trade fair held in Moscow to display the latest in the world's police equipment. The probable buyers of this equipment will be the Soviet State Police and the police of other Eastern European nations.

It appears that a number of American companies will be attending this trade fair. I believe it is unconscionable for these sophisticated police items to be sold to police state societies. On July 1, I wrote to the Secretary of State concerning American involvement in the "Krimtekhnika" Exposition.

Today, I received the following letter from the Department. As the letter indicates—

> Secretary Kissinger has asked the Department of Commerce to place the police equipment categories under additional [export] controls.

Mr. Speaker, I urge the Secretary of Commerce to act immediately to prevent these sophisticated police items from being sold in the Soviet Union and certain other countries. It would be immoral for tools of oppression used in the Soviet Union to be stamped "Made in America."

The Department's letter follows:

DEPARTMENT OF STATE,
Washington, D.C., July 18, 1974.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: The Secretary has asked me to reply to your letter of July 1, on the Soviet trade exhibition of criminology equipment, "Krimtekhnika," which is scheduled to be held in Moscow August 14–28. We understand that some American manufacturers of this type of equipment plan to exhibit privately at "Krimtekhnika." There has been no US governmental encouragement of US participation in this exhibition.

With regard to types of police equipment which could conceivably be used to suppress those persons in the Soviet Union who are striving to exercise basic human rights, as well as rights guaranteed them under the Soviet constitution, we would, of course, not promote sales to the Soviet Union and would prevent such sales whenever it is legally possible to do so. There are two mechanisms by which such sales might be controlled: the Munitions Control Regulations (Section 414, Mutual Security Act of 1954), administered by the Department of State, and the regulations under the Export Administration Act of 1969, as amended, which is administered by the Department of Commerce.

Firearms, explosives of all types, and mace would be considered for export under the terms of the Munitions Control Regulations. The Department of State has not received application for the export of munitions-controlled items for display at the "Krimtekhnika" exhibition, and would not approve such applications if any are received.

One aim of the Export Administration Act is the establishment of strict control over the export to Communist countries of items which because of their advanced design or possible use might materially contribute to Soviet military capabilities. To the best of our knowledge, no potential exhibitor at "Krimtekhnika" has applied to send items to the exhibition which would fall in this category.

As the export control regulations now stand, there is probably a range of police equipment which could be exported to the Soviet Union or other Communist countries without specific authorization from the Department of Commerce. To ensure that the products of American industry do not contribute to the capability of police agencies in Communist countries to suppress dissent or control the activities of persons seeking to exercise their legitimate rights, Secretary Kissinger has asked the Department of Commerce to place the police equipment categories under additional controls. When this action is taken, exports of police and criminology equipment to Communist countries will be subject to careful review and licensing on a case-by-case basis before sales may be consummated.

The Secretary appreciates your action in bringing this matter to his attention. Please let me know if you feel we may be of further assistance.

Cordially,

LINWOOD HOLTON,
Assistant Secretary for Congressional Relations.

CONVICTED NAZI GOES FREE WHILE PURSUER IS JAILED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, while Cologne businessman Kurt Lischka, a convicted former Nazi, attends to his daily affairs, Beate Klarsfeld, the woman who sought to bring him to justice, faces a harrowing trial in a West German court. The man, a respectable member of the business community must feel secure now that the woman is in custody. Until the kidnaping attempts, Lischka, one of the cogs in the Nazi machine that had thousands of French Jews wrested from their homes to be deported to hellish Nazi death camps, encountered little prejudice.

True, he was sentenced in absentia to life imprisonment by a French court in 1950. He is, nevertheless, a citizen of West Germany and as such is protected by a West German law stating that war criminals found guilty by a court of one of the three World War II Western Allies may not be tried in German courts for the same crimes. This and similar travesties of justice committed by West German courts have greatly distressed Beate Klarsfeld.

About 1,026 Nazi war criminals were sentenced in absentia by French courts after the war and an estimated 200 of them are still alive and at large in West Germany. Mrs. Klarsfeld, a Berlin-born Frenchwoman, has been sentenced by a West German court to 2 months in prison for her efforts to bring the former Gestapo leader of Paris to justice. This woman who witnessed the "Aktions" the arbitrary arrests at dawn, the herding into cattle cars and the shipments to Auschwitz, cannot sit idly by as the remnants of the gigantic Nazi war machine move about freely as respectable people. She is firm in her conviction that it is of the utmost importance to force the Germans to draw consequences from the past.

In 1968, amid the relative quiescence of the West German regime, Mrs. Klarsfeld, in a highly dramatic move, publicly disclosed Chancellor Kiesinger's Nazi background. She also played a key role in tracking down Klaus Barbie, astutely discovering that he was living under the alias "Klaus Altmann" in Bolivia. Other Germans implicated in the Nazi atrocities have similarly been pursued by Beate Klarsfeld.

Not only have her dealings with the West German legal system in her efforts to have Lischka extradited proved futile, but she has also been forced to endure the long days of hardship of preparing for her trial as well as 2 months incarceration. She feels the whole episode is typical. Commenting on her sentence, she said it showed "the traditional face of German justice which judges those who combat Nazis and is accommodating toward the Nazis themselves." She accused the West German judge of "evading the real problem, that of Nazi war criminals living as free men in West Germany."

While Judge Vikoyorde may have been unresponsive to Mrs. Klarsfeld's case, most members of the courtroom and observers throughout the world were not. Outbursts by Mrs. Klarsfeld's supporters were so frequent that the judge ordered the courtroom cleared. The support and sympathy that this woman has elicited as she faced the Cologne court has focused world attention on a legal loophole that has allowed Nazis who committed war crimes in occupied France to escape prosecution.

Thus, on July 9, French President Valery Giscard d'Estaing received an assurance from the West German Chancellor that the loophole would be closed. It involves an amendment to the Franco-German extradition treaty, which has still to be ratified by the Bonn parliament, that could allow war criminals to be retired in West Germany, even after they have been tried, as Lischka was, in France.

And so, Lischka remains free as Mrs. Klarsfeld faces imprisonment. The judge has rejected the prosecution's recommendation that she be given a 6-month suspended sentence. Without an actual prison term, he said she might be tempted to attempt new illegal acts.

THE ALL VOLUNTEER ARMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEGGETT) is recognized for 5 minutes.

Mr. LEGGETT. Mr. Speaker, from the outset of the all volunteer Army idea, I joined with many colleagues in Congress as an enthusiastic supporter. I believe that the Army can sustain itself and the national defense during peacetime strictly with volunteers. This belief, of course, runs contrary to the opposition's concern about the attractiveness of the "military way of life" to our current "do your own thing" generation—a generation to which I myself am rather happily full pledged.

Recently, Bo Callaway, Secretary of the Army, sent out good, timely news about last year's track record under the volunteer system. I find to be quite an achievement what Bo characterizes as preliminary results. As of June 30, 1974, the Army ended its trial year at an authorized strength of 781,600 persons. I share Bo Callaway's enthusiasm that we now have first signs that the all volunteer Army can be a success.

Following are highlights of the fiscal year 1973 all volunteer Army program provided by Secretary Callaway:

Total Strength: We achieved the Congressionally authorized Active Army manpower end strength of 781,600.

Recruiting: We recruited 196,000 men and women this year. In June alone we recruited over 24,000 new soldiers and about 2,000 soldiers with some prior service. Of the 24,000 new soldiers, almost 17,000 (about 70 percent) were high school graduates or the equivalent.

Male: Recruited 165,000 new male soldiers (all true volunteers) which is about 23 percent more than the true volunteers enlisted in FY 73 and about 85 percent of the combined accessions of the other Military Services.

Female: Recruited 15,000 females, 106 percent of our objective and 72 percent more than FY 73.

Prior Service: Recruited over 16,000 prior service men and women, 115 percent of our objective and 18 percent more than in FY 73. These enlistments represent an appreciable dollar savings since the added expense of basic training is avoided.

Congressional Quality Mandate: We achieved these results within the quality guidelines directed by the Congress. Congress directed a minimum of 55 percent high school graduates—the Army achieved 56 percent. Congress directed a minimum of 82 percent of the recruits should be in the upper mental categories (categories I, II, and III)—the Army achieved 82 percent.

Reenlistments: We reenlisted over 58,000 men and women, 108 percent of our objective, and 23 percent more than in FY 73: 22,000 First Term soldiers (135 percent of objective); 36,000 Career soldiers (97 percent of objective).

Combat Arms: We recruited 37,000 new soldiers into the combat arms, one of the most difficult skills for which to get volunteers. One-third of these chose the $2500 combat arms bonus which represents enlistees who are high school graduates, upper mental category personnel, and enlisting for four years.

Training Discharge Program (TDP): Operating under the assumption that, regardless of careful screening, not every young enlistee is temperamentally suited for military life, in September of 1973 we initiated a program which permits discharges during the first 179 days for such cases. Results are encouraging—we are separating about 1700 trainees a month rather than passing them to units where they would become a burden. This program is for Active Army and Reservists alike. We are optimistic that the program lets us identify unsuitable personnel early. FY 75 loss data from units which receive trainees with the unsuitable enlistees already removed will confirm or refute that optimism.

Disciplinary Trends: Since the beginning of the no-draft era on 1 July 1973, the state of discipline in the Army has improved steadily.

The traditional indicators of discipline—AWOL, desertion, crimes against property—are down.

Crimes of violence have remained essentially the same.

While drug abuse offense rates are up, nearly all of the increase is due to use and/or possession of marijuana. The more dangerous drug offense rate remains stable.

Racial tension, of continuing concern, is generally reduced, giving rise to optimism but not complacency for the future.

In sum, the discipline of the Volunteer Army is good, and getting better in nearly every measurable area.

Delayed Entry Program (DEP): The number of new accessions (male and female) who have signed enlistment contracts in the Army but who will delay entry into active duty while completing high school, waiting for the assignment of their choice or a space in special training schools, or conducting personal business is 3–4,000 enlistments per month higher than similar months in 1973. Currently, we have over 15,000 in the DEP for FY 75 entry to active duty.

Mental and Educational Composition: Within the overall Army we have a higher percentage of high school graduates than a year ago (72.5 percent vs. 71.1 percent) and a lower percentage of the lowest acceptable mental category (18.0 percent vs. 18.1 percent).

Representation: At year end, the minority content of the Active Army was about 21 percent of whom 19 percent are Black. This represents an increase of about 4 percent in minority content since end FY 73. This increase is due primarily to enlistments which ran about 27 percent Black for FY 74, indicating that group's positive perception of the opportunities available in the Army.

Reserve Components: In the Reserve Components, the National Guard ended the year at a strength of about 413,000 or 9 percent above the average paid drill strength authorized. The U.S. Army Reserve ended the year at a strength of about 238,000 or 2 percent above the average paid drill strength authorized. Thus, both components have shown great resiliency in overcoming the disappearance of long waiting lists of recruits—lists that melted when the draft ended. The minority content of the National Guard was 5 percent and of the U.S. Army Reserve was 6 percent, both continuing the steady increase begun three years ago to become more representative.

Readiness: The readiness goal for all major U.S. Army forces is to achieve a combat ready posture. When the last draftee entered the Army, 4 of our 13 divisions were combat ready. Today all 13 divisions are operational and ready for combat.

In my view, the Army's Recruiting Command is to be commended along with the whole Army team. The Army appears to be doing what long-standing institutions find darn near impossible. The Army is changing with the times—providing more specialized attention to the individual's needs and strengths, all within the necessary bounds of military regimentation.

During and after World War II, the Army made important breakthroughs in the areas of personnel management and human behavior and motivation. Army methods became the subject of study and adoption by government and industry alike. I believe similar developments will be forthcoming as the Army moves ahead further with the full volunteer system.

THE THREAT TO MARINE MAMMALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Diggs) is recognized for 15 minutes.

Mr. DIGGS. Mr. Speaker, I would like to insert, for the thoughtful consideration of my colleagues, the following article in the Washington Post of May 23, 1974, which outlines the attempts of a domestic firm to attain a 10-year waiver of the Marine Mammal Protection Act of 1972 from the Commerce Department, thereby allowing it to import sealskins from Namibia. Namibia is the international territory which is illegally administered by South Africa.

Following is the July 17 telegram which I sent to the State and Commerce Departments protesting the importation of sealskins from Namibia, as well as, the proposed visit by a team of Commerce officials to Namibia to inspect the seal harvest there. In order to grant a waiver allowing the importation of sealskins, the Secretary of Commerce must first be satisfied that the killing of baby seals takes place in a humane manner.

The Threat to Marine Mammals

(By Lewis Regenstein)

A recently-enacted U.S. law, designed to protect whales, seals, dolphins, porpoises, sea otters, polar bears, sea lions, walrus, manatees, and dugongs, is in serious danger of being dismantled; and conservationists are now involved in a major struggle to prevent the Marine Mammal Protection Act of 1972 from being crippled beyond repair.

The Marine Mammal Protection Act provides, with a few exceptions, for a general moratorium on the "taking" (killing, capture, wounding, harassing) by U.S. citizens of almost all species of ocean mammals. It also prohibits the import into the U.S. of any furs or other products from these creatures, thus removing much of the economic incentive for other nations to kill them.

However, one of the major flaws in the Marine Mammal Protection Act is that it gives the Secretaries of Commerce and Interior wide discretion to issue individual permits for the taking of sea mammals; and under certain conditions, they can even lift the moratorium completely and allow the resumption of commercial exploitation on any and all of these species.

A major threat to the law is posed by the Fouke (fur) Company, of Greenville, South Carolina, the only large American processor of sealskins.

Fouke is now pressuring the Commerce Department to lift the moratorium on foreign seal imports to allow it to bring in up to 70 thousand sealskins from South Africa each year for the next 10 years. The South African seal kill takes place from June to October, when tens of thousands of baby seals are clubbed on the head, and then stabbed to death with stilletto knives. The baby seals are then slit down the front and the pelt is pealed off.

The law makes it unmistakeably clear that its intention is to put a halt to U.S. involvement in the killing of baby seals. Section 102 of the Act states unequivocally that "it is unlawful to import into the United States any marine mammal if such mammal was nursing at the time of taking, or less than eight months old, whichever occurs later.

Nevertheless, the Commerce Department now seems to be moving towards granting Fouke's current request, to abolish the "moratorium" for 10 years on the import of South African cape seals, even though many of these seals are nursing when they are killed. The Commerce Department's National Oceanic and Atmospheric Administration (NOAA) and its agency, the National Marine Fisheries Service (NMFS), have already prepared a biased and totally unncessary draft Environmental impact Statement (EIS) on the effect of allowing the import of these sealskins. (However, the statement, curiously, does not point out the ecological dangers of killing off vast numbers of seals each year. This is not surprising in light of the fact that the EIS was drafted largely by several NMFS biologists, who are or have been involved in running NMFS' own seal kill in Alaska, which netted the U.S. Government a profit of $1.8 million in 1973.

Another complicating factor is that much of the seal kill takes place in South-West Africa (Namibia), which the United States, the United Nations and the International Court of Justice consider South Africa to be illegally occupying in violation of international law. This makes it even more difficult for the Secretary of Commerce Frederick Dent, to endorse and approve the South African seal hunt, as the law requires if the moratorium is to be lifted.

In addition to Fouke's permit application, attacks on the Marine Mammal Protection Act are being made from other quarters as well. The state of Alaska is attempting to have the moratorium lifted for that state (which contains most of the resident sea mammals found in the U.S.) to allow the resumption of commercial and "sport," killing of whales, seals, and sea lions (now under the jurisdiction of the Commerce Department) and sea otters, walrus, and even polar bears (now under Interior Department authority).

And the U.S. tuna industry is pushing Commerce to allow it to continue killing over one hundred thousand dolphins (or "porpoises") each year.

If the above applications are granted, it will be the beginning of the end of the law's effectiveness; and the door will be opened to removing protection to additional vulnerable species, such as whales and sea otters, which are of interest to commercial exploiters and other vested interests. At the present time, the decision as to if and when to lift the moratorium for most of the species involved is being made by two Commerce Department officials; Dr. Robert M. White, Administrator of NOAA, and Robert W. Schoning, Director of NMFS. Their decision could well determine the fate of several hundred species of wildlife, whose survival may ultimately hinge on whether or not the Marine Mammal Protection Act remains intact.

[Telegram from Congressman Charles C. Diggs, Jr., to Hon. Joseph J. Sisco, Under Secretary of State for Political Affairs, and Honorable Robert M. White, Administrator, National Oceanic and Atmospheric Administration]

Strongly urge that State Department not, repeat not, allow Commerce Department officials travel to Namibia re importation of baby sealskins from Namibia, Stop. Visit would be contrary to 1971 International Court of Justice advisory opinion on illegal SA administration of Namibia, conclusions of which have been accepted by USG. Stop.

I oppose importation into USA of goods originating in Namibia and secured in collaboration with SAG because such action necessarily requires USG to recognize legality of, and lend support and assistance to such illegal SAG administration. Stop. Must therefore oppose proposed visit to Namibia. Stop. Not further that any official USG delegation in Namibia with permission of SAG conflicts with duey of USA as member of UN to recognize invalidity of SAG actions on behalf of or concerning Namibians. Stop. Such action would seriously damage USG credibility abroad, particularly in majority-ruled nations of Africa, and would also demoralize people of Namibia at critical time when they must count on help of UN member states and, in particular USA, Stop.

Trust State Department will not allow yet another affront to USG dignity. Stop.

NOT OLDTIME ECONOMIC RELIGION—BUT NEW EFFORTS AT EQUITY AND RESTRAINT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. ADAMS), is recognized for 15 minutes.

Mr. **ADAMS**. Mr. Speaker, I was very pleased that you took time earlier today so the membership of the House of Representatives could address the problems of our nation's economy. Inflation with recession is the No. 1 concern of all Americans—it is monopolizing people's thoughts because this is destroying any income gains or savings they might ever have had, and threatening many workers with a loss of jobs.

On many occasions during the last 2 years I have spoken in the House about economic problems and possible solutions. I have outlined my beliefs that the administration policies on the budget, impoundment, taxes, agricultural and other Government subsidies, energy deregulation, economic controls and high interest rates are erratic and inequitable. The Nixon administration's "trickle down" economic theories have been dictated by out-of-date Adam Smith economics and are for the benefit of wealthy individuals and corporations to the virtual exclusion of the vast majority of American people.

I have continually urged that administration and the Congress that we cannot use forces that fan the fires of inflation to simply prevent further recession. We take immediate actions to control inflation. In doing this we must be certain to water the economic tree from the bottom, not from the top and then hope that it trickles down, so as to not cause further recession. We must build consumer buying power, break specific commodity bottlenecks, amend tight money policies to provide lower interest rates to areas like housing as opposed to speculative merger borrowing, adopt Federal programs aimed specifically at helping the unemployed, and exercise fiscal restraint.

Itemized, my proposals are:

First. Federal expenditure control;

Second. Tax redistribution;

Third. Price stability;

Fourth. Credit targeting; and

Fifth. Employment opportunities.

KEEPING OUR OWN HOUSE IN ORDER

I have outlined in previous statements my proposals on points 2, 3, 4, and 5. I refer you to my floor statements of April 25, April 29, and July 3 for more detail on those points.

Today, I want to discuss fiscal restraint and why I believe it is imperative for the Congress and the Executive to exercise it.

Under the Nixon administration of the last 5 years, I have watched—incredulous and askance—the President's budget requests exceed first the $200 billion level and then the staggering figure of $305 billion.

Worse still, the budget has gone from a $3.2 billion surplus in the last fiscal year of the Johnson administration to budget deficits in every single fiscal year of the Nixon administration. Those deficits now total $78.2 billion according to the President's own Council of Economic Advisers.

The Congress has tried to exercise some restraint when considering the President's budget requests. For example, over the last 5 years, Congress has lowered overall Federal appropriations below the budget, but this has not affected the noncontrollable expenditures. This has not been enough to balance the budget because the President's deficits have come from reduced revenues and increases in interest payments and defense spending and revenue sharing.

The Congress only controls through the appropriations process about 45 per cent of the entire budget—the rest is spent automatically for trust fund programs, contracts previously obligated, revenue sharing and so on—we have a very definite opportunity to exercise restraint this year during our deliberations on the various appropriations bills. Thus far, the House has passed nine appropriations bills, cutting the President's budget requests by $2.3 billion. Those appropriations bills still to be considered are interior, foreign aid, military construction, and defense which is the largest appropriation of them all.

It seems to me that in the defense appropriation, about $87 billion—more than two and a half times larger than second largest appropriation—for Labor, Health, Education, and Welfare—the Congress ought to be able to cut out some of the expenditures.

The defense appropriations represent roughly 60 percent of the entire amount in Federal expenditures over which Congress has control. That percentage is both enormous and unreasonable at a time when our country is no longer engaged in any major or minor military combat. I do not dispute that we must expect to pay for a strong national defense, however in this "era of peace" there should be no need for increases in defense spending of the magnitude proposed by our "peace seeking" President.

The budget control legislation enacted this year will help us to review more completely the budgets of the future. The new budget process will also help us to alter budget priorities and control Federal expenditures more effectively. However, until our new budget system is set up, we must do whatever we can to try to cut unnecessary and unreasonable Federal expenditures.

TOWARD A BALANCED BUDGET

Controlling Federal expenditures will help us to achieve more of a balance between those expenditures and Government receipts.

Many of my colleagues and many economists are very uneasy about discussing ways to balance the Federal budget. They are strongly wedded to the theory that when the economy needs stimulus, Federal spending can be increased by running a budget deficit rather than by increasing tax revenues. Under those circumstances, balancing the budget means drying up all stimulus and threatening unemployment.

I am fully aware of the dangers of overly restrictive fiscal and monetary policies. I do not favor controlling inflation by creating a recession and its accompanying unemployment.

I do believe, however, that if the stimulus of Federal spending is needed by the economy, we can pay for it without necessarily running a budget deficit.

For example, Treasury Secretary William Simon has admitted that $6 billion of the defense budget is for economic stimulus—to create jobs and thus ease unemployment. However, it takes at least $20,000 to $30,000 worth of defense spending to create one job. Why not either cut out the $6 billion altogether, or put it into domestic programs which create more jobs for less money—areas like education, health, housing, agriculture and transportation.

Alternatively, we could put the money into public service employment. In 1971, the Emergency Employment Act of 1971 was enacted and funded at $1 billion for its first fiscal year 1972. That act made possible nearly 192,675 Federal supported public service jobs for unemployed and underemployed workers in fiscal year 1972, according to the annual report of the Department of Labor on Public Employment. Despite the fact that costs have increased, it is simple to figure that $6 billion for such a program could provide about 1 million jobs.

Balancing the budget is going to entail more than just controlling Federal expenditures. It is going to require sustained, and as income goes up, increased Federal revenues. This is where my proposals for extensive tax reform enter in.

On April 25 and July 3 of this year, I outlined in detail my proposals for tax reform and redistribution. I believe we must provide some relief for the people with fixed, low and moderate incomes who have borne the brunt of inflationary price increases, particularly to the high costs of food, fuel and housing. Such relief should come either in the form of payroll tax reform or alteration of the income tax standard deduction. I do not advocate a net cut but instead a maintaining of tax revenues. I no longer believe that deficit budget of the amounts we are concerned with have that much effect on our trillion dollar economy so we can now afford to use a balanced budget in these next years so we can require the same restraint in the private sector.

Tax revenues can be raised in such areas as elimination of the oil depletion allowance and tax deductions for intangible drilling expenses, elimination of U.S. tax credits for foreign taxes and royalties paid by oil companies, elimination of the asset depreciation range, and elimination of loopholes in the minimum tax law. These reforms are geared to tax at more progressive rates the wealthy individuals and corporations who have long enjoyed virtual freedom from taxation.

You will note that I have not mentioned the investment tax credit and other business tax incentives. I do not believe we need more business incentive tax provisions. Most particularly, I do not believe that more business tax incentives should be provided to "spur industrial expansion." According to the President's Budget Report for Fiscal Year 1975, only 16 percent of all Federal tax revenues come from corporate income taxes. If we narrow that tax base any more, we will open the way for larger budget deficits in the future because Federal tax revenues will not be able to pay for Federal spending.

WATERING THE ECONOMIC TREE AT ITS ROOTS

As many of you know, I have been working with my colleague Congressman HENRY REUSS and other members of the Democratic Steering and Policy Committee on a new economic policy as an alternative to the disastrous policies of the Nixon administration. We have discussed our program with nine eminent economists, all of whom have directed successful economic policies under former administrations.

We have arrived at a consensus and will present our proposal to the Steering and Policy Committee next week for approval.

The Reuss-Adams economic proposal includes the following points:

First. Creation of advanced planning and sensible import, export, subsidy, and market policies to increase supplies and forestall future shortages of scarce materials;

Second. Creation of an independent watchdog agency to monitor the economy, recommend antitrust actions, control excessive price increases and act as a consumer representative;

Third. Control of Federal expenditures;

Fourth. Cushioning the impact of monetary restraint by targeting credit on areas like housing and away from unsound financing of speculative inventories, enterprise acquisition, real estate and foreign exchange speculation—yet still maintaining a responsible monetary policy to limit money growth to check further inflation;

Fifth. A fully supported program of public service employment; and

Sixth. Extensive tax reform and redistribution.

I am hoping that the Democratic Steering and Policy Committee, and ultimately the entire Congress, will support a new economic program along the lines that Congressman REUSS and I have proposed. We must admit to ourselves that inflation is a serious sickness riddling our country. This disease must be checked—not by one or two policies taken to extremes—but by a series of integrated, responsible programs which can gain the support of the American people.

ECONOMIC CRISIS SHOULD BE THOROUGHLY DEBATED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois, (Mr. MICHEL) is recognized for 15 minutes.

Mr. MICHEL. Mr. Speaker, I regret that our Speaker ran out of time during his special order where I might have engaged in colloquy and dialog with him as did some of the other Members who were privileged to be on the floor at the time. I would certainly commend the Speaker for opening up the discussion and dialog on the state of the economy. My only regret is that it took place at an hour when most of the Members had departed for the weekend for their other responsibilities. Better that we should debate a subject of this kind during the midafternoon period when there might be a much broader representation of Members.

It just occurred to me that on several of the items to which the Speaker alluded I would have several observations to make. We all decry the high interest rates that are currently in vogue, but I would simply pose the question: Are we as the Congress prepared to legislate a rate of 5 or 6 or 7 percent, the kind of interest rate we would much prefer to be paying? I do not think so, but that ought to be a subject of discussion for extensive debate.

I have heard the Speaker make mention of the tremendous unemployment figures and how the country is going from a recession to a depression. The unemployment figures as I recall those most recently announced were at a rate of 5.2 percent. In October of last year when the economy was going full steam our rate of unemployment was 4.6 percent or 4.7 percent. I think here again we have to look at this thing in its proper perspective. In 1960 the rate of unemployment in the Kennedy years was 5.5 percent; in 1961, 6.7 percent; in 1962, 5.5 percent; in 1963, 5.7 percent; and in 1964, when we started really moving into the war, it came down to 5.2 percent, where we are today.

We all have to agree or we should that we can have full employment in this country in wartime. The thing is we have to adjust ourselves to how we can have full employment in peacetime.

The Speaker suggests maybe we ought to create more jobs. In the Labor-Health, Education, and Welfare bill which we had on the floor just a few weeks ago there was provision for 140,000 public service jobs. The cost? It was $1 billion. Do we want to employ an additional million people? Then it seems to me for every additional 150,000 people we have to add $1 billion to the Federal budget.

I heard all the people talk about how we have to hold the expenditures down if we are not prepared to go to the people for another tax increase. I heard the Speaker makes mention of the fact that maybe social security benefits ought to be increased. We have increased the social security benefits by 60 percent in the span of 3 years.

We do not like the $324 billion budget but $29 billion of that increase over last year comes as a result of the enactments of this Congress. We cannot have it both ways.

I would applaud those who said this was one of those things in which the administration and the Congress must work in concert with one another.

And on the budget I am glad to see the discussion with respect to the budget control mechanism authorized by this Congress. I think our minority leader in suggesting maybe we ought to try to move up the date of that 1 year might be suggesting something which would be very good for all of us.

I just looked over some more recent figures. As of July 3 of this year—and while my Appropriations Committee chairman made mention of the fact that so far as appropriation bills up to this point enacted we are holding to budget figures—let us not forget that legislative bills enacted by the Congress that will not be reflected until next year provide for $1.3 billion of additional spending. And pending in the House we have legislative proposals that would add another $2.2 billion.

If we go to the other body they would like to have $5.5 billion of additional spending thrust upon this kind of restricted budget so-called.

I submit that this has got to be one of those subjects in which the Congress gets more and more involved. We have just got to be biting some bullets around here ourselves before we point the finger simply at the administration and decry the costs of food as they are and make no reference to the fact that the first-class clerk in the supermarkets today is making 25 percent more in his union contract than just 9 months ago.

I am not here criticizing those who make a living wage as a result of those increases, but the increases have got to come out of the hides of those of us who purchase because we could not have the supermarkets in business if they were not making profits. The last I read several of them were making in the neighborhood of 1-percent or 1.2 percent profit, which certainly is not unreasonable.

One final argument in conclusion with respect to the wheat sent into the Soviet Union. Again, and I have taken the floor any number of times to point out how ridiculous it is to keep talking about the subsidy so-called for the export of commodities abroad when this Congress was the outfit that legislated the subsidy to encourage exports of additional commodities abroad, we cannot point our fingers downtown when we in the Congress have said we want to have more exports and we provide a subsidy for it.

I just think, Mr. Speaker, that this has been a good opportunity for us to at least air some of these views this afternoon. I would hope in the ensuing weeks we would have occasion to talk about these things in the midafternoon when more Members are present.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from New York.

Mr. CONABLE. I think the gentleman from Illinois has made some good points. I think it is quite important that we not break down at a time like this into partisan bickering over who is at fault. It can only have a destructive effect on the necessity for public confidence; so I hope the mood that we strike as we continue this dialog, and I do think the dialog is very necessary, one of trying constructively to deal with the very specific problems we know afflict us at this point.

It is said that economics and science work only in hindsight: but it becomes quite imprecise when we look into the future.

We all know public confidence will only be aided by cooperation on the part of the executive and the congressional branches, that both of us have to work together in dealing with these problems. I think that is the mood we should strike.

We can find major agreement on the condition itself. I think if we work at it, instead of engaging in election-year oratory, we can also find constructive steps to take; but certainly no one is going to be served by simply describing and redescribing the problem. I always am amazed at the significance people put on the definition of a recession, as though to discover that we have had two successive quarters with a decline in production was something that should trigger great public reaction.

We all know we have had difficulty of this sort and the issue is not how do we define a recession. The issue is what do we do about it. Certainly concerted action, certainly firm action, certainly something above politics as usual is called for at this time.

I hope this dialog will continue in the most constructive possible frame of reference.

Mr. MICHEL. I certainly appreciate the gentleman's contribution here to wind up our part of this discussion.

I yield back the balance of my time.

SALUTE TO THE CAPTIVE NATIONS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, it is a pleasure for me to participate in the observance of Captive Nations Week. Congress provided for the commemoration of Captive Nations Week 15 years ago in order to affirm the United States' belief in the values of freedom, national independence, and human rights. Recent events render the commemoration of Captive Nations Week as important today as it was 15 years ago.

In the past few years, United States-Soviet relations have undergone a dramatic change. We have emerged from the era of the cold war and entered the era of détente. Our President has visited Moscow twice in the last 2 years; cultural exchange has increased; trade relations have improved. But despite the welcome relaxation of Soviet-American tensions, the vicious and unconscionable internal repression of Soviet citizens, particularly those engaging in dissent, has not terminated.

A few items demonstrate that while the Soviet Union is establishing more harmonious relations with the United States, it continues to violate the rights of the national groups within its borders. Not only did the Soviet Union violate and end the sovereignty of Latvia, Estonia, Lithuania, the Ukraine, and other states, but it embarked on a campaign to destroy the religious and very cultural identities of these nations captive within its borders. The term "captive nations" is indeed an apt one.

In recent months, I have spoken in this Chamber concerning the courage of Alexandr Solzhenitsyn, Andrei Sakharov, Leonid Plyusch, a Ukrainian intellectual, and Simas Kudirka, a Lithuanian seaman who, unsuccessful in his attempt to flee to the United States, was sentenced to serve a term in a Soviet prison camp. These men are just a few among the many who have risked imprisonment, torture, exile, or even death in their efforts to exercise the right of dissent and free movement which we take for granted in the United States.

Were we to ignore, in our pursuit of détente, the outrageous denial of individual and national rights in the Soviet Union, the United States name as the "land of the free" would be severely tarnished. Our support of the human rights of people throughout the world must be both in word and deed. We can press the U.S.S.R. to provide greater freedoms internally by making economic assistance contingent on such actions. On this occasion of Captive Nations Week, I would like to voice my sympathy and respect for the people living in the Soviet Union who have heroically suffered Soviet oppression in order to exercise their religious and cultural persuasions and their right of dissent. I hope that the American people will demonstrate to the Soviet people our continued adherence to the values of individual liberty and national independence both by honoring the captive nations during Captive Nations Week and by making certain that the U.S.S.R. is made constantly aware that there can be no real détente so long as it continues its oppression of any people, within or without the Soviet Union.

AN INDEPENDENT CYPRUS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am distressed at the position taken by the United States in the Cyprus coup. The fact that we would begin discussions with the Greek officers who displaced Archbishop Makarios by coup d'etat is an outrage. Our position must be contrasted with the emerging position of Great Britain. Prime Minister Harold Wilson and Foreign Secretary James Callaghan made it plain in the House of Commons that Britain supports an independent Cyprus and opposes the subverion of that country by Greek officers acting under the authority of the Greek Government.

Archbishop Makarios stands today much like Haile Selassie stood in 1936 before the League of Nations asking for help. On that occasion, the League of Nations failed in its responsibilities, as did the United States. The United Nations and the United States must not fail in their responsibilities to Cyprus today.

ON THE FDA AND VITAMINS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have been deeply troubled by the possible effects of the recently proposed FDA vitamin-mineral regulations. Tens of thousands of Americans feel strongly that the regulations would pose a serious threat to their well-being. As one who claims no technical expertise in this matter, I have hesitated to criticize the FDA for fear of confusing the issue to the detriment of public health. But experience has also taught me that the experts are not always right. On the issue of the vitamin regulations, as on many other technical questions, the authorities disagree. In such cases the burden falls on lay policymakers such as myself to reach the decision which appears most reasonable on the basis of the facts as we see them.

I recently discussed the vitamin issue with Mr. Milton A. Bass, a law school classmate and an attorney for the vitamin industry. His arguments against the proposed regulations were demanding so I asked him to prepare a memo setting forth his position for comment by FDA Commissioner Alexander Schmidt. I was pleased that Commissioner Schmidt chose to respond in great detail to Mr. Bass' memo.

The exchange of views in Mr. Bass' memo and Dr. Schmidt's letter yields a valuable summary of the relevant issues in the vitamin controversy. It may not resolve the question for those who are undecided; indeed, it has not done so in my case. However, it does bring into sharp focus the opposing views and thus may be of some help to my colleagues in the House. I therefore am introducing the two documents in the RECORD, along with my correspondence with Dr. Schmidt:

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 6, 1974.

ALEXANDER M. SCHMIDT,
Commissioner, Food and Drug Administration, Rockville, Md.

DEAR COMMISSIONER SCHMIDT: You will recall our conversation here at my office in which I expressed concern re the FDA's then proposed regulations concerning the sale of vitamins.

Since speaking with you I met with an old friend, Milton A. Bass, who is the attorney for a segment of the vitamin industry and I asked him to provide me with a memo setting forth the reasons why he believed the FDA's actions to be arbitrary in this manner.

I'm enclosing his memo which, unless refuted, I find very persuasive and would appreciate your responding in detail to the statements contained therein.

I await your reply with interest.

Sincerely,
EDWARD I. KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 27, 1974.
ALEXANDER M. SCHMIDT,
Commissioner, Food and Drug Administration, Rockville, Md.

DEAR COMMISSIONER: A member of my staff spoke with your office today voicing my concern that I had not received a response to the questions posed in my letter of May 6th and the enclosure contained therein. She was told that "the Commissioner likes to go over these things in detail".

While I appreciate the care you are apparently giving this matter (and it certainly deserves that attention, I do believe that since my letter has been in your hands forty-five days and more important, the subject matter has been in your hands for years, a more prompt response on your part is not unwarranted.

The matter is of great concern to my constituents and indeed to millions of Americans. I would appreciate having that response as soon as possible.

Sincerely,
EDWARD I. KOCH.

MEMORANDUM OF MILTON A. BASS, ATTORNEY FOR A SEGMENT OF THE VITAMIN INDUSTRY

VITAMIN REGULATIONS

A great deal of confusion has been created relative to the recent regulations issued by the Food and Drug Administration and the various legislative proposals before Congress involving controls over the sale of vitamin and mineral food supplements.

We can consider the problem in its simplest form by removing much of the misinformation which has emanated from various spokesmen who support the new regulatory theories of the FDA. In the regulation of foods and food supplement products, Congress has enacted statutes which have been enforced for many years, which prevent the sale of unsafe, products and which prevent false and misleading claims in the sale of said products. The new vitamin regulation and the proposed legislation pending in the House and Senate have nothing whatsoever to do with any change in the present laws regulating questions of safety and fraud.

The real question before us is one of philosophy. Industry and consumer groups contend that the philosophy to be applied in the sale of food products is to give full and complete information to the consumer. As long as the product is safe and not falsely advertised, it should be permitted to be sold.

The FDA, on the other hand, is attempting to impose a philosophy of prohibitions rather than information. The FDA has created a complex structure of new regulations which are designed to directly and indirectly prohibit the sale of safe food products and food ingredients just because the FDA does not want them to be sold. The FDA wishes to embark upon a policy of telling the public which food products they can buy and which they cannot buy. In effect, it wishes to dictate to the American public its diet and infringe upon the individual's right to select his own diet.

The fact is that Congress has previously laid down which philosophy should apply in the sale of food products. The present statute under § 403(j) [21 U.S.C. § 343(j)] clearly sets forth the congressional determination that in the sale of food supplement products full information should be given to the consumer. Industry and consumer groups agree that full information should be given to the consumer. Congress has spoken. Congress has stated, in the Statute, that if a product is safe and not falsely advertised, it can be sold as long as full information is furnished on its label.

In the field of nutrition we are dealing with a very dynamic science where we are just beginning to get the facts about the role played by various food ingredients in human nutrition. Up until the present time, the FDA issued regulations which basically followed the congressional mandate. Thus, regulations were issued which required a label statement setting forth those food ingredients for which the need in human nutrition has not been recognized. Additional information is required on the label of the minimum daily requirement for a specific food ingredient where such knowledge is available. In effect, the Agency has issued regulations in the past to attempt to fulfill the requirements set forth by Congress in the Statute.

Unfortunately, the Agency is now attempting to reverse the philosophy laid down by Congress, under the Statute, and is attempting to invoke prohibitions in the sale of many food products. Some of these devices raise serious questions. Although a number of provisions in the new regulations are clear and direct in setting forth that prohibitions are being invoked, there are, however, other provisions wherein subtle means are being employed to accomplish prohibitions rather than information. Thus, one method which the FDA is attempting to put into effect is a procedure whereby they would increase the cost to the consumer, if he wishes to purchase the various food products he is now using. In some instances, a consumer would have to purchase a large number of bottles of tablets rather than a single one to obtain food products and food supplements he wishes to use and is presently using.

I must repeat that this has nothing to do with safety, but solely a question of the Agency's predilections. Thus, for example, if a person is now buying a tablet of Vitamin C plus E, under the new regulations he can do this only by purchasing a separate bottle of Vitamin C and a separate bottle of Vitamin E. This example can be multiplied many times and also in many other ways, in the regulations, which solely have the purpose of increasing the cost and thus discourage the purchase of products that the FDA does not want sold. In addition, there are other devices employed in these regulations wherein prohibitions would be effectively accomplished although the Agency would have us believe that no real prohibitions are intended. An example of this is where the Agency provides that if a company sells a dietary supplement of Vitamin C containing 90 mg., he can sell it as a dietary supplement. If the Vitamin C contains 100 mg. or 150 mg., he cannot sell it as a dietary supplement or food supplement. The Agency says that it now must become a drug. The manufacturer and consumer are thus placed in the following position.

If the consumer wishes to purchase a dietary supplement, such as 100 mg. of Vitamin C, he either must buy two bottles of Vitamin C containing 50 mg. each at an increased cost, or try to buy a 100 mg. Vitamin C product as a drug. The fact is that the consumer may never be able to purchase a Vitamin C 100 mg. tablet as a drug.

In the first place, the manufacturer is selling 100 mg. of Vitamin C as a food supplement. The consumer is purchasing 100 mg. of Vitamin C as a food. No one is selling a drug to treat any disease. The FDA is being less than candid in blithely stating that it could be sold as a drug because once it is called a drug various provisions of the drug section of the Statute come into play. First, the manufacturer has to try and find a disease which can be treated with Vitamin C. If he finds such a disease, he must then find out if 100 mg. of Vitamin C is effective to treat the disease. It may be that 100 mg. of Vitamin C cannot treat any disease. For all practical purposes, if the FDA can use this method of making a food a drug, it can effectively prevent the sale of many food products. Interestingly enough, although the FDA has told us that it becomes a drug above 90 mg., they have left us dangling to wait for a few years to find out if 100 mg. of Vitamin C would really be accepted to treat any disease condition. We are told that the Over-the-Counter Review Panel will issue a monograph covering that problem.

This is truly an Alice in Wonderland world of non-reality. The incredible nature of this entire problem can be demonstrated by common foods regularly used which contain more than the RDA's of various vitamins. Modest amounts of various common foods, such as orange juice, carrots and spinach, contain quantities of a specific vitamin which are called drugs under the new regulations.

Because of the attempt by the FDA to thwart the congressional policy presently enunciated in the Statute, we feel it essential that Congress clearly and unequivocally stop this attempted administrative legislation. The Hosmer bill presently pending in the House of Representatives and the Proxmire bill in the Senate are designed to accomplish this result.

FOOD AND DRUG ADMINISTRATION,
Rockville, Md., July 12, 1974.
Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: I appreciate your sending to me for comment the memorandum by Mr. Milton A. Bass. His views are important for several obvious reasons, two principal ones being that he is an attorney for the vitamin industry and must therefore be expressing their concerns, and you state that you find him very persuasive unless he can be refuted.

Mr. Bass' memorandum, like so many other criticisms of our vitamin-mineral regulations, speculates as to what the Food and Drug Administration's motives and future intentions might be, and then attacks these skillfully erected "straw men." Since I am best qualified to comment on what will happen in FDA's immediate future, I decided that I would, myself, prepare this response.

My staff has been embarrassed by my unseemly delay in doing so; and on their behalf, as well as my own, I apologize for not accomplishing an important duty promptly. I know of your desire to evaluate fairly all sides of this important controversy, so I know that you will not let any justifiable irritation at my delay interfere with your evaluation of my comments. I believe that you will agree with me that Mr. Bass' concerns, which I do think accurately reflect many that I have heard, can be allayed.

I will address his arguments individually and begin by agreeing that there remains to this day too much confusion over our intent and the effects of these regulations. The confusion persists in spite of our best efforts to set out clearly and completely what the purpose and results of the regulations are. In particular, Mr. Peter Hutt's letter to several members of the Congress, my testimony of October 29, 1973, and our brief prepared for the review of these regulations by the Second Circuit Court of Appeals, all speak to the issues raised to date in a straightforward manner. I am truly ignorant of any "misinformation which has emanated from various spokesmen who support" our regulatory theories. Mr. Bass does not provide any examples of such misinformation, so it is rather difficult for me to be specific.

I am aware of a great deal of misinformation being supplied by our detractors, however, mostly from segments of the industry to be affected by our regulations. Some of this information is beautifully exemplified by Mr. Bass' comments themselves, as noted below. I hope that herein I can somehow lay some of this misinformation to rest.

Mr. Bass begins by admitting that Congress intends that we prevent the sale of unsafe products and prevent false and misleading claims. He then makes the interesting statement that our new regulations have "* * * nothing whatsoever to do with any change in the present laws regulating questions of safety and fraud."!

The primary purpose of the regulations at issue.[1] is to protect the consumer against fraud and deception by:

Establishing label requirements for foods for special dietary use, particularly those containing vitamins and minerals and used as dietary supplements, and

Establishing compositional requirements for dietary supplements of vitamins and minerals through the use of standards of identity.

These new regulations have been promulgated precisely because of our conclusion that current regulations governing labeling of dietary supplements of vitamins and minerals (copy enclosed) have not been sufficient to control some of the most extensive fraud found in any industry subject to supervision by the Agency. In addition, there are no current regulations governing composition of dietary supplements of vitamins and minerals. The current regulations, originally promulgated in 1941, require informative labeling, including, for certain vitamins and minerals, a label statement of the proportion of the "minimum daily requirement" of those vitamins and minerals provided by a product when consumed in a specified quantity during a period of one day (21 CFR 125.3, 125.4). The current regulations also require a specific label warning where a vitamin or mineral is included for which the need in human nutrition has not been established (21 CFR 125.3(a)(2), 125.4(a)(2)).

To illustrate the scope and complexity of the fraud involved in the present marketing of these products, I am enclosing a fifty-page summary of the judicial actions taken by FDA against vitamin-mineral "health food" products, as well as some representative background references to case law on related fraudulent practices.

Thus, in spite of the current regulations requiring informative labeling, a vast amount of fraud has developed in the marketing of vitamin-mineral products. There are many reasons for this. The American public has become aware that certain vitamins and minerals are needed for good health, but the public generally has no precise knowledge as to which substances are needed and which are not, or how the "minimum daily requirement" of a vitamin or mineral correlates with the amount needed for good health. Unscrupulous purveyors of these products have capitalized upon the public's confusion and general lack of knowledge. Vitamin-mineral products have come to be sold in almost every conceivable potency and combination of ingredients, without any discernable rationale other than being to promote a product. Fraudulent claims range from gross assurances of cancer cure to veiled inferences about risk of impotence. Indeed, a "felt need" for these products has been created in a considerable segment of the American public, which has been led to believe that vitamin pills will provide pep, that the American food supply has been deprived of nutritional value, that "natural" vitamins are somehow superior to "synthetic" vitamins, and that a person "needs" extra vitamins. Manufacturing costs are generally low (the components are relatively inexpensive and no research to establish the usefulness of a product need be done), and the retail markup often is tremendous. In sum, a vast misleading array of vitamin-mineral products, most without any nutritional rationale, is now peddled at great profit to the promoters, but with little benefit for the American public.

In response to this widespread fraud, the Food and Drug Administration has initiated numerous civil seizure actions, injunctions, and criminal prosecutions (see enclosure). The hard lesson has been that, while the fraud has sometimes become more sophisticated, repetitious courtroom victories have been insufficient to stem a growing tide of misbranding practices.

We felt that the American public had a right to know what it was that was being marketed, and what the purpose of the product was. The reason for the regulations is, therefore, to bring order to the marketing of these products so that proper information could be given the consumer and he could then make a rational choice of vitamin and mineral products from among properly labeled and marketed alternatives.

Accordingly, the Agency determined to establish a standard of identity for vitamin-mineral supplements pursuant to Section 401 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341) so that a "multivitamin supplement," for example, would contain *all* of the vitamins useful in a dietary supplement in amounts appropraite for dietary supplementation. The regulations establish standards of identity for (1) a multivitamin supplement, (2) a multimineral supplement, (3) a multivitamin supplement plus iron, and (4) a multivitamin-multimineral supplement.

However, the final rulemaking also authorizes individual vitamins and minerals to be sold alone so that a consumer who wants to consume any other combination of vitamins and minerals is free to do so.

Likewise, while the final rulemaking bans ingredients of no known nutritional value, such as rutin, from inclusion in dietary supplements, it permits such substances to be sold as food products (but not in dietary supplements), so that a consumer who for some reason wants to consume rutin and vitamin C will be able to buy pills of each and combine them in his diet in any manner he wishes.

In short, the regulations do not, contrary to Mr. Bass' statements, ban the sale of any vitamin, mineral, nutrient, or even nonnutrient. I do not know where the fantasies on page five of the memorandum come from; they are foreign to me. I do know that vitamin C will remain freely available, and that anyone will be able to eat as much of it as he wants to; but he will do so knowing whether he is consuming a dietary supplement in a potency suitable for dietary purposes or a nonprescription drug in a potency suitable for therapeutic purposes.

Of all the points raised, the one I am least sure about is what any irresponsible portion of the industry might do about raising their prices. It is my belief that our regulations should have no significant effect on prices. There is now a very wide profit margin built into the pricing structure of many products. In addition, removing irrational combinations containing worthless ingredients ought to actually save consumers money. A complete supplement should not cost more than it now does. It may be that those who choose to take certain combinations of vitamins and/or minerals will have to purchase separate bottles; this might result in a small cost increase. Yet, the savings to the consumers in the aggregate that will result from the regulations will be great indeed.

In addition to setting identity standards for dietary supplements of vitamins and minerals, the final regulations provide for more informative labeling requirements pursuant to Section 403(j) of the Act (21 U.S.C. 343(j)). Instead of telling the consumer how much of a vitamin is present in terms of a "minimum daily requirement" (as provided for in the current regulations), the new regulations require label statements in terms of a "United States Recommended Daily Allowance" ("U.S. RDA") which, rather than simply providing data about normal *minimal* needs, provides data in terms of normal *optimal* needs.

Furthermore, the regulations explicitly itemize certain types of representations which cannot be used in the labeling of dietary supplements because they would prevent mandatory label statements from serving their statutory purpose "fully to inform," 21 U.S.C. 343(j), and because they would cause the labeling of a special dietary food to be misleading. The prohibitions are based upon the Agency's experience with existing misbranding practices. For example, the regulations forbid any representation that a vitamin from a natural source is better than a vitamin from a synthetic source. Although such promotion is commonplace today, with consumers being bilked for "natural vitamins" at extra cost, there is no rational basis for distinguishing natural and synthetic vitamins—they are identical molecules. (The regulations require honest statements about the source of a vitamin, but they prohibit false and misleading representations that natural vitamins are superior to synthetic vitamins.)

In sum, these regulations will provide average consumers who wish to purchase dietary supplements of vitamins and/or minerals with products which are appropriate for their needs in composition and potency. These regulations will allow those who consciously desire to consume nutrients in nutritionally irrational combinations, or those who wish to mix nutrients with nonnutrients, to do so by buying the individual ingredients and combining them as they wish. These regulations will further help to put an end to various false and misleading labeling practices which have been used to sell vitamin-mineral products and fraudulently create in consumer's minds many felt needs which have no rational bases.

The remainder of this letter will endeavor to address specifically several miscellaneous issues raised by Mr. Bass.

1. The implication that "consumer groups" are opposed to the regulations is misleading at best. It is a matter of public record that many responsible consumer organizations have endorsed these new regulations, including Ralph Nader's Health Research Group, the American Association of Retired Persons, and the National Retired Teachers Association. Indeed, the official statement of the Nader organization in effect says "as reluct-

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[1] "Part 125—Label Statements Concerning Dietary Properties of Food Purporting To Be Or Represented For Special Dietary Uses," 21 CFR 125.1, 125.2, and 125.3, published in the *Federal Register* of August 2, 1973, 38 F.R. 20708–20718.

"Part 80—Definitions And Standards Of Identity For Food For Special Dietary Uses," 21 CFR 80.1, published in the *Federal Register* of August 2, 1973, 38 F.R. 20730–20740.

ant as we are to agree with FDA on anything, this is one time we think they're right." (See House Committee on Interstate and Foreign Commerce, Subcommittee on Public Health and Environment, "Vitamin, Mineral, and Diet Supplements," Committee Print No. 11, 93d Cong., 1st Sess., pp. 50–54, 55–56, 60 (1973); copy enclosed.)

2. I have no quarrel with the assertion that vitamin-mineral products are subject to regulation under Section 403(j) of the Act (21 U.S.C. 343(j)) which authorizes regulations to require information on labels of foods for special dietary uses which is "necessary in order fully to inform purchasers as to (their) value for such uses." Indeed, much of the new Part 125 is explicitly based on Section 403(j). But the existence of Section 403(j) does not somehow exempt vitamins and minerals from the other provisions of the Act; and accordingly, the regulations are also based in part on Section 403(a) of the Act (21 U.S.C. 343(a)) which prohibits labeling which is "false or misleading in any particular" and upon Section 401 of the Act (21 U.S.C. 341) which authorizes the establishment of a "definition and standard of identity" for a food product. The courts have clearly recognized that vitamins and minerals are subject to these latter sections of the Act, e.g., *United States* v. *An Article of Food . . . Nuclomin,* 482 F. 2d 581 (C.A. 8, 1973) (vitamin-mineral product condemned for violation of Section 403(a)); *United States* v. *Vitasafe Formula M*, 226 F. Supp. 266 (D. N.J. 1964), mod. sub nom. *United States* v. *Vitasafe Co.*, 345 F.2d 864 (C.A. 3, 1965), cert. den. 382 U.S. 918 (1965) vitamin-mineral product condemned, *inter alia,* for violation of Section 403(a); *Federal Security Administrator* v. *Quaker Oats Co.,* c18 U.S. 218 (1943) (standard of identitfy for "enriched farina," which fixed the vitamin content to be permitted in the product, upheld). Accordingly, in spite of the memorandum's concluding statement to the contrary, these regulations do follow the "congressional mandate."

3. We are not, of course, attempting to "impose a philosophy" on anyone. We are attempting to assure that a dietary supplement of vitamins and/or minerals will provide needed nutrients in useful amounts, based upon the best available scientific evidence, and that vitamin-mineral products will be honestly promoted and labeled.

4. I agree that the field of nutrition is a "dynamic science," and that current knowledge is subject to revision. In recognition thereof, Part 80 itself specifically advises that the compositional requirements for dietary supplements will be revised periodically for consistency with advancing knowledge (21 CFR. 80.1 (f)(2)). Furthermore, while Mr. Bass implies in this regard that greater quantities of nutrients may be needed, we note that he fails to advise you that the most recent comprehensive reevaluation of nutrient needs published by the National Academy of Sciences/National Research Council (*Recommended Dietary Allowances*, National Academy of Sciences, 8th ed. 1974) has concluded that the NAS/NRC's recommended daily dietary allowances for several nutrients should be reduced.

5. Contrary to statements in the memorandum, safety is a factor in the regulation of vitamins. We note that Mr. Bass fails to mention four recent judicial decisions which have upheld FDA regulations which provide that high-dosage preparations of vitamins A and D are deemed not only to be drugs, but prescription drugs, because of potentiality for harmful effect ranging from loss of skin and hair, to mental retardation in newborn infants because of overdosing by pregnant women, to death (21 CFR 3.94, 3.95 (38 *Federal Register* 20723–20725, August 2, 1973)). The four recent decisions are: *National Nutritional Foods Assn.* v. *Weinberger,* preliminary injunction denied, 366 F. Supp. 1341 (S.D. N.Y. 1973), aff'd per curiam, 491 F.2d 845 (C.A. 2, 1973), case dismissed — F. Supp. —, 73 Civ. 3448 (S.D. N.Y., April 5, 1974); *National Health Federation* v. *Weinberger,* No. 73 C 2466 (N.D. Ill., March 22, 1974). (Mr. Bass was counsel for plaintiffs in the three *National Nutritional Foods Assn.* decisions.)

Obviously, just because vitamins are nutrients does not mean that megadose vitamin preparations are safe. These same cases clearly stand for the proposition that high-dosage preparations of vitamins and minerals for which there are no valid dietary supplementation uses for the general public but for which there are valid therapeutic uses, are properly deemed to be drugs.

6. Contrary to statements in the memorandum, there is nothing in the regulations preventing the sale of 100- or 150-milligram tablets of vitamin C, offered as over-the-counter drugs (nonprescription drugs), in drugstores, supermarkets, "health food" stores, etc., and to the best of our knowledge such products are available. The Over-The-Counter (OTC) Drug Review will not materially change this situation. I am already on public record as not being willing to place any vitamin product other than high-potency A and D preparations on a prescription basis unless some new scientific evidence clearly demonstrates a risk to the public's health. Any restrictions on OTC drugs (whether laxatives, aspirin, anticavity toothpastes, high-dosage vitamin preparations, or whatever) ultimately imposed as a result of the OTC Review will of course require ample record support and will be subject to judicial review.

7. Mr. Bass' reference to the ample quantity of nutrients found in many "common foods" only serves to underline the fact that there is no need for concern that any person will be unable to obtain a sufficient quantity of the essential vitamins and minerals. Not only does 100 percent of the U.S. RDA levels for vitamins and minerals supply the daily needs for virtually all healthy individuals, but an additional 50 percent margin of safety has also been allowed in a dietary supplement. This 150 percent of the U.S. RDA in a dietary supplement is in addition to the roughly 100 percent of the U.S. RDA that would also be obtained from the ordinary balanced diet. On top of this, additional quantities of vitamins and minerals (in dosage units exceeding 150 percent of the U.S. RDA) may be obtained as OTC drugs readily available in supermarkets, "health food" stores, etc. All of these products may, of course, be consumed in any daily quantity that the individual chooses. Thus, if there is any concern with these regulations, it may be that they are too lax. Because of these various different sources of nutrients, it is entirely possible that individuals may routinely receive several times the U.S. RDA level per day. It is apparent that no person will be denied access to high levels of vitamins and minerals if he wishes to consume them.

Parts 80 and 125 are now subject to ongoing judicial review. All petitions for review have been consolidated in the United States Court of Appeals for the Second Circuit (*National Nutritional Foods Assn. et al.* v. *Food and Drug Administration et al.*, No. 73–2129 et al.). Briefs have already been filed and oral arguments were held June 19. We hope for a definitive decision on the regulations before the end of the summer. Mr. Bass is, of course, a participant in this proceeding as counsel for certain of the petitioners, and thus he will soon have the benefit of thorough judicial scrutiny of all of his arguments. We intend to abide by the decision of the Court and trust his clients will do the same. I enclose with this letter a copy of our brief in this case, which deals in greater detail with the issues raised by Mr. Bass' memorandum to you. In particular, I believe that pages 53–61, concerning the drug status of high-potency vitamin-mineral products, and pages 14–31, concerning employment of a standard of identity for dietary supplements of vitamins and minerals, will be of interest to you.

If I can be of further assistance, please let me know.

Cordially,

ALEXANDER M. SCHMIDT, M.D.,
Commissioner of Food and Drugs.

THE LATE "DIZZY" DEAN

(Mr. CONTE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CONTE. Mr. Speaker, I rise to pay homage to the memory of one of the greatest stars of baseball, Dizzy Dean.

He was a fabulous athlete. For 4 years, 1933–1936, Dizzy Dean was the best pitcher in the major leagues.

He was also one of the most colorful stars in baseball. His nickname "Dizzy" came from his outlandish, fun-loving, boastful manner. But as the late New York sportswriter, Tom Meany, said: "He's dizzy like a fox." As the free spirit leader of the St. Louis Cardinals' "Gashouse Gang," he had a penchant for loud bragging about his pitching, but he also had a strong arm to prove he was the best.

The stories about him are legend.

He once called an opposing team before a game and boasted: "No curve balls today—I'm pitching all fast balls." Even with that tip, the opponents could scratch only two hits off Dean that day.

When he was assigned to play for Houston in 1931, he went to a phone, called the Dallas team and announced: "Yep, I'm back in town. And I'm gonna give you just two hits tonight." That is exactly what happened.

In the final game of the 1934 World Series, with his St. Louis Cardinals winning 11–0 in the ninth inning, Dean was pitching when Detroit ace slugger Hank Greenberg came to the plate. Having already struck out Greenberg twice that day, Dean went to the Detroit dugout and hollered: "Hey, ain't you guys got any pinchhitters?" Card teammate Frankie Frisch stormed at Dean, but Dean retorted, "You're a great guy Frisch, but you take things too seriously." Dean then struck out Greenberg again on four pitches.

Dean loved to tell outlandish stories, and he was the darling of the sportswriters. To every writer who asked where and when he was born, he gave a different answer. When his hand was accidentally gashed by his wife's nail file, he told one sportswriter that he fell through a glass cigar case. Then he told another writer that he was bitten by a lion in a New York taxicab.

After his baseball career ended, Dean took up golf and quickly became a scratch handicap player. Golf pro Ben Hogan, who frequently played Dean for high stakes, would give Dean a handicap of just one stroke. And it was Hogan who usually lost and finally called the matches off.

Dizzy Dean lived to play and talk about his greatest day in the game, Dean replied: "Every day I had a ball in my hand and a suit on was my greatest day."

To give my colleagues a fuller appreciation of this joyous man, whose humor and madcap antics have added so much to our national folklore, I include for the Record the following articles:

[From the New York Times, July 18, 1974]

Dizzy Dean, Hall of Fame Pitcher, Dies

Reno, July 17.—Dizzy Dean, a farmboy who pitched his way into the Baseball Hall of Fame with a blazing fast-ball, died here early today in St Mary's Hospital at the age of 63.

Mr. Dean had suffered a severe heart attack on Monday after complaining of chest pains last Thursday in South Lake Tahoe, Calif. The hospital attributed his death to heart failure.

Surviving are his widow, Patricia, and his brother, Paul.

A funeral service will be held Saturday in Wiggins, Miss., with burial in Bond, Miss., where Mr. Dean had lived as a boy.

A Modern Folk Hero

(By Joseph Durso)

His father was an itinerant sharecropper who wandered around the South picking cotton. His mother died when he was only 3 years old. His own education ended in the second grade in a place called Chickalah, Ark., and—he confessed later—"I didn't do so good in the first grade, either."

But, despite all such handicaps and the Ozark country-boy image he carried into high places, Jay Hanna (Dizzy) Dean rose serenely and unflappably into a career as one of the best pitchers in modern baseball and as a folk hero who brought great turns of the English language to radio and television.

He could be vague about details of his early life and times. He suggested on different occasions, that he had been born in Arkansas, Oklahoma and Mississippi. He estimated the date as 1911, or thereabouts. He even gave his formal name variously as Jay Hanna or Jerome Herman Dean. Then, when he reached the big leagues in 1930 at the age of 19, his career barely covered the decade and included only half a dozen seasons of front-ranking pitching.

ENJOYED THE SPOTLIGHT

But wherever he came from, and however long he held the spotlight, few personalities commanded the public's attention as joyously as Dizzy Dean.

In his first full season with the St. Louis Cardinals, he won 18 games and led the National League in strikeouts and shutouts. In the following four seasons, he won 102 games, including 30 in 1934 and 28 in 1935. He once struck out 17 Chicago Cubs in nine innings. And in the 1934 World Series, he and his younger brother, Paul (Daffy) Dean, pitched two victories apiece while the Gashouse Gang of St. Louis defeated the Detroit Tigers, four games to three.

When an injury shortened his baseball career a few years later, Dizzy switched his showmanship behind a microphone and broadcast games for the Cardinals and Browns in St. Louis and for the Yankees in New York. Then he attained new heights as an innovator of language, coining words the way Casey Stengel coined paragraphs.

"Come on, Tommy, hit that old patata," he once said with the partisanship of a full fan. "This boy looks mighty hitterish to me," he observed another time. "Boy, they was really scrummin' that ball over today, wasn't they?" he reported on another occasion. And when purists complained over his statement that a baserunner "slud into third," he would reply in self-defense: "Paul and me didn't get much education."

TEACHERS IN WRATH

His style proved so unusual that, in the summer of 1946, a group of Missouri schoolteachers complained to the Federal Communications Commission that his broadcasts were "replete with errors in grammar and syntax" and were having "a bad effect on the pupils." But in the public debate that followed, powerful voices were raised to champion Dizzy Dean, including that of The Saturday Review of Literature.

Norman Cousins, the guiding spirit of the magazine, now titled Saturday Review/World, extended his own approval of the Dean linguistic style to the great man's pitching style in these words:

"He was supposed to be as fast as Walter Johnson, and though he couldn't curve them and mix them up like the great Matty [Christy Mathewson], his assortment was better than most. You were attracted by the graceful rhythm of his pitching motion; the long majestic sweep of his arm as he let the ball fly; the poised alertness after the pitch. That was what counted, and you knew it when batter after batter swung ineptly at pitches they couldn't even see."

The man behind the fractured syntax and the fractured batting averages was a 6-foot-2-inch giant whose playing weight of 182 pounds expanded well above 200 during the 20 years he spent as a broadcaster, public speaker, raconteur, rancher and golfer. The consensus is that he was born Jan. 16, 1911, in Lucas, Ark., and Red Smith portrayed him in The New York Times in these words:

"As a ballpayer, Dean was a natural phenomenon, like the Grand Canyon or the Great Barrier Reef. Nobody ever taught him baseball and he never had to learn. He was just doing what came naturally when a scout named Don Curtis discovered him on a Texas sandlot and gave him his first contract."

That was in the fall of 1929, and Dean later recalled that his "bonus" amounted to $300. He earned it the next season by winning 17 games at St. Joseph, Mo., plus eight more at Houston in the Texas League. The Cardinals promoted him to the majors around Labor Day and he pitched once—beating the Pittsburgh Pirates with a * * *

A YOUTH OF CONFIDENCE

He was still a teen-ager at the time, not far removed from the 16-year-old who had enlisted in the Army, where he supposedly wore his first pair of good shoes. But he was a teen-ager with absolute confidence in his baseball ability, and he demonstrated the confidence in his baseball ability, and he demonstrated the confidence after his debut by boasting that he could "pitch St. Louis to the pennant." The Cardinals responded by relegating him back to the minors in 1931, but he promptly demonstrated his ability there by winning 26 games.

Branch Rickey, who was running the Cardinals then, brought Dean back to St. Louis to stay in 1932 and Dizzy won 18 times with 16 complete games and 191 strikeouts. Two years later, he touted Rickey on his brother Paul and, in 1934, the Dean boys pitched 49 victories (30 by Dizzy) and pitched the Cardinals to the world championship.

Pitchers may have had better seasons than Dizzy did that year, but not many. He was suspended briefly for insubordination and held out briefly for more money in midseason, yet he finished the summer with a 30-and-7 record that included these highlights down the home stretch of the pennant race:

On Sept. 21, he pitched a three-hitter against the Brooklyn Dodges (Paul pitched a no-hitter in the second game of the doubleheader). Two days later, Dizzy relieved in both games of a doubleheader in Cincinnati. Two days after that, he went nine innings and beat Pittsburgh, 3–2. Three days later, he stopped Cincinnati, 4–0. and two days after that, he shut out the Reds again, 9–0, to clinch the flag. Three days later, he beat Detroit in the opening game of the World Series.

STRIKEOUTS HIS GOAL

"I always just went out there and struck out all the fellas I could," he remembered. "I didn't worry about winnin' this number of games or that number—and I ain't a-woofin' when I say that, either."

As one of the ringleaders of the rowdy Gashouse Gang that summer, Dean had plenty of support from Frank Frisch, Rip Collins, Joe Medwick and the other Cardinals. They invaded hotel ballrooms in painters' overalls, they formed a hillbilly band, they nearly provoked a riot in the World Series. But they won, even though Dizzy was struck on the head by a thrown ball while running the bases.

Things started to unwind in 1937, when Dean was struck on the left foot by a line drive while pitching in the All-Star Game in Washington. He suffered a broken toe, but suffered more permanently when he tried to pitch despite the handicap and subsequently ruined his right arm. So in 1938, the Cardinals traded him to the Chicago Cubs for $185,000 and three players.

He did pitch in the World Series for the Cubs against the Yankees, but he was never his old fireballing self on the mound. And in May of 1941, at the age of 30, he retired as a player with a career record of 150 victories and 83 losses for a winning percentage of .644, and an earned-run average of 3.08.

FOLK LEGEND FILMED

He was elected to baseball's Hall of Fame in 1953 (in an election in which Joe DiMaggio placed eighth). But by then, Dizzy Dean was already a folk legend that even Hollywood had titled "The Pride of St. Louis," starring Dan Dailey as Dizzy, and Bosley Crowther wrote in his review in The New York Times:

The magnetic thing is the nature of a great, big lovable lug who plays baseball for a living and lives just to play—or talk—baseball. It is not Dizzy Dean, the Cardinal pitcher, the powerhouse of the old Gashouse Gang, the man who won so many games in so many seasons, that is the hero of this film. It is Dizzy Dean, the character, the whiz from the Ozark hills, the braggart, the woeful grammarian, the humbled human being."

Through it all, Dean was abetted by Patricia Nash, a department-store sales clerk he met while pitching for Houston. They were married in 1931 and later made their home in Dallas, where he played golf and did some ranching and eventually worked his vernacular into the broadcast booth.

The players returned to their respectable bases, he once advised the radio audience. Then, when he got into television, he declared: "I'm through talking about things folks ain't seeing." And later: "The trouble with them boys is they ain't got enough spart."

When he was pressed for an explanation of that bit of Ozark inflection, Dizzy replied: "Spart is pretty much the same as fight or pep or gumption. Like the Spart of St. Louis, that plane Lindebergh flowed to Europe in."

Hall of Famer Dizzy Dean Dies

Reno, Nev.—Dizzy Dean, folklore hero of baseball's golden age, died early today at the age of 64 at St. Mary's Hospital.

The Hall of Fame pitcher had suffered a massive heart attack while dining with his wife Pat, last Sunday. She, his brother Paul, and Paul Dean's two children were at his side.

Dean was the last National League pitcher to win 30 games, leading the 1934 St. Louis Cardinals to the pennant with a 30–7 record. Paul Dean added 19 wins in a baseball brother act perhaps rivaled only by the DiMaggios.

Dizzy, who said he had two sets of given names, was born on Jan. 16, Aug. 22 and Feb. 22, in Lucas, Ark., Holdenville, Okla., and Bond, Miss.

The son of a cotton-picker whose family straggled about the Southwest in the early 1920s, he developed a strong arm by throwing clods at prairie dogs. He was one of the rawest "bushers" ever to reach the big leagues, admitted to being the best pitcher in baseball history, fractured the English language in an unending torrent of words and was a famous radio and TV baseball announcer.

Amiable although incredibly vain, Ol' Diz was the soul of the St. Louis Cardinals' 1934 Gas House Gang and an advisor to anyone who would listen. He swaggered sitting down, once dangled a teammate out of a 12th-story hotel window and liked to invade formal parties in the overalls of a house painter.

With it all, Dizzy was one of baseball's greatest pitchers before a freak accident in 1937 cut short his career. He was elected to the Baseball Hall of Fame in Cooperstown, N.Y., in 1953 and later unsuccessfully ran for governor in Mississippi. His record was 150 wins, 83 losses.

A 6-foot-4, 200-pound right-hander, Dean entered organized baseball with St. Joseph of the Western League in 1930 and by the end of the season earned a trial with the parent Cardinal organization. General Manager Branch Rickey recognized his talent—Dizzy had compiled a 25–10 record with St. Joseph and Houston of the Texas League—but thought another season in the minor leagues would do the cocksure youth some good.

Dizzy was back with the Cardinals a year later after winning 26 games, compiling a 1.57 earned run average and striking out 303 batters in 304 innings for Houston in 1931.

It was during the spring of 1932 that Dizzy began his own legend with contradictory stories of his birth and early life. Also, with the announcement that the only pitcher in the world even close to him in ability was his younger brother, Paul. Sportswriters promptly tabbed the brothers "Dizzy and Daffy" although the younger Dean turned out to be a modest enough chap.

Asked once why he lied to sportswriters about his birthday, name and birthsite, he replied: "Them ain't lies, them's scoops." Then, after a moment's thought, he continued:

"I don't know when or where I was born but I know my real name is Jay Hanna Dean. I took the names Jerome Herman as a favor for a kid's father. The kid was a friend of mine who died when he was about 10 years old. I told the father I liked the kid so much I was gonna call myself by his names."

As a rookie in 1932, Dizzy had an 18–25 record and led the league with 191 strikeouts and 286 innings pitched. He came back with a 20–18 sophomore season in 1933 and led the league with 199 strikeouts and 48 appearances.

In the spring of 1934, Dizzy announced that "me and Paul" would win 45 games between them that season and that the Cardinals would win the National League pennant. The brothers made good on the boast, winning 49 games between them to pitch the Cards to the pennant and then beating Detroit twice each in the World Series.

Dizzy reached his peak in that 1934 season—on and off the field.

Starting and relieving as the Gas House Gang battled down the stretch with the New York Giants and Chicago Cubs, Dizzy won three games in the last week of the 1934 season to finish with a 30–7 record, a 2.65 ERA and 195 strikeouts in 50 games and 312 innings. Only one major league pitcher—Denny McLain of the Tigers in 1968—has won 30 games since Dean did it in 1934.

The Tigers were favored in the 1934 World Series but Dizzy announced that "me and Paul can beat 'em all by us-selves," and the brothers again proved as good as Dizzy's word by winning two games each in the seven-game series. Dizzy himself won the seventh game 11–0 as Detroit fans littered the field with papers, beer cans and other debris.

The laughs and the victories continued in 1935 and 1936 as Dizzy cavorted on and off the field with the likes of Joe Medwick, Pepper Martin, Leo Durocher, Ripper Collins and other boisterous members of the Gas House Gang. He had a 28–12 record in 1935 and a 24–13 mark in 1936.

In the 1937 All-Star Game Dizzy was struck on the right toe by a line drive off the bat of Earl Averill of the Cleveland Indians. He suffered a broken toe, and the following spring was sold to the Chicago Cubs. On May 14, 1941 he was released to accept a radio broadcasting job in St. Louis.

Ol' Diz promptly started a new career, attracting wide interest with his unconventional style and fractured English. A group of grade school teachers demanded his removal on the grounds that he was teaching young listeners bad English, but he replied that he was "Learnin' 'em good baseball."

[From the Washington Post, July 18, 1974]

DIZZY DEAN, FAMED PITCHER TURNED "COMMULTATOR," DIES

RENO, NEV., July 17.—Dizzy Dean, a free spirit whose blazing fast ball, down-home twang and quick wit won him a place in baseball's Hall of Fame and the hearts of millions of Americans, died today at the age of 63.

Dean, whose pitching feats will be remembered as long as the game is played, and whose broadcasting and off-the-field antics gave enjoyment and laughter to millions, died at 4:35 am (EDT) in St. Mary's Hospital, two days after suffering a heart attack.

His wife, Patricia, who calmed Dean's wild spending habits after their marriage, and his brother Paul, who formed the other half of the feared "me 'n Paul" pitching duo for the St. Louis Cardinals Gashouse Gang in the 1930s, were at Dean's bedside when he died.

Dean, who had a unique way of portraying baseball games as a self-described "commultator, suffered his second heart attack in five days on Monday, and had been in serious condition since. A hospital spokesman said Dean had numerous ups and downs during his last 12 hours, and was conscious until an hour before he died.

Dean first complained of chest pains last Thursday while playing golf in South Lake Tahoe, Calif., and was hospitalized. Dr. Charles Crist said in South Lake Tahoe on Wednesday that Dean had left the hospital there Sunday without doctors' permission and against their advice. He would not elaborate.

From South Lake Tahoe, Dean went to Reno, where he was hospitalized Sunday night after suffering more pains while eating dinner with his wife and a physician. The fatal heart attack came a few hours later.

The man who made English teachers cringe as he described baseball games with "ain't," "slud," and "throwed," became one of baseball's greatest pitchers despite losing his effectiveness to an arm injury at age 27, when he should have been reaching his peak.

Dean's career was cut short when a line drive off the bat of Earl Averill struck his toe in the 1937 All-Star Game. The injury forced him to change his pitching motion so he would not rely so much on his leg. That caused an injury to his arm and forced him to depend on curves instead of his blazing fast ball.

Statistics on Dizzy Dean are impressive, but do not do him justice by themselves. He won 150 games, lost 83, threw 27 shutouts, led the National League in strikeouts for years.

His most amazing season—and one of the best any pitcher ever had—was in 1934 when, at the age of 23, Dizzy won 30 games and lost seven. Brother Paul chipped in with 19 victories and the Cardinals won the National League pennant. Dizzy won two games in the World Series and Paul won the other two, and the Cards had a world championship.

During the pennant drive of 1934 and continuing into the World Series, Dean pitched nine games in 19 days. He was the National League's Most Valuable Player, and led it in strikeouts.

On Sept. 23, 1934, pitching the first game of a doubleheader against the Brooklyn Dodgers, Dizzy threw a one-hit shutout. In the second game, brother Paul, nick-named Daffy because it sounded good beside his brother's name, pitched a no-hitter. Dizzy had the last word.

"If I had known Daffy was gonna pitch a no-hitter, I would have pitched one, too," he said.

The next two years Dean compiled 28-12 and 24-13 records, and at age 25 he had won 121 games, probably more than any pitcher ever won by that age, and already was a baseball legend.

He slipped to 13–10 in 1937 and in 1938 was sold to the Chicago Cubs for the then-phenomenal sum of $185,000 and three players. He helped the Cubs to the pennant that year with a 7-1 record.

Dean's career to all intents career ended with a 3-3 record in 1940, although he pitched one inning in relief in 1941 and came out of the broadcasting booth in 1947 to pitch four scoreless innings as a stunt for the St. Louis Browns.

Dean broadcast the Browns through the 1940s, worked for two years as a "commultator" for the New York Yankees beginning in 1950, returned to St. Louis and then worked until 1960 on Saturday baseball games on national television.

During the 1960s Dean made frequent appearances as a guest "commultator" on radio and television broadcasts of baseball games, the most recent being June 17 when he appeared on a Monday night NBC game.

Jay Hanna Dean was born Jan. 16, 1911. Just where was always open to question.

Records show the event was in Lucas, Ark., but Dean always came up with different places and once was heard to tell three different writers three different birthplaces on the same day.

Asked about that once, he said, "I was helpin' the writers out. Them ain't lies; them's scoops."

"I don't know when or where I was born but I know my real name is Jay Hanna Dean," he would tell sportswriters. "I took the names Jerome Herman as a favor for a kid's father. The kid was a friend of mine who died when he was about 10 years old. I told the father I liked the kid so much I was gonna call myself by his names."

It was another example of his kindness and generosity.

Dean ran away from his cotton pickin' job as a teen-ager, and was found a few months later in Texas—in the Army. He said that's where he got his first pair of shoes, but he didn't care for the regimentation.

After he was discharged Dean was signed by a Cardinal scout, and in less than a year had worked his way to the big club, where he pitched one game. That was 1930 and he was 19.

Dean's broadcasting career was equally as tumultuous as his playing days. But he said he had no intention of changing his style of delivery.

"A lot of folks that ain't saying (ain't) ain't eatin'," he said, adding he was "gonna keep on saying 'ain't' and keep on 'eatin'."

And if the folks in Brooklyn couldn't understand him, Dean allowed as how "they got nothin' on me—I can't understand them, either."

Election to the Hall of Fame in 1953 was a highlight of Dean's life, one which had many bright moments.

Officials said funeral services will be Saturday at 10 a.m. in Wiggins, Miss., with burial to follow in a cemetery at his hometown of Bond, Miss.

Dean Remembered, Kindly

When Dizzy Dean was at his prime, he was stingy with hits and loved to laugh about hitters off the field after he struck them out. But mindful of the lean years of growing up as a cotton picker in the South, he sometimes dipped into his pocket to help fellow players down on their luck.

Only two weeks ago while being interviewed in Mississippi he heard that Marshall Bridges, a former Yankee pitcher now living in Jackson, Miss., had been invited to the New York Yankees' old-timers game but had fallen on hard times financially.

Dean whipped out a $100 bill and handed it to the writer, John Stamm of the Jackson Clarion Ledger.

"You know something, podnuh, I'll make sure he gets decked out," Dean told Stamm.

Dean, a member of the St. Louis Cardinals' famous "Gashouse Gang," died yesterday of a heart attack at age 63 in Reno, Nev., but memories of his penchant for life, his love for baseball and his reputation as a pitcher live on.

Joe Medwick, the "Gashouse Gang's" left fielder, said in St. Louis: "I've lost a very fine friend. He was so great, but he used to say 'I'm not the best, but I'm among 'em.' "

For six years, Dean worked with Pee Wee Reese on Game of the Week telecasts. Reese, in Louisville, Ky., remembered "There wasn't any middle ground about Old Diz. He was the type of fellow you either liked or disliked. Diz was a little bit shy, you know," Reese said.

"He wanted to be with people he enjoyed being with . . . but sometimes people bugged him because of all the attention he got.

"He loved telling stories and loved to sing 'Wabash Cannonball' and 'Precious Moments.' He'd sing not only on the air but also in the cab rides or on the bus. He was enthusiastic on or off the air."

"He was a great competitor and enjoyed living," said Jim Mooney, who was in the Cards' rotation in 1933 and 1934 and recently retired as baseball coach at East Tennessee State University. "I recall during the 1934 World Series with Detroit that Hank Greenberg was having a tough time hitting St. Louis pitching. Greenberg finally got a single off Dizzy and laughed at him on the way to first base.

"The next time Hank got up, Dizzy struck him out with three straight fast balls. Dizzy dropped to his knees and walked to the dugout on them, laughing at Greenberg all the way."

But Terry Moore, who played center field for the Cards during Dean's last three seasons with the club, remembered him as sometimes benevolent with his pitches.

"If he liked the fellow batting against him, he'd let him have a hit if we were ahead, said Moore. "He didn't worry about how many hits they got as long as it didn't hurt him."

CONCERT CHORALE OF SOUTHERN ILLINOIS UNIVERSITY AT EDWARDSVILLE WINS CHORAL COMPETITION IN SPITTAL, AUSTRIA

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, on July 7 the Concert Chorale of Southern Illinois University at Edwardsville won the 11th annual chorale competition in Spittal, Austria. The SIUE group finished second in the folk music competition and in a first-place tie in the serious music competition, which makes it the winner on a total-point basis.

This is an unprecedented accomplishment for an American choral group, and I am certain my colleagues join me in congratulating the members of the chorale on their performance.

The chorale, which consists of 47 singers, is ably directed by Leonard Van Camp, of Edwardsville. A great deal of the group's success can be attributed to Mr. Van Camp's dedication to musical excellence.

The chorale has been on a European concert tour since June 24. During that time it has performed in Chichester, Coventry, Bad Hersfeld, Prague, and St. Florian. Before its return on Friday, the group will sing in Meran, Reutte, Salzburg, Gleisdorf, and Vienna.

At 1 p.m. on Sunday, the chorale will present a homecoming performance in the Kennedy Center's grand foyer.

I am told that the European audiences were uniformly impressed with the chlorale, and a Hungarian judge at Spittal remarked that it was the best American choir he had ever heard.

The tour is also noteworthy because the Prague concert was the first formal indoor concert ever given by an American choir in Czechoslovakia.

Mr. Speaker, this tour clearly marks the SIUE Concert Chorale as one of the Nation's finest singing groups and a valuable ambassador of good will. Mr. Van Camp and his singers deserve high praise for a singular achievement.

CIA LEGISLATION

(Mr. NEDZI asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. NEDZI. Mr. Speaker, on July 16, 1974. I informed our colleagues that legislation had been introduced to amend the National Security Act of 1974 with regard to clarifying the role of the Central Intelligence Agency in our organization for national security.

I wish to announce that hearings will be held on that bill, H.R. 15845, in the House Armed Service's Special Intelligence Subcommittee in open session commencing July 22, 1974, at 10 a.m. in room 2337, Rayburn Building. In addition to receiving testimony from the Central Intelligence Agency and the Department of Justice, the subcommittee expects to hear from Members of Congress and other interested parties outside the executive branch.

For the information of our colleagues, I include a copy of a press release on the matter issued today:

House Panel To Examine CIA Charter

Open hearings in the Armed Services Committee will commence on H.R. 15845 on July 22, 1974 to clarify the role of the Central Intelligence Agency under the provisions of the National Security Act of 1947. In announcing the hearings by the Special Subcommittee on Intelligence Lucien N. Nedzi (D-Mich.), Chairman of the Panel, indicated that the bill evolved from the extensive inquiry conducted by the Subcommittee into the alleged involvement of the CIA in the Watergate and Ellsberg matters, which was reported on October 23, 1973.

"We are attempting to strengthening the National Security Act to assure that the CIA not engage in activity outlawed by the Act and to discourage any future attempts in the Executive Branch to so use the Agency," said Nedzi. "It may be recalled that in our investigation the Subcommittee uncovered various blatant instances in connection with Watergate and Ellsberg affairs where White House aides pressured the CIA into involving itself in activities that were clearly improper." "In addition," said Chairman Nedzi, "there were White House attempts to use the CIA to divert the FBI investigation of the Watergate breakin, and to provide assistance to Watergate defendants in clear violation of the law."

The legislation also looks to a reexamination of the statutory language relative to the responsibilty of the Director of Central Intelligence for the protection of intelligence sources and methods. There is an added provision which would prohibit former employees from unauthorized contacts with the active CIA organization.

Chairman Nedzi was joined by the ranking Member of the Subcommittee, Mr. William G. Bray (R-Ind.), in introducing H. R. 15845. The Panel expects to receive testimony not only from the CIA and the Department of Justice but also from Members of Congress and other interested parties outside the Executive Branch. The initial session will be held in proceedings open to the public at 10:00 a.m., July 22, 1974 in Room 2337, the Rayburn Building.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. Symington (at the request of Mr. O'Neill), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

UMI

(The following Members (at the request of Mr. LAGOMARSINO) and to revise and extend their remarks and include extraneous matter:)

Mr. STEELMAN, for 5 minutes, today.

Mr. HANSEN of Idaho, for 5 minutes, today.

Mr. ESCH, for 30 minutes, today.

Mr. PARRIS, for 5 minutes, today.

Mr. BEARD, for 5 minutes, today.

Mr. CRANE, for 5 minutes, today.

Mr. RAILSBACK, for 5 minutes, today.

Mr. QUIE, for 10 minutes, today.

Mr. MICHEL, for 15 minutes, today.

(The following Members (at the request of Mr. MEZVINSKY) and to revise and extend their remarks and include extraneous matter:)

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. FRASER, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. WOLFF, for 5 minutes, today.

Mr. OWENS, for 20 minutes, today.

Mr. PODELL, for 10 minutes, today.

Mr. LEGGETT, for 5 minutes, today.

Mr. HARRINGTON, for 5 minutes, today.

Mr. DIGGS, for 15 minutes, today.

Mr. ADAMS, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. KOCH, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $834.

Mr. SNYDER, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $903.50.

Mrs. MINK to revise and extend her remarks and include extraneous matter following remarks of Mr. STEIGER of Wisconsin on his special order.

Ms. ABZUG, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,668.

(The following Members (at the request of Mr. LAGOMARSINO) and to include extraneous matter:)

Mr. VEYSEY in two instances.

Mr. HANSEN of Idaho.

Mr. MCCLORY.

Mr. ESCH.

Mr. STEIGER of Wisconsin.

Mr. ASHBROOK in two instances.

Mr. NELSEN.

Mr. PARRIS.

Mr. O'BRIEN in 10 instances.

Mr. HUNT.

Mr. SMITH of New York in two instances.

Mr. FRENZEL in four instances.

Mr. CLEVELAND.

Mr. BROYHILL of Virginia.

Mr. CONTE.

Mr. CRONIN in two instances.

Mr. HOSMER in two instances.

Mr. QUIE in two instances.

Mr. HUBER in two instances.

Mr. CRANE in five instances.

Mr. MCDADE.

Mr. FROEHLICH.

Mr. YOUNG of Illinois in two instances.

Mr. TREEN.

(The following Members (at the request of Mr. MEZVINSKY) and to include extraneous matter:)

Mr. GIAIMO in 10 instances.

Mr. TRAXLER in 10 instances.

Mr. DAVIS of Georgia in 10 instances.

Mr. RARICK in three instances.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in two instances.

Mr. TIERNAN in two instances.

Mr. BIAGGI in five instances.

Mr. LEHMAN in five instances.

Mr. FRASER in five instances.

Mr. ROONEY of New York in two instances.

Mr. CHARLES H. WILSON of California.

Mr. MURTHA.

Mr. PODELL in two instances.

Mrs. BURKE of California.

Mr. WOLFF in five instances.

Mr. MURPHY of New York.

Mr. HARRINGTON in two instances.

Mr. MURPHY of Illinois.

Mr. O'HARA.

Mr. ROGERS.

Mr. LEGGETT in two instances.

Mr. THOMPSON of New Jersey.

Mr. ECKHARDT.

Mr. GINN.

Mr. MELCHER.

Mr. PEPPER.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1791. An act to amend title VIII of the Foreign Service Act of 1946, as amended, relating to the Foreign Service retirement and disability system, and for other purposes; to the Committee on Foreign Affairs.

S. 3355. An act to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide appropriations to the Drug Enforcement Administration on a continuing basis; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 9440. An act to provide for access to all duly licensed clinical psychologists and optometrists without prior referral in the Federal employee health benefits program.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3679. An act to provide temporary emergency livestock financing through the establishment of a guaranteed loan program.

ADJOURNMENT

Mr. MEZVINSKY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 13 minutes p.m.), under its previous order, the House adjourned until Monday, July 22, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2556. A letter from the Assistant Secretary of Defense, transmitting the third quarter, fiscal year 1974 report of receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, and material, and for expenses involving the production of lumber and timber products, pursuant to section 712 of Public Law 93-238; to the Committee on Appropriations.

2557. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to provide for the striking of medals in commemoration of the Bicentennial of the U.S. Army, the U.S. Navy, and the U.S. Marine Corps; to the Committee on Banking and Currency.

2558. A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a section of the report dealing with external debt of developing countries until the delayed report is filed pursuant to section 17(g) of the Foreign Assistance Act of 1973; to the Committee on Foreign Affairs.

2559. A letter from the Comptroller General of the United States, transmitting a report on the Department of Defense need to consolidate responsibility for automatic digital network (Autodin) terminals; to the Committee on Government Operations.

2560. A letter from the Under Secretary of Health, Education, and Welfare, transmitting the views of the Department regarding decentralization review of the Food and Drug Administration and the Center for Disease Control; to the Committee on Interstate and Foreign Commerce.

2561. A letter from the Office of Telecommunications Policy, Office of the President, transmitting a draft of proposed legislation to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation of Public Broadcasting and for other purposes; to the Committee on Interstate and Foreign Commerce.

2562. A letter from the Secretary of Transportation, transmitting a report on the use of mass media for highway safety, pursuant to section 211(a) of the Highway Safety Act of 1973 (Public Law 93-87); to the Committee on Public Works.

2563. A letter from the Acting Administrator, General Services Administration, transmitting a prospectus for the renewal of the present leasehold interest until future site for the Immigration and Naturalization Service is completed pursuant to the Public Buildings Act of 1959, as amended; to the Committee on Public Works.

RECEIVED FROM THE COMPTROLLER GENERAL

2564. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during the month of June 1974, pursuant to 31 United States Code 1174 ;to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DULSKI: Committee on Post Office and Civil Service. Report on a review of the administration of the Federal employee's health benefits program (Rept. No. 93–1205). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 15736. A bill to authorize, enlarge, and repair various Federal reclamation projects and programs, and for other purposes; with amendment (Rept. No. 93–1206). Referred to the Committee of the Whole House on the State of the Union.

Mr. SISK: Committee on Rules. House Resolution 1107. Resolution to amend the rules of the House of Representatives to provide for the broadcasting of meetings, in addition to hearings, of House committees which are open to the public; with amendment (Rept. No. 93–1207). Referred to the House Calendar.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 1246. Resolution providing for the consideration of H.R. 15578. A bill to amend the Small Business Act, the Small Business Investment Act, and for other purposes (Rept. No. 93–1208). Referred to the House Calendar.

Mrs. HANSEN of Washington: Committee on Appropriations. H.R. 16027. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93–1209). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG:

H.R. 15975. A bill to establish the Sewall-Belmont House National Historic Site, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ALEXANDER (for himself, Mr. Baker, Mr. Johnson of Colorado, Mr. Madigan, Mr. Wampler, Mr. Mills, Mr. Whitten, Mr. Thornton, Mr. Hammerschmidt, Mr. Burlison of Missouri, Mr. Bowen, Mr. Gunter, Mr. Murphy of New York, Mr. Hanna, Mr. Jones of Tennessee, Mr. Matsunaga, Mr. Litton, and Mr. Rangel):

H.R. 15976. A bill to establish improved programs for the benefits of producers and consumers of rice; to the Committee on Agriculture.

By Mr. ASHLEY (for himself, Mr. Rees, Mr. Mitchell of Maryland, Mr. St Germain, Mr. Hanna, Mr. Koch, Mr. Moakley, Mr. Brown of Michigan, Mr. Johnson of Pennsylvania, Mr. McKinney, and Mr. Frenzel):

H.R. 15977. A bill to amend the Export-Import Bank Act of 1945, and for other purposes; to the Committee on Banking and Currency.

By Mr. BEARD (for himself and Mr. Bowen):

H.R. 15978. A bill to authorize the financing of parkways from the Highway Trust Fund; to the Committee on Public Works.

By Mr. BELL (for himself, Mr. Won Pat, Mr. Podell, Mr. Moakley, Mr. Brasco, Mr. Luken, Mr. Kemp, Mr. Gunter, Mr. Treen, Mr. Wolff, Mr. Koch, and Mr. Huber):

H.R. 15979. A bill to authorize the Secretary of the Treasury to reimburse State and local law enforcement agencies for assistance provided at the request of the U.S. Service; to the Committee on the Judiciary.

By Mr. BERGLAND (for himself, Mr. Addabbo, Mr. Badillo, Mr. Blatnik, Mr. Rees, Mr. Murtha, Mr. Mitchell of Maryland, Mr. Edwards of California, Mr. Obey, Mr. Thompson of New Jersey, Mr. Jones of Oklahoma, Mr. Won Pat, Mr. Moss, and Mr. Charles H. Wilson of California):

H.R. 15980. A bill to provide for adequate reserves of certain agricultural commodities, and for other purposes; to the Committee on Agriculture.

By Mr. BROWN of California (for himself, Mr. Aspin, Mr. Drinan, Mr. Fraser, Mr. Frelinghuysen, Mr. Harrington, Mrs. Heckler of Massachusetts, Mr. Mitchell of Maryland, Mr. Owens, Mr. Rees, Mr. Robison of New York, and Mr. Wiggins):

H.R. 15981. A bill to permit nonimmigrant foreign students to be employed during school vacations with the approval of the individual's school; to the Committee on the Judiciary.

By Mr. DELLENBACK:

H.R. 15982. A bill to amend the Fair Labor Standards Act of 1938 to exclude from minimum wage and overtime coverage employees employed to provide only babysitting services; to the Committee on Education and Labor.

By Mr. HANSEN of Idaho (for himself and Mr. Symms):

H.R. 15983. A bill to authorize the establishment of the City of Rocks National Monument in the State of Idaho, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HASTINGS:

H.R. 15984. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KEMP:

H.R. 15985. A bill to insure that foreign articles of clothing are not exempt from the country of origin making requirements of the Tariff Act of 1930 by reason of certain processing after importation; to the Committee on Ways and Means.

H.R. 15986. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of capital gains and losses; to the Committee on Ways and Means.

By Mr. KING:

H.R. 15987. A bill to terminate the granting of construction licenses of nuclear fission powerplants in the United States pending action by the Congress following a comprehensive 5-year study of the nuclear fuel cycle, with particular reference to its safety and environmental hazards, to be conducted by the Office of Technological Assessment; to the Joint Committee on Atomic Energy.

By Mr. MITCHELL of New York:

H.R. 15988. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. PARRIS (for himself and Mr. Broyhill of Virginia):

H.R. 15989. A bill to amend the Survivor Benefit Plan provided for under title 10 of the United States Code to prohibit reduction in retired or retainer pay in cases where the beneficiary predeceases the retiree; to the Committee on Armed Services.

H.R. 15990. A bill to amend the Survivor Benefit Plan provided for under title 10 of the United States Code to make any surviving spouse eligible for an annuity thereunder if married to the retiree at least 1 year before the retiree's death; to the Committee on Armed Services.

By Mr. QUIE (for himself, Mr. Bell, Mr. Cleveland, Mr. Dellenback, and Mr. Steiger of Wisconsin):

H.R. 15991. A bill to encourage and assist States and localities to develop, demonstrate, and evaluate means of improving the utilization and effectiveness of human services through integrated planning, management, and delivery of those services in order to achieve the objectives of personal independence and individual and family economic self-sufficiency; to the Committee on Education and Labor.

By Mr. RIEGLE (for himself, Mr. Adams, Mr. Bergland, Mr. Breaux, Mr. Breckinridge, Mr. Conyers, Mr. Dellums, Mr. Dingell, Mr. Dulski, Mr. Harrington, Mr. Karth, Mr. Lehman, Mr. Patten, Mr. Pettis, Mr. Pritchard, Mr. Stark, Mr. Udall, Mr. Vanik, Mr. Young of Georgia, Mr. Moakley, and Mr. Diggs):

H.R. 15992. A bill to amend the Employment Act of 1946 with respect to price stability; to the Committee on Government Operations.

By Mr. RODINO:

H.R. 15993. A bill to amend the Urban Mass Transportation Act of 1964 to provide increased assistance for mass transportation systems; to the Committee on Banking and Currency.

By Mr. ROE (for himself and Mr. Conlan):

H.R. 15994. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS (for himself, Mr. Satterfield, Mr. Kyros, Mr. Preyer, Mr. Symington, Mr. Roy, Mr. Nelsen, Mr. Carter, Mr. Hastings, Mr. Heinz, and Mr. Hudnut):

H.R. 15995. A bill to amend the Public Health Service Act to extend through fiscal year 1975 the scholarship program for the National Health Service Corps and the loan program for health professions students; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSTENKOWSKI:

H.R. 15996. A bill exempting State lotteries from certain Federal prohibitions and for other purposes; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 15997. A bill to amend section 1902(a) (14) (B) (1) of the Social Security Act to make optional certain cost-sharing fees now required to be paid by some individuals under medicaid; to the Committee on Ways and Means.

By Mrs. SCHROEDER (for herself, Mr. Charles H. Wilson of California, Mr. Nix, Mr. Ford, Mr. Moakley, Mr. Udall, Mr. Traxler, Mr. Brasco, Mr. Clay, Mr. Lehman, Mr. Hechler of West Virginia, Mr. Mitchell of Maryland, Mr. Bell, Mr. Conyers, Mr. Harrington, Mr. Fascell, Mr. Stark, Mrs. Burke of California, and Ms. Abzug):

H.R. 15998. A bill to amend title 39, United States Code, to provide additional standards to regulate the proper use of the penalty mail privilege on an official basis by Government departments, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STEELMAN:

H.R. 15999. A bill to eliminate discrimination based on sex with respect to the appointment and admission of persons to the service academies; to the Committee on Armed Services.

H.R. 16000. A bill to enforce the first amendment and fourth amendment to the

Constitution and the constitutional right of privacy by prohibiting any civil officer of the United States or any member of the Armed Forces of the United States from using the Armed Forces of the United States to exercise surveillance of civilians or to execute the civil laws, and for other purposes; to the Committee on the Judiciary.

By Mr. TIERNAN:

H.R. 16001. A bill to authorize an experimental program to provide for care for elderly individuals in their own homes; to the Committee on Ways and Means.

By Mr. TIERNAN (for himself, Mr. Abdnor, Mr. Bell, Mr. Benitez, Mr. Carey of New York, Mr. Davis of South Carolina, Mr. Derwinski, Mr. Hanley, Mrs. Mink, Mr. Nix, Mr. Obey, and Mr. Stark):

H.R. 16002. A bill to commemorate the American Revolutionary Bicentennial by establishing a meetinghouse program, by making grants available to each of the several States for the purpose of acquiring and restoring certain historic sites with a view to designating and preserving such sites for use as meetinghouses in connection with such Bicentennial, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TIERNAN (for himself and Mrs. Heckler of Massachusetts):

H.R. 16003. A bill to amend the International Travel Act of 1961 to provide for Federal regulation of the travel agency industry; to the Committee on Interstate and Foreign Commerce.

By Mr. ARCHER (for himself, Mr. Bauman, Mrs. Boggs, Mr. Collins of Texas, Mr. Duncan, Mr. Kuykendall, Mr. Lehman, Mr. Obey, Mr. Owens, and Mr. Price of Texas):

H.R. 16004. A bill to amend the Internal Revenue Code of 1954 to increase the corporate surtax exemption; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 16005. A bill to amend title 38 of the United States Code so as to entitle veterans of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

By Mr. FISHER (for himself, Mr. Dan Daniel, Mr. Dickinson, Mr. Hicks, Mr. Hillis, Mrs. Holt, Mr. Montgomery, Mr. Nedzi, Mr. Powell of Ohio, Mr. Randall, Mr. Treen, Mr. Waggonner, and Mr. Young of Alaska):

H.R. 16006. A bill to amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the Armed Forces, and to amend chapter 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness; to the Committee on Armed Services.

By Mr. EILBERG:

H.R. 16007. A bill to amend section 303 of the Communications Act of 1934 to require that radio receivers be technically equipped to receive and amplify both amplitude modulated (AM) and frequency modulated (FM) broadcasts; to the Commmittee on Interstate and Foreign Commerce.

By Mr. HARRINGTON:

H.R. 16008. A bill to amend the Outer Continental Shelf Lands Act to insure that the Federal Government has available to it reliable information on the nature and extent of energy resources in the undeveloped areas of the Outer Continental Shelf, and that any decision to develop such resources take place within the context of a national energy policy; to the Committee on Interior and Insular Affairs.

By Mr. LATTA:

H.R. 16009. A bill to amend the Disaster Relief Act of 1974 with respect to certain loan programs; to the Committee on Banking and Currency.

By Mr. LONG of Maryland (for himself, Mr. Murphy of New York, Mr. Roy, Mr. Lagomarsino, and Mr. Luken):

H.R. 16010. A bill to prohibit the transfer of atomic technology to foreign powers without the express approval of the Congress; to the Joint Committee on Atomic Energy.

By Mr. MATHIAS of California:

H.R. 16011. A bill to amend the Federal Election Campaign Act of 1971, and title 18, United States Code, to reform Federal election campaign activities; to the Committee on House Administration.

By Mr. MURPHY of Illinois (for himself, Ms. Abzug, Mrs. Burke of California, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Cotter, Mr. Eilberg, Mr. Ginn, Mr. Mazzoli, Mr. Metcalfe, Mr. Moakley, Mr. Owens, Mr. Rose, Mr. Stark, and Mr. Charles H. Wilson of California):

H.R. 16012. A bill to establish an office for the House of Representatives to assist Members of the House of Representatives in conducting public opinion polls; to the Committee on House Administration.

By Mr. OWENS (for himself, Mr. Railsback, and Mr. Mitchell of New York):

H.R. 16013. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

By Mr. ROE:

H.R. 16014. A bill to provide for emergency relief for small business concerns in connection with fixed price Government contracts; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 16015. A bill to amend section 1(12) of the Interstate Commerce Act to provide that railroads shall not discriminate against the movement or interchange of railroad refrigerator cars not owned by a railroad, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELE:

H.R. 16016. A bill to provide interim cost relief for customers of regulated public utilities; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELMAN (for himself, Mr. Long of Maryland, and Mr. Coughlin):

H.R. 16017. A bill to amend section 552 of title 5 of the United States Code to clarify certain exemptions from its disclosure requirements, to provide guidelines and limitations for the classification of information, and for other purposes; to the Committee on Government Operations.

By Mr. TIERNAN (for himself, Ms. Abzug, Mr. Badillo, Mr. Brown of California, Mr. Conyers, Mr. Cotter, Mr. Edwards of California, Mr. Froehlich, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Lehman, Mr. Long of Maryland, Mr. Moakley, Mr. Mollohan, Mr. Mosher, Mr. Obey, Mr. Roe, Mr. Rosenthal, Mr. St Germain, Mr. Stokes, and Mr. Traxler):

H.R. 16018. A bill to amend the Federal Power Act to prohibit public utilities from increasing any rate or charge for electric energy, by means of any fuel adjustment clause in a wholesale rate schedule, in order to reflect any increased fuel cost; to the Committee on Interstate and Foreign Commerce.

By Mr. TIERNAN:

H.R. 16019. A bill to establish an economic zone contiguous to the territorial sea of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. TIERNAN (for himself, Mr. Moakley, Mr. Podell, Mr. Rodino, Mr. Roybal, Mrs. Schroeder, and Mr. Stark):

H.R. 16020. A bill to direct the National Bureau of Standards to prepare building insulation standards; to the Committee on Science and Astronautics.

By Mr. WHITE (for himself and Mr. McKay):

H.R. 16021. A bill to amend title 44, United States Code, to strengthen the authority of the Administrator of General Services with respect to records management by Federal agencies, and for other purposes; to the Committee on Government Operations.

By Mrs. HANSEN of Washington:

H.R. 16027. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

By Mr. ZWACH:

H.J. Res. 1093. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as "National Family Week"; to the Committee on the Judiciary.

By Mr. RODINO:

H. Con. Res. 566. Concurrent resolution to provide additional copies of hearings and the final report of the Judiciary Committee on the impeachment inquiry; to the Committee on House Administration.

By Mr. ANDERSON of Illinois:

H. Res. 1244. Resolution providing for radio and television broadcast coverage of proceedings in the Chamber of the House of Representatives on any resolutions to impeach the President of the United States during the 93d Congress; to the Committee on Rules.

By Mr. SCHERLE:

H. Res. 1245. Resolution creating a standing Committee on Small Business in the House of Representatives; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. HECKLER of Massachusetts:

H.R. 16022. A bill for the relief of John A. Ellis; to the Committee on the Judiciary.

By Mr. MATHIAS of California:

H.R. 16023. A bill for the relief of Wesley P. Kliewer and Lois P. Kliewer; to the Committee on the Judiciary.

By Mr. PETTIS:

H.R. 16024. A bill to authorize the President of the United States to present in the name of Congress a Medal of Honor to Brig. Gen. Charles E. Yeager; to the Committee on Armed Services.

By Mr. STOKES:

H.R. 16025. A bill for the relief of Noel Abueg Emde; to the Committee on the Judiciary.

By Mr. VEYSEY:

H.R. 16026. A bill to authorize the President of the United States to present in the name of Congress a Medal of Honor to Brig. Gen. Charles E. Yeager; to the Committee on Armed Services.

EXTENSIONS OF REMARKS

INFLATION CONTROL NEEDED

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. QUIE. Mr. Speaker, it is time for the Government to come to grips with the inflation problem. This theme has been heard over and over, but lip service has been given to it rather than some hard policy decisions.

Inflation hurts every consumer and is especially hard on retired Americans. Everyone stands to gain by bringing inflation under control, and I strongly urge the Congress and the President to make this their No. 1 priority. An editorial appearing in the July 13 Red Wing Republican Eagle makes this plea, and I submit it for the benefit of my colleagues:

President Should Call America To Sacrifice Against Inflation

The one ray of hope we see on this country's very hurtful inflation front is that the American public is now really up in arms on the subject.

The evidence is in all the many coffeetable and across-the-back-fence conversations. Congressmen, most sensitive of all to the public mood, are getting the very strong message that rising living costs are now Public Enemy No. 1.

"Inflation has replaced Watergate as the major concern of most people," the First District's Al Quie said in a Hastings interview this week after circulating around Southeastern Minnesota.

For President Nixon, this acute public awareness and anxiety offer a golden opportunity to assume real leadership on the nation's most urgent problem.

According to all the pundits, Richard Nixon's most effective anti-impeachment strategy is to portray himself anew as the forceful White House dynamo carrying on America's business. He's been playing this role abroad, Mideast and then Soviet Union. Now he can move front and center on the domestic stage, rallying the nation against this cancerous inflation.

How?

Certainly not price and wage controls. We've gone that route before, beginning August, 1971, and we're not going to make that mistake again. Significantly, Canadian Prime Minister Pierre Trudeau won a national election victory Monday on a platform of opposing the 90-day wage-price freeze that his Conservative opposition was offering.

Nixon ought to begin with a really hard, tough move toward a balanced federal budget. This is what Treasury Secretary William Simon has been advocating, and it seems to us that the public atmosphere is now right to make it stick.

The President would be carrying the fight to the Democratic Congress. He would have to offer good substantial budget cuts up and down the line, including Defense. He'd be taking the knife to some cherished domestic programs, but he'd put it to the Congressional spenders this way: "Here are the cuts to make. I recommend them. But if you don't have the stomach for that, here is the alternative: a tax hike for all Americans above minimum levels. One way or the other we're going to get federal spending back in line with revenues for the first time in many years."

Simultaneously, the President would arrange a federal watchdog operation to put the spotlight on excessive wage and price increases. No legal controls, not a lot of "jawboning," but just a clear, bright spotlight to show who's getting greedy.

For it's time for some basic public education in economics, and as President Teddy Roosevelt is famous for saying, the White House is a "bully pulpit." Let President Nixon lay out the facts of economic life for all to see. Let the American public see what companies and unions are gouging the rest of us.

The theme of this Nixon anti-inflation offensive would be, above all, sacrifice. Sure the budget cuts will hurt; sure the wage boosts won't be as big as people would like; but we're all in this together; it's time to get back to economic fundamentals; together, all suffering together, we can lick this inflation which threatens to undermine America.

And this time the President must make it clear there's no turning back on account of political outcries. What was that message from General Grant in Northern Virginia—"I'll fight it out on this line if it takes all summer."

President Nixon should make it clear that he's in the anti-inflation, balance-the-budget, restrain-wage-and-price-hikes fight "for the duration"—which for him is January, 1977, if he's not impeached.

A U.S. economy restored to an even keel would be a great Nixon gift to America—and a great U.S. example for America's inflation-sick allies.

PROPOSED AMENDMENT TO H.R. 11500

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. BRECKINRIDGE. Mr. Speaker, last weekend I came across a news article—a copy of which is included at the close of my remarks—in Louisville's Courier Journal by my good friend, Don Walker, describing in part the observations of the representatives of some 24 States touring strip mining activities in mountainous eastern and level western Kentucky. The three busloads of officials were touring those areas under the auspices of the National Legislative Conference, an adjunct of the Council of State Governments which maintains its national headquarters in my district at Lexington, Ky. The article discusses in some detail the growing practice of "flat topping," as distinguished from contour stripping, in Appalachia, and what is being done by one of the industry's leaders in reclamation. The results were exemplary but not necessarily the rule. The reclaimed area was described as "lush fields of grass, some of it used for horse and cattle grazing, and a vineyard and fruit trees growing on land recently mined by Falcon Coal Co. in Breathitt County."

It is apparent that such flat-topping practices, responsibly reclaimed under the properly enforced provisions of H.R. 11500, could lead to the creation of new farmlands, recreational areas, town and developmental sites in country now both uninhabitable and unproductive. To preclude such prospects in poverty-stricken Appalachia would appear both unnecessary and counterproductive.

While the language of H.R. 11500 is subject to construction that would permit such mining and reclamation practices for the creation of agricultural and recreational table-top land—see section 211(d)—certain language contained in the committee report No. 93–1072 could create an ambiguity from which it could be argued that the act and Congress intended to prohibit such development—see pages 106–7 of the report.

Believing that it was not the committee's intention to proscribe such productive side benefits, my question is: Will section 211(d), which allows for exceptions from the regulations "in cases where an industrial, commercial, residential, or public facility development is proposed for postmining use of the affected land"—not agricultural or developmental—preclude such strip mined land from such flat-topping reclamation under the "approximate original contour" definition for the stated purposes?

I intend to offer the following amendment for the purpose of insuring the legality of the stated practices and purposes:

Amendment to H.R. 11500, as Reported Offered by Mr. Breckinridge

Page 197, line 22, immediately after "dential," insert "agricultural, developmental,".

Conference Tourists View Reclamation

(By Don Walker)

Jackson, Ky.—Eighty-seven people—most of them legislators—from 24 states were given a three-hour tour yesterday of strip mines operated by a company with one of the best reclamation reputations in Eastern Kentucky.

Some of the legislators and other officials said they were impressed with the display of what can be done to conserve surface-mined land.

The three busloads of officials saw lush fields of grass, some of it used for horse and cattle grazing, and a vineyard and fruit trees growing on land recently mined by Falcon Coal Co. in Breathitt County.

The group was part of the National Legislative Conference, which is holding a meeting in Louisville.

State Rep. Virgil J. Pearman, D-Radcliff—one of four Kentucky legislators on the tour—looked out over a rolling valley created by the literal removal of a mountain top to dig out coal.

"There's enough level land for a small city," Pearman said, "But I'm sure this is the best operation up here."

Earlier, Roy Mullins, vice president of Falcon, had stood beside an experimental vineyard where 1,000 grapevines seemed to be flourishing on the rocky soil and noted that the company's operation would leave the area with "thousands of acres of level land."

Mullins explained to this reported that Falcon expects to mine leases on 40,000 acres of land over the next 10 years. Of 20,000 acres of land disturbed, about 10,000 acres of former mountain-peak land will be left relatively level—"gently rolling," he said.

Much of Falcon's mining is done by flat-top procedure—actual removal of mountain tops—in contrast to the contour strip-mine method in which cuts are made into the sides of mountains are made to take out the coal.

John Roberts, director of Kentucky's Division of Reclamation, said in a separate interview that more than 75 per cent of the acreage now being mined in Eastern Kentucky is being done by the flattop method.

Roberts maintained, however, that at least half and perhaps most of the coal operators do a job comparable to Falcon's in reclamation as far as vegetation plantings are concerned.

The group was treated to a box lunch, furnished by Falcon, atop a mine highwall that separates a reclaimed area from the University of Kentucky's Robinson Forest.

Mullins told the group that the nearby university forest contained 160 million tons of coal beneath its soil. He said the university, so far, has refused to consider leasing any of the land for mining.

But Mullins expressed his belief that a need for funds and changing times might change the university's position.

"If they ever want us to, we'd be glad to help them dig out that coal, and it would be worth at least $160 million to UK," Mullins said.

Robinson Forest was willed to the university for use in the furtherance of good forestry practices.

Transportation and related costs of the tour were paid for by the National Legislative Conference, an arm of the Council of State Governments, which has national headquarters in Lexington.

The tour is scheduled to continue in Western Kentucky today.

IMPEACHMENT IN AMERICAN HISTORY

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. LANDGREBE. Mr. Speaker, I would like to call the attention of my colleagues to an article entitled "Impeachment in American History" by Dr. John Sutherland Bonnell. No one who understands the importance of an impeachment proceeding ought to be ignorant of the history of impeachment. Dr. Bonnell has offered a concise history of Presidential impeachment that deserves the consideration of every Member of Congress.

The article follows:

IMPEACHMENT IN AMERICAN HISTORY

(By John Sutherland Bonnell)

(Dr. Bonnell is author of "Presidential Profiles", published by Westminster Press, based on the lives of thirty-six presidents of the United States. He served for twenty-seven years as senior minister of the Fifth Avenue Presbyterian Church, New York. He was educated in universities and seminaries in Canada, England and New York. He has been the recipient of ten honorary doctorates and has authored twelve books. On retirement Dr. Bonnell became President for three years of the New York Theological Seminary and is now actively engaged in lecturing and writing.)

"Impeachment" is the word. It is now on everybody's tongue. Many Americans regard impeachment as a simple and convenient means of getting rid of an unwanted National leader. They appear to be oblivious of the traumatic effect such an event would have on the American people and indeed also on nations friendly to us. President James Buchanan asserted that, "It would be an imposing spectacle for the world."

Americans right now should be doing their history homework, so that we may become better informed on the presidential crises of the past and discover how they were resolved. We need an informed perspective in order to see current events in their relative importance.

WASHINGTON—THE FIRST TO BE THREATENED

It may come as a surprise to some to learn that our first President, George Washington, was threatened with impeachment by political enemies. The charge against him was "A daring infringement of our Constitutional rights." It arose when the Jay Treaty was concluded with Great Britain in 1794.

William Roscoe Thayer, a biographer of Washington, declares that a bitter struggle was precipitated when the President's opponents in Congress demanded that he hand over the correspondence and exchanges that led up to the signing of the Jay Treaty. This George Washington resolutely refused to do, even though he had neither precedent nor legal landmark to guide him. Dr. Thayer remarks that Washington clearly foresaw the danger of such a concession to his own administration and also the likelihood that it would be used against his successors in the Presidential office.

During and after confrontation with his antagonists Washington was deeply hurt by assaults not only on his capacity to govern but also on his character and honor. He wrote, "Every act of my administration had been attacked in such exaggerated and indecent terms as could scarcely be applied to a Nero—or even to a common pickpocket." George Washington was undeniably "first in war" . . . but several decades had to pass before he was "first in the hearts of his countrymen."

Andrew Jackson was swept into the Presidency on his reputation as a military commander and by a hero's role in the war of 1812. Yet even before his election, as soon as he became involved in public life, he was deeply hurt by continuous onslaughts on his character and the aspersions upon the virtue of his beloved wife Rachel. Jackson in office manifested something of the inner strength and determination of Abraham Lincoln. These qualities he demonstrated by preserving the Union when it was dangerously threatened in March 1833.

During a fierce controversy over chartering the Bank of the United States, Congress passed several resolutions extolling the Bank and censuring the President. His political foes employed censure, which has been called a "soft impeachment," only because they could not muster sufficient votes to impeach him. Strangely enough, long before he had entertained the remotest hope of himself becoming President, young Andrew Jackson had demanded that George Washington should be impeached.

Senator Calhoun, in a violent speech on the floor of the Senate, said that Jackson's "bank deprivations" were "adding robbery to murder." Later the President reported that he had received five hundred letters from people threatening to kill him. Indeed he escaped death only because a would-be assassin's two pistols both misfired. Tested later by the police, both fired perfectly. Professor Sidney Hyman commenting on these happenings, writes, "In the final pathological stages of the efforts, (personal) attacks of this sort have led directly to the death of three presidents and to attacks on others." President Jackson retired from office more popular than when he was first elected.

Louis Brownlow in "The President and the Presidency" writes "Every President when he has been in office, has been denounced as a despot, a tyrant, a dictator, as one who was using the power of the Government to achieve his personal ambitions. The only President who was not so denounced was William Henry Harrison; he lived only one month after he was inaugurated."

Almost identical language is used on this subject by Marcus D. Cunliffe and Sidney Hyman, the latter described by historians as an "expert on the Presidency."

IMPEACHMENT OF ABRAHAM LINCOLN PLANNED

Abraham Lincoln who was President of the United States during the most critical years of this nation's history, came threateningly close to impeachment in the winter of 1862–1863. Secret meetings were held in Washington to lay plans for launching an impeachment. Racial Republicans with reactionaries of both parties wanted a man in the Presidency more obedient to their wishes.

Early in the summer of 1865 Lincoln's rating sank to its lowest point, even among a large proportion of prominent citizens. Richard Dana, author of "Two Years Before the Mast," wrote to Charles Francis Adams, who was American Minister to London at that time, "The most striking thing in Washington is the lack of personal loyalty to the President. It does not exist. He has no admirers, no enthusiastic supporters, none to bet on his head." Dana added that Lincoln was "a good Western jury lawyer but he is an unutterable calamity today where he is."

Carl Sandburg comments, "For weeks the denunciation flowed on mixed with clamor and sniping criticism. Albert G. Riddle (Republican of Ohio) said that, "The just limit of manly debate had been brutally outraged." The press had caught up and reechoed the clamor.

The impeachment scheme failed but the more merciful assassin's bullet succeeded. America had gotten rid of Abraham Lincoln.

THE TRIAL OF ANDREW JOHNSON

The classic illustration of what American presidents, while in office, have had to endure and which is most pertinent to our time, is the almost successful impeachment and conviction of President Lincoln's successor, Andrew Johnson . . . His efforts to put into effect the more generous policies that Lincoln had advocated with respect to the South and other controversial matters brought him into sharp conflict with members of both the House and the Senate. Everything came to a head when he dismissed Secretary of War Edwin Stanton who not only opposed the President but secretly acted as an informant for his bitterest opponents. Congress had just passed a law designed to block such an action by an American President and re-installed Stanton.

President Johnson in his defense claimed that his viewpoint would have been supported by every President from Washington to his own day. And he was right if John Adams' position was typical of other former presidents. Long before the Johnson issue had arisen President Adams during a heated discussion remarked "if the President of the United States has not enough authority to change his own secretaries, he is no longer fit for his office."

If President Johnson had meekly accepted such a law as Congress had proposed it would have broken down the Madisonian concept of "checks and balances" in the interrelationship of the President and the Congress. The uniquely important office of the Presidency would have been degraded into some kind of political secetariat that could readily be made the tool of designing politicians.

Many Americans are clamoring today inside and outside of Congress for the impeachment of President Nixon as though it were a simple matter to accomplish with clear-cut procedures and would entail a minimum disturbance to either our national life or the structure of American government. They should read the story of the whole sordid business of the impeachment by the

House of Representatives and attempted conviction by the Senate of President Andrew Johnson.

Dr. Ronis W. Konig, author of "The Chief Executive" states that President Johnson's trial by the Senate was presided over by a Chief Justice "who wanted to be president; having a craving for the office that Lincoln once likened to insanity." In line of succession was the "president protempore" of the Senate whom the author describes as "vulgar and vituperative." The trial lasted eleven and a half weeks. One thousand tickets were printed valid for one day and "furiously competed for." The gallaries were crowded with the senators, their wives and daughters, "blooming with finery"—scores of reporters and distinguished visitors from other countries attended.

The "radicals" secured an adjournment for ten days, despite the objection of the Chief Justice, to line up every possible vote against the President. The prosecutor at the trial before the Senate called President Johnson: "a traitor, a tyrant, a usurper and an apostate."

The attempt at conviction failed by one vote.

"The one heroic figure to emerge from the contemptible proceedings was Senator Edward G. Ross, a soldier and journalist of Kansas, who voted "No." He withstood incredible pressure with soldierly firmness even though, to use his own words, "friends, position and fortune were ready to be swept away" and he stood "looking into his own grave."

By this heroic act, our system of American Government with its delicate balance of responsibility between the legislative and executive branches, fashioned with pains-taking care through three-quarters of a century, was preserved. A fearsome threat to representative democracy in America went down to defeat by a single vote. If President Johnson had been successfully convicted, the door would have been left wide open for the dismissal of any President, on political rather than legal grounds. Professor Rexford G. Tugwell writes that the radicals in Congress were determined to reduce the Presidency to "ministerial status."

IMPEACHMENT—A MEGATON BOMB

The threat of impeachment and conviction has been likened to that of a megaton bomb—too frightening to contemplate except as a last and desperate expedient. Professor Clinton Rossiter regarded impeachment as "The extreme medicine of the Constitution, so brutally administered in the one instance in which it was prescribed as to provoke a revulsion." President Jefferson could not even envision a situation where it might lawfully be used.

Despite the ominous words of Professor Rossiter and the skepticism of President Jefferson the fact remains that impeachment is still an integral part of the Constitution of the United States. How then do we account for the fact that no President of the United States has been impeached and convicted in almost two hundred years of our Nation's history, in spite of several abortive attempts to apply impeachment and one unsuccessful effort to obtain conviction. One reason undoubtedly is because of the dire penalties entailed. These are set forth in the Articles of the American Constitution: Article I. Section 3(7) which reads in part: "removal from Office, disqualification to hold and enjoy any Office of honor, Trust or Profit under the United States:" "But the Party convicted shall nevertheless be liable and subject to Indictment, Trial, Judgment and Punishment, according to Law."

If the convicted President should happen to be a family man, the pall of disgrace would fall not only on himself but on his wife, his children and his grandchildren "to the third and fourth generation." It might well cut him off completely from the sources of livelihood for which he has spent the greater part of his lifetime in preparation. And who will aver that the Nation that elected him will not itself be on trial before the eyes of the whole world?

THE 50TH ANNIVERSARY OF THE U.S. FOREIGN SERVICE

HON. PAUL W. CRONIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. CRONIN. Mr. Speaker, as I mentioned to my colleagues yesterday, this month we are celebrating the 50th anniversary of the U.S. Foreign Service—which was established through the actions of Congressman John Jacob Rogers, of the Fifth Congressional District of Massachusetts. I have written a letter to Secretary of State Kissinger urging establishment of a John Jacob Rogers Achievement Award to be awarded annually in recognition of the dedicated service of one of our Foreign Service officials. I am hereby inserting a copy of my letter to Secretary Kissinger in the CONGRESSIONAL RECORD, and I am urging my colleagues to join in strong support of establishing such a tribute to one of our distinguished former colleagues:

JULY 18, 1974.

Hon. HENRY KISSINGER,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: Since July marks the 50th anniversary of the founding of the U.S. Foreign Service, I feel that we should take this opportunity to remember its founder—John Jacob Rogers. As the Congressman from the 5th Congressional District of Massachusetts—which the Honorable John Jacob Rogers served for so many years—I would like to urge that the Department of State establish an Achievement Award in his name.

Congressman Rogers faced considerable opposition in his efforts to formalize our Diplomatic Corps into the forceful body it is today. However, his foresightedness resulted in great achievements on the part of our Foreign Service which represents us with distinction in our embassies around the world. As you know, in 1924, when Congressman Rogers' legislation became law, there were only 54 consular posts abroad served by 122 persons in diplomatic service and 511 consular officials. Today, because of the courage and vision of Congressman Rogers, we have 129 embassies served by 3,290 persons.

Because of these achievements, I strongly feel that this nation should pay tribute to John Jacob Rogers by establishing an Achievement Award in his name to be awarded annually in recognition of the dedicated service of one of our Foreign Service officials. Congressman Rogers not only established the standards held by the Foreign Service, but was an individual who best exemplified those qualities.

I sincerely hope the Department of State can gain swift approval of such an award. If you can suggest any way the legislative branch can assist with the establishment of this award, please do not hesitate to let me know.

Thank you for your continued cooperation.

Sincerely,

PAUL W. CRONIN,
Member of Congress.

COMMUNITY DEVELOPMENT BLOCK GRANTS

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. GIAIMO. Mr. Speaker, the Honorable Bartholomew F. Guida, mayor of New Haven and president of the Connecticut Conference of Mayors and Municipalities, recently sent me a letter outlining his concern over the community development funding formula authorized in title I of H.R. 15361, the Housing and Urban Development Act of 1974.

As one of only 25 Members who voted against this bill when it was brought to the floor of the House on Thursday, June 20, I welcome Mayor Guida's letter and share his concern.

I have always supported legislation which works toward the goal, embodied in the 1949 Housing Act, to provide a decent home and suitable living environment for every American family. But this bill does not do that.

The provisions contained in title I, which form the heart of the bill, authorize a new $8.05 billion program of community development block grants to start in 1975. These provisions are wholly inadequate and discriminatory.

They are inadequate because under the guise of consolidation the bill effectively eliminates existing programs such as Urban Renewal and Model Cities without providing any replacement.

They are discriminatory, because the new funding formula, based in part on population as well as poverty levels and housing overcrowding, favors communities that have ignored HUD programs in the past.

A lot has been said about the hold harmless provision in this bill. The plain truth is that the hold harmless provision ends after 3 years. This safeguard provision is actually a formula to provide for a rapid dropoff in community development funding.

Housing legislation that forces cities which have been improving their urban environment to reduce or eliminate their rebuilding efforts is bad legislation. Housing legislation that penalizes cities for trying to provide housing under the existing housing laws is bad legislation. I certainly recognize the urgent need for comprehensive housing legislation. We have a serious housing problem in this country. But the community development funding formula in this bill will not meet that need; it only aggravates that problem.

Before this bill was reported to the House floor, I joined many other Members in sending a letter to the chairman of the Banking and Currency Committee expressing my concern over the community development funding formula. I opposed passage of the bill when the funding formula was included in title I of the bill. Altogether, more than 100 cities will have their entitlement phased out or eliminated within 6 years under this bill. Mayor Guida explains the severe impact this legislation will have

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on several cities in Connecticut. I insert his letter at this point in the RECORD and commend it to the attention of my colleagues:

NEW HAVEN, CONN., *June 26, 1974.*

Representative ROBERT N. GIAIMO,
Rayburn House Office Building,
Washington, D.C.

DEAR BOB: I am writing to you to express my concern about the impact of pending Community Development-Block Grant legislation upon Connecticut's cities and towns and to urge you to do everything within your power to ensure that the funding provisions of Senate version of this bill (S3066) are adopted by the Senate-House Conference instead of the provisions of the House bill (HR 15361).

The funding formula of the House bill would severely decimate the ongoing community development effort throughout the State. Federal grant entitlements to 13 Connecticut cities having populations under 50,000 and with ongoing urban renewal or model cities programs would be terminated, making such cities wholly dependent upon receiving discretionary funds through the State. The House bill would sharply curtail the allotments of 11 other metropolitan cities in the State, including New Haven and would omit from the funding cycle five cities in Connecticut which would be funded under the Senate version. I am enclosing a fact sheet on the financial impact to Connecticut cities under the House version.

Under provisions of H.R. 15361, which phases out the hold harmless protection formula in the fourth year, New Haven's allotment would plummet from $17,078,000 during first two years of the proposed legislation to $2,646,000 in the sixth year, a reduction of 85%. While New Haven suffers the largest reduction in absolute funding of any city in the State, other cities suffer equally great reductions in funding. For example, New London's funding is reduced over the life of the bill by 93%; New Britain and Waterbury by 72%; Hartford by 68%; Norwich by 61%; Danbury by 47%; Bristol by 39%; Bridgeport by 36% and Stamford by 32%.

If this City applied all the funds it would receive under the House version ($69.8 million) to existing Urban Renewal commitments alone, we would still fall almost $100 million short of carrying out its existing Urban Renewal commitments, let alone commence any new undertakings authorized under the bill. As you know, the House version combines other categorical grant-in-aid programs besides Urban Renewal, such as Model Cities, Water and Sewer Grant Program and the Section 312 Rehabilitation Loan Program, each of which has heavy funding demands in our city.

On the other hand, the Senate version of the bill maintains a funding momentum during its total four years span and could make $75 million available to New Haven, or about $5 million more than the House version would allow in six years. While even this allotment is short of our needs, it would make it possible for us to continue our programs.

While there are certain provisions of the House version we prefer, such as the 100% funding instead of the 90% funding under the Senate version, overall the Senate version benefits Connecticut whereas the House version is destructive to the overwhelming majority of the State's active cities and towns. In addition, we prefer the emphasis on physical development under the Senate version as the legislation simply does not provide sufficient funds to carry out both physical and social programs. If Congress really wants to help America's cities it would pass sufficient appropriations to enable cities to carry out physical development and social development programs instead of attempting to divert the limited physical development funds to social programs.

I hope you agree with us that the great effort the cities and towns in Connecticut have made in the areas of physical redevelopment should not be negated by the House version of community development-block grant legislation, which makes no reference to past performance or commitment. It is clear that Connecticut's cities and towns simply do not have the financial resources to pick up the slack if we are abandoned by the Federal government.

Thank you for any efforts you may make on our behalf.

Sincerely,

BARTHOLOMEW F. GUIDA.

IMPACT OF H.R. 15361 UPON COMMUNITY DEVELOPMENT FUNDING FOR CONNECTICUT CITIES

METROPOLITAN CITIES WITH REDUCED AUTOMATIC ENTITLEMENT UNDER H.R. 15361

	Year 1	Year 6	Percent of decline
Bridgeport	4,107,000	2,613,000	36
Bristol	1,060,000	642,000	39
Danbury	1,198,000	631,000	47
Hartford	10,275,000	3,283,000	68
New Britain	4,181,000	1,184,000	72
New Haven	17,078,000	2,646,000	85
West Haven	727,000	624,000	14
New London	6,418,000	465,000	93
Norwich	1,478,000	570,000	61
Stamford	2,034,000	1,376,000	32
Waterbury	5,679,000	1,607,000	72
Ansonia	909,000	0	100
East Haddam	[1] 115,000	0	100
Enfield	1,123,000	0	100
Farmington	[1] 154,000	0	100
Glastonbury	910,000	0	100
Manchester	[1] 470,000	0	100
Middletown	267,000	0	100
Portland	393,000	0	100
Suffield	[1] 9,000	0	100
Vernon Town	[1] 25,000	0	100
West Hartford	479,000	0	100
Williamantic	1,510,000	0	100
Windsor Locks	710,000	0	100

METROPOLITAN CITIES WHICH WOULD NOT BE ELIGIBLE FOR FUNDS UNDER H.R. 15361, BUT WOULD RECEIVE ALLOTMENTS UNDER S. 3066

	Annual funding S. 3066
Derby	506,000
Stratford	541,000
Bloomfield	[1] 673,000
East Hartford	439,000
East Haven	131,000

[1] Cities which no longer have active redevelopment programs.

WE'VE COME A LONG WAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. DERWINSKI. Mr. Speaker, as we enter into the bicentennial period of our Nation's history, I believe it is especially appropriate that we recognize, in the proper manner, the solid foundation on which America's heritage and virtues were built.

One of the most positive and, I believe, accurate accounts of the American scene was contained in an editorial in the July 4, Suburban Life, a publication serving Cook County, Ill. I am pleased to insert the editorial at this time:

WE'VE COME A LONG WAY

Our founding fathers knew it wouldn't be easy nearly 200 years ago when the original 13 states got off to a shaky start. But that didn't stop the early colonists from declaring their independence of King George III and his tyranny.

It would have been easier to pay the king's high taxes and to submit to his rules and regulations without representation. But these early Americans chose the harder road, and we have been the beneficiaries. Their sacrifices and toil made it possible for this nation to become the greatest land on earth.

Our country's hard fought freedom has been threatened many times, but we've always put our differences aside and teamed up to present a united front to the world.

External threats seem to always unite us into voluntary cooperation and personal sacrifice. A recent example was the Arab oil cutoff and the resulting fuel oil and gasoline shortages last fall.

No one likes to restrict his driving habits and reduce his heating or cooling plant output. But Americans enjoy even less a game of blackmail with some small Mideast countries which control the majority of the world's oil resources.

As our founding fathers sacrificed, now it's our turn. Of course, we have it a lot easier than they did because this nation still has a lot going for it, despite Watergate and our economic problems.

Many citizens have had a rude awakening in recent months with continued disclosures of government corruption, but the strength of our democratic system is more evident each day as it continues to function under stress.

Yes, we still have a lot going for us. Everyone should be willing to continue the preservation of our natural resources. Although oil supplies are more plentiful with the easing of tensions in the Mideast, prices are still high, threatening a favorable trade balance that is an important pillar of prosperity.

Conservation of oil products, particularly gasoline, thus can have a twofold purpose, not only making sure there is enough to meet our needs but also contributing to our fight against inflation.

These are essential to maintain the way of life which our forefathers envisioned and to preserve the freedoms that have set an example for the rest of the world.

May we continue to stand as a strong and united democracy, proclaiming freedom and liberty to the world. It will take work, and now it's our turn.

PERSONAL ASSETS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. FRENZEL. Mr. Speaker, on pages E2391 and E2392 of the CONGRESSIONAL RECORD of April 22, 1974, I included a statement describing by personal assets and some of my feelings about the publication of them. On pages E3044 and E3045 of the RECORD of May 16 I published a statement showing that I had filed by 1972 income taxes late and making other personal disclosures. Today I am publishing another personal disclosure which relates to those two items.

Last week I received a check from the Treasury covering the refund claimed in my 1972 tax report.

While I have no knowledge that my return has been examined and found acceptable, the refund check I received does appear to be preliminary support for the propriety of my 1972 return.

All of the above information has been made available to my local press and, insofar as possible, the people of my district.

A few summary points should be made:

First. My taxes were paid, and overpaid, in advance.

Second. Insofar as I am aware, there is no penalty for my admitted error.

Third. I have received a refund for the taxes I overpaid for 1972.

Fourth. I am informed by tax authorities that had I been a private citizen, or had I chosen not to reveal this matter, there would have been no disclosure, since the reports would be protected by privacy statutes.

Fifth. The disclosure was made by me to my constituents, because I felt that at a time of great lack of confidence in Government the public deserved to know that I made a mistake. In the case of many other problems of personal finance, election campaigns, and other irregularities of well-known public figures, the revelations came from external agencies. In my case, the disclosure came from me.

Any constituent who wishes to discuss the matter further is encouraged to contact me personally.

CAPTIVE NATIONS WEEK

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. GILMAN. Mr. Speaker, the week of July 14 through July 20 has been declared Captive Nations Week to commemorate those nations which suffer oppression at the hand of the Soviet Union. One hundred million persons living in Eastern and Central Europe are being denied fundamental rights and freedoms which we, as Americans, consider essential to mankind. For this reason, in 1959 Public Law 86–90 was adopted to set aside the third week in July as Captive Nations Week, encouraging citizens and legislators of the United States to recognize this oppression and to examine the role of other nations as well as our own role in light of Soviet domination.

Such a gesture calls attention to the values which are symbolized and respected by Americans, those values and rights which members of captive nations cannot, and might never experience. Those living under Soviet domination are denied intellectual license, freedom of individual expression, the opportunity for justice; but equally important are the rights basic to humanity which are repeatedly denied to the more than two dozen captive nations. It is important not to lose sight of this, especially as we move into a new phase in our relationship with the Soviet Union. There is a tendency to ignore those silent nations because their constant struggle against oppression, domination, and injustice is often suppressed, but we must remember their plight and encourage others to recognize the situation of these 100 million, too often silent, Soviet oppressed.

By observing Captive Nations Week from July 14 through the 20, we demonstrate our concern for these nations and our desire for their freedom. I urge all Members of Congress to join with me in support of Captive Nations Week. I believe this gesture to be significant and illustrative of a desire for the freedom of all men.

SCHOOL BUSING: AN ISSUE OF DISCONTENT

HON. BERTRAM L. PODELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. PODELL. Mr. Speaker, the issue of busing schoolchildren is one that has disturbed both my constituents and myself. I am presently and always have been opposed to the mandatory and involuntary busing of schoolchildren for the purpose of meeting racial and ethnic quotas and have so voted on the floor of the House. However, this in itself is not enough. The administration must address itself to this problem as I plan to do. First, however I would like to explain my opposition to these measures.

No. 1, the busing of schoolchildren into strange neighborhoods is a serious threat to their health and safety. The use of existing school buses exposes our children to many potential safety hazards and danger. Additionally, it would require several billions of dollars for the purchase of buses including drivers, maintenance, et cetera. That money would be far better spent on improving education and building of additional classroom space.

Second, there is not satisfactory evidence that busing aids the educational process. That under current law, the fact is when a poor child is bused into a middle-class neighborhood, that school does not receive any of the Federal funds that are allocated to deprived school areas.

Third, although proponents of busing argue that it helps race relations, I believe that, in fact, it increases racial tensions. The poor child is forced to compete with students who have been provided with early educational enrichment and therefore, are better prepared. The stiff classroom competition may overwhelm the child and thereby decreases the child's motivation to learn, and also creating additional resentment and promulgating racial tension.

Lastly, and equally important is that this Nation's heritage of a free neighborhood public school system is at stake. People in this country choose their homes many times, in order that their children will be close to their school. It is a horrifying experience for both parent and child to be bused away from a neighborhood school. If busing continues, the result will be a system where there will be two schools under one roof, as white middle-class students who are educationally prepared will be placed in honor classes and the deprived students will be placed in other classes.

Racial reconciliation and quality education are among the fundamental issues that face this Congress. I would like to offer into the RECORD some affirmative alternative proposals to busing that I feel are sorely needed: First, this would be the encouragement of voluntary busing of those children who choose to change their schools. Second, there ought to be a mass infusion of Federal funds into those areas that need remedial reading teachers, guidance counselors, and special problem teachers. And third, more money given to educational programs for preschoolers such as Head Start, and specially trained day-care centers.

I feel my position with these affirmative alternatives to busing provide a sound base for dealing with the problems of quality education and racial reconciliation. I hope my colleagues join with me in this effort toward these goals.

SECRETARY CALLAWAY TAKES TRIP TO LATIN AMERICA

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. GINN. Mr. Speaker, a news story which appeared in the Washington Post on July 16 carried a report about criticism being leveled at Secretary of the Army Howard "Bo" Callaway regarding a current trip by the Secretary to Latin America.

I regret very much that this report gives the impression that Secretary Callaway is in some way trying to stimulate interest in increased sale of arms among Latin American companies. The facts are that the Secretary is traveling in Latin America on official business that relates directly to U.S. military affairs.

His itinerary includes a brief stopover in Panama, where he has discussed the affairs of the Panama Canal Zone with the Governor, to be followed by visits to Chile, Ecuador, and Peru. While in these countries he will have discussions with the U.S. Army personnel of the military assistance advisory groups. In addition, he will pay courtesy calls on the senior military and civil defense officials in each of these three countries and also visit their various Army units, service schools, and academies. He is scheduled to return to Washington on the 24th of July.

I have an extremely high personal regard for Bo Callaway and would like to declare today that he is a man of the very highest integrity and capability. He has an unblemished record of service to the Nation both as a private citizen, as a former Member of Congress and now as a key leader in our national defense picture. I believe it is important that we all know the facts regarding the Secretary's current trip.

REVENUE SHARING

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. LEGGETT. Mr. Speaker, in light of the recent fourth quarter payments of Federal revenue sharing funds for the fiscal year 1974, I would briefly like to share my views and observations on the effects of this program on communities in my district. I would also like to share with the Congress the comments of the city administrator of Yuba City, Calif., Peter Harvey, concerning the effects of Federal revenue sharing on Yuba City, a moderate size community in the heart of the Sacramento Valley, and those of the city manager of the city of Dixon, Calif., Jack Meline.

It has been established in many of the communities in my district that revenue sharing money has increased fiscal flexibility by supplementing restricted and general funds in order to provide greater community social service oriented projects. Such projects have included, in one county, funds for; parks, free clinics, the county health council, senior citizens nutrition program, child programs, minority community services, mental health care programs and limited mass transit.

The fiscal flexibility has also been responsible for a noticeable increase in citizen participation in the budget process of many of the communities in my district. The greater input has resulted in a healthy development of new and innovative programs, many directed to assist those citizens who have a low fixed income.

Specifically, Yolo County has distributed its allocation of $1,621,241 in the following manner:

Mexican-American Concilio	$10,000
Public Safety Programs	24,000
East Yolo Water Study	10,000
Health Department	36,285
Diogenes House, Davis	10,000
Sihaya half-way house for mentally discharged	20,000
Salud Clinic	120,000
Yolo County Health Council	10,000
Yolo Alternatives	20,000
Day Care	85,500

(A partial listing of the programs covered).

There is no doubt, however, that the program has not lived up to full expectations and has strained limited Federal resources. Many worthwhile programs do not receive enough money or any money to function well enough to benefit the community. The program's credibility must also be weighed against the fact that revenue sharing is, in reality, deficit sharing. Since the first outlay of funds for this program, in fiscal year 1973, it has amounted to an annual percentage of the annual deficit increase as follows:

[Dollar amounts in billions]

	Deficit annual increase	Federal revenue sharing	Percent of deficit
Fiscal year—			
1973	$35.7	$6.6	18.5
1974	31.6	6.1	19.3
1975 (estimate)	26.3	6.2	23.6

The following remarks, by Mr. Harvey, city administrator of Yuba City, and those of Mr. Meline, city manager of the city of Dixon, are examples of two communities' experience with revenue sharing:

CITY OF YUBA CITY, CALIF.,
June 25, 1974.

HON. ROBERT L. LEGGETT,
Washington, D.C.

DEAR CONGRESSMAN LEGGETT: Recent news articles and items appearing in other publications indicate that Congress is taking a look at general revenue sharing to evaluate its effect and impact on local government throughout the United States. Thus, it appears that this would be an opportune time to communicate to you the experiences and impact of general revenue sharing on the City of Yuba City. Yuba City has a population of 15,500 and has been receiving approximately $190,000 annually in general revenue sharing funds.

One aspect of general revenue sharing which I feel is important in our case, and may also exist in other cities, is the fiscal flexibility revenue sharing money has provided. Revenue sharing funds have been incorporated into our annual budget along with various other funds. Although the revenue sharing moneys may be used for a specific project or program, it should be made clear to Congress that the moneys received have provided flexibility to cities in allowing us to use other revenue sources for projects benefiting the people of our community which would not show as a general revenue sharing expenditure. A specific example of this is our new program for street improvements. Yuba City has a number of streets which have not been completely improved with complete curb, gutter, sidewalk, storm drain and street improvements. By using revenue sharing money for other capital improvement type projects, we have been able to free both gas tax moneys and General Fund money in order to adopt a policy of establishing a maximum assessment for these street improvements. The city then pays the difference between the maximum assessment and the actual cost of the improvement. This program has been well received by property owners. This summer, approximately 2½ miles of city streets will be improved by improvement districts under this policy. The streets which are being improved are in older sections of the city and will be benefiting numerous lower income and fixed income property owners. The important point I wish to make is that revenue sharing funds per se are not being expended for this program, but that the receipt of revenue sharing moneys have enabled us to defer other revenues to this type of a program. It should also be noted that this program only applies to the improvement of streets in existing developments throughout the city and does not apply to new subdivisions or new land developments.

Revenue sharing funds have not been used to reduce taxes but rather have enabled us to maintain our existing property tax rate without increasing the tax rate and has provided needed funds for many capital improvement type projects which we will detail later in this letter.

We have experienced considerable citizen input in our city's capital improvement programs; however, this input has not been on how revenue sharing funds specifically should be spent, but rather directed at projects and programs which people would like to see the city undertake. There has been input from citizens on such matters as park acquisition and development, street improvements, improved storm drainage, etc. The citizen input in these areas has been that they want or desire to have these things accomplished and leave the funding arrangements up to the city. Thus, the city Council has been able to exercise some flexibility between the use of general revenue sharing funds and other city revenues in order to accomplish the desired programs and projects of our citizens.

We have concentrated the specific use of revenue sharing funds on major capital acquisition items and capital improvement projects. Specific examples are as follows: The city purchased a new vacuum type street sweeper which also has a suction pump capability for cleaning out storm drainage catch basins and storm drain and sanitary sewer manholes. This piece of equipment has resulted in improved cleanliness of the city and when used in conjunction with a hydraulic flushing unit for cleaning sanitary sewers and storm drains, also purchased with revenue sharing funds, has improved the storm drainage and sanitary sewer maintenance program substantially. The use of this equipment has specifically been very beneficial in older portions of town where storm drain lines and sewer lines have become blocked and clogged resulting in problems of storm drainage backing up. Revenue sharing funds have also been used to purchase a new Fire Department pumper which will replace a very old, inadequate piece of equipment. The last two years, new police patrol vehicles have been purchased through general revenue sharing funds. General revenue sharing funds have been budgeted for the acquisition and development of a new fire substation site. The site has been acquired and plans for the sub-station building itself will be initiated in the near future. Revenue sharing funds have been budgeted for the development of a park at a city school site. The city and the school district have recently formalized a joint powers agreement whereby the city will be developing playground property on a school site with revenue sharing monies. The area will be used by the city as a park and playground on weekends during the summer and after school hours. This approach benefits both the city and the school district in that it provides for the development of existing publicly-owned property and results in the development of a neighborhood park on an existing site rather than the acquisition of a new site.

Revenue sharing funds have been budgeted for a major storm drain line in an older section of the community which will alleviate accumulations of rain water during the winter because of an existing system which is inadequate. The remaining revenue sharing funds have been budgeted to provide water and sanitary sewer lines to a major industrial development site for which we have been able to attract an industrial occupant who is now building a major food processing facility. Our area is a major agricultural community and the agricultural processing industry will relate to the community's economy very well. This particular industry is a food processing facility which operates on a year 'round basis rather than a seasonal basis. Thus, it will provide a stable employment facility for a substantial number of our citizens which will undoubtedly be of benefit to an area which experiences a high unemployment rate throughout the year.

The city staff recently revised and updated a Five Year Capital Improvement Needs Inventory which, after considerable study by citizens groups and the public generally, was submitted to the City Council for review and priority determination. This Capital Improvement Needs Inventory has been used as a basis for funding Capital Improvement projects in each year's budget. Thus, the use of general revenue sharing funds, as well as other city revenues, has been based on the overall needs of the community.

The administrative flexibility for the use of general revenue sharing moneys have been of tremendous benefit to a city of our size. The revenue sharing moneys can be anticipated as revenue and thus be incorporated into our budget and proper coordination and programming of projects can take place. This is a much greater benefit in our scheduling and programming than various categorical grant type programs which are sometimes uncertain in their timing and do not provide us with the ability to develop our own timing and programming of a coordinated project. An example of this would be the use of revenue sharing moneys to build a storm drain line and the use of other city funds to improve the street in which the storm drain line is being located. Because of the flow of revenue sharing moneys, we can anticipate the revenue from revenue sharing and other funds to be able to coordinate both the storm drain lines and the street improvement together, development of the plans and specifications, put the project out to bid and successfully complete it. If the storm drain line was being built through a categorical grant program, applications would have to be submitted, the timing would be uncertain, approval of the project would not necessarily coincide with our ability to get the project out to bid and coordinate it with the street improvement portion of the project.

I feel very strongly that the general revenue sharing approach has been extremely beneficial to the City of Yuba City. I do not feel the City Council has authorized frivolous expenditures, but rather they have incorporated revenue sharing moneys into an overall program of public financing which has stimulated innovation throughout the city, has provided benefits for the elderly and fixed income people of our community and has assisted with the economic vitality of our community. If general revenue sharing was to be discontinued, it would be a drastic blow to our ability to provide many of the capital expenditures the citizens of our community have expressed the need and desire for.

If you desire any elaboration on the information contained in this letter, please do not hesitate to contact us.

Very truly yours,

PETER C. HARVEY,
City Administrator.

CITY OF DIXON,
Dixon, Calif., July 8, 1974.

Congressman ROBERT L. LEGGETT,
Vallejo, Calif.

DEAR CONGRESSMAN, LEGGETT: On June 20, 1974, officials of the City of Dixon participated in a technical assistance workshop on solid waste management. This one-day workshop in San Francisco was implemented by the Environmental Protection Agency and sponsored by the National League of Cities and U.S. Conference of Mayors.

We believe the workshop gave excellent assistance to this city in improving solid waste collection techniques. It will help us provide better and more efficient service to local citizens.

We urge your support to programs that will provide technical assistance to cities. As you know, general revenue sharing has been a Godsend to our financially poor communities. By the same token using the great resources of the federal government to provide technical assistance will meet needs that cannot be otherwise met.

Thank you for your past support.

JACK MELINE,
City Manager.

It would appear that quality management of program funds, at least in the examples cited in these remarks, can accomplish some of the social oriented goals we desire to see fulfilled and can directly benefit local communities. It is regretful, however, that program funds have not been properly administered nationwide and that the program exists without a real financial base.

SECOND ANNUAL GLASSBORO, N.J., CONCERT

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. HUNT. Mr. Speaker, on July 16, 1974 it was my distinct privilege to be a guest of the West Deptford High School Band parents at the second annual concert given by the School Band of America along with its famous chorus. The concert was held in the beautiful Wilson Hall of Music, Glassboro State College, Glassboro, N.J. It was billed as the Grand Finale Concert of the School Band and Chorus of America. It was a troupe of 73 young people, mostly high school age, from all parts of the United States. Each year this band is assembled, then tours Europe on a good-will tour. The band plays in many foreign capitals and, to say the least, is most unique in its make-up.

One of the interesting things about this group is that each member of the band and chorus must pay his or her own way. This year the price was $1,250 each. In this day and age it is most unusual to hear of young people working to earn this much money and then investing it in a music tour that brings great credit not only to the youth of this country but to the cultural advancement of the entire United States. I wish everyone could hear the inspiring music of this group.

To give you a quick rundown on where these youths come from, to name but a few, we can start with Woodbury, N.J., McKeesport, Pa., Alliance, Ohio, Lexington and Chicago Heights, Ill., Burbank, Calif., Iroquois, S. Dak., Phoenix, Ariz. and Massillon, Ohio. This group represents not only the best in music in this Country but also the best in national spirit.

The conductors of the band are Ed Harn, Terry Franz and Charles Stark. The overall local direction comes through Joe Lawrence of Woodbury, N.J. who booked the group at Glassboro State College. The principal director is Ed Harn and he has two extremely able assistants.

Should you ever have the opportunity to hear this band, I highly commend it to you.

Charles Williams, chairman of the fine arts department of the West Deptford High School, a most able band leader in his own right, must also share in the credit for bringing the band to the State of New Jersey. Incidentally, the group got off the plane in New York near the noon hour and were ready to perform by 8 p.m. the same day. We all salute this outstanding group of youths for their talent and dedication.

CAPTIVE NATIONS WEEK

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. McCLORY. Mr. Speaker, I rise today to join in this 15th anniversary of Captive Nations Week; and I would like to commend my friends, the gentlemen from Pennsylvania (Mr. FLOOD), and the gentleman from Illinois (Mr. DERWINSKI) for scheduling this special commemoration this evening and for their excellent leadership on this important issue which they have exhibited over the years.

Mr. Speaker, the 15th anniversary of Captive Nations Week comes at a particularly crucial time in the history of East-West relations. The President of the United States has just recently returned from yet another summit meeting with the Soviet leadership in Moscow. This was the third United States-Soviet summit meeting that has been held since President Nixon took office, and there have been reports that Soviet Party Leader Brezhnev will be coming to our country for further negotiations with the President within the year. I am sure that when the 86th Congress, in its wisdom, enacted legislation establishing Captive Nations Week, few people foresaw a day when United States-Soviet relations would have developed to the point they have today.

In this light, Mr. Speaker, I think it is particularly important that we in the Congress speak out loud and clear in reaffirming our dedication to the eventual independence of the over two-dozen nations which still suffer under the Soviet yoke.

I applaud the policy of détente for the way that it has calmed belligerent national tempers and switched international controversy from the battlefield to the negotiating table. A stable policy of détente will allow the nuclear arms race to be brought under control, and let all nations make strides toward economic prosperity that are only possible during a real peacetime.

Mr. Speaker, I believe that the Presiander Solzhenitsyn would have unment at the hands of the KGB in the doubted received much rougher treatment at the hands of the KGB in the years before the policy of détente was introduced. Nevertheless, it seems to me that the personal history of this brilliant writer is an extremely tragic one under the Soviet regime; and it reminds us that, in a Communist system of government, there are not only captive nations, but captive individuals who suffer as well. In other words, while it can be conceded that détente is a beneficial policy as far as international relations are concerned, it should also be recognized that détente has not significantly improved conditions for citizens of the captive nations with respect to their free exercise of individual rights and liberties. Indeed, détente has, on occasion, been responsible for increased repression of minority groups in the Soviet Union; as shown by the KGB's round-up and detention of Soviet Jews during the President's recent Moscow summit trip.

Mr. Speaker, we ought to be reminded that, even as the Iron Curtain develops a few chinks in its structure and allows us a closer look at life in the captive nations, there is still a great deal of human suffering in these countries. Recent news reports have told us that there is extreme concern in the Kremlin because the population of the captive nations is actually declining. The statist economy is completely stagnant; there are few prospects of economic, political, or spiritual revitalization. The evidence is clear, concerning the birth rate data, that the people living behind the Iron Curtain are threatened by a Kremlin-imposed genocide of the spirit as well as of the flesh.

Mr. Speaker, many of the most outstanding citizens of the 13th District of Illinois, which I have the honor to represent, have their roots in the captive nations behind the Iron Curtain. Many Americans of Albanian, Bulgarian, Czechoslovakian, Estonian, Hungarian, Latvian, Lithuanian, Polish, and Rumanian descents are living and working in the 13th District, and making a tremendous contribution to the quality of life in our part of northern Illinois.

Mr. Speaker, these people are excellent, civic-minded and charitable American citizens; but their dedication to the eventual liberation of their fatherlands has remained as strong as ever. They love the United States very much for its traditions of freedom and democracy, but they shall not rest in their defense of the inalienable rights of the captive nations to freedom and independence and their resolve to see these countries return as equal members of the community of free peoples.

Mr. Speaker, let us make this 15th anniversary of Captive Nations Week an occasion for those of us in the Congress to remind the world that Americans continue to care about the plight of the captive nations, that they have not been forgotten, and that their hopes and aspirations are shared by millions who have the privilege of living in freedom.

AMENDMENT TO H.R. 11500

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. ECKHARDT. Mr. Speaker, I plan to offer an amendment to H.R. 11500 to broaden citizen participation in the process of designating areas unsuitable for surface mining. The text of the amendment follows:

On page 166, after line 5, add the following sentence: After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, as required by this subsection, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations.

The above amendment will be offered in lieu of my amendment which was printed in the July 16, 1974, CONGRESSIONAL RECORD and which stated:

Page 165, line 21, after the word "person" strike all through the word "affected" on line 22.

A MESSAGE TO THE NEW OFFICIALS OF KENNER AND HARAHAN

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. TREEN. Mr. Speaker, I would like today to call to the attention of my colleagues an editorial that appeared in a newspaper in my district, the East Bank Guide, on the eve of the inauguration of the new officials in Kenner and Harahan, La. I found the thoughts expressed in the editorial applicable to the entire spectrum of public and political life and for that reason I commend it to my colleagues.

The editorial follows:

[From the East Bank Guide, June 12, 1974]

A MESSAGE TO THE NEW OFFICIALS OF KENNER AND HARAHAN

That grueling, tedious task of electing those who are to govern the East Bank's cities has been completed. Left now is the grueling, tedious task assigned to these elected—and that is to govern.

On this, the eve of the inauguration of new administrations in Kenner and Harahan, the Guide would like to offer a little worldly wisdom to those charged with the responsibility of public power.

ARROGANCE OF STRENGTH

Public office is a lonely place. While others go about the business of living their lives, the public official is left alone with the responsibility of making those lives livable.

Of the many decisions charged to public officials, very few arouse much public interest; yet, nearly all directly affect the apathetic citizenry.

And when those rare inflammatory issues do push their way into public discussion, the office holder is beseiged and indeed pressured towards one solution while his experience and principles may tell him that there is a better idea.

Then there are the times when those in power realize the political system's vulnerabilities. They learn that friction arises only when facts are made public, so by closeting their actions the flame of public outrage is choked before it can spread.

They learn that in solving a problem it is easier to find an answer that compromises opposing sentiments than it is to find a true solution.

So after the aura of public responsibility wears away, a fatigue of public burden sets in, and the result is a type of political arrogance.

It's an arrogance that leaves office holders with a feeling that their careers are more important than the public good. Consequently it is an arrogance that provides the first nourishment for the development of corruption.

Only the true statesman can overcome the challenge. It is his task to feel the loneliness, see the weaknesses and taste the power and yet still be conscious of the integrity that his office needs.

VULNERABILITY OF POWER

There is a tendency among those elected to office to misinterpret their elections. What is seen as a public outpouring of support is quite often only an interplay of situations.

Lincoln once explained that "only circumstances make a President." No less can be said about mayors, marshals, councilmen and aldermen. And one doesn't have to look past the present to witness the fickleness of support for a President elected by the largest landslide ever to see what can happen after fate has made its choice.

There is no person who has an irreversible hold on his office. Even monarchs who claimed they were placed on the throne by God were eventually hauled off the throne by the people.

It is the prudent statesman who realizes that his electoral support was merely a reading of opinions of some of the voters who on one particular day had to decide from a given set of opponents. On different days with different issues decided by different voters choosing from different opponents the results may have been different.

It is the Guide's hope that during their four-year terms, the new officials of Kenner and Harahan will derive humility from strength and stability from power.

THE 15TH ANNIVERSARY OF CAPTIVE NATIONS WEEK

HON. PAUL W. CRONIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. CRONIN. Mr. Speaker, as the 15th anniversary of Captive Nations Week comes to an end and the 200th anniversary of our United States approaches, I am reminded of the Declaration of Independence which proclaims that all people are created equal and endowed by the Creater with certain inalienable rights of life, liberty, and the pursuit of happiness. During this Captive Nations Week, we remember the courageous peoples who had devoted their lives and have often lost their lives to the cause of personal freedom in nations throughout the world.

Today we join as unbonded people, exercising our constitutional rights of freedom of speech and freedom of assembly to help lead these people in nations behind the Bamboo and Iron Curtains from their captivity. Their hope for freedom lies in our hands.

We, as Americans, must bring to public attention the merit of the captive nations issue, and we must insure that the world understands that freedom for all nations is our goal. We must renew our pledge to these peoples, and we must gather together our resources of communication to design a campaign to keep alive the hope of freedom for captive nations in the youth of these countries.

The "shot heard around the world" was fired in the town of Concord, Mass., in my own congressional district, and it still rings throughout the world as a reminder that the struggles and shackles can be overcome. Let us all resolve to stand behind these peoples until they are liberated and given their rightful place among the free nations of the world. Let us pledge to make this coming year the year to rededicate the ideals of liberty and justice for all.

IRS CHIEF BALKED AT PRESSURE

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. TIERNAN. Mr. Speaker, I am heretofore, submitting for the RECORD, a number of articles detailing White House pressure on the Internal Revenue Service. This pressure was designed to bring the powerful administrative measures against those the White House considered "enemies" or "uncooperative." It is my contention that this evidence belies the need for an independent IRS contained in my proposed legislation, H.R. 14793:

IMPEACHMENT PANEL EVIDENCE—IRS CHIEFS BALKED AT PRESSURE

(By Walter Taylor)

Attempts by the White House to make political use of the Internal Revenue Service prompted threats by two IRS commissioners to resign their posts in protest, according to evidence made public today by the House Judiciary Committee.

The evidence shows that various White House officials, in apparent violation of federal statute, attempted to use the agency to harass supposed "enemies" of the administration and to help some of its presumed "friends."

In September 1972, for example, then White House counsel John W. Dean III requested IRS "examinations or investigations" of some 575 supporters of Democratic presidential nominee George S. McGovern, according to an affidavit from former Commissioner Johnnie M. Walters included in evidence the committee has collected as part of its impeachment investigation.

Walters said he resisted the instructions, advising Dean that compliance with the request "would be disastrous for the IRS and for the administration and would make the Watergate affair look like a Sunday school picnic.

The evidence released today—28 detailed statements of factual information supported by sworn statements, testimony before various investigative panels, White House memoranda and assorted other documents—deals with one of the most serious charges against the President: That he misused government agencies for his own political gain.

There is little new in the material released today to link Nixon directly with such activity. But transcripts of two White House tape recordings already on the public record suggest that the President had some knowledge of efforts to make political use of the agency.

During a Sept. 15, 1972, White House meeting between the President and his former chief of staff, H. R. Haldeman, this exchange took place, according to the transcript:

"H. John (Dean), he is one of the quiet guys that gets a lot done. That was a good move, too, bringing Dean in. But it's—

"P. It. He'll never, he'll never gain any ground for us. He's just not that kind of guy. But, he's the kind that enables other people to gain ground while he's making sure that you don't fall through the holes. Oh. You mean.

"H. Between times, he's doing, he's moving ruthlessly on the investigation of McGovern people, Kennedy stuff, and all that too. I just don't know how much progress he's making, cause I—

"P. The problem is that's kind of hard to find.

"H. Chuck, Chuck has gone through, you know, has worked on the list, and Dean's working the, the thing through IRS and, uh, in some cases, I think, some either (unintelligible) things. He's—He turned out to be tougher than I thought he would, which is what.

"P. Yeah."

Walters, whose affidavit states that the investigation of McGovern supporters never was carried out, is one of the two former IRS commissioners who told impeachment investigators that they had threatened to quit rather than to carry out White House directives.

The other is Randolph Thrower, who headed the agency in the early days of the Nixon administration. In a sworn statement to the committee, Thrower charged that the White House in 1970 attempted to install a "personal police force" within the IRS hierachy.

Walters said he advised Treasury Secretary George P. Shultz "that he could have my job any time he wanted it" in late 1972 after repeated efforts by White House aide John D. Ehrlichman to reopen an IRS investigation of former Democratic National Chairman Lawrence F. O'Brien.

Walters said that during the summer of 1972, Shultz "informed me that someone in the White House (subsequently identified as John Ehrlichman) had information that Mr. O'Brien had received large amounts of income which might not have been reported properly. The secretary asked whether IRS could check on the matter, and I advised that IRS could."

He said he checked with aides at the agency and found that O'Brien's returns for the two previous years recently had been examined, that O'Brien had paid a small deficiency for one year and that the investigations were closed.

He said he reported those facts to Shultz, only to be told that Ehrlichman "was not satisfied with the report on the status of Mr. O'Brien's returns."

Ehrlichman still was not satisfied several weeks later, even after the investigation was reopened and O'Brien had been interviewed by IRS investigators.

"On or about Aug. 29, 1972, at the request of Secretary Shultz, I went to his office with Roger Barth (another IRS official) so that we could conclude review of the O'Brien matter and dispose of it," he said. "Secretary Shultz, Mr. Barth and I discussed the matter and agreed that IRS could do no more."

However, when the three men telephoned Ehrlichman to notify him of their findings, he got Walters on the line and snapped, "I'm goddamn tired of your foot dragging tactics," according to the sworn statement.

It was at that point, Walters said, that he threatened to resign. He did not resign, however, until eight months later.

Included in the Judiciary Committee evidence is information that the O'Brien audit—which also is under investigation by Watergate Special Prosecutor Leon Jaworski—was discussed at a Sept. 15, 1972, meeting between the President and Dean.

The portion of a White House tape pertaining to that conversation was subpoenaed by the committee, but the President has refused to surrender it.

The tape has been obtained by Jaworski's Special Prosecution Force, however.

In his statement to impeachment investigators, Thrower said the White House pressured him in the summer of 1970 to place John Caulfield and G. Gordon Liddy in key positions in the agency, despite notice that neither man was qualified for the jobs.

He said the pressure ended only after he threatened to resign.

Caulfield and Liddy later became agents for the President's re-election campaign.

In his affidavit, Thrower said he did decide to quit his post in January 1971. He said he attempted unsuccessfully through Treasury Secretary David Kennedy and Atty. Gen. John N. Mitchell to arrange a meeting with the President to express a concern "that any suggestion of the introduction of political influence into the IRS would be very damaging to him and his administration, as well as to the revenue system and general public interest."

"Sometime later," Thrower said, "the President's appointment secretary, Dwight Chapin, told me that the President had received my views from the attorney general and did not feel that a conference was necessary. Thereupon, I submitted my resignation which I had been withholding until I had the opportunity to confer with the President."

In the 440 pages of evidence made public today, the impeachment committee noted a number of other attempts by the White House—some apparently successful—to use the IRS for political advantage. Among the cases cited were these:

In April 1970, a confidential report on an IRS investigation of Alabama Gov. George Wallace was leaked to columnist Jack Anderson. A story based on the report and potentially harmful to Wallace's reelection hopes appeared on April 13, the day before the Alabama primary elections.

Former White House aide Clark Mollenhoff, who obtained the report at the request of Haldeman, said in an affidavit to the Judiciary Committee that the leak "occurred at the highest White House level."

In September 1971, John Caulfield, then a White House aide, obtained and distributed detailed information, some derived from confidential tax returns, about a wealthy Jewish businessman who was under consideration for a post with Nixon's re-election compaign organization.

In a memo to John Dean, Caulfield noted that the businessman, Lawrence Goldberg, had had "heavy involvement in Jewish organizational activity." With the memo, Caulfield included a list of charitable contributions to Jewish organizations Goldberg had claimed on his income tax return.

In early 1972, a White House memo, unsigned and unaddressed, provided personal information—including some apparently culled from IRS files—about Washington Star-News investigative reporter James R. Polk.

The memo was prepared shortly after the White House learned of a story by Polk that identified Herbert Kalmbach, Nixon's lawyer, as a fundraiser for the President.

The evidence also included much-publicized information about efforts to use the IRS against persons placed on the White House's so-called "enemies list," which included political opponents of the President, labor leaders, reporters and liberal academicians, among others.

WHITE HOUSE PRESSURE ON IRS DETAILED

(By Bob Kuttner)

White House pressures to politicize the Internal Revenue Service were so intense that

President Nixon's first two IRS commissioners both threatened to resign in protest, according to the House Judiciary Committee's compilation of evidence on improper use of the IRS.

Commissioner Randolph W. Thrower eventually did resign in January, 1971, according to his sworn statement, after he tried unsuccessfully to arrange a meeting to discuss the pressures with President Nixon.

That followed repeated attempts by unnamed White House aides working through then Treasury Under Secretary Charls Walker to force Thrower to place either White House investigator Jack Caulfield or G. Gordon Liddy Jr., subsequently convicted in the Watergate break-in, in a sensitive IRS post in the Bureau of Alcohol, Tobacco and Firearms (ATF).

Thrower was also pressured to convert ATF into a "personal police force" to be headed by Liddy or Caulfield. He blocked the plan only by threatening to resign.

Thrower's successor, Johnnie Walters, said in an affidavit that he came under intense pressure from John D. Ehrlichman in the summer of 1972 to create tax problems for Lawrence F. O'Brien, then Democratic national chairman.

Ehrlichman had learned from the IRS "list of sensitive cases" that O'Brien might be under investigation by IRS in connection with fees he received from Howard Hughes. But Walters' own investigation, made at Ehrlichman's request, showed O'Brien had paid all the taxes he owed.

Despite this finding, Ehrlichman continued pressing Walters to go after O'Brien. Walters said he carried out Ehrlichman's demand to have IRS interview O'Brien prior to the 1972 election. However, the pressure from Ehrlichman, relayed through then Treasury Secretary George P. Shultz, continued.

Finally, on Aug. 29, according to Walters, he told Ehrlichman in a stormy telephone conversation with Shultz on an extension that IRS considered the case closed.

"I'm goddamn tired of your foot-dragging tactics," Ehrlichman shot back. Following the conversation, Walters said in an affidavit, "I told Secretary Shultz that he could have my job any time he wanted it."

Ehrlichman much later explained to the Senate Watergate committee why he was so interested in O'Brien:

"I wanted them to turn up something and send him to jail before the election."

Two weeks after his angry conversation with Ehrlichman, Walters said, he was requested by John W. Dean III to have IRS investigate a list of McGovern campaign aides and donors. On Sept. 13, Walters reported, he decided to do nothing after conferring with Secretary Shultz.

Later that week on Sept. 15, according to the Judiciary Committee document, President Nixon met with aides H. R. Haldeman and Dean to discuss "taking steps to overcome the unwillingness of the IRS to follow up on complaints." According to Dean's diary, Dean specifically reported to the President on O'Brien.

Potentially, a tape of that conversation could resolve the degree of presidential responsibility for the attempts to misuse IRS. However, this is one of the tapes Mr. Nixon has refused to give the committee.

On June 12, U.S. District Court Judge John J. Sirica ordered that the tape be given to Watergate Special Prosecutor Leon Jaworski for his investigation, but the order has been appealed by the White House.

The committee document, which pulls together all the available evidence, some of it previously unpublished, also discloses that:

Haldeman used the President's name in asking Clark Mollenhoff, then a White House special counsel, to get an IRS report on tax problems of Alabama Gov. George C. Wallace's brother, Gerald. The report was leaked almost immediately to columnist Jack Anderson. Mollenhoff's affidavit claims the leak came from "the highest White House level." Disclosure of confidential tax information is a criminal act.

Caulfield's "back channel" for obtaining confidential tax information repeatedly turns out to be former IRS Assistant Commissioner Vernon (Mike) Acree, now U.S. Commissioner of Customs. Previously undisclosed Senate Watergate committee staff interviews quote Caulfield as citing Acree as his source of information on Billy Graham, John Wayne, other entertainers and Gov. Wallace's brother.

Caulfield also told investigators it was Acree who supplied the tax returns of Lawrence V. Goldberg, who was being considered for a job as the Nixon reelection committee's coordinator of Jewish voters.

Acree told The Washington Post yesterday that he first began supplying tax information to Caulfield on prospective presidential appointees while Caulfield was working at the White House in 1971. Having made the contact with Acree, Caulfield continued to exploit it, according to Acree, who denies doing anything improper. "If he didn't have a bona fide purpose, that's his problem," Acree said. "I'll be goddamned if I was a patsy for Jack Caulfield, or anyone else."

Previously undisclosed testimony by Dean in a closed session of the Senate Watergate committee indicated President Nixon had ordered pressure on IRS to stop tax investigation of presidential "friends."

"The President," Dean said, "had asked it be turned off friends of his." Then, Dean said, he got the tax information on Graham from Caulfield, which he forwarded to Haldeman asking what to do next. Haldeman scrawled back. "No, it's already covered."

The beleaguered IRS commissioners relied on the Treasury Department as a buffer to shield them from the political demands of the White House—with mixed success. Walters' decision to resist Dean's request to audit "enemies" was made in conjunction with Treasury Secretary Shultz, who also figured in Walters' efforts to resist harassing O'Brien.

"George [Shultz] wouldn't let me at him." Ehrlichman told Senate investigators. The Aug. 29 conversation with Walters about the O'Brien audit was "the first time I had a chance to tell the commissioner what a crappy job he had done," Ehrlichman added.

But the use of Treasury as a buffer cut other ways. It never prevented the White House from obtaining information on presidential friends. But when Commissioner Thrower asked then-Treasury Secretary David Kennedy to arrange a personal meeting with President Nixon, Kennedy was unable to comply.

The committee document also includes tax information on other entertainers which Caulfield obtained from IRS to compare with tax records of John Wayne and Billy Graham.

The audit summaries show that Jerry Lewis was found to owe additional taxes for twelve years in a row, totaling more than $450,000. Actors Sammy Davis Jr., Peter Lawford, Richard Boone, Lucille Ball, and others were all audited repeatedly.

[16.1 SSC Exhibit No. 44, 4 SSC 1682-85—1682]

EXHIBITS SUBMITTED FOR THE RECORD—EXHIBIT No. 44

(A) *To accomplish:* Make IRS politically responsive. Democrat Administrations have discreetly used IRS most effectively. We have been unable.

(B) *The Problem:* Lack of guts and effort. The Republican appointees appear afraid and unwilling to do anything with IRS that could be politically helpful. For example:

We have been unable to crack down on the multitude of tax exempt foundations that feed left wing political causes.

We have been unable to obtain information in the possession of IRS regarding our political enemies.

We have been unable to stimulate audits of persons who should be audited.

We have been unsuccessful in placing RN supporters in the IRS bureaucracy.

(C) *HRH should tell the Sec.*

Walters *must* be more responsive, in two key areas: personnel and political actions.

First, Walters should make personnel changes to make IRS responsive to the President. Walters should work with Fred Malek immediately to acomplish this goal. (NOTE: There will be an opening for a General Counsel of IRS in the near future—this should be a first test of Walter's cooperation).

Second, Walters should be told that discreet political action and investigations are a firm requirement and responsibility on his part. John Dean should have direct access to Walters, without Treasury clearance, for purposes of the White House. Walters should understand that when a request comes to him, it is his responsibility to accomplish it—without the White House having to tell him how to do it!

NATIONAL HEALTH SCHOLARSHIP FUND

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. ROGERS. Mr. Speaker, today I am introducing for myself and all other members of the Subcommittee on Public Health and Environment, Mr. SATTERFIELD, Mr. KYROS, Mr. PREYER, Mr. SYMINGTON, Mr. ROY, Mr. NELSEN, Mr. CARTER, Mr. HASTINGS, Mr. HEINZ, and Mr. HUDNUT, a bill which would: First, authorize appropriations of $22.5 million for National Health Service Corps scholarships for fiscal year 1975, and second, authorize appropriations for fiscal year 1975 at existing authorization levels under provisions of the Health Manpower Act and Nurse Training Act which provide grants to health professions schools to enable them to make loans to students entering such schools this fall. It is my understanding that comparable legislation with respect to student loans will be introduced in the other body today by Senator JAVITS and others, but that the Javits bill does not include authority for new National Health Service Corps scholarships.

Mr. Speaker, this is emergency legislation. The funding provisions of the Health Manpower Act and Nurse Training Act expired on June 30, 1974. Although the Subcommittee on Public Health and Environment has completed hearings and is in the process of marking up new health manpower and nurse training bills, House consideration of these bills will be delayed for at least another month. The subcommittee presently is marking up complex health planning legislation. Next on our agenda is final markup of bills which would affect significant revisions in existing health manpower and nurse training authorities. The Senate Health Subcommittee has completed hearings on comparable legislation, but has not yet reported its bills.

Mr. Speaker, I am hopeful that this bill will receive the early attention of the Members of this body and be enacted at the earliest possible date so that funds may be appropriated in the fiscal year 1975 Labor-HEW appropriations bill presently pending Senate consideration. Students entering schools this fall need to make their financial plans now. They should not be forced to wait on enactment of the entire health manpower package in order to become eligible to receive loans or scholarships.

H.R. 15544

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. PARRIS. Mr. Speaker, I wish to bring to your attention a matter of very serious concern to the employees of the General Services Administration.

As you know, on June 25, 1974, the House approved H.R. 15544, the fiscal 1975 Treasury, Postal Service, and General Government appropriations bill. Unfortunately I was unavoidably absent on that day, and did not have the opportunity to vote on the bill.

It has been brought to my attention that the significant reduction contained in H.R. 15544 for the GSA Public Buildings Fund—more than $100 million—will have a critical impact. Certainly the reduction will detrimentally affect the maintenance and protection of our public buildings and monuments. What is more important, however, is that this reduction will force GSA to lay off as many as 8,500 employees, most of whom are "blue-collar" workers from the lower economic strata of our society, and whose jobs entail cleaning, maintenance, and building services.

Mr. Speaker, I have always maintained that excessive Government spending is the root cause of our inflationary evils. However, I believe that all Government agencies will have to bear their fair share of cost savings, not just the GSA. In addition, I believe this reduction in the Public Buildings Fund is false economy, as undoubtedly the layoffs of 8,500 persons will result in a significant addition to our welfare rolls.

Yesterday I joined with several of my colleagues from the Washington metropolitan area in directing correspondence to the distinguished Senator from New Mexico (Mr. Montoya) urging that his Subcommittee on Treasury, Postal Service and General Government restore this $100 million to the Public Buildings Fund. It is my understanding that the subcommittee will be marking up H.R. 15544 in the immediate future.

I am sure my colleagues agree that this is a very serious situation which must be rectified at the earliest possible date.

KILLING TWO BURDENS WITH ONE STROKE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. BROWN of California. Mr. Speaker, as you know, newspaper writers seem to take great delight in pointing out the problems which face our society, and the inadequacies of governmental attempts to solve these problems; but rarely do these writers come up with their own concrete proposals to deal with society's difficulties. As someone once said, "It is easy to criticize"—I forget how the rest of the phrase goes, but believe me, it is an excellent quotation.

Anyway, Mr. Frank Getlein, in his regular Washington Star-News column, has shown himself to be an exception to the rule by not only giving us an incisive analysis of two of our Nation's critical problems, but also giving us the solution to those problems. And he has managed to accomplish this all in one concise column, which appeared a few days ago.

I am certain that our colleagues will benefit greatly by reading this masterpiece, and therefore I am inserting the item in today's Record at the conclusion of my remarks. I also would like to hereby give notice that I am seeking cosponsors for a bill to delete from the Federal budget all funds that have been appropriated for studies by the Rand Corp., the Brookings Institution, and similar organizations, and instead simply submit the questions involved to Mr. Getlein.

The article follows:

[From the Washington Star-News, July 12, 1974]

A Modest Proposal To End Welfare

(By Frank Getlein)

On leaving the country the other day, apparently in the hope of becoming the second most-traveled Cabinet member in the Nixon administration, Secretary of the Treasury William Simon paused to offer his support for the absolute inviolability of the military budget and to suggest that welfare was the place to look for possible waste and cutback areas.

It is a familiar administration position. The military may have the largest budget in history, but the military dollar has been stricken by inflation—unlike the dollars of the rest of us, presumably—and allowance must be made.

Meanwhile, the ravenous welfarites are sitting in idleness consuming the nation's substance. They toil not, neither do they spin, yet they expect to eat like everyone else. No wonder the country's going broke and inflation is wild in the streets.

It is only the temporary estrangement between the press and the leading anti-welfarists caused by Watergate that has prevented the publication of those classic, widely loved stories about fur-coated ladies arriving in their Cadillacs to pick up their welfare checks.

The country is being ruined by welfare on the one hand and, on the other, it is in mortal danger due to scrimping on the military.

It is amazing that a mind like Simon's hasn't put the two things together. They fit, after all, like a hand in a glove or a knife in a back. He will see that swiftly, no doubt, as soon as he returns from his travels. Meanwhile, we may modestly anticipate his proposals:

The solution of these two problems is to be found in the principle of "linkage," of bringing one problem to bear on another, as Henry Kissinger did so brilliantly in bringing peace to Southeast Asia and the Middle East and negotiating an end to the arms race with Moscow.

When we link the welfare burden to the military danger, instead of regarding the two as separate problems, we find that each one solves the other.

The problem with the welfare recipients is that they don't have jobs. And one ancient problem of the military is the lack of live targets.

It is obvious that when the Viet Cong finally land in San Diego due to our lack of several more missile systems than we already have, they are not going to stand there like targets on a rifle range waiting for our troops to fall into position, count off the proper numbers and squeeze off their rounds in the manner prescribed by Army field manuals.

No, more likely they will run and jump and dodge behind trees with the well-known unscrupulousness they revealed in Indochina.

That is the kind of fighting our troops need experience in, and welfare clients are the people who can give it to them.

Let the welfare rolls be recruited for the task. If necessary, welfarists can even be drafted. Armed with dummy rifles, they can wade ashore at, say, Coronado, and then run and jump and dodge behind trees. Meanwhile, our troops can blaze away at them and get a much more practical idea of ground combat than is now possible.

Nor is the heavy proportion of women and children on the welfare rolls any impediment to this linkage of problems. On the contrary, that may be an advantage, for, as we learned in Vietnam, Communist insurgents never hesitate to enlist women and children in the war against soldiers they mistakenly regard as foreign invaders.

By being able to shoot at actual women and children as part of their normal training, our troops will not only gain the technical experience of dealing with targets of different overall shape and movement from those of men, but will also have the invaluable advantage of rehearsing, as it were, their own emotions in such a situation of stress.

With training such as this, we may all sleep easily, confident that when the Viet Cong come, they will be repulsed and the San Clemente National Monument to American Home Improvement will be saved.

The former welfare recipients themselves, wherever they may be, will be happier for knowing they have contributed to their nation's security.

It seems possible that, with diligence in recruitment and intensity in training, a decade or two should see the end of the welfare problem altogether.

Then the entire budget can be devoted to the military, and I'm sure we shall all be as happy as kings.

HOUSE MEMBERS AS QUALIFIED PRESIDENTIAL CANDIDATES

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, for some reason, this Nation has added to its list of impossible dreams, the chance that a Member of the House of Representatives could be a serious candidate for the Presidency. The popular thinking seems to restrict this province to Governors and Members of the other Chamber.

Certainly, we know that some of the finest legal, administrative and legislative minds in the Nation, men and women who could lead a country, are Members of the House.

Therefore it was with delight that I came across, and put into the RECORD at this time, a recent column by James Eldridge, editorial page columnist for the Chillicothe, Gazette, Chillicothe, Ohio.

Eldridge's article discusses support for the possible Presidential candidacy of our colleague from Arizona, "Mo" UDALL.

Now I do not know what Mo's plans are in this regard, but I am pleased that the very thought of a House Member seeking the presidency is not rejected out of hand. I think it is in the very best interests of this institution and ourselves to bury the flawed thinking that the highest office in the land is the private preserve of Senators and Governors, with "Congressman Keep Out" signs posted everywhere.

KEEP AN EYE ON UDALL

(By James A. Eldridge)

In the more than 30 years that I have spent reporting or participating in American politics and public affairs I have never taken to my typewriter in a spate of political forecasting. That is, until today.

The occasion for this piece of pontifical journalism is that I sense the 1976 Democratic presidential sweepstakes are beginning to shape up. The first trial runs will be made in the next few months.

As a matter of fact, Sen. Henry Jackson of Washington has not stopped running for the '76 nomination since he lost the '72 nomination.

And there is Sen. Edward Kennedy of Massachusetts—undeclared but jockeying for a pole position.

In recent weeks a new horse has been seen on the track testing the presidential turf to see if he can attract any backers for the big race in 1976.

The jockey, Congressman Morris K. Udall, is wearing a cactus flower in honor of his home state, Arizona.

Udall's candidacy—as yet lacking a formal declaration—is being carefully tested on the hustings among professional politicians. He has made exploratory trips to Wisconsin, Missouri and Florida in recent weeks and he is beginning to catch the attention of the media.

The Washington Star-News, the New York Times, the Miami Herald, the St. Paul Pioneer Press and the Madison (Wis.) Capital Times have carried interviews with Udall on his presidential aspirations. A few days ago CBS News devoted considerable film to Udall's activities and he got some plus exposure on a recent NBC Today show.

Who is Congressman Udall and what are his qualifications to be considered as a serious contendor for the 1976 Democratic presidential nomination?

"Mo," as he is widely known, is from a pioneer Arizona family—with Mormon roots—and a history of public service. His father, Levi S. Udall, died in 1960, while serving as Chief Justice of the Arizona Supreme Court. His mother, Louise Lee Udall, who died this year, was active in civic affairs and had an intense interest in Indian life and culture and was the author of "Me and Mine," the life story of a Hopi woman. His brother, Stewart, served as Secretary of the Interior in the Kennedy and Johnson administrations.

The Congressman was born on June 15, 1922, in St. John's, a small northern Arizona town. He lost an eye in an accident at the age of six but his six-foot, five-inch frame, coupled with his athletic ability, enabled him to play basketball in college and later professionally—with the Denver Nuggets.

During World War II, he served four years in the Air Force in the Pacific Theatre and was discharged with the rank of captain. He then attended the University of Arizona where he received his law degree with distinction in 1949.

Until 1961, when he was elected to Congress to succeed his brother Stewart, he practiced law and served as Pima County (Tucson) attorney.

In the House, Udall is considered a liberal Democrat, but solid enough to be returned to his seat six times by a conservative district.

In legislative battles, he has served as a floor leader on medicare, the elementary and secondary education act, the housing act, and civil rights.

He broke with President Johnson on the Vietnam War in 1967 at a time when his brother, Stewart, was in the Johnson cabinet.

Udall challenged the entrenched House leadership in 1969 when he ran against John McCormick for Speaker of the House—a futile move—but one which helped catalyze reform elements in the House.

He considers the environment his principal bailiwick. In this posture he has been on top of environmental and energy legislation in the House. Presently he has pending before the House a strip mining control bill. He is not one to dodge the controversial.

Currently, he is the leading House sponsor of the national land use planning act and also a $3 billion energy research and development act.

Udall has also joined forces with one of the House's most respected conservatives, Republican Congressman John Anderson of Illinois, in sponsoring a campaign finance reform act.

"Mo's" skill as a legislator, combined with his reputation as a committee member who does his homework, has lead to an impressive list of legislative accomplishments. In conservation alone these include the Wilderness Act and those establishing the Redwoods National Park, North Cascades National Park, Indiana National Dunes Lakeshores, the Assateague and Gateway Seashores.

His amendment to the Alaska Native Claims Settlement Act saved more than 80 million acres of this frontier from private exploitation and preserved them for national parks and wilderness areas.

An "egghead," Udall has written two books. "The Job of the Congressman" and "Education of a Congressman," both published by Bobbs-Merrill.

Both books examine in depth the troubling issues of our time.

His present presidential campaign activities began quietly and almost by accident. Two House members, Congressmen Henry Reuss and David Obey, both of Wisconsin, launched the Udall Balloon this past spring. In part, their action was in behalf of the House of Representatives, which in recent years has failed to field a presidential candidate.

But their effort was quickly supported by more than 30 House Democrats, including Don Edwards of California, John Seiberling of Ohio, Robert Kastenmeier of Wisconsin and Claude Pepper of Florida. These four are among the most powerful and respected Democrats in the House.

Let it be noted the last man to go directly from the House to the White House was James A. Garfield of Ohio in 1880.

So far, Udall seems to be treating his exploration with a mixture of humor and thoughtfulness—two of his most attractive characteristics.

"I don't flatter myself that I am the only one around. I have considerable doubt whether this will fly or not, but I have decided, within the limits of my time and resources, to accept the invitations of groups around the country that want to take a look at me," he recently said.

I predict that Udall will formally enter the 1976 presidential foray and that he will be a formidable candidate—albeit a dark horse.

He will offer the Democrats an opportunity to break the present deadlock between the conservatives now grouping around Senator Jackson and the liberals who are awaiting word from Ted Kennedy.

As each day passes it is more obvious that both of these contendors are less and less acceptable to more and more organization Democrats for a myriad of reasons.

Udall brings to the hustings brains, integrity, leadership ability and the proven ability to win votes. One political pundit said of him, "He is Lincolnesque figure, the antithesis of Watergate . . . an untarnished alternative for a deeply disenchanted electorate." And he is a powerful orator and fighting debater.

Watch Udall as he moves toward the battle. The 1976 Democratic presidential is not yet within the grasp of any one candidate nor has any single faction within the Democratic Party the power to deliver the nomination. It is still an exciting horse race.

AMENDMENTS TO H.R. 11500 AS REPORTED

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. McDADE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following amendments proposed to be offered by me to the bill H.R. 11500:

AMENDMENTS TO H.R. 11500, AS REPORTED OFFERED BY MR. MCDADE

Page 249, strike out lines 15 through 16 and insert in lieu thereof the following:

(3) appropriations made to the fund, or amounts credited to the fund, under subsection (d).

Page 249, beginning on line 19, strike out "and enforcement and collection of the fee as specified in subsection (d)".

Page 250, strike out line 5 and all that follows down through and including line 14 on page 251 and insert in lieu thereof the following:

(d)(1) In addition to the amounts deposited in the fund as specified in paragraphs (1) and (2) of subsection (b) there are authorized to be appropriated annually to the fund out of any money in the Treasury not otherwise appropriated, such amounts as are necessary to make the income of the fund not less than $200,000,000 for the fiscal year ending June 30, 1975, and for each fiscal year thereafter.

(2) To the extent that any such sums so appropriated are not sufficient to make the total annual income of the fund amount to $200,000,000 for each of such fiscal years, as provided in paragraph (1), and amount sufficient to cover the remainder thereof shall be credited to the fund from revenues due and payable to the United States for deposit in the Treasury as miscellaneous receipts

under the Outer Continental Shelf Lands Act. Moneys covered into the fund under this paragraph shall remain in the fund until appropriated by the Congress to carry out the purposes of this title.

SILENT CITY OF ROCKS

HON. ORVAL HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. HANSEN of Idaho. Mr. Speaker, the bill I am introducing today marks a milestone in a long and arduous trail. Nearly 5 years ago I initiated the process by my request to the Secretary of the Interior that a feasibility study be made of the Silent City of Rocks to determine suitability of the area as a national monument. I also arranged for George Hartzog, then Director of the National Park Service, to make a personal tour of inspection of the area.

This is a section in the rolling Albion-Malta mountain ranges of Idaho, unique in its geological formation with great historical value which must be preserved. The huge rocks can be seen standing in every imaginable shape, and bear such colorful names as Twin Sisters, Bath Rock, the Saddle, Castle Rock, and many others. The area has been the site of historical activity since John Jacob Astor made an early day expedition down the Snake River in a cottonwood dugout canoe. Chief Pocatello and his Indian tribe were responsible for one of the worst massacres in the history of Idaho during an Indian attack nearby on a wagon-train in 1861.

Emigrants followed the soldiers and settled there under military protection. Cattlemen were first attracted to the grazing land, but were soon followed by sheepmen. One of the bitter cattle-sheep feuds culminated in the famous "Diamondfield Jack murder trial at Albion in 1897.

Many of the historic trails traverse the land there and ruts formed by the early days overland wagons are still in evidence, as well as writings on the rocks that tell the story of the emigrant days. Plainly, the history of the area is steeped in the romance of the Indian, the explorer, the fur trapper, and early settler.

The Silent City of Rocks is a priceless treasure, and failure to take proper steps to preserve this area would almost certainly have resulted in its deterioration and ultimately in the loss of the features that hold great historical and ecological significance." I feel this so strongly that I have unremittingly exerted my efforts toward the legislation I am introducing at this time which will insure the preservation of this great national heritage for the enjoyment of future generations, by establishing the Silent City of Rocks as a national monument.

Similar bills are being introduced today in the Senate by Senator CHURCH and Senator MCCLURE.

I include as a part of my remarks the text of my bill, H.R. 15983:

H.R. 15983

A bill to authorize the establishment of the City of Rocks National Monument in the State of Idaho, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to preserve for the benefit and enjoyment of present and future generations an area containing outstanding geologic formations and unique historical values, including the passage of thousands of emigrating Americans pursuing expectations of new lives in the West, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to acquire lands and interests therein for the establishment of the City of Rocks National Monument.

(b) The City of Rocks National Monument shall comprise the lands generally depicted on the map entitled "———", Number "———", and dated ———, which shall be kept on file and available for inspection in the office of the Director, National Park Service, Department of the Interior, and in the office of the Assistant to the Regional Director of the Pacific Northwest Region, National Park Service, Boise, Idaho: *Provided, however,* That such area shall not exceed 32,000 acres. Within the boundaries of the National Monument, said map shall also outline the boundaries of a "Core Area" which shall not exceed 3,000 acres.

(c) The Secretary shall establish the Monument by publication of a notice to that effect in the Federal Register at such time as he determines that sufficient property to constitute an administrable unit has been acquired.

SEC. 2. (a) The Secretary is authorized to acquire by donation, purchase with donated or appropriated funds, exchange or bequest such lands or interests therein, including scenic easements, which he determines are needed for the purposes of this Act.

(b) Notwithstanding any other provision of law, any Federal property located within the boundaries of the Monument may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the purposes of this Act.

(c) Any land or interest in land owned by the State of Idaho or any of its political subdivisions may be acquired by exchange.

(d) In exercising his authority to acquire property by exchange, the Secretary may accept title to any non-Federal property or interest therein, located within the Monument; and notwithstanding any other provision of law he may convey in exchange therefor any federally owned property within the State of Idaho which he classifies as suitable for exchange and which is under his administrative jurisdiction. The values of the properties so exchanged shall be approximately equal or, if they are not approximately equal, they shall be equalized by the payment of cash to the grantor or to the Secretary as the circumstances require.

SEC. 3. The grazing use of public lands outside the Core Area included within the boundaries of the City of Rocks National Monument shall, upon enactment of this Act, be deemed to be a use compatible with the purposes of such Monument and the provisions of this Act.

SEC. 4. Pending establishment of the Monument and thereafter, the Secretary shall administer property acquired pursuant to this Act in accordance with the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4), as amended and supplemented, and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–467), as amended.

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

QUESTION OF GOLD MISSING FROM FORT KNOX REMAINS UNANSWERED

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. RARICK. Mr. Speaker, charges were aired recently in a national publication that America's reserve gold supply has been systematically looted. These are astonishing allegations indeed.

In the July 7 issue of the National Tatler former legal counsel for the American Gold Association and the U.S. Export-Import Bank, Dr. Peter David Beter, charged that an ad hoc committee, with the full knowledge and consent of the Federal Reserve Board, has illegally drained a substantial portion of the country's gold reserve and sold it on the international market.

I have no way of knowing whether or not the charges are true. In fact, no Member of Congress can fully know if the allegations are accurate, because the Federal Reserve System operates as a fourth branch of Government, apart from the oversight of this body. But I do know we had better find out—and quick.

The entire monetary structure of the United States is based on its gold reserve, so the economic implications of a conspiracy such as this are awesome, indeed.

Dr. Beter charges that much of the gold which is supposed to be stored at Fort Knox has been removed.

Since the Federal Reserve is not subject to independent accounting or Government audit, there is no way to prove—or disprove—these charges, barring, perhaps, congressional action.

I believe such action to be imperative. If the charges are true, this country faces an economic crisis more severe than any other in its history.

And if they are not true, then they must be disproved before people begin to believe them. Because if that happens, the resultant panic could cause the collapse of our monetary system.

On June 25, 1974, I wrote Dr. F. Burns, Chairman of the Board of Governors of the Federal Reserve System, to ask his comments on the charges raised in the Tattler article. Unfortunately, Dr. Burns prompt reply denying any "unauthorized transactions in System assets" raised additional questions, which remain unanswered.

In his June 28 response Dr. Burns states:

> None of it (the gold) is held by the Federal Reserve, except for amounts that may be stored at the Federal Reserve Bank in New York in its capacity as a fiscal agent of the Treasury.

He also enclosed a copy of the June 19, 1974, Daily Statement of the United States Treasury, but neglected to attach a copy of the most recent Statement of Condition of the Federal Reserve System, his own organization. Dr. Burns emphasized that "the System assets do not include gold."

However, an examination of the April 1974, "Consolidated Statement of Condition of All Federal Reserve Banks," furnished by the Library of Congress, reveals that as of March 27, the figure $11,460,000,000 appears in the "Assets" column under the heading "Gold certificate account."

Apparently, if both documents are accurate, something is amiss.

Either Dr. Burns is misinformed about the assets of his System, or between March 31 and June 28 something happened to those gold assets.

In any event, the charges deserve a more substantial answer than that given by Dr. Burns.

I include the related newsclipping and correspondence:

[From the National Tattler, July 7, 1974]

International Speculators Have Drained Most of the Gold From Fort Knox Under New Law, Says Top Banking Authority

(By Tom Valentine)

(Note.—Dr. Peter David Beter, who is demanding an accounting of U.S. gold reserves, is an acknowledged expert on international and monetary law. From 1958 through 1961, he served as legal counsel for the American Gold Association. From 1961–67, he was counsel for the U.S. Export-Import Bank. He left that position to campaign (unsuccessfully) for the governorship of West Virginia in 1968. He has written three books on monetary subjects, his late being "The Conspiracy Against the Dollar." At the present time, he is serving as business advisor for international clients involved in gold and silver speculation with the African nation of Kinshasa Republic of Zaire, formerly a part of the Belgian Congo.)

International speculators have drained Ft. Knox of much, if not all, of its gold.

That is the astounding claim of Dr. Peter David Beter, one of the world's foremost authorities on international gold and silver exchange.

Dr. Beter, former legal counsel for the American Gold Association and the Export-Import Bank, is demanding that the U.S. government allow a "Blue-Ribbon" citizens' committee to inspect the sealed vaults at Ft. Knox.

"If I am wrong, and the government can account for the gold that is supposed to be stored there, then I think they should throw me into jail for rabble-rousing," Dr. Beter told Tattler.

"If I am right, the persons responsible for manipulating the sale of our gold reserves should be jailed," he said.

Prime target of Dr. Beter's charges is David Rockefeller, president of Chase Manhattan Bank, who denied the charges when reached by the Tattler.

His charges rest, Dr. Beter told a reporter on his personal knowledge of the gold market, information from a source high up in the Rockefeller organization and a president of a Swiss banking firm.

Since he first made the allegations, he has had confirmation from a source within the Pentagon, Dr. Beter added.

"I cannot reveal any names, but the confirmation came from a three-star general," he said.

Dr. Beter made his charges to the Congressional subcommittee on International Trade on April 23, 1974.

"But the Congress does not seem interested enough to investigate," said Dr. Beter.

A check by Tattler with the U.S. Treasury Department indicates that the United States is supposed to have 273,949,000 ounces of gold valued at $11.5 billion stored at four Federal Reserve Banks at Ft. Knox.

Dr. Beter claims much, if not all, of that gold has been transferred out of the country and is now stored in The Netherlands.

Charles Sigman of the Division of International Finance of the Federal Reserve System, supported Rockefeller's denial:

"As of this date, no public sale of the gold reserve has taken place," he said. "The published record shows there has been no change in the number of ounces of gold on hand.

It is Dr. Beter's contention that, although there has indeed been no public sale of U.S. gold, reserves have been removed from storage vaults and sold secretly.

The Gold Reserve Act, under which the ingots are kept, was signed into law by President Franklin D. Roosevelt in 1934. Basically, the law nationalized the United States' gold reserves and turned them over to the Federal Reserve System.

Section 3 of that act provides that this gold could be "acquired and held, transported, melted or treated, imported, exported or earmarked: (a) for industrial, professional and artistic use; (b) by the Federal Reserve Bank for the purpose of settling international balances."

The provisions of that statement remained in effect until 1968 when a group of nations, including the U.S., agreed not to buy or sell gold on the international market. That was reversed in a third change, in November of 1973, when Public Law 93–110 was signed into law by President Nixon, once more allowing the sale of U.S. gold.

It is Dr. Beter's contention that, since last November, the country's gold reserves have been drained by a handful of international monetary speculators with the blessing of the Federal Reserve System.

The Federal Reserve Board, in whose custody the country's gold has been entrusted, is little understood by most Americans.

An official of the agency in Chicago described it as "a quasi-government agency. Member banks own stock in the system but have no vote on policy. The policymakers are on the Federal Reserve Board, appointed by the President for an indefinite period."

Dr. Beter stresses that the Federal Reserve System is not subject to accounting or government audit.

The Chicago official confirmed this. "We audit ourselves," he said.

The signing of Public Law 93–110 in 1973, the one allowing bullion sales, unfortunately confuses the question of who actually owns the gold held by the Federal Reserve Banks and who has access to it, Dr. Beter finds.

"There is now a question of whether the legal title to the nation's gold reverts to the office of the President, the Treasury, the Federal Reserve banks or the people," he said.

A joint committee presently is studying that very question, according to Dr. Beter. The committee consists of Arthur F. Burns, board chairman of the Federal Reserve System, George Schultz, former Secretary of the Treasury, Henry Kissinger, Secretary of State, Peter Flanigan of the White House staff and Herbert Stein of the Council of Economic Advisors.

Sigman, of the Federal Reserve System, confirmed that it has been legal since last November to sell U.S. gold reserves "but no such sales have taken place."

"In March of 1968, a group of countries agreed not to buy or sell gold on the market. In November last year, one part of the agreement was nullified and governments were allowed to sell gold if they desired. There have been no public sales."

"Sales have taken place," counters Dr. Beter, "secret and unlawful sales."

He points out that when the law was changed last November, the Secretary of the Treasury Schultz, a member of the joint committee responsible for the change bluntly stated:

"The United States will keep any gold sales secret and the decision to sell gold will be made by the joint committee."

Mrs. Mary Brooks, director of the Mint at Ft. Knox, claims the charge that gold has been removed from the vaults there, "preposterous and ridiculous."

She said most of the vaults there have not been opened in many years but that the gold can be observed from the outside.

She said the last time she or anyone else literally observed the gold in such a manner was last spring.

Mrs. Brooks told Tattler, "The gold is audited once each year in July. The auditors' do not enter the vaults. It takes a special committee to do that. The doors are sealed and have wax ribbons over them. The auditors check the seals as proof the doors have not been opened."

Dr. Beter claims a substantial amount of gold has been removed from the vaults since last November.

He wants a citizens committee to be allowed to enter the vaults and determine once and for all if the nation's gold supply is still intact.

"If it is not, and I am certain it is not, those responsible for its removal should be prosecuted," he says.

"I Last Saw It 10 Months Ago," Says Guard

After spending exhausting hours on the telephone, attempting to gather genuinely reliable data for the truth about our missing gold resources, Tattler drew two conclusions:

No one actually has seen the gold in a long, long time.

Few bureaucrats actually know what's going on within the limits of the American government.

Articles Editor Tom Valentine was forced to make five calls and suffered through 16 transfers and referrals to obtain the information he needed.

He first dialed the office of Arthur F. Burns, chief of the Federal Reserve system. Since Burns was in Europe, Valentine was transferred to Charles Sigman of the Division of International Finance. When asked if the U.S. had made any secret gold transactions, Sigman said he didn't know, but referred Tattler to the U.S. Treasury Department, which publishes a daily document listing the amount of gold on hand and its value.

Valentine phoned the Treasury's publications office, but a worker told him she knew of no such document.

He then was transferred to information, to the Bureau of the Mint, back to information, to the office of the Secretary of the Treasury and finally back to the switchboard operator, who had the document at hand and read to him the information he sought.

Tattler then wanted to know who guards the gold in Ft. Knox and who has seen it.

Valentine contacted the fort's public affairs officer on his third call. That man referred him to the Pentagon for the information, since he didn't know.

The Tattler news seeker then dialed Washington again, reaching the office of the Secretary of the Army.

Six transfers later, one of which went to the Department of Navy, Valentine learned that no military group guarded the gold, Instead, a special branch of the Treasury Department keeps that trust.

Valentine's fifth call went to the Treasury, where he needed two transfers to speak to James McGee, safety officer in charge of the Ft. Knox detail.

Tattler asked him if he had seen the gold. He said he had, "many times," but referred Valentine to Roy Cahoon, his public affairs officer, for a more concrete answer.

After hours of Valentine's arduous search, Cahoon finally told him Mrs. Mary Brooks, director of the mint, is responsible for the security of gold and silver bullion.

Transferred to her, Tattler learned she last saw the contents of Ft. Knox "quite a while ago, about 10 months ago, I guess.

"Of course, one doesn't actually open the vaults to see the gold," she said. "Those vault doors are never opened. They're sealed.

Is the gold still there? No one really knows, it seems.

JUNE 25, 1974.

Mr. ARTHUR F. BURNS,
Chairman, Board of Governors, Federal Reserve System, Federal Reserve Building, Washington, D.C.

DEAR MR. BURNS: I am enclosing a tear sheet from the front page of the National Tattler, charging that the Federal Reserve has made a secret sale of U.S. gold supplies overseas to David Rockefeller.

I would appreciate the Fed's comments on the validity of this article.

Sincerely,

JOHN R. RARICK,
Member of Congress.

FEDERAL RESERVE SYSTEM,
Washington, D.C., June 28, 1974.

Hon. JOHN R. RARICK,
House of Representatives,
Washington, D.C.

DEAR MR. RARICK: So far as I know, the article on gold in the July 7, 1974 issue of the National Tattler, which you enclosed with your inquiry of June 25, is totally without foundation. Certainly, the comments contained therein about the Federal Reserve System are baseless. Specifically, 1) the Federal Reserve System has made no sales of gold to foreigners, nor would it be legally empowered to do so; 2) I am not serving on any Committee that is studying the quesion of legal title to the U.S. gold stock; 3) we have in no way been involved in the use of the nation's gold reserves "by a handful of international monetary speculators."

As I am sure you are aware, the United States Treasury is charged with accounting for the nation's stock of gold. None of it is held by the Federal Reserve, except for amounts that may be stored at the Federal Reserve Bank of New York in its capacity as a fiscal agent of the Treasury. The Treasury's Daily Statement, a recent copy of which is enclosed, reports that the gold stock is very close to its level of a year ago. I see no reason whatever for questioning this report.

Finally, the article states that the Federal Reserve System is not subject to accounting or government audit. Let me point out that each Federal Reserve Bank is subjected to strict internal auditing procedures and that each is examined every year by staff of the Federal Reserve Board, subject to the review and advice of an independent national firm of certified public accountants. I am confident that our system of audits and examinations would quickly disclose any unauthorized transactions in System assets, which, I repeat, do not include gold.

Yours very truly,

ARTHUR F. BURNS,
Chairman of the Board of Governors, Federal Reserve System.

JULY 11, 1974.

Dr. ARTHUR F. BURNS,
Chairman, Board of Governors, Federal Reserve System, Federal Reserve Building, Washington, D.C.

DEAR DR. BURNS: I greatly appreciate the courtesy of your prompt reply of June 28th in answer to the "No Gold Left in Fort Knox" article which appeared in the July 7th issue of National Tattler.

There still appears the feeling among the public that something is amiss in our monetary standard and that gold is related to these suspicions. Secretary Simon's statements to the Banking and Currency Subcommittee last night reassured little when he admitted that he had never been to Fort Knox and that he had never seen the American people's gold supply.

I do feel that something must be done, and rapidly, if we are to allay public fears on the gold question. Accordingly, as a member of Congress and the Representative of my people, I ask your authority to visit the depository of our gold and to visibly make an examination and an accounting of the amount of gold which is the property of the American people under the control of their government.

Sincerely,

JOHN R. RARICK,
Member of Congress.

FIFTEENTH ANNIVERSARY OF THE ADOPTION OF CAPTIVE NATIONS WEEK RESOLUTION

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. ROONEY of New York. Mr. Speaker, in 1959, just 3 years after the heroic but ill-fated uprising of the Hungarian people against their cruel godless red Communist bosses, the Congress of the United States unanimously adopted Public Law 86–90 designating the third week in July each year as Captive Nations Week.

This week we mark the 15th anniversary of the adoption of that law creating Captive Nations Week. What is most significant about this year's observance is that it comes at a time when the aura of détente between the United States and the Soviet Union is tending to obscure the political, cultural and human realities of godless communistic imperialism in eastern and central Europe.

Mr. Speaker, at this very moment over 100 million people in states from Latvia, Estonia and Lithuania in the north to Albania in the south are trapped behind an Iron Curtain that continually frustrates their every attempt for freedom, self-expression and cultural identity.

This year Captive Nations Week will be observed against the background of the 35 nation Conference on Security and Cooperation in Europe. The red godless Communist leadership in the Kremlin now feel that they are within reach of a long cherished dream of nearly three decades: getting all of Europe and North America to formalize the existing ruthless political division of Europe and setting a seal of approval on the status quo.

That conference must not be allowed to do that under any circumstances, Mr. Speaker. What we need is not acquiescence and capitulation but firm resolve and united strength in the face of monstrous tyranny and injustice. The people of Eastern Europe, based on a great and long history and tradition and by much recent history, deserve to be free and the masters of their own fate.

Captive Nations Week serves as a reminder to the godless red Communist rulers of Eastern and Central Europe that Americans continue to care about the plight of the captive nations, that the fine people in them have not been forgotten, and that their hopes and aspirations are shared by millions of us who have the privilege of living in freedom.

Mr. Speaker, we, as the main hope of these unfortunate people, cannot ignore them and their constant pleas for help and assistance. We must do everything in our power to see that all of those great and ancient states of Central and Eastern Europe are set free from the oppressive yoke of vicious Communist oppression and that we warmly welcome them in the family of free men.

MICHIGAN MEMBERS OF BIRMINGHAM EDUCATION ASSOCIATION DISAGREE WITH ACTION OF NATIONAL EDUCATION ASSOCIATION

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. HUBER. Mr. Speaker, on May 7, 1974, I noted in the Extensions of Remarks on page E2820 that many Michigan members of the National Education Association opposed the position of the NEA in favor of forced busing in the Detroit case. This fact has again been confirmed by my receipt of petitions from members of the Birmingham Education Association in Michigan. There are approximately 470 teachers in the Birmingham Education Association. Out of these 470 teachers asked, 302 were willing to sign petitions. On one petition, 10 teachers asked that their NEA dues be refunded if the NEA continued to back the NAACP in this matter. Thirty-seven teachers stated in a petition that they were never allowed an opportunity to vote on this issue and would like to do so. Two hundred thirty-two signed petitions stating that they are opposed to the NEA position on busing and that they had never had an opportunity to vote on the issue. A further 22 teachers signed a petition stating they were opposed to the NEA position, were against forced busing, that they favored neighborhood schools, and had had no opportunity to vote on the NEA stand. In addition, the teacher sending me these petitions endorsed all these stands—hence 302 teachers participated.

This all shows, in my view, that the National Education Association is quite out of step with its membership on this issue of busing and that if it is going to pretend to be a truly democratic organization, it ought to poll its membership before taking such stands.

GLADIOLUS IS KING IN MOMENCE

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. O'BRIEN. Mr. Speaker, back in my district in Illinois there is a very lovely city called Momence, which is famous for its flowers—or more accurately, for one flower, the gladiolus.

Glads grow in Momence about the way tulips grow in Holland and the townspeople are justifiably proud of their industry. Each summer when the gladioli are in full bloom, the people demonstrate that pride by staging the Momence Gladiolus Festival.

Next month Momence will hold its 37th annual festival and, believe me, it will be no ordinary flower show. The event is one of the most outstanding of its type held anywhere in the Midwest.

On August 8 literally thousands of visitors will converge on Momence from all over the Nation for 3 days packed with activities for the whole family.

Festivities will begin Thursday afternoon with the opening of the official flower show, a must for every flower lover. Gladioli of every color in the rainbow will be shown by amateurs and professionals alike and the Momence Woman's Club has planned a special exhibit of glads and other garden flowers in a variety of outstanding arrangements.

After even a brief visit to the show, a visitor can have no doubt that the elegant gladiolus is king in Momence.

Later that evening hundreds of costumed children and their pets will march in the kid's parade featuring bands and floats decked with flowers.

Thursday's events will culminate in the coronation of the 1974 Gladiolus Queen and Princess during a pageant of flowers and music. Their highnesses will reign in splendor over the remaining days of the festival.

The activities will pick up again Friday afternoon with a rousing concert performance by the Plainfield, Ill., High School band at the downtown reviewing stand. From there, the action will move to the street for a bigger parade replete with bands, color guards, marching units and, of course, floats. In the evening, tired visitors can relax at a variety show with entertainment appealing to everyone from tots to grandpops.

The festival will reach its zenith on Saturday. For the 13th consecutive year, the festival will feature an old car show sponsored by the Momence chapter of the Antique Automobile Club of America. Anyone who appreciates beautiful workmanship and antique cars will revel in the collection on display. Last year's show was the largest in the State, and this one promises to top it by a mile. Over 200 of these magnificently restored vintage cars will be competing for honors.

As a grand finale on Saturday night, top drum and bugle corps from all over the United States will compete for thousands of dollars in prizes. This outstanding event is the oldest continuous competition of its kind in the Nation and by far one of the finest.

A flea market will be held simultaneously with the car show to heighten the old-time atmosphere. Since Momence is noted throughout my district for its exquisite antique shops, bargain hunters are bound to have a field day.

For a little added excitement, the festival will feature a carnival complete with hair-raising rides, cotton candy, and all the other trappings.

Momence is always a pleasant place to visit. The city, with its tree-lined streets and interesting shops, is framed by the rural splendor of Kankakee County where the land is rich and the people are warm and friendly. With those qualifications, it is not hard to understand why the annual gladiolus festival is so successful.

This year I will have the pleasure of attending the festival along with my family as I have many times before. I am sure we will enjoy every minute of it, thanks to the people of Momence who have worked so hard to make this event a success over the years.

EUROPEAN COMMON MARKET COUNTRIES ACT TO PROTECT THEIR BEEF PRODUCERS

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. RARICK. Mr. Speaker, I and quite a number of our colleagues have repeatedly urged the President to reimpose import restrictions on the importation of agricultural products into this country as a means of affording some protection to our domestic farm producers from foreign "dumping."

Regrettably, the President has not seen fit to return to the import quotas established by the Meat Import Act of 1964.

Seemingly, the administration fails to realize the importance of protecting this country's food and fiber producers, especially when the market is glutted.

This is not the case with the other countries of the world. Recent news reports indicate that the European Common Market countries have instituted a ban on beef imports, through October of this year, in an effort to reduce the massive surplus of beef available in those countries.

This action by the farm ministers of the Common Market countries constitutes another major threat to this country's beef producers. The excess beef—and the news story indicated that the Common Market countries would themselves encourage meat exports—will have to go somewhere. And the logical choice, unless the President heeds the pleas of our cattle producers, will be to dump it on the U.S. market.

In the light of this situation, I urge the President to take similar action by returning to those quotas established by the Meat Import Act of 1964. Should he fail to act, and act now, the ultimate loser in this situation will be the American consumer as more and more cattlemen are forced out of business, thus reducing the flow of domestic beef into the U.S. market in the future.

I insert a related newsclipping:

[From the Washington Post, July 17, 1974]

BEEF IMPORTS BANNED TO COMBAT SURPLUS

(By Douglas Ramsey)

BRUSSELS, July 16.—Under pressure from European cattle raisers, Common Market farm ministers tonight approved a ban on all beef imports to reduce the present massive surplus of domestic and foreign meat.

The ban on imports will continue through October.

It replaces the current scheme which forces beef importers to buy the same poundage from European surplus stocks that they import from other countries. Imports into the nine-member countries exceeded 250,000 tons at mid-year, ten times the amount forecast in January, an EEC spokesman said.

Official U.S. observers say that the move could cause a serious diversion of beef onto the American market, where the cattle lobby is already pressing for action to reduce imports. This has led observers to speculate that Washington may be forced to reintroduce import quotas which were lifted in early 1973.

The beef glut in the Common Market reached crisis proportions with the announcement two weeks ago that over 220,000 tons will have to be stockpiled by the end of this year, a record high.

The situation has already reached the point where refrigerated warehouses are unable to store any more beef.

France and Ireland were the prime movers behind the import ban. Between them, these two countries have piled up over 75,000 tons of beef, over 50 per cent of the current EEC surplus.

Late this evening, the farm ministers were engaged in negotiating the details of other measures to help reduce surplus beef in the Common Market. The package is almost certain to include two other major measures, one Irish official said.

Subsidies to cattle raisers would be granted to encourage them to delay slaughtering until January when supply is normally at its lowest.

The EEC will pursue an "active" export policy, which would mean higher amounts paid to farmers who export their beef. This move would be seen as giving tacit approval of a rumored "cheap sale" of beef to the Soviet Union.

The subsidies to cattle raisers could cost as much as $350 million. They would be paid each month after October to keep beef on the hoof. The goal is to keep it off the market in a peak supply period.

Viewed in the light of two years of constant fluctuation between surplus and shortage on the European beef market, today's move came as no surprise. In early 1973, the EEC raised the prices which are guaranteed to cattle raisers by over 25 per cent to stimulate production.

In retrospect, that decision was an overreaction. It caused an estimated 15 per cent increase in production this year while consumption has remained the same.

It is nevertheless clear that imports are the prime cause for the glut. In January, the EEC executive commission estimated that only 25,000 tons of imports would be necessary to fill the gap between EEC consumption and production this year.

Yet in the first half of 1974, the nine member countries imported a total of 264,000 tons of beef.

With retail prices remaining at the same levels as last year, wholesalers are apparently making a big killing on the lower prices they are paying to cattle farmers. This has led to farm demonstrations in Italy, France and Belgium over the last week to get their farm ministers to take swift and concrete action.

Europe's import ban is likely to come under heavy international criticism. Apart from Australia, Argentina and other traditional suppliers of the Common Market, consternation is certain to be voiced by Washington which will now come under greater pressure from American cattle interests to stem the flow of imports into the U.S.

Critics of the scheme note that the ban excludes for the foreseeable future any letup in retail beef prices, as might otherwise have been expected. On the contrary, they say, as imports grind to a halt the price of beef in the grocery store is certain to rise.

DEPRESSED HOUSING MARKET

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. LEHMAN. Mr. Speaker, the housing market is in a severe depression, and today thousands of American families are being priced out of the market for decent homes.

The primary problem is the current high interest rate policies pursued by the Federal Reserve. We have a severe interest rate war underway, and the thrift institutions are experiencing a sharp outflow of funds, to the detriment of people seeking mortgages.

High interest policies have left the Nation with an ever-increasing backlog of needs for housing and community development. Total housing production in 1973 was 2.6 million units, a 10.9 percent decrease from the record level of 1972. Housing starts in 1973 declined by 324,700 units from 1972 levels. And in the last 14 years alone, starts on single family homes contracted from 80.5 percent of all residential construction to 55.1 percent.

These policies have fostered high housing costs and builders have constructed more and more housing for the affluent—the only ones who can afford the high downpayments and the high monthly charges imposed by high interest rates. For example, among new one-family homes which have been sold, only sales of homes priced at more than $30,000 increased in 1973 over 1972. More specifically, in 1972, close to 150,000 homes in the $20,000 to $25,000 price range were sold, whereas in 1973, only a few more than 75,000 of such homes were sold.

On the other hand, in 1972 there were just short of 200,000 homes sold costing more than $35,000, while in 1973, close to 250,000 such homes were sold.

The result has been a widening gap between supply and demand in housing for low- and moderate-income families. In fact, today a $20,000 home will require about $40,000 in interest payments over the life of a 30-year mortgage. In other words, the homebuyer must pay three times for the same home, with two-thirds of the total cost in the form of interest payments.

Home sales are dependent on the availability of financing and the cost of that financing. It is the rare consumer who can buy a home without taking out a mortgage loan.

When interest rates rise, as they are now doing, homebuyers are discouraged, not only by the high cost of money, but by its scarcity.

By its dependence on high interest rates, the Federal Reserve is creating havoc within the housing industry, while doing little to cool inflation. This policy must be reversed if we are serious about providing decent homes for all Americans on reasonable terms.

CADET DODDS RETURNS TO ACADEMY

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. RONCALIO of Wyoming. Mr. Speaker, on June 10, 1974, I introduced a private bill for the relief of John Bruce Dodds, a young cadet at the U.S. Air Force Academy. Cadet Dodds had his leg removed last April after discovery of a malignant tumor. It was his greatest desire to be able to complete his final year at the Academy although he fully realized that he would be unable to receive a commission after graduation.

However, the Academy's policy was such that Cadet Dodds could not return to fall classes at the Academy if he was not physically fit to receive a commission. The bill which I introduced and an identical bill introduced in the Senate by Senator McGee and cosponsored by Senators Hansen, Cranston, Haskell, and Kennedy would have allowed Cadet Dodds to complete his studies at the Academy despite the Academy policy.

I received numerous calls from other Members of the House and Senate expressing their interest in the private bill and in the plight of Cadet Dodds. Chairman Hébert of the House Armed Services Committee graciously was willing to move ahead with the private bill so that action could be taken in time that Cadet Dodds would be able to resume his studies this fall.

Yesterday we learned the wonderful news that the Air Force has decided to allow John Bruce Dodds to return to the Academy this fall and graduate with his classmates. We can only imagine how happy and relieved both Cadet Dodds and his family must be.

Col. John Dodds, Cadet Dodds' father, expressed to me his thanks to all of the Members of Congress and people everywhere who expressed an interest in the matter and support the Cadet's case. I know that many of my colleagues will want to join me in extending to Cadet John Bruce Dodds success in his senior year at the Academy and every good wish for his future.

U.S. ENERGY CRISIS AND GERMANY'S IN 1924

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. LANDGREBE. Mr. Speaker, an editorial appeared in the June 19 edition of the New York Times that I believe ought to be brought to the attention of Congress. It is lamentable that governmental leaders have such poor memories, but I am afraid that they are really no different from those outside of government.

Sometimes our memories should be refreshed so that we may see that other nations, other peoples, have been where we now are, and learn from the actions they took.

Mr. Hughes points out the plight of Germany in 1924 and the actions taken to head off an energy crisis. While one should hesitate to draw parallels, I believe that the decades of the 1920's and the 1970's are similar and that the experiences Germany suffered then and later will also be suffered by this country if we do not return to our first principles of government as outlined in the Constitution.

The article follows:

THE U.S. ENERGY CRISIS AND GERMANY'S IN 1924—AN ANALOGOY

(By Thomas P. Hughes)

PHILADELPHIA.—Few Americans know that there is a precedent in recent history for our energy crisis. Furthermore, the reactions then remarkably similar to proposals that have been made in response to ours. The ultimate outcome of the earlier crisis and the response to it were unfortunate; it is hoped that a similar situation can be avoided now.

In 1924, Germany faced an energy crisis. Possessing inconsequential amounts of native crude oil, Germany was alarmed by pessimistic predictions of dwindling world supplies. Some experts forecast that the world supply would be exhausted in a few decades. Even before this happened, Germany, a modern industrial nation dependent upon petroleum imports to maintain her industrial and transportation system, could reasonably expect spiraling prices.

Furthermore, dependence upon imports of crude oil or gasoline was seen as an Achilles heel by her foreign policy and military experts who had experienced the dire shortages of World War I only a few years earlier. Added to these problems was a shortage of foreign exchange and unfavorable trade balances.

Under these energy-crisis circumstances, Germany's largest chemical concern. I. G. Farben, responded resourcefully. Having developed processes and invested in equipment for the production of synthetic ammonia and synthetic methanol by high pressure, high temperature, catalytic chemistry, the company decided to make the heaviest research-and-development investment in its history in a process for making synthetic gasoline from coal, abundant in Germany.

At the time the decision was made, Carl Bosch, winner of the Nobel Prize for the ammonia synthesis process, headed I. G. Farben.

Mr. Bosch and his advisers had analyzed the technological and economic factors. They had assembled a team of research-and-development scientists and engineers experienced in the earlier ammonia and methanol process; they arranged that equipment developed for the earlier synthetics could be used for the synthetic gasoline.

Quite reasonably, they projected rising gasoline prices on a 1924 base, for the world supply was dwindling. Probably they anticipated that the middle-of-the-road Weimar Government would provide some tariff protection if needed for competitive pricing. Mr. Bosch and his advisers believed that within several years I. G. Farben could have a synthetic gasoline process that would produce the fuel near the prices of the mid-twenties.

By 1929, however, so many complications had arisen in the development phase of a process far more complex than the earlier ones that some members of the Farber board recommended abandoning it. However, the investment was too heavy and success seemed too near not to persist.

Most technological problems had been surmounted and projected cost objectives were being approached when the Depression of 1929 and the discovery of abundant crude oil in Texas made a mockery of the Farben forecasts.

Synthetic gasoline made from coal could compete with gasoline from crude—but at 1924 prices. In 1930, however, the price of imported gasoline in Germany was a fraction of the 1924 price.

Farben in dire straits turned to the Government for more tariffs, but the price gap was too great and there were interests in Germany that countered the high-tariff influence of Farben.

In essence, the situation in which Farben found itself was like that in which an American corporation or Government agency might find itself four or five years from now. After heavy investment in a mammoth research-and-development project, the corporation or agency faces disastrous consequences because of a turn in affairs beyond its control.

The scenario for an American corporation in the future might be as follows: Having been encouraged to develop a gasoline-from-coal process by the projection of the inflated price of a barrel of crude in 1973–74, the corporation invests heavily in a process that was uneconomical until the dramatic rise in the price of crude oil.

Economic disaster threatens, however, about the time the corporation is meeting its goal because somewhere in the world a supplier of crude, not influenced by American suppliers or diplomacy, decides to dump large quantities of low-price crude on the world market.

The particular course of action that would be taken by the American corporation cannot be predicted, but the course followed by Farben under similar circumstances is known.

Burdened with a white elephant, the corporation sought and found the unusual conditions in which white elephants flourish. The Nazis came to power in January, 1933, and within a year Farben had signed a contract with the new totalitarian regime. The arrangement guaranteed Farben a market and an acceptable price for the synthetic gasoline.

The Nazis decided that the nation needed indigenous fuel in the interest of balance of payments to strengthen its diplomatic and military position.

The point of the analogy here with the American situation is not to suggest that if American corporations invest heavily in alternative fuel sources that depression, discovery of new oil fields or price-cutting would lead to alliances with totalitarianism and war.

The point is, however, to suggest by historical analogy that the nation should not be committed to a massive research and development enterprise without candid public discussion by Government and corporation officials of the complexities of the situation.

The impression has been left with the public that prices of crude oil will continue to rise because of dwindling world supply and that the country can erect an economic and political barrier behind which self-sufficiency in energy can be pursued by research and development.

Such simplistic projections ignore experience: Crude-oil prices did not continue to rise after 1924 and the dwindling supply turned into one of abundance. Furthermore, powerful influences in Germany, such as the automobile manufacturers and the consuming public, did not tolerate the high tariff barriers that would have excluded foreign oil.

Furthermore, the American Government should forthrightly raise the question of what would be done for a corporation or Government agency that has invested heavily in a synthetic-oil process that turned out to be uneconomical.

EFFECTIVE ELECTION LAW SUPERVISION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. FRENZEL. Mr. Speaker, Mr. Smith Hempstone, in a thoughtful editorial in the Washington Star-News, recently called attention to the House Administration Committee bill which puts "supervision of proposed new and stiffer campaign finance regulations in the hands of a seven-member board almost wholly beholden to the House and Senate."

Hempstone continues:

> If there's one thing that's needed to reform campaign financing, it's to remove enforcement of the election laws from the hands of politicians.

The Star editorial notes that the Senate Watergate Committee recommended with special emphasis the need to put election laws under an independent agency. He states:

> Creation of an independent federal elections commission is one of the few things that Nixon and the Senate Watergate Committee saw eye to eye on.

I commend the Star editorial to all Members interested in election reform. The final sentence is especially interesting:

> When the campaign bill gets to the House floor, Members who are seriously considering impeaching President Nixon for the transgressions of the Watergate White House will have to search their consciences before going along with the Administration Committee's cozy arrangement for Congressmen.

BAN THE HANDGUN—LI

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. BINGHAM. Mr. Speaker, recent events continue to emphasize the folly of permitting easy access to lethal handguns. Within the last few weeks we have witnessed the tragic murder of Mrs. Martin Luther King, Sr., the unwittingly ironic killing of a lobbyist for the National Rifle Association, and the televised suicide attempt of a young Florida TV host.

These particular incidents of handgun violence reached the headlines. But similar tragedies occur daily in hundreds of communities. The relative anonmymity of the aggressors and victims does not render the situation any less serious. On the contrary, it points out that it is the ordinary citizen who suffers the greatest exposure to the dangers resulting from inadequate gun controls.

It is time the Congress ceased to tolerate the popular fascination with violence and refused to submit to the vicious pressures of the gun lobby. The only way to deter senseless violence is to arrest the proliferation of handguns whose availability escalates hostile situations to violent tragedies.

An editorial in today's Washington Post piercingly describes the choice with which we are faced: either further injury and death arising from congressional inaction, or a commitment to achieving a safe, civilized society by legislating effective gun control. The editorial follows:

THE TOLL OF THE GUNS

> It is impossible to say when, if ever, this civilized nation will have a law that drastically reduces the number of guns in the hands of private citizens. That we believe such a law is long overdue should come as no great surprise. The longer our legislative leaders soft-pedal that need under the pressure of the gun lobbyists, the worse the situation becomes. Guns proliferate: one citizen fears the other citizen's gun and so arms himself in a never-ending chain-reaction, culminating all too often in needless tragedy.
>
> Over the weekend, two incidents occurred that strengthened our concern over this chain-reaction and its proliferating impact on the easy availability of guns. In Sarasota, Fla., the other morning, a young woman broadcaster opened her show with this pathetic plaint: "In keeping with Channel 40's policy of bringing you the latest in blood and guts in living color, you are going to see another first—attempted suicide." With that, she shot herself in the temple with a .38 calibre pistol. Her family said she had been despondent over the weekend. We would only note again how the ready availability of a gun, when combined with a mood of despondency or rage, can lead all too easily to tragedy.
>
> What rage occurred in the minds of several Washingtonians last Saturday night, we cannot say. But the result of an argument at the front door of an upper 16th Street residence was that one man died from a hail of gunfire from a sawed-off shotgun and a pistol. The words of a relative of the victim, undoubtedly in a state of anguish after the

loss, offer some measure of the problem involved in controlling the sale or ownership of firearms. "Every person in the United States," the relative said, "should have a gun, and kill every son of a bitch who looks like he is going to use it."

Unintended though it was, we can think of no better argument for gun control than that one quotation in Monday's editions of The Washington Post. The choice is simple: either we allow the ownership of guns to proliferate to the point where reaching for your handkerchief can cost you your life, or we go the saner course and begin by outlawing handguns.

CONSUMER RIP-OFF WITH POLITICAL PROTECTION

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. SNYDER. Mr. Speaker, I and many of my colleagues voted for Federal Consumer Protection Agency legislation with certain fears and reservations, but after reading the following exposés in the Louisville Times on July 15, and Courier-Journal on July 11, I am convinced that we did the right thing. Obviously, existing State laws are not doing the job.

I am having these articles reprinted in the RECORD as justification for the action of those of us who supported the legislation.

[From the Louisville Times, July 15, 1974]

MOBILE-HOME DEALER IS AT CENTER OF WIDE-RANGING PROBES

(By Richard C. Halverson and Frank W. Clifford)

On Dixie Highway, Terry Goff was selling house trailers to GIs and retired farmers. In Pewee Valley, he was building a dream house.

Complete with stained-glass windows and an indoor swimming pool, according to Goff's architect, it was styled after the house singer Johnny Cash had built for himself outside Nashville, Tenn. Goff even hired the man who designed Cash's house, Nashville architect Braxton Dixon.

The house wasn't all. Goff drove luxurious cars, a Cadillac and a Lincoln. He bought an airplane and hired his own pilot.

At the same time, he was presiding comfortably over a mini-empire of nearly a dozen mobile-home, motor homes, camper and boat dealerships strung along Dixie Highway between Shively and Valley Station.

But since the first of this year, Goff's fortunes have changed drastically. Companies he formed have been the objects of court-ordered judgments totaling at least $400,000. A major creditor recently repossessed 123 mobile and motor homes from four of his dealerships.

In addition, Goff's operations are under scrutiny by state and federal law-enforcement officers in connection with three separate criminal investigations involving claims of arson and interstate fraud.

The investigations, which do not focus exclusively on Goff, have not resulted in any arrests.

They concern four fires that occurred on property occupied by Goff's dealerships in Jefferson County, a fire in a Virginia manufacturing plant bought by Goff last January, and an allegedly fraudulent purchasing scheme involving more than 30 mobile homes obtained from manufacturers in Alabama and Tennessee.

Law-enforcement officers in charge of the investigations have estimated that property losses caused by the fires and alleged fraud amount to almost $1 million.

Although Goff's enterprises apparently did not begin to suffer major setbacks until fairly recently, his troubles didn't materialize overnight.

During the last two years, the state attorney general's office has amassed a weighty file of consumer complaints against Goff's businesses. As far back as 1969 and 1970, Goff was losing lawsuits to aggrieved customers who stated that they had never received delivery of the trailers they bought, or who claimed that the trailers they did receive were loaded with defects.

For the time being, the 34-year-old Goff doesn't seem to want to talk to reporters about the shape of his businesses or about the investigations. Times reporters called him last week at a motel in Williamsburg, Ky., where he had been staying.

During a telephone interview last week, he replied "no comment" to more than 30 questions.

But he did say that he is no longer in the mobile-home business. It wasn't the first time in recent months that Goff has hinted of withdrawing from the business.

In a court statement last April, he said that "another gentleman"—a Charles Jackson—was "coming in, taking over my operations."

Records show that Jackson, a resident of Gadsden, Ala., faces numerous criminal charges in Alabama, including grand larceny, conspiracy to commit fraud, passing worthless checks and obtaining property by fraud. Many of the charges stem from Jackson's involved in the mobile-home business in Alabama.

Early this summer on a Dixie Highway lot, formerly occupied by one of Goff's dealerships, Jackson opened Godfather Mobile Homes, Inc.

Reporters have been able to learn only a few details about Goff's past. He is a native of Greensburg, Ky. During the mid-1960s, he worked as an assembly-line foreman.

In 1969, Goff established Jefferson Mobile Homes, Inc. Records on file in the Jefferson County Courthouse and at the Kentucky secretary of state's office indicate that the formation of Jefferson marked Goff's entry into the mobile-motor home business.

During the following years, Goff established sales outlets under such names as Jo-Mar Mobile Homes, Majestic Homes, Inc., Champion Motor Homes, Inc., Trailer City U.S.A., Repossession Sales, Inc., Mark Mobile Homes, Louisville Winnebago, Inc., Winchester Mobile Homes and Louisville Chrysler Marine, Inc.

LAWYERS HAD POLITICAL TIES

Goff secured the legal services of two Louisville lawyers with solid reputations and close political ties to the Democrat who was elected Jefferson County judge in 1969, Todd Hollenbach.

The lawyers are John Nold and Dennis Clare. During the five-year period that Nold represented Goff, he served as a Quarterly Court prosecutor and later as a judge. He resigned from the court in April to resume his private practice full time. (State law permits Quarterly Court officials to maintain private practices.)

Clare was a county probate commissioner in 1970, 1971 and 1972. He is now the director of the county's fire-protection system.

Nold and Clare are members of the firm that includes the current Democratic candidate for Congress from the state's 4th District, Kyle T. Hubbard. Hubbard also has represented Goff in court cases. But he has done so only two times, according to records checked by reporters.

Goff managed to acquire financing for his operations from Westinghouse Credit Corp.—a subsidiary of the 14th-largest corporation in America, Westinghouse Electric Corp.

Records of Goff's business transactions reflect that Westinghouse Credit not only provided financing for much of Goff's inventory of mobile and motor homes, but also financed sales contracts for retail customers who bought from Goff.

Goff's associations with Nold and Clare have not been limited to simple lawyer-client relationships. Similarly, his dealings with four Westinghouse Credit officials have not been confined to transactions over mobile-home financing.

Nold was one of five stockholders, including Goff, who formed Sun Valley Mobile Home Park, Inc., in October 1970 and bought a mobile-home park at 12517 Dixie Highway three months later.

In a court statement last spring, Goff said Nold owned a 20 per cent interest in the park.

Nold acknowledged holding an interest in the corporation, which he said still exists. But he said stockholders sold the park last June.

Nold also acknowledged his involvement with Goff and others in two oil and gas leases near Williamsburg, in Southeastern Kentucky. He said he acquired fractional portions of the leases in late 1972 or 1973.

Nold said Clare, too, purchased a small portion of a working interest in one of the leases. Clare confirmed his interest.

In one of the leases, Goff's and Nold's fellow investors include four Westinghouse Credit officials.

The officials are Charles C. Maupin, the firm's vice-president for consumer finance; William L. Clark, mobile-home-division manager for the company; Jefferson E. Hopper, district manager covering Louisville, and Jack L. Madden Jr., sales manager for this district.

Maupin is based in Pittsburgh. Clark, Hopper and Madden are in Memphis, Tenn.

Deeds on file in Williamsburg show that the four Westinghouse Credit officials were involved with Goff in the purchase of a $200,000 farm in Whitley County, of which Williamsburg is the seat. The purchasers recently leased the farm to Sun Ray Coal Co. of Oneida, Tenn., which has proposed to operate a strip mine there. The lease guarantees Goff and his co-investors $500,000 over a five-year period.

Within the past several days, The Louisville Times has attempted to interview all four Westinghouse officials, but has been successful only in reaching Charles Maupin. Maupin refused to answer a reporter's questions about his dealings with Goff.

But John McClester, president of Westinghouse Credit, stated in a recent telephone interview from Pittsburgh that his company would look into ties between its officials and Goff. He learned of those ties from a Times reporter.

"Indeed, we are investigating," McClester said a few days later.

That investigation comes on the heels of the company's action involving Goff's businesses—a major repossession of Goff's mobile motor homes and campers.

In a letter dated July 4, Clark of Westinghouse notified Goff, Charles Jackson and others that Westinghouse would be selling the repossessed stock from several Goff lots.

Westinghouse has not officially estimated the value of the merchandise it has repossessed, but observers in the mobile-home business who have seen the merchandise say it is worth at least $500,000.

Clark stated in letter form that the repossessions were "pursuant to defaults under the terms and provisions of certain security agreements, guarantees, and assumption, transfer and repurchase agreements."

Questioned on the subject of the indebtedness of Goff's firms to Westinghouse, McClester declined to comment.

Nor would Goff discuss the Westinghouse situation. But one of his lawyers, Nold, told The Times that repossessions constituted a major factor in Goff's current financial difficulties.

Nold failed to explain whether he meant repossessions from Goff's inventory or repossessions from his customers.

Those repossessions also could hurt Goff because mobile-home dealers often have to guarantee payment to lending companies before lenders will finance retail purchases.

In a lawsuit involving Goff's Jefferson Mobile Homes, one lending company is asking for $50,000 it asserts Jefferson owes on seven mobile homes repossessed from retail customers.

But Goff's problems aren't confined to repossession actions.

A Louisville newspaper article appearing in early 1972 reported that a survey of customer complaints to several consumer-protection agencies in Louisville and Frankfort revealed that Goff was the object of more complaints than any other dealer.

Last month, officials of the consumer protection division of the Kentucky attorney general's office told Times reporters that Goff was the object of more consumer complaints than any other mobile-home dealer in the state.

Goff's customers have complained of severely defective trailers, of being denied service guaranteed by warranty and of receiving trailers that did not contain furniture and appliances specified in their sales contracts.

A complaint received by a consumer office in May seems to be rather typical.

A man wrote that his sales contract with Goff's firm had specified that he was to receive a mobile home containing a full complement of furniture and appliances.

But he said that "the only furniture in the trailer was one mattress, one badly used couch and chair. We had absolutely no appliances, not even a furnace, and even the storm door had been removed."

The man also expressed confusion over the corporate structure of Goff's enterprises. He wrote:

"The contract says 'Trailer City U.S.A.,' the check was paid to 'Jefferson Mobile Homes,' and the delivery was made by 'Godfather Mobile Homes, Inc.,' and the check was cashed by 'Jefferson Mobile Homes D/B/A Jo-Mar Mobile Homes' . . .

"So who are we doing business with?" he asked.

ABOUT 40 SUITS FILED

A number of these consumer complaints against Goff's operations have resulted in lawsuits against one or more of his companies. A check of his records in Jefferson Circuit Court last month revealed that about 40 suits have been filed against Goff's businesses by customers, finance companies and other firms with whom he has done business since 1970.

In 1972 and 1973, Goff was charged in two criminal complaints by two government agencies.

Two years ago, the Louisville and Jefferson County Sinking Fund charged Goff with failure to file a Sinking Fund tax return for the business profits of one of his mobile-home companies, Repossession Sales, Inc.

Records in Quarterly Court indicate that the charge was dropped after Goff paid an undisclosed amount of taxes.

In January of last year, the Kentucky Department of Revenue charged Goff with operating another firm, Louisville Winnebago, Inc., after the firm's sales-tax permit had been revoked.

Quarterly Court records show that charge filed away upon Goff's payment of an undisclosed amount of taxes.

Records of that case indicate Goff was represented in court by Kyle Hubbard.

It was last year that a series of court-ordered judgments against Goff's businesses began to accumulate. They resulted from lawsuits.

Rex Financial Corp., a New Jersey-based firm, won a $28,000 judgment in August 1973. The judgment stemmed from a lawsuit filed to collect a debt Rex said was owed on a finance contract with Goff's Majestic Homes, Inc.

In May, IBEC International Housing, Inc., of New York gained an agreed judgment of nearly $364,000 against Goff's Winchester Homes, Inc.

The dispute between IBEC and Winchester concerned Winchester's purchase of a plant manufacturing modular homes in Lawrenceville, Va.

The judgment was one of two major incidents that followed the purchase of the plant.

The other incident was fire in April that destroyed the plant and that has been labeled arson by the Virginia fire marshal's office.

Winchester Homes bought the Lawrenceville plant from IBEC in January for nearly $500,000.

But on April 17, IBEC sued Winchester in federal district court in Louisville claiming that Winchester had made two monthly payments for the plant with worthless checks.

In the suit, IBEC asked for about $364,000, the amount IBEC said still was owed on the plant purchase contract.

On April 18, IBEC obtained a court order in the Brunswick County (Virginia) Circuit Court causing the plant to be impounded by sheriff's officers.

Before dawn on April 19, the plant was destroyed by a fire that arson investigators maintain was purposely set.

On May 28, the suit in Louisville was settled when Winchester agreed to pay IBEC the $364,000.

However, lawyers for IBEC stated recently that their client has received nothing from Winchester.

One of those lawyers said IBEC hoped to recover at least part of the money by filing a claim on a $425,000 insurance policy.

The policy, written by the Southside Insurance Agency of Lawrenceville, names IBEC and Winchester as co-beneficiaries, according to Ben Powell, an official of Southside.

In another effort to get its money, IBEC is attempting to find and seize 17 modular homes it says were removed without authorization from the plant prior to the fire, according to an IBEC lawyer.

On June 21, company representatives located four in Greensburg, Ky., Goff's hometown. That day, IBEC obtained a court order permitting federal marshals to seize the homes.

ATTORNEY IS MUM

Like Goff, his attorney, Nold, was unwilling to talk about either the judgment or the arson investigation.

"In my mind it's a pending legal matter and should not be discussed for that reason," he said.

But Nold said he represented Winchester during the plant-purchase negotiations with IBEC last January.

Robert Carlisle, an arson investigator for the Virginia fire marshall's office, said recently that his probe of the plant fire is more than a month away from completion. Carlisle said he was in Louisville within recent weeks to question former employes of Goff.

Carlisle also has talked to another arson investigator, Detective Marvin Bray of the Jefferson County Police Department.

Bray said he talked to Carlisle about the fire in Virginia because he has been investigating two fires that damaged or destroyed eight mobile homes on lots belonging to Goff during the last six months.

Two more fires occurred in the Sun Valley Mobile Home Park. Bray said the fires destroyed two trailers owned by the park.

Officials have made no statements connecting the fires in Virginia to the Louisville fires.

"STOLEN" TRAILERS ARE FOUND

The third investigation involving Goff began last February when Jefferson County police found two trailers, which had been reported stolen through a bad-check scheme, on lots belonging to Goff's dealerships.

After the police seized the two mobile homes, Jefferson Mobile Homes filed suit to recover them. A Jefferson Circuit judge ordered them returned to Jefferson Mobile Homes until their legal ownership could be determined. The case is still pending.

The trailers turned out to be the first of three possible links between Goff and the man eventually accused of carrying out the bad-check scheme.

The police traced the trailers to Goff's lots after a Tennessee-based manufacturer complained that the trailers were illegally obtained from it with a worthless check written by a mobile-home dealer in Catlettsburg, in Eastern Kentucky's Boyd County.

The Tennessee firm was one of eight manufacturers in Tennessee and Alabama who told police they had lost mobile homes in the same manner.

At least 30 mobile homes, valued at more than $250,000, were said to be involved.

The Boyd County Sheriff's Department released the following information about the alleged scheme:

A mobile-home dealer named Layne Rader bought all the contested trailers with checks written on a bank account at the Kentucky Farmers Bank in Catlettsburg.

On paper, the bank account, established Jan. 31, contained $70,000, consisting of two checks made out to Rader or to his dealership. One of the checks to Rader was for $50,000, the other for $20,000.

Rader used the bank account as a credit reference when he negotiated to buy the trailers from the eight manufacturers.

The manufacturers did not know that payment on both checks had been stopped and that the bank account was worthless, the sheriff said. They learned only after Rader's checks to them began to bounce, the sheriff said. By then, the trailers had been delivered to Rader's lot in Catlettsburg.

Late in February, the sheriff issued an arrest warrant for Rader, charging him with passing bad checks. Shortly after that, the FBI issued a federal fugitive warrant for Rader.

Thomas W. Kitchens, agent in charge of the Federal Bureau of Investigation in Louisville, confirmed that the FBI is probing the Rader affair as part of an investigation it is conducting of interstate shipment of stolen mobile homes.

To date, Rader has not been arrested.

Investigators have been examining the following ties between Rader and Goff:

A $20,000 check from Goff, drawn on Jefferson Mobile Homes, to Rader dated Feb. 12, 1974. Elbert E. Bowe, executive vice-president of the Kentucky Farmers Bank, said the check was one of the two composing Rader's worthless $70,000 account.

A copy of Goff's check to Rader shows that payment on it was ordered stopped Feb. 15, three days after it was written.

A second check for $7,300 in February to Rader from Goff's Jefferson Mobile Homes, Inc., bank account in the Clark County State Bank in Jeffersonville, Ind.

The check was endorsed in Rader's name but later apparently deposited back in the Jefferson Mobile Homes account. A stamped notation below Rader's endorsement on the back of a check copy reads: "To the order of The Clark County State Bank, Jeffersonville, Ind. Jefferson Mobile Homes."

Goff has acknowledged that he did business with Rader this year, but he maintained that his association with Rader was perfectly innocent. He said that if Rader was involved in a cold-check scheme he, Goff, had known nothing about it.

Goff offered this defense in a sworn statement this spring. At the time he gave the statement, he was being questioned by lawyers representing one of the out-of-state manufacturers who wanted to know how the trailers ended up on Goff's lots.

Goff said that Rader, whom he knew slightly, offered to sell him 10 to 25 mobile homes at discount prices early last winter. Goff said he accepted the offer.

He said he wrote Rader the check for $20,000 and waited for the trailers to be delivered. When they did not arrive, he said, he stopped payment on the check.

Not long after that, Goff continued, he began receiving the trailers. Consequently, he said he gave Rader two more checks, the one for $7,300 and another for $25,000.

Both checks were written to the Jefferson Mobile Homes account.

In his statement, Goff said he gave Rader the check for $7,300 but then asked for it back after he, Goff, realized there wasn't enough money in the Jefferson Mobile Homes account to cover the check. Goff said he told Rader he would give him the $7,300 in cash drawn from personal funds.

Goff said he gave Rader the cash and that Rader endorsed the check and returned it to Goff.

One of the lawyers questioning Goff asked him how the check ended up in the Clark County Bank if it was worthless and if Goff had gotten it back, personally, from Rader.

The lawyer asked Goff why he didn't simply tear up the check if it was no good.

Goff replied that the check was deposited in the bank in order to retain a record of the transaction with Rader.

[From the Louisville Times, July 15, 1974]

Lawyer Regrets Only That He Lost Money in Ventures With Goff

(By Richard C. Halverson and Frank W. Clifford)

Former Jefferson County Quarterly Court Judge John Nold said he has lost at least $18,000 in joint ventures with mobile-home dealer Terry Goff.

But beyond those losses, he has no regrets and no moral qualms about his five-year association with Goff, Nold said.

Goff's businesses have been experiencing serious financial setbacks in the form of massive repossession of mobile homes and in court-ordered judgments now totaling around $400,000.

In addition, Goff's operations are being probed by state and federal law-enforcement agencies in connection with three different investigations involving arson and claims of interstate fraud.

There is no indication that Nold is under investigation.

But a member of the Jefferson County police arson squad told the Times that an arson investigation is being conducted into the cause of two fires at the Sun Valley Mobile Home Park, 12517 Dixie Highway, which Nold, Goff and three other people bought in 1971. Nold and his partners bought the park in the name of Sun Valley Mobile Home Park, Inc., a corporation they formed in October 1970.

Detective Marvin Bray of the arson squad said the fires, which occurred last January and February, destroyed two mobile homes owned by the park.

Bray said there are no suspects, yet, and said investigators are certain only that one of the fires was set purposely.

In an interview last week, Nold said he was aware of the fires, but he added that he had no idea an arson investigation was under way.

"If there was arson in the mobile-home fires, I hope like hell they catch those responsible," he said.

Asked about his financial interest in the park, Nold said he couldn't remember the exact amount of his interest.

He said the corporation sold the park last month. He said he had lost more than $13,000 in the venture.

In a sworn satement made in a court case during May, Goff said Nold had a 20 per cent interest in the park.

Confirming financial difficulties at the park, the holder of a $150,000 mortgage on the park filed a foreclosure suit against Sun Valley Mobile Home Park, Inc., on June 21.

That was 11 days after Sun Valley transferred title to the park to Southern Mobile Home Park, a partnership.

Nold said he does not know who the partners in that venture are.

Nold was Goff's lawyer in the fall of 1969 when Goff made his start in the mobile home business in Jefferson County. At that time, Nold drew up the incorporation papers for Goff's Jefferson Mobile Homes, Inc.

During the next few years, records show, Nold functioned as the sole incorporator of five more businesses set up by Goff.

In all, Goff formed nearly a dozen corporations and sales outlets to sell mobile homes, motor homes and boats.

Since 1969, Nold and a law partner, Dennis Clare, have represented Goff in a majority of the 50-plus lawsuits in Jefferson Circuit Court in which Goff has been a party, most as defendant but some as plaintiff.

Yet neither Nold's business partnership nor his legal relationship with Goff prevented him from officiating in Quarterly Court traffic cases in which Goff was a defendant.

Court records reveal that Nold functioned as either a prosecutor or as a judge in three cases involving Goff. The cases came to court during the fall of 1970 and the winter and spring of 1971.

Nold served as a prosecutor during 1970 and as a judge from December 1970 until April 1974.

In the three cases, Goff was charged with hauling an over-long mobile home, with speeding and with hauling a mobile home during prohibited hours.

The first charge was filed away. On the second, Goff was ordered to attend traffic school. The third also was filed away.

During the interview last week with The Louisville Times, Nold said he could not recall ever participating as a court official in any cases in which Goff had been a defendant.

He was asked if he thought his association with Goff had ever conflicted with his responsibilities as a judge.

"Absolutely not," he replied.

In April 1974, when Goff brought in Charles W. Jackson from Alabama to either manage or take over his operations, Nold also drafted the articles of incorporation for Godfather Homes, Inc., with Jackson as president.

Jackson was and is under indictment in Alabama for a variety of felony charges, including passing worthless checks, false swearing and removing mortgaged property belonging to others.

Nold said he met Jackson when he was working for Goff. He said he was unaware of the criminal charges outstanding against Jackson when he took the legal steps necessary for Jackson to begin doing business in Kentucky as Godfather Homes.

The American Bar Association's Code of Judicial Conduct, however, does take an unfavorable view of judges who engage in business with people who appear before them in court.

A section of the code's Canon 5 reads: "A judge should refrain from financial and business dealings that tend to . . . involve him in frequent transactions with lawyers or persons likely to come before the court on which he serves."

The Code of Judicial Conduct does not have the force of law, and local judges cannot be required to answer to it.

Nold acknowledged that his business association with Goff was not limited to his interest in Sun Valley Mobile Homes Park.

He said that in late 1972 or early 1973 he became involved with Goff and others in two oil and gas leases near Williamsburg, in Southeastern Kentucky. He stated that he bought "fractional" parts of working interests in the leases.

Nold said he has lost about $5,000 investing in the leases.

He added that Dennis Clare also bought a small portion of a working interest in one of the leases. Clare acknowledged the interest and said he acquired it by buying a part of Nold's share.

[From the Courier-Journal, July 11, 1974]

Data Links Ex-Prosecutor With Private Client Cases

(By Stan Macdonald)

Jefferson County Quarterly Court records indicate that John A. Nold, while acting as a prosecutor and as a trial commissioner, handled cases of a man who had been his private client and with whom he had business connections.

The man is Terry Goff. He has operated mobile-home businesses in the Louisville area for several years and his operations have been and are being investigated by the Kentucky attorney general's office and Ft. Knox officials.

Court records indicate that Nold handled as a court official three of Goff's cases in 1970 and 1971, with two of them involving charges related to the mobile-home business. Two of the charges were filed away and the third was amended to a lesser offense.

The Courier-Journal also learned that Jefferson County police charged Goff with two driving-related offenses in late 1971. But this reporter couldn't find any record of the cases at Quarterly Court.

Nold served in Quarterly Court's traffic division in 1970 and then was named by County Judge Todd Hollenbach to replace Kyle T. Hubberd as trial commissioner on Dec. 30, 1970. Hubbard, the Democratic candidate for the U.S. House of Representatives from the 4th District, was a law partner of Nold from mid-1972 until January of this year.

Nold, who resigned from the court earlier this year, said last night he didn't recall handling any of Goff's cases in Quarterly Court. He also said in his opinion he "never did anything wrong" while serving as a court official.

Hubbard, who acted as trial commissioner for two of the three Goff cases, also said he didn't remember them. He said Nold removed himself from some cases, but he didn't know if this hapepned when Goff came before the court. Hubbard said the only time he could recall representing Goff was in a civil case earlier this year. Goff could not be reached for comment.

Canons of legal and judicial ethics state that court officials should avoid conflicts of interest and their conduct should be free from impropriety and the appearance of impropriety.

Here's a look at the cases involving Goff:

In September 1970 he was cited for pulling an overlength load on a roadway. Later that month Goff's charge was filed away, and Nold was listed as having been the prosecutor for the cases that day, according to court records.

On Dec. 29, 1970, with Nold again listed as prosecutor for that court day, a speeding

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charge against Goff resulted in his being referred to a traffic school. For Feb. 2, 1971, the court records show that Goff attended traffic school and his case was filed away, and Nold was listed as trial commissioner.

Nold also was listed as trial commissioner in the traffic division on April 1, 1971, when Goff's charge of pulling a mobile home during prohibited hours was amended to disorderly conduct and Goff was placed on his own $50 bond for six months.

Nold acted as Goff's private attorney during the approximate times of those Quarterly Court cases.

Jefferson Mobile Homes, Inc., was incorporated in 1969 with Goff identified as the registered agent, incorporator and a shareholder. The articles of incorporation were prepared by Nold. A civil suit was filed in 1970 against Jefferson Mobile Homes and court papers identified Goff as president of the company. Nold was identified in the suit's papers as the attorney for the defendants.

Nold also was Goff's attorney in a civil suit filed in May 1971.

Nold prepared a merger agreement, officially filed in October, 1970, where Repossession Sales, Inc., merged with Jefferson Mobile Homes, Inc. Goff was identified as one of the directors of the "surviving corporation."

More corporations were formed. The articles of incorporation for Louisville Winnebago, Inc., were prepared by Nold, recorded in February 1972, and named Nold as the incorporator and Goff as the corporation's registered agent. Louisville Chrysler Marine, Inc. was formed in the same fashion in 1973.

Nold said he has held a business interest with Goff and several other investors in Sun Valley Mobile Home Park, Inc. Sun Valley was incorporated in October 1970 and Nold was named as the incorporator and a shareholder.

Numerous complaints have been lodged with the Better Business Bureau in Louisville and with the Kentucky attorney general's office in connection with purchases made at Goff's mobile home businesses. Complaints by soldiers in the area led to a hearing over Goff's businesses before an Armed Forces Disciplinary Control Board at Ft. Knox, Ky., but no action was taken after Goff rectified the complaints.

FAREWELL TO OUR FRIEND AND COLLEAGUE JOHN J. ROONEY

HON. BERTRAM L. PODELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. PODELL. Mr. Speaker, it is my great pleasure to pay honor to our respected colleague, the Honorable JOHN J. ROONEY, who has devotedly served Congress, the Nation, and the interests of the 14th Congressional District of Brooklyn, N.Y., for 30 years.

Mr. ROONEY has reached the difficult decision to retire from this House at the end of this 93d Congress, which he loves dearly and serves so well. The Congressman, who himself is the offspring of immigrant parents, has represented an area of our Nation which is a polyglot of nationalities, with long hours of endless dedication while pursuing goals which he firmly believes in.

It is noteworthy that this legislative leader, who has always been the stalwart patriot and protector of the citizens' pocketbook, was elected to office on June 6, 1944, the date on which our Armed Forces landed on the beaches of Normandy and began to turn back the Nazi menace. He is chairman of the Subcommittee on State, Justice, Commerce, and Judiciary of the House Committee on Appropriations, where his leadership has guided the committee through its many important functions.

Upon his retirement, I, as a member of the New York delegation and a fellow Brooklyn Congressman, will surely miss his able advice and leadership. His friendship and counsel on the floor of the House and in its conference rooms will soon be a memory of the past. I am grateful to have the privilege to serve as a public official with such a memorable and outstanding Member of this House.

WAR FILM'S A MIND-BLOWING EXPERIENCE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. BROWN of California. Mr. Speaker, although our official military role in South Vietnam has ended, our political and economic involvement continues unabated. Recent figures show that the United States pays 85 percent of the South Vietnamese budget. But in spite of the considerable American presence in South Vietnam, news coverage from that country is steadily decreasing.

The tremendous disinterest in our present role in Vietnam is excelled only by the general apathy about the past. One of the few attempts to analyze the American role in Indochina during the past 10 years is a documentary film, "Hearts and Minds," financed by Columbia Pictures and directed by Peter Davis, who also directed the much-praised documentary "The Selling of the Pentagon." At the recent Cannes Festival, "Hearts and Minds" was widely admired for its objectivity, candor, and general excellence. Yet Columbia Pictures may not release the film in the United States because of certain financial difficulties the company is experiencing. The film and the difficulties in obtaining its release are described in the following article by Rex Reed:

[From the Rocky Mountain News "Now," June 23, 1974]

WAR FILM'S A MIND-BLOWING EXPERIENCE

(By Rex Reed)

The best film at the recent Cannes Festival was a documentary about the Vietnam war called "Hearts and Minds." It was a brutal, mind-blowing experience that shattered every American who saw it, yet the tragedy is that Americans at home who might benefit most from it might never get the chance to see it.

There are injustices every day that fill the newspapers with sad, depressing copy. There are wrongs in the world that make me heavy-hearted with sadness. But the problems that face a magnificent film like "Hearts and Minds" are too much for me to bear. My conscience forces me to tell you about them, in the hope that you will care enough about the truth to listen.

"Hearts and Minds" was financed by Columbia Pictures and produced by Bert Schneider, a partner in BBS Productions, the company that created "Easy Rider," "The Last Picture Show" and "Five Easy Pieces."

BBS is a company dedicated to motion pictures concerned with the quality of American life. "Hearts and Minds," which might well be this company's best and most courageous film to date, was directed by the talented, 37-year-old documentary filmmaker, Peter Davis, whose CBS–TV special, "The Selling of the Pentagon," won mountains of prizes and even led to reforms in some Pentagon public relations practices.

Now a series of complicated problems is plaguing the film that might make it impossible to obtain a release in the United States. While I was in Cannes, I met with Peter Davis over tea and he explained what happened.

"Columbia financed it," he said, "but they will not have anything to do with its appearance in Cannes and now they are reluctant to show it in America. There are several reasons for this cowardice. Columbia is a corporate structure in a great deal of financial debt right now. They are in the hands of several banks to which they pay $14 million a year just to repay this debt.

"Therefore, they are worried about the political implications of the film and also about the possibility that it might have a limited audience and they don't want to lose money. We can't sell it to anyone else because Columbia still owns it. They could just drop it in a hole somewhere and kill it off that way, but that's the worst thing that could happen to it."

Columbia Pictures spokesmen, on the other hand, say they are not holding the film back because it's controversial. The real reason they haven't expedited a hurried release, they say, is that BBS Productions is suing the studio for "at least $250,000" for unpaid royalties on "The Last Picture Show" and "Five Easy Pieces." Whatever the reasons, "Hearts and Minds" has not yet been shown to the American people and that is a crime. It must be seen.

This is the only film I have ever seen that sweeps away the gauze surrounding Vietnam and tells the truth. For 10 years, the American public was bombarded daily with body counts from this obscene war as if the number of dead men and women on each side were scores in an endless ballgame. TV news programs covered the holocaust of battle in living and dying color. Some Americans were occasionally reassured by what they saw, others were horrified, almost everyone was confused. Many said it was the greatest tragedy to hit America since the Civil War. This time our land was not burned, though our soldiers were killed, maimed and imprisoned for reasons that are still not clear in a far-off land about which most people knew nothing and couldn't care less. "Hearts and Minds" is a film about why the United States went to Vietnam, what we did there and what doing it did to us. Peter Davis says: It's just an attempt to understand what we have done and what we have become.

That's why there are no Bella Abzugs or Jane Fondas or Tom Haydens or Peace Corps workers in it. Davis was more interested in showing the people who made the war and were actively involved in it rather than the people who opposed it. "My object was to find out why it happened," he says. And find out he did.

Here is Lt. George Coker, from Linden, N.J., forcing his pathetic brainwashed cliches on innocent children in classrooms. Here are American soldiers, telling his cameras: "Almost everyone has blown off firecrackers. The excitement of those explosives hitting their targets is deeply satisfying." Cut to children with their limbs blown off, wounded mothers weeping for their dead infants, a homeless farmer pointing to a pile of rubble where his kitchen used to be, while the Vietnamese language is translated for Davis through walkie-talkies. Cut to an innocent soldier, wiping away tears, saying: "It was strictly business. We had a job to do and we did it. We never heard any screams."

The exploitation never ends. First we invade the country because the Pentagon tells us to, then we bomb everything in sight, then we take pictures of it. Davis gets it all down for posterity—the Saigon coffin maker who turns out 900 children's-size coffins per week for the babies who die of gas poisoning from American bombs, the Army deserters who ran away after eyewitnessing political prisoners being pushed out of American helicopters, the Vietnam war profiteers who raced back to their own country after the Paris peace talks to prepare for peace by milking their own people dry.

And there is the other side of the coin: the tragedy of our own brainwashed boys, bewildered and half-dead, trying to justify their part in the slaughter, and the families of dead soldiers, trying to justify their kids' own funerals. Davis traveled with a camera crew for two years behind enemy lines, interviewing not only the men who were there but the leaders and policymakers who formulated the strategies and decisions in Washington.

There is one heartbreaking interview with Daniel Ellsberg, the former Defense Department and Rand Corp. aide, that tells more about Vietnam than any of Richard Nixon's incoherent pep talks. There is another interview with General Westmoreland in which he explains that "life is plentiful, life is cheap to those people. That is the philosophy of the Orient. You have to realize that an individual life there, isn't as important as an individual life in America."

There is one horrifying scene in a Vietnamese brothel in which two GI Joes proudly display the wounds they have inflicted on Vietnamese women, then lie back while the girls satisfy their sexual appetites as they tell the camera: "Boy, if our girl friends back home could see us now!"

Quick cut to film clips of old Bob Hope movies in which Hope gathers two Oriental cheescakes to his bosom and winks: "Come here, you slanty-eyed chinks!" Quick cut to the same Bob Hope at President Nixon's welcome-home dinner for the returning POWs, getting a big laugh on his joke: There's nothing like a Captive audience." The film is filled with ironies like that, and nothing has been set-up or dramatized. It's an unforgettable movie that tells it like it is and like it was for all time.

The saddest thing about the film is the way it shows everyday Americans right now who don't feel guilty about the war, who don't think about it, who don't even know where Vietnam is or what we were doing there in the first place. One truckdriver says: "I think we were fighting for the North Vietnamese, weren't we?"

Then there are the stupid meatheads treating the Vietnamese like sub-humans, calling them "gooks," and eagerly joining in the systematic destruction of their country and their lives.

"What does Vietnam look like?" asks a child in a classroom lecture. "If it wasn't for the people, it'd be pretty." answers the soldier addressing the class. Five government administrations have lied to the American people and the fact that we were so easy to dupe is nothing to be proud of. We've been lied to long enough. The shots in "Hearts and Minds" of the 1966 TET offensives, when U.S. soldiers shot Vietnam civilians through the head while their arms were tied behind their backs, are real horrors. The things in this movie are not action sequences from a John Wayne movie. And the agonizing truth will not go away just because you turn off the 6 o'clock news.

Americans are patriotic. They are also violent. Both pride and guilt are elements of the American character dealt with here. A lot of people don't seem to mind that President Nixon's favorite movie is "Patton." They don't seem to see the significance in this. These are the Americans who think Vietnam is a thing of the past who want Watergate to be over and forgotten.

Apathy is their way of life, but there is no place for apathy in the movie industry. That is why I hope Peter Davis resolves his differences with Columbia Picture, so "Hearts and Minds" can at last be shown. It must be shown. Rarely has so much truth and so much power been captured in the art of film. The people who made this film owe it to the citizens of this country.

"America," concludes Peter Davis, "has evolved a long way from the revolutionary society that overthrew the British in the 18th century. Especially now that we are approaching the Bicentennial and congratulating each other about being great freedom fighters and revolutionaries, we ought to understand what we have become,"

That is what "Hearts and Minds" is about. And that is why the American people must see it soon.

Mr. Speaker, I urge Columbia Pictures to release its film "Hearts and Minds" for viewing in the United States so that Americans may have the opportunity to consider the moral responsibility we all bear for American actions in Vietnam.

THE BICENTENNIAL CELEBRATION

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. TIERNAN. Mr. Speaker, as the Bicentennial celebration draws closer, Congress still has not taken the step necessary to see that each and every State has a properly designated and established historical site upon which to focus its Bicentennial energies.

The importance of a unified effort was never more amply demonstrated than during America's Revolutionary years. Now we have a chance in 1974 to capture the spirit of that unity for our Bicentennial celebration by assisting each State with the establishment of a meetinghouse for the purpose of planning and celebrating the Bicentennial. The tool by which this can be done is H.R. 12893, the Meetinghouse Preservation Act.

This act would provide grants to the States for the purchase, renovation, maintenance, staffing, and operation of a historically significant site as a meetinghouse for Bicentennial activities. The meetinghouse would serve as a site for the dual purpose of preserving our cultural, social, historical, ethnic, and natural heritage, and planning the future quality of America's life. By restoring a continuity with America's past and providing an opportunity to plan America's future, the meetinghouse would give citizens a chance to participate fully in a celebration of ideas and attitudes which have been the wellspring of this Nation.

MESS OF POTASH--EXIMBANK HAS JUST MADE ANOTHER BAD DEAL

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. ROUSSELOT. Mr. Speaker, yesterday the International Trade Subcommittee of the House Banking and Currency Committee approved a bill for full committee action extending the life of the Export-Import Bank for 4 years, and increasing its lending authority to $25 billion.

This legislation does not adequately deal with the concerns expressed by the American people with regard to the Bank's transactions. It does not give Congress oversight responsibility on the Bank's transactions with Communist countries, but rather only requires the Bank to give prior notification to Congress of those transactions over $50 million, and no vehicle is provided for congressional action to approve or disapprove of the proposal.

Legislation introduced by Congressman JOHN DENT and myself, H.R. 14302, does specifically include in its provisions a requirement that prior congressional approval is necessary in order for any of the Bank's proposed transactions with Communist countries to proceed.

To demonstrate my point that a notification procedure is not adequate, and that Congress must take action to oversee the Bank's transactions with Communist countries, I would like to bring to the attention of my colleagues an article which appeared in Barron's on June 10, 1974. The article is entitled: "Mess of Potash—Eximbank Has Just Made Another Bad Deal," and it discusses several particulars about Eximbank's recent $180 million loan to the Soviet Union to build fertilizer plants. It is faulty legislation which ignores the fact that congressional oversight is needed to deal with irregularities, such as are described in the Barron's article, which can occur in other transactions regardless of whether they are over or under $50 million.

The article brings out that—

> While the Soviets say they will use the SpA (super phospheric acid) as fertilizer, it also has clear-cut military applications—in incendiary bombs, for example, and tracer bullets.

In addition, it states—

> That Eximbank has been unable to obtain the financial information it requested concerning the borrower's ability to repay the loan.

The article goes on to discuss an April 10, 1974, loan memorandum to the Board of Directors of Eximbank of which Barron's has obtained a copy. It reveals that Franklin National Bank is included in the syndicate which will provide private financing. This, of course, is the same Franklin National Bank whose financial difficulties have been widely publicized in recent months, and the same bank that has been under close watch by the Federal Reserve Board.

In conclusion, the article points out that—

> Now that final approval has been given by the Bank, the only possible recourse lies with Congress. That body could hold up disbursement on grounds that the agency has exceeded its authority by making the commitment without the required reasonable assurance of repayment, and without review by the NAC (National Advisory Council of International Monetary and Financial Planning) of the venture as it existed. when the loan was made. Another possible ground could be that the action was contrary to the intent of Congress.

I believe, Mr. Speaker, the only alternative is to enact the provisions in our bill, H.R. 14302. It is the vehicle to effectively bring all of the details and possible adverse effects of the Banks' transactions under the scrutiny of Congress.

The full text of the Barron's article follows, and I urge all my colleagues to read it carefully:

[From Barron's, June 10, 1974]

MESS OF POTASH—EXIMBANK HAS JUST MADE ANOTHER BAD DEAL

(By Shirley Scheibla)

WASHINGTON.—There is a lot more involved in the Export-Import Bank's (Eximbank's) $180 million loan to the Soviet Union at 6% than the agency's announcement on May 21 revealed.

The deal will mean strip mining 80 million tons of phosphate from Occidental Petroleum Corp.'s reserves in Florida. The firm will convert this to super phosphoric acid (SpA) and ship it to Russia. While the Soviets say they will use the SpA as fertilizer, it also has clearcut military applications—in incendiary bombs, for example, and tracer bullets.

In return for the SpA, the U.S.S.R. has agreed to ship the U.S. ammonia, urea and potash fertilizers. However, if prices decline below certain floors, there is no guarantee that this country will receive them. Without such sales, Russia may lack the foreign exchange to repay Eximbank. The agency has been unable to obtain the financial information it requested concerning the borrower's ability to repay the loan.

WON'T BUY STEEL

The $180 million is to help pay for a large complex to manufacture the fertilizers. Other government agencies approved the credit on the grounds that it would generate large Russian purchases in this country, including steel for a 1,200-mile pipeline. Now Russia no longer intends to buy the steel from the U.S., and other prospective purchases have declined substantially.

The day before voting final approval of the loan, Eximbank's board of directors considered it without acting. Following that meeting, Karnig Ekizian, project officer for Eximbank, told Barron's, "The project still needs work. It is a very fluid transaction, including the type of imports the Soviets will make from the U.S." Other Eximbank officials said privately that they hoped the agency would reject the controversial loan because they feared it would jeopardize two agency requests now pending in Congress. One is to extend Eximbank's life beyond the end of June. The other is to boost its authorization from $20 billion to $30 billion.

Agency officials also were concerned about a ruling by the U.S. Comptroller General that before Eximbank can make loans to a Communist country, the President must rule that each individual transaction is in the national interest. President Nixon had made only a blanket determination that it is in the national interest for Eximbank to finance U.S. exports to the Soviet Union.

MADE NECESSARY FINDING

When Eximbank's board failed to approve the loan on May 20, President Nixon fired off a letter to William J. Casey, president and chairman. While neither the White House nor Eximbank will release the letter in full, Rosemary A. Mazon, Eximbank's senior vice president for public affairs and export expansion, said it confirmed that the loan would be in the national interest.

On May 21 the board approved the loan. The timing was fortuitious. It coincided with the visit to President Nixon by a Soviet "parliamentary delegation," including leading Russian journalists. Other Washington visitors at the time included Mikhail R. Kutzmin, Soviet Acting Minister of Foreign Trade. Following a conference with him on May 22, Treasury Secretary William E. Simon announced that the U.S. was determined to continue to make Eximbank loans to Russia. Next day Leonid I. Brezhnev of the Soviet Union sent Mr. Nixon a private message; the White House subsequently said he will visit Moscow in June as planned.

Barron's has obtained a copy of a Loan Memorandum to the Board of Directors (of Eximbank) dated April 10, 1974, which says, in part: "The private financing will be provided by a syndicate headed by Bank of America. Other members include Manufacturers Hanover, Chemical Bank, Morgan Guaranty, Franklin National Bank, Western Pennsylvania, Bank of New York, National Bank of Detroit, First Western (Cal.), Industrial National (R.I.)." (The Franklin National Bank on the list is the same one the financial difficulties of which are making headlines.)

PRELIMINARY COMMITMENT

The banks made their arrangements after Eximbank issued a preliminary commitment on June 4, 1973, for the $180 million at 6%, provided Russia requested it by May 14, 1974. On January 18, 1974, the Bank of Foreign Trade of the U.S.S.R. telexed its application to Eximbank.

When the preliminary commitment was issued, Donald Bostwick was Executive Vice President of Eximbank. He now is Vice President for Marketing for Chemical Construction Co., which is negotiating with Russia for construction of the fertilizer plants. He said that so far no contracts have been let. Mr. Bostwick resigned from Eximbank last September, at the same time Henry Kearns (Barron's, May 20) left his post as the agency's head.

The Loan Memorandum goes on: "For 20 years, beginning with 1978, Oxy will be selling one million tons a year of super phosphoric acid (SpA) to the Soviets in return for 1.5 million tons of ammonia, one to 1.5 million tons of urea and one million tons of potash per year."

Occidental Petroleum will buy an additional 1.6 million tons of ammonia fertilizer annually for 12 years, starting in 1978, "to help the Soviets generate adequate foreign exchange to pay for the plants and equipment" to produce the fertilizer. But the Russian obligation for such exports ends if prices fall below floor prices of $42.50 a ton for ammonia, $50 a ton for potash and $57.50 a ton for urea.

The Memorandum said Russia will gain hard currency windfalls from sharp increases in the prices of gold and crude oil, and it valued its gold reserves at more than $10 billion. But it warned, "The adequacy of the foregoing evaluation is limited by the absence of official information in the key areas of reserves, debt, debt servicing and balance of payments which Eximbank has requested but not yet received from the U.S.S.R. Government sources."

Last February, Senator Clifford P. Case (R., N.J.) told the Senate: "A working paper prepared by the Commerce Department states, 'Henry Kearns of Eximbank has indicated to the Soviets that unless the Soviet Union is forthcoming with the financial information meeting Eximbank criteria, Eximbank would not extend credit beyond a certain amount. This ceiling is about $500 million.' . . . What justification was there for any amounts less than this to be lent without the necessary financial information being submitted?"

The April 10 Memorandum said, "If the U.S.S.R. requests additional Eximbank credits, it will be even more important to obtain the information which Eximbank has requested."

As for the fertilizer complex, it said procurement in the U.S. could exceed $600 million if the Soviets adhere to their initial specifications and capacity requirements. It added that Bechtel Corp. will construct a 1,200-mile pipeline to transport the ammonia and will buy the steel pipe from the U.S.

In Congressional testimony on April 30, Eximbank President William J. Casey said that the National Advisory Council on International Monetary and Financial Planning (NAC) thoroughly reviews all individual transactions where Eximbank's exposure exceeds $30 million.

The Council approved the $180 million loan on the basis of the April 10 Memorandum, however, and, so far as can be determined, subsequent memoranda indicating major changes in the project were not submitted to it. Nevertheless, Barron's has learned that a revised memorandum prepared for Eximbank board indicated that the steel no longer would come from the U.S.

On April 26, Armand Hammer, chairman of Occidental Petroleum, told the Senate International Finance Subcommittee: "The Soviets have recently told us that the costs for the ammonia and urea plants as well as the other equipment have escalated so much that they will probably buy the ammonia and urea plants in Japan. The Baltic and Black Sea terminals, storage tanks, pipeline equipment and railroad tank cars have also escalated so much that their $400 million credit in the U.S. may be expended on these alone. Therefore, they have sought an additional credit from West Germany, and it is their intention to buy the pipe in that country."

Eximbank's announcement of the loan said in part: "The materials purchased from American companies with the assistance of this financing will be used in the construction of ammonia plants, storage facilities, pumping stations, railroad tank cars and a 1,200-mile pipeline in the U.S.S.R."

APPARENT CONFLICT

Asked to explain the apparent conflict, John E. Corette III, Eximbank's general counsel, said, "Our understanding is that equipment for the plants and certain equipment for the pipeline, but not the steel, will be bought in the U.S."

Neither the April 10 Memorandum nor the announcement of the loan pointed out that export licenses from the Commerce Department may be necessary for some U.S. items involved in the venture. Nevertheless, in a letter dated April 18 to Florida Secretary of State Richard Stone, A. P. Gates, president and chief executive officer of Hooker Chemical Corp. (a subsidiary of Oxy Pete), stated, "Certain export licenses may be necessary from the Department of Commerce. . . ."

Regarding phosphate, the April 10 Memorandum said: "To manufacture the required SpA, Oxy will be extracting phosphate rock from its Florida mines. Phosphate is the tenth most abundant element in the world. The U.S. has the world's second most extensive reserves of phosphate rock. However, over-capacity conditions in the U.S. over the past seven years resulted in no expansion of rock mine capacity until demand caught up with supply. Consequently, starting with 1972, and until now, phosphate rock has been in short supply and is estimated to stay short until about 1978."

ONE-THIRD EXPECTED

"Despite the recent shortages, the U.S. has been and still is a net exporter of phosphate rock. During 1973, one third of our 42 million metric ton production was exported. With domestic shortages, this proportion will decrease only to an estimated one fourth by 1976. However, it is estimated that by 1978, the first year of rock exports to the Soviet Union, the presently announced surge in expansion of mining capacity will be in operation, resulting in balanced supply and demand conditions. Oxy estimates that its reserves are adequate to supply its normal clients in addition to the Soviets."

On April 26, Florida Secretary of State Stone told the Senate International Finance Subcommittee that three fourths of the domestic and nearly one fourth of the world's supply of phosphate are mined in Florida. While placing domestic reserves at 17.3 billion tons, he said, "Throughout this country there is a 12% to 15% shortage now, and phosphate reserves in inventory for finished goods are approximately 40% below normal. Is supplying Russia with 80 million tons of phosphate going to aggravate the current phosphate shortage? I think it may."

TRACER BULLETS

Secretary Stone testified that superphosphoric acid can be converted chemically to phosphorus, which can be used in the making of pyrotechnic safety matches, incendiary shells, smoke bombs and tracer bullets. Moreover, white phosphorus reacts with sodium hydroxide to form phosphine, a colorless, very poisonous gas.

Mr. Stone also told the subcommittee that Eximbank gave preliminary approval to the loan before agreement on all the terms. "It seems to me," he declared, "that no commitment, preliminary or otherwise, should issue without the full terms of the agreement being made public."

Barron's has learned that Eximbank considers the April 10 Memorandum a confidential and internal document and that it has launched an investigation to find out how we obtained it. It is not marked confidential.

Now that Eximbank has given its final approval for the loan, the only possible recourse lies with Congress. That body could hold up disbursement on grounds that the agency has exceeded its authority by making the commitment without the required reasonable assurance of repayment, and without review by the NAC of the venture as it existed when the loan was made. Another possible ground could be that the action was contrary to the intent of Congress.

According to Senator Richard S. Schweiker (R., Pa.): "A fundamental issue is whether the vast credits of the taxpayers of the U.S. have to be extended to the Soviet Union despite the wishes of the House of Representatives and what I believe are clearly the wishes of the Senate."

WEED AND AUBURN NAMED BICENTENNIAL COMMUNITIES

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. JOHNSON of California. Mr. Speaker, it is with great pleasure that I extend congratulations to two communities in the Second Congressional District of California—Weed and Auburn—upon their receipt of the designation "Bicentennial Community." Only a few cities and towns in the Nation have qualified for this honor, and these two communities are among the first in California.

As part of our celebration of the Nation's 200th anniversary, each American community is encouraged to make their own plans for an appropriate celebration at the local level. Three theme categories have been established by the American Revolution Bicentennial Administration, the parent Federal organization designated to coordinate national, State, and local observances of this important date. The three themes are: Heritage '76, Horizons '76, and Festival U.S.A.

Each community to receive this special designation, is required to establish a program of activities involving one of the three themes, and to create a Bicentennial Committee within the community. The committee, as well as the programs it administers, must be broad based and must encompass all aspects of the community.

Being named a "Bicentennial Community" entitles the community to fly the official American Revolution Bicentennial flag and to use the official ARBA symbol on its stationery and other official papers.

CITY OF WEED

The city of Weed has made plans for the construction of a memorial fountain in the community. The entire project would be built by volunteers and would be financed totally by donations from local citizens. The beautiful new fountain will not only enhance the city, but also honor the founder of the community, Abner Weed.

In addition to the fountain, the committee hopes to develop a campaign to cleanup and beautify various parts of the town and to create programs emphasizing America's historical heritage for the Weed public schools and the College of the Siskiyous.

The Weed Bicentennial Committee under the guidance of Mrs. Mary C. Chaney, its chairman, and Mayor Jack Kersey have worked diligently to obtain this honor. Weed is one of the smallest cities in California to have received this special award, and the first in Siskiyou County. Other members of the Bicentennial Committee are: Merilee Franklin, Harold Chaney, Guy Marschner, Mary Mazzei, Josie Scalise, Patrick Houge, Harold Orcutt, Ellen Tupper, and Dottie Nystrom.

The formal presentation of the ARBA flag was held in a moving ceremony in Weed on June 19. The flag was presented by Bill Richards, a member of the State American Revolution Bicentennial Commission. Also participating in the ceremony were Mayor Kersey, Mrs. Chaney, Karl Zwanziger, Roger Zanziger, Mrs. Leland Stone, Father Ed Mello, and Rev. Henry Gaines. Various young people representing the Boy Scouts, Girl Scouts, Cub Scouts, Brownies, 4-H, and youth baseball also shared in the ceremonial duties.

CITY OF AUBURN

The city of Auburn was named a "Bicentennial Community" on July 17 by the American Revolution Bicentennial Administration. The Auburn Bicentennial Committee has developed extensive plans for that community's celebration of our 200th anniversary.

Four projects lead the list of Auburn's programs for the Bicentennial festivities which fall into all three of the theme categories. A new historic museum will be constructed and dedicated in 1976. A winery, a blacksmith's shop, stables, and a home will be restored to their appearance during the days of the California gold rush. Six acres overlooking the majestic Sierra-Nevada Mountains and the scenic American River Canyon, which the pioneers crossed and in which gold miners labored, will be designated as Independence Park. Finally, special flag tributes will become a permanent part of annual festivities on Flag Day and Independence Day.

These are just the major events. As the Nation began with 13 colonies, Auburn has scheduled 13 special events. As the Nation's flag has 50 stars, Auburn's program involves 50 organizations in 50 different projects, assisted by 50 volunteers. The overall theme of the Auburn celebration is "From a Golden Past—To a Golden Future."

The Auburn Bicentennial Committee, chaired by Wendell Robie, has spent many long hours developing this comprehensive program of activity. He has been helped in this effort by Mayor Louis Clay and the members of the committee: Ray Shull, Stephen Brown, Bill Richards, Jon Lardner, and Bill White.

The actions of both of these communities show dedicated and deliberate planning leading to total community participation in our Nation's 200th birthday. I salute Weed and Auburn on their outstanding accomplishments and hope that their examples will serve as an inspiration for other California communities.

IMPACT AID FOR NEW YORK

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. MURPHY of New York. Mr. Speaker, on June 28, 1974, a preferential motion was offered to instruct the managers on the part of the House on the disagreeing votes of the two Houses on the bill H.R. 69 to insist on the provisions of title IV of the House bill with respect to Federal assistance provided to school districts enrolling children whose parents work or live on Federal property.

On rollcall vote No. 351 I voted "aye," which, had the amendment passed, would have proved detrimental to the State of New York. Therefore, I wish to state in the public RECORD, that my position is in favor of increased impact aid to New York State and that my vote should have been registered as "nay."

POMPANO BEACH "TIP" PROGRAM

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. ROGERS. Mr. Speaker, since State, local, and the Federal Governments began to respond to the dramatic increase in drug use which this country experienced in the past several years, one of the predominant facts which has emerged is this: Government agencies cannot alone successfully conduct the fight against drug abuse. Involvement by private citizens and citizens' groups is necessary for a successful effort in fighting this problem.

One of the areas in which this is especially true is the problem of the "pusher" of hard narcotics. This is the individual who goes into our communities and schools, and generates demand for hard narcotics. Drug abuse has been found to be a very social phenomenon—that is, abuse seems to spread through the social patterns of a community, in a manner not unlike an epidemic. The pusher imposes himself on this social framework, and uses his persuasive and suggestive skills to encourage new patterns of abuse among groups which otherwise might not come in contact with the drug.

For these reasons, the pusher is not only an especially important, but also a particularly effective point at which to attack drug abuse in a given community. And for these reasons, the Greater Pompano Beach, Fla., Chamber of Commerce decided that an operation against pushers of hard narcotics should be the vehicle for its efforts in this area.

Finding the educational and therapeutic efforts in the community to be already well organized and developed the Pompano Chamber decided that the enforcement field, and in particular the activities of local pushers, should be the focus of its efforts. The chamber therefore decided to initiate a "TIP Line" program similar to that originated by the Tampa, Fla., Chamber of Commerce in 1971.

The TIP program is designed to provide law enforcement officers with leads on hard-drug pushers operating in the area. Persons who provide information to volunteer telephone workers remain anonymous, and through the use of a code name, are anonymously awarded $100 to $500 for any tip which results in an arrest and conviction. The tip is relayed to the appropriate police agency, which then conducts a full investigation. A tip cannot be used as the basis for an arrest—subsequent arrests are based on full investigations by police.

The results of the program, founded in April 1972, have been tremendously encouraging. The response has been at a rate of two tips per day, hundreds of calls since the program's inception. Pompano Beach police report that 96 investigations were initiated by TIP calls in the past 18 months resulting in 56 arrests. About 75 percent of the arrests result in convictions. Through a widespread public information campaign on all the local media, the program has been kept in the public eye, and has acted as a deterent, especially among young drug users.

The program is completely funded by private contributions from the community.

Mr. Speaker, I am very pleased to report the success of this project. I believe it represents an answer to one of the aspects of the drug abuse problem, which can be implemented in any community where the community has the necessary desire and determintion to help combat one of our more virulent social problems. I congratulate the Greater Pompano Beach Chamber of Commerce for their successful efforts, and all who have been involved in the project. I would strongly recommend that community leaders across the country consider initiating a similiar program in their own locality. The results could be most gratifying.

RIO BLANCO TRITIUM LEVEL INCREASES

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. RONCALIO of Wyoming. Mr. Speaker, I know that many of my colleagues will find the following article from the Glenwood, Colo., Post of interest. We have read continuing reports of difficulties and short expectations from the third nuclear stimulation experiment under the AEC's Plowshare program.

Rio Blanco has failed to display any reason to continue pouring money into development of nuclear stimulation technology development. The following article, in fact, gives credibility to concerns expressed in the House about possible problems which could result if nuclear stimulation efforts are pursued.

The article follows:

RIO BLANCO TRITIUM LEVEL INCREASES

MEEKER, COLO.—Sponsors of Project Rio Blanco say levels of tritium, or radioactive water, resulting from the underground nuclear blast are higher than expected.

The Colorado Water Quality Control Commission has been notified that the project sponsors will seek a permit to increase both the volume of radioactive water and the amount of radiation to be pumped underground for disposal.

A public hearing on the matter will be held but no date has been set, a spokesman for the Colorado Health Department said Wednesday.

Continental Oil Co., CER Genonuclear Corp. and Equity Oil Co. said in a letter to the commission that it is now expected that 34,000 barrels of radioactive water, instead of 24 000 barrels, will be extracted for underground disposal.

Instead of 50 to 130 curies of radiation, 459 curies now are expected to be contained in the water, the commission was advised.

Project drilling teams began a $2 million second effort this week to find out what happened after three 30-kiloton nuclear explosives were detonated more than a mile underground southwest of Meeker on May 17, 1973. The experiment was designed to determine if trillions of cubic feet of natural gas locked in underground rock formations can be shaken loose by nuclear explosions.

By early September, drilling teams hope to penetrate the cavity created by the middle of the three-tiered explosives, and testing of gas and water disposal can begin.

Earlier tests on the top cavity showed the devices didn't connect into one larger cavity as expected but did generate more radioactive water.

The sponsors said tests conducted in the topmost cavity resulted in the revised data expected in the lower caverns.

A health department spokesman said it isn't known if additional amounts of radiation will be dispersed into the air as a result of the new data. Earlier, 80 per cent of the radiation was to have gone into the air with contaminated gas burned in an attempt to evaluate the results of the blasts.

COSTS OF ELECTION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. FRENZEL. Mr. Speaker, the Wall Street Journal of Thursday, July 11, carried an interesting article by Mr. Alan L. Otten on the subject of campaign spending.

The article concerns a study done at Harvard which reaches the conclusion that campaign spending limits being discussed in current congressional debate are far too low.

The article's conclusions stray far from conventional wisdom, but deserve close examination:

POLITICS AND PEOPLE—HIGHER SPENDING

(By Alan L. Otten)

WASHINGTON.—Campaign spending limits being discussed in the current congressional debate are far too low.

This heretical view is advanced in a volumininous analysis of actual spending in the 33 Senate races of 1972. The study was done by Harvard graduate student Roland Cole, under the close supervision of a hard-headed faculty group including former California Finance Director Hale Champion and presidential scholar Richard Neustadt.

The higher-limit recommendation stems from a typically academic thesis: The purpose of a political campaign is not just to elect someone but also to inform the candidates, educate the electorate, and encourage wider political participation. Perhaps unrealistically, the report assumes that larger spending would better achieve these goals.

"Watergate and related events tend to place the issue in the context of preventing excessive spending and controlling 'corruption,'" the study states. The idea is that the less money spent, the less needs to be raised, and thus the purer the process. Completely neglected in this statement of the issue is the need for campaigns to serve the broader public purposes, and currently-proposed spending limits just wouldn't permit this to be done, the report argues.

The Harvard survey took the detailed financial reports of all 67 major Senate candidates in 1972, and then used computers and involved statistical techniques to analyze actual spending on a score of different categories of campaign activities. All this was supplemented with personnal interviews with key men in 12 typical races.

The Senate-passed campaign bill proposes a general election spending limit for Senate candidates of 12 cents per adult, while the bill being shaped up by the House Administration Committee proposes a ceiling of 5 cents a person. Mr. Cole's analysis found the average 1972 Senate campaign spending in the general election about 25 cents per adult, with some candidates going up to 80 cents, 90 cents and even $1.10.

Twenty-four of the 67 candidates would have violated a limit of 25 cents per adult, and 47 would have violated a 10 cent limit, yet few candidates or campaign managers felt they had adequately carried out the broad goals of education and involvement. In Kentucky, for example, winning Democrat Walter Huddleston and losing Republican Louis Nunn each spent about 31 cents per adult and both felt they would profitably have spent more.

"If campaigns are to fulfill any of the functions listed above . . . the present level of spending is much too low, if anything," the Harvard monograph contends. It suggests that 50 cents per adult might be a proper target—for a total spending of $77 million in Senate general election campaigns, over three times the $24 million actually reported in the 1972 races.

Tight spending limits also substantially favor incumbents, according to the Cole survey. Only six of the 25 incumbent Senators running for reelection in 1972 were outspent by challengers, and three of them lost. Of the 20 Senate candidates spending below 10 cents per adult, the only four to win were all incumbents, and all four ran against challengers who spent even less than they did. The one incumbent to spend more than 25 cents per adult and lose was Caleb Boggs of Delaware, but he was sharply outspent by challenger Joseph Biden.

The evidence is sketchy, the study concedes, but does suggest "that only incumbents win when expenditures are very low, and things are much more even when expenditures are relatively high." Present proposals, it continues, are "far too low to achieve any conceivable purpose other than to maintain incumbents in office."

Mr. Cole and his mentors don't want complete public financing of campaigns; they see a need for continued private contributions. But to make these contributions less pivotal and to distribute resources more evenly among candidates, they think the government must supply cash subsidies or such services as free mail, free air time, voter lists, and other cost-reducing help.

Other fascinating findings in the Cole report are these:

Not many candidates reached the special limits put on media spending in 1972, and those who did simply decided to spend more on direct mail or other non-limited activities.

A candidate's percentage of the final vote tended to be very closely related to his percentage of total spending in that race.

Winners thus generally spent more than losers, but winners and losers did not spend significantly different amounts per vote received. In other words, winners didn't spend their money much more effectively than losers.

More dollars went for TV and radio than any other single activity, but they still averaged less than 20% of total spending, and seemed to be reaching saturation levels in many states. Other types of spending, such as direct mail or voter canvassing, appear far more likely to rise significantly in coming years.

When a victorious challenger outspent his incumbent opponent, the money didn't go on TV, direct mail and other elements of the "media blitz" that worries so many lawmakers, but rather on staff, telephones, campaign materials and special events—the items that usually signify an effort, emphasizing free media coverage and heavy voter canvassing. Thus, Mr. Cole believes, "The losing incumbent is perhaps not the conscientious, close-to-his-district Senator swept aside by raw money and a media blitz, but the Senator who has drifted away from his district. . . ."

Spending limits based solely on population may seem fair, but they're not. Some costs, such as direct mail, vary directly with population, but TV production and many other costs don't. Absolute dollar limits might be far fairer.

Campaign spending is not an occult subject, the Harvard study says again and again; it can be examined and analyzed with profit. The study's pages prove the point.

MRS. KING WAS LATEST VICTIM

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. LEHMAN. Mr. Speaker, the senseless killing of Mrs. Martin Luther King, Sr. adds yet another victim to the thousands of murders which are committed each year with handguns.

Recently, the Florida Department of Law Enforcement released its 1973 annual report on crime in Florida. The statistics contained in the report are relevant.

During 1973, a total of 1,183 murders were reported, an increase of 25.2 percent over the previous year. Handguns accounted for over half—53.9 percent—of these killings.

Handguns were also used in 34.1 percent of the reported aggravated assaults in Florida in 1973, an increase over both 1971 and 1972.

The statistics on injuries among law enforcement officers are equally serious. Eighty-three percent of police officer injuries, as a result of assaults, were carried out with handguns.

These figures are shocking, and my constituents seem to agree; 77 percent of those who responded to my latest newsletter poll indicated they favor stronger gun controls.

The figures I have cited above speak for themselves. As more handguns find their way into the homes of our citizens, the closer this Nation comes to being, in effect, an armed camp. Although certainly not all Americans who own guns ultimately use them criminally, or even irresponsibly, the fact remains that handguns account for the majority of the murders in my own State of Florida. The need for gun control is clear.

The article follows:

[From the Miami Herald, July 2, 1974]

MRS. KING WAS LATEST VICTIM OF REAL PUBLIC ENEMY NO. 1

Yet another stain of senseless murder has taken the good and kind life of Mrs. Martin Luther King Sr., compounding the tragedy of her son's assassination. Mrs. King was struck down in church, at the organ. A church deacon also was killed. A man in the congregation was wounded.

A 23-year-old man was wrestled to the floor and two pistols were taken from him. He later told Mrs. King's husband, "Christians are my enemies."

Prominence adds to the shock of Mrs. King's death, but other useless, insensible violent acts are no less tragic. Last week in Miami, a man siting in his car was shot for no other reason, apparently, than his assailant felt white people were his enemies.

Friday night, a 17-year-old boy working in a gas station was robbed, abducted, beaten, tied up and executed by someone who felt his lack of $200 was an enemy and sufficient reason to kill—with a gun.

A young mother, despondent, walked on the beach of Key Biscayne with her three-year-old daughter Friday night. With the gun she had bought, she killed the child, then herself. Life, she felt at that moment, was her enemy.

At midnight Saturday, a domestic argument ended when a .38-calibre bullet struck the husband in the chest. Who was the enemy?

The enemy there, and the enemy throughout this country, is the easy availability of guns of all sorts; guns that make suicides of the temporarily depressed, guns that kill innocent children while they are "just looking" at the fascinating weapon, guns that serve as instant credit cards for the refuse among us who want money, or drugs or the sense of power their pitiful non-character cannot supply.

Outside the hands of law enforcement personnel who must protect themselves and the rest of us from criminals and maniacs—and perhaps ourselves—there is no good purpose a gun can serve. It serves death and tragedy and crime and it shames a nation that insists it is civilized.

Still, the "patriots" and "sportsmen" throw up their lobbied defenses at the first mention of strict gun laws. Guns do not kill, they insist; people kill.

But people kill with guns. Because it is easier, because it is quicker. In the white heat of rage or in the cold criminality of design or in the anguish of insanity either temporary or chronic, instant and irrevocable mayhem and murder are the by-products of the American people's acceptance of the cruel "right to bear arms . . ." cliche.

We have opposed the sometimes fashionable idea that every outrageous assault on the public peace and order, or the private right to life, is somehow the fault of "society."

Yet if society does not raise itself up, in concert, to stop the gun carnage, we will collectively—and perhaps individually—continue to pay the unconscionable price of savagery to ourselves.

In the name of human decency—and with murder in the church, in the name of God—isn't it time, now, to say stop?

CAPTIVE NATIONS WEEK

HON. HENRY P. SMITH III

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. SMITH of New York. Mr. Speaker, we are in the process of observing the 15th anniversary of Captive Nations Week. How many more of these sad affairs will we see? As the years pass and we seek closer relations with the Soviet Union, it becomes more and more easy to forget those nations that lost their identities in Soviet takeovers. We must remember in our dealings with the U.S.S.R. that behind the facade of smiling faces, toasts, and gifts, people are being imprisoned, tortured, refused emigration, and denied religion and culture.

Not to continue to seek relief for these people and their enslaved homelands would be to compromise our principles of national independence, personal freedom, and justice.

A RESOLUTION TO PERMIT BROADCAST COVERAGE OF HOUSE IMPEACHMENT PROCEEDINGS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, I am today introducing a House resolution which would require that any House floor proceedings relating to a resolution of impeachment of the President during this 93d Congress be open to radio and television broadcast coverage. My resolution further provides that the Speaker of the House, in consultation with the minority leader, make the necessary arrangements for the broadcast coverage of impeachment proceedings, and promulgate necessary rules, guidelines, and procedures for the broadcast media to insure that the coverage is in conformity with acceptable standards of dignity, propriety, and decorum traditionally observed by the House in its operations.

Mr. Speaker, I think it is important that if a resolution of impeachment does reach the House floor, the American people be permitted to listen to and view this historic occasion. I do not share the fear expressed by some that broadcast coverage will turn the impeachment proceedings into a circus or invite widespread demagoguery. If anything, I think television and radio coverage will have the opposite effect. With the entire American public viewing the proceedings on their TV screens, I think Members will take special care to be restrained, judicious, and fair so as to uphold the dignity and decorum of the House in carrying out this most awesome and somber of our constitutional responsibilities.

Finally, Mr. Speaker, while I am introducing this resolution today in order to further stimulate Members to give serious thought to the pros and cons of broadcasting impeachment proceedings, I would not expect that the Rules Committee would hold hearings on the resolution until after the Judiciary Committee has made its final report and recommendations, since it is not clear at this point what those recommendations might be. If the committee should recommend impeachment, there should be ample time between reporting and the beginning of the floor proceedings to consider this in the Rules Committee, bring it to the floor for a vote, and, if the vote is affirmative, make the necessary arrangements for broadcast coverage.

At this point in the RECORD, Mr. Speaker, I include the full text of my resolution:

H. RES. 1244

Resolved, That, notwithstanding any ruling or custom to the contrary, the proceedings in the Chamber of the House of Representatives or any resolution to impeach the President of the United States during this Ninety-third Congress shall be open to radio and television broadcast coverage.

SEC. 2. The Speaker of the House of Representatives, in consultation with the minority leader, shall make such arrangements as may be necessary to facilitate such broadcast coverage.

SEC. 3. The Speaker of the House of Representatives, in consultation with the minority leader, shall promulgate such guidelines, rules and procedures as may be necessary to insure that such broadcast coverage shall be in conformity with acceptable standards of dignity, propriety, and decorum traditionally observed by the House in its operations, consistent with the provisions of rule XI, clause 33 of the Rules of the House of Representatives which pertain to broadcast coverage of committee hearings.

THIS IS LIBERTY LOBBY

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. EILBERG. Mr. Speaker, for some time an organization whose leadership espouses great sympathy for Hitlerian Naziism, has been proselytizing a vicious and clandestine brand of antisemitism on 126 radio stations across the Nation.

This organization, the Liberty Lobby, is solidly backed with vast amounts of money. It is among the most active of the extremist groups now infesting the national media with thinly disguised propaganda campaigns of the most rakish nature.

At this time I enter into the RECORD an article from the "Bulletin" of the Anti-Defamation League of B'nai B'rith, describing the Liberty Lobby, its methods and goals:

THIS IS LIBERTY LOBBY

(By Irwin Suall)

An outspoken anti-Semite who has professed an abiding admiration for Hitler and Nazi Germany and has been the moving force behind a network of Jew-hating organizations and publications over the years is also the unpublicized force behind "This Is Liberty Lobby," an extremist radio program carried five times a week by some 126 stations around the country.

His name is Willis A. Carto. Officially listed as treasurer, he is the founder and real boss of Liberty Lobby, a 16-year old Washington-based propaganda and lobbying apparatus which has become one of the most active and best financed groups on the American far right.

Beginning its radio operation in March of last year with only four stations, "This Is Liberty Lobby" could be heard on over 62 stations by September, on over 100 by November and, now on 126—most on a paid basis, but some as a "public service." The list of outlets may soon be given a boost thanks to a contract recently signed with the Mutual Broadcasting System to make "This Is Liberty Lobby" available on an optional basis to the network's more than 600 stations. The principal owners of the Mutual Broadcasting System are Mr. and Mrs. Benjamin D. Gilbert who have contributed thousands of dollars to Liberty Lobby since 1968. A recent Gilbert gift was in the amount of $1,500.

"This Is Liberty Lobby" broadcasts during and immediately after the Arabs' October aggression against Israel were typical of the outfit's point of view. The programs featured fierce attacks on America's foreign policy in the Middle East and on the American Jewish community for its support of the Jewish state in its moment of crisis. Israel, the victim of the attack and the only democracy in the Middle East, was assailed as a "bastard state" and an "insignificant patch of worthless desert." The Arab propaganda line—that Israel is rightfully an Arab country—was parroted. "Zionism" was described as an evil and alien force, "a powerful force within America," and Senator Fulbright's slur about Israel "controlling" the U.S. Senate was quoted.

As the daily attack progressed, it scraped the garbage cans of professional hatemongers for "facts" and vocabulary. The commentator spoke of mysterious "international bankers" and of the "political Zionist-influenced press." He suggested that Jews had dragged the United States into world wars for their own hidden purposes, and that they are subversive and disloyal.

On April 23, 1974, in a defense of Attorney General William Saxbe's slur against "Jewish intellectuals" of two decades ago as being "enamored of the Communist Party," Liberty Lobby's broadcast libeled the Anti-Defamation League as being, in effect, pro-Communist and representative of foreign interests. For "proof," the broadcast cited the writings of the notorious anti-Semite, Robert H. Williams.

ADL, exercising its legal rights under the Federal Communications Commission's Fairness Doctrine, complained to the 73 stations which had carried the attack and asked for air time for a reply. (Although the stations are required to notify those so attacked and offer such time, in this case none had done so.) Most of the stations complained to have since complied, and an answer to the false and malicious attack, taped by Arnold Forster, ADL's general counsel and associate director, has been sent to them.

The response gives "This Is Liberty Lobby" audiences—and the stations themselves—the facts about the organization, its founder, and its dissemination of bigotry and hatred from behind a mask of so-called "patriotism."

Liberty Lobby was founded as a front for the seamier operations of Carto, among them Liberty and Property, a clearinghouse for keeping informed on anti-Semitic activities; *Western Destiny*, a magazine which published racist, Nazi-type articles, and Noontide Press, publisher of anti-Semitic, racist, and pro-Nazi books—including "Imperium," by the late Nazi apologist Francis P. Yockey, a book containing a dedication to Adolph Hitler and a laudatory 35-page introduction by Carto himself.

Carto, 47 years old, began to work full time as a professional bigot and organizer in 1954 when he became executive secretary of Liberty and Property. A racist, as well as an anti-Semite, he complained while working for Liberty and Property, that "only a few Americans are concerned about the inevitable niggerfication of America." His 20-year career includes serving as a director of Congress of Freedom, a right-wing, racist organization, and as an organizer for the John Birch Society.

In 1966, Carto took over the venerable *American Mercury* name and placed it on the masthead of a quarterly devoted largely to anti-Jewish hate and issued in tandem with the semi-monthly *Washington Observer Newsletter*, similarly laden with unvarnished anti-Semitism. In 1968, a Carto-run Youth for Wallace movement, renamed the National Youth Alliance, attempted to imbue restless American youth with the philosophy of his hero, Yockey—that the future greatness of the West must be hinged on "the German revolution of 1933" (the Third Reich). At one NYA organizational party in honor of Carto, Nazi emblems were openly displayed and Hitler's *Horst Wessel* was sung by the guests.

In the meantime, Liberty Lobby, the "conservative" front, (William F. Buckley, Jr.'s *National Review* labeled it "pseudo-conservative") grew to near million-dollar-a-year proportions. Its monthly *Liberty Letter*, with a current circulation of 116,000, is the biggest publication on the radical right. Other front groups include Americans for National Security, Friends of Rhodesian Independence, Government Educational Foundation, Save Our Schools, and the United Congressional Appeal.

That the "respectable" veneer of Liberty Lobby has worn pretty thin is not surprising for an organization which attracted to its leadership—and boasted on its letter heads—such well-known anti-Semites as Richard Cotten, New Touchstone, Kenneth Goff, W. Henry MacFarland, Joseph P. Kamp, Tyler Kent, and Allen Zoll. Gradually, its literature dropped all pretenses. In a 1967 U.S. Court of Appeals case brought by Liberty Lobby against columnist Drew Pearson—which liberty Lobby lost—Judge Warren E. Burger (now Chief Justice of the U.S. Supreme Court) said the organization's activities reveal "overtones of anti-Semitism and racism." By 1970, Liberty Letter openly fumed about the "aggressive minority which tightly controls the free press," an "alien-minded and America-last group" identified as "Zionists."

In 1971, Liberty Lobby published a 40-page pamphlet, "America First," ostensibly an analysis of Middle East problems. Opening with quotations from Saudi Arabia's King Faisal and American anti-Semite Col. John Beaty, the pamphlet is a tirade of hate blaming the Jews not only for Middle East crises but for the crucifixion of Jesus, the Russian Revolution, and the two world wars. It questions the allegiance of American Jews and suggests that the only Jews who are loyal Americans are those few who are openly pro-Arab.

The blatantly anti-Semitic "America First" pamphlet is offered at the conclusion of each "This Is Liberty Lobby" broadcast as a bonus to new subscribers to *Liberty Letter*—with the growing network of radio outlets from coast to coast either ignorant of the program's contents or uncaring about their role in helping to peddle bigotry.

Years, ago, Carto wrote to a fellow rightist, Norris Holt: "Hitler's defeat was the defeat of Europe And America . . . The blame must be laid at the door of the international Jews."

This is the man behind the Liberty Lobby messages brought into American homes by licensed radio stations. "This Is Liberty Lobby" can fool the public—and radio management—into thinking it is a respectable news source only so long as the organization's anti-Semitic character remains hidden. That is why ADL took the trouble to answer the Lobby's attack, will continue to monitor its programs and expose their source.

THE 13TH DISTRICT POLL RESULTS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. LEHMAN. Mr. Speaker, I wish to submit for the RECORD the results of my newsletter poll, taken in June of this year.

13TH DISTRICT POLL RESULTS

1. Do you favor a Constitutional amendment prohibiting abortions? Yes. 19%; no, 79% undecided, 2%.

2. Do you favor resuming diplomatic relations with Cuba? Yes, 47%; no, 49% undecided, 4%.

3. Do you favor stronger gun control laws? Yes, 77%; no, 22%; undecided, 1%.

4. How would you rate the job President Nixon is doing? Good, 22%; fair, 19%; poor, 59%.

5. Military aid to South Vietnam should be: Stopped, 67%; kept as is, 25%; increased, 4%; undecided, 4%.

RESCUE HOIST NEEDED IN NIAGARA FALLS

HON. HENRY P. SMITH III

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. SMITH of New York. Mr. Speaker, since last fall, I have been working with the Civil Defense and National Guard units in my district in at attempt to acquire helicopter rescue hoist equipment for Company A, 42d Aviation Battalion, New York National Guard, based in Niagara Falls.

Thus far, our attempts have been tangled in bureaucratic redtape. The Department of the Army has up to this point refused to assign a hoist to Company A on the grounds that air ambulance units have first priority for the hoists which are reportedly in short supply.

I believe that the special circumstances of this case should be enough to eliminate redtape. Every year there are several tragedies and many near tragedies involving the Niagara River and the Falls. Taxpayers in this area deserve the protection that a National Guard helicopter equipped with a rescue hoist could offer. The helicopters are already there—we just need the proper rescue equipment for them.

At the present time, the closest helicopter rescue equipment is with the Coast Guard in Cleveland, Ohio, or Detroit, Mich. Rescue equipment in Niagara Falls could serve Lake Ontario and Lake Erie as well as the Niagara River.

The most recent Niagara River rescue occurred on July 9. Four people awaited rescue for over 3 hours after their cabin cruiser lodged on a reef in the swift current of the river about 2 miles above the falls. Coast Guard officials sent for the Detroit helicopter, but the four individuals were rescued by boat before it arrived.

Afterwards, Niagara Falls Gazette columnist and editor, Don Glynn, defined "playing it cool" as:

> That's when you're clinging to a rock about 100 ft. from the brink of the Falls—your boat capsized in the upper river—and someone hollers from shore to "hang on, because there's a rescue helicopter on the way from Detroit—should be here in an hour!"

Officials said this group was never in any real danger of going over the falls during the time they awaited rescue. However, in an incident last October, 10 people, including six would-be rescuers almost lost their lives. A private helicopter without a hoist and a powerful rescue boat were wrecked in the rescue attempt.

The June 1974 Reader's Digest includes an article on this dramatic rescue which I would like to submit to my colleagues. It is time we learned that lives are more important than policy and redtape:

WE ARE TOO CLOSE TO THE FALLS

(By James H. Winchester)

(Caught in a sequence of escalating disaster, ten people fought for their lives in the raging rapids above Niagara's precipice.)

It was the first Sunday of last October, and thousands of tourists crowded both the American and Canadian shores of Niagara Falls. At the eastern tip of Goat Island, on the U.S. side of the Niagara River, Bill Faust was resting in the ticket booth at the Prior Aviation sightseeing heliport. Only a few hundred yards away, 100,000 cubic feet of rushing water makes a showy 161-foot drop over the Horseshoe and American falls every second. It had been a busy day, and the three-passenger helicopter was now away refueling at Niagara Falls Airport.

Glancing idly toward the Canadian shore, Faust was electrified. Midriver, already wrapped in spray, a small boat was sweeping toward the lip of Horseshoe Falls. His first thought: *My God! Nothing can keep them from going over the falls.*

On the Brink. Four people were in the boat. In the bow were 21-year-old Lee Switzer, of Buffalo, N.Y., 21-year-old Jo Ann Horn, of Tonawanda, N.Y., and her 18-month-old son, Michael. Jerry Land, 20, also from Buffalo, was at the tiller of the outboard motor in the stern.

Totally unfamiliar with the Niagara River, the group had blithely started out from Buffalo two hours earlier. Moving downstream in a 15-foot boat borrowed from Jerry's mother, they somehow hadn't seen the huge warning signs three miles back from the falls banning all boats beyond that point.

Between Goat Island and Canada, the Niagara River is only three to four feet deep in most places, but filled with great boulders and boiling rapids. The boat was less than a half-mile from Horseshoe Falls when the outboard motor's propeller blade struck a rock, tearing itself loose from the drive shaft. "No control! No control!" Jerry cried. Suddenly aware of the roar of cascading water, he yelled another warning: I think we're too close to the falls!" He tried to steer toward Goat Island, 100 yards to the right, but the boat was already caught in the river's accelerating 20 m.p.h. downhill race.

Leaving little Michael, the only one wearing a life jacket, alone in the craft, the two young men and Jo Ann jumped into the river and struggled desperately to hold back the boat in the waist-high water. It was impossible. The solid-stone river bottom was slick as glass, and the current's inexorable force tore Jo Ann and Lee off their feet, ripping their hands from the boat. Jo Ann's scream was piercing: "The baby!"

Jerry still held on to the boat, but it was plunging uncontrolled toward the falls. Letting go, he grabbed Michael by his life jacket, lifting him clear. He held him high above his head and fought to keep his balance. Jo Ann and Lee didn't regain their feet until they were 150 feet closer to the falls. Now they braced against each other for shaky support.

Fireball. Alerted by a phone call from Bill Faust, at 3:33 p.m. the Niagara Frontier State Park Police radioed a report that a boat had been sighted off the east end of Goat

Island. With siren wailing, patrolman James MacNeil drove to Goat Island's eastern tip in less than two minutes—three other Park policemen just behind him. As they watched, the boat shot over the brink of Horseshoe Falls, dropping to destruction in the rock-filled whirlpools below. "In front of me," MacNeil recalls, "were the people from the boat. The girl kept stumbling, and the fellow with her kept grabbing her before she could be swept away. The guy holding the baby was closest, maybe 300 feet out."

Looping a coil of quarter-inch nylon rope around his waist, with the three officers holding the other end, MacNeil waded toward the stranded boaters. But even MacNeil, a powerful, 210-pounder, couldn't keep his balance in the rushing river. Time after time he was knocked off his feet—and finally had to be pulled back to land.

At this point, the police saw the sightseeing helicopter approach its landing pad 100 yards away. Pushing through the gathering crowd, MacNeil and Sgt. Joseph Boyd raced to the heliport and shouted an explanation of the situation to pilot Dale Hartman. A former helicopter gunship pilot in Vietnam, Hartman kept the blades turning as MacNeil and Boyd, removing two pins from their hinges, tore off the right door and tumbled into the small cabin. Hartman then lifted off. Seated in the open door, MacNeil planted his feet on the landing skid, while Boyd held him from behind by his belt.

As Hartman hovered over Jerry Land and Michael, MacNeil leaned out and grabbed the baby's life jacket. He flipped the child back over his shoulder to Boyd. "I've got him!" Boyd shouted. "Take off!"

Seeing the helicopter begin to move away—and not realizing that it could carry no more passengers—Jerry Land lunged in panic at the skid rising above his head. He gripped it hard, and for an instant it seemed he would be lifted clear of the clinging current. Feeling the sudden dragging weight, Hartman frantically tried to compensate on the controls. He was too late. The tip of one of the rotor blades, yanked down by Land's 150 pounds, slashed into the water and shattered.

Dropping like a rock, the helicoper smashed into the water with such force that the just-filled fuel tank ripped apart. The volatile gasoline, spraying in all directions, struck the exposed, red-hot exhaust pipes and exploded in a gigantic, deafening burst of red flame.

Last Grasp. Never had Jo Ann experienced such a "gone" feeling. *The baby is dead for sure,* she thought and went limp, rolling another 50 feet closer to the falls before Lee could help her back to her feet.

As the plane exploded, Land's grasp on the skid was torn loose, and he was thrown back into the water. Semiconscious, pilot Hartman dangled forward, held by his seat belt and shoulder harness. MacNeil found himself "face down on the bottom of the river, being scraped along by the current." When he managed to surface, he was in the middle of a 50-foot-wide pool of blazing gasoline. Trapped, with his left arm almost useless from hitting something and with his hair and eyebrows singed from the heat, MacNeil ducked back under the water.

Sergeant Boyd, with the baby in his grasp, was also propelled into the flames. "I was turning over and over," says the six-foot-four, 200-pound Boyd. "When I realized I no longer had the baby in my grip, it was the worst moment of my life!"

Downstream, MacNeil surfaced again—this time out of the flames. He caught a flashing glimpse of Michael's bright-red jacket as the child, buoyed face-up by his life jacket, swept past. Lunging from his feet in pure reflex, MacNeil grabbed for him. "I just caught him by his foot," he says. "Thank God my grip held. It was a miracle!"

The fiery gasoline, moving swiftly on the current, headed for Jo Ann and Lee. "I thought the flames would cover us," she says, shuddering. Instead, they swept past just inches away. Seconds later, the sheet of fire passed MacNeil, fighting to get back on his feet with Michael.

Where the wrecked helicopter rested precariously in the riverbed with part of its bubble cabin exposed, Hartman loosened his seat belt and climbed out, dazed and bleeding from a deep scalp wound. Boyd stood 60 feet away, and Land a little beyond. Farther out, Jo Ann and Lee couldn't move against the strong stream. Below them, the baby was held tight by MacNeil. "I didn't dare shift my feet," he says. "I had them wedged in a crack in the stone bottom."

Fragile Lifelines. The time was now 3:45 p.m. Police, fire engines and other rescue vehicles filled the afternoon air with the sound of their sirens as they raced to the scene. From the Canadian side of the river, in the joint control room of the New York State Power Authority and the Ontario Hydro Corp., Ray Willis, the supervisor on duty, watched through binoculars. International agreements strictly limit the amount of water that the two companies can take out of the river above the falls to make electricity. Any extra withdrawals require the approval of both countries. Willis considered this legal barrier, but knowing the waisthigh current was strong enough to sweep those in the river to their deaths, flipped switches opening a dozen extra gates, slowly decreasing the water level by one third.

Thus aided, Boyd and Land wallowed back to the helicopter. From it, Boyd salvaged a length of quarter-inch rope. He tied one end to the wreck and floated the line downstream toward MacNeil. Finally grabbing the rope, MacNeil inched his way back along its taut length to the wreck, dragging Michael with him. Climbing into the partly submerged bubble, he slumped down exhausted, the baby in his arms. "I thought he was dead," he says. "I started breathing into his mouth and shaking him. In a minute or so, he began to cry. I just hugged him close, and pretty soon he went off to sleep."

Real rescue, though, was still far away. On Goat Island, police readied a line-throwing gun that shoots an inch-long projectile pulling 600 feet of thin nylon cord behind it. This in turn is used to pull a half-inch line, followed by a heavier one-inch manila rope.

Sgt. Lyle Newberry made a perfect shot across the top of the helicopter 300 feet away, but when Boyd and Land started pulling the cord toward them it broke. Another try. Another perfect shot. This time the line remained intact. But it would take over an hour to work the one-inch line to the helicopter. Meanwhile, the current threatened to dislodge the wreck and send it over the falls. And the line used to pull MacNeil and the baby back to the wreck was lost in efforts to get it to Jo Ann and Lee.

"He's Gone!" The police decided to try their boat, an 18-foot craft with 110-h.p. main motor and 10-h.p. auxiliary berthed a mile back up the river. It had never been taken this far downstream.

At 4:32 p.m., with both motors running for better steering, the white police boat moved cautiously downstream. Newberry was at the wheel in the bow while Lt. Joseph DeMarco, commanding officer of the Park police, who had been summoned from his home minutes before, and patrolman Anthony Larratta handled the motors in the stern. A hundred yards from the wreck, the big motor broke its shaft on the rocky bottom and the auxiliary motor stuttered to a stop. When the anchor wouldn't catch, DeMarco and Larratta leaped into the rushing water, shouting, "Get out!" at Newberry, who was still trying to restart the auxiliary motor.

Jumping over the side, the 48-year-old sergeant was swept off his feet. Vainly, he fought for a grip on the slippery rocks. The tips of his fingers were scraped to bloody stumps, and his wedding ring was torn from his finger as he was swept on in the frothing rapids. The empty police boat had already gone over Horseshoe Falls. DeMarco's heart almost stopped as Newberry disappeared, too. His only thought: *He's gone!*

Somewhere in Newberry's brutal tumble, the straps of the life jacket snapped. Pushed down around his legs, it bound them together like a rope. Unable to kick, he got some help from the current as it curved toward Brother Island, the last solid surface before the drop over the falls. "I was just a couple of feet away from the bank, and moving fast," he says. "I grabbed at some overhanging shrubs and caught one about the size of a broom handle with my right hand. How I held on!"

Getting both hands on the branch, Newberry inched his way out of the water. "I just lay there, numb and battered," he says, "thanking God over and over." (He was rescued later by firemen with an extension ladder.)

Chains and Cheers. Nine people were still in the water off Goat Island, five of them at the wrecked helicopter. At 4:56 a Canadian sightseeing helicopter moved into position near DeMarco and Larratta, and dropped a ¾-inch manila line. The other end of this line was then dropped to the people at the wreck. Using this lifeline, DeMarco and Larratta worked their way upstream to the others. Then they floated the rope down to Jo Ann and Lee. Ten minutes later they, too, had been pulled back, and MacNeil handed Michael to his sobbing mother.

By 5:31, Boyd and DeMarco completed the backbreaking task of pulling the dragging one-inch manila line through the water from shore. Now, the stranded group was ready to try to get to land.

DeMarco, holding Michael in one arm and clinging to the line with the other, went first. Behind him came Jo Ann, assisted by Larratta. Hartman, his head bloody, was next, with Lee and Jerry behind him. In the rear, MacNeil, who couldn't use his injured left arm at all, was assisted by Boyd. It took 20 minutes to get to shore, but they made it.

The thousands of tourists who had watched the spectacle cheered wildly. From hundreds of cars on both sides of the river, horns blared. What Jerauld Brydges, longtime reporter for the Niagara Falls *Gazette,* called "the most involved and dangerous rescue ever made at the falls" had ended in success.

All of the Niagara Park police who so risked their lives are now back on the job, their everyday work more concerned with traffic than thrillers. To help in future rescues, steps are under way to station in the area a helicopter equipped with a lifesaving hoist. New and bigger warning signs, farther back from the falls, have been erected.

Jo Ann has expressed her thanks to the Niagara Park police. Their reaction: "That's all right. It's part of our job, but *please* don't do it again!"

PRIORITIES FOR INDIA AND ITS FIRST EARTH SATELLITE

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. HUBER. Mr. Speaker, I think we were all shocked by the explosion of India's first nuclear bomb. This explosion certainly plummeted India into the first ranks of the world's hypocrites after all her declaiming for years about other nations and their warlike intentions. But, if this development were not shocking enough, the Foreign Broadcast Information Service monitored a broadcast from Moscow on July 11 which stated that the first Indian artificial satellite will be launched from the U.S.S.R. this December with aid of a Soviet rocket. The announcement specified that the majority of the equipment for the satellite was manufactured in India. Certainly, an Earth satellite is just what India needs. It should make the poor American taxpayer who has shelled out money for so many years to feed India feel just great.

THE LAKE SUPERIOR POLLUTION CASE

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. OBEY. Mr. Speaker, I am much troubled by the recent decision of the Eighth Circuit Court of Appeals to allow the Reserve Mining Co. to continue dumping taconite tailing, containing asbestos fibers, into Lake Superior. Asbestos has been shown to cause cancer when inhaled, but its long-term effects when ingested are presently unknown.

The court ruled that a health risk from that dumping had not been proven although it admitted, "Reserve's discharges represent a possible medical danger." Medical science has not yet developed a method of determining whether asbestos fibers cause cancer when consumed in water or food.

According to Russel W. Peterson, Chairman of the White House Council on Environmental Quality, the only way the Government can now "prove" its case is by "counting the dead bodies through an after-the-fact epidemiology." That is a sad situation indeed, and calls to mind the similar cases of DES, and 2,4,5T, and mercury compounds, chemicals used before and until their harmful effects were shown in humans and animals.

This court decision could place in jeopardy the health of the over 200,000 people whose water is taken from the portion of the Lake where Reserve is dumping its waste. In addition, a hazardous precedent has been set for future decisions which affect the public health. I wish to insert the following editorial, an excellent summary of the case, for the interest and information of my colleagues:

THE LAKE SUPERIOR POLLUTION CASE

The long courtroom battle over the Reserve Mining Company's polluting of Lake Superior may finally be coming to an end. As matters now stand, however, the case could leave legal debris even more hazardous to public health than the mountains of taconite tailings which Reserve has been dumping into the lake since 1956.

The landmark case began when the federal government, three states (Minnesota, Wisconsin and Michigan) and environmentalists brought suit against Reserve for violating water pollution control laws. Then scientists discovered last year that the taconite tailings contain asbestos-like fibers of a kind which, under other circumstances, have been linked to a high incidence of human cancer. This raised the ominous possibility of long-term threats to the health of some 200,000 people who draw their drinking water from that portion of Lake Superior.

The key issue thus became the extent to which the health hazards had to be proved before Reserve could be ordered to switch to land disposal of the tailings. In a blunt opinion at the end of a nine-month trial, U.S. District Court Judge Miles W. Lord ruled that the risk to health was too substantial to be tolerated any longer, especially since safer disposal methods were feasible. Because Reserve and its co-owners, Armco and Republic Steel, refused to change their ways, Judge Lord ordered the plant to close on April 21.

This forthright decision was quickly overturned by a three-judge panel of the Eighth Circuit Court of Appeals. At the companies' request, the panel immediately lifted the shutdown order, allowing the taconite processing and dumping to resume. Then, after a hearing, the court last month issued an opinion containing a very different definition of what constitutes a real threat to public health. The available scientific evidence, the court said, showed that "Reserve's discharges represent a possible medical danger," but the ultimate health effect "is simply unknown." Judge Lord had erred, the appellate panel found, in his "determination to resolve all doubts in favor of health safety." In the court's view, fear of unknowns "may not be substituted for proof of a demonstrable hazard to public health."

The panel did conclude, however, that the dumping, even if not demonstrably hazardous to people, was harmful to Lake Superior and should be stopped as soon as an acceptable land disposal system could be arranged. The parties are negotiating a settlement under Judge Lord's auspices, but Reserve maintains the lake disposal may have to go on for another three to five years.

So the pollution is continuing to build up in Lake Superior. That is bad enough. The larger problem is that even after the dumping has finally stopped, the appellate court's definition of an actionable health hazard could remain to frustrate other clean-up suits. That definition means, essentially, that the public has little protection against unknowns, however ominous, and that communities may be forced to serve as industrial tasters, swallowing strange or subtle poisons for 20 or 40 years to see what happens.

The three states involved believe that the appellate court is wrong and that the proper rule in such cases ought to be "when in doubt cut it out." Accordingly, they have petitioned for Supreme Court review. But the Justice Department has no appetite for pursuing the issue now, and a settlement may be reached at Silver Bay before the High Court can act. Thus the nation's biggest industrial pollution case to date seems likely to wind up burdening the country with a perilous precedent, one which could condemn citizens to decades of uncertainty and retard future efforts to eliminate environmental hazards before anyone gets hurt.

OFFICIAL BUSINESS IN CALIFORNIA

HON. VICTOR V. VEYSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. VEYSEY. Mr. Speaker, on July 15 I was in California on official business. Had I been here I would have voted as follows:

Final passage of H.R. 14494, to amend the Federal Property and Administrative Services Act of 1949, rollcall 379, "yea."

To suspend the rules and agree to the Senate amendment to House Concurrent Resolution 559, to provide additional copies of hearings and the final report of the Judiciary Committee on the impeachment inquiry, rollcall 380, "nay."

On Tuesday, July 16, I was unavoidably detained in my office and missed the following vote:

Motion to recede from its disagreement to the Senate amendment to the text of H.R. 7824, to establish a Legal Service Corporation, rollcall 385, "nay."

WHY I OPPOSE ABORTION

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. LANDGREBE. Mr. Speaker, recently an article appeared in Human Events entitled "Why I Oppose Abortion." Although it is a short article, it presents some of the major points of controversy in the abortion issue and effectively demonstrates the consequences of a position favoring abortion on demand. If anyone is interested in learning the implications of legalized abortion, I urge him to read Mr. Brudnoy's article very carefully and to reconsider his own views on abortion:

WHY I OPPOSE ABORTION

(By David Brudnoy)

During the past few weeks we have been confronted in Boston by startling revelations of fetal manslaughter and what is technically called "grave robbing." First brought to light over the Easter weekend, the disclosure may well serve to help turn the tide of public opinion against the contemporary abortion rage.

Dr. Kenneth Edelin, chief resident for obstetrics and gynecology at Boston City Hospital, stands indicted for causing the death—actual procedure of the act of killing as yet unpublished—of a 24-week-old fetus, called a "viable baby boy," by the prosecutor District Attorney Garrett H. Byrne. Rumors have circulated, unfounded as yet, that the manner of death was live dissection.

In addition to the Edelin indictment, four other physicians, all currently or formerly with Boston City Hospital, have been charged with violating an old Massachusetts law forbidding the carrying away of human bodies or remains for dissection purposes: in this instance, for medical research on fetal tissue, research the purpose of which is surely benign, however bizarre the means.

As is well known, the so-called "strict constructionist" Supreme Court now under the near-domination of Nixon appointees ruled a year ago that states could not legislate against abortions in the first several months of pregnancy.

This has led states such as Massachusetts to rush headlong into a wholesale traffic in legal abortions. Not content to let New York serve as abortion capital of the nation, the Bay State abortion lobby has been vying of late for that honor.

There are few issues so horrifying to those who respect human life, and few so exciting and conducive to outright viciousness in the minds of those who put the alleged convenience of the mother ahead of the rights of the unborn child in its fetal state, as abortion. Part and parcel of contemporary radical-chic is the cry: "It's a woman's right to do as she wishes with her body," as if a fetus were of no other nature than, say, a hangnail or a tonsil.

Moreover, liberals tend strongly to join their radical friends in favoring some variant of an abortion-on-demand position, and conservatives divide into the familiar libertarian and traditionalist camps on this issue. Increasingly, however, some libertarian conservatives have come to see feticide (or, more fashionably, abortion) as violative of just those individual rights about which libertarians constantly speak in such glowing terms.

In Boston, Dr. Mildred Jefferson, a professor of surgery and an avowed "individualist," argues persuasively that the rights of the fetus do not in fact violate the legitimate rights of the woman who temporarily carries the fetus within her. WBUR-FM radio talk show host Douglas W. Cooper, another libertarian-conservative, makes a similar case so successfully that he long ago convinced me (previously a pro-abortion advocate) of his position.

The argument has not abated since the Supreme Court ruling. In fact, it has grown more intense. Those who champion abortion must stand adamant in their insistence that a fetus is not a human being. They must, that is, deny the building evidence within the biological sciences that all sorts of human functions have their inception in the earliest weeks of gestation. They must blind themselves both to fact and to considerations of humanity. If, that is, they wish to convince the general civilian population of their position.

Thus far, the pro-feticide lobby has been quite successful. Those who oppose abortions are considered fanatics—"right-wing reactionaries" is a favorite epithet—and our insistence that fetuses are human beings is pooh-poohed constantly.

If one believes that it is all right to abort fetuses at will, it is likewise all right to assume that the aborted "thing" is not human. That is the logic, for want of a better word, employed by the abortion proponents.

But once one admits that a fetus can emerge alive from the abortion procedure—and this happens with alarming regularity—must it not also be admitted that the fetus is a human being? To the abortion lobby the answer, obviously, is no.

The abortionists and their supporters make an absolute distinction between fetal life and infantile life, and manifest a (to me) amazing tender-mindedness about little children who are allowed to come to term while simultaneously denying to fetuses any of that compassion. Somehow, seven to nine months in the womb makes the fetus a human being, but less than seven months makes the fetus merely an object, to be dealt with as one would with one's appendix.

The question arises: how does one properly decide the cut-off point between humanity and thing-ness? At the moment, those pushing for abortion on demand seem content to leave it at the Supreme Court's addled decision (26 weeks or less and the fetus can be aborted with no fuss from the law; 27 weeks and after, and the states can legislate as they wish); they insist on aborting as many fetuses as they can get their hands on.

But in accepting that cut-off point, if it is not wholly tactical and something which in due course they will tidy up by pushing for an extension of the gestation period in which abortions are legal, are they not admitting that, say, a seven-month-old fetus is quite likely to become viable if aborted at that stage?

And once they have acknowledged that a fetus is a human life *sometime* before its full nine-month gestation period, where does their case for abortion go?

It goes, no pun intended, to seed. They would of course be happier if they could perfect their abortion devices so that *no* fetus emerged live from the operation. There would then be no messy problems to confront, given the Supreme Court's carte blanche for legalized killing of fetuses. But even medical science, supposedly devoted to *preserving* life, not to destroying life, has yet to work out a sure-fire way to obliterate every fetus's life while he is being aborted.

And so we return to Dr. Edelin and his colleagues—Doctors Leon Sabath, Leonard Berman, David Charles and Agneta Philipson—who must now find some way to justify what they are doing. Dr. Edelin will face a rather tough go of it should he be brought before a jury of his peers: The incontrovertible evidence is that the fetus in question was born live and that Dr. Edelin snuffed out that life in some manner.

Doctors Sabath, Berman, Charles and Philipson may get out of it by pleading that the obscure Massachusetts law really doesn't apply to medical researchers fiddling with fetal tissue. And they will likely have an easier time of it than will Dr. Edelin.

Yet however gruesome and saddening are the incidents, they do focus attention on the mass killing of hundreds of thousands of human beings under cover of law, that Supreme Court ruling which will likely go down in history as this tribunal's most infamous decision in modern times.

The problem for those who oppose this type of mass killing is compounded by the matter raised earlier, the division in conservative ranks. However reasonable the traditionalist-conservative position on abortion, it cannot carry the day against the liberal-radical alliance without the additional support of libertarians and disaffected liberals.

Passivity plays into the hands of the pro-abortionists: many people oppose abortion but do nothing about it, whereas the feticide lobby is constantly at work stressing the "humaneness" of abortion, insisting upon the woman's alleged rights to do anything she pleases with her body, even including destroying other human beings temporarily residing within her body.

Somehow, the liberal, however uneasy he may be about what he can easily learn about the proliferation of abortions even in the twilight zone between automatic death to an aborted fetus and possible viability after abortion, feels "liberation" and modernity require assent to the feticide position.

So it is as well with many, probably most, of the libertarians within conservatism. The same unwillingness to accept the clear-cut evidence of biology infusing the liberal mind on this matter, occasions in the libertarian an obduracy masquerading as respect for individual rights.

I would insist to my libertarian-conservative brethren that abortion is a special case, not easily absorbed into the general case for individual freedom. Quite simply put it is this: As all libertarians insist, one has no right to initiate aggressive behavior against innocents; fetuses, even though they must (at present) develop for some months in another person's womb, are the most innocent of all human beings, having committed no acts whatsoever except living; therefore, to kill a fetus is to commit precisely the most unjustified form of killing.

It is this that must be brought home to the libertarians within our ranks, else they will, in their enthusiasm for a maximization of the realm of individual decision-making, commit the absolutist error and refuse to make the critical distinction that separates feticide from other forms of activities which libertarians (such as this writer) believe an individual should be free to commit—on himself or herself.

The Boston incidents bring these issues immediately to the fore. They direct attention to the difficulty of creating some arbitrary cut-off point before which one can slaughter innocent fetuses: the Edelin case involves, and this deserves stress, a fetus born live, then subsequently killed. Dr. Edelin is charged with manslaughter, technically not "murder," but to the layman a form of murder nonetheless.

To bring more people around to the pro-life position, publicity must be given to the Boston scandals. Encouragement also must go to those congressmen supporting various proposed constitutional amendments forbidding abortions. Sen. James Buckley (C.-R.-N.Y.), Rep. Lawrence Hogan (R.-Md.) and others are currently championing amendments along this line, and they will surely work for them more vigorously if they know that their constituents are willing to fight for such a change.

At bottom, the issue boils down to this: Is a fetus a human being or is he not? If he is a human being at any stage along the way from implantation to emergence from the womb, then biology insists that he is a human being from the earliest point, however odd or "non-human" he looks.

It is a national disgrace, this legal tolerance of the murder of innocents. There are Right to Life chapters in many cities and states and they need the support of citizens outraged at this situation. Publicists such as Arizona Right to Life officer Dexter Duggan, a libertarian and another of those who in recent years have helped inform this once pro-abortion writer of the error of his ways, work diligently to make information available to the general public.

The push will not be easy, nor is it assured of victory. Although the Supreme Court could in future rule contrary to its 1973 decision, this is unlikely so long as the present court sits. The ruling was seven to two, and it is unlikely that either Richard Nixon or any likely liberal successor will be appointing anti-abortion justices to the Supreme Court.

The amendment process is difficult and long in most cases. The concurrence of three-fourths of the states, following upon either initiative from several state legislatures or a two-thirds vote of Congress, is necessary for passage of any constitutional amendment.

The issue is still in doubt. Opinion polls indicate that the nation is at present nearly evenly divided on the matter. Much more educational work is needed, and there are pro-life groups and individuals everywhere doing it. What has surfaced in Boston in the past weeks is likely to generate more support for the anti-abortion position.

PUBLIC FINANCING OF POLITICAL CAMPAIGNS

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. BROWN of Ohio. Mr. Speaker, the question of public financing of political campaigns has become one of the major issues facing Congress this year.

I recently received a poem which, I believe, lays out the controversy in succinct and direct language for those who do not care to wade through the mountains of arguments which have been made over the past few months by both proponents and opponents of public financing.

For those of my colleagues who want the briefest description of this matter and the shortcomings of public campaign financing, I offer it here for the Record:

PUBLIC CAMPAIGN FINANCING?

The Congress is presently trying to say
That your and my taxes should have to pay
For campaign expenses so candidates may
Tell us how to vote on Election Day.

Our taxes don't go to the guy we think best
We also are asked to pay for the rest.
How can we face an election with zest
When our taxes support some clown we detest?

This interesting, self-serving, cute little game
They play with our money now has a name—
"Campaign Reform"—but it could be mistaken
For "Look how the public is being taken"!

The present laws, if their strictures were heeded,
Would seem to be all of the law that is needed
To shield us from devious machinations
Of national political organizations.

THE 75TH ANNIVERSARY OF THE VILLAGE OF GLENVIEW, ILL.

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. YOUNG of Illinois. Mr. Speaker, I would like to call the attention of my colleagues to the 75th anniversary of the village of Glenview, Ill. It has been said that the family is the cornerstone of the community, and the community is the cornerstone of the Nation. With cornertones like Glenview, the United States has an unparalleled foundation in the history of the world.

I would like to insert in the RECORD the following remarks about Glenview:

GLENVIEW, ILL.: "75 IN '74, WITH THE 'SPIRIT OF '76' "

This year, 1974, the Village of Glenview celebrates its 75th anniversary. It was 1899 when Glenview incorporated under the laws of Illinois. To mark the event, a Diamond Jubilee celebration was held from July 4 through July 6. The three days of activities were held in various parts of the village, but centered around Jackman Park and the adjacent village hall parking lot. Festivities included the Fourth of July parade, with the theme "75 in '74 with the 'Spirit of '76' ", a merchant's street sale in the center of the village, and performances by the Glenbrook South High School German Band, the Glenbrook South Master Singers, the Melodons (Notre Dame high school's jazz band), and the big band of Carl Sands. In addition, there were several game booths and concession stands to accommodate the throngs of people who attended the celebration. The plans and efforts put forth by the Diamond Anniversary Committee, including the crystal clear sky overhead, were well-received and appreciated.

The growth and development of Glenview began in the early 1800's, and has continued up to the present day. In 1837, following his military service at Fort Dearborn, Sgt. Joseph Adams established a general store in the center of what is now Glenview. A growth pattern, typical of the times, developed. Originally occupied by peaceful Indians and frontier farmers, the fertile land, forests and waterways brought others to the area. Many came from across the Atlantic Ocean and established themselves in Glenview. The names of numerous settlers are still well known today.

The Dewes family arrived from England in 1833 to farm the fertile lands. The Rugen family came to Glenview via Germany in 1852, and established the Rugen Stores, among other business and civic activities in which this family has been involved up to the present time. By 1899, the name of the village had changed several times, having been called South Northfield, North Branch, and Oak Glen. In 1895 the name "Glenview" was chosen by the local citizenry, at the suggestion of Hugh L. Burnham, who was to become the first president of the village.

The population growth of Glenview has been gradual, except for occasional "boom" periods. Originally, the village consisted of approximately 350 inhabitants, which number surged higher whenever the Chicago river overflowed its banks. Fears of cholera, diphtheria and other epidemics caused people to move out into less crowded surroundings. By 1950 the population had climbed to 6,142. During the past quarter century, that number has skyrocketed, jumping nearly fivefold. Today it stands at nearly 30,000.

Following the Great Chicago Fire of 1871, the Milwaukee Road put in a set of railroad tracks to haul timber and supplies for reconstruction of the city. Twenty years later, another track was added, in anticipation of the greater traffic for the 1893 Columbian Exposition. In 1903 a telephone exchange was installed in Glenview. Gas and electricity came in 1910, and a volunteer fire department was organized in 1911. One year later concrete sidewalks were poured to replace the wooden ones, and during 1916, water service was added. All of these occurrences in addition to the opening of Edens Expressway (a 4-lane, limited access highway to Chicago) in 1952, added to Glenview's appeal as a convenient, accessible, yet pleasant community.

Congratulations are in order to Village President Ed Patten, Paul Thomas, chairman of the Diamond Jubilee Committee, the Glenview Area Historical Society, the Glenview Chamber of Commerce, and the many citizens of Glenview for all of their efforts put forth in making the Diamond Jubilee a memorable event. A great deal of community spirit and involvement went into making the celebration a success. Glenview has seen seventy-five years of growth and success.

"75 in '74, with the 'Spirit of '76' " is an especially appropriate slogan for a great community Glenview.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. MURTHA. Mr. Speaker, I submit herewith an amendment I intend to offer to H.R. 11500, the Surface Mining Control and Reclamation Act of 1974. This amendment would add representatives of working miners to the advisory commission, giving it some important lay input, often providing practical and important information.

Amendment to title VII, section 810 (a)(6) of H.R. 11500 the Surface Mining Control and Reclamation Act of 1974 offered by Representative JOHN MURTHA, Democrat of Pennsylvania:

On page 302, line 19, after the word "research." change the period to a comma and add the following, "two of whom shall be representatives of working coal miners."

IN THE NAME OF FREEDOM

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. DRINAN. Mr. Speaker, the debate continues over the plight of Jews in the Soviet Union and what role the United States should take on their behalf. This debate will not be silenced and its urgency not diminished until these and other peoples obtain the basic human right to emigrate in the face of persecution.

Mr. Speaker, I commend to my colleagues the following commentary, written by Mr. Robert E. Segal which appeared in the July 4, 1974, Jewish Advocate. In his thoughtful remarks, Mr. Segal expresses a hopeful point of view in his analysis of the positions of several leaders associated with the issue of Soviet Jewish emigration. Mr. Segal was for more than two decades the dynamic and able director and administrator of the Jewish Community Council of Greater Boston.

The article follows:

IN THE NAMES OF FREEDOM

(By Rogert E. Segal)

Litinov, Panov, Sakharov.

Three Russian names currently in the news as efforts intensify the world over to set on the path to freedom the feet of thousands more who desire to leave the Soviet Union.

Kissinger, Jackson, Rockefeller.

Three American names currently in the news, related to the same effort.

Each with a different story.

Then add the name of the universal man, Elie Wiesel, who has come down the tragic years as a bewildered Jewish child in a concentration camp during World War II unto manhood rich in the power to move the consciences of those who only now are beginning to comprehend the scope of the drama of Exit from the Soviet Union.

Litvinov: Grandson of Josef Stalin's foreign minister, Maxim Litvinov, the 33-year-old chemical engineer, Pavel M. Litvinov, has emerged from the Soviet Union after having passed four years in Siberian exile for his role in the 1968 Red Square protest against the Soviet invasion of Czechoslovakia. In Litvinov's impassioned appeals in Vienna, Rome and New York for more vigorous moral support for Russian dissenters, he raises a cry reminiscent of Hermann Rauschning's warning to the west during Hitler's leap to power.

Panov: One of the world's greatest ballet dancers, Valery Panov aroused a large segment of artists in many fields to action on behalf of his effort and that of his courageous wife, Galena, to win egress from the Soviet Union and to expose Russian bureaucracy's interference with artistic freedom. The fight is won. They are now in Israel.

Sakharov: Still another valiant Russian dissenter, Andrei Sakharov has cried out to the world "with respect and hope" for an unrelenting battle against the Russian harassment of honest writers and against obstacles placed in the way of free emigration.

Kissinger: The American Secretary of State continues to insist that Russia must have favored status in trading as he juggles the touchy alternatives for securing peace in the Middle East. Can he heed Sakharov's touching reminder that "external detente is tragically not accompanied by an internal and human detente?"

Jackson: The Senator from Washington pursues tirelessly his honorable and heroic campaign to deny trade concessions to the USSR unless it lifts the barriers to free emigration.

Rockefeller: Our trade relations with the USSR must have a higher priority in the view of David Rockefeller, chairman of the Chase Manhattan Bank. Secure in his own world of finance, Mr. Rockefeller moans that more heat than light is being generated by current discussions of Soviet treatment of Jews. And then his footnote: Americans would not tolerate the Soviet Union's interference in U.S. internal affairs in the course of negotiating trade relations.

Little wonder we need the voice and pen of Elie Wiesel again. In his play, "The Madness of God," he portrays as only Wiesel seems able these days, the reality and enormity of the USSR's perverse coercion of Jews.

Ever since the middle 1950's the Jewish community of America has been trying to save and bring to freedom the third largest Jewish populace in the world—the Jews resident in the Soviet Union. By pageantry and public appeal, by mass gatherings and seminars, by dramatic use of the media, a constantly growing committee-at-large has persistently drummed on the call to a hard-to-achieve liberty. In 1973, the Jewish emigration from the USSR reached the gratifying total of 35,000. But now the wave is ebbing even though 120,000 more Russian Jews have applications to emigrate pending or have been denied permission.

More honor, then, to those hundreds in America and in many other lands who maintain the needed campaign of rescue.

ADMINISTRATOR RUSSELL E. TRAIN OF THE ENVIRONMENTAL PROTECTION AGENCY JOINS IN SUPPORT OF LEGISLATION TO SAVE THE NEW RIVER

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. MIZELL. Mr. Speaker, for some time the Environmental Protection Agency has expressed concern on the fate of the free flowing and historic New River in North Carolina and Virginia. In 1971, the Agency began an independent review of the Blue Ridge power project which would destroy this river and in comments to the Federal Power Commisison raised serious questions on the project itself.

This week, the Administrator of the Environmental Protection Agency, the Honorable Russell E. Train, wrote me a letter indicating his personal support as well as that of the EPA for legislation that I have introduced which will provide for a study of the New River as a potential component of the national wild and scenic rivers system.

I would like, at this time, to insert in the RECORD the letter and enclosures from Administrator Train. With this endorsement, Mr. Train joins with the U.S. Senate and the House National Parks and Recreation Subcommittee in support of legislation which will save the New River.

JULY 15, 1974.

DEAR MR. MIZELL: In response to your request for the views of the Environmental Protection Agency on H.R. 11120, EPA strongly supports the proposal for study of the New River for potential inclusion in the National Wild and Scenic Rivers system.

On November 30, 1973 EPA transmitted its comments to the Federal Power Commission on the latter's final environmental impact statement of the Blue Ridge Project, and I attach a copy of the report for your information. In particular, I invite your attention to the following paragraph of our comments, appearing on page 2 of our letter:

"An unavoidable adverse effect of the project is the elimination of a free-flowing river reach which has excellent water quality and is of high value for recreation and other human uses. As the activities of EPA and of other agencies tend, with passing time, to increase the supply of readily accessible, high quality flat-water expanses suitable for recreation, the outstanding flowing water resources will become progressively more scarce and valuable. In this regard, the upper New River is even now highly valued by a numerous and diverse public, as witness the roster of intervenors in the FPC proceedings. Our concern to preserve high quality waters and their associated environments for the use of future generations encourages us to favor the continued availability of these valuable areas in their natural condition and to approach an irretrievable commitment of such resources with extreme caution. We suggest that the possibility of preserving this outstanding river reach by developing alternative pumped storage site merits serious further study.

Thus, the potential adverse environmental impacts of the proposed impoundment, particularly the permanent loss of this major remaining free-flowing river in the East, makes the study authorized by H.R. 11120 an urgent need.

The Office of Management and Budget has advised us that there is no objection to this position from the standpoint of the Administration's program.

Sincerely yours,

RUSSELL E. TRAIN.

NOVEMBER 30, 1973.

DEAR MR. NASSIKAS: On April 9, 1973, EPA filed comments with the FPC on the draft environmental impact statement for the Blue Ridge Project. We found that the draft statement contained insufficient information for us to evaluate adequately the environmental effects of the project. The information needed was described in our detailed comments.

Subsequently and in accordance with Section 309 of the Clean Air Act of 1970, we have reviewed the final environmental impact statement for this project dated June, 1973. In general, we found that the final statement did not fully meet our needs for substantial additional information on environmental effects as requested in our comments. For that reason, there remain potential environmental consequences which we cannot evaluate. However, we are in a position to form some definite conclusions regarding certain specific features of the Blue Ridge Project, and we feel that these conclusions will be pertinent to the Commission's consideration of this licensing action.

In particular, we find that certain significant adverse environmental effects may result from this project, and thus we have strong reservations concerning its acceptability from an environmental standpoint. Some of the effects discussed below can be mitigated by changes in the project design and implementation. However, a basic environmental concern—the commitment of a high quality free-flowing stream to impoundment—would be an unavoidable consequence of proceeding with the proposal.

Effects of the project as proposed include possible adverse impacts on reservoir water quality resulting from inadequate regulation of shore development, the possibility of stimulation of unwise use of flood plains downstream from the project and the likelihood of stream channel erosion and adverse impacts on stream biota due to extreme fluctuations in river flow caused by reservoir releases. In our opinion, however, these possible effects could be partially or completely avoided by adopting appropriate precautions prior to reservoir construction.

An unavoidable adverse effect of the project is the elimination of a free-flowing river reach which has excellent water quality and is of high value for recreation and other human uses. As the activities of EPA and of other agencies tend, with passing time, to increase the supply of readily accessible, high quality flat-water expanses suitable for recreation, the outstanding flowing water resources will become progressively more scarce and valuable. In this regard, the upper New River is even now highly valued by a numerous and diverse public, as witness the roster of intervenors in the FPC proceedings. Our concern to preserve high quality waters and their associated environments for the use of future generations encourages us to favor the continued availability of these valuable areas in their natural condition and to approach an irretrievable commitment of such resources with extreme caution. We suggest that the possibility of preserving this outstanding river reach by developing alternative generating facilities and/or an alternative pumped storage site merits serious further study.

With respect to the air quality aspects of the Blue Ridge Project, insufficient information exists in the final statement for EPA to concur with the FPC staff conclusion that the proposed action will result in less air pollution than the next most-economical alternative. Such a conclusion would have to be drawn from a much more complete analysis of alternative methods of generating the required peaking power, over both the short and long terms. The project will allow maintenance of or an increase in the utilization of existing coal fired plants, which will continue to have significant emissions even if State air implementation plans are met. An alternative of installing new generating capacity which must meet more stringent new source performance standards and utilizing an older unit for peaking capacity might well result in less air pollution and overall fuel consumption than the mode of power generation which encompasses the proposed pumped storage facility.

We are most appreciative of this opportunity to provide our views for consideration by the Presiding Administrative Law Judge. Detailed comments have been prepared for enclosure with this letter which set forth our reasoning and outline needed precautionary measures in somewhat greater detail.

Sincerely yours,

JOHN R. QUARLES, Jr.,
Deputy Administrator.

DETAILED COMMENTS ON FINAL ENVIRONMENTAL IMPACT STATEMENT FOR BLUE RIDGE HYDROELECTRIC PROJECT

I. FLOOD CONTROL STORAGE BENEFITS

In reformulating the project to eliminate water quality storage, the flood control storage was increased from 160,000 to 346,000 acre-feet (an increase of 186,000 acre-feet). This was done despite the fact that the lesser amount appears already to provide enough storage to control 72% of the damages of a flood of 3500 years recurrence time (FEIS, pp. 35 and 47). The utility of the additional storage is not convincingly documented in the final statement despite its incremental costs of 200 acres, 37 homes and $1.7 million (to alleviate damages estimated (1967) at approximately $658,000).

II. ADVERSE EFFECTS WHICH COULD BE AVOIDED

If, after full consideration of all factors, it is considered necessary for the Blue Ridge Project to proceed at its proposed site, the project could and should be modified to avoid several adverse environmental impacts implicit in the present proposal. EPA's recommended modifications are as follows:

1. Adverse effects from private development of recreational facilities

Although the applicant is required to acquire control of the immediate shoreline of the proposed reservoirs, the potential of such control to insure optimal recreational development compatible with environmental protection will evidently not be utilized. Unrestricted private development of recreational and second homes along the shoreline and of commercial facilities to service recreational use of the reservoirs have the potential to degrade the scenic value of the reservoirs and to lead to water contamination from on-site sewage disposal. This is especially true since it is known that soil and slope characteristics may, in some areas, be unsuitable for such sewage disposal (FEIS, p. 362).

It is vital in any such project to coordinate local land use plans and zoning ordinances with the recreational development plans of the applicant, as overseen by the FPC, and of the States. The ultimate control by the FPC through the applicant's actions in acquiring and administering project lands could be used to reinforce State and local implementation of a previously agreed-on comprehensive recreational development plan for the reservoir area.

Should the Commission determine that Blue Ridge is to proceed, we recommend specifically that a comprehensive recreational development plan be drawn up, which incorporates the proposed State parks, the facilities to be provided by the applicant and those private residential and commercial developments compatible with optimum recreational use of the reservoirs. In our opinion, such a plan should be based on an adequate environmental inventory, and thus its preparation will require professional assistance. The applicant should assist the States and affected municipalities in financing the necessary work. The plan should regulate shoreline use as stipulated in the comments of the Department of Interior (FEIS, p. 314), provide for use-zoning of the reservoir shore and incorporate cluster development as advocated by the FPC staff (FEIS, p. 45). Where practicable, it should also incorporate the restrictions on reservoir use necessary to avoid objectionable noise or other degradation of the reservoir and surrounding environment (FEIS, p. 52).

In addition, commitments should be secured from the affected governmental units to implement the recreational plan. To the extent that such commitments cannot be secured, easements or fee ownership should be secured by the applicant adequate to preclude violation of the basic provisions of the plan.

Regional development goals, including proposed industrial development and population trends, and the manner of provision of necessary municipal services, should be fully integrated with this plan. The proposed highway relocations should also be incorporated into the plan as they will both affect and be affected by many essential features of the regional development patterns and the recreational use of the Blue Ridge reservoirs.

2. Flood-plain development

Flood control should be considered as part of a comprehensive flood damage prevention program which also incorporates regulation of flood-plain use. In particular, prior to provision of structural flood control measures, commitments should be secured from affected counties and municipalities to institute flood-plain zoning and to participate in the Federal Flood Insurance Program. Unwise development of the flood plains may lead to increased flood damage despite the decreased flood stages as regulated by the proposed project. Such commitments should be secured from all affected local governmental units as far downstream as the Bluestone reservoir. These commitments should be obtained prior to construction, and the incorporation of flood control storage in the project can be made contingent on acquisition of commitments to flood-plain zoning. This will provide an incentive for the affected local governments to participate in the overall program, and may also help alleviate further the need for the additional 186,000 acre feet of flood control storage discussed above.

3. Downstream erosion

The State of Virginia has pointed out that hydroelectric generating releases from the lower reservoir will exceed the bank-full channel capacity, resulting in increased erosion of banks and channel bottom (FEIS, p. 372). The widely fluctuating flows below the project could be a hazard to recreationists, adversely affect the natural qualities of the stream, and have unspecified and potentially adverse effects on aquatic and terrestrial biota. We recommend that the peak flows be regulated so as to depart so drastically from the natural flow regime. Fluctuations should not exceed those which can be demonstrated to be compatible with channel stability and the protection and propagation of an abundant and balanced population of indigenous aquatic life. Documentation of the effects of proposed fluctuations should be available prior to finalizing license conditions.

III. UNAVOIDABLE ADVERSE EFFECTS: INUNDATION OF THE UPPER NEW RIVER

Even if mechanisms are fully implemented to mitigate the possible detriments cited above, it can be effectively argued that the Blue Ridge project may still entail major adverse impacts on the environment in that it would eliminate a major environmental resource of marked scenic, and recreational and biological value, the upper New River, and replace it with a flatwater expanse having questionable biological productivity.

The fundamental effect of a reservoir project is to replace a flowing stream with a flatwater expanse. Thus, a basic issue which must be addressed is the comparison of the relative scarcity and value of the two environmental resources, stream and reservoir. This is a topic in which EPA has a vital interest because it is intimately related to our own mandate under the Federal Water Pollution Control Act to protect and enhance water quality and provide for a range of associated uses such as recreation and the propagation of aquatic life. Resources committed to maintaining and enhancing water quality are motivated by the values perceived in such uses; in turn these values are very much affected by their relative availability, abundance or scarcity.

EPA's mandate encompasses not only clean-up of waters that have been polluted but maintenance of existing waters of high quality and biological productivity. Furthermore, we note that over a period of time, and partly due to our own pollution control activities, the inventory of good quality flatwater expanses is expected to increase. In addition to widespread availability of multipurpose reservoirs, most large metropolitan areas immediately adjoin extensive flatwater areas—estuaries, broad rivers, or lakes. Although existing pollution restricts the range of water uses in those waters immediately adjacent to the major population centers, it is a primary goal of EPA's (and the States') regulatory activities to make such areas suitable for many diverse uses contributing to human welfare. Thus these immediately accessible flatwater areas will be available for a wide variety of recreational pursuits. **Bringing new recreational opportunities to the people, rather than accelerating development of recreational facilities in remote areas, has been a major goal of this Administration, and is even more pertinent in view of the current fuel shortages.**

Our appreciation of these trends leads us to believe that broad water expanses suitable for recreation will become progressively less scrace as time passes. On the other hand, high quality natural rivers, of which we possess a limited number, are becoming relatively less abundant and more valuable. On this point, the State of North Carolina has emphasized in its comments the unique value of the upper New River and the lack of uniqueness of the reservoir which would take its place. Other comments have made the same point, and these have not been rebutted by the FPC staff. We believe the possibility of preserving this outstanding river reach by developing alternative generating facilities and/or an alternative pumped storage site in an area where the destruction of natural values would be less significant merits serious further study.

IV. AIR POLLUTION

The final impact statement has not adequately demonstrated that the proposed project would result in less air pollution than the next most-economical alternative. In particular, we question the conclusion that, over the lifetime of the project, a power generation system utilizing pumped storage capacity at Blue Ridge would emit less air pollution than an alternative scheme with incremental coal-fired base load capacity. Our reasoning is as follows:

First, it appears that the air emissions were not calculated directly. The cost of the fuel burned in alternative schemes was compared and used as a surrogate for a direct estimate of SO_2 or particulate emissions. However, different generating stations in the system probably pay widely different amounts for fuel. Since the fuels they burn also have widely different sulfur content, this should proportionately affect their SO_2 emissions. In general, one expects sulfur content to be inversely related to fuel cost, depending on location, so that a system's expense will not properly reflect SO_2 emissions. For example, a generating scheme which minimizes fuel cost will tend to maximize SO_2 emissions.

Second, it appears that no account was taken of the fact that new generating stations must meet stringent new source performance standards whereas existing units may continue to operate subject to much less stringent requirements under the State air implementation plans. As the Blue Ridge project could require the utility to operate existing power units more of the time, air quality could be adversely affected. The alternative, of course, would have them operate older units less of the time and use an additional baseload or cycling unit for peaking power.

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U.S. ARMS POLICY FEEDS SOVIET HAWKS

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. LEGGETT. Mr. Speaker, sometimes I am happy to read what columnist Victor Zorza has to say, and sometimes I am not. But in either case, the fact is his track record for correct predictions and correct analyses is very near 100 percent, and I believe we must evaluate his credibility accordingly.

His recent column should give pause to anyone who believes we gain national security when we escalate our spending on strategic weapons beyond our national security requirements. It is frequently said that military spending as such "sends the Soviets a message" and discourages them from accelerating the arms race.

On the contrary, Mr. Zorza argues, based on his excellent knowledge and understanding of Soviet affairs, that massive U.S. strategic weapons programs strengthen the extreme Soviet hawks, sometimes to the point where they overthrow the moderates. The hawks then begin their own massive programs, which stimulate equivalent U.S. programs, and so forth. Mr. Zorza pictures Marshal Grechko and Senator JACKSON as inadvertent partners as were John Kennedy and Khrushchev before them in a never-ending spiral of unnecessary military spending.

I would not for a moment suggest that we simply cut back our own programs for the purpose of inducing the Soviets to follow suit. But it seems clear that our best strategic weapons policy consists of buying what we need to meet real military threats, and resisting the temptation to "keep up with the Joneses" for the sake of competition. If we do this, there is an excellent chance the Soviets will feel less need to keep up with us, and will be more inclined to respond to their popular demand for consumer goods. Many of us in the Congress tried to stop MIRV 3 years ago. It is ironic that Kissinger and Nixon now return with empty SALT agreements from Moscow because MIRV is too complicating.

I insert in the RECORD Mr. Zorza's column from the Washington Post of July 2, 1974:

KREMLIN POLITICS AND MILITARY SPENDING

(By Victor Zorza)

On his way to the Moscow summit Dr. Kissinger explained, not for the first time, that the United States and the Soviet Union can "destroy human life in a matter of days" and "end civilized life as we know it."

But in Moscow this is very much a matter of debate. The Brezhnev faction argues that the threat to civilization is real, but the more militant faction insists that it is the imperialist aggressor who would be "routed," utterly and decisively, in a future war.

This argument, usually found in the Soviet military press, is countered by Brezhnev's spokesmen. Yes, says an article in the government paper Izvestia without, of course, mentioning the military—"the aggressor would be crushed, but at what cost?"

Dr. Kissinger believes that in Washington too "a fundamental debate is inevitable" about the future of detente, and that it will involve "fundamental questions of national survival and the future of humanity." These are in fact the terms on which the Kremlin's own debate has been conducted. Some Soviet leaders argue that "national survival" requires bigger and better weapons. Others maintain that the "future of humanity" could be assured only by arms reduction.

In Moscow the more militant faction argues that the weapons are necessary lest someone like Sen. Henry Jackson (D-Wash.) should ever become President and threaten the Soviet Union with annihilation. To the extent that Marshal Grechko manages to get wheat he wants from the Politburo, Jackson can argue that the Soviet Union is posing an increasing threat to the United States, which justifies the arms buildup advocated by Secretary of Defense James Schlesinger. And so it goes.

It is precisely because there is nothing new in this action-reaction pattern, which became established almost as soon as nuclear weapons appeared, that Kissinger's warnings about the end of civilization seem to have a hollow ring. The cry of "wolf" has itself become part of the pattern.

The first Kremlin debate about "the death of civilization" came to the surface in the middle fifties, soon after the death of Stalin, when it became an issue in the struggle for the succession. Nikita Khrushchev was trying to wrest the leadership from Premier Georgi Malenkov. It was Malenkov who maintained then that the threat to mankind posed by nuclear weapons made it necessary for Russia to abandon the confrontation politics of the Stalin era. Khrushchev denounced Malenkov's disarmament plans as something akin to treason, and got rid of him—with the help of a grateful army.

For several years Khrushchev went on paying off his debt to the military, but finally he rebelled against their insatiable demands and embraced the very policy for which he had overthrown Malenkov. By this time, however, he had created the appearance that Russia's nuclear missile might was greater than that of the United States. It was John F. Kennedy who now raised the cry of the "missile gap" against the Eisenhower administration, and used it as an argument against the election of Richard Nixon—much as Khrushchev had use a similar argument to overthrow Malenkov.

The Kennedy arms buildup which followed made it possible for the Kremlin hardliners to insist by the mid-sixties that Khrushchev should divert far greater funds to defense. When he refused, he was overthrown by Brezhnev who began—as Khrushchev had done—by giving the military what they wanted, only to find that they always wanted more and more.

As the mid-seventies came into view, the wheel once again came full circle, and now it is Brezhnev and the military, supported by some of the politicians, who are locked in debate. Again the debate is ostensibly about "the death of civilization," but actually about the Soviet arms program for the next 10 years.

The reptitive pattern suggests the emergence of a law of international politics which may appear to govern East-West relations. The lead time for the creation of modern weapons systems is about 10 years--and every 10 years or so the Kremlin is torn by a power struggle in which the more militant faction manages to rout those opposed to greater arms spending. The winners authorize new arms programs, but in time begin to work for arms reductions and East-West accommodation, only to be overthrown in turn.

The only way to understand the politics of the Kremlin is to follow this debate, reconstructing it from the few signs that emerge now and again—much as we have to follow the open political debates in the West to understand what our own leaders are up to.

U.S. politicians who press for bigger arms programs provide the ammunition which Soviet hawks need to win power in the Kremlin. And Soviet hawks provide the ammunition which U.S. politicians can use—from John Kennedy to Henry Jackson—to win elections at home. The operation of the law transcends the East-West boundary, and the unwitting cooperation between the two sides fuels the arms race.

DAIRY IMPORTS

HON. HAROLD V. FROEHLICH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. FROEHLICH. Mr. Speaker, a strong, healthy domestic dairy industry is important both to America's dairymen and to consumers who rely on high-quality protein foods such as cheese and milk. Unfortunately, our dairy farmers are going through a very hazardous period marked by rapidly increasing costs, dramatically falling prices for manufactured products, and growing consumer skepticism because low wholesale prices are not reflected in the grocery store.

Current trends in the dairy industry do not bode well for farmers or consumers. Milk production in June was down for the 21st consecutive month from the previous year. Wholesale cheese prices have dropped 20 percent from a recent peak to below the support level. Cheese in storage has increased 153 million pounds since last year. Some dairy manufacturers are closing their doors and others are refusing to accept fluid milk from dairy farmers. And of great significance to farmers and consumers alike, millions of pounds of imported dairy products are entering the country over and above the established quota levels, while health and sanitation inspections have dramatically decreased over the past year.

In fact, the systematic increase in dairy products imports over the past few years has helped to create the crisis situation facing the dairy industry today, has threatened the reputation of American dairymen who are known for their high-quality standards, and continues to pose a menace to the health of consumers. It is clear that, in both quantity and quality, dairy imports are partly responsible for the problems the dairy industry must contend with in the United States.

Among other things, dairy producers have launched significant self-help programs in research and promotion to provide products suited to the many needs of American consumers and to educate the public on the nutritional values of milk and milk products. But dairy farmers cannot contend with unfair and unwarranted Government policies regarding imports.

It is imperative that this Congress take action to better protect farmers and consumers from a flood of unsanitary and unhealthy dairy product imports. While the Subcommittee on Dairy and Poultry of the House Agriculture Committee has held hearings on the Foreign Dairy Quality Act to establish this protection, no specific action on the bill has been taken. I strongly urge the subcommittee to continue its positive efforts to better protect consumers and farmers from imported dairy products. As the following editorial from Hoard's Dairyman points out:

> Not only are these imported dairy products jeopardizing our markets, but, without similar requirements for imports, they jeopardize the health of our consumers.

The editorial follows:

Europe's Butter Mountain Grows as U.S. Dairy Prices Fall

The recent decline in the farm price of milk, coupled with falling prices of cheese, butter, and powdered milk, make D. R. Strobel's report on world dairy supplies (page 765) even more alarming. On the domestic scene, the current dairy outlook is rather bleak. Higher retail milk prices have caused, and may continue to cause, lower milk consumption. Retail dairy prices in March were 25 percent above the year before and continue to rise. Fluid milk sales in major urban markets are running 5 percent below a year ago.

Cheese is in a "disastrous market situation." Wholesale cheese prices have been skidding weekly for the past several weeks and warehouses are bulging. Spokesmen for the cheese industry report that cheesemakers making and storing cheese in the popular 640-pound barrel and block styles are out of containers and cannot buy any more.

More than 401 million pounds of cheese is now in storage, that is 153 million pounds more than on the same date last year. Included in storage is some of the 99 million pounds of cheddar cheese imported by presidential proclamation during the first three months of this year.

With butter prices falling to support levels, CCC recently purchased 1.6 million pounds of butter under the price support program. This makes a total of 1.9 million pounds since April 1.

Lower fluid milk sales have resulted in heavier powder production and powdered milk prices have dropped sharply. Powdered milk buyers reportedly are reluctant to take on U.S. milk powder ahead of additional imports.

Meanwhile, U.S. milk production continues down. April output was off 2.3 percent from a year ago, marking the 19th consecutive month that production was below that of a corresponding month a year earlier.

In the European Community (EC), support levels are $7.34 per hundred for milk; 96.3 cents per pound for butter; and 43.2 cents per pound for nonfat dry milk. As Mr. Strobel points out, the original intent in the EC was to raise the target price for milk to just $7.07 per hundred and to lower the support price for butter. However, producer groups pushed for higher support levels to compensate for their higher costs, and they were successful.

It is significant to note, too, the extent to which the EC has subsidized its butter into export. The EC butter price in Beirut, Lebanon, was 45 cents per pound compared with the support price of 96.3 cents according to Strobel.

As Europe's dairy production increases, there will be continuing pressures for the U.S. market to take more dairy products. It is difficult to understand the rationale for our continuing imports of dairy products when one studies the current dairy situation in this country. It is even more incomprehensible when routine sampling of the imported products reveals penicillin, insect larva, benzine hexachloride, and other substances not permitted by domestic standards. Currently, only 10 percent of imported dairy products are inspected, and about 12 percent of the inspections have revealed the product unfit for human consumption. Yet the administration turned down legislation designed to require stricter inspection.

There are reports that USDA animal health authorities may move to block future shipments of powdered milk containing viruses of the dreaded hoof and mouth disease. Ironic as it may seem, federal regulations now ban the use of powdered milk from countries not free of the disease of animal feed, but it is allowed for the feeding of humans because they are not susceptible to the disease.

The fear is, of course, that a processor may use this powder in animal feed, should something make it unfit for humans. Last year, 23 percent of the powdered milk consumed by Americans was imported, much of it in the baking industry.

Having double standards for dairy products, depending on where they are produced or manufactured, makes no sense whatever. Not only are these imported dairy products jeopardizing our markets but, without having similar requirements for imports, they jeopardize the health of our consumers. It's high time legislation is passed that would require foreign dairy farms and dairy manufacturing plants to meet sanitation and inspection standards comparable to those imposed on the United States dairy farmers.

OPPOSE SALE OF POLICE EQUIPMENT TO THE SOVIET UNION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. ASHBROOK. Mr. Speaker, recently there have been reports of the United States selling to the Soviet Union the most modern equipment for bugging, night photography, and other such devices for "personal surveillance." With the testimony of literally scores of Soviet dissidents and other experts on oppression by Soviet officials, it is unbelievable to me that our Government would allow the sale of such equipment. I cannot understand why the U.S. Government would help the Soviets and the Soviet secret police terrorize their own population.

In the "Gulag Archipelago," Solzhenitsyn has explained in great detail the nefarious activities of the so-called Soviet system of justice. Under this system people are arrested, interrogated, and tortured for committing no crimes at all. Is the United States now going to make that system even more modern and efficient? The United States would prove it is morally bankrupt if it allows such a sale of sophisticated police equipment to go through.

The text of the article entitled "Soviet Police Seek U.S. Gear" from the July 18, 1974 Washington Post follows:

Soviet Police Seek U.S. Gear

(By Richard T. Cooper)

It sounds like sending hot coals to Newcastle, but American firms may soon begin selling Russian police the latest equipment for bugging, night photography and other devices for "personal surveillance," unless the federal government intervenes.

Secretary of Commerce Frederick B. Dent confirmed yesterday in Senate testimony that his office is holding discussions with the State Department on whether to allow such export sales.

The Soviet Union has invited a number of U.S. companies, considered manufacturers of the world's most sophisticated voiceprint analyzers, lie detectors, identification systems, surveillance devices and similar gear, to exhibit at a Moscow trade fair next month.

Dent, in an interview after his Senate appearance, said U.S. government permission is not required for companies to show their wares at the show.

To negotiate sales at the show and then ship such equipment to Soviet police agencies, however, would require licensing by the Commerce Department's Office of Export Administration, he said.

News of the Soviet invitations, and favorable responses from a number of U.S. firms, has spread slowly during the past 10 days, provoking surprise and opposition in Congress and elsewhere.

Sen. Henry M. Jackson (D. Wash.), whose Permanent Subcommittee on Investigations has begun taking sworn statements from equipment makers, described it as "an outrage" to supply devices that Soviet police could use to tighten control over minorities and dissenters.

The subcommittee voted yesterday to have Jackson contact the Administration and request that no equipment be permitted to be shipped while the issue is being debated. The matter will also be taken up at a closed-door hearing Friday, the subcommittee decided.

Rep. Charles A. Vanik (D-Ohio), who wrote to Dent and Secretary of State Henry A. Kissinger last week requesting information on the government's position, said yesterday, "I'd hate to have weapons of oppression in the Soviet Union or any other country carry the marks 'Made in America.' "

"I'm for detente and I'm for trade, but this equipment could be used for the suppression of dissent and minorities," Vanik said.

"It would be like exporting gas chambers to Hitler," Vanik said. He cited passages from the work of Nobel Prize-winning Soviet writer Alexander Solzhenitsyn, now in exile, in which Soviet secret police are portrayed as desperate to get voice analyzers and night photography devices comparable to those made in the United States.

Sen. Frank Church (D-Idaho), before whose Subcommittee on Multinational Corporations Dent testified, said afterward. "Naturally I'm opposed to the transfer of this type of technology. It's preposterous."

During the hearing, Church appeared surprised when Dent referred to the issue. "We certainly can't instruct the Soviets on police work. They ought to be experts on that," Church said, but Dent told him in such things U.S. technology is well ahead.

Dent indicated the discussion inside the government is focusing on whether the export of such equipment would be consistent with U.S. foreign policy.

In general, Dent said, the administration feels promotion of trade supports detente and reduces the risk of war. In certain areas, including military security and some foreign policy considerations, however, exports to the Soviet Union are barred, he said.

EARL WARREN

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 10, 1974

Mr. **PHILLIP BURTON**. Mr. Speaker, it was Euripides who said, "When good men die their goodness does not perish but lives though they are gone."

Earl Warren was a good man and his death saddens all of us who respected and admired this great civil libertarian and humanitarian.

He served this Nation as Chief Justice of the Supreme Court for 16 years. He left an indelible mark on the Court and on our Constitution.

While I was a member of the California State Legislature it was my privilege to introduce and have adopted a resolution commending Chief Justice Warren and expressing support of him at the time the organized Birch Society campaign against him was at its height.

On the occasion of his retirement 5 years ago I said on the floor of the House:

> He has moved this Nation forward, lending the weight and prestige of his high office to the struggle for equal rights for all persons and has been an outspoken defender of the civil liberties guarantees of our Constitution.
>
> His has been a life of public service spanning some 50 years. I join with my colleagues in honoring him today although his work and service do him greater honor than it is in our power to bestow.

Today, as we eulogize this giant of a man, we do so knowing that his place in history is secure and the chapter entitled, "The Warren Court" will refer to the golden era in the defense of individual rights.

The Washington Post on the occasion of his 75th birthday said:

> Not since the formative days of the Republic when John Marshall presided over its deliberations has the Supreme Court played so dynamic a part in American affairs as during the dozen years since Earl Warren became Chief Justice of the United States. Great issues of individual rights, not yet ready for judicial decision in the first century and a half of the country's territorial and economic development, presented themselves inescapably for adjudication. A willingness on the part of Justices to meet issues when they become ripe for resolution * * * is really nothing more than a recognition of the Supreme Court's responsibility to serve effectively as guardian of a living Constitution related to current realities—and to serve especially as guardian of the spirit of liberty characterizing that Constitution.

The Nation has lost a patriot, a great jurist, and a good man. We extend to his family our sympathy.

Tributes to Earl Warren have come from all walks of life, from at home and abroad. I should like to share with my colleagues editorial tributes to Chief Justice Earl Warren which have appeared in newspapers in the San Francisco area:

[From the San Francisco Chronicle, July 11, 1974]

EARL WARREN OF CALIFORNIA

In tribute to Earl Warren it is being recalled that his great strength as Chief Justice of the United States from 1953 to 1969 lay in his capacity to bring the Supreme Court's fierce individualists together for their farthest-reaching, socially revolutionary decisions—the school desegregation case, the one-man one-vote cases, the rights of the accused cases.

While it is accurate to say that he was indeed a great judicial administrator, he was not the legal scholar that others on the Warren Court were, nor the legal stylist, nor even the initiator of the great ventures which carried the Court into new civil rights territory. But there was something about Earl Warren that glowed with humanity, integrity and fairness. It made his happily simple and direct language extraordinarily eloquent:

"Legislators represent people, not trees or acres," he wrote on the page he was proudest of, the Reynolds v. Sims decision of 1964 that struck down the malapportioned upper houses of just about every state capital in the country, including Sacramento, where he had made his name. "Legislators are elected by voters, not farms or cities or economic interests . . . the right to elect legislators in a free and unimpaired fashion is a bedrock of our political system."

Many lawyers and law professors regard the one-man one-vote cases as the Warren Court's outstanding achievement, reports Alan Barth in his book "Prophets With Honor," and Warren himself thought so too.

Californians have good reason to recall that during the war and early postwar years when Warren was magnificently serving this state as governor he was a champion of the then unequal representation system of the Senate. The fact that he came to boast of overthrowing the kind of geographically organized house he once approved of shows his capacity to grow and change. Once a tough prosecutor in Alameda county, he became the defender of enlarged rights and protections for the criminally accused, as the Gideon and Miranda cases testify.

The man who aspires to follow him to the California governor's chair, Houston Flournoy, applying the judgment of a political scientist, thinks that he "will be remembered as perhaps the most significant public figure in midcentury America." There are many—some of them still on the Supreme Court bench—who would agree with that.

[From the San Francisco Examiner]

EARL WARREN'S HISTORIC ROLE

Earl Warren, late Chief Justice of the United States, has an assured place in the pantheon of American leaders who wrought profound social and political change.

Twenty years after the event, the nation is still in the midst of the peaceful social revolution brought about by the Warren Court's unanimous racial desegregation decision of 1954. That decision was more than a landmark. It was a watershed, turning the nation toward new concepts of social justice, leading directly to the great civil liberties movement of the 1960s and changing the country's traditional institutions in a fundamental way.

To black Americans and many other minorities the decision was nothing less than a second Emancipation Proclamation, bringing millions of them into their country's economic and political mainstream.

The Warren Court's one man-one vote decision was cut to the same pattern, for it shifted political power to the urban masses at the precise time when urban concentration became the American way of life.

Earl Warren also led the Court in a series of 5 to 4 decisions expanding the constitutional rights of accused in criminal cases. We believed, and said here, that some of those decisions went too far. Indeed the Chief Justice Warren who wrote or concurred in those decisions was disagreeing with an earlier Earl Warren, for as a young and hard-driving district attorney of Alameda County he held different views. Lately the Supreme Court has tempered several of those Warren Court rulings.

The Warren Court decisions rarely met acclaim at the time, and some of them are still fiercely debated today. The fact remains, however, that Mr. Warren earned an enduring place in history because he and his colleagues gave new meanings to the Constitution to fit the compelling needs of a rapidly changing society.

Californians also remember him as a remarkably able, tough-minded and stubborn Governor of California—the only man they ever elected to that office three times.

A great American, ripe in years, has laid down the burdens of life.

[From the Sacramento Bee, July 10, 1974]

EARL WARREN, 1891–1974

We mourn a great American today. A strong and good man, a towering symbol of justice and human dignity, is gone. A rich and useful life has ended with the death of Earl Warren.

There are so many reasons to honor his name. Few before him have done so much for the people of this country in marshaling the forces of decency and fairness against the ugly presence of prejudice and intolerance. Few have left a more precious heritage in defense of the rights of the individual.

Behind the scroll of deeds stands the commanding figure of this self-made lawyer-son of Scandinavian immigrants, a man who never stopped growing. His vision broadened with age and experience each step along the way—from Oakland city attorney, to Alameda County district attorney, to state attorney general and unprecedented third-term governor of California, and finally, Chief Justice of the United States.

He grew, yes, yet throughout he remained the same plain, outgoing individual with unswerving principles. He liked people. And they liked him, whether as a fledgling clerk to a 1919 legislative committee in Sacramento; hearty, handshaking candidate; Republican nominee for vice president in 1948, or simply mingling with fellow sports fans at football and baseball games.

To each job he gave unstinting dedication and unswerving purpose. Americans saw that when he undertook the difficult task of heading the commission which investigated the assassination of President John F. Kennedy.

He inherited a sharply-divided and quarrelsome U.S. Supreme Court when he was appointed chief justice by President Dwight D. Eisenhower in 1953. His friendly manner, his open-mindedness, his capacity for fairness and for reaching the heart of the issue earned the respect of his colleagues.

And when he stepped down from the bench in 1969, legal commentators spoke of him as the strongest and most influential chief justice in American history, with the possible exception of John Marshall.

Certainly it can be said no chief justice has better served his court or country. In his 16 years in that office, the court compelled a massive change in the politics and social direction of the nation and ordered a major overhaul of criminal law. He forced it to act boldly where it had not acted at all on some central issues, and imbued it with a willingness to take on hard questions.

Warren probably will be best remembered for the historic decision—and it was unanimous—striking down segregation in the public schools, and in a series of landmark rulings which imposed strict guidelines to protect the rights of defendants caught up in the criminal process.

To him, though, Baker vs. Carr—the legislative reapportionment case which enunciated the one-man, one-vote edict—was the most important case to come before the court. And, indeed, in the years that followed, it reshaped the entire political scene in America.

The Warren court's major pronouncements acknowledged and vindicated the rights of the poor, the weak and the ignorant. They reflected Warren's inherent belief in the principle that the law and the Constitution must serve the lowliest as fully as it serves the most powerful.

The late Washington columnist Drew Pearson once wrote his grandson, then in the fourth grade: "By the time you are in college, Earl Warren will be regarded as a man who molded America as much as any of the great presidents."

Warren, in answer to a newsman's question in 1969, said: "I would like the court throughout its history to be remembered as the court of the people."

And so it will, chiseled as deeply into the conscience of America as the inscription on the Supreme Court building: "Equal Justice Under Law."

It was his guiding precept. It is his legacy for his children and children's children—and ours.

HOUSE CONFEREES ON VETERANS EDUCATION AMENDMENTS WILL NOT BE INTIMIDATED

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. TEAGUE. Mr. Speaker, the day following the first meeting of the conferees on H.R. 12628, the veterans' education amendments, Senator George McGovern inserted in the Record a letter which he had written to Senator Vance Hartke, chairman of the Senate Veterans' Affairs Committee, dated June 26, 1974. The opening paragraph of the letter was as follows:

> I am deeply distressed to learn that there is a possibility that the tuition allowance included in the Senate Vietnam veterans bill may be eliminated by the House-Senate conferees. This would be a catastrophe for the veterans and a grave injustice. *I personally will not tolerate it.*

Senator McGovern went on to say that he realized that it was a little unusual to speak about a conference while it was still in progress, and I certainly agree with him on that point, but I must go further and say that I consider it the height of arrogance for Senator McGovern to serve notice that he "personally will not tolerate" any decision of the conferees except one that pleases him.

I am not intimidated by Senator McGovern's threats that he will not tolerate our decision, and neither am I impressed with his new found concern for veterans' causes. If, during his service in the Congress, Senator McGovern has shown more than a passing interest in veterans' affairs it has escaped me. Certainly his recent campaign for the Presidency was not distinguished by a meaningful program for veterans or any particular interest in the affairs of veterans. There is every indication that Senator McGovern's sudden burst of enthusiasm for veterans' causes is directly related to the fact that he is opposed in his bid for reelection to the U.S. Senate by a distinguished former serviceman.

Most of the members of the House conferees have served on the House Veterans' Affairs Committee for many years. Several Members participated in formulating the Korea GI bill, the war orphans scholarship program, and the current education program for Vietnam veterans. Our conferees have more than a passing interest in seeing that the program succeeds, and we have accumulated a good bit of experience in dealing with problems in the earlier programs. We have thousands of pages of records of problems that developed with the previous attempt of the Federal Government to supplement tuition payments at high-cost schools. I do not acquiesce in any way to Senator McGovern with respect to his concern for Vietnam veterans, and we expect to follow a course which we think is best for Vietnam veterans and the taxpayers as a whole. We will not be intimidated by Senator McGovern's threats.

In his letter to Senator Hartke and statement in the Record, Senator McGovern repeats the popular misconception that Vietnam veterans are not receiving educational benefits commensurate with those enjoyed by World War II veterans. This is not correct.

Vietnam veterans on the average are receiving more education benefits than World War II veterans received. Outlays per veteran in training, adjusted to constant dollars, for Vietnam veterans exceed payments made in behalf of World War II veterans.

Vietnam veterans have many extra benefits such as: Work-study assistance, tutorial assistance, military PREP, free high school elegibility, and longer enrollment period.

World War II veterans had restrictions which Vietnam veterans do not have:

They were required to initiate their course within a 4-year period or lose entitlement;

They were subject to an income limit on outside earnings;

Even though tuition was paid, an extra charge was made against entitlement for payments in excess of $500 for an ordinary school, where no such charge is proposed against Vietnam veterans;

They could have benefits from only one Federal scholarship program; and

They had no system of student loans as are available today.

It is erroneous to contend that most Vietnam veterans are not receiving more benefits than veterans of World War II. As a matter of fact, if the World War II program was adjusted to constant dollars and substituted for the current program, about 70 percent of those veterans in training would take a substantial cut. It is interesting to note that while making misleading statements regarding a comparison of benefits between World War II and Korea veterans, we never hear persons such as Senator McGovern propose to return to the World War II system, and there seems to be a studious effort to avoid making any comparison of benefits available to Vietnam veterans as compared to Korea veterans. If Senator McGovern has information which would indicate that Korea veterans received greater benefits than those available to Vietnam veterans, I certainly would like to have the information. If Senator McGovern can provide information on which to base his contention that the majority of Vietnam veterans are not receiving greater benefits than benefits available to veterans of World War II, I certainly would like to have the information.

One feature of the World War II program, namely, tuition subsidies in high-cost schools, is seized upon without making a general comparison of both positive and negative features of the two programs, or total benefits payable to veterans under each program. This self-serving approach is used as a basis for the contention that Vietnam veterans receive less than World War II veterans, and this, in my opinion, is an exercise in intellectual dishonesty. Since times have changed substantially since World War II, I see little basis in making comparisons between the two programs. I certainly would not contend that Vietnam veterans' benefits be cut back in those instances where they exceed World War II veterans.

I am well aware that there is difference of opinion as to the merits of the tuition subsidy plan. I think the issue should be settled on its own merit. Congress has rejected the proposal on three previous occasions and I think there is abundant reason to reject it again. If for no other reason, there is a serious question of equity involved in a plan that takes two veterans with equal service and proposes to give $3,600 more in benefits to the one that chooses a high-cost school.

I deplore these continued attempts to lobby a tuition pay scheme for veterans in high-cost schools on the basis that such is necessary because Vietnam veterans are not being treated as well as World War II veterans. This kind of representation is unfair to Vietnam veterans and the public as well. In fiscal year 1973, Vietnam veterans comprised 22.5 percent of the veteran population and last year received 27.6 percent of the benefits paid to veterans. A substantial majority of Vietnam veterans are getting more benefits than World War II veterans so why should we continue to be exposed to this kind of misleading representation.

Let proponents of the tuition subsidy argue it forthrightly and let them be prepared to admit that if the Senate proposed tuition subsidy is adopted, it would represent benefits far beyond anything most World War II veterans ever dreamed of. As a matter of fact, if the Senate amendments are adopted, as little as 18 months' service will generate $15,300 in cash benefits and $10,000 in subsidized loans in some cases.

Senator McGovern has introduced a bill of his own in the Senate. The bill is such a hodge-podge of novel features that major veteran organizations have declined to support it, even though they were specifically requested to do so. The Senate Veterans' Affairs Committee wisely rejected many of the provisions of the McGovern bill, but now we find Senator McGovern laying down threats as to the decisions of the conference. I certainly am not impressed by his threats and I suspect this view is shared by the Senate conferees.

The insistence by Senator McGovern and others for the tuition subsidy scheme for veterans attending high-cost schools has served to delay passage of this legislation by more than 4 months now. This delay has cost the Vietnam veterans in school more than $50 million a month. If Senator McGovern's threats are to be taken seriously, we can expect further disruption of attempts at settlement of this issue, even though the fall enrollment period is only 45 days away. It may be that Senator McGovern is gaining political benefit posturing as a great friend of Vietnam veterans, but I think it will not be long before most veterans discover that this burst of election year enthusiasm is only serving to prevent resolution of this long overdue bill and is obstructing the conference and depriving more than 1.5 million veterans of an 18-percent increase, while Senator McGovern agitates for a scheme aimed at subsidizing a minority of veterans attending high-cost schools.

DOING WITHOUT THE DRAFT

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, the fiscal year which ended June 30, 1974, demonstrated that the volunteer force is fully capable of meeting our military manpower requirements. With continued planning, innovation, and support from the Pentagon and Congress, increasing efficiency and economy will be obtained under the volunteer system in the years to come. The Kansas City Star has reviewed recent developments, and I am inserting their editorial in the Record for consideration by my colleagues:

It's So Far, So Good, in Doing Without the Draft

A bright success story in what is generally a year of travail and gloom for America is the record since the draft was abandoned one year ago last week. After a wobbly start, the all-volunteer Army appears well on its way toward supplying its full manpower needs. Moreover, the Navy and the Air Force are managing nicely without the indirect support of conscription as in the past. Only the relatively small Marine Corps has experienced recruiting difficulties and these have started to decline.

Thus the all-volunteer system is working much better than skeptics in and out of Congress said it would when the draft officially was allowed to expire on June 30, 1973. Actually the program of relying entirely on volunteers for new military manpower had begun six months earlier.

True, there are still those who contend that it is more desirable in a democracy to base its defense on compulsory service instead of volunteerism. Oddly, this position is being taken by some political liberals who, a quarter of a century ago, would have been found in the predominantly liberal camp that successfully fought universal military training.

Nowadays the liberals, whose spokesman on this subject often is Sen. Edward Kennedy, lament the passing of conscription. Curiously there seems to be very little public support for this attitude. Most people, certainly those with youngsters likely to be called up in a future draft, were glad to see the end of compulsory service. In recent years it was anything but fair. There were large loopholes in the form of deferments for college students and the alternatives of joining the National Guard or the reserves instead of being inducted for two years of active duty.

Thus the toll of the draft was particularly hard on youths who could not attend college or in one way or another find escape hatches. True, college graduates were subject to eventual induction. But for many there was a kind of "catch-me-if-you can" spirit, with graduate schools and fatherhood offering further opportunities to escape service, in many cases permanently.

The net effect during the time of the Vietnam fighting was that the burden of defense fell heavily on high school dropouts and the poor. For them the loopholes were few. Of course there also were large numbers of middle-class whites who found themselves ultimately in uniform one way or another.

The concern of some critics who would retain the draft has been that a purely voluntary system would be largely made up of blacks and youths from the more deprived economic background. It would, therefore, the argument went, not provide a cross-section of the country's youth. That is partly true but it is also somewhat irrelevant.

Under the new all-volunteer system it has not been necessary so far to reduce either physical or mental standards in order to maintain the required strength. What might have been a problem in this respect has been relieved by the fact that the armed forces have been reduced from a Vietnam peak of 3.6 million on active duty to 2.1 million today.

Minority groups actually do provide a large percentage of Army volunteers but these men and women have to be qualified for acceptance. In the past 12 months approximately 27 per cent of new volunteers have been blacks. Only 21 per cent of black recruits have been assigned to combat units, an apparent indication that many blacks are seeking and obtaining the higher-skilled jobs.

The charge that volunteers are mercenaries and somehow a danger to the Republic is rediculous. Military service has been made more attractive through internal reforms and pay scales at last in line with what can be earned in civilian life. Enlisted personnel are no longer "cheap labor" and that is only fair.

Of course a year or so is not enough time to say absolutely that the volunteer system is going to work. But it is working well so far and the skeptics have yet to find substance for their doubts. If the current trend continues, and there is no need for mobilization on a fairly large scale, the draft with its built-in inequities seems unlikely to be revived.

ONLY H.R. 22 ANSWERS HEALTH SECURITY NEEDS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. PEPPER. Mr. Speaker, the House Ways and Means Committee recently held important hearings on the issue of national health insurance. I want you and my colleagues in the House to know that after following the hearings of the committee on the various bills providing for health care, and after an analysis of the various bills now pending, I have come to the conclusion that the only bill those of us who want the people of this country to get decent and adequate health care can support is H.R. 22.

Mr. Speaker, it was a privilege for me to have an opportunity to present my views to the Ways and Means Committee during the hearings, and I wish to insert the statement which I submitted to the committee in support of H.R. 22 in the Record at this time:

Mr. Chairman, almost 30 years ago, I was Chairman of the Committee on Health and Education in the Senate. We tried to find out why four million young Americans of draft age were not able to serve their country on account of physical or mental disability. Our committee made a thorough study for three years of the problems attendant upon that fact. We came to the conclusion that we should have national health insurance, which would contain provisions similar or identical to those contained in H.R. 22, if we were going to provide adequately for the health of the people of this country.

I pointed out to my colleagues that America was "paying a terrible price in loss of life, loss of health, and loss of man days", because then, as now, the people of the country were not receiving the medical care and attention which they required.

Today we are faced, as we were in 1947, with differences of opinion as to how the medical attention needed by the people should be supplied.

I have long endorsed the social insurance approach to financing and providing health care to Americans and many years ago, in fact, from 1946 on, I associated myself with the Wagner-Murray-Dingell group in the Senate and in the House which advocated what we then called national health insurance. I was one of the sponsors of H.R. 22.

Since that time, in my years in the House, I have supported a succession of bills designed to improve the availability of health services. The year 1965 was a most significant one for our senior citizens. In that year, the enactment of Medicare signalled the first step toward a national health insurance program for all Americans, and I am sure that many of us in Congress in 1965 believed that it was just a matter of a short time before such a program would be extended to the entire population.

Now, nine years later, we should profit from our experience with the Medicare program and we should consider the adoption of a health insurance program for all Americans which is based on sound principles.

I am aware many authorities urge that we should approach national health insurance on a gradual basis. And I, myself, have given some serious consideration to what kind of compromises can be made along the way toward the ultimate goal of a comprehensive program.

I have come to the conclusion, however, that certain highly important aspects of what I consider a comprehensive program cannot be sacrificed to political expediency.

May I respond to a question propounded by the distinguished gentleman from Texas? I believe it is better to wait even if we have to wait five years or whatever number of years necessary to get a bill like H.R. 22, passed—a comprehensive health insurance program—than it is to start with a program that would take a while to put into effect and a while to experiment with, but which will lead inevitably to the experience of the

American people that we are not reaching the goal that we would have achieved by having a national health insurance program.

I respectfully submit that we should delay, if it need be, until we can pass a bill like H.R. 22, and in the long run that will be in the public interest.

When the distinguished Chairman of this committee, Representative Mills, and Senator Kennedy introduced their version of national health insurance, H.R. 13870, I was pleased to see embodied therein many of the principles associated with health security, such as universal coverage, health resources development, payroll tax financing, and administration of the program through the Social Security Administration.

However, abundant evidence has been presented to the committee indicating that only the Health Security Act fully meets all the criteria that I believe must be considered in providing a Federal health insurance program for our nation. I shall discuss the most salient criticism of particular concern to me.

First, the Health Security Act is the only bill which provides for universal, compulsory coverage.

The Mills-Kennedy bill, H.R. 13870, excludes such groups as new workers and dependents if the worker is employed less than 25 hours a week; most divorced women who earn less than $400 per year; students over 22 years of age with limited income; and orphans in institutions and foster homes.

The Mills-Schneebeli bill (H.R. 12684), which is the Nixon Administration plan, is voluntary. It does not require employers with employees who have worked for less than 90 days to offer them insurance. An unemployed worker will have to take over the premium payments from his employer within 90 days or apply for the Assisted Health Insurance Plan which is a welfare plan.

Self-employed families, if they could not afford private insurance would have to pay 150 per cent of the average group rate in their state for insurance, or about $900 a year.

Poor insurance risks could only get insurance under the Assisted Health Insurance Plan.

Also, migrant farm workers by reason of their lack of stability in employment would not be readily insured under this plan.

H.R. 1, the Ullman plan, excludes Federal, State and local government employees, the unemployed not on unemployment compensation, and any who could not afford the premiums yet did not qualify for Federal aid.

The Waggoner bill (H.R. 14079) does not cover anyone for more than catastrophic benefits. It does not help anyone in the middle class obtain any more comprehensive health insurance than they now have.

Mr. Chairman, I recall a resolution adopted by the American Medical Association's House of Delegates in Boston and sent to the 1970 White House Conference on Children, in which the AMA set a goal of providing every baby the opportunity to be born healthy.

This resolution cites the importance of good health in infancy to a person's health and productivity during the rest of his life. It focuses on child and maternal health as "the foundation for the beginning of a massive effort in the area of disease prevention and health maintenance." Specifically it urged:

"Educating as many parents as possible to the importance of a mother's health to her baby—and encouraging expectant mothers to get prenatal care;

"Providing medical care that will pinpoint potentially 'high risk' mothers-to-be, and developing systems in each state to bring them and their infants under intensive care;

"Expanding health aspects of programs for school children;

"Encouraging health insurance plans that cover infants from birth."

More recently, the Senate Select Committee on Nutrition and Human Needs has published a Committee Print, "To Save the Children", 93d Congress, 2nd Session. This report estimates that 75 to 85 per cent of the approximately 150,000 reported mentally defective and retarded children born in the United States each year are born in poverty. In 1970, according to the United States Census Bureau, the number of families at poverty level $4,900 or under) with retarded children under 18, was 3,490,419."

This Committee Report further states: "The American Academy of Pediatrics Committee on Nutrition has estimated that 70 per cent of the at least 50,000 infant deaths reported in the United States are deaths of low-birth-weight babies.

I submit we cannot pretend to reach a goal of providing every baby the opportuity to be born healthy, until we accept the principle of universal coverage with no conditions or exceptions.

Second: The Health Security Act is by far the most comprehensive of any of the insurance plans proposed. It provides for unlimited hospital and physician services and post-hospital or nursing home care up to 120 days.

It provides for dentist care for children under 15 and this care is to be eventually extended to the entire population.

It provides for home health services, prescription drugs, optometrists and eyeglasses, medical appliances and ambulance services.

No other bill provides coverage to this extent which I consider to be essential to the health of any individual.

Third: The Health Security Act is the only bill which will not exclude any American for lack of money, or place any financial hardship on individuals or families. All the other proposals require some form of payment from the beneficiaries before benefits begin.

Under the Mills-Kennedy bill, a family must spend $150 per person in deductibles with a maximum of two per family before they are eligible for the 75–25 per cent benefits. Therefore, it is conceivable that four members of a family could have medical bills of $149 each totaling $576 without passing the deductible threshold.

Under the Administration plan, a family of four with an annual income of $10,000 would spend $1,255 in a year on health care before receiving any benefits. The family would spend an additional $900 before eligibility is established for full benefits.

Other bills also require substantial medical spending which can only result in deprivation of proper health care for millions of Americans.

Furthermore, by incorporating deductible payments of medi-gap insurance schemes into a comprehensive health plan, the system necessarily snowballs into a complex mass of administrative overhead.

Means tests, records of payment, collection of payments, and disbursements to health service providers combine to form an accounting nightmare. We have encountered these problems in present programs and it would be wise to heed the implications of such repetition.

The cost-sharing plans offered thus far are regressive in terms of payments. They do not operate on an equitable percentage-of-income plan but rather use fixed sum deductibles that are relieved only for the most indigent families. It is hard to imagine that a family of four, barely meeting necessities on $5,000 a year, could pay out $40 to $60 for recommended yearly adult check-ups.

Finally, deductibles are, in effect, an entrance fee—the initial payment that secures availability of a health service. Such payments will do nothing to encourage responsible utilization of services by those who can afford payment. Instead, deductibles will only discourage those who cannot comfortably make the "entrance fee" from using the preventive or "non-essential" services which we have come to recognize as so important.

The Health Security Act eliminates the cost-sharing mechanisms. It is the only bill that applies the tenet that the financial responsibility for health care has become a burden that our society can best shoulder as a whole.

The goal of a national health bill need not be mere adequacy in health care but rather address itself to equality in health care. Health is no longer an opportunity nor a privilege. In our modern affluent and technologically advanced society, it should be the right of every citizen.

Fourth: The Health Security Act creates a climate most conducive to effective and consistent cost control because it encourages preventive health care measures. It fully promotes the development and the utilization of preventive health care delivery systems. The public would be educated and encouraged to visit physicans for routine examinations or for medical diagnoses of possible systems of serious ailments before prolonged illness or disease occurs.

As author of the Nutrition Program for the Elderly, Title VII of the Older Americans Act, I continue to be vitally concerned with the importance of good nutrition to the mental and physical health of Americans.

The Health Security Act is the only bill which provides for nutrition services for all Americans without requiring a certification of need by a physician. In many cases, by the time the physician certifies the need, symptoms of malnutrition are present in the patient that require more costly treatment.

Mr. Chairman, in conclusion, I wish to stress the fact that the health of a nation's population is an important asset, and I am confident our nation has the resources if we desire to utilize them to develop the system of health delivery services which is provided for in the Health Security Act.

For example, I am heartened by the recent pursuit of careers in medicine by women. We know 80 per cent of the physicians in Russia are women. In the United States, in 1970, only six per cent of the physicians who were graduated from our nation's medical schools were women.

Let us utilize the talents and skills of women in our nation's health delivery system and encourage them to pursue the many careers that would be created if we were to provide an adequate health care system for all Americans.

A generation of debate—as I started to say at the beginning, this seems to me where I came in! We were discussing the same thing 30 years ago, Mr. Chairman, in the Congress. We have made some progress but I believe that the time has come for us to do what needs to be done in behalf of the health of America.

A generation of debate on health insurance proposals in the Congress has resulted in shameful and wasteful deprivation of adequate health services. The committee's National Health Insurance Resource Book attests to this fact, and I believe conclusively disproves the assertion of some Americans that there is no health crisis in this country. I shall cite only a very few examples:

As of December 31, 1972, only 58 per cent of the civilian population under 65 years of age were insured for out-of-hospital prescribed drugs; 51.3 per cent were covered for physicians' home and office visits; 21.5 per cent were insured for nursing home care; and only 9.5 per cent were insured for dental care.

And in fiscal year 1973, the average medical bill for an individual was $375. Only 26 per cent of this figure, or $97.50, was paid by private health insurance; 35 per cent, or $131.25, was paid by the individual; Government programs paid 38 per cent, or $142.50; and one per cent, or $3.75, was paid by philanthropic or other sources.

I urge my colleagues to reflect upon the ultimate direction we would like this country to take in its national health insurance program, and in consideration of that ultimate goal to enact the program embodied in H.R. 22, the Health Security Act.

SOCIALIZED MEDICINE: A SURPLUS OF SHORTAGES

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. LANDGREBE. Mr. Speaker, I wish to call to the attention of my colleagues an article that appeared in the June 13 New York Times about a Rand Corp. study of proposed plans for instituting socialized medicine. The article itself is a summary of the Rand report which appears in the current issue of the New England Journal of Medicine. Anyone who desires the well-being of the American people ought to stop and consider the implications of this paragraph:

> (If a national health plan were enacted) "Patients would experience longer delays in getting appointments and then doctors would have less time to spend with each patient. Over-all, the delays would prove costly to society as waiting takes time from other productive uses, such as happened when drivers waited for gasoline during the fuel shortage. Delays could cause som patients—those with untreated glaucoma a blinding disease, for example—to suffer permanent eye damage."

I trust that the proponents of the various national health plans will reconsider their proposals, and that those who have not yet decided whether or not the Government ought to provide medical care will decide against any such plans for socialized medicine, because such plans, if made law, will create chaos in our health care system, which is still the best in the world.

The article follows:

RAND REPORT PREDICTS ANY NATIONAL HEALTH INSURANCE PLAN WOULD SWAMP DOCTORS' OFFICES AND CLINICS

(By Lawrence K. Altman)

Any national health insurance plan that covered costs of most medical bills would swamp doctors' offices and outpatient clinics but have little impact on hospitalizations, according to a Rand Corporation report released yesterday.

The Senate is considering eight and the House 71 national health bills that range from full coverage to co-insurance in which the patient pays some portion of the bill.

But the Rand report was not directed to any specific national health plan submitted to Congress. Rather, it was geared to provide an analytical framework by using existing health economic statistics to examine two hypothetical plans, neither being identical with any particular proposed bill.

One plan would provide full coverage of all medical, surgical and psychiatric services. The other, which requires patients to pay no more than 25 per cent of bills for the same services, would have the effect of bringing individuals with poor or no coverage up to a minimum standard.

The Rand report is being published today in The New England Journal of Medicine. Among its conclusions are the following:

A comprehensive, full coverage, national health insurance plan would add between $8-billion and $16-billion to the $62-billion now spent on health care. Such a plan would also increase by at least 75 per cent the demand for ambulatory health care services. The overall effect would be to raise from 8 to 11 the percentage of the gross national product spent on such services. If drugs and dental services were included, the additional costs could amount to from $20-billion to $30-billion beyond the persent level of spending.

Alternatively, a health plan that made individuals pay 25 per cent of their medical bills would cost $3-billion to $7-billion more than present levels and would increase by at least 30 per cent the demand for outpatient care.

National health plans would have a greater impact on ambulatory care than did the introduction of Medicare and Medicaid in 1966. These Federal plans increased the demand for ambulatory services by 10 to 15 per cent and contributed to a doubling of the rate of price increase for a doctor's services.

Patients would experience longer delays in getting appointments and then doctors would have less time to spend with each patient. Over-all, the delays would prove costly to society as waiting takes time from other productive uses, such as happened when drivers waited for gasoline during the fuel shortage. Delays could cause some patients—those with untreated glaucoma, a blinding disease, for example—to suffer permanent eye damage. The net effect of such changes would be "to reduce demand for ambulatory services among the relatively affluent, who are primarily time-poor (reluctant to spend time waiting in line), and thus to enhance the tendency of a national insurance program to relocate services toward the dollar-poor."

However, catastrophic insurance designed to prevent financial disaster brought on by unusually large medical bills would add little to the total demand for either hospitalization or ambulatory services, the report's authors said.

The authors are Dr. Joseph P. Newhouse and Dr. Charles E. Phelps, both senior economists for Rand in Santa Monica, Calif., and Dr. William B. Schwartz, chief physician at Tufts-New England Medical Center in Boston.

As Americans have increased expenditures on health care from 4 to 8 per cent of the gross national product over the last two decades, they have reached the point where they spend $62-billion each year that would be affected by any national health insurance plan.

Given the size of existing expenditures, the Rand authors said there was no reason to believe that further increases in resources under any plan would extend life expectancy appreciably. Instead, the highest return would be an increase in the quality of life by allaying anxiety and relieving severe pain.

The authors cited existing data to predict that national health insurance's greatest impact would be on ambulatory services. Just 40 per cent of Americans are now covered by health insurance for such medical care, whereas 90 per cent of hospitalizations are paid for by third parties like Blue Cross-Blue Shield or the Federal Medicare plan.

Unless large large deductible were included; the Rand report said that "the increased demand would far exceed the current capacity of the delivery system."

The Rand authors took issue with political leaders over two points.

Both President Nixon and Senator Edward M. Kennedy, Democrat of Massachusetts, have expressed the position that an increase in outpatient coverage would lead to a decrease for costly hospital services. Rather, the Rand team said, "in most cases where outpatient coverage alone has been increased, there has been if anything a slight increase in the demand for inpatient services," perhaps because outpatient visits led to discovery of disease that required further analysis in a hospital.

The authors also said that little evidence existed that Health Maintenance Organizations had had any pronounced effect on life exepctancy by emphasizing preventive medical services like multiphasic screening and annual check-ups, President Nixon and Congress have backed the expansion of HMO's, like the Kaiser plan, throughout the country.

THE FOOD-FOR-PEACE DISGRACE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. HARRINGTON. Mr. Speaker, barely 3 weeks ago an amendment was passed in the House to place a ceiling on the amount of appropriated funds allocated under the food-for-peace program. It has become evident that in the past few years money originally intended for food to hungry people in various countries has been channeled to Vietnam and Cambodia. The local currencies generated by the sale of food in these two countries helped support the failing regimes of President Thieu and Lon Nol. Because there are no restrictions as to how this money can be spent, the intent of Congress to limit economic and military aid was deftly circumvented.

The following two newspaper articles deal with various aspects of these practices in the Public Law 480 program. Mr. Dan Morgan's article, "Program Under Fire on Hill," details the legislation introduced by Congressman JOHNSON of Colorado to place a 10 percent limit on the available money to all countries. In "United States Sells Indochina Tobacco" Mr. Morgan discussed the practice of shipping $25 million worth of tobacco to Vietnam and Cambodia under the food-for-peace program. The justification of this large amount by administrative officials, as Mr. Morgan notes, is based on "morale building" factors. The idea of supplying tobacco to these countries is tremendously popular with tobacco-raising States which see the program as a way of dumping their excess of this

These articles show how a foreign policy that originally offered humanitarian aid to countries in all parts of the world has turned into one in which administrative priorities have erased most of the original intent of this program.

The newspaper articles follow:

INDOCHINA FOOD AID PROGRAM UNDER FIRE ON HILL

(By Dan Morgan)

"These decisions are made downtown by a faceless group, an interagency body, it is called, and it is made up of representatives from OMB, Treasury, AID, National Security, National Defense and Agriculture . . . What it amounts to is a $435-million slush fund."

With those words on the House floor June 21, Rep. James P. Johnson (R-Colo.) opened a congressional drive to force a drastic shake-up of the administration's food aid program—for years the least questioned form of foreign assistance.

A Johnson amendment which the House passed on a 61–to–51 vote would prevent the administration from allocating more than 10 per cent of the appropriated funds to any single country. The effect would be to put a $42.5 million 1974 ceiling on farm commodities transferred to South Vietnam and Cambodia under concessional loans.

Advocates of a radical reordering of food aid priorities charge that the administration has systematically used the 20-year-old Public Law 480 to circumvent congressional limits on military and economic aid to Indochina. In the fiscal year just ending, nearly half of all food aid loans were allocated to South Vietnam and Cambodia.

Johnson's amendment, attached to the administration's agricultural spending bill, is now before a Senate Appropriations subcommittee which is reported fairly evenly divided on the issue. Senate sources said that Sen. George McGovern (D-S.D.), backed by a number of Senate liberals and some Republicans, would make a floor fight for the food aid restrictions if the amendment is deleted in the subcommittee.

"The issue here is the prostitution of the American Food for Peace program," said a Senate source last week.

"Something has got to be done about food aid," an administration official asserted.

Congressional battle lines are drawn between security-minded supporters of the Nixon doctrine of giving aid priority to U.S. military clients, and "doves" who feel the many-faceted aid to Saigon is only delaying an eventual political accommodation between the regime and the Communists.

However, officials who have followed the evolution of the Food for Peace program over the years say broader principles are involved.

Secretary of State Henry A. Kissinger has called for a world food conference to be held in Rome in November. The plight of hungry nations, and the response of wealthy countries to it, is high on the agenda.

In the background are rivalries involving half a dozen government agencies, which have differed in the past two years over the allocation of the United States' limited food aid resources.

These rivalries have sometimes pitted representatives of Kissinger against those of Agriculture Secretary Earl L. Butz, with Butz often emerging the loser.

Sources said that in the interagency board that allocates food resources, Kissinger's aides on the National Security Council consistently pressed for massive shipments to Indochina—the so-called "supporting assistance."

Butz argued for giving the priority to countries such as Indonesia and South Korea because of their potential as future commercial markets.

In this debate, pleas for a bigger share for some 90 other poor countries that received little or no food aid have gone mainly unheeded.

In the House floor discussion last week, Rep. James D. Symington (D-Mo.), asked: "Why should 1 per cent of the world's population, the peoples of Cambodia and South Vietnam, receive nearly half of the scare funds available under Title I? It does not seem proper, yet it happened in 1974, to our surprise and dismay."

Public Law 480, which established the food aid programs of the 1950s and 1960s, was set up to make use of surplus U.S. food production, develop overseas markets, combat hunger and "promote in other ways the foreign policy of the United States."

Some critics claim that the latter has increasingly become the central rationale for American food largesse, with less and less emphasis given to humanitarian considerations or feeding the world's hungry.

The United States halted food aid loans to India after that country's war with Pakistan in 1971, and plans to resume such loans to Chile in the coming fiscal year, in the aftermath of the ouster of the Marxist regime of the late Salvador Allende. The Agency for International Development estimates that $35 million out of the total $50 million food assistance loans to South America will be allocated to Chile. Food aid loans are at an average 2.2 per cent interest for a period averaging 33 years.

A report issued by the General Accounting Office this year stopped just short of calling a 1971 American pledge to increase by $275 million food aid commitments to South Korea a political quid pro quo for Seoul's agreement to limit textile exports to the United States.

Subsequently, however, the United States sharply reduced its food aid to Korea. The United States responded to Korean complaints by saying the commodities were not available. But some congressional officials assert that the reason was the heavy diversion of food products to South Vietnam.

In the coming fiscal year, however, food loan shipments to the Seoul regime will be increased from $10 million to an estimated $150 million AID says.

The administration predicts a slight overall decline in the value of food aid shipments in the coming year: $891.7 million compared with this year's $1.013 billion.

It wants Congress to appropriate $425 million in new money for the program of concessional sales of farm commodities, called Title I, and $353.2 million for the food giveaway program, called Title II.

According to AID, South Vietnam and Cambodia received just under half the world total of food aid in the fiscal year just ending.

In defense of this preponderance, officials say: "All the rice was eaten." They also assert that last year, because of quadrupled U.S. rice prices, only 600,000 tons, rather than the 1 million tons sent in fiscal year 1973, was shipped to Indochina.

Congressional critics retort that the aid was nothing but a thinly disguised budgetary subsidy for Saigon's war economy.

Administration officials have conceded that much of the proceeds from the Saigon government's sale of Public Law 480 food on the local economy went to military or defense purposes, with U.S. approval.

Rep. Joseph P. Addabbo (D-N.Y.) charged on the House floor:

"These funds all were used, or could be used, under aid for common defense, so as we cut the military aid they came in through the back door with Public Law 480 aid and reversed the mandate of Congress."

Under the 1973 Foreign Assistance Act, proceeds from the sale of the PL-480 commodities cannot be used for military purposes after July 1, unless specifically authorized by Congress.

However, some ambiguity apparently remained as recently as Jan. 21, when South Vietnamese Foreign Minister Vuong Van Bac signed a $55.2 million agreement for the delivery of rice, soybean, corn and peanut seeds under Public Law 480. In that, it was stated that the government of Vietnam understood that the foreign aid act restriction "may" have the effect of prohibiting the use of foreign currencies for common defense purposes. U.S. officials said last week that ambiguities have been cleared up.

AID Director Daniel Parker told a Senate Agriculture Committee panel in April: "Unequivocally . . . we are not going to continue to use these funds for defense budgets."

Rep. Johnson's amendment providing country ceilings on future food aid shipments was opposed by Rep. Jamie L. Whitten (D-Miss.), chairman of the Agriculture Subcommittee of the House Appropriations Committee, and by Rep. Otto Passman (D-La.). Both are from rice-growing states.

Passman's home state is the country's leading rice producer. The domestic market uses only 35 to 40 per cent of the rice produced in the United States. The rest is exported, much of it to Asia.

The rice industry has been a major beneficiary of the Public Law 480 program, which has accounted for about half of all U.S. rice exports in recent years. Rice is not consumed in many poor parts of the world. Therefore, the Asian food aid program, rice industry officials say, is important.

"This (congressional amendment) will definitely be a blow, if it meant losing that export market," said J. P. Gaines, executive president of the Rice Millers Association.

Public Law 480 still enjoys a broad following among farmers and their representatives on Capitol Hill. Although world food demand outstripped supply last year, some farmers feel that bumper U.S. corn and wheat crops this year could reverse the trend. Therefore, Public Law 480 is seen as the best guarantee that the government will still be around to help move surpluses abroad, if foreign demand slackens.

The food aid debate marks a questioning of the allocation procedure, rather than the program itself. Critics point out that only $4.1 million in food giveaways is currently planned for the drought-stricken Sahel region in Africa—one-fortieth of the South Vietnam estimate.

House and Senate critics claim that the food aid appropriations, as handled in the past, give the administration a blank check.

The interagency board which decides how the funds are spent can shift the allocations from one country to another without congressional approval. It also has at its disposal some $300 million in annual loan repayments.

There are other loopholes as well, Johnson and others maintain.

"If they're determined to keep the aid to South Vietnam at the present high level, they can do it one way or another," said one official. "The question is how long they are prepared to hold the whole program hostage to Vietnam."

UNITED STATES SELLS INDOCHINA TOBACCO

(By Dan Morgan)

Spurred by a powerful bloc of Southern congressmen, the U.S. government is planning to ship some $25 million worth of tobacco to Vietnam, Cambodia and a number of poor countries as part of its "food aid" program in the coming year.

In justifying the deliveries of tobacco, which is used almost exclusively in the manufacture of cigarettes, administration officials cited the "morale-building" factor in providing the commodity to war-torn nations.

However, sources in the Department of Agriculture who criticized the handling of the American food aid program described the tobacco shipments as a form of "security assistance" to Indochina.

These sources said the proceeds of the Vietnamese goaernment's sales of the tobacco have been used mainly for common defense purposes" in the past, and in this fiscal year, will go toward buttressing the country's war economy.

"Not only do we send guns to Indochina, we give them lung cancer to boot," said a congressional aide who became aware of the scope of the tobacco shipments on a recent tour of the area.

Virtually all the tobacco imported into Cambodia and Vietnam now goes through Title I of the Public Law 480 "food for peace" program, Agriculture Department officials said. Under this, foreign governments purchose the commodity at long, low interest terms and sell it in their local economies.

In fiscal 1973, 8,428 tons of unmanfactured leaf tobacco were shipped to Vietnam under Title I, out of the 11,443-ton worldwide total, according to department figures. Cambodia received 571 tons. The amounts were 4,250 tons and 750 tons, respectively, in the July, 1973, to May, 1974, period.

Officials said worldwide shipments of tobacco under Title I ran about $25 million in the fiscal year just ended and "requirements for the coming year will be at that level." They predicted shipments to Vietnam of $10 million to $12 million.

Tobacco was included in the Public Law 480 program early in its 20-year history, at the urging of the powerful tobacco-state bloc in Congress. Moves to reduce its share of the program, which has varied from 2 to 5 per cent of the total, have consistently met with strong congressional opposition. Industry and legislative spokesmen indicated Monday that their enthusiasm for the program is undiminished.

"Public Law 480 has been kind to tobacco," said Rep. Walter B. Jones (D–N.C.). The program was "one way to assist farmers," he said and also aid the American balance of payments position.

Rep. Frank A. Stubblefield (D-Ky.), chairman of the tobacco subcommittee of the House Agriculture Committee, said the shipments are a "morale builder." He added that American farmers would be upset by any curtailment of the program.

Industry officials said that the congressional delegations of Kentucky, Tennessee, North and South Carolina, Virginia, Florida and Georgia were solidly behind the program.

"I don't know any senator or congressman from those districts that doesn't go down the line on the tobacco program," said Joseph Williams, president of Tobacco Associates, the Washington-based growers organization.

"If you're going to have a $500 million program, tobacco has a right to its fair share of it," he added. Tobacco is the country's fifth largest agricultural export product, accounting for nearly $1 billion annually in foreign sales. About a third of all domestically grown tobacco is exported.

Public Law 480 exports account for only a small percentage of the tobacco shipped abroad. However, according to Williams, the program is essential if the industry is to recapture former commercial markets in Indochina and the Middle East, which were closed off by war. "Without the government's help, we can't reestablish those markets," Williams said, noting that Egypt was once a $20 million-a-day U.S. tobacco market.

According to Agriculture officials, the Public Law 480 export program is important to growers of certain kinds of tobacco now in surplus because of worsening world trade barriers and declining cigarette use in the United States. The Agriculture Department estimates there are now some 75,000 tons of flue-cured tobacco in government storage, while government stockpiles of many key farm items like wheat are near zero.

In the last two weeks, critics of the administration's heavy allocations of Public Law 480 loans to Vietnam and Cambodia have charged that the food for peace program has been used to circumvent congressional limits on military and economic aid to Indochina. Half of all food aid loans went to these two countries last year.

It was learned this week that the Agency for International Development quietly began paying the ocean freight charges of the drastically increased food shipments to Cambodia last fall, to avoid overstraining that country's limited monetary reserves.

Cambodia is the only country in the program that doesn't pay the freight costs of such food. In 1974, the bill to the United States was $25 million. Agency officials predicted this week that if congressional efforts to curtail the Cambodian food aid program succeed, "Cambodia will collapse . . . you'd have real panic; the government would go under, in terms of reality and of the psychological effect."

THE FUTURE OF COMMUNITY COLLEGES

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. CHARLES H. WILSON of California. Mr. Speaker, recently Prof. Francis Shief of the Social Science Department of Prince Georges Community College sent me a very interesting paper on "Community College Education as a Source of Economic Development." He will deliver this talk at the Second Annual Atlantic Economic Conference to be held in late September in Richmond, Va.

Since I agree with Professor Shieh's thesis that community colleges offer a valuable source of manpower development and training and that, because of their low tuitions and open-door admissions policies, provide exceptional educational opportunity, I would like at this point to insert Professor Shieh's remarks in the RECORD so that my colleagues can benefit from his views:

COMMUNITY COLLEGE EDUCATION AS A SOURCE OF ECONOMIC DEVELOPMENT

(By Prof. Francis Shieh)

The development of human resources (human capital) to free people from the hardship of poverty and ignorance in the sharing of benefits is gladly and encouragingly viewed by economists and educators.

Men are now seeking to find more food supplies and energy sources, more steady employment and increasing responsibility with dignity, better education and training for enhancing productivity in every stage and phase of economic performance.

We all know that the development of an education system and the formulation of an education policy are linked with economic evolution. The fact of increasing enrollment in community colleges is a concrete evidence of the role of such division in the education sector in contributing to the labor factor of production.

As the expression goes, "One has a sense of honor only when one's livelihood is assured." One ought to be realistic in order to satisfy one's basic needs and the acquisition of a certain skill to earn a living can easily be attained by attending community colleges.

Besides imparting knowledge and skills, we need to cultivate a problem-solving attitude among students. This can be done not through dull standards which are unexciting or meaningless to the novice but through work-study programs that can be available in the patterns of community colleges. With expansion in community colleges the best brains are absorbed into academic life and industries which are vital to economic growth. We need to create more opportunities for all who are involved in business and industry. Community colleges would be engaged in innovations in academic curricula and teaching. Community college educators would feel, in my judgment, that we have a commitment in our economic future.

Human resources are more important than material resources in economic development. For without adequate human resources, material resources cannot be adequately utilized by men for the benefit of all. And human resources can be developed only, as I see it, if education at the community college level would be available to all our people. The low tuition fees have an effect in terms of increasing enrollment and the high rate of inflation is another factor of such a development.

There can be no doubt that as a source of manpower development and training, community colleges have become highly significant to industry and the business world.

Training processes are analogous to production processes; they transform input (unskilled labor) into output (skilled labor) using human capital instruments (community colleges) and personnel (educators) and processes (training programs).

Manpower training and policy is always the component of modern American economic life.

OBJECTIVE

One objective of this paper is to assure fellow economists the qualitative dimension of scientific and technological manpower development in American community colleges. A significant factor in the sustenance of the Nation's economy is the capacity and capability to provide trained technical personnel at the grassroots level. Since there seems to be no fully agreed upon definitions of the terms "technician" and "technologist," these terms will be used without specific distinction. Technical training programs are those which have as their primary aim preparation for tertiary (para-profesional) and productive employment. The Community College Programs have expanded greatly during the past decade. (Cf. *Keys for Economic Understanding* by Francis Shieh Kendall/Hunt, Dubuque, Iowa 1971; *Manpower Report of the President*, April 1974; *Occupational Outlook Handbook* 1974–75 and *Budget in Brief*, Fiscal Year 1975.) These education programs are designed to provide a firm base for continuing education—even when the worker's education is interrupted by periods of employment. Such programs will have as their primary emphasis the basic scientific, engineering, and mathematical knowledge upon which necessary and specific skills may be set and built. To sum up the rationale as follows—

1. a sound scientific and technical basis for continuing professional growth in the intermediate range for immediate applications.
2. an ability to adapt to technological advances and
3. job entry skills for employment in scientific and technological activities.

PROJECTIONS TO 1976

Leading up to the observance of our 200th anniversary, four States have been selected to establish the pilot phase of a program that will highlight the contribution of education to the Nation's economic development.

Alabama will study the role of educational institutions, such as community colleges. The results will be incorporated in high school social studies courses and broadcast statewide over educational TV.

PROJECTIONS TO 1982–83

Enrollment in community colleges would be in the neighborhood of 3,000,000 with an increase of 25% from 1972 to 1982 and four-year institutions of 6,000,000 (circa) with an increase of only 3%.* Such trends would be clear in terms of the topic of this paper.

EPILOG

The trend toward occupational education in community colleges will continue at an accelerated pace, as is evident from the fact that 135 of the 160 programs projected for introduction in Maryland's community colleges between 1974 and 1979 will be in occupational areas. The scenario appears to be economizing the cost of tuition, optimizing the amenity of individualized instructions and maximizing the benefits of career-oriented people.

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* Official data from the U.S. Office of Education to be modified by the author.

COMMUNITY COLLEGE EDUCATION AS A SOURCE OF ECONOMIC DEVELOPMENT

Appendix A—Specific examples of vocational training available in community colleges

Degrees Conferred in Maryland Community Colleges

A total of 4,861 Associate in Arts degrees were awarded in 1972–1973 with 1,975 of these awarded in the occupational areas. The major areas of concentration of the 1,975 degrees awarded in the occupational areas were:

Health service (43%)	855
Public service (22%)	431
Business and commerce (19%)	370
Data processing (8%)	151
Engineering related (7%)	142
Natural science (1%)	26

The table below compares the degrees and certificates awarded in Maryland's community colleges over a five-year period. A comparison of the degrees awarded in occupational areas versus the total Associate in Arts degrees awarded, and the Certificates awarded versus the total Associate in Arts degrees awarded follows:

Degrees awarded

Year:	
1969	1,917
1970	2,310
1971	3,162
1972	4,069
1973	4,861

Degrees awarded in occupational areas

Year:	
1969	538
1970	809
1971	911
1972	1,588
1973	1,975

Certificates

Year:	
1969	58
1970	117
1971	98
1972	93
1973	247

The percentage of Associate in Arts degrees awarded in the transfer category compared to those awarded in the occupational area has shown a decrease over the past five years. In 1969, 28 percent of all degrees awarded were in occupational areas while in 1973, 40.7 percent were in occupational areas. The number of Certificates awarded have fluctuated over the five-year period. The large increase from 1972 to 1973 is accounted for primarily by graduates of a special program initiated by one of the community colleges in 1972.

Appendix B—Relationship between examples in Appendix A and manpower needs

Information based on the new 1974–75 edition of Occupational Outlook Handbook reveals that:

Two out of three job openings that will arise through 1985 will stem from the need to replace workers who die or retire. Only a third of the openings will result from employment growth.

The number of professional and technical jobs—those that usually require a college degree—will continue to grow faster than jobs in any other occupational group. However, the vast majority of the 60 million job openings expected to become available between 1972 and 1985 will be open to persons who have completed 2 years of community college.

Educational requirements will continue to rise for most jobs, including jobs in clerical and blue-collar fields. Post-high school training, such as that obtained through apprenticeship, and community colleges will take on increasing importance.

Some jobs with the fastest growth rate will be in the health field, often in comparatively small aide and assistant type positions. Jobs as mechanics and repairmen of such diverse products as computers, industrial machinery, and air-conditioning, refrigeration, and heating equipment will also grow rapidly.

With the world of work becoming increasingly important to young people choosing careers and to planners and administrators of manpower programs.

The new revision of the Handbook indicates that demand for professional and technical workers will continue to be strong in the health field and in such specialties as social work, systems analysis, and personnel work.

Among occupations requiring community college education, employment will grow rapidly in lithographic occupations, firefighting, and cement and concrete masonry work, in addition to most para-professional health occupations and the mechanic and repair jobs. Opportunities for stenographers and secretaries will also be good, since the field is large and employee turnover is high.

Appendix C—Special strengths of community colleges

The community college operates under an open-door policy to all high school graduates and other adults who qualify for specific programs. For a low tuition, students are admitted without regard to race, color, sex, religion or social status.

By creating a total educational environment the College is committed to helping each student realize his/her potential, limited only by his/her individual abilities and aspirations.

The College assumes leadership in identifying and evaluating the needs of the community and responding to the demands of a changing society.

Programs are designed for the following purposes:

1. Academic two-year curricula for transfer to four-year colleges or universities.
2. Technical, occupational career, and semi-professional training leading to employment in specialized fields.
3. Activities for adults who desire continuing education or personal enrichment.
4. Extra-curricular activities to develop leadership and broaden student interests.
5. Community Service programs of skills, understanding and appreciation to meet the diversified demands of our society.

The above-mentioned features can never be matched by traditional four-year liberal arts colleges, technical, secretarial or any career schools.

The so-called Career Schools in the private sector may be over 10,000 in number (both resident and correspondence)—annually enroll over three million students at a tuition cost of more than $2.5 billion. But substandard and shoddy education may prey on students who truly desire to have vocational education. The Federal Trade Commission has published a guidebook on vocational schools to expose deceptive practices.

Ten years ago there was only one community college offering its students the opportunity of a cooperative education program. As a consequence of Congress' establishing a national public policy to favor and assist the expansion of cooperative education, there are now several hundred community colleges that have started cooperative education programs. An increase in funding of part IV-D will be necessary to replace a substantial portion of the current $19,500,000 now available for community colleges to develop cooperative education programs under the Vocational Cooperative Education Program.

Cooperative education is a response to the realization that industry and education need to work together on the pressing problems of community college education as a source of economic development.

The Community Colleges are in greater demand than the land-grant colleges in the 19th century. The Associate Degree, therefore, may be termed as a typical American collegiate degree to serve our society.

DAVID M. ABERNATHY AND WAYNE B. KNIPE III WRITE BOOK FOR THE NOVICE INVENTOR

HON. JOHN W. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. DAVIS of Georgia. Mr. Speaker, I take pleasure in commending two gentlemen from the Seventh Congressional District in Georgia for their diligent efforts on behalf of the independent inventors of America. Dr. David M. Abernathy and Mr. Wayne B. Knipe III discovered while conducting research beginning in 1972 that there existed a problem of adequate information for the beginning inventor. Desiring to aid the beginner, they felt that an early harmonious relationship with the U.S. Patent Office would be of benefit to the novice inventor.

These distinguished gentlemen authored a comprehensive book on the patent process, entitled "Ideas, Inventions and Patents: An Introduction to Patent Information," published by Pioneer Press, Inc. This book has been acknowledged to be the only one of its kind, offering complete guidance and encouragement to the inventive citizens of our country.

In my capacity as chairman of the Subcommittee on Science, Research and Development, I have a personal concern for the independent inventor who, in the past, has made a great and significant contribution to the economic growth and success of our great Nation. It is my hope that new inventions can be stimulated to add incentive and future prosperity for our continued growth in this technological age. In this current period of the Bicentennial emphasis, it is fitting for us to remember that the individual inventor, protected in his efforts by the U.S. Patent Office, enjoys a heritage and a legacy deriving from the Constitution.

Our Founding Fathers recognized that government protection for privately held inventions would stimulate the growth of a new Nation. It is interesting to note that George Washington signed the first patent to be granted, that Thomas Jefferson, in his capacity as first Secretary of State, administered the patent system, and that Abraham Lincoln, himself a patentee, remarked:

> The Patent System added the fuel of interest to the fire of genius.

Messrs. Abernathy and Knipe, through their book, have inspired the U.S. Patent Office, in cooperation with the American Patent Law Association, to prepare a selected bibliography listing important references for beginning inventors as well as advanced practitioners. This effort is being coordinated by Mr. Isaac Fleischmann of the U.S. Patent Office information services, assisted by Mr. D. Carl Richards, chairman of the American Patent Law Association information services.

I would like to take this opportunity to express my personal appreciation to Messrs. Abernathy and Knipe for their constructive solution to the problem of information for beginning independent inventors.

BLACK WOMEN ORGANIZED FOR POLITICAL ACTION OPPOSE ABORTION RESTRICTIONS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. DELLUMS. Mr. Speaker, I would like to express again my grave concern for the basic human right of each woman to decide when to acquire a legal abortion. I believe that it is not the moral duty of this body to legislate laws forcing any woman to have an unwanted child.

The medically administered abortion, which has long been used by more affluent Americans, alters a natural process of the female body just as the vasectomy does the male. To illegalize abortion would only serve to impose further hardships on America's poor, in addition to thwarting medical advancement.

Abortion as a right, not a privilege, should be available to every woman in this country without restriction by law or constitution amendment. For if this Congress opts to enact such legislation, a past era of quackery, self-induced abortions, and abortions at exorbitant fees will be reawakened.

A wide array of individuals and organizations have taken a principled stand to support each woman's option to legally abort. However, at times opponents to legal abortion raise cries of "genocide" to support their position. During the turbulent sixties, some black organizations used the genocide argument to denounce a woman's right to legal abortion. Despite the rhetoric of such an argument, the fact remains that to legally deprive women of that right is immoral, insane, and unjust.

Since then black organizations have taken a turn in thought. Given their plight in this country, blacks forsee potential dangers if abortion is illegalized.

At this time, I would like to enter into the Record a letter from the Black Women Organized for Political Action which profoundly expresses opposition to proposed legislation to restrict abortions:

Black Women Organized for Action,
San Francisco, Calif., July 11, 1974.
Congressman Ronald V. Dellums,
Longworth House Office Building,
Washington, D.C.

Dear Congressman Dellums: Black Women Organized for Action (BWOA) would like to express our concern on the proposed amendment to the Constitution of the United States which reads:

"Neither the U.S. nor any state shall deprive any human being (from the moment of) conception of life without due process of law; nor deny any human being from the moment of conception, within its jurisdiction the equal protection of the law. Neither the U.S. nor any state shall deprive any human being of life on account of illness, age or incapacity."

BWOA recognized several problems with this amendment sponsored by Senator Mark Hatfield (Oregon) and Senator James Buckley (New York):

1. Rape victims who conceive a child will be forced to bear the child.
2. Danger to a mother's life will no longer be sufficient grounds for abortion.
3. Abortion will be defined as murder.
4. Women will not have free choice to make personal decisions on the abortion question.

Black Women Organized for Action *does not* support this proposed amendment to the Constitution for Black women who are poor or who must depend upon public health facilities may resort to illegal abortion and jeopardize their life and health.

We urge you to oppose the "so-called right-to-life" amendment.

Sincerely,

Anita Williams,
For the Health Committee Black Women Organized for Action.

CONGRESSMAN AL QUIE'S LEADERSHIP REFLECTS DECENCY AND COMMONSENSE

HON. ANCHER NELSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. NELSEN. Mr. Speaker, back home in Minnesota, most of our citizens have long recognized that Congressman Al Quie is one of the Nation's leading experts in the field of education. When this fact is recognized by no less an authority than the New York Times. however, it creates a feeling of particular pride among Minnesotans, particularly when Al's position in the instance cited did not reflect the special interests of the State in which this newspaper is housed.

I am pleased, therefore, to insert in the Congressional Record an article from the New York Times that appeared earlier this year describing Al's determined effort to make the allocation formula more equitable for the assistance of disadvantaged students in elementary and secondary schools across the Nation. Al Quie's commonsense approach and his leadership, to quote the Times' news account, as "one of the foremost congressional authorities on education matters," is warmly appreciated.

Over many months, Mr. Speaker, I have also been saving for inspirational purposes a heartwarming commentary written by Washington Post syndicated columnist David Broder. In this depressing Watergate period, it continues to serve as a clear reminder that decent political motivations and individual conscience have not been written off in American politics. Al Quie's eloquent statement quoted by Mr. Broder certainly proves the point.

The articles to which I have alluded follow at this point in my remarks:

[From the New York Times, Mar. 13, 1974]

STATE FACES LOSS IN EDUCATION AID—HOUSE DELEGATION DEFEATED IN TEST VOTE ON FORMULA FOR FEDERAL FUNDS

(By David E. Rosenbaum)

Washington, March 12.—The New York State delegation, so often divided and conquered on the floor of the House of Representatives, stood united today on an aid-to-education measure and still went down to defeat.

The vote was on a procedural question setting the stage for the House debate next week on a multibillion-dollar, three-year bill that would provide continued Federal assistance for grade schools and high schools.

New Yorkers object to the part of the bill that would create a new formula for determining how much each state and school district is to receive in assistance for underprivileged pupils over the next three years.

Under the formula, established by the Education and Labor Committee, New York City would be allocated about $30-million less each school year than it is now receiving, and the rest of the state would lose $5-million more.

The vote today came on whether to adopt ground rules for debate that would limit amendments to the formula. The New York delegation wanted to reject the proposed rules, but they were accepted by a vote of 234 to 163.

James F. Hastings, a Republican from a rural district around Elmira, was the only New Yorker to vote in favor of the rules. New Jersey and Connecticut would lose marginal amounts under the formula, and their representatives also voted against the rules.

ISSUE HAS BEEN CAST

Representative Peter A. Peyser, a Westchester County Republican who is one of the leaders in the fight against the bill, declared after the vote, "We still have a shot at it."

But the issue has been cast as one of New York against the rest of the country, and the House is stacked against New York.

As the Representatives filed into the House chamber for the vote this afternoon, Representative Albert H. Quie, a Minnesota Republican who is one of the foremost Congressional authorities on education matters, stood at the door to the chamber and warned his colleagues. "This is just for New York."

The main hope for the New Yorkers now lies in the Senate, where Senator Jacob K. Javits is the ranking Republican on the committee that is considering education legislation.

At present, Federal aid for compensatory education programs for underprivileged children is principally based on the number of children in each school district whose families receive welfare payments and the state's per-pupil expenditures for education.

The formula devised by the Education and Labor Committee would base allotments on three factors: the number of poverty families ($4,200 a year or less for a nonfarm family of four this year), two-thirds of the children in families whose welfare payments push their income above the poverty line and the state per-pupil expenditure.

STATE WOULD BE ALERT

A limit would be set so that states that spend more than 20 per cent above the national average for education, as New York does, could not count the expenditures above 120 per cent of the national average.

New York would be hurt because of its large number of families on welfare and large state expenditures for education.

The State Department of Education has estimated that the cutback in the city's Federal funds would mean that 88,000 children would have to be dropped from programs providing remedial reading and arithmetic, social counseling and other services for disadvantaged children. The staff of these programs would have to be cut by one-third, according to department figures.

Mr. Quie, arguing in favor of the new formula, declared that New York State had 8 percent of the children in the country and 6.3 percent of those in poverty but received 15 percent of the Federal compensatory education money last year. The new bill, he said, would give the state 11 percent of the money.

Moreover, Mr. Quie noted, the old allotments were based on 1960 census figures, which were now out of date and, he declared, an unfair measure of need.

[From the Washington Post, July 22, 1973]

TWO TALES OF "HEALTHY" POLITICS

(By David S. Broder)

As a relief from the tales of payoffs, coverups and buggings, we turn today from the wretched Watergate business to a part of incidents, not terribly important in themselves, which indicate something much healthier about our country and the men we chose to govern us than the sickening spectacle of the televised Senate hearings.

The heroes of these tales, if you consider them such, are men with unfamiliar names, who labor in the obscurity reserved for all but a handful of members of the House of Representatives. They said and did what they did, not in hopes of praise, but because their consciences prompted them to do it—and their political judgment told them their constituents would support them, should they learn of it.

One of them is Rep. Tom Railsback, an Illinois Republican. One day last month he stood up on the floor of the House and moved to amend the judiciary appropriation bill to add $2.8 million.

Challenging the appropriations committee on the floor is one of the riskiest things a House member can do. That committee is big, strong, and proud—and every member needs help from it. Normally, a House member will take on the appropriations committee only when he feels an absolute political imperative to fight for some project for his district.

Railsback was seeking no local benefit. He wanted the House to override its appropriations committee in order to provide all of the 30 new probation officers requested by the federal judiciary, instead of the 170 additional positions approved by the committee.

Railsback happens to be a member of the House Judiciary subcommittee that has been studying America's penal system. In his low keyed respectful speech, he simply noted that an effective probation system would cut the 72 percent recidivism rate on first-time youthful offenders.

The manager of the bill, Rep. John M. Slack of West Virginia, roared back in expected fashion, defending the superior wisdom of the appropriations committee and adding, gratuitously, that "If the judges would put some of the criminals in jail instead of on probation, the country would be a lot better off."

But the huffing-and-puffing did not work. Railsback's logic prevailed and the House agreed, by a 56-vote margin, to add the money.

The second case, involving the authorization for the National Foundation on the Arts and Humanities, was an even more striking victory over the know-nothingism many people suppose still dominates the House.

The six-year-old program, the cultural showpiece of the Great Society has somehow escaped President Nixon's scorn. In fact, he has been superb on the issue, making first-class appointments and strongly backing increased funds for the program.

The proposal before the House to increase funds, from the current $80 million to $145 million next year, was a bipartisan bill with White House backing. Nonetheless, it was a fat target for the know-nothings, and they had their predictable fun, with one congressman ridiculing a grant to "microfilm the principal archives of the island of Malta" and another inquiring, in mocking humor, if there was "any allowance for Buck Owens, Merle Haggard or Grand Ole Opry."

But then something remarkable happened. The know-nothings, found they had almost no support among their colleagues. The most derisive speech against the expanded culture program was answered, not by a spokesman for America's aesthetes or academics, but by Rep. Thaddeus J. Dulski of Buffalo, N.Y., who recited what the grants had meant in his city.

There were similar testimonials from other unexpected sources: from Mario Biaggi, the tough ex-cop from the Bronx; from Lloyd Meeds of Washington, telling how half the population of the San Juan islands turned out for a subsidized concert of the Seattle Symphony: from Orval Hansen Idaho, praising the Oinkara Basque dance tours; from Bill Cohen of Maine, talking of the Skowegan school of painting and sculpture from Barry Goldwater Jr., grateful for the aid in preserving classic films; and from Wiley Mayne of Iowa, thankful that professional artist Ray Frederick had been allowed to spend a year in residence at the Fort Dodge High School.

Minority Leader Gerald Ford confessed that he had opposed the program at its birth six years ago and had been skeptical when it contributed funds for the purchase of an Alexander Calder sculpture for the downtown renewal area of his home town of Grand Rapids, Mich.

"At the time," he said, "I did not know what a Calder was . . . but I can assure the members that Calder in the center of the city . . . has really helped to regenerate the city."

The House beat back a move to cut the authorization by over 100 votes and then passed the expanded programs by a 5-to-1 margin.

Before the vote Rep. Al Quie, the ex-farmer from Dennison, Minn., who has become one of the most respected Republicans in Congress, was moved to quote from Aleksandr Solzhenitsyn's Nobel lecture the observation that "Literature, together with language, protects the soul of the nation."

"With Solzhenitsyn," said the towering midwestern congressman, "I too believe that our creative artists have a vital role to play in helping to show mankind the way to oneness, brotherhood and peace . . ."

The sight of a Minnesota farmer quoting a Russian novelist to the House of Representatives does not prove the millenium has arrived. But it helps wash out the memory of a former attorney general explaining why he concealed a criminal conspiracy from the President of the United States. And for that, one can be grateful.

VIETNAM ALTERNATIVES

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. BAUMAN. Mr. Speaker, it is a remarkable fact that those who are so ready to criticize every action by the Republic of Vietnam maintain a deafening silence where the deeds of the North are concerned. The South is attacked for alleged cease-fire violations, yet not a word is said about the daily acts of terrorism and military aggression perpetrated by the North Vietnamese army.

A flood of propaganda abuse descends upon the United States for honoring its treaty obligations in the replacement of South Vietnamese equipment, but no mention is made of the 600 tanks, the 1,000 artillery pieces, the extra 50,000 men, the numerous airfields and missile sites, or the totally new and sophisticated weapons systems introduced into the South illegally since the cease-fire by the NVA.

President Thieu is painted as a monstrous dictator on account of the wartime restrictions imposed in the South, yet nothing is said about the total and brutal tyranny which prevails in the North. A great wail goes up to greet every case of mistreatment in a southern prison, whereas the existence of a northern prison system based on calculated and systematic torture is ignored. One would have thought that the experiences of our own POW's would have highlighted at least this aspect of Communist society.

Howard R. Penniman, professor of government at Georgetown University, and the author of a detailed and scholarly study on elections in South Vietnam, has recently written to the Washington Star-News setting out some of the justifications for continued American support for the people of Vietnam. I would like to help set the record straight by sharing his thoughts with a wider audience, and insert his letter as it appeared on June 29, 1974:

VIETNAM ALTERNATIVES

Critics of aid for South Vietnam refuse to face the realities of their position. They talk of cease-fire violations by both sides. Yet, the major violations are those committed by North Vietnam. The North has increased its troop strength in the South since the cease-fire, attacked South Vietnamese cities, refused to allow the International Commission for Control and Supervision to investigate alleged treaty violations in communist zones, and failed to designate points of entry to allow inspection of incoming military supplies. Each of these violates explicit provisions of the agreements. No comparable violations can be legitimately charged against South Vietnam.

Second, critics say that more aid means throwing good money after bad since South Vietnam can't survive anyway. But, these are the same critics who predicted the government would collapse as soon as American troops left in March 1973. If they block aid long enough, maybe they can force their prophecies to come true.

Third, critics say they don't want to aid an anti-democratic regime. While the Government of (South) Vietnam (GVN) is not a model of liberal democracy, it looks very good indeed when compared with North Vietnam, which would take control if the South were defeated. Two brief comparisons may illustrate the point.

In South Vietnam there are 16 Vietnamese language papers of which 13 are classified either as "independent" or "opposition" papers. There is, unfortunately, censorship of occasional articles in the name of national security. Nonetheless, reading the Saigon press suggests that papers can and do regularly and sometimes vigorously criticize the government and its policies.

Opposition candidates can compete and win South Vietnamese elections that are held as constitutionally scheduled. President Thieu's supporters did not control a majority in the Senate from 1967 to 1973. A mere 40 of 119 candidates seeking re-election to the lower house in 1971 were returned by the voters. The 1971 presidential election was uncontested only because both Nguyen Cao Ky and Duong Van ("Big") Minh chose to withdraw after having qualified for the race.

The contrast in North Vietnam is clear. All newspapers are controlled by the government and are always favorable to it. All candidates for the national assembly must be approved by the communist Fatherland Front. In the four elections that have been held at irregular intervals since 1946 not a single member of the national assembly has ever been defeated.

The continued loyalty of the military (at all levels) to the South Vietnamese government, the increased support by the peasants (roughly a million of whom have gained title to their land since 1970), and the decline of urban opposition testify to the preference of South Vietnamese voters for their limited democracy rather than communist control by the North.

Most congressmen who face up to the facts, as realistically as the South Vietnamese themselves, should resist major cuts in the aid to South Vietnam. To seriously cut the aid package is to encourage the dictatorship of the North; to support adequate aid is to at least make the continued development of democracy possible.

COMMITTEE REFORM—A VITAL NECESSITY

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. QUIE. Mr. Speaker, the committee reform proposals have been languishing, awaiting House action for over 3 months, and it is time for the House to act.

I congratulate Chairman Bolling for requesting a hearing before the Rules Committee to consider granting a rule on the Select Committee on Committee's recommendations contained in House Resolution 988. He and his committee have done excellent work in studying committee jurisdiction thoroughly and agreeing on some wide-ranging recommendations to be effective in the 94th Congress. The results show that opinions were sought from many quarters knowledgeable on congressional operation, and incorporated into a comprehensive package designed to enhance House consideration of legislation in a deliberate, but also efficient manner.

No one can call the Bolling recommendations biased or partisan, in view of the fact that the committee was equally balanced between Democrats and Republicans. The Republicans on the committee, headed by the distinguished Dave Martin, contributed mightily to the final product and can be justly proud of their contribution.

It was my privilege to appear before the Select Committee and submit a number of ideas. It is pleasing to me that my suggestion to split the Education and Labor Committee was adopted. I also emphasized the need for greater congressional oversight over the operation of the executive agencies and am happy the Select Committee on Committees recommends the establishment of an oversight subcommittee in each of the legislative committees.

The July 15 Washington Post carried a story to the effect that a committee of the Democratic Caucus has completed its hatchet job on the committee recommendations. According to this report, it would appear that the bipartisan Bolling reforms have been weakened and some strongly needed reforms háve been dumped. Almost all of the recommendations would be slashed to make them offensive to no one in the House, while destroying much of the fine work of the Committee on Committees. It would appear that the present committee structure will be largely retained thereby appeasing objections of sitting chairmen. Combining and coordinating committee jurisdictions would be reduced to offset additional objections at the cost of meeting some of the principal goals of the Committee on Committees.

Mr. Speaker, the American public deserves much better treatment from the majority in the Congress in order to restore confidence in this body. I urge fairminded individuals in the House to join Chairman Bolling in seeking consideration of the Committee on Committees' recommendations. Responsibility for failure of the House to adopt improvements in committee jurisdiction and operation in the near future must be placed squarely upon the Democratic Caucus.

EARL WARREN

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 10, 1974

Mr. ROYBAL. Mr. Speaker, the passing of Earl Warren is a great loss to all Americans and I join my colleagues in paying tribute to his memory.

He was, indeed, a public servant in the truest sense. Born and raised in California, Earl Warren served his native Californians for over 30 years—from clerk of the judiciary committee of the assembly to district attorney of Alemeda County to attorney general to Governor—before being appointed Chief Justice of the United States.

In 1946, Warren won both the Republican and Democratic nominations in his first reelection for the office of Governor. He was by far one of the most popular and highly respected Governors of California. After an unprecedented three terms as Governor, Warren announced that he would not seek a fourth term, because he believed that a periodic change was necessary to renew our democratic system. Five days after this announcement, Chief Justice Fred Vinson died, opening the highest judicial post in the Nation. Within the same month, September 1953, President Eisenhower appointed Warren as Chief Justice of the U.S. Supreme Court.

During his 16 years as Chief Justice, Warren served the people of our country with courage and conviction. His concern was to protect the rights of the people. In doing so he faced controversy and even cries for impeachment.

Under Warren, the Supreme Court handed down landmark decisions in every aspect of constitutional law. Their decisions expanded the breadth of the commerce clause, broadened the reach of the due process clause of the 5th and 14th amendments regarding civil rights and rights of defendants, and expanded the scope of the 1st amendment rights in the area of privacy.

What stands out, above all else, was Warren's belief in individual rights and freedoms. The Miranda against Arizona decision was crucial in protecting and guaranteeing the legal rights of individuals. One of the best remembered decisions of the Warren Court is Brown against the Board of Education, which declared racial segregation in the public school to be unconstitutional. Another extremely significant decision handed down during his tenure as Chief Justice set forth the one-man, one-vote doctrine, making the weight of each citizen's vote equal, regardless of place of residence.

Earl Warren, though concerned with protecting the rights of all the people, realized in turn the need for a responsible citizenship in order to maintain our democratic way of life. Those entrusted with the care of the government must maintain a vigilance, but "in our country those responsible are 'we, the people'—no one else." This thought was brought out in Warren's only book, "A Republic, If You Can Keep It."

He based his book on the need for responsible citizenship and believed that all of us must fulfill our obligations as citizens to protect and preserve the freedoms guaranteed by the Constitution, particularly those set forth in the Bill of Rights. Earl Warren has certainly fulfilled his obligation as a citizen, through his efforts to guard those liberties which Americans hold so dear.

His sense of fairness and responsibility to the people have made him truly one of the greatest Chief Justices of the United States and his life itself has been a tribute to the public servant of the highest caliber.

CAPTIVE NATIONS: A NEW LOOK

HON. JAMES C. CLEVELAND

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. CLEVELAND. Mr. Speaker, during more than 11 years in Congress, I repeatedly have called attention to the plight of peoples under Soviet domination. Those years have seen significant changes in our relationship with the Soviet Union, though what many have viewed as progress has often proven more apparent than real. Despite these changes—and I do feel we have at least set the stage for continuing improvements—it is fitting that we again pause to observe Captive Nations Week at this point in our history.

In view of all too many, the cold war's significance is limited to the Soviet expansionism in the post-World War II years and our response to it. Thus it has been proclaimed at an end repeatedly, only to be recognized anew with a Hungary, a Berlin crisis, a Cuba, a Czechoslovakia, or Communist aggression in Korea and Southeast Asia. We have heard theories of convergence, a mellowing of the Soviet Union, and the preposterous notion that the cold war somehow was made in the United States. But we who observe Captive Nations Week and those people whose plight we commemorate know the true history. We recall the new Soviet imperialism that absorbed the Baltic States in the early 1940's and, during World War II, set the stage for postwar takeovers elsewhere in Eastern Europe.

Why do I recite this history at a time when the President has launched a period of negotiations and apparent détente? It is not to question prospects for peace or the President's policies for its pursuit. I repeat: I am convinced that after so many false starts and false hopes we have set the stage for improvement in our relationships.

But I do not delude myself that the millennium is at hand. The grim record of the past indicates both how far we have come and how far we yet have to go.

The lessons of recent history show that for agreements to mean anything they must reflect the genuine interests of the parties. Pledges of cooperation must be followed by a cumulative series of concrete steps to ease tensions. Agreements attained through strength cannot be maintained through weakness.

Any negotiations worthy of this great Nation must assure that those victimized by the hostilities we seek to end must share in the benefits. We must insist on real, measurable, and irreversible expansion of freedom in any long-range settlement.

We have legitimate leverage and must use it. The Soviet Union is being forced to look outward. It is grudgingly responsive to world opinion if strong and sustained, and channeled into the process of determining public policy. The decreased restrictions on emigration of Jews from the Soviet Union represent one hopeful example. In the same vein, our task is to maintain and increase pressure for a genuine opening of freedom of thought, movement, and expression in captive nations which hopefully in time will lead to the evolution of full freedoms in those countries whose loss of liberties we have mourned so long.

The long road to détente will be arduous and the best prospects for success will lie in guidance by the same sense of history shared by those who grasp the full meaning of captive nations. The same realities should be kept in mind too, as we continue to make judgments in the areas of troop strength, overseas deployment, weapons systems, and war powers.

WEAL-ABZUG ANALYSIS OF TITLE IX SEX DISCRIMINATION REGULATIONS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Ms. ABZUG. Mr. Speaker, last month the Department of Health, Education, and Welfare issued the long awaited and long delayed regulations implementing title IX.

These regulations forbid sex discrimination against students and employees in all federally assisted education programs. They are currently being offered for comments by HEW. Because of the important nature of these regulations and because of their complexity the time period for comment has been extended beyond the normal 30-day period. These regulations will be open for comment until October 15, 1974.

To assist in analyzing these long and significant regulations, I, with the very able assistance of the Women's Equity Action League, have prepared our own comments. I would like to take this opportunity to insert them in the CONGRESSIONAL RECORD:

WEAL-ABZUG PRELIMINARY ANALYSIS OF PROPOSED TITLE IX REGULATIONS

INTRODUCTION

Proposed Title IX regulations forbidding sex discrimination against students and employees in all federally assisted education programs, were finally issued by the Department of Health, Education, and Welfare on June 18, 1974, in the Federal Register.

Because these regulations will affect educational institutions for many years to come, it is essential that as many women's organizations and individuals as is possible submit comments to HEW. Educational institutions are expected to bring substantial pressure on the Secretary of HEW to water down the regulations and keep them as weak as possible.

WEAL and Rep. Abzug have prepared the following preliminary detailed analysis of the regulations in order to assist persons and groups filing comments. It is not necessary that comments to HEW be as detailed as the WEAL-Abzug analysis; comments can be as short as "Our organization regrets the deletion of the Title IX proposed regulation exempting Rhodes Scholarships," or they can be as detailed as the WEAL-Abzug analysis. Where possible, a rationale for the comment should also be included. Individuals and organizations can also write supporting the WEAL-Abzug analysis, although comments written about specific items are especially valuable.

Although most of the following recommendations are of enormous importance, your attention is specifically called to the following items:

(1) *Textbooks and curriculum* (general comment 2): This area is *not* covered by the proposed regulations, and the Secretary has specifically requested comments about the omission. There is no requirement that institutions develop procedures to evaluate materials for sexist bias.

(2) *Admissions to private undergraduate vocational or professional schools* (see comment under 86.2(n)): The regulations exempt such schools from the admissions requirements of Title IX. A policy decision by HEW could include them.

(3) *Remedial and Affirmative Action* (see comments under 86.3(a) and (b), 86.23, 86.31 and 86.38(c): Remedial action is required only when there has been past discrimination; affirmative action is *optional*. No self-analysis by the institution is required. nor are any written programs required.

(4) *Time Frame* (see comments under 86.3(a) and (b), 86.23, 86.31, 86.31(c)(2), 86.38(c), 86.62(b), 86.62(d), 86.63): Time frames, such as those for the implementation of remedial action and for various investigative and enforcement procedures, are notably absent.

(5) *Financial Aid* (see comments under 86.35(a)(1) and (2)):

(a) The regulations prohibit single-sex fellowships and awards. Comments are needed to support this provision, because institutions are expected to oppose it due to the difficulty in changing wills, trusts and bequests.

(b) Rhodes Scholarships and any other aid initiated by a *foreign* will, trust or bequest or by a foreign government can continue to choose recipients on the basis of sex. This provision should be opposed.

(6) *Athletics* (see comments under 86.35(d) and under 86.38ff.): This is perhaps the most controversial area of the proposed regulations. Institutions and male-dominated athletic organizations are expected to heavily pressure HEW for watered-down regulations. Earlier drafts of the regulations were weakened after such pressure. WEAL has attempted to take a middle-of-the-road position because such a position has a provisions because of the costs involved.

(7) *Fringe Benefits for Part-Time Employees* (see comments under 86.41(a)(1)): The proposed regulations currently call for permanent part-time employees to receive pro-rated fringe benefits in some instances. The Secretary has requested comments on this. Institutions are expected to oppose the provisions because of the costs involved.

(8) *Pensions for Employees* (see comments under 86.46(b)(2)): As currently written, the regulations allow equal contributions *or* equal benefits. Thus TIAA and other pension plans which pay women less per month upon retirement (because ostensibly they live longer) can continue to discriminate. The provision violates the Sex Discrimination Guidelines of Title VII. The Secretary has requested comments on this, particularly concerning the adoption of unisex actuarial tables. WEAL supports unisex tables.

(9) *Pregnancy and Leave for Employees* (see comments under 86.47(e)(1) and (2)): The regulations treat pregnancy differently from other temporary disabilities by requiring advance notification of delivery date, certification by a physician of ability to work, and allowing institutions to delay return to work until the beginning of the following academic semester.

(10) *Procedures for Investigations, Compliance, Hearings and Review* (see comments under Subpart F, 86.61 ff.): Individuals who file complaints under Title IX are denied due process. For example, there is no appeal procedure for complainants, although recipients can appeal unfavorable decisions. Other procedural deficiencies are noted in the comments.

While we note that the procedures for Title IX are somewhat more cognizant of complainants rights than those in Title VI (after which Title IX is patterned), we request that changes in Title IX regulations that enlarge the rights of complainants be incorporated into the Title VI regulations as well. The procedural requirements of both Acts should be identical.

Copies of the regulations can be obtained by writing the Secretary of HEW, Washington, D.C. 20201.

The comment period ends October 15, 1974. WEAL would appreciate receiving copies of comments sent to HEW. Copies of comments and questions should be sent to WEAL, National Press Building, Washington, D.C. 20004.

II. OUTLINE OF WEAL PRELIMINARY ANALYSIS

A. General

1. Examples of Discrimination.
2. Textbooks and Curriculum.

B. Section-by-section analysis

(Headings following the section number refer to the subject matter of the comments and do *not* follow the headings used in the proposed regulations.)

86.2(g)(5) Definition of Federal Financial Assistance: Restrictive Definition of Contracts.

86.2(j) Definition of Educational Institutions.

86.2(n) Definition of Institution of Vocational Education.

86.2 (m) and (n) Coverage of Private Undergraduate Professional and Vocational Schools.

86.3 (a) and (b) Remedial Action and Affirmative Action.
86.4 Assurances of Compliance.
86.6(a) Relationship of Title IX to Other Federal Provisions.
86.6(b) Effect of State and Local Law.
86.8 Designation of Employee.
86.9(a) Notification of Policy.
86.9(a)(2)(iii) Written Communication of Policy Within 90 Days.
86.9(b)(1) Publications.
86.21(b) Admissions of Part-Time and Older Students.
86.22 Preference in Admission to Students who Attend Particular Institutions.
86.23 Recruitment, Remedial and Affirmative Action in Admissions.
86.31 Remedial and Affirmative Action in Programs and Activities.
86.31(b)(6) Residency Rules.
86.31(b) Support of Discriminatory Organizations That Do Not Serve Students or Employees.
86.31(b)(7) Support of Discrimnatory Organizations That Provide Services to Students or Employees.
86.31(c)(2) Programs not Operated by Recipients Which Are Part of the Recipient's Educational Activities.
86.34 Course Offerings in Physical Education and Other Areas.
86.34(c) Appraisal and Counseling Materials.
86.35(a)(1) Financial Assistance.
86.53(a)(2) Exemption for Rhodes Scholarships.
86.35(d) Athletic Scholarships.
86.3 Gynecological Care, Health, Insurance Benefits and Services.
86.38(b) Athletic Interest Survey.
86.38(c) Athletics and Affirmative Efforts.
86.38(c)(1) Informing Students of Equal Athletic Opportunities.
86.38(c)(2) Support and Training Activities in Athletics.
86.38(d) Equal Opportunity in Athletics.
86.38(e) Equal Opportunity and Separate Teams for Each Sex.
86.38(f) Equal Expenditures in Athletics not Required for Each Sex.
Subpart E Employment: General Discussion.
86.41 Part-Time Employment.
86.41(a)(1) Part-Time Employees and Fringe Benefits.
86.44 Compensation.
86.46(b)(2) Equal Pensions.
86.47(e)(1) Pregnancy and Notification to Employer.
86.47(e) (1) and (2) Pregnancy and Physician Certification.
86.47(e)(2) Pregnancy-Maternity Leave and Teachers.
86.51 Sex as a Bona Fide Occupational Qualification.
86.51 Bona Fide Occupational Qualifications and Locker Rooms.
Subpart F Procedures: General Discussion.
86.61(b) Compliance Reports.
86.61(c) Confidential Information and Disclosure by HEW.
86.62(b) Who May File Complaints.
86.62(b) Notification of Complaints.
86.62(c) Investigations and Contact with Complaints.
86.62(d) Notification of Investigations and Results.
86.62(d) Investigations and Letters of Findings.
86.63 Noncompliance and Delay in Awarding Financial Aid.
86.64(e)(1) Travel Paid for Witness.
86.64(b) Time and Place of Hearing.
86.64(c) Participation by Complaints as *Amicus Curiae*.
86.64(d) Right to Counsel.
86.64(e)(1) Travel Paid for Witnesses.
86.65(b) Reviews by Reviewing Authority.
86.65(e) Review by the Secretary.

III. WEAL PRELIMINARY ANALYSIS

A. General comments

1. *Examples of discrimination:* Although examples of discrimination are given in the fact sheet that accompanied the regulations, there are few examples given in the regulations themselves. Since the fact sheet has no legal status and was not printed in the *Federal Register*, institutions and individuals will lack guidance as to the specific applications of Title IX.

Recommendation: Examples of what the regulations allow or prohibit should be incorporated into the regulations themselves.

2. *Textbooks and curriculum:* These areas are not covered by the regulations although there is no exemption for textbooks and curriculum in the law itself. HEW is concerned about infringements of the right of freedom of speech, and has therefore omitted all references to this area. The Secretary has requested comments on this issue.

Since school systems and many university units, such as departments, have already existing mechanisms to review curriculum materials along other lines, the development of procedures by the institution to review curriculum materials for sexist bias could easily be incorporated into these already existing mechanisms. This would allow institutions to handle the issue without danger to the freedom of speech.

WEAL notes that insofar as texts are chosen by state and local Boards of Education, the choice of sexist texts represents state action in the perpetration of sex discrimination, which is contrary to federal law. WEAL also notes that freedom of speech is a right guaranteed to *individuals*, and that the selection of texts by state and local agencies is not generally seen as abridging that right.

Recommendation: HEW should require institutions to develop procedures for reviewing and evaluating textbooks and curriculum for sexist bias, as well as developing procedures for handling complaints in this area.

*B. Section-by-Section Analysis**

86.2(g)(5) *DEFINITION OF FEDERAL FINANCIAL ASSISTANCE: RESTRICTIVE DEFINITION OF CONTRACTS:* As currently written, contracts which do *not* have as their *purpose* "the provision of assistance" to an educational institution would *not* qualify as federal aid covered by Title IX, and thereby some institutions, even though they might receive federal contracts, would be exempt from the provisions of Title IX. Section 902 of Title IX does not mention *purpose;* "financial assistance" is not defined.

Recommendation: All contracts, *regardless of purpose* should be covered by the regulations, since *all* contracts benefit and assist the institution, regardless of their purpose.

86.2 (j) *Definition of Educational Institutions:* The regulations define institutions in such a way so that apparently they do *not* cover federally funded education programs in non-educational settings, such as those operated by community organizations.

Recommendation: All institutions and organizations operating *any* educational programs funded by the federal government should be covered by the regulations.

86.2 (n) *Definition of Institution of Vocational Education:* The regulations are not clear as to whether programs such as Job Corps, Manpower Training, and various poverty programs that involve job training, are covered by Title IX. (The Comprehensive Manpower Act (S. 1559), signed by the President on December 28, 1973, specifically forbids sex discrimination in programs funded by that Act.) Thus the Congress has reaffirmed the national policy to end discrimination in all federally funded vocational programs. The legislative history of Title IX is clear in its intent to cover *all* vocational programs.

Recommendation: The regulations should clearly cover *all* vocational training programs funded by the government whether or not the program occurs in an educational institution or school or *in any other setting.*

86.2 (m) and (n) *Coverage of private undergraduate professional and vocational school:* Title IX exempts admission to private undergraduate institutions, but prohibits discrimination in admission to all vocational and professional schools at all levels of education. The proposed regulations exempt *all schools which fall into both categories*—private undergraduate vocational and/or profession schools, such as schools of engineering, teaching, architecture, business, etc.—even though the Act is silent as to whether or not such schools are exempted from the admissions requirements of Title IX. However, in other legislation (such as the Comprehensive Health Manpower Act of 1971, amending the Public Health Service Act) the Congress has clearly prohibited sex discrimination in admissions to vocational or professional training programs operated by *private* institutions. WEAL sees no justification for exemption of schools that provide undergraduate training in engineering, business, etc., when discrimination is prohibited at the *secondary* vocational school, at the *post-graduate* vocational programs operated by *private* non-educational organizations.

Recommendation: The regulations should prohibit discrimination in admissions to all private undergraduate vocational and/or professional training programs.

86.3 (a) and (b) *Remedial action and affirmative action:* The regulations require remedial action by institutions which previously discriminated; affirmative action is *optional* on the part of the institution in terms of overcoming effects of conditions which have resulted in limited participation by one sex. It is not clear whether the institution or HEW (or both) determines whether or not remedial action is required, or if a formal finding of discrimination is necessary for an institution to develop a remedial program. *No self-evaluation by the institution is required* to assess past discrimination. Without such evaluation, institutions are not likely to know discrimination exists, nor to develop means of overcoming limited participation.

WEAL notes that affirmative "efforts" are *required* in the area of athletics "with regard to members of a sex for which athletic opportunities previously have been limited" [86-38 (c)]. We do not understand why affirmative "efforts" are *required only in the athletic area*, and not in admissions and in the treatment of students in areas other than athletics.

Recommendation: (1) Remedial action should be required when the institution has discriminated regardless of whether or not a formal finding by HEW has been made.

(2) Institutions should be required to evaluate, in writing, all programs and policies for discrimination and to insure that remedial efforts are undertaken when necessary.

(3) Such a study should be completed no later than 180 days after the effective date of the regulations and annually thereafter.

(4) The results of such a study and written plans for remedial and affirmative action should be made public.

(5) *A written plan of affirmative action* should also be *required* for all programs to overcome the effects of conditions which have limited participation of persons of one sex.

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* Headings following the section number refer to the subject matter of the comments and recommendations and do *not* follow the headings used in the proposed regulations.

(6) Definition and examples of past discrimination should be given in the regulations.

86.4 *Assurances of compliance:* The regulations require that recipients of federal aid submit assurances of compliance on a form to be determined by the Director of The Office for Civil Rights. HEW is currently developing the proposed compliance form. It is essential that the form request various kinds of data rather than a simple promise of compliance. Forms with data will help institutions assess whether or not they are discriminating.

Recommendation: (1) The proposed compliance form should not only cover admissions but *also treatment of students* already enrolled.

(2) Data should be requested in all areas of student activity, including athletics and extra curricular activities.

(3) The proposed compliance forms should be developed with input from women's groups.

86.6 (a) *Relationship of title IX to other Federal provisions:* The regulations state "The obligations imposed by this part are independent of obligations not to discriminate on the basis of sex imposed by [other regulations and statutes] . . ."

Recommendation: It would be clearer if the regulation read: "The obligations . . . are independent of *and do not alter* obligations not to discriminate . . . (add italicized portion).

86.6 (b) *Effect of State and local law:* The regulations state that state and local laws cannot alter or alleviate the obligation to not discriminate if the State or local law limits, on the basis of sex, the eligibility of *students or applicants* to practice any occupation or profession. The regulation does not cover *employment* of persons by the institution where state or local law is prohibitive.

Recommendation: The words "employee or applicant for employment" should be added wherever the word "student" appears to insure that recipients are aware that state or local laws concerning employment by the institution are superseded by Title IX.

86.8 *Designation of employee:* Each recipient must appoint an employee to coordinate compliance efforts, including investigation of complaints. The regulation does not provide that there be written procedures for resolution of complaints or that records be kept. It does not make clear that complainants *do not have to use the internal complaint process before filing a complaint with HEW*, or that the resolution of the complaint in no way forbids an individual from subsequently filing, and is not binding *in any way* on HEW investigations or action. Moreover, a current employee could be designated without having any released time to perform the duties, which would result in a non-effective position. No written records are required to be kept.

Recommendation: (1) The designated employee shall have released time to perform the duties required for compliance.

(2) Institutions or school systems with more than 3,000 students (full-time equivalent) shall have at least one full-time employee assigned to such duties.

(3) Such employee shall report directly to the head of the institution.

(4) The designated employee shall conduct self-evaluation studies, with recommendations, at least once annually, and to be released publicly.

(5) The employee will develop a written procedure for internal resolution of complaints.

(6) Students and employees shall be notified of the appointment of such person and that procedures exist for resolution of complaints.

(7) Upon filing of a complaint with the employee, all students and employees shall be informed that the individual has a right at anytime to file a formal complaint with HEW.

(8) Written records of all complaints and resolutions shall be maintained for a period of three years.

(9) Complaints resolved by the designated employee are in no way binding on the government.

86.9 (a) *Notification of policy:* Applicants for admission, students, employees, counselors of applicants for admission or employment, and other interested parties are required to be notified of the non-discriminatory policy of the recipient. The regulations also require that *inquiries* concerning the application of Title IX be referred to the Director. Such persons are not likely to know that *complaints* as well as inquiries can be referred to the Office for Civil Rights.

Recommendation: (1) The regulation should state that inquiries *and complaints* may be referred to the designated employee *or* to the Director *of the Office for Civil Rights* (add underlining for clarification).

(2) Alumni organizations for colleges and universities should also be notified.

86.9(a) (2) (iii) *Written communication of policy within 90 days:* All students and employees are required to be notified by some form of memoranda or other written communication. There is no requirement that *applicants for admission or employment* be notified within the 90 day period; there is *no* time period within which they must be notified. Parents of elementary and secondary school students are not required to be notified. This is essential at this level if notification is to be meaningful, since parents can play an effective role in monitoring sex discrimination by schools.

Recommendation: (1) Applicants for admission and employment (as well as those inquiring for admission) should be notified within 90 days after the effective date of the regulations.

(2) Parents of elementary and secondary school students should be notified in writing.

86.9(b) (1) *Publications:* The regulations require that the statement of policy be included in announcements, bulletins, catalogs, application forms and other recruiting forms. There is no requirement to include the statement of policy in publications other than those aimed at *recruiting* students or employees.

Recommendation: All publications (not only those used in recruiting) published 90 days after the effective date of the regulations should include the statement of policy.

86.21 (b) *Admissions of part-time and older students:* There are no prohibitions concerning treatment of part-time or older students. Since many women attend school part-time and/or at a later age because of family responsibilities, any restrictive policy concerning age or part-time attendance (including restrictions on part-time financial aid) has on women. The U.S. Supreme Court in *Griggs* v. *Duke Power Co.* (401 U.S. 424 (1971)) enunciated the principle that any policy that is fair on its face and ostensibly neutral but *has a disproportionate impact on a protected class* and which cannot be justified by business necessity *is discriminatory*. This principle should be included in the regulations to aid institutions in their evaluation of discriminatory practices and policies.

Recommendation: (1) There should be a specific prohibition against policies and practices which, although ostensibly neutral, have a disproportionate and detrimental effect on women, unless the policy can be justified by business necessity.

(2) The regulations should prohibit restrictive policies concerning part-time attendance (including financial aid for part-time students). This would also make the section parallel with the section relating to employment (86.41 (a) (1)) where part-time a disproportionate and discriminatory impact employees are already mentioned in the regulations.

(3) The regulations should prohibit restrictive policies concerning age as a criteria for admission.

86.22 *Preference in admission to students who attend particular institutions:* Institutions cannot give preference in admissions to applicants on the basis of attendance at a school which is single-sex or predominantly one sex if the giving of such preference has the effect of discriminating on the basis of sex.

The introduction *preceding* the regulations (but not the regulations themselves) spells this out in greater detail: preference can be given if the pool of applicants eligible for such a preference includes roughly equivalent numbers of males and females *or* if applicants eligible to receive such preference is insignificant in comparison to the total pool. Thus it would be possible for a school to deny admission to *some females* who were better qualified than some of the males who were admitted (because they were given preference on the basis of their having attended a specific school which in turn was discriminatory in its admissions policy). The material in the Introduction suggests therefore that *individual* cases of discrimination, such as in the preceding example, would be allowable, *as long as the number of people involved was small*. Such preference results in discrimination and is a violation of Title IX. For example, preference in graduate school given to Amherst graduates, even though a small number, might result in some women who attended Wellesley or other colleges being denied admission, even though they might have been better qualified than the Amherst students.

Recommendation: No special preference should be allowed for applicants who attend institutions that in turn limit their students on the basis of sex.

86.23 *Recruitment, remedial and affirmative action in admissions:* Remedial action *may* be required, but the regulations do not state the conditions under which it would be required (see comments and recommendations under 86.3 (a) and (b)). No assessment is required, nor is any definition of past discrimination given. No self-evaluation by the institution is required. Affirmative action is optional; it is required *only* for previously single-sex institutions. No examples of remedial or affirmative action are given.

Recommendation: (1) A written plan of remedial action should be required of all institutions that previously discriminated in admissions. The written plan should be disseminated by the institution.

(2) A written plan of affirmative action should be *required* in all institutions and programs that have a disproportionate enrollment of either sex. The written plan should be disseminated by the institution.

(3) A self-assessment study of current and previous practices and policies should be conducted by the institution annually and made public.

(4) The first self-evaluation study shall be done no later than 180 days after the effective date of the regulations.

(5) Examples of permissible remedial and affirmative action in recruiting should be given.

(6) At the graduate level, where individual schools and departments make admissions decisions, they should be required to assess past discrimination and, where necessary, should be required to have a written plan of remedial or affirmative action.

86.31 *Remedial and affirmative action in programs and activities:* Remedial and affirmative action is specifically mentioned in the previous section concerning *admissions* (86.23). It is *not* mentioned in this section regarding treatment of students other than in the section on athletics (86.38). Although Subpart A–Introduction does state that remedial action is required when the institution has previously discriminated in an education program or activity, no mention of this occurs in this section, nor is affirmative action suggested. No self-assessment is required.

Recommendation: Comments and recommendations under 86.3 (a) and (b) apply here as well.

(1) This section should include a requirement of a written plan of remedial action for all programs and activities that previously discriminated. The written plan should be disseminated by the institution.

(2) A written plan of affirmative action should also be *required* in all programs and activities that have a disproportionate participation by one sex. The written plan should be disseminated by the institution.

(3) A self-assessment study of current and previous policies and practices of all programs and activities should be required of the institutions, conducted annually, and the results should be disseminated by the institution.

(4) The first self-evaluation study shall be completed within 180 days after the effective date of the regulations and annually thereafter.

(5) Examples of permissible remedial and affirmative action should be included in the regulations.

(6) Where programs have been discriminatory previously, such as single-sex courses, single-sex summer science programs, single-sex orchestras, discouragement of participation by one sex, etc., students should be notified of the change in policy in the manner prescribed in 86.9(a).

(7) Examples of past discrimination should be included in the regulations.

86.31(b)(6) *Residency rules:* Institutions cannot apply discriminatory rules concerning the domicile or residency of a student or applicant.

Recommendation: For purposes of clarification, the following words should be added: "*including eligibility for in-state fees.*"

86.31(b) *Support of discriminatory organizations that do not serve students or employees:* There is *no* provision forbidding institutions from aiding discriminatory organizations that do *not* provide benefits or services to students or employees. (See next section for prohibition against aiding discriminatory organizations that *do* provide services.) Thus a single sex organization, such as the Jr. Chamber of Commerce, could meet and conduct programs on school property. Had the Little League remained single sex, it would have been allowed to use college playing fields. The provision encourages and condones discrimination and violates the spirit and letter of Title IX.

Moreover, it allows the posting of notices and use of campus or school in-house communications for disseminating information about organizations that discriminate.

Recommendation: Institutions should be prohibited *from aiding in any way any organization that discriminates on the basis of sex,* including the posting of notices and the dissemination of information through in-house communications.

86.31(b)(7) *Support of discriminatory organizations that provide services to students or employees:* The regulations prohibit assistance to discriminatory organizations that provide services or benefits to students and employees. The introductory materials *preceding* the regulations dilute this provision by stating that the criteria would be the *substantiality* of the relationship, which implies that in *some* instances, discriminatory organizations could be assisted.

WEAL knows of no legislative or legal reasoning that would allow *some* discriminatory groups in *some* instances to receive assistance from a federally-assisted institution. The criteria are vague and would allow for the continuance of discrimination. For example, would an employee credit union be allowed to discriminate against women in the granting of loans? Would posters concerning discriminatory fellowships be allowed on bulletin boards?

Recommendation: No exceptions or exemptions should be allowed in the prohibition of assistance to any organization that discriminates, including the posting of notices and the dissemination of information through in-house communications.

86.31(c)(2) *Programs not operated by recipients which are part of the recipient's educational activities:* The recipients must develop and implement a procedure to insure non-discrimination against applicants, students and employees. There is no time frame given for this to be done, nor is there any requirement that the procedures be in writing.

Recommendation: (1) These procedures should be developed and implemented no later than 180 days after the agreement between the recipient and the organization is affectuated, or, in the event of an already existing agreement, no later than 90 days after the effetcive date of this regulation.

(2) The procedures should be in writing and disseminated to participants and applicants for the program.

(3) These procedures shall include remedial or affirmative action where discrimination has previously occurred or if there is a disproportionate participation of one sex.

86.34 *Course offerings in physical education and other areas:* The regulations require that all course offerings, *including physical education classes,* be integrated. Institutions and school systems are expected to oppose this provision. *Comments are needed to support this provision,* which is consistent with Title IX and its legislative history.

Recommendation: The requirement for all integrated courses, including physical education classes, should be retained.

86.34(c) *Appraisal and counseling materials:* Different materials canont be used for each sex, nor can materials be used which require or permit different treatment of students on the basis of sex. No mention is made of stereotyped materials which portray women in negative ways and discourage them from entering many fields.

Recommendation: (1) Schools should be required to develop procedures to review and evaluate counseling and appraisal materials for sexist bias, and to develop procedures for handling complaints in this area.

(2) These procedures should be developed no later than 180 days after the effective date of the regulations.

86.35 (a)(1) *Financial assistance:* The regulations forbid single sex scholarships, fellowships, etc. Since many of these are limited to one sex because of wills, trusts, and bequests, *institutions are likely to oppose this provision,* claiming that it will be difficult to break the wills, etc. WEAL notes, by analogy, that wills discriminating on the basis of race, such as in the establishment of an all-white school, have been ruled invalid by the courts. The fact that changing wills, trusts and bequests may involve some difficulties is no reason to continue discrimination. *Comments are needed to support the prohibition of single sex fellowships, scholarships, etc.*

Recommendation: The regulations should continue to forbid all single sex financial awards, whether or not they exist because of wills, trusts, bequests, etc., nor shall dissemination of information about single sex awards be allowed.

86.35(a)(2) *Exemption for Rhodes Scholarships:* Scholarships, fellowships, etc. established by *foreign* wills, trusts, etc., including *foreign* governments, are *exempted* from the provisions prohibiting single sex financial awards. This allows the Rhodes Scholarships to continue selection of students on the basis of sex and to allow institutions to participate in and sponsor the Rhodes Scholarships. WEAL notes that there is *nothing in the legislative history of Title IX to justify such an exemption.*

WEAL also notes that several institutions, including Harvard, have nominated outstanding women for Rhodes Scholarships: these women were rejected *solely on the basis of their sex.* WEAL also notes that if Rhodes Scholarships did not allow minorities, the institutions would be in violation of Title VI. Since Title IX parallels Title VI, WEAL sees no reason to allow an exemption on the basis of sex discrimination that is prohibited on the basis of race discrimination. *Comments are needed to delete this exemption.*

Recommendation: The exemption for scholarships and fellowships established by foreign wills or governments should be deleted.

86.35(d) *Athletic scholarships:* The regulations allow for athletic scholarships for each sex when there are separate teams for members of each sex. The regulations are not clear as to whether the total number of such single sex scholarships must be equal (or comparable), or what is required when there are no separate teams for each sex.

Recommendation: The regulations should state that women and men should have equal opportunities for financial assistance based in whole or in part on athletic ability in proportion to the numbers of students of each sex deriving benefit from the programs.

86.36 *Gynecological care, health, insurance benefits and services:* The regulations forbid discrimination in health, insurance benefits and services. Institutions *may* but are *not required* to provide benefits or services which may be used by a different proportion of students of one sex, including services such as family planning. Although section 86.37 (b)(2) requires that *disabilities related to pregnancy* be treated the same as any other temporary disability (such as in terms of insurance, services and other benefits), there is no such requirement for treating gynecological problems the same as other temporary disabilities. Apparently, institutions could provide health services for men's urological problems but not for non-pregnancy related gynecological problems.

Recommendation: To the extent that health services, insurance benefits and services are offered, gynecological problems shall be treated the same as any other physical problems.

86.38 (b) *Athletic interest survey:* The regulations require an annual survey to determine student interest. Institutions are likely to oppose this provision because of the paper work involved and because they may fear that students might be disinterested in some heavily financed competitive sports. *Comments are needed supporting the annual survey.*

Recommendation: (1) The annual survey should be retained in the regulations.

(2) The results of the survey should be made public and published by the institution.

(3) The institution shall show good faith efforts in taking the results of the survey into consideration in developing its athletic programs.

86.38(c) *Athletics and affirmative efforts:* The recipient is required to make affirmative efforts when athletic opportunities have previously been limited. No assessment of past opportunities is required. No examples of "affirmative effort" are given. No remedial action is required.

Recommendation: (1) Institutions should be required to do a self-analysis of athletic programs and opportunities. The study should be disseminated by the institution and shall include (but not be limited to) an analysis of athletic opportunities at all levels of competition; recruitment efforts; equipment; supplies; scheduling of games and practice times; travel and per diem allowances; award of athletic scholarships; opportunity to receive coaching and instruction; assignment of coaches and instructors; awarding of letters and other sports honors; provision of locker rooms, practice or competitive facilities; provision of medical and training facilities and services; provision of uniforms; provision of intramural and recreational opportunities; and publicity.

(2) Where discrimination is found, a *written* plan of remedial action should be required and disseminated by the institution.

(3) Where participation by one sex is substantially less than for the other sex, a written plan of affirmative action should be required and disseminated by the institution and revised annually.

(4) Examples of permissable remedial and affirmative action should be given.

(5) The self-study shall be completed no later than 180 days after the effective date of the regulations and be conducted annually thereafter.

86.38(c) (1) *Informing students of equal athletic opportunities:* The regulations require institutions to inform students of equal athletic opportunities. No particular method is suggested or required, nor is there a time period within which this must be done. Parents of elementary and secondary students are not required to be notified. Notification is not required to be written. Notification is required only for the members of the sex for which athletic opportunities have been limited.

Recommendations: (1) Students should be notified *in writing* of the opportunities in athletics.

(2) Notification should be required to be placed in gymnasiums, student papers, catalogs and other publications and on bulletin boards, and should appear *in all written communications concerning athletics and physical education*.

(3) Parents of elementary and secondary students should be notified in writing annually. Provisions should also be made to notify parents of students transferring in the middle of the school year.

(4) Notification to students (including parents of elementary and secondary school students) should be required within 90 days after the effective date of the regulations.

(5) Students of *both* sexes should be notified of the new policies.

86.38(c) (2) *Support and training activities in athletics:* Institutions are required to "provide support and training activities [for members of a sex for which athletic opportunities have been limited] designated to improve and expand their capabilities and interests to participate in such opportunities." No guidance is given to institutions as to the kinds of support and training activities that might be undertaken by institutions. No written plan of support or training is required. (See comment under 86.38(c)).

Recommendation: (1) The regulations should give examples of support and training activities, such as (but not limited to) skills workshops, increased facilities, staff and expenditures, counseling, posters, training for current staff, etc.

(2) Recommendations under 86.38(c) are also appropriate here.

86.38(d) *Equal opportunity in athletics:* The regulations require institutions to make affirmative efforts to "equalize opportunities for members of both sexes, taking into consideration the determination" made by the required survey. Institutions may misread this provision as *limiting them* to tailor their affirmative action program *only* to the results of the survey. Thus if no females desired to play ice hockey, an institution might erroneously decide that *no efforts to increase the desire to participate* are necessary. No guidance is given to the institutions as to what constitutes "equal opportunity." Without any definition, institutions which want to move forward will have no guidance. WEAL sees no reason to not include specific guidance for institutions.

Recommendation: (1) The regulations should read ". . . taking into account, *but not limited to*, the results of the determination . . ." (add italic words).

(2) Equal opportunity should include, but not be limited to, selection of sports and levels of competition; recruitment efforts; provision of equipment and supplies; scheduling of games and practice times; travel and per diem allowance; award of athletic scholarships; opportunity to receive coaching and instruction; awarding of letters and other sports awards; assignment of coaches and instructors; provision of locker room, practice or competitive facilities; provision of medical and training facilities, services and programs; provision of uniforms; provision of intramural and recreational opportunities; publicity or otherwise.

86.38(e) *Equal opportunity and separate teams for each sex:* The regulations mention separate teams for each sex only in the context of not discriminating on the basis of sex in the provision of necessary supplies, equipment or in any other manner. No guidance is given as to when an institution should provide single sex or mixed teams. There is no guidance concerning the participation of women on men's teams when they meet the skill levels required.

Recommendation: (1) A recipient may in any sport at any level of competition operate or sponsor separate teams for each sex for which members of the team are selected on a basis of competitive skill and without discrimination on the basis of sex.

(2) If a recipient operates or sponsors separate team for each sex in any sport at any level of competition, and if there are insufficient members of either sex available to form a viable team for members of that sex, such recipient shall operate or sponsor a single team in that sport at the same level of competition, for which members of each sex are selected on the basis of competitive skill and without discrimination on the basis of sex.

(3) In making the determination about single sex and mixed teams, an institution shall consider such things as the number of athletic opportunities for each sex, the level of opportunities for participation by each sex, the selection of sports available to each sex, and the skill level required for the particular sport.

(4) If a recipient operates or sponsors a single team in any sport at any level of competition for which members are selected on the basis of competitive skill and without discrimination on the basis of sex, and if members of one sex are substantially excluded from that team, the recipient shall provide, instead of a single sex team, separate teams, provided sufficient members of each sex choose to participate therein to form a viable team for members of that sex.

(5) In the event that not enough persons of one sex are interested in a sport to form a viable team, opportunities for participation must be developed for that sex, such as intramural, club and extra-curricular activities; skills workshops; or special instruction, as part of the affirmative program.

(6) In the event that separate teams are operated and opportunities for competition are not equal and beyond the control of the institution (such as an insufficient number of teams at other institutions available for competition), members of the team with limited opportunities must be allowed to play on the team that has better opportunities provided that selection for that team is on the basis of ability and without discrimination on the basis of sex.

86.38 (f) *Equal expenditures in athletics not required for each sex:* The regulations state that *equal aggregate expenditures for athletics* are not required for members of each sex. However, in the introductory section *preceding* the regulations, this section is interpreted as not requiring equal aggregate expenditures for members of each sex or *equal expenditures for each team*. The introductory statement is inconsistent with the actual regulation 86.38(f).

Recommendation: Where separate teams exist in the same sport, expenditures shall be equal on a per capita basis, unless the institution can show that the different expenditure rate is related to non-discriminatory factors, i.e., if a team of one sex has more members on it than that of the other sex because of a different rate of participation. Nothing in this section shall be interpreted to allow differences in equipment, supplies, facilities, recruiting, opportunities for coaching and instruction, scholarships and per diem allowances; nor should the regulation be interpreted as prohibiting equal aggregate expenditures for both sexes.

Subpart E employment, general

The introduction *preceding* the regulations states that an employer who complies with Subpart E would be in compliance with both Title VII and the Executive Order (with the exceptions of pensions), even where the latter provisions differ from each other. We assume that institutions are *not* being excused from the affirmative action requirements of the Executive Order. However, the statement could be misconstrued as implying that compliance with Subpart E *excuses* the recipient from the affirmative action requirements of Executive Order 11246. Moreover, the sections covering pregnancy are *not* in compliance with Title VII.

Recommendation: This section should read, "While nothing in this section conflicts with Title VII or the Executive Order 11246, as amended, compliance with this part is independent of and does not alter obligations imposed by Title VII and the Executive Order.

86.41 *Part-time employment:* The regulations specifically mention and cover permanent part-time employees. Institutions may oppose this, even though there is nothing in the legislation that would allow for an exemption of part-time employees. *Comments are needed to support this provision.*

Recommendation: The regulations should continue to cover permanent part-time employees.

86.41(a) (1) *Part-time employees and fringe benefits:* Because all employees who were permanent are thus far covered, part-time employees would be required to be paid benefits when they are permanent *and* when an institution's female permanent employees are predominantly part-time, or when the part-time permanent employees are disproportionately female. The introductory material preceding the regulations defines "permanent" as "any employee who is expected to work or has in fact worked at least one semester at half-time or half-time equivalent." *The Secretary has specifically requested comments on this.*

Institutions can be expected to oppose this provision because of the additional costs involved. It should be pointed out that there is no basis in law that would justify the use of cost factors in exempting *some* employees. Any exemption of part-time employees from one part of the regulations, i.e., fringe benefits, could set a precedent in allowing further exemptions for part-time and other employees as well. Moreover, institutions currently pay fringe benefits for employees with two or more part-time assignments in the case of joint appointments.

Recommendation: (1) Permanent part-time employees should not be exempt from any part of the regulations, including fringe benefits.

(2) Fringe benefits for permanent part-time employees should be required on a prorated basis.

(3) In the event of health and life insur-

ance policies which cannot readily be provided on a proportional basis, employers shall offer to pay a proportional amount if the employee wishes to pay the remaining amount to obtain full coverage.

86.44 *Compensation:* The intent of the regulations apparently is to forbid salary discrimination. 86.44 (b) and (c) are unclear and confusing. WEAL has been unable to determine what this section means.

Recommendation: 86.44 (b) and (c) are unclear and need to be rewritten, following principles evolved in salary discrimination under Title VII and the Equal Pay Act.

86.46 (b) (2) *Equal pensions:* As currently written, the regulations would permit *either* equal contributions *or* equal benefits. Thus, a pension plan such as TIAA—which requires equal contributions for each sex but pays less to women because they ostensibly live longer—would be permissible. This provision is in line with the Equal Pay Act but would put employers in violation of Title VII of the Civil Rights Act of 1964, which requires equal *benefits*, regardless of the amount of contributions made by the employer. Since virtually all employers are covered by Title VII, and only *some* by Title IX, WEAL sees no jurisdiction for weaker regulations under Title IX. *The Secretary has specifically requested comments on this.*

WEAL notes that current actuarial tables are *sex-based classifications,* and as such would be prohibited when employers contract with pension and insurance companies for employee benefit plans. WEAL also notes that minorities have a shorter life expectancy than whites yet do not collect higher pensions based on that fact. Similarly, unequal pension benefits disproportionately affect *minority women,* whose life expectancy is *less* than that of white *males* and white females. In spite of that fact, minority women do not receive a higher pension as do white males because of *their* lower life expectancy.

While equal benefits can be obtained by paying higher contributions for women, this would perpetuate sex-based classifications in employee benefits, and the added costs might fall disproportionately on those employers with a higher number of female employees. A unisex table (similar in concept to the uni-race tables now used) would be fairer, and would avoid the problem of possibly illegal sex-based classifications. WEAL also notes that a unisex table is *not* prohibited by Title VII.

Recommendation: (1) There should be no differences in employee benefits based on sex.

(2) Where actuarial tables are used in computing employee benefits, unisex tables should be required.

86.47 (e) (1) *Pregnancy and notification to employer:* The regulations require that an employee cannot be forced to begin pregnancy leave if her physician certifies that she is able to work. The regulations also state that the pregnant woman notify the employer 120 days prior to the expected birth of a child. This provision treats pregnancy differently from other temporary disabilities and would violate the Sex Discrimination Guidelines of Title VII.

WEAL notes that men are not required to notify employers 120 days before elective hernia or prostate surgery or other elective procedures.

Moreover, such a regulation would be a hardship on women who have not read the regulations. Since Title IX forbids *employers* from discriminating, WEAL does not understand why this regulation is aimed at the *employee*. Institutions could abuse the provision in such an instance because a woman failed to notify them.

Recommendation: The provision requiring notification of delivery date should be dropped.

86.47 (e) (1) and (2) *Pregnancy and physician certification:* The regulations (as mentioned above) state that an employee cannot be forced on maternity leave *if her physician certifies in writing that she is capable of performing her duties*. Similarly, the employer cannot require the leave to be longer than two weeks after the physician certifies in writing her ability to perform the job. (For an exception to this regulation, see next section.)

These provisions also *treat pregnancy differently from other temporary disabilities* and violate the Sex Discrimination Guidelines of Title VII. A physician's certification of ability to work is not required for any other temporary disabilities (such as hernias and prostate surgery) upon return to work.

Recommendation: (1) The provision should be dropped, *or*

(2) Physician certification of ability to return to work shall *not* be required unless it is required for all other leaves caused by temporary disabilities exceeding two weeks.

86.47 (e) (2) *Pregnancy-maternity leave and teachers:* The regulations allow institutions to force a woman who takes a leave for pregnancy or childbirth—no matter how short the leave—to remain on leave *until the beginning of the first full academic term* following her physician's certification that she is able to work.

This provision also *treats pregnancy differently from other temporary disabilities* and violates the Sex Discrimination Guidelines of Title VII. Other disabilities, such as hernias, prostate surgery, broken limbs, etc. may keep persons off the job for several weeks, yet they will be allowed to return without being forced to wait for the beginning of the next academic term. WEAL notes that many elementary and secondary school systems are on a year-long academic "term"; a woman who gave birth in September could be forced to wait until the following year. Moreover, the provision is badly written; a woman who took two days off because of prgnancy could be forced to stay on leave until the next semester began.

Recommendation: The provision allowing institutions to require longer leaves for teachers who take leaves related to pregnancy should be deleted.

86.51 *Sex as a bona fide occupational qualification:* In those instances where sex is essential to the successful operation of the employment function, a recipient may require as a bona fide occupational qualifiaction (bfoq), such as in employment in a toilet facility. The regulation further states that alleged comparative characteristics or stereotypes or preference of employees or students are not justification for a bona fide occupational qualification.

Since bona fide occupational qualifications are highly unlikely to be justified in most employment by educational institutions, and because it can easily be subject to abuse, bfoq's should not be allowed except under very stringent circumstances.

Recommendation: Sex as a bona fide occupational qualification should not be allowed unless requested from and approved by the Director of the Office for Civil Rights.

86.51 *Bona fide occupational qualifications and locker rooms:* The regulations allow sex to be a bfoq in relation to employment in locker rooms. The provision, as written, could be subject to abuse, particularly in terms of employment of physical education and athletic personnel. An employer might use "related locker room duties" to keep certain jobs limited to one sex by adding on locker room supervision as a function of certain jobs.

Recommendation: (1) Locker room duties should be allowed for justification as a bfoq only when that is the main part of the job. i.e., at least half-time.

(2) Bfoq's involving locker rooms should be requested from and approved by the Director of the Office for Civil Rights.

Subpart F—Procedures, General

(1) Letters of funding, compliance reports, records of complaint (provided the privacy rights of individuals are not violated) should be available to members of the public.

(2) WEAL also calls attention to the lack of due process and other rights for parties who file complaints under Title IX.

(3) While WEAL notes that the procedures developed in Subpart F are somewhat more cognizant of complainant's rights than those in Title VI (after which Title IX is patterned), WEAL requests that changes in the Title IX regulations that enlarge the rights of complainants be incorporated into Title VI regulations as well. The procedural requirements of both Acts should be identical.

86.61 (b) *Compliance reports:* Recipients are required to keep "such records" and submit "timely, complete and accurate compliance reports at such times, and in such form and containing such information as the Director may determine to be necessary." This regulation is vague and does not tell institutions what kinds of records they should keep, in what form the records should be kept, and how long records should be kept.

Recommendation: The compliance report should specify what kinds of records should be kept, the form of such records, and how long records concerning admissions, programs, treatment of students and employees, etc. must be kept. The regulations should state that admission data, recruitment materials for all programs, student participation data in in-house programs, and employment data be maintained and kept by the institution for a three year period.

86.61 (c) *Confidential information and disclosure by HEW:* The regulations state that asserted considerations of confidentiality may not operate to bar HEW's access to information. "Information of a confidential nature" obtained in an investigation will not be disclosed by the Department except where necessary in formal enforcement procedures. While WEAL applauds HEW for not allowing assertions of confidentality to limit investigative access to records, we are unsure as to what criteria will be used in withholding "confidential" information from interested parties. Many women's groups have had difficulty in obtaining information from their institutions and from HEW, under the guise of "confidentiality." The term "confidential nature" needs to be spelled out.

Recommendation: (1) Information relating to the privacy of an individual that is obtained in the course of a review will not be disclosed (except where necessary for formal enforcement or as otherwise required by law) unless permission has been given by the individual in writing.

(2) Considerations of "privacy" shall apply only to *individuals* and not to institutional data.

86.62 (b) *Who may file complaints*: Individuals or *representatives* may file a complaint with the Director. It is not clear if civil rights organizations can file on their own as a third party or only as a "representative."

Recommendation: The regulations should read that representatives *and organizations* may file complaints. (add italic)

86.62 (b) *Notification of complaints:* The complainant must be notified "promptly that the complaint has been received, but there is *no* requirement that the recipient or applicant for federal funds be notified. Since months or *years* may elapse before an investigation is begun, institutions will be deprived of the opportunity to try to resolve discrimination problems *prior* to a compliance review because they will not necessarily know that a complaint has even been filed against them. This also violates due process considerations.

Recommendations: (1) Complainants should be notified *within 30 days* that the complaint has been received by HEW.

(2) The recipient or applicant for federal funds should be notified within 30 days that a complaint has been filed.

(3) Notification to the recipient or applicant for federal funds should include the nature of the complaint, i.e., discrimination against employees or students, and the area of discrimination involved such as athletics, admissions, etc., insofar as the disclosure of the complaint does not invade the privacy of complainants.

(4) Where the complainant is an individual rather than a representative or organization, the name of the complainant shall not be revealed at the time of notification unless the individual consents in writing.

86.62 (c) *Investigations and contact with complainants:* There is no requirement that HEW contact the complainant for further information until *after* the investigation. If the recipient of applicant for federal funds is found to be in compliance, then—and only then—is the complaining party given an opportunity to submit additional information. Thus, *investigations can be conducted without any input whatsoever from the complaining party*. Sincere months and years often elapse before an investigation occurs, and because the filing of a complaint may generate additional information that the complainant has, the complaining party should be contacted during the investigation. Additionally, because of HEW's improprieties in the past, many women are fearful of putting all the necessary information in the formal complaint and prefer to give this additional information during an investigation in order to prevent harassment.

Recommendation: Complainants should be contacted as part of the investigative process, and given the opportunity to provide additional information orally or in writing.

86.62 (d) *Notification of investigations and results:* Complaining parties are notified only *after* the investigation is finished. If a finding of noncompliance is made, the complainant is notified, but there is no requirement that the details of the letter of finding of noncompliance be given to the complainant. Complainants are *not* notified when an investigation is being conducted, nor are students and employees notified. Such lack of notification that an investigation is being planned or carried out may deprive HEW of useful information needed for fair and complete investigations.

Recommendations: (1) Complainants should be notified *in writing* of the disposition of complaints.

(2) When a finding of noncompliance is made, a copy of the letter of finding shall be sent to the complainant.

(3) The letter of finding shall be available to interested parties under the Freedom of Information Act.

(4) At the time HEW notifies the institution that a compliance review is scheduled, the institution will be required to notify its students and employees that a review has been scheduled. Such notification should be placed in the school newspaper, employee newsletters, and posters placed in prominent places. Such notification should state how employees or students wishing to contact HEW can do so.

(5) A copy of the letter of notification of a scheduled compliance review should be sent to the complainant.

86.62 (d) *investigations and letters of findings:* There is no time limit on how soon a letter of finding must be sent after an investigation. Under HEW's enforcement of Executive Order 11246, the time between investigations and a letter of finding has often been a matter of years; indeed some investigations have *never* been followed by a letter of finding either clearing the recipient, or finding it in noncompliance. WEAL is concerned that a similar violation of the intent of Title IX may occur. WEAL notes that there are time frames given for the formal hearing procedures and does not understand why there is *no time limit* given for the earlier investigative procedures.

Recommendation: (1) Letters of findings must be sent to institutions no later than 3 months after investigation.

(2) All investigations should be completed within 90 days. In the event the investigation is not completed, the Office for Civil Rights (OCR) shall notify the Secretary and the complaining parties as to the reasons for the delay, and to request from the Secretary an additional 30 days investigatory period.

86.63 *Noncompliance and delay in awarding financial aid:* The regulations state that noncompliance *may* be a cause for suspension or termination or refusal to award or continue Federal financial assistance. No mention is made of *delays* in awarding aid which typically occur when noncompliance is found and a negotiating period ensues. This negotiating period under HEW's enforcement of Executive Order 11246 has often dragged on for several *years* (3 or more years in many instances). Without any restrictions on a negotiating period, WEAL is fearful that negotiations under Title IX will also continue for a period of years, even though this would violate the intent of title IX.

Recommendation: Institutions not in compliance *6 months after a letter of finding* of noncompliance has been issued shall *automatically* be subject to suspension, termination or refusal to award or continue Federal financial assistance in accordance with the procedures listed in the regulations. (86.63).

86.63 (a) *Opportunity for hearings:* Only the applicant or recipient can request hearing when HEW makes a determination. Should complaining parties disagree with HEW's findings, there is *no process whatsoever* whereby they can obtain a formal hearing to appeal the decision. This violates due process of individuals. Furthermore, there is nothing in title IX that would prohibit the establishment of formal appeal procedures for complaining parties which would parallel those available to recipients and applicants.

Recommendation: Complainants should be able to request a formal hearing when they disagree with HEW's findings.

86.64 (b) *Time and place of hearing*: Hearings are held in Washington unless the administrative law judge determines that the convenience of the applicant or recipient and of the Director requires another place to be selected. Should complainants wish to participate as *amicus curiae*, their "convenience" should also be considered in setting the place of a hearing.

Recommendation: The regulation should state in setting a place, the administrative law shall take into account "the convenience of the applicant, recipient, *and complainant*, should the latter wish to testify. (add underlining)

86.64 (c) *Participation by complainants as amicus curiae*: The regulations allow individuals and organizations which have filed a complaint to petition the administrative law judge for permission to participate as an *amicus curiae* at the formal hearings. Although notification of the hearing notice is sent by certified mail to the complainant, there is *no* requirement that the complainant be advised of his or her right to participate as *amicus curiae*. Because individuals who have filed complaints often lack adequate resources, they should have the right to ask civil rights groups to represent them. Additionally, interested civil rights groups should be able to participate as *amicus curiae* even if they were not a party ot the complaint. In those instances where there is no complaint, civil rights groups should be requested to participate so that the rights of students and employees are represented at the hearings. Complainants should be requested to testify at the hearings.

Recommendations: (1) Complainants should be notified in writing of their right to participate as *amicus curiae* at the time that the notice of the hearing is mailed to them.

(2) Individual complainants shall have the right to ask civil rights groups to represent them even if the organization was not a party to the original complaint.

(3) Civil rights groups shall have the right to request participation as *amicus curiae* in all cases, even if they were not a party to the original complaint.

(4) Complainants should be requested to testify at hearings.

86.64 (d) *Right to counsel*: The recipient has the right to be represented by counsel in all proceedings. No mention is made of the recipient's right to counsel.

Recommendation: *Complainant* and recipient shall have the right to be represented by counsel in all proceedings.

86.64 (a) (1) *Travel paid for witnesses*: Persons who ars asked to testify as a witness for the government's behalf may be reimbursed for travel to the formal hearing. Complainants who participate as *amicus curiae* are likely to have far more limited resources available for travel and expenses than representatives of recipients. Unless travel and expenses are paid, many complainant's will be unable to participate.

Recommendation: In addition to witnesses, travel and actual expenses should be paid for persons who participate as *amicus curiae*.

86.65 (b) *Reviews by reviewing authority:* Should the recipient or applicant for Federal funds disagree with the findings of the administrative law judge, the regulations allow them to file additional materials and request the reviewing authority (appointed by the Secretary) for an exception to the initial decision, thus providing an appeals procedure for recipients and applicants. *No appeal procedure exists for complainants,* nor is the complainant given an opportunity to submit additional materials to the reviewing authority. This violates the due process rights of complaining parties.

Recommendations: (1) Complainants and other interested parties, including those who participated as *amicus curiae* shall be notified when a recipient or applicant for Federal funds requests an exception with the reviewing authority and given an opportunity to submit materials in the same manner.

(2) Complainants and other parties who participated in the administrative hearing shall have the right to file an appeal with the reviewing authority.

86.65 (e) *Review by the secretary:* The recipient or applicant for Federal funds, or the Department may request the Secretary to review the decisions made by the administrative law judge, by the reviewing authority or in those instances where a right to a hearing has been waived. *The complainant has no appeal right whatsoever.*

Recommendation: Complainants and other parties who have participated in the earlier levels of review shall have the right to request the Secretary to review decisions made at a lower level.

THE 10TH ANNUAL SUGAR FESTIVAL IN SEBEWAING, MICH.

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. TRAXLER. Mr. Speaker, this past weekend I had the pleasure of participating in the parade and festivities of the 10th annual Sugar Festival in Sebewaing, Mich. This salute to one of Michigan's most important products and this celebration of an American communty's heritage is one in which I wish all Americans could have shared.

The history of Sebewaing, like that of many other cities in America's heartland, is rich and colorful, a tale of settlers guided by a dream, of hard-working farmers hacking out and painstakingly cultivating their fields, and of Lutheran missionaries spreading the gospel.

It was in the summer of 1851 that a group of 45 people, seeking to better their economic situation in life, set out with their meager belongings from Detroit to join Lutheran missionary Rev. John Auch in the wilderness of northern Michigan. There Auch and two other missionaries were bringing the Christian religion to the Chippewa Indians, who used the Sebewaing area for hunting and the sparkling blue waters of Saginaw Bay for their fishing grounds.

Traveling on a small wood-burning steamboat from Detroit the settlers were forced by shoal water to land on Lone Tree Island in the Saginaw Bay about 2 miles offshore from what is now Sebewaing. Nok-chee-ko-may, chief of the band of Chippewas, had previously assured Reverend Auch that the settlers would be brought ashore by canoes on their arrival, but at the last minute he changed his mind, perhaps fearful of the white settlers. Against the rain of pleas and arguments of the young missionary, the chief remained adamant. Finally, when the settlers had been marooned on the island for over 3 weeks, and supplies were exhausted, Nok-chee-ko-may took pity on the settlers and relented. As the group disembarked on the mainland, the old chief himself headed the little band of welcomers.

The picture of the way these hearty German settlers entered the Sebewaing area is dramatic; what followed, however, was the day-to-day hard work of building farms, churches, and homesteads. By their persistent efforts, the people who settled this region nurtured the first of a long line of farms that has earned the area the reputation of being one of the richest agricultural areas in Michigan.

Today Sebawaing is the very center of a region highly productive in sugarbeet growing, the crop this festival commemorates. Sugar is at the heart of the city's economy as well as its agriculture. Sebewaing's oldest and largest industry, sugar is both a multimillion dollar farm crop as well as a source of employment for hundreds of men and women. The Michigan Sugar Co. has been operating a plant there since 1901 and today produces more than 6 million pounds of refined white beet sugar annually.

Sebewaing is also in the heart of the Upper Thumb's great navy bean producing area, which grows about one-sixth of the world's navy bean crop. Many farms in the area also raise dairy cattle. The Michigan Producers Dairy Co. is a major processor of powdered milk and sweet cream butter.

Rail and ship transportation spurred the economic growth and enhanced the diversity of the town's business sector. The Saginaw, Tuscola, and Huron Railroad Co., later consolidated into the Chesapeake and Ohio Railroad system, built their first track to Sebewaing in 1880. Dredging of the river channel in 1866 cleared the way for nearly 30 boats to make Sebewaing a regular port of call on trading journeys between Bay City, Saginaw, Tawas, Au Sable, Oscoda, Alpena, and other Lake Huron, Lake Superior, and Lake Erie ports. Seventeen of these ships were built and owned in Sebewaing, most of them skippered by the owners themselves.

Today, in addition to its sugar and dairy industries, the village boasts several metal working firms—notably the Sebewaing Tool and Engineering Co., the Sebewaing Industries, and Acme Roll Forming Co.

Throughout the years, which have seen the rise and demise of many enterprises, the Sebewaing Blade has been a voice inspiring businessmen and other citizens to ever greater economic, civic, and cultural achievements. Mr. Speaker, I would like to offer special thanks to the Sebewaing Blade for providing much of the background material for my salute to Sebewaing.

Today Sebewaing, Mich., is a pleasant community of 5,000 people. Though a small midwestern town by some standards, Sebewaing has seen continued progress and growth. Educational and religious facilities have been enlarged. The economy has continued to grow. The citizens of the city have demonstrated a determination to meet the challenges of a changing world.

This year's 3-day Sugar Festival drew attention to this determination as well as to the rich agricultural base of the region. The festival included a carnival, parade, stage show, horseshoe and tractor pulling contests, fireworks, a craft fair, and the crowning of the festival queen, "The Sweetest Girl in the World."

On behalf of the city of Sebewaing and the sugar growers and producers in the thumb of Michigan, I extend an invitation to my colleagues and to all those who might be traveling in the State of Michigan, to visit this unique paradise of pleasant farms, hearty food, and agreeable people.

WINDY CITY YIELDS TO WAVE OF NOSTALGIA

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. MURPHY of Illinois. Mr. Speaker, nostalgia is fast becoming a big business in these United States. Movie and stage producers, advertising executives and fashion designers are all reaping the financial benefits. The emphasis is on capturing the mood of earlier times. It matters little that may people participating in the mood were not even born during the earlier times.

I believe that much good can result from reliving moments of the past. It can only serve to give us a fresh perspective on the present. We deemphasize the hard times which were very much part of the thirties, forties, and fifties and concentrate on the "good news."

I do not agree that nostalgia is an escape into the past from a more painful present. It may be an attempt to return to times when lifestyles were less complicated, when neighbors were lifelong friends, when the neighborhood was a way of life rather than just a place to live.

I was pleased to read an article in the July 17 Christian Science Monitor about the wave of nostalgia that has hit my city of Chicago. The return of the pleasure boats to Lake Michigan, the reappearance of double-decker buses, and the restoration of the Navy pier remind me of days which I thought had long since passed.

The kids of today who never experienced a city block party do not know what they have missed. There was a pride in one's community and a genuine concern for the guy down the street.

I am including Judith Frutig's article in the RECORD for the benefit of my colleagues who may want to reminisce:

WINDY CITY YIELDS TO WAVE OF NOSTALGIA

Nostalgia is breaking out all over Chicago this summer. . . .

On a clear, sun-bleached morning recently, a gleaming liner appeared over the horizon on its approach to port. The ship glided through the breakwater and slid into the docks under the watchful escort of a red fireboat, paving the way with cascades of dyed pink water.

The port was Chicago, the dock the downtown Navy Pier. The cruise ship was the Sun Line's 3,500-ton, 182-passenger Stella Maris II, a cozy, compact Great Lakes cruiser, on an inland lake cruise for the first time this decade and bound for points Midwest. Cruising had finally returned to the Great Lakes.

Cruising isn't the only old-fashioned pleasure returning to the Windy City this summer.

Out of the past comes a resurgence of double-decker buses and mounted police. Even the Navy Pier is being restored as a recreation center.

ESCAPE FROM SCANDAL?

Some here say Chicago's quest for the simple pleasures is an escape from the Watergate scandals now spreading into Midwest politics.

Jack Reilly, Chicago's director of special events, say "Chicago is a world's fair. We want to have fun. Why, we're just an overgrown country town."

Whatever the reason, Chicago is experiencing:

The cruisers. After a lapse of nearly a decade Chicago once again is a cruise-ship port. Pleasure ships have been around Chicago and the Great Lakes for a long while. Even ore-carrying freighters would sometimes carry passengers on their laborious passage from coal port to company furnace.

At one time no fewer than 16 separate steamship lines operated day and overnight expeditions through the Midwest lake country. But the return of the Greek-operated Stella Maris is the first of a regular series on the lakes since 1966 when the Georgian Bay Lines shut down service, a temporary victim of the jet age.

MODEST SCALE

Double-decker buses. The Chicago Transit Authority has purchased seven two-story buses from a West German firm. Except for promotional gimmicks, these rambling coaches have been gone since the passing of the Chicago motor coach fleet in the early 1950's.

The new crop won't be quite the same as the old motor coaches, for the new models won't let the sun shine in on open-air upper decks. Still, they promise to let riders peer down on everything but the buildings.

Mounted police. The return of the mounted patrol is on a decidedly modest scale. Intended for warm weather crowd control in parks and on the lakefront, 10 new horses have been named by school children. They are Gettum, Gotcha, Pax (Latin for peace), Linco (a bleach), Nebo (a Biblical mount), Amigo, Ki, Obsidian, Mason, and Greco.

MAJOR ATTRACTION

Navy Pier. The renaissance of the Navy Pier will bring back a major attraction to the Lake Michigan shoreline. The pier is an old-time magnet for thousands of Chicagoans who romanced on its stately docks, rode its ferris wheels, and danced in its lakefront ballroom. The city is restoring the crumbling half-mile strip for walking, fishing, bicycling, and picknicking.

If that is not enough to bring back the days of the "Great Gatsby"—playing in local theaters—there are other signs of the past popping up in a resurgence of the outdoor beer gardens and return of the block party. Department of Streets and Sanitation commissioner James McDonough reports requests for neighborhood festivals are up to 60 a month.

Add to that antique-style bubble globes for street lighting, and the return of big-time ballroom dancing and stage shows.

For now, the bubble globes are mostly confined to the Old Town area and the black bottom hasn't yet taken over the bandstand, but a number of Chicago theaters are reportedly investigating.

IN SUPPORT OF TWO BILLS TO AMEND THE MILITARY SURVIVOR BENEFIT PLAN

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, I am cosponsoring two bills today which, in my consideration, are of considerable importance to our retired military community and equally important to those military personnel preparing for their retirement in the near future and who must make significant decisions affecting their annuities.

The main thrust of the first piece of legislation is to amend the survivor benefit plan in order to make any surviving spouse eligible for an annuity thereunder if married to the retiree at least 1 year before the retiree's death. The second bill also amends the survivor benefit plan to prohibit reduction in retired or retainer pay in cases where the beneficiary predeceases the retiree.

Mr. Speaker, the military survivor benefit plan is modeled along the same lines as the surviving spouse civil service retirement plan. As our experience factor builds on these plans, a number of injustices have been uncovered which, in order to eliminate them, it is now required that an adjustment be made to existing law. Congress recognized that the civil service retirement law required adjustment with enactment of Public Law 93-260 to permit the widow or widower of an annuitant who dies in service or marries after retirement to receive annuities if she or he was married to the annuitant for at least 1 year. The first of the two pieces of legislation I have cosponsored today parallels this change to the civil service retirement law and which I strongly urge my colleagues to favorably consider at the earliest date.

A comparable situation is demonstrated in the second of these two pieces of legislation. By way of explanation, let me point out that when the military retiree elects to opt for a survivor benefit at the time of his retirement, this decision is irrevocable. It is irrevocable in the sense that not only can the retiree not change his decision, but if he is predeceased by his spouse, his reduction in annuity continues in effect. Liberalization of this same aspect of the Civil Service retirement plan is included in S. 628, which is now in conference committee. Here again, Congress has recognized an injustice in this plan and is in the process of adjustment through legislation. I feel it appropriate and timely therefore to make a similar adjustment to the military survivor benefit plan. In this regard, the bill I have cosponsored today would allow the restoration of full retired pay to a military retiree participating in the survivor benefit plan should he be predeceased by his spouse. In addition, full retired pay would commence 1 month after the month in which his spouse's death occurred, and would continue until the retiree, by virtue of remarriage, again opts to participate in the Survivor Benefit plan.

Mr. Speaker, our Nation's military retirees look to Congress for adjustment of injustices in the survivor benefit plan, and it is my hope that my colleagues will favorably consider both these bills in the immediate future.

WINNING ESSAY ON THE "SPIRIT OF '76" IN ILLINOIS

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. YOUNG of Illinois. Mr. Speaker, recently, I called the attention of the House to the need for greater participation in the 200th anniversary of the signing of the Declaration of Independence of the United States.

In connection with my efforts to obtain greater citizen awareness of this event, I have sponsored an essay contest for high school students on the "Spirit of '76."

I would like my colleagues to read one of the two winning essays written by Karen Huelsman, 2757 Royal Drive, Northbrook, Ill., a junior at Regina Dominican High School. I am sure my colleagues will find it reassuring that we have such intelligent and thoughtful views so well expressed by the youth of this country.

THE SPIRIT OF '76

"The Save the Grove Committee won another round in its continuing fight to prevent development of one of the last pieces of virgin prairie in the state." [1] This statement shows that people are realizing the importance of preserving our land and natural resources.

Our growth and overgrowth is slowly suffocating the nation. Is it just the fault of present day industry, life-styles or government? Or have we been wasteful since our birth as a nation? The causes of our grave situation are many. But we have the knowledge and hopefully the courage to change it.

Actually it all started during the 18th century when the free market and laissez-faire economy began in America. Adam Smith, author of *Wealth of Nations*, 1776, felt that society could function best if individuals invested their wealth, talents, and energies where they were in greatest demand.

"Smith's ideas make some sense in "cowboy economies"[*] where available resources and opportunities can be considered infinite, where there are no organized oligopolies or monopolies, and where purchasing power is fairly widely distributed." [2]

But today there are five times as many people as lived in Smith's world, and consequently there are very few resource-abundant societies left.[3] A cowboy economy is not going to last. Massive growth in all areas of industry has caused severe shortages in many of our natural resources. Land developers gobble up untouched regions. Mineral rights are exploited by entrepreneurs. Forests are owned by lumber interests.

Growth must also be questioned. Our economic model calls for continuous growth. Our high standard of living has been a result of such economic growth. A steady state economic system causes increased unemployment as population increases. Given a choice, most people would choose continuous growth and a rise in the Gross National Product.

But can we continue to double the production of goods and services in the next 17 years? Such growth curves are not unknown in biological and physical systems. When cells keep multiplying in animal tissues, we call them cancer cells. Their growth is not indefinite. "Indeed, they eventually kill the host organism." [4]

Also, a rise in Gross National Product does not always represent a rise in the standard of living. The increased production of cars has raised the GNP, but lowered the quality of life because of the pollution they cause.

Americans must face facts squarely. They must understand that the American economic model—one that values increasing growth, waste (nonrecycling of essential materials) and competition—is inherently unstable.[5] However, there are methods by which we can reduce growth and thereby alleviate many of our present problems.

A "steady state" (or "stationary state") economy should be considered. Aside from maintaining the integrity of the Earth's ecosystems, the pressing problem for the human race is to treat Earth's finite supply of resources with greater respect.[6] This is not to be confused with no growth. In reality, there can be plenty of growth in the sense of increased well being.[7] For example, urban areas can be renovated, eliminating the need for expansion into untouched lands.

Awareness of ecological problems has also grown considerably. A public service television spot has just been completed and will be seen in more than 75 countries beginning June 5, World Environment Day. The film presents several situations where fathers are telling children what they did as young boys. In the last one a French grandfather stands before a fuzzily focused landscape. "When I was a boy," he reminisces, "I loved to take long walks in this field with my grand-

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Footnotes at end of article.

father," the background comes into focus. It is a field littered with auto bodies and junk.

"If we aren't careful with our environment, what kind of stories will our children be able to tell?" the narrator asks.[8] This is a healthy sign that Americans are concerned about the future.

In addition to continued awareness of our problems, there are ways in which we might modify economic and environmental behavior. It may take decades to persuade people to alter their habits, because the most efficient way of changing norms and values is to develop new attitudes among the young. If a program of education were begun now, there is no reason why a new ecological consciousness could not be a significant factor by the year 2000.[9]

There are but a few of the possible solutions for our environmental problems. Through the combined efforts of our human resources we can strive to preserve our natural resources thereby creating a better tomorrow.

FOOTNOTES

[1] Joanne Kantor, "The Grove wins round in fight to save prarie," *Northbrook Life*, April 25, 1974. A cowboy economy is one in which the abundance of resources and opportunities is so great that little coordination or regulation are necessary for optimal allocation of resources.

[2] Dennis C. Pirages and Paul R. Ehrlich, *Ark II Social Response to Environmental Imperatives* p. 66.

[3] *Ibid.* p. 66.

[4] "Continuous growth or no growth? What the ecologists can teach the economists," *The New York Times Magazine*.

[5] *Ibid.* p. 39.

[6] Pirages and Ehrlich, p. 109.

[7] *Ibid.* p. 110.

[8] Betsy Bliss, "Around the world for three minutes of film," *Chicago Daily News*, May 11, 1974.

[9] Pirages and Ehrlich p. 95.

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EDISON ELECTRIC INSTITUTE RESPONDS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. HARRINGTON. Mr. Speaker, on June 25, I inserted in the RECORD an article by Edward Cowan of the New York Times on the "business as usual" attitude of the Nation's electric utilities.

On July 5, I received from W. Donham Crawford, president of the Edison Electric Institute, a copy of a letter he had written to the New York Times in response to the Cowan article, together with the outline of a speech presented by Mr. Crawford on the utility industry's financing problems.

In my opinion, both the letter and the speech reinforce Mr. Cowan's central point—that despite the severe hardships skyrocketing electric rates are having on the average man, the utility industry is focusing almost exclusively on its own internal problems, and is refusing to consider the larger picture, or, as Mr. Crawford puts it, "social problems."

Reprinted below are Mr. Crawford's letter to the Times and speech outline from which my fellow Members may draw their own conclusions:

EDISON ELECTRIC INSTITUTE,
New York, N.Y., June 27, 1974.

The EDITOR,
The New York Times
New York, N.Y.

DEAR SIR: Mr. Cowan's article on electricity rates in the Sunday, June 23rd, New York Times deals extensively with my recent remarks before the National Press Club in Washington. For the sake of clarity, I would like to provide further explanation regarding the reasons why large users of electricity customarily receive a lower rate per kilowatt-hour than smaller users do.

A fundamental principle of rate regulation and electric service pricing is that charges should be reasonably cost-related. This helps to avoid discrimination among customers so that each bears the fairest possible share of the costs of providing service.

If we consider two industrial customers, each with the same kilowatt load requirement, but with differing kilowatt-hour usage, the operation of this principle can be readily seen. Customer A, with a 10,000 kilowatt demand, has a one-shift operation and consumes about 2¼ million kilowatt-hours a month. Customer B, with the same 10,000 kilowatt requirement, has a three-shift operation and uses about 6¾ million kilowatt-hours a month. Although the kilowatt demand component of the two manufacturers is the same, Customer B pays a lower price per kilowatt-hour, because the fixed charges represented by the demand requirement are spread over three times the kilowatt-hours of electricity use. His total bill, of course, is much larger than that of Customer A.

An electric utility, by the nature of its business, must provide electricity instantly on demand through a highly sophisticated system of electric generators, switchyards, transmission and distribution lines and other equipment representing a large capital investment. This means that a major component of cost relates to fixed charges which must be distributed on an equitable basis among all the utility's customers.

This is admittedly an oversimplification of a highly complex subject. It should serve, however, to illustrate that if General Motors, for example, pays less per kilowatt-hour for electricity than one of its employees, it is only because it costs less per kilowatt-hour to serve General Motors than to serve the employee.

Mr. Cowan implies that utilities and regulatory authorities are somehow remiss in not including social objectives in the setting of electricity rates. The use of energy pricing to reallocate income among consumer groups would involve the selection of those who should be discriminated against and those who should be benefited. A number of adverse effects could ensue—misallocation of resources, distortions of energy conservation practices and unfavorable economic impacts in various parts of the nation, for example.

The nationwide use of energy is not a justification for utilizing its pricing mechanism as a convenient method for resolving social issues. Clearly, social problems and their proposed solutions should be dealt with, not as by-products of electricity rate proceedings, but in the broad arena of the American political process where they can be identified, debated and decided upon the basis of their merits.

Sincerely yours,
W. DONHAM CRAWFORD,
President.

THOUGHTS ON FINANCING THE INDUSTRY'S FUTURE

(Speech for North Central Electric Association's Executive Conference, Alexandria, Minn., June 19, 1974, by W. Donham Crawford)

I. CLEAR THAT THE INDUSTRY IS HAVING FINANCIAL PROBLEMS

A. Disarray of securities markets.

1. Common stock. Stock prices below book value in many cases. No electric utilities selling at more than ten times earnings. Reduction of new offerings due to low prices.

2. Bonds. Reduced ratings. Reduction of interest coverage. High yields.

B. Trend in interest coverage—Chart No. 1.

C. Trend in current ratios—Chart No. 2.

D. Advice by Standard & Poor's for large investors to sell some utility stocks due to the general poor health of the electric utility industry.

E. Recent speech by Andrew F. Brimmer, a member of the Federal Reserve Board, appraising the financial condition of the nation's utilities. He stated that:

1. He is convinced the public utilities are confronted with genuine financial difficulties.

2. Despite the severity of these financial problems, the regulatory process has not been accelerated.

II. REASONS FOR FINANCING DIFFICULTIES

A. Regulatory lag—a chronic condition which characterizes the interval between a utility's incurring increased costs and the time when offsetting rate relief is effective.

B. The need for additional power facilities to meet the public's requirements for more electric energy—Chart No. 3.

C. Current high cost of new plant and equipment.

D. Cost of environmental improvements.

E. High cost of environmentally acceptable fuels.

F. Cost of capital at historically high levels.

G. Reduction of sales and revenues resulting from energy conservation programs.

III. PERSPECTIVE

A. Low prices for common stocks not unique to electric utilities. Many other industries are undoubtedly dismayed at the lack of strength in their securities. Problems of electric utilities are susceptible of solution.

Pattern of industry's need for new capital.

An average of 10% of nation's personal savings over recent years with variations between 5% and 16%.

Expectation that this average will rise to 15% or possibly even higher in the future.

Not out of line considering greater energy role which electricity is expected to play.

IV. ACTIONS NEEDED

A. Of overriding importance is the need for expeditious and adequate response from regulatory commissions to requests for increased rates. This is the *key* to the financial health of the industry, with rate of return on equity and the prompt recovery of costs being the principal considerations. Despite the concern he expressed about the industry's financial situation, Mr. Brimmer stated that he is convinced that a more sympathetic and timely response of regulators to requests for rate adjustments will enable the vast majority of firms to cope with their problems. He does not expect that financial difficulties will lead to a parade of utilities to their state legislatures to seek emergency assistance.

Government entities at all levels having either a responsibility or an interest in utility matters could take the following steps:

1. Issue policy statements recognizing that prompt and effective rate relief will be necessary for many utilities during 1974.

2. Provide positive support for the enactment of uniform state laws authorizing the use of projections, temporary rates, "filing" statutes with limited suspension periods, and automatic adjustments clauses and surcharges.

3. Participate in utility rate proceedings in support of prompt and effective rate relief.

4. A corollary action that should be taken by governmental organizations at all levels is to pay their own utility bills promptly. Often, agencies of government are among the slowest bill payers, thus adding to the utility's financial problems.

B. To deal with the lag in recovering fuel costs through adjustment clauses, the presently used time period of approximately two months should be shortened.

C. More effective procedures for granting approvals for the construction of needed utility facilities are urgently needed at all levels of government. Prolonged hearings and extensive delays add greatly to the cost of utility facilities.

D. Use of less expensive fuels, particularly coal, must be permitted when this can be done without impairing health-related environmental standards.

E. Prompt consideration is needed to increase the 4 percent investment tax credit available to utilities to 7 percent, the level available to companies in all other industries, and to remove the 50% limitation. This is logical, and would be a step in the direction of alleviating capital problems.

F. The Tax Reform Act of 1969 provided for a change in Section 312 of the Internal Revenue Code which had the effect of phasing out by calendar year 1973 tax exemption on that portion of dividends representing a "return of capital to the common stockholder." Restoration of the former provision would permit some utilities engaged in large construction programs to offer to stockholders dividends with a sizable income tax free component, thus improving the market for utility common stocks.

If this provision were restored, it would also be helpful if some leveling mechanism were established which would allow companies to stabilize, from one year to the next, the percentage of their dividends which would be tax free.

G. The Tax Reform Act of 1969 also provided for a 60-month amortization of pollution control facilities (Section 169 of the Internal Revenue Code). However, the fast write-off provision is not applicable for such facilities placed in service after the end of 1974. This termination should be extended for five years.

H. Section 103 of the Code provides for the issuance of tax exempt obligations to finance air and pollution control facilities. A broad interpretation by IRS as to what constitutes such facilities would be helpful to those utilities which have elected to finance pollution control expenditures in this way.

V. OUTLOOK FOR IMPROVEMENTS

A. Rate increases.

While the pattern of regulatory response is not uniform across the country, it appears in general that commissions have a keener appreciation of the needs of electric utilities for rate increases and automatic adjustment clauses. However, there is still a great need for improvement.

The record of the first quarter of 1974 is indicative of better response. Forty rate increases were granted during this period totaling just over $526 million. This compares with the first quarter of 1973, when 27 increases were granted, totaling about $146 million. For the entire year of 1973, increases of about $1 billion were granted.

B. Procedural changes for improved response.

1. Rate regulation. Little progress being made. EEI intends to propose to NARUC the establishment of a uniform state law that would take advantage of the best features of the regulatory laws of the individual states.

2. Facilities approval.

a. AEC actions designed to reduce lead time for a nuclear plant from ten to six years.

b. Doub study. Carried out for the President to determine the best way to organize all energy related regulatory activities of the government.

i. Submitted this Spring.

ii. Several recommendations designed to streamline and improve regulatory procedures.

iii. Uncertain what the future holds for these proposals. Do not detect any momentum for their adoption by government.

c. Use of less expensive fuels.

1. Recommendation to Congress to modify Clean Air Act to permit burning coal.

2. Meetings with EPA on use of coal, tall stacks and alternate control systems.

3. Recent letters from EPC to EPA which, in essence, support the industry's position.

D. Tax considerations.

Communications with Administration and with Congress on points outlined.

VI. COMMENTS ON SUGGESTED REMEDIES FOR UTILITIES' FINANCING PROBLEMS

A. Government guarantees and government loans. My belief is that such measures will not be necessary. The proper way to assure that utilities are financially healthy and thus able to provide the service demanded by the public is to have adequate rates established by regulatory bodies. This has been the system that has worked so well in our country, providing us with the best utility service in the world. What is needed now is a renewed determination by regulation to carry out its assigned role effectively and expeditiously. If this is done and proper rate relief is forthcoming, there will be no need for government loans and guarantees.

B. State take-over of generation and transmission.

1. Strongly opposed to this concept.

a. No basis for view that government can do a better job than industry. The U.S. has the largest, most advanced electric power system in the world, provided in preponderant part by investor-owned electric utility companies.

2. Operation of a power system by the government does not reduce the cost of providing electric service. Some of the costs are simply transferred from the ratepayer to the taxpayer.

3. If generation and transmission were to be taken over by government, the distribution function could be expected to soon follow and the entire industry would be nationalized. There is no basis for such a development or for any belief that the public desires it.

VII. CONCLUSION

The financial problems faced by our industry are not insoluble. We know what the solutions are and we must do everything we possibly can to assure that needed actions are taken promptly. This means an effective program of communications with government at all levels and with the public as a whole.

There is no question that the nation will have a growing need for electric service. It must be and will be provided. Our industry has a truly remarkable record of providing this service to the nation over many years and there is every reason to believe that this will continue in the future. The industry recognizes its obligation to the American public to provide for its rapidly growing electrical energy needs and to do so under sound business principles at the lowest practicable cost consistent with the continuing need for reliable service and acceptable environmental conditions. The public and government at all levels must assure that the industry is permitted to function under conditions that will make it possible to accomplish these goals.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. TRAXLER. Mr. Speaker, the House is considering a bill this week which will have important and long-reaching effects on the welfare of our Nation. I refer to H.R. 11500, the Surface Mining Control and Reclamation Act of 1974.

The gas crisis this country endured last winter taught us that we cannot afford to remain dependent on foreign sources of energy. We must turn to sources within our borders if we want to remain free from energy blackmail.

By far the cheapest, most abundant, and most practical source of energy found in the United States is coal. Indeed, the proven reserves of the United States are estimated to be 43 percent of all the coal in the world—more than the combined reserves of the next two ranking countries, Russia and China. As this country moves to lessen its dependence on foreign sources of energy by expanding development of native natural resources, coal will assume an ever greater share of the energy market.

However, in developing our own energy resources, we cannot abandon our land to unchecked exploitation. The challenge we face is to unlock the vast stores of coal beneath our land while minimizing damage to the environment.

As this country turns to coal for more and more of its energy needs, the need for control of mining practices will assume great importance. While in the long run the deep mine method of mining coal must dominate, since the vast majority of coal reserves can only be mined this way, the strip mine method will be most attractive to coal companies in the immediate future, because of the cheaper mining costs involved.

While strip mining may cost less than deep mining, though, the cost to our land could be great if strip mining practices remain largely unchecked. Even now, 1,000 acres are strip mined every week in the United States, and it has been estimated that strip mining is costing Americans $35 million a year in lost recreational resources and an undetermined amount in lost land left scarred and desolate. Some States have attempted to check this environmental damage by regulating strip mining practices, but their efforts have suffered from lack of uniformity and enforcement.

Beginning in April of 1973, the House Interior and Insular Affairs Committee recognized the pressing need for regulation of strip mining practices by holding extensive hearings on surface mining legislation. The committee intended to draft a bill which in its view best regulated strip mining practices while insuring this country of an adequate supply of coal. The committee's product, H.R. 11500, is the result of many months of hearings, research, and compromise.

It is fitting that compromise characterized the writing of a bill designed to reconcile two often conflicting needs, the need for regulation of strip mining practices and the need for a viable strip mining industry. The bill properly follows the narrow path between the views of Members of Congress who propose more stringent strip mining controls and the views of Members whose proposals would amount to no controls at all.

The provisions of H.R. 11500 are designed to minimize the environmental impact of further strip mining and to create a fund for the reclamation of abandoned strip mined lands. Environmental impact will be minimized by miners' adherence to several important performance standards. Mined lands must be restored to their approximate original contour; land must be restored to a capability of supporting the uses it supported before it was mined; disturbances to the natural water systems of mined lands must be minimized; and a self-sustaining vegetative cover must be established. Funds for reclamation of lands already damaged by strip mining will be generated through a small tax on all coal mined in the United States. Enforcement of these provisions will be a State matter under Federal supervision.

Thus, the bill will place the responsibility for reclaiming strip mined lands where it belongs: on the coal companies doing the mining. Contrary to industry pronouncements, the standards and provisions of H.R. 11500 are feasible ones, and ones that will not cause either a drastic drop in coal supplies or an exorbitant increase in costs to the consumer.

It is up to all of us, industry and consumers alike, to face up to the fact that while our Nation has abundant energy reserves which can provide a real alternative to foreign oil imports, we cannot afford to devastate our country in exchange for cheap energy. The price of the regulation and reclamation standards in H.R. 11500 is small, and future generations of Americans will look upon it as having been a wise bargain.

I will support H.R. 11500. It is a strong yet sane response to the need for reasonable environmental safeguards in the face of burgeoning demands on our coal resources.

ISABEL BURGESS HELPS SAVE LIVES

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. CONLAN. Mr. Speaker, we often fail to give proper credit to the many dedicated Washington reporters for local newspapers, radio, and television stations, who keep citizens in our own communities so well informed of what is happening every day in Congress and the Federal Government.

These journalists and broadcasters do more than report national news. They add a vital local perspective to their stories, directly relating events in the Nation's capital to the everyday lives and well-being of citizens in our 50 States.

Reporters for our local news media also have a personal attachment to those communities and their readers and listeners, and are thus the heart of their profession in Washington.

Arizona has several outstanding such journalists here. Ben Cole and Lou Hiner, bureau chiefs respectively for the Arizona Republic and the Phoenix Gazette, our State's two largest daily newspapers, have reported news of the Congress and the Federal Government from Washington for more than 25 years. They are a great credit to their publisher, Eugene Pulliam, who, I know, greatly values their dedication and professionalism.

A recent story by Ben Cole about Arizona's distinguished Isabel Burgess, former State senator from Phoenix and currently a member of the National Transportation Safety Board, is very representative of the fine stories these men file to Phoenix.

Mrs. Burgess is an outstanding lady in government who has done so much to improve safety and protect lives, and the story most adequately related her achievements and great service to our Nation.

The story is as much a tribute to its writer as it is to Mrs. Burgess and the fine work she is doing. I would like to include the story in the RECORD so that all my colleagues in Government can pause to reflect on how important a part of our constitutional form of government are these Washington-based representatives of the local media.

[From The Arizona Republic, May 26, 1974]

FORMER STATE SENATOR SPENDS HER TIME SAVING LIVES

(By Ben Cole)

WASHINGTON.—Every day Mrs. Isabel Burgess of Arizona gives her full attention to saving your life.

The job of this former Arizona state senator and longtime highway safety crusader is the envy of women everywhere. She is one of the five members of the National Transportation Safety Board with duties that take her everywhere in the world to find the causes of tragedy.

The NTSF consists of five members. Besides Mrs. Burgess there are the chairman, John H. Reed, a former governor of Maine who has served since 1967 and has been chairman since 1969; Louis M. Thayer, a former Coast Guard admiral; William R. Haley, a former legislative counsel to former Sen. John Sherman Cooper, R-Ky.

"Each one of us is an individual with our own separate points of view and methods of approach to problems," Mrs. Burgess says. She has served since January, 1969, and her appointment will be up for renewal at the end of the year.

Sometimes she finds herself the board member whose unsatisfied curiosity results in additional material that helps prevent future accidents. It is prevention of the accidents that might never happen that concerns her most.

The investigation in which Mrs. Burgess takes perhaps the most pride in her role involved the after cargo doors on DC–10 airliners. The first incident happened near Detroit, involving an American Airlines plane. First reports led investigators to suspect a terrorist bomb. Then the after cargo door was found 9 miles from the crash scene. Passengers, still strapped in their seats, were also found 9 miles back, indicating the plane decompressed explosively when the after door fell off.

Mrs. Burgess flew to Detroit for what was the first investigation of an accident involving the new wide-body jets. She crawled around in the after storage compartment, inspecting damage to the control cables where the explosive decompression had forced the passenger compartment floor downward.

"It was horrifying," she recalls.

Out of that investigation came an order from the Federal Aviation Administration making fundamental changes in the DC–10 cargo doors. The problem appeared solved.

"But unfortunately a couple of planes got through the production lines without the modification," Mrs. Burgess recalls. "It was a tragic thing."

An accident in her home state of Arizona last year when she was serving as the NTSB's acting chairman produced a story Mrs. Burgess loves to recount.

It happened May 24, 1973. Henry H. Wakeland, of the NTSB bureau of surface transportation safety, phoned to report an explosion on the Southern Pacific line near Benson, Ariz.

Wakeland said he had learned from Tom Dew. Styles, of the railroad safety division, that exploding ammunition was involved. It was a hairy report and Mrs. Burgess acted immediately.

She glanced up at a calendar on her office wall. It was a nostalgic gift from Hank Fenn, proprietor of Hank's Cafe in Benson. Reading the number from the calendar, she dialed the cafe and Hank Fenn answered on the first ring.

"What's going on out there?" Mrs. Burgess asked.

"A boxcar blew up on the railroad," Hank told her. Then he said, "Della Mae Comstock saw the whole thing and she's sitting right here having a cup of coffee."

Hank handed the phone to Mrs. Comstock, postmistress of Dragon, Ariz., who told how she had been driving along the access road beside the railroad when she spied a flaming boxcar. Every now and then she stopped and put out a fire from one of the flying pieces of burning wood. Then she got back in her car and sped after the train.

Outside Benson, the boxcar exploded with a low-sounding, "Huff!" Then it exploded again, this time with a bang.

"She was the best witness we could have asked for," Mrs. Burgess enthuses.

When the NTSB's investigator, Bill Meeker, got to Benson, he had Mrs. Comstock drive with him back over her route along the rails. They collected all the charred pieces of the car which the postmistress had seen fly from the burning train.

Meeker brought the splinters back to Washington where a xylologist from the Forest Service identified each piece as to kind of wood. The splinters were then separated into piles—some from the boxcar walls, some from the floor, some from the pallet upon which the cargo of bombs had been loaded.

Dick Spence, vice president of the Southern Pacific, even made use of Mrs. Comstock's evidence when he launched his own investigation.

The NTSB also tracked down one carload of bombs which had somehow got left out of the train that stopped at Benson. The car was on a siding at El Paso, Tex., and it afforded the investigators opportunity to study the bombs and the boxcar, determining the cause of the Benson explosion.

It takes a long while for the NTSB to make its careful study of an accident; and though the Benson incident is a year old, now, the NTSB's report is only now ready for final approval.

In the mean time, Investigator Meeker has become a devoted Arizona buff, even visiting Mrs. Comstock and her family, exploring the Cochise country, and even tracing the old Butterfield stage route.

The very first accident Mrs. Burgess investigated was a bus wreck somewhere in Indiana.

"Everybody missed the plane but me," she recalls with unconcealed satisfaction.

She arrived in Indiana wearing a blue-and-white dress from Goldwater's. She hired a car and drove herself to the site of the accident.

"I saw a car there with an official-looking seal on the side, so I got out and knocked on the window. The driver was a highway patrolman, and he said he was getting ready to go to the hospital and interview the bus driver. I said I'd go along. By the time the rest of them go there, I had all the information assembled," she remembers.

Ready for any emergency, the NTSB keeps a "Go Team" standing by to go any place in the world where a transportation disaster must be investigated.

Mrs. Burgess's first month as the board member slated for "Go Team" duty started on a Thursday evening in 1970—just before Thanksgiving.

The NTSB duty officer phoned to say there had been an air crash on an icy runway. "It's bad," he reported. "Brakes frozen, the plane ran off the end of the runway into a ditch. There was a fire. Forty dead, 180 escaped."

Then he added, "It was an MAC (military air charter) operation—servicemen's families."

"Where did it happen?" Mrs. Burgess asked.

"Anchorage, Alaska," came the reply.

She recalls, "I was packed for anyplace else but Alaska."

But she went, flying by way of New York City and carrying a package of goodies for an FAA acquaintance in Anchorage.

A quintet of young men with brief cases was seated near her. Western like, she struck up a conversation. Were they going to Juneau? No, they said, Anchorage.

"I wonder if you're going for the same reason I am," she asked them solemnly.

"Are you a next of kin?" one of them asked.

"No," she said, identifying herself. The five young men, it turned out, were an FBI identification team going to help at the crash scene.

Mrs. Burgess calls off a short litany of crashes that still disturb her because of one avoidable element: "Pango-Pango, Midway, O'Hare—that was a runway collision—all of them were survivable except for the fire."

The FAA, she notes, has announced an investigation to find fire protection systems which will cut the toll from fuel fires in crashes. (It should be noted that airlines, for all the talk of crashes necessary in Mrs. Burgess' career, still have the most enviable safety records of all—fewer than a single death per 100 million passenger miles in 1973).

Does it distress her to go over and over details of accidents which cost lives? Or does it sustain her to hope her work will save lives long in the future?

"Both," she confesses. Sometimes the grimness of accidents does bear down on her, but she characterizes her duties with the NTSB as "a challenge."

As a professional viewer of accidents, Mrs. Burgess says, "I never go to the scene of an accident just for the sake of seeing a wreck."

She says, "I never stop when I drive past the scene of an accident unless I can be of help—unless I can take a constructive part. Otherwise it's best to stay away."

An item in the list of things Mrs. Burgess wishes people would do is the ELB, or emergency locator beacon. The relatively inexpensive little device beeps when a plane goes down, sending out a radio beacon that can be tracked to the crash.

The late Rep. Hale Boggs, D-La., majority leader of the U.S. House of Representatives, was lost on a crash in 1972. "The pilot was asked just before take off if he had all his equipment, and he answered yes," Mrs. Burgess relates. "After his plane disappeared, they found all four of his ELB's in his office in Fairbanks."

The wreckage has never been found. "They never should have taken off in that weather," Mrs. Burgess declares.

She shudders as she reflects on the repetition of causes of light plane crashes—most of them because of weather. Over and over again unskilled pilots take off in instrument weather without the instruments they need or the knowledge how to use them. The NTSB doesn't investigate these numerous crashes, which are now handled by the FAA.

Memories of accidents she had helped investigate bring a sadness to Mrs. Burgess' face.

"So many of them are so heart-touching," she comments.

The crash of a Delta DC-9 at Boston last year was one she remembers particularly with distress. The airplane fell short of a runway in a deep fog. Air controllers in the tower, despite the ring of a malfunctioning alarm bell, failed to think the plane was down. They thought it landed safely.

"No accident is the result of a single thing," Mrs. Burgess said. "There are always a group of things that happen at once and cause tragedy."

At the Boston scene, Mrs. Burgess recalls, the litter of broken airplane parts was mixed with an astonishing number of shoes. "You have no idea how many shoes," she remembers. "And children's books—and toys."

Investigating fatal crashes never inures one to tragedy, Mrs. Burgess has learned.

Any crash or highway accident is heartbreaking.

She remembers with poignancy the crash of a plane carrying a University of Wichita football team.

"The pilot was young and qualified, the co-pilot was old and tired. Neither of them knew anything about box canyons, and they flew up a canyon so one of the boys could show his friends where he had worked during the summer.

The plane crashed into the canyon wall. There were only a few survivors.

Last January, Mrs. Burgess visited Russia as a member of a Department of Transportation delegation to discuss transportation safety.

The occasion was the signing of a protocol in which the United States and the Soviet Union agreed to work in specific areas together—such as aviation.

The Soviets, Mrs. Burgess said, want to import American knowhow in air traffic control. She was delighted to find the Russian air traffic control system is headed by a woman.

Mrs. Burgess said that during her Russian trip she found interest in creating an arrangement with the Soviets whereby American investigators will be able to participate in any crash involving an American plane on Soviet territory.

Pan American World Airways, she noted, already has a bilateral agreement of this kind with the U.S.S.R.

An NTSB project which Mrs. Burgess finds fascinating is the development of a data system which will computerize accident information for instant retrieval. It will be possible to recall immediately all the accidents which fit into a single category or which have marked similarities.

Within the next three weeks, Mrs. Burgess will attend a meeting of international aviation authorities in Montreal, to discuss making all such computer banks compatible.

Even the Russians are playing ball. "Until lately," she says, "they were reluctant to discuss any of their air accidents."

Germany has got into the game to the extent of sending to the U.S. aircraft made in that country, urging a uniformity in the numerical designation of parts.

The NTSB investigates all accidents on railroads, highways, commercial airlines, and on water.

Marine disasters, however, are dealt with differently from the others. In the case of accidents afloat, the Coast Guard conducts the inquiry. Mrs. Burgess sat with the Coast Guard's board of inquiry last spring on the Verazzano Narrows ship collision in New York Harbor.

The S.S. Brussels and the S.S. Seawitch collided, spewing burning fuel oil over the water.

A witness told how a few * * * the fantail of the ship, seeking to fight the blaze on their own vessel. Unexpectedly, they felt a draft of cooler air at their backs. They looked and saw the sea of flame had divided and there was open water. A fire tug was able to get to their ship and take them off.

"The harbor pilot told the story," Mrs. Burgess recalls. "Not a person in the room stirred as he recited the incident."

The NTSB operates its own school to train accident investigators. Mrs. Burgess notes with satisfaction that the class just graduated contained two Frenchmen, a Lebanese, a student from Panama and another from Iceland.

"All of them will be the better equipped to serve their own countrymen, and it will mean the best of cooperation if ever they are called on for cooperation with our people," Mrs. Burgess said.

She feels the 254 persons who make up the NTSB staff are too few for the work required. All of them, she finds, are dedicated to their jobs.

Her five years in Washington have been short Mrs. Burgess has discovered. She is expecting reappointment next week and is eager to continue her work. It is, she says, both challenging and fascinating.

She acknowledges that life here is far different from Arizona. For one thing, people are less neighborly. Friendships aren't established as quickly, nor are people so companionable as they are in the West. Friends seldom "drop in."

Mrs. Burgess has an apartment in the famous Watergate, a short taxi-ride from her office.

She has a brightly sunlit office on the eighth floor of the Federal Office Building at 800 Independence Avenue, S.W.

Her window overlooks the Smithsonian Institution's sprawling complex. The Washington Monument and the Capitol are within view, and the controversial Hirschhorn sculpture museum and garden is just across the street.

Mrs. Burgess works in a quietly studious atmosphere. Her assistant, John Noggle, works in an adjoining room, his papers arranged as neatly as those on his boss' desk.

PRODUCTIVITY AND THE GOVERNMENT

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. LANDGREBE. Mr. Speaker, an article which recently appeared in In-

dustry Week entitled "Let's Get Our Government on Our Side" deserves the attention of all the Members of Congress. The only suggestion that the article makes that is not worthwhile is the creation of another Government bureau for the purpose of challenging the actions of other departments of the Government. What is needed is not another agency, but a reduction in the number and size of agencies now operating. Reducing the size of the Government will simultaneously increase the productivity of our economy, as the obstacles which thwart economic progress are removed. I insert the following article in an abridged form at this point:

[From Industry Week, July 8, 1974]

LET'S GET OUR GOVERNMENT ON OUR SIDE

(By Floyd G. Lawrence)

"If Government actions constraining U.S. productivity growth arose from malice or dereliction of responsibility, then at least it would show someone had thought about the matter.

"But nobody *has* thought about it. So the private sector faces a situation far worse than irresponsibility and that is *nonresponsibility*.

"Among the 2.5 million civilian employees within the federal government there is no department nor person with any responsibility for evaluating or even monitoring the effect of federal actions upon the ability of the U.S. private sector to create wealth—let alone upon productivity improvement or a climate to facilitate the creation of wealth.

"Most emphatically we do not need central planning, but neither do we need central chaos. What we do need is economic analysis and responsible awareness that government actions severely impact our climate for economic growth and our competitiveness in world markets.

"It is ironic that much of the harmful economic impact stems from measures responsive to 'concern for the public interest.'

"The economic message must get through to government that *when we jeopardize our productivity of industries we are severely jeopardizing the public interest*. And, based on that awareness, we should then seek to bring about an entity in government with the *power to challenge the actions of government on the basis of productivity impact* just as actions are now challenged within government on the basis of environmental impact.

"This new entity would represent the economic public interest and in effect be charged with protecting the economic environment for productivity growth."

The conclusion capsulizes an objective management consultant's 19-month examination of Washington. John M. Stewart, 42, is once again a management consultant to technology-based companies and a director of McKinsey & Co., New York. But from July 1972 until February of this year, Mr. Stewart was executive director of the National Commission on Productivity.

It was during that time that we met Mr. Stewart and at his invitation participated with him in several programs on the competitiveness of U.S. industry. We had the opportunity to share his growing realization that "things aren't merely as bad in government as I had suspected—they're worse."

A Harvard M.B.A., with McKinsey & Co. since 1961, Mr. Stewart had approached the productivity assignment as a management challenge. In examining the opportunity for productivity improvement within the economy as a whole, Mr. Stewart and his associates identified four basic areas: productivity within government itself; the productivity impact of government action upon the regulated industries; productivity through inter-industry cooperation; and productivity within individual industries and companies in the private sector.

THE WORST FIRST

"It was within the various private industries that many expected us to make our major effort," recalls Mr. Stewart. "Industry people would call and ask, 'What are you going to do for us?'

"But when we compared their productivity situation with the first three—government, government's effect on industries, and inter-industry cooperation—it was clear that industries were far more aware and motivated and aggressive in moving ahead on productivity.

"By way of contrast, so far as we could determine, for example, less than 1% of the political jurisdictions in the country have an organized productivity program of any sort. Yet we're adding to federal, state, and local government employment every year at the rate of an entire steel industry. Obviously there is more concern with productivity in the steel industry than with those added employees or with the 12.5 million persons who now make up about 18% of the U.S. workforce.

"That's why we believe there is a major effort needed to examine and improve productivity in government at all levels. There is little drive, little awareness, and little effort directed at improving it.

"And that's true in government from top to bottom. At the federal level, for example, top policymakers come in for an average of only 22 months. One cabinet member told me flatly, 'I'm not at all interested in whether my department is more or is less productive. I must have three projects while I'm here that are newsworthy, of interest to the Congress, and quick. Improving the productivity of this department just doesn't fit into that.'

"Now this is not all to the bad. If an agency is doing something counterproductive and you increase its productivity, then it is just that much more counterproductive. And this can happen.

"Last fall we had a severe shortage of railroad hopper cars to haul grain. In the midst of that shortage, the Interstate Commerce Commission (ICC) passed a ruling that no more than 20% of the grain could be hauled by extra large hopper cars in unitrains—the most efficient method.

"Now nearly anyone who does not understand how government works might question why the ICC restricted the most efficient grain hauling method at the very time the need for it was most acute. But to the ICC, it was an action clearly required under its mandate from Congress to protect the small shippers who are not on the unitrain lines.

"Obviously the small shippers might have been protected in other ways. For example, we asked the ICC if an economic analysis had been done to find out if it might be more efficient for these small shippers to truck grain to unitrain lines.

"The answer was that they had not done any such analysis because that is not part of their mandate. The ICC has been charged by Congress with protecting the small shippers and *not with making sure that transportation costs are as low as possible or that productivity is high*.

SPOILED LETTUCE

"Or take the matter of railroading and food. Fresh lettuce from California to New York used to take only six days by rail in 1950. By 1970 the trip took up to 12 days and was very unreliable.

"During this time the spoilage in those refrigerated cars has gone up, and so have the rates—by 50%. And that means that consumers are paying the price for bad quality and bad service.

"Last fall more than 200,000 crates of melons were plowed into the ground for lack of refrigerator cars. Yet the number of refrigerator cars has dropped from 98,000 to 19,000 because the ICC rate is based on a return on investment of 3% per annum. That means the railroads would be better off putting their money into a savings and loan. And certainly it does not encourage their putting it into refrigerator cars.

"Worse still, even the refrigerator cars we have are not used efficiently. The ICC rate structure encourages the Penn Central to hang on to refrigerator cars for 51 days. Now at 40 miles an hour you can drive from California to New York and back again in about six days. But refrigerator cars have been averaging 31 and 32 days turnaround from coast to coast.

"There is no incentive for good service. It doesn't make any difference whether a railroad provides good or bad service, the rate is the same. And this creates enormous inequities.

"For if the Southern Pacific or the Union Pacific buys more refrigerator cars to improve service, the Penn Central has no incentive to return the new cars either. So the new cars simply add to the congestion in the East.

"So if the ICC simply creates incentives to move refrigerator cars back West faster it will substantially increase refrigerator car capacity. We calculated that even a 10% reduction in turnaround time would save $16 million worth of capital investment—money that the railroads would not have to spend.

"The ICC simply is not mandated to devise an efficient or profitable railroad system. Nor are the many other regulatory agencies doing similar things. There is no one within these agencies themselves or within government responsible for examining, analyzing, or costing out the economic effect of these activities on the industries being regulated nor upon the productivity and the efficiency of the economy as a whole.

LEGISLATIVE HAZARD

"Now if you look at what a Presidential commission on productivity can do, you might conclude as we did that illuminating this situation of government lack of productivity and counterproductivity is a top priority. We can never know how much it costs, but it's billions every year, and no one is looking at it.

"So that's why we looked at it and considered what could be done. The obvious first suggestion is to change the mandate through the same legislative process that created it. But if you study it and think about it, you have to conclude that there will be many who do not wish to see an agency like the ICC changed. So there will be some favoring change and many against it, and the upshot is likely to be worse than what we have already.

"But if we could require economic accountability of all these agencies in the way they handle their mandates, then perhaps we might be able to redirect the activities. For, while the structure is rigid, most of the people in these agencies are competent and flexible and in most cases would need only the authority to act in a more economically oriented way.

"That's the reason that I favor an entity in government to challenge government action on an economic impact basis and to be a voice for industry and for the public to insist that regulations be not only legally defensible but economically defensible as well.

"Much as I abhor creating another agency of any kind in government, there is no alternative I can see if we are to avoid the 'Regulation to oblivion' [IW, July 10, 1972] you have pointed out.

"But if this new agency were to look at what government is doing that is harmful to productivity and economic growth on the one hand, it also could look at what is helpful to them in meeting foreign competition on the other.

"If we don't analyze what the actions of our own government are doing to the strength of our industries, by the same token we certainly are not monitoring the effect of actions by foreign governments on our private sector.

"Nor is any department or person assessing the effect of R&D practice in this country—expenditures, progress, patterns—and contrasting that bellwether activity with the programs of foreign nations.

"I doubt if there are two people full-time among all the federal employees who worry about the economic health of our machine tool industry. At most, within the Commerce Dept. you may find two or three people on such major industries as steel and electronics.

"But in most cases these people have never worked in the industry. Even if they come to understand the industry and its problems and needs, these people are at least five to seven levels below the secretary in the department.

"Surely there can be no more frustrating job in the world than trying to influence U.S. economic policy from seven levels down in the Commerce Dept.

"Clearly, I think we need to redefine the Commerce Dept. to give better industry representation and understanding in government. But that will not be easy, because it must involve advocacy on an industry-by-industry basis.

"Peter G. Peterson as Secretary of Commerce tried to set up a bureau of competitive assessment to determine what kind of disadvantage U.S. industry faced as it tried to market around the world. Yet even he was cautioned not to do it on an industry-by-industry basis for fear of 'favoritism.' Yet to be meaningful at all it must be done industry by industry.

"The Commerce Dept., conceivably, could take the lead in what I have been describing—in monitoring the effect of various factors relating to economic growth including the actions of our own government.

"But there is a lack of purpose and sustained leadership to support this kind of effort. People get a signal and sprint off in one direction, only to be called back for the next sprint in another direction.

PRODUCTIVITY CLIMATE

"There's no question also that high rates of capital investment lead to high rates of productivity. But at the present time that option is stymied by the political stand of labor that the capital allowance credits are simply a tax loophole.

"That fundamental labor position must be changed, but won't be until we are able to deal more effectively with the adjustment of the 3% of the people who lose their jobs every year as a result of productivity gains—and in part through a more widespread understanding on the part of both labor and the public that higher productivity benefits everyone.

"But by the same token, ours is a society of ever higher expectations. And the only way higher expectations can be met is through productivity going up. Just how much we can stand is a moot point by the way.

"We looked at what a 6% annual productivity increase would do to the country, and it appears we could not absorb that. Unemployment would be rife, and the tax system would have to be changed radically.

"There's a great deal more we have yet to learn about productivity—how to define it and how to measure it more precisely. For example, is a doctor more productive when he puts people into the hospital or when he keeps them out? Or, in the case of the Defense Dept., is it more productive when it keeps us out of war, gets us into wars, or gets us out of wars?

INDUSTRY QUESTIONS

"But the same thing goes for tangible products. You can count the number of units produced in an auto plant, but how do you adjust those numbers for the usefulness of a small car, say, versus a large car? And even though we have a number of economists working on output measures that factor in both labor and capital inputs, there are very few that are as yet really useful.

"But even after you have the measure there is some question what you should do with it. We asked a half-dozen people in major corporations which have had productivity measures for a number of years, what they did with the measures. And the answer uniformly was, 'not very much.'

"That is not necessarily a negative. We've got to be careful about what productivity measures can really be used for. Certainly in a business with moderate product change it can be an ideal tool, to look at progress over a period of years to determine if the company is using its resources better. But it's not the kind of measure you use quarter to quarter. It's simply too gross, too broad.

"I agree that we don't do enough productivity measurement in our companies and in our industries. But, among available measures, there are many of more immediate usefulness. Productivity is an excellent measure for long-term policymaking. It is not useful in short-term operating decisions.

"However, if you plan for profit—for return on investment—about 80% of the time you also are planning for productivity improvement. About 20% of the time the objectives of increasing profit or increasing productivity do conflict, so about that percentage of our investment decisions are made on a profit basis to the detriment of productivity.

CLIMATE PARAMOUNT

"It is important that we continue to research productivity—how you define it and how you measure it—but there are about 2 million businesses in this country, and no agency or commission can deal with each of them. So you have to deal with the question of climate. And quite clearly we need some changes in that climate.

"In that regard, I think the government has to change in a major way with regard to the private sector of the economy, for we are not doing a good job of assessing how we stand internationally nor are we doing a good job of understanding the implications of continuing policies and mandates that we now have.

"The Commere Dept. could and should play the role of gathering data on the competitive strength of the U.S.—industry by industry—in the world. We must have a better understanding of where we stand and where we are going.

"But beyond that, we must create the kind of entity in government that will challenge the economic impact of regulations now constraining U.S. economic growth.

"Somehow, if we are to remain competitive, we must get our government on our side."

THE CONSUMER PRODUCT SAFETY COMMISSION: BIG MOTHER IS WATCHING YOU

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1974

Mr. LANDGREBE. Mr. Speaker, Members of the 93d Congress have shown an extraordinary concern with privacy—perhaps more concern than has appeared in any other recent Congress. To cite one statistics, approximately 130 bills have been introduced in this Congress which would purportedly insure or enhance the right to privacy. Privacy has received a great deal of vocal support from Members of both parties. It is fast becoming an issue like civil rights or ecology that "everybody" supports. Yet I cannot help but wonder what "privacy" means to some people. I offer but one example: on April 3 this House passed H.R. 13163, the Consumer Protection Act of 1974. That bill would create the Consumer Protection Agency, which in addition to having power to conduct its own conferences, surveys, and investigations, would be able to gather from other Federal agencies and non-Federal sources and disseminate to the public, information, statistics, and other data which it deems would be useful to consumers. What the CPA is, then, is a Central Intelligence Agency for the consumerists. It is difficult to understand how one can be for both "privacy" and the CPA. Apparently only persons who have committed crimes ought to be granted the right of privacy"; all others, especially businessmen, are subject to the continual snooping of Government agencies.

Two years ago Congress enacted the Social Security amendments of 1972, a large bill that contained the now infamous provision for Professional Standards Review Organizations. That provision has rightly been singled out as one of the greatest of governmental threats to privacy. Unfortunately the powers of the Consumer Product Safety Commission in medical affairs has not received the publicity which it deserves. This has not at all been due to reticence on the part of members of the CPSC. They have been far from reluctant to talk about their medical surveillance system, inappropriately called NEISS—pronounced nice. NEISS is the acronym for the National Electronic Injury Surveillance System, a surveillance apparatus of which the Consumer Product Safety Commission is quite proud. An information sheet distributed by the CPSC begins with the following paragraphs:

> If you injured your hand on a lawnmower while cutting the grass one afternoon and just happened to hurry to one of 119 selected hospital emergency rooms nationwide, the Consumer Product Safety Commission in Washington, D.C., would know about it the next morning.
>
> The Consumer Product Safety Commission's Bureau of Epidemiology would know about your injury, the product involved, the body part affected, the treatment you received, and whether you were able to go home or were hospitalized for further care.

The information thus collected is fed into a computer data bank here in Washington. Then:

> Each day, a number of injury cases are selected for in-depth investigations by the Commission's field staff . . . A field officer will visit the particular hospital, receive the name and address of the patient, and proceed to find out how and why the injury occurred . . . Approximately 2500 investigations will be completed during FY 74.

Perhaps you are thinking: this is not so bad; so what if, 24 hours after the fact the Federal Government may know that in my desperate search for tranquillity while reading a stack of OSHA

UMI

regulations I cut my hand on a broken bottle of tranquilizers?

Is that really important? I am inclined to reply: perhaps not, in and of itself. But it establishes a precedent; it institutionalizes Big Mother. On June 11, 1973, nearly 1 year ago, Mr. Richard Simpson, Chairman of the Consumer Product Safety Commission, remarked in a speech:

> As I said, the NEISS system only tells us which products are associated with injuries reported through hospital emergency rooms. Not reported through NEISS are the many injuries treated in doctors' offices and clinics. And, the most severe cases are fatalities which often go directly to county morgues. We are in the process of expanding our data collection activities to include physicians offices and death certificate reporting.

The remark was repeated on July 17, 1973, and several other occasions. At the present time the information gathering activities of the Consumer Product Safety Commission have been expanded to include investigations of product-related deaths in almost all 50 States of the Union, and plans are well underway to collect information from physicians' offices, from those physicians who can be persuaded to give the required data to the Consumer Product Safety Commission. In establishing its surveillance system of doctors' offices, the Commission or its contractor will attempt to persuade the AMA and the AOE and State and local medical societies to cooperate in its date collecting activities. When the surveillance of physicians' offices and the death certificate surveillance system become fully operational, the Consumer Product Safety Commission will have ready access to all product-related deaths, and a statistically valid sample for injuries treated in the hospital emergency rooms and physicians' offices. All of these data will be subject to in-depth investigation by the Commission if it believes that further investigation is necessary for its purposes.

Of course, should you suffer an injury and go to one of the physicians or hospitals participating in the CPSC surveillance system, the information collected about you and your injury will also be available to the Consumer Protection Agency, assuming that the Senate passes the bill creating that agency.

The collection of this information by the Consumer Product Safety Commission is, of course, a gross violation of privacy. I beg to differ from those of my colleagues who believe that privacy is violated only when information gathered by the Government is disseminated for general consumption. Privacy is violated in the collection of data by the Government, not simply in its dissemination to the populace. Once the Government is party to the data in question, the data are no longer private. I believe that passing laws restricting the distribution of information among agencies of the Government will ultimately no more insure privacy than ministers preaching against the sin of gossip will succeed in ending the activities of the backfence gossips.

Thus if one is in favor of privacy, one must oppose the collection of information by the Government. I am inclined to believe that much of the vocal support for privacy is hollow: Anyone who favors privacy cannot favor increasing the powers of the Government to collect information about its citizens, no matter how innocuous that information may at first apear. To believe otherwise is to be in favor of Big Mother.

SENATE—*Monday, July 22, 1974*

The Senate met at 10 a.m. and was called to order by Hon. JENNINGS RANDOLPH, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, as we undertake the tasks of another week, our needs are many, but our greatest need is of Thee. Come now to our waiting hearts and go with us in every endeavor. In the responsibilities of statecraft make us truly Thy ministers guided by Thy spirit, trustworthy in motivation and obedient to Thy law.

O God, we pray Thee to work with those who now work for peace. Make all diplomats agents of Thy reconciliation and make every statesman an instrument for bringing peace to warring forces on the Isle of Cypress and in the sea over which the gospel was first carried.

We pray in the name of the Prince of Peace. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 22, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JENNINGS RANDOLPH, a Senator from the State of West Virginia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. RANDOLPH thereupon took the chair as Acting President pro tempore.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The majority leader, the Senator from Montana, is recognized.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, July 18, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER DISPENSING WITH CALL OF LEGISLATIVE CALENDAR UNDER RULE VIII

Mr. MANSFIELD. Mr. President, I ask unanimous consent to waive the call of the calendar for unobjected-to measures under Senate rule VIII.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 978 and Calendar No. 979.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will state the first bill by title.

AUTHORIZATION FOR APPROPRIATIONS FOR THE BOARD FOR INTERNATIONAL BROADCASTING ACT, 1975

The bill (S. 3190) to authorize appropriations for fiscal year 1975 for carrying out the Board for International Broadcasting Act of 1973 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 8(a) of the Board for International Broadcasting Act of 1973 (87 Stat. 460) is amended by (a) striking out from the first sentence "$50,209,000 for fiscal year 1974" and inserting in lieu thereof "$49,840,000 for fiscal year 1975" and (b) striking out from the second sentence "fiscal year 1974" and inserting in lieu thereof "fiscal year 1975".

CLARA BARTON HOUSE NATIONAL HISTORIC SITE

The Senate proceeded to consider the bill (S. 3700) to provide for the establishment of the Clara Barton House National Historic Site in the State of Maryland, and for other purposes which had been reported from the Committee on Interior and Insular Affairs with amendments:

On page 1, in line 8, strike out "donation, purchase with donated or appropriated funds, or exchange" and insert in lieu thereof "donation or purchase with donated funds".

On page 2, in line 18, strike out "such sums as may be necessary" and insert in lieu thereof "not to exceed $47,500", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve in public ownership the historically significant property associated with the life of Clara Barton, for the benefit and inspiration of the people of the United States, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to acquire by donation or purchase with donated funds the land and interest in land, together with buildings and improvements thereon, located at 5801 Oxford Road, Glen Echo, Maryland, together with such other lands and interests in lands, including scenic easements, as the Secretary shall deem necessary for the administration of the area. The Secretary shall establish the Clara Barton House National Historic Site by publication of a notice to that effect in the Federal Register at such time as he deems sufficient lands and interests in lands have been acquired for administration in accordance with the purposes of this Act.

SEC. 2. Pending establishment and thereafter, the Secretary shall administer lands and interests in lands acquired for the Clara Barton House National Historic Site in accordance with the Act approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4), as amended and supplemented, and the Act approved August 21, 1935 (49 Stat. 666, 16 U.S.C. 461 et seq.), as amended.

SEC. 3. There are hereby authorized to be appropriated not to exceed $47,450 to carry out the purposes of this Act.

Mr. BEALL. Mr. President, as a cosponsor of S. 3700, legislation establishing the Clara Barton House National Historic Site in Maryland, I am happy to rise and commend this measure to the Senate for favorable consideration.

S. 3700 was introduced by my distinguished Maryland colleague, Senator MATHIAS, and me on June 25, 1974. I was pleased to testify before the Parks and Recreation Subcommittee on July 11 in support of the bill, and am gratified by the swift consideration the Interior Committee gave this legislation.

The home of Clara Barton is a living reminder of the many significant contributions she made to this country, and to humanity. Not only was it her home, but the elegant residence also served for a time as first headquarters of the American Red Cross. It overlooks the historic C. & O. Canal, and would be a valuable addition to the parkland surrounding our Nation's Capital.

Currently, the home is owned by the Friends of Clara Barton, and has been, since January 12, 1965, recognized as a national historical landmark. Recently, the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments recommended the establishment of the Clara Barton House as a national historic site, and thus I urge the Senate to carry out this proposal by passing the bill before us today.

Mr. President, as we approach our Bicentennial celebration, more and more Americans are becoming committed to the cause of historic preservation. I believe that we strengthen the social fabric which unites Americans of different racial, ethnic and religious backgrounds every time we take a positive step toward preserving our heritage. The Clara Barton House is certainly part of that heritage, and I call upon the Senate to favorably act on this measure.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REMARKS OF SENATOR MANSFIELD BEFORE THE SENATE DEMOCRATIC CONFERENCE ON JULY 18, 1974, AND CERTAIN RESOLUTIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that remarks I made before the Senate Democratic Conference on Thursday, July 18, 1974, and a copy of the Pastore-Kennedy resolution and the Bentsen resolution be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR MIKE MANSFIELD

On Friday, July 12, the President signed into law a measure which opens the way for Congress to exercise effectively one of its fundamental responsibilities. I refer to the new Budget Act which provides for the coordination of Congressional procedures and clarifies the roles of the Branches with regard to control of federal finances. The Act mandates that Congress face and decide the following four basic questions each year:

1. How much money is needed, and how much can be provided to finance all federal programs?
2. How will available federal resources be divided among those programs?
3. How much revenue will be derived from existing taxes and should this amount be increased or decreased?
4. What size federal surplus or deficit is consistent with sound economic policy?

Congress has recognized the need to address these fundamental questions for decades. Our past inadequacies in dealing with them, however, have been all too apparent. With the fragmentation within the Committee structure and our sometimes leisurely and haphazard practices and with our varied viewpoints, we have not been able in the past to focus and act coordinately on these questions. As a consequence, the Executive Branch has acquired almost the whole of the initiative in matters involving coordination of federal financial policy. That is not as it should be under the Constitution but, perhaps inevitably, that is how it has been in practice.

The Budget Act will not be a panacea for this situation. But, at least, it is designed to equip Congress in ways which will help us to face up to our own responsibilities and respond more effectively to some of the most critical choices which must be made by the federal government.

To begin with, the *law* creates here in the Senate a Committee on the Budget. A similar committee comes into existence in the House. In addition, there is established a Congressional Office of the Budget which is expected to be staffed with the kind of personnel that can provide the two committees with the research and technical analysis of overall budgetary matters that is so vitally needed for making valid judgments. A great deal will ride on these three instrumentalities—that is, the two budget committees and the Congressional Office of the Budget. Largely on the basis of their work, the Congress is expected by the law to lay down the national budget—issuing it early each session, then reviewing and revising it as the year progresses. The law affirms that it is up to the two Houses, in the final analysis, to determine the nation's priorities—where federal spending is to be increased and where it is to be cut. To that end, the start of the fiscal year is reset to October 1, and a timetable is established for Congress to make its decisions regarding spending and revenue throughout each year.

Having convened this meeting for the purpose of high-lighting the significance of the new law, I would note that it is largely the task of this Conference of the Democratic Majority—in consultation with the Republic Minority—to assure that the undertaking gets off on the right foot. The initial responsibility which confronts us involves setting up the new Committee—the Senate Budget Committee.

Bear in mind that this Committee is established not under the Senate's rules but has been mandated by law so there is less flexibility than might otherwise be the case.

The law provides for a fifteen-member Committee and under the current ratio, that would allow nine seats for Democrats and six for Republicans. To fulfill our responsibilities under the Act, it seems to me that this Committee needs to be so equipped and balanced that it can address the national fiscal situation in a national perspective. We cannot be responsible for the Republican assignments, but we are responsible for our own. As in all cases of Democratic committee assignments, the prerogatives rest in this Conference. This Conference will say, in the end, who among the Majority members is to serve on this new Committee and who is to take the Chair, subject only to ultimate approval by the Senate as a whole.

Inasmuch as the Budget law presents for us and for the Senate a matter of new and surpassing importance, it is my judgment that we should not proceed as though we were dealing with a routine matter of committee assignments in which the policies of the Conference are already established, and with which we are fully familiar. If that were the case, in the Steering Committee, great weight would be given to years of continuous service. Other Committee membership of an applying member would be considered. Attempts would also be made to accommodate younger members, as possible, with an interest in the Committee, on the basis of granting such members at least one stated preference. Members would be assigned more or less permanently to the Committee, with the most senior probably designated as Chairman, and once assigned, they would continue to accumulate seniority until such time as their seats were vacated. On the basis of past experience, moreover, the work of the Steering Committee in making these assignments might be expected to be upheld by a unanimous or near-unanimous Conference.

It is not yet clear, however, that routine consideration is necessarily the best way of approaching this new situation. To the Budget Committee, Congress has assigned, by law, responsibilities that are different and of enormous significance. We have authorized its support by what amounts to its own independent Congressional agency. We have bound ourselves to a timetable of legislation which is keyed to the Committee's recommendations. All of this, we have seen fit to embed in the law, subject to change only by law.

I reiterate that the decisions which are made, initially, in regard to the new Congressional budgetary structure are of the greatest importance. Their effect on the nation as a whole can be very profound. So, too, will be the effect in the Senate and the Congress. A whole new sense of timing in the way we conduct our business will be brought into play by this Act. A whole new set of

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inter-committee relationships may well emerge. As yet, unforeseen problems may well confront this Conference and the Leadership in the future. With this law, we have probably reached a watershed not only in terms of the responsibilities of Congress to serve as the arbiter of the nation's finances, but in terms of the Senate's internal organization and procedures.

In the circumstances, therefore, it seems to me that the shaping of the Democratic part of this new Committee is hardly a matter for routine handling. In the first instance, at least, it would appear to be a matter for consideration by the Conference itself, rather than by the Steering Committee, as an arm of the Conference. If the Conference shares that judgment—and I shall put the question shortly—then the question of how to proceed will be open for discussion.

I want to emphasize my belief, if I may, that there is an imperative need for balance as among geographic areas and ideological nuances in the Democratic membership of the Budget Committee. The Democrats who sit in the Budget Committee should be so selected, in my judgment, that they will reflect an accurate cross-section of the Democratic members of the Senate. May I say that criteria of this kind, by specific direction of the Democratic Conference, have governed the selection of membership on both the Policy and Steering Committees for all the years that I have been your Majority Leader. In consequence, both have operated in a highly responsive and responsible manner regarding the general inclinations of this Conference.

I would also state my view that I do not believe that members should be designated to the new Committee unless they are prepared to give up now—not two years hence, but *now* an existing membership on other major Committees. At the very least, this readiness should be considered in making assignments. I know that there is a grandfather clause in this law which permits sitting members to add membership on this Committee on top of others which they already hold. That is permissive, not binding, and I think that we would be well-advised to look for a quid pro quo from any member desiring this assignment.

The challenges of the new Budget Committee are too great to be treated as a mere add-on to the responsibilities already carried by individual members. Those who serve on it must give it preponderant attention if it is to function effectively; and if I may underscore the point, I would stress that it requires the direct contributions of Senators not the mere presence of staff aides. As it is now, excessive Committee assignments of individual members already leave Committees and subcommittees fragmentarily served or ill-served and, often, largely in the hands of staff. At the same time, younger members of the Senate are insufficiently used in the basic decision making processes. In this fashion, the principle of equality among all members tends to be honored more in form than in substance. So, again, whatever the decisions of this Conference, I would hope that they will include recognition of the principle that whoever seeks assignment on this new Committee should be prepared to yield, now, a major Committee assignment which he already holds. By the same token, it would be my hope that this Conference will consider selecting the first Chairman of the new Committee on the basis of its best judgment as to who among those designated is prepared and equipped to make the greatest contribution of knowledge, time and effort to its operation.

With that by way as background, I should like, now, to put the following question of procedure:

Is it the wish of the Conference that the Steering Committee shall proceed in the customary manner to select the Democratic nominees for the Senate Budget Committee?

If the Conference votes negatively on this question, the Chair will open the matter for discussion and will entertain from the floor suggestions on how to proceed in this matter. If the Conference votes "aye" it would be my intention to call a Steering Committee meeting in the very near future to prepare the slate of proposed Democratic Members for the new Budget Committee.

What, then, is the decision of the Conference?

PASTORE-KENNEDY RESOLUTION

Resolved, That in determining the majority party membership of the Senate Budget Committee, the Conference instructs the Steering Committee to select members of the Budget Committee to reflect as nearly as practicable the balance of membership of the Conference as a whole, based on the following criteria: geography and philosophy.

BENTSEN RESOLUTION

Resolved, That no member of the Budget Committee shall serve on more than three Class A committees after the commencement of the 94th Congress or more than two Class A committees after the commencement of the 95th Congress;

Provided, That grandfather rights granted to members of the Government Operations and Space Committees shall not be affected.

THE ECONOMIC AND INFLATIONARY SITUATION

Mr. MANSFIELD. Mr. President, last week the Washington Star-News published a number of articles relative to the economic and inflationary situation in which this Nation finds itself today. I ask unanimous consent that these articles be printed in the RECORD, and that they be listed under the titles of each of the four articles.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BIG BUST OR JUST STAGNATION?

(By Lee M. Cohn)

Business, squeezed for credit, curtails expansion and production.

Profits shrink, the stock market sags and bankruptcies spread.

Economic growth plods along at the brink of recession.

Unemployment rises by a million or more above normal levels.

Prices surge at triple the pace that used to be called "creeping inflation."

That's an optimistic forecast of the U.S. economy's performance in the new few years.

Quite possibly too optimistic, say a growing number of economists, bankers and businessmen, and even some government officials. They warn that the United States and the world may face a severe recession, with production dropping sharply, unemployment rising to post-Depression peaks, the financial system tottering, and inflation galloping almost out of control.

Few if any established analysts predict a depression like the disaster of the 1930s. But hardly any absolutely exclude the possibility of the worst economic bust since then—a true depression, not just the kind of recession Americans have learned to live with.

Interviews and public statements disclose that many of the people who run the economy and the experts who analyze it are more worried, even frightened, about the outlook than at any time in the postwar era. Anxiety is shaking the confidence of the general public, too, which could weaken the economy further.

No one with sound credentials had talked seriously about financial collapse and depression for decades. Now knowledgeable people are quoting odds.

"The more I think about it, the more vivid it becomes," Arthur M. Okun of the Brookings Institution says. Okun, who was chairman of the Council of Economic Advisers in the Johnson administration, estimates that "the odds on the worst horror stories are no more than one in 20."

While "the likelihood of a bust is not very strong," he says, "it's a scenario you can laugh at any more."

Robert V. Roosa, partner in Brown Brothers Harriman & Co., a leading Wall Street banking firm, puts the odds at one in five. Roosa, undersecretary of the Treasury for monetary affairs in the Kennedy and Johnson administrations, adds grimly:

"In a tough world, you've got to choose what you think is the most probable course and accept the risks of acting on that judgment That means I'm going to act on the four chances in five that the worst won't occur."

Alan Greenspan, a conservative business economist who has been asked by the Nixon administration to head the Council of Economic Advisers, says he sees "very major potential dangers, but we are so far outside the realm of historical experience that I don't know how to assess the probabilities.

"Take all this talk of a depression and social breakdown and the other horror stories. I can't present any solid reasons why these frightening scenarios cannot happen, which means they possibly could happen. This is the first time I've felt that way since the start of my professional career."

Milton Friedman of the University of Chicago, a leading conservative economist, predicts that "there won't be a major financial collapse." Many financial institutions are "vulnerable" and some are "technically insolvent," he says, but "the government will bail them out."

"I would let them go bust," he says grumpily, predicting that government rescue operations will aggravate inflation and cause other problems worse than a few financial failures.

Rather than worrying about a bust, Friedman says, "my long-run concern is that we're heading toward stagnation (with) sharply reduced economic growth rates. The comparison is very close with what has been happening in England over the last 10 or 20 years."

Greenspan and Nathaniel Goldfinger, research director of the AFL–CIO, also say that, even if the United States avoids a depression, the economy shows ominous signs of catching what Greenspan called "the English disease."

While suffering no severe recessions, Britain since World War II has lost its economic vitality. Investment and efficiency have lagged, the country's competitive position has eroded and growth has been chronically sluggish, Analysts blame "stop-go" policies, which alternately pump up the economy and subdue it with austerity measures.

Paul A. Samuelson of the Massachusetts Institute of Technology, the liberal who won the first Nobel Prize in economics, warns that the United States and other industrial countries may face years of "stagflation"—an unhappy combination of subpar economic growth and inflation rates substantially above past norms.

Nixon administration officials scoff at depression talk—with some exceptions. Surprisingly, however, many of them paint a picture of prolonged sluggishness in the economy, with persistent high rates of inflation.

They use brighter adjectives than Greenspan, Friedman and Samuelson, but the basic forecasts are almost as bleak.

Treasury Secretary William E. Simon acknowledges that it is possible to write a scenario depicting a deep recession, but said "the probability of that is so low that I'm not considering it."

He proceeds to describe the path he hopes the economy will follow for several years—restrictive budget and monetary policies, economic growth below the long-term trend, a shift from consumption to saving, production below capacity, labor markets that are not too "tight."

Herbert Stein, chairman of the Council of Economic Advisers, says the economy must be held below its "highest possible track," operating with "some degree of slack," for three or four years.

Other key officials, talking less obliquely, acknowledge that the administration excepts and is aiming for an austere period of several years during which business activity is subdued and jobs are somewhat hard to find.

With luck, a recession can be avoided, these sources say. But they contend that a mild slump must be risked.

Only by holding down the economy can the United States reduce inflation and prevent an eccelerating price spiral, officials maintain. Even with this kind of restraint, they admit, progress in curbing inflation will be painfully slow.

Not all government officials are as emphatic as Simon in ruling out financial and economic trouble more serious than the United States has experienced since the 1930s.

Sidney L. Jones, deputy White House economic counselor, says he expects slow growth, not a sharp economic decline, but he admits:

"I've learned never to say never . . . You can paste all these things together and come up with a dour scenario . . . I can't deny that monumental financial difficulties could occur (but) I think it will take something a lot more fundamental than just some financial tensions on the periphery for the real economy to collapse."

Federal Reserve Chairman Arthur F. Burns warns that "hopes for the future of our economy have been shaken by the debilitating effects of inflation." Unless the price spiral is checked, he says, it could bring "mass unemployment."

Besides the financial and economic dislocations caused by inflation, he says, its continuation near current rates "would threaten the very foundations of our society (and could lead to) a significant decline of economic and political freedom for the American people."

President Nixon promised in January that "there will be no recession" in 1974, and administration officials cite current data indicating that the immediate threat of a recession probably has passed. They also predict confidently that the inflation rate will be lower at the end of this year than it is now.

Many independent economists concur. But they note that the administration is claiming less than its public statements imply.

The economy can avoid a recession this year and still bog down. Prices, while rising more slowly than now, still can surge at rates that used to be considered intolerable.

That is what most economists expect through the balance of this year. Furthermore, they fear that the economy will not improve much—and may deteriorate—beyond 1974.

Whether or not the administration's predictions for 1974 come true literally, knowledgeable analysts are more worried about erosion of the economy's strength and stability over the longer run.

The broadest measure of the economy's performance is "real" gross national product—total output of goods and services in terms of quantity, as distinct from the inflated dollar value.

Real GNP declined at an annual rate of 6.3 percent in the January-March quarter. This was the first decrease since 1970 and the sharpest drop since 1958.

Another decline in the April-June quarter probably would have put 1974 into the record books as a recession year. Although there is no rigid formula, a recession is defined conventionally as a decline of real GNP in two or more consecutive quarters.

Preliminary figures indicate that real GNP probably increased very slightly in the second quarter. If this expectation is confirmed, Nixon apparently has escaped the blot of a second recession in his administration, at least for the time being.

But a vigorous recovery is not expected, and there is a risk of another decline late this year or in 1975.

As usual, the administration's forecast is more optimistic than many, but still it is bleak. The administration started the year predicting that real GNP would rebound at an annual rate of more than 4 percent in the second half. Stein has scaled the forecast down to 3 or 4 percent, and now concedes growth may fall below that pace.

Date Resources, Inc., a leading forecasting firm, also is relatively optimistic, in a very hesitant way, about the short-run outlook.

DRI predicts real GNP will advance at annual rates of 3.5 percent in the third quarter and 4.1 percent in the fourth. Acknowledging its uncertainty, the firm also has issued an alternative forecast with gains of 3.2 and 3.3 percent.

Another major forecasting service at the University of Pennsylvania's Wharton School, predicts smaller increases of 2.4 percent in the third quarter and 2.7 percent in the fourth.

Walter W. Heller, chairman of the Council of Economic Advisers in the Kennedy administration, predicts an approximately flat path for output in the second half. Some other economists predict declines.

More significant than what happens through the rest of 1974 is the outlook for sluggish growth, at best, in the next few years. There is broad agreement that output will increase by significantly less than this country's long-term trend of about 4 percent a year.

With population and the labor force expanding, that means living standards will advance only slowly, factories will operate below capacity and unemployment rates will remain above normal levels.

The Wharton service predicts output will increase at annual rates of 2.1 percent in the first quarter of next year, 1.8 percent in th second quarter, 2.7 percent in the third quarter and 3.7 percent in the fourth quarter.

DRI, in the optimistic version of its forecast, predicts gains averaging 3.7 percent next year. Its hedge forecast is 2.6 percent.

Although the administration refuses to be pinned down on 1975 and later, officials say the fight against inflation will require years of "slack" in the economy. Less euphemistically, that probably means maximum output gains of 3 percent annually and unemployment between 5 and 6 percent of the labor force.

The traditional target for the unemployment rate is 4 percent, but some economists believe the practical minimum is 4.5 to 5 percent. The average rate since World War II has been 4.7 percent. Unemployment was at 5.2 percent last month and is expected to rise to 5.8 or 6 percent later this year.

Each percentage point in the rate represents more than 900,000 jobless workers.

Forecasts of sluggish economic growth and unemployment moderately above normal are at the optimistic end of the range. When pessimists ponder the threat of a recession, or worse, this is what they are talking about:

In the recession of 1957–58, the most severe setback since World War II, real GNP declines 3.5 percent. The unemployment rate rose to 7.5 percent. The post war peak of unemployment, 7.9 percent, was reached during the recession of 1948–49, which by most other measures was milder than the 1957–58 slump.

The depression of the 1930s, the worst economic calamity in history, struck with two blows separated by a weak recovery.

Real GNP plummeted by 30.5 percent during the first four-year shock, from 1929 to 1933, and by 5.1 percent in the second phase, from 1937 to 1938.

Unemployment soared to 24.9 percent in 1933. That represented 12,830,000 jobless workers in a labor force much smaller than now. The unemployment rate was 19 percent and the number of jobless workers was 10,366,000 in 1938.

No one expects another disaster of that magnitude. But there can be no guarantee against an economic downturn so much more severe and prolonged than the postwar recessions that it would be recorded as a depression.

Even with subdued economic growth, which is supposed to curb inflation, rapid prices increases are expected. The administration hopes to slow consumer prices increases to an annual rate of 7 percent by the end of this year, but officials concede privately that 8 to 9 percent may be more realistic.

Although that would be an improvement from the inflation rate 12.6 percent so far this year, by any other standard it would be a miserable performance for the U.S. economy.

Until the start of the current inflation surge last year, when consumer prices rose 8.8 percent, the biggest increase since the post-World War II bulge had been 6.1 percent, in 1969. A normal annual rise through most of the 1950s and the early 1960s was less than 2 percent.

Economists wrung their hands about the dangers of "creeping inflation" at 2 or 2.5 percent a year.

If the inflation rate can be trimmed to 7 to 8 percent late this year, further reductions will be difficult and will come slowly, Stein and other officials admit. Steins estimates "hard-core" inflation at about 7 percent.

Many economists fear that the slight abatement of inflation foreseen for the end of 1974 will be only a brief respite, followed by escalation to new record rates.

Galloping inflation, they warn, could collapse the financial system and so bring down the economy.

INFLATION: IT'LL GET WORSE

(By Lee M. Cohn)

If you have nightmares about pushing a wheelbarrow full of money to the market for the week's shopping, like the Germans in the 1920's, Milton Friedman advises you to relax.

"Utter nonsense," says Friedman, the illustrious University of Chicago economist. "There isn't a chance in a million that we will get into hyperinflation."

But it would be a mistake to conclude that Friedman is optimistic about inflation. Indeed, he expects it to get worse—perhaps rising from 12 percent now to 14 percent by 1976 and even faster in later years.

The professor simply cannot stand imprecise use of the language, especially economic terms. By his reckoning, hyperinflation means price rises of at least 50 percent a month, or 600 percent a year. Cynical though he is about government bungling of economic policy, not even Friedman expects U.S. inflation to become that bad.

If "hyper" is the wrong prefix, "super" may be the best description of current and prospective inflation here and abroad. That kind of inflation can:

Lower living standards and erode savings.

Discourage and distort investment.

Raise interest rates and tighten credit.

Create disorder in the banking system and financial markets.

Slow the economy's growth and push it into a recession.

Beyond the direct economic effects, severe inflation deepens distrust of governments and can undermine political stability. Public anger over inflation has toppled several governments abroad.

Many politicians believe inflation is hurting President Nixon with the voters more than the Watergate scandals.

Inflation as measured by consumer prices was held to less than 2 percent annually in all but two years from the end of the Korean war until 1966, when the inflationary impact of the Vietnam war began to be felt.

Consumer prices have soared at an annual rate of 12.6 percent so far this year, and only moderate improvement is expected, at best.

The Nixon administration started the year predicting that inflation would abate to an annual rate of 4.5 to 5 percent by late 1974. Officials were counting on an end to the huge rises in food and fuel prices, and an economic slowdown abroad to ease the pressure on prices of raw materials.

Food and fuel prices, which had accounted for the greater part of the inflation in 1973 and the early part of this year, have been more stable and in some categories have declined from the peaks. Food prices, particularly, have dropped sharply at the farm and wholesale levels.

Prices of imported crude oil are under downward pressure. Some other raw materials prices have dropped significantly.

However, retail food prices have reflected only a small fraction of the farm and wholesale reductions. Farm and wholesale food prices are starting to turn up again. Substantial increases may result from disappointing crops and from the demands of livestock producers for price-boosting actions by the government.

Although there is hope for slower increases and some decreases in food and fuel prices, inflation is bursting out in new directions, with accelerating price rises for a wide range of industrial and consumer goods. The administration has raised its official inflation forecast for late 1974 to 7 percent, and is bracing for 8 or 9 percent.

Independent forecasters generally line up with the administration's more pessimistic projections. Thus, the prospect is for a rate of inflation at yearend far faster than previously had been considered tolerable. For all of 1974., inflation almost certainly will be in "double digits"—10 percent or higher.

Even if a few percentage points are chipped off the current inflation rate by late 1974, it is hard to be optimistic about rapid further progress. Inflation could remain in the 7 to 9 percent range, or could take off to new heights.

Escalation from normal inflation of less than 2 percent a year has been rapid.

Prices rose 3.4 percent in 1966, 3 percent in 1967 and 4.7 percent in 1968. President Lyndon Johnson, fearful of arousing antagonism to the war, refused at first to fight inflation by cutting federal spending on civilian programs or proposing tax increases. By the time he asked for a tax increase and pushed it through Congress in 1968, the price spiral had gained momentum.

That momentum pushed prices up 6.1 percent in 1969. Then, restrictive fiscal and monetary policies of the Nixon administration, which led to a mild recession, began to take hold. Inflation subsided to 5.5 percent in 1970 and an annual rate of 3.8 percent in the first seven months of 1971.

However, Nixon and the country wanted faster progress against inflation and a stronger recovery from the recession, so the President tried a short cut. He imposed price and wage controls and took other measures in August 1971 in an effort to avoid the inflationary consequences, at home and abroad, of policies to spur the economy.

Instead of using the breathing spell provided by controls to put the economy on a sound track, Nixon increased federal spending to stimulate employment and business activity as the 1972 election approached.

Nevertheless, controls seemed to be working as the inflation rate declined to 3.4 percent in 1971 and 1972. Encouraged by the record and apparently unaware of inflationary pressures bubbling below the surface, Nixon relaxed controls in January 1973.

Inflation exploded at an 8.3 percent annual rate in the first half of 1973. Reflecting the counsel of his top advisers, the President froze prices in June.

The freeze caused shortages and other economic dislocations, and it provided only a brief respite from inflation. Prices shot up at an annual rate of 22.8 percent in August, when the freeze was lifted, and have risen rapidly ever since.

Despite the freeze and the relatively tight "Phase 4" controls that followed, consumer prices rose 8.8 percent in 1973, the biggest spurt since 1947. The 1974 record will be even worse.

One big barrier to sustained improvement in inflation is the outlook for wages. Another worry is government policy.

The end of controls (except for petroleum) on April 30 probably will not make much difference directly in prices. Substantial increases to recoup costs would have been granted if controls had remained in force.

Decontrol is having a big impact on wages. Wage increases averaged a little over 6 percent during the control program, and did not keep up with the cost of living.

One representative measure of purchasing power, weekly earnings of rank-and-file workers adjusted to take account of rises in consumer prices, decreased 5.1 percent from April 1973 to April 1974. Social Security payroll tax increases took another bite out of purchasing power.

Now that controls are off, workers are pressing hard to catch up. Unions are demanding big wage increases and there are indications that non-union workers are doing the same.

"Workers and unions have been remarkably patient, but now there's bound to be a rising trend of wage increases and improved cost-of-living escalators," Nathaniel Goldfinger, AFL–CIO research director, says. "Higher wages are the basic way the average guy can protect himself."

Kenneth Rush, White House economic counselor says, "The danger of a wage explosion is one of the real inflationary threats overhanging the economy."

Prevailing estimates of average wage increases through the rest of this year are in a range of 8 to 10 percent. If wages go even higher, the price inflation rate at year-end may exceed the current projections of 7 to 9 percent, and the nation would face "double-digit" inflation again in 1975.

Administration officials do not dispute the argument that workers would need big wage increases if price inflation continued at the recent pace. But they plead for self-restraint, even sacrifice, and urge workers to base today's wage demands on the prospect that the price spiral will abate, not accelerate.

"The important thing is not to bake short-term price movements into long-term wage agreements," Sidney L. Jones, Rush's deputy, says. "But if we stay at 10 to 12 percent inflation much longer, we would have a serious wage eruption."

Besides preaching restraint to workers, the administration is trying to stiffen management's resistance to big wage demands. In a slack economy, the administration warns, it will be hard for business to recoup excessive labor costs by raising prices.

The trouble with this strategy is that many businessmen do not believe that the administration, the Federal Reserve and Congress will resist the temptation to boost the economy by running big budget deficits and pumping up money and credit. If the government shifts to such inflationary policies, businessmen will be able to pass rising labor costs on to consumers in price increases.

Despite rhetoric about fiscal restraint, Nixon knowingly switched to inflationary budget policies to stimulate the economy in advance of the 1972 election. Now that the President has so many other troubles, businessmen doubt that he will stick to anti-inflationary policies, when Congress and the public start grumbling louder about the economic slowdown.

"Whoever does mean business (about curbing inflation) should do his best not to be interpreted as a bluffer," says William J. Fellner of the Council of Economic Advisers.

"I'm not fatalistic," business economist Allan Greenspan says, "but I can't be optimistic, on the basis of the record, that the right things will be done." (Greenspan has been asked by the administration to become chairman of the Council of Economic Advisers.)

Prof. Friedman is almost fatalistic. Right now, everyone is frightened by inflation and talking resolutely about restraint, he says, but if inflation drops temporarily to 6 or 7 percent at the end of this year, "there will be a sigh of relief."

"If inflation subsidies and unemployment rises to 6 or 6½ percent, there will be a crescendo of political pressure in Washington to do something about the slowdown," he remarks.

The government will yield to the pressure and shift back to stimulative policies, he predicts, warning that inflation may bounce back to 12 or 14 percent by 1976 and progressively higher rates later.

"The policies" we follow lead to a ratcheting up of inflation," Friedman believes.

Jones, admitting he was stretching his optimism, says inflation may abate to 7 or 8 percent late this year and 6 or 7 percent in 1975. Then, he says, there could be a gradual decline to 4 or 5 percent over a period of a few years—"but a lot could go wrong."

Treasury Secretary William E. Simon views 7 percent inflation as "only a way-station" leading very slowly to much lower rates, but Herbert Stein, chairman of the Council of Economic Advisers, is not confident that inflation can be kept from rebounding to new peaks.

"We could come down to 7 percent for a while, though we are not necessarily immune from the forces that have gotten some other countries into persistent double-digit inflation," Stein says. "If we escape this time it will not mean that we'll always escape. Our history is one of episodic upward movement of the rate of inflation."

After inflation subsides, he adds, "The question is whether we become impatient and pump up the economy again and get another wave of inflation before there's time to settle down to a lower rate."

Chances for reducing inflation below 7 percent are even more uncertain, he says, calling that rate "kind of a hard core" to which wages and interest rates are adjusting.

"It would be salutary to settle at 7 percent for a while so people can see it's not a one-way street," he suggests. "If we can avoid exceeding 7 percent, we can go on from there and see what we can do to get below that."

Inflation at 10 percent a year compounded would double prices in less than eight years, cutting the value of the dollar in half. At 7 percent inflation, it would take less than 11 years.

Appalling consequences can flow from that arithmetic.

Obviously, those on fixed incomes suffer most from inflation. They can buy less, so their living standards decline.

Most incomes in the United States are not fixed. Wages and salaries on the average rise every year, Social Security and welfare benefits are increased frequently, and some private pensions are adjusted.

Incomes from dividends, owner profits and rents tend to rise over the years, but they fluctuate with business conditions, which often are unrelated to inflation. Interest rates are flexible, so the income of creditors on new loans and investments generally keeps up with inflation, although interest income on old, low-rate investment falls behind when inflation accelerates.

Thus, most Americans usually are protected to a degree from inflation. Inflation takes away some but not all of the increase in their incomes, and their purchasing power grows. But the average statistics hide millions of individuals whose incomes do not rise as fast as the prices they pay, or who lose ground in particular years.

And in periods of very fast inflation, like the last year or so, most Americans fall behind.

Reactions to the loss of purchasing power vary among consumers. Some try to maintain their living standards by buying as many goods and services as before, which means they must save less of their incomes or borrow more.

In a form of hoarding, some consumers and many businesses actually increase the quantity of purchases to beat expected price rises.

Advertising Agencies are trying to exploit this psychology. Pan American World Airways, urging tourists to vacation in Europe now despite soaring fares, advertises: "A trip to Europe is either more expensive than last year. Or cheaper than next year."

The ad suggests that the tourist charge the fare on a credit card "and pay for today's vacation with tomorrow's dollars."

Speculative buying of commodities and the allure of gold—which Americans probably will be allowed to own by next year—are additional indicators of hedging against inflation. In its extreme form, hedging deteriorates into what economists call a "flight from money." When confidence in the future buying power of money collapses, consumers and investors scramble to acquire "real" assets with intrinsic value.

Panic buying and speculation would aggravate inflation by bidding prices up. Beyond that direct effect, the fever would dry up the savings needed for loans and investments to keep the economy going. Ultimately, if money and financial assets were considered virtually valueless, the economy could break down into a barter system.

Economists see no signs that spending or speculation are getting out of hand. Indeed, there are some indications of retrenchment, which would help to curb inflation, but also could bring on a recession.

Consumers in the aggregate are spending more dollars than last year, but the quantity of goods and services purchased is lagging behind 1973. They also apparently are saving approximately as big a percentage of after-tax income as in the recent past.

Spending is restrained partly because inflation has raised prices of essentials so high that less income is left over for discretionary buying. The average consumer has no choice but to buy less. The heavy burden of debt repayments is taking another big bite out of spendable income.

Consumers also are rebelling against high prices, notably for meat but for other goods, too.

White House economist Jones says this resistance to price increases may set up a "confrontation" in which producers would be forced to abandon the idea that they can easily increase prices to recoup rising costs and still sell all the goods they can turn out.

Perhaps the main reason for the consumer's conservative reaction to inflation is worry about the future of the economy. When hard times are anticipated, most Americans try to build up their financial defenses.

For example, some life insurance industry sources report that customers are increasing their coverage—a form of saving—in an attempt to compensate for the erosion of protection by inflation.

People save despite inflation, a leading economist says, because "even if the dollar you put aside now will be worth only 90 cents (including accumulated interest earnings) when you retire, it's better to have 90 cents than nothing.

This attitude will prevail unless the inflation rate becomes much faster than anything the United States has experienced, he believes.

The banking system and financial markets also are adapting to inflation, not yielding to it so far. Interest rates have soared as lenders have attempted to keep up with inflation, and some borrowers have been squeezed out.

Restraint on consumers and borrowers is the traditional prescription for fighting inflation. The question is whether the restraint will curb consumer and business spending enough to slow inflation, without pushing the economy into a recession.

That risk must be taken, because if inflation is allowed to accelerate it will lead eventually to a "bust" worse than a recession, a key government official says.

"It wasn't the government that ended inflation in Germany in the '20s," he remarks. "The economy just ground to a halt."

INTEREST—RATES AND FEARS UP

(By Lee M. Cohn)

"If you want tight money to have an impact, it's got to be tight enough to scare people a little," Wall Street banker Guy E. Noyes says. "And when that happens you could scare them to death."

Wall Street and the rest of the money network here and abroad are very scared, suffering what probably is the worst case of financial jitters since the Depression of the 1930s.

While seasoned analysts believe the odds favor the financial system holding together, they predict tight money will cause "painful adjustments," a euphemism for a high rate of bankruptcies and an economic slowdown recession.

They see risks of a grimmer outcome—financial disorder and a world depression that could bring political chaos.

Inflation is the root of the trouble. The Federal Reserve is trying to fight inflation by squeezing money and credit. The squeeze hurts borrowers and lenders, and is strangling some of them.

Besides general inflation, high oil prices are disrupting the international financial system.

These are some of the actual and potential consequences that frighten banker, businessmen and economists:

Inflation makes lenders reluctant to tie up their money because they expect to be repaid with dollars of much lower purchasing power. They try to compensate for the anticipated erosion of the dollar's value by raising interest rates, and may refuse to lend at all.

The Federal Reserve, fighting inflation, curtails growth of money and credit in an effort to restrain the spending that bids prices up. As credit supplies tighten, interest rates rise.

Banks encounter difficulties in obtaining money to make loans and to pay off their creditors and depositors. If a bank's withdrawals and repayment obligations bunch up and its assets cannot be turned into cash quickly, it may fail.

Savings and loan associations (S&Ls) and savings banks lose deposits because they cannot afford (and are not allowed) to pay interest rates as high as savers can obtain elsewhere.

Some borrowers cannot afford the high interest rates or cannot obtain all the credit they need at any price.

Businesses, unable to borrow fresh cash, cannot pay all their obligations and may go bankrupt.

The shortage and high cost of credit compel businesses to reduce purchases for inventories and curtail expenditures for plant expansion and modernization. As a result, current production and long-term economic growth slow down.

Increases in payments for oil create huge international flows of money, weakening some currencies and straining the financial system.

"There are going to be some dislocations, and they're going to be painful," a top-policy-maker says. "I don't know how we can control the inflation and get back to stability without some people getting hurt."

Albert H. Cox Jr., chief economist of Lionel D. Edie & Co., Inc., a leading forecasting and consulting firm, warns of a "perilous descent" from high inflation and interest rates.

The best hope for limiting the damage would be "a weak recessionary economy," Cox says. "One way or another, this thing is going to break (and) it would be a lot easier to come down from 12 percent inflation and interest rates than from 15 percent."

If the economy is relatively strong, interest rates and inflation probably will rise from current levels before breaking, he explains, while if the economy is weak, the peaks may not be much higher.

Inflation as such might not lead directly to a severe recession or a depression. Rather, inflation creates the conditions that gradually bring on an economic decline: distortions of income, spending and investment, high interest rates, tight credit, financial dislocations.

Instead of moving on a direct line from inflation to a bust, the economy could sputter, and perhaps mount brief recoveries, over a prolonged period before dropping.

Inflation and high interest rates go together.

If a lender is entitled to earn 3 percent for the use of his money—2 to 4 percent is a rough estimate of the basic interest rate in the United States—he wants to be repaid $1,030 at the end of a year on a $1,000 loan. (He will demand somewhat more to cover any unusual risks of default by the borrower.)

If he expects prices to be stable during the year, he will settle for 3 percent interest. When he is repaid, he will be able to buy $30 worth of goods and services beyond what he could have bought with his $1,000 at the start of the year.

But suppose prices rise 10 percent, so that $1,000 worth of goods costs $1,100 at the end of the year. With a repayment of $1,030, the lender could buy less than if he had spent his original $1,000.

To come out even, he would have to be repaid $1,100, requiring a 10 percent interest rate. To buy 3 percent more goods than he could have purchased for $1,000 at the start of the year, he would need $1,133, or an interest return of 13.3 percent.

Unless inflation subsides, interest rates may rise above present record highs. If inflation persists at the recent 12.6 percent pace, the lender will not be compensated by current interest rates of about 9 percent for home mortgages, 9.75 percent for high-grade corporate bonds and 8.25 percent for Treasury bonds.

Rates are influenced by what the lender expects to happen to inflation. If he expected 12.6 percent inflation to continue through the years until he is repaid, he might not invest at prevailing interest rates. He might insist on higher rates to offset the prospective loss of purchasing power.

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Since lenders are investing at current interest rates, though hesitantly, they presumably expect less inflation before the loans come due, so that interest income will compensate them.

By some estimates, current interest rates are consistent with 6 to 8 percent inflation. If inflation slows to that pace, interest income at current rates will offset the loss of purchasing power and give lenders a fair return for the use of their money.

That indicates rates will not decline sharply if inflation subsides only slightly to the 7 to 9 percent range predicted by many analysts for late this year—unless there are good reasons to expect substantial further progress. Interest rates have already adjusted to approximately that kind of inflation.

Aside from the hope of slower inflation, money is loaned at negative rates of return mainly because interest rates are determined competitively by the supply and demand for credit. Inflation raises rates but does not set the exact levels.

Furthermore, alternative investments may not pay higher returns or may be riskier. Investors are better off lending at whatever rates they can get than letting money lie idle as inflation erodes its value without any offset at all.

The supply of money and credit relative to the surging demand is being squeezed by the Federal Reserve in its effort to fight inflation by restraining borrowing and spending. The Federal Reserve operates mainly by selling Treasury securities, which drains loanable funds from the banks. Through a complex web, the squeeze spreads through the economy, creating severe financial tensions.

Rumors spread intermittently that the Federal Reserve is relaxing restraint, but there is every indication that the money managers are keeping the screws tight—and may turn them still tighter.

Relaxation of restraint on the supply of credit by the Federal Reserve might lower interest rates temporarily, if lenders did not interpret the easing as inflationary. Any marked slackening of demand for credit, which could result from an economic slump, probably would pull interest rates down.

Money and bond markets—and the stock market, which has been hit hard by tight credit—grasp at any indication that borrowing may abate.

Market interest rates declined a bit and the stock market rallied immediately after major New York City banks reported last week that their loans to business had risen less than the week before. Analysts caution, however, that one week's figures are not conclusive.

While rates will fluctuate in response to passing developments and market psychology, no sharp, sustained decline can be expected unless the economy slides into a recession or inflation subsidies more than now is foreseeable. If inflation accelerates, interest rates will top current peaks.

The prime rate—the interest charged by banks on loans to their best corporate customers—has stabilized at least temporarily at a record 12 percent, after rising rapidly from 8½ percent in March. This rate is a sensitive indicator of trends in short-term interest rates generally.

Strict application of formulas pegging the prime to other rates would have raised it to 12½ percent or higher. However, some leading bankers hope demand for business loans will slacken soon, putting rates in equilibrium near current levels. They have deferred increases to see whether this expectation is confirmed.

Aggressive policies of banks have heightened their vulnerability to tight money. To increase earnings, they have pushed hard to expand lending in recent years, and they have been ingenious in tapping new sources of loanable money.

All of these innovative sources of money are short-term—banks can count on them only for brief periods. When money is tight, it is difficult and costly to "roll over" the obligations as they come due by extending them or finding fresh money.

If banks have trouble obtaining funds, they are compelled to hold down their lending. This is an objective of the Federal Reserve's anti-inflation campaign, but the squeeze could become a crunch.

When an over-extended bank cannot raise enough money to meet its obligations, it may collapse and drag down its depositors and creditors, including corporations and other banks.

Federal deposit insurance covers only the first $20,000 of each deposit, which leaves the bulk of the sensitive money uninsured.

Jitters about the banks have been intensified by the troubles of the Franklin National Bank of New York, which sustained big losses on questionable loans and foreign currency speculation. News of the losses provoked large withdrawals from the bank and made it almost impossible to roll over maturing obligations.

The Federal Reserve has kept Franklin National afloat by lending it more than $1 billion and persuading other banks to lend it money. Government officials are trying to arrange a merger of Franklin National with a strong bank.

Another recent shock was the collapse of the Herstatt Bank of Cologne, West Germany. At least a half dozen big U.S. banks face potential multi-million-dollar losses as as result of Herstatt's failure to pay off obligations.

These cases have made depositors and lenders suspicious of other banks, although government officials state that they know of no other major U.S. banks in similar difficulty. Because of the suspicions, some apparently sound banks outside the major money centers of New York and Chicago have been compelled to pay premium rates to obtain money, and some of them have not been able to obtain their full quotas.

The Federal Reserve is pledged, in its role as "lender of last resort," to protect sound banks caught in a squeeze, and Chairman Arthur F. Burns has promised to avoid a general "liquidity crunch"—a widespread inability to raise needed cash.

Nevertheless, Guy Noyes, senior vice president and economist of Morgan Guaranty Trust Co., warns that "it would take only a couple more (banks in trouble) to really get people shaken up so that a lot of banks would have trouble rolling over (obligations).... Whenever policy is tight there's a kind of brinkmanship."

Savings and loan associations have special problems, which cause trouble for housing.

Unlike banks, which can be flexible S&Ls have most of their money tied up in long-term home loans made years ago at fixed interest rates far below the present pattern.

Meanwhile, high interest rates on Treasury securities and many other kinds of debt issues are attracting savers, who are withdrawing deposits from S&Ls to switch to these investments. S&Ls, with low earnings on old mortgages, could not afford to match these rates. Besides, federal regulations demanded by the S&Ls to protect them from competition, put ceilings on the rates they can pay.

S&Ls are borrowing heavily from the Federal Home Loan Bank Board, the industry's supervisory agency, to cover withdrawals and outstanding commitments for mortgage loans. They are making few new mortgage commitments, which is a big reason for the depression in housing.

Alan Greenspan, a business economist who has been asked by the administration to become chairman of the Council of Economic Advisers, believes the S&Ls are the most seriously threatened financial link.

Because of inflation, he says, interest rates are "rapidly approaching the crisis threshold" beyond which the S&Ls would be hit by withdrawals amounting to tens of billions of dollars."

"The Federal Reserve's response," he predicts, "would be immediate and massive support (which) would create such an expansion in the money supply as to doom all reasonable efforts at future restraint. Such a crisis might well put us beyond the scope of any conventional solutions to our inflationary problems within this decade."

Prof. Milton Friedman of the University of Chicago also predicts the government will "bail out" the S&Ls in an inflationary manner, probably by paying them about $10 billion of subsidies so they can raise interest rates on deposits to competitive levels.

High interest rates and tight supplies of credit are starting to restrain business activity, as intended, although there is no convincing evidence yet that the squeeze is curbing inflation.

At 6 percent interest, it may be profitable for a company to build up inventories and purchase new machinery and equipment. At 12 precent or higher the profitability may vanish, so planned outlays may be cut back.

The theory is that marginal spending will be weeded out, while the most profitable and therefore presumably most worthy expenditures still will be financed adequately.

Some categories of essential borrowers have been hurt badly. Electric utilities, especially, must pay sharply escalating interest costs on new bond issues. Investors are worried that utilities will not be able to repay debts because state regulatory agencies are lagging in raising the rates charged by utilities enough to cover soaring fuel costs.

Increasing numbers of corporations have postponed or canceled planned bond issues because of prohibitive interest costs. Local governments also have deferred bond issues.

Reluctant to commit themselves to paying current high interest rates over the 30 years of a typical bond, many corporations are trying to raise money temporarily through short-term borrowing, which means they must borrow more often.

This is not cheap or easy, either. Corporations traditionally borrow large sums of short-term money by selling commercial paper—a form of promissory note—largely to other corporations. It now is difficult or impossible for corporations with less than a prime credit rating to sell commercial paper.

Frozen out of the bond and commercial paper markets, corporations are lining up for bank loans. Many of them are rejected or their loan requests are scaled down.

Caution by lenders is sensible but some of them are forgetting that normal business risks must be taken, says Robert V. Roosa, partner in Brown Brothers Harriman & Co., a leading Wall Street banking firm.

If the squeeze gets much tighter, some analysts fear, many sound companies may be unable to pay their debts or finance operations. There could be a wave of bankruptcies, with debtors dragging down their creditors.

The Federal Reserve would act to relieve such a liquidity crunch, but once a crisis started it would be impossible to avert serious damage. And the rescue would require a sharp expansion of money and credit, fueling inflation.

Just the threat of a liquidity crisis is leading many corporations into defensive tactics. Unsure of their ability to raise cash, they are holding down purchases for inventories and reviewing planned outlays to expand and modernize.

International financial instability creates additional complications. Huge oil price rises are increasing the revenues of the oil exporting countries by perhaps $60 billion this year, and draining the same amount out of importing nations. The money flows are unsettling.

Most of the oil exporters cannot quickly spend all of their swollen revenues, so they are lending and investing the excess abroad. This money is flowing back to the oil importing countries, directly or indirectly. In effect they are buying the oil on credit.

This "recycling" of oil money may not go smoothly, however. The money will not be loaned or invested in exact proportion to the oil payments of importing countries. Poor countries, particularly, cannot compete for loans and investments, and could not afford to repay loans at market interest rates in any case.

International financial leaders are trying, therefore, to redirect the oil money where it is needed. The outcome is in doubt.

Most of the oil money flows initially through the "Eurocurrency" market, a network of banks that accept deposits and make loans of dollars and other currencies issued outside their borders.

The Arabs prefer to keep their oil revenues, mostly dollars, in short-term Eurocurrency deposits. To help importing countries pay for oil, Eurocurrency banks lend the Arabs' money mainly at intermediate terms of about five to seven years.

This pattern is risky. Sudden withdrawals of the Arabs' deposits or defaults by the borrowers could catch the banks short of cash. The huge amounts of the money flows are straining the capacity of the Eurocurrency market.

Some analysts warn of domino-like bank failures. Since many of the Eurocurrency banks are affiliates of U.S. banks, and virtually all of them deal with banks here, American banks could be dragged down by bank failures abroad.

There has been progress in managing the flows of oil money, however. The Arabs are starting to relieve the strains by lengthening the time of their deposits and diversifying their loans and investments. Increasing amounts of the Arabs' funds are flowing into the U.S. money and capital markets. Investments in U.S. Treasury issues are expected.

No Easy Economic Options

(By Lee M. Cohn)

Government policy-makers, struggling to rescue the economy, have used up all the safe, easy options.

They can fight hard against inflation by holding the economy down, risking a recession or worse.

Or they can bolster the economy, risking an escalation of inflation.

President Nixon is trying to find his way along a third path—hoping that mild economic restraint will reduce inflation gradually, while still permitting moderate growth of production and employment. This compromise policy can be dangerous, too.

At best, it would bring several years of sluggish economic activity, with inflation persisting at a pace far above normal for the United States.

The compromise could misfire, pushing the economy from sluggish growth into a recession. And it may be too late for mild economic restraint to bring inflation under control.

"It's a tragedy that we've gotten ourselves to a situation where the only tradeoffs are terrible or more terrible," says Alan Greenspan, a conservative business economist who is in line to become the new chairman of Nixon's Council of Economic Advisers.

Greenspan favors stringent anti-inflation policies, with a tight federal budget and tight credit, despite his concern that severe financial dislocations might result.

"We don't have the alternative of a simple easy solution to bring ourselves back to noninflationary normality," he says. "We did have that alternative but it's been dissipated, lost as a realistic option."

Arthur M. Okun of the Brookings Institution, a liberal who was chairman of the Council of Economic Advisers in the Johnson administration, believes budget restraints should be loosened but endorses the Federal Reserve's tight credit policy.

Okun even considers the case for an extreme credit squeeze to get fast results in checking inflation.

"If we could have a controlled panic, we could wring out the speculative excesses," he says. "There would be bleak headlines for a couple of weeks, but we could have quick disinflation instead of hanging in there for two years with 6 percent unemployment.

"But that's playing with fissionable material. Setting off a controlled explosion is a sticky thing. I hope they don't try to fine-tune the panic."

Nixon's tone is reassuring, not panicky. Indeed, he sees economic problems as offering an opportunity to show that he can control events, despite the Watergate scandals.

Attempting to demonstrate his capacity to function, he is conducting well-publicized meetings with economic advisers, businessmen and others. He plans a speech to the nation on the economy next week.

The flurry of activity has yielded little substance, and has not overcome the impression that the administration is groping for economic remedies. Businessmen and economists complain that lack of leadership is undermining confidence.

Apart from the merits of economic policy arguments, Watergate creates doubts about the President's political resources for pursuing policies he believes will work. It may be even more difficult than in the past for him to obtain congressional cooperation in controlling government spending and taking other action against inflation.

He did defeat a move by Senate Democrats to cut individual income taxes, but pressure for tax reductions may grow. And if Nixon decided a tax increase or other tough measures were required, his prospects would be dim.

Fearful of losing, he might avoid bold initiatives.

After experimenting with price and wage controls in the hope of escaping the inflationary consequences of big budget deficits and easy credit, the administration has proclaimed its return to orthodox policies for stabilizing the economy.

The slogan is "old-time religion," meaning curbs on deficit spending and on expansion of money and credit, which can fuel inflation.

The announced budget target is a $5 billion reduction of the $305.4 billion deficit estimated for this fiscal year, and a balance of outlays and revenues next year.

Federal Reserve policy aims at curbing expansion of money and credit in order to restrain inflationary spending by the public.

"We intend to deal with this old-fashioned disease, with old-fashioned remedies for the simple reason that there are no new ones that work," Kenneth Rush, Nixon's economic counselor, declares.

"These are painful remedies and they take time. But we know they work . . . We will fight the inflation on the monetary and fiscal line no matter how long it takes."

Not all economists agree that fiscal (budgetary) and monetary restraint can help much to control the kind of inflation now plaguing the United States, unless the squeeze is so severe that the economic damage would be intolerable.

Walter W. Heller of the University of Minnesota, who was chairman of the Council of Economic Advisers in the Kennedy and Johnson administrations, sees wages as the main source of inflationary pressure from now on. Fiscal and monetary tightness can curb inflation resulting from excessive spending, but have little impact on wage settlements, he argues.

While "reasonably rigorous" fiscal and monetary policies make sense, Heller criticizes the "hard as nails" line taken by Federal Reserve Chairman Arthur F. Burns.

"King Arthur and his knights of the monetary round table have carried things too far," he objects. Tight credit threatens to make the economy so sluggish that productive efficiency would suffer—raising costs and aggravating inflation, he warns.

Heller favors "guideposts" for reasonable prices and wages, relying mainly on publicity to hold down excesses, but also providing government authority to roll back "flagrant" increases.

Otto Eckstein of Harvard University, who served under Heller on the Council of Economic Advisers, also contends that Federal Reserve policy should be relaxed because the risks surpass the potential benefits in checking inflation.

Eckstein says the computerized economic "model" operated by his forecasting firm, Data Resources, Inc., demonstrates the dangers of relying heavily on monetary and fiscal restraint. To slow inflation to 4 percent annually from the recent 12.6 percent, the computer estimates, the unemployment rate would have to rise from the current 5.2 percent to 8 percent and stay there two years.

That would be "overkill," Eckstein says, warning that "the financial system would collapse before we cracked inflation." The reasonable course would be to settle for slower progress against inflation to minimize the recession risks, he urges.

Administration officials disagree among themselves about the impact of budget restraint on inflation.

Treasury Secretary William E. Simon crusades for budget cuts as the heart of anti-inflation strategy. Roy L. Ash, director of the Office of Management and Budget, is skeptical about whether the planned $5 billion reduction can be achieved.

Ash, a rival of Simon, estimates that the cut if accomplished would trim only 0.1 percent from the inflation rate, although he concedes it would have psychological benefits.

The administration's ambivalent rhetoric raises questions about how resolutely Nixon will stick to restrictive policies.

Officials talk about "painful" adjustments, "slack" in the economy, and labor markets that are not too "tight." They are reluctant to translate these generalities into explicit consequences of restraint: business failures, sluggish economic growth, unemployment.

They avoid specifying whose favorite spending programs will be sacrificed to austerity, and they reject the idea of tax increases.

Spartan declarations are leavened with assurances that things will not be so bad.

Rush, pledging to avoid a recession, says the policy is "moderation not asceticism," and Simon emphasizes that "we're not talking about slamming on the brakes."

Nixon claims that "the worst (of inflation) is behind us."

"We've had enough of rhetoric—it's destroyed our credibility," a key policy-maker warns.

Officials admit they are not sure the present spirit of determination can be sustained —in the administration or in Congress—if inflation abates slightly or unemployment rises substantially.

Because the public now is outraged by inflation, Simon says, "I'm finding for the first time the political will (to stick to restraint). Let's see how long it lasts."

The Federal Reserve faces the most immediate pressures to relax its tight policies. Banks and businesses are encountering serious difficulties in raising needed cash. Many analysts are worried about widespread bankruptcies and even a money panic.

Chairman Burns pledges that the Federal Reserve will not permit a "liquidity crisis," but experts disagree on how close the money managers have moved to the brink. Burns' tough talk suggests that he is prepared to take considerable risks before relenting.

Burns, who is legally independent of the administration, favors cutting the budget $10 billion, double Nixon's target. The Federal Reserve is skeptical about the President's fortitude. Some administration officials have accused Burns of passing the buck for the Federal Reserve's past failures to control inflationary growth of credit.

Nixon's record of vacillation makes economists wonder whether he will waver again. He has shifted back and forth between "free market" policies and controls. As recently as February, he was talking about contingency plans to increase spending if the economy weakened.

Frederick V. Malek, deputy budget director, said then that the President would "bust the budget" if necessary to prevent a recession.

If the administration, Congress and the Federal Reserve waver, hard-liners fear that inflation will get almost completely out of control. Increased federal spending and easier credit might temporarily relieve financial tensions and boost the economy, but would only postpone the reckoning and make the shock worse, they warn.

Unless inflation is checked it will accelerate, these advocates of stringent policies say. They predict faster inflation would break down the financial system and bring a severe economic decline.

Milder measures, if taken in time, could have put the economy on a sound track, but now it is too late for easy remedies, Greenspan says, warning against further temporizing.

"Going back about a decade, we've adopted a plethora of short term crisis solutions," he says. "They have helped in the short term but created longer-term problems—and now we find ourselves in the longer term. I've always worried about what would happen when the books eventually were balanced."

Even resolute pursuit of Nixon's brand of moderately restrictive policies may not be adequate, according to some economists. They advise a harsher crackdown, even at the risk of recession.

Nobel economist Paul A. Samuelson of the Massachusetts Institute of Technology, and probably the majority of economists, reject this course as politically impractical.

The public no longer will accept high unemployment, Samuelson says, warning that excessively harsh policies would produce a backlash. "If you tighten money too much in the short term, political pressures will lead you to loosen money in the long term," he says.

Secretary Simon, too, argues that a recession must be avoided for strategic reasons, among others. If stringent policies push the economy into a recession, he says, it will be impossible to resist demands for stimulative fiscal and monetary policies, which would aggravate inflation.

Sidney L. Jones, Rush's deputy, notes the risks of frequent shifts of policy, whether toward ease or restraint. A steady course is best, he says, because "if you combine volatile policies with volatile events, you really get chaos."

International disruptions created by high oil prices are a growing influence on the domestic economic policies of the United States and other countries.

Faced with huge increases in payments for oil, many countries are compelled to reduce imports of other goods. At the same time, a natural response is to push hard to sell exports in order to earn the money to pay for imports.

This could lead to import barriers, export subsidies and trade wars of the kind that deepened the Depression of the 1930s.

In addition, there is an incentive to adopt tight fiscal and monetary policies. By suppressing the public's spending power, governments can hold down demands for imports and make more domestic production available for export.

Aggressive trade practices and restrictive domestic policies could lead to a cumulative, spreading world recession.

"That could happen if each country acted as if it were alone," Chairman Herbert Stein of the Council of Economic Advisers acknowledges. However, he says, there is every indication that the dangers are understood and international cooperation will prevail.

It would be self-defeating for all the oil-importing countries simultaneously to curb imports and spur exports in an effort to offset payments for petroleum. Instead, there is broad agreement in principle that most oil-importing countries must accept trade deficits and borrow to cover the gap.

Leading industrial countries have pledged formally to avoid new trade restrictions that would alleviate their oil payments problems at the expense of other nations.

Most of them have adopted restrictive economic policies to curb domestic inflation. But the restraints generally are moderate, which minimizes the risk of worldwide stagnation—but also may impede the international campaign against inflation.

U.S. FOREIGN POLICY IN A CHANGING PACIFIC AND ASIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "U.S. Foreign Policy in a Changing Pacific and Asia," which was published in the Pacific Community, volume 5, No. 4, July 1974.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Pacific Community vol. 5, July 1974]

U.S. FOREIGN POLICY IN A CHANGING PACIFIC AND ASIA

(By Mike Mansfield)

I. THE NIXON VISIT TO CHINA—A TURNING POINT

The first half of this decade has witnessed a fundamental transformation in the foreign policy of the United States. Within the short span of five years, there has been an appreciable move away from the role of anti-communist centurion in Asia, toward a more subtle and meaningful relationship with the peoples of that vast continent. Beyond any other single act, President Nixon's visit to the People's Republic of China symbolized this change. The euphoria of discussions, banquets and toasts in Peking enveloped the policy of boycott, isolation and ostracism of communist nations which had dominated U.S.-Asian relations for two long decades. Of course, the accumulation of suspicion and distrust did not disappear in a moment. Nevertheless, the President's visit marked the end of the Cold War. To be sure, there will be twists and turns in U.S. policy in the future which no one can now predict. The basic direction, however, is and will remain one of expanding contacts with China and on both the governmental and personal levels.

The ramifications of the turn in Sino-U.S. relations are seen elsewhere in Asia. There is a direct relationship, for example, between the new China policy and the reduction of the level of American military involvement in Southeast Asia. Troop withdrawal from Viet Nam was a powerful signal to the Chinese leadership that U.S. policies, henceforth, would constitute no clear and present danger to China's security. It is notable, too, that during the South Vietnamese incursion into southern Laos in February–March 1971, U.S. officials were at pains to assure Peking that the move would pose no threat to China. Even before that time, moreover, the United States had moved to reduce the presence of the Seventh Fleet in the Taiwan Straits to an infrequent patrol. In 1971, too, this nation agreed to remove nuclear weapons from Okinawa. Shortly before the President's trip to China, the United States recalled two bombers from Taiwan which were especially equipped to carry nuclear weapons. Finally, by agreeing to the "five principles of peaceful co-existence," as proposed by the People's Republic, President Nixon made a gesture at the conclusion of his visit to China which was designed to lay at rest any lingering concerns over the U.S. presence in Asia.

II. IMPACT ON JAPAN

Japan has been affected deeply by the new U.S. policy toward the People's Republic. The change came suddenly and on the heels of the earlier shock of revisions in U.S. trade and monetary policies. These two considerations brought a realization that the old relationship with the United States would no longer suffice. A new role in Asia was in order if Japan's interests were not to be lost in the rapidly changing scene. As seen from the United States, the transition in U.S. policies has had a counterpart in the emergence of a more independent Japanese foreign policy. It is a policy, as we see it, which holds the two nations together with the adhesive of the Defense Alliance but also opens the way to more vigorous Japanese initiatives in the economic and diplomatic field. Thus, for example, Japan leap-frogged the Nixon visit to China by moving directly into the establishment of full diplomatic relations with that nation while this nation remained in an ambiguous position with regard to Taiwan. Also to be noted in this connection is the independent Japanese approach to the Arab-Israeli dispute, and the increasing indications that Japan is determined, with or without U.S. participation, to reach agreement with the Soviet Union on the joint development of energy and other resources in Soviet Asia.

III. EFFECT ON TAIWAN AND SOUTH KOREA

Insofar as Taiwan and South Korea are concerned, U.S. policies before the change had been cast in the severest terms of the Cold War and were supported by the most militant anti-communist governments in Asia. In Korea, the United States went so far as to fight a bloody war with Chinese troops for nearly three years in a manifestation of a determination to stop communism. Twice in the 1950s, confrontations in the Taiwan area almost produced additional Sino-U.S. hostilities.

The shift in U.S.-China policy has left Taiwan and South Korea in a kind of international limbo. Korea's position today and the special relationship which is maintained by the United States with that country can hardly be described, as in the past, in terms of the threat of Soviet or Chinese Communist aggression. Rather, there is in Seoul merely one Korean government controlling a segment of the peninsula and competing with another to the north for influence with the Korean people. The talk of "liberation," either way, is replaced by calls for reconciliation.

At one time, the Taiwan government looked toward the day of the triumphant return of anti-communist forces to the Chinese mainland with the support of the United States. Today, Taiwan is a regime which administers a prosperous region with fifteen million inhabitants while still claiming to rule 800 million Chinese with whom it has had little contact since 1949. Over the years, the People's Republic and Taiwan have drifted far apart and the reality is that the former, not the latter, is in the mainstream of Chinese history.

In the circumstances, U.S. relations with Korea and Taiwan, especially with regard to defense commitments, have lost much of their original rationale.[1] The United States can no longer base its support of Taiwan on the legitimacy of the Nationalist Government. Indeed, it has already extended *de facto* diplomatic recognition to the People's Republic of China through acceptance of the latter in the United Nations and by agreeing to the establishment of liaison offices in Washington and Peking. As for the commitment in Korea, it can scarcely be justified on the grounds of a threat of aggression by "monolithic international communism" in the Far East as it was twenty years ago. Even less can it be described as a support for the position of the United Nations which appears to have lost interest in the situation years ago.

The U.S. military position in Korea and Taiwan has already been altered in a substantial fashion. Twenty thousand American troops left Korea in 1971, and sentiment exists in Congress for further cutbacks. In the 1972 Shanghai Communiqué, President Nixon committed the United States to the eventual withdrawal of all U.S. military personnel from Taiwan while acknowledging Chinese claims to the island. These changes combined with military reductions in Southeast Asia, alter drastically the U.S. position throughout Asia and the Western Pacific.

IV. CHANGING APPROACHES IN AID, TRADING AND DIPLOMACY

The changing U.S. role also is reflected in aid programs. For many years, Washington viewed assistance primarily through the eyes of the Cold War. It was regarded as a weapon in the struggle to preserve the independence of Asian countries from Chinese-inspired aggression and, thus, a source of security and stability in many cases it was tied to counterinsurgency and other defense-related activities.

This type of aid is still a significant part of the U.S. aid program, notably in Southeast Asia. In the last few years, however, new concepts have emerged with a broader vision of the situation in Asia and the Western Pacific. International organizations such as the Asian Development Bank and the Inter-Governmental Group on Indonesia, in both of which the United States participates, are developing significant programs for Asian countries, and administering multilateral aid funds. With strong U.S. support, emphasis is being given to problems of agriculture, economic development, population, health, and education, and to other humanitarian and social questions by these organizations. As multilateral assistance programs grow, bilateral U.S. activities are declining.

New patterns of trade also are emerging in the Western Pacific and Asia. For years, bilateral commerce between Japan and the United States dominated the scene. Today, Japan has expanding commercial ties with the Asian mainland and the island nations to the south. It has replaced the United States as the leading source of imports and capital from this region and also is the leading consumer of its exported products. The energy crisis, as indicated previously, has compelled an intense examination of the possibilities for Japanese trade with and investment in Soviet Asia. On the other side of the coin, U.S. trade with the People's Republic of China has grown, from practically zero in 1971 to $753 million in 1973.[2] It is also interesting to note the intention of the Chinese to develop their petroleum resources which are reported to be very extensive. It may well be that within the next decade China will emerge as an oil-exporting nation of the first rank in Asia.

Another area of change is to be found in the movement toward new diplomatic and security arrangements. Among the ASEAN countries and in the Kuala Lumpur Declararation of 1971, there is a call for a neutralization of Southeast Asia which would be guaranteed by the major powers. Regionalism has also developed an increased impetus, as non-communist Asia has begun to realize the need for a prompt normalization of relations with the communist states. Thus, the militant anti-communist Southeast Asia Treaty Organization has declined in importance. North Korea and South Korea are engaged in intermittent negotiations on unity. South Korea is making efforts to establish contacts with the Soviet Union and China. Diplomatic and commercial relations between Japan and China have expanded. Philippine trade has begun with the People's Republic of China and with the countries of Eastern Europe and contacts are growing between Thailand and Malaysia on the one hand and the People's Republic of China on the other.

V. U.S. POLICY BEFORE THE NIXON VISIT

The new era of renewed amity which began officially with President Nixon's visit follows a procession of shifts in U.S. policy on China. There was, first, the "special relationship" of close cooperation during the years of World War II and immediately thereafter. Then came the time of grim hostility after the creation of the People's Republic. That was followed, after the Moscow-Peking schism of the '60s, by a period of acquiescence in the Peking government's existence.

These same years have seen a transformation in U.S. attitudes toward Japan. As viewed from the United States, the Japanese have evolved from a militant foe of World War II, to an occupied and devastated nation, to a quasi-dependent partner in resistance to communist aggression, to a great independent power. Japan is regarded today as both a principal trading partner and a major economic rival.[3] As might be expected, the popular reactions are a mixture of enthusiasm and anxiety.

As for Southeast Asia, the region became the focal point for the U.S. anti-communist crusade after the Korean War. It was to prove to be the last crusade in Asia but before it was over, a half-a-million men had been committed to the Vietnamese war at a cost of tens of thousands of casualties and hundreds of billions of dollars. This bitter experience came to an end two decades later, with the final withdrawal of U.S. forces from Indochina in 1973. Actually, the emphasis in U.S. policy in Southeast Asia had begun to change as early as 1968 with the shock of the Tet Offensive in South Viet Nam. Thereafter, in the United States, the dominant themes of policy were to get out of Viet Nam, to leave the settlement of political problems to local parties, and to avoid similar involvements in the future.

Translated into diplomacy, this change of attitude made increasingly respectable the concept of neutralization of Indochina. That was a far cry from the position of John Foster Dulles in the first Geneva Conference of 1954. The Cold War rhetoric of "Massive Retaliation" of the 1950s and the doctrines of "flexible response" and "counterinsurgency" of the 1960s were replaced by the Nixon Doctrine of low profile. To be sure, U.S. military aid remains a factor in the situation and vestiges of earlier military deployment remain in Southeast Asia but these are of declining importance. The United States is no longer engaged in combat anywhere in Asia and a Congressional directive now forbids military reengagement in Indochina.

U.S. polices toward Korea and Taiwan still retain some characteristics of the Cold War. There are lingering emotional commitments which grow out of the alliance with Chiang Kai-shek during World War II and the direct involvement of the United States in the Korean War. However, the United States has extricated itself from direct participation in the politics of these places and is on the road to complete withdrawal from their internal affairs.[4]

VI. PROSPECTS IN THE PEOPLE'S REPUBLIC OF CHINA

The new era in U.S. policy corresponds to major changes in the Western Pacific and Asia. If the prospects for the future depend, in part, on the United States, they depend even more on what transpires inside the nations of the region and how it is reflected in their foreign policies.

The new China, it seems to me, is likely to remain largely inwardlooking in its policies. The impressions of a visit to China in 1972 are those of a self-disciplined, efficiently organized, dynamic and energetic people. The worst aspects of pre-1949 China—starvation, pestilence, war-lordism, lack of education, the absence of shelter for millions, indifference to human suffering, inflation and callous economic exploitation—have long since been eliminated. In every aspect of society, the indications are that China is being rebuilt on the basis of a new egalitarianism as exemplified by Chairman Mao's dictum "serve the people." China is creating a modern society on the foundations of an ancient culture. It is a society which already offers a livable present and a decent hope for the future. The new China is preoccupied with peaceful purposes and in particular with the massive problems of feeding, clothing and sheltering and educating 800 million people. Unless provoked, that is likely to remain the preoccupation of the People's Republic for a long time to come.

China's foreign policy has been structured, primarily, for defense and security. Since the Korean War, Chinese troops have fought only for what the Chinese have considered to be their own territory,[5] as traditionally defined, not only by the government in Peking but by the Chinese leadership on Taiwan. To be sure, China's influence is expanding in Asia and elsewhere. It is doing so, however, not on the basis of bayonets but by the pursuit of

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[1] The U.S.-Republic of China Mutual Defense Treaty states that "Each Party recognizes that an armed attack in the West Pacific Area directed against the territories of either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional process." The U.S.-Republic of Korea Mutual Defense Treaty contains similar language: "Each Party recognizes that an armed attack in the Pacific area on either of the Parties in territories now under their respective administrative control, or hereafter recognized by one of the Parties as lawfully brought under the administrative control of the other, would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes."

[2] U.S. Department of Commerce. "U.S. Foreign Trade: Highlights of Exports and Imports," December 1973, Washington, U.S. Govt. Print. Off. 1973: 45,88.

[3] U.S. Department of Commerce. "U.S. Foreign Trade: Highlights of Exports and Imports," December 1973, p. 45, 88 U.S.-Japan trade for 1973 totaled $17.9 billion. U.S. exports to Japan were valued at $8.3 billion, and U.S. imports from Japan totaled $9.6 billion.

[4] President Nixon stated in the Shanghai Communique that "It (the United States) reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves." The Administration's position on Korean reunification is that it should be negotiated by North and South Korean through the North-South talks.

[5] China's recent seizure of the Paracel Islands, for example, was a case of China acting to enforce a long-held claim to the islands based on substantial historical precedent.

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low-cost and low-key policies and a growing international commerce. Chinese actions have been consistently cautious and restrained and have reflected an alertness to the realities of present international situation.

The current attitude of the People's Republic of China toward the United States, Japan, and the Soviet Union stems not only from the primary concern for security and defense but also from a prudent readiness to expand mutually beneficial contacts with the rest of the world. For over two decades, the People's Republic viewed U.S. commitments, troops, and nuclear weapons in Asia as the principal threat to its existence. That is no longer the case. A growing concern regarding the Soviet Union has diluted this fear.

Chinese wartime memories and ideological economic interpretation stir some concerns over a possible revival of Japanese militarism. Peking also has reservations about the implications of economic collaboration between the Soviet Union and Japan in Soviet Asia. Nevertheless, it should be noted that the Chinese rapprochement with Japan is further advanced than with any other country and Sino-Japanese trade and exchange of persons are extensive and growing.

Overshadowing all other considerations, it is the Soviet Union that is seen as the major threat to China's security and defense at this time. Soviet divisions along the northern and western borders, a growing Soviet naval strength in the Western Pacific, Soviet efforts to establish a "collective security system" in Asia, all suggest to China, encirclement and isolation. Against the possibility of sudden attack, the cities of China have been catacombed with tunnels and China's military technology has been expanded to include nuclear missiles capable of reaching European Russia.

Current Sino-Soviet problems run contrary to the many encouraging trends toward a stable peace which have emerged in Asia and the Pacific. The dispute is deep-seated, with territorial claims, ideological differences, cultural conflicts, and a sense of being short-changed during the early period of Sino-Soviet economic collaboration all contributing to the tensions. Regrettably, an end to Sino-Soviet hostility does not appear to be in sight, at least, in the years immediately ahead.

VII. CONTEMPORARY JAPAN

Japan has emerged as a modern, democratic state and the major economic power of Asia and the Western Pacific. The Japanese "economic miracle" was no miracle at all. It was the result of the high technological and educational levels of the Japanese people, their organizational skills, their determination to recover from the war, and the hard work and cooperation with which they went about this task. To these basic factors was added a blend of effective government planning, a vigorous entrepreneurial system and, in the early years, a major assist of aid from the United States. The present dynamic economy plus an enlightened press, free and spirited public debate, a viable political system and competition among the parties results in a democracy that seems to work about as effectively as any in the world.

As seen from the United States, Japanese foreign policy is going through a period of soul-searching. Two events have been of particular importance in this connection: the "Nixon shocks" of 1971, as already noted, and the anti-Japanese riots during Prime Minister Tanaka's visit to Southeast Asia in January 1974. These developments suggest that it would be imprudent to assume that the final word has been registered on the U.S.-Japan Security Treaty or on the continuance of U.S. bases in Japan and Okinawa to support American military operations elsewhere. In a similar fashion, Japan also can be expected, it seems to me, to undertake, increasingly, major economic policies independent of the United States, as it has already done with regard to the Middle East and China and is in the process of doing in regard to Soviet Asia. Some of these initiatives may result in "shocks" for the United States but they need not weaken the ties between the two nations if they are seen against the background of Japan's essential needs and in the larger context of continuing common interests. On the fundamental issue of peace and security in the Western Pacific and flourishing world trade, Japanese and American interests are not in conflict and should not be permitted to drift into conflict.

Understandably, Japanese policy toward the rest of Asia has aimed at gaining wide access to markets and raw materials. This will always be a critical consideration to a nation that depends so greatly on foreign trade. But the anti-Japanese riots of January 1974 in Southeast Asia demonstrated the necessity for Japan to rethink some of the policies and methods that have been employed in this connection. Robert McNamara of the World Bank and others have pointed out that most Japanese economic aid has consisted of export credits or direct investment closely tied to commercial interests and profits. The Government of Japan has been urged to grant more liberal repayment terms on aid-loans, and it has been suggested that Japanese investors be more conscious of their responsibilities to help provide employment and improve living standards in the country of investment. Whether or not this course is the answer to the January riots, the problem of maintaining a vigorous trade without alienating the poorer countries of Asia represents a major foreign policy challenge for Japan in the years ahead.

This particular question is not directly involved in Japan's trade with the People's Republic of China. While the latter identifies with the poorer countries, the fact is that the level of self-confidence and economic competence in China is already high and is rising rapidly. More to the point, therefore, is the potential for Japanese-Chinese economic rivalry in the years ahead. In addition, there are potential problems in the off-shore areas around the islands of the East and South China Seas which are reported to be rich in petroleum. The difficulties of remaining neutral in the Sino-Soviet dispute also pose a dilemma for Japan whose peace and long-range economic welfare depend on the maintenance of good relations with both great neighbors.

VIII. TAIWAN AND SOUTH KOREA IN LIMBO

Taiwan and South Korea also face a future of uncertainties. It is doubtful that the status quo can be maintained for very long in Taiwan. In the end, only two paths are open, a drift toward separatism or a move toward an accommodation with the mainland, possibly in the form of an autonomous arrangement. Whatever Taiwan's future, it will not be decided by the government and people of the island alone. Insofar as the United States is concerned, present policy recognizes the island as Chinese but the question of reconciling that recognition with the maintenance of relations with two Chinese governments has yet to be faced. Sooner or later, the United States will confront the inevitable choice.

Korea, too, may not be able to remain indefinitely in the status quo of militant ideological division. Unlike Taiwan, however, some hesitant steps have been taken by the Koreans to deal with the anomalous situation. South Korea has tried to establish contact with the Soviet Union and China. There also have been North-South talks which, at least, keep alive the possibility of rapprochement. The problem is complicated by political difficulties within South Korea of the kind which were manifested in the Kim Dae Jung affair. Unless political pressures are mitigated within South Korea and progress can be made in the direction of reconciliation with the North, Korea will remain dangerous focal point of potential conflict.

IX. THE UNITED STATES AND THE FUTURE

This much is certain, with regard to the future role of the United States in Asia and the Western Pacific. The incessant warfare, cold and hot, during the past twenty-five years has been progressively wearing on the people of the United States. In the early 1960s, millions of Americans still believed that the United States should shoulder any burden to resist totalitarianism everywhere and to bring freedom and social progress to the peoples of the world. Viet Nam damaged these ideological beliefs and shifted the practical concerns of Americans inward to the severe domestic problems and conflicts which rose to the surface out of the churning of the war. Indeed, the Vietnamese conflict, with its devastating psychological, financial, and social effects, proved to be the catalyst for a severe disenchantment will all aspects of foreign policy.

Today, policies with regard to national defense and foreign aid reflect these new trends in American sentiment. Many members of Congress have come to support reductions in defense expenditures, especially with regard to U.S. troops and bases overseas. Congress gave a recent display of a much more critical attitude toward foreign aid when the House of Representatives voted down a new contribution to the International Development Association, the "soft loan" affiliate of the International Bank. The House, also in April 1974, defeated decisively an Administration request to raise the ceiling on military assistance to South Viet Nam in Fiscal Year 1974.

In the present American mood, proposals for economic self-sufficiency and autarchy have gained a better reception in the United States than at any time since the great depression of the 1930. The Arab oil embargo, of course, heightened this tendency. Long-range national policies now look to self-sufficiency in energy. Pressures also are present for restrictions on exports of basic commodities. Labor unions and other organizations are lobbying in Congress for severe limits on foreign imports that compete with American-made products.

These trends in public opinion which are reflected in the Congress have helped to bring about some desirable curtailments in the over-extensions of U.S. policy, but they also present new dangers. There is, for example, a danger of going from the extreme of a tragic military intervention in Indochina to the extreme of indifference and a disinterest in what transpires in Asia. The fact is that the United States has a permanent concern in the Western Pacific, not to speak of a vital interest in international peace. Both demand a continuing awareness of what takes place in Asia and appropriate responses to developments. An excessive economic nationalism, for example, could threaten the very foundation of the link with Japan. The denial of U.S. markets to Japan or the suspension of agricultural sales could result in a complete reshaping of the relationship between Japan and the United States to the detriment of both nations.

A valid U.S. policy must adjust to the changing conditions in Asia as well as to pressures from within the Unted States. It should remain and, I believe it can remain, however, a positive policy. The alternative to military containment and military pre-eminence need not be non-involvement and disinterest. A contraction of U.S. military forces, for example, can be accompanied by a creative diplomacy designed to build a new structure of peace based on conciliation, negotiation and a growing volume of multilateral economic interchange.

In this connection, the United States can make every effort to keep open its markets to the whole range of exports of the nations of the Western Pacific within the context of its own needs. While it is proper for the United States to continue to urge Japan to reduce its barriers to U.S. exports and for Japan to seek to open wider markets in the United States, this should not be done in either case under threat of economic retaliation or political reprisal.

As for the less developed countries of East Asia, more emphasis can be given to multilaterial aid arrangements along the lines of the Inter-Governmental Group on Indonesia and the Asian Development Bank, and possibly through United Nations organizations. The Soviet Union and China can be invited to participate in constructive programs of this kind.

At one time, it was the policy of the United States to stimulate the flow of private foreign investment in a random fashion. Various guarantees and incentives were offered for this purpose. It seems to me that in present circumstances, this policy must be reexamined. Excessively stimulated investment abroad is not only distortive of the flow of capital, it does not correspond to current problems and needs within the United States. Moreover, when capital is stimulated to move into Southeast Asia or Taiwan or Korea, it tends to contribute to the perpetuation of military commitments when such commitments are not longer essential or even desirable in terms of the security of the region or of the United States. This problem is actively under examination in the U.S. Senate at the present time.

In military matters, the continued contraction of deployments in Asia seems to me to be a very proper course for the United States in present circumstances. These forces are, in large part, a luxurious anachronism of Cold War policies. They can be substantially reduced and, in some cases, removed entirely. Many of the U.S. military installations in Japan, for example, serve a marginal military purpose at best, and sometimes their presence seems only to stimulate anti-U.S. attitudes among the populace. The whole complex should be reexamined and, by mutual agreement, sharply curtailed.

Expensive military assistance programs, involving hundreds of millions of dollars, are in the same category. All too often arms and equipment have been given to countries under a Cold War policy which has ceased to be relevant to the current situation. Nor should any U.S. defense treaty escape reexamination to determine whether or not it is still relevant to the needs of the 1970s. The defense treaty with the Republic of China on Taiwan, with Korea and with SEATO, in particular, may well have to be examined in connection with the contraction of the American military involvement in Asia and the Western Pacific and the normalization of relations in the region.

A new diplomacy for Asia and the Western Pacific must be based on the realization that "local" problems, more often than not, are also international in their ramifications, affecting not only the immediate parties but also, as in Indochina, at least four major powers: the United States, Japan, China, and the Soviet Union. Without the participation of these nations, it is doubtful that there can be a satisfactory resolution of the problems which are confronted in Viet Nam and also in Korea.

To deal not only with specific questions of this kind, but with the security problems which will emerge with the reduction of U.S. military power in Asia and the Western Pacific will require new negotiating forums. It seems to me that a quadripartite group in the Western Pacific, consisting of China, the Soviet Union, Japan and the United States, buttressed by the other states of the region, would be appropriate for the examination of such concepts as nonaggression pacts, mutually agreed upon military withdrawals, limitation of naval armaments in Asian waters, and nuclear testing and stockpiling in Asia. It might also facilitate a common response to proposals for a neutralized Southeast Asia and, perhaps, a neutralized Korea. In my judgment, there are possibilities of progress on matters of this kind, provided the United States, Japan, China, and the Soviet Union will work together and with other nations in pursuit of a stable peace and the well-being of the peoples of the region.

CYPRUS

Mr. MANSFIELD. Mr. President, for almost a week now difficulties have arisen in the Aegean Sea area which are affecting the future of the Republic of Cyprus and NATO's southern flank. I commend the efforts of President Nixon, Secretary Kissinger, and Under Secretary Sisco in trying to bring about some degree of order out of the chaotic situation which has developed there.

I am glad to learn that both Greece and Turkey have indicated that they would abide by the cease-fire resolution passed by the United Nations on Saturday last.

I am glad to note also that there has been no indication whatsoever of U.S. intervention, or U.S. interference. I hope that we will do what we can in a secondary position diplomatically and on the basis of advice asked for and given.

Independent Cyprus was set up in 1960 under a constitution which guaranteed its independence, and the guarantors were to be the United Kingdom, Greece, and Turkey. It provided for a Cypriot President representing a majority on the island, and a Turkish Vice President representing the minority.

It is imperative that constitutional government be restored, because otherwise, in my opinion, it is safe to assume that war will develop on a far larger scale than has been the case to date between Turkey and Greece.

That would mean, of course, that the southern flank of NATO would be weakened that much further. In many respects, because of its proximity to the Middle East and to the Soviet Union, that is the most important flank of all.

If it has no strength, if it has no community of interest, if it has no continuity, it will be of little value to the North Atlantic Treaty Organization.

The fault of the outbreak lies with the Colonel's Cabal in Athens, and it is an attempt, I believe, on the part of a government with which we have close relations, unfortunately, to bring about the takeover of Cyrpus and to achieve enosis, or union with Greece.

The reaction of the Turkish Government was unfortunate and unexpected, but it was a reaction to an action, and it is because of that that Cyprus finds itself in the position which it is in today.

The United States, as I have indicated, ought to work closely with the three guarantors of the independence of Cyprus—the United Kingdom, Turkey, and Greece—and also with the members of the NATO Alliance headquarters in Brussels and the U.N. Security Council. We should not take the lead. We should not become involved. And we ought to give the most serious consideration to the suspension of military and economic aid to that area until, and unless this question is settled on the basis of the Constitution drawn up in 1960.

I hope, Mr. President, that the result, which seems to be optimistic at this time, continues so, and that before too long this matter will be settled, and that constitutional government will be returned to the Republic of Cyprus. In that way a degree of peace and stability can be restored to that most unstable area.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania, the distinguished minority leader (Mr. HUGH SCOTT) is recognized.

Mr. HUGH SCOTT. Mr. President, the diplomatic skill of the President, the Secretary of State, and the Under Secretary of State, has again brought about a relaxation of tensions in a dangerous part of the world.

Once again it has been done without any intervention on the part of U.S. forces, without a single American casualty, and without the expenditure of American arms or American aid, or American effort other than diplomatic.

This is a remarkable achievement in and of itself, and it is a part of the pattern of achievement in foreign policy established by this administration.

I will not attempt to fix any blame for the origin of the Cyprus war, because the evidence is not yet clear, but I think it is important that both Greece and Turkey have shown the restraint that they have which led to the cease-fire, of which I was apprised last night shortly before the plan was made to announce it.

I think it would be a most distressing development had our two NATO allies on the southern flank of NATO continued to engage in armed conflict.

These things have a way of spreading. They have a way of involving other countries and they are, in themselves, of terrible import whenever nations resort to the dread arbitrament of war.

I therefore, reflect, I am sure, the relief of the American people that a cease-fire has been agreed upon. I hope it will lead to the reestablishment of the Government of Cyprus and to its return to participation in the democratic process in the family of nations.

Mr. STENNIS. Mr. President, I want to highly commend the remarks of the Senator from Montana, the majority floor leader, as well as the remarks of the Senator from Pennsylvania, the minority floor leader, for what they have said about the situation in Cyprus.

I am not cognizant of all the facts, I am not trying to assess blame, but I wanted to express my appreciation for their approach and for what they said and also point out, Mr. President, I believe that the restraint that now appears evident by both Greece and Turkey comes about partly through the fact that they are members with us in the NATO alliance.

I think it is an illustration of the wisdom and the practical contribution that this alliance makes from time to time.

I certainly do not advocate military

intervention on our part in this situation, but the fact that we have had our diplomatic avenues open and really at work on this matter through the President, of course, and through Mr. Kissinger and Mr. Cisco, shows that we do have a part, we have a responsibility.

I am not in favor of running around looking for places to intervene or stick our nose into, if I may use that term, but we cannot escape the situation, we do have a responsibility, particularly in the Western World, and this is another instance of our contribution.

We are not trying to get into a diplomatic dominance position, nothing like that.

To the contrary, I think we are trying to be helpful and cooperative and I do feel that if we were not present in that area with ready military force, order would become necessary. If we were not present there with this military power, particularly with reference to the naval power, I think the situation would be far more serious and a settlement of it less likely.

I have thought for years that the main contribution, for instance, of our military, is the deterrent effect, the deterrent effect that it has if properly used with discretion, and this to my mind is another illustration of the contribution that has been made by the mere presence of our military force and power right there on the scene, but its use or nonuse is used with discretion.

I watch with others the developments here and hope for the best and believe that the matter will be settled.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. In compliance with the previous order, the Senator from Mississippi is now recognized for not to exceed 15 minutes.

(The remarks Senator STENNIS made at this point on the introduction of S. 3784, dealing with daylight saving time, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of routine morning business for a period of not to exceed 15 minutes, with statements therein limited to 5 minutes.

The Senator from Michigan is recognized.

A SPECIAL INTEREST PROTECTION BILL

Mr. GRIFFIN. Mr. President, in 1970 I supported a bill to create a consumer protection agency. Today I rise to register my opposition to S. 707, the bill now before the Senate, even though it bears a similar title and proclaims a similar purpose.

This is a different bill. Furthermore, the times and circumstances under which we consider it are very different.

Four years ago, concern about "consumerism" was just beginning to be felt in the American marketplace. Since then, the Congress, State legislatures, and city councils across the Nation have adopted a wide variety of measures and have established a multitude of agencies to protect the consumer.

Indeed, unless we pause soon to take stock and catch our breath in what has become a frantic political race to legislate more and more bureaucracies in the name of "consumerism", the consumer will be rightfully demanding a different kind of an agency to help him: a taxpayers' protection agency.

To mention just a few examples, Congress in recent years has enacted legislation to—

Establish strict emission controls and safety standards for automobiles;

Create a Consumer Product Safety Commission;

Empower the Federal Trade Commission to seek prompt injunctive relief against unfair or deceptive trade practices;

Direct the Department of Transportation to set damageability standards for automobiles;

Establish strict controls on water and air pollution as well as pesticides; and

Protect working consumers through the Occupational Safety and Health Act—OSHA.

Furthermore, during this 93d Congress the Senate has passed no-fault automobile insurance, a consumer warranty bill, as well as the Consumer Food Safety Act of 1974.

In many instances, agencies already in existence as well as newly created bureaucracies have not even had an opportunity to put into effect new authority and new programs which have been enacted. It does not make much sense at this point to create and superimpose still another agency, when so many new programs adopted in the name of consumerism are in their infancy, too young and underdeveloped even to be judged in terms of their effectiveness. Under such circumstances, to launch another superagency with the wide ranging, undefined powers contemplated in this bill would invite needless bureaucratic harassment at great cost to the taxpayer with minimum benefit for the consumer.

Despite its appealing title, the bill before us now falls far short of its declared purpose. Apparently, in order to pick up important political support and to avoid the outright opposition of powerful special interests, the drafters of this version of the legislation have exempted labor unions and the broadcast media from coverage.

In other words, the so-called Consumer Protection Agency would be empowered under the bill to intervene and speak for consumers in proceedings involving anyone else, such as farmers, businessmen or professional persons. But the Agency could not represent consumers in proceedings involving labor unions.

The ludicrous argument advanced to justify this situation is that labor-management relations are a private affair in which the consumer has no interest.

Indeed, when this aspect of the bill was debated on the Senate floor last Wednesday, a majority of the Senate voted to broaden further, rather than narrow, the exemption accorded to labor unions. Now, virtually 100 percent of labor union activities would be outside the reach of this legislation. Under these circumstances, I believe the title of the bill should be amended so as to appropriately rename it as an act to create a "Special Interest Protection Agency."

Interestingly, no special interest exemption for labor unions was included in the earlier version of the bill which passed the Senate in 1970, and which was considered again by the Senate in 1972.

Surely, no elaborate argument is necessary to demonstrate that labor union activities can have far-reaching effects upon the consumer. As the Washington Star-News aptly observed in a recent editorial:

> If labor affairs . . . don't affect consumers, what does?

Who will convince the consumer that he is not affected by high wage settlements and union-enforced featherbedding practices in the construction industry? The home buyer is caught in a double crunch these days as he faces high construction costs and high interest rates. As a matter of fact, in 1973 alone, construction costs for family homes went up 12 percent, compared with a 9 percent rise in the consumer price index.

If labor costs do not affect the consumer there would have been no point to the freeze on wages—as well as prices—in 1971, a decision that even union leaders conceded to be appropriate at the time.

Who can say consumers are unaffected when a labor union invokes a nationwide boycott—against lettuce or table grapes, for example? Of course, I am not contending that labor unions should not be allowed to engage in concerted activity to advance labor's interests. I am only saying that it is ridiculous to argue or suggest that consumer interests do not sometimes conflict with labor union interests.

It would be bad enough if the labor union exemption were the only special interest exemption carved into this version of the legislation. However, under section 17(e) of S. 707, the Consumer Protection Agency would also be precluded from representing consumers in any broadcast license renewal proceedings before the Federal Communications Commission. No such exemption was included in either the 1970 or 1972 bills.

Obviously, there can be no question about the impact of radio and television advertising on the American consumer, as evidenced by scores of public witnesses who appeared before the Senate Commerce Committee during recent hearings on license renewal legislation.

Ironically, while the consumer interest in license renewal proceedings has been minimized, the Commerce Committee report points to FCC cable television rulemaking proceedings as a matter "clearly within the scope of the Consumer Protection Agency's activities."

What seems even clearer, I suggest, is that some special interests are more special than others. Apparently the principal advocates of S. 707 regard the exempted special interest groups to be more important than consumers.

Particularly in light of these developments which have transformed S. 707 into a hoax on the consumer, I shall oppose it; and I shall continue in the future, as I have in the past, to support and work for sound legislative measures which truly serve and represent the interests of American consumers.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ERVIN, from the Committee on the Judiciary, without amendment:

S. 3684. A bill to secure to the Congress additional time in which to consider the proposed amendments to the Federal Rules of Criminal Procedure which the Chief Justice of the U.S. Supreme Court transmitted to the Congress on April 22, 1974 (additional views filed) (Rept. No. 93–1023).

H.R. 15461. An act to secure to the Congress additional time in which to consider the proposed amendments to the Federal Rules of Criminal Procedure which the Chief Justice of the U.S. Supreme Court transmitted to the Congress on April 22, 1974.

Mr. ERVIN. Mr. President, on behalf of the Committee on the Judiciary, I am filing the committee's report on S. 3684, a bill to secure to the Congress additional time in which to consider the proposed amendments to the Federal rules of criminal procedure which the Chief Justice of the U.S. Supreme Court transmitted to the Congress on April 22, 1974, and the companion bill already passed by the House of Representatives, H.R. 15461.

The Committee on the Judiciary recommends favorable action on this legislation.

Mr. President, I ask unanimous consent that the text of S. 3684 be printed in full at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3684

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of sections 3771 and 3772 of title 18 of the United States Code, the effective date of the proposed amendments to the Federal Rules of Criminal Procedure which are embraced by the order entered by the United States Supreme Court on April 22, 1974, and which were transmitted to the Congress by the Chief Justice on April 22, 1974, is postponed until August 1, 1975.

By Mr. STEVENSON, from the Committee on Banking, Housing and Urban Affairs:

S. 3792. An original bill to amend and extend the Export Administration Act of 1969 (Rept. No. 93–1024).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 2125. A bill to amend the act entitled "An act granting land to the city of Albuquerque for public purposes," approved June 9, 1906 (Rept. No. 93–1025).

AUTHORITY TO FILE REPORT ENTITLED "RUSSIAN GRAIN TRANSACTIONS"

Mr. JACKSON. Mr. President, I ask unanimous consent that the Committee on Government Operations be given until August 16, 1974, to file a report of its Permanent Subcommittee on Investigations. This report is entitled "Russian Grain Transactions."

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

AUTHORITY TO FILE CONFERENCE REPORT ON EDUCATION AMENDMENTS OF 1974

Mr. MANSFIELD. On behalf of the joint leadership, I ask unanimous consent that it be in order to file the conference report on H.R. 69, the elementary and secondary educational measure, from the conclusion of business today until the Senate convenes tomorrow. Whether or not it is going to happen, I do not know. I have been asked to make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT OF S. 3726

Mr. CURTIS. Mr. President, on July 8, I introduced S. 3726, a bill to amend the Food Stamp Act of 1964, as amended, and for other purposes. Section 1 was not included in the text of the bill as printed in the RECORD, and I ask unanimous consent that the permanent record be corrected to include section 1.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Also, Mr. President, the bill as printed contains only section 1 of S. 3726. I ask unanimous consent that a new print be made of S. 3726 to include the additional sections 2 through 7 as printed on pages 22233 and 22234 of the RECORD dated July 8, 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. STENNIS:

S. 3784. A bill to terminate the Emergency Daylight Saving Time Energy Conservation Act of 1973 on the last Sunday of October 1974. Referred to the Committee on Commerce.

By Mr. HELMS:

S. 3785. A bill for the relief of Mr. Bienvenido L. Mendoza. Referred to the Committee on the Judiciary.

By Mr. GOLDWATER:

S. 3786. A bill to provide tax relief for condominium owners and homeowners' associations. Referred to the Committee on Finance.

By Mr. JACKSON:

S. 3787. A bill to amend the Internal Revenue Code of 1954 to provide that the gross income of an employee shall not include amounts directly or indirectly received as payment or reimbursement for legal services under group legal service plans, the value of legal services rendered under such plans, or contributions by employers to such plans. Referred to the Committee on Finance.

By Mr. MAGNUSON:

S. 3788. A bill to amend section 311(a) of title 37, United States Code, relating to continuation pay for physicians and dentists who extend their active duty obligations. Referred to the Committee on Armed Services.

By Mr. MAGNUSON:

S. 3789. A bill to promote conservation of energy resources, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. WEICKER:

S. 3790. A bill to provide a means for compensating U.S. air carriers for excessive or discriminatory airport landing fees charged such carrier in a foreign country. Referred to the Committee on Commerce.

By Mr. BIDEN:

S. 3791. A bill to amend the Public Works and Economic Development Act of 1965 in order to assist industry and employees in complying with environmental protection programs. Referred to the Committee on Public Works.

By Mr. STEVENSON, from the Committee on Banking, Housing and Urban Affairs:

S. 3792. An original bill to amend and extend the Export Administration Act of 1969. Placed on calendar.

By Mr. THURMOND:

S. 3793. A bill to provide for emergency increases in the support level for the 1974 crop of flue-cured tobacco. Referred to the Committee on Agriculture and Forestry.

By Mr. BARTLETT:

S.J. Res. 226. A joint resolution proposing an amendment to the Constitution of the United States to establish maximum age limit for Federal judges. Referred to the Committee on the Judiciary.

By Mr. HUGH SCOTT (for himself and Mr. MANSFIELD):

S.J. Res. 227. A joint resolution designating Monday, February 10, 1975, as a day of salute to America's hospitalized veterans. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STENNIS:

S. 3784. A bill to terminate the Emergency Daylight Saving Time Energy Conservation Act of 1973 on the last Sunday of October 1974. Referred to the Committee on Commerce.

Mr. STENNIS. Mr. President, on the 6th day of last January the Nation was placed on daylight saving time. Normally, of course, this would not have occurred until the last Sunday in April.

This came about, it will be recalled, as a result of the oil crisis. Congress passed the Emergency Daylight Saving Time Energy Conservation Act, which was signed December 15, 1973, and became effective on the fourth Sunday thereafter.

The reason for enactment of this law was that it was an effort to conserve energy. How much energy would be saved was speculative, as little firm data was available because there had been no previous experience with winter daylight saving time.

It was known that there would be other effects, of course—disruptions to the normal ways of life, in schools, in the traffic situation, in radio broadcasting, and many other aspects. Here again it was known that these effects would exist, but their extent and their seriousness were difficult to evaluate in advance.

From January 6 to the last Sunday of April, however, the American people had an opportunity to evaluate for themselves the advantages and disadvantages of being on daylight saving time when they normally would have been on standard time. It is my opinion that for most citizens it is an experience that they do not want to repeat. I certainly hope that it will not be necessary for them to do so, but if the traumatic experience of winter daylight saving time is not to be repeated, it will be necessary for Congress to act during this session.

The Emergency Daylight Saving Time Act of 1973, as now written, is to expire on the last Sunday of April 1975. Thus, unless it is amended by Congress, there will be a full winter of daylight saving ahead for all Americans. The half winter we had this year, from January to April, was enough. I do not think we need another full winter to prove that it is a bad idea to keep the clocks moved an hour ahead, all year around, especially as there is no firm proof that any appreciable energy was actually saved through the winter months of daylight saving time.

Mr. President, today I am introducing a bill to amend the Emergency Daylight Saving Time Act so as to cause it to expire on the last Sunday of October 1974 instead of the last Sunday of April 1975. On the last Sunday of October we would then return to standard time, as usual, but would have 6 months of daylight saving time in the calendar year 1975.

The act of December 1973 prescribed that the Department of Transportation should evaluate the operation and the effects of the act, submitting an interim report by June 30, 1974, and a final report by June 30, 1975. The interim report has been submitted, as required. The report does not vigorously present or defend any one conclusion or point of view. The report is not decisive, does not give data strongly supporting the expectation that appreciable energy was saved. The report actually concludes that this coming winter we ought to modify the experiment and instead of changing all 6 months of standard time into daylight time, just change 2 months, and keep 4 months of the forthcoming winter on standard time. This, of course, would require legislative action. But I do not agree that we need to provide only 4 months of standard time. The fact of the case, I submit, overwhelmingly supports a 6-months-only period for daylight saving time.

Mr. President, I would like to see the interim report become the final report, and be the epitaph for the whole experiment of changing our old time system. I believe that hearings do thoroughly explore the report, the effects of the time change on American families, and the minor effects on energy consumption, will reveal that we can drop the whole experiment as a failure.

If for no other reason, this should be done for the sake of schoolchildren. Last winter they had to be up and out at the bus stop long before dawn, or they had to be walking to school in the dark, crossing streets in traffic when they could not easily be seen from oncoming cars. This simply should not be done to the children. Going to school in winter weather is difficult enough for a young child, without adding the darkness. I think parents agree with this. Many of them would like to drive their children to school, to spare them this experience of being out in the night, but, with working parents, this interferes with employment hours.

Someone has said, just change the morning hour of opening schools and closing them in the afternoon.

Mr. President, that conflicts with the hours of employment in the offices, in the factories, in the stores, with all the other avenues where most people have to work to make a living. Certainly, a shifting of the school hours is not a solution.

Mr. President, it is not long now until the school year begins. Let us insure that the children will not have to repeat the experiences of last winter.

Adequate hearings on this question that is of importance to every section of our economy and of our society will be held I am sure. The Senator from Washington, Mr. MAGNUSON, has assured me of this fact. I trust that the hearings can be held soon and the bill then readily enacted. There is not only a great need for a change in the law. There is also a demanding need to know far in advance of the last Sunday in October whether or not the change will occur. Therefore, I shall pursue this matter with vigor and urge others to do the same.

Mr. President, I ask unanimous consent that at this place in the RECORD there be printed a copy of this bill to which I have referred that I am today introducing.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3784

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Emergency Daylight Saving Time Energy Conservation Act of 1973 is amended by striking out "April 1975" and inserting in lieu thereof "October 1974."

Mr. STENNIS. Mr. President, let me reiterate here that this is not a matter that we should leave until the last moment.

School preparations and plans are being made now. Even industries are making plans for the winter. A great many enterprises, large offices, almost every segment down to the smallest of our economy, our social life, and our society as a whole are affected by this question. With each passing day it becomes more acute and more uncertain, and I think hearings will show that the facts are almost unanimously to the effect that only slight energy savings can be counted when the pluses and the minuses are measured and credited to this particular phase of our energy conservation program.

I hope that my colleagues will take notice of the calendar on this question, and manifest an interest that I believe is already in their minds and hearts on this very timely and highly important question of people who are entitled to know what change, if any, we are going to make.

By Mr. GOLDWATER:

S. 3786. A bill to provide tax relief for condominium owners and homeowner's associations. Referred to the Committee on Finance.

Mr. GOLDWATER. Mr. President, I am today introducing a bill to provide tax relief for condominium housing associations and community homeowner associations.

My bill would exempt from double taxation the membership contributions which are accumulated in reserve funds established by condominium and homeowner's associations to defray future maintenance and repair bills. Recent Internal Revenue Service rulings have held, in my opinion unjustly, that these reserve funds are subject to income tax at corporate tax levels.

Mr. President, the recent tax rulings are unfair. They discourage the setting aside of money for housing improvements and repair, and they impose a double tax on the money deposited with community housing associations by requiring that the members of the association collectively must pay a second higher tax when money, on which they have already paid individual income taxes, goes into the reserve.

The moneys in these reserve funds are used exclusively for the maintenance and repair of common buildings, grounds, and facilities of the associations, and these funds should not be taxed as if they were corporate profits.

In summary, the bill I am introducing today will correct this unfair situation in which condominium and homeowner associations are taxed on the dollars they use to meet future high-cost maintenance and repair bills relating to the common buildings, grounds, and facilities of the associations. I hope Congress will act promptly to correct the present unjust and unfair situation.

Mr. President, I ask unanimous consent that a copy of the bill I am introducing shall be placed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3786

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 501(c) of the Internal Revenue Code of 1954 (relating to list of exempt organizations) is amended by adding at the end thereof the following new paragraph:

"(20) A corporation, organization, or association, not organized for profit, the membership of which is comprised solely of the owners of residential units in a condominium or housing development, and—

"(A) which is operated exclusively for the management, operation, preservation, maintenance, and care (including preservation, maintenance, and care constituting capital expenditures) of the common areas and facilities of the condominium or housing development, and

"(B) no part of the net earnings of which inures to the benefit of any member (other than through the performance of the functions described in subparagraph (A)) or to any other person."

(b) The amendment made by subsection

(a) shall apply to taxable years ending on or after the date of the enactment of this Act.

By Mr. JACKSON:

S. 3787. A bill to amend the Internal Revenue Code of 1954 to provide that the gross income of an employee shall not include amounts directly or indirectly received as payment or reimbursement for legal services under group legal service plans, the value of legal services rendered under such plans, or contributions by employers to such plans. Referred to the Committee on Finance.

Mr. JACKSON. Mr. President, I am introducing legislation to amend the Internal Revenue Code to provide for an exclusion from gross income of the value of employer contributions to prepaid group legal services plans. The purpose of this bill is to provide further encouragement for the development of prepaid legal services plans which will efficiently and economically meet the challenge of delivering legal services to millions of low- and middle-income Americans who cannot now afford legal representation.

My legislation is modeled after sections 105 and 106 of the Internal Revenue Code which provide exclusions for medical expense reimbursement payments under accident-health plans and the value of premium payments under medical insurance plans. My bill would simply add to sections 105 and 106 an exclusion for reimbursement and premium payments for prepaid legal services plans.

Mr. President, I believe that there is a great unmet need to make legal services readily available to all of the American people. We are very proud in this Nation of our tradition of equal justice for every individual regardless of race, creed, or economic or socal status. We are duly proud that our Constitution and our entire political tradition requires that "due process" and "equal protection" of law be accorded to every person. That each man should receive "his due" is one of the great egalitarian values of our way of life.

However, aspirational ideals are only as real as the effectiveness of the mechanisms by which they are implemented. The reality of "equal justice under law" depends on the ability of our legal services delivery system to actually make the necessary services available to the millions of Americans who need legal assistance each year. It is in this area that more work must be done because the simple fact is that legal assistance is currently too expensive to be readily available to the vast majority of Americans. Obtaining legal services are now beyond the financial capability of approximately 70 percent of all Americans.

Legal representation is, of course, a constitutional right in criminal cases. Over the past half-century the courts have carefully developed constitutional standards for the availability of representation in criminal proceedings. Initially, representation was required only at trial in felony cases. However, the right of representation in criminal cases now includes pretrial and post-trial criminal proceedings and recently the court decided that representation is necessary in misdemeanor cases in which any jail sentence may be imposed.

State and local bar associations and governmental units have also adopted programs for making free legal services available to criminal defendents through the local bar. Eventually, "public defender" programs developed and have expanded in order to systematically provide expert legal counsel to criminal defendants.

Now in the civil area there is a growing movement to make access to the courts and the processes and protections of the law available to more and more people. This movement is spurred by the growing need of millions of Americans to seek legal assistance in an increasingly complex society. It is this problem that my legislation is directed at.

Of course, legal services have always been readily available to that segment of the population that can afford to pay for counsel under the traditional fee for service system of representation. However, until the last decade there has been little effort made to expand the population that is able to receive legal assistance with such important everyday problems as landlord tenant disputes, the purchase or sale of property, consumer protection actions, divorce settlements, the drawing of wills and so forth.

The most obvious improvement in the access of a previously unserved group to legal representation in civil cases was the establishment of the Federal Legal Services program in the early 1960's. I have always supported the Legal Services program because I believe in the importance of broadening access to the processes of justice through law. I further believe that the record of the past decade since the establishment of Legal Services has demonstrated both the need for this program and its effectiveness at meeting that need. The vast majority of the cases handled by Legal Services attorneys have been family law cases or other common but important disputes. These are matters which have a profound effect on the day to day lives and well-being of people.

Furthermore, there is no reason to believe that everyday legal problems are unique to the poor. The kind of problems that are regularly handled by Legal Services attorneys for free affect millions of other Americans who do not happen to qualify for free legal services assistance and cannot otherwise afford legal counsel. The American Bar Association estimates that roughly 140 million people or 70 percent of the population does not have access to the legal system at present. Efforts to meet these problems at the local, State, and Federal level have been indirect and piecemeal. Nevertheless, there is a growing awareness of the need for improvement in the legal services delivery system and a growing effort to meet the challenge of providing legal services to all Americans. Essential legal services are available to the rich and the poor; it is the millions of Americans who are neither rich nor poor who need help now.

Consider the following actions which have been taken and which are aimed at improving our system of delivering legal services by reducing cost and other barriers.

First. In the area of law reform both the Congress and various States are considering no-fault automobile insurance legislation. This legislation has arisen directly out of the high cost of legal assistance in settling automobile accident claims. Because the existing tort system is not meeting people's needs at a reasonable cost and with reasonable speed it is becoming necessary to take automobile accidents out of the tort system and replace it with a system of automatic compensation in all but very serious cases.

Similarly, the high cost of legal fees and closing costs involved in the purchase and sale of real estate has caused the Congress to consider legislation to put a limit on such fees and costs in certain cases—namely, S. 3164.

In addition, many States are considering law reform in such areas as providing for no-fault divorce in order to assure that the cost of obtaining legal services will not constitute a barrier against access to the legal system.

Second. Private organizations are increasingly providing legal representation for groups of people who have similar interests in particular issues. Consumer organizations, environmental groups, and other public interest organizations with specific interests are increasingly seeking to represent through class actions large numbers of people who could not otherwise obtain access to the courts.

Third. The spread of State consumer protection agencies with authority to investigate and prosecute actions on behalf of aggrieved individuals is another effort to assure that the average citizen's legal rights are not ignored simply because he is too small to fight such battles on his own.

Fourth. The FTC has undertaken an investigation of the common bar association practice of adopting minimum fee schedules and concluded that such arrangements may violate antitrust laws by keeping legal fees uncompetitive.

Fifth. The Senate Judiciary Committee has established a Subcommittee on Representation of Citizen Interests to examine "the quality and availability of legal services performed by the legal profession, to determine how efficiently, how universally, and how economically the needs of citizens for effective advocacy are being met."

All of these actions by private and governmental bodies at the local, State, and Federal level are designed to meet the need to give all Americans regardless of economic or social status access to our system of justice through law. I believe that this represents a growing and healthy recognition that legal needs are extremely important to the everyday well being of the average American.

However, none of these actions alone or together represents a change in the system of delivering legal services designed to bring more or less comprehensive legal services within the financial range of the average citizen. To accomplish this goal major changes in the present mode of marketing legal services must be effected.

In the late 1960's and the early 1970's various "prepaid" and "group" legal services plans modeled after plans in the health field came onto the scene. These plans offer the first realistic opportunity for providing a broad range of legal services to significant unserved segments of the population.

The prepaid legal field is just beginning. It is still very experimental although a wide variety of plans have been launched and are in the offing. Data made available by the American Bar Association indicate that there are approximately 2,800 prepaid type plans providing a broad range of legal aid with personal problems. These plans represent organized groups and unaffiliated individuals. In addition to the various existing prepaid plans the American Bar Association reports that at least five insurance companies are now offering some form of prepaid legal coverage. If these prepaid plans are developed to their full potential they will make legal services available for the first time to the majority of Americans.

The Congress has already taken an important step to encourage the development of prepaid legal services with the passage last year of Public Law 93-95 amending the Labor-Management Relations Act to permit employer contributions to Union operated trust funds established to provide prepaid legal services for employees. This legislation removed a bar that existed under prior law and made it possible through the collective bargaining process to establish prepaid programs on a wide scale.

The bill I have introduced today would build on the base established by Public Law 93-95 by providing further Federal encouragement for the development of prepaid plans. If this bill is adopted reimbursement payments or premium contributions made under prepaid type plans would be excluded from the gross income of individuals receiving such payments or contributions through their employer.

This legislation will provide encouragement for the development of prepaid plans just as sections 105 and 106 provide encouragement for the development of employer-employee health insurance plans. I believe that the need and justification for such encouragement exists in the area of legal services now just as it was recognized to exist in the area of health care years ago.

Adoption of this legislation would be perfectly consistent with prior congressional actions in the area of broadening access to legal services. It will add impetus to the now burgeoning field of private prepaid legal services and legal insurance. It will help to make available to millions of Americans the protections which the law and our political tradition promises to everyone.

I am pleased to say that the American Bar Association has expressed support for this legislation along with many organizations affiliated with the National Consumer Center for Legal Services including the AFL-CIO. I am proud to have the support of these organizations for my bill and for the concept of making the promise of equal justice for all a little bit closer to reality.

By Mr. WEICKER:

S. 3790. A bill to provide a means for compensating U.S. air carriers for excessive or discriminatory airport landing fees charged such carrier in a foreign country. Referred to the Committee on Commerce.

EQUITY FOR INTERNATIONAL LANDING FEES

Mr. WEICKER. Mr. President, today I am introducing legislation to charge foreign aircraft landing in the U.S. fees that compensate for excessive or discriminatory landing fees levied by their country of origin on U.S. air carriers.

A study by the Civil Aeronautics Board on restrictive practices by foreign countries to favor their national air carriers noted the high level of landing charges encountered daily by U.S. carriers throughout the world. According to the report, U.S. carriers are charged in a Pacific country nearly 14 times those charged by the Los Angeles International Airport for comparable aircraft type and weight. European landing fees are more than twice those charged by New York's Kennedy International Airport.

Our airline industry and travelers must be treated equally with national carriers from other countries in order to compete effectively and enjoy equal benefits of air travel. The problem is best summarized by the CAB in the following statement:

> The United States basically has no quarrel with levels of landing charges set to recover costs. But it is another question when rates are designed to subsidize other airports—not used by U.S. carriers—in the system, or to meet unrealistic rates of return on assets.

A number of airports levy charges which bear no reasonable relationship to the cost of the facilities and services provided. These excessive, and often discriminatory charges place an undue burden on U.S. air carriers. Our Government must take positive steps to alleviate the economic hardship incurred by U.S. airlines.

The bill I have introduced would require the Secretary of Transportation to take action when he finds landing fees charged by foreign countries exceed comparable airport fees in the United States.

When the Secretary of Transportation makes such a finding, compensating fees will be levied on foreign carriers by the Secretary of the Treasury as a condition to the acceptance of the general declaration at the time of landing and take-off. These collected funds would be pooled in a special fund, established by the Secretary of Treasury, and appropriate payments would be paid from that separate account to compensate U.S. carriers for excessive or discriminatory fees charged in foreign countries.

I am aware the Senate Commerce Subcommittee on Aviation is presently holding hearings on S. 3481, proposed International Air Transportation Fair Competitive Practices Act.

My proposal differs from S. 3481 in two important ways. First, the Secretary of Transportation alone, without consultation with the Secretary of State, would be authorized to determine the amount of compensating fees. The issue is one of equity and economics, involving findings as to the economic disadvantage placed on U.S. airlines. The State Department has no role in such a determination. Second, this proposal focuses directly on the problem of landing fees.

This legislation calls for the U.S. Government to take decisive action in protecting the economic viability of our air carriers. They have suffered long enough. The time has come to rectify this intolerable situation. The inequitable treatment of our air carriers can be illustrated by an analysis of user charges between New York and London. The principal competition between these two cities is provided by TWA, Pan American, and British Airways. In New York, all three operate their own terminals with independent Federal inspection facilities maintained at each of these terminals. The cost experience, therefore, should be approximately the same for various charges at New York's Kennedy Airport. A comparison of the level of charges paid by British Airways landing in New York with those assessed against U.S. carriers operating into Heathrow Airport reveals the following extraordinary disparity. British Airways pays $291 to land a 747 at John F. Kennedy Airport in New York. They pay approximately $100 additional for aircraft related charges for a total of $391.

Heathrow in London is quite another story. Pan American and TWA must pay an $840 landing fee to bring a 747 into that airport. In addition, there is a $282 terminal air navigation facility charge, a $1,410 charge for use of loading bridges, and another $380 in passenger service charges if there are 200 passengers on the aircraft. If the plane arrives at peak times, a $150 average peak time surcharge is added. In total, Heathrow charges a 747 with passengers approximately $1,675. This compared to charges at Kennedy of $391 for the same aircraft.

I should note here that we have been comparing airline operations at Kennedy and Heathrow, whereas in New York the United States and foreign carriers operate their own terminals. In the case of most foreign carriers operating into Kennedy, however, they use the space and facilities provided at the international arrivals building. Additional aircraft and passenger charges are levied upon such carriers for services provided at the building by the Port of New York Authority. Foreign carriers using these facilities, however, do not have to bear the expense of maintaining separate facilities as do British Airways, Pan American, and TWA.

Other charges levied abroad are efforts to discriminate against particular airlines. In a recent trip to Rome, I was informed by pilots that Alitalia does not pay landing fees at the Rome Airport. On the other hand, U.S. airlines, Pan Am, TWA, and Seaboard operating to Rome must pay over $600 for each 747 operation—not including a 50 percent night surcharge—and $276 for each 707 operated into Rome Airport. In 1973, the payment of these landing fees by Pan American and TWA into Rome Airport amounted to $1.9 million. Alitalia does not pay these fees. The same situation in Greece where Olympic Airways is not required to pay landing fees or other charges that are levied against the operations of the U.S. carrier, TWA.

To date, negotiations have failed to bring about reform in landing fees. The U.S. Government must be given the necessary statutory authority to impose similar charges on foreign carriers, in an expeditious and effective manner. By providing such authority, it will strengthen our Government's negotiating posture and bring about needed adjustments in landing fees. The net result could well be a general lowering of landing fees around the world, as foreign countries realize there will no longer be an advantage to discriminatory fees.

I am pleased to announce the strong support of this legislation by the Airline Pilots Association.

I urge my colleagues on the Commerce Committee to carefully review the procedures established in this bill as they draft legislation to discourage restrictive or discriminatory practices toward U.S. carriers by foreign countries.

Mr. President, I ask unanimous consent that the full text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3790

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the International Aviation Facilities Act (49 U.S.C. 1151–1160) is amended by redesignating section 11 as section 12 and by inserting immediately after section 10 the following new section:

"AIRPORT LANDING FEES

"SEC. 11. The Secretary of Transportation shall survey the airport landing fees charged to United States air carriers by foreign governments or other foreign entities. If the Secretary determines at any time that such fees charged within any foreign country unreasonably exceed comparable airport landing fees in the United States or are otherwise discriminatory, he shall determine compensating fees equal to the portion of such foreign fees which he determines to be excessive or discriminatory. Such compensating fees shall be imposed on the foreign air carrier or carriers of such country by the Secretary of the Treasury as a condition to acceptance of the general declaration at the time of landing or takeoff of aircraft of such foreign air carrier or carriers. The amounts so collected shall accrue to an account established for that purpose by the Secretary of the Treasury. Payments shall be made from that account to United States air carriers in such amounts as shall be certified by the Secretary of Transportation in accordance with such regulations as he shall adopt to compensate such air carriers for excessive or discriminatory fees paid by them in such country.".

By Mr. BIDEN:

S. 3791. A bill to amend the Public Works and Economic Development Act of 1965 in order to assist industry and employees in complying with environmental protection programs. Referred to the Committee on Public Works.

Mr. BIDEN. Mr. President, today I would like to reintroduce a piece of legislation that my distinguished colleague from New Jersey (Senator WILLIAMS) brought before this body on October 12, 1972. This measure was passed by both the House of Representatives and the Senate, and then vetoed by the President. I am in high hopes today, gentlemen, that we will be able to begin proceedings to finally enact this bill into law.

I firmly believe that discrimination in any form is wrong. It is wrong when it is as blatant as racial discrimination, and it is wrong when it is subtly done to the American worker in industry because of new Federal antipollution standards. It will be difficult for our country to go through the transition of a pollution-prone society that it is now, and to try and become a pollution-free society that one day we hope it will become. However, I feel that the American worker should not have to bear the burden alone in this venture.

Man's misuse of the environment has cost the American worker in 1 year's time through ill health and related losses alone approximately $35 billion. This, my fellow colleagues, is a financial burden that especially in these inflationary times should not be shouldered alone. It is estimated that the Nation's total health bill is now at $70 billion per year. In addition to the increasing health bills paid by Americans today, they are also losing an additional $25 billion per year through missed wages and services attributable to environmentally caused illness, it is estimated.

As I see it, it is not only our duty as legislators but our obligation as Americans to reinstill confidence in the American worker. It is unfair to make him feel insecure in his job because of environmental reorganization occurring in his industry.

I feel this bill to amend the Public Works and Economic Development Act of 1965 is at this time a very essential piece of legislation. In effect, this bill would allow for an investigation by the Administrator of the Environmental Protection Agency, if an employee has a loss of employment as a result of the implementation of the Federal Water Pollution Control Act, the Clean Air Act, or any other Federal law having for its primary purpose improvement of environmental quality. When it is feasible this investigation should commence 6 months in advance of any anticipated employment loss. In this way we can get a headstart so to speak on compensating these workers for their loss. I feel that such employment compensation should amount to 60 percent of the individual's former weekly wage or the maximum payable to him or her under the unemployment compensation payable to any individual by any State under any unemployment compensation law.

The Secretary of Labor has the authorization with this bill to help in assistance services for the reemployment if these employees that have lost their respective jobs because of a change in their industry due to the implementation of the Federal Water Pollution Control Act or any other Federal law that has as its main purpose to improve the environment. This also applies to any reasonable expense incurred while moving because of the loss of one's employment. However, the authorized appropriation should not exceed $100,000,000.

There have been occasions when a business concern asserts that it cannot afford to comply with environmental protection laws and regulations. It threatens to move to another state or even outside the United States altogether. This is an environmental-blackmail tactic. This bill, I believe, should discourage such false claims, while taking cognizance of legitimate problems caused companies.

In conclusion, I ask that you give thoughtful consideration to this bill. I feel that it will immensely benefit a vast number of Americans. I ask unanimous consent that this bill be printed in the RECORD at this point, as well as an article entitled "Labor and the Politics of Environment" by the Honorable Leonard Woodcock, president of the United Auto Workers be printed in the RECORD at this point.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 3791

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Public Works and Economic Development Act of 1965 (42 U.S.C. et. seq.) is amended by adding at the end thereof a new title as follows:

"TITLE VIII—ENVIRONMENTAL EFFECTS

"SEC. 801(a)(1). The Administrator of the Environmental Protection Agency shall on his own motion or not later than thirty days from the date he receives a written request of an employee of an affected plant or industry, or his representative, initiate an investigation of any employment loss or alleged employment loss which results or may result from the issuance of a standard or order under the Federal Water Pollution Control Act, the Clear Air Act, or any other Federal law having for its primary purpose the improvement of environmental quality.

"(2) Such an investigation shall include an evaluation of the action necessary for compliance, the costs of compliance, the social or external costs of noncompliance, the extent to which the community would be dislocated by such an employment loss, possible alternatives to the employment loss and the economic circumstances of the particular facility involved and its owner or operator, including present profitability or marginal economic position.

"(3) Whenever feasible, such investigation shall commence six months in advance of any anticipated employment loss, or at the earliest possible time. In any event, such investigation shall begin within ten days of any allegation of employment loss due to the enforcement of an order or standard for the protection of environmental quality which the Administrator is requested to investigate by any person.

"(4) For the purpose of assisting in any investigation under this section, the Administrator may issue subpenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and he may administer oaths. Witnesses summoned shall be paid the same fees and mileage that are paid witnesss in the courts of the United States. In case of contumacy or refusal to obey a subpena served upon any person under this section, the district court of the United States for any district in which such person is found or resides or transacts business, upon application by the United States and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the Administrator to appear and produce papers, books, and documents before the Administrator, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(5) The owner or operator of any commercial or industrial facility seeking assistance under section 802 of this Act of alleging that an employment loss at any facility under his control will result from the enforcement of an order or standard for the protection of environmental quality, shall submit to the Administrator within thirty days a report disclosing:

"(A) the nature of the enforcement action;

"(B) his plans to comply, including a description of the technology necessary for compliance and its cost;

"(C) the extent of potential employment loss;

"(D) alternatives to the potential employment loss;

"(E) his plans to alleviate the effect of the potential employment loss on the individuals and communities involved;

"(F) the economic circumstances of the affected facility, including present profitability or marginality, and future investment plans in the absence of such inforcement; and

"(G) the economic circumstances of his total enterprises (including domestic and foreign subsidiaries or parent corporations), including present profitability, market (and any changes in market patterns), the effect of foreign competition, changes in the availability of transportation, opportunity for transfer personnel, capitalization, and capital availability, and future investment plans in the absence of such enforcement.

"(6) Such investigation shall be completed and a report of employment loss submitted to the Secretary of Labor not later than the sixtieth day after the date of initiation of investigation. The Secretary of Labor, upon receipt of such report, shall certify as unemployed as a result of such standard or order all employees who are unemployed as a result of such standard or order with respect to which the Administrator has conducted an investigation under this subsection. An individual to be eligible for certification for assistance under this section shall have had in the seventy-eight weeks immediately preceding his unemployment at least twenty-six weeks of employment in the plant or industry affected.

"(b) The Secretary is authorized to provide to any individual certified as unemployed under subsection (a) unemployment compensation. Such unemployment compensation shall equal 60 per centum of the individual's former weekly wage or the maximum payable to him under the unemployment compensation law of the State in which his employment loss occurs, whichever is the greater amount, except that no such individual shall be paid more than the highest amount of unemployment compensation payable to any individual by any State under any unemployment compensation law other than this section. Such unemployment compensation shall be paid so long as such individual is unemployed or until he retires from the labor force, whichever period is the lesser, except that no unemployment compensation shall be paid to any individual under this subsection for a period of more than seventy-eight weeks.

"(c) The Secretary is authorized to provide assistance on a temporary basis in the form of mortgage or rental payments to or on behalf of an individual certified under this section as unemployed who, as a result of financial hardship caused by such unemployment has received written notice of dispossession or eviction from his principal place of residence by reason of foreclosure of any mortgage or lien, cancellation of any contract or sale, or termination of any lease, entered into prior to such unemployment. Such assistance shall be provided for a period not to exceed one year or for the duration of the period of financial hardship, whichever is lesser.

"(d) The Secretary is authorized to provide reemployment assistance services under other laws to individuals who are certified under this section as unemployed.

"(e) The Secretary is authorized to pay the actual reasonable moving expenses of any individual (including his family and his household effects) certified under this section as unemployed who is unable to find employment at reasonable distance from his principal place of residence at the time of such unemployment and who finds employment beyond such distance.

"(f) There is authorized to be appropriated, not to exceed $100,000,000 for carrying out this section.

"(g)(1) No person shall discharge or in any other way discriminate against or cause to be discharged or discriminated against any employee or any authorized representative of employees of any commercial or industrial facility at which employment may be reduced due to, or alleged to be due to, the enforcement of an order of standard for the protection of environmental quality, (1) by reason of the fact that such employee or representative has filed, instituted, or caused to be filed or instituted any proceeding under this title, has provided information concerning any matter within the scope of this title, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions in this title, or (2) in any case where the Administrator has determined an employment loss to be unjustified.

"(2) Any employee or a representative of employees who believes that he has been discharged or otherwise discriminated against by any person in violation of paragraph (1) of this subsection may, within thirty days after such violation occurs, apply to the Secretary of Labor for a review of such alleged discharge or discrimination. A copy of the application shall be sent to such person who shall be the respondent. Upon receipt of such application, the Secretary of Labor shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to enable the parties to present information relating to such violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation, the Secretary of Labor shall make findings of fact. If he finds that such violation did occur, he shall issue a decision, incorporating an order therein, requiring the person committing such violation to take such affirmative action to abate the violation as the Secretary of Labor deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no such violation, he shall issue an order denying the application. Such order issued by the Secretary of Labor under this subsection shall be subject to judicial review. Violations by any person of paragraph (1) of this subsection or such an order shall be subject to a fine of $10,000 per day of violation.

"(3) Whenever an order is issued under this section, at the request of the applicant, a sum equal to the aggregate amount of all costs and expenses (including the attorney's fees) as determined by the Secretary of Labor to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the person committing the violation.

"POLLUTION CONTROL FACILITIES LOANS

"SEC. 802. (a) The Secretary is authorized to make loans (which for purposes of this section shall include participation in loans) to aid in financing any project in the United States for the acquisition, construction, or alteration of pollution control facilities (including machinery and equipment) for industrial or commercial usage.

"(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

"(1) Such financial assistance shall not be extended to assist establishments relocating from one part of the United States to another or to assist subcontractors whose purpose is to divest, or whose economic success is dependent upon divesting, other contractors or subcontractors of contracts theretofore customarily performed by them; except that such limitations shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary finds that the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment of the area of original location or in any other area where such entity conducts business operations, unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

"(2) Such assistance shall be extended only to applicants both private and public (including Indian tribes), which have been approved for such assistance by an agency or instrumentality of the State or political subdivision thereof in which the project to be financed is located, and which agency or instrumentality is directly concerned with problems of economic development in such State or subdivision, and which have been certified by such agency or instrumentality as requiring the loan successfully to remain in operation.

"(3) No loan shall be made under this section unless the financial assistance applied for is not otherwise available from private lenders or from other Federal agencies on terms which in the judgment of the Administrator will permit compliance with such an order or standard, and unless the Administrator finds that funds necessary for compliance are not available from within the corporate structure of the owner or operator of the affected facility, or from any domestic or foreign subsidiary or parent corporation and unless it is determined that there is reasonable assurance of repayment.

"(4) Subject to section 701(5) of this Act, no loan, including renewals or extension thereof, may be made hereunder for a period exceeding thirty years.

"(5) Loans made shall bear interest at a rate determined by the Secretary of the Treasury but not more than 3 per centum per annum.

"(6) Loans shall not exceed the aggregate cost to the applicant (excluding all other Federal aid in connection with such pollution control facilities) of acquiring, constructing, or altering the pollution control facility.

"(7) The pollution control facility for which a loan is requested must be—

"(A) a facility or equipment used, or

"(B) a modification of methods, processes, or operations where the primary purpose of such modification is to abate or control water or atmospheric pollution or contamination by removing, altering, recycling, disposing, or storing of pollutants, contaminants, wastes, or heat and which—

"(i) the State certifying authority having jurisdiction with respect to such facility has certified to the Administrator of the Environmental Protection Agency as having been acquired, constructed, or altered in conformity with State requirements for abatement or control of water or atmospheric pollution or contamination; or

"(ii) the Administrator of the Environmental Protection Agency has certified to the Secretary

"(aa) as being in compliance with the applicable regulations of the Environmental Protection Agency and of all other Federal agencies, and

"(bb) as being in furtherance of the general policy of the United States for cooperation with the States in the prevention and abatement of water pollution under the Federal Water Pollution Control Act, or in the prevention and abatement of atmospheric pollution and contamination under the Clean Air Act.

"(c) As used in this section, the term 'State certifying authority' means, in the case of water pollution, the State water pollution control agency as defined in the Federal Water Pollution Control Act and, in the case of air pollution, the air pollution control agency as defined in the Clean Air Act. The term 'State certifying authority' includes any interstate agency authorized to act in place of a certifying authority of the State.

"(d) There is hereby authorized to be appropriated not to exceed $100,000,000 per fiscal year for the fiscal years ending June 30, 1975, and June 30, 1976, to carry out this section."

LABOR AND THE POLITICS OF ENVIRONMENT

(By Leonard Woodcock)

A new environmental "game plan" is emerging in American industry. Employers under notice to comply with governmental anti-pollution standards are seeking to enlist workers, their unions, and their communities in campaigns of resistance to the enforcement of these standards through overt or implied threats that such enforcement would result in loss of jobs and income through shutdowns and layoffs.

Our passage from a pollution-prone to a relatively pollution-free society, even under the best of circumstances, is bound to be long and difficult. But we can be sure that the best of circumstances will not prevail, if through inaction we tolerate an industrial strategy of playing on the economic fears of workers and communities to create widespread political opposition to cleaning up the environment. Giving workers the right to sue would put an end to that strategy and, at the same time, would create a new and powerful financial incentive to induce polluting employers to step up to their environmental responsibilities. Lacking such an incentive, employers will be strongly tempted to adhere to past and current practices. In that case, we may not make the passage at all, or not make it in time to avoid irreparable damage to the natural life-support systems that we have until very recently taken for granted.

Throughout our history, we have measured growth, profitability and progress by a much too narrow and shortsighted calculus. For a century or more, industry, especially large corporate industry wielding a high degree of market power and political clout, has made its way on the basis of an irresponsible indifference to the adverse impact of its operations on the physical and social environment. Many of the social costs of "doing business" were never assumed by business. They were sloughed off as "negative externalities" (in the jargon of economists) to be borne by the most vulnerable segments of society—mostly workers and their families—in various kinds and degrees of economic insecurity and the disabilities flowing from such insecurity. These insecurities and disabilities, according to the laissez-faire gospel, were the price that had to be paid for progress. Workers, their families and their communities are still paying most of that bill.

As for the other major social cost of doing business—environmental pollution—to the extent that it was paid at all, it was also borne primarily by workers in the form of unsafe and unhealthful working conditions. In addition to polluting the work environment, the wastes of American industry were simply thrown off on to the land, air or water. Our reckless exploitation of natural resources was not perceived as a threat to the quality of life except by a few conservationists. Exploitation was defined optimistically as development and development was the national business.

Now tomorrow is here. The bills for generations of recklessness and greed are coming due. The social and environmental costs of doing business at the same old stand and in the same old way can no longer be tolerated. Growth, given the way it has been and is being achieved, can no longer be defined optimistically as a higher standard of living; it must also be defined as a deterioration of the quality of life, urban congestion, suburban sprawl, the poisoning of the air we breathe, the water we drink and the soil that nurtures us, the accumulation of garbage, and the steady pressure of a rising population on a finite resource base.

Concern over environmental pollution can no longer be dismissed as a passing fad of undergraduates. By November, 1970, environmental issues had come to the fore in electoral contests throughout the country, and in some helped determine the outcome. Fear of its environmental impact played a considerable and perhaps decisive role in the initial rejection of the SST by the Congress. It might be said that Administration and industry lobbying on behalf of the SST and the effort to pit aerospace workers against environmentally-conscious Congressmen and their increasingly environmentally-preoccupied constituents established the politics of environment front-and-center on the national stage.

What we have today is not an environmental policy, but environmental politics—and it is not even a new politics, merely the old politics of corporate irresponsibility, illustrated in classic perfection by Union Carbide's January, 1971, announcement that it would have to lay off about 625 workers in order to comply with air-quality standards set by the Environmental Protection Agency. This, it should be noted, reportedly occurs after fifteen years of negotiations with state and federal authorities!

By February 16, 1971, the Wall Street Journal was able to report that Union Carbide was "exploring ways to avoid closing part of its Marietta, Ohio, ferroalloys plant" in order to meet air-pollution standards. It also reported that in a letter to Senator Muskie the company president said the company had not "and will never engage in any economic or environmental blackmail" by a partial closing of the Marietta plant. But he also stated that if all efforts failed, it might be necessary to close part of the Marietta operation temporarily.

It is not difficult to imagine the surprise and shock felt by the corporation's workers, particularly in a part of the country where some workers still refer to factory smoke as "gold dust." Outrage is mixed with great caution, not to say fear, among Union Carbide workers.

Mr. A. F. Grospiron, president of the Oil, Chemical and Atomic Workers, which represents some of the Union Carbide workers, stated: "We resent the fact that Union Carbide is using our members as pawns in its resistance to clean up the air around Marietta."

On the other hand, Mr. Elwood Moffett, president of District 50 of the Allied and Technical Workers, which also represents some Union Carbide workers, said: "It is going to take time to correct these problems, and the government ought to give the company more time."

When workers are torn by conflicting views of their economic situation, as in this case, opportunistic management can have a field day.

Management's readiness to exploit the insecurity of workers is dramatically evident in the Union Carbide case. But the situation is not unique. With or without drama, it exists or is implicit wherever there are workers whose major property is in their jobs, working for employers reluctant to face up to the costs of ending environmental pollution.

When General Motors came under pressure from a federal court action for discharging industrial wastes into the Hudson River from its Tarrytown plant, it shifted its offending operation from Tarrytown to Baltimore. A local newspaper commented: "This put several hundred local employees out of jobs—a gentle hint to the rest that they, too, might join the unemployed, if Hudson River valley residents push too hard for a quick cleandup of the river. In fact, GM was more blunt with the U.S. Attorney's office. At the March 20 appearance of opposing lawyers before Judge Motley in the case, Assistant U.S. Attorney Michael Hess told the judge: 'We have been told by General Motors people that "If we couldn't dump anything into the Hudson River, we would have to close down and thousands of people would lose their jobs".' "

There is the instance of the Wyandotte Chemical Corporation which is under a Michigan state court order to recycle effluent from its plant. A company official says it will close down instead.

According to a release of the Los Angeles Times Syndicate, American Smelting and Refining Company (ASARCO) ". . . has threatened to move out if forced to obey strict air-pollution laws. Unions have backed ASARCO in El Paso, but in Tacoma they increasingly resent the company efforts to use them as environmental pawns." The same release also reported: "U.S. Steel has warned pollution-control agencies in Alabama, Indiana and Minnesota to back off if they want the company to stay around. In Birmingham, the ruse has been spectacularly successful, intimidating workers and giving U.S. Steel free rein to pollute for at least seven years. In Gary, the tactic has begun to lose effect. In Duluth, where the company runs a marginal plant, it has also worked."

In February, President Nixon received, at the White House, the industrialist members of his National Industrial Pollution Control Council. The council, which might more appropriately be called the National Association of Industrial Polluters, was in effect awarded a good conduct medal by Mr. Nixon. The New York Times reported:

"Officers of more than 200 major industries were assured by President Nixon today that they would not be made 'scapegoats' of the drive for cleaner air and water."

The President was quoted as saying: "The Government—this Administration, I can assure you—is not here to beat industry over the head."

The Times report noted that among Council members are officers of the Union Carbide Corporation, and of General Motors which, along with other auto companies, has objected to the 1975 congressional deadline for a 90 per cent reduction in exhaust pollutants, and of the Republic Steel Corporation ". . . which told federal investigators in 1969 that they had no legal right to question whether it was lagging behind schedule in reducing the dumping of waste into Cleveland's Cuyahoga River."

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Later, EPA administrator Ruckelshaus called for a new "environmental ethic" on the part of business and industry, and in dong so, according to the Times he "re-ruffled the feathers that Mr. Nixon had attempted to smooth."

The evidence indicates that the Nixon Administration is carrying water on both shoulders: the more-or-less pure water of an environmental commitment on one, the contaminated water of pollution-as-usual or a little-less-than-usual on the other.

Further doubt is cast on the strength of the Administration's own "environmental ethic" by a position advanced in the remarks of a member of the President's Council of Economic Advisers. Mr. H. S. Houthakker, speaking on "The Economy and the Environment," said: ". . . any ambient air standard implies a value judgment on the social importance of clean air relative to the social cost of achieving it. There is no obvious reason why this value judgment should lead to the same conclusion everywhere. It is conceivable that a depressed area may want to attract industry at the expense of a less stringent ambient air standard; the citizens of that area should be able to have some influence on the choice involved . . ."

If this proposition is translated into plain language, it emerges as the old and ever-new government-industry partnership against the unorganized, the unemployed, the poor and their communities. Just as poor states and communities have long been invited to compete for industry and jobs by maintaining the open-shop and keeping unemployment compensation and other social charges on employers low, they would now be invited to maintain or create a suitably polluted environment—toward the same end of getting jobs, paychecks and a brisker trade at the local stores.

This doctrine also constitutes a warning to employed workers already breathing polluted air in and out of the plan as the price of having jobs. That warning is clear: "cough and visit your doctor regularly, but don't get environment-happy or we may have to shut the operation down and move away."

This, as we have said, is no new ethic. Rather, it is the old trade-off in a new guise. Throughout the course of industrialism the insecurity of workers and would-be wage earners has enabled employers to trade jobs for long hours and low wages, for speed-up and the worker's signature on a yellow dog contract, for unsafe and unhealthy working conditions. Now, implicitly in the Houthakker proposal and the be-kind-to-industrial-polluters attitude that appears to be the dominant tendency in the Nixon Administration's fickle environment stance, the stage is being set for extension of the old trade-off to the whole environmental gamut.

A society whose economic and political decision makers can live comfortably with the assumption that 4 per cent unemployment would be full employment is a society whose breadwinners are bound to be more or less insecure. And as a result of Administration policies, we have lately witnessed the spread of economic insecurity from the ranks of blue-collar workers, where it is endemic, to the ranks of highly skilled technicians and professionals, where it has been relatively rare.

The largest constituency in this nation is the constituency not of the affluent but of the insecure. We are all residents, in Buckminster Fuller's phrase, of the Planet Polluto; but our view of pollution is inevitably colored by our place at the economic table. Those who sit below the salt, and that still includes most wage-earners and their families, are not in a position to take a bold, intransigent stand against pollution and the employers who are its major perpetrators. Even though they have traditionally been and remain the chief victims of pollution, working people are obliged by the insecurity of their jobs and lives, by their families' needs and by their loyalties to wives and children, to give "the smell of the paycheck" priority over a wholesome working and living environment—when they are offered no other choice.

The UAW holds the very firm conviction that no working men and women and no community in the nation should be forced to make that choice. Mr. Nixon thoughtfully assured many of the major industrial polluters in the country that his Administration would not "beat industry over the head" to obtain employer compliance with anti-pollution standards. He was ominously silent with respect to the police measures his Administration would take to prevent industry from beating workers over the head with the threat of plant closings and job losses if the government presses for an end of industrial pollution. We have seen no broken heads among the managements who continue to pollute our common resources of air and water; but workers all over the country can already see the club over their heads.

Does Mr. Nixon speak to Mr. Ruckelshaus? Mr. Ruckelshaus was right in warning that we need a new environmetal ethic if we are to check the deterioration of the quality of life visibly taking place as a result of a systematic degradation of the environment. But such an ethic will certainly not emerge spontaneously in the ranks of industry. The federal government, which for the time being means the Nixon Administration, must affirm it and give it vigorous and consistent implementation. No such consistent environmental ethic has been forthcoming in Washington. On the contrary, despite some vigorous language and some worthy proposals in legislation, there remains a clear and present danger that the basic environmental ethic of the Nixon Administration will be to hold industry's coat while the major polluters, through blackmail, attempt to convince workers, unions and the general public that a vigorous attack on industrial pollution is incompatible with economic growth, full employment and the American way of life.

What we really need, and what the present Administration has failed to articulate, is a new *social* ethic, which would affirm and implement the basic proposition that we have the right to, and the means to assure, both a wholesome environment and economic security.

Unions, such as the UAW, take very seriously the degradation of the environment in the United States and throughout the world. But we also feel obliged to remind Americans who share our environmental concern that the natural and social environments are one. If we are to succeed in making the difficult transition to a society living in harmony with the natural world, we must make a parallel, simultaneous commitment not just to the rhetoric of social justice but to specific legislation and institutional reforms which will insure an equitable sharing of the costs and benefits of environmental improvement, based upon a realistic appraisal of responsibility.

The environmental movement has been too slow to grasp the social and economic aspects of the environmental issue which the movement has so effectively brought to national attention. Non-labor members of that movement have done yeoman's service in creating an awareness of environmental policies. But in failing to come to grips with the politics of environment, they have exposed themselves, as well as the working men and women who should be their strongest allies, to the trap being set for them by corporate polluters.

The challenge of environmental degradation is also too important to be left to the environmentalists, because without support from the American people as a whole, especially from workers and the urban poor or near-poor who are pollution's worst casualties, the environmentalists will be fighting a lost cause. They are the bearers of bad news, and industry is already moving to discredit them as extremists. The new scapegoats, in fact, may well be not those who are most actively polluting the nation and the planet, but those who are sounding the alarm.

We must make a prompt but orderly transition from production and employment bought as an unacceptably high cost in pollution and environmental health hazards, to an economy that can provide economic security and well-being without impairing our finite resources of land, air and water.

Yet again the Administration has no plan to effect that transition. And as long as it remains without such a plan and the will to implement it, it remains in the corner of the corporate polluters, in effect conniving with them in the sordid politics of exploiting the economic insecurity of American workers in order to hold them in line as a captive constituency of the industrial-pollution complex.

American workers, perhaps more than the rest of the nation, have good reason to be foes of pollution. They have confronted it, resisted it, and to a dangerous degree have had to endure it over decades on the job. These inplant hazards have increased with the proliferation of new toxic substances in recent years. Moreover, workers and their families are most apt to be exposed to the pollution released by industry into the surrounding community, for they are less likely than executives and professional workers to live in residential suburbs. The problem is not that they are advocates of pollution, but that their economic circumstances require them to think first of jobs, paychecks and bread on the table. The Congress has no more serious challenge than that of taking specific actions which will assure American workers and their families of a valid alternative to paychecks earned through working and living in a polluted environment. That alternative, put simply, is the alternative of jobs, paychecks, bread on the table—and a clean environment.

Legislation to give workers the right to sue their employers for damages suffered in plant shutdowns or layoffs resulting from pollution of the environment would be a practical, substantial step toward the creation of such an alternative. It would not only free workers from the fear, skillfully played upon by environment-ravaging employers, that vigorous action to protect the environment must mean loss of jobs; it would give those same employers a powerful new incentive to exert their own best efforts to abate the pollution they are now causing.

Such legislation should give all workers affected both directly, through loss of jobs, and indirectly, through downgrading, the right to sue in federal and state courts. Where the employer is a corporation, there should be the right to sue the corporation, with the officers and director joined as defendants. This is essential, for in a situation where a corporation operates only one plant, if the shut-down were followed immediately by the dissolution of the corporation, the judgment would be meaningless. The possibility of being held personally liable, would tend to make officers and directors of all corporations more vigilant and diligent in avoiding and promptly correcting pollution abuses.

Damages recoverable should include not only lost wages but the fringe benefits that the workers stand to lose as well as retraining and relocating costs.

It is a widely accepted principle—although one all too often ignored in practice—that the burdens and sacrifices required by an action taken in the service of the interests of the whole society should be shared equitably by all who benefit from that action and not allowed to fall disproportionately upon some who are innocent victims of it. Certainly purification of the environment is in the interests of all citizens. All of them will ultimately pay in increased taxes and often, damages inflicted upon them by the actions unfortunately, in higher prices for steps taken publicly and privately to avoid, eliminate or reduce pollution. Increased taxes and higher prices will also be paid by the workers who stand to lose their jobs, temporarily or permanently, as a result of plant shutdowns resulting from environmental problems. They and their families should not be asked, in addition, to pay with loss of income and valuable fringe benefit protections.

If the legislation is to be effective, workers must be assured of prompt relief from any damages inflicted upon them by the actions of polluting employers. One of the main purposes of the legislation is to free workers from fear so that unscrupulous employers will no longer able to hold them as hostages in order to continue polluting the environment. That purpose obviously would be nullified if workers envisioned that they might have to wait years, with their families meanwhile subject to severe hardship, while employers take full advantage of all the opportunities for delay that our legal processes afford. It is therefore imperative to assure workers that the protections will be available promptly. The Secretary of Labor should be empowered to join in the suit and to make payments, recoverable from the employer, to the workers in lieu of their lost wages. Payment before judgment is issued, of course, raises the possibility that in some cases the Secretary of Labor might make payments to workers whose suits ultimately will be lost. The risk would be small because enactment of the proposed legislation would create a powerful deterrent to pollution-related plant shutdowns. It would be far less costly to employers to eliminate or abate pollution rather than pay damages and, as a result, few lawsuits would actually be initiated. In any case, whatever small risk of unrecoverable payments might remain dwindles into insignificance by comparison with the potential dangers to all of us from continued and, in some cases, possibly irreversible pollution of the environment by corporations that hide behind the insecurity of their workers.

Ultimately, of course, employers should bear the full cost of compensating their workers for economic harm done to the latter as a result of failure to avoid or correct pollution abuses. It is clear, however, that the government cannot be absolved of blame for its failure to come to grips earlier with the pollution problem. The government's negligence in this matter does not excuse those employers who took advantage of it. But some of them undoubtedly, will require time to correct what government permitted them to do in the past. Since responsibility in this matter is shared by government and industry it seems fair to ask them to share, during a transition period, the cost of repairing any damage their action or inaction caused to be inflicted upon the families of innocent workers.

While legislation along these lines is focused on protection of workers, it should be emphasized again that that would be but one of its socially desirable results. By assuring workers such protection, it would remove what is perhaps the most serious political obstacle to vigorous and effective legislative and administrative action to minimize industrial pollution of the environment. It would end political blackmail of the kind attempted by Union Carbide because employers who threaten to lay off workers in order to evade their environmental responsibilities would thereby be establishing the right of their workers to obtain damage judgments. Employers resorting to such threats would, in effect, be providing additional evidence to support any suit their workers might bring.

At the same time the suggested legislation would provide a powerful financial incentive to industry to abate pollution. As a result, the proposed protective provisions for workers and the lawsuits required to bring them into play would rarely have to be invoked.

This country is racing against a number of clocks that keep ticking whether we are listening or not. The clock of unfulfilled democratic promises will tick us into a slow decline and exhaustion of democratic conviction and solidarity. The environmental clock will tick us into a slow but steady deterioration of the natural environment and the resource base that make life and democracy possible. These clocks will tick on unless we manage to assert the preeminence of a social and environmental ethic over the cold calculus of private corporate power and irresponsibility.

By Mr. BARTLETT:

S.J. Res. 226. A joint resolution proposing an amendment to the Constitution of the United States to establish maximum age limit for Federal judges. Referred to the Committee on the Judiciary.

Mr. BARTLETT. Mr. President, I am today introducing for the Senate's consideration a proposed constitutional amendment establishing a mandatory retirement age for members of the Federal judiciary.

If adopted, this constitutional amendment would do the following: First, it would prohibit appointment to the Federal bench of any person who has attained the age of 70 years. Second, the amendment would require all judges to retire at the age of 75 except those judges who are now serving and who have not acquired their full retirement benefits. These judges in the latter category would be allowed to continue their service until their judicial retirement will have vested.

Mr. President, the purpose and value of this proposed amendment are obvious. It just makes no sense to allow persons executing the authority and responsibility of a Federal judge to continue their duties at a time when they may not be fully capable either physically or mentally.

Although Oliver Wendell Holmes served on the Supreme Court until he was 90 and Louis Brandeis retired at 82, these are rare exceptions.

Far too often judges, being devoted to their job, far outstay the time when they can judiciously perform their duties.

Business and Government have already recognized the good judgment of a reasonable retirement age. In 1966 the Congress passed legislation requiring civil service employees to retire at age 70. In most instances American businesses require retirement by age 65.

The need for mandatory retirement of judges exceeds that of most other professions. Presently judges are in the unique position of serving for life with virtually no oversight short of impeachment for commission of a crime.

There exist numerous cases of judges who, though well qualified when younger, continue to serve and handle important cases even though advancing age has brought on senility and actual incompetence.

Some would argue that, if such an amendment is passed covering the judiciary, as a corollary it should also include Members of Congress.

However, there is a considerable difference between Members of Congress who must periodically face the voters and a Federal judge who is isolated from any oversight. The voters frequently retire a politician who does not have the good sense to see that he can no longer do the job. Voters do not have this opportunity with Federal judges.

Mr. President, if passed, this amendment will do a great deal to restore the public's lagging confidence in their judicial officers, for too often, one senile judge has given the entire judiciary a black mark. I urge serious consideration of this amendment.

By Mr. HUGH SCOTT (for himself and Mr. Mansfield):

S.J. Res. 227. A joint resolution designating Monday, February 10, 1975, as a day of salute to America's hospitalized veterans. Referred to the Committee on the Judiciary.

Mr. HUGH SCOTT. Mr. President, I am happy today to introduce with the distinguished majority leader (Mr. Mansfield), a resolution designating Monday, February 10, as a day of salute to America's hospitalized veterans.

Last year on February 12, the first anniversary of the release of the first group of POWs, an organization named No Greater Love, sponsored the first salute to hospitalized veterans. It was extremely successful, consisting of visits by prominent Americans to the VA hospitals and special activities for paralyzed veterans. As a member of the advisory council of No Greater Love, I have been asked to introduce a resolution proclaiming February 10, 1975, as a salute to these courageous men. The distinguished House majority leader, Mr. O'Neill and the distinguished house minority leader, Mr. Rhodes are introducing today a similar resolution in the House.

I hope this special day will further instill in all Americans a greater understanding and appreciation for what these hospitalized servicemen are going through and will further serve as a focal point for activities in our VA hospitals to honor these outstanding men.

They have given us so much; let us give them at least our time and our support.

I ask unanimous consent that the text of the joint resolution be printed in the Record immediately following my remarks.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 227

Whereas 800,000 hospitalized American veterans are served in 177 VA hospitals annually, and

Whereas certain organizations sponsor throughout each year for these veterans a series of programs, celebrity visits, and special activities for paralyzed veterans, and formally call the nation's attention to these special Americans, and,

Whereas these servicemen and servicewomen deserve an annual recognition from the citizens through the United States for the sacrifices they made to help keep America a free country: Now, therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Monday, February 10, 1975, be designated as a day to honor America's hospitalized veterans for the sacrifices they have made to keep our nation free, that in all VA hospitals in the United States, this day be appropriately recognized as a salute to America's hospitalized veterans, and, furthermore, that the President of the United States, the Chief Justice of the Supreme Court, the Attorney General of the United States, and the governors of all the States be individually informed of this resolution.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2022

At the request of Mr. Tunney, the Senator from Nevada (Mr. Bible) was added as a cosponsor of S. 2022, a bill to provide flexible hours employment in the Federal Government.

S. 2854

At the request of Mr. Cranston, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of S. 2854 to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolic, and Digestive Diseases in order to advance a national attack on arthritis.

S. 2938

At the request of Mr. Jackson, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 2938, the Indian Health Care Improvement Act.

S. 3188

At the request of Mr. Jackson, the Senator from New Jersey (Mr. Case) was added as a cosponsor of S. 3188 to establish the Sewall-Belmont House National Historic Site, and for other purposes.

S. 3305

At the request of Mr. Clark, the Senator from New Jersey (Mr. Williams) and the Senator from Wyoming (Mr. McGee) were added as cosponsors of S. 3305, the National Huntington's Disease Control Act.

S. 3383

At the request of Mr. McGovern, the Senators from Montana (Mr. Mansfield and Mr. Metcalf), the Senator from Wyoming Mr. McGee), the Senator from North Dakota (Mr. Young), the Senator from New Mexico (Mr. Domenici), and the Senator from Nevada (Mr. Bible) were added as cosponsors of S. 3383 to amend the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans.

S. 3493

At the request of Mr. Hathaway, the Senator from Maine (Mr. Muskie) was added as a cosponsor of S. 3493 to authorize the establishment of the Atlantic Wetlands Research Center.

S. 3515

At the request of Mr. Brock, the Senator from Texas, Mr. Tower) was added as a cosponsor of S. 3515, a bill relating to the procurement of property for the protection of the President and Vice President at private residences.

S. 3601

At the request of Mr. Bentsen, the Senator from Rhode Island (Mr. Pell), the Senator from South Dakota (Mr. McGovern), the Senator from Minnesota (Mr. Humphrey), and the Senator from Massachusetts (Mr. Kennedy), were added as cosponsors of S. 3601, the Urban Public Transportation Act of 1974.

S. 3680

At the request of Mr. Tunney, the Senator from Nevada (Mr. Bible) was added as a cosponsor of S. 3680, a bill to prevent the unfair taxation of recent college graduates.

SENATE JOINT RESOLUTION 224

At the request of Mr. Montoya, the Senator from Nevada (Mr. Bible), the Senator from Maryland (Mr. Beall), and the Senator from South Carolina (Mr. Hollings) were added as cosponsors of Senate Joint Resolution 224, to authorize and request the President to issue annually a proclamation designating January of each year as "March of Dimes Birth Defects Prevention Month."

SENATE RESOLUTION 361—SUBMISSION OF A RESOLUTION AUTHORIZING PRINTING AND COMPILATION OF "TOWARD A NATIONAL GROWTH POLICY: FEDERAL AND STATE DEVELOPMENTS IN 1973"

(Referred to the Committee on Rules and Administration.)

Mr. HUMPHREY. Mr. President, I am today introducing a Senate Resolution to have a report prepared by the Congressional Research Service printed as a Senate Document. This report, entitled, "Toward a National Growth Policy: Federal and State Developments in 1973", is an invaluable document which every member of the Senate will find useful with respect to legislative deliberations during this and future sessions of Congress.

The basic purpose of this particular report is to place individual legislative and other governmental actions in the larger context of interrelated national rural and urban objectives as set forth by Congress in the Housing and Urban Development and Agricultural Acts of 1970.

In addition to the survey of Federal and State activities affecting the development of national growth policy, this report also includes significant court decisions and major reports issued in 1973 relating to national growth and development. Furthermore, this report includes a very comprehensive, yet selected, bibliography of literature published in 1973 and a listing of federally supported research actually underway relating to national growth policy and its major elements.

Mr. President, this report will help not only the Members of the Senate in their future legislative deliberations, but also hundreds of scholars and researchers in and out of government who are working on governmental policy questions. I ask unanimous consent that my letter to the chairman of the Rules Committee, Senator Cannon, be presented at this portion of my remarks.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., July 22, 1974.

Hon. Howard W. Cannon,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: I today introduced the attached Senate Resolution to authorize the printing as a Senate Document of a report prepared at my request by the Congressional Research Service entitled, "Toward a National Growth Policy: Federal and State Developments in 1973."

I would hope that your Committee could consider this Resolution at the earliest possible date so that members of the Senate and others will be afforded the opportunity to utilize the contents of this report in their legislative deliberations.

You will recall that your Committee generously approved a similar report prepared by CRS covering actions and developments in 1972, for which I was most appreciative.

I am also enclosing a copy of the statement which I made July 22nd in introducing the Resolution, which you and other members of the Committee might find of interest.

Your approval of this Resolution will be most appreciated not only by me, but by members of the Senate and the hundreds of scholars, researchers and other state and local government officials throughout the country who are involved in program development or studies in this area.

With every best wish.

Sincerely,

Hubert H. Humphrey.

The text of the resolution is as follows:

S. Res. 361

Resolved, That the compilation entitled "Toward a National Growth Policy: Federal and State Developments in 1973", prepared by the Congressional Research Service, Library of Congress, be printed as a Senate document; and that there be printed one thousand thirty additional copies of such document for the use of the Senate.

SENATE RESOLUTION 362—SUBMISSION OF A RESOLUTION CONCERNING THE SELECTION OF STAFF MEMBERS BY COMMITTEE MEMBERS

(Referred to the Committee on Rules and Administration.)

SENATE STAFFING

Mr. BIDEN. Mr. President, I rise today in order to offer a resolution authorizing each Senator to appoint one professional employee with full staff rights and privileges, and one supporting clerk-typist, if necessary, to the staff of each standing committee to which the Member is assigned. The mechanics of the resolution are straightforward, and take up only a single page on a standard bill form.

Senators Brock, Cranston, and I have devised the resolution out of a deep-seated feeling that the staffing situation in the Senate leaves something to be desired. I think it is fair to say that many other Senators also share this concern because the resolution I offer today has 26 cosponsors: Senators ABOUREZK, BEALL, BENTSEN, BUCKLEY, CHILES, CLARK, DOMENICI, GOLDWATER, GRAVEL, HASKELL, HELMS, HUDDLESTON, HUMPHREY, JOHNSTON, MATHIAS, MONDALE, PACKWOOD, SCHWEIKER, SCOTT of Virginia, STEVENS, STEVENSON, SYMINGTON, TAFT, TOWER, TUNNEY, and WEICKER.

The urgency of taking a close look at the ability of Congress to carry out its constitutionally delegated business has been at issue increasingly over the last decade, long before the effectiveness rating of the legislative branch fell to 21 percent in the public polls last month. The Committee on Rules and Administration, both by inclination and by jurisdiction, has been in the forefront of the movement to redress the serious constitutional imbalances that threaten the framework of our tripartite government. The committee's remarkable efforts, under the leadership of the capable majority whip, to hammer out the Budget Reform Act of 1974 were underwritten at last on Saturday, when the President signed the bill into law.

The fruit of this measure will be the time when the legislative branch finally reasserts its constitutionally assigned power of the purse. In reacting this reform, the legislative prerogative of oversight and appropriation has been firmly upheld for the third time since the end of the Second World War. The creation of a congressional budget apparatus is a long stride forward for the Senate on the path out of the quill pen and green eyeshade era of fiscal accounting. The yeoman efforts of the entire Senate will be required to measure up to the challenge which the Committee on Rules has mapped out for it.

The enormity of the issues and the blizzard of solutions have ganged up on the Senate during the years since the Moroney-La Follette Reorganization Act of 1946. Large-magnitude increases in constituent awareness and interest-group pressure have demanded much of the time and attention of many Members, and many much-needed legislative initiatives are thwarted by the demands for expertise and man-hours devoted to complex problem solving. It is in this effort to come to terms with the troubles and potential of the Nation in the Bicentennial era, that Congress is woefully outgunned in comparison to the executive branch, over which it nominally holds the reins.

The Commerce Department has access to 300 computers and has a requisition in for 5 more this year. The Pentagon oversees and justifies its weapons purchases with a procurement operation numbering nearly 30,000 people. The Capitol Hill facilities of the Senate are dwarfed in every aspect, from space, to information access, staff, and budgetary resources. It is like comparing pea shooters to howitzers. In order for the Senate to be able to impose a workable construction upon the myriad goals of the national interest, this body needs to bring the full weight of its 100 Members to bear through the committee process.

Woodrow Wilson, a profound student of Congressional politics, observed in his book "Constitutional Government" that:

> Congress in session is Congress on display; Congress in Committee is Congress at work.

The process of hearing, drafting, and mark-up is the heart of the legislative process, where Congress responds to its constituents and their needs in a large-scale way. Yet, in many instances, the response a Senator can make through participation in his committee business is prejudiced by the Member's inexperience. This is particularly true in the case of junior members of committees, who lack the experience that tenure affords their senior colleagues, whose careers have been devoted to the work of their committees. In my opinion, the present staffing arrangements provide inadequate support where it is perhaps needed most.

Mr. President, I know for a fact from my own experience that the Senate employs among its professional committee staff members some of the most able and dedicated servants of the public interest in Government. They are not in it for the money, for they know before they even begin their careers that they cannot advance in salary beyond the present rate of $35,910. Their competence and steadfast attention to committee business has become, in large part, the determining factor in how effective the Senate can be. The legislative reorganizations recognized the importance of an accomplished, politically insulated staff to conduct the professional proceedings of the Senate. The law took pains to specify that a permanent staff be retained by each committee. Yet, for all their importance to the scheme of the reorganized Senate, the permanent staff of the Senate's committees number less than 400.

Mr. President, these considerations have been brought to a head recently by the unveiling of the proposed design for the extension of the Dirksen Office Building by the Public Works Committee on which I serve. The project is anticipated to cost $70 million, and will increase the working area of the Dirksen building by more than 150 percent.

Mr. President, the point I am driving at is that we cannot in good conscience justify a $72 million structure constructed simply to provide Senators and their staffs with more space. The new facilities, which are scheduled for occupancy in May 1977, will balloon the available office space in the Dirksen from 186,000 usable square feet to 616,000 net feet, exclusive of hallways, toilet facilities, restaurants, and parking accommodations. This virtually doubles the total area at present of both Senate office buildings and all of the satellite buildings put together. My conversations with Mr. White, the accomplished Architect of the Capitol, and the architectural consultants who designed the structure, John Carl Warnecke Associates, indicate that the addition of the added space in the extension will allow every Senator and each committee of the Senate to at least double their present office

Mr. President, I submit that the cost

space.

of this resolution, which would come to $11,730,000 if the maximum participation rate of 490 new staff personnel at the maximum rate of pay, is a necessary cost of construction that will insure that the new rooms of the Senate are filled with people of the caliber who now serve the Senate, in order to restore Congress in its role as counterweight to the Executive in the separation of powers. In a year when the Pentagon will find it necessary to spend $163,242 each minute of the fiscal year to exhaust the funds which it has been appropriated, it seems the least Congress can do to bring the full weight of each Senator to bear in shouldering the responsibility of Federal Government alongside the coordinate branches.

Mr. BROCK. Mr. President, it has become increasingly apparent that the workload of the Congress is growing at a rapid rate. The problems and difficulties with which we have to deal today are much more complex than only a few years ago. With this in mind, I today introduce along with the Senator from Delaware (Mr. BIDEN) and the Senator from California (Mr. CRANSTON) a Senate resolution which will strengthen the committee system within the Senate, and better enable us to meet headon the needs of the day. This resolution would, in effect, allow for each Member to have two additional staff persons per committee assignment, one professional and one clerk.

This resolution that we introduce today takes note of the fact that the Senate workload has grown so rapidly that many of us find that our personal staffs are engaged in legislative and committee activities. In fact, 11 members of my personal staff are presently totally involved in legislative and committee work. A recent study of 19 ranking committee members indicated that 14 personal staff members were engaged in a high or moderate level of legislative activity such as accompanying the Senator in committee meetings, on legislative research, bill drafting, reading and analyzing bills, and so on. If senior Members are having this type of problem, think of what a freshman Senator faces. It is simply a fact of life that we here in the Senate have to use personal staff for legislative and committee work.

I mentioned earlier that the workload of Congress has increased. For instance, in the 80th Congress, 1,031 bills were referred to the Judiciary Committee. By the 93d Congress, that committee was handling 1,464 bills. Add to the great growth the complexity of the bills and increased constituent interest and you simply have a mammoth workload.

Mr. President, the Senate committees are currently authorized to employ over a thousand persons strictly for committee work. Of this number, nearly 300 are provided for by public law or Senate resolution, and are called permanent staff. The remainder is generally known as investigative staff, and are funded each year by the annual supplemental and regular authorization requests. Our committee staffs make up less than 4 percent of the legislative branch's personnel. I would like to point out that at this moment the Congress, the elected representatives of the people, have just over 34,000 persons employed. As of January 1, 1974, the executive departments and the independent agencies number 2.8 million people. The point here is simply that we have very little committee staff in relation to the legislative responsibilities which we face and the huge responsibility of overseeing the functions of the Government.

If we take a moment to check records, it can be noted that the 90th Congress was authorized to expend $14 million dollars for committee staff. The 93d Congress is authorized to spend nearly $35 million. This is due to proliferation of subcommittees and quantum increases in staff sizes in the Senate. I do not condemn all of these increases, for many are vital for a responsible Congress. But the time has come to review these trends and to discuss the alternatives.

I am afraid that the committee staff situation is really at times no more than a charade. There are times when committee and subcommittee investigative staffs are involved in legislative work not directly related to their assigned subcommittees or even their committee. This situation has arisen for a number of reasons.

First. Within the last decade it has become the policy of each Senator to be appointed the chairman or ranking member of at least one subcommittee. With this assignment generally comes staff.

Second. The leadership and the members have continually supported increases in investigative and permanent committee staff through resolutions and bills, without reviewing the responsibilities of these staffs.

Third. The increased legislative workload the Congress has been asked to handle over the last 28 years has out of necessity diluted the efforts of staff in any one area.

Fourth. Inflation, the scourge of us all, has caused the rate of pay for committee staffs to rise, thus ballooning the requests for operating funds and diluting the numbers of staff.

Of course, we would be remiss if we did not address ourselves to the question of does this resolution conform to the spirit of the Legislative Reorganization Acts of 1946 and 1970? Without a doubt, yes. The act states:

> Such professional staff members should not engage in any work other than committee business and no other duties may be assigned to them.

This language is perfectly clear. Our resolution would thus allow Senators to assign their general committee and legislative work to their personal committee staff, as we shall call these new positions, and therefore allow the committee staffs to perform work on the committee as the Legislative Reorganization Act mandates. Additionally, personal committee staff appointed under this resolution will be given equitable treatment with respect to the assignment of facilities and the accessibility of committee records. Committee chairmen and ranking minority members would be responsible for seeing that this section was properly administered.

This resolution does not provide a simple solution to this problem. It will take a concerted effort by all of us, and I believe this is a good step forward, in seeing that it works. It is a step in the direction of responsible reform.

Mr. President, I would like to make one further point. I would like to note the efforts being made by the members of the Rules and Administration Committee, and, in particular, its chairman, Senator CANNON. As I understand it, the Rules Committee staff is presently working on only those matters of direct concern to their committee. My distinguished colleague, Mr. CANNON, has begun reforms within the Rules and Administration Committee which could well be used as a model for other committees. His efforts and those of other members of the committee are to be applauded.

The enactment of this resolution which we introduce will facilitate similar committee staff reforms throughout the Senate and, I daresay, improve our ability to function.

I ask unanimous consent that a copy of the resolution and various other supporting materials be printed in the RECORD at this point.

There being no objection, the resolution and material were ordered to be printed in the RECORD, as follows:

S. RES. 362

Resolved, That upon the request of a member of a standing committee of the Senate, any individual selected by the member for appointment as a professional staff member of that committee shall be so appointed by that committee.

The annual rate of pay of that individual shall be fixed by the chairman of the committee at a rate designated by the member of the committee requesting the appointment. However, at no time shall the total of the annual rates of pay of all professional staff members designated by that member exceed the highest rate of pay that may be fixed for a staff member of a standing committee.

SEC. 2. Upon the request of a member of a standing committee of the Senate, any individual selected by the member for appointment to the clerical staff of that committee shall be so appointed by that committee.

The annual rate of pay of that individual shall be fixed by the chairman of the committee at a rate designated by the member of the committee requesting the appointment. However, at no time shall the total of the annual rates of all clerical staff members of the committee designated by that member exceed one-third of the highest rate of pay that may be fixed for a staff member of a standing committee.

SEC. 3. Any individual appointed to a standing committee under this resolution shall be—

(1) assigned to such committee business as the member resquesting the appointment deems advisable; and

(2) accorded equitable treatment with respect to the assignment of facilities and the accessibility of committee records.

SEC. 4. Payments made with respect to individuals appointed to a standing committee under this resolution shall be paid out of the contingent fund of the Senate upon vouchers approved by the chairman of that committee.

SEC. 5. Individuals appointed as staff members of a standing committee under this resolution shall be in addition to staff members authorized to be appointed to that committee under law or any other resolution or order of the Senate.

TABLE 2.—PERSONNEL EMPLOYED BY THE LEGISLATIVE AND JUDICIAL BRANCHES OF THE FEDERAL GOVERNMENT DURING MAY AND COMPARISON WITH APRIL 1974, AND PAY FOR APRIL AND COMPARISON WITH MARCH 1974

	Personnel				Pay (in thousands)			
	May	April	Increase	Decrease	April	March	Increase	Decrease
Legislative branch:								
Congress:								
House of Representatives	9,679	9,535	144		$11,303	$11,224	$70	
Senate	5,417	5,411	6		6,564	6,550	14	
Architect of Capitol	1,843	1,848		5	1,819	1,777	42	
Botanic Garden	57	56	1		56	56		
Cost Accounting Standards Board	42	37	5		78	74	4	
General Accounting Office	4,969	4,930	39		7,233	6,930	303	
Government Printing Office	8,353	8,278	75		9,077	9,754		677
Library of Congress	4,485	4,481	4		4,624	6,944		2,320
U.S. Tax Court	181	181			291	275	16	
Total, legislative branch [1]	35,026	34,757	274	5	41,045	43,584	458	2,997
Net change, legislative branch			269				2,539	

[1] May figure includes 30 disadvantaged persons employed under Federal opportunity programs as compared with 29 in April and their pay.

(Source: Monthly report on Federal personnel and pay, Joint Committee on Reduction of Federa Expenditures, May 1974, p. 12.)

PERSONAL PROFESSIONAL STAFF OF COMMITTEE CHAIRMEN: LEGISLATIVE ACTIVITY

Personal staff members employed by committee chairmen (person):	Legislative activity
1	Very high (top 10 percent).
2	Middle (Middle 3d).
3	Do.
4	Low (lower 3d).
5	Do.
6	Very high (top 10 percent).
7	Middle (middle 3d).
8	High (top 3d).
9	Middle (middle 3d).
10	High (top 3d).
11	Very high (top 10 percent).
12	Do.
13	Middle (middle 3d).
14	Low (lower 3d).
15	High (top 3d).
16	Low (lower 3d).
17	Do.
18	Middle (middle 3d).
19	Do.

Note: From over 480 Senate staffers surveyed 19 professional personal staff of committee chairmen in the Senate responded and are listed above. These 19 staffers are identified by the intensity of their legislative activity. Legislative activity includes: (1) with Senator in committee (2) writing floor remarks and speeches (3) on legislative research bill drafting and reading and analyzing bills. Therefore even committee chairmen's personal staff are often engaged in committee work.

Source: Harrison W. Fox Jr. "Personal Professional Staff Members of U.S. Senators" unpublished doctoral dissertation, the American University ,1972.

SENATE

Committee	Number of bills referred	Number reported out	Number Passed in Senate	Number enacted into law
80TH CONGRESS				
Agriculture and Forestry	98	30	24	16
Appropriations	21	7	6	3
Armed Services	374	97	90	64
Banking and Currency	188	51	42	20
Civil Service	183	76	58	25
District of Columbia	99	31	24	18
Expenditures in the Executive	40	20	16	1
Finance	211	22	15	9
Foreign Relations	81	40	36	20
Interstate and Foreign Commerce	183	40	29	22
Judiciary	1,031	267	246	143
Labor and Public Welfare	191	31	26	14
Public Lands	372	95	83	64
Public Works	134	38	31	17
Rules and Administration	126	63	58	3
85TH CONG.[1]				
Agriculture and forestry	316	86	77	63
Appropriations	49	49	48	45
Armed Services	270	107	92	89
Banking and Currency	178	33	30	18
District of Columbia	167	86	81	62
Finance	481	92	90	89
Foreign Relations	194	67	45	34
Government Operations	130	61	48	34
Interior and Insular Affairs	556	251	233	166
Interstate and Foreign Commerce	308	109	96	74
Judiciary	2,546	1,260	1,228	757
Labor and Public Welfare	321	54	53	37
Post Office and Civil Service	228	57	56	42
Public Works	276	89	89	73
Rules and Administration	294	220	218	14
91ST CONG.				
Aeronautical and Space Sciences	10	0	0	0
Agriculture and Forestry	164	30	28	21
Appropriations	2	0	0	0
Armed Services	155	20	10	7
Banking and Currency	208	46	42	24
Commerce	339	43	36	15
District of Columbia	90	46	46	32
Finance	301	7	7	3
Foreign Relations	121	20	19	6
Government Operations	91	19	18	14
Interior and Insular Affairs	544	124	111	64
Judiciary	2,265	1,032	470	107
Labor and Public Welfare	349	35	34	22
Post Office and Civil Service	147	16	16	4
Public Works	169	21	21	16
Rules and Administration	250	189	187	5
92D CONG.				
Aeronautical and Space Sciences	4	1	1	0
Agriculture and Forestry	173	35	31	12
Appropriations	5	([2])	([2])	([2])
Armed Services	171	41	38	32
Banking, Housing, and Urban Affairs	194	34	32	20
Commerce	412	59	40	19
District of Columbia	77	19	18	6
Finance	406	3	3	0
Foreign Relations	199	31	24	11
Government Operations	106	9	6	1
Interior and Insular Affairs	533	108	101	59
Judiciary	1,464	163	154	67
Labor and Public Welfare	352	46	36	15
Post Office and Civil Service	120	15	12	6
Public Works	157	22	24	10
Rules and Administration	210	27	27	8
Veterans' Affairs	116	11	4	2

[1] Includes House bills.

[2] Information not available.

TOTAL STATUTORY AND INVESTIGATIVE FUNDS AUTHORIZED FOR SENATE COMMITTEES, 83D–93D CONG., 1ST SESS.

Congress	Years	Total statutory funds and increments thereto	Total investigative funds	Grand total	Increase (millions)
83d	1953–54	$369,000	$4,125,178	$4,494,178	
84th	1955–56	315,000	6,578,856	6,893,856	+$2.4
85th	1957–58	320,000	7,955,541	8,275,541	+1.4
86th	1959–60	300,000	10,458,231	10,758,231	+2.5
87th	1961–62	283,300	9,458,700	9,142,000	+1.6
88th	1963–64	280,000	9,734,433	10,014,433	+.9
89th	1965–66	$320,000	$11,982,135	$12,302,135	+$2.3
90th	1967–68	374,000	13,669,075	14,043,075	+ 1.7
91st	1969–70	390,000	17,998,920	18,388,920	+ 4.3
92d	1971–72	630,000	26,583,975	27,213,975	+ 8.8
93d (projected)	1973–74	800,000	34,140,000	34,940,000	+ 7.7

Source: "Expenditure Authorizations for Senate Committees," Committee on Rules and Administration, U.S. Senate, Jan. 3, 1974.

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., June 5, 1974.
To: The Honorable William Brock
Attn: Harrison Fox
From: Paul Dwyer and Frederick Pauls, Analysts, Government and General Research Division (Kenneth E. Gray, Division Chief)
Subject: Senate Resolution Authorizing Each Member of a Standing Committee to Appoint up to Two Professional and Two Clerical Staff Members to the Staff of Each Standing Committee to Which He Is Assigned

According to your instructions, we enclose a section-by-section analysis of a proposed Senate resolution to authorize each Member of a standing committee to appoint up to two professional and two clerical staff members to the staff of each standing committee to which he is assigned. We have enclosed our report providing arguments for and arguments against the proposal.

In determining the cost of the proposal we initially based maximum cost on the figure of $36,000 as the maximum salary that can be paid to a committee employee. Under the terms of the resolution, this base figure would translate to an authorization of $48,000 for each Senator for each standing committee to which he is assigned (that is the compensation of his two professional employees for each committee could total to $36,000 while the compensation of his two clerical employees—at one-third of "the maximum rate of pay for a committee employee"—would total to $12,000, for the grand total of $48,000 for each committee).

However, the President pro tempore's Order of October 4, 1973 [*Congressional Record*, vol. 119, pt. 28, p. 36125] specifies that the maximum compensation a committee employee may receive is $35,910 until such time as the $36,000 salary for Level V of the Executive Schedule is increased.

This fact necessarily required us to revise the maximum authorization available to each Senator for each standing committee on which he serves. If the resolution were in effect today that figure would be $47,160. Each Senator could spend no more than $35,910 per committee for his two professional committee employees and no more than $11,970 per committee for his two clerical committee employees.

A copy of the President pro tempore's order of November 7, 1973 is enclosed. Note that it specifies higher salaries for committee employees when and if the salary for Level V of the Executive Salary Schedule is increased.

We trust the analysis and report will prove useful. Please let us know if we can be of further assistance.

Congressional Research Service,
Washington, D.C.

Section-by-Section Analysis of S. Res. 362 To Authorize Each Member of a Standing Committee to Appoint Two Professional and Two Clerical Staff Members to the Committee

Section 1: Each member of a standing committee of the Senate is authorized to appoint up to two professional staff members to the staff of each standing committee to which he is assigned. Any such employee a Member appoints shall be automatically approved by the membership of the committee.

The annual rate of compensation for each such professional employee shall be designated by the Senator appointing him, but in no case may the combined salaries of the two professionals he may appoint exceed the maximum salary paid a permanent, professional staff member of a standing committee (currently that maximum salary is $35,190 per annum, as set forth in Public Law 91–656, 84 Stat. 1946, which *inter alia* that no employee of a Senate committee shall be paid in excess of the salary set for Level V of the Executive Schedule, which salary is $36,000 [5 U.S. Code 5316]).

Section 2: Each member of a standing committee of the Senate is authorized to appoint up to two clerical staff members to the staff of each standing committee to which he is assigned. Each such clerical assistant a Member appoints shall be automatically approved by the membership of the committee.

The annual rate of compensation for each such clerical employee shall be designated by the Senator who appoints him, but in no case may the combined salaries of the two clericals he may appoint exceed one-third of the maximum salary which may be paid a permanent, professional staff member of a standing committee; that is, one-third of $35,910 or $11,970.

Section 3: Each member of a standing committee is authorized to direct the staff he appoints under authority of this resolution as to what work each shall do for him.

Each staff employee so appointed is to be accorded equitable treatment with respect to the assignment of facilities and is to be given complete access to records of the committee.

Section 4: The compensation for the professional and clerical staff members appointed pursuant to the provisions of this resolution shall be paid from the contingent fund of the Senate. Vouchers for such funds must be approved by the chairman of the committee.

Section: Any professional or clerical employee appointed under authority of this resolution shall be in addition to the permanent professional and clerical staff authorized each standing committee by law and in addition to the so-called temporary professional and clerical staff appointed pursuant to a resolution or order of the Senate.

[Note: This resolution does not conflict with any law, Rule, or resolution in effect for the United States Senate.]

Paul Dwyer and Frederick Pauls, Analysts, American National Government, Government and General Research Division, June 5, 1974.

Congressional Research Service,
Washington, D.C.

Arguments in Support of Permitting Each Senator To Appoint His Personal Professional and Clerical Staff for Each Standing Committee to Which He Is Assigned

1. If each Senator were permitted to appoint his personal professional and clerical staff for each standing committee to which he is assigned, it would enable him to monitor more directly and continuously the activity of that committee and thus to be more knowledgeable about legislation pending before the committee, the operations of the agencies it oversees, and the subject matters which fall within its jurisdiction.

At present, committee professional and clerical staff are, for the most part, appointed and controlled by the chairmen or senior members of the committee or subcommittee or, in the case of minority employees, by the ranking minority member of the committee or subcommittee. Other members of a committee, especially junior members, are reluctant to approach these staff employees for assistance. Consequently, they must rely upon their personal office staff for assistance with their committee work.

Having the right to his own personal committee staff employees would enhance each Senator's ability and opportunity to participate more fully in the work of the committee. A Senator could, without embarrassment, request each assistant to focus their work on committee-related matters of direct interest to the Senator and his constitutents. Such assistants would aid a Senator in attending to committee business, in preparing for hearings, in questioning witnesses, in being current on legislative issues of concern to the committee, and in preparing for floor action on measures reported from the committee.

Senators are expected to be knowledgeable in the many areas which fall within the jurisdiction of the committees on which they serve. Because there are fewer Senators than Representatives, Senators have more committee and subcommittee assignments than do their counterparts in the House. Accordingly, they need more assistance if they are to be knowledgeable and that assistance would be given them if they had the right to appoint their own personal staff to the staff of each standing committee on which they serve.

2. The demands on a Senator's time are considerable. He serves the entire population of his State. He has many committee and subcommittee assignments. He is often in the national spotlight, which requires him to speak extensively and to appear on national, State, and local radio and television interview shows. In addition, Congress during the past 40 years has enacted a host of Federal programs, which have enlarged its legislative agenda and place heavy burdens on a Senator in his effort to fulfill his legislative function. Moreover, new programs and ideas clamor for his attention. Despite the personal staff which is available to him, and the present staffs which serve committees, a Senator finds it difficult to keep apace the workload which he faces. This is especially true of his committee and subcommittee workloads. If he were given the right to appoint his own committee professional and clerical staff, his job of maintaining the pace would be greatly alleviated and expedited. Such staff could brief him and track down the information he needs in order to make informed and intelligent decisions. Surely no work is more important than that a Senator does at the subcommittee and committee level. He deserves, and badly needs, additional help to enable him to perform as best he can in doing this vital work.

3. Personal professional and clerical committee staff would free members of a Senator's office staff to attend more assiduously and systematically to the other important work which a Senator does. Freed of all or some committee work responsibilities, his office staff could devote more effort to responding to the many constituent requests which flow into a Senator's office. Senators consider good service to their constituents a major part of their job. They look upon themselves as servants of the people and so they rightly want to provide the best possible service they can to their constituents. Present and growing demands on the time of their office staff sometimes preclude their giving as much attention to this important constituent work as it deserves. Professional and clerical committee staff for each Senator would free office staff to do the right kind of job for a Senator's constituents.

In addition, such committee staff would free his personal staff to assist the Senator in his important educational function. They would be more able to assist him, and under less onerous time and conflicting demand pressures, with major policy statements and important speeches; or to do detailed research work in subject areas of concern to a Senator which lie outside the province of committees on which he serves. They would also be freer to assist him with the important public relations work which he must do in order to keep his political fences mended on the home front.

4. Personal committee staff for Senators would also reduce unhappy demands on present professional and clerical staff of committees. Often this staff cannot devote as much time to the work of the committee as they might want to because of demands placed upon them by individual members of the committee. Professional staff of committees need time to evaluate the information which comes to the committee, especially information forwarded from the executive departments and agencies. They need more time to oversee the activities and operations of the agencies and programs which fall within the jurisdiction of the committee. They need more time to prepare for the hearings which committees hold. Personal staff for members of the committee would be an important step towards providing permanent professional staff the time they need to perform these important tasks.

5. Personal committee staff would be of special value to new and junior members of committees. Such staff would be of immeasurable assistance to new and junior members in more quickly and efficiently acquainting themselves with the work of the committee and how it functions.

ARGUMENTS OPPOSED TO PERMITTING EACH SENATOR TO APPOINT HIS PERSONAL PROFESSIONAL AND CLERICAL STAFF FOR EACH STANDING COMMITTEE TO WHICH HE IS ASSIGNED

1. In the Legislative Reorganization Act of 1946 Congress endorsed the principle of professional staffs for the standing committees. To introduce clearly partisan, patronage employees on to the staffs of committees will undermine this principle. The secondary principles of effectiveness, efficiency, and objectivity, which underpin the basic principle of professionalism, might be sacrificed if Senators were permitted to appoint their own personal committee staff to the staff of the standing committees on which they serve. The Senate should be striving to realize ever better the principle of professionalism rather than deviating from it. Moreover, the provisions of the resolution as written strip the committee of any say in who a Senator may employ or what he shall pay those employees. By doing so it completely eliminates a committee's rightful prerogative to determine by majority vote who its employees shall be and what salaries they shall be paid.

2. Providing each Senator with his personal committee staff would involve considerable additional expense. As of February 1974, the 100 Senators then in office held 245 standing

committee assignments (this is because Rule XXV authorizes each Senator to have no more than two major standing committee assignments and an additional minor standing committee assignment, and grants to Senators in office prior to 1971 grandfather rights on standing committees to which they were assigned prior to implementation of committee assignment rules contained in the Legislative Reorganization Act of 1970). Accordingly, if the provisions of the resolution were in effect in 1974 and each Senator appointed the maximum number of employees permitted under the terms of the resolution, there would be an additional 490 committee employees. If each Senator paid his committee employees the maximum salaries permissible, the total salary cost would be $11,730,600 for 1974.

Not only would the resolution entail large additional expenditure of funds, but it would significantly increase the size of each standing committee's staff creating even greater over-crowding than presently exists. At present, there are approximately 900 committee employees in the Senate.[1] If 490 employees were added to that number, there would be almost 1,400 committee employees in the Senate. Presently, there is insufficient space to accommodate such an increase in staff.

In addition to the increased salary costs engendered by such additional employees, there would be other costs which flow from their employment including health and life insurance costs, pension benefit costs, stationery costs, telephone and telegraph costs, possible travel costs, office equipment costs, furniture costs, and so forth. We are unable to calculate what these additional expenses could maximally total to, but it would probably amount into the millions of dollars.

The obvious question is whether the benefits supposedly to be gained by such committee employees is worth the cost to the taxpayer. Is this a wise and needed expenditure or will it constitute unnecessary additional expenditures?

3. Permitting members to name whom they choose to committee staffs may lower the quality of each standing committee's staff. Their presence, moreover, may compound the difficulties of organizing a committee staff and directing its work. Of special concern are the possible conflicts and resentments which may occur because of a committee staff divided between non-Member and Member employees. These two sets of employees may come to work at cross purposes. Chaos and confusion could come to characterize working relationships among a committee's staff as each Member's employees seek to maximize his influence and position on the committee while non-Member staff attempt to serve the larger interests of the committee. In addition, among the Member staff appointed to a standing committee's staff there will be inevitable jealousies and jostling for the limelight for the Member each serves. It is quite possible that cabals, back-stabbing, and theft of ideas will come to characterize their activities within the committee. To the degree that such fighting occurs, it will undermine the professionalism of committee staffs and disrupt harmony. Even if this is of remote probability, the Senate should abstain from any action which might undermine the principles of professional committee staff set forth in the Reorganization Acts of 1946 and 1970.

Paul Dwyer and Frederick Pauls, Analysts, American National Government, Government and General Research Division, June 5, 1974.

THE NEED FOR MORE STAFF

Mr. CLARK. Mr. President, in thinking about what could be added to this discussion in support of the proposal to provide increased staff for Senate committees, I recall a rather brief, but significant, passage in the recently released White House transcripts. On February 28, 1973, the President and White House counsel John Dean had a discussion that, at one point, touched on the current frustrations of the Congress. Dean said to the President.

> I spent some time on the hill myself and one of the things I always noticed was the inability of the Congress to deal effectively with the executive branch because they have never provided themselves adequate staffs, had adequate information available. . . .

The President responded:

> Well now they have huge staffs compared to what we had.

Dean:

> Well they have huge staffs, true, as opposed to what they had years ago. But they are still inadequate to deal effectively. . . .

At which point the President broke in and, after a deleted expletive, declared:

> Don't try to help them out!

Mr. President, we ought to help the American people out—by providing them with a legislative branch with the necessary staff to develop constructive solutions to the many problems facing the Nation.

President Nixon has sent the Congress a staggering budget request of over $304 billion for the next fiscal year. That budget should be cut substantially. But we do not have the staff support to actively oversee Federal programs, to recommend where changes, improvements, or budget cuts can be made.

And until we can start doing that, any speculation about a revitalized Congress is premature.

This resolution would be a small, but meaningful step in that direction. It would simply allow each Senator to hire one additional professional assistant and one additional clerical assistant for each standing committee on which he serves.

One objection that has been raised to this proposal deals with office space—where are we going to put these additional staff members. The Senate Public Works Committee has been considering the proposed design of the new extension of the Dirksen Office Building. As chairman of the Buildings and Grounds Subcommittee, I have acquired some familiarity with the current space situation in the Senate. I am certain that the additional staff can be accommodated with little difficulty.

While the Senate will be losing the offices in the Capitol Hill Apartments, four times as much space has been made available in the old immigration and naturalization building. Furthermore, we may well be able to pick up more than 45,000 additional square feet of office space in the Carroll Arms Hotel and the Senate Court Apartments. With all that additional space, and adjustments in the present committee and personal offices, finding room for these new staffers should not present a major problem—especially in light of the advantages of gaining additional personnel. Finally, in May 1977 we are scheduled to occupy the Dirksen extension, doubling available office space.

Mr. President, additional staff is necessary now because we need a Congress that can handle the challenges of the 21st century now. I urged rapid approval of this resolution.

Mr. BEALL. Mr. President, I am pleased to join in cosponsoring legislation, to be introduced today, designed to authorize each Senator personal standing committee staff. This measure is long overdue, and I urge its swift and favorable consideration by the Senate.

Mr. President, I am privileged to serve on two of the busiest committees in the Senate—the Committee on Commerce and the Committee on Labor and Public Welfare. In addition, I am a member of the Senate Select Committee on Small Business and the Special Committee on Aging. Together, I serve on a total of 24 subcommittees.

My situation is not unique, either. I am sure my number of committee assignments is matched, and in many cases exceeded, by most of my colleagues.

Each year, the responsibilities of Congress, and of its Members, becomes heavier. For example, in the first session of the 93d Congress, some 17,528 bills and resolutions were introduced in the Congress, 3,334 of which were initiated in the Senate. As a result of this workload, the Senate must rely to an increasing extent on the recommendations of its committees. Further, the legislative needs of our Nation have become more complex, requiring that Senators and their staffs become more cognizant of each issue which moves through the legislative process.

In spite of these responsibilities, Mr. President, I do not have any personal staff on my committees. Thus, my office staff must perform double duty, by working to meet the needs of the thousands of constituents who write, call or visit my office each week, while at the same time attempting to keep abreast of the many complex issues which each day are being considered in subcommittee, full committee and on this floor.

I believe we can improve this situation, and thus improve legislation, by the addition of committee staff personnel responsible to each Member of a particular committee. There has been a great deal of talk in the Senate lately about improving the functioning of Congress. The resolution offered this morning will be a positive and much-needed step in that direction.

AMENDMENT OF THE RAIL PASSENGER SERVICE ACT OF 1970—AMENDMENT

AMENDMENT NO. 1584

(Ordered to be printed and to lie on the table.)

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to the bill (S. 3569) to amend the Rail Passenger Service Act of 1970, and for other purposes.

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[1] This figure reflects all permanent professional and clerical employees of all committees—standing, select, and special—of the Senate plus those employees of such committees hired from funds provided in annual or bi-annual inquiries and investigations resolutions.

CONSUMER PROTECTION AGENCY ACT—AMENDMENTS

AMENDMENT NO. 1585

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment, intended to be proposed by him, to the bill S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

AMENDMENTS NOS. 1586 THROUGH 1589

(Ordered to be printed and to lie on the table.)

Mr. ERVIN submitted four amendments, intended to be proposed by him, to the bill (S. 707), supra.

AMENDMENT NO. 1950

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY submitted an amendment intended to be proposed by him to the bill (S. 707) supra,

AMENDMENTS NOS. 1591–1599

(Ordered to be printed and to lie on the table.)

Mr. WILLIAM L. SCOTT submitted nine amendments, intended to be proposed by him, to the bill (S. 707), supra.

AMENDMENT NO. 1600

(Ordered to be printed and to lie on the table.)

Mr. WILLIAM L. SCOTT. Mr. President, I submit an amendment to sections 7 and 8 of S. 707 pertaining to the Administrator's authority to represent consumer interests before Federal agencies and to institute a proceeding in a Federal court to obtain judicial review or enforcement of any Federal agency action.

Without repeating verbatim what is meant by the "interest of consumers" as defined by the bill, suffice it to say that it is all-inclusive. Notwithstanding this, the Administrator is given the authority in section 7 to intervene or participate in any Federal agency proceeding or activity or initiate the same which he deems may substantially affect the interests of consumers. Additionally, the Administrator is given the authority in section 8 to institute a proceeding in a Federal court to obtain review of any Federal agency action when he did not participate in the Federal agency's proceeding or activity or when he did participate in the proceeding or activity to intervene or participate in any civil proceeding in a Federal court involving the review of enforcement of a Federal agency action if he determines that such action substantially affects the interests of consumers.

The amendment I offer would require the Administrator to determine what the "interest of consumers" really is before he exercised any of these authorities. It would seem only reasonable that the Administrator conduct public hearings and make a determination and finding as to the "interests of consumers" before he determined that it was in the "interest of consumers" to involve himself in the proceedings or activities of a Federal agency or to institute a proceeding in a Federal court to review a Federal agency action. This amendment, Mr. President, will assure that the interests of all consumers are represented and not merely the views of the Administrator or those who have the Administrator's attention.

This amendment, Mr. President, does nothing more than apply the requirements of the Administrative Procedure Act to the Consumer Protection Agency as it is applied to all other agencies of the Federal Government involved in protecting the "interest of consumers."

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1553

At the request of Mr. ERVIN, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of amendment No. 1553, intended to be proposed to the bill (S. 1361) to revise the copyright law.

AMENDMENT NO. 1563

At the request of Mr. METZENBAUM, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of Amendment No. 1563, intended to be proposed to the bill (S. 707), the Consumer Protection Agency Act.

NOTICE OF HEARINGS BY DISTRICT OF COLUMBIA COMMITTEE

Mr. EAGLETON. Mr. President, on Thursday, July 25, 1974, at 9 a.m., in room 6226, Dirksen Senate Office Building, the Senate Committee on the District of Columbia will hold a public hearing on the following bills:

S. 2829. A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958 to increase salaries, and for other purposes;

H.R. 342. A bill to authorize the District of Columbia to enter into the interstate agreement on qualification of educational personnel;

H.R. 7218. A bill to improve the laws relating to regulation of insurance companies in the District of Columbia;

H.R. 5686. A bill to amend the Motor Vehicle Safety Responsibility Act of 1925, and for other purposes;

H.R. 12832. A bill to create a Law Revision Commission for the District of Columbia; and also on a possible pay increase for teachers in the District of Columbia.

Persons wishing to present testimony at that hearing should contact Mr. Robert Harris, staff director of the committee, room 6222 Dirksen Senate Office Building, by 12 noon on Wednesday, July 24, 1974.

NOTICE OF HEARINGS CONCERNING CORPORATE USURY LAWS

Mr. McINTYRE. Mr. President, I am pleased to announce that the Subcommittee on Financial Institutions of the Committee on Banking, Housing and Urban Affairs will hold hearings on proposals to amend the National Bank Act, the Federal Deposit Insurance Act, and the National Housing Act to authorize national banks, federally insured State-chartered banks, and federally insured savings and loan associations to charge interest rates to corporate borrowers at rates reflecting present market conditions. These proposals are directed to the problems currently encountered by corporate borrowers in States which have enacted corporate usury laws.

Testimony will be received from regulatory agencies and regional business and banking groups. The hearings will be held on July 31, 1974, and will commence at 10 a.m. in room 5302, Dirksen Senate Office Building.

Anyone who wishes further information regarding these hearings should contact Mr. William R. Weber, room 5300, Dirksen Senate Office Building, 225-7391.

ADDITIONAL STATEMENTS

REMARKS OF SENATOR JAMES B. ALLEN BEFORE THE SENATE PRAYER BREAKFAST

Mr. BENNETT. Mr. President, at the meeting of the Senate Prayer Breakfast Group last Wednesday, July 17, Senator ALLEN shared with those of his colleagues who were present a clear and penetrating presentation of the power of conscience. Feeling that all of the Members of the Senate should have the same privilege, I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

CONSCIENCE

(Remarks by JAMES B. ALLEN)

Since 1811 there has been a Fund on the books of the Treasury into which are paid contributions by citizens seeking to make amends for fraudulent acts committed by them against the Government in the past—a mechanic stole a screwdriver, a waiter failed to report income from tips, a civil servant took leave without being charged for the work days missed. Contributions through 1973 have amounted to $3,191,200, with the largest year being $370,285 in 1950.

And then a person receives payment of a long-forgotten debt with interest from a friend of long ago—or payment for a wrong perpetrated against him decades ago.

A person surrenders to the authorities and confesses to a crime committed years before that has been forgotten for decades.

Mass confessions of participants in recent well publicized criminal activities—aided and abetted somewhat by detection of their participation and their desire for self-preservation.

All of those people seeking to make amends, seeking to find peace of mind, seeking to atone, have been influenced to do so, in part at least by the pangs of their consciences.

What is this great force—our conscience—that we cannot see or touch but to which we can listen and whose influence we feel?

Is conscience a built-in feature or quality of every person at birth, and a mark of the difference between man and beast?

Are our consciences nurtured and made more sensitive as a result of lessons learned at our Mother's knee, and through a sense of values impressed on us by our parents and developed through our spiritual and academic educations?

Are our consciences further polished and refined as a result of our dealings and experiences with our fellow man?

Is conscience then part of the divine spirit or image of our Maker in whose image we were created?

Over 2000 years ago the Greek historian

Polybius wrote: "There is no witness so terrible, no accuser so potent, as the conscience that dwells in every man's breast."

Shakespeare, in Richard III, wrote concerning conscience, "A man cannot steal, but it accuseth him; he cannot swear, but it checks him; he cannot lie with his neighbor's wife, but it detects him: 'Tis a blushing, shamefast spirit that mutinies in a man's soul."

John Goodwin, writing in Might and Right Well Met in 1648, said: "Freedom of conscience is a natural right, both antecedent and superior to all human laws and institutions whatever: a right which laws never gave and which laws never take away."

Thomas Jefferson wrote: "The moral sense, or conscience, is as much a part of man as his leg or arm. It is given to all human beings in a stronger or weaker degree as force of members is given them in greater or less degree."

Abraham Lincoln, to whom we turn so often for inspiration and words of wisdom, in replying in 1864 to a committee proposing a plan of peace, said: "I desire so to conduct the affairs of this administration that if, at the end, when I come to lay down the reins of power, I have lost every other friend on earth, I shall at least have one friend left, and that friend shall be down inside me."

Congressman Railsback, member of the House Judiciary Committee, as reported in the press, expressed the same thought with reference to his upcoming vote on impeachment: "I want to cast the vote that will make me feel good inside."

George Washington, in his early manhood, wrote, "Labor to keep alive in your heart that little spark of celestial fire called conscience", and I was impressed with the eloquence of his words.

In Hamlet, Polonius advises his son, Laertes, To thine own self be true, and Edgar A. Guest, the homespun poet, points out that, while we might escape the judgments of others, we must be true to and must meet the standards of the person we see in the bathroom mirror.

Alexander Bain, in the Emotions and the Will, wrote: "Conscience is an imitation within ourselves of the government without us."

But if our consciences bring out the best in us, might it not be possible for government to be conducted by a rule of conscience rather than by a government of laws, and I suggest this approach, only to strike it down. Interesting as this thought may be, it is hardly practical for there would still have to be laws for those who violate the rules of conscience. Then, too, a rule of conscience for one might be much more liberal than for another. A rule or law must be devised that will provide uniformity for all, rather than to depend upon varying requirements exacted by millions of consciences. For some, their consciences are dormant or are in hibernation. Then, too, many consciences are more persuasive after the fact of improper action then before. Also, there are the smug or self-satisfied or self-righteous consciences to contend with—Lord Byron, in Don Juan, wrote: "A quiet conscience makes one serene! Christians have burnt each other, quite persuaded that all the Apostles would have done as they did."

But what of acts of conscience, whether acts of commission or omission? The Book of Daniel records two classic cases of acts of conscience. The first was where Shadrach, Meshhach and Abednego refused to bow down to the golden image as required by King Nebuchadnezzar, even though the penalty for refusal was for them to be thrown in the fiery furnace. The furnace was so hot that the men who threw Shadrach, Meshach and Abednego into the furnace were killed by the heat. The other was the case of Daniel, who refused, as required by decree of King Darius, to make no petition or prayer to God but only to King Darius for a period of 30 days. Daniel was the King's Chief Minister and the King had been tricked into issuing the law by Daniel's enemies.

The King loved Daniel and wanted to rescind the law but there was a peculiar aspect of a law of the Medes and Persians. Once enacted, it could not be changed, giving rise to the expression "as unchangeable as the laws of the Medes and Persians."

These characters from long ago refused to obey the law as acts of conscience. While they felt that God would save them, yet they were willing to go to their deaths rather than to contravene God's laws. They were willing to pay the price for their acts of conscience.

The name of Thomas More, in England in the days of Henry VIII, comes to mind as a man willing to face death rather than to compromise with the truth as he saw the truth. He, too, was willing to pay the penalty for his act of conscience.

Dozens of other cases could be cited. Many in more recent times have performed acts of conscience but instead of paying the penalty provided for such acts, have sought to be relieved of such penalties. To my mind, this detracts from the bona fides of the acts of conscience.

I am indebted to Dr. David H. C. Read, of National Radio Pulpit, for pointing out the applicability of one of the Proverbs to a discussion of conscience and for his development of the thoughts underlying the proverb.

In the King James Version we read in Proverbs 20:27, "The spirit of man is the candle of the Lord, searching all the inward parts of the belly." The Bible, as usual, touches the spot—for isn't it right there that most of us feel our consciences at work?

Moffatt's Version renders the Proverb this way: "Man's conscience is the lamp of the Eternal, flashing into his inmost soul," and yet another version gives it thus: "The Lord gave us mind and conscience; we cannot hide from ourselves."

We cannot hide from ourselves, we cannot kill our consciences. We can, and often do, try our best. We may keep our conscience quiescent over the years by refusing to listen, but yet we continue to have this sense of right and wrong. It may be disfigured, dulled, or twisted, but it cannot be completely eradicated.

We sometimes use the word "unoonscionable" to describe a person, policy, or measure we dislike, but no one can be completely unconscionable, for it means without any conscience at all. No one—not even the most depraved—can ever, in the end, hide from himself. Somewhere the spirit of man shines a light into the darkest recess and that spirit is the candle of the Lord. But the candle of the Lord that shines into the inward parts is not simply a searchlight to reveal the things we are ashamed of; it is a healing and reconciling light that shows us the way home.

So let us not be afraid to follow the dictates of our consciences. They will show us the way.

NATIONAL WORKMEN'S COMPENSATION STANDARDS

Mr. HARRY F. BYRD, JR. Mr. President, last month, the Labor Subcommittee of the Senate Committee on Labor and Public Welfare held further public hearings on the advisability of enacting national workmen's compensation standards. The committee was most fortunate, I believe, to receive the testimony of the Honorable Robert P. Joyner, chairman of the Industrial Commission of Virginia.

Commissioner Joyner noted Virginia's long history of concern for the injured employee as well as the Commonwealth's continuing commitment to the stated purposes of S. 2008, the proposed National Workers' Compensation Standards Act. Virginia has a sound worker's compensation law, which is continually being studied and improved.

Commissioner Joyner cautioned, however, that Federal regulation of State programs would stifle those existing programs with the "inherent inflexibility" of the Federal proposal and create enormous additional costs.

I received confirmation of the sentiments expressed by Commissioner Joyner in a letter from the Honorable Maurice B. Rowe, secretary of the administration of the Commonwealth of Virginia and chairman of the Governor's cabinet. His assessment of the proposed legislation is forthright and candid. He states that a national workmen's compensation law "is not in the best interest of the citizens of Virginia."

I find this united expression of opposition to be most significant. I urge my colleagues to review these materials and then to solict the views of his own State's officials on this matter.

I ask unanimous consent that the testimony and letter be printed in the RECORD.

There being no objection, the testimony and letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE ROBERT P. JOYNER

Mr. Chairman and Members of the Subcommittee: It is my privilege and indeed an honor to appear before you today and state the position of the Virginia Industrial Commission regarding S. 2008.

We are in accord with the stated purpose of S. 2008, i.e., to provide prompt, adequate and equitable protection to workmen and their families against financial loss associated with job-related injuries or death. It is fair to say that the great majority, if not every State, is in sympathy with this purpose as evidenced by revision and improvement of benefits under the State Acts on a regular basis. Virginia has had a long history of concern for the injured employee and has increased benefits on a regular basis from $10.00 per week in 1919 to $91.00 per week in 1974.

There is under way at the present time a study of the Virginia Act by the Virginia legislature, and certain legislation will be proposed at the 1975 session of the Virginia legislature, which, together with the existing provisions of the Act, will meet practically all of the requirements set forth in Sec. 4 of this bill. Because of these constant improvements, we believe that the purposes of this bill are being met by the States without Federal intervention.

I call to your attention several problems which we anticipate with the administration of this bill, if it is enacted in its present form:

Sec. 4(b)(1) at p. 7 refers to compensation for *injuries* which arise out of and in the course of the employment. However, Sec. 3(7) at p. 5 defines the term "injury" as "(1) any harmful change in the human organism, *whether or not the result of an accident*, and includes any disease, and (2) any damage to or loss of a prosthetic appliance. (emphasis added).

These two sections appear to conflict. Apparently under Sec. 4 any harmful change in the human body would be compensable if any work-related factors were a contributing cause. Thus, coverage could be provided, under the guise of workmen's compensation, for any death or disability if the employment

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could be considered a contributing cause in any degree.

Moreover, the coverage would extend to any person employed since an "employer" is defined as any person who employs another, and this apparently would include a person who employed one part-time person. This would include the homeowner who employed a neighborhood child to mow his yard. The examples along this line are endless and the requirement of purchasing workmen's compensation coverage would certainly eliminate some employment.

The definition of employer is not clear. The bill exempts "the United States" but includes governments and governmental agencies. If State and Federal governments are employers under this bill, the exemption for "the United States" is less than clear.

However, our most serious objection to the bill is the delegation of unlimited authority to the Secretary of Labor to determine whether or not States have met the standards set forth in this bill and to promulgate additional unlimited and unknown standards which the States would be obligated to meet. The Secretary of Labor is appointed, and, I submit, with all due respect to that office, that his status as an appointee leaves him less responsive to the desires of the States and the general public than are elected officials.

The States would be subjected, with no effective appeal, to the philosophy of the incumbent Secretary of Labor. The Secretaries change from one administration to the next and frequently change within one administration. The current Secretary of Labor is the third under the present administration. Moreover, the philosophy of the Secretary is also subject to change and there is nothing in this bill which would inhibit him from changing the standards from day to day, should he desire. The inherent flexibility of this bill would create an impossible situation for the States in attempting to comply with the standards and result in what may be astronomical costs.

Under this bill the Secretary may approve, disapprove, or approve and then withdraw approval of a State plan. If the State plan is approved, there is, of course, no problem with State administration. However if the plan is disapproved—and I believe this would be the situation in almost every State—there are essentially two options.

The Secretary may agree with the State for State administration of the Longshoremen's and Harbor Workers' Act. Assuming such an agreement could be reached, there would be considerable loss of time and delay in processing claims while State employees were trained in the intricacies of administering an unfamiliar Federal law.

The more likely prospect is that the Secretary would be faced with administering the Longshoremen's and Harbor Workers' Act with Federal employees. This would entail considerable expense in hiring and training numerous people to administer the Federal Act within the States. The Virginia Industrial Commission, for example, operates with approximately 125 employees, and this is possible only because of the rather low rate of turnover and the many employees who are entirely familiar with our Act and can handle approximately 140,000 claims per year with a minimum of delay. Hiring additional personnel could only result in a higher tax burden to your constituents.

The loss of time under either of these procedures is apparent and would work a considerable hardship on disabled claimants who were waiting to have their cases heard or who were waiting for approval of medical attention. It is not unreasonable to expect that the delay in processing these claims would result in disabled workers and their families having to resort to public welfare at additional expense.

Even if the State plan is approved, monitoring the administration of the State plan will involve hiring an unknown number of employees by the Secretary of Labor to carry out this task, at great public expense.

The appeal provision, as set forth in Sec. 9 (p. 21) provides that the Secretary's action shall take effect pending appeal, unless irreparable damage can be shown. His decision can be overturned only upon showing that it is not supported by substantial evidence. I submit to you that this establishes an appeal procedure which creates an extremely difficult burden of proof, and which, in effect, offers little hope for relief to the appellant.

For these reasons, we respectfully request the Committee to recommend that the bill not be reported.

COMMONWEALTH OF VIRGINIA,
Richmond, Va., June 24, 1974.

Hon. HARRY F. BYRD, Jr.,
Congress of the United States, U.S. Senate, Washington, D.C.

DEAR SENATOR: The Williams-Javits Bill, S. 2008, and its identical House Bill, H.R. 8771, are of grave concern to us and deserve your careful and critical consideration. It is our considered opinion that this proposed legislation is not in the best interest of the citizens of Virginia. We urge both your efforts and your vote to defeat these bills.

The Virginia Legislature has always been sensitive to the need for continuous upgrading of the Virginia Workmen's Compensation Law to provide benefits to injured workmen and their families not only consistent with the economic, financial, and sociological growth of the community, but also consistent with the legal and philosophical concepts of Workmen's Compensation benefits vis-a-vis unemployment compensation, social security, or welfare payments.

The knowledgeable National Commission on State Workmen's Laws after a massive study and documented report, recommended to Congress in July, 1972, minimum standards for State Workmen's Compensation Laws and acceptable modes of implementation. This National Commission expressly recommended against the substitution of federal administration for state programs and urged that the states be given a reasonable time in which to comply with the recommended standards.

The Virginia Advisory Legislative Council reported their own findings to our Legislature in January of 1974. Virginia is already in a posture of substantial compliance with the majority of the National Commission's recommendations. The Council reaffirmed that the promulgation and administration of Workmen's Compensation Laws should remain with the states.

The pending federal legislation, S. 2008 and H.R. 8771, goes very far beyond the recommendations of the National Commission. The standards set and the acceleration of compliance time are such time no state now meets them, or probably ever could meet them. The constitutional, legislative, administrative, and financial barriers at state level appear insurmountable. The net effect appears to be both assured federal takeover of this traditionally state function and effective abolition of state programs and state administration.

The cost of the proposed law and its administration has not, to my knowledge, been carefully calculated or estimated. A Nebraska study applying the estimated to actual cost ratio that developed in the Medicaid and Black Lung programs has estimated that any such federal workmen's compensation program would cost from $74 billion to $151 billion per year. This potential alone requires serious consideration.

This proposed legislation is unanimously opposed by the Virginia Industrial Commission, the Southern Assocation of Workmen's Compensation Administrators, and the International Association of Industrial Accident Boards and Commissions. The legislatures of Nebraska and Georgia have already gone on record in opposition to this legislation.

The essence of any workmen's compensation program is the prompt delivery of an adequate benefit to a deserving recipient. These goals can be established with greater equity, can be and have been achieved with greater success at lesser cost, at the state level than otherwise.

We urge that you oppose this particular legislation and any of similar purpose which might later introduced.

Sincerely,

MAURICE B. ROWE.

THE SENATE VOTES TO REPEAL THE NO-KNOCK LAWS

Mr. ERVIN. Mr. President, a few days ago the Senate adoptel by an overwhelming vote the amendment offered by my colleague, Senator GAYLORD NELSON, and myself, to repeal the no-knock provisions of the drug law in the District of Columbia Code. In commenting most favorably on this action of the Senate, the Greensboro Daily News of Greensboro, N.C., carried an editorial entitled "Senate Votes To Repeal Mistake."

I ask unanimous consent that a copy of the editorial be printed in the RECORD.

There being no objection, the editorial was ordered printed, as follows:

WHAT OTHERS SAY—SENATE VOTES TO REPEAL MISTAKE

In 1970 Congress approved the controversial no-knock provision whereby federal narcotics agents and the District of Columbia Police Department were authorized to obtain a warrant to enter a dwelling without knocking and identifying themselves. The provision was enacted, in the words of Sen. Sam J. Ervin Jr., in "a period of hysteria."

The Justice Department under former Attorney General John Mitchell had done its part to foster such a period. And although civil libertarians and strict constitutional constructionists opposed the provision, the Senate voted down, by a margin of over 2 to 1, Sen. Ervin's 1970 amendment to delete no-knock from the D.C. Crime and U.S. Drug Abuse Prevention Act.

But four years of no-knock was enough for the Senate. On July 11 it made an about-face and voted 63 to 31 to repeal no-knock. Sen. Ervin and Sen. Gaylord Nelson, D-Wis., sponsored the repeal amendment.

Supporters of what amounted to legalized breaking and entering used to contend that citizens' rights were protected sufficiently by the requirement that officers obtain a no-knock warrant from a court. And they argued that no-knock warrants were necessary because going through the regular search warrant routine gave suspects a chance to destroy evidence or escape.

It is true enough that few suspects subjected to a no-knock search managed to escape. Take the case of a California hippie who had a pad in the mountains. A band of narcotics agents descended by helicopter, jeep and on foot one morning on the hippie and his lady roommate. The suspect tried to escape by the back door, but a bullet in the back cut short the escape attempt and his life. The agents found some marijuana, but not the heroin cache they later said they had been looking for.

As for the argument that no-knock was no threat to the right of Americans to be secure in their own homes, government raiders knocked it into a cocked hat on various occasions. One such mistaken drug raid, widely publicized, took place in Collinsville, Ill. in April 1973. Agents raided two homes and terrified the occupants until they realized they had gone to the wrong house. The agents never identified themselves, never showed any sort of search warrant and never told the cowed occupants what they were looking for.

The evidence is, as Sen. Ervin said, that the provision has done nothing in four years to reduce crime or the flow of drugs. Police Chief Jerry V. Wilson of the District of Columbia seemed to agree when he said he wouldn't object to the repeal of no-knock. And Geoffrey Alpring, chief lawyer for the D.C. Police Department, has been quoted as saying that the use of no-knock can increase the possibility of injuries both to policemen and the occupants of the houses entered.

No-knock, in actual practice, turned out to amount to a license for narcotics agents to harass innocent people, mostly those on the bottom of the economic and social scales. It was a bypass of the Constitution that enabled officers of the law to take the law in their own hands and abuse the constitutional rights of private citizens. It has been used chiefly against people suspected of dealing in marijuana or in possession of it, and not against big-time importers of and dealers in, such hard drugs as cocaine and heroin.

"Congress ought not to sacrifice on the altar of doubt and fear the basic premise that every man's home is his castle," Sen. Ervin told the Senate in the course of debate on repeal. The Senate took his advice. The repeal bill now goes to the House. We hope the members of that chamber will also heed the Senator's admonition.

CAMPAIGN FUNDING

Mr. HUGH SCOTT. Mr. President, one of the key issues of the 93d Congress has been campaign reform and we all know that the Senate has acted responsively and responsibly to correct inadequacies in our campaign funding practices. Now the issue rests with the House. I commend to my colleagues here in the Senate and to my colleagues in the House an outstanding article by John Gardner in the Los Angeles Times. It says artfully and articulately that the ball is now in the House. We hope that they will see the need for this vital legislation.

I ask unanimous consent that John Gardner's eloquent plea be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HOUSE HAS "STALLED AND DAWDLED" LONG ENOUGH—CONGRESS MUST ACT ON CAMPAIGN FUND REFORM

(By John Gardner)

The time has come for the 93d Congress to pass campaign finance reform legislation. Twice within the last year, the Senate has passed significant and comprehensive reform measures. Now, after 18 months of stalling and dawdling, the House of Representatives is about to face the same issue.

Having lived through two years of malodorous scandals involving old-style influence peddling, citizens might imagine that the special interests had grown cautious in buying political favors. No such luck. Current statistics show that, as of June 10, registered special-interest groups already had available for the 1974 congressional races almost twice as much money as these same groups reported spending in all the 1972 congressional campaigns.

The message to the House of Representatives couldn't be clearer. Unless Congress acts to create a new system of campaign financing, our present system, with all its corrupting consequences, is going to continue.

Targeting of campaign gifts is not haphazard. Common Cause found that in early 1973, of 43 House cosponsors of dairy industry legislation, 29 had shared $110,000 in campaign funds from dairy lobbyists; and in the Senate, five of seven cosponsors of dairy bills had shared $51,000 from dairy interests. The donations helped win backing for increased government milk price supports, which in turn led to higher consumer prices.

As Sen. Russell B. Long, chairman of the Senate Finance Committee, has observed, campaign gifts are bread cast upon the waters to be returned a thousandfold.

There were similar patterns among senators and representatives who received campaign donations from the American Medical Assn.'s Political Action Committee, from organized labor groups and from others.

Not surprisingly, the prime beneficiaries of the influence-buyers are almost invariably the incumbents—not candidates seeking to unseat them. In the elections of two years ago, $2 out of every $3 given by special interests went to incumbents. Overall, incumbents of both parties in the Senate and House raise, on the average, twice as much money as their challengers.

In 1972, 95% of the congressmen who chose to run again were reelected. Is it any wonder that incumbents aren't enthusiastic about public financing of campaigns, which would put challengers in a more equitable position?

The Senate has already approved an alternative system of congressional campaign financing based on small private contributions and matching public funds.

The House Administration Committee has reported out a bill for action on the floor next week that has two major inadequacies—it provides no public financing for congressional campaigns, and it fails to establish a sound enforcement mechanism.

When the bill comes to the floor of the House, two crucial amendments will seek to correct these flaws—one sponsored by Reps. John B. Anderson (R-Ill.), Morris K. Udall (D-Ariz.), Barber B. Conable Jr. (R-N.Y.), and Thomas S. Foley (D-Wash.) to create a system of matching public funds for congressional general elections, and a second sponsored by Reps. Bill Frenzel (R-Minn.) and Dante B. Fascell (D-Fla.) to create an independent federal elections commission to enforce the law.

The Anderson-Udall-Conable-Foley amendment will provide congressional candidates in the general election with public funds to match private contributions of up to $50 per donor. In addition to serving as an important incentive for small private donations, it would end candidates' reliance on large donors for the bulk of their campaign finances. Since the House Administration Committee bill already provides public financing for presidential elections, the basic question raised by this amendment is whether clean elections are appropriate only for presidential races or whether they should also apply to congressional contests.

The Frenzel-Fascell amendment would create an effective enforcement mechanism. By comparison, the provisions for enforcement in the House Administration Committee bill are pitifully inadequate. There is no way the public interest can adequately be protected if enforcement of the law designed to regulate election activities of congressmen is entrusted to a commission consisting of four members of Congress and two congressional employes, along with the Government Accounting Office, which now watches over elections. This incestuous arrangement would only perpetuate the 50-year history of nonenforcement of campaign finance laws and produce even greater public distrust of elected officials.

It is no accident that in the last 18 months 15 states have created independent agencies to oversee state campaign finance laws. It is no accident either that while the Nixon Administration and the Senate Watergate Committee could agree on little else, there was one issue that united them—the need for an independent federal election commission. Creation of such an agency is fundamental to any meaningful campaign reform bill.

If we want to end the capacity of money to buy elections, we have no choice but to dismantle the present corrupting system of campaign financing. To a good many members of the House, this system seems comfortably familiar, and some will vote to stay with it—corruption and all.

The Bible says, "The dog returneth to his vomit, and the fool to his folly." Congressmen, at long last, need to abandon their old ways. In this year of political disillusionment, they must give us a new system.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I again rise to express support of the United Nations Convention on the Prevention and Punishment of the Crime of Genocide.

It is my hope that these daily reminders of senatorial inaction with regard to the convention may serve at least one purpose: to dispel any fears that the accords are violative of our constitutional guarantees. Time and time again I have emphasized that it is my firm conviction that the Genocide Convention is not a threat to our constitutional system. In fact, the Genocide Convention is designed to protect the most fundamental right of all; the right of every individual and group to life, liberty, and the pursuit of happiness.

Americans may occasionally fail to appreciate just what a privilege this is, perhaps because we have heard it stated too often. Some of us have lived with these protections too long to realize that the majority of humanity lives without hope of these basic rights. Many people have not even had the opportunity to experience the feeling of hope which accompanies a life free of discrimination and social oppression.

The Genocide Convention is an international agreement which addresses itself to the very substance of this hope; the right to live. Ratification of it will put the United States formally on record as opposed to the crime of mass murder. It is not enough to simply say that we are opposed to genocide. Rather we should do something about it. Ratification of the treaty is a necessary step toward this end.

A LONG LOOK AT THE SOCIAL SECURITY SYSTEM

Mr. FONG. Mr. President, in a floor statement July 11, I invited attention of the Congress to an article in U.S. News & World Report for that week on future financial problems faced by the social security system and the relationship of those problems to the Fong-Fannin proposal, Senate Joint Resolution 48, to create a bipartisan, independent National Social Security Commission to maintain constant overview of this program of such vital importance to so many American citizens.

Today I invite attention to an editorial in the July 15 issue of the Wall Street Journal commenting on the U.S. News & World Report article. I ask unanimous consent that this editorial, entitled "A Long Look at the Social Security System" be printed at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit No. 1.)

Mr. FONG. The Wall Street Journal editorial, the U.S. News & World Report article and the recently released social security trustees report that the retirement benefits program is now underfinanced by 3 percent of the Nation's payroll subject to social security taxes, as well as other comments proliferating in the press, all reinforce my views that it is imperative that a mechanism be established for a continuing overview of social security by a permanent, bipartisan agency independent of the program's Administrators.

As I have pointed out repeatedly on the Senate floor, social security is the Nation's biggest business. Every citizen has a serious personal interest in its present and future. Millions of people depend on it for income today. Millions more rely on it for the future. Payments to its current beneficiaries, and taxes necessary to its support, run into tens of billions of dollars each year. That such a massive and vital program is not now subject to continuing review by an agency charged with no other responsibilities is, in my opinion, indefensible.

The Wall Street Journal editorial staggers the imagination and challenges the Congress when it says that in a very real economic sense the national debt is $2.1 trillion larger than what we have said it is. Whether the drastic corrections in social security which the Journal calls for are, indeed, necessary or not, its recommendations must be recognized as posing serious choices which sooner or later must be faced.

While it would be pointless to ask, "How did this problem develop?" it is certainly not inappropriate to ask, "How can we prevent or minimize this kind of difficulty in the future?"

I believe that part of the answer lies in the prompt creation of a bipartisan, independent National Social Security Commission such as Senator FANNIN and I proposed in Senate Joint Resolution 48 last year, and I introduced in 1972. Such a commission would concern itself with more than financing, but certainly the underfinancing crisis we face indicates that we need more continuous study of social security than we have given in the past. The public and the Congress need a reliable source of information about this program based on constant review by experts who are independent of the Social Security Administration, through an agency whose sole concern would be such overview, information dissemination and development of recommendations for the future.

The Fong-Fannin resolution calls for creation of a permanent blue ribbon panel of highly qualified persons, including experts in actuarial science and economics, which would maintain a constant surveillance of the social security system with regard to benefit adequacy, fiscal integrity, equitable treatment of beneficiaries and the system's interrelationship with and impact on America's whole economy.

National Social Security Commission members would be named on a bipartisan basis by the President pro tempore of the Senate, the Speaker of the House of Representatives and the President, with Senate confirmation of Presidential appointees. It would be assisted by a permanent staff totally independent of the Social Security Administration.

In my remarks of last week, I made reference to the recent appointment of the quadrennial Advisory Council on Social Security which is expected to report its recommendation for changes by next January 1. The Fong-Fannin resolution would replace this council with the permanent Commission.

The limited kind of overview which is now provided through the Advisory Council is hardly adequate to the needs of such an important part of American life. That it is appointed but once every 4 years, with an obligation to make its report within a year or less, virtually assures that independent, indepth analysis of the factors important to a successful social security system will be difficult if not totally impossible.

With all due respect to the abilities of the distinguished members on the Advisory Council and its predecessors, their work is almost certain to be dependent on inputs from the Social Security Administration. The kind of review that is needed should not be so dependent on the system's administrative staff.

We live in a highly dynamic society in which factors important to social security are undergoing constant change. We need a review system that is immediately responsive to them and which will maintain a constant check on the impact, favorable and negative, of this dynamism. This is impossible under the type of quadrennial review now in effect.

Changes in birth rates, inflation rates, and wage levels are but examples which have occurred in recent years that are reflected in the problems cited by U.S. News & World Report and the Wall Street Journal.

I strongly suspect that there are members of the present Advisory Council on Social Security who would agree with these reservations I have about limits on its ability to meet a serious need.

It is vital for the future that the American public and the Congress have readily available to them the information and expert opinion, including divergent views as appropriate, which would be expected from the National Social Security Commission envisioned in the Fong-Fannin resolution.

Exhibit 1

A Long Look at the SSS

We read with interest last week's cover story in U.S. News and World Report on the Social Security System, which concludes that the system is in desperately poor financial condition. "The failure to reform Social Security, almost everyone agrees, could lead in the long run to disaster."

It is worse than that. USN&WR says that by 1990, even though a worker pays a maximum Social Security tax of $2,070.45, which has to be matched by his employer, the system will be paying out $20 billion more in benefits than it takes in that year. Unhappily, the assumptions cranked into these numbers are those of the Social Security Administration, numbers that are obsolete and ridiculously optimistic. Unless taxes are increased substantially, or benefits reduced substantially, deficits on the order of $20 billion could arrive by 1980, growing by leaps and bounds from there.

The most disheartening number, an official one, is provided by the Treasury Department. As of June 30, 1973, the unfunded liability of the system was $2.1 trillion. Another way of putting it is this: In a very real economic sense, the national debt is at least $2.1 trillion larger than the politicians say it is. If, as of June 30, 1973, the system had refused to accept new workers, saying it would only collect taxes and pay benefits to those already covered, its outlays over the next 75 years would exceed receipts by $2.1 trillion, plus market rates of interest compounded annually. In the last year, this number has grown by about $300 billion.

So far, Congress has blinked away this enormous pool of debt by passing a law that defines "actuarial soundness." Its reasoning is that the SSS would never close off to new work-force entrants, hence there would always be new workers to pay the benefits to the new recipients. By the congressional "dynamic assumptions" definition of actuarial soundness, the system is only in deficit by $62 billion, spread over the next 75 years.

As it happens, for the dynamic assumptions method to hold up the assumptions have to be as dynamic in reality as they were on the planning boards. They have not been. Working on the 1960 Census figures, the Social Security bureaucrats projected a 1964–1975 birth rate gradually declining from 21 per 1,000 to 20 per 1,000, then climbing again. Instead, the birth rate dropped like a stone throughout the period and now stands at around 15 per 1,000. The bureaucrats projected a growth in real wages over the period of 2.1% a year; between 1965 and 1973 real wage growth averaged 1.7%.

The errors imply much higher taxes are required to sustain benefit levels, and of course imply economic insanity if Congress continues to hike benefit levels. How much higher taxes? In their "Actuarial Audit of the Social Security System," Robert Kaplan of Carnegie-Mellon University and Roman Weil of the University of Chicago assert that realistic assumptions "imply taxes 50% to 75% higher than current levels." The SSS actuaries will not be able to avoid admitting some of this when they put out their new assumptions based on the 1970 Census. The Kaplan-Weil argument is that the dynamics have worsened since 1970 and should be faced up to now.

What's to be done? The first thing is that the public has to be told, by the politicians, that it is not possible to maintain the current rate schedule and benefit level. One or both have to be adjusted. It is of vital importance that the public be told in that most of the work force is now counting on the purchasing power the current benefit levels yield for their retirement years.

Congress may cringe at the idea of trimming these benefit levels, but sharp tax boosts won't be popular either. Liberals will want to dip into the general fund to keep the system going a little longer, but within two or three years this method will be cleaning out the Treasury. All other "worthwhile" government programs will have to be chopped out to sustain Social Security. That, too, appears to be politically impossible. Indeed, there are no politically appealing ways to straighten out this mess. But the longer the nation waits to do it, the more it will hurt.

VIRGINIA FESTIVAL OF INDEPENDENCE

Mr. HARRY F. BYRD, JR. Mr. President, the Virginia Festival of Independence, a 10-day event connected with the Nation's Bicentennial was held from July 11 through July 20.

At the center of this festival is the Commonwealth of Virginia's historic city of Alexandria and county of Fairfax.

On July 18, as a major highlight of the festival, the famous Fairfax Resolves were reenacted in Alexandria. These Resolves, written by George Mason, represent one of the earliest and most influential documents of the Revolutionary War period.

The Resolves were a ringing declaration of the rights and freedoms of the colonists, showing just where the citizens of Alexandria-Fairfax stood on the vital issue of independence. George Washington served as chairman of the Alexandria meeting on July 18, 1774, which adopted the Resolves.

Trinity United Methodist Church, Alexandria, this year is also celebrating its 200th anniversary. The day the Fairfax Resolves were adopted, a 17-year-old Methodist preacher by the name of William Duke was riding toward Alexandria for the second of 14 visits to this 25-year-old town on the banks of the Potomac.

Duke was a Maryland lad who had attended the Second Methodist Conference in Philadelphia in May 1774 and had been assigned to the Frederick Circuit, which embraced all the territory from Frederick, Md., to the Georgetown-Fairfax-Georgetown area. On his sixth trip to Alexandria, on November 20, 1774, with some 12 members present, Duke formed the first Methodist society in Alexandria.

Duke's little society of 1774, which has been in continuous existence for 200 years, is today's Trinity United Methodist Church, on Cameron Mills Road in Alexandria. The church currently has over 1,000 members. The Reverend Lester D. Nave is the congregation's minister.

As part of its Bicentennial, Trinity is publishing a full length book entitled, "A Watermelon for God," telling the church's history. The book has been written by Dr. Fern C. Stukenbroeker, a member of the congregation. Publication is scheduled for mid-September.

The chapters of the book deal with the Alexandria of 1774. One is entitled, "Swans, Tobacco, and Highway 7," which describes Alexandria as it existed when the first Methodist society was formed, the busy harbor, the muddy streets, the stately Carlyle House, the wagons bringing produce from Fairfax and Loudoun Counties, the mixture of aristocratic colonial society and the life of the nearby frontier. Another chapter, "A Town Gone Liberty Mad," talks of the 1774 mood of independence in Alexandria-Fairfax which culminated in the adoption of the Fairfax Resolves.

I have reviewed these two chapters and find that they contain a great deal of interesting history about Alexandria during the year of 1774. This is a commendable effort to preserve the facts about a historic period in our Nation's development.

SUMMARY OF PSRO CONTRACTS

Mr. BENNETT. Mr. President, I wish to insert into the RECORD a summary of the PSRO contracts that have been issued by the Department of Health, Education, and Welfare recently. These contracts are the first step in helping the local PSRO's become functional and make it possible for them to be of the greatest benefit to the public and the medical profession.

I am encouraged to note that 38 States are represented in the first round contract awards. I ask unanimous consent that this summary of the contracts be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF PSRO CONTRACTS

PLANNING CONTRACTS

Alabama: Alabama Medical Review, Inc., Montgomery, $65,000.

Alaska: Alaska Professional Review Organization, Anchorage, $72,372.

Arkansas: Arkansas Foundation for Medical Care, Fort Smith, $65,000.

California: East Central Los Angeles PSRO, Los Angeles, $78,750; Foundation for Medical Care of Santa Clara County, San Jose, $74,000; Kern County Medical Society, Bakersfield, $61,800; North Bay PSRO, San Rafael, $61,200; Monterey County Medical Society, Salinas, $45,485; Organization for PSR of Santa Barbara/San Luis Obispo Counties, Santa Barbara, $44,700; Redwood Coast Region PSRO, Santa Rosa, $74,500; Riverside County PSRO, Riverside, $56,400; San Francisco PSRO, Inc., San Francisco, $57,000; PSRO of San Mateo County, San Mateo, $62,000; Stanislaus Foundation for Medical Care, Modesto, $50,242; Ventura Area PSRO, Inc., Ventura, $68,590.

Delaware: Delaware Foundation for Medical Care, $45,150.

District of Columbia: National Capital Medical Foundation, $55,000.

Florida: Dade Monroe PSRO, Miami, $73,000.

Hawaii: Pacific PSRO, Honolulu, $77,120.

Idaho: Idaho Foundation for Medical Care, Inc., Boise, $51,201.

Illinois: Chicago Foundation for Medical Care, Chicago, $225,760; Quad River Foundation for Medical Care, Joliet, $47,135.

Indiana: Calumet Professional Review Organization, Highland, $39,200; Indiana Area V PSRO, Indianapolis, $51,620.

Iowa: Iowa Foundation for Medical Care, West Des Moines, $45,500.

Kansas: Kansas Foundation for Medical Care, Topeka, $47,560.

Kentucky: Kentucky Peer Review Organization, Louisville, $36,000.

Maryland: Baltimore City Professional Review Organization, $52,555; Central Maryland PSRO, Timonium, $41,000; Delmarva Foundation for Medical Care, Salisbury, $55,720; Montgomery County Medical Care Foundation, Silver Spring, $64,800; Southern Maryland PSRO, Glen Burnie, $35,666.

Michigan: Genesee Medical Corp., Flint, $36,000; Upper Peninsula Quality Assurance Assn., Escanaba, $45,300.

Minnesota: Professional Services Quality Council of Minnesota, Rochester, $66,000.

Missouri: Central Eastern Missouri Professional Review Organization Committee, St. Louis, $61,000; Mid-Missouri Foundation, Jefferson City, $64,000; Northwest Missouri; PSRO Foundation, Kansas City, $49,500; Southeast Missouri Foundation for Medical Care, Cape Girardeau, $54,440.

New Jersey: Area I–PSRO Region II, Morristown, $46,150; Essex Physicians' Review Organization, East Orange, $54,000; Passaic Valley PSRO, Clifton, $37,000.

Nevada: Nevada PSRO, Reno, $38,200.

New York: Adirondack PSRO, Glens Falls, $52,000; Area 9 PSRO of New York State, Inc., Purchase, $57,000; Erie Region PSRO, Buffalo, $67,000; Five-county Organization for Medical Care and Professional Standards Review, New Hartford, $52,000; Genesee Region PSRO, Rochester, $77,000; Kings County Health Care Review Organization, Brooklyn, $64,560; Nassau Physicians Review Organization, Garden City, $96,000; New York County Health Services Review Organization, New York City, $86,332; Richmond County Professional Standards Review, Staten Island, $55,580; PSRO of Central New York, Syracuse, $54.400: PSRO of Rockland, Manual $62,870; Bronx Medical Services Foundation, Bronx, $79,000.

North Carolina: Piedmont Medical Foundation, Winston-Salem, $46,380.

Ohio: 4th Area Professional Standards Review Council, Toledo, $59,000; Region X Professional Review Systems, Columbus, $55,300; Medco Peer Review, Cincinnati, $52,850; Physicans Peer Review Organization, Cleveland, $63,000; Region Six Peer Review Corp., Akron, $46,000; Western Ohio Foundation for Medical Care, $44,550.

Oregon: Greater Oregon PSRO, Portland, $58,500.

Pennsylvania: Allegheny PSRO, Pittsburgh, $88,217; Central Pennsylvania Area II PSRO, Williamsport, $47,175; Eastern Pennsylvania Health Care Foundation, Allentown, $65,000; Montgomery/Bucks PSRO, Norristown, $54,000; PSRO Area XII Executive Committee, Philadelphia, $100,000; Highlands PSRO Corp., Johnstown, $46,600; South Central Pennsylvania PSRO, Lemoyne, $54,000; Southwestern Pennsylvania PSRO, Greensburg, $62,500.

Puerto Rico: Foundation for Medical Care of Puerto Rico, Santurce, $45,280.

South Carolina: South Carolina Medical Care Foundation, $60,000.

South Dakota: South Dakota Foundation for Medical Care, Sioux Falls, $51,000.

Vermont: Vermont PSRO, Rutland, $52,400.

Virginia: Northern Virginia Foundation for Medical Care, Alexandria, $57,875.

Washington: Washington State Medical Association, Seattle, $147,480.

West Virginia: West Virginia Medical Institute, Charleston, $48,000.

Wisconsin: The Foundation for Medical Care Evaluation of Southeastern Wisconsin, Inc., Milwaukee, $36,355; Wisconsin Professional Review Organization, Madison, $90,600.

POPULATION STRATEGY FOR A FINITE PLANET

Mr. HATFIELD. Mr. President, the Overseas Development Council has recently published a communique by Lester R. Brown entitled "Population Strategy for a Finite Planet," a brief article drawn from his latest book, "In the Human Interest."

Mr. Brown argues that the Earth simply cannot sustain the population of 10 billion people projected for the end of the 21st century. The consumption of food, mineral resources, water, and energy by 10 billion people, plus the environmental damage caused by the projected growth of the gross world product to $9 trillion by the year 2000 would reduce our planet to a stinking ball of garbage and gas unfit for decent human living. And given Mr. Brown's expertise in matters of world food supplies and consumption and the related ecology issues, the argument is persuasive.

Instead of 10 billion people by the end of the 21st century, Lester Brown urges a maximum of 6 billion people by the year 2015. He proposes a timetable for meeting this goal, and suggests ways of implementing it that are both reasonable and attainable. There is one caveat, however: the task of stabilizing world population at 6 billion people by 2015 will require some very hard political decisions. As Mr. Brown notes:

> The historical equivalent of perhaps two centuries of change in values and behavior must be compressed into a generation.

To guide our society through the turbulent years ahead we will need a kind of leadership that is dangerously absent today. We will need men and women who are not afraid to make difficult decisions, who do not attempt to shroud their actions in the "newspeak" language of equivocation and evasion, who have the morality and compassion necessary to plot a humane course. Americans have never failed to respond to the call of their leaders, public and private, when the cause was just and the means honorable.

Mr. Brown has provided us with a clear-headed view of the future, and I commend both this article and his book to my colleagues. I ask unanimous consent that the Overseas Development Council communique on population strategy for a finite planet be printed in the Record.

There being no objection, the communique was ordered to be printed in the Record, as follows:

[Communique on Development Issues, Overseas Development Council No 25]

Population Strategy for a Finite Planet

(By Lester R. Brown)

Today's most optimistic projections forecast that global population, now almost 4 billion, will reach 6.0 billion by the year 2000 and will not stabilize before it has risen to 10 billion toward the end of the 21st century. Equally mind-boggling is the possibility that the gross world product will triple to reach $9 trillion by the year 2000.

Lester Brown argues that the serious resource scarcities and ecological stresses of the early 1970s—and their social and political implications—point to the folly of accepting these population and growth rate projections as inevitable. Instead, he proposes that we should work to stabilize world population at 6 billion by the year 2015. This timetable calls for extraordinary global efforts to change individual attitudes and procreative behavior, limit consumption and modify life styles, ensure universal access to family planning services, and reorient economic policies toward meeting the most basic needs of all people, thereby decreasing the insecurities which have historically encouraged higher birth rates.

Is the task feasible? Far more manageable and far less costly, the author suggests, than the consequences of the "business as usual" course we have been charting for ourselves so far.

INTRODUCTION

In an increasingly interdependent world, the consequences of continuing population growth affect everyone—regardless of where the growth actually occurs. Each person added to the world's population exerts an additional claim on the earth's food, energy, and other resources. What we must now recognize is that continuing population growth, even at a moderate rate, will henceforth aggravate virtually all of the important economic, ecological, social, and political problems facing mankind.

The emergence of serious resource scarcities and severe ecological stresses during the early 1970s calls into question the economic growth prospects for the final quarter of this century. For the first time in modern economic history, the world is moving into a situation where, with certain of the scarcer resources, the consumption of more by some necessarily means the consumption of less by others. This raises the critical political issue of how scarce resources will or should be shared among people with widely varying purchasing power. It also suggests the need to end the unrestrained pursuit of super-affluence. The economic circumstances now prevailing in the world indicate the need for a dramatic reorientation of both economic goals and demographic policies and programs.

UNDERSTANDING THE PROBLEM

While most of us understand the short-term consequences of a 3 per cent population growth rate in terms of its impact on the need for food, water, housing, education, and other services, how many of us realize that such a seemingly innocuous rate of growth results in a *nineteen-fold increase within a century?* Not only individual couples contemplating childbearing but also many national political figures whose leadership in this critical area is essential still lack this knowledge. Yet an understanding of the implications of exponential growth is essential to grasping the importance of stabilizing global population and checking the pursuit of super-affluence sooner rather than later.

Existing U.N. projections show world population growing until it reaches 10 to 16 billion by the end of the 21st century. Many working in the population field, even while fully aware of the adverse consequences of such a result, have tended to accept these projections as inevitable, since altering the trend appeared to be next to impossible. This makes it all the more important for those who believe that the combined effect of population growth to the projected levels and of rising affluence will put more pressure on resources, the ecosystem, and institutions than these can withstand to identify and work toward a more manageable global demographic future.

A PROPOSED TIMETABLE

The ambitious yet feasible goal proposed here is the stabilization of world population at just below 6 billion by the year 2015. Some knowledgeable observers may well declare this target "unattainable." However, consideration of the population size with which many nations will be confronted *even if they meet this stringent goal* makes the prospect of not meeting it equally impossible to imagine. Even this timetable shows India growing from under 600 million to nearly a billion people, the population of Mexico increasing from 55 to 103 million, and Bangladesh forced to find means of supporting 50 million people in addition to its current 77 million by the year 2015.

Because of the sharp contrast in current fertility levels between the developed and less developed countries, it is useful to think of these two groups of countries separately when attempting to identify appropriate strategies. In the more developed countries, where populations are growing slowly, it should be possible to achieve stability much sooner than in the less developed countries, where population growth rates are generally rather high, as is the proportion of the population at childbearing age. Nearly a score of developed countries are approaching, or are already below, replacement level fertility. Given the low birth rates now existing in most of these countries, a relatively modest further reduction in the crude birth rate would result in population stability (zero growth). It is not unreasonable, then, to suggest that all of the more *developed* countries should strive for *population stability not later than 1985*.

It should also be possible—although certainly not easy—for all of the *developing* countries making the appropriate effort to *reduce birth rates to 25 per thousand by 1985*. If they can accomplish this, a much smaller group of young people will reach the prime reproductive ages between 2005 and 2015; at that stage, it should be possible to take the final step, bringing birth and death rates into balance.

The notion of reducing crude birth rates in the less developed countries to 25 per thousand by 1985 may appear extraordinarily ambitious. But if we examine the performance of the developing countries which have been most successful in reducing population growth rates, it begins to appear a much more feasible goal. It is useful to remind ourselves that as of 1973 seven developing countries had already reduced their crude birth rates to 25 per thousand or less. These seven, mostly small, countries—with a total population of 33 million—include Mauritius, Singapore, Hong Kong, Taiwan, Barbados, Chile, and Trinidad and Tobago. Two other Latin American countries, Argentina and Uruguay, both with relatively high average incomes, had in fact achieved crude birth rates of less than 25. Another group of countries—Sri Lanka, South Korea, Cuba, and possibly China, whose inclusion brings their combined population to 853 million—had achieved crude birth rates of 30 or less by 1973. It is noteworthy that of these countries only two—Singapore and China—have come close to using all the economic and social incentives available to a government to reduce fertility. All of these countries have been considerably more successful than developing nations on average in achieving economic and social progress for their poor majority. They have achieved substantially longer life expectancy, lower infant mortality, higher literacy, and more equitably distributed income than have other countries at their per capita income level.

Under the proposed timetable, the substantial declines in birth rates between 1975 and 1985 in both the developed and the less developed countries (as the former group moved to population stability and the latter lowered their crude birth rate to 25) would reduce the annual world population growth rate from 1.9 per cent in 1970 to 1.1 per cent in 1985. The period from 1975 to 1985 would be one of steadily declining fertility throughout the world.

Despite continuing stringent efforts, there would be little further decline from 1985 to the end of the century. Populations in the more developed countries already would have stabilized, but the large groups of those born during the 1960–75 period in the less developed countries would be in their prime reproductive years. The second phase of the push toward stabilization would come during the decade from 2005 to 2015, when the sharply reduced group born after 1985 would be entering its prime reproductive years. This would yield a stabilized world population of just under 6 billion by 2015. *Yet even so, the 1970 world population would still have increased by nearly two-thirds by the year 2015.*

IMPLEMENTING THE TIMETABLE

To have any chance of success, a strategy to stabilize world population on the proposed timetable must involve extraordinary efforts on a wide range of fronts including the following:

Creating Social Conditions for Fertility Decline. The historical record indicates that human fertility does not usually decline significantly—even where family planning services are available—until certain basic social needs are satisfied. Birth rates do not normally drop voluntarily in the absence of an assured food supply, reduced infant mortality rates, literacy, and at least rudimentary health services. Thus despite their critical importance, family planning services alone—even if made universally available—will not be enough. In the future, far more attention must also be devoted to designing economic and social policies that spread these fundamental improvements in well-being more evenly within national populations, even in nations where per capita income is still at a low level. Growing evidence from societies as diverse as those mentioned above indicates that such policies are possible and that they help bring down birth rates.

A concerted international effort to satisfy basic social needs everywhere is clearly in the interest of both rich countries and poor. Major global food production, literacy, and health care efforts are well within the resource capacity of the international community; priority global policies now requiring rapid adoption at the international level include an international food reserve system, an internationally supported crash effort to expand fertilizer and food production in the developing world (particularly by the vast numbers of farmers with small holdings), the universal extension of rudimentary health care, and efforts to provide literacy training for all adults.

The encouraging thing about appropriate efforts to satisfy social needs and slow population growth in the developing countries is that these can reinforce each other positively and at the same time accelerate economic growth. There is increasing evidence that if small rural and urban producers and underemployed workers are given a chance to participate more effectively in the development process and have access to education, credit, technology, and health services, they not only become highly productive but acquire a stronger motivation to limit family size. Therefore many of the less developed countries which have not yet done so need to begin redesigning their development strategies to focus more directly on the basic social needs of their people, particularly by giving their poor majority a greater opportunity to participate in production and development. While in this specific area the initiative for change and development rests with these countries themselves, there is an urgent need at the same time for a major increase in the general flow of resources from rich countries to poor—both to help the latter achieve higher growth rates and to give them the capacity to better meet the basic needs of the poor. Additional sources of foreign exchange are needed from increased trade, aid, investment, and such new global resources as the hard minerals of the seabed and the International Monetary Fund's special drawing rights.

Providing More Options for Women. In order to reduce fertility to the levels proposed earlier, average fertility in some societies will have to fall well below replacement levels for at least a limited period of time. In many countries, growing numbers of women are seeking to increase their participation in society and to achieve individual recognition and fulfillment in areas other than childbearing and childraising. The desire of women for a more equitably diversified role and the need to reduce fertility throughout the world both point to the urgency of eliminating laws, customs, and regulations restricting women's rights to work, to own property, to vote, to hold political office, and to pursue certain traditionally "male" professions. Increased opportunities for women outside the home and family can greatly ease and accelerate the attainment of population stabilization.

Economic Incentives. Careful attention also must be given to the range of government policies which, directly and indirectly, may affect childbearing decisions. These include income tax deductions; maternity, child care, and housing subsidies; and social security policies. It is important for every government to carefully examine the total structure of incentives regarding family size which its laws and institutions present to the individual. The object must be to design a broad framework of positive inducements to limit family size as well as policy measures to directly discourage large families. Such an incentive structure can also perform an extremely effective educational function, alerting all citizens to the government's concern with population growth.

Massive Extension of Family Planning Services. Among the less developed countries, the ready access of the majority to family planning services is still the exception rather than the rule. An estimated 40 million abortions a year—most of them in the developing countries—attest to the gap between the need for and the availability of family planning services. The United Nations Fund for Population Activities (UNFPA) estimates that the cost of providing family planning services ranges between 50 cents and one dollar per year per capita for an entire population. Excluding China, the less developed countries contain roughly two billion people. Using the UNFPA estimate of one dollar per person for the cost of providing family planning services, it would thus require $2 billion to provide family planning services throughout the developing countries. If one-half of this sum were to come from internal resources and one-half from external resources, roughly a billion dollars would be required annually from the international community. However, the present flow of funds into the less developed countries from both public and private sources for family planning purposes approximates only $250 million—scarcely a quarter of what is needed from outside.

Changing Life Styles. Clearly the systematic simplification of life styles in the rich countries could free resources for helping the less developed countries solve their basic economic and social problems.

The technologies underlying today's modern economies evolved in a situation of relative abundance. Land, water, energy, and other resources were abundant and cheap. But now there is a need to reexamine these technologies in the light of growing resource scarcity. Could current levels of individual mobility be retained with a much lower level of resource use merely by limiting the size of automobiles? Could energy consumption be greatly reduced with a properly designed public transport system? If Americans persist in driving large automobiles, this may help drive up the world price of energy beyond the reach of many of the world's low-income energy users.

Since the contrasts in food consumption levels among countries are so great, thought needs to be given to how diets could be simplified in the wealthy nations in order to reduce per capita claims on the earth's scarce resources of land and water. What are the possibilities of substituting less costly, more efficient forms of protein for expensive foods such as beef? The production of a pound of poultry or pork requires substantially less grain and high protein feeds than the production of a pound of beef. Per capita pressures on resources can be considerably reduced by shifting consumption away from beef toward these less costly animal products.

THE QUESTION OF RESPONSIBILITY

In the final analysis, we are all responsible for the problems mankind faces. If we are genuinely concerned about population growth, we may ask ourselves some very specific questions: Does our government have an official policy of population stabilization? If it does not, what can be done to get such a policy adopted?

Do our national political leaders understand the dynamics of population growth—that a 3 per cent annual population growth rate means a nineteen-fold increase in a century? Has our government systematically reviewed all its policies which bear directly or indirectly on population growth? For example, does our government have laws which restrict the sale or advertising of contraceptives? Does it have any pronatalist policies such as baby bonuses or preferred income tax status for large families?

What is the responsible thing to do in making childbearing decisions in terms of national and global social development goals and in terms of the welfare of any child? Does our society offer women ample opportunities to participate in meaningful roles other than childbearing? If not, what can be done to ensure such options?

Are we as individuals consuming more food or energy than we need? Can we reduce our consumption of material goods without significantly reducing our well-being?

A CHALLENGE TO LEADERSHIP

If uncontrolled human fertility poses a greater threat to our future well-being than any other single factor, as many informed analysts now believe, then national governments must rethink the question of national security and the allocation of budgetary and human resources. At present, worldwide expenditures on family planning total less than $3 billion per year, compared to global military expenditures far in excess of $200 billion per year—a sum exceeding the income of the poorest half of mankind.

Governments as well as private groups and individuals concerned about changing the course of population growth also need to recognize far more fully that the potential effectiveness of family planning programs in many developing countries is seriously limited by the lag in social and economic progress, which has the undesirable but understandable effect of encouraging families to seek security in numbers.

The population prospect is desperate if it is permitted to continue unchecked. But it is not hopeless if the complexity of the problem is recognized and accepted, and if the right combination of measures is launched even at this late hour. A rational and humane solution to the population problem is not simple, but it is well within the capability of mankind if the appropriate decisions are taken at both the national and international levels. We know that an adequate strategy must encompass a chain of mutually reinforcing policies, including: 1) more equitable international trade, monetary, and investment policies to help strengthen the economic ability of developing countries to bring about the necessary internal social and economic changes; 2) more appropriate and effective domestic policies (as well as international assistance) to improve the basic well-being of the poorest majority of the people—particularly in the most populous rural areas of the developing world—by providing more jobs and better health, education, and other basic services; and 3) the provision of financially accessible family planning services to adults everywhere. In many countries, adopting the policies outlined here will not be easy, since some require major changes in the way in which power is exercised.

The changes called for in human values and behavior and in institutions of all types during the final quarter of the twentieth century are without precedent. The historical equivalent of perhaps two centuries of change in values and behavior must be compressed into a generation. Under these circumstances, the world faces a desperate need for leadership at all levels. There are many scarce commodities today, but none as scarce as leadership.

The world desperately needs enlightened leadership from national political leaders, corporate leaders, church leaders, United Nations officials, the press and media, labor unions, and citizen groups. Leadership at the national level is particularly critical, and yet few national leaders have access to the information needed for responsible and intelligent decision-making in many critical areas. There will be a great temptation to dodge critical issues, to blame other countries for problems which were not anticipated. More than anything else, the times call for political leaders who can behave like statesmen and for informed, concerned citizens who make it good politics for them to do so.

PRESENTATION OF LAETARE MEDAL TO JAMES A. FARLEY

Mr. TALMADGE. Mr. President, Mr. James A. Farley, chairman of the National Democratic Party and Postmaster General during the Roosevelt administration, recently was awarded the Laetare Medal for 1974 by the University of Notre Dame.

Among the addresses given in honor of Jim Farley on this occasion at a dinner in New York were remarks by Mr. Claus Halle, president of the Coca-Cola Export Corp., which included a congratulatory telegram from Mr. Robert Woodruff, chairman of the Coca-Cola Co.

Mr. Farley is the retired chairman of the board of the Coca-Cola Export Corp., and he has a long and distinguished career in public service, government, and private business.

I join his many friends and associates in congratulating him on receiving this high honor from the University of Notre Dame and ask unanimous consent that Mr. Halle's address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

ADDRESS GIVEN BY C. M. HALLE

Tonight a great American University honors a great American. The University of Notre Dame, through its educational programs, research and service activities, has an influence and impact which are truly worldwide. The honored guest, a legend in the politics and business of this country, is an institution unto himself, a man who has made his mark not only in Washington and New York, but also in countless countries, near and far. For decades the University of Notre Dame and James A. Farley have been honored for the excellence and integrity which are their hallmarks.

It is my honor to speak tonight on behalf of the world-wide Coca-Cola family, the men and women in this country and overseas who have regarded Mr. Farley as more than an executive of the Company, more than a boss, more even than an inspiration. Particularly for those of us from other lands, he has somehow symbolized America itself: Its spirit and strength, its courage and its compassion, its commitment to old values while always seeking new and better ways of doing things.

All of us, then, rejoice with all of you here tonight in this great honor which Mr. Farley is about to receive. It is, of course, a personal honor, but it is one which warms the hearts of all of who know, work with, admire and, indeed, love Jim Farley. Let me conclude by reading a telegram from a man who wanted ever so much to be with us tonight and who has been the guiding force for our company for many decades, Mr. Robert Woodruff.

"Dear Jim: It gives me pleasure to send you this further word of congratulations on your designation as the Laetare Medalist for 1974 which brings appropriate recognition to your exemplary personal life and to your high attainments in the service of our Country and of our Company. I am sure the presentation Thursday evening will be an enjoyable and memorable occasion and deeply regret I cannot be there in person. Always wishing you well and with kindest regards. Bob."

Thank you, ladies and gentlemen, thank you, Mr. Farley, and God keep you always.

SECURING THE VOTE FOR OVERSEAS AMERICANS

Mr. GOLDWATER. Mr. President, I am delighted that the Senate acted last Thursday to pass S. 2102, a bill strengthening the voting rights of overseas citizens. I am proud to be a cosponsor of this needed bill.

Mr. President, my legislative efforts on behalf of Americans overseas began in 1970 when I introduced a Senate joint resolution proposing to overhaul the residency and absentee voting regulations of the several States in Presidential elections only. The Congress ultimately enacted this proposal as section 202 of the Voting Rights Act Amendments of 1970.

One of the provisions of this new law was designed to secure the vote in Presidential elections for Americans outside the United States, and a survey completed by my office after the 1972 Presidential election turned up proof that section 202 had a favorable effect. We found that over 4 million citizens cast Presidential absentee ballots in 1972, a jump of 26 percent over 1968.

There was some confusion and even some resistance in certain States, however, to permitting Americans outside the United States to vote unless they kept a fixed permanent home within the State to which they applied. This meant an absentee citizen had to be rich enough to maintain two homes, one in the States and one abroad. In order to completely eliminate negative interpretations of this type, it became obvious that a new law was needed to clear up the requirements of the original one beyond any doubt.

Also, a new law is needed in order to extend the benefits of the earlier law to cover voting in congressional as well as Presidential elections.

Mr. President, I commend the senior Senator from Maryland (Mr. MATHIAS) for his leadership in sponsoring S. 2102, and the Senator from Rhode Island (Mr. PELL) as chairman of the Senate Subcommittee on Privileges and Elections, for his important role in guiding the legislation to speedy passage by the Senate.

Mr. President, my office has prepared for me a legal memorandum which establishes Congress power to protect the vote of American citizens in all Federal elections, and I ask unanimous consent that it be printed in the Record at the conclusion of my statement.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

(See appendix A.)

Mr. GOLDWATER. In this connection, I believe one of the primary legal issues is whether or not the American abroad has a distinct and direct interest in Federal elections similar to that of a citizen remaining at home. A compilation of U.S. laws and treaties affecting U.S. citizens. residing abroad, which was prepared for me by the Library of Congress, proves beyond any doubt that these citizens are immediately affected by a voluminous number of laws. In many instances, the very absence of a treaty may have a significant effect on U.S. citizens residing in a foreign country. For example, Americans living in a country which has no reciprocal tax treaty would have an obvious interest in securing one.

Furthermore, a number of Federal programs, notably involving education, vocational training, and public welfare, are generally limited territorially to the United States. However, citizens living abroad may well have an active interest in securing the extra territorial application of such programs.

In other words, U.S. citizens overseas have a direct and great interest in decisions and policies acted upon by the two political branches of Government and have a very real stake in being allowed to participate in the political process.

Mr. President, I also ask unanimous consent that the list of such laws and treaties affecting overseas Americans be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See appendix B.)

APPENDIX A

MEMORANDUM OF LAW IN SUPPORT OF CONGRESS POWER TO PROTECT THE VOTE IN FEDERAL ELECTIONS

(By J. Terry Emerson, legal counsel to U.S. Senator BARRY GOLDWATER)

I. THE RIGHT TO VOTE FOR NATIONAL OFFICERS IS AN INHERENT RIGHT OF NATIONAL CITIZENSHIP

It is firmly established in American law that the right to vote for National officers is a fundamental, personal right of National citizenship. The Supreme Court has plainly announced that "among the rights and privileges of National citizenship recognized by this court are . . . right to vote for National officers. . . ." *Twining v. New Jersey,* 211 U.S. 78, 97 (1908).

According to Justice Frankfurter's opinion in *U.S.* v. *Williams,* 341 U.S. 70, at 79 (1951), the Supreme Court has held or assumed in at least seven decisions that the right to vote in Federal elections can be protected by Congress because it is a right directly dependent on and secured by the Constitution. *Ex parte Yarbrough,* 110 U.S. 651, 663 (1884), is but the first of these decisions. In *Yarbrough,* the Court expressly rejected a claim "that the right to vote for a Member of Congress is not dependent upon the Constitution or laws of the United States, but is governed by the law of each state respectively." Instead, the Court held that these offices are created by the Constitution and by that alone. *Id.*, at 663. See also *United States* v. *Classic,* 313 U.S. 299, 314, 315 (1941); *Wiley* v. *Sinkler,* 179 U.S. 58, 62 (1900); *In re Quarles,* 158 U.S. 532, 535 (1895).

The same doctrine applicable to voting in Congressional elections is true of Presidential elections. That office, too, is created by the Constitution and by that alone and indeed it and the Vice Presidency are the only national offices chosen in a nationwide election. All doubt of the standing accorded this right should be removed by *In re Quarles,* where the Supreme Court expressly enumerated among the rights secured to citizens by the Constitution "the right to vote for *presidential electors* or members of Congress. . . ." *Id.,* at 535. (Emphasis added.) Moreover, the Supreme Court later held that Presidential electors exercise Federal functions, a truism which further supports the power of Congress to legislate with respect to Presidential elections *Burroughs* v. *United States,* 290 U.S. 534 (1934).

The concept from which the right to vote for officers of the National government is derived is the recognition by the Supreme Court that there are certain basic rights of National citizenship which "arise from the relationship of the individual with the Federal government" and "are dependent upon citizenship of the United States, and not citizenship of a state." *U.S. v. Williams, supra; Slaughter-House Cases,* 16 Wallace 36, 80 (1872).

Thus, the rights belonging to National citizenship arise out of the very nature and existence of the National government. *Ward v. Maryland,* 12 Wallace 418 (1870); *Paul v. Virginia,* 8 Wallace 168, 180 (1868). The right to vote in National elections is among these fundamental rights since it is basic to the scheme of the Constitution that we shall enjoy a representative-type of government with National officers who are as responsive as possible to the people.

II. THE RIGHT TO VOTE FOR NATIONAL OFFICERS IS A PRIVILEGE OF NATIONAL CITIZENSHIP

Section I of the Fourteenth Amendment provides that "No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States." The right to vote for National officers has not only been recognized as being among the "rights" of National citizenship, but also among the "privileges" granted or secured by the Constitution. *In re Quarles, supra; Twining v. New Jersey, supra.* Accordingly, Congress is free to enforce the privilege of voting pursuant to section 5 of the Fourteenth Amendment, the Enforcement Clause.

III. THE FREEDOM TO TRAVEL IS A PRIVILEGE OF UNITED STATES CITIZENSHIP

The freedom to travel across State lines has long been held to occupy a position fundamental to "the nature of our Federal Union and our Constitutional concepts of personal liberty." *Shapiro v. Thompson,* 394 U.S. 634, 639 (1969); *United States v. Guest,* 383 U.S. 745, 757 (1966); *Crandall v. Nevada,* 6 Wallace 35, 47 (1867).

In *Kent v. Dulles,* 357 U.S. 116, 126 (1958), the Supreme Court clearly equated the right of interstate travel with the right to travel abroad:

> "Freedom of movement across frontiers in either direction, and inside frontiers as well, was a part of our heritage. Travel abroad, like travel within the country, may be necessary for a livelihood. It may be as close to the heart of the individual as the choice of what he eats, or wears, or reads. Freedom of movement is basic in our scheme of values." *Id.,* at 126.

Thus, the freedom to travel abroad has been held to be an important aspect of the citizen's "liberty," guaranteed in the Due Process Clause of the Fifth Amendment. *Kent, supra,* at 127; *Aptheker v. Secretary of State,* 378 U.S. 500, 505 (1964). Indeed freedom of movement is considered of such great importance, the Supreme Court has held that a Federal restriction upon the personal liberty of travel outside the United States was unconstitutional even though a substantial governmental interest was asserted in support of the restriction on grounds of national security. *Aptheker, id.,* at 508.

Since it is well settled that the Fourteenth Amendment operates to extend the same protection against State legislation, affecting life, liberty, and property, as is offered by the Fifth Amendment, Congress has full power to secure the liberty of free travel against unnecessary State restraint. *Hibben v. Smith,* 191 U.S. 310, 325 (1903).

IV. CONGRESS HAS POWER TO PROTECT RIGHTS AND PRIVILEGES OF NATIONAL CITIZENSHIP UNDER BOTH THE NECESSARY AND PROPER CLAUSE AND THE FOURTEENTH AMENDMENT

With respect to protection and facilitation of the exercise of rights or privileges of United States citizenship, the Supreme Court has ruled that Congress may act under the Necessary and Proper Clause of Article I of the Constitution. As it was stated by Chief Justice Waite in *United States v. Reese,* 92 U.S. 214, 217 (1875), the "rights and immunities created by or dependent upon the Constitution of the United States can be protected by Congress." See also *Strauder v. West Virginia,* 100 U.S. 303, 310 (1879). As in all cases involving the reserved powers of the States, the applicable rule under which Congress may legislate is the classic formulation by Chief Justice Marshall in *McCulloch v. Maryland,* 4 Wheaton 316, 421 (1819). If the end be legitimate and within the scope of the Constitution, Congress can choose any means which has a rational basis.

This principle was upheld in *United States v. Texas,* 252 Fed. Supp. 234 (1966), striking down the poll tax system in Texas. The case involved an action brought under section 10 of the Voting Rights Act of 1965 in which Congress found that payment of a poll tax as a precondition to voting denies or abridges the Constitutional right of citizens to vote. In holding that the Texas poll tax must fall, the Court placed its decision squarely on the ground that the right to vote is "one of the fundamental rights included within the concept of liberty." *Id.,* at 250. The Supreme Court upheld this ruling in *Texas v. United States,* 384 U.S. 155 (1966).

The same rule of *McCulloch v. Maryland* is applicable to measure the exercise of Congress' power to enforce the guarantees of the Fourteenth Amendment. For example, see *Katzenbach v. Morgan,* 384 U.S. 641, at 650, 651 (1966), upholding the constitutionality of section 4(e) of the Voting Rights Act of 1965 which prohibits enforcement of the New York State English language literacy test against New York residents from Puerto Rico.

V. S. 2102 IS APPROPRIATE LEGISLATION

Applying the above principles to the subject legislation, it is clear S. 2102 is constitutional. Its end is clearly legitimate. Its object is to protect and enhance the right of almost one million United States citizens overseas to exercise the franchise in Federal elections. These citizens have a direct and great interest in decisions and policies acted upon by the President and Congress and are substantially affected by decisions made by the Executive and Congress jointly. Federal action is required if these citizens are to be brought within the workings of representative government. No single State can undertake to guarantee the franchise to all these persons. In order to establish a uniform means by which all national citizens can be guaranteed an equal opportunity to vote in national elections, it is necessary for Congress to act.

In acting to facilitate and protect the rights to vote and travel, the record indicates Congress is concerned with at least three categories of overseas citizens, all of whom it seeks to enfranchise in Federal elections. A professional survey of United States citizens abroad, which was recently compiled for the Department of Defense pursuant to the Federal Voting Assistance program, provides the best evidence available as to the characteristics of these citizens. An analysis of applicable principles proves Congress is acting within the scope of the Constitution with respect to each of these categories of citizens.

VI. CONGRESS CAN PROVIDE UNIFORM PROCEDURES FOR ABSENTEE RESIGNATION AND VOTING IN FEDERAL ELECTIONS

The recent Department of Defense survey indicates that there are 630,300 Americans abroad who are presently eligible to vote based on age, citizenship, and legal residence criteria. As to this class of citizens Congress is concerned only wth removing technical limitations of State and local law which unnecessarily restrict their opportunity to vote and consequently burden the privilege of travel as well. Congress is concerned that these citizens, who are admittedly, bona fide residents of the several States shall not be disenfranchised by mere lack of minimal voting processes. For this reason, Congress proposes to enact uniform national standards with respect to the means for absentee registration and voting by such residents in order to provide them with the fullest opportunity for exercising the franchise.

The basic standards which Congress uses in S. 2102 are derived from section 202 of the Voting Rights Act of 1965, which in turn were drawn from the proven practice of the States themselves. Congress has found that these practices were successfully applied by many States with respect to some of their residents without significant fraud or administrative difficulty and has accordingly found there is no compelling reason why the States should not apply the same standards to all of their residents on a national, uniform basis. See testimony of Senator Goldwater, "Amendments to the Voting Rights Act of 1965," Hearings before the Subcomm. on Const. Rights, Senate Comm. on the Judiciary, 91st Cong., 1st and 2d Sess. (1969–1970), at 277–306.

VII. CONGRESS CAN ENACT A UNIFORM DEFINITION OF RESIDENCE FOR VOTING PURPOSES IN FEDERAL ELECTIONS

A second class of overseas citizens who are covered by S. 2102 includes persons who are ineligible to vote because of strict residence restrictions, but who plan to return to States that have been their homes before residing abroad. According to the recent survey made for the Department of Defense, there are up to 334,000 Americans of voting age who may be in this category. Giving proper consideration to the interests of the States, Congress can legislate a uniform definition of residence for voting purposes in Federal elections in order to secure the fundamental right to vote and freedom of travel for these citizens. If a person who departs a State for overseas has an intent to return to that State and considers himself still to be a resident of that State for voting purposes, Congress has a rational basis for determining that these persons remain bona fide residents of the State for purposes of voting in Federal elections.

All States now permit absentee servicemen and their accompanying dependents to register and vote from abroad and this has not caused any significant problems of fraud or administrative difficulty. The universal rule applied by States to servicemen and their dependents is one of intent. These persons do not lose or abandon the voting residence they had when the military member entered the service, nor do they acquire one at the place where he or she serves, irrespective of the duration of actual residence at such place. American Jurisprudence, 2nd, Elections, section 75.

Since all States have successfully administered their elections under the liberal test of residence applied to military personnel and since the total numbers of absentee residents so continued on the voting rolls exceeds the combined total of persons accorded the same rights by S. 2102, Congress may rationally conclude that the setting of a uniform definition of residence for voting purposes based on the same criteria applicable to servicemen and their dependents is an appropriate and workable means for protecting the vote of citizens overseas in Federal elections and their liberty of travel without penalty by reason of loss of the vote.

VIII. THERE IS NO COMPELLING STATE INTEREST IN IMPOSING A STRICT RESIDENCE TEST AGAINST AMERICANS OVERSEAS

Though the general proposition may be accepted that a State may require its voters to be bona fide residents, the Supreme Court has made it clear that the States may not use a test of residence as a technical device for sweeping an entire classification off the voting rolls unless the restriction is *necessary* to promote a compelling State interest. For example, State determinations that certain classes of citizens were not residents for voting purposes were overturned in at least three recent cases because the residence rules were found not necessary to serve any compelling State interest. *Carrington v. Rash*, 380 U.S. 89, 95, 96 (1965), *Evans v. Cornman*, 398 U.S. 419, 424, 426 (1970); *Dunn v. Blumstein*, 405 U.S. 330, 337 (1972).

Congress has here determined that there is no compelling governmental interest in restricting the right to vote and penalizing the right to travel of Americans overseas who possess a nexus with a particular State. Though the States have a obvious interest in preserving the basic conception of their political communities, they have shown themselves able to do this while using a broad standard of residence in the case of servicemen and their accompanying dependents. Thus, a stricter rule than that applied to servicemen and their families cannot be said to be necessary.

Moreover, S. 2102, is applicable only to Federal elections and not to filling local public offices. Federal elections are substantially national and international in scope and to a large extent the issues cut across all areas and regions of our country. Whatever the interest of States in limiting the definition of residence in the case of voters for State, county and municipal offices, there is no compelling need for using a stricter rule in Federal elections than the one which is set forth in S. 2102.

Nor will enactment of the broad definition of residence required by S. 2102 abrogate all State functions with respect to the qualifications of voters in Federal elections. States will retain the power to test whether an applicant for absence registration or voting (1) is of legal age, (2) is incapacitated by reason of insanity, (3) is disqualified as a convicted felon, (4) meets the prescribed time and manner for making application, and (5) is truthful in statements made on registration or voting forms, such as with respect to a claim to actual past residence in a particular State.

Nor can a State properly argue that it is necessary to exclude all persons overseas from voting in Federal elections in order to guarantee that its voters will be minimally knowledgeable about the elections. It is common knowledge that Americans overseas have wide and immediate access to English language newspapers, journals and news programs circulated and broadcast in foreign areas. These private sources of information are supplemented by the services of the Armed Forces Network, Voice of America, and USIA libraries which are well known to Americans abroad in even the most isolated of places.

The acute interest and awareness of Americans overseas in Federal elections is apparent on the record. In fact, the Department of Defense survey of persons overseas shows that at least 151,000 Americans, not including Federal employees or servicemen, voted in the 1972 election while residing abroad. There is nothing to support an assumption that citizens overseas are uninformed or uninterested in Federal elections and any such argument would crudely and impermissibly exclude large numbers of otherwise fully qualified voters.

Nor can a State claim that it must exclude persons overseas from voting because they might hold a different viewpoint than persons who have not been absent from the State. The Supreme Court has ruled time after time that differences of opinion may not be the basis for excluding any group of persons from the franchise. See the discussion of cases set forth in *Dunn v. Blumstein*, supra, at 355–356.

A similar analysis is applicable with respect to the small numbers of citizens overseas who do not intend to return. According to the Department of Defense survey of citizens overseas, this group may include some 26,500 persons. The critical fact with respect to Congress' power to secure the vote in Federal elections for these persons is that there are numerous and vital ways in which these individuals are affected by the decisions and policies acted on by Federal officers. *Evans v. Cornman, supra*, at 424. Although they are outside the country, these persons are subject to the United States Internal Revenue Code, retirees among them may be directly affected by changes in the Civil Service retirement and Social Security programs, and they are greatly affected by trade and tariff measures, export controls, and foreign policy decisions, among many other actions and programs dealt with by the Executive and Congress jointly. These persons have distinct, direct and great interests in the election of Federal officers and Congress may protect their stake in these elections by providing a uniform procedure for implementing the exercise of their vote in these elections so long as such persons have a past nexus with the particular State in which they seek to vote.

IX. SUMMARY

Without regard to whether the Judiciary itself would find that State restrictions on the vote of overseas residents are unconstitutional, Congress may act to protect the rights to vote and travel by enacting uniform, national standards for Federal elections. Time and again, the Supreme Court has announced that "the right of suffrage is a fundamental matter in a free and democratic society" and "is preservative of other basic civil and political rights." *Reynolds v. Sims*, 377 U.S. 533, 561, 562 (1964); *Kramer v. Union Free School District*, 395 U.S. 621, 626 (1969). The Court has further indicated that, "No right is more precious in a free country than that of having a voice in the election of those who make the laws under which, as good citizens, we must live." *Wesberry v. Sanders*, 376 U.S. 1, 17 (1964). If this is so, surely Congress can act to protect the right of Americans abroad to participate in the choice of Federal officers whose decisions affect them personally and directly.

In so acting, Congress need not assert a general power to prescribe qualifications for voters in Federal elections. S. 2384 is confined to Federal action against a particular problem clearly within the purview of Congress' powers to facilitate and protect the personal rights and privileges which the Supreme Court has found to be guaranteed to each citizen by the Federal Constitution.

APPENDIX B

UNITED STATES TREATIES AND STATES HAVING A SIGNIFICANT EFFECT UPON AMERICAN CITIZENS LIVING ABROAD

PART I—TREATIES

Subpart A—Bilateral

Afghanistan

General Relations:

Provisional agreement in regard to friendship and diplomatic and consular representation, (Paris, 1936), 49 Stat. 3873, EAS 88, 168 LNTS 143.

Albania

Nationality:

Treaty of naturalization, (Tirana, 1932), 47 Stat. 3241, TS 892, 162 LNTS 31.

Argentina

Social Security:

Agreement relating to the payment of old-age, survivors, and disability benefits to beneficiaries residing abroad. (Buenos Aires, 1972), TIAS 7458.

Taxation:

Agreement for relief from double taxation on earnings derived from operation of ships and aircraft. (Washington, 1950), 1 UST 473; TIAS 2088; 89 UNTS 63.

Telecommunication:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Buenos Aires, 1967, 18 UST 361; TIAS 6243; 636 UNTS 95.

Agreement relating to radio communications between amateur stations on behalf of third parties. (Buenos Aires, 1967), 18 UST 365; TIAS 6244; 636 UNTS 103.

Australia

Property:

Conventions between the United States and the United Kingdom applicable to Australia from April 3, 1902.

Convention relating to tenure and disposition of real and personal property, (Washington, 1899), 31 Stat. 1939; TS 146; I Malloy 774).

Supplementary convention extending the time within which notification may be given of the accession of British colonies or foreign possessions to the convention of March 2, 1899, (Washington, 1902), 32 Stat. 1914; TS 402; I Malloy 776).

Supplementary convention relating to the tenure and disposition of real and personal property, (Washington, 1936), 55 Stat. 1101; TS 964; 203 LNTS 367.

Taxation:

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on gifts, (Washington, 1953), 4 UST 2264; TIAS 2879; 205 UNTS 237.

Convention for avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, (Washington, 1953), 4 UST; TIAS 2880; 205 UNTS 253.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons, (Washington, 1953), 5 UST 92; TIAS 2093; 205 UNTS 277.

Telecommunication:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country, (Canberra, 1965), 16 UST 973; TIAS 5836; 541 UNTS 155.

Austria

General Relations:

Treaty establishing friendly relations, (Vienna, 1921), 42 Stat. 1946; TS 659; III Redmond 2493; 7 LNTS 156.

Property:

Agreement concerning the disposition of certain United States property in Austria, (Vienna, 1955), 7 UST 223 TIAS 3499; 272 UNTS 31.

Telecommunications:

Agreement relating to the operation of amateur radio station, (Vienna, 1967), TIAS 6378; 18 UST 2878; 634 UNTS 43.

Barbados

Property:

Convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property, (Washington, 1899), 31 Stat. 1939; TS 146; I Malloy 774.

Supplementary convention amending article IV and 2d paragraph of article II of the convention of March 2, 1899 between the United States and the United Kingdom relating to the tenure and disposition of real and personal property, (Washington, 1936), 55 Stat. 1101; TS 964; 203 LNTS 367.

Taxation:

Convention and supplementary protocol between the United States and the United Kingdom relating to the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, (Washington, 1945), 60 Stat. 1377; TIAS 1546; 6 UNTS 189).

Supplementary protocol between the United States and the United Kingdom amending the convention of April 16, 1945, as amended, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. (Washington, 1954), 6 UST 1329; TIAS 4124; 336 UNTS 330).

Agreement between the United States and the United Kingdom relating to the application of the income tax convention of April 16, 1945, as amended, to specified British territories, (Washington, 1957), 9 UST 1459; TIAS 4141; 351 UNTS 368.

Supplementary protocol between the United States and the United Kingdom amending the convention of April 16, 1945, as amended, for the avoidance of fiscal evasion with respect to taxes on income, (London, 1966), 17 UST 1254; TIAS 6089).

Telecommunications:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country, (Bridgetown, 1968), 19 UST 5994; TIAS 6553.

Belgium

Automotive Traffic:

Agreement regarding the facilitation of road travel in the United States for holders of Belgian driving permits and in Belgium for holders of United States driving permits, (Brussels, 1971), 22 UST 1525; TIAS 7172.

Taxation:

Agreement relating to relief from double income tax on shipping profits, (Washington, 1925), 49 Stat. 3871; EAS 87; 166 LNTS 333.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, (Brussels, 1970), TIAS 7463.

Agreement for the avoidance of double taxation on profits derived from the operation of aircraft, (Washington, 1953), 4 UST 2030; TIAS 2858; 180 UNTS 9.

Telecommunications:

Agreement relating to the reciprocal granting of authorization to permit licensed amateur radio operators of either country to operate their stations in the other country, (Brussels, 1965), 16 UST 869; TIAS 5824; 549 UNTS 95.

Bolivia

Telecommunication:

Agreement relating to radio communications between amateur stations on behalf of third parties, (La Pez, 1961), 12 UST 1695; TIAS 4888; 424 UNTS 93.

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country, (La Paz, 1965), 16 UST 165; TIAS 5777; 542 UNTS 209.

Brazil

Taxation:

Arrangement providing for relief from double income tax on shipping profits, (Rio de Janeiro, 1929), 47 Stat. 2620; EAS 16; 126 LNTS 465.

Telecommunications:

Agreement relating to radio communications between amateur stations on behalf of third parties, (Washington, 1965), 16 UST 821; TIAS 5816; 546 UNTS 195.

Bulgaria

Claims:

Agreement regarding claims of United States nationals and related financial matters, with exchanges of letters, (Sofia, 1963), 14 UST 969; TIAS 5387; 479 UNTS 245.

Nationality:

Naturalization treaty, (Sofia, 1924), 43 Stat. 1759; TS 684; IV Trenwith 3972; 25 LNTS 238.

Burma

Property:

Convention between the United States and the United Kingdom relating to tenure and disposition of real and personal property, (Washington, 1899), 31 Stat. 1939; TS 146; I Malloy 774.

Property:

Supplementary convention between the United States and the United Kingdom extending the time within which notifications may be given of the accession of British colonies or foreign possessions to the convention of March 2, 1899, (Washington, 1902), 32 Stat. 1914; TS 402; I Malloy 776.

Burundi

Taxation:

Convention between the United States and Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, (Washington 1948), 4 UST 1647; TIAS 2833; 173 UNTS 67.

Convention between the United States and Belgium modifying and supplementing convention of October 28, 1948, (Washington, 1952), 4 UST 1647; TIAS 2833; 173 UNTS 67.

Convention between the United States and Belgium supplementing the convention of October 28, 1948, as modified, for the avoidance of double taxation with respect to taxes on income, (Washington, 1957), 19 UST 1358; TIAS 4280, 356 UNTS 366.

Agreement between the United States and Belgium relating to the extension of the operation of the income tax convention of 1948, as supplemented, to the Belgium Congo and the Trust Territory of Ruanda-Urundi, (Washington, 1954), 10 UST 1358; TIAS 4280; 356 UNTS 370.

Canada

Consuls:

Arrangement relating to visits of consular officers to citizens of their own country serving sentences in penal institutions, (Ottawa, 1935).

Judicial Procedure:

Arrangement relating to the admission to practice before patent offices. (Washington, 1937), 52 Stat. 1475; EAS 118; 187 LNTS 27.

Labor:

Agreement relating to unemployment insurance benefits, (Ottawa, 1942), 56 Stat. 1451; EAS 244; 119 UNTS 295.

Agreement relating to workmen's compensation and unemployment insurance in connection with construction projects in Canada, (Ottawa, 1942), 56 Stat. 1770; EAS 279; 24 UNTS 217.

Property:

Convention between the United States and the United Kingdom relating to tenure and disposition of real and personal property, (Washington, 1899), 31 Stat. 1939. TS 146; I Malloy 774.

Supplementary convention providing for the accession of the Dominion of Canada to the real and personal property convention of March 2, 1899, (Washington, 1921). 42 Stat. 2147; TS 663; III REdmond 2657; 12 LNTS 425.

Social Security:

Agreement relating to Canada Pension Plan. (Ottawa, 1967) 18 UST 486; TIAS 6254.

Taxation:

Arrangement relating to relief from double income tax on shipping profits, (Washington, 1928), 47 Stat. 2580; EAS 4; 95 LNTS 209.

Convention and protocol for the avoidance of double taxation and prevention of fiscal evasion in the case of income taxes, (Washington, 1942), 56 Stat. 1399; TS 983 124 UNTS 271.

Convention modifying and supplementing the convention and accompanying protocol of March 4, 1942 for the avoidance of double taxation and the prevention of fiscal evasion in the case of income taxes, (Ottawa, 1950), 2 UST 2235; TIAS 2347; 127 UNTS 67.

Taxation:

Convention further modifying and supplementing the convention and accompanying protocol of March 4, 1942, for the avoidance of double taxation and the prevention of fiscal evasion in the case of income taxes, as modified by the supplementary convention of June 12, 1950, (Ottawa, 1956), 8 UST 1619; TIAS 3916; 293 UNTS 344.

Convention further modifying and supplementing the convention and accompanying protocol of March 4, 1942 for the avoidance of double taxation and the prevention of fiscal evasion in the case of income taxes, as modified by the supplementary conventions of June 12, 1950 and August 8, 1956, (Washington, 1966), TIAS 6415.

Convention for the avoidance of double taxation and the prevention of fiscal evasion in the case of estate taxes and succession duties, (Ottawa, 1944), 59 Stat. 915; TS 989; 124 UNTS 297.

Convention modifying and supplementing the convention of June 8, 1944 for the avoidance of double taxation and the prevention of fiscal evasion in the case of estate taxes and succession duties, (Ottawa, 1950), 2 UST 2247; TIAS 2348; 127 UNTS 57.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons, (Washington, 1961), 13 UST 382; TIAS 4995; 45 UNTS 143.

Telecommunication:

Convention relating to the operation by citizens of either country of certain radio equipment or stations in the other country, (Ottawa, 1951), 3 UST 3787; TIAS 2508; 207 UNTS 17.

Ceylon

Property:

Convention between the United States and the United Kingdom relating to tenure and disposition of real and personal property, (Washington, 1899), 31 Stat. 1939; TS 146; I Malloy 774.

Chile

Amity:

Treaty of peace amity, commerce, and navigation, with additional and explanatory convention signed at Santiago September 1, 1833 (Santiago, 1832), 8 Stat. 434; TS 40; I Malloy 171.

Telecommunication:

Agreement relating to radio communications between amateur stations on behalf of third parties (Santiago, 1934), 49 Stat. 3667; EAS 72; 147 LNTS 15.

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country (Washington, 1967), TIAS 6380.

China—Republic of

Language and Area Studies School:

Agreement concerning the status of the American Embassy School of Chinese Language and Area Studies at Taichung and its personnel and of Chinese Embassy personnel studying in the Washington area (Taipei, 1969), 20 UST 2856; TIAS 6759.

Colombia

Consuls:

Consular convention,[1] (Washington, 1850),

Taxation:

Agreement for relief from double taxation on earnings from operations of ships and aircraft (Washington, 1961), 12 UST 3141; TIAS 4916; 433 UNTS 123.

Telecommunication:

Agreement relating to radio communications between amateur stations on behalf of third parties (Bogota, 1963), 14 UST 1754; TIAS 5483; 494 UNTS 49.

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country (Bogota 1965), 16 UST 1742; TIAS 5899, 514 UNTS 109.

Congo—Brazzaville

Treaty Obligations:

Treaty obligations assumed by the Congo upon its independence (Brazzaville, 1961), 13 UST 2065; TIAS 5161; 603 UNTS 19.

Congo—Kinshasa

Taxation:

Convention between the United States and Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, (Washington, 1952), 4 UST 1647; TIAS 2833; 173 UNTS 67.

Convention between the United States and Belgium modifying and supplementing convention of October 28, 1948. (Washington, 1952); 4 UST 1647; TIAS 2833; 173 UNTS 67.

Convention between the United States and Belgium Supplementing the convention of October 28, 1948, as modified for the avoidance of double taxation with respect to taxes on income, (Washington, 1957), 10 UST 1358; TIAS 4280; 356 UNTS 366.

Agreement between the United States and Belgium relating to the extension of the operation of the income tax convention of 1948, as supplemented, to the Belgian Congo and the Trust Territory of Ruanda-Urundi, (Washington, 1954), 10 UST 1358; TIAS 4280; 356 UNTS 370.

Costa Rica

Consuls:

Consular convention, (San Jose, 1948), 1 UST 247; TIAS 2045; 70 UNTS 27.

Nationality:

Convention to fix the conditions of naturalization of citizens who renew their residence in country of their origin, (San Jose, 1911), 37 Stat. 1603; TS 570; I11 Redmond 2544.

Telecommunication:

Agreement relating to radio communications between amateur stations on behalf of third parties. Exchange of notes at Washington August 13 and October 19, 1956; entered into force October 19, 1956. 7 UST 2839; TIAS 3665; 278 UNTS 65.

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at San Jose August 17 and 24, 1964; entered into force August 24, 1964. 15 UST 1787; TIAS 5649; 531 UNTS 107.

Cuba

Treaty of relations. Signed at Washington May 29, 1934; entered into force June 9, 1934. 48 Stat. 1682; TS 866; Trenwith 4054.

Cyprus

Property:

Convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property. Signed at Washington March 2, 1899; made applicable to Cyprus February 9, 1901. 31 Stat. 1939; TS 146; 1 Malloy 774.

Visas:

Agreement relating to the reciprocal waiver of fingerprinting requirements for nonimmigrants. Exchange of notes at Nicosia July 11, 1962 and January 11, 1963; entered into force January 11, 1963. 14 UST 6; TIAS 5271; 471 UNTS 127.

Denmark

Automotive traffic:

Agreement relating to reciprocal treatment of passenger motor vehicles. Exchange of notes at Bar Harbor, Maine, September 4, 1928, and at Washington October 27, 1928, and February 2, 1929, 48 Stat. 1871; EAS 61.

Nationality:

Convention relating to naturalization Signed at Copenhagen July 20, 1872; entered into force March 14, 1873. 17 Stat. 941; TS 69; I Malloy 384.

Taxation:

Agreement relating to relief from double income tax on shipping profits. Exchanges of notes at Washington May 22, August 9 and 18, October 24, 25, and 28, and December 5 and 6, 1922; entered into force December 6, 1922; operative January 1, 1921. 47 Stat. 2612; EAS 14; 113 LNTS 381.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington May 6, 1948; entered into force December 1, 1948; operative January 1, 1948 for U.S. tax and April 1, 1948 for Danish tax. 62 Stat. 1730; TIAS 1854; 26 UNTS 55.

Agreement for the waiver of visa requirements for American citizens entering Denmark for a temporary period, and the granting of gratis visas valid for twenty-four months to Danish subjects coming to the United States for temporary visits. Exchanges of notes at Copenhagen June 9 and 21 and July 7 and 8, 1947; entered into force July 8, 1947. 62 Stat. 4068; TIAS 2110; 132 UNTS 145.

Amendment: April 30 and May 1, 1958.

Dominican Republic

Labor:

Agreement relating to workmen's compensation in connection with certain projects under construction or operation in the Dominican Republic. Exchange of notes at Ciudad Trujillo October 14 and 19, 1943; entered into force October 19, 1943. 57 Stat. 1180; EAS 353; 21 UNTS 295.

Telecommunication:

Agreement relating to radio communications between amateur stations on behalf of third parties. Exchange of notes at Santo Domingo April 18 and 22, 1963; entered into force May 22, 1963. 14 UST 817; TIAS 5360; 487 UNTS 169.

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Santo Domingo January 28 and February 2, 1965; entered into force February 2, 1965. 16 UST 93; TIAS 5766; 542 UNTS 117.

Ecuador

Telecommunication:

Agreement relating to radio communications between amateur stations on behalf of third parties. Exchange of notes at Quito March 16 and 17, 1950; entered into force March 17, 1950. 3 UST 2672; TIAS 2433; 177 UNTS 115.

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Cuito March 26, 1965; entered into force March 26, 1965. 16 UST 181; TIAS 5779; 542 UNTS 237.

El Salvador

Labor:

Arrangement relating to workmen's compensation and unemployment insurance for American citizens employed on projects in El Salvador, (San Salvadore, 1943), 7 Bevas 586.

Nationality:

Convention to fix the condition of naturalized citizens who renew their residence in the country of their origin. Signed at San Salvador March 14, 1908; entered into force July 20, 1908. 35 Stat. 2038; TS 503; II Malloy 1570.

Telecommunication:

Arrangement relating to radio communications between amateur stations on behalf of third parties.

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[1] Art. III, pars. 8 and 11, abrogated by the United States as of July 1, 1916 in accordance with the Seamen's Act (38 Stat. 1164). 10 Stat. 900; TS 55; I Malloy 314.

Exchange of notes at San Salvador April 5, 1962; entered into force May 5, 1962. 13 UST 411; TIAS 5001; 442 UNTS 41.

Agreement relating to the granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country.

Exchange of notes at San Salvador May 24 and June 5, 1967; entered into force June 5, 1967. TIAS 6309; 18 UST 1661.

Ethiopia

Trade and commerce:

Treaty of amity and economic relations, and related notes. Signed at Addis Ababa September 7, 1951; entered into force October 8, 1953. 4 UST 2134; TIAS 2864; 206 UNTS 41.

Fiji

Consuls:

Consular convention between the United States and the United Kingdom, (Washington, 1951), 3 UST 3426; TIAS 2494; 165 UNTS 121.

Agreement continuing in force between the United States and Fiji the consular convention of June 6, 1951 (3 UST 3426) between the United States and the United Kingdom, (Suva and Washington, 1972).

Property:

Convention relating to tenure and disposition of real and personal property, (Washington, 1899), 31 Stat. 1939.

Supplementary convention amending article IV and paragraph 2 of Article VI of the convention relating to the tenure and disposition of real and personal property of March 2, 1899, (Washington, 1936), 55 Stat. 1101; TS 964; 203 LNTS 367.

Agreement continuing in force between the United States and Fiji the convention of March 2, 1899 and May 27, 1936 between the United States and the United Kingdom relating to tenure and disposition of real and personal property, (Suva and Washington, 1971), 22 UST 1806; TIAS 7222.

Telecommunications:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country, (London, 1965), 16 UST 2047; TIAS 5941; 561 UNTS 193.

Agreement extending to certain territories the application of the agreement of November 25, 1965 relating to the reciprocal granting of authorizations to permit licensed amateur radio operator of either country to operate their stations in the other country, (London, 1969), 20 UST 4089; TIAS 6800.

Agreement continuing in force between the United States and Fiji the agreement of November 25, 1965 between the United States and the United Kingdom relating to the reciprocal granting of authorizations to permit licensed amatuer radio operators of either country to operate their stations in the other country, (Suva and Washington, 1972), TIAS 7417.

Finland

Nationality:

Convention regulating military obligations of persons having dual nationality. Signed at Helsinki January 27, 1939; entered into force October 3, 1939. 54 Stat. 1712; TS 953; 201 LNTS 197.

Taxation:

Convention with respect to taxes on income and property, (Washington, 1970), 22 UST 40; TIAS 7042.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates and inheritances. Signed at Washington March 3, 1952; entered into force December 18, 1952. 3 UST 4464; TIAS 2595; 177 UNTS 141.

Telecommunication:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Helsinki December 15 and 27, 1967; entered into force December 27, 1967. TIAS 6406; 18 UST 3153.

Trade and Commerce:

Treaty of friendship, commerce, and consular rights, and protocol. Signed at Washington February 13, 1934; entered into force August 10, 1934. 49 Stat. 2659; TS 868; IV Trenwith 4138; 152 LNTS 45.

Protocol modifying art. IV of the treaty of friendship, commerce, and consular rights of February 13, 1934. Signed at Washington December 4, 1952; entered into force September 24, 1953. 4 UST 2047; TIAS 2861; 205 UNTS 149.

France

Consuls:

Consular convention, with protocol and exchanges of notes. Signed at Paris July 18, 1966; entered into force January 7, 1968. TIAS 6389; 18 UST 2939.

Nationality:

Agreement relating to the fulfillment of military obligations during the wars of 1914–1918 and 1939–1945 by persons with dual nationality. Exchange of notes at Paris December 22, 1948; entered into force December 22, 1948. 62 Stat. 3621; TIAS 1876; 67 UNTS 38.

Extension:

November 18 and December 31, 1952 (3 UST 5345; TIAS 2741; 185 UTS 396).

Taxation:

Agreement relating to relief from double income tax on shipping profits. Exchange of notes at Washington June 11 and July 8, 1927; entered into force July 8, 1927; operative from January 1, 1921. 47 Stat. 2604; EAS 12; 114 LNTS 413.

Convention for the avoidance of double taxation and the prevention of evasion in the case of taxes on estates and inheritances, and modifying and supplementing the convention relating to income taxation signed July 25, 1939. Signed at Paris October 18, 1946; entered into force October 17, 1949. 64 Stat. (3) B3; TIAS 1982; 140 UNTS 23.

Protocol modifying the convention signed October 18, 1946, for the avoidance of double taxation and the prevention of evasion in the case of taxes on estates and inheritances, and modifying and supplementing the convention relating to income taxation signed July 25, 1939. Signed at Washington May 17, 1948; entered into force October 17, 1949. 64 Stat. (3) B28; TIAS 1982; 140 UNTS 50.

Convention supplementing the conventions of July 25, 1939 and October 18, 1946 relating to the avoidance of double taxation, as modified and supplemented by the protocol of May 17, 1947. Signed at Washington June 22, 1956; entered into force June 13, 1957. 8 UST 843; TIAS 3844; 281 UNTS 101.

Taxation:

Convention with respect to taxes on income and property with exchanges of notes (Paris, 1967), 19 UST 5280; TIAS 6518.

Protocol to the convention of July 28, 1967 with respect to taxes on income and property with exchange of notes, (Washington, 1970), 23 UST 20; TIAS 7270.

Telecommunications:

Amendment: October 3, 1969: 20 UST 2398; TIAS 6711.

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operations of either country to operate their stations in the other country. Exchange of notes at Paris May 5, 1966; entered into force July 1, 1966. 17 UST 719; TIAS 6022; 593 UNTS 279.

Gambia

Property: Convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property. Signed at Washington March 2, 1899; applicable to Gambia February 9, 1901. 31 Stat. 1939; TS 146; I Malloy 774.

Supplementary convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property. Signed at Washington May 27, 1936; entered into force March 10, 1941. 55 Stat. 1101; TS 946; 203 LNTS 367.

Taxation:

Convention and protocol between the United States and the United Kingdom relating to the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington April 16, 1945; applicable to Gambia January 19, 1959. 60 Stat. 1377; TIAS 1546; 6 UNTS 189.

Supplementary protocol amending the convention of April 16, 1945 between the United States and the United Kingdom relating to the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington May 25, 1954; applicable to Gambia January 19, 1959. 6 UST 37; TIAS 3165; 207 UNTS 312.

Supplementary protocol amending the convention of April 16, 1945 between the United States and the United Kingdom relating to the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signal at Washington August 19, 1957; applicable to Gambia January 19, 1959. 9 UST 1329; TIAS 4124; 336 UNTS 330.

Agreement between the United States and the United Kingdom relating to the application of the convention of April 16, 1945 to specified British territories. Exchange of notes at Washington August 19, 1957 and December 3, 1958; applicable to Gambia January 19, 1959. 9 UST 1459; TIAS 4141; 351 UNTS 368.

Germany

Defense:

Understanding relating to maintenance claims for illegitimate children of members of foreign forces stationed in the Federal Republic of Germany, with annexes.

Exchange of notes at Bonn August 3, 1959; entered into force July 1, 1963, 14 UST 689; TIAS 5352, p. 41; 490 UNTS 114.

Agreement relating to reciprocal legal assistance in penal matters and information from penal register.[1] Exchange of notes at Bonn November 7 and December 28, 1960; and January 3, 1961; entered into force January 3, 1961. 12 UST 1156; TIAS 4826; 416 UNTS 93.

Social Security:

Agreement on the pension insurance of certain employees of the United States Army, (Bonn, 1970), TIAS 7326.

Taxation:

Convention for the avoidance of double taxation with respect to taxes on income. Signed at Washington July 22, 1954; entered into force December 20, 1954. 5 UST 2768; TIAS 3133; 239 UNTS 3.

Agreement concerning tax relief to be accorded by the Federal Republic of Germany to United States expenditures in interest of the common defense, with annex and exchange of letter. Signed at Bonn October 15, 1954; entered into force November 8, 1955. 6 UST 3081; TIAS 3360; 239 UNTS 135.

Protocol modifying the convention signed July 22, 1954, for the avoidance of double taxation with respect to taxes on income. Signed at Bonn September 17, 1965; entered into force December 27, 1965. 16 UST 1875; TIAS 5920; 578 UNTS 224.

Telecommunication:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their station in the other country. Exchange of notes at Bonn June 23 and 30, 1966; entered into force June 30, 1966. 17 UST 1120; TIAS 6068; 601 UNTS 107.

Ghana

Property:

Convention between the United States and the United Kingdom relating to tenure and disposition of real and personal property. Signed at Washington March 2, 1899; made applicable to the Gold Coast July 6, 1901. 31 Stat. 1939; TS 146; 1 Malloy 774.

Agreement relating to treaty rights and obligations assumed by Ghana upon its independence. Exchange of notes at Accra September 4 and December 21, 1957; and February 12, 1958; entered into force February 12, 1958. 13 UST 240; TIAS 4966; 442 UNTS 175.

Greece

Consuls:

Convention concerning the rights and privileges of counsuls and protocol of amendment signed March 5/18, 1903. Signed at Athens November 19/December 2, 1902; entered into force July 9, 1903. 33 Stat. 2122; TS 424; I Malloy 855.

Taxation:

Convention and protocol for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons. Signed at Athens February 29, 1950; protocol signed at Athens July 18, 1953; entered into force December 30, 1953. 5 UST 12; TIAS 2901; 196 UNTS 269.

Understanding regarding certain errors in the English text of the estate tax convention of February 20, 1950. Exchange of notes at Athens February 12, 1964; entered into force TIAS 3032; 222 UNTS 423.

Protocol modifying and supplementing the convention of February 20, 1950, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons. Signed at Athens February 12, 1964; entered into force October 27, 1967. TIAS 6375; 632 UNTS 315.

Convention and protocol for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Athens February 20, 1950; protocol signed at Athens April 20, 1953; entered into force December 30, 1953. 5 UST 47; TIAS 2902; 196 UNTS 291.

Understanding regarding certain errors in the translation of the Greek text of the income tax convention of February 20, 1950. Exchange of notes at Washington November 29 and December 19, 1961. 13 UST 151; TIAS 4951; 435 UNTS 334.

[Arrangement suspended beginning January 1, 1953, for the duration of the income tax convention of February 20, 1950:

Arrangement concerning relief from double income tax on shipping profits. Exchanges of notes at Washington February 29 and April 26, 1928, and April 2 and June 10, 1929; entered into force June 10, 1929; operative January 1, 1921. 47 Stat. 2608; EAS 13; 92 LNTS 81.]

Guatemala

Amity:

Treaty of peace, amity, commerce, and navigation. Signed at Guatemala March 3, 1849; entered into force May 13, 1852. 10 Stat. 875; TS 149; I Malloy 861.

Telecommunications:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country (Guatemala, 1967), 20 UST 2883; TIAS 6766.

Property:

Convention relating to tenure and disposition of real and personal property. Signed at Guatemala August 27, 1901; entered into force September 26, 1902. 32 Stat. 1944; TS 412; I Malloy 876.

Guyana

Consuls: Consular convention between the United States and the United Kingdom. Signed at Washington June 6, 1951; entered into force September 7, 1952. 3 UST 3426; TIAS 2494; 165 UNTS 121.

Convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property. Signed at Washington March 2, 1899; made applicable to British Guiana June 17, 1901. 31 Stat. 1939; TS 146; I Malloy 774.

Supplementary convention amending article IV and paragraph 2 of article VI of the convention relating to the tenure and disposition of real and personal property of March 2, 1899. Signed at Washington May 27, 1936; entered into force March 10, 1941. 55 State. 1101; TS 964; 203 LNTS 367.

Telecommunications:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of their country to operate their stations in the other country, (Georgetown, 1968), 19 UST 4892; TIAS 6494.

Arrangement relating to radio communications between amateur stations on behalf of third parties, (Georgetown, 1972), TIAS 7355.

Haiti

Naturalization treaty. Signed at Washington March 22, 1902; entered into force March 19, 1904. 33 Stat. 2101; TS 432; I Malloy 939.

Treaty extending the time within which may be effected the exchange of ratifications of the treaty of naturalization of March 22, 1902. Signed at Washington February 28, 1903; entered into force March 19, 1904. 33 Stat. 2157; TS 433; I Malloy 941.

Agreement relating to exchange of lands in Haiti. Signed at Port-au-Prince October 19, 1942; entered into force October 19, 1942. 56 Stat. 1784; EAS 283; 120 UNTS 171.

Honduras

Nationality:

Naturalization convention. Signed at Tegucigalpa June 23, 1908; entered into force April 16, 1909. 36 Stat. 2160; TS 525; I Malloy 958.

Telecommunication:

Agreement relating to radio communications between amateur radio stations on behalf of third parties. Exchange of notes at Tegucigalpa October 26, 1959, and February 17, 1960, and related note of February 19, 1960, entered into force March 17, 1960. 11 UST 257; TIAS 4442; 371 UNTS 109.

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Tegucigalpa December 29, 1966, January 24 and April 17, 1967; entered into force April 17, 1967. 18 UST 525; TIAS 6259.

Trade and Commerce:

Treaty of friendship, commerce, and consular rights. Signed at Tegucigalpa December 7, 1927; entered into force July 19, 1928. 45 Stat. 2618; TS 764; IV Trenwith 4306: 87 LNTS 421.

Trade agreement. Signed at Tegucigalpa December 18, 1935; entered into force March 2, 1936. 49 Stat. 3851; EAS 86; 167 LNTS 313. Agreement terminating the schedules, articles I, II, IV, and V, together with references of article V contained in article XVI, of the reciprocal trade agreement of December 18, 1935. Exchange of notes at Tegucigalpa January 18, 1961; entered into force January 18, 1961. 12 UST 84; TIAS 4677; 402 UNTS 169.

Iceland

Taxation:

Agreement for relief from double taxation on earnings from operation of ships and aircraft. Exchange of notes at Washington December 21 and 27, 1962; entered into force December 27, 1962. 13 UST 3827; TIAS 5255; 469 UNTS 91.

India

Property:

Convention between the United States and the United Kingdom applicable to India from June 30, 1902: Convention relating to tenure and disposition of real and personal property, signed at Washington March 2, 1899 (31 Stat. 1939; TS 146; I Malloy 774).

Supplementary convention extending the time within which notifications may be given of the accession of British colonies or foreign possessions to the convention of March 2, 1899, signed at Washington January 13, 1902 (32 Stat. 1914; TS 402; I Malloy 776).

Telecommunication:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at New Delhi May 16 and 25, 1966; entered into force May 25, 1966. 17 UST 813; TIAS 6038; 593 UNTS 157.

Indonesia

Consuls:

Convention between the United States and the Kingdom of the Netherlands regarding consuls in the colonies of the Netherlands. Signed at The Hague January 22, 1855; entered into force May 25, 1855. 110 Stat. 1150; TS 253; II Malloy 1251.

Telecommunications:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country (Djakarta, 1968), 20 UST 490; TIAS 6654.

Iran

Trade and Commerce:

Treaty of amity, economic relations, and consular rights. Signed at Tehran August 15, 1955; entered into force June 16, 1957. 8 UST 899; TIAS 3853; 284 UNTS 93.

Agreement terminating the reciprocal trade agreement of April 6, 1943, as amended. Exchange of notes as Tehran July 27, 1960; entered into force July 27, 1960. UST 2163; TIAS 4581; 393 UNTS 338.

Ireland

Consuls:

Consular convention. Signed at Dublin May 1, 1950; entered into force June 12, 1954. 5 UST 949; TIAS 2984; 222 UNTS 107.

Supplementary protocol to the consular convention of May 1, 1950. Signed at Dublin March 3, 1952; entered into force June 12, 1954. 5 UST 949; TIAS 2984; 222 UNTS 107.

Property—Real and Personal:

Convention between the United States and the United Kingdom relating to tenure and disposition of real and personal property.[1] Signed at Washington March 2, 1899; entered into force August 7, 1900. 31 Stat. 1939; TS 146; I Malloy 774.

Taxation:

Arrangement relating to relief from double income tax on shipping profits. Exchange of notes at Washington August 24, 1933 and January 9, 1934; entered into force January 9, 1934; operative April 6, 1932. 48 Stat. 1842; EAS 56.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons. Signed at Dublin September 13, 1949; entered into force December 20, 1951. 2 UST 2294; TIAS 2355; 127 UNTS 119.

Taxation:

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Dublin September 13, 1949; entered into force December 20, 1951. 2 UST 2303; TIAS 2356; 127 UNTS 89.

Telecommunications:

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[1] Only article II is in force for Ireland.

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country, (Dublin, 1968), 19 UST 6057; TIAS 6566.

Israel

Telecommunications:

Agreement relating to radio communications between amateur stations on behalf of third parties. Exchange of notes at Washington July 7, 1965; entered into force August 6, 1965. 16 UST 883; TIAS 5827; 549 UNTS 281.

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Washington June 15, 1966; entered into force June 15, 1966. 17 UST 760; TIAS 6028; 578 UNTS 159.

Italy

Claims:

Memorandum of understanding regarding settlement of certain wartime claims and related matters; memorandum of understanding regarding Italian assets in the United States and certain claims of United States nationals, and supplementary exchanges of notes. Signed at Washington August 14, 1947; entered into force August 14, 1947. 61 Stat. 3962; TIAS 1757; 36 UNTS 53.

Consuls:

Consular convention. Signed at Washington May 8, 1878; entered into force September 18, 1878. 20 Stat. 725; TS 178; I Malloy 977.

Marriage:

Agreement relating to documentary requirements for marriage of American citizens in Italy. Exchange of notes at Rome July 29 and August 18, 1964; entered into force March 26, 1966. 18 UST 342; TIAS 6239.

Taxation:

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates and inheritances. Signed at Washington March 30, 1955; entered into force October 26, 1956. 7 UST 2977; TIAS 3678; 257 UNTS 199.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington March 30, 1955; entered into force October 26, 1956; operative from January 1, 1956. 7 UST 2999; TIAS 3679; 257 UNTS 169.

[Agreement suspended by the income tax convention of March 30, 1955;

Agreement relating to relief from double income tax on shipping profits. Exchange of notes at Washington March 10 and May 5, 1926; entered into force May 5, 1926; operative January 1, 1921. 47 Stat. 2599; EAS 10; 113 LNTS 21.]

Jamaica

Consuls:

Consular convention between the United States and the United Kingdom. Signed at Washington June 6, 1951; entered into force September 7, 1952. 3 UST 3426; TIAS 2494; 165 UNTS 121.

Property:

Convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property. Signed at Washington March 2, 1899; applicable to Jamaica February 9, 1901. 31 Stat. 1939; TS 146; I Malloy 774.

Supplementary convention between the United States and the United Kingdom relating to the tenure and disposition of real and personel property. Signed at Washington May 27, 1936; applicable to Jamaica March 10, 1941. 55 Stat. 1101; TS 964; 203 LNTS 367.

Taxation:

Convention with protocol between the United States and the United Kingdom for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington April 16, 1945; protocol signed at Washington June 6, 1946. 60 Stat. 1377; TIA S 1546; 6 UNTS 189.

Supplementary protocol amending the income tax convention of April 16, 1945. Signed at Washington May 25, 1954. 6 UST 37; TIAS 3165; 207 UNTS 312.

Supplementary protocol amending the income tax convention of April 16, 1945, as amended. Signed at Washington August 19, 1957. 9 UST 1329; TIAS 4124; 336 UNTS 330.

Application of convention, as supplemented, extended to Jamaica January 1, 1959 for both U.S. and Jamaican tax as provided in the agreement effected by exchange of notes August 19, 1959 and December 3, 1958 between the United States and the United Kingdom relating to the application of the convention to specified British territories 9 UST 1459; TIAS 4141; 351 UNTS 368).

Telecommunications:

Agreement relating to the reciprocal granting of authorization to permit licensed amateur radio operators of either country to operate their stations in the other country, (Kingdom, 1971), 22 UST 694; TIAS 7127.

Japan

Consuls:

Consular convention and protocol. Signed at Tokyo March 22, 1963; entered into force August 1, 1964. 15 UST 768; TIAS 5602; 518 UNTS 179.

Property:

Arrangement relating to perpetual leaseholds. Exchanges of notes at Tokyo March 25, 1937; entered into force March 25, 1937. 50 Stat. 1611; EAST 104; 181 LNTS 217.

Taxation:

Arrangement relating to relief from double income tax on shipping profits. Exchange of notes at Washington March 31 and June 8, 1926; entered into force June 8, 1926; operative from July 18, 1924. 47 Stat. 2578; EAST 3; 108 LNTS 463.

Agreement relating to tax relief for expenditures made by the United States in Japan under mutual security programs. Exchange of notes at Tokyo July 14 and 25, 1952; entered into force July 25, 1952. 3 UST 2955; TIAS 2477; 198 UNTS 281.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates, inheritances, and gifts. Signed at Washington April 16, 1954; entered into force April 1, 1955. 6 UST 113; TIAS 3175; 238 UNTS 3.

Taxation:

Convention for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income, with related notes, (Tokyo, 1971), TIAS 7365.

Understanding relating to the exemption of shipping and aircraft profits from income tax, (Tokyo, 1971), 22 UST 1775; TIAS 7216.

Korea

Consuls:

Consular convention. Signed at Seoul January 8, 1963; entered into force December 19, 1963. 14 UST 1637; TIAS 5469; 493 UNTS 105.

Kuwait

Consuls:

Consular convention between the United States and the United Kingdom. Signed at Washington June 6, 1951; entered into force September 7, 1952. 3 UST 3426; TIAS 2494; 165 UNTS 121.

Telecommunication:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Kuwait July 19 and 24, 1966; entered into force July 19, 1966. 17 UST 1039; TIAS 6061; 593 UNTS 289.

Latvia

The United States has not recognized the incorporation of Estonia, Latvia, and Lithuania into the Union of Soviet Socialist Republics. The Department of State regards treaties between the United States and those countries as continuing in force.

Lebanon

General Relations:

Convention between the United States and France relating to rights in Syria and Lebanon. Signed at Paris April 4, 1924; entered into force July 13, 1924. 43 Stat. 1821; TS 695; IV Trenwith 4169.

Agreement relating to rights of American nationals. Exchange of notes at Beirut September 7 and 8, 1944; entered into force September 8, 1944. 58 Stat. 1493; EAS 435; 124 UNTS 187.

Lesotho

Property:

Convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property. Signed at Washington March 2, 1899; made applicable to Basutoland July 24, 1902. 31 Stat. 1939; TS 146; I Malloy 774.

Supplementary convention extending the time within which notification may be given of the accession of British colonies or foreign possessions to the convention of March 2, 1899. Signed at Washington January 13, 1902; entered into force April 2, 1902. 32 Stat. 1914; TS 402; I Malloy 776.

Supplementary convention amending article IV and paragraph 2 of article VI of the convention relating to the tenure and disposition of real and personal property of March 2, 1899. Signed at Washington May 27, 1936; entered into force March 10, 1941. 55 Stat. 1101; TS 964; 203 LNTS 367.

Trademarks:

Declaration between the United States and the United Kingdom affording reciprocal protection to trademarks. Signed at London October 24, 1877; entered into force October 24, 1877. 20 Stat. 703; TS 138; I Malloy 737.

Treaty Obligations:

Agreement continuing in force certain treaties and agreements between the United States and the United Kingdom which applied to Basutoland. Exchange of notes at Maseru October 4, 1966; entered into force October 4, 1966. 17 USE 2436; TIAS 6192.

Extension: October 5 and 26, 1967 (TIAS 6383; 18 UST 2923).

Liberia

Consuls:

Consular convention. Signed at Monrovia October 7, 1938; entered into force December 21, 1939. 54 Stat. 1751; TS 957; 201 LNTS 183.

Telecommunication:

Agreement relating to radio communications between amateur stations on behalf of third parties. Exchange of notes at Monrovia November 9, 1950 and January 8, 9, and 10, 1951; entered into force January 11, 1951. 2 UST 683; TIAS 2223; 132 UNTS 255.

Liechtenstein

Social Security:

Agreement concerning reciprocity of payment of certain social security benefits, (Bern, 1972), TIAS 7476.

Lithuania

The United States has not recognized the incorporation of Estonia, Latvia, and Lithuania into the Union of Soviet Socialist Republics. The Department of State regards treaties between the United States and those countries as continuing in force.

Nationality:

Treaty defining liability for military service and other acts of allegiance of naturalized persons and persons born with double nationality. Signed at Kaunas October 18, 1937; entered into force July 20, 1938. 53 Stat. 1569; TS 936; 191 LNTS 351.

Luxembourg

Taxation:

Convention with respect to taxes on income and property. Signed at Washington December 18, 1962; entered into force December 22, 1964; effective for taxable years beginning on or after January 1, 1964. 15 UST 2355; TIAS 5726; 532 UNTS 277.

Telecommunication:

Agreement relating to reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Luxembourg July 7 and 29, 1965; entered into force July 29, 1965. 16 UST 1746; TIAS 5900; 573 UNTS 197.

Malawi

Taxation:

Convention with protocol between the United States and the United Kingdom for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington April 16, 1945; protocol signed at Washington June 6, 1946. 60 Stat. 1377; TIAS 1546; 6 UNTS 189.

Supplementary protocol between the United States and the United Kingdom amending the income tax convention of April 16, 1945. Signed at Washington May 25, 1954. 6 UST 137; TIAS 3165; 207 UNTS 312.

Supplementary protocol between the United States and the United Kingdom amending the income tax convention of April 16, 1945, as amended. Signed at Washington August 19, 1957. 9 UST 1329; TIAS 4124; 336 UNTS 330.

[Application of convention, as supplemented, extended to Nyasaland January 1, 1959 for United States tax and April 1, 1959 for Nyasaland tax as provided in the agreement effected by exchange of notes at Washington August 19, 1957 and December 3, 1958 between the United States and the United Kingdom relating to the application of the convention to specified British territories. (9 UST 1459; TIAS 4141; 351 UNTS 368).]

Agreement between the United States and the United Kingdom continuing in force for Southern Rhodesia, Northern Rhodesia and Nyasaland individually the income tax convention of April 16, 1945, as amended and extended. Exchange of notes at Washington December 31, 1963; applicable to Nyasaland December 31, 1963. 14 UST 1899; TIAS 5501; 505 UNTS 300.

Agreement continuing in force between the United States and Malawi the extradition treaty and the double taxation convention between the United States and the United Kingdom. Exchange of notes at Zomba and Blantyre December 17, 1966, January 6 and April 4, 1967; entered into force April 4, 1967. TIAS 6328; 18 UST 1822.

Malaysia

Consuls:

Consular convention and protocol of signature between the United States and the United Kingdom. Signed at Washington June 6, 1951; entered into force September 7, 1952. 3 UST 3426; TIAS 2494; 165 UNTS 121.

Extradition treaty between the United States and the United Kingdom. Signed at London December 22, 1931. 47 Stat. 2122; TS 849; IV Trenwith 4274; 163 LNTS 59.

Mali

Social Security:

Agreement to provide social security benefits for certain employees of the United States in Mali, (Bamako, 1969), 21 UST 2145; TIAS 6961.

Property:

Convention between the United States and the United Kingdom relating to tenure and disposition of real and personal property. Signed at Washington March 2, 1899. 31 Stat. 1939; TS 146; I Malloy 774.

Malta

Consuls:

Consular convention between the United States and the United Kingdom. Signed at Washington June 6, 1951; applicable to Malta September 7, 1952. 3 UST 3426; TIAS 2494; 165 UNTS 121.

Mauritania

Consuls:

Consular convention between the United States and the United Kingdom, (Washington, 1951), 3 UST 3426; TIAS 2494; 165 UNTS 121.

Property:

Convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property, (Washington, 1899), 31 Stat. 1939; TS 146.

Supplementary convention amending article IV and paragraph 2 of article VI of the convention relating to the tenure and disposition of real and personal property of March 2, 1899, (Washington, 1936), 55 Stat. 1101; TS 964; 203 LNTS 367.

Visas:

Agreement between the United States and the United Kingdom for the waiver of the visa requirements for United States citizens traveling to the United Kingdom and for the granting of gratis passport visas to British subjects entering the United States as nonimmigrants, (London, 1948), 62 Stat. 3824; TIAS 1926; 84 UNTS 275.

Extradition:

Extradition treaty between the United States and the United Kingdom. Signed at London December 22, 1931; applicable to Malta June 24, 1935. 47 Stat. 2127; TS 849; IV Trenwith 4274; 163 UNTS 59.

Property:

Convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property. Signed at Washington March 2, 1899; applicable to Malta May 29, 1947. 31 Stat. 1939; TS 146; I Malloy 774.

Supplementary convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property. Signed at Washington May 27, 1936; applicable to Malta May 29, 1947. 55 Stat. 1101; TS 964; 203 LNTS 367.

Visas:

Agreement between the United States and the United Kingdom for the reciprocal reduction of passport visa fees for nonimmigrants. Exchange of notes at London March 12, 1937; applicable to Malta April 1, 1937.

Agreement between the United States and the United Kingdom for the waiver of the visa requirements for United States citizens traveling to the United Kingdom and for the granting of gratis passport visas to British subjects entering the United States as nonimmigrants. Exchange of notes at London November 9 and 12, 1948; applicable to Malta November 12, 1948. 62 Stat. 3824; TIAS 1926; 84 UNTS 275.

Mexico

Consuls:

Consular convention. Signed at México August 12, 1942; entered into force July 1, 1943. Exchanges of notes dated August 12 and December 11 and 12, 1942. 57 Stat. 800; TS 985; 125 UNTS 301.

Amendment:

October 20, 1967 (TIAS 6366).

Stolen Property:

Convention for the recovery and return of stolen or embezzled motor vehicles, trailers, airplanes, or component parts of any of them. Signed at México October 6, 1936; entered into force June 19, 1937. 50 Stat. 1333; TS 914; IV Trenwith 4500; 180 LNTS 33.

Taxation:

Agreement for relief from double taxation on earnings from operation of ships and aircraft. Exchange of notes at Washington August 7, 1964; entered into force August 7, 1964; operative for taxable years beginning on or after January 1, 1964. 15 UST 1528; TIAS 5635; 530 UNTS 123.

Telecommunication:

Arrangement for radio communications between amateur stations on behalf of third parties. Exchange of notes at México July 31, 1959; entered into force August 30, 1959. 10 UST 1449; TIAS 4295; 357 UNTS 187.

Netherlands

Consuls:

Convention regarding consuls in the colonies of the Netherlands.[1] Signed at The Hague January 22, 1855; entered into force May 25, 1855. 10 Stat. 1150; TS 253; II Malloy 1251.

Taxation:

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates and inheritances with protocol, (Washington, 1969), 22 UST 247; TIAS 7061.

Telecommunication:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at The Hague June 22, 1966; entered into force December 21, 1966. 17 UST 2426; TIAS 6189; 590 UNTS 109.

New Zealand

Consuls:

Convention to regulate commerce (art. IV) between the United States and the United Kingdom. Signed at London July 3, 1815; entered into force July 3, 1815. 8 Stat. 228; TS 110; I Malloy 624.

Property:

Convention between the United States and the United Kingdom relating to tenure and disposition of real and personal property signed at Washington March 2, 1899; entered into force for New Zealand June 10, 1901. 31 Stat. 1939; TS 146; I Malloy 774.

Supplementary convention relating to the tenure and disposition of real and personal property. Signed at Washington May 27, 1936, by the United States, United Kingdom, Australia, and New Zealand; entered into force March 10, 1941. 55 Stat. 1101; TS 964; 203 LNTS 367.

Taxation:

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington March 16, 1948; entered into force December 18, 1951. 2 UST 2378; TIAS 2360; 127 UNTS 133.

Telecommunication:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Wellington June 21, 1967; entered into force June 21, 1967. TIAS 6281; 18 UST 1272; 644 UNTS 77.

Nicaragua

Telecommunication:

Agreement relating to radio communications between amateur stations on behalf of third parties. Exchange of notes at Managua October 8 and 16, 1956; entered into force October 16, 1956. 7 UST 3159; TIAS 3694; 282 UNTS 29.

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Managua September 3 and 20, 1966; entered into force September 20, 1966. 17 UST 1560; TIAS 6112; 607 UNTS 167.

Nigeria

Consuls:

Consular convention between the United States and the United Kingdom. Signed at Washington June 6, 1951; entered into force September 7, 1952. 3 UST 3426; TIAS 2494; 165 UNTS 121.

Property:

Convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property. Signed at Washington March 2, 1899. 31 Stat. 1939; TS 146; I Malloy 774.

Taxation:

Convention and protocol between the United States and the United Kingdom for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington April 16, 1945; protocol signed at Washington June 6, 1946. 60 Stat. 1377; TIAS 1546; 6 UNTS 189.

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[1] Applicable to Surinam and Curacao.

Supplementary protocol between the United States and the United Kingdom amending the convention of April 16, 1945. Singed at Washington May 25, 1954. 6 UST 37; TIAS 3165; 207 UNTS 312.

Supplementary protocol between the United States and the United Kingdom amending the convention, as modified. Signed at Washington August 19, 1957. 9 UST 1329; TIAS 4124; 336 UNTS 330.

Application of convention, as supplemented, extended to Nigeria January 1, 1959 for U.S. tax and April 1, 1959 for Nigerian tax as provided in the agreement, effected by exchange of notes at Washington August 19, 1957 and December 3, 1958. between the United States and the United Kingdom relating to the application of the convention to specified British territories (9 UST 1459; TIAS 4141).

Norway

Taxation:

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates and inheritances. Signed at Washington June 13, 1949; entered into force December 11, 1951. 2 UST 2353; TIAS 2353; 127 UNTS 163.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and property with related notes, (Oslo, 1971), **TIAS 74 TIAS 7474.**

Telecommunication:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Oslo May 27 June 1, 1967; entered into force June 1, 1967. TIAS 6273; 18 UST 1241; 631 UNTS 119.

Treaty of friendship, commerce, and consular rights, exchange of notes concerning the tariff treatment of Norwegian sardines, and additional article signed February 25, 1929. Signed at Washington June 5, 1928; entered into force September 13, 1932. 47 Stat. 2135; TS 852; IV Trenwith 4527; 134 LNTS 81.

Oman

Consuls:

Treaty of amity, economic relations, and consular rights and protocol, (Salalah, 1958), 11 UST 1835; TIAS 4530; 380 UNTS 181.

Pakistan

Consuls:

Convention to regulate commerce (art. IV) between the United States and the United Kingdom. Signed at London July 3, 1815; entered into force July 3, 1815. 8 Stat. 228; TS 110; I Malloy 624.

Property:

Convention between the United States and the United Kingdom applicable to Pakistan:

Convention relating to tenure and disposition of real and personal property, signed at Washington March 2, 1899 (31 Stat. 1939; TS 146; I Malloy 774). Supplementary convention extending the time within which notifications may be given of the accession of British colonies or foreign possessions to the convention of March 2, 1899; signed at Washington, January 13, 1902 (32 Stat. 1914; TS 402; I Malloy 776).

Taxation:

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Singed at Washington July 1, 1957; entered into force May 21, 1959. 10 UST 984; TIAS 4232; 344 UNTS 203.

Panama

General Relations:

General treaty of friendship and cooperation, accompanied by sixteen exchanges of notes embodying interpretations of the treaty or arrangements pursuant thereto. Signed at Washington March 2, 1936; entered into force July 27, 1939. 53 Stat. 1807; TS 945.

General relations agreement. Exchange of notes at Washington May 18, 1942; entered into force May 18, 1942. 59 Stat. 1289; EAS 452; 134 UNTS 221.

Agreement providing for reciprocal recognition of drivers' licenses issued in Panama and the Canal Zone. Exchange of notes at Panama October 31, 1960; entered into force November 1, 1960. 12 UST 301; TIAS 4716; 405 UNTS 63.

Judicial Procedure:

Informal arrangement relating to cooperation between the American Embassy, or Consulate, and Panamanian authorities when American merchant seamen or tourists are brought before a magistrate's court. Exchange of notes at Panama September 18 and October 15, 1947; effective October 15, 1947.

Taxation:

Arrangement providing for relief from double income tax on shipping profits. Exchange of notes at Washington January 15, February 8, and March 28, 1941; entered into force March 28, 1941; operative January 1, 1936. 55 Stat. 1363; EAS 221; 103 UNTS 163.

Agreement for withholding of Panamanian income tax from compensation paid to Panamanians employed within Canal Zone by the canal, railroad, or auxiliary works. Exchange of notes at Panama August 12 and 30, 1963; entered into force August 30, 1963. 14 UST 1478; TIAS 5445; 488 UNTS 11.

Telecommunication:

Agreement for radio communications between amateur stations on behalf of third parties. Exchange of notes at Panama July 19 and August 1, 1956; entered into force September 1, 1956. 7 UST 2179; TIAS 3617; 281 UNTS 49.

Agreement relating to the granting of reciprocal authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Panama November 16, 1966; entered into force November 16, 1966. 17 UST 2215; TIAS 6159.

Trade and Commerce:

Convention facilitating the work of traveling salesmen. Signed at Washington February 8, 1919; entered into force December 8, 1919. 41 Stat. 1696; TS 646; III Redmond 2780.

Visas:

Agreement modifying the agreement of March 27 and May 22 and 25, 1956, for gratis nonimmigrant visas, (Panama, 1971), 22 UST 815; TIAS 7142.

Telecommunication:

Agreement relating to radio communications between amateur stations on behalf of third parties. Exchange of notes at Asunción August 31 and October 6, 1960; entered into force November 5, 1960. 11 UST 2229; TIAS 4596; 393 UNTS 281).

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country.

Exchange of notes at Asunción March 18, 1966; entereed into force March 18, 1966. 17 UST 328; TIAS 5978.

Trade and Commerce:

Treaty of friendship, commerce, and navigation. Signed at Asunción February 4, 1859; entered into force March 7, 1860. 12 Stat. 1091 TS 272; II Malloy 1364.

Convention facilitating the work of traveling salesmen. Signed at Washington October 20, 1919; entered into force March 22, 1922. 42 Stat. 2128; TS 662; III Redmond 2791.

Nationality:

Naturalization on convention. Signed at Lima October 15, 1907; entered into force July 23, 1909. 36 Stat. 2181; TS 532; II Malloy 1449.

Telecommunication:

Arrangement concerning radio communications between amateur stations on behalf of third parties. Exchange of notes at Lima February 16 and May 23, 1934; entered into force May 23, 1934. 49 Stat. 3555; EAS 66.

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Lima June 28 and August 11, 1965; entered into force August 11, 1965. 16 UST 1160; TIAS 5860; 564 UNTS 135.

Trade and Commerce:

Convention concerning commercial travelers, and protocol. Signed at Lima January 19, 1923; entered into force July 8, 1924. 43 Stat. 1802; TS 692; IV Trenwith 4554.

Understanding relating to the termination of the reciprocal trade agreement of May 7, 1942. Exchange of notes at Lima September 12 and 28, 1951; entered into force September 28, 1951; operative October 7, 1951. 3 UST 2548; TIAS 2421; 160 UNTS 35.

Interim trade agreement pursuant to Article XXVIII of the General Agreement on Tariffs and Trade. Signed at Geneva March 5, 1962; entered into force March 5, 1962. 13 UST 879; TIAS 5028; 446 UNTS 65.

Philippines

Consuls (See also General Relations):

Consular convention. Signed at Manila March 14, 1947; entered into force November 18, 1948. 62 Stat. 1593; TIAS 1741; 45 UNTS 23.

General Relations:

Provisional agreement concerning friendly relations and diplomatic and consular representation. Signed at Manila July 4, 1946; entered into force July 4, 1946. 60 Stat. 1800; TIAS 1539; 6 UNTS 335. Treaty of general relations, and protocol. Signed at Manila July 4, 1946; entered into force October 22, 1946. 61 Stat. 1174; TIAS 1568; 7 UNTS 3.

Health:

Agreement on the use of the Veterans Memorial Hospital and the provision of inpatient and outpatient medical care and treatment of veterans by the Philippines and the furnishing of grants-in-aid by the United States. Signed at Manila April 25, 1967; entered into force April 25, 1967. 18 UST 388; TIAS 6248.

Agreement relating to entry of nationals of either country into the territories of the other for purposes of trade, investment, and related activities. Exchange of notes at Washington September 6, 1955; entered into force September 6, 1955. 6 UST 3030; TIAS 3349; 238 UNTS 109.

Poland

Social Security:

Agreement concerning the method of payment to persons residing in Poland of pensions due from American authorities, (Warsaw, 1968), TIAS 7473.

Portugal

Nationality:

Naturalization convention. Signed at Washington May 7, 1908; entered into force November 14, 1908. 35 Stat. 2082; TS 513; II Malloy 1468.

Telecommunication:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country.

Exchange of notes at Lisbon, May 17 and 26, 1965; entered into force May 26, 1965. 16 UST 817; TIAS 5815; 546 UNTS 189.

Consuls:

ROMANIA

Consular convention. Signed at Bucharest June 5/17, 1881; entered into force June 13, 1883. 23 Stat. 711; TS 297; II Malloy 1505.

Extradition:

Extradition treaty. Signed at Bucharest

July 23, 1924; entered into force April 7, 1925. 44 Stat. 2020; TS 713; IV Trenwith 4602.

Agreement relating to the issuance of visas to diplomatic and non-diplomatic personnel. Exchange of notes at Bucharest April 20, May 14 and 26, 1962; entered into force May 26, 1962; operative June 1, 1962. 13 UST 1192; TIALS 5063, 456 UNTS 265.

Amendment: May 31 and June 17, 1967 (TIAS 6279).

Rwanda

Taxation:

Convention between the United States and Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington October 28, 1948; entered into force September 9, 1953; operative January 1, 1953. 4 UST 1647; TIAS 2833; 173 UNTS 67.

Convention between the United States and Belgium modifying and supplementing convention of October 28, 1948. Signed at Washington September 9, 1952; entered into force September 9, 1953; operative January 1, 1953. 4 UST 1647; TIAS 2833; 173 UNTS 67.

Convention between the United States and Belgium supplementing the convention of October 28, 1948, as modified, for the avoidance of double taxation with respect to taxes on income.

Signed at Washington August 22, 1957; entered into force July 10, 1959. 10 UST 1358; TIAS 4280; 356 UNTS 366.

Agreement between the United States and Belgium relating to the extension of the operation of the income tax convention of 1948, as supplemented, to the Belgian Congo and the Trust Territory of Ruanda-Urundi. Exchange of notes at Washington April 2, 1954 and July 28, 1959; entered into force July 28, 1959. 10 UST 1358; 4280; 356 UNTS 370.

Saudi Arabia

Trade and Commerce:

Provisional agreement in regard to diplomatic and consular representation, juridical protection, commerce, and navigation. Signed at London November 7, 1933; entered into force November 7, 1933. 48 Stat. 1826; EAS 53; 142 LNTS 329.

Sierra Leone

Consuls:

Consular convention between the United States and the United Kingdom. Signed at Washington June 6, 1951; entered into force September 7, 1952 3 UST 3426; TIAS 2494; 165 UNTS 121.

Judicial Procedure:

Agreement to facilitate the conduct of litigation with international aspects in either country. Exchange of notes at Freetown March 31 and May 6, 1966; entered into force May 6, 1966. 17 UST 944; TIAS 6056; 594 UNTS 47.

Property:

Convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property. Signed at Washington March 2, 1899; made applicable to Sierra Leone February 9, 1901. 31 Stat. 1939; TS 146; I Malloy 774.

Taxation:

Convention and protocol between the United States and the United Kingdom for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington April 16, 1945; protocol signed at Washington June 6, 1946. 60 Stat. 1377; TIAS 1546; 6 UNTS 189.

Supplementary protocol between the United States and the United Kingdom amending the convention of April 16, 1945. Signed at Washington May 25, 1954. 6 UST 37; TIAS 3165; UNTS 312.

Supplementary protocol between the United States and the United Kingdom amending the convention, as modified. Signed at Washintgon August 19, 1957. 9 UST 1329; TIAS 4124; 336 UNTS 330.

[Application of convention, as supplemented, extended to Sierra Leone January 1, 1959 for U.S. tax and April 1, 1959 for Sierra Leonean tax as provided in the agreement, effected by exchange of notes at Washington August 19, 1957 and December 3, 1958, between the United States and the United Kingdom relating to the application of the convention to specified British territories (9 UST 1459; TIAS 4141).]

Telecommunication:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Freetown August 14 and 16, 1965; entered into force August 16, 1965. 16 UST 1131; TIAS 5856; 579 UNTS 55.

Singapore

Property:

Convention between the United States and the United Kingdom relating to tenure and disposition of real and personal property. Signed at Washington March 2, 1899; entered into force August 7, 1900. 31 Stat. 1939; TS 146; I Malloy 774.

Visas:

Agreement relating to visas. Exchange of notes at London October 15 and 22, 1954.

Agreement continuing in force the 1954 agreement with respect to the Federation of Malaya. Exchange of letters at Kuala Lumpur March 5 and 13, 1958.

South Africa

Consuls:

Convention to regulate commerce (art. IV) between the United States and the United Kingdom. Signed at London July 3, 1815; entered into force July 3, 1815. 8 Stat. 228; TS 110; I Malloy 624.

Property:

The following conventions between the United States and the United Kingdom may be considered in force with respect to the Republic of South Africa by virtue of the adherence by the United Kingdom for the Cape Colony on February 9, 1901, and for the Orange River Colony and the Transvaal on July 24, 1902, except for Natal and Southwest Africa:

Convention relating to tenure and disposition of real and personal property, signed at Washington March 2, 1899 (31 Stat. 1939; TS 146; I Malloy 774).

Supplementary convention extending the time within which notifications may be given of the accession of British colonies or foreign possessions to the convention of March 2, 1899; signed at Washington January 13, 1902 (32 Stat. 1914; TS 402; I Malloy 776).

Taxation:

Convention for the avoidance of double taxation and for establishing rules of reciprocal administrative assistance with respect to taxes on income. Signed at Pretoria December 13, 1946. Entered into force July 15, 1952. 3 UST 3821; TIAS 2510; 167 UNTS 171.

Protocol supplementing the convention of December 13, 1946. Signed at Pretoria July 14, 1950; Entered into force July 15, 1952. 3 UST 3821; TIAS 2510; 167 UNTS 171.

Convention with respect to taxes on the estates of deceased persons. Signed at Cape Town April 10, 1947; entered into force July 15, 1952. 3 UST 3792; TIAS 2509; 167 UNTS 211.

Protocol supplementing the estate tax convention of April 10, 1947. Signed at Pretoria July 14, 1950; entered into force July 15, 1952. 3 UST 3792; TIAS 2509; 167 UNTS 211.

Spain

General Relations:

Treaty of friendship and general relations. Signed at Madrid July 3, 1902; entered into force April 14, 1903. 33 Stat. 2105; TS 422; II Malloy 1701.

Friendship and Cooperation:

Agreement of friendship and cooperation with annex and exchange of notes, (Washington, 1970), 21 UST 1677; TIAS 6924.

Agreement in implementation of chapter VIII of the agreement of friendship and cooperation of August 6, 1970 (TIAS 6924), with procedural annexes and exchanges of notes, (Madrid, 1970), 21 UST 2259; TIAS 6977.

Taxation:

Arrangement relating to relief from double income tax on shipping profits. Exchange of notes at Washington April 16 and June 10, 1930; entered into force June 10, 1930; operative January 1, 1921. 47 Stat. 2584; EAS 6; 120 LNTS 407.

Tax relief annex attached to the mutual defense assistance agreement, and interpretative note. Signed at Madrid September 26, 1953; entered into force September 26. 4 UST 1876; TIAS 2849; 207 UNTS 61.

Sri Lanka—(Formerly Ceylon)

Consuls:

Convention to regulate commerce (art IV) between the United States and the United Kingdom, (London, 1815), 8 Stat. 228, TS 110.

Property:

Convention between the United States and the United Kingdom relating to tenure and disposition of real and personal property, (Washington, 1899), 31 Stat 1939; TS 146.

Swaziland

Consuls:

Consular Convention between the United States and the United Kingdom, (Washington, 1951), 3 UST 3426; TIAS 2494; 165 UNTS 121.

Property:

Convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property, (Washington, 1899), 31 Stat 1939; TS 146.

Supplementary convention amending article IV and parargraph 2 of article VI of the convention relating to the tenure and disposition of real and personal property, (Washington, 1936), 55 Stat. 1101; TS 964; 203 LNTS 367.

Sweden

Consuls:

Consular convention. Signed at Washington, June 1, 1910; entered into force March 18, 1911. 37 Stat. 1479; TS 557; III Redmond 2846.

Nationality:

Naturalization convention and protocol. Signed at Stockholm May 26, 1869; entered into force June 14, 1871. 17 Stat. 809; TS 350; II Malloy 1758.

Convention relating to exemption from military service of persons having dual nationality. Signed at Stockholm January 31, 1933; entered into force May 20, 1935, 49 Stat. 3195; TS 890; IV Trenwith 4656; 159 LNTS 261.

Taxation:

Arrangement relating to relief from double income tax on shipping profits. Exchange of notes at Washington March 31, 1938; entered into force March 31, 1938. 52 Stat. 1490; EAS 121; 189 LNTS 327.

Convention for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of income and other taxes, and protocol.

Signed at Washington March 23, 1939; entered into force November 14, 1939. 54 Stat. 1759; TS 953; 199 LNTS 17.

Convention supplementing the convention and protocol of March 23, 1939. Signed at Stockholm October 22, 1963; entered into force September 11, 1964; operative for taxable years beginning on or after January 1, 1963, except as to article I (a), which is operative for taxable years beginning on or after January 1, 1965. 15 UST 1824; TIAS 5656; 530 UNTS 247.

Telecommunications:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country, (Stockholm, 1969), 20 UST 773; TIAS 6690.

Switzerland

Nationality:

Convention relative to military obligations of certain persons having dual nationality. Signed at Bern November 11, 1937; entered into force December 7, 1938. 53 Stat. 1791; TS 943; 193 LNTS 181.

Taxation:

Convention for the avoidance of double taxation with respect to taxes on income. Signed at Washington May 24, 1951; entered into force September 27, 1951. 2 UST 1751; TIAS 2316; 127 UNTS 227.

Convention for the avoidance of double taxation with respect to taxes on estates and inheritances. Signed at Washington July 9, 1951; entered into force September 17, 1952. 3 UST 3972; TIAS 2533; 165 UNTS 51.

Telecommunication:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Bern January 12 and May 16, 1967; entered into force May 16, 1967. 18 UST 554; TIAS 6264.

Trade and Commerce:

Convention of friendship, commerce and extradition. Signed at Bern November 25, 1850; entered into force November 8, 1855. 11 Stat. 587; TS 353; II Malloy 1763.

Syria

Agreement relating to rights of American nationals. Exchange of notes at Damascus September 7 and 8, 1944; entered into force September 8, 1944. 58 Stat. 1491; EAS 434; 124 UNTS 251.

Tanzania

Consuls:

Consular convention and protocol of signature between the United States and the United Kingdom. Signed at Washington June 6, 1951; entered into force September 7, 1951. 3 UST 3426; TIAS 2494; 165 UNTS 121.

Treaty obligations:

Agreement continuing in force between the United States and Tanzania the extradition treaty and the consular convention between the United States and the United Kingdom, (Dar es Salaam, 1965), 16 UST 2066; TIAS 5946; 592 UNTS 53.

Thailand

Trade and commerce:

Treaty of amity and economic relations with exchanges of notes, (Bangkok, 1966), 19 UST 5843; TIAS 6540; 652 UNTS 253.

Togo

Social Security:

Agreement relating to United States participation with respect to its eligible employees in the Togolese social security system, (Lome, 1971), 22 UST 526; TIAS 7094.

Tonga

Consuls:

Consular convention, (Washington, 1951), 3 UST 3426; TIAS 2494; 165 UNTS 121.

Trinidad and Tobago

Consuls:

Consular convention between the United States and the United Kingdom. Signed at Washington June 6, 1951; entered into force September 7, 1952. 3 UST 3426; TIAS 2494; 165 UNTS 121.

Property:

Convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property. Signed at Washington March 2, 1899; applicable to Trinidad and Tobago February 9, 1901. 31 Stat. 1939; TS 146; I Malloy 774.

Supplementary convention between the United States and the United Kingdom relating to the tenure and disposition of real and personal property. Signed at Washington May 27, 1936; applicable to Trinidad and Tobago March 10, 1941. 55 Stat. 1101; TS 964; 203 LNTS 367.

Taxation:

Convention for the avoidance of double taxation, the prevention of fiscal evasion with respect to taxes on income, and the encouragement of international trade and investment with related notes, (Port of Spain, 1970), 22 UST 164; TIAS 7047.

Telecommunications:

Arrangement relating to radio communications between amateur stations on behalf of third parties, (Port of Spain, 1971), 22 UST 2053; TIAS 7239.

Telecommunication:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Port of Spain January 14 and March 16, 1967; entered into force March 16, 1967. 18 UST 543; TIAS 6261.

Turkey

General Regulations:

Agreement for the regularization of relations between the United States and Turkey. Exchange of notes at Ankara February 17, 1927; entered into force February 17, 1927. *Foreign Relations*, 1927, vol. III, p. 794 ff.

Union of Soviet Socialist Republics

Consuls:

Consular Convention, (Moscow, 1964), 19 UST 5018; TIAS 6503; 655 UNTS 213.

General Relations:

Arrangements relating to the establishment of diplomatic relations, nonintervention, freedom of conscience and religious liberty, legal protection, and claims. Exchanges of notes at Washington November 16, 1933; entered into force November 16, 1933. Department of State Publication 528; European and British Commonwealth Series 2 [new series]; Eastern European Series, No. 1 [old series].

United Kingdom

Telecommunications:

Agreement extending to certain territories the application of the agreement of November 25, 1965, relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country, (London, 1969), 20 UST 4089; TIAS 6800.

Consuls:

Consular convention and protocol of signature.

Signed at Washington June 6, 1951; entered into force September 7, 1952. 3 UST 3426; TIAS 2494; 165 UNTS 121.

Customs:

Declaration exempting commercial travelers' samples from customs inspection.

Signed at Washington December 3 and 8, 1910; entered into force January 1, 1911. TS 552; III Redmond 2626.

Agreement relating to the prevention of abuses of customs privileges at certain leased naval and air bases. Exchange of notes at Washington, January 18 and February 21, 1946; entered into force February 21, 1946. 61 Stat. 2637; TIAS 1592; 6 UNTS 137.

Understanding relating to the importation in bulk, free from customs duties, of certain articles for the use of the diplomatic staff of United States embassy and consular officers and other employees on duty in the United Kingdom.

Exchange of notes at Washington February 16, 1949; entered into force February 16, 1949.

Property—Real and Personal:

Convention relating to tenure and disposition of real and personal property. Signed at Washington March 2, 1899; entered into force August 7, 1900. 31 Stat. 1939; TS 146; I Malloy 774.

Supplementary convention extending the time within which notifications may be given of the accession of British colonies or foreign possessions to the convention of March 2, 1899, relating to the tenure and disposition of real and personal property. Signed at Washington January 13, 1902; entered into force April 2, 1902. 32 Stat. 1914; TS 402; I Malloy 776.

Supplementary convention providing for the accession of the Dominion of Canada to the real and personal property convention of March 2, 1899. Signed at Washington October 21, 1921; entered into force June 17, 1922. 42 Stat. 2147; TS 663; III Redmond 2657; 12 LNTS 425.

Supplementary convention relating to the tenure and disposition of real and personal property. Signed at Washington, May 27, 1936, by the United States, the United Kingdom, Australia, and New Zealand; entered into force March 10, 1941. 55 Stat. 1101; TS 964; 203 LNTS 367.

Taxation:

Convention and protocol for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington April 16, 1945, protocol signed at Washington June 6, 1946; entered into force July 25, 1946. 60 Stat. 1377; TIAS 1546; 6 UNTS 189.

Supplementary protocol amending the convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington May 25, 1954; entered into force January 19, 1955. 6 UST 37; TIAS 3165; 207 UNTS 312.

Supplementary protocol amending the income-tax convention of April 16, 1945, as modified by supplementary protocols of June 6, 1946 and May 25, 1954. Signed at Washington August 19, 1957; entered into force October 15, 1958. 9 UST 1329; TIAS 4124; 336 UNTS 330.

Supplementary protocol amending the convention of April 16, 1945, as modified, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

Signed at London March 17, 1966; entered into force September 9, 1966. 17 UST 1254; TIAS 6089; 590 UNTS 216.

Agreement relating to the application of the income tax convention of April 16, 1945 to specified British territories. Exchange of notes at Washington August 19, 1957 and December 3, 1958; entered into force December 3, 1958. 9 UST 1459; TIAS 4141; 351 UNTS 368.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons. Signed at Washington April 16, 1945; entered into force July 25, 1946. 60 Stat. 1391; TIAS 1547; 6 UNTS 359.

Agreement continuing in force for Southern Rhodesia, Northern Rhodesia and Nyasaland individually the income tax convention of April 16, 1945, as modified. Exchange of notes at Washington December 31, 1963; entered into force December 31, 1963. 14 UST 1899; TIAS 5501; 505 UNTS 300.

Telecommunication:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at London November 26, 1965; entered into force November 26, 1965. 16 UST 2047; TIAS 5941; 561 UNTS 193.

Uruguay

Telecommunications:

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. (Montevideo, 1971), 22 UST 701; TIAS 7129.

Nationality:

Naturalization convention. Signed at Montevideo August 10, 1908; entered into force

May 14, 1909. 36 Stat. 2165; TS 527; II Malloy 1829.

Telecommunication:

Agreement relating to radio communications between radio amateurs on behalf of third parties. Exchange of notes at Montevideo September 12, 1961; entered into force September 26, 1966. 17 UST 1574; TIAS 6115; 607 UNTS 175.

Trade and Commerce:

Convention facilitating the work of traveling salesmen. Signed at Washington August 27, 1918; entered into force August 2, 1919. 41 Stat. 1663; TS 640; III Redmond 2862.

Venezuela

Telecommunication:

Arrangement for radio communications between amateur stations on behalf of third parties. Exchange of notes at Caracas November 12, 1959; entered into force December 12, 1959. 10 UST 3019; TIAS 4394; 367 UNTS 81.

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Exchange of notes at Caracas September 18, 1967; entered into force October 3, 1967. TIAS 6348; 18 UST 2499.

Trade and Commerce:

Convention facilitating the work of traveling salesmen. Signed at Caracas July 3, 1919; entered into force August 18, 1920. 41 Stat. 1719; TS 648; III Redmond 2867.

Reciprocal trade agreement. Signed at Caracas November 6, 1939; entered into force provisionally December 16, 1939; definitively December 14, 1940. 54 Stat. 2375; EAS 180; 203 LNTS 273.

Supplementary trade agreement. Signed at Caracas August 28, 1952; entered into force October 11, 1952. 3 UST 4195; TIAS 2565; 178 UNTS 51.

Vietnam

Taxation:

Agreement regarding income tax administration. Exchange of notes at Saigon March 31 and May 3, 1967; entered into force May 3, 1967. 18 UST 546; TIAS 6262.

Yugoslavia

Claims:

Agreement regarding claims of United States nationals, with exchange of notes and minute of interpretation. Signed at Belgrade November 5, 1964; entered into force January 20, 1965. 16 UST 1; TIAS 5750; 550 UNTS 31.

Consuls:

Consular convention. Signed at Belgrade October 2/14, 1881; entered into force November 15, 1882. 22 Stat. 968; TS 320; II Malloy 1618.

Arrangement providing for the taking of testimony by consular officers. Exchange of notes at Belgrade October 17 and 24, 1938; entered into force October 24, 1938.

Zaire—(formerly "Congo (Kinshasa)")

Taxation:

Convention between the United States and Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, (Washington, 1948), 4 UST 1647; TIAS 2833; 173 UNTS 67.

Convention between the United States and Belgium supplementing the convention of October 28, 1948, as modified, for the avoidance of double taxation with respect to taxes on income, (Washington, 1957), 10 UST 1358; TIAS 4280; 356 UNTS 366.

Agreement between the United States and Belgium relating to the extension of the operation of the income tax convention of 1948, as supplemented, to the Belgian Congo and the Trust Territory of Ruanda-Urundi, (Washington, 1954), 10 UST 1358; TIAS 4280; 356 UNTS 370.

Zambia

Consuls:

Consular convention between the United States and the United Kingdom. Signed at Washington June 6, 1951; entered into force September 7, 1952. 3 UST 3426; TIAS 2494; 165 UNTS 121.

Property:

Convention relating to tenure and disposition of real and personal property. Signed at Washington March 2, 1899; entered into force August 7, 1900; made applicable to Zambia May 29, 1947. 31 Stat. 1939; TS 146; I Malloy 774.

Supplementary convention amending article IV and paragraph 2 of article VI of the convention relating to the tenure and disposition of real and personal property of March 2, 1899. Signed at Washington May 27, 1936; entered into force March 10, 1941; made applicable to Zambia May 29, 1947. 55 Stat. 1101; TS 964; 203 LNTS 367.

Taxation: Convention and protocol between the United States and the United Kingdom for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington April 16, 1945; protocol signed at Washington June 6, 1946. 60 Stat. 1377; TIAS 1546; 6 UNTS 189.

Supplementary protocol between the United States and the United Kingdom amending the convention of April 16, 1945. Signed at Washington May 25, 1954. 6 UST 37; TIAS 3165; 207 UNTS 312.

Supplementary protocol between the United States and the United Kingdom amending the convention, as modified. Signed at Washington August 19, 1957. 9 UST 1329; TIAS 4124; 336 UNTS 330.

(Application of convention, as supplemented, extended to Federation of Rhodesia and Nyasaland January 1, 1959 for U.S. tax and April 1, 1959 for Rhodesia and Nyasaland tax as provided in the agreement, effected by exchange of notes at Washington August 19, 1957 and December 3, 1958, between the United States and the United Kingdom relating to the application of the convention to specified British territories (9 UST 1459; TIAS 4141)).

PART I—TREATIES

Subpart B(1)—Multilateral

Aliens

Convention between the American Republics regarding the status of aliens in their respective territories. Signed at Habana February 20, 1928; entered into force for the United States May 21, 1930, with the exception of arts. 3 and 4. 46 Stat. 2753; TS 815; IV Trenwith 4722; 132 LNTS 301.

States which are parties:

Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Rep., Ecuador, Guatemala, Haiti, Mexico, Nicaragua, Panama, Peru, United States, and Uruguay.

Automotive Traffic

Convention on the regulation of inter-American automotive traffic, with annex. Open for signature at the Pan American Union, Washington, December 15, 1943; entered into force for the United States October 29, 1946, subject to an understanding and reservation. 61 Stat. 1129; TIAS 1567.

States which are parties:

Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, United States, Uruguay, and Venezuela.

Convention on road traffic, with annexes. Done at Geneva September 19, 1949; entered into force for the United States March 26, 1952. 3 UST 3008; TIAS 2487; 125 UNTS 22.

States which are parties:

Algeria, Argentina, Australia, Austria, Barbados, Belgium, Botswana, Bulgaria, Cambodia, Cameroon, Canada, Central African Rep., Ceylon, Chile, China, Congo (Brazzaville), Congo (Kinshasa), Cuba, Cyprus, Czechoslovakia, Dahomey, Denmark, Dominican Rep., Ecuador, Finland, France, Gambia, Ghana, Greece, Guatemala, Guyana, Haiti, Hungary, India, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Jordan, Laos, Lebanon, Luxembourg, and Madagascar.

Malawi, Malaysia, Mali, Malta, Monaco, Morocco, Netherlands, New Zealand, Niger, Norway, Paraguay, Peru, Philippines, Poland, Portugal, Romania, Rwanda, San Marino, Senegal, Sierra Leone, Singapore, South Africa, Spain, Sweden, Syrian Arab Rep., Tanzania: Zanzibar, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Union of Soviet Socialist Reps., United Arab Rep., United Kingdom, United States, Vatican City, Venezuela, Viet-Nam, Western Samoa, Yugoslavia, and Zambia.

Territorial application:

Australia for: Papua and Trust Territory of New Guinea.

France for: All overseas territories and the Principality of Andorra.

Netherlands for: Netherlands Antilles and Surinam.

Portugal for: All overseas provinces except Macao.

South Africa for: South-West Africa.

Spain for: African localities and provinces.

United Kingdom for: Aden and Protectorate of South Arabia, Bahamas, Bailiwick of Guernsey, British Honduras, Fiji, Gibraltar, Grenada, Honk Kong, Isle of Man, Jersey, Mauritius, Rhodesia, St. Lucia, St. Vincent, Seychelles, and Swaziland.

United States for: All territories for the international relations of which the U.S. is responsible.

Protocol relating to the adherence to the convention on road traffic of certain countries which were not able to participate in the United Nations Conference on Road and Motor Transport. Done at Geneva September 19, 1949; entered into force for the United States March 26, 1952. 3 UST 3052; TIAS 2487; 125 UNTS 94.

States which are parties:

Belgium, Botswana, Cambodia, Chile, Cuba, Czechoslovakia, Dominican Rep., France, Guatemala, Haiti, Italy, Luxembourg, Netherlands, Portugal, South Africa, Tunisia, Turkey, United Arab Republic, United Kingdom, and United States.

Aviation

Convention for the unification of certain rules relating to international transportation by air, with additional protocol. Concluded at Warsaw, October 12, 1929; entered into force for the United States, October 29, 1934, subject to a reservation. 49 Stat. 3000; TS 876; IV Trenwith 5250; 137 LNTS 11.

States which are parties:

Algeria, Argentina, Australia, Austria, Barbados, Belgium, Botswana, Brazil, Bulgaria, Burma, Cameroon, Canada, Ceylon, [China People's Rep.], Colombia, Congo (Brazzaville), Congo (Kinshasa), Cuba, Cyprus, Czechoslovakia, Dahomey, Denmark, not including Greenland, Ethiopia, Finland, France, including French colonies, Gambia, and [Germany, Dem. Rep.].

Germany, Fed Rep., Ghana, Greece, Guinea, Guyana, Hungary, Iceland, India, Indonesia, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Kenya, [Korea, Dem. Rep.], Laos, Latvia, Lebanon, Lesotho, Liberia, Liechtenstein, Luxembourg, Madagascar, Malawi, Malaysia, Mali, Malta, Mauritania, Mexico, Mongolian People's Rep., Morocco, Nepal, Netherlands, and New Zealand.

Niger, Nigeria, Norway, Pakistan, Philippines, Poland including Free City of Danzig, Portugal, Romania, Rwanda, Senegal, Sierra Leone, Singapore, Somali Republic, South Africa, Spain, including colonies, Sweden, Switzerland, Syrian Arab Republic, Tanzania, Trinidad and Tobago, Tunisia, Uganda, Union of Soviet Socialist Republics, United Arab Republic, United Kingdom, United States, Upper Volta, Venezuela, Viet-Nam, Western Samoa, Yugoslavia, and Zambia.

International air services transit agreement. Signed at Chicago December 7, 1944; entered into force for the United States February 8, 1945, subject to a reservation. 59 Stat. 1693; EAS 487; 84 UNTS 389.

States which are parties:

Afghanistan, Algeria, Argentina, Australia, Austria, Belgium, Bolivia, Cameroon, Canada, Ceylon, Costa Rica, Cuba, Cyprus, Czechoslovakia, Dahomey, Denmark, El Salvador, Ethiopia, Finland, France, Germany, Fed. Rep., Greece, Guatemala, Honduras, Iceland, India, Iran, Iraq, Ireland, Israel, Ivory Coast, Jamaica, Japan, Jordan, Korea, and Kuwait.

Liberia, Luxembourg, Madagascar, Malaysia, Malta, Mexico, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Pakistan, Paraguay, Philippines, Poland, Portugal, Rwanda, Senegal, Somali Republic, South Africa, Spain, Sweden, Switzerland, Thailand, Togo, Trinidad, and Tobago, Tunisia, Turkey, United Arab Republic, United Kingdom, United States, Venezuela, and Zambia.

Convention on international civil aviation. Done at Chicago December 7, 1944; entered into force for the United States April 14, 1947. 61 Stat. 1180; TIAS 1591; 15 UNTS 295.

States which are parties:

Afghanistan, Algeria, Argentina, Australia, Austria, Barbados, Belgium, Bolivia, Brazil, Bulgaria, Burma, Cambodia, Cameroon, Canada, Central African Rep., Ceylon, Chad, Chile, China, Colombia, Congo (Brazzaville), Congo, (Kinshasa), Costa Rica, Cuba, Cyprus, Czechoslovakia, Dahomey, Denmark, Dominican Republic, Ecuador, El Salvador, Ethiopia, Finland, France, Gabon, Germany, Fed. Rep., Ghana, Greece, Guatemala, Guinea, Guyana, Haiti, Honduras, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Jordan, Kenya, Korea, and Kuwait.

Laos, Lebanon, Liberia, Libya, Luxembourg, Madagascar, Malawi, Malaysia, Mali, Malta, Mauritania, Mexico, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Romania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somali Republic, South Africa, Spain, Sudan, Sweden, Switzerland, Syrian Arab Rep., Tanzania, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Urganda, United Arab Rep., United Kingdom, United States, Upper Volta, Uruguay, Venezuela, Viet-Nam, Yemen Arab Rep., Yugoslavia, and Zambia.

Protocol relating to certain amendments to the convention on international civil aviation. Done at Montreal June 14, 1954; entered into force for the United States December 12, 1956. 8 UST 179; TIAS 3756; 320 UNTS 217.

States which are parties:

Afghanistan, Algeria, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Burma, Cameroon, Canada, Central African Rep., Ceylon, Chad, China, Congo (Brazzaville), Congo (Kinshasa), Costa Rica, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Ethiopia, Finland, France, Germany, Fed. Rep., Ghana, Greece, Guatemala, Guinea, Honduras, Iceland, India, Indonesia, Iraq, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Kenya, and Korea.

Laos, Libya, Luxembourg, Madgascar, Malawi, Malaysia, Mali, Malta, Mauritania, Mexico, Morocco, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Peru, Philippines, Poland, Portgual, Romania, Rwanda, Saudi Arabia, Senegal, Singapore, Somali Republic, South Africa, Spain, Sudan, Sweden, Switzerland, Syrian Arab Rep., Tanzania, Thailand, Tunisia, Turkey, United Arab Rep., United Kingdom, United States, Venezuela, Viet-Nam, Yugoslavia, and Zambia.

Protocol relating to the amendment of Article 50(a) of the convention on international civil aviation to increase membership of the council from twenty-one to twenty-seven. Done at Montreal June 21, 1961; entered into force for the United States, July 17, 1962. 13 UST 2105; TIAS 5170; 514 UNTS 209.

States which are parties:

Algeria, Argentina, Australia, Austria, Belgium, Cameroon, Canada, Central African Rep., Ceylon, Chad, China, Congo (Brazzaville), Costa Rica, Cuba, Cyprus, Czechoslovakia, Dahomey, Denmark, Dominican Republic, Ecuador, El Salvador, Ethiopia, Finland, France, Germany, Fed. Rep., Ghana, Greece, Guinea, Honduras, India, Indonesia, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Jordan, Kenya, Korea, Kuwait, Laos, Lebanon, Libya, and Luxembourg.

Madagascar, Malawi, Malaysia, Mali, Malta, Mauritania, Mexico, Morocco, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Portugal, Romania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somali Republic, South Africa, Spain, Sudan, Sweden, Switzerland, Syrian Arab Rep., Tanzania, Thailand, Tunisia, Turkey, United Arab Rep., United Kingdom, United States, Upper Volta, Venezuela, Viet-Nam, Yugoslavia, and Zambia.

Convention on the international recognition of rights in aircraft. Done at Geneva June 19, 1948; entered into force for the United States September 17, 1953. 4 UST 1830; TIAS 2847; 310 UNTS 151.

States which were parties:

Algeria, Argentina, Brazil, Chile, Cuba, Denmark, Ecuador, El Salvador, France, Germany, Fed. Rep., Haiti, Iceland, Italy, Ivory Coast, Laos, Mali, Mauritania, Mexico, Netherlands, Niger, Norway, Pakistan, Sweden, Switzerland, Thailand, Tunisia, and United States.

Disputes

Convention on the settlement of investment disputes between States and nationals of other states. Done at Washington March 18, 1965; entered into force for the United States October 14, 1966. 17 UST 1270; TIAS 6090.

States which are parties:

Cameroon, Central African Republic, Ceylon, Chad, Congo (Brazzaville), Cyprus, Dahomey, France, Gabon, Ghana, Iceland, Ivory Coast, Jamaica, Japan, Kenya, Korea, Madagascar, and Malawi.

Malaysia, Mauritania, Morocco, Netherlands, Niger, Nigeria, Norway, Pakistan, Senegal, Sierra Leone, Sweden, Togo, Trinidad and Tobago, Tunisia, Uganda, United Kingdom, United States, Upper Volta, and Yugoslavia.

Labor

Instrument for the amendment of the constitution of the International Labor Organization. Dated at Montreal October 9, 1946; entered into force for the United States April 20, 1948. 62 Stat. 3485; TIAS 1868; 15 UNTS 35.

States members of the International Labor Organization:

Afghanistan, Algeria, Argentina, Australia, Austria, Barbados, Belgium, Bolivia, Botswana, Brazil, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Cameroon, Canada, Central African Republic, Ceylon, Chad, Chile, China, Colombia, Congo (Brazzaville), Congo (Kinshasa), Costa Rica, and Cuba.

Cyprus, Czechoslovakia, Dahomey, Denmark, Dominican Republic, Ecuador, El Salvador, Ethiopia, Finland, France, Gabon, Germany, Fed. Rep., Ghana, Greece, Guatemala, Guinea, Guyana, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iran, Iraq, and Ireland.

Israel, Italy, Ivory Coast, Jamaica, Japan, Jordan, Kenya, Kuwait, Laos, Lebanon, Lesotho, Liberia, Libya, Luxembourg, Madagascar, Malawi, Malaysia, Mali, Malta, Mauritania, Mexico, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Niger, and Nigeria.

Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Romania, Rwanda, Senegal, Sierra Leone, Singapore, Somali Republic, Spain, Sudan, Sweden, Switzerland, Syrian Arab Republic, Tanzania, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, and Uganda.

Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Republic, United Kingdom, United States, Upper Volta, Uruguay, Venezuela, Viet-Nam, Yemen Arab Republic, Yugoslavia, and Zambia.

Nationality

Convention establishing the status of naturalized citizens who again take up their residence in the country of their origin. Signed at Rio de Janeiro August 13, 1906; entered into force for the United States May 25, 1908. 37 Stat. 1653; TS 575; III Redmond 2882.

States which are parties:

Argentina, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Nicaragua, Panama and United States.

Protocol relating to military obligations in certain cases of double nationality. Concluded at The Hague April 12, 1930; entered into force for the United States May 25, 1937. 50 Stat. 1317; TS 913; IV Trenwith 5261; 178 LNTS 227.

States which are parties:

Australia, Austria, Belgium, Brazil, Burma, Colombia, Cuba, El Salvador, India, Indonesia, Malta, Mauritania, Netherlands, Niger, Nigeria, South Africa, Sweden, United Kingdom, and United States.

Convention on the nationality of women. Signed at Montevideo December 26, 1933; entered into force for the United States August 29, 1934. 49 Stat. 2957; TS 875; IV Trenwith 4813.

States which are parties:

Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, and United States.

Rules of Warfare

Convention relative to the protection of civilian persons in time of war. Dated at Geneva August 12, 1949; entered into force for the United States February 2, 1956, subject to a reservation and a statement. 6 UST 3516; TIAS 3365; 75 UNTS 287.

States which are parties:

Afghanistan, Albania, Algeria, Argentina, Australia, Austria, Barbados, Belguim, Botswana, Brazil, Bulgaria, and Burundi.

Byelorussian Soviet Socialist Republic, Cambodia, Cameroon, Canada, Central African Rep., Ceylon, Chile, [China, People's Republic], Colombia, Congo (Brazzaville) Congo (Kinshasa), Cuba, Cyprus, Czechoslovakia, Dahomey, Denmark, Dominican Republic, Ecuador, El Salvador, Finland, France, Gabon, Gambia, Germany, Fed. Rep., [Germany, Dem. Republic], Ghana, Greece, Guatemala, Guyana, Haiti, Holy See, Honduras, Hungary, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Jordan, Kenya, and Korea.

Korea, [Korea, Dem. Rep.], Kuwait, Laos, Lebanon, Lesotho, Liberia, Libya, Liechtenstein, Luxembourg, Madagascar, Malawi, Malaysia, Mali, Malta, Mauritania, Mexico, Monaco, Mongolian People's Republic, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Romania, Rwanda, San Marino, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somali Republic, South Africa, Spain, Sudan, Sweden, Switzerland, and Syrian Arab Rep.

Tanzania: Tanganyika, Zanzibar, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Reps., United Arab Rep., United Kingdom, United States, Upper Volta, Venezuela, Viet-Nam [Viet-Nam, Dem. Republic], Yugoslavia, and Zambia.

PART I—TREATIES

Subpart B(2)—Additional multilaterals

Multilateral:

Aliens:

Convention between the American Republics regarding the status of aliens in their respective territories, (Habana, 1928), 46 Stat. 2753; TS 815; 132 LNTS 301.

Aviation:

Convention on offenses and certain other acts committed on board aircraft, (Tokyo, 1963), 20 UST 2941; TIAS 6768.

Convention for the suppression of unlawful seizure of aircraft (Hijacking), (The Hague, 1970), 22 UST 1641; TIAS 7192.

Convention for the suppression of unlawful acts against the safety of civil aviation, (Sabotage), (Montreal, 1971), TIAS 7570.

Consuls:

Convention on consular relations, (Vienna, 1963), 21 UST 77: TIAS 6820; 596 UNTS 261.

Optional protocol to the convention on consular relations concerning the compulsory settlement of disputes, (Vienna, 1963), 21 UST 325; TIAS 6820; 596 UNTS 487.

Defense:

Agreement regarding the status of personnel of sending states attached to an International Military Headquarters of North Atlantic Treaty Organization in the Federal Republic of Germany, (Bonn, 1969), 20 UST 4055; TIAS 6792.

Diplomatic Relations:

Vienna Convention on diplomatic relations, (Vienna, 1961), TIAS 7502; 500 UNTS 95.

Optional protocol to the Vienna convention on diplomatic relations concerning the compulsory settlement of disputes, (Vienna, 1961), TIAS 7502; 500 UNTS 241.

Intellectual Property:

Convention establishing the World Intellectual Property Organization, (Stockholm, 1967), 21 UST 1749; TIAS 6932.

Judicial Procedure

Convention on the service abroad of judicial and extrajudicial documents in civil or commercial matters, (The Hague, 1965), 20 UST 361; TIAS 6638; 658 UNTS 163.

Convention on the taking of evidence abroad in civil or commercial matters, (The Hague, 1970), TIAS 7444.

Labor

Amendments:

19 UST 7802; TIAS 6611 (1965).
20 UST 2529; TIAS 6716 (1967).

PART II—STATUTES

STATUTES WHICH HAVE A SIGNIFICANT EFFECT ON U.S. CITIZENS LIVING ABROAD

Title 5. Government Organization and Employees.

§ 8102. Compensation for disability or death of employee. (Applies to employees in foreign countries.)

§§ 8103–8135. Various other provisions relating to compensation for injuries or death of employees, including medical services, vocational rehabilitation, disability payments, and so on.

§ 8136. Initial payments outside the United States.

Chapter 83.—Retirement. (Applicable wherever the retiree lives.)

Chapter 85.—Unemployment Compensation.

Chapter 87.—Life Insurance.

Chapter 89.—Health Insurance.

Title 7. Chapter 20. Food Stamp Program.

§ 2014. Eligibility standards. Citizens residing outside United States not within the eligibility standards.

Title 8. Aliens and Nationality.

§ 1101(a) (22), defines "national of the United States."

§ 1101(a) (33), defines "residence."

§ 1185(b). Travel control of citizens during war or national emergency.

§ 1221. Record of citizens leaving permanently for foreign countries.

§ 1401. Nationals and citizens of United States at birth.

§ 1401a. Birth abroad before 1952 to service parent.

§ 1409. Children born out of wedlock.

§ 1431. Children born outside United States of one alien and one citizen parent; conditions for automatic citizenship.

§ 1432. Children born outside of United States of alien parents, conditions for automatic citizenship.

§ 1433. Children born outside United States, naturalization on petition of citizen parent; requirements and exemptions.

§ 1434. Children adopted by citizens.

§ 1435. Former citizens regaining citizenship.

§ 1438. Former citizens losing citizenship by entering armed forces of foreign countries during World War II.

§ 1451. Revocation of naturalization. (Subsection (d) Foreign residence.)

§ 1452. Certificates of citizenship; procedure. (Certificates only available if citizen is in the United States.)

§ 1481. Loss of nationality by native-born or naturalized citizen; voluntary action; burden of proof; presumptions.

§ 1482. Dual nationals; divestiture of nationality.

§ 1483. Restrictions on expatriation.

§ 1484. Loss of nationality by naturalized national.

§ 1485. Inapplicability of § 1484 to certain persons.

§ 1486. Inapplicability of § 1484(a) (2) to certain persons.

§ 1487. Loss of American nationality through parents' expatriation; not effective until persons attain age of twenty-five years.

§ 1489. Application of treaties; exceptions. (Women do not lose American nationality by marrying aliens and residing abroad.)

§ 1501. Certificate of diplomatic or consular officer of United States as to loss of American nationality.

§ 1502. Certificate of nationality issued by Secretary of State for person not a naturalized citizen of United States for use in proceedings of a foreign state.

§ 1503. Denial of rights and privileges as national.

Title 15. Commerce and Trade.

Chapter 2A—Securities and Trust Indentures.

Subchapter II—Foreign Securities.

Sections 77bb–77mm. Provisions dealing with "Corporation of Foreign Security Holders." [Corporation of Foreign Bondholders Act, 1933.]

Section 78dd. Foreign securities exchanges. [Securities Exchange Act of 1934.]

Chapter 41—Consumer Credit Protection. §§ 1601–1681.

Title 18. Crimes and Criminal Procedure. [Whether or not there is extra-territorial jurisdiction depends upon the particular criminal statute concerned.]

§ 1919. False statement to obtain unemployment compensation for Federal service.

§ 1920. False statement to obtain Federal employees' compensation.

§ 1921. Receiving Federal employees' compensation after marriage.

§ 1922. False or withheld report concerning Federal employees' compensation.

§ 1923. Fraudulent receipt of payments of missing persons.

Chapter 20.—Higher Education Resources and Student Assistance. (Generally, programs are established in cooperation with States and thus citizens residing abroad are not eligible as participants.)

Chapter 30.—Basic Education for Adults. (Again, programs are established in cooperation with States and thus citizens residing abroad are not eligible as participants.)

Title 22.—Foreign Relations and Intercourse.

Chapter 14.—Foreign Service:

§§ 801–1204.

(Note: § 805. Prohibitions, engaging in business abroad.)

§ 816. Educational facilities for children of employees.

§ 870. Staff officers and employees; employees recruited abroad performing duties of routine nature (salaries).

§ 1004. Selection-out benefits.

Subchapter VIII.—Retirement and Disability System. §§ 1061–1121.

Subchapter IX.—Allowances and Benefits. §§ 1131–1159.

§§ 1175–1179. Estates of decedents generally.

Chapter 21.—Settlement of International Claims.

Subchapters II–V. Claims against specified countries by United States nationals.

Chapter 23.—Protection of Citizens Abroad.

§ 1731. Protection to naturalized citizens abroad.

§ 1732. Release of citizens imprisoned by foreign governments.

Chapter 32.—Foreign Assistance.

§ 2174. American schools, libraries, and hospitals centers abroad.

§ 2370. Prohibitions against furnishing assistance.

Subsection (c). Indebtedness of foreign country to United States citizen or person.

Subsection (e). Nationalization, expropriation or seizure of property of United States citizens, or taxation or other exaction having same effect; failure to compensate or to provide relief from taxes, exactions, or conditions; report on full value of property by Foreign Claims Settlement Commission; act of state doctrine.

§ 2396. Availability of funds.

Subsection (d). Education of dependents.

§ 2504. Peace Corps volunteers.

Subsection (d). Disability benefits.

Subsection (e). Health care.

Subsection (f). Retirement and other credits based upon length of service.

Subsection (h). Tort claims; absentee voting.

Subsection (l). Legal expenses of defendant in judicial or administrative proceedings (foreign).

Subsection (m). Allowances and expenses of minor children.

Title 23.—Highways.

§ 308. Cooperation with Federal and State agencies and foreign countries.

§ 309. Cooperation with other American Republics.

Title 24.—Hospitals, Asylums, and Cemeteries.

Chapter 9.—Hospitalization of Mentally Ill Nationals Returned from Foreign Countries. §§ 321–329.

Title 26.—Internal Revenue Code.

Subtitle A.—Income Taxes.

§ 33. Taxes of foreign countries and possessions of the United States. (Credit.)

§ 37. Retirement income. (Credit disallowed in excess of the § 33 foreign tax credit.)

§ 104. Compensation for injuries or sickness. (This exclusion from gross income applies to certain foreign-related sources.)

§ 164. Taxes. (Deduction covers foreign real property, income, war profits, and excess profits taxes.)

§ 551. Foreign personal holding company income taxed to United States shareholders.

§ 553. Foreign personal holding company income.

§ 691. Recipients of income in respect of decendents.

Subsection (b). Allowance of deductions and credit. (Allowance of foreign tax deductions under § 164 and credit under § 33.)

§ 702. Income and credits of partner. (Allows partner to take account of distributive share of taxes paid to foreign countries as described in § 901.

§ 862. Income from sources without the United States.

§ 901. Taxes of foreign countries and of possessions of United States. (Election for credit, with certain exceptions.)

§ 902. Credit for corporate stockholder in foreign corporation.

§ 903. Credit for taxes in lieu of income, etc., taxes. (Another foreign tax credit.)

§ 904. Limitation on credit.

§ 905. Applicable rules.

§ 911. Earned income from sources without the United States. (Exclusion from gross income.)

§ 912. Exemption for certain allowances. (Exemption for Government employees and volunteers in foreign countries.)

§§ 951–964. Controlled Foreign Corporations. (Income tax treatment.)

§§ 981. Election as to treatment of income subject to foreign community property laws. (U.S. citizens living abroad.)

Subchapter 0.—Gain or Loss on Disposition of Property.

§ 1022. Increase in basis with respect to certain foreign personal holding company stock or securities.

§ 1246. Gain on foreign investment company stock.

§ 1247. Election by foreign investment companies to distribute income currently.

Subtitle B.—Estate and Gift Taxes.

Chapter 11. Estate Tax.

§ 2001. Rate of Taxes (Applies to all "citizens".)

§ 2014. Credit for foreign death taxes.

§ 2105. Property without the United States.

§ 2107. Expatriation to avoid tax.

§ 2108. Application of pre-1967 estate tax provisions. (Deals with "more burdensome foreign taxes on the transfer of decedents' estates.)

§ 2202. Missionaries in foreign service.

Chapter 12. Gift Tax.

§ 2501. Imposition of tax. (Applies to "any individual resident or nonresident.")

§ 2522. Charitable and similar gifts. (Deduction for citizens or residents.)

Subtitle C.—Employment taxes.

§ 3121. Definitions.

Subsection (b). Employment. (Special provisions for citizen-employees in foreign countries.)

Chapter 23. Federal Unemployment Tax Act.

§ 3306. Definitions.

Subsection (c). Employment. (Includes employment in foreign countries, other than Canada and the Virgin Islands.)

Chapter 41. Interest Equalization Tax.

Subchapter A. Acquisition of foreign stock and debt obligations.

§§ 4911–4920.

§ 6851. Termination of taxable year.

Subsection (a). Income tax in jeopardy. (Provisions relating to persons seeking to depart the U.S.)

Title 28.—Judiciary and Judicial Procedure.

§ 1696. Service in foreign and international litigation.

§ 1741. Foreign official documents.

§ 1745. Copies of foreign patent documents.

§ 1781. Transmittal of letter rogatory or request.

§ 1782. Assistance to foreign and international tribunals and to litigants before such tribunals.

§ 1783. Subpoena of person in foreign country.

§ 1784. Contempt.

§ 2401. Time for commencing action against United States. (Savings clause for persons "beyond the seas.")

Chapter 171. Tort Claims Procedure.

§2680. Exceptions. (This chapter not applicable to "any claims arising in a foreign country.")

Title 31. Money and Finance.

§ 224a. Settlement of claims for personal injury or death caused by Government officers and employees in foreign countries.

Title 35.—Patents.

§ 104. Invention made abroad.

§ 119. Benefit of earlier filing date in foreign country; right of priority.

§ 184. Filing of application in foreign country.

Title 38. Veterans' Benefits.

Chapter 3.—Veterans' Administration; Officers and Employees.

§ 235. Benefits to employees at oversea offices who are United States citizens.

§ 236. Administrative settlement of tort claims arising in foreign countries.

§ 624. Hospital care and medical services abroad.

Chapter 34.—Veterans' Education Assistance.

§ 1676. Education outside the United States.

Title 42.—The Public Health and Welfare.

§ 403. Reduction of insurance benefits. (Social Security).

Subsection (c). Deductions on account of noncovered work outside the United States.

§ 410. Definitions relatng to employment.

Subsection (a). Employment. (Covers employment in foreign countries.)

§ 428. Benefits at age 72 for certain uninsured individuals.

Subsection (e). Suspension where individual is residing outside the United States.

§ 1313. Assistance for United States citizens returned from foreign countries.

§ 1382. State plans for aid to aged, blind, or disabled or for such aid and medical assistance for aged.

Subsection (b). Approval by Secretary .(No approval for plans which impose "any citizenship requirement which excludes any citizen of the United States."

§ 1395f. Conditions of and limitations on payment for services.

Subsection (f). Payment for certain emergency hospital services furnished outside the United States.

Chapter 11.—Compensation for Disability or Death to Persons Employed at Military, Air, and Naval Bases Outside the United States.

§§ 1651–1654.

Chapter 12.—Compensation for Injury, Death, or Detention of Employees of Contractors with the United States Outside the United States.

§§ 1701–1717.

Chapter 15A.—Reciprocal Fire Protection Agreements. (Covers "fire protection facilities in any foreign country in the vicinity of any installation of the United States.")

§§ 1856–1856d.

§ 1973aa–1. Residence requirements for voting. (Abolishes durational residence requirements with respect to voting for the offices of President and Vice President.

§ 1982. Property rights of citizens. (Guarantees property rights of "all citizens of the United States.")

Title 45.—Railroads.

Chapter 2.—Liability for injuries to employees.

§ 51. Liability of common carriers by railroad, in interstate or foreign commerce, for injuries to employees from negligence; definition of employees.

Chapter 9.—Retirement of Railroad Employees.

§§ 228a–228z–1. (Railroad Retirement Act of 1937).

Title 46.—Shipping.

Chapter 23.—Shipping Act.

§ 825. Investigation by Commission as to acts of foreign governments.

§ 1281. Authority to provide insurance; consideration of risk. (War Risk Insurance.)

Title 49.—Transportation.

Chapter 20.—Federal Aviation Program.

Subchapter IX.—Penalties.

§ 1472. Criminal penalties. (Includes air piracy, carrying weapons aboard aircraft, and so on.)

Subchapter XI.—Miscellaneous.

§ 1502. International agreements. (Effectiveness thereof.)

AUTOMATIC DATA PROCESSING IN THE FEDERAL GOVERNMENT

Mr. RIBICOFF. Mr. President, as a member of the Ad Hoc Privacy Subcommittee of the Government Operations Committee, I have been especially concerned with the development, uses and abuses of automatic data processing in the Federal Government. The sharing and distribution of data about citizens has significant implications for the right of privacy.

Currently, S. 3418, in the Senate Government Operations Committee is concerned with determining what standards Congress should set for the protection of privacy in the development and management of Federal information systems.

Surely, we cannot allow information systems in the Federal Government to become technological monsters without proper and necessary controls to protect private rights against unnecessary collection and distribution of personal data—nor can we allow information vital to the public interest and the public's right to gain access to information to remain confidential.

However, it is important that Americans have knowledge of, have access to, and have the opportunity to change or clarify information about their lives which is part of a data bank system.

Mr. President, a recent editorial in the Washington Post, July 19, discusses the concern and need for legislation in this area. I ask unanimous consent that the article entitled "Controlling the Data Banks" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UMI

CONTROLLING THE DATA BANKS

Congressional concern about preserving civil liberties has been, over the years, a sometimes thing, so many people will be surprised if the current surge of legislative interest in protecting individual privacy actually produces much legislation. There are growing indications, however, that this year Congress might really follow through on at least one major privacy issue by enacting a measure to regulate data banks and protect citizens against the improper or undisclosed collection and use of personal information by the government.

The need for controls has been amply documented. After four years of work, Sen. Sam J. Ervin's Subcommittee on Constitutional Rights has just released a landmark study which itemizes 858 federal data banks containing over 1.2 billion records on identifiable individuals. Over 86 per cent of these files are computerized. Various data banks hold information on citizens' employment records, medical problems, driving habits, criminal histories, financial dealings, military service and other sensitive subjects. At least 29 files concentrate on derogatory information. In more than 42 per cent of the cases, citizens are not notified that such records about them are being kept. And only 16 per cent of all these data banks have been expressly authorized by law. All this is doubly awesome because the study is incomplete. It does not include the White House "enemies lists" or the records maintained by some agencies which refused to cooperate.

Clearly some basic rules need to be set before the government's penchant for collecting information grows and further out of hand. Last year an HEW advisory committee proposed several fundamental principles: that there should be no files whose existence is undisclosed; that citizens should be able to review and correct almost all records about themselves; that information gathered for one purpose should not be used for another without the subject's consent; and that extensive efforts should be made to protect the security and confidentiality of all files. These principles have been incorporated in the Koch-Goldwater bill in the House and in Senate measures sponsored by Sen. Ervin and several colleagues.

On both sides of the Capitol, useful hearings have already been held. The legislative efforts have received a strong assist from Vice President Ford, who pushed the Office of Management and Budget to submit some specific recommendations to the Hill.

For all this progress, however, the hard work is just beginning. Major disagreements have surfaced about the way that basic policies should be applied to governmental files as different as, for instance, the FBI's investigative dossiers and the masses of inactive records in the National Archives. Agencies have already started lobbying for exemptions for national security files, personnel records, census data and other categories. Indeed, some modifications will be required. For example, notifying the subjects of all files would be self-defeating for law enforcement agencies; for the Archives it would be impossible. But Congress should resist the pressures to write such broad, permanent exemptions into a law. The prudent course would be to authorize an oversight board to make exemptions in accord with strict guidelines and with ample opportunity for public comment before any data-collecting is allowed to proceed in secrecy.

Another major issue is how ambitious legislation should be. Some bills would reach not only federal files but also state, local and private data banks. Ultimately these files should also be subject to controls, since citizens can be hurt just as badly by the misuse of private records as by federal mistakes. Yet Congress may not know enough about the multitude of nonfederal files to deal intelligently with them all at once. The difficulties encountered in trying to regulate credit reporting and limit the traffic in arrest records suggest that a careful, step-by-step approach is best outside the federal domains. By reforming the policies for federal agencies and federal aid recipients, this Congress can set a strong example for the states and give citizens far more assurance that they won't be hurt by information lurking somewhere in a data bank.

SOVIET MILITARY PRODUCTION

Mr. THURMOND. Mr. President, the July 13, 1974, issue of the Sun News, Myrtle Beach, S.C., contained an article by Mr. Ernest Cuneo entitled "Russian Steel Goes to Military."

This article draws attention to the fact that the first rule of espionage analysis is that the intent of a major power can be measured by what it does with its steel.

It is significant, therefore, that Russia now produces more steel than the United States and an extremely large percentage of this production goes to military requirements.

This is an important article and I urge its careful study by my colleagues.

Mr. President, I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUSSIAN STEEL GOES TO MILITARY

(By Ernest Cuneo)

WASHINGTON (NANA).—It is a first rule of espionage that the intent of a major power can be measured by what it does with its steel.

Hitler well knew this. He hid Germany's vast increase in steel production, moving the thick armor plate out at dead of night to conceal his vast rearmament program.

It took the best teams in Great Britain's international intelligence service to ferret out the destination and use of the metal of the roaring Ruhr blast furnaces, but the British managed to do it.

In thumbnail description, from whence goes the steel and oil, there comes, eventually, the offensive. Not all offensives are military; the threat of a military offensive, on the other hand, is the base of a diplomatic offensive.

The amount of steel a nation produces is the first mark of its strength. It is significant, therefore, that Russia now produces more steel than the United States.

Even more interesting, however, is what Russia is doing with its steel. Russia is, in fact, engaged in a tremendous crash military hardware production effort. Highly qualified London experts note the accelerated production of Russian tanks. The Russian army has massed some 18,000 tanks in Central Europe as against some 7,000 tanks of the combined NATO forces.

Russian steel production has doubled in the past 10 years. So has Russian tank production. Nearly 50,000 tanks have rolled off the Russian assembly lines, among them more than 19,000 of the excellent T62s, a first-class modern job. Add to this some 24,000 755s and it spells out a tremendous Blitzkrieg force, as compared with which General Patton's famous Third Armored is virtually a Christmas toy as measured by firepower.

Moreover, as hapless Czechoslovakia learned in the heartbreak of 1968, Russian armor is extremely mobile. A half-million Russian soldiers, spearheaded by tanks, occupied Czechoslovakia in little more than a week.

The crash program has been highly successful. In the past 30 months, effective deployable armor is up about 30 per cent, the always strong Russian artillery has been doubled in strength and the overall Red army strength has been increasing 50 per cent by simply increasing the years of military service from 2 to 3 years.

There is no question whatever about the present superiority of Russian and Warsaw Pact nations over the forces of NATO. Moreover, the proportionate strength of the Russians is growing.

But, though the land forces of the Soviets are a matter of prudent concern, the truly awesome growth of Soviet seapower is, in the opinion of American experts, a far greater threat to the West than the massing of the Russian army in the land mass of Europe and Asia.

The Red navy now has four deep-sea fleets and not less than 375 active longrange submarines, with a projected total of 585 scheduled for the 1970s. By way of comparison, Hitler's navy accounted for an average of 700,000 tons sunk per month with a basic submarine fleet of only 51.

The Baltic Sea is a forest of Red masts. Some knowledgeable people believe the naval concentration there carries the greatest broadside firepower in recorded history.

The opening of Suez, of course, will compound the strength of the Red Black Sea-Mediterranean forces by permitting the union in the Red Sea of this Russian fleet with flotillas from the powerful Red Pacific fleet.

Thus, whatever may be the diplomatic talk of detente and of the thawing of the cold war, Russia relentlessly pursues a policy of unprecedented armament building, approaching what would have been called before World War II a massive mobilization.

The American answer to this has been to cut the American fleets by 350 ships and to introduce a volunteer system which is little less than a personnel catastrophe.

In addition, our jittery Western allies have been all but panicked by the insistence on the floor of the U.S. Senate that American troops in Europe be cut by 150,000 men.

But this, to a degree, makes sense; in the absence of a remedy for the huge relative military decline of the West, the present disarray of NATO's military posture evokes unpleasant memory of the fate of Gen. Custer.

In brief and perhaps tragic testimony, retired Chief of Naval Operations Adm. Elmo R. Zumwalt, told the Congress that without assistance from our allies, the U.S. 6th Fleet in the Med could not answer for the security of that crucial sea.

A free translation of this is that the Soviet navy, with superior missile range and brand new ships, has successfully challenged the complete superiority which the U.S. 6th Fleet had maintained until the middle '60s.

Add to this that much of the Russian armament is going West to Europe and not East to the Russo-Chinese border. Add further, that detente has been slowed down almost to a halt in the U.S. Congress because of the massive Red military buildup and there is some hint, at least, that a fierce Russian diplomatic offense against the West is an increasing possibility.

When British intelligence reported to the late unlamented Prime Minister Stanley Baldwin that Hitler was arming to the teeth, Baldwin suppressed the news on the ground that his party would lose the election if it were known.

The American political situation is as bad; the truth is not being told. Neither of the major American parties has called Russian rearmament to the attention of the American people, founded on the perhaps correct belief that the American people will vote out of office any man who brings them unpleasant news.

But history suggests that he who will not face facts in the beginning must face faits accompli in the end.

THE ARCHDIOCESE OF NEWARK GETS A NEW ARCHBISHOP

Mr. WILLIAMS. Mr. President, last month the Archdiocese of Newark received a new leader when Archbishop Peter Leo Gerety was installed as a successor to Archbishop Thomas A. Boland, who has retired at the age of 78.

The Archdiocese of Newark, with more than 2 million Roman Catholics, is the fourth largest in the United States. Leadership of this large and diverse population is a demanding and challenging task, but one of which I feel confident Archbishop Gerety is well capable. Certainly, he compiled a distinguished record in his last assignment as Archbishop of Portland, Maine, and he has made it clear that he has brought the same positive attitude that served him so well there with him to Newark.

Mr. President, Archbishop Gerety has expressed some most interesting views on the nature of his task in Newark, and I ask unanimous consent for an article from the Newark Star-Ledger outlining those views to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GERETY INTENDS TO RETAIN "PERSON-TO-PERSON" STYLE

(By Monica Maske)

The new Archbishop of Newark, Peter Leo Gerety, who formally assumed office Friday, expects to continue the tradition he began in a Maine diocese of "visiting the faithful and all the various institutions."

Archbishop Gerety, in an interview with The Star-Ledger, said he is "anxious" to meet with the faithful at the archdiocesan offices and churches in the coming months.

The third Archbishop of Newark was installed during a solemn church pageant in Sacred Heart Cathedral. Close to 3,000 high church and state dignitaries, priests, nuns and lay people were present, including Archbishop Jean Jadot the Apostolic Delegate of Pope Paul VI, and Archbishop Thomas A. Boland, who introduced his successor.

Archbishop Gerety's enthusiasm to reach, through personal meetings, the clergy, religious and lay people, which number close to two million, follows from his thinking on the role of an archbishop.

Conceding that a church leader today "needs something of the wisdom which God granted to Solomon," the archbishop formulated his task as one of "reconciliation, of casting out divisions and of healing wounds," words which he used both in his installation homily in Sacred Heart Cathedral and to The Star-Ledger.

"One of the foremost tasks of any bishop today is to be a center of unity in the diocese. Part of our function and one of our chief concerns is bringing together human persons in Christ," he said in the interview.

The new archbishop declined to specify what programs he might have in mind for the Newark archdiocese, adding he has had "no chance to get down to the nitty-gritty of plans and priorities."

"This requires an intimate knowledge of the people," Archbishop Gerety said.

His style as a bishop in the Portland, Maine diocese, where he served as bishop from 1966 until his papal appointment to the Newark archdiocese, was to be in touch with the problems of the community, both Catholic and non-Catholic.

In Portland, he spoke out on the issues of poverty, housing and the treatment of the Indians on the three reservations in Maine. He has spoken out against racism and for law and order, justice and peace.

Archbishop Gerety was one of a group of Catholic bishops who signed a statement condemning U.S. bombing in Vietnam and he has supported the United Farm Workers grape boycott.

In the Catholic Diocese of Portland, his main thrust was toward communication among all groups. He sent out questionnaires, which asked such questions as what it means to be a Christian and why people are dropping out of parishes.

He traveled throughout Maine, establishing a "campus parish" to serve the students and faculty of Maine's 27 colleges and setting up numerous diocesan offices such as vicariates, clergy senates and parish councils.

In 1968, after a report revealed a 25 per cent decrease in enrollment in Catholic schools, he called a press conference to say the schools must be consolidated wherever possible for maximum use of religious personnel.

In his installation homily, Archbishop Gerety referred to the two million Catholics and the large number of archdiocesan institutions as a "dazzling array of talent."

The Catholic Church, he told The Star-Ledger, "is in the process of an enormous effort of renewal. That process includes the whole business of tapping talent and listening to the voice of Christ."

One means of reaching out to the faithful for Archbishop Gerety was arrived at by his decision to live in the rectory at Sacred Heart Cathedral, which was built by Archbishop Thomas J. Walsh as a bishop's residence.

The first archdiocesan administrator to live within the City of Newark, Archbishop Gerety's predecessors have lived in a mansion in the Llewellyn Park section of West Orange.

The cathedral rectory, he said, will afford him the opportunity of living among the priests with whom he will be working.

In the Newark Archdiocese, he will oversee 233 Catholic elementary schools, 50 high schools, six colleges, a seminary, a mission, nine hospitals and seven child-care facilities.

The archdiocese has approximately 1.7 million Catholics, of whom 15 per cent is Spanish-speaking. By contrast, the Diocese of Portland has 270,000 Catholics, of whom about 180,000 are of Canadian descent and are French-speaking.

One of the first examples of Archbishop Gerety's style of getting to know all the people in the archdiocese was apparent during the receptions at Thomm's Restaurant and the Robert Treat Hotel immediately following the 2½-hour installation Mass at the Cathedral.

With more than two-third of the nearly 3,000 persons present at the installation attending the receptions, Archbishop Gerety made a point to visit every banquet room at both restaurants.

He was accompanied by retired Archbishop Thomas A. Boland, who briefly and informally introduced the new archbishop and thanked the assemblage for its prayers and cooperation during his 21 years as Archbishop of Newark.

Archbishop Gerety told the guests, "Hello and thank you for the wonderful joy you have given through this wonderful outpouring of affection.

"We have a tremendous path to follow, one started by Archbishop Boland, of renewal of the Church.

"Let's all get together in the renewal of the Church," he concluded enthusiastically. "I just wanted to say hello. We'll be seeing a lot more of one another in the future."

After greeting the guests in each of the reception rooms, the new archbishop received a standing ovation from the priests, nuns and lay people. The reaction of the faithful in the cathedral after the archbishop was installed was similar.

The installation ceremony began with a long, formal procession from the rectory to the main entrance of Sacred Heart Cathedral. An honor guard of Knights of Columbus lined the main aisle as the procession entered.

Archbishop Boland, who did not participate in the procession outdoors, greeted his successor at the foot of the altar.

After the assemblage was seated, Msgr. John J. Ansbro, the vicar general of the archdiocese, read the official document from Pope Paul VI appointing Archbishop Gerety to the Newark Archdiocese.

In the letter, the Pontiff told the new archbishop, "Clearly, your wise and praiseworthy conduct of diocesan affairs in Portland leads us to believe that you are now capable of undertaking a higher level of responsibility for the glory of God and the salvation of souls. Therefore, we release you from your ties to the Diocese of Portland and by law transfer you to the Archdiocese of Newark."

Archbishop Jean Jadot, the apostolic delegate to the United States, next told the faithful that "as the representative of the Pope, we express gratitude and appreciation to Archbishop Boland for his many years of dedication in service to God and his people."

The apostolic delegate wished the new archbishop good health, joy and happiness as he begins this new work." A standing ovation for both Archbishop Boland and Archbishop Gerety followed.

Archbishop Boland, although he had some assistance up the stairs of the pulpit, said in a firm, clear voice that on behalf of the assembly, he "deeply appreciated that the apostolic delegate found it possible to attend the installation, to honor Archbishop Gerety and the whole Church of Newark."

The retired archbishop, recently hospitalized for spinal arthritis, went on to say that it was "my privilege to welcome most cordially in the province, as metropolitan and as the third Archbishop of Newark, Peter Leo Gerety."

"And I assure you of my unremitting prayers as you carry out the exhaustive responsibility which you have accepted."

He said a "new bond" was formed among the people of the Newark Church and called on the priests and religious and lay people "to work together to write new pages in the great achievement of the glory of God and the salvation of souls."

"From our hearts, we wish you welcome and pray to Almighty God to make it a most happy and successful day," Archbishop Boland concluded.

A solemn High Mass, with Archbishop Gerety the principal celebrant and Archbishop Boland and Archbishop Jadot, the co-celebrants, followed. The entire ceremony during which the organ and trumpet played as the faithful sung the various hymns, took nearly three hours.

Among those present were numerous high Church officials from the Eastern Seaboard, bishops from New Jersey and neighboring states, including Archbishop Gerety's home state of Connecticut and Maine, and hundreds of priests and nuns.

Secular dignitaries included Gov. Brendan T. Byrne and Newark Mayor Kenneth A. Gibson, who received Communion from Archbishop Gerety.

Also among the guests were members of Archbishop Gerety's family. Seven of his eight brothers (one died during World War II) were present along with their families.

Present were Mr. and Mrs. Pierce J. Gerety of Southport, Conn.; Mr. and Mrs. William F. Gerety of Windsor, Conn.; Rev. John L. Gerety, pastor of St. James Church in Jamesburg; Dr. and Mrs. Edward J. Gerety of Albuquerque; Mr. and Mrs. Eugene P. Gerety of Newton, Conn.; Thomas C. Gerety of Fairfield, Conn., and Dr. and Mrs. Robert P. Gerety, of Easton, Conn.

THE NEED TO LIMIT BEEF IMPORTS STILL EXISTS

Mr. DOMENICI. Mr. President, I have taken the floor today to call attention to a policy embraced by the European Economic Community which could have a far-reaching and disastrous effect on the beef industry of the United States.

As two recent articles in the Washington Post point out, Common Market farm ministers have approved a complete ban on beef imports to be effective through October. I should also state that Canada and Japan have previously taken similar actions.

There is a surplus of world beef supplies and these actions by foreign governments leave the United States in the extremely vulnerable position of being the only major beef-eating nation in the world with unrestricted import regulations relating to beef.

Although there has recently been slight reductions in beef imports, this is not a result of "voluntary" restraint, but a result of our depressed cattle prices. And now, this surplus beef from Australia and other countries will enter the U.S. market simply because the U.S. market is available, and the only significant market available.

The United States will become again the "dumping ground" for these beef exporting countries. As one of my beef industry constituents recently told me, "We're headed for a wreck."

Mr. President, I have previously pointed out the chaotic market conditions confronting our Nation's cattle producers today. I am an original cosponsor of S. 3525, a bill to reinstate the quota system on beef imports. In the light of recent events I must emphatically reiterate my position on this matter. I call once again for the swift enactment of this bill.

Mr. President, I ask unanimous consent that these two articles from the Washington Post pertaining to the recent beef embargo by the European Economic Community be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, July 17, 1974]

Beef Imports Banned To Combat Surplus

(By Douglas Ramsey)

Brussels, July 16.—Under pressure from European cattle raisers, Common Market farm ministers tonight approved a ban on all beef imports to reduce the present massive surplus of domestic and foreign meat.

The ban on imports will continue through October.

It replaces the current scheme which forces beef importers to buy the same poundage from European surplus stocks that they import from other countries. Imports into the nine member countries exceeded 250,000 tons at mid-year, ten times the amount forecast in January, an EEC spokesman said.

Official U.S. observers say that the move could cause a serious diversion of beef onto the American market, where the cattle lobby is already pressing for action to reduce imports. This has led observers to speculate that Washington may be forced to reintroduce import quotas which were lifted in early 1973.

The beef glut in the Common Market reached crisis proportions with the announcement two weeks ago that over 220,000 tons will have to be stockpiled by the end of this year, a record high.

The situation has already reached the point where refrigerated warehouses are unable to store any more beef.

France and Ireland were the prime movers behind the import ban. Between them, these two countries have piled up over 75,000 tons of beef, over 50 per cent of the current EEC surplus.

Late this evening, the farm ministers were engaged in negotiating the details of other measures to help reduce surplus beef in the Common Market. The package is almost certain to include two other major measures, one Irish official said.

Subsidies to cattle raisers would be granted to encourage them to delay slaughtering until January when supply is normally at its lowest.

The EEC will pursue an "active" export policy, which would mean higher amounts paid to farmers who export their beef. This move would be seen as giving tacit approval of a rumored "cheap sale" of beef to the Soviet Union.

The subsidies to cattle raisers could cost as much as $350 million. They would be paid each month after October to keep beef on the hoof. The goal is to keep it off the market in a peak supply period.

Viewed in the light of two years of constant fluctuation between surplus and shortage on the European beef market, today's move came as no surprise. In early 1973, the EEC raised the prices which are guaranteed to cattle raisers by over 25 per cent to stimulate production.

In retrospect, that decision was an overreaction. It caused an estimated 15 per cent increase in production this year while consumption has remained the same.

It is nevertheless clear that imports are the prime cause for the glut. In January, the EEC executive commission estimated that only 25,000 tons of imports would be necessary to fill the gap between EEC consumption and production this year.

Yet in the first half of 1974, the nine member countries imported a total of 264,000 tons of beef.

With retail prices remaining at the same levels as last year, wholesalers are apparently making a big killing on the lower prices they are paying to cattle farmers. This has led to farm demonstrations in Italy, France and Belgium over the last week to get their farm ministers to take swift and concrete action.

Europe's import ban is likely to come under heavy international criticism. Apart from Australia, Argentina and other traditional suppliers of the Common Market, consternation is certain to be voiced by Washington which will now come under greater pressure from American cattle interests to stem the flow of imports into the U.S.

Critics of the scheme note that the ban excludes for the forseeable future any let up in retail beef prices, as might otherwise have been expected. On the contrary, they say, as imports grind to a halt the price of beef in the grocery store is certain to rise.

[From the Washington Post, July 18, 1974]

United States Raps Europe for Limiting Beef

(By Dan Morgan)

The United States criticized the European Common Market yesterday for banning beef imports through October, at a time when most rich nations are struggling to reduce big meat surpluses.

State Department spokesman Robert Anderson said the United States "deeply regrets" the European action and would raise the issue in Geneva Friday at a meeting of major trading countries.

U.S. officials carefully refrained from outlining possible retaliation measures that might be taken if the Europeans refuse to reverse the action. However, some administration sources expressed fears that it could increase pressure for American quota restrictions and possibly trigger a round of protectionist steps by various nations affected.

Japan, because of rising meat prices and excess supplies, has informally limited imports "temporarily." Canada stopped importing American meat some weeks ago, claiming inadequate assurances that U.S. cattle had not been fed the chemical fattener DES, a suspected cancer agent.

Administration officials suspect that the Canadian ban may have been as much political as technical. They speculate that the Canadian government, in the midst of a national election campaign which ended July 8, was wooing ranchers by holding back the American meat.

The U.S. government fears that these barriers, along with the European import ban voted by Common Market agriculture ministers Tuesday, will cause meat from Australia and New Zealand to be diverted to this country.

This, in turn, could add to the troubles of American livestock owners who have been caught between beef over-production and a slackening of consumer demand resulting from continued high prices.

Concern for the producers was expressed by Congress this week when it passed a $2 billion emergency program of government guarantees of private loans to them. However, Sen. Bob (R-Kan.), a cosponsor of the measure, said import quotas could take its place if the President vetoed the bill. Agriculture Secretary Earl Butz reportedly opposed import quotas earlier this month.

The European action came amid reports of a beef glut of crisis proportions there, with estimates of a 220,000-ton stockpile by the end of the year. Refrigerated warehouses are running out of space.

Angry farmers demonstrated in France, Italy and Belgium for force quick action. In his statement yesterday, State Department spokesman Anderson said:

"While we recognize that the internal market situation in the (European) community is serious, the community is not alone in facing the problem of depressed prices for domestic producers as a result of the current excess of world beef supplies."

Anderson said the department was "disappointed" with the European "unilateral action," and said the United States had not been consulted in advance.

Informed sources said last night that U.S. representatives would also demand that Japan lift its import quotas on beef when the executive council of the General Agreement on Tariffs and Trade meets Friday in Geneva.

JAMES A. FARLEY HONORED BY UNIVERSITY OF NOTRE DAME

Mr. BAYH. Mr. President, it is with a great deal of pride that I call to the attention of my colleagues a high honor which the University of Notre Dame has justly awarded to James A. Farley.

As those of us in the Senate well realize, Jim Farley has served his country and his party with great devotion over the years. As Postmaster General under President Franklin D. Roosevelt, and as long-time Chairman of the National Democratic Committee, Mr. Farley brought the finest standard of public service and personal integrity to bear on all his efforts.

It is to the credit of the University of Notre Dame, in South Bend, Ind., that it saw fit to honor Jim Farley this spring with the Laetare Medal—the highest honor which the university may bestow on any individual. As my friend, Father Theodore Hesburgh, the president of Notre Dame, said in announcing the decision to honor Mr. Farley:

> In a day when the craft of politics is held in low esteem by the general public, it is well for us to honor a man who practiced it with both integrity and affability.

Jim Farley is such a man. He has brought great and lasting credit to his country, his party and his church by adhering through his life to the highest tradition of public service.

Mr. President, because of the great personal respect which I hold for Jim Farley, and because I think he is so deserving of the award he has received, I request unanimous consent to include in the RECORD the telegram announcing his selection, a news account of the award from the South Bend Tribune and an article about Jim Farley from the June issue of Notre Dame magazine.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Telegram]

Hon. JAMES A. FARLEY,
Waldorf Astoria Hotel,
New York, N.Y.

I am delighted to inform you that Notre Dame has named you Laetare medalist for 1974. We take pride in welcoming you to the select circle of extraordinary Catholic men and women who, by achievement and personal example, have brought glory to the church and our beloved country. The announcement will not be made in the press until Sunday, but I am delighted to extend my personal congratulations and good wishes in advance. I know that many others will rejoice in seeing this honor conferred upon you.

Rev. THEODORE M. HESBURGH,
CSC, President, University of Notre Dame.

[From the South Bend (Ind.) Tribune, March 24, 1974]

JIM FARLEY AWARDED NOTRE DAME'S HIGHEST HONOR

(By Paul Lamirand)

James A. Farley, former postmaster general, has been chosen to receive the 1974 Laetare Medal, the University of Notre Dame's highest honor.

The choice of Farley—a major influence in the Democratic Party in the 1930s and onetime political ally of the late Franklin Delano Roosevelt—to receive the award was announced Saturday by Rev. Theodore M. Hesburgh, C.S.C., Notre Dame president.

Father Hesburgh said, "In a day when the craft of politics is held in low esteem by the general public, it is well for us to honor a man who practiced it with both integrity and affability."

The medal normally is presented at Notre Dame commencement exercises, scheduled this year for May 19. It has been given annually since 1883 to outstanding American Catholics.

Farley, 85, is currently honorary chairman of the Coca-Cola Export Corp. He lives in New York City.

Born the son of an Irish brick manufacturer in Grassy Point, N.Y., in 1888, Farley completed high school and worked 15 years for a gypsum company as a bookkeeper, company correspondent and salesman.

His first foray into politics was his election as town clerk for Stony Point, N.Y. in 1911.

He moved up through various state Democratic Party positions to state chairman in 1930, the year Roosevelt was re-elected governor of New York by a record 725,000 votes.

Following Farley's service as floor leader of the 1932 Democratic Convention, he became postmaster general after Roosevelt's election. He also served as chairman of the Democratic National Committee.

In August, 1936, he took a leave without pay to run Roosevelt's second successful campaign.

Farley split with Roosevelt over the third-term issue. He resigned from the cabinet post and campaigned only perfunctorily for Roosevelt's third term. Just before the 1944 convention, Farley resigned as national party chairman to dramatize his opposition to a fourth term for the President.

The unchallenged honesty of Farley known as "Gentleman Jim" and "Genial Jim"—has been commented on by several biographers.

He is said to have left the $15,000-a-year cabinet post in debt because he demanded that a building materials firm he founded should not solicit orders where his influence would count and should reject all public business offered.

Farley has two married daughters, a son, and 10 grandchildren. His wife, Elizabeth, died in 1955.

Farley joins a list of Laetare Medal winners which includes President John F. Kennedy (1961), Clare Booth Luce (1957), Sargent Shriver (1968), Supreme Court Justice William J. Brennan Jr. (1969), and Dorothy Day (1972).

[From the Notre Dame Magazine, June 1974]

SALUTING A MAN OF HONOR

James A. Farley, an internationally prominent Catholic layman for more than 40 years, received the 1974 Laetare Medal, the University of Notre Dame's highest honor, at a dinner May 16, in the Waldorf-Astoria Hotel in New York City.

The choice of Farley, Postmaster General under Roosevelt and currently honorary chairman of the Coca-Cola Export Corporation, to receive the award, given annually since 1883 to outstanding American Catholics, was announced March 23. "In a day when the craft of politics is held in low esteem by the general public," Father Hesburgh said, "it is well for us to honor a man who practiced it with both integrity and affability."

Although Farley never held a high elective political office, he became a major influence in the Democratic Party in the 1930's. His political career began in New York State where he became Gov. Franklin D. Roosevelt's field man as the governor looked toward the 1932 Democratic presidential nomination, and no one was more effective at the traditional approach to party workers—the personal letter, the long-distance call, and the handshake. The indefatigable Farley was Roosevelt's floor leader at the 1932 Democratic Convention which nominated the New York governor for the presidency. After Roosevelt's election, Farley became Postmaster General in his cabinet and also national chairman of the Democratic Party. He remained a mentor of the President and a familiar figure at the White House, and in August 1936, took a leave without pay from his cabinet post to run Roosevelt's second campaign, which resulted in a landslide victory.

It was after this victory that Farley revealed himself as good a customer of the mails as an administrator of them. He sat down and dictated more than 36,000 personal letters to Democratic workers from all over the country, exhausting six secretaries in the process. Even today, at 85, his trademark green signature goes at the bottom of an average of 120 letters a day, and on his birthdays some 6,000 cards and letters are received—and each is personally acknowledged.

Two other traits biographers never fail to mention are Farley's pleasant nature and his phenomenal memory for names and faces. The former quality earned him the nicknames "Gentleman Jim" and "Genial Jim," and the latter is surrounded by legends about those whom Farley met on occasions separated by several years and still recognized with an effortless first-name handshake.

Farley split with Roosevelt over the third-term issue, resigned as Postmaster General in August 1940, and campaigned only perfunctorily for Roosevelt's third term. Just before the Democratic Convention in 1944, he resigned as national party chairman to dramatize his opposition to a fourth term.

Several biographers have commented on Farley's honesty while in office. Although his Postmaster General's salary was $15,000, he left the cabinet in debt because he insisted that a building materials firm he had started in 1929, and in which he still had a business interest, should not solicit orders where his influence would count and should reject all public business offered.

The year he left the cabinet was also the year that Farley was elected chairman of the Coca-Cola Export Corporation, where he has been the number-one international salesman for the soft drink company. Only after a heart attack in 1972 did he cut back from a schedule which in 1971 included 131 luncheons and 105 banquets, most of them sponsored by groups interested in foreign trade. In May of last year he was appointed honorary chairman of the Coca-Cola Export Corporation. He continues to arrive at his New York City Coca-Cola office at 9:15 a.m. each morning and walks the three blocks back to his Waldorf-Astoria apartment between 4 and 4:30 p.m. in order to rest before dinner. A widower since the death of his wife, Elizabeth, in 1955, Farley has two married daughters and a son as well as 10 grandchildren. His biography includes a long catalogue of civic, religious and fraternal activities and honors, including some two dozen honorary degrees from colleges and universities.

Farley was the first Laetare Medalist to receive a rosette at the same time as the medal itself. The newly created lapel pin features a golden rose on a blue background. The flower signifies the medal's affinity to the "Golden Rose" bestowed by mediaeval popes on princes in recognition of their service to the Church and the public good. Blue and gold are the colors of the University as well as the Virgin Mary. The rosette has been distributed to all living Laetare Medalists. The medal itself, which has one side fashioned according to the profession of the recipient, is a solid gold disc not intended for wear.

THE REJUVENATION OF OIL WELLS

Mr. FANNIN. Mr. President, as a number of us have contended during recent debate on energy legislation, higher prices for oil has brought on a surge in drilling and also in secondary and tertiary oil recovery.

Original domestic in-place crude reserves since the Drake discovery well in 1859 are estimated at 434 billion barrels. Of this, 100 billion barrels have been produced, 36 billion barrels are recoverable by present primary and secondary methods and 5 billion barrels are recoverable through future fluid injection.

That amounts to 32 percent of the 434 billion original in-place oil and leaves a target reserve of 298 billion barrels.

Industry leaders in the field of secondary and tertiary oil recovery vary in their estimates of the percentage of this 298 billion barrels that may eventually be recovered with new processes such as chemical and miscible flooding in addition to waterflooding and other secondary recovery projects.

Their estimates vary from 25 billion to a range of 50 to 60 billion barrels. This compares with the aforementioned estimates of 36 billion by present primary and secondary methods and an additional 5 billion barrels through future fluid injections.

Obviously, the higher figure is 50 percent more than the 41 billion barrels now expected to be recovered and at present rates of consumption would keep America in oil for about 10 years.

In view of the fact that we have been using oil at about twice the rate that we have been discovering new supplies or adding to our reserves, it would certainly seem worthwhile to develop the techniques necessary to recover those 50 to 60 billion barrels already discovered and in place.

But profitability and crude price performance are key items affecting all extra recovery projects. The possibility of continued high prices for stripper well oil as compared with the prices of a year and 2 years ago has radically changed the potential of several recovery methods.

But the specter of indiscriminate price rollbacks, the loss of depletion allowance, and spiraling inflation is keeping company management cautious and flexible and making it difficult for small operators to obtain financing for such projects.

Once Congress gets off the industry's back and spells out a rational energy policy, we will see not only a real effort by the domestic industry in drilling for new fields, but in the development and application of new techniques to recover that 50 to 60 billion barrels already there—if we can get it out.

Mr. President, as an example of what higher crude prices have already done, an oil well in Seminole, Okla., that was abandoned 10 years ago, has recently been reopened and is expected, after treatment, to produce double the amount it produced when abandoned.

It is costing the owner some $50,000 to reopen the well.

When the well was abandoned it was producing 5 barrels per day. The price of oil was then $3 per barrel.

At that price and production, the well was forced to close. But today, with new methods of treatment, the operator is hoping the well will produce about 10 barrels a day and at about $10 a barrel, it should be a profit making well.

The story of the rejuvenation of this and other wells in that area was carried in the July 14 edition of the Seminole, Okla., Producer and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Seminole (Okla.) Producer, July 14, 1974]

OIL WELL ABANDONED 10 YEARS AGO IS BEING REOPENED HERE

(By Obbie Harvey)

With the price of oil having more than tripled in the last 10 years many local oil companies are re-opening abandoned wells and planning to produce them at a profit.

Such is the case of the Jim Cox Oil Company of Seminole which is in the process of re-opening the Shaw No. 1 well, located here on West Wewoka Street.

Oilman Jim Cox said the only reason for re-opening the Shaw No. 1 well for production is recent increases in oil prices.

"This particular well was abandoned April 28, 1964 and it was producing about five barrels of oil a day," said Cox. "The price of oil at that time was about $3 a barrel."

"At that price and production, the well was forced to close," said Cox. "But today, with new methods of treatment, we are hoping the well will produce about 10 barrels a day and at about $10 a barrel, it should be a profit making well."

Cox said the Halliburton Company of Seminole has been hired to treat the Shaw No. 1 well as soon as drilling is completed and said that treatment of the well can increase the production.

"It has taken about six months to re-open this well," said Cox. "It all began with an application to the Oklahoma Corporation Commission for permission to re-open the well."

The local oilman makes it sound like an easy business, but as he explains, the price of re-opening and operating a well has jumped almost as much or more than the price of oil.

"Just the price of pipe is about seven times as much as it was 10 years ago," said Cox. "And the price of tubing has risen about three times as much."

The Shaw No. 1 well was a 4,039-foot well and Cox said to reopen the well it will take about $14,000 in pipe and close to $10,000 in tubing.

"The total cost of re-opening this well and turning it into a producer will cost at least $50,000," said Cox. "And that is why more people are not in the oil business."

Cox said that several companies are beginning to re-open wells in the Seminole and surrounding area, but said most re-openings are taking place in Hughes and Pottawatomie counties.

"There is no doubt about it, the oil business is a risk, no matter what the price of oil is," he said. "If this well does not produce then several people are going to lose money."

Cox said the government is playing a big role in the oil business and is threatening to do great damage to the business.

"There is a lot of talk about doing away with the oilman's 22 per cent depletion allowance and I can guarantee that this would send the price of gasoline close to $1 a gallon," he said.

Oil companies are given a tax relief on 22 per cent of all money spent on drilling or re-drilling oil wells, said Cox, and if this is taken away the prices will have to go up to cover the extra expenses.

"I believe some companies are probably waiting to see what is going to happen to the depletion allowance before they begin any drilling," said Cox.

LEGAL SERVICES

Mr. TUNNEY. Mr. President, President Kennedy was one of the first to speak of consumers' rights. Perhaps most important among these rights is the right to know: to have access to the basic information upon which to base rational, informed decisions.

We are not accustomed to viewing citizens in need of lawyers as consumers. Yet the choices they exercise may well have as profound an impact on the quality of life—and their pocketbooks—as any choices they make.

The organized bar has traditionally withheld fee and related information about lawyers on grounds it claims are "rooted in the public interest." Ethical Consideration 2–9 of the Code of Professional Responsibility continues:

> Competitive advertising would encourage extravagant, artful, self-laudatory brashness in seeking business and thus could mislead the layman. Furthermore, it would . . . bring about distrust of the law and lawyers . . . [and] public confidence in our legal system would be impaired. . . .

But 15 months of hearings by the Subcommittee on Representation of Citizen Interests have shown that bar association restrictions on the marketing of legal services help to inflate fees, deter millions from seeking lawyers because of their perceptions that they would not be able to afford them, and leave the consumer blind in the legal supermarket. All this at a time when consumers—pressed by inflation—can hardly put food on their tables.

Today, an important new guide to legal services is being released in California. Compiled by the Group Legal Institute of California, a nonprofit organization comprised of consumer, labor, church, and senior citizen representatives, this new guide surveys all of the group legal service plans in the State. Further, it analyzes each plan in terms of the number of individuals served, the number of lawyers involved—with statistics on women and minority practitioners—the percentage of lawyers' time spent on the plan and provides samples of fee schedules.

I am sure that able and well-meaning representatives of the bar can find fault with this pamphlet. It may be that there are equally sound methods of providing access to basic consumer information about lawyers. But I know of no comparable efforts by these critics or any other group. For this reason—for this pioneering effort in basic consumer education—the project must be viewed as an undertaking of profound importance. Its challenge should be welcomed. The bar has nothing to fear—as business has nothing to fear—from an informed constituency.

I ask unanimous consent to print the introduction of this pamphlet in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

YOUR SON HAS JUST BEEN ARRESTED FOR DRUNK DRIVING, YOUR CREDITORS ARE ON YOUR BACK FOR $200, YOUR DOG JUST TOOK A CHUNK OUT OF THE POSTMAN'S LEG, AND YOU'RE BEING SUED FOR DIVORCE—WHAT DO YOU DO?

You need a lawyer, fast. But, if you're like three out of four people polled on this subject, you have no idea where to find a competent attorney who charges reasonable rates. The plain fact is that, as with many other professional services, legal fees have become far too expensive for the average person to afford.

A simple marital dissolution can cost anywhere from $350 to $500 in California. A simple individual bankruptcy can run to $600. In personal injury cases, lawyers usually collect one-third to one-half of any recovery. And even if you can afford a lawyer, how do you know if he's competent?

If we had things like no-fault insurance and do-it-yourself divorce clinics, we might be able to get by without lawyers. But we don't. As a result, many Californians are faced with situations where they have to find a lawyer. To help those people find competent legal counsel at a price they can afford, a new concept called Group Legal Services has emerged.

Group Legal Services operates on the same principle as prepaid medical plans. It enables member organizations to contract for low-cost legal representation for their members. The arrangement may be on a fee-for-service basis, where a member pays only for the services he receives, or it may involve a small prepayment ranging from $10 to $50 a year, which covers legal representation for certain types of problems.

Besides the financial savings, group legal plans enable members to talk to a lawyer before a problem becomes serious. And lawyers can be evaluated by the group, so that you'll be assured of getting a competent attorney who can help you with your particular problem.

But one problem remains. There are dozens of group legal plans, all over the state. The different plans vary substantially in many important respects. How do you know which one is right for your organization?

To help make group legal plans more comprehensible to the average citizen, a number of consumer, labor, church and senior citizen representatives got together and formed the Group Legal Institute of California.

A non-profit public service organization, GLIC undertook a survey of all the legal services plans in the state, analyzing and evaluating each one. The survey was produced with the help of a special advisory board, none of whose members were lawyers. The results of the first part of that survey are set forth on the accompanying charts.

The initial phase of GLIC's survey covers only fee-for-service plans where no substantial prepayment is involved. A subsequent survey, dealing with prepared programs, will be published later this year.

By studying the enclosed material, you should be able to find a plan that's just right for your needs. And then, the next time you have a legal problem, you'll know what to do about it.

AN INTERVIEW WITH ADM. THOMAS H. MOORER

Mr. THURMOND. Mr. President, Adm. Thomas H. Moorer, who recently retired as Chairman of the Joint Chiefs of Staff, was interviewed by reporters of the U.S. News & World Report on the subject entitled, "If the Soviets Continue Their Current Buildup." The questions and answers were published by the magazine in July 8, 1974, issue on the occasion of Admiral Moorer completing 4 years, as Chairman of the Joint Chiefs.

This assessment of the U.S. military capability compared to the Soviet Union, especially in the strategic nuclear area, by Admiral Moorer provides an objective analysis of the very real future threat to our national security, if the Soviet build-up in strategic nuclear capability continues.

Mr. President, I ask unanimous consent for this interview with Admiral Moorer to be printed in the RECORD at the conclusion of my remarks.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

IF THE SOVIETS CONTINUE THEIR CURRENT BUILD-UP

(Interview With the Chairman of the Joint Chiefs of Staff, Admiral Moorer)

Q. Admiral Moorer, you have been Chairman of the Joint Chiefs of Staff for four years. Has the country's defense grown stronger or weaker during that period?

A. In numbers, our defense has grown weaker, in the sense that we've reduced the number of people in uniform from about 3.2 to 2.2 million. The numbers of ships, the numbers of aircraft, and the numbers of Army divisions have been reduced.

On the other hand, we have managed to disengage in South Vietnam, which had a very significant impact on the morale and on the stability of the armed forces.

During the Vietnam war, each service did what it could to equalize exposure of the individual to combat. This meant that there was a tremendous turbulence—a continuous rotation of people. The Army would draw people from Europe and send them to Vietnam. The Navy would take personnel from Atlantic Fleet ships and put them in the Pacific Fleet. This made it very difficult to develop a team. It was most difficult to develop *esprit de corps*.

Now we have stability to a much larger degree. The net effect is to develop far better teamwork, far better morale, an increased feeling of pride. This all adds up to combat readiness.

Q. Should we have more troops?

A. Yes—more forces over all—because of the dynamic momentum that's been evident in the Soviet arms build-up. The U.S. forces are certainly at a rock-bottom level. The risks would be reduced if the numbers were increased.

Q. How would you characterize our ability to meet a threat from abroad?

A. You can't answer that in a few words. I would divide it into, first, the strategic aspects of this capability and, secondly, into the conventional, including the capability to take such action as might be necessary worldwide to maintain what I like to call a regional balance.

Going back to the strategic forces: As of today, I am confident that the nuclear forces are adequate to provide deterrence, and that's what we seek. The concern in the strategic field focuses on what can happen in the future if the Soviets continue their current build-up—for instance, the deployment of the new MIRV [multiple, independently targeted re-entry vehicle] missiles which they have under test.

It was for this reason that the Joint Chiefs of Staff set forth three assurances which we consider the U.S. must meet in order to make acceptable the interim agreement arrived at in SALT I [Strategic Arms Limitation Talks between the U.S. and Russia that reached accords in 1972].

They were, first, the development of improved systems for verification; secondly, a very dynamic and progressive research-and-development program; and thirdly, the introduction of the new arms programs, two of which, in particular, were the Trident missile submarine and the B-1 supersonic bomber.

You've got to bear in mind that the capabilities that we have today and the structure of the forces today have been determined in a large part by decisions that were made in the '60s. The decisions that we make today will determine the posture in the '80s. Consequently, it's most important that we move forward with these new programs in order to insure that we do not find ourselves slipping into a posture of inferiority. Once that situation exists, it's too late.

Q. Are we in danger of falling into a position of inferiority against Russia?

A. We are if we neither move ahead with the programs that we currently have under way, nor, secondary, arrive at some kind of agreement with the Soviet Union on curtailment of strategic arms.

Q. Are the Soviets building up their missile forces? Have they actually begun to MIRV their rockets, for instance?

A. Let me go back a bit:

The Russians put considerable emphasis on their land-based missile forces, initially, and subsequently they have added to that emphasis on their missile-firing submarine forces, but put no emphasis on bombers.

The United States, on the other hand, has emphasized the bomber, and we have built the submarine, and, of course, we have land-based missiles. We call these three "the triad." We endeavor to have a broad capability so that no technical breakthrough can nullify the over-all system.

What I'm saying is that it's not reasonable to expect one side to be a mirror image of the other.

The Soviets began by building, among other things, larger missiles than we have, and consequently they have greater throw weight. This means that they can carry either more warheads or the same number of larger warheads.

Q. Where are they now?

A. They have no MIRVed missiles deployed. However, they have been actively testing missiles of various sizes that are, in fact, equipped with MIRV's.

Q. When do you expect them to begin replacing present missiles with the new MIRVed ones?

A. In the very near future, probably within the next year. The Soviets have traditionally been very careful about insuring that they had a thorough test program. And the number of tests that they have conducted are just about at a level which would provide the necessary confidence to permit deployment. The deployment would be a progressive thing, and it would take them several years to make a complete replacement of their old with the new.

Q. What does that mean to the United States?

A. It means that the number of warheads that are available to the Soviets for targeting against the United States will be much greater than is the case today, because they can put 4, 5, 6, 8 warheads in each one of these MIRVed missiles.

Q. Beyond that, does it mean we will have to take some action or build some new weapons to counter the Russian advances?

A. As I said earlier, we have the programs that will provide this counter—namely, the B-1 and the Trident, and other developments of stand-off weapons systems.

Hopefully, can reach an agreement which will put a ceiling on this.

On the other hand, this cannot be a unilateral action by the U.S. I cannot accept the thesis advanced by many that if we would take the lead and show that our heart is in the right place, that the Soviets would be very happy to follow along behind us. That, in my view, is a very, very dangerous concept.

Q. Do you suppose, as some have suggested, that U.S. initiation of the Trident and the B-1 has, in part, been responsible for the Soviet move to MIRV their warheads?

A. I do not, I would point out to you that there are two very important aspects of this over-all nuclear-balance problem:

One is the perception of the potential adversary as to your capability—how does he see your capability in military terms?

The other aspect is the perception of third countries as to which side has the significant lead. It would be contrary to the interests of the United States and the Western world for the Soviets to be abe to project an image of superiority over the United States. I think that that would really be destabilizing.

Q. Do you think it's possible for the U.S. to make any concessions that would stop the Soviets from MIRVing?

A. There may be some trade-offs in terms of limiting the amount of MIRVing they do. But so far as stopping them from using the technique of MIRVing, I do not.

Q. In any trade-offs, could we safely agree to drop one or more parts of our "triad"—as has been suggested—in return for a limit on Russian MIRV's?

A. That would be most imprudent. This is a very complex business. I can't give you an answer and say that, for instance, we'll let them have 500 MIRV's while we have 1,000—something like that—because it's associated with other aspects.

Take the bomber, for instance. The real difference, when you get right down to it, between the U.S. capability and the Soviet capability lies not only in numbers but also with refueling techniques. If the Soviets would move forward with a very vigorous refueling program, a program for the construction and production of refueling aircraft, that would throw an entirely different light on their bomber capability.

Q. Have the Russians deployed those big new missiles that we have heard they were developing?

A. Their workhorse missile is the SS–11, and their big missile is the SS–9. It is a very large missile. We have nothing that even comes close to being this large. They also have an SS–13 in small numbers. What they are doing at the moment is testing a series of missiles—one of which is solid propellant and others are liquid propellant—which we think are conceived as replacements for the present missiles.

We think that the SS–17 and/or the 19 would replace the 11, and the 18 replace the 9. They're still in the test category, but nevertheless the testing has been thorough and successful and, consequently, I anticipate early deployment. We would expect that these new missiles would be more accurate.

Q. Are there any signs that the Soviets are shifting emphasis from land to new submarine missiles?

A. I think that they will continue their high rate of production of submarines. As you know, they have what we call the Yankee class and the Delta class.

The Delta class is a modified Yankee and now I fully expect the Soviets to "stretch" this submarine so it can carry 16 missiles. I also anticipate that they will build a new missile-launching submarine from the keel up, in addition to the submarines now operational.

The SS–N–8 missile is already at sea. It has the range of our Trident missile, which won't be available to us until 1978—and this is 1974—the range being in the neighborhood of 4,000 miles, which would permit them to simply operate out of the Kola Inlet, and be within range of most targets in the United States.

Q. Does that mean they're ahead of us in submarine missiles?

A. If you're simply talking about a race to see who is the first to deploy a 4,000-mile missile, the answer is "Yes." If you're more realistically talking about "ahead" in terms of the capabilities of the total package—the accuracy of the missile, the reliability of the missile, and the performance of the submarine—the answer is definitely "No."

Q. When you look at Russia's whole fleet, is it really as powerful as the large number of ships indicate? Some analysts maintain the quality of the Soviet Navy is not so good—

A. I do not agree with the thought that their quality is not good. They have a vigorous program of modernization.

Navies are structured to fulfill the tasks that they perform for a particular country. In other words, one country doesn't necessarily duplicate the navy of the other. In the case of the United States, we have maintained for years what we call a "forward strategy." For instance, we've deployed the Seventh Fleet in the western Pacific and the Sixth Fleet in the Mediterranean. Consequently, we have utilized aircraft carriers, because our ships operate out from underneath the umbrella of land-based air.

One of the basic missions of the United States fleet is to protect the sea lines of supply from the United States to Western Europe.

The Soviets, on the other hand, have observed that twice during this century we have utilized the sea for projecting power into Europe—in World War I and World War II. So they have emphasized the production of the submarine.

In short, we have the mission of protecting the lines of supply while they have built to interdict the lines of supply.

Q. What about ships other than submarines?

A. The Soviets have produced some very modern surface ships of the destroyer type. They have one carrier almost completed, and now they're building another one. To me, this indicates that they recognize that, in order to operate off their shores in such places as the Indian Ocean and parts of the Pacific and the Atlantic, and if they want the assurance of air support during these operations, they will require an aircraft carrier to provide it.

They are building these new surface ships with the thought, in my view, of conducting naval operations at greater and greater distances from their home bases.

Q. There is speculation about the Soviet Navy's activities in the Indian Ocean area. Are they developing bases there?

A. Berbera, Somalia, is a very important base available to the Soviets in the Indian Ocean. That is a base where the Soviets not only have access to the harbor, they have a large communication station from which they control, in general, their operations in the Indian Ocean. They are also constructing a large airfield near the harbor.

Q. Are you concerned that the Soviets might sometime try to cut our oil-supply lanes from the Persian Gulf?

A. I feel that the Soviets recognize that the capability to deny access to Middle East oil would provide them with tremendous political leverage in peacetime and, of course, it would be a tremendous military advantage in wartime.

Q. What would be reopening of the Suez Canal mean in this respect?

A. The opening of the Suez Canal will greatly facilitate Soviet maintenance of a naval presence in the Indian Ocean, because they can draw their forces from the Black Sea rather than from the Pacific Fleet. So they will then have about a 2,000-mile versus an 8,000 or 9,000-mile run from their bases.

Q. Turning to Europe, how long do you envision that U.S. soldiers, sailors and airmen will be stationed there?

A. First, let me say that I'm fully aware of all of the arguments: that the war has now been over nearly 30 years, and now that Western Europe has 300-plus million people, why can't they take care of themselves, and so on.

Of course, the forces we have in Europe are over there to protect the interests of the United States in the over-all context.

And I think that until we can work out some progressive agreements, such as mutual and balanced force reductions, that the presence of our forces in Europe provide a stability that is worth what we put into it.

If the forces are withdrawn—assuming we don't demobilize them—we would not save any money of any consequence. As a matter of fact, if we still maintained our commitments to NATO, the withdrawal of the forces would generate a requirement for sea and airlift to get them back, which would cost a considerable amount of money.

So, primarily in the interest of deterrence and political stability, the forces in Europe are necessary. It would be a major mistake at this point in history to make a unilateral withdrawal. After all, there's been no war there for nearly 30 years, which is a rather long time for Europe not to have a war. So the record speaks for itself.

Q. Is the present number there a magic number? What would happen if we pulled back 50,000 or 100,000?

A. The number of Army forces in Central Europe now is about the right number, especially in light of the deployments that the Soviets have made into Poland and East Germany and Czechoslovakia. A very radical, unilateral withdrawal on our part would be very destabilizing.

Let me just say that, no, there's no magic number in terms of the 190,000 ground forces we have. But I feel that in this period of very active negotiations and changes we are seeing in the world—the impact of the Middle East war and so on—that we should not make major changes until we see how things are going to work out. I think it would be counterproductive.

Q. During the Arab-Israeli war last October and the oil embargo that followed, many of the European nations seemed to be out for themselves. Does this affect the prospects for a united military defense of Europe?

A. Military co-operation is as solid as it has ever been. Admittedly there were some perturbations in the political arena. But throughout this, the military people that I talked to understood the problem, and there were never any discussions among us that were similar to what you read about concerning the political discussions.

Now that the Europeans see that we were in fact successful in achieving our objective of stopping hostilities, the unity, at least from a military point of view, is good.

Q. Admiral, it has been suggested that the U.S. pull back some of our 7,000 tactical nuclear weapons in Europe. How likely are we to do that?

A. We are continually discussing this subject. The fact that we have 7,000 weapons in the first place, doesn't mean that we intend to explode or to detonate 7,000 weapons. You know, it's very important to have ammunition in the right place at the right time when you don't know where you're going to need it.

I point out to you that these are tactical weapons—they are defensive as well as offensive weapons. And unlike the situation with the strategic forces, which are pretargeted, generally speaking, these weapons would be used against targets that develop in a dynamic sense: A suitable target at 9 o'clock in the morning may not be a suitable target by noon.

So the dispersal has been made in order to insure that the weapon will be in the right place at the right time. That accounts largely for the numbers.

You can make adjustments in the number of weapons. And, of course, you always have a modernization program going on which results in the recall of some weapons.

Q. You seem to be saying that these are essential to our defense of Europe. Is that right?

A. Yes, I would say they're absolutely essential, although I would go on to say that the 7,000 is not a magic number.

Q. There have been reports of new military activity by Communists in Vietnam. How likely are the North Vietnamese to attack the South?

A. I do not see in the immediate future a large-scale assault by the North Vietnamese in South Vietnam.

The North Vietnamese have, of course, violated the terms of the truce agreement, particularly in the logistics field, and have built new roads, airfields, brought in anti-aircraft equipment and things of this kind. But the main thrust of their effort has been directed toward developing the infrastructure and seeing what they could do to increase their political influence with the population.

They did see to it that the equipment they lost after their invasion across the DMZ March 30, 1972, has been largely replaced. So they do have a capability to lay on a significant military operation if they choose to accept the risk of taking on the combat-ready South Vietnamese forces.

Q. We've been more than a year without the draft. What do you think about the all-volunteer concept? Is it going to work?

A. The volunteer force has been working. The Army is ending the 1974 fiscal year with a full quota, I believe. The re-enlistment rate for first-termers is a very significant figure. It has grown from some 10 per cent during the period that everyone was totally disenchanted with the Vietnam War to approximately 45 per cent today. This not only provides stability for the force, but it also greatly cuts down the training expenses, because you don't have to train a replacement.

Now, I think it's also very important—since your personnel costs come to about 56 per cent of the defense budget over all—that we do what we can to exploit technology and save manpower. The minute one does that, of course, you generate a demand for high-quality people.

So in watching the progress of the volunteer forces, it's very important to examine the quality as well as the quantity.

As long as the standards of quality are not sacrificed in order to acquire quantity, the volunteer force is fine, because the people in the services want to be there. As a rule, they stay longer, they don't come in with a chip on their shoulder as some did when they were drafted. The morale is definitely much higher. The combat readiness is much higher. The stability is much higher. The *esprit de corps* is high.

Q. Can you foresee our ever going back to the draft?

A. I think it's very important that we have draft statutes standing by in the event of an emergency that requires manpower in excess of what a volunteer system can produce.

Q. In your tenure as Chairman of the Joint Chiefs, have you felt that at any time the nation's military leaders have been placed in positions that "politicized" them?

A. I think this can be the case in our system wherein the military people testify before the Congress—which, incidentally, is a procedure not found in any other country, to my knowledge. For instance, during or immediately following the 1972 bombing of the Hanoi and Haiphong areas of North Vietnam incident to achieving the cease-fire and the release of the POW's, I believe I'm correct in saying that I was only one that testified before the Congress about that. The Secretary of Defense [Melvin Laird, at that time] didn't testify and the Secretary of State [William P. Rogers, at that time] didn't testify.

In the environment existing at the time, as I expected, a large percentage of the questions I received were political in the purest sense, and they were in no way confined to my area of responsibility. So this does happen in our system of government. I have observed over many years, of course, that when a military man is testifying he will receive questions which are obviously aimed at developing criticism of the existing Administration policy.

Q. How does the testifying square with the tradition of the military being a nonpolitical force in this country?

A. The military man simply must not permit himself to be drawn into political arguments. Understandably, every Administration will use, or try to use, every tool it has to support its position. One has to expect that.

Q. Are you talking about this Administration specifically?

A. I'm talking about any Administration. I've been through both sides, and there's no difference in this regard. You have to be very careful about what you say, depending upon events.

But I wasn't born yesterday. I've been up on the Hill many times in this position. A very vast percentage of the time I have been extended the most courteous and considerate treatment by members of our Congress.

Q. In recent months there have been reports that, where national-security matters are concerned, the military hasn't had the same input into decisions that they've had in the past. Is that true?

A. No, that's not true. For instance, for four years I have attended all meetings of the National Security Council, where I have always presented the views of the Joint Chiefs of Staff. I was present, for instance, during the entire deliberation on the night we declared the worldwide alert of U.S. forces during the Mideast war last October. So I don't think it's a correct statement to say the military doesn't have an opportunity to make "inputs."

I'm not saying that our recommendations were accepted 100 per cent of the time. They weren't. In an executive pyramid, one does not except this to happen. But I have had ample opportunity to be heard. I haven't hesitated to pick up the telephone and call Secretary of State Kissinger or call the White House.

Q. Can you tell us how often you usually talked with the President?

A. I saw him at the National Security Council meetings. I saw him in the White House. During the Vietnam War when we had a series of operations such as the Cambodia cross-border operations, the Laos interdiction and the mining of Haiphong, I saw him more frequently than after the tempo of military activities fortunately were damped down. The number of times that I would see him was proportional to the tempo of military activities.

Q. How did he normally consult with you?

A. Consultation with the President takes all forms. It can be via telephone. It can be in response to, "Come over to my office." It can be after the National Security Council meeting or, during very lively times, he might pop in at some of the subcommittee meetings we held concerning critical decisions.

Q. Congress has been quite skeptical of the Pentagon in recent years, but seems to be less so nowadays. Why is that?

A. I think that the war in the Middle East brought back a recognition of the worldwide interests of the United States, and the part that our military forces play in security and in enhancing these interests of the United States.

In my view, the Congress was more receptive to our budget requests this year than they were last year. I don't know that the shift in focus to the Middle East accounts for all the change.

It may be that they say, "Thank God that we're disengaged from Vietnam."

KEY POINTS MADE BY ADMIRAL MOORER

Stragetic arms: "As of today, [our] nuclear forces are adequate to provide deterrence. The concern focuses on what can happen if the Soviets continue their current build-up."

Russian missiles: They are expected to deploy new multiwarhead missiles "probably within the next year." Moscow already has aboard its submarines missiles with a 4,000-mile range "which won't be available to us until 1978."

U.S. cutbacks: "I cannot accept the thesis that if we take the lead, the Soviets would be very happy to follow. This is a very, very dangerous concept."

Troops: We should have "more forces over all because of the Soviet arms build-up. U.S. forces are at a rock-bottom level."

GI's in Europe: "It would be a major mistake at this point in history to make a unilateral withdrawal."

War in Vietnam: "I do not see in the immediate future a large-scale assault by the North Vietnamese."

Draftless military: "The volunteer force has been working." Yet, "it's very important that we have draft statutes standing by in the event of an emergency."

Congress: "War in the Middle East brought back a recognition of the worldwide interests of the United States, and the part our military forces play in enhancing these interests."

TOURISM A MUCH OVERLOOKED INDUSTRY

Mr. BIDEN. Mr. President, On April 1, 1974, I testified before the Senate Subcommittee on Foreign Commerce and Tourism along with John D. Daniello, secretary of community affairs and economic development for the State of Delaware. I strongly felt then, as I do now that tourism plays a major role in the economy of not only the State of Delaware but many States throughout our country. In Delaware alone tourism drew $295 million in receipts for the year 1973. It is our second largest industry in the State.

At this point in the RECORD I ask unanimous consent that my testimony before the Senate Subcommittee on Foreign Commerce and Tourism be printed.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. JOSEPH R. BIDEN, JR.

Senator BIDEN. Thank you, Mr. Chairman. I sincerely appreciate the Subcommittee giving me an opportunity to introduce not only the Secretary of our Department of Community Affairs and Economic Development, but a good friend of mine and a very knowledgeable Delawarian, John Daniello. With the permission of the subcommittee, I have a statement which I will read now.

Mr. Chairman, any resolution having 48 cosponsors as of last Friday seems to be fairly certain of passage. I am pleased to be one of those cosponsors and to testify here today because I do not believe the critical importance of the tourist industry has sufficiently penetrated to the realms of those who make decisions regarding the allocation and disposition of oil products.

In and by themselves, the statistics are impressive. In my home State of Delaware—a State a noneasterner might not ordinarily think tourism to be a major industry—our shores, parks and other attractions drew $295 million in receipts in 1973 in the travel and recreation industry, and was Delaware's second largest industry. It comprised 2,182 firms employing over 20,000 people, and accounted for $32 million in Delaware State taxes in 1973, 17.3 percent of total State tax receipts.

And yet at a hearing that Senator Roth and I held in Delaware on January 16 to examine the local effects of the energy crisis in Delaware, we heard a representative of the Delaware Travel Council express concern over the effect of the energy problem on Delaware's tourism business. Also appearing at the hearing was a representative of the Delaware State Division of Economic Development, who reported that travel services and recreational attractions were reporting business losses ranging from 4 to 20 percent.

The Secretary of the Delaware State Department of Community Affairs and Economic Development is here to testify today, and he will update the economics of what this energy crisis could possibly do to the economy of our State depending on tourism and on the ramifications that go along with a drop in tourism.

Despite the fact of the lifting of the Arab oil embargo, my staff has learned from the Federal Energy Office that there will still be a short-fall of at least 255 million gallons per year against unrestrained demand. The result has to be continued restraint and governmental surveillance.

The most serious part of the crisis for Delaware's tourist economy is going to occur in the summer months, because so much of Delaware's recreation industry is based on summer recreation. It is really too early to be certain yet what the effect of gasoline shortages and other energy problems will be. However, to the extent that immediate business losses can be pinpointed, they can be attributed to the fear that gasoline will not be available for cars or to operate recreation equipment.

Mr. Chairman, I am concerned for two factors that affect the tourism industry in Delaware and in the Nation. First, fear and concern about the lack of availability of gasoline will very likely be conditions for inhibiting tourism this summer. Only a public policy clearly out in the open so that the public knows summer travel is recognized as worthy and is receiving its fair allocation—will allay widespread fears.

Second, I fear there are those in our government who do not sufficiently realize how a slack in the tourism business will affect the lives of so many citizens who make their livelihood from it. About a month and a half ago I wrote to Mr. William Simon, Administrator of the Federal Energy Office, stating facts similar to those stated here, and expressing my concern that shortages or inequitable distribution of gasoline could have disastrous results on this most important industry to Delaware. Because the entire allocation program was intended to share that burden among various groups, I could not believe his office was not making plans to avert what could be an economically difficult summer recreation season in Delaware and, I am sure, on other areas of our country as well. However, I have still not received a reply to my letter of over a month. And the fears of prospective travelers have definitely curtailed travel.

Mr. Chairman, I would say that the effect of Senate Resolution 281 will be an unmistakable message to the people of the United States that travel is recognized for its important place in the economy, and that the Federal Energy Office will gain a more healthy respect and dispatch a more practical conclusion in the disposition of gasoline to the tourism industry.

I have great faith that an overwhelming majority of the Senate will approve this resolution and convey that message.

Thank you, Mr. Chairman.

I know there is no one in the Congress, just having recently visited your beautiful State, who knows more of the importance of tourism than the Senator from Hawaii. I would point out it is often overlooked that our small State of Delaware really has such a significant reliance upon tourism as it does.

If we happen to have the misfortune or good fortune to be considering other matters in the U.S. Congress this August, there are not many other places you can go on the weekend other than our shore, so I suggest the Congress should take a good, hearty look at the need for the resolution as it affects the State of Delaware.

OUR HARD-WON FREEDOMS

Mr. THURMOND. Mr. President, Mr. E. Harold Keown, vice president of Baptist College at Charleston, S.C., recently delivered an address on the hard-won freedoms which we have in this country. It is an excellent review of the establishment of liberty in the United States and the price of maintaining it.

We need to remind ourselves constantly that the great institution of American Constitutional Government will last only so long as we cherish it and defend it.

Mr. President, in order that my colleagues in the Senate may also benefit by this short but outstanding address on American freedom and responsibility, I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks. The address is entitled, "Freedom's Costly Price Tag."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FREEDOM'S COSTLY PRICE TAG

(By Mr. E. Harold Keown)

Kris Kristofferson, one of Nashville's most famous contemporary composers, offers us a strange definition for freedom when in "Me and Bobby McGree" he declares, "Freedom's just another word for nothin' left to lose. Nothin' ain't worth nothin' but it's free." As we approach another Independence Day, I would like to take exception with Mr. Kristofferson and raise an appropriate disclaimer. "No sir," I protest, "freedom is much more than merely an euphoric state of mind achieved when there is nothing left to lose!"

It may be trite, but it's the triteness of truth: freedom is never free! It has always carried a costly price tag. Men and nations have seldom realized true freedom without having paid a tremendous price and offered a life-giving sacrifice. Freedom comes only when its cost has been measured and met through the lives of men and women willing to lose everything that others might gain life and liberty. Freedom is not cheap—it's costly, and its fruits continue growing in the vineyards of succeeding generations who are called to rededicate themselves anew to freedom's cause.

Today, we find ourselves confronting many great challenges. Such causes as peace, poverty and pollution must receive our attention and best efforts. The prospect of worldwide famine casts its dark shadows over the sunshine of our prosperity and we sicken while viewing the swollen stomachs and protruding ribs of children dying from starvation and malnutrition. Through the wonders of circling satellites, we have been introduced to the horrors of war and the paradoxical terrors of peace as we have viewed plagues and pestilence in distant, underdeveloped countries.

Recently, poverty's penalties become more pointed when a panel of experts testifying before the Senate Select Committee on Nutrition and Human Needs indicated that in the world's wealthiest country, America, as much as one-third of the dog and cat food sold in our city slums is being eaten by humans. William Lloyd Garrison was correct when he declared, "My country is the world; my countrymen are mankind . . ." Today's challenges call for our best efforts. We must fight not only to preserve our country, but also a planet called earth.

In this hour of need, we must reach inward and tap the sources of strength. We need men and women who will stand tall and who will refuse to shy away from the horrors and terrors. This is not a day for timid souls or the faint-hearted. This is an hour trumpeting a mighty call for stalwart .soldiers who will join in the battle for humanity's survival. Never have the stakes been higher or the risks greater.

However, while it is true that we as a nation are wealthy, wise, and willing—there is a glaring weakness which can undermine our efforts. Today, within our nation, there are many who do not possess a deep appreciation for America's past. Our vision seems blurred. Many of our young people can only recall the upheaval of the sixties and the turmoil of the seventies. Others can retreat no further than VJ Day, and some seem lost in the "good old days" as they long for a return to a more uncomplicated way of life. The tragedy is that a people without a past have few heroes or sources of inspiration. And while I am not advocating that we begin living in the past, I do believe that within our rich heritage there is much which can inspire us to meet today's challenges in strength and with confidence.

America's history is much more than merely a chronicle of events. It was a daring venture which captured the hopes and imagination of a people struggling to discover and design a free society. It claimed commitments. It required courage. It cost lives. The great American experiment was written by a simple people who dared to fashion a new world out of a wilderness. Deported convicts, persons persecuted for religious beliefs, slaves, and outcasts—these were the people who gave the lives that we might live in a country which later would be described as the "home of the brave and the land of the free." The struggle was never easy. Dr. Samuel Johnson, the British man of letters, said of the early settlers, "They are a race of convicts and ought to be thankful for anything we allow them short of hanging." They were despised, but they were not to be denied.

The battle for independence began April 19, 1775 when Major John Pitcairn with one thousand British soldiers under orders from General Gage to capture John Hancock and Samuel Adams and to seize supplies stored at Concord were met by a band of fifty Minute Men led by Captain John Parker. The site was Lexington, Massachusetts. Parker's orders were clear. He told his little band of soldiers: "Stand your ground. Don't fire unless fired upon, but if they mean to have a war, let it begin here." In that brief battle, eight militiamen were killed, the colonists were enraged, and the war had begun. Pitcairn seized Concord and destroyed the stores. However, as the British troops withdrew and returned to Boston, they were fired upon by angered colonists who used the cover of fences and hedges. During that march, the British lost two-hundred and seventy-three men.

The early colonists understood the price tag of freedom. It was death! They paid that price by the thousands. On July 4, 1776, the thirteen colonies issued their Declaration of Independence at a time when the war's outcome was still undecided. The war would continue until General George Washington would officially declare it ended on April 19, 1783. After serving two terms as America's first President, George Washington was to say, "With God's help, I have lived to see the United States as one great whole . . . a nation which may bid defiance in a just cause to any power on earth." Two years later, Washington died. In 1825, Thomas Jefferson prayed that "the Benevolent Being who presides over this world" might spare his life until the next Independence Day. God must have heard his prayer, for a year later on the Fourth of July, America's third President died. On that same day, John Adams, our second President died.

But the dream has never died. Old Glory still flies over the land of those who paid the price of freedom. Our freedom was bought with bravery and purchased by the blood of men who died that we might live out their dreams. For almost two hundred years, we have been living out that dream. It's a great dream—purchased at great cost. And it's so easy to forget freedom's costly price tag. There have been problems. There have been hours of darkness, times of despair, and moments of disgrace. There have been periods when the dream seemed impossible and some proclaimed the great experiment a failure. But even in her walk through the valleys, America has found the strength to stand tall and claim victory in spite of adversity.

I am one American who would like to pray in this hour, "God bless America," and who would like to proclaim, "This is my country, land that I love." I'm not going to wait for 1976 and then develop a two hundred year old sentimentality. I love my land and her people now—today! The challenges are great. Ahead of us awaits our finest hour. It is coming. This I believe—and if enough of us believe it, we can achieve it! The cost may be great, but the rewards are even greater.

This week President Nixon is meeting with Leonid Brezhnev in Russia in an attempt to extend the ban on nuclear testing. Maybe in this hour we can set aside our prejudices, regardless of slant or political party, and pray for a successful summit meeting. Our President needs our support. This is a time for building, not destroying—a time for hope, not despair—a time for peace, not war. After almost two hundred years, America remains a free land occupied by free people. Freedom's price tag is costly, and in this day—in this hour, we are being challenged to pay the price by giving our very best that freedom's dream might continue and the great American experiment might be successful.

In conclusion, permit me to share with you my prayer for this hour:

God . . . maybe I can't be a John Parker,
A George Washington, or Thomas Jefferson,
But let me be me . . .
And in your strength give me the courage
To stand tall,
And give all
That is required for the freedom of men.
I will not despair, neither will I faint,
But within the courage of my convictions
Permit me to weep,
And meet the challenges of this hour,
Hear your Call,
And give all
For the freedom of a people I love.

SENATOR SAM J. ERVIN, JR.: HE'S RATED NORTH CAROLINA'S MOST HONEST POLITICIAN

Mr. HARRY F. BYRD. Mr. President, a short time ago a poll was conducted in North Carolina in which Senator ERVIN's fellow Tarheels were asked this question: "What living man or woman, now in political life or formerly in political life—Federal, State, county or local—is in your opinion North Carolina's most honest political leader?"

As was noted by Senator ERVIN's hometown newspaper, the News-Herald, of Morganton, N.C., in an editorial entitled "He's Rated No. 1 Honest Politician," Senator ERVIN rated a clear No. 1 in this poll.

I ask unanimous consent that a copy of this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HE'S RATED NO. 1 HONEST POLITICIAN

The Fourth of July observance in general and a television documentary in his honor in particular serve as reminders of the image that U.S. Senator Sam J. Ervin Jr. creates in the mind of the American public.

In some quarters, he has been labelled "Uncle Sam," presumably because this native son of Burke County resembles somewhat in appearance and his dedication to the basic virtues on which rests the rich tradition and strength of grassroots America the Uncle Sam who is the symbol of the nation.

This is the sort of imagery that comes to mind nationally with the Ervin name becoming a household word as a result of his chairmanship of a Senate investigating committee.

In his native North Carolina his popularity has been long and solid, but with a somewhat different hue, than on the national front. It wasn't long after his initial appointment to the Senate in 1954 that Tar Heels began to regard him with special affection.

This rose to a measurable peak in 1972. Prior to the gubernatorial campaigns at least two potential candidates for governor had professionally conducted polls made in the state to measure the temperature at various political levels, and both (conducted by separate pollsters) revealed that Senator Ervin, who was not involved in the surveys, was the most popular political figure in North Carolina.

No such gauge had been applied since that time, as far as we know.

But an interesting revelation has come to light in a general Tar Heel poll about an assortment of attitudes, we are told. A verbal report from a usually responsible source (every newspaper boasts about such "responsible sources" and quotes them at every opportunity) says that a polling organization posed this question to a cross-section of Tarheels:

"What living man or woman, now in political life or formerly in political life—Federal, state, county or local—is in your opinion North Carolina's most honest political leader?"

It's noted that this is an open-end question with no names suggested for a multiple-choice sort of thing, and the citizens polled up with a total of 41 different names.

The results were impressive but not surprising in that Burke County's Senator Ervin rated a clear No. 1.

His colleague in the Senate and various Congressmen and former Governors were in the field or names volunteered by the citizenry.

This clear-cut lead tells something not only to the Senator's gratified fellow townsmen but to all students of the political scene who have been wondering wheher the Ervin's position of esteem was declining in his state. Some political observers have speculated that Senator Ervin's popularity was waning and that he might have had difficulty gaining reelection in 1974 if he had not decided against seeking another term.

The latest survey's results would indicate that the man regarded as far and away the most honest political figure living on the North Carolina scene would probably have been a shoo-in as long as he had felt physically able to continue in office.

WOMEN IN MEDICINE

Mr. MATHIAS. Mr. President, while it cannot be denied that sex discrimination continues to exist in our Nation, we must recognize that some advances have been made in the effort to put to rest an issue which should no longer be an issue in America. The right of women to participate fully in all areas of American life, including full economic participation, full social participation, and full political participation, ought not to be controversial.

Full participation in this society, in essence, requires that the American woman be assured that her opportunities, benefits, and share in the rewards of this society will be equal to that of every other American. My belief in full participation prompted my sponsorship of an amendment in 1971 to the Health Manpower Act which prohibited discrimination on the basis of sex in admissions to health training programs receiving Federal funds. I might add, incidentally, that because of that amendment—which is now public law—female enrollment in schools of medicine and dentistry has increased from 8 percent in 1969 to 20 percent in 1973, according to the American Association of Medical Colleges.

I was particularly pleased to note that a recent article in the New York Times, which I highly commend to my colleagues, highlighted these statistics. At this point I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WOMEN IN MEDICINE UP SHARPLY

(By Evan Jenkins)

In a movement that could alter both the teaching and practice of medicine, American women are entering the profession in dramatically increasing numbers.

In just three years, the number of women enrolled in the country's medical schools has more than doubled from 3,894, or 9.6 per cent of total enrollment, to 7,824, or 15.4 percent.

Moreover, the curve is clearly rising. The percentage of first-year women students in medical schools last fall had reached 19.7, up from 11.1 per cent three years ago and only 7.8 per cent a decade ago. Further increases are expected this fall.

The increase in women has of course produced more competition for places in medical schools and some resentment from male students who feel women are taking spots that men should have. At the same time, the total number of places available has been increasing and so has the number of men enrolled in medical school, although at a slower rate in recent years than women.

Medical women—and men—foresee a number of changes as a result of the feminine influx.

In medical schools, the beginning of the end of isolation for women is already changing patterns that they have long considered discriminatory, ranging from admissions interviews to lecture-hall humor to classroom and laboratory participation. The sharp rise in women students is producing pressure for more women teachers. Finally, some observers predict much greater flexibility in medical education to permit students of both sexes to manage study and family responsibilities simultaneously.

Possible effects on practice, medical people say, include more emphasis on doctors, working in groups rather than as individuals. Again, the point would be greater personal and professional flexibility prompted by pressure on women to devote more time to family needs. As frequently-voiced expectation is that more women will be able to find members of their own sex practicing obstetrics and gynecology. And finally, there is a common feeling that women, perhaps because of social conditioning, will make medicine in general a more compassionate enterprise.

"This is really a woman's profession," said Dr. Anne Lawrence, a professor and a member of the admissions committee at the University of Chicago's Pritzker School of Medicine:

"I wouldn't be surprised if, by 1980, 50 percent of the graduating class are women," she added. "It is suited to women's personalities, the comforting and care of the miserable."

AN END OF ISOLATION

Dr. Lawrence was one of scores of students, doctors, teachers and administrators interviewed at medical schools across the country about the rise of women in the profession. Her view that women were especially suited to medicine was widely shared by both men and women, though by no means unanimously.

In any case, the data clearly points to an end of the virtual isolation that women seeking medical careers have faced since Elizabeth Blackwell broke the profession's sex barrier in the United States by graduating from Geneva Medical College in Syracuse in 1849.

The class that entered medical school at Harvard three years ago had 11 women among its 139 students, not quite 8 per cent. This fall there will be 55 women in a class of 165—exactly a third.

Almost a third of the class that entered Columbia's school of medicine last year—47 of 147—were women and Linda Rosenthal was one of them.

"I don't feel like part of a minority group at all—there are just too many of us." she said. "My father went to medical school 25 years ago, and he keeps telling me that most of the girls were "dogs" and kept to themselves most of the time. Things have changed completely."

For some years, the percentage of women applicants accepted by medical schools has been at least equal to the percentage of men (although women have complained—and still do—that they must be extra good to make it).

What is happening now is that women are applying in greatly increased numbers, and there are two main reasons for that. One is the impact of the feminist movement.

It has changed the view, at least among women, of what is "woman's work"; more women are going into law and engineering, as well as medicine. The movement has also produced direct pressure on medical schools to accept more women.

In addition, the existence of a series of antidiscrimination laws and regulations has had an appreciable effect, even though they have been enforced slowly and erratically.

There are no current data on dropouts among women medical students. A study covering the years 1948 to 1959 showed attrition for women to be 15 per cent and for men 8 per cent. More than half the women who dropped out during this period did so for nonacademic reasons; this was true for less than 40 percent of the males.

DEMAND SOME CHANGES

Medical women say they think—but can't prove—that the dropout rates may be more nearly equal these days because the pressures women faced when they were a tiny minority in medical schools are more easily handled now that they are a sizeable minority.

As their numbers increase, women in medicine are demanding an end to a lot of traditions they consider subtly or blatantly discriminatory.

A medical-school lecturer at Detroit's Wayne State University last year sought to break the ice with his students, most of them male, with this little joke:

Question: Which word doesn't belong—egg, sex, woman, rug. Answer—Sex doesn't belong, because you can beat an egg, a rug and a woman, but you can't beat sex.

It was pretty mild by comparison with some of the locker-room jibes at women that spring readily from study of the human body, but it wasn't likely to reinforce notions of women's equality. But the jokes may be changing soon, along with such practices as addressing classes as "gentlemen" and including nude girlie pictures among lecture slides, and pinup pictures in textbook.

Beyond humor that they find insulting, medical women are attempting to combat such substantive matters as these:

Incidents like one that occurred not long ago at the University of Michigan, in which a woman medical student said she was not allowed to observe the complete physical examination of a male patient because his genitals would be exposed. Nearby, her medical-student husband was conducting a pelvic examination of a woman.

The admissions interview in which a woman, but almost never a man, is asked how a doctor can manage a career along with marriage and a family.

The low numbers of women on medical school faculties and admissions boards where their representation lags far behind the increase in women as students.

The common belief, challenged by statistics, that women, once licensed, cannot be counted on to practice medicine.

The virtual bar to women in some medical specialties, notably surgery.

Dr. Chandler Setson, dean of the University of Florida College of Medicine was one who shared the view that women's capacity for "compassion" would benefit medicine. Of surgery, he declared:

"Women in general don't tend to go into surgery. They can't stand up to the operations with the blood and saws and all. It doesn't really appeal to most of them."

MORE WOMEN SURGEONS?

Said Dr. Nina Woodside, a faculty member at the Medical College of Pennsylvania (formerly a women's school) and head of a year-old research and reform organization called the Center for Women in Medicine:

"I guess if all the barriers were removed, women would enter surgery as often as men. Women who do select surgery do very well. But patients tend to think of surgeons as men. And surgeons certainly think of surgeons as men."

Dr. Woodside estimated in a recent interview that fewer than 10 per cent of the nation's more than 360,000 doctors were women. (The most recent data, for 1972, put the figure at 8.7 per cent.)

She and other women in medicine like to point to a study done several years ago that showed only Spain, South Vietnam and Madagascar, among 38 countries surveyed, with lower percentages of women doctors than the United States.

Given the sheer mathematics, Dr. Woodside said, it will be a long time before the sex that makes up half the population even approaches that share of the medical profession.

"But it's very clear," Dr. Woodside added, "that the idea that women don't want to become doctors just isn't true."

True or not, the idea is pervasive. It is reflected in the title of a study of women in medical schools published privately last fall and available now from the Feminist Press in Old Westbury, L.I. The title is "Why Would a Girl Go Into Medicine?" It was a question, a woman student interviewed for the survey said, that she was asked constantly.

The report's author is "Margaret A. Campbell, M.D.," reportedly a pseudonym for a woman doctor who felt that a survey alleging male bias would do nothing to help her own medical career. The question "Why would a girl?' arises in a chapter on "stereotyping."

And indeed interviews done for the The New York Times at 14 medical schools suggest that stereotyping—by society, by medical school administrators and teachers and perhaps by medical women themselves—is the norm, though perhaps an eroding one.

CALLS REPLIES DISTORTED

Of the standard admission-interview about marriage vs. career, a woman faculty member who asked not to be identified declared:

"I seriously object to this being the issue on which women are denied access to medical school, and I know it is. Some men [interviewers] use the woman's answer either way. If she says she doesn't want children or is going to have someone take care of them, the man says, 'This is perverted, she should be home with her kids.' If she says she's going to have children, he says she's not committed to medicine."

Said Dr. William R. Sandusky, chairman of the admissions committee of the University of Virginia Medical School, "We want to know if the applicant has developed a realistic view of women in medicine. Traditionally the lady stays home to raise children."

That kind of remark incenses feminists, because it assumes that a man cannot be expected to share equally in the child-rearing and household tasks. The assumption is widely shared, and for the women professionals who share it, life can be a kind of hell. But the view is far from universal.

Still, to cope with the familiar role they are expected—and often expect themselves—to fulfill outside their careers, women in medicine have tended to enter such specialties as pediatrics, anesthesiology, and psychiatry, which offer at least the prospect of regular hours.

There is some evidence of change in that pattern—in particular, an apparent surge of interest in obstetrics and gynecology—and at the same time a hint of a kind of reverse discrimination.

"There is some social pressure from women's libbers on us not to go into pediatrics because it's sort of the 'Uncle Tom' of medicine," said Linda Rosenthal at Columbia. "But if I decide later that pediatrics is what I want, I'll do it. I'm not going to be pressured out of it."

From the view about where the "lady" stays arises the belief that women, even when they become physicians, often don't practice.

Studies cited by the pseudonymous Dr. Campbell show that women doctors practice, on average, 45 hours a week, men 50; women "drop out" of practice on average for a total of 4.8 years, men for 2.1, and women in the United States live an average of seven years longer than men, and "thus have a longer practice potential."

Although some medical women question whether women as doctors function in any way differently from men, there is a widespread feeling among both sexes that the rising feminine role will change the profession.

One common expectation is greater flexibility in both training and practice—an increase in part-time scheduling of classes and group practice arrangements that permit women, and men, to balance more easily their professional and family roles.

APPALLED BY ATTITUDES

A lot of women think they are better suited than men to treat women patients. Patsy Parker, in her second year at Boston University's medical school, said she was considering obstetrics and gynecology because "I will treat women in a special way and hope to give them an understanding view of their bodies and the problems they may run across."

"I think we need women in ob-gn badly," said Judy Cook as she completed her senior year at Michigan State University's College of Human Medicine. "I was pretty appalled at the attitude of most of the doctors toward their patients. A lot of them are just not aware of the woman patient as a woman; they're so involved in her uterus."

Above all, in interview after interview, there emerged the feeling that women doctors may be more sensitive than men."

"In general, some of the attributes women bring to medicine are much more desirable," said Dr. Miles Hench, associate dean for admissions at the Medical College of Virginia in Richmond.

"The role-model given to women in childhood is the expectation that they be more open and feeling. This can be a positive factor in medicine. The masculine characteristic of aggressiveness can be a hindrance. But neither is absolute."

THE RIGHTS OF WORKERS IN THE PUBLIC SECTOR

Mr. STEVENSON. Mr. President, I recently came across a column by Mike LaVelle, the working man's columnist who writes for the Chicago Tribune, on the important subject of the rights of workers in the public sector. Mr. LaVelle makes some interesting and perceptive points and helps put this issue in perspective. Public workers, like their counterparts in the private sector, do have rights—rights which we in Government have often been derelict in respecting.

On the other hand, many workers in the public sector have responsibilities to the public not shared by their brethren in private industry. The rights of public employees may be the most important labor issue that comes before this Congress, and so I urge all my colleagues to read Mr. LaVelle's comments, which I feel will help them, as it has helped me, in a better understanding of the issue.

Mr. President, I ask unanimous consent that Mr. LaVelle's column be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

PUBLIC WORKERS ALSO HAVE RIGHTS

(By Mike LaVelle)

Public employes' right to strike is a hot issue that could singe the hands of any politician careless or brave enough to deal with it.

Public employment in the last decade has undergone the largest growth of any area of employment. Since 1965, the Bureau of Labor Statistics reports, 35 percent of newly created jobs have been in the public sector. Since 1960 public payrolls have more than doubled from $3.3 billion to $8.4 billion.

Nearly 14 million people—in federal, state, and local jurisdictions—are presently public employes. That is one hell of a lot of votes. If organized, their political clout could give politicians at all levels election-time nightmares.

And that's just what's happening. The Coalition of American Public Employes (CAPE), formed March 8, 1973, already has more than 2 million members, combining the 1.5 million members of the National Education Association (NEA), the 600,000 members of the American Federation of State, County, and Municipal Employes (AFSCME), and the 80,000 members of the National Treasury Employees Union.

For an organization just over a year old, that's a promising—or frightening—beginning, depending on which side of the negotiating table you're sitting.

The dilemma of public chaos and public obligation is well understood by most public workers, who, as Roger Frazer, AFSCME director for Illinois, Missouri, and Indiana told me, "If they won't give us binding arbitration as a substitute for the right to strike, then they are putting our backs and our paychecks to the wall."

It is the rankest hypocrisy for politicians who can merely vote themselves a raise [as they did May 8 in Chicago's City Council raising aldermanic salaries from $8,000 to $17,500 a year; the city clerk's and city treasurer's salaries from $15,000 to $30,000 a year, and the mayor's salary from $35,000 to $60,000], and to play mute whenever a policeman, fireman, or teacher asks for a raise.

Such a double standard drives even the most apathetic public employe to organize. Add to that Congress raising its individual foreign travel allowance and almost in the same breath passing a law to abolish reporting requirements on travel junkets. The law was passed in 1972 canceling out disclosure of money spent in 1973. In '71 Congress spent $1,114,386 and in '72, the last reported year, $955,820.

The law's author, Rep. Wayne Hays [D., Ohio], said that the revocation of disclosure would save $8,000 to $9,000 a year in printing costs. That sort of reasoning would tell you the solution to embezzlement is to fire your auditor. You won't catch the crook but you will save the auditor's salary.

Which would you rather have: an open raise or a hidden expense account? The law's effect will answer the question.

Congress has two bills before it that would grant collective bargaining rights to government workers. The bills would create a federal agency to arbitrate labor disputes involving state and municipal employes. They also have strike provisions in them, barring "clear and present danger." Such bills do not provide easy answers, but neither does Congress present clear and moral examples of financial responsibility.

If public employes do not get some form of compensatory redress in exchange for surrendering the right to strike, that right is a matter of equity. And we should start referring to these people as public *workers*, not public *servants*. The difference between those two words tells it all.

And if you don't think public workers work hard enough, when you're mugged, your house is on fire, or your Johnny can't read, don't call a cop, fireman, or teacher. Try calling your congressman.

NAVY RESERVE

Mr. THURMOND. Mr. President, in the July 1974 issue of the Naval Reserve Association News there appeared a statement by Raymond S. Webster, Acting Deputy Assistant to the Secretary of Defense for Reserve Affairs.

Mr. Webster made this statement in a speech before the Naval Reserve Association's Annual Naval Affairs meeting at the Alameda Air Station in California on June 22.

The forthright and candid remarks by Mr. Webster constitute a clear statement of a major problem which has interested me for some time. This problem relates to a definition of the requirements for the Naval Reserve. Mr. Webster has met this issue head on and in his remarks shows great understanding of the requirements necessary to enable the Naval Reserve to meet its responsibilities.

Mr. President, I ask unanimous consent that this speech be printed in the RECORD at the conclusion of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

NATIONAL REQUIREMENTS FOR THE NAVAL RESERVE

(By Raymond S. Webster, Acting Deputy Assistant to the Secretary of Defense for Reserve Affairs)

For years the Reserves were considered as just an adjunct to the Regular force, as a group of dedicated people who showed up for drill each month, who had some potential, but who would never be called in an emergency.

That is all past now, and ever since that memorandum of August 12, 1970 was issued by the Secretary of Defense establishing the Total Force Concept, the Reserve components have been receiving a real hard look. Because more money has been spent and proposed to be spent to build up the Reserve capability, the Reserve community has become a center stage attraction.

In my office, we handle the liaison for all Reserve matters being investigated, surveyed, monitored, inspected or whatever the term is they use, by other government agencies. Presently, we are accommodating four General Accounting Office surveys on different aspects of the Reserve programs—an investigating staff of the House Appropriations Committee, and two OSD audits. Additionally, there is an intensive on-going study of the Guard and Reserve directed by Dr. Schlesinger. From all of this will come future structure and budget consideration with the emphasis on readiness and economy—the greatest readiness for the least amount of money.

The ability to develop timely responsiveness has been demonstrated—particularly with the air units and some of your reserve ships.

The inherent economy of the lower people cost in the Reserve forces has become more widely understood—particularly since manpower costs now represent about 56% of the DOD budget.

The new guidance from OSD to the services has established earlier readiness criteria and the airlift plans and capability make early deployment increasingly feasible and necessary for Guard and Reserve as well as active forces.

There is no reason why any of your units cannot be ready for deployment in hours or a few days at the most, if the bell rings, rather than in weeks as the planning called for in the past.

These facts have led logically to the conclusion that Reserve Forces can be a major national security bargain as we approach 1976, just as was the case in 1776.

They have also led logically to the essentiality of *supporting* Reserve Forces to the level of readiness and responsiveness called for by national strategy to meet national security requirements.

And finally, these facts, coupled with termination of the draft, have forced acceptance of the role of the Reserve Forces as the initial and primary augmentation for Regular Forces. Even the most tradition-bound and protective holdouts have begun to realize that the survival of our nation's military forces and our nation itself is dependent on how well we equip, man, train and deliver into theatre, a combined force of Active, Guard and Reserve Americans.

RESERVE FORCES STATUS

In view of this guidance, let's discuss for a few minutes just how Navy is faring with its Reserve programs.

Actually, I don't think any service has a perfect score for implementation of this guidance.

Army has a good basic requirements document and a mobilization and deployment plan which clearly identifies the Guard and Reserve element, but equipment plans and priorities are not in keeping with readiness needs and the mobilization procedures are not consistent with the Total Force Concept of rapid deployment.

The Air Force has fallen behind in its modernization program and appears to be less than enthusiastic about meeting its own stated objectives for Guard and Reserve readiness.

The Marine Corps, which has prided itself on having the complete Division/Wing Team as a deployable asset, is beginning to talk about using segments of this force for early deployment and the remainder as cadre for expansion.

But the Navy is still the expert in dragging its anchor when it comes to enthusiastic implementation of the Total Force Policy. After hearings Admirals Adamson and Christiansen's remarks today, which were very refreshing, regarding the Naval Reserve, I hope they will, by reality, eventually prove me wrong in what I'm about to say.

Take the question of requirements:

The Navy says it needs 108,000 in the Selected Reserve.

The Chief of Naval Reserve says the figure should be 117,000.

The NRA and the ROA say the figure should be somewhere above the 129,000 level.

We in OSD try to support the official position of the Navy at the 108,000 point.

And when the chips are down, we are hard put to defend any figure because the Navy either cannot or will not, or at least has not, stated its requirements in terms of deployment for a scenario. In fact, until the Navy programs some of its Selected Reserve in its deployment plans, the Naval Reserve structure, other than the hardware units, will continue to be suspect.

It also becomes difficult to talk to requirements when, by the Navy's admission, the stated "requirement" has been adjusted to make funds available for modernization.

The basic issue, I believe, is that the Navy is not convinced, in spite of repeated assurances by Defense and Congress, that the Naval Reserve will be used in future emergencies. Looking back on past experience, I can only say that failure to prepare the Naval Reserve for a mobilization mission and failure to plan for its use are the key elements which may keep the Total Force Policy from being applied. They may also keep the Naval Reserve from continuing to exist in its present form because of the doubts they create as to the credibility of the Navy's mobilization structure.

THE REAL ISSUE

We can talk all day about incentives for the Guard and Reserve and about what kind of recruiting programs we should have to man the Naval Reserve. We can talk for weeks about specific equipment needs and deficiencies. But none of this talk is worthwhile and no recommendations in this are going to get very far until we face the real issue.

The Real Issue—yet to be addressed by the Navy or the Naval Reserve in dealings with OSD—is twofold.

How does the Navy intend to use its Reserve upon mobilization?

How many of what specific units and people are required to meet the utilization plan?

If the Navy can answer these questions, we can then move forward with the Total Naval Force. If these questions are not answered, then there is a major doubt about the future of the highly dedicated, highly qualified members of the Naval Reserve who, like all the members of the Guard and Reserve, have such great potential for the future security of our nation.

A CRISIS OF DECISION

As some of you here know, I said this to the Conference of Naval Reserve Flag Officers in the Pentagon last week.

Although the results of the Total Force Study are not out, Mr. Eckhard Bennewitz, the Chairman of the Study Group, has pointed out that the absence of a Navy policy on mobilization and soft U.S. Navy stated requirements for the Naval Reserve have posed problems of a seemingly insurmountable nature to the Study Group.

As of this date, Secretary Brehm, the Assistant Secretary of Defense (Manpower and Reserve Affairs), and my boss, along with representatives from OMB, OSD (Comptroller) and OSD program analysis and evaluation are deeply immersed in a review of the initial OSD Study Group recommendations prior to sending them to the services. The Navy is organizing its own task group, personally chaired by Secretary McCullen, to analyze, in depth, the Study Group recommendations when they are submitted for comment.

I believe you can all understand how critical to the Navy and the Naval Reserve, the next few months are and how the decisions made will affect you for a long time to come.

WHO CARES?

I won't presume to establish the blame for there being such a predicament. This question of just what the Navy requirements are based on is not a new question. Congress asked the question in 1962 of Navy witnesses—and the answer reads like the answer any time in the intervening 12 years—"We're going to resolve that in a few months,"—and each time the answer is given, the Congress, OMB and OSD show a little more impatience and reluctance to accept this assurance.

Why do I put so much emphasis on so-called "requirements?"

The Congress has made it clear in the hearings to date this year that they are very interested in using Reservists for missions they can fulfill. This comes out loud and clear in the Congressional reports and hearings time after time. The House Armed Services Committee took special pains to make its feelings known. Some of the points were made in the House Armed Services Committee Report of May 1974 by:

(A) Chiding of the Defense Department for not following its own policy of Total Force planning by eliminating Guard and Reserve units while maintaining more expensive active force units.

(B) Stating that Defense compliance with Congressional intent of P.L. 90–168 (Reserve Bill of Rights) has been less than complete.

(C) increasing the manpower authorizations for all Reserve components except the Air Force Reserve.

(D) Mandating retention of 92 flying units in the Air National Guard.

(E) Adding 24 new A–7D aircraft into the budget for the Air National Guard.

(F) Expecting that in the coming budget years, DOD, in implementing the Total Force Policy will budget for modernization of equipment in the Reserve Forces—in accord with the Reserve Bill of Rights.

(G) Stating that DOD should consult with Congress prior to making any significant changes in Reserve component strength, structure or units.

(H) Stating that the Assistant Secretaries of the services (M&RA) should monitor and supervise all aspects of Reserve Force management and participate actively in the policy making role when Reserve matters are under consideration.

(I) Requesting that the Chiefs of the Reserve components have the authority to carry out their responsibilities.

(J) Recommending more high level interest and attention to Reserve matters at the DOD level.

It is quite obvious that Congress is determined to ensure that there is a Ready Reserve—A Reserve that will be employed—but a Reserve with a real mission.

I think the message is clear that Navy requirements for the Reserve (not Reserve requirements) based on Total Force planning are absolutely essential if there is to be credibility in the Naval Reserve Force structure. We in OSD are urging the Navy to come up with validated figures and I would expect that your organization could exert some influence in that regard. There are missions in the Active force now that can be accomplished just as well in the Naval Reserve and at less cost. This goes for types of ships and aircraft missions as well as shore support missions. It is always hard to break the ice, however, and change is fought hard by vested interests. I thing that this issue season may give us some shifting winds for the future and may point to an even more critical time for the Reserves.

NEW CHILD CARE AND FAMILY SERVICES LEGISLATION

Mr. CRANSTON. Mr. President, last week, I joined with Senator WALTER MONDALE, chairman of the Senate Labor Subcommittee on Children and Youth, Senator JACOB JAVITS, ranking minority member of the Labor Committee, and 21 other Senate cosponsors in introducing S. 3754, legislation of vital importance in helping to meet the Nation's child-care needs. This is urgently needed legislation, and today I would like to speak about some of the provisions of the bill.

Mr. President, this is not the first time that the Senate has undertaken to pass comprehensive child development legislation. During the 92d Congress, S. 3617, the Comprehensive Head Start, Child Development and Family Services Act, passed the Senate but failed to gain sufficient support in the House before the adjournment of that Congress. S. 3617—which sought to provide the best possible family-strengthening comprehensive child care legislation—was the result of a bipartisan effort to shape a child development bill that would meet the objections of the President to S. 2007, legislation to extend the Economic Opportunity Act, which he had vetoed the year before.

As a member of the Senate Subcommittees on Children and Youth, and Employment, Poverty, and Migratory Labor, I was involved throughout the development of this legislation and believe it was a great loss to this Nation when the House failed to take action on S. 3617 before the end of the last Congress, thus allowing the bill to die.

Mr. President, efforts to meet the needs of children have also been thwarted by the persistent attempts of the administration to reduce the scope of social services programs funded under the matching titles of the Social Security Act. In California, three child care programs are presently under such funding—the children's centers programs, the migrant day care program, and the campus child care program. In fiscal year 1974, they accounted for some 65 percent of California's social services allotment under title IV–A.

Last year, when Congress, realized that social services expenditures were threatened with severe curtailment, owing to restrictive regulations proposed by the Department of Health, Education, and Welfare, it expressed disapproval of this administrative approach and enacted legislation which suspended implementation of the regulations. Under provisions in Public Law 93–233, the regulations in effect in January of 1973—before the new regulations were proposed by HEW—were extended an additional 12 months, through December 1974.

The Senate has also passed legislation—in H.R. 3153, the Social Security Act Amendments of 1973—which, in effect, converts the 75-percent Federal matching funds under the social services program to a social services revenue sharing program. I supported this provision when H.R. 3153 was considered on the floor, after strongly urging adoption of Senator MONDALE's successful amendment to require that child care programs supported under title IV–A to meet the requirements of the interagency day care standards of 1968.

In connection with the effort to prevent emasculation of the social services program, I also was privileged to chair joint hearings last year on June 15 in San Francisco, and on June 16 in Los Angeles, of the Senate Labor and Public Welfare Committee's Subcommittee on Employment, Poverty, and Migratory Labor and the Special Subcommittee on Human Resources, on the effect of the proposed cutback in social services, along with the impact of other administration recommended budget cuts. Senator MONDALE, the author of both S. 2528—the social services legislation which lead to the compromise now in H.R. 3153—and of S. 1220—legislation I cosponsored earlier this session which resulted in the original Finance Committee postponement of the effective date of the May 1 regulations—joined me at those hearings.

The challenge of child care needs is vital to us all. Our children are our future. They deserve the very best we can provide for their growth and development. Yet millions of children today are denied the chance to realize their potentials. The magnitude of child care needs for the children of this country is staggering.

In a report on the numbers of eligible children and available licensed facilities for day care, the Small Business Reporter declared that almost half of America's mothers with children under 18 hold jobs outside their homes. In 1972, of the 12.7 million workers in the Nation's labor force, 4.4 million had 5.5 million children not yet old enough to attend school. California alone has 470,000 working mothers responsible for nearly 1 million preschool children. During the same year, however, only about 700,000 places in licensed day care facilities were available throughout the country; and the State of California was able to offer a mere 140,000 spaces for its preschool youngsters.

National studies show that approximately half of the eligible preschoolers stay at home to be cared for by a nonworking parent, older child, or relative. Another 2 million of the country's children under 6 are left in the care of half a million substitute mothers in family day care homes.

I think it is significant that these figures are cited in a business magazine published by the Bank of America. The business community knows that there is a day care market that can fairly be anticipated to reflect a steadily growing demand for facilities. Further on in the report, the Small Business Reporter assesses the future day care demand. Among other things, it states that, despite reports of the decline in the birth rate, the number of young women is on the rise. In 1970 there were 15.5 million American women between the ages of 20 and 29, considered the prime childbearing years. According to census projections, this group may well reach 20.6 million by 1985.

And whether or not the present birth rate declines further, Mr. President, the number of preschool youngsters is expected to increase. In 1970, there were 17.2 million children under 5; in 1975—depending on birth rate fluctuations—the under-5's might total anywhere from 18.9 to 21.3 million. By 1985, the United States could well have as many as 30.2 million preschoolers.

The reporter goes on to point out the effects of changing child-raising attitudes and occupation roles. During the sixties, California's work force of women grew by more than 50 percent. Today one-third of the State's mothers of preschool youngsters work part time or full time—some because of economic necessity, others for personal fulfillment. Statisticians predict that during the seventies, the number of employed preschool mothers will rise by 50 percent, reaching 5 million in 1975, 5.3 million in 1980, and 6.6 million by 1985.

California's performance, although meeting less than 15 percent of the child care needs of over 1 million children, is by far the best in the country. Due particularly to Superintendent of Schools Nikon Riles' leadership, California is providing fully 20 percent of the nationwide day care spaces.

Another factor contributing to the burgeoning female work force is the rising divorce rate and the attendant number of households now headed by women. Over the last decale, marital dissolutions—often involving young women with preschool children—in California rose by 148 percent, and in 1970 the State had 296,000 such families.

We now have only about 700,000 child care "slots" in licensed facilities throughout the country. That is just 10 percent of the number of children of working mothers. The large majority of these children are cared for in their own homes or the homes of others, or they are just not cared for at all. At best, most receive only custodial care.

The bill we have introduced, S. 3754, the Child and Family Services Act of 1974, will go a long way toward rectifying this dismal situation by authorizing a variety of services for preschool children and their families, including all-day and half-day care, afterschool programs, and in-the-home tutoring and education for parenthood. Services will also include prenatal care, nutrition, diagnosis and treatment of health problems, and special activities for handicapped children.

I am especially pleased that programs for preschool children from needy homes will receive top priority and that the bill will set aside special funds for handicapped, migrant, and Indian children.

An important feature of the bill, I believe, is its recognition that the family is the primary influence on children. The bill will strengthen the role of the family by providing greater parental control over the programs in which their children take part.

I would also like to stress the fact that participation in any of the programs will be strictly on a voluntary basis and that a child could participate only upon the request of his or her parent or guardian.

Services under the bill would be carried out by local and public and private agencies, including schools, through grants and contracts from State and local government "prime sponsors." The partnership of parents, community, and State and local governments, with assistance from the Federal Department of Health, Education, and Welfare, is another important feature of the new bill.

I am delighted to be joining my colleagues, Senators MONDALE and JAVITS, and others in introducing such farsighted and responsive legislation.

EMIGRATION OF JEWS FROM THE U.S.S.R.

Mr. HUGH SCOTT. Mr. President, several weeks ago I placed in the CONGRESSIONAL RECORD a statement of Soviet Parliamentarians regarding the emigration of Jews from the U.S.S.R.

In the interest of fairness, I ask unanimous consent to print in the RECORD a rebuttal prepared by the National Conference on Soviet Jewry.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the National Conference on Soviet Jewry]

SOME COMMON SOVIET CLAIMS ABOUT JEWISH EMIGRATION

Soviet claim. Soviet emigration practices are strictly an internal affair of the Soviet Union and are therefore of no concern to the United States or any other country.

Fact. The right of an individual to leave any country, including his own, is an internationally recognized fundamental human right and is upheld by international law and practice. The right to leave is affirmed in the Universal Declaration of Human Rights (regarded by international lawyers as the authoritative interpretation and extension of the UN Charter) to which the Soviet Union considers itself an adherent. This right is also upheld by the International Convention on the Elimination of All Forms of Racial Discrimination, which was ratified by the USSR in 1969, thus making it binding on the Soviet Union.

Soviet emigration practices violate international law and agreements to which the Soviet Union itself is a party. What the U.S. Congress is asking, through the Jackson/

Mills-Vanik amendment, is that the Soviet Union adhere to such international agreements and allow its citizens the universally recognized right to emigrate.

Soviet claim. 95% of all those applying for exist visas receive permission to emigrate from the USSR.

Fact. When Leonid Brezhnev made this claim to U.S. senators, during his June 1973 visit to Washington, about 100,000 Jews were awaiting exit visas. Now, that figure has risen to more than 150,000 who await permission to emigrate.

Soviet claim. Permission to emigrate is denied only to those who possess State secrets, or whose job is connected with military secrets, and thus their leaving might endanger Soviet national security.

Fact. Those refused exist visas include artists, laborers, physicians, clerks, as well as scientists in non-sensitive fields. Only a handful of individuals denied visas have had any possible connection with classified materials, and almost all such cases involve information whose possible relevance is outdated.

Soviet claim. Due to the already large number of Jews given exit permits, the numbers requesting permission to leave are constantly declining.

Fact. There has been no decline in the number of Jews requesting affidavits from abroad to emigrate. The average number of Jews beginning the application process has stayed at about 5,000 a month since the beginning of 1973.

Since an average of only about 1,700 Jews a month have been allowed to leave during 1974, the backlog of Soviet Jews waiting to emigrate is increasing by more than 3,000 a month.

Soviet claim. The rate of permitted Soviet Jewish emigration will continue at the same level as in 1972 (i.e. about 32,000 a year). This guarantee was given orally to President Nixon by Soviet officials in Spring, 1973.

Fact. This rate was maintained and slightly increased during 1973. However, the average emigration rate permitted during 1974 has dropped to about 1,700 individuals a month. This is a decrease of more than 1,000 a month from the rate during 1973 (i.e. over ⅓ less a month than the number permitted in 1973).

The number of Jews permitted to emigrate in May 1974, was slightly more than 1,200. This is the lowest monthly figure in over 2½ years.

Projecting forward the emigration rate of the first 5 months of this year would result in a total emigration figure for 1974 of only about 20,000. This figure would be a substantial drop of some 11,000 below the 1972 emigration figure and some 13,000 below the 1973 figure.

Soviet claim. Israel does not want a larger rate of Jewish emigration from the USSR and could not handle more emigrants than are currently being let out by the Soviets.

Fact. Israel is eager to receive and ready to absorb every Jew the USSR will let out. The importance of the Soviet Jewish emigration to Israel can be illustrated by the fact that during the October (1973) war, when Israel needed all her aircraft for military use, she sent empty planes daily to Vienna to bring in Soviet emigrants.

As for ability to absorb large numbers of emigrants, during the first couple of years after the establishment of the State, in 1948, Israel with a population one-fourth its present size absorbed as many as 50,000 Jewish emigrants a month.

Soviet claim. 1,000 Soviet Jewish emigrants to Israel want to return to the USSR.

Fact. Of the more than 90,000 Soviet Jews who have arrived in Israel since the beginning of 1968, *only 142* (far less that 1%) requested to return to the Soviet Union. Of these, 40 were accepted back into the USSR; 22 returned to Israel; and 80 are still in Vienna waiting for the USSR to readmit them.

THE GOALS OF SOVIET AND AMERICAN JEWS

[*]1. Release the Jewish Prisoners of Conscience who languish in Soviet labor camps, and whose only real crime was their wish to enlarge to Israel.

2. Allow those Soviet Jews who have been waiting, for many years, to immediately emigrate.

3. Permit all Soviet Jews who wish to do so to leave for Israel, or any country of their choice, to rejoin family and to live as Jews, and to cease all forms of police, juridical and bureaucratic harassment against those who wish to leave.

4. Remove vague and arbitrary emigration procedures, by regularizing and standardizing the process, in an open form.

5. Make available the institutions, schools, textbooks and materials necessary to teach the religious traditions and beliefs, the languages, the history, the practices, the culture and the aspirations of the Jewish people.

6. Halt all anti-Semitic and anti-Jewish propaganda in the media and in books, including so called "anti-Zionist" material.

(NOTE.—Emigration statistics used throughout are based on actual arrivals in Israel.)

EMIGRATION STATISTICS, SOVIET JEWS

1963–71: 17,082 (approx.).
1972 total: 31,082 (approx.).

Arrivals in U.S.A.

1972	543
1973	1,449
1974 (June 10, 1974)	1,514

	1973	1974
January	2,500	2,365
February	2,751	1,581
March	2,174	1,726
April	2,821	1,597
May	2,171	1,222
June	1,926	-----
July	2,240	-----
August	2,660	-----
September	3,065	-----
October	4,200	-----
November	3,814	-----
December	3,039	-----
Total	33,161	-----

Based on arrivals in Israel.

It has been widely interpreted that the introduction of new procedures, the crackdown by the KGB (Security Police), and the resulting sharp decline in emigration for the first five months in 1974 is an attempt on the part of the Soviet regime to intimidate Soviet Jews. It is considered, by some, as a move to impress the United States Senate, which is considering legislation which would tie emigration to grants and credits, not to pass that legislation and to thwart efforts which support Soviet Jews. Soviet Jews themselves have said that they did expect this cutback, and that they are firm in their efforts to seek to emigrate.

Affidavits requested from relatives in Israel through this month are approximately 150,000. This represents a considerable increase, since the decline in the number of those who have been processed. The hard core group of persons repeatedly refused ("refusenicks") is approximately 2,000, even though there have been several cases of persons in this category receiving permission to leave during the past year. They were replaced by others.

The number of Jews who requested affidavits abroad, and began the application process, was approximately 5,000 per month, through this month.

A COUNSELOR GENERAL FOR BIG BROTHER?

Mr. MONDALE. Mr. President, a recent article by Frank Kelly in the Bulletin of the American Society of Newspaper Editors, is a provocative presentation of ideas generated by a recent conference sponsored by the Center for the Study of Democratic Institutions.

Many of the ideas discussed in this article are intriguing suggestions on ways to bring about a revitalized system of checks and balances in our democracy. I commend this article to my colleagues and hope that many of these ideas will be discussed and debated fully in the months to come.

Mr. President, I ask unanimous consent that the article by Frank Kelly be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A COUNSELOR GENERAL FOR BIG BROTHER?

(By Frank K. Kelly)

"Government by secrecy" and democracy cannot live together successfully. But the pressures for secrecy in an age of emergencies are more powerful than the demands for candor. Can we move toward a more open society, or must we endure the slow choking of our constitutional government?

Concerned about these questions and others related to the future of constitutionalism, the Center for the Study of Democratic Institutions in Santa Barbara recently brought together 20 scholars who had been active in public life— and asked them to examine the implications of the Watergate investigations. The week-long meeting was organized by Harvey Wheeler, Center Senior Fellow, after he and others had been asked for suggestions by Arthur Miller, professor of constitutional law at George Washington University and chief consultant to Senator Sam Ervin. Each participant was urged to make proposals to preserve and strengthen constitutional systems.

Harry Ashmore, the Center's president, quoted a chilling observation by the philosopher Hannah Arendt, who once speculated that distortion might be a necessary element in human change: "In other words, the ability to lie, the deliberate denial of factual truth and the capacity to change facts, the ability to act, are interconnected; they owe their existence to the same source, the imagination . . . Hence, when we talk about lying and particularly about lying among active men, let us remember that the lie did not creep into politics by some accident of human sinfulness. . . ."

Ashmore said: "The American version of representative government is founded on the assumption that power corrupts—and the founders recognized that one of the most prevalent corruptions results from the temptation to employ secrecy and/or deception for the personal convenience of those who exercise authority." Ashmore argued that the function of the press as a watchdog under the First Amendment was not adequate today: "The sensational exposures that have recently lifted the shield of official secrecy in national security matters did not result from the automatic interaction of the system's independent parts, or from the enterprise of its overseers in the media, but from the flow of outlaw acts of individuals within the executive branch who profess to be motivated by moral outrage . . ."

Ashmore called for abolition of "the clandestine mission of the CIA." He urged new consideration for Woodrow Wilson's plea for "open covenants openly arrived at." He advocated public financing of elections and "the creation of a national election agency" with "a publicly-financed communications system that will enable candidates to address the electorate without laying out private money for radio, television and newspaper advertising, direct mail, opinion polls and all the promotional paraphernalia now used."

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[*] There are 31 Soviet Jewish Prisoners of Conscience who were tried for "crimes" related to their desire to emigrate to Israel.

Harlan Cleveland, president of the University of Hawaii and a former Assistant Secretary of State, declared: "The doctrine of 'the fewer in the know, the greater the security' is seductive." On its face it makes sense, but decisionmaking about complex national security matters produces grotesque results so often that there must be something wrong with the picture. Some examples from recent history show how badly the principle works in practice: the Bay of Pigs fiasco resulted directly from insufficient candor in too small a group. . . . During the first few days of the Cuban missile crisis, only 14 people were let in on the secret. It was no accident that a more moderate (and certainly more effective) policy prevailed after a second tier of staff people had been brought in to sift the options. . . .

"The cautionary principle is: if the validity of your action depends on its secrecy, watch out! Perhaps this warning should be inscribed on the wall of the White House cabinet room where the National Security Council meets. . . ."

William Watts, a former member of President Nixon's National Security Council staff who resigned in a policy dispute, called for a revision of the classification and security systems. He wanted Congress to conduct more thorough inquiries in these areas and to give a closer scrutiny to operations conducted in secret.

All of the participants in the conference—with the exception of this writer—endorsed a proposal by Professor Paul Mishkin of the University of California Law School at Berkeley. Mishkin proposed the establishment (by a constitutional amendment) of the office of an independent "counselor general." This officer, who might serve as long as 15 years, would head a fourth branch of government with power to investigate complaints about the President and to curb abuses of power. It seemed to me that the "counselor general" and his staff might become a "new elite" overshadowing the existing governmental institutions.

Other reforms discussed at the Center sessions included:

"Depoliticizing" the cabinet and the White House staff. This was a suggestion made by Arthur Larson, former adviser to President Eisenhower. Larson would create a cabinet-level post to handle political matters for the President and forbid all other staff members from engaging in partisan activities.

Outlining a system for "recalling" a President who had lost the people's support—as an alternative to resignation or impeachment.

Establishing an independent Attorney General, elected by the people.

Reorganizing and strengthening the Congress.

Requiring the President to make quarterly reports in person to Congress, to submit to questions by legislators and the press and to respond to the people's criticisms and comments.

The last suggestion was my own proposal. I focused attention on Section 3 of Article II in the Constitution, which describes the President's duties: "He shall from time to time give to the Congress information of the State of the Union . . ." Under this constitutional provision, Congress could establish the following procedures:

(1) The President could be required to appear in person four times a year to present a report for discussion by a joint session of Congress;

(2) The text of each quarterly report would have to be prepared in writing, with copies available one week in advance of the date of the President's appearance. Copies would be distributed to all members of Congress and to all accredited correspondents from the press and broadcasting organizations.

(3) The broadcasting networks would be required to carry the reports and the discussion in Congress, with one hour allocated for commentary on each report in prime time.

(4) The Speaker of the House and the President Pro Tem of the Senate would be authorized to present questions prepared on the basis of an analysis of the President's report. Members of the Congress would be asked to submit questions for consideration.

(5) On the day following each quarterly report, the President would be required to meet with the press for a one-hour conference to be carried by the broadcasting networks.

(6) Within a week following each Presidential report, the networks would be required to carry one hour of programs on the views of members of Congress, to be broadcast in prime time.

(7) Members of the broadcasting audiences and readers of publications in the United States and other nations would be invited to send to the Speaker of the House and the President Pro Tem of the Senate their reactions to the President's report and suggestions for questions to be asked of the President at his next appearance. Letters and telegrams received from people in all countries would be kept on file for one month, available for inspection by the press corps.

With these procedures, the activities of the President would be kept under a systematic scrutiny, with the people of the world participating in a discussion of his policies.

Through these steps—and others suggested at the Center conference—the United States could move away from "government by secrecy" toward a more open society. Congress and the press could play a vital role in the revitalization of democracy.

I would welcome comments by editors on any of these proposals.

BICYCLE SAFETY: A PRIORITY WHOSE TIME HAS COME

Mr. PERCY. Mr. President, over the past 3 years bicycle sales in the United States have increased substantially. Accompanying this fact is the unfortunate rise in bicycle-related injuries and fatalities. I was pleased to learn that the Consumer Product Safety Commission has begun taking steps to remedy this development by initiating a set of mandatory safety standards for bicycles.

The recent trend in bicycle sales can best be illustrated by manufacturers' figures. In 1972, 13.9 million bicycles were manufactured for sale in the United States by American and foreign companies. The 1973 figure rose to 15.3 million, and the projected level for this year is 16 million. Each of these statistics exceeds the figures for automobile sales, which have been estimated below 10 million for corresponding years. An estimated total of 70 million bicycles are in use in the United States today.

A disturbing aspect of this situation, however, is that there are approximately 1 million injuries attributable to bicycles each year, and 1,100 fatalities. The fact that 17 percent of the injuries reported were the direct result of mechanical or structural failures has prompted the CPSC to take action.

The new safety standards will set minimum strength and performance levels for brakes, steering systems, and frames, effective January 1, 1975. Also required will be wide-angle reflectors and road tests to establish the presence of sturdy construction, and manufacturers will be responsible for supplying maintenance instructions with each bicycle.

The increase in bicycle riding, partially owing to the energy crisis, has provided incentive for the Consumer Product Safety Commission to make bicycles a high-priority concern, recognizing them as potentially dangerous products. Despite recognition of this problem by CPSC however, according to Colman McCarthy, editorial page writer for the Washington Post, the Department of Transportation continues to consider bicycles a minor issue, and has not assigned anyone to work on matters of bicycle safety.

Mr. President, it is clear that bicycles are an important part of the American life style, and I believe that the rising number of injuries caused by improper construction and maintenance is a very serious problem. Accordingly, I encourage the Department of Transportation to follow the example set by CPSC, and begin dealing with this situation. Through the efforts of CPSC and the Department of Transportation the unnecessary deaths of bicycle riders may be prevented.

Mr. President, I ask unanimous consent that Colman McCarthy's insightful commentary entitled "Pedaling Bike Safety," in the Washington Post of July 9, 1974, and Walter Rugaber's excellent article, "United States Sets Safety Standards for Bicycles as Sales Boom," in the New York Times of July 3, 1974, be printed in the RECORD. These articles fully outline the current problems of bicycle safety in the United States, and the mandatory safety standards being instituted by the CPSC.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 9, 1974]

PEDALING BIKE SAFETY

(By Colman McCarthy)

Should bicyclists have special pathways built for them? Should cyclists be allowed to go through a redlight to get a jump on the traffic huffing in from behind? Should government agencies that provide space for cars be required to provide space for bikes? How should bike traffic over bridges be regulated? Should bikers be required to wear helmets as are motorcyclists? How does a biker make a left turn when he must ride on the far right side of traffic? Should bicyclists be given tax breaks, perhaps congressional medals, because they contribute to the good of the universe by not polluting and not using fuel energy?

These questions—some serious, some ridiculous—are among the many now being asked in American communities. In many places, they are being asked hurriedly, because suddenly bicycles are no longer seen as sidewalk toys but as potentially dangerous machines in greater and greater use. In 1973, 15 million bikes were purchased, a victory for sanity because that is more than the number of cars

Americans bought. The trend is sure to continue; General Motors recently jacked its prices for 1974 models by an average of $118, a sum that covers the cost of a workable bicycle, and with scant chance of a recall.

Unlike the operation of bikes, the issue of their safety is anything but simple. An estimated 1,100 bicyclists will be killed this year, with 1 million injured. For the first three months of 1974, according to the Department of Transportation, 137 fatalities occurred, up from 118 for those months in 1973. During the so-called energy crisis, or whatever that was a few months ago, cars and pedestrian deaths decreased 25 per cent while bicyclist deaths increased 39 per cent. Despite this carnage, the Department of Transportation assigns no one to work full time on bike safety. Several workers of dedication do all they can between other assignments, but it is mostly personal interest, not agency policy, that moves them. An annual Congressional Bike Ride occurs—conveniently downhill—and newspapers make the mistake of sending photographers to snap pictures of the hearties. What is needed are pictures of the committee meetings in which Congress refuses to deal meaningfully with bike safety.

The complexity of bicycle safety is seen not only in the actual number of machines now in use but even in the many kinds of citizens using them. Foremost are the buffs, those hunched-over wonders of 10-speed muscles who take 100–200 miles afternoon spins. Following, in slower shifts, are: the recreationalists and tourists who head for parks and picnic grounds; the pragmatists who commute between work, school and the shops and who have the pleasure not only of pedaling, but of enjoying such urban sights as motorists jammed in traffic or lining up to pay $3 for parking; the children under 14, innocents who have yet to realize the roads are crowded with drunken or incompetent adults who plow into junior cyclists in a disproportionate number; and finally, the ex-car user who is finished shelling out wasteful sums for gas, repairs, insurance, license plates, parking fees, with all of it added to personal expenses like traffic jam tension and a lack of physical exercise.

In urban areas the most basic cause of crashes is that both bike and car users compete for the same space. The mix is perilous because, as the Michigan State Safety Commission reported in April, "there is a great differential in speed between bicycles and motor vehicles, two-wheeled vehicles are more susceptible to loss of control, cyclists have little protection from injury in the event of an accident, and while trying to avoid a cyclist, a motorist may have an accident that otherwise would not have happened."

When cycling in urban traffic, the biker is most conscious of getting creamed from behind, but authorities say that most of the accidents between cars and bikes occur in crossways. Thus, the danger to a cyclist is not from behind, but from ahead or to the side. This suggests that the cyclist is deluded if he thinks motorists are automatically reckless menaces and bikers are pure and righteous. Many bikers see ,cars as their natural enemy, when actually the most monstrous threat on the road can be another bicyclist.

At recent hearings in Washington, John Forester, a California engineer and cyclist, argued persuasively that about 80 per cent of bike accidents are caused by misuse of the machine. "It is probably a lot safer to put a young child on skis unsupervised at a ski resort than to let him play with a bicycle on the streets and highways; yet allowing a child to play with a bicycle is socially permitted, while allowing him unsupervised on skis is unacceptabe to most persons. As children mature they take their bicycles into more severe traffic conditions and add bike-car collisions to the falls and bumps suffered before, and, by and large, most of these collisions are also the result of not following proper traffic safety rules. For the almost-adult and adult cyclist, so far as we know, most accidents are still caused by either improper use of the bicycles in traffic or lack of the training in evasive maneuvers which should enable the cyclist generally to avoid the errors of other road users."

Personal responsibility is always an unpopular cause. If it is not "the other guy" who causes highway accidents, then it is defective equipment, bad roads or—in the case of cycling—not enough bike paths. Campaigns are currently on to lay down cement for bicycles. But there is no sound evidence that bikeways will lower the urban accident rate. Even if bikeways are available, it is open to question how many cyclists will use them. In Washington, a natural bikeway exists along Massachusetts Avenue for nearly two miles from Wisconsin Avenue to Sheridan Circle; yet many cyclists avoid it, preferring to compete against cars for space on the road.

It would be pleasant if bicycle safety could be kept as simple an issue as pedaling along on a summer afternoon on a rural road. But as with most problems involving human behavior, community space and economics, complexities crowd in. For now it is not bike-paths or better bikes that will greatly increase safety, but only the extreme caution of the cyclist. His irresponsibility causes most crashes. Sadly, only a jolting flight over the handlebars, caused by a biker's own softheadedness or lack of skills, is likely to awaken him to that uphill truth.

[From the New York Times, July 3, 1974]

UNITED STATES SETS SAFETY STANDARDS FOR BICYCLES AS SALES BOOM

(By Walter Rugaber)

WASHINGTON, July 2.—The Federal Government issued mandatory safety standards today for bicycles, which are outselling automobiles now and are said to be involved in more than a million injuries a year.

The Consumer Product Safety Commission will impose minimum strength and performance requirements on brakes, steering systems, frames and other bicycle components sold in the United States after next Jan. 1.

Manufacturers will be required to provide wide-angle reflectors to increase visibility at night, chain guards on non-freewheeling pedal systems and fenders without sharp edges.

The Government regulations also call for a four-mile road test and an instruction manual explaining how to assemble the bicycle and maintain such basic elements as brakes and tires.

70 MILLION BIKES

The commission's action came amid a boom in bicycle riding. A spokesman for the Bicycle Institute of America estimated that 70 million bicycles were in use today in the United States.

This compares with about 100 million passenger cars. But the institute, a trade association based in New York, said that bicycles were selling faster than cars for the first time since World War I.

American and foreign manufacturers produced 13.9 million bicycles in 1972 for sale in the United States and 15.3 million last year. Production is expected to reach 16 million this year. Automobile sales in the United States have run below 10 million in recent years.

A spokesman for the institute attributed the renewed popularity of bicycles to ecology-minded young people and Federal subsidies for bicycle paths.

The recent energy crisis was only "the crowning touch," the spokesman asserted, adding that he thought the trend would continue and that the bicycle "is not the hula-hoop of the seventies."

A dramatic shift in the bicycle market has occurred during the last several years. In 1969, according to institute figures, only about 12 per cent of the bicycles sold in the United States were described as "adult-type" vehicles.

In 1974, the trade group estimates, the "adult-type" bicycle—typically a lightweight, diamond-framed bike—will account for 65 per cent of the market. The 10-speed bicycle has been the most popular model in the last two years.

The surge in bicycle riding has advanced the vehicle to the top of the safety commission's index of hazardous products. The agency put the total number of injuries at more than a million.

Of these, the commission said, 419,000 persons were hurt seriously enough last year to be treated in hospital emergency rooms. The bicycle institute spokesman said the figure was exaggerated, but he could provide no alternative figure.

The Government said an analysis of injuries indicated that 63 per cent involved a loss of control by the riders and 17 per cent involved mechanical or structural failure.

The new standards are scheduled for publication in the Federal Register on July 16. A copy can be obtained by calling the safety commission's toll-free number, Area Code 800, 638-2666 (Area Code 800, 492-2937 in Maryland).

The new standard will require brakes capable of stopping a bicycle ridden by a person who weighs at least 150 pounds, and at a test speed based on the bicycle's gear ratio, in no more than 15 feet.

REFLECTORS REQUIRED

The Government will also require that bicycles have wide-angle reflectors on the front and rear and the pedals. And bicycles must have either reflectorized tires or reflectors on the wheel spokes.

The regulations call for locking devices to hold wheels securely to frames and to clamp handlebars and seats solidly into place.

There also is a minimum standard for the front fork, that part of the bicycle frame that extends downward on either side of the front wheel. The safety commission would require the forks to withstand a static load. An official said the amount of stress applied would vary depending on the particular part involved.

Another standard would ban obstructions that extend more than five inches above the seat. This is aimed at such features as "sissy bars" behind the seat that might make mounting dangerous.

Bicycles with pedals that cannot be turned backward so as to free clothing that has been caught will be required to provide protective guards over their drive chains.

ROAD TEST, TOO

Other standards will govern such specific components as tires. And there is a final, over-all requirement calling for a road test that includes five passes over a 100-foot course of wooden cleats.

"The bicycle shall exhibit stable handling, turning and steering characteristics without difficulty of operation" during this test, the commission says. "There shall be no system or component failure of the structure, brakes or tires, and there shall be no loosening or misalignment of the seat, handlebars, controls or reflectors."

A commission official acknowledged that the more subjective aspects of this standard might be hard to apply precisely, but he said it was included to express the agency's intent.

In addition to the required maintenance instructions, intended to allow consumers to do some work themselves, a bicycle for sale that was less than fully assembled would have to carry "a list of tools necessary to properly accomplish assembly and adjustment."

HUMANITARIAN PROBLEMS IN INDOCHINA

Mr. KENNEDY. Mr. President, last week the Subcommittee on Refugees continued its public inquiry into the crisis of people created by the Indochina war. It met, as we have for nearly 10 years, to review American policy toward Indochina and to make the case again that the humanitarian problems of refugees, civilian casualties, orphans, and war victims of all kinds, must be a matter of vital concern to the American people and their Government.

The subcommittee received the testimony of its recent study mission to South Vietnam and Cambodia, which reported on current American programs to meet the humanitarian needs of the people in these two war-torn nations. The study mission was composed of Mr. Wells Klein, executive director of the American Council of Nationalties Service, and Dr. David French, director of the Office of Community Health Affairs of Boston University's Medical Center. Both have served as consultants to the subcommittee.

I would like to share with my colleagues the text of their report to the subcommittee, because I believe their findings bare heavily on the administration's request for aid to Indochina which is now before the Congress.

Regrettably, their report indicates that there has been very little change in the nature of the problems confronting the people of Indochina, or in the character of American policy toward the area. Despite the rhetoric of peace with honor, there is no peace. The tragedy of Cambodia increases every day. War continues. And the level of human misery deepens.

As Cambodia bleeds, as the human toll mounts with each day of continued war, in South Vietnam the "cease-fire war" has also meant that more Vietnamese have been killed, more refugees have been displaced, and more civilians have been wounded or maimed. In fact, more Vietnamese have died in 1 year of the cease-fire than all American casualties over an entire decade of war. Fighting continues in South Vietnam because our diplomacy has failed to end it.

In Laos, serious questions remain over our policy toward the newly established Provisional Government of National Union. Despite our country's general public support for the cease-fire agreements and the formation of the new government, several indicators suggest that the intent of some of our remaining presence in Laos can only help to perpetuate old relationships and the division of that country. We have gone that route once before, with tremendous cost to our own country and the people of Laos. We must not repeat this mistake and failure of the past. The new government must be given a chance to work.

Meanwhile, the humanitarian needs of the Laotian people remain as great as ever. Tens of thousands of refugees are still crowded on land that will neither support their needs nor give them any hope for the future.

Mr. President, a regional crisis of people remains acute today throughout Indochina—because our aid program has yet to place top priority on meeting the relief and rehabilitation needs of people, rather than the financial requirements of armies and governments. This administration's budget priority remains with the means of war rather than with the tools for building peace.

We are told we have a "moral commitment" in Indochina. And we hear officials say that if Congress does not provide the amount of aid requested, it "will be a violation of the clear understandings the South Vietnamese had from us at the time of the cease-fire."

What understandings? And who made them? And why are they hidden from Congress and the American people? And what about our moral commitment? What is so moral about providing vast quantities of ammunition for Indochina? What is so moral about an aid program that places a priority on fueling war and keeping a war economy afloat, rather than helping to meet the needs of war victims?

We have no moral commitment to any army in Indochina. We have no moral commitment to this or that government—to this or that official or faction. Our only true remaining moral obligations are with the people—to the millions of people in Indochina who cry for help.

We have a moral obligation to help accomplish political goals of the cease-fire agreements. We have a responsibility to remove our assistance to the people of Indochina from the political conflict, by channeling it through United Nations and other international humanitarian organizations. We have a duty to help people, not to buy time for governments too weak to support themselves.

Until these obligations also become the focus and priority of our aid program in Indochina, we are destined to meet again in a hearing next year to find, once again, that peace is still a stranger in Indochina, and that the plight of the people remains as serious as before. Until the violence ends, and political settlements are negotiated, the only "takeoff" we will see is an increase in the number of refugees, civilian casualties, orphans, and other victims of continuing war.

Mr. President, this tragic reality, of an escalating humanitarian crisis in Indochina, is documented in the report of the study mission to the subcommittee, and I ask unanimous consent that their testimony be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF WELLS KLEIN, EXECUTIVE DIRECTOR, AMERICAN COUNCIL FOR NATIONALITIES SERVICE, AND MEMBER OF THE SUBCOMMITTEE STUDY MISSION TO SOUTH VIETNAM AND CAMBODIA

Mr. Chairman: It is a pleasure to be here this morning to report to you on the visit Dr. David French and I recently made to Vietnam and Cambodia in our private capacity as consultants to this Subcommittee. As you know the purpose of our visit was to review humanitarian problems particularly in the fields of health, child welfare, and refugee assistance, which have been of concern to this Subcommittee for many years. Because of the shortness of time and the rather large body of data and observations we wish to transmit to the Subcommittee we will confine our testimony this morning to general observations and recommendations to be followed by a more detailed report later in the summer.

VIETNAM

I should have wished to begin this report on a positive note, for there have been some significant achievements in Vietnam this past year in relation to meeting the basic needs of people whose lives have been disrupted by war. Unfortunately, despite these achievements and changes in the specific nature of some of our humanitarian concerns, nothing has happened in broad terms, in the balance, to ameliorate the severity of human suffering in Vietnam. In fact, today the condition of people, the general level of misery, is as bad if not worse, than it was a year ago, and the situation continues to deteriorate.

Mr. Chairman: where we could once consider such matters as refugee care and resettlement, health services, and child welfare, as discreet areas of concern without specific reference to economic considerations, this is no longer possible. Vietnam's deteriorating economy and mounting inflation affect every aspect of humanitarian assistance.

In its simplest terms the basic problem is the continuing war with no end in sight and apparently no interest on either side in seeking a solution except on its own terms, and the eschewed economic structure and utilization of human resources dictated by total preoccupation with military considerations. Thus in 1973 Vietnam suffered a 65% inflation despite our economic aid, and another 26% in the first four months of this year. In ten years Vietnam's urban population has grown from 15 to 45 percent, and with the withdrawal of American forces, with their same 300 million dollars of personal and military spending, unemployment and under employment are rampant in urban areas. With this unemployment, the more than one million men in the armed forces, and the large number of people in government service, more than half of Vietnam's work force is either not working or unproductive in economic terms. In short, Vietnam is in the midst of serious economic depression compounded by an alarming and mounting inflation.

Against this backdrop it is not surprising that malnutrition is increasing alarmingly in urban areas as people are forced by economic necessity to switch from rice and protein rich foods to starchy substitutes. School drop-outs are rising as thousands of families can no longer scrape together the 3,000 piasters or five dollars per year required for school attendance. It is estimated that the number of "street children" has doubled since the beginning of last year, and infant abandonment is clearly rising as a result of economic pressure despite efforts to keep children with their families.

Mr. Chairman, it seems to be generally acknowledged that humanitarian concerns in Vietnam, especially today cannot be viewed, or resolved, outside of the broader economic context. The degree of unanimity on this is reflected in the similar views held by yourself and Ambassador Martin. Obviously there is need for economic stabilization if the people of Vietnam—refugees, children, orphans, the elderly, and the urban poor and destitute are to have any reasonable chance of progression beyond the struggle for sheer sur-

UMI

vival. How stability is to be achieved, at what level, with what hard decisions and belt tightening, and with what economic input from the United States, and through what mechanisms; these are the critical policy decisions to which this Subcommittee, the Congress, the Administration, the American people and the GVN must address themselves. Furthermore we must be clear in our own minds as to our obligations and our objectives. We may not agree, but at least let us understand the relationships between the economic, the political and the military in Vietnam. Finally, in considering how some degree of economic stability can be fashioned in Vietnam, we must also consider the needs of our own country caught in the pincers of inflation, and recession, and what some of us feel to be our basic humanitarian obligations in other lands such as the Sahel and Bangladesh where survival, not stability, is the pertinant concern.

Before turning to these questions, I would like to digress and report to the Subcommittee on recent developments in the fields of refugee resettlement and child welfare, particularly because the apparent, if still somewhat tentative, success of refugee resettlement has implications for broader policy.

A year ago, following the 1972 offensive and the upsurge of fighting after the ceasefire, refugee camps throughout Vietnam contained over 600,000 refugees with many additional people in refugee status out of camps. The deplorable situation of these people was documented in our testimony and the Subcommittee report last year.

As of our visit several weeks ago, however, these camps were almost entirely empty with the few remaining thousand refugees scheduled for resettlement in late June or early July. This significant achievement of return-to-village and resettlement was carried out by the GVN with major financial assistance and support from AID. I do not mean to suggest that there are no problems with the resettlement program, for there are many, but the overall direction is appropriate, given that conditions prohibit many people from returning to their original homes, and the program is being handled relatively well.

It was also comforting to note there is no indication that the GVN is using refugee resettlement as a means of expanding territorial control although in some cases this may inadvertently occur. By its nature, resettlement in Vietnam means placing people on previously untilled land. Thus resettlement could possibly be interpreted by the PRG as a move by the GVN to extend its territorial control, but such an interpretation based on present evidence would be both incorrect and most unfortunate, for there is no advantage to either side in making refugee resettlement sites a new focus of armed conflict.

Also, and contrary to the views of our Embassy, we could see no evidence that the PRG or NVA are specifically targeting refugee resettlement sites for military harassment. In Quang Ngai, a good deal of military activity swirls about resettlement and return-to-village locations, but this pattern has been endemic in Quang Ngai for many years. Otherwise, while refugee sites are periodically caught up in the fighting or receive almost random attacks, so do other civilian locations. Main force military activity seems to devolve around strategic objectives and lines of communication rather than population centers.

As mentioned earlier there are many operational problems, some of them serious, in the resettlement program. These include: inordinant delays in land clearing causing a backup of refugees living in totally inadequate staging sites; problems of land title; inadequate support from other ministries; particularly agriculture, public works, and health; fresh water supply and irregation; and insufficient attention to local development projects. Also the GVN and AID have been generally overoptimistic with regard to the period of time refugees will need supplemental assistance before becoming economically viable. Some land areas selected for resettlement seem, at best, marginal, and these people will require considerable assistance not presently budgeted or programed if they are to become self-sustaining.

Yet with all of its problems one must conclude that the resettlement program, if given sufficient follow through, will have significant results in moving large numbers of people out of a squalid state of dependency back to the land and their own homes (whether new or old) where they will once again be economically and socially productive.

The apparent success of the refugee resettlement program under the able leadership of Deputy Prime Minister Doctor Phan Quan Dan has led some 600,000 non-refugee families, mostly urban unemployed and poorly resettled refugees of previous epochs, to apply for resettlement under this same program. While it is unlikely that 600,000 families, or over three million additional people could, or would, be resettled in this manner, Dr. Dan estimates (and he has a good track record) that upwards of 1,000,000 people could be returned to the land over the course of the next two or three years. Short of peace, which is the ultimate solution, such a program, if adequately supported, would be a major contribution to economic and social stability, and would begin to bring some semblance of normality to Vietnam.

Unfortunately progress in the field of child welfare has not paralleled that in refugee resettlement. Only in the area of adoption has significant progress been made as measured by services presently available to children. There are now six American and international adoption agencies working in Vietnam. In general they are adequately funded including major support from the U.S. Government. It is important to recognize that intracountry adoption is the best available alternative for only a few of Vietnam's tens of thousands of disadvantaged children, and that those voluntary agencies now engaged in intercounty adoption are sufficient in number and professional competence to handle the problem in terms of the essential criterion—what is best for the children.

Members of this Subcommittee will remember that in previous testimony I have emphasized the need for adequate intercountry adoption services in Vietnam. With the progress made in recent months I must now state just as forcefully that further preoccupation with inter-country adoption, as against other child welfare services, would pose a false issue working to the detriment of those tens of thousands of disadvantaged children for whom Vietnam is, and will always be, home.

Turning now to other aspects of child welfare. It was more than fourteen months ago that this Subcommittee held a special hearing on "Orphans and Child Welfare in Vietnam." Subsequent to that hearing we received many assurances from the Government that child welfare concerns in Vietnam would receive priority attention. You will remember, Mr. Chairman, that shortly thereafter you and I met with Secretary of State Rogers on this same matter, and that during our discussion it was evident that the State Department and AID recognized the urgency of child welfare concerns in Vietnam. In short, it appeared that a long last the children of Vietnam would receive some reasonable attention.

Yet, fourteen months later funds for child welfare services (with the exception of adoption) are only now reaching those voluntary agencies who will actually program these services. The urgency articulated in Washington seems not to have reached Saigon, say nothing of the children who are, by and large, as they were fourteen months ago.

AID funds for child welfare services are being channeled primarily through voluntary agencies. These agencies have the professional staff and experience to provide immediate impact which the Ministry of Social Welfare lacks. Yet, in essentially by-passing the Ministry of Social Welfare to achieve immediate impact, AID is mortgaging the future of services to children in Vietnam. As Dean Dumpson stated in his testimony last year ". . . most of what we can do for children in Vietnam can only be accomplished through Vietnamese institutions. It is, therefore, imperative to strengthen the Vietnamese Government and voluntary agencies at the same time we are addressing ourselves directly to the immediate needs of children." Ignoring this admonition is a serious deficiency in our approach to child welfare. The objectives of immediate impact and of strengthening Vietnamese social welfare institutions are not mutually exclusive.

Another area of great concern which persists in the question of priority given to child welfare by the GVN. In our testimony last year Dean Dumpson and I urged the U.S. Government to ". . . raise the issue of the welfare of children with the Vietnamese Government at the highest level so that child welfare programing will receive equivalent priority on the Vietnamese side." We observed that "at this point the Vietnamese Ministry of Social Welfare is at the bottom of the Government's administrative structure and receives scant support in terms of funds and personnel."

In a separate report submitted to AID last fall after visiting Vietnam at the invitation of Ambassador Martin, Jean and John Thomas recommended ". . . what is needed in the welfare field is the same type of attention from President Thieu as he gave to the refugee efforts. What is most necessary is the enacting of a Presidential decree establishing an interministerial entity for social welfare."

Whatever the mechanism, it is apparent that our approach to child welfare will remain lopsided and inadequate until both we and the GVN are willing to give equivalent priority to this area. We would once again suggest that the Embassy and AID raise the question of child welfare and strengthening the Ministry of Social Welfare at the highest level.

Mr. Chairman, I would now like to return to that basic question which the Congress must shortly face in its deliberations on the Foreign Aid Bill—what should be the level of economic assistance to Vietnam and to achieve what objectives? The Administration has asked for 750 million dollars in FY 1975. This is an amount far in excess of that provided in FY 1974. The rationale for this request is that if we provide a higher level of economic assistance for several years Vietnam will achieve economic self-sufficiency and will no longer be dependent on the United States. This is a seductive argument but I have a strange feeling of "deja vu." I fear we are again being asked to see the light at the end of the tunnel.

In economic terms there is considerable question whether self-sufficiency can be achieved in this time frame particularly in the midst of a continuing war. The World Bank suggests that South Vietnam will be dependent on outside economic assistance and foreign exchange support until at least the 1980's. Furthermore, a significant portion of the 750 million dollars is slated for capital development in one form or another. One must question whether a wartime economy with all its attendent abnormalities is the place to embark on a major program of economic development.

The proposed level of economic assistance to Vietnam must also be viewed in relation to our own domestic needs, which are considerable and obviously growing worse, and in relation to our economic assistance responsibilities in other areas of the world. Many of the less developed countries could achieve significant economic progress and in some cases reach "take-off" with a continuing fusion of capital on the order suggested for Vietnam.

Economic assistance obviously has political implications. With the level of assistance proposed for Vietnam we are trying to achieve by economic means what we could not by military—we are caught in the inertia of the past, and are still trying to "win the war". But peace can not be bought. If peace is to come to Vietnam, as it eventually must, then it will result from the resolution or compromise of those basic differences between the contestants which have been generic to the conflict for decades. Nothing will be achieved by the big powers loading their respective sides of the scales with more and more assistance. On the contrary, this dependence on others has the effect of further rigidifying the situation and prolonging the war. Why seek a resolution, why start the long and painful process of identifying possible areas of compromise and reconciliation when the United States, or China, or Russia are always ever present to maintain the status quo?

In advocating both a reduction in, and restructuring of, our economic assistance to Vietnam from that proposed I am not suggesting we have no obligations—we clearly do have. However, our obligations are not to a specific government but rather to the people of Vietnam and to the elusive promise of peace. The objectives of our economic assistance must be the achievement of economic and social stability and the reconstruction of the human and material resources of Vietnam. As a nation we should be willing to underwrite the costs of these programs. However, our commitment to long rang economic development, to a new and more sophisticated economic structure, to industrial parks and the like, these should be held in abeyance until such time as a peace settlement is achieved and such proposals can be judged on their own merits and in relation to similar requirements in other parts of the world.

Over the years you, Mr. Chairman, and this Subcommittee have repeatedly emphasised the need to involve multilateral UN family agencies in programs of humanitarian assistance to Vietnam and other countries of the Indochina peninsula. In the past some of these agencies have evidenced some reluctance to become too deeply involved in Indochina, and our government has hardly played the enamored suitor. At this junction, however, UNICEF, UNHCR and the IOG are each considering significant program expansions in Indochina, while WHO, UNDP and others may be considering similar actions. These initiatives are in keeping with the recommendations of this Subcommittee over many years and, theoretically at least, they are in line with the Administration's policy of encouraging additional economic and humanitarian assistance to the people of Vietnam, Laos and Cambodia.

There is a great deal which can be accomplished, and probably best accomplished, through multilateral assistance. In Vietnam, for instance, the Ministry of Social Welfare desperately needs technical assistence, as well as recognition, if it is to fulfill its mandate. UNICEF is the logical vehicle to provide assistance of this nature. If one considers Vietnam's estimated three percent rate of population increase together with its population structure of an unusually large numbers of young women about to enter their child bearing years, the prospects for economic stability, say nothing of growth in real per-capita income, are alarming. So for political and religious reasons Vietnam has been unwilling to come to grips with its population problem. Yet it must, and on a crash basis, if any economic assistance is to be meaningful. Multilateral assistance in family planning and maternal and child care, through UNICEF and the UN Fund for Population Activities would probably be the most effective and expeditious approach to this critical requirement. If something is not done immediately to control population growth in Vietnam, we automatically shelve any prospect for economic stability.

In both Vietnam and Cambodia UNHCR could provide vital assistance in refugee care and resettlement programs as could WHO and IOG in the health field. The important city-to-farm program in Vietnam would be a logical focus for assistance from UNHCR. In Cambodia, UNICEF and WHO could make important contributions to assisting the Khmer government in dealing with its serious health and nutritional problems.

In each of these program areas "funds in trust" mechanisms as well as "earmarked funds" can be utilized to support multilateral assistance and internationalize humanitarian assistance to Indochina. Yet at the very moment when it finally seems possible to anticipate significant multilateral assistance to the countries of Indochina, our government has taken a major action which, if followed to its logical conclusion, could unravel the entire structure of multilateral assistance throughout the world. I refer, of course, to our recent statement that since the United States provides 25% of UNICEF general funds, no UNICEF general funds should be used in PRG or DRVN areas of Vietnam. Obviously, if this dictate is enforced, then any nation, contributing to any general fund, of any UN agency, could exercise veto power over the entire program of that agency.

Mr. Chairman, I will end my testimony on Vietnam with the following observation. If it is our policy to isolate the PRG, the DRVN and the Khmer Rouge from international contract as was for so long our policy toward China, then our stance vis-a-vis the use of UNICEF general funds has a certain narrow international logic, even though it sets a precedent we may one day regret. If, however, we believe that international contact may open up channels of communication and possibly lead to a lessening of the extreme rigidity which presently characterizes the PRG, DRVN and Khmer Rouge factions, then our policy with regard to the use of UNICEF general funds, and its broader implications is totally unrealistic and reflects a level of political paranoia that borders on the absurd. Do we really believe that our interests will be violated if UNICEF provides assistance to children in these areas, or are we simply caught in the same inertia of the past with its tunnel vision?

CAMBODIA

The situation in Cambodia is markedly different from that in Vietnam in almost every respect, and comparisons between the two countries are not generally fruitful. During the four years of war in Cambodia a good half of the some seven million population have been displaced to some degree. The American Embassy estimates that there are currently upwards of 1,200,000 registered and unregistered refugees in the approximately 20% of the land area presently controlled by the government. These refugees represent approximately 23% of the total population under government control.

Since early 1973 the refugee population almost doubled its previous size. To quote a recent Embassy report: "The refugee problem has been compounded by a commensurate drop in production as refugees moved from the land into and around urban areas. This in time has led to shortage of many basic food stuffs and is one of the contributing factors in the hyperinflationary situation which exists in Cambodia today." The report goes on to say that "The key to the refugee situation then is not only to provide immediate assistance but also to resettle as many of the refugee population as possible on productive land."

To provide a point of reference for discussion of present conditions permit me to quote from my own testimony to this subcommittee a little over a year ago. At that time I said "To summarize the refugee situation, the prognosis is dismal. Neither our government nor the Cambodian Government have any organized refugee program. Adequate housing, sanitation, and medical service are either nonexistent or in short supply. Increasing numbers of refugees are being generated by an accelerated level of military activity and intensified American bombing. The repression on both sides is increasing with the government losing its precarious control and relying more and more on American intervention. And in the midst of this are a million refugees, half of them children. They are receiving virtually no assistance and face malnutrition, serious food shortages and, in some areas, the real specter of starvation.

While the military and economic situations have further eroded and the conditions of refugees are certainly no less serious than a year ago, the recent responses of the United States and Khmer governments to the refugee problem are encouraging. Because of statutory limitations on the number of official American personnel who can be in Cambodia at any given time and because the voluntary agencies represent an excellent resource, the U.S. Government has contracted with World Vision, CARE, and CRS to provide emergency refugee assistance, medical services and resettlement assistance particularly to the refugee population. Though these agencies in their programs reflect different priorities, and their programs are at different stages of development, each is operational and making a significant contribution. Together they utilize 47 international staff and 141 Khmer staff. In addition, the Indochina Operations group of the International Red Cross (ICRC & LICROSS) has five highly effective medical teams operating in Cambodia.

On its part, the Khmer Government has begun the difficult task of reorganizing its response to the refugee crisis. The new Minister of Refugees, M. Kong Orn appears both concerned and competent. He faces a difficult ask and deserves all the support that the U.S. Government can provide. Although the present government structure is clearly inadequate to deal with the enormity of the Khmer refugee problem, a reality recognized by both governments, it is, nonetheless, important that U.S. Government and private agency efforts be undertaken in consultation and coordination with the Khmer Government. This is a matter of both principle and practical effectiveness.

In response to a suggestion from the American Embassy the Khmer Government has recently organized the Resettlement and Development Foundation, a semi-autonomous body where membership is drawn from the Khmer business community. With U.S. funding the R.D.F. will concentrate on refugee resettlement. Although it only received its first funding in April the Foundation is already at work in Phnom Penh, and Kompong Thom.

While the unfortunately belated responses of the United States and Khmer governments are quite clearly insufficient to meet the enormity of the refugee problem, a positive beginning has been made and both governments appear to be moving forward as rapidly as their respective circumstances permit. Yet obviously, much more is needed, and it is to be hoped that future planning and program expansion will reflect the same energy and commitment that presently characterize U.S. and Khmer efforts.

Some specific recommendations may be in order:

While the U.S. Embassy now has six positions allocated to refugee personnel, an additional two or preferably three slots are immediately needed, particularly in view of the increasing logistical support both the voluntary agencies and the Resettlement and Development Foundation will require. In addition, if one or two additional voluntary agencies are interested in working with the refugee problem, and if they are professionally competent to do so, they should be encouraged to participate in the program with substantial U.S. funding.

In closing these summary remarks on the refugee situation I would like to briefly comment on our policy in Cambodia. While I deplore the circumstances and decisions which led to our deep involvement in Cambodia, I have the impression that our Embassy is searching for alternatives and for a resolution of the current conflict. We seem to be looking to the future rather than to the past, and this is an encouraging sign in the midst of an otherwise depressing scene.

Finally, though I do not suggest changing the ceiling on U.S. government personnel in Cambodia, an interpretation of the law or a statement of Congressional intent which would exclude U.S. voluntary agency personnel working in Cambodia on humanitarian programs under U.S. government contract from inclusion in this ceiling would be very helpful. It would permit voluntary agencies to use their personnel in the most effective manner without impinging on the intent of the ceiling.

Testimony of Dr. David French

Mr. Chairman, my name is Dr. David M. French. I am the Director of Community Health Affairs for the Boston University Medical Center and further by way of introduction I might indicate that my basic medical background is in surgery with particular training in pediatric surgery. Of recent years I have become almost completely engrossed in the field of medical care with special interest in the medical care delivery system. In June of this year I visited, along with Mr. Wells Klein, the countries of South Vietnam and Cambodia as a consultant. The observations which I have made are the result of many experiences and a fair amount of detail which cannot be developed perhaps at the time of this oral testimony but much of it will hopefully appear later in a more detailed publication on behalf of the Senate Subcommittee on Refugees.

SOUTH VIETNAM

The general health problems of South Vietnam are those which are common to most poor, underdeveloped, tropical countries. Basically, they fall into six categories: (1) infectious disease problems, which includes the very large problem of gastrointestinal infections and infestations, respiratory diseases, and tuberculosis and venereal disease; (2) parasitic disease problems, including malaria and certain special parasitic diseases, such as schistasomiasis; (3) malnutrition, which relates in a larger sense to the whole reproductive process of the population as well as to the basic ability to resist infectious diseases listed above; (4) environmental conditions of the populace especially relating to their living conditions and the practices of general hygiene and sanitation; (5) the effects of Westernization, especially those effects which are brought about by mechanization, leading to a disproportionate incidence of accidents; and (6) problems which are peculiar to the mores and social conditions inherent in the population in question. The latter have to do with the age range within the population, the usually agricultural or rural life led by the population, their customs and religion, the rate and nature of population growth or decline; and that all of these must be considered in terms of their effect on the utilization of medical care.

Although it is not beneficial at this time to go further into the basic disease and other health problems of underdeveloped countries, it is, however, important to indicate that the superimposition of prolonged warfare over a period of 30 years can create deprivation and other widespread effects on the population which have everything to do with its survival and ability to compete in the modern world.

By way of examples I would like to quote the following figures. If one looks at the combined effects of natural accidents, especially having been increased by Westernization, the accidents of warfare and combine these with the effects of infectious and parasitic diseases, one finds that in 1970 this combined effect represented one-fourth (¼) of the total morbidity of the population, this morbidity rate being shared equally between the effects of trauma on the one hand and infection on the other. If one looks at mortality in 1970 in South Vietnam one finds that over 49% of the deaths in that country were related to the combined effects of accidents, warfare and infection, and again the accidents in war were about equal to the effects of the infectious process.

Two years later, in 1972, there had been little change and, in fact, the combined morbidity effect had increased to 28.7% while at the same time the effect of mortality had dropped somewhat from 49.3% to 43%. If one considers the increasing capacity of the Vietnamese health system to record and digest its own statistics, I think it would be safe to assume that the apparent increase in morbidity has little meaning. However, at the same time, the drop in mortality over that period of time by a full 6% is significant and indeed represents an improvement in the overall ability of the medical care system of that country to cope with its almost overwhelming problems.

The ability to cope with the combined problems of war, accident and infection in Vietnam have been related to an extremely capable and astute indigenous population which has benefited by a considerable input in terms of know-how and money from the American influence in that country over the last 8 years from 1966 to 1974. It is hardly justifiable that such involvement came about because of warfare; nevertheles, this side benefit did result from this unfortunate experience. At the outset the U.S. military was primarily involved in the backup and in fact much of the front-line medical care delivered in South Vietnam. However, over the past year and one-half, this has dramatically dropped off to zero (0) and during that period of time we have witnessed an extremely good symbiotic relationship between USAID public health input and the rapidly evolving medical care system of South Vietnam.

The major implication of the morbidity and mortality causes in this country as stated above is that preventive measures could be most productive in improving the health status of the land. One needs to say about the prevention of war casualties being directly related to the cessation of warfare and, of course, much is known about the prevention of accidents whether they be in industry, on the farm, related to motor vehicles or secondary to other Western inputs which, until relatively recently were foreign to the major part of the population of this country. Prevention, again, plays a major role in approaching the control of infectious, parasitic, enteric, and pulmonary disease problems.

These four categories of disease are eminantly responsive to early diagnosis and prevention and the recognition of this fact in the combined efforts of USAID health personnel and the indigenous health structure of the health structure of this country of South Vietnam has resulted in a dramatic change in the evolution of the input of assistance and consequent development of the medical care system of that country. The early input of AID support made through a contract with the American Medical Association to support medical education in South Vietnam started that country's development in the general direction which find our own country headed in at the present time, namely, an overabundance of superspecialization ensconced in multiple hospitals, requiring a considerable amount of the Gross National Product to support them. At the same time it becomes difficult to measure the widespread benefit to the total population of such a major investment at the top.

The medical education program instituted by the American Medical Association (AMA) went about a complete reversal in 1972 and at the present time the main productive output in terms of health education and in terms of investment in the medical care system is entirely geared to the level of the districts, villages, and hamlets throughout the whole expanse of the country of Vietnam. The development of widespread use of paraprofessionals, the ability to undertake systems of identification and recording of health problems and the general education of the populace relative to hygiene, nutrition and sanitation has to a great extent evolved from this medical care system, especially through the Ministry of Health's development of the National Institute of Public Health.

I feel that it is especially important at this time to make a plea for continued and appropriate backup and assistance for the medical care system in the country of South Vietnam until they have matured to the point of being able to continue under their own steam, adequately backed up by their own economic system. Current cutbacks in economic aid through USAID are grossly endangering this support and it becomes a question of what is the appropriate method to give adequate support to the health care needs of such a developing country.

I am in perfect agreement with you, Mr. Chairman, that such support should be multilateral in type with the United States government paying its fair share of the burden. Later on in this testimony I shall go into greater detail as to our investigations of the possibility of such a multilateral approach through the mechanism of various components of the United Nations.

Introductory Comment to the Recommendations for Vietnam

In order to put the following recommendations in the proper context, it is inappropriate at this point to make some overall observations relative to the current status of the medical care system development of South Vietnam.

The medical care system of South Vietnam was jolted out of the Dark Ages by the impact of the war, especially in its latter stages over the last 8 years, where marked involvement by the United States occurred. It should be kept in mind that the Vietnamese people have been involved in almost constant conflict for the past 30 years with various nations. An entire generation has come up under the impact of various degrees of deprivation, accentuated by the constant impact of war.

The major impact of military involvement on the part of the United States since 1966 in particular saw the introduction of large numbers of medical personnel from the United States both as part of the military as well as part of various volunteer efforts. At its zenith this involvement was noted in every province of South Vietnam, at least in each of the provincial hospitals and in many instances at even district hospital levels and below. Since war casualties were handled not only by military installations but also to some extent in civilian hospitals, no fine line was ever drawn as to the extent of involvement of US military personnel in medical care delivery. Likewise, at times of lull in the fighting, US military medical personnel, as well as other US military personnel, often engaged in voluntary medical care support for the adjacent civilian population.

USAID during this same period developed a programmatic approach in the public health area which added to the input of military and voluntary health personnel from the United States and with the passage of time the USAID input became more and more heavily in terms of impacting on the evolution and modernization of the medical care system of the whole country of South Vietnam. The Ministry of Health and the Ministry of Education were particularly involved in this process and the evidence is quite clear cut at this time that a warm and symbiotic relationship existed between USAID health personnel and these two agencies of the Vietnamese government.

Likewise, the same excellent relationships apparently existed throughout the lower echelons of the health care system although initially the major impact was at the top. It is my observation that the development of the health care input of USAID was allowed to proceed with a minimum of interference on the part of those components of the American government that were primarily interested in the political aspects of the conflict in Vietnam. Evidence of this political conflict and its support are still very apparent in almost every other aspect of American involvement in Vietnam, but the health aspects seem to remain almost completely free of domination or interference by political forces.

It is also interesting to note that health personnel involved with major responsibilities in South Vietnam have evolved considerably from what must have been their normal state in the United States in that they ultimately became convinced of the need to make a major investment at the level of the interface between the individual person in Vietnam and his medical care system. For this reason an initial major investment in medical education for the purposes of developing highly trained specialists and a topheavy hospital-oriented medical care system similar to that of the United States was halted.

A major conference was held in 1972 with input from outstanding consultants from other developing countries which led to a reorientation of emphasis for the medical care system with a major commitment to the field of community medicine and the training of community medical care practitioners who would be spread throughout the length and breadth of the land. In addition, a major commitment was made to train other kinds of medical care personnel likewise to be distributed throughout the length and breadth of the land to work at the district, village and hamlet levels in order to make a major impact in the area of public health and preventive medicine.

Since that time this reorientation or new approach is in evidence everywhere and the public health personnel of USAID and the Health Ministry and Educational Ministry as well as the government of Vietnam are to be commended for this approach which is already beginning to show signs of payoff in terms of impacting on the health care needs of this country. There is evidence of increasing utilization of health care services in this country as a result of positive experiences by the populace which had previously been heavily dependent upon a traditional medical care system. The unfortunate thing is that as success mounted in this rational approach to the development of medical care, cutbacks in support both in terms of direct funding by USAID and personnel input from USAID appear to be endangering the continued successful development and could perhaps prevent full maturation of a system which undoubtedly would ultimately be able to stand on its own two feet.

I would like to indicate, Mr. Chairman, that this situation is particularly precarious in terms of the medical logistics and supply system which has been developed allowing the broad distribution of pharmaceuticals and other necessary medical supplies throughout the country, the capital development and improvement of the district level and below health facilities (MID and MD), the development of the Under Six Program which is a special maternal and child health program dependent upon the expansion of the capabilities of midwives, the National Laboratory Program which is on its way to developing a standardized system of laboratory support for the entire country, including the training of necessary personnel, and the multiple programs in the process of developing through the emerging National Institute of Public Health.

It seems to me to be unquestionable the nature of this humanitarian aid in the medical care field and it would seem that it would be important to reorder priorities such that support could be maintained in an adequate amount to assure its continued development and maturation. The accompanying chart which takes into account the reduction of US funding input, the increase of the government of Vietnam funding input as well as inflation relative to the piaster shows that in actuality there has been a steady but slow decrease in overall funding input into the medical care system of Vietnam.

VIETNAM

Recommendations

A. Continued General and Special Support of MOH

1. Planning and Program Development—

a. Development of health education system—not only the medical school at Saigon, but also helping the medical school at Hue and the new private medical school in Saigon. Additionally via the National Institute of Public Health develop medical support personnel training and education to increase the realization of a program of preventive medicine and public health. Specifically, these include the laboratory, medical logistics and supply systems, pharmacy, epidemiology and field survey, midwifery, sanitary and environmental and health education personnel.

b. Support and consultative services directly to the Ministry to increase their capabilities nationwide.

2. MOH support to assist in development of capability to carry out ongoing evaluative methods capable of feedback into operating medical care system.

B. Project Support

1. Logistics program—This is in danger of AID support cutback leading to collapse.

2. National Institute of Public Health—An existing well run and developing multilateral project through the UN destined to play a significant role in the country's health care future. Advise continued support towards its completion and of ongoing programs.

3. MCH Program Development—A major area of program development since 65–70% of population is either children or mothers.

a. Under Six Program—been developed via AID, MOH, and National Institute of Public Health, needs funding input to make it a reality at district, village and hamlet level.

b. Family Planning—population growth now at dangerous level of 3%/year, outstripping economic growth capabilities. Government support is feasible.

c. Special Manpower Development—especially in training of midwives to assume role in basic child care under six years.

4. Facilities Development—

Completion of development of MID (district) facilities and further development of MD (village) facilities strongly recommended. Project in danger of extinction because of funds lack—AID.

C. Multilateral Aid for Development of Health Program

Multilateral aid for the development of health and social welfare conditions in Southeast Asia has been talked about over the last couple of years but has shown very little evidence of practical development. For this reason, a special effort was made to investigate the current status of this approach and it would be worthwhile to review this process.

On the way to visiting Southeast Asia the Senate team stopped off in Geneva where contact was made with the Indochina Operations Group, the UN High Commissioner for Refugees and the World Health Organizations. Col. Douglas Gill, Chief of Operations, IOG, and Mr. Jean Pierre Hocke, Chief of Operations, ICRC, discussed in some detail the continued function of the IOG. This organization had initially expected to be inoperative after an initial year's function, but finds itself now beyond one year and expecting to have to function for an additional nine months. The IOG was temporarily set up as a combined operation of the International Committee of the Red Cross and the International League. It was set up for strictly emergency purposes since the International Red Cross in effect sees itself as operative only under emergency circumstances. At that point we learned of the virtual dependence upon the IOG for all emergency medical care operations in the country of Cambodia and this subject is taken up in more detail under the discussion relative to the country of Cambodia.

The IOG does not look upon itself as extending indefinitely in its operative approach into the future and is looking to be relieved by some other kind of international emergency operative entity.

We also met with the UN High Commissioner for Refugees, Sadruddin Aga Khan, who discussed in some detail his plans for the initiatation of a greatly enlarged and strengthened refugee relief program for the Indochina Peninsula. I was particularly interested in the nature of the medical care support that the UN High Commissioner for Refugees would anticipate and he indicated that they were cognizant of extensive medical care needs possibilities and that they would call freely upon WHO and UNICEF to assist them in this regard. They felt that there was a good past history of cooperative activity between these three arms of the United Nations and he felt that this would also operate smoothly in the case of Indochina if adequately supported financially by the various nations through the United Nations.

We also met with Dr. Belleride of the World Health Organization in Geneva who again indicated the great willingness of WHO to cooperate in a joint venture with UNICEF and the UN High Commissioner as indicated to meet refugee and general humanitarian needs in Indochina. Dr. Belleride, however, indicated that the functional structure of WHO was such that all operations must of necessity emanate from the Southwestern Pacific Office located in Manilla, The Philippines.

It is important at this point to review briefly the nature of contacts with various UN officials in Indochina, itself.

Upon arrival in Bangkok, Thailand, we met with Mr. Mace, the Deputy to the UN High Commissioner for Refugees who had just completed a short tour of South Vietnam at the request of the UN High Commissioner for the purpose of program development. We were briefed concerning some of his findings and it was indicated to us further the willingness of the Office of the UN High Commissioner for Refugees to be cooperative with the United States in terms of developing multilateral support for relief. It was also indicated to us that they were hopeful of having operative programs underway by October of 1974.

Our next interface with UN officials was at a luncheon in Saigon held by Mr. Pierre Sales. Present at this luncheon were Mr. Paul Nelson, Social Development Advisor for UN, Mr. Jean Jacques Deschamps, UNICEF Program Officer sitting in for Mr. Ralph Eckert, and Dr. Richard Coppedge, WHO Representative *ad interim* and Project Manager for the National Institute of Public Health Project. At this luncheon we again broached the subject of multilateral approach through the UN and specifically utilizing three components of the UN, namely, UNICEF, WHO, and UNDP, in addition to the good offices of the UN High Commissioner. The conversation indicated that there was strong acceptance of this approach. There had obviously been some contact between Geneva and the UN officials with whom we lunched, indicating that as a result of our recent visit to Geneva there was developing a feeling of agreement there, as well.

At yet a later luncheon held by Dr. Richard Coppedge, I had an opportunity to speak directly with Dr. Dy, Director of the Southwestern Pacific Section of the WHO. Dr. Dy was the last cog in this wheel and he indicated that it was his policy and that of the Southwestern Regional Office of WHO to strongly support health and humanitarian developmental programs and that they were giving special preference to the countries of the Indochina Peninsula recently set back by the ravages of war. He was agreeable to the multilateral approach which would allow the enlargement and development of programs by WHO and indicated that all that was necessary was that the specific country make a formal request for this assistance and that the WHO would be more than willing to respond.

Elsewhere in this testimony Mr. Wells Klein will enlarge upon conversations which he had with the UNICEF people in New York City, but I think it is safe to say at this point that there was no lack of agreement at any point and in fact it would be safe to say there was nodding enthusiasm as we continued to pursue the subject of multilateral support through the UN throughout our trip. Mr. Chairman, I am convinced that the proper initiative exerted at this point would receive immediate response by the four agencies which we interfaced with from the United Nations.

CAMBODIA

Only three days were spent in this sad and beleaguered country, allowing but a minimum of information gathering. In addition very little prior information is documented regarding the function and organization of the health care system.

The problems of Cambodia are vastly different from those of Vietnam though they share the common denominator of war. These differences are:

1. *No prolonged U.S. military presence*

Much of the progress underway in Vietnam was an unplanned by-product of U.S. military presence. This along with planned medical support not only of the military but of necessary of the civilian side of medical care resulted in a strong infusion of Western know-how, not just into the medical-technical armamentarium of Vietnamese medicine, but also into the organizational, structural, and educational aspects of the medical care system. All of this was supported over the last 8 years with a vast input of American dollars. The latter albeit disproportionately small compared to dollars sunk in direct military aid, nevertheless in the setting of Southeast Asia this represented a major quantum jump.

Much can be said in criticism of the lack of planning as much of the early U.S. input into medical care development occurred. This obviously came about as a result of U.S. objectives which were not initially designed to help the Vietnamese medical care system. It would be interesting to study the amount of waste in humanitarian terms of this investment of U.S. know-how and dollars resulting from the preoccupation with military concerns.

Cambodia is certainly blessed in that the magnitude of destruction that would have accompanied a U.S. military presence did not occur. At the same time, however, there has been no spin-off of U.S. know-how and dollars into the modernization and upgrading of her medical care system which finds itself swamped by combined demands of a growing population's day to day needs and the continued added burden of military and civilian war casualties.

2. *Peculiarities of war and geography*

At present there are two major divisions of population and land for which the Khmer Republic finds itself responsible. There is a large urban population in the city of Phnom Penh which has swelled in size over the last four years of war, beginning in 1970, from approximately 700,000 to estimates which are now at least 2 million people. Currently Phnom Penh although remaining isolated is surrounded by a relatively small amount of arable land before reaching a perimeter which is the interface between the two political forces which are currently involved in the struggle for the control of Cambodia.

The second population group is that which exists in the outlying pockets of land which are widely interspersed throughout the eastern and some of the southern part of the land of Cambodia containing the remainder of the 80% of the population of this country. The total land controlled by the Khmer Republic is about 20% whereas the population controlled is about 80%.

This separation betwen the central government and its resources in the capitol city and the remainder of the country in outlying pockets which are inaccessible much of the time by ordinary means creates an insurmountable logistical problem relative to any concerted health care effort which the Cambodian government, using their current resources, might be able to overcome.

The few reports which we have been able to evaluate through U.S. government sources or through those of the United Nations have almost invariably dealt with the city of Phnom Penh and have not at all divulged any information relative to the outlying areas wherein perhaps two-thirds of the population of Cambodia now resides.

Our team was lucky in being able to visit two of these outlying areas, one at Kompong Thom and the other at Kompong Chhanang. The latter area had been the site of a major battle involving some 16,000 troops only four days prior to our arrival and we had an excellent opportunity to see the impact of war casualties on a badly divided and poorly developed medical care system. Kompong Chhanang is a provincial capitol which has a provincial hospital.

The provincial hospital was visited and we had the opportunity to see the Swedish surgical team which has been stationed there since 4 March 1974. The surgical team works under the direction of the Cambodian staff leadership and consists of one surgeon, one operating room nurse, one nurse anesthetist, and one intensive care nurse to maintain postoperative care for surgical patients. In the period of time since the surgical team has been present they have admitted 129 surgical patients and done 171 operations. During the early period up through May war activities in the area were at a low level and the major portion of the surgery was relative to assistance of civilian medical care needs, both of an acute nature as well as cases of longer standing status.

Since the beginning of June, however, there has ben a steadily increasing amount of war activity in the area and since the 10th of June only acute war injuries involving both civilians and military personnel have been handled by the surgical team. No civilian activities have been allowable and all of their surgical beds have been totally filled. In addition to their surgical activities the team has undertaken the training of Khmer nurses, working in tandem with other nursing personnel on the surgical team such that they might ultimately take over these responsibilities.

Had it not been for the presence of the Swedish surgical team it is estimated that at least 80% of the surgical cases handled since the beginning of increased hostilities on the 10th of June would have had to go to the hospitals in Phnom Penh. It is important to note that this, likewise, is some what of a logistical problem since it is impossible to transport other than by means of airplanes and there is some question as to the nature of the survival of many of these patients had such an evacuation been necessary.

A second point to be made in this regard is that the conditions in the hospital of Kompong Chhanang appeared to be considerable better than those seen in two of the major hospitals in Phnomh Penh. The staffing was considerably better, primarily because of the presence of the Swedish team in the provincial capitol, whereas in the capitol city of Phnom Penh, physicians were in exceedingly short supply, having to divide their time between their private practices and the governmental practice which is carried out in several hospitals of the capitol city. The exceedingly small amount of pay given by the government for the latter activity requires almost all physicians to spend the overall majority of their time in their private practices and, as a consequence, large numbers of patients appear to be receiving minimal or no care under exceedingly overcrowded and unsanitary, literally filthy, conditions.

3. *Problems of nutrition*

Again, the problem is divided into two major components: first are the nutritional problems of the capitol city, Phnom Penh, and secondly are the problems which are to be found in the outlying provinces.

Since April of 1974 at the establishment of the Resettlement and Development Foundation, there has been notable activity in some of the outlying provinces relative to the reclamation for agricultural purposes of land. We had an opportunity to visit such a site in the area surrounding Kompong Thom where there is underway the cultivation of 5,000 hectares of rice. We were given an interesting briefing by the provincial military staff, indicating how they had maintained a sufficient perimeter around the provincial capitol of Kompong Thom within which active cultivation of rice has been made possible.

Much of the land under cultivation in this area is virgin land and it is expected that these early crops will be of high yield although replanting will necessitate the utilization of fertilizer which is in exceedingly short supply, not only in this country but in the world market. The cooperative efforts between the AID staff and the governmental staff of the Khmer Republic and local officials has been exceedingly good.

In addition, cattle raising is underway at an increased level as is the harvesting of fish which are in exceedingly good supply in nearby streams. In addition, a significant program to supplement the feeding of infants with milk was observed. The Catholic Relief Society has established several of these units throughout the area which works in conjunction with the mothers of the children involved and successfully distributes large quantities of milk which is obviously a needed food supplement. Nursing traditionally at the breast occurs for a period of about three years in this society, but the borderline nutritional status of the mothers seriously compromises the amount of milk available to the infants. The CRS supplemental feeding program has not worked to discourage breast feeding but is given as a supplemental nutritional assistance.

It should be noted at this point that nuritional deficiency is exceedingly widespread in Cambodia. Although it was seen to exist to some extent in the provincial areas of Kompong Thom and Kompong Chhanang and in this instance primarily in the first three years of life, it was nowhere as nearly dramatically seen in these rural areas as it was in the city of Phnom Penh. Large numbers of children in Phnom Penh are currently suffering severe nutritional damage. The government has been unable to respond to these nutritional needs which have been primarily accentuated by the swelling population of this capitol city.

An opportunity to chat with some of the staff of World Vision gave us an opportunity to hear about some of their supplementary feeding operations in the city of Phnom Penh. They have identified as the major medical care problem in children, in particular, malnutrition. There are occurring on a regular basis distinct clinical cases of kwashiorkor and it was the distinct impression of these physicians that other effects of nutritional deficiency were becoming widespread, relating to the growth and development of the children in general as well as in such areas as crippling of the immunity protection system.

In addition we were given information to indicate that the steadily increasing price of food within the capitol city of Phnom Penh which is related to a rampant inflation is such that the number of malnutrition cases is bound to increase since more and more people will find it more and more difficult to purchase high protein foods. It should be indicated at this point that USAID activity in Cambodia has been directed toward relief of the food deficiency problem. 40% of the rice land which is potentially arable is now lost because of military action. This has led to the important through USAID of some 40 million tons of rice per year.

A considerable problem exists, however, in the distribution of this rice which can be transported up the Mekong River to Phnom Penh but distribution out of Phnomh Penh to the surrounding provinces is considerably problemmatic since railroads and highways have been cut and until recently the Tonley Sap have remained closed.

The cost of living over the past year has increased some 300%. The cost of meat, alone, has doubled since December (1973) and even the price of vegetables is considerably on the increase.

It is estimated that approximately half of the war refugees of the country are currently in Phnom Penh and estimates range as high as 1.2 million people being in this category. Approximately ⅔ of the refugees in Phnom Penh are cared for by their families or some official program, according to USAID estimates. The other ⅓ refugees are dependent primarily upon the voluntary agencies, an estimate of the number being cared for in this regard currently being approximately 388,000.

The USAID rice supplementation program should be reviewed in some detail since it is beset by a number of problems relating to world trade costs and legal entanglements relative to United States law and regulations.

4. *The organization and function of the medical care system*

Within recent weeks a new Health Minister has been installed in the person of Dr. Kim Vien. Dr. Kim Vien is a young, energetic cardiologist who is dedicated to the updating and modernization of the medical care system of his country. The following problems were identified as currently coming under his perview for special attention:

(1) The shortage of hospital beds:

Dr. Kim Vien indicated that there were approximately 7 million people in the entire country including approximately 2 million who live within the city of Phnom Penh. For this entire population he estimated the existence of perhaps 9,000 beds, including military beds, with a total capacity using the halls and other space within hospitals to bed down approximately 10,000 people. This leaves us with a figure of approximately 700 persons per bed and this, along with the fact that the average length of stay of patients is estimated to be considerably longer than in the United States, creates a considerable problem. The Health Minister is anxious to undertake studies to arrive at an equitable estimate of beds and distribution of these beds in various institutions that would be ideal for his country.

(2) supply shortage:

Cambodia is considerably beset by the problem of the shortage of medicine, equipment and other kinds of medical supplies that would be necessary to operate an up to date medical care system. Dr. Kim Vien indicated that currently some medicines and supplies were coming through the International Red Cross and through gifts from other countries, however, again, he does not have the means for accurately recording this input nor estimating the need, overall, for the country. He feels that the lack of medical supplies and of hospital beds is most severe in the capitol city of Phnomh Penh and although present in the outlying provincial areas is not as acute.

My observations in Kompong Chhanang and Kompong Thom would tend to confirm the Minister's impressions. Dr. Kim Vien is much aware of the fact that medical care problems of the capitol metropolitan area are considerably different from those of the outlying provinces. He has identified the capitol area's problems as they relate to nutrition, availability of medical care personnel, and environmental and public health problems being of primary importance.

At the same time he feels that the major problem in the provincial areas is the accentuation of their normal baseline medical care problems by the war situation. This overloading by the war of the provincial areas has received little assistance from the outside world and it is important to note that if it were not for the Indochina Operations Group (IOG) outside assistance would be virtually nonexistent. There are at present 7 medical teams functioning under the auspices of IOG in this country but it is obvious that the widely scattered pockets of warfare in the provincial areas dictate the need of much more assistance on a short-term basis than the 7 medical/surgical teams currently in that country can provide.

(3) Planning and budgeting for the development of a national health program:

It was indicated that approximately 2.8% of the national budget is currently going into health care. In 1973 this amounted to 1,036,006,700 Riels out of a national budget of approximately 48 billion Riels. Dr. Kim Vien indicated that his current studies lead him to desire to triple the amount of the national health budget for 1974 and that he felt that he could justify an increase of the health budget to a sum which would equal approximately 10% of the national budget.

This matter is currently under debate before the national legislature and the Health Minister was hopefully that he would at least be able to double the health budget over the amount of last year. He pointed out the fact that the increasing cost of fuel alone was creating considerable problems for their health care system, especially in regard to any development or support of the health care system outside of the capitol city of Phnom Penh.

When asked what sort of cost figure could be applied to meeting the current overall needs of the nation relative to the health care system, he stated that it would amount to approximately 16 billion Riels. Taking into account current input from the government of the Khmer Republic as well as outside input through voluntary agencies which might total as much as 4 billion Riels, one would still have a deficit of approximately 12 billion Riels in terms of what is envisioned as necessary to develop a significant operative health care system in this country under current monetary conditions.

Recommendations

1. MOH Support Operation

a. AID and multilateral funding.

b. Full survey of medical care system and resources (American University Medical Center team).

(1) Phnom Penh.

(2) outlying provinces.

c. Development of MOH Medical Care Planning Operations Group—U.S. input (University Medical Center, APHA and WHO).

(1) short term development plan—

Prop up baseline civilian medical support needs plus added war casualty input through (a) expansion IOG teams for present, (b) later development of international med-surg teams via UN auspices—UNHR, WHO & UNICEF.

(2) long term development plan—

(a) consultative input and backup of MOH and its outlying subdivisions—multilateral organization (UN)—U.S. input (University Medical Center, APHA and AMA (educational)) WHO input—various other national consultative inputs.

2. U.S. Commitment of Foreign Aid Funds Via Multilateral Channels (UN)

a. Training and education of medical and allied health personnel.

b. Development program for district, village and hamlet medical aid teams and facilities.

c. Supplies and equipment and logistics system for maintenance and distribution.

d. Develop MCH program to include—family planning, nutritional supplementation, midwifery program development, and health education, immunization.

c. Emphasis on development of a national, aggressive environmental and preventive health program.

SERMON BY DR. FELTHAM S. JAMES, AT THE PATRIOTIC AND MEMORIAL SERVICE OF THE AMERICAN LEGION DEPARTMENT CONVENTION IN CHARLESTON, S.C., ON JUNE 30, 1974

Mr. THURMOND. Mr. President, a sermon I recently heard by Dr. Feltham S. James, chaplain of the Aiken County Hospital in Aiken, S.C., has been sent to me.

The sermon, entitled "Patriotism" is an inspired message which I would like to share with my colleagues. His sermon reminds us of the pride we should all feel toward our great Nation.

Dr. James has been the chaplain of the South Carolina Department of the Amer-

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ican Legion and also past National chaplain of the American Legion. He is an individual who is not only an able chaplain but also a most dedicated and patriotic American.

Mr. President, in order that all members of the Senate may share in this message, I ask unanimous consent that the sermon by Dr. James be printed in the Record at the conclusion of my remarks.

There being no objection, the sermon was ordered to be printed in the Record, as follows:

PATRIOTISM

(By Feltham S. James, D.D.)

(Holding a small United States flag.)

Let us listen as someone has given voice to this flag:

"Remember me? Some people call me Old Glory. Some call me The Star Spangled Banner. Whatever you call me, I am *your flag*.

"But lately something has been bothering me about you and me. I remember when you used to line the streets to watch a parade and when I came by you stood straight and removed your hat or placed your hand over your heart.

"What has happened? Oh, I have a few more stars and a lot of blood has been shed—but somehow I don't feel as proud as I used to. Now, when I come down the street, you just stand there with your hands in your pockets. I may get a small glance and then you look away.

"Is it a sin to be patriotic any more? Have you forgotten what I stand for? Have you forgotten where I have been—Anzio, Guadalcanal, Korea, Vietnam? Take a look at the Memorial Rolls sometime—the lists of those who never came back in order to keep this republic free—One Nation Under God.

"Remember me? I am your flag—the flag of the United States of America. I am the symbol of a great nation which has endured for two hundred years, a nation whose government has survived longer than any other nation save one—England—another Christian nation."

What has happened? That's what I want to talk with you about.

Edith Hamilton, a world authority on the civilizations of Greece and Rome, has said: "Is it rational that now, when young people may have to face problems harder than we faced . . . we are giving up the study of how the Greeks and Romans prevailed magnificently in a barbaric world; the study, too, of how that triumph ended, how a slackness and softness finally came over them to their ruin? In the end, more than they wanted freedom, they wanted security, a comfortable life, and they lost all—security and comfort and freedom."

As we look upon our country today, we must admit that there seems to be a slackness and softness coming over the peoples called American. Would one reason for this be that we have gradually lost our sense of honest, informed, intelligent, realistic love for Country? Have we lost our Ethnocentrism?

You know, big words always fascinate me. Some people have the idea that the ability to use big words is the mark of an educated man. I don't know about that but here is a big word for you. Ethnocentrism. It is a word that sociologists use every once and awhile to show that they are educated. Enthocentrism is the belief that one's own race, culture, or religious group is better than all other groups. It is a universal belief. The early Hebrews called themselves the "chosen people." In the golden age of Greece, the Greeks regarded everyone excepting themselves as barbarians. One tribe of Indians called themselves "the Navaho," meaning "the people." Hitler tried to get the Germans to believe that they were the "pure race,"—the "Master race." The Japanese regarded themselves as superior to other Orientals. Russia is becoming increasingly proud of her culture. Have we in America lost our ethnocentrism—our pride in our Country?

In his monumental history, "The Decline and Fall of the Roman Empire," Edward Gibbon stated the reasons for the catastrophic collapse of mighty Rome. Listen to them: the rapid increase of divorce; belittling the sanctity of the home; higher and higher taxes while the public money was being wasted; a mad craze for pleasure, which became incerasingly exciting and brutal; gigantic armaments for war, while the nation decayed internally; and the decline of religion, with faith fading into mere form. Do these sound familiar? As the saying goes—"they killed the goose that laid the golden egg." Are we killing the goose that laid the golden egg by retrograding love of country?

We have cared more for security and comfort than we have for freedom, the real thing for which America came into being. And as a consequence, the once honorable concept of patriotism has fallen under suspicion.

Indeed, in some circles, patriotism is not only considered as old fashioned and out-of-date, it is actually un-Christian. The person who sounds a note of patriotism is an extremest, a square, a person to be watched—because he is dangerous both to the modern concept of government and to religion. The oft repeated idea that Christianity is supranational and therefore is not concerned with any given form of government, to my mind is a little over-worked. Even more than that—I think it is false. After all, the Christian faith is not an abstraction. It is nothing, if it is not incarnate. It takes residence in the minds and lives of men. It affects every department of life, including government. To hold that it does not matter under what political arrangement, free or slave, Christianity lives is a most difficult position to defend. Only the ultra liberal, with his twisted mind, can portend such reasoning.

Christians in America cannot be aloof and indifferent to the defense of a free government. Neither can members of The American Legion. I am sure that you realize that we are at a critical juncture in history. And the fate of mankind for centuries is inevitably linked with the fate of freedom in America. The Christian and Jewish peoples of America should be committed to genuine love of Country and dedicated to the principles of Constitutional government upon which this nation was founded and by which its spiritual values are protected.

It is a superficial judgment which excuses our responsibilities as Christians or Jews by saying that ours is now a pluralistic society, that now we have many other religious groups. With due regard to our hospitality to other faiths, this nation was founded on Christian principles, and is—or was—guided by Christian ideals—a fact to which all Christians, and most others, owe a profound debt of gratitude.

Oh, I am aware that there are those who hold that world conditions today demand that the United States surrender her sovereignty in the interest of the world community of nations. We are told that patriotism is out of date. We are told that it is actually an impediment to the sweeping revoluntary movements of our age. I assure you I am not of that group.

I don't know about you, but I think ideas like that underscore the need for a new sense of national purpose in the United States of America—a revival of ethnocentrism. Our own survival as a free nation now becomes the most important contribution Americans can make toward the future freedom upon this earth. We should know by now the futility of depending upon mutual aid pacts or summit talks when the chips are down. We should know that a workable world organization or agreement depends upon a common moral foundation. If this does not exist in the United Nations, and it does not, how can it possibly exist in some non-existent world agreement or organization. The surrender of Ameriacn sovereignty to such a mirage is utterly unrealistic.

My hope and prayer is that Americans are beginning to see that we cannot buy allies in this titanic struggle. Too often we compromise our own position in that process, and too often our foreign aid money goes to perpetuate a feudal system, as well as to line the pockets of the rulers and men of high places in those countries. The truth has come out that much of our foreign aid money is used against us. But, I believe we can win allies to our side if, instead of always backing down, we stand up to the Communist bluff.

We have been so afraid of being charged with blind enthusiasm for our Country's military glory that we have taken a dim view of even a sane and solid love of Country. This lofty attitude has backfired. The truth is that our advocates of internationalism have downgraded the idea of nationalism to the extent that it has been thought patriotic to be unpatriotic.

This is so unfortunate and so unnecessary. For there is a spiritual quality and content to the American idea and story of which none of us need to be ashamed in the current world market of shifting values. It is given to us to be the custodians of a heritage of faith and freedom that entered the stream of history in the West at the time of the American Revolution. We don't have to be vigilantes to preserve and perfect it—but we do have to be vigilant. The revolution has not yet been spent. The truth of the matter is that the American Revolution for human freedom is the only thing today that is really new. So new that the enemies of freedom are still fighting it—not on the open battlefield but from within.

I tell you we in America are up against a problem. The problem of protecting ourselves from the surreptitious tactics of those who would have us commit suicide by using our own strength to destroy the very things which are responsible for our strength. Oh, no, the Revolution is not over. It brought into being many of the very things now sought by other countries. Thus, in a very real sense, it is America that represents the wave of the future.

We should not be so apologetic and timid about telling our story, for it is the story of human achievement without parallel in history. It is the story of what political and economic freedom, coupled with faith in God as sovereign, and with freedom of worship, can do in a country with no more material resources than many large nations in which poverty, misery and tyranny go hand in hand with pagan faiths and totalitarian rule. It is the story of a people whose rights to life, liberty and the pursuit of happiness are guaranteed, not as a gift of the state, but by the Eternal God.

With all our imperfections, and we have many, Americans and Christian Americans, need not be ashamed of what we have and what we offer to the world. Basically, they are far more significant in value than crops or bathtubs or automobiles or even moon flights and space stations.

Behind and beyond our high standards of living, we may be humbly proud of such things as our free press and the secret ballot; of our care for the sick and our growth in art, music, literature and medicine; of our generosity and tolerance of conflicting ideas; of active, free serving churches; of our respect and care for the aged and children; of our sense of justice and guarantee of trial by jury; of our fair play in human relations and our remarkable progress in race relations; of our voluntary charity for the poor; of the opportunity afforded the least to develop his best. These and many other values of the same spirit are a precious part of our heritage and culture as Americans. Ours has been a unique role in the history of mankind.

It is not out of date to be proud of these things and to seek to perpetuate them in the minds and the hearts of our youth. It is not out of date to be patriotic.

(Again holding the small American flag)—Old Glory—here she is! As she spoke to us in the beginning, so let us speak to her now in the spirit of June Black:

"Your beauty is breathtaking—such colors and graceful lines! Your floating movements; the lumps you bring to the throat, and the vision of thousands upon thousands of strong and able men who have given their very lives for your protection and all that you stand for.

"Here you are—Old Glory in all your splendor. Old Glory, the fairest of them all and we weep without shame. Tears of pride are the cleansers of the soul—or, are they tears of gratitude and thanksgiving for the privilege of living in the land you represent?

"You are the godchild of our forefathers who became the maiden of their dreams. You are the essence of hope that brings those from other shores to kneel at your feet. You are the goddess who provokes your lovers to battle for your purity. Strong and burley men doff their hats to you. Children stand to salute you in classrooms across the country. Great composers have written beautiful songs in your honor. You compel men to acts of bravery, to a strength unknown even to themselves.

"You stand high and proud in the village square and hang your head in mourning when one of your great admirers finishes the life he has devoted to you.

"You are the land of the free and the home of the brave. May you ever be carried with a determined but gentle hand and be a light-house to the world.

"Old Glory—a banner of pride, a symbol of peace and hope for the United States of America and for the free world.

"Old Glory—may you long endure!"

WOMEN IN THE SERVICE ACADEMIES

Mr. KENNEDY. Mr. President, the Senate last December passed S. 2771, revising the pay bonus structure of the services, with a section introduced by Senator Hathaway permitting women to be admitted to the service academies, a provision that I supported. That amendment was cosponsored by Senators Mansfield, Stennis, Javits, and Thurmond.

However, the House struck that section before passing the bill in March. The Senate reluctantly agreed to eliminate that amendment before passing the conference report, with the understanding that the House Armed Services Committee was immediately to begin hearings on similar legislation.

The House has been holding subcommittee hearings on this issue, with at least six bills involved. In the meantime, numerous Senators also have added their support for the admission of women in the service academies.

I have sent a letter to Secretary of Defense Schlesinger, urging him to have the military service academies accept women candidates, an action which immediately would provide this opportunity to women.

The Merchant Marine Academy has accepted 15 women candidates this year, and there is no acceptable reason why the military academies, as well as the Coast Guard Academy, cannot do the same.

I ask unanimous consent that my letter to Secretary Schlesinger, as well as several news items pertaining to this issue, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

July 15, 1974.

Hon. James R. Schlesinger,
Department of Defense,
Washington, D.C.

Dear Mr. Secretary: Last December the Senate passed legislation introduced by Senator Hathaway permitting women to be admitted to the Service academies. That amendment was cosponsored by Senators Mansfield, Stennis, Javits, and Thurmond.

The House of Representatives is now holding hearings on this issue, involving at least six bills.

Meanwhile, Senators Scott and Dominick have also added their support for admitting women to the Service academies.

The time has come when we should end the arbitrary discrimination against American women who wish to serve our country, not only in the enlisted ranks of our armed forces, not only in the Reserve Officer Training Corps, but also in our Service academies.

A recent U.S. District Court decision upheld the traditional view of the Services that academy training is for combat duty only. But this decision is not supported by the facts as I understand them. Only fifteen percent of Army officer positions are combat-related. Women officers could easily serve in the remaining eighty-five percent.

Women are accepted in R.O.T.C., which certainly prepares officers for combat, and women now comprise about ten percent of Army R.O.T.C. enrollment. Furthermore, there is no statute prohibiting the Army from assigning women to combat duty. It is merely Army policy which excludes women from combat roles, just as a decision by the Secretary of the Army could permit qualified women to enroll at the Military Academy.

Under Section 6015 of the United States Code, women serving in the Regular Navy and in the Regular Marine Corps cannot be assigned to duty in aircraft engaged in combat missions or to duty on vessels of the Navy other than hospital ships and transports. But these assignments amount to only thirty percent of Navy officer billets. Women Naval Academy graduates could certainly serve in the remaining seventy percent of Navy officer assignments, and a decision by the Secretary of the Navy could allow women candidates into the Naval Academy.

Under Section 8549 of Title 10, United States Code, female members of the Air Force, other than medical personnel, cannot serve in aircraft engaged in combat missions. But combat pilots, navigators/observers, and missile operators represent only thirty-eight percent of Air Force officer positions. Women Air Force Academy graduates could certainly serve in the remaining sixty-two percent of Air Force officer positions, and a decision by the Secretary of the Air Force could allow women into the Air Force Academy.

I greatly appreciate the Department of Defense's intention to increase the number of women in the Armed Services, particularly in the officer ranks. I also appreciate the broader range of functions that the Services are now opening to women. Allowing women officers to study in our nation's military academies seems to me to be the next logical step.

I am sure that you agree that American women are entitled to equal treatment under our Constitution. In denying them the right to serve their country through the training offered by our military academies, the nation is losing a valuable resource of dedication and talent.

Women desire to enter the Service academies for the same reasons as young men: to pursue a military career, to continue a family military tradition, to be pilots, or to study in the academies specialized departments. Above all, they would like the superior academy education which will give them superior job and career advancement opportunities within the military. Service statistics show that academy graduates, as opposed to R.O.T.C. graduates, rise higher in the rank and pay scales.

If women are trained as officers in the R.O.T.C. programs—which provide an even greater number of military officers than the academies—there is no legitimate reason why they cannot be allowed to do their officer training at the academies if they are qualified. Moreover, women officers attend all of the Service War Colleges, which are at the highest level of Service education, preparing officers for general and admiral rank; yet there is no objection that War College education is only for combat duty.

The primary reasons given for not allowing women into the Service academies appear to be based on a reluctance to change tradition, and they are inherently discriminatory This conviction has been reinforced by the recent exception made to allow a Laotian general's son to attend West Point Military Academy. The argument raised against permitting women to enter the academies is that such training is for combat duty. In the case of this Laotian, taxpayers' dollars are being spent to train someone who will not even serve in the American military, whether in a combat status or not.

At a time when all of the Services are coming to recognize the value which women can bring to correcting the Volunteer Army's deficiencies with regard to quantity, quality, and social representativeness, the Service academies should immediately be opened to women candidates. This can be done by internal Service regulation. The Merchant Marine Academy, under the Secretary of Commerce, already receives women applicants. The Coast Guard Academy, under the Secretary of Transportation, and each of the Services can similarly change their policies.

I therefore urge you to use the authority you have to permit women officer candidates into our Service academies. Such a change in internal Service policy would expedite the process and obviate the need for legislation mandating female entry into the academies. Above all, it would provide an example of Defense Department leadership in the area of equal opportunity for which the country would be grateful.

Sincerely,

[From the Congressional Quarterly]

Military Academies: Should They Admit Women?

Hearings—House Armed Services Subcommittee on Military Personnel May 29, June 4, 12, 18 and 19 on bills to authorize women to attend U.S. service academies.

The Army, Navy and Air Force sent high-ranking officers and civilians to the hearings to defend one of the military's last strongholds of male exclusivity—the three academies that have traditionally produced the services' elite officer corps.

The witnesses argued that the U.S. Military Academy at West Point, N.Y., the Naval Academy at Annapolis, Md., and the Air Force Academy at Colorado Springs, Colo., existed to turn out combat-ready officers, and that women were and should remain legally exempt from combat. A federal district judge

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in Washington, D.C., unheld that contention June 19, rejecting two suits brought on behalf of female applicants to the academies.

House members who testified in favor of admitting women dismissed the combat argument as a smokescreen used to obscure the military's resistance to change. Women were joining the services in record numbers, the members said, and there was no excuse for denying them educational opportunities open to men.

BACKGROUND

The subcommittee's hearings were the result of a promise made by Armed Services Committee Chairman F. Edward Hébert (D La.) in March, when the House was considering a bill (S 2771—PL 93-277) to improve the military bonus system. The Senate had passed the measure Dec. 20, 1973, after adopting by voice vote an amendment authorizing women to attend the academies.

The amendment was offered by William D. Hathaway (D Maine), and cosponsored by Majority Leader Mike Mansfield (D Mont.), Strom Thurmond (R S.C.) and Jacob K. Javits (R N.Y.), Javits had nominated a woman to Annapolis in 1972, and made a public issue of her rejection. Even Senate Armed Services Committee Chairman John C. Stennis (D Miss.)—usually a traditionalist in such matters—gave his blessing to the Hathaway amendment.

But a House Armed Services subcommittee chaired by Samuel S. Stratton (D N.Y.) struck the amendment from the bill, saying it was not germane to bonus pay and that the issue needed more study. The full committee upheld that decision Feb. 28 on an 18-16 vote.

When the measure came to the House floor March 18, Patricia Schroeder (D Colo.), an advocate of the Hathaway amendment, charged that she and two other Armed Services Committee members had been denied a chance to vote on the issue in violation of committee rules.

They arrived after the vote had been taken but while the committee was still in session and they asked to vote, Schroeder explained. After one member voted, making the tally 18-17, she said Hébert ruled that none of the tardy members could record their votes after all. The committee's report (H Rept 93-857) listed the final vote on restoring the amendment as 18-16 against.

She had planned to offer the amendment on the floor, Schroeder added, but the bill was brought up under suspension of the rules, a procedure that bars amendments. It passed by a 237-97 vote, with 13 of the 16 women members of the House opposed. (*Vote 57, Weekly Report p. 779; story, p. 784*)

Hébert insisted there was "nothing irregular, nothing sinister" about his handling of the matter, and promised to hold hearings on the issue. Stratton said he was personally in favor of admitting women to the academies, but that the bonus bill was "simply not the proper vehicle."

Otis G. Pike (D-N.Y.), another committee member, accused Hébert of stalling. The military could have opened the academies "at any time in the last 10 years or any time this year," Pike said, "but they have never done it and will not do it."

Senate conferees agreed "reluctantly" in April to drop the Hathaway amendment, noting Hébert's promise of hearings. (*Weekly Report p. 1134*)

On June 3, Hathaway, Thurmond, Javits and Mansfield introduced an amended version of their bill (S 2351) to authorize women at the academies.

Military: opposed

"The issue is not whether women should become cadets at West Point; the basic question is whether Americans are prepared to commit their daughters to combat," Gen. Frederick C. Weyand, Army vice chief of staff, told the Military Personnel Subcommittee June 19. "I am not prepared to do that. And I believe that is the sentiment of the majority of Americans."

LEGAL RESTRICTION

The position adopted by Weyand and the other military witnesses was spelled out in an April 26 letter to Hébert from Deputy Secretary of Defense William P. Clements. The primary purpose of the academies was to train combat leaders, Clements said, and women were barred from combat by law and custom.

He cited two legal restrictions. One prohibited Navy women from serving on aircraft "engaged in combat missions" or on vessels other than transports or hospital ships. The other barred female members of the Air Force from duty on aircraft "engaged in combat missions." In both cases, medical personnel were exempted from the restrictions. Army policy also opposed female combatants, Clements said.

"To be effective and worthwhile, any program of admission of females would have to envision substantial numbers," he wrote. "To do that and to reduce the attendance of males proportionately would work serious harm to fleet and combat units and other activities which have an increasing demand for academy graduates."

Admitting women also would increase costs because new facilities and courses would be needed, Clements added.

LAW SUITS

Judge Oliver Gasch of the U.S. District Court in Washington, D.C., upheld the military's position June 19. Gasch rejected two suits filed in September 1973 by two Democratic House members from California, Jerome R. Waldie and Don Edwards, on behalf of women constituents who wanted to attend the naval and air force academies.

Attorneys for the women asked the court to rule that the military's refusal to consider their applications deprived them of equal rights in training, employment and career advancement in the military, and that Edwards and Waldie were therefore denied the chance to exercise their nominating authority fairly. The laws on women in combat did not preclude women from attending the academies, the attorneys argued, because training for many other positions was also offered.

Gasch ruled that there was a "legitimate government interest" in denying women admission: "the preparation of young men to assume leadership roles in combat where necessary to the defense of the nation." He said laws and customs did prevent women from engaging in combat. Waldie and Edwards were planning to appeal the case.

EQUAL OPPORTUNITIES

Women in the military have "excellent education opportunities" without access to the academies, Clements argued in his letter. He cited the recent abolition of the sex barrier in Reserve Officers Training Corps (ROTC) programs. The Air Force opened its program to women in 1968, the Army and Navy in 1973.

Martin R. Hoffman, Defense Department general counsel, told the subcommittee June 5 that the department had "undertaken a concerted effort to bring more women into the services in both enlisted and officer roles" by increasing recruitment efforts and opening new fields to them.

The number of enlisted women was expected to nearly double between June 30, 1973, and June 30, 1975—from 42,600 to 79,000, Hoffman said, and the boom was likely to continue after that. The trend was good news for military recruiters who had been struggling to meet quotas set for the all-volunteer service that began in mid-1973.

"I would contend that no other institution has actually done more—not talked about, but *done* more—to advance the cause of women than has the Army," Army Secretary Howard H. Callaway testified June 19. "We have opened up new job opportunities for women at a faster rate, in fact, than the women are prepared to fill them."

Callaway said 92 per cent of all Army jobs were open to women, the only exception being positions requiring "combat, unusual hazards, or strenuous physical exertions."

WHY WOMEN SHOULD NOT FIGHT

When subcommittee members pressed the military witnesses to explain why women were not qualified for combat, the answers varied. The witnesses cited biological and emotional differences, "the American ethos" and the need to preserve the all-male "Spartan atmosphere" of the academies.

The sole dissenter was Vice Adm. William P. Mack, superintendent of the Naval Academy, who said: "If the law were changed, in my mind women could do anything men could do" at Annapolis. "Having seen some Olympics on television and Billie Jean King (a tennis star), I think there would be many women who could meet the rigorous requirements of the program."

If the combat restrictions were dropped, Mack said, it would be "quite simple" to convert Annapolis into a coeducational school.

A less enthusiastic response came from newly-appointed Navy Secretary J. William Middendorf II, who appeared with Mack June 12. "I'm not very keen personally about having that law changed. . . . I don't want my daughter serving in combat," he said. "But whatever Congress says, we're going to go off and do it."

"We must recognize that combat personnel face the risk of capture by an armed enemy to a much greater degree than do other members of the armed forces," the Pentagon counsel, Hoffman, pointed out. He suggested it would run counter to "the American ethos" to subject women to capture by soldiers from societies "that don't have the reverence for women that we do."

"Admitting women to West Point will irrevocably change the academy," warned Army Secretary Callaway. "The Spartan atmosphere—which is so important to producing the final product—would surely be diluted. . . ." Callaway said the qualities of that "final product" were "mental toughness and physical capacity" and "the strength to endure and the will to persevere."

Lt. Gen. Albert P. Clark, superintendent of the Air Force Academy, cautioned against ignoring "the physiological and biological differences between the sexes and the resulting evolutionary differences in their roles in society. . . ."

"Those who press to inject women into combat roles grossly underestimate the physical, the mental, and the emotional stresses of combat . . . ," Clark continued, and the idea was an offense against "the dignity of women."

In addition, he noted, women officers leave the services at a greater rate than men because they want to have children and run households. If that pattern continued with women academy graduates, he said, "it would be a cost consideration of no small importance."

Except for Charles H. Wilson (D Calif.), who said he could see no reason women couldn't serve in combat, the subcommittee members appeared negative or undecided on the issue. "I'm open-minded," said Chairman O. C. Fisher (D Texas). "I've made no commitment one way or the other. . . . It's an interesting subject."

Marjorie S. Holt (R Md.) thought women should be exempted from combat because of their role as childbearers.

"I haven't had very much experience with women," confessed G. V. (Sonny) Montgomery (D Miss.). "I haven't been married so I don't know how they stand up in combat."

Advocates: for equal rights

"You don't seriously advocate . . . that a woman should be capable of being a platoon leader, do you?" Fisher asked fellow Armed Services committee member Schroeder after she read a statement May 29 favoring admission of women to the academies.

"I don't think there's anything unique about a woman that says that she can't do it," Schroeder answered. "Women aren't asking for any special options."

COMBAT: A PHONY ISSUE

But Schroeder and other congressional witnesses insisted that whether or not women were capable of combat was not really the issue. As she put it: "It's not like everyone from West Point immediately moves into a trench with a sleeping bag."

The contention that women should be excluded from the academies because they could not serve in combat roles was "unmitigated nonsense," New York's Stratton charged May 29. The military's real motivation was bureaucratic inertia and resistance to change, he said. (Schroeder said the U.S. Merchant Marine Academy was one bright spot; its officials agreed to consider women after she wrote to them in 1971).

According to Stratton's figures, 253 of the 834 Air Force Academy graduates commissioned in 1973 were assigned to non-combat roles. For West Point the non-combat ratio was 162 of 899 commissioned graduates, and for Annapolis 19 of 750, he said. Nearly 200 of the 1973 Naval Academy graduates went into nuclear engineering on board submarines, Stratton said.

The military spokesmen defined combat broadly, as any activity in which there was a possibility of enemy attack. But for Stratton, the definition was narrower. "There are an infinite number of very important combat support assignments that women can fill, in the combat zone, without ever having to fire a rifle—intelligence, medical, aviation, auto maintenance, communications, logistics," he said.

Dante B. Fascell (D Fla.) told the subcommittee June 4 he found the Pentagon's stand "inherently chilling" because it "assumes a constant and perpetual state of combat. . . ."

EQUAL OPPORTUNITY

"The point of equity is that if we really intend to open up opportunity for women in our armed services," said Bill Frenzel (R Minn.) June 4, "we can't only open the broom closets, we must open even the inner sanctum, the academies."

"To no one's surprise, as the pay grade goes up, the percentage of academy graduates goes up," Schroeder said. As proof, she offered a Pentagon chart showing the percentage of 1973 academy graduates in each military grade. The percentage of academy graduates in the highest pay grade was 82 for the Army, 100 for the Navy, 50 for the Marines and 29 for the Air Force.

Admitting women applicants would "increase the competition for appointments," Frenzel said, and help alleviate a problem several members brought up at the hearings—a lack of qualified applicants for the academies.

Subcommittee member Charles Wilson mentioned the feeling among some members of Congress that the expense of educating men at the academies was no longer justified. "I can see that thing growing if we keep fighting letting women into the academies," he said. "You cannot . . . give such an expensive, specialized education to one sex and not to the other."

At the request of several senators, the General Accounting Office (GAO) in 1973 began an extensive examination of the academies' costs, attrition rates and academic programs. Members also had expressed concern about reports of widespread cheating and extra-legal punishments at the academies—West Point in particular.

EQUAL RIGHTS AMENDMENT

The proposed 27th Amendment to the Constitution, approved by the House in 1971 and the Senate in 1972, would guarantee that "equality of rights under the law shall not be denied or abridged by the United States or by any states on account of sex." If the Equal Rights Amendment had been ratified by the necessary 38 states, Schroeder said, "these hearings would be moot."

Thirty-three states had ratified the amendment, but two of them later rescinded their actions. The legality of rescinding a ratification remained a matter of legal confusion, so either five or seven more states' approvals were needed by 1979 to add the amendment to the Constitution.

When the Senate considered the amendment March 21, 1972, it rejected by wide margins two amendments offered by Sam J. Ervin Jr. (D N.C.), to protect state and federal laws that exempt women from the draft and combat service. A 1970 attempt at Senate approval of the Equal Rights Amendment failed after the Senate adopted, on a 36–33 vote, an Ervin amendment exempting women from the draft. (*Congress and the Nation Vol. III, p. 509*)

After his 1972 draft amendment was rejected, Ervin offered his combat exemption amendment to "prevent the conversion of Annapolis and West Point and the Air Force Academy into coeducational war colleges," and "to prevent sending the daughters of America into combat to be slaughtered or maimed by the bayonets, the bombs, the bullets, the grenades, the mines, the napalm, the poison gas and the shells of the enemy."

Marlow W. Cook (R Ky.) responded that "combat today may be a lady sitting at a computer at a missile site in North Dakota."

Hoffman, the Defense Department counsel, declined to speculate on what effect the Equal Rights Amendment would have on the academies. But after Congress approved it in 1972, there were reports that the Air Force Academy was making contingency plans for admitting women.

In a taped conversation with Sen. Charles H. Percy (R Ill.) broadcast July 6, the former chief of naval operations, Adm. Elmo Zumwalt, urged the Navy to prepare for "that point when the constitutional amendment is ratified and all laws in contravention . . . will be struck down." Zumwalt added that he could see "no limitations on the managerial or leadership capabilities of women," and "no reason, in principle, why some day a chief of naval operations should not be a woman who has had the opportunity to serve and command at sea and work up through the necessary experiences."

The Military Personnel Subcommittee planned to continue its hearings July 16–18, with testimony from the American Civil Liberties Union, several women's groups, and members of Congress who favored admitting women to the academies.

LAOTIAN YES, WOMEN NO

On June 12 the House passed a resolution (SJ Res 206—PL 93–317) authorizing the secretary of the Army to admit "one person, who is a citizen of the Kingdom of Laos, to receive instruction at the United States Military Academy." The student would pay his own way, and would return to his own country after graduation.

Resolutions admitting several foreign students to the academies each year had usually been a routine matter in Congress, but in 1974 women's rights advocates took umbrage.

"Why should we admit a foreign national to West Point when the Pentagon continually insists that women will waste space in the academies because, unlike men, they will not be trained for combat duty in the defense of the United States?" demanded Bella S. Abzug (D N.Y.).

"I have witnessed on occasion the Pentagon's ingeniousness in twisting official policies to fit political convenience," said Patricia Schroeder (D Colo.) of the Armed Services Committee, "but this must rank among the top."

O. C. Fisher (D Texas), chairman of the Military Personnel Subcommittee, responded that admission of the Laotian student would not deprive any U.S. students of places at the academies, and that the policy was good for our foreign relations. The father of the student in question was "one of the strongest anti-Communist military leaders in Laos," he said.

But Charles H. Wilson (D Calif.), another subcommittee member, charged that the Laotian government was not democratic, and that the resolution was "contrived" after the State or Defense Department made a commitment to the student's father, Gen. Vang Pao.

"A present situation points up" the problem of training students who will serve foreign governments, Wilson added. "With 25 foreign cadets enrolled in our Naval Academy, a number of whom are Latin American, it is ironic to realize that these young men will join those same South American naval forces which are raiding our tuna boats."

The resolution passed on a 294–101 vote, with eight of the 14 women in the House voting against. (*Vote 200, Weekly Report p. 1586*)

U.S. MERCHANT MARINE ACADEMY ADMITS FIRST 15 WOMEN PLEBES

(By Roy R. Silver)

KINGS POINT, L.I., July 16.—Dwight Olsson, a 20-year-old paratrooper entering the United States Merchant Marine Academy today as women were admitted for the first time, said "If they can hack it, I don't care," but one of the women, 20-year-old Della M. Anholt, noted that there were only 15 females among the 985 men in the Academy. "I think 50–50 would be a lot better," she said.

Thomas La Costa of Westfield, N.J., whose daughter, Emily, was one of the new plebes, said: "I'm just wondering whether they're ready for these girls yet."

If all goes well for the Class of 1978, which was welcomed aboard early this morning, 15 women from 10 states will sail as officers of the merchant fleet.

TWO WEEKS OF INDOCTRINATION

The acceptance of the women, among whom are five blacks and one Chicano, is a first for any of the Federal service academies.

The 348 members of the Class of 1978 will undergo a two-week indoctrination period and a month of general academic training before Acceptance Day on Aug. 31, when the plebes will be administered the Merchant Marine oath and formally accepted into the regiment.

As for the new male plebes and the upperclassmen in summer whites, the feeling about having women in the academy varied from cautious acceptance to "let's wait and see."

Mr. Olsson, a paratrooper from the 101st Airborne Division and a native of Fort Lauderdale, Fla., decided to leave the Army and obtain a degree here. He has made 12 jumps from planes. Speaking of the women, the new plebe said: "I hope they make it." Miss Anholt, of Portland, Ore., who has had two years of college, said, "It's a challenge." She added:

"My father has been in the Merchant Marine for 26 years. It's in my blood, I like to travel and I can't get a better education. I plan to be a deck officer. I don't like to go underneath—the boiler room's too hot."

UMI

Among the women appointees to the academy were two 17-year-old residents of North Valley Stream, Victoria Panuska and Victoria Leignadier. Miss Panuska became part of the new class, but Miss Leignadier elected to go to St. Leo's College in St. Leo's, Fla., where she will major in biology.

After being measured for khaki Bermuda shorts in the tailor shop, the women, who will be called midshipmen, went to their barracks, which occupies the first floor of a dormitory that also houses males on the upper floor.

Graduates of the academy will receive Coast Guard licenses as Third Assistant Engineer or Third Mate, a Bachelor of Science degree and a commission as ensign in the Naval Reserve.

An interested observer was Comdr. George Paterno, the football coach, who was looking for potential players. When asked whether the women were included, he replied: "I'm not supposed to look at the girls."

[From the Christian Science Monitor, April 22, 1974]

Women in Uniform

(By Frederic Hunter)

Camp Pendleton, Calif.—When Mary Johnston graduated from Ohio's Bowling Green State University with a teaching degree, she had real trouble finding a job. She also had debts to pay and a yen to travel. Her mother suggested she join the Marines—and she did.

Now, 2½ years later, she's a first lieutenant. She's marrried to a 27-year old former Marine officer who's finishing a masters degree, and she's living beside the Pacific Ocean a long way from Ohio.

Mary Johnston is one of an increasing number of U.S. women whose survey of the job market includes the armed forces.

"Recruitment is going great guns," says a woman Army officer in the Pentagon. "In fact, the Army has opened a second basic training center for women at Fort Jackson, S.C.

"I don't want to make the Marines a career," comments Lieutenant Johnston. But she's not dissatisfied with the corps. "I might take another three-year hitch," she says.

NO COMBAT ASSIGNMENTS

With young women eager to join up—and young men no longer forced to—the services are expanding opportunities and responsibilities offered women. All but about 48 jobs in the Army now are open to them; restricted jobs involve only combat assignments.

Law prohibits the assignment of Navy, Marine Corps, and Air Force women to combat aircraft and vessels, but on a trial basis the Navy has placed women as "regular swabbies" aboard the Sanctuary a hospital ship.

Even the Marine Corps, that presumed last bastion of male chauvinism, isn't being outdone. Last fall Col. Mary Bane, commander of the 1,700-strong Headquarters and Service Battalion here, became the first woman marine assigned to lead a mixed unit. In addition, the corps has just launched a pilot program to place women for the first time in previously restricted stateside Fleet Marine Force commands.

Women—some 36 of them so far—also have become regulars in the Coast Guard for the first time in the guard's 184-year history. Opportunities here remain highly limited (women now are eligible for less than a dozen "ratings" and cannot be assigned to aircraft or vessels), but they are expanding.

Some 60,000 women now serve in the armed forces, a higher number than at any time since World War II, when more than 265,000 were in uniform. According to last September's figures, the Army employed some 23,000 women, the Air Force, 21,300, the Navy about 14,000; and the Marines 2,500.

Since prohibition was lifted in 1967, five women have attained general officer rank, the most senior being Air Force Maj. Gen. Jeanne Holm.

In August, 1972, the Pentagon announced that it would double the number of women in service to 85,000 by mid-1977, Pentagon sources now regard that figure as a "floor, not a ceiling."

Women join the armed forces for a variety of reasons. Many of those right out of high school are interested in acquiring skills. Others want to get away from home and travel.

Cpl. Kathleen Campbell explains: "In Oklahoma where I come from, people marry, live, and die in the same town. I wanted to do something on my own."

"I came in, frankly, to pay off bills," says Lieutenant Johnston.

Among military men the assumption persists that women join to find husbands. Many of them do. Here at Camp Pendleton, the men-women ratio is 100:1.

"Well," smiles Master Gunnery Sgt. Joan Ambrose, "isn't it nice our men want to marry us?"

Some 15 to 20 percent of service women are married. And whereas pregnancy once brought automatic discharge, waivers now are being granted increasingly to mothers who wish to continue military careers.

[From the Los Angeles Times, April 21, 1974]

More Women Than Men Trying To Enlist in New Volunteer Army

(By Patt Morrison)

So many more women than men are trying to join the new volunteer Army that the Army has raised its standards for women recruits above those for men an Army officer said Saturday.

Brig. Gen. Mildred C. Bailey, director of the Women's Army Corps and one of the Army's two women generals, told a news conference at the Sheraton-Universal Hotel. "It's a matter of supply and demand. There are more women than men seeking to enlist, and even under these standards, we're getting all the qualified women we can handle.

Women who want to become WAC's must have a high school degree or equivalent but men do not.

"What I think has created such a favorable response by women in the past 18 months is the opening up of 434 job classifications to women—all but front-line combat duty," Gen. Bailey explained.

Recent changes in Army regulations on jobs came about because "some of the rules designed to protect women initially are seen now to discriminate against them," she said.

Although the new Army woman has nearly the same opportunities as her male counterpart, she has the same responsibilities as well, Gen. Bailey emphasized.

"They must have worldwide mobility like the men, but now their families get the same benefits as do men's," she said.

But despite a new image, a majority of women in the Army still occupy the administrative, clerical, communications and medical fields which they have in the past.

"We need them in other areas—we need women truck drivers, electricians and welders. But many women are reluctant to seek other than traditional roles, thinking, 'If I train myself to be a welder, there's not much chance I can be one when I leave the Army.' Society still makes it more difficult where the Army doesn't.

Although women are still not permitted to take part in front-line fighting, they are much closer to combat than most people think, she said. In a war situation, Gen. Bailey said, women would be right behind the male troops.

"They'd be support troops for repair, evacuation, medical treatment in those areas," she said.

Although she sees the prospect of women in actual combat as "very unlikely," it is because there is no need for it and because the majority of Americans do not support the idea, she said.

Male attitudes about women in combat take two extremes, she said.

"One is the guy who says, "Well, if she's going to be here fighting, she's got to have everything the same—latrines, uniforms, everything.'

"The other is the man who says, 'Bless her heart, poor thing, she shouldn't have to stand out here in the rain, and of course she can wear earrings with her uniform.' Neither is true. I've never heard a woman in uniform say that if she were needed she wouldn't go into combat. It has nothing to do with femininity."

[From the Chicago Tribune, July 6, 1974]

Woman Could Head Navy, Zumwalt Says

Washington, July 5.—Retired Adm. Elmo Zumwalt said today he sees no reason a woman some day might not become chief of naval operations, the Navy's highest post.

But Zumwalt, who retired this week as chief of naval operations, said the states will first have to ratify the Equal Rights Amendment to the Constitution.

Without that amendment, which would strike down laws barring women from serving on combat ships, Zumwalt said women could not get the necessary experience to head the Navy.

In an interview with Sen. Percy [R., Ill.] for broadcast by Illinois television stations, Zumwalt said the Navy must be ready for ratification of the amendments, which cannot come before sometime next year.

Women now can serve only on troop transports and on hospital ships as medical personnel. But the Navy has assigned women to the hospital ship Sanctuary as part of the regular crew to determine if their presence poses any problems.

"I see no limitations on the managerial or leadership capabilities of women and I see no reason, in principle, why some day a chief of naval operations should not be a woman who has had the opportunity to serve and command at sea and work up thru the necessary experiences," he said.

[From the Chicago Tribune, July 7, 1974]

First Woman Chaplain To Take Post in Army

Fort McPherson, Ga., July 6.—The Army said yesterday its first woman chaplain, the Rev. Alice M. Henderson of Atlanta, will be commissioned here Monday.

The black minister will enter active duty as a captain in the Army Reserve and will attend Chaplains' School at Fort Hamilton, N.Y., before receiving her first duty assignment.

A native of Indian Springs, Ga., the Rev. Henderson is an associate minister at Atlanta's Cobb-Bethel African Methodist Episcopal Church.

She received a bachelor of arts degree in religion and philosophy from Clark College in 1968 and graduated from Turner Theological Seminary at the Interdenominational Theological Center here in 1969 with a master's degree in divinity, philosophy, and theology.

SST ECONOMICALLY UNFEASIBLE

Mr. PERCY. Mr. President, as time has gone by since the Congress very wisely decided against continued Government support for the development of a supersonic transport, more and more evidence which shows how sound the judgment of the Congress was has come to light. The latest evidence comes from a distinguished American industrialist Mr. William M. Allen, board chairman emeritus of the Boeing Co. Boeing helped develop the proposed SST and was one of its biggest supporters. However, now, in retrospect, Mr. Allen admits that although the SST is scientifically feasible, it is not economically feasible.

Because of the significance of this assessment by Mr. Allen, I ask unanimous consent that an article from the Seattle Post-Intelligence of June 20 of this year be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

SCUTTLING THE SST MAY HAVE BEEN RIGHT—ALLEN

(By Dan Coughlin)

Congress' controversial action in scuttling the American supersonic transport plane "could well have been a good decision," the man most responsible for the craft's original development said yesterday.

William M. Allen, board chairman emeritus of the Boeing Co., told a session of the United Nations Economic Commission for Asia and the Far East meeting here that this country will build an SST in the future however.

"The plane is not economically feasible today, scientifically feasible, yes, but not economically," Allen said.

He said the recent fuel crisis and subsequent price increases would have made the supersonic airplane unable to compete with slower jets. Congress killed the SST for environmental and budgetary reasons. Fuel cost and economy did not figure heavily in the decision, although it was discussed.

Boeing's candidate airplane would have been cheaper to operate than the Concorde as produced by Great Britain and France. Allen told the delegates to the meeting. The Concorde never has been competitive, he said.

At the time, however, the Boeing version would have "been a draw" in terms of cost-effectiveness with current subsonic jets, he said. But the new high price of jet fuel apparently has changed all that.

"It will take some doing, particularly in power plant development," Allen said.

He told the session development of a U.S. SST will come "inevitably."

"I probably won't be around to see it," Allen said. He is 73.

YEAR-ROUND DAYLIGHT SAVING TIME

Mr. CLARK. Mr. President, there has been growing disenchantment with year-round daylight saving time almost since its inception. The small energy savings resulting from winter DST provide little justification for the inconvenience it has caused. Earlier this year, along with a number of other Senators, I introduced legislation calling for its repeal.

Now, the Department of Transportation, in a report commissioned by Congress, has recommended a return to standard time during the darkest months of winter. The DOT report recommends that Daylight Saving Time be observed for 8 months of the year—excluding November, December, January and February.

In view of the DOT recommendation, Congress clearly should reassess its original decision. I hope that the Commerce Committee soon will schedule hearings on year-round daylight saving time.

A recent editorial from the Cedar Rapids Gazette provides a thoughtful analysis of the Department of Transportation recommendation. I ask unanimous consent that the editorial, from the July 7 Gazette, be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

DST REDUCIBLE

True to predictions, last winter's fuel-saving venture into Daylight Saving time produced a very small fuel saving that cannot be accurately gauged, according to commendably candid word last month from the U.S. transportation department.

The upshot was a recommendation that instead of running for the full two years ordained from its inception last January, Daylight time be trimmed down to an eight-month run omitting winter's darkest period. That makes more sense, in terms of value from the effort, than an all-year run involving times of heavy inconvenience for most people.

The DOT study indicated an imprecise and unmeasurable energy saving of under 1 percent from last winter's experience with DST. It also found that Daylight time had no significant effect on traffic safety, crime, agriculture, labor or recreation. Again, no great surprise. The enterprise was largely psychological, cosmetic and symbolic all the way.

Recent pressure to get rid of it completely and go back to summer-only normal DST has come from some who felt the darkness-danger to school children in winter overrode all other considerations in the system. Despite reports of some fatalities in Florida early in the morning, nationwide figures do not bear out that hazard in the size foreseen: In fact, a traffic-accident fatality decline among pedestrians and school-age kids reportedly turned up this year against the record shown in 1973 without DST. The cause-effect relationship remains obscure.

The transportation department's cutback suggestion calls for Daylight time to run from October's last Sunday to the last one in February. Mid-November to mid-February on Standard time would make about the same sense, still getting a degree of benefit without the strongest advantages.

But as a compromise between complete removal of DST's energy-saving extension and complete retention of its year-round unproductiveness, the eight-month answer is supportable, Congress should arrange a suitable adjustment before the dark-day seasons strike again.

SPEECH GIVEN BY RETIRED AIR FORCE COL. J. QUINCY COLLINS, JR., IN CHARLESTON, S.C., JUNE 29, 1974

Mr. THURMOND. Mr. President, on June 29, 1974, Retired Air Force Col. J. Quincy Collins, Jr. delivered an address to the South Carolina Department of the American Legion in Charleston, S.C. Colonel Collins is a former prisoner of war, having spent 7½ years in North Vietnamese prison camps. On September 2, 1965, his F–105 fighter-bomber was shot down 80 miles south of Hanoi. He remained in prison until February 12, 1973.

Our Nation is fortunate to have had men of character and dedication like Colonel Collins serving her in time of great need. Colonel Collins' experience has shown him the real values in life, and he knows the value of freedom that we as Americans too often take for granted. The remarks of Colonel Collins reflect a man of great patriotism and devotion to his country.

Mr. President, I ask unanimous consent that Colonel Collins' address be printed in the Record at the conclusion of my remarks.

There being no objection, the address was ordered to be printed in the Record, as follows:

On February the 12th 1973, I returned to "life," like a modern-day "Lazarrus." I left the tomb of a Communist prison to return to breathe the breath of freedom. But Lazarrus was only dead a few days—I was "gone" for seven and one half years. Perhaps Rip Van Winkle offers a better comparative—20 years. But in those times was there that much noticeable difference? The horse, buggy and walking, were still the main modes of transportation, and Rip found them unchanged. But recall the rate of change in American society in 1965 and compare it to that of 1973—I must have been away 50 years? Yes, a lot of things happened in those years and I am often asked, "Will you ever catch up?" There are, of course, physical insinuations to that question which will not be answered until my death-bed dissertation, on the other hand, I must be truthful and ask a question myself—how much is worth remembering? Selectivity is the solution to the problem of "being behind" and is solved rather quickly, especially in the technical field. Rather, I feel that I should catch you up" on a few things, namely—freedom, and what its all about!

As an American who lost his freedom, I feel it my duty and obligation to shout and loudly so that others may learn to appreciate what we really have here in these United States of America. It is obvious that we were not united during the Vietnam conflict.

But that war did not divide our nation—people divided our nation and they are still working at it. It is not my purpose to dig up all the pros and cons of the Vietnam war as expounded by everone from the President to the local anti-anti-anti group. Everyone had their say. The problem was, who to believe? As an American who served his country in a prison cell in North Vietnam, I am compelled to say that I believed in what I was doing in 1965 and now, in 1974—looking back—I believe in it even more. For serving my country and its citizens against blatant communist aggression and repression in southeast Asia, I can never be ashamed I do feel that a lot of decisions were made—or not made at all by administrations of both parties—that nullified, both military and politically, the opportunity for a clear cut victory there, but it is not my purpose to debate that now. Let me conclude this section by saying that we should never again get involved in a military operation of that proportion where "victory" is not the goal.

A lot has been seen, said, and read about the treatment of the American POW's in southeast Asia. Again the question—who to believe? Here are some facts you can believe—I was there! Upon being captured, the first thing we were told was that we were "criminals"—now POW's—and would be tried in a court. Many would be executed, many life imprisonments, etc. That line never changed until release was imminent. Next, the North Vietnamese communists tried to destroy our dignity as human beings. They attempted to humiliate us by forcing us to bow to them, not in the customary oriental style, but in a physical maneuver past the horizontal. At times we even had to bow to dogs and chickens. To refuse to comply was to guarantee punishment. Isolation was the name of the game during the first 5 years and, generally, you found yourself either alone or with one or two other men. Four walls and endless hours of nothing gave more than adequate time for reflecting. This was a real learning experience for me, because I finally found out about Quicy Collins. It is quite easy for a person to overlook, hide, or even deceive himself, but if you want to be an honest man, you have to face this fact—you can't be honest with others until you're honest with yourself. Our younger generations have accepted this philosophy. They are tired of the older generation's traditional hyprocrisy of don't do as I do, do as I say. Call theirs—"tell it like it is" and its long overdue.

POW treatment has been well publicized by the media and covers the entire spectrum—from the "fairy tales" of Jane Fonda and Ramsey Clark to the macabre beatings and sadistic treatment as related by a few bitter returnees. Fonda and Clark are either liars, don't know the truth, or both. Torture was an every day occurrence—a way of life. Physical pain and induced bodily suffering, were, generally, of short duration and can be compared, in the light of the entire period of imprisonment, to several minutes of a 24 hour day. But believe me—you never forget those few moments. During those early years, I became convinced of one thing.—If a man has the desire to live and to survive, then torture will cause him to talk, act, or otherwise respond in the general manner that is demand. But if he is obsessed with resisting for resistance sake or will not compromise, even slightly, a given principle—he will die in the hands of a relentless enemy.

I believe mental torture is the worst. Its every conscious hour of every conscious day—and often it is self inflicted. About two weeks after I was "killed," a familiar voice came to mind. It was my wife tell me, "As long as you are alive, you never need worry about my being faithful." At the time she said them, these words were comforting, but in prison my number one question was, "Does she know I am alive?" The unanswerable question was tormenting. Several weeks later an acquaintance, having just been shot down, finally got this message to me. "We thought you were dead!" They even named a special room after me in my old squadron, so I could just see my lovely wife and three sons going down the highway of life—and I wasn't on the trip. This wasn't a temporary thought, for I was not allowed to write to them until October of 1969—four years after I was downed. My own letter situation was better than some others, but the point is—the mental anguish and distress, inflicted by the enemy and yourself, were always there—and there was little relief.

December 18, 1972 saw a special engraved invitation arrive for the Hanoi regime—"You are invited and encouraged to attend the negotiating sessions in Paris—ASAP." It was delivered by hundreds of B–52's—very professionally—and it was persuasive! I was in the Hanoi Hilton that first memorable night. It was like being on the inside of a fireball, in an earthquake, while sitting next to the world's loudest rock band. It was awesome and a little frightening, but we were one happy group of American's—for we knew that what should have been done years before, was finally being done and we were on the way home!

Now that I have returned, it is very obvious that President Nixon really stuck his neck out in ordering the B–52 bombings. He made a gutsy decision—and it brought me home. For that I will always be grateful. And aside I feel I should say that as a military man, he was my commander-in-chief and as a citizen, he is my President. You are not obliged to agree with all or any thing that he does or says, but I am obliged to assume him innocent until proven guilty—and it's not even certain a crime has been committed.

Until he leaves that office, for whatever reason, he will continue to receive the loyalty I am obliged and privileged to give the person titled, "the President of the United States" and I wish the "crucifiers" of that office would get a good case of lockjaw. The presidency is more important than the man, but if the man be guilty—remove him. The continued and prolonged dragging of Richard Nixon's political and personal "body" through the American streets of judgment can only head to disastrous results for this nation. I know of no one who has a completely open mind on this subject. I doubt that true justice will ever be possible. But it needs to end—one way or the other.

Having lived under the Communist repressive system for some years I realize several very pertinent facts. First of all their purpose is the same as it has always been—to destroy the free enterprise system and our form of democracy—the American way of life—and don't you ever forget it! That has been their goal since the beginning, it's that way now and it won't change! Secondly the Communist concept of right and wrong is not the same as yours and mine. To them the party is supreme—over all human and spirtual endeavor, and anything that will further the "cause" is true, just and correct. With this general philosophy, you can see that it is useless and folly to try to sit down at a negotiating table with any Communist country unless you have the one and only ingredient they understand and respect—power! If we, as a nation, ever allow ourselves to get into a second rate defense posture, we can kiss our sweet "heritage" goodby. Not only ours, but the free world's too, because no other free nation has the capability or the will to perpetuate man's most important commodity—freedom!

This responsibility has become ours—nobody else wants it—nobody else can do it! The same responsibility that rests on the shoulders of every American citizen to do his "duty to his country," rests on the shoulders of the United States of America to do its "duty to the world through principled leadership." There are, of course, degrees of involvement which must be considered, but helping others to help themselves and assisting other peoples to enjoy the opportunities freedom provides is an important part of American life—and vital for the other nations of the world who want to remain or become free. This is an obligation we must not shirk. This may sound idealistic, but that's what our forefathers had: Ideals, dreams, hopes, and faith in something greater than themselves—a unity of people, a nation, a world at peace, a gracious and omnipresent God. Let's not be so realistic in our approach to life that we destroy those attitudes that are tried and proven—those beliefs that have, in a few short years, brought us from a struggling, back-woods people to a nation that is unparalleled in all of recorded history. They were the right ingredients then and they worked. Why are we arguing now with our successes?

Attitudes have changed in this country since the mid 60's and have caused the American "backbone" to get soft. How can I prove that? Many people say things to me like, "Quincy, how did you and the other POW's do it—I would have given up—I think I would have died—I couldn't have done it." The citizens of this country look at us returnees as if we were heroes—well, we aren't! We were average American citizens serving our country in uniform, but we realized that as such, we had one hell-of-a heritage to uphold, and to do anything less than stand up for that heritage would have stamped us as failures and traitors. We could not "drop the ball" that our Nation had placed in our hands. To do so would have been dishonorable. As an organized military wing, we POW's had an objective—"To return home with honor." We also had a motto—"Unity before self," sound idealistic? Cou bet it is—and that's what makes for positive, gratifying results in any situation.

If you think we POW's had problems then maybe you ought to try to place yourself in the Pilgrim's predicament at Plymouth Rock. They really had it tough, but they had ideals and objectives and were willing to work and sweat to accomplish them. I can just picture what two American heroes, using the present day "realistic" attitudes, might have said instead of what they actually said. "I regret that I only have one life to give to my country—Nathan Hale—"Are you out of your mind? Me do a cloak and dagger bit against the British? Man, I wouldn't even last to collect my social security!" "Give me liberty or give me death"—Patrick Henry—"Heck yes I'm for liberty—first and foremost—but look at the facts. Britain could crush us like a grape and I, for one, ain't ready to be smashed yet. I've got a lot of living to do!" Do these viewpoints sound familiar? Test yourself and ask if they seem reasonable now?

In this day and time it almost appears to be unpatriotic to be patriotic.

This past season I watched numerous football games on T.V. and in person and I'm thinking seriously of opening a school to teach entertainers how to sing the Star Spangled Banner—if they can remember the words. This is just one of the many "signs of the times," but some have found a place for patriotism. It is used by politicians as an emotional appeal to get votes and create images. It is used by official Government agencies to fill quotas and sell programs to the public. It is used as a commercial commodity. But patriotism, in its true meaning, is a necessary ingredient for the survival of our "way of life"—free enterprise in a democracy. In its basic form, patriotism means putting your Nation's well-being ahead of your own—regardless of the results to you personally or to your special interest "group". It's high time we started being Americans first. This is something that must be remembered by Republicans and Democrats, by military and civilian, by labor and management, by lobbyists and the average "distinterested" citizen. Patriotism is more than an emotion of love and pride. It is also in action of service—and it's time we got off our duffs and go to work—for America!

As the most affluent and luxury laden country in the history of the world, we have bred an infectuous generation of people who want to work fewer hours, do less work, and reap more rewards. Now I am not naive to the fact that there are some poor people in this country, but I also am not ignoring the fact that a great portion of our working class citizens lack the motivation to get busy and be productive. I see unemployment percentages rising and I also see plants closing because no one wants to work. This observation was made before the energy crisis came along so that picture has changed somewhat, but the "attitude" remains. In Georgia, over one million dollars per week is paid out in unemployment and help wanted signs are up everywhere. In effect, we are becoming a weak people who want a strong government to provide for us. This is not the "American way!" This is the socialist way—one step below communism!

I don't want to give the impression that I am an economic and social action genius who came out of a prison in North Vietnam filled with all the wisdom necessary to cure my country's ills. What I am saying is, that having been out of the mainstream of American society for 7½ years, I can more easily see the changes that have occurred and are occurring in this country—and I'm concerned. I am concerned that a great number of our citizens don't know the meaning of the word "responsibility"—and many aren't even interested. This is not the attitude that made our nation great—that propelled us to the greatest achievements in the history of the world. Gibbons' "Rise and Fall of the Roman Empire" can give us, in detail, the direction we are heading and an historic description of our destination if our self-centered and self-satisfying motives are not replaced by unselfish and principled responsibility. President Eisenhower gave us this warning some years ago—"a people that values its privileges above its principles soon loses both"—I believe it! It's happening!

Few Americans know that in 1918 Congress adopted what is known as "The American Creed." In practice it is a citizen's guide to attitude and behavior—here's what it says we should do:

"I beileve in the United States of America as a government of the people, by the people, for the people; whose just powers are derived from the consent of the governed; a democracy in a republic: A sovereign nation of many sovereign states; a perfect union, one and inseparable; established upon those principles of freedom, equality, and humanity for which American patriots sacrificed their lives and fortunes. I, therefore, believe it is my duty to my country to love it, to support its constitution, to obey its laws, to respect its flag, and to defend it against all enemies."

The United States of America is the most beautiful piece of real estate in the world. It, truly, must be the "Garden of Eden," for no other spot can compare. And what a beautiful people we have—blacks, reds, yellows, whites—all colors and creeds and descents, under one flag. But even more gorgeous than these is the heritage we, as Americans, have been handed by our forefathers. Put all these sacred ingredients together and you have America.

We, as a nation, have not always been "the greatest"—and we may not always be "the greatest"—that depends on you and me and the future generations influenced by us. May we be guided by this thought:

To be born in freedom is an accident,
To live in freedom is a struggle,
But to die in freedom is an obligation.

I have faith that we as American citizens will meet this obligation. Our history supports it—our future demands it!

MIGRANT LABOR

Mr. KENNEDY. Mr. President, 1 year ago I sent a letter to the Department of Justice calling attention to instances I had heard of regarding physical abuse, forced labor, denial of pay, or inequitable pay procedures involving farmworkers in the Southeastern States.

I asked whether investigations of such practices and abuses, particularly those involving crew leaders and growers, were being conducted by the Department of Justice at that time. In response, I received a letter from the Assistant Attorney General of the Civil Rights Division of the Department of Justice, who informed me that investigations of complaints of forced labor and other abuses among migrant farmworkers were taking place and that such complaints were followed by prosecution in cases of violation of Federal law.

Now the Department of Justice has released a statement detailing Federal indictments returned against the operator of a migrant farm labor camp and his two assistants on charges of conspiring to hold five workers in involuntary servitude.

I believe that the Civil Rights Division of the Justice Department and the Federal Bureau of Investigation should be commended for their action in carrying these difficult investigations to their appropriate conclusion.

However, this latest confirmation of exploitation of migrant farmworkers demonstrates the need for continued Federal concern and action to protect the rights of the migrant farm laborers in America.

I ask unanimous consent that the exchange of correspondence between the Justice Department and myself, and the Justice Department release announcing the prosecution of the farm labor operator and his assistants be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C.

MR. MICHAEL FERGUSON,
Criminal Section, Civil Rights Division, Department of Justice, Washington, D.C.

DEAR MR. FERGUSON: I have received several requests for information concerning whether the Department of Justice has investigated physical abuse, forced labor, denial of pay or inequitable pay procedures involving farm workers in the southeast states.

The letters specifically cite cases involving crew leaders and growers in Wilson County and Smithfield in North Carolina. I would appreciate any information you might have with regard to such practices and abuses, and what steps have been taken to investigate and prosecute such abuses.

Also, I would appreciate knowing if there have been any similar incidents which the Department has investigated or prosecuted in other east coast states.

I also would appreciate knowing if a determination has been made by the Department of the necessity for new legislation in this area.

Sincerely,
EDWARD M. KENNEDY.

DEPARTMENT OF JUSTICE,
Washington, D.C., June 4, 1973.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: This is in response to your letter dated May 3, 1973 to Mr. Michael Ferguson, a research analyst in the Criminal Section of the Civil Rights Division, regarding action taken by the Department of Justice to investigate complaints of forced labor and other abuses among migrant laborers.

During the past two years the Department has received a number of complaints of involuntary servitude and peonage involving migrant workers and crew leaders. Most of these complaints have involved labor crews and camps in the eastern seaboard states. Approximately fifteen complaints, for example, have been investigated in recent years in and around Wilson and Johnston Counties, North Carolina.

Complaints of this nature made to the Department or to any other federal agency are normally investigated by the Federal Bureau of Investigation as possible violations of federal law. Their reports are forwarded to the Civil Rights Division for review and evaluation. Matters which appear to have prosecutive merit are brought before federal grand juries by the Civil Rights Division and the responsible United States Attorney, and are prosecuted if indictments are returned. Both peonage (18 U.S.C. 1581) and involuntary servitude (18 U.S.C. 1584) are felonies which carry a maximum penalty of five years imprisonment and a $5,000 fine.

The United States Code also contains, under Title 7, Section 2041–2053, certain administrative regulations pertaining to crew leaders. The provisions of these statutes are administered by the Office of Fair Labor Standards in the Labor Department and enforced by the Criminal Division of the Department of Justice. The direct jurisdiction of the Civil Rights Division in migrant labor matters is limited to the enforcement of the involuntary servitude and peonage statutes.

Last year the Department prosecuted four cases involving the forced labor of migrant workers. These, along with two additional cases currently pending trial, represent the first federal involuntary servitude or peonage prosecutions developed since 1964. The four cases that have gone to trial resulted in the conviction of five defendants, the acquittal of one, and dismissal of charges against one. All defendants were crew leaders or assistants to crew leaders.

The cases developed to date have been in South Carolina, Virginia, and Florida. At the present time we have complaints under review from several states, at least one of which involves a migrant crew in North Carolina. Grand Jury presentation of the North Carolina matter is expected in the near future.

New legislation has been proposed by the Department as part of the revision of the entire federal criminal code.

Sincerely,
J. STANLEY POTTINGER,
Assistant Attorney General,
Civil Rights Division.

DEPARTMENT OF JUSTICE RELEASE

The operator of a farm migrant labor camp near Ridge Spring, South Carolina, and his two assistants were indicted today by a federal grand jury on charges of conspiring to hold five workers in involuntary servitude.

Attorney General William B. Saxbe said an 11-count indictment was returned in U.S. District Court in Columbia, South Carolina.

Cleveland Williams, the camp operator, and Roosevelt Band and Leroy Alford, Jr., his assistants, were named in one count on the conspiracy charge.

Williams was charged in five other counts with illegally holding five workers in involuntary servitude and in five more counts with holding them in a condition of peonage by preventing them from leaving his employment and control.

The indictment said the offenses occurred between May 10 and June 14, 1974.

Five migrant workers were named as victims in the conspiracy count, and two additional workers were named in the other counts.

The migrant workers named in the indictment were Patrick L. Sullivan, Ray Boy Pyatt, Donnie Cook, Gerald William Baker, Milton Yancey, John H. Biggs, and Ponsey Townes.

The defendants are black and the workers are white.

The maximum penalty upon conviction on the conspiracy count is five years in prison and a $10,000 fine. The maximum penalty upon conviction on each of the other 10 counts is five years in prison and a $5,000 fine.

SENATOR RANDOLPH HONORED BY IZAAK WALTON LEAGUE—ADDRESSES ITS 52d ANNUAL CONVENTION IN HUNTINGTON, W. VA.

Mr. JACKSON. Mr. President, there is no man in the U.S. Senate more dedicated to the protection and wise utilization of our national resources than JENNINGS RANDOLPH. His roots are planted deeply in the mountains of West Virginia. During his career as a Member of the Congress. Senator RANDOLPH has been an articulate and effective advocate of protecting the natural strengths of our land.

From the experience of working together on matters of mutual concern, I know that Jennings Randolph is unswerving in his zeal to see that our natural resources are protected for the use and enjoyment of future generations.

Mr. President, last week the Izaak Walton League of America held its 52d annual convention in Huntington, W. Va. It was eminently fitting that the league chose the occasion to bestow on Senator Randolph its National Services Recognition. The citation that accompanied the award read as follows: "For outstanding leadership towards the development of a congressional consciousness to improve the quality of man's environment." These words summarize succinctly his successful work in mobilizing public attention to environmental needs and in guiding the development of environmental legislation.

Senator Randolph was further honored at the Izaak Walton League convention by being invited to be the featured banquet speaker, with more than 600 persons attending. His address was a thoughtful and provocative discussion of current environmental issues and I ask unanimous consent that it be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Conservation Builds a Better America

The many programs and issues pursued by the Izaak Walton League of America are a manifestation of what I believe to be a fundamental shift in American thinking. Over the past dozen years or so we have become increasingly concerned about the condition of the world in which we live. The American nation was built on a virgin continent where natural resources were, or so we thought, virtually limitless.

In our zeal to create a new society we plundered these resources recklessly until now we are faced with the prospect of their serious depletion. Our mightly industrial complex likewise produced mountains of garbage, polluted air and water in addition to turning out the useful products that make us the richest country on earth.

The goals of environmental movement are laudable and desirable. At the same time, there are very practical reasons for adopting new attitudes to our surroundings. If we are to continue enjoying the benefits of the world we built, we must treat it with respect.

I am gratified to be involved, through the Committee on Public Works, in the development of Environmental Protection programs. In the past decade a number of major laws have been enacted. As a result, environmental quality is improving, admittedly not as fast as we would like for there remains a substantial backlog of abuse to overcome.

The Committee currently is giving major attention to the very substantial problems of Solid Waste Management. During the past two weeks I Chaired seven days of hearings by our Panel on Materials Policy.

It is essential that we begin to develop and widely implement the programs that are necessary to recover and reuse large quantities of what we now call waste. For the most part, the technology exists to return to use virtually all that we now throw away. We can recover glass and materials to return to manufacturing. A substantial proportion of waste also can be utilized as an energy source.

The challenge of solid waste management has often been described as one of preventing increasingly urban society from disappearing under its own garbage. With our country now 70 percent urban mere survival makes this a vital concern. Perhaps equally important, is the fact that we may be unable to sustain our society unless we extend the conservation ethic to raw materials. We are committed to clean air and clean water. We must be equally committed to clean cities and clean countrysides and the repeated reuse of non-renewable resources that are becoming more and more precious. In short, we must eliminate the word "waste" from our vocabulary and inset the word "conservation."

The environmental problems encountered with effective solid waste disposal are similar to those for air pollution; however, because of the amounts involved, the task is staggering. Three years ago the United States was producing solid wastes at the rate of 4.4 billion tons a year. Of this total, 230 million tons were urban waste and 140 million tons the residue of industry.

Moreover, improper disposal of these materials can contribute to air pollution and can cause contamination of surface and underground water supplies. The added dimension, however, is their potential for contaminating the land, causing its degradation in similar ways to air and water quality pollution.

The material plenty that has characterized American society has fostered the growth of consumerism. This in turn has made a wasteful people. Our need for raw materials continues to grow. Each year we discard 60 billion metal cans, 200 million tires, 7 million cars, 30 million tons of paper and despite our addiction to the tube, 7.6 million sets. These discards represent virtually untapped sources of materials.

Solid wastes are the by-products of our affluent society. As their use and consumption grows we are also faced with a rapid depletion of the natural resources which sustain our society, as well as a semi-permanent energy shortage. While all of these factors are interrelated, it is now in part feasible to simultaneously deal with the problems of waste, energy, and materials.

As we move into new efforts to cope with solid waste issues we must not allow our interest to wander far from the programs intended to halt air and water pollution. The most recent of these is the major water pollution law in 1972. This is a far reaching measure which established a goal of ending pollution throughout the United States by 1985.

The Clean Water Program is an undertaking of such magnitude and involving such new public policy concepts that we must give close attention to its implementation.

The intention of Congress was specific and we must maintain a watchful attitude to see that they are pursued. Already the Clean Water Program has been complicated by the unwillingness of the Administration to make available the full amount provided to build sewage treatment facilities. Only $9 billion of the $18 billion authorized for commitment to date has been released. Such action obviously threatens our schedule for achieving clean water.

Even when funds are available, the program is encountering bureaucratic and red tape pitfalls that delay the development of new anti-pollution facilities. For instance, the Environmental Protection Agency has declined permission for a small West Virginia community of Wardensville to combine the two-step planning procedure required under its regulations. Carrying out planning in two separate phases will delay construction and increase the cost of the project. Such a small undertaking estimated at only $600,000 should not be made to bear the cost of multi-step planning that might be necessary for a larger undertaking.

The Environmental Protection Agency has also said that a number of small communities with small projects cannot combine their engineering and planning efforts to take advantage of economies of scale. This is bosh!

I have indicated that the water pollution control program is an ambitious new commitment to correct past abuses. When it was established Congress felt that such long-range efforts should be subject to constant monitoring. Likewise, we are realistic enough to know that the experience might indicate that goals or means for achieving them might have to be modified to examine the long-range implications of the program, we created, under my sponsorship, the National Commission on water quality. I am a member of the Commission which is now functioning under the membership of former Governor Nelson Rockefeller of New York. We are examining the long-range implications of the clean water program. This work will contribute significantly to the ending of water pollution. Its work will have a constructive impact for the next 10, 30 or even 50 years.

FOREST MANAGEMENT

Of continuing concern to you—and to me—is the steadfast refusal of the Forest Service to conduct timbering activities under the U.S. District Court decision which found the Forest Service to be in violation of the Organic Act of 1897.

Since the Izaak Walton League was a plaintiff in this legal action, most of you know that the Forest Service has appealed the District Court decision and that the case is currently being reviewed by the Fourth Judicial Court of Appeals in Richmond.

The District Court determined the Organic Act to be quite specific in that only "dead, mature or large-growth" timber could be cut and that each tree to be harvested must be individually marked. The Forest Service claims this to be an uneconomical requirement and one consisting of improper forest management. I suggest that this would not be the first time the Forest Service has been faulty in its management judgments!

Realistically there is rising concern over the economic disruption resulting from the lack of timber contracts. Many mills, industries utilizing wood products and County Boards of Education are increasingly being caught in the economic pinch by the disappearance of timber sales on the Monongahela. I have been critical of the Forest Service policy to implement and carry-on the even-aged management system on the general forest zone, but I believe very strongly in the need to harvest timber.

We have disagreed on how this harvesting is best accomplished.

Since the Forest Service adoption of Even-Aged Management as the system on the general forest zone in 1964, many abuses occurred—some of which have been softened, others which have not. The resultant abuses are known to the participants in this meeting; improper management and devastation brought on by the change in policy; excessive clearcuts; improperly spaced clearcuts; significant erosion problems; violation of the Multiple Use, Sustained Yield Act of 1960; and disregard for public opinion. It is, I emphasize, the public which owns the forest.

I recognize that some of the problems areas have been alleviated. The Forest Service is, however, insistent on carrying forward with its policy of Even-Aged Management, although they do indicate a variety of methods is being used. There is absolutely no evidence to verify any change in Systems, whatsoever. If one carefully examines the timber contracts let prior to the Federal Court decision, it would be difficult to conclude that anything other than Even-Aged Management is being practiced on the general forest zone, which as you know, does not include water and travel influence zones that the Forest Service is quick to point out represent selection cutting.

The continuing policy of Even-Aged Management on the Monongahela by the Forest Service, I believe, conflicts with the intent of the Congress over the issue of Multiple-Use, Sustained-Yield. The forest values, including recreation, wildlife, water, aesthetics, watershed and environmental protection often far outweigh timber values. This alone should preclude massive clearcutting.

Of equal concern is the tremendous waste of young growing stock by the cutting of immature timber stands.

The Forest Service implements clearcutting because the practice accommodates much large equipment; eliminates the need for intensive management; decreases forest administration; and enables the Forest to be placed on a 100-year rotation, although some species are not yet mature even at this age. In addition, the Forest Service claims some species, Oak, Black Cherry and Poplar, among others, must be clearcut for proper regeneration. This is fallacy. A U.S. Department of Agriculture Handbook states that openings of about one eighth acre constitute about the right size openings for regenerating oak; that the best situations for black cherry are small circular or narrow strip openings which should approximate the height of bordering trees and poplar responds well on sites where it has been clearcut and in group selection areas with openings as small as one-half acre.

There will be, perhaps, efforts to change the language of the Organic Act of 1897. I shall insist that the Act promote the integrity of the working forest ecosystem for continuing the productivity of the forest and to enhance forest values for citizens generally. The Congress would need to provide more financial support for better forest management; a firm and continuing role as to how the forests are to be managed; a scientific management of forest by competent personnel from all pertinent disciplines, considering all management alternatives, and involvement by the public, to whom the forests belong.

Also, I would favor legislatively requiring that the Eastern Mixed Hardwood Forests be managed under a policy of uneven-aged management being the system employed on the general forest zone. Such a redirection by the Forest Service could well be a prerequisite to any modification of the Act.

We have thought we possessed an inexhaustible supply of resources. Reality is now forcing us to adopt conservation attitudes and to develop programs to protect our land, our water, our air and our materials.

We must continue to act wisely to curb the threats to our environment that could badly cripple our economy and slow our progress toward improving living conditions for all citizens.

The Izaak Walton League, in West Virginia and throughout the Nation, fully recognized this challenge and has acted affirmatively to meet it. I pledge my cooperation in your endeavors.

THE FARMERS COOPERATIVE COUNCIL OF NORTH CAROLINA COMMENDS SENATOR ERVIN'S SERVICES

Mr. TALMADGE. Mr. President, as his colleagues know, Senator SAM J. ERVIN, JR., of North Carolina, has supported throughout his Senate career all measures designed to make the lives of those who dwell upon our farms as abundant as possible. On January 24, 1974, the Farmers Cooperative Council of North Carolina in meeting assembled at Durham, N.C., took note of this fact and of Senator ERVIN's approaching retirement from the Senate, and paid tribute to him for his services to the agricultural community in the following citation:

CITATION: SAMUEL JAMES ERVIN, JR.

For his conspicuous, sustained interest in the welfare of farmers of this State and Nation, the Farmers Cooperative Council of North Carolina salutes the Honorable Samuel James Ervin, Jr., a distinguished member of the Senate of the United States for the past 20 years.

Let all know that it is to his credit that he has never failed to respond to petitions and requests on behalf of the agricultural community, and for this sympathic understanding and appreciation of farmers' problems, this Council is duly grateful.

In a day and time when agriculture is beset on all sides, it is heartening to know that farmers have a strong and trusted advocate in the person of this wise representative of the people and that his voice carries weight and authority when he speaks. Furthermore, he has not been afraid to protect and defend the position and rights of agriculture in any place and at any time, regardless of personal consequences.

In like manner, the distinguished Senator has well represented all other segments of our complicated society, but particularly has he given of his best to the common man and to the constitutionally-guaranteed liberties of these individuals.

It is with regret that we learn he is retiring from the United States Senate at the end of his present term, but his brilliant attainments and his folksy wit and wisdom will cause him to be long remembered in the minds and hearts of good people everywhere.

The Council and the people it represents are proud of Senator Ervin and the record he has made in a lifetime of dedicated service to his community, his State and his Nation. He is truly one of the great men of his time, and there can be no doubt that historians will accord him a place of honor reserved only for our most respected Americans.

He has our best wishes and gratitude as he nears the end of his public career. With sincere affection, we can say, "Well done, good and faithful servant."

This 24th day of January, 1974, at Durham, North Carolina.

CECIL E. VIVERITH,
President.
HARRY B. CALDWELL,
Executive Vice President.

GOP'S CHANCE FOR A COMEBACK

Mr. PERCY. Mr. President, for many years the Republican Party of Illinois has had the benefit of the counsel of Bill Rentschler who was a distinguished candidate for the U.S. Senate in 1960. We are fortunate indeed that his advice and suggestions continue to stimulate us. On July 16 the Chicago Tribune carried an article on the editorial page entitled "GOP's Chance for Comeback." Because I believe my colleagues on both sides of the aisle in both Houses will be interested in what Bill Rentschler writes, I ask unanimous consent that it be made a part of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OPEN UP PARTY—G.O.P.'S CHANCE FOR COMEBACK

(By William Rentschler)

For only the second time since 1948, the Republican Party will nominate a Presidential ticket in 1976 which does not include Richard Nixon.

In 1976 the G.O.P., wounded and bleeding freely from the still-spreading scandal of Watergate, likely riddled by major losses in 1974, gets a fresh chance to emerge as a significant force in American politics.

This all seems grotesque and unreal against the backdrop of Nixon's epic 1972 landslide. But as Republicans grope for answers and new directions, they would do well to remember that the Presidential landslide produced no evidence of widespread Republican national support or of anything resembling a Republican majority in the nation's congressional, legislative, and statehouse races.

And now the pervasive influence of Watergate has eroded, even ravaged, the traditional bedrock strength of the G.O.P. Should this plunge Republicans into total despair?

No, for the political mood can change quickly and dramatically. Consider the Republican resurgence of 1966 and the Nixon victory of 1968, both preceded by Lyndon Johnson's annihilation of Barry Goldwater in 1964.

But this time, Republicans cannot expect to benefit from a swing of the political pendulum, nor can they depend on Democratic misrule, inaction, overconfidence, or internecine warfare. To retrench for 1976, Republicans need something positive, dramatic, and convincing—and they already may have it.

Rules adopted at the Republican National Convention of 1972 give the G.O.P. a rare opportunity to "open up" its '76 convention, to broaden the presently narrow party base, to erase the stain of Watergate, and to create the foundation for winning the White House and other races in 1976.

The crux of Republican reform—delegate selection—was spelled out bluntly at Miami Beach: ". . . Participation in a Republican primary, caucus, any meeting or convention" held for the purpose of selecting delegates to any G.O.P. convention—"county, district, state or national"—shall "in no way be abridged for reasons of sex, race, religion, color, age, or national origin."

Further, "the Republican National Committee and the Republican State Committee [of each state] . . . shall take positive action to achieve the broadest possible participation by everyone in party affairs, including such participation by women, young people, minority and heritage groups and senior citizens in the delegate selection process."

So now the question is whether Republican leadership—in Illinois and elsewhere—will seize the moment and make the G.O.P. an open, broadbased, and genuinely responsive party.

Here's what this means in Illinois:

The Illinois delegation to the 1976 national convention will increase from 1972's 116 [58 delegates and 58 alternates] to 202 [101 delegates and 101 alternates]. Significantly, the number of elected delegates from Illinois will increase from two to at least three per congressional district. Thus a minimum of 72 of the 101 Illinois delegates [and 72 alternates] will be elected at the grass roots level from Illinois' 24 congressional districts. By contrast, only 48 were elected in 1972 and the remaining 10 were selected by the state convention.

It is possible [tho not likely at this moment] that the 29 remaining delegates will be elected at-large statewide in the 1976 primary. This would seem to offer Republicans their best opportunity to make contact with grassroots Republicans and the public in general, clearly "turned off" by politics as usual.

To elect on a statewide basis in the 1976 primary all "at large" delegates would require action by the Illinois Republican State Central Committee, a generally inert, 24-member governing body which rarely has won kudos for throwing open party doors to outsiders. If the state committee does nothing, Illinois statutes provide that the 29 "at-large" delegates be selected by the state convention just as the 10 "at large" delegates and alternates were in '72.

Illinois and U.S. Republican leaders must at the outset show the people firm resolve to hold an open, truly representative convention in 1976. Anything less will be—and should be—regarded as suspect.

The bicentennial year Republican National Convention could be *the* political event of a lifetime. Passions will be high, interest keen, and competition for the nominations more fascinating, intense, and uncertain than at any time since 1948.

This time, the G. O. P. must make every effort to include, to bring in more people of every background. But it must be careful not to exclude, as the Democrats did with such painful results in 1972.

REAL ESTATE SETTLEMENT COSTS LEGISLATION

Mr. PROXMIRE. Mr. President, tomorrow at the conclusion of morning business the Senate will take up my amendment No. 1556 to S. 3164, the real estate settlement procedures bill, under a 2-hour time limitation. This amendment would maintain the statutory authority now on the books for the Secretary of HUD and the Administrator of the VA to set standards governing the amount of settlement costs allowable on FHA and VA mortgages. It would do this by striking section 10(c) of S. 3164, which repeals the existing law, section 701 of the Emergency Home Finance Act of 1970.

This amendment has a number of cosponsors, reflecting broad bipartisan support. The cosponsors include Senators MAGNUSON, MATHIAS, CASE, HART, HATFIELD, TUNNEY, KENNEDY, HATHAWAY, and METZENBAUM.

Mr. President, S. 3164, containing as it does the repeal of section 701, is not a proconsumer bill. On the contrary, repeal of the HUD/VA authority would be a major blow to the interests of consumers, who currently pay an estimated $1.5 billion a year overcharge for settlement services.

A number of consumer groups have expressed strong support for my amendment to retain the section 701 authority. No consumer organization has supported the repeal of that authority, as contained in the bill before us here in the Senate, S. 3164, sponsored by Senator BROCK, and in the House bill, H.R. 9989, sponsored by Congressman STEPHENS. In fact a number of consumer organizations banded together to issue a position paper, subsequently distributed to all Senate offices, indicating their strong opposition to the repeal of section 701. I quote from that position paper:

> However, any reduction in settlement charges resulting from the Brock-Stephens reforms would be many times offset by the increase in settlement charges which would be triggered by the repeal of the regulatory authority under section 701. The net effect of the Brock-Stephens bills is thus anti-consumer and not pro-consumer.

That position paper was issued by the following consumer, labor and public interest organizations:

Consumer Federation of America.
National Consumers Congress.
Congress Watch.
Amalgamated Meatcutters and Butcher Workmen.
Communications Workers of America.
International Ladies Garment Workers.
United Steelworkers of America.
Alan Morrison, Public Citizen.
Marty Lobel—Lobel, Novins and Lamont.
Benny Kass—Boasberg, Hewes, Klores and Kass.

I ask unanimous consent that the full text of that paper be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, I feel obliged to emphasize and demonstrate the strength of consumer support for my amendment to S. 3164 because I feel the consumer position has been misrepresented recently both on the Senate floor and in other contexts. In particular, reference has been made to testimony given by Alan B. Morrison of Public Citizen Litigation Group, a Nader organization, in hearings before the Housing Subcommittee of the House Banking and Currency Committee.

Senator BROCK, in a Dear Colleague letter and in a statement on the Senate floor, quoted Mr. Morrison as opposing the price regulation authority now held by the Federal Government. Mr. Morrison has written to Senator BROCK, with a copy and a cover letter to me, protesting and refuting the implication that he favors the repeal of section 701. In his letter to me, Mr. Morrison states:

> That implication is and always has been totally false, and I wish to correct the record for the Senate and the American people on this matter.

More specifically, Mr. Morrison points out in his letter to Senator BROCK that although the sentence quoted expressed some misgivings about pervasive Federal regulation of settlement costs until other methods had been explored, the very next sentence strongly endorses continuation of the existing FHA/VA authority under section 701.

> However, I strongly support continuation of the standby authority which exists to control such costs on FHA and VA home financings because of the strong Federal interest in insuring that persons whom Congress intended to benefit from Federal housing assistance in buying their homes are in fact able to do so.

I think it is very important that this misunderstanding be cleared up, and that the unanimous position of consumer groups in favor of my amendment and against repeal of section 701 be widely known. Therefore, I ask unanimous consent that the full text of Mr. Morrison's letters to me and to Senator BROCK be printed in the RECORD at the conclusion of my remarks, and that the text of Mr. Morrison's excellent testimony in favor of strong Federal legislation to bring down real estate settlement costs, as delivered before the House Banking and Currency Committee, be printed as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. PROXMIRE. Finally, Mr. President, I would like to draw attention to an excellent article by Morton Mintz appearing in today's Washington Post. It describes in some detail the struggle between the real estate settlement lobby and the consumer groups over the effort to repeal section 701, and it points out the gravity of the problem posed to the consumer faced with excessive settlement charges, a problem which is particularly severe in the Washington metropolitan area. I ask unanimous consent that that article be printed in full at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

EXHIBIT 1

CONSUMER POSITION PAPER ON REAL ESTATE SETTLEMENT COSTS LEGISLATION

The problem of unnecessary and inflated real estate settlement costs has recently come to the attention of the Congress. Several bills to reform procedures and costs involved in real estate settlements have been introduced. S. 2288 (Proxmire) and H.R. 12066 (Sullivan) provide for HUD regulation of closing costs, as well as numerous specific reforms of the settlement industry; S. 3232 (Proxmire) provides that all fees and charges for settlement services in connection with a federally-recorded mortgage loan shall be paid by the lender; and S. 3164 (Brock) and H.R. 9989 (Stephens) provide for the repeal of Section 701 of the Emergency Home Finance Act of 1970, which authorizes HUD to limit settlement charges on FHA/VA mortgage loans, as well as other specific reforms.

On May 22, 1974, the Brock bill was reported out of committee, and is scheduled to reach the floor shortly. The Stephens bill is expected to be reported out of full committee soon. We are opposed to the repeal of Section 701 as proposed in the Brock-Stephens legislation. To repeal Section 701 at this time would remove the only authority to limit settlement costs on the books, and could ultimately cost average homeowners millions of dollars. We do not object to the substance of the other reforms contained in the Brock-Stephens legislation, although we prefer the more specific language contained in S. 2288/H.R. 12066. However, any reduction in settlement charges resulting from the Brock-Stephens reforms would be many times offset by the increase in settlement charges which would be triggered by the repeal of regulatory authority under Section 701. The net effect of the Brock-Stephens bills is thus anti-consumer and not pro-consumer.

Some have argued that the repeal of Section 701 does not hurt consumers because the Department of Housing and Urban Development has not used its authority to limit settlement charges. We strongly disagree with this reasoning. While it is true that the officials presently in charge of HUD have adopted a negative attitude with respect to regulating settlement charges, a future Secretary might be more consumer minded. Also, the mere existence of Section 701 on the statute books acts as a club in the closet to deter further unjustified increases in settlement charges. Likewise, the possibility of Federal regulation has prodded the states and localities into acting to curb abusive real estate settlement practices. The repeal of

Section 701 would be a major step backwards in consumer protection. Even without the repeal of Section 701, the Brock-Stephens reforms are largely cosmetic and do not speak to the underlying problems.

The Brock-Stephens bills are not consumer bills. In fact, they are supported almost exclusively by the real estate settlement industry including title insurance companies, bar associations, mortgage lenders, realtors and the like. During Senate hearings on the Brock bill, 15 witnesses representing the real estate settlement industry testified. All 15 supported the Brock bill. During House hearings on the Stephens bill, 29 witnesses representing the settlement industry testified.

All 29 supported the Stephens bill. Given this record, it should be obvious that it is the real estate settlement industry and not consumers who stand to benefit from the Brock-Stephens bills.

Consumer Federation of America.
National Consumers Congress.
Congress Watch.
Amalgamated Meatcutters and Butcher Workmen.
Communications Workers of America.
International Ladies Garment Workers.
United Steelworkers of America.
Alan Morrison, Public Citizen.
Marty Lobel—Lobel, Novins and Lamont.
Benny Kass—Boasberg, Hewes, Klores and Kass.

EXHIBIT 2

PUBLIC CITIZEN LITIGATION GROUP,
Washington, D.C., July 18, 1947.

Hon. WILLIAM PROXMIRE,
Washington, D.C.

DEAR SENATOR PROXMIRE: Enclosed is a copy of a letter that has been sent today to Senator Bill Brock concerning the remarks that he made on July 16th on the floor of the Senate which imply that I favor the repeal of Section 701 of the Emergency Home Finance Act of 1970. That implication is and always has been totally false, and I wish to correct the record for the Senate and the American people on this matter. Any assistance that you could provide in this regard, including any use of this letter and the one to Senator Brock that you deem appropriate, would be most appreciated by me and, I believe, by the American homebuyer who will continue to benefit by keeping Section 701 on the books.

Sincerely,

ALAN B. MORRISON.

PUBLIC CITIZEN LITIGATION GROUP,
Washington, D.C., July 18, 1974.

Hon. BILL BROCK,
Washington, D.C.

DEAR SENATOR BROCK: I was highly disturbed to read at page 23558 of the Congressional Record of July 16, 1974, that you implied that I have supported the repeal of Section 701 of the Emergency Home Finance Act of 1970. I do not now and have never favored any such repealer.

Even more disturbing was the manner in which you attempted to prove that I supported your position. You read a quote from my testimony which indicates that I expressed some misgiving about pervasive Federal price regulation of real estate settlement costs until other methods, such as requiring the lender to absorb all such costs, have been tried. However, in the very next sentence following the one quoted by you, I stated as follows:

"However, I strongly support continuation of the standby authority which exists to control such costs on FHA and VA home financings because of the strong Federal interest in insuring that persons whom Congress intended to benefit from Federal housing assistance in buying their homes are in fact able to do so."

From this I can only conclude that your proffer of a portion of my testimony as support for your position was a deliberate attempt to mislead the Senate and the American people, for which I believe I am entitled to a public apology on the floor of the Senate. So that there is no mistake about my position in the future, I am enclosing a complete copy of my testimony before the Subcommittee on Housing of the House Committee on Banking and Currency from which you extracted a single sentence out of context and omitted the very next sentence which states my position that Section 701 should be retained.

Very truly yours,

ALAN B. MORRISON.

STATEMENT OF ALAN B. MORRISON

Mr. Chairman, members of the Committee. I am pleased to be able to discuss with you today the problems of soaring costs and consumer confusion with regard to real estate settlement practices. There is no transaction which is more common to American families and which at the same time leaves them with such a great sense of frustration and of having spent hundreds and sometimes thousands of dollars for reasons which totally escape them. The problem is a national one, appropriate for resolution by the Congress although, of course, many of the problems vary from locale to locale depending upon local laws and customs. It is my view that we cannot afford to continue to waste millions of dollars annually in connection with real estate closings, and that Congress has an obligation to insure that every American has a decent home which can be bought without bringing the family to the brink of bankruptcy.

From my perspective, I believe that there are two central problems for home buyers. The first is that the costs of many of the services in connection with the purchase and financing of a home are grossly inflated, a fact which, when coupled with the high prices paid for homes, makes purchasing very difficult for many Americans. The second problem, and one which is very much related to the first, is that all but the most sophisticated home buyer cannot intelligently judge from which source to obtain the financing and services ancillary to it because of the maze of different combinations and limitations that make meaningful comparisons difficult if not impossible. It is these two problems which this Committee should seek to solve if real progress is to be made in this area.

The basic problem with costs is not that there are scores of dishonest or even unscrupulous businessmen who are trying to bilk the prospective home buyer. There are, of course, some people who will take advantage of anyone they can, but that problem will exist no matter how pervasive Federal regulation may become. The creation of the SEC did not end securities frauds any more than will creation of a federal housing regulator end frauds in the purchase of homes.

The basic problem, as I see it, is that there are a great many unnecessary charges paid by the home buyer in connection with his purchase that should be eliminated. For instance, in Virginia, the State Bar has issued an opinion which provides that giving an opinion on the state of title to real estate involves the practice of law, and, since other rules prohibit corporations from practicing law, title companies must obtain an opinion of outside counsel in every case before issuing title insurance. The result is that the fees for title examination in Virginia are far above those in neighboring jurisdictions where companies perform their own examinations with trained employees who may or may not be attorneys. The consumer doesn't care about having a lawyer in the deal, and the lender looks almost entirely to the insurance company rather than the lawyer if there is any problem with the title. The insurance company doesn't really care one way or the other because the buyer picks up the tab anyway. The result is that only the lawyers profit from this transaction, and they are the ones who decide, through ethical opinions of the bar, that their presence is essential.

Or take another area where there are excess costs built into the system. In this day of rapid turnovers in home owners, title insurance policies will often be issued within a few years of each other, but in many cases there will be no discount allowed the buyer. Yet it is clear that the title examination should only have to be done as far back as the last insurance and that some arrangement should be made so that the prior insurance policy covers the new buyer as well as the former owner. After all, the issuing company wrote the policy for the life of the loan, and in many cases as long as the owner keeps the premises, and so there is no reason to let the company off the hook just because of the sale of the house. Without such carryover benefits—and this is the rule in most instances since even reissue discounts are relatively small—the insurance companies and the title examiners are profiting for services which, viewed objectively, are really unnecessary.

It has been suggested that what is needed in this area is Government control over the charges made for services rendered, and it may be that the creation of a new bureaucracy to determine maximum charge is needed, but I am not prepared to accept that proposition until other solutions have been tried. What I do suggest is that many of these costs would be drastically reduced, and in some cases eliminated entirely if the party which had to bear them was someone other than the consumer who lacks both knowledge and bargaining power. What I suggest is that the lender be required to absorb all of these settlement costs since it is in the best position to determine which ones are necessary and which can be reduced. Moreover, as a continual rather than a one time purchaser of title insurance and title examination services, the lender can shop around and negotiate to obtain the best price from the best available source. There is little question in my mind that once closing costs become the burden of the lender and not the buyer, the law of supply and demand would cause a drastic change in these costs.

Of course, the lender cannot be asked to absorb all of these costs and still charge the same rate of interest and still make a fair rate of return on its investment. Any solution which required the shifting of such significant costs in the absence of proof that lenders were making unreasonable profits would be unwarranted and in the long run self-defeating, since quickly the mortgage market would dry up. This brings me to my second problem and my solution on it.

The home buyer who trys to shop around for the best price on his mortgage is fooled if the only questions he asks are "What is the rate and for how long?" Contrary to popular belief, charges for title insurance *do* vary in some cases, particularly for reissue policies, and all title examination charges are not identical. But even more important are charges for "points" and other miscellaneous items which inevitably add up at the closing when the buyer can least afford it. When these additional charges are considered, and when the qeustion of whether income tax deductions are available for some but not others is brought into the picture, it takes a computer expert to determine whether lender A is cheaper than lender B, even though the monthly payments will be slightly higher with A than B. I know of only one field in which the variations cause such universal confusion: the special airline package tours which include combinations of plane fares, cars, and hotels in so many varieties and subject to so many conditions of varying significance that one is tempted to throw up one's hands in disgust and leave it to the first travel agent who comes along.

Compare for a moment if you will, the plight of a home buyer with that of an auto buyer. While the car dealer may try to sell you extras, they are truly extras and not the essentials which the home buyer is required to obtain before the house is his. No car dealer would ever try to sell you a car for $2000 and then tell you that if you (or more accurately your finance company) want proof that it is his to sell, that will be extra, as will be the charges to insure the car against fire damage until it is ready for delivery. And when the dealer arranges for financing for you through his affiliate, there are no extra charges of the kind incurred in the home purchase transaction.

While the analogies are not precise, they do suggest a major difference between home financing and other purchasing: the person shopping for mortgage money cannot make his comparisons by looking at a single number—the rate of interest—to make his selection. If that were the only figure to look at before deciding between lender A and lender B, life would be much simpler for everyone and knowledge, which is the prerequisite to competition would for the first time really be available. By requiring the lender to present the consumer with a single interest charge into whch would be built all of the lender's costs, including title examination, insurance, mortgage deeds, *etc*., we would go a long way towards eliminating the unnecessary charges which are the other major problems in this area. With the lender paying for everything except what can be passed on through higher interest rates, there will be a real incentive on the lender's part to dispense with the unnecessary services and to obtain the vital ones at the best prices. Only if we find that competition between lenders is so poor that none of these savings is passed along to the consumer, will it be time to conclude that this whole field should be regulated like a public utility.

There is one major problem that must be faced. In some jurisdictions the usury laws cover home mortgages, and increases in current rates will run directly into the usury prohibitions. One way in which those laws are "avoided" is by the use of points, but it is obvious that the use of points is misleading and should be abolished. If a system is to be created in which the borrower is given a single rate of interest for a given term of a loan, the problem of usury laws must be dealt with directly and openly. In my view, at least in this important area of major federal concern, the usury laws have long overstayed their usefulness, and the real as opposed to the nominal costs of borrowing have long surpassed the statutory maximums. There are so many ways in which these laws are routinely evaded that they exist only in the minds of their most ardent devotees. Given the shortage of low cost mortgage money, strict adherence to them would prevent many if not most buyers from purchasing their homes. Therefore, it is clearly time to bring the laws of usury into conformity with reality in the real estate mortgage market. Thus, to the extent that state laws are in conflict with the important federal policy of providing a single readily comparable interest figure to the borrower, then the Congress should explicitly preempt the field and overrule such laws officially, as they have been overruled in practice for years.

While I believe that this solution is a sound one, I recognize that some may consider it radical, either for philosophical or economic reasons, or both. I am convinced that it is the only long term solution to the problem of soaring closing costs, and therefore I oppose any creation of a permanent agency to establish maximum costs applicable to all or almost all transactions. Once such bureaucracies get started, they have a way of hanging on forever, and soon become dominated by the groups that are supposed to be regulated by them. Moreover, there is no evidence so far that indicates that mandatory price regulation by the Federal Government is required, and thus it seems appropriate to experiment with solutions short of Government price regulation in this field at least for the present. However, I strongly support continuation of the standby authority which exists to control such costs on FHA and VA home financings because of the strong Federal interest in insuring that persons whom Congress intended to benefit from Federal housing assistance in buying their homes are in fact able to do so. Whether that authority is ever used or not is beside the point, since the possibility that it may be used will help keep a reasonable ceiling on those costs.

On the question of disclosure, I concur with the judgments of the various bills under consideration that a uniform closing statement, delivered in advance would be helpful, although I have serious doubts that it will provide significant improvements in this area. The proposals to establish demonstration projects for land registration systems appear to be extremely good ideas, and in the long run such systems may prove a highly effective way to reduce costs. Correction of abuses in escrow accounts is another important matter although I would hope that the legislative history is made clear that nothing in the bill should be construed to constitute approval of prior practices, or to limit a state which wants to give greater protection to the home owner who makes his tax payments through his mortgagee. There are other matters concerning various technical aspects of the bills under consideration which I will communicate to members of the staff since they are not of sufficient magnitude to take up with this Committee in open session.

In conclusion, let me say that the problems before this Committee are serious and they are complex. It would be a mistake in my view to enact legislation this year simply to impress constituents that Congress is doing something about this problem. Even after basic concepts have been agreed upon, drafting must be done with the utmost care. But it is essential that the approach to the problems be carefully considered and that the solutions be aimed at the future and not only at the present, since short term gains may make long term solutions more difficult to achieve.

EXHIBIT 3

HIGH SETTLEMENT COSTS SPARK SENATE DEBATE

(By Morton Mintz)

The real estate settlement industry—mainly title insurers lawyers mortgage lenders and realtors and consumer forces are struggling over whether to preserve the government's power to put a lid on maximum settlement charges.

Settlements cost home-buyers and sellers more than $14 billion a year, including $390 million in Maryland, $385 million in Virginia and $45 million in the District of Columbia. California is the national leader at $1,632,000,000 and New York is second at $1,234,000,000. Settlement costs are the fees and charges paid incidentally with the purchase of a house.

The national average is $2,816 per transaction, with the biggest single component, being real estate agents' fees and the second-biggest being closing costs. Maryland's average is $4,431, the District's $3,415 and Virginia's $3,408.

In 1970, Congress empowered the Department of Housing and Urban Development to limit settlement charges where the Federal Housing Administration or the Veterans Administration insure the mortgage. Although HUD has never used its power, its mere existence stimulates several states to adopt reform measures of their own. Maryland was among them.

If HUD would set cost standards, said Sen. William Proxmire (D-Wis.), a leading industry critic, "I estimate that at least $1.5 billion a year could be saved."

However, HUD's authority to set cost limits would be repealed under real estate settlement procedure bills that were approved recently by the Senate and House Banking and Currency Committees.

Repeal is necessary because "more time and study is needed," the Senate Committee said in a report on its bill, which is sponsored by Sen. Bill Brock (R-Tenn.).

On Tuesday the Senate will debate an amendment to strike the repealer. The sponsors are seven Democrats, led by Proxmire, Sen. Warren G. Magnuson (Wash.) and Sen. Philip A. Hart (Mich.), and three Republicans, including Sens. Charles McC. Mathias (Md.) and Clifford P. Case (N.J.).

The battle heated up last week with the circulation of a "Dear Colleague" letter signed by the five named senators and of another such letter by Brock, and with a charge—rejected by the Tennessee Republican—that he had made "a deliberate attempt to mislead the Senate and the American people" and should make a public apology on the floor of the Senate.

The letter from the senators seeking to preserve HUD's discretionary power said that the settlement industry would view repeal "as a green light for raising settlement costs without restraint in the noncompetitive settlement market."

Aides to two of these senators told a reporter that the industry has been applying intense pressures on behalf of the Brock bill. Its main supporters, Proxmire said, are "title insurance companies, state bar associations, mortgage lenders, real estate agents and other participants in the . . . settlement process." He intends to support the bill if the repealer is struck and to oppose it if the repealer survives.

Similarly, eight members of the House Banking Committee, in a report on July 9, said that although supporters of the similar House version label it a "consumer protection bill," "not one consumer-oriented organization in the nation favors it" so long as it contains the repealer.

The members included Chairman Wright Patman (D-Tex.), Rep. Parren J. Mitchell (D-Md.) and District Del. Walter E. Fauntroy (D).

The senators attached to their letter a "position paper" signed by the Consumer Federation of America and other consumer interests that generally have been too busy lobbying for a consumer protection agency bill to give much help to Proxmire and his allies.

The paper said that all 44 settlement industry witnesses who have testified on the Senate and House bills supported it. The signers also said that the measures "are not consumer bills," despite their stated purpose: to provide in Brock's versions—"for greater disclosure of the nature and costs of real estate settlement services" and for elimination of "the payment of kickbacks and unearned fees."

One of the signers, Alan B. Morrison of the Public Citizen Litigation Group, made the demand to Brock for an apology in a letter hand-delivered to Brock's office Friday morning. Brock said Saturday he had not yet seen it.

The dispute originated in Morrison's testimony before House banking. He said in one sentence that "there is no evidence so far that indicates that mandatory price regulation" is required." His next sentence was: "However, I strongly support continuation of the standby authority" in HUD.

Brock cited only Morrison's first sentence in an attachment to his "Dear Colleague" letter, which other senators got one or two days after they had received the consumer "position paper" listing Morrison as a signer.

Brock's ommission of Morrison's second sentence was "a deliberate attempt to mislead," the lawyer charged. "I wasn't trying to misconstrue," Brock said in a phone interview.

CONCLUSION OF MORNING BUSINESS

The **ACTING PRESIDENT** pro tempore. Is there further morning business? If not, morning business is concluded.

DEPARTMENT OF AGRICULTURE-ENVIRONMENTAL AND CONSUMER APPROPRIATIONS, 1975

The **ACTING PRESIDENT** pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 15472, which the clerk will report.

The second assistant legislative clerk read as follows:

A bill (H.R. 15472) making appropriations for agriculture environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

The Senate resumed the consideration of the bill.

The **ACTING PRESIDENT** pro tempore. The Chair will state that time for debate on this bill shall be limited to 2 hours to be equally divided and controlled by the Senator from Wyoming (Mr. **McGee**) and the Senator from Hawaii (Mr. **Fong**), with 30 minutes on any amendment except an amendment by Senator **Hruska**, on which there shall be 2½ hours of debate, and 1 amendment each by Senator **Nelson** and Senator **Case** on each of which there will be 1 hour of debate, with 30 minutes on any debatable motion or appeal.

Mr. **McGEE**. Mr. President, at the very outset, I want to ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill, as thus amended, be regarded for the purpose of amendment as original text, providing that no point of order shall be waived by reason of agreement to this request.

The **ACTING PRESIDENT** pro tempore. Without objection, the request will be granted.

The amendments, agreed to en bloc, are as follows:

On page 2, beginning at line 3, strike out the following language:

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, including the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, management support services to selected Agencies and Offices of the Department of Agriculture, and for general administration of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, and not to exceed $15,000 for employment under 5 U.S.C. 3109, $16,773,000, of which $4,054,000 shall be available for the Office of Communication and, of which total appropriation not to exceed $822,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be available to be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-two thousand two hundred and fifty copies for the use of the Senate and the House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by 44 U.S.C. 1301: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551–558: *Provided further*, That not to exceed $2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: *Provided further*, That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

None of the funds provided by this Act shall be used to pay the salaries of any personnel which carries out the provisions of section 610 of the Agricultural Act of 1970, except for research in an amount not to exceed $3,000,000; projects to be approved by the Secretary as provided by law.

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $10,000, for employment under 5 U.S.C. 3109, $15,751,000, and in addition, $5,081,000 shall be derived by transfer from the appropriation, "Food Stamp Program" and merged with this appropriation.

On page 4, beginning at line 3, insert the following new language:

DEPARTMENTAL ADMINISTRATION

For necessary expenses of Departmental Administration, including the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, management support services to selected agencies and offices of the Department of Agriculture, audit and investigative services, and for general administration of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, and not to exceed $25,000 for employment under 5 U.S.C. 3109, $34,495,300, of which $4,054,000 shall be available for the Office of Communications and, of which total appropriation not to exceed $822,000 may be used for farmer's bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be available to be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by 44 U.S.C. 1301: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551–558: *Provided further*, That not to exceed $2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: *Provided further*, That in the preparation of motion pictures or exhibits and audit and investigative activities by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225): *Provided further*, That, in addition $5,081,000 shall be derived by transfer from the appropriation, "Food Stamp Program" and merged with this appropriation.

None of the funds provided by this Act shall be used to pay the salaries of any personnel which carries out the provisions of section 610 of the Agricultural Act of 1970, except for research in an amount not to exceed $3,000,000; projects to be approved by the Secretary as provided by law.

On page 6, in line 8, strike out "$202,789,000" and insert in lieu thereof "$212,534,000".

On page 7, in line 9, strike out "$6,420,000" and insert in lieu thereof "$8,100,000".

On page 8, in line 9, strike out "$5,000,000" and insert in lieu thereof "$10,000,000".

On page 9, in line 4, strike out "$402,564,000" and insert in lieu thereof "$403,564,000".

On page 11, in line 14, strike out "$77,048,000" and insert in lieu thereof "$81,707,000".

On page 11, in line 22, strike out "$6,606,000" and insert in lieu thereof "$8,349,000".

On page 11, in line 25, strike out "$16,287,000" and insert in lieu thereof "$16,577,000".

On page 12, in line 12, strike out "$102,299,000" and insert in lieu thereof "$108,991,000".

On page 12, in line 23, strike out "$147,294,000" and insert in lieu thereof "$153,230,000".

On page 13, in line 7, strike out "$1,680,000" and insert in lieu thereof "$2,530,000".

On page 13, in line 17, strike out "$211,888,000" and insert in lieu thereof "$218,674,000".

On page 15, in line 3, strike out "$26,818,000" and insert in lieu thereof "$28,043,000".

On page 16, in line 4, strike out "$21,751,000" and insert in lieu thereof "$22,076,000".

On page 17, in line 10, strike out "$39,665,000" and insert in lieu thereof "$39,815,000".

On page 18, in line 10, strike out "$131,400,000" and insert in lieu thereof "$134,200,000 (including not to exceed $1,400,000 to assist local public or nonprofit agencies with the cost of distributing supplemental foods to pregnant and lactating women and children)".

On page 20, in line 8, strike out "$2,-

117,000" and insert in lieu thereof "$3,117,000".

On page 25, beginning at the end of line 2, strike out "and that such funds shall be used for an agency to carry out the above activities headed by a Sales Manager who shall report directly to the Secretary or Under Secretary of Agriculture".

On page 26, in line 3, strike out "$955,000" and insert in lieu thereof "$1,295,000".

On page 26, in line 12, strike out "$10,000,000" and insert in lieu thereof "$20,000,000".

On page 27, in line 13, strike out "$650,000,000" and insert in lieu thereof "$750,000,000".

On page 27, in line 14, strike out "$150,000,000" and insert in lieu thereof "$200,000,000".

On page 30, in line 7, strike out "$370,000,000" and insert in lieu thereof "$420,000,000".

On page 30, at the end of line 7, strike out "$350,000,000" and insert in lieu thereof "$400,000,000".

On page 31, in line 22, strike out "$300,000,000" and insert in lieu thereof "$400,000,000".

An page 32, beginning at line 11, insert the following new language:

RURAL COMMUNITY FIRE PROTECTION GRANTS

For grants pursuant to section 404 of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 2654), $7,000,000 to fund 50 per centum of the cost of organizing, training, and equipment for rural volunteer fire departments.

On page 33, in line 1, strike out "$128,682,000" and insert in lieu thereof "$133,682,000".

On page 35, in line 2, strike out "$49,016,000" and insert in lieu thereof "$53,016,000".

On page 35, in line 18, strike out "$103,000,000" and insert in lieu thereof "123,000,000".

On page 35, beginning in line 19, strike out the following language: "*Provided*, That the Environmental Protection Agency may transfer so much of the funds appropriated herein as it deems appropriate to other Federal agencies for energy research and development activities that they may be in a position to supply, or to render:"

On page 35, at the end of line 23, after the word "Provided" strike out the word "further".

On page 36, at the end of line 3, strike out "Provided further, That not more than $7,200,000 of the funds contained in this Act shall be used to fund the development of automotive power systems".

On page 36, in line 19, strike out "$175,668,000" and insert in lieu thereof "$176,668,000".

On page 37, in line 8, strike out "$257,426,000" and insert in lieu thereof "$306,426,000".

On page 38, in line 3, strike out "$52,740,000" and insert in lieu thereof "$53,740,000".

On page 38, in line 8, strike out "$1,400,000" and insert in lieu thereof "$1,700,000".

On page 38, beginning at line 10, insert the following new language:

Notwithstanding existing laws or regulations and because of the mutual benefits arising from research, joint research, and the exchange of research data, the Environmental Protection Agency is authorized to renegotiate a long-term lease for facilities on the University of Nevada, Las Vegas campus, and to enter into an agreement with the University and the State of Nevada for the construction of such additional facilities for the National Environmental Research Center, Las Vegas, including offices, laboratories, and such other facilities as are necessary and desirable.

On page 39, in line 8, strike out the words "not to exceed".

On page 39, in line 9, strike out ", may be transferred from other appropriations available to the Agency, for payments in the foregoing currencies." and insert ": *Provided*, That this appropriation shall be available, in addition to other appropriations to such Agency, for payments in the foregoing currencies."

On page 41, at the end of line 5, strike out "$192,116,000" and insert in lieu thereof "$196,216,000".

On page 43, in line 13, strike out "$122,643,000" and insert in lieu thereof "$124,801,000".

On page 44, beginning at line 8, insert the following title:

AGRICULTURE STABILIZATION AND CONSERVATION SERVICE

On page 45, in line 20, strike out "$225,000,000" and insert in lieu thereof "$200,000,000".

On page 48, in line 14, strike out "$1,365,000" and insert in lieu thereof "$1,465,000".

On page 49, in line 12, strike out "$996,000" and insert in lieu thereof "$886,000".

On page 49, at the end of line 20, strike out "$36,219,000" and insert in lieu thereof "$42,569,000".

On page 50, in line 8, strike out "$37,743,000" and insert in lieu thereof "$38,543,000".

On page 50, in line 15, strike out "250" and insert in lieu thereof "500".

On page 50, in line 22, strike out "for which it is supplied" and insert "or for other than carrying out specific statutory responsibilities of the Federal Trade Commission".

On page 50, in line 25, after the word "publication" insert "other than pursuant to a formal enforcement proceeding".

On page 51, in line 5, after the word "Commission" insert "duly authorized in the premises".

On page 51, beginning at line 8, insert the following new language:

(4) *Provided, however*, That nothing in this Act shall be interpreted as restricting the Department of Justice, the Securities and Exchange Commission, the General Accounting Office, or the Office of Management and Budget under the same conditions and restrictions applicable to the Federal Trade Commission, or a committee of the Congress, to full access to such information and reports.

On page 51, at the end of line 23, strike out "$1,283,630,000" and insert in lieu thereof "$1,315,630,000."

On page 52, in line 3, strike out "$22,000,000" and insert in lieu thereof "$34,000,000."

On page 52, in line 5, strike out "$20,000,000" and insert in lieu thereof "$40,000,000."

On page 53, in line 11, strike out the following language: *Provided further*, That no part of the funds appropriated by this act shall be used during the fiscal year ending June 30, 1975, to make food stamps available to any household, to the extent that the entitlement otherwise available to such household is attributable to an individual who: (i) has reached his eighteenth birthday; and (ii) is enrolled in an institution of higher education; and (iii) is properly claimed as a dependent child for Federal income tax purposes by a taxpayer who is not a member of an eligible household.

On page 55, beginning at line 23, strike out the following language:

SEC. 511. None of the funds provided by this Act shall be used to administer the following provision of section 205(b)(1) of Public Law 92–500, which provides:

"Any amounts so allotted which are not obligated by the end of such one year period shall be immediately reallotted by the Administrator, in accordance with regulations promulgated by him, generally on the basis of the ratio used in making the late allotment of sums under this section."

SEC. 512. Rural Community Fire Protection Grants: For grants, pursuant to section 404 of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 2654), $7,000,000, to fund 50 percent of the cost of equipment for rural volunteer fire departments.

Mr. McGEE. Mr. President, this bill, a very complex bill in some ways, by the nature of responsibility, particularly in the House, contains not only items of the Department of Agriculture and its related measures, but, likewise, includes appropriation funds for consumer affairs and on the environmental questions that relate.

The total sum being reported out by the full Appropriations Committee on this bill is approximately $13.5 billion. That sum of $13.5 billion is $120 million over the budget. It is nearly $150 million above the House figure, and it is approximately $3 billion higher than the appropriations request a year ago.

As we examine those three figures, I would submit, Mr. President, that the only reason the bill is $120 million over the budget is the disagreement with the Office of Budget and Management on the allocation of funds on a priority basis.

The reason that it is nearly $150 million over the House figure is that the Senate respectfully differs with the House in the amount of some of the allocations, and we are preparing to take that $150 million to conference with the House.

The fact that the bill is $3 billion over a year ago will be reflected in many ways, not only automatic salary adjustments that occurred among Federal employees, but also the inflationary costs that need no further detailing at this point.

As a result, we believe that the committee has come up with a very basic and a very responsible appropriation proposal. We realize fully, as we submit this appropriation request, Mr. President, that every Member of this body will have additional thoughts, other thoughts, or even wiser thoughts about how much money should have been allocated at particular places in the bill. But what the committee sincerely has tried to do is to meet the new requirements and the new responsibilities of budgeting within predictable bounds.

Because of the leadership taken by the distinguished chairman of the Appropriations Committee, the senior Senator from Arkansas, the committee has arrived at an overall budget ceiling figure for this coming fiscal year. In preparation for that ceiling, the Appropriations Subcommittee on Agriculture-Environmental and Consumer Protection, under the leadership of the distinguished Senator from Hawaii, and the Senator from Wyoming, submitted its proposed share of that overall figure well in advance of the consideration of the budget.

It is our sense of responsibility which has moved us to attempt to hold our recommendations within those projections as a part of our measure of cooperation.

I cannot stress strongly enough, Mr. President, how important it is that we seek to preserve the balance that is in this bill and the equitable distribution of funds in a way that will permit the significant agencies of the Department of Agriculture, the Environmental Protection Agency, and consumer agencies to continue to function in their own right with a deep sense of responsibility, and at the same time aspire to a greater degree of fiscal responsiblity as well.

If this budget submission by the Subcommittee on Agriculture that would propose specific appropriations under that budget has any one dominating characteristic, it is the belief that fiscal responsibility this year is a top priority item.

With that in mind, we lay before our colleagues in the Senate the particulars of the appropriations allocations in those categories for fiscal 1975.

Mr. President, I shall now proceed with more detailed comments and explanations of the bill together with more specific data in reference to the appropriations involved.

This bill as reported by the Senate Appropriations Committee recommends $13,553,352,300 in new obligational authority for fiscal 1975. This represents an increase of $147,932,300 over the amount appropriated by the House; $120,489,200 more than the budget estimate for fiscal 1975 and $2,965,251,300 more than was appropriated for these programs for fiscal 1974.

As in the past, the committee has reported this bill under four separate titles. Title I is for agricultural programs for which an appropriation of $6,307,634,300 is recommended.

Title II, rural development programs, has a recommended appropriation of $837,181,000. For title III, environmental programs, the committee recommends $1,341,749,000. For title IV, consumer programs, the committee recommends $5,066,788,000.

During the course of our hearings many amendments were suggested by way of additions to the budget estimate for various programs throughout the bill. As is usually the case with appropriations bills, most of these amendments were worthwhile and meritorious. But in view of the fiscal constraints under which the committee is operating it was, of course, necessary for the committee to exercise great restraint in the approval of the amendments suggested by several Members of the Senate, of the House and from other interested groups and individuals. The limited number of increases we did approve are generally distributed throughout all four titles of the bill, as is indicated in the summary table which is found at the conclusion of the report which is available to all of the membership here today.

The committee has followed the practice of reporting this bill by the respective titles for the past couple of years because it does indicate a general but imprecise distribution of the funds contained in this bill. For many years the subcommittee which handles this bill considered primarily the appropriations for the Department of Agriculture and it is still generally referred to as the Agricultural Appropriation Subcommittee and the bill is often referred to as the agricultural appropriation bill. To a large extent this is misleading. Even considering just the Department of Agriculture, a major portion of this bill involves the food stamp, school lunch and various other food and nutrition programs.

Actually, these food and nutrition programs have become the one major item in the appropriations for the Department of Agriculture. In addition to the food and nutrition programs, we have many other agencies in this bill, which account for a major part of the appropriations represented in the totals which I have discussed previously. These include the Environmental Protection Agency, the Food and Drug Administration, the Federal Trade Commission, the newly created Consumer Product Safety Commission and many other independent agencies and offices. So while we discuss a bill total of approximately $13.5 billion, we must also keep in mind that this appropriation covers a large and broad spectrum of Federal programs and agencies, in addition to the traditional program of the Department of Agriculture.

To get more to the specifics of the bill, the committee is recommending a substantial increase in those programs of the Department of Agriculture which are grouped under the general heading of science and education. These are programs of the Agricultural Research Service, the Cooperative State Research Service and the Extension Service, which deal both with research and education. During the course of our hearings on the bill this year, commencing with our first day of hearings when Secretary of Agriculture Earl Butz testified, the committee has expressed a deep concern in the need for further agricultural research. Everyone is aware of the production and supply problem which is facing not only the United States but the entire world today. It became apparent during the course of our hearings that the only real promise or expectation we might have for some real and substantial production breakthroughs was through increased research and increased application of the results. It also became quite apparent that at the present rate of research we were falling somewhat behind, rather than making the substantial headway which the committee feels is absolutely necessary in view of both domestic and worldwide conditions.

We were encouraged somewhat earlier this year when the Department's budget estimate posed an increase of almost $17 million for the Agricultural Research Service. During our questioning, Secretary Butz, of course, defended the Department's budget estimate. But he also indicated quite candidly to the committee that he personally would have no objection if the committee saw fit to provide some basic research funds, in addition to those which had cleared OMB and which were submitted to the committee as the official administration request. So after careful consideration and considerable deliberation, the committee recommended an increase of $9,745,000 by way of an increase for ARS over the bill as passed by the House. These individual items are set forth on page 9 of the committee report. Unfortunately, this list by necessity does not include many amendments which were presented to the committee and which were considered to be very meritorious. The list does, however, represent what the committee felt were the most critical areas and thus approved.

Predators and their control has been a burning issue for many years in the discussions of agriculture and environment. The subcommittee has taken a deep interest in this issue, recognizing that legitimate claims and proposals have been advanced on both sides. Predators do cause economic losses, particularly to wool growers. Cattle producers also face serious economic losses because of predators.

But the methods of controlling predator damage raise serious environmental questions. These environmental concerns, based on the long-lasting effects of some of the poisons that have been used in the past to control predators, deserve our serious attention and deserve careful research.

To this end, in order to better understand the ways of the predators and the methods that will control them without unacceptable environmental or ecological damage, the subcommittee has added $500,000 to the ARS for research into predator control. This additional money is complemented by $275,000 contained in the Economic Research Service for additional work on the economic aspect of predator damage. This additional study will be completed this fiscal year. I will further outline that study in a few minutes.

For the Animal and Plant Health Inspection Service, the committee recommends a total appropriation of $403,564,000 which represents an increase of $8,795,000 over the budget estimate. The major portion of this increase from the budget estimate is represented in an appropriation of $6,700,000 for a proposed new quarantine facility at Fleming Key, Fla. This is an item in which the committee has long been interested and has consistently urged the Department to present a budget estimate for the construction of this facility. While the Department has supported the construction of this facility and has included construction funds in its original budget proposal, this particular budget request has never been approved by the Office of Management and Budget. The committee feels, however, that this is a badly needed facility and is one on which construction should no longer by delayed. For that reason it has approved the funds to initiate construction in fiscal 1975. The committee has also concurred with the House action in adding $1,500,000 for the imported fire ant program and has also added $1 million to initiate an indemnity program for tubercular swine.

For the Cooperative State Research Service, the agency which cooperates with the State experiment stations, the committee has also recommended a significant increase. As was the case with the Agricultural Research Service, the committee was somewhat encouraged by the fact that the departmental estimates posed an increase of approximately $8,700,000 for the Cooperative State Research Service for fiscal 1975. While the committee welcomed the increased budget estimate it also recommends an increase of slightly more than $10 million over the budget estimates for fiscal 1975.

This agency involved programs in which the committee has great confidence, and is one from which we can expect some significant research contributions in the years ahead. The programs under the Cooperative State Research Service include the highly popular and very successful grants for cooperative forestry research, or as commonly referred to here in the Senate, the McIntire-Stennis program.

The other agency which we include in the programs under science and education is the Extension Service. Here again the committee has recommended a substantial increase from both the 1974 level and the 1975 budget estimates. For the total extension programs, the committee recommends $223,883,000, which is $15,820,000 more than the 1975 budget estimates. Here again, the committee feels that the Extension Service over a long period of years has compiled a most impressive and successful track record. It has contributed much to rural America in the past and we expect that it will continue to contribute in the future. For that reason, the committee was unanimous in recommending this increase.

For the Economic Research Service, the committee has recommended an increase of $325,000, $275,000 of which shall be used to continue and conclude the economic studies which are underway regarding predator losses, predator management and related predator data. And as most members of this body will realize the matter of predator control and predator management is of great concern to those of us in the ranching States, particularly in the Rocky Mountain West. We found that when we attempted to discuss the matter of predator control and predator management we were at a complete loss to obtain any reliable data and statistics on predator control, predator losses or other cost factors and economic data in reference to these vital and important issues. For fiscal 1974, we appropriated money to commence such an economic study and we were highly encouraged by the report that was given to us by representatives of the Economic Research Service during the course of our committee hearings. We are going into this matter in a most detailed and efficient manner. It became obvious, however, that they would need both additional time and money to do the first-rate and first-class job both the Service and this committee wanted. For that reason we have included money for fiscal 1975 in order for the Economic Research Service to conclude this study. For the first time, we will have reliable data on which we can base further action which might be necessary in the area of predator management and predator control.

For payments to States and possessions, under the Agricultural Marketing Service, the committee has recommended an appropriation of $1,600,000 to continue the program involving the payments to States and possessions. This program has been in operation for a number of years and for some reason or reasons which have never been made clear to the committee—the Department proposed to eliminate this program for fiscal 1975. This, of course, was completely unsatisfactory to the committee and there are funds in this bill for continuation of the program at its 1974 level.

For the Public Law 480 program, the committee is recommending $778,473,000, the same as the budget estimate. This amount is broken down between title I—under which sales of agricultural commodities are made for foreign currencies and for dollars on credit terms—the amount of $425,175,000 and for title II—for donation of commodities—$353,298,000.

As the Members of the Senate are aware, when this matter was considered by the House an amendment was added on the floor under which no more than 10 percent of the funds appropriated for the title I program could be made available to any one country. The Department of Agriculture appealed this decision and asked for a removal of this restriction. The Department of State was also quite active in seeking removal of this House-approved restriction. The committee, however, has recommended that this 10-percent restriction as passed by the House be retained in this bill. This is one item in which there was some significant differences of opinion among the subcommittee membership, but I feel that the 10-percent limitation would have little, if any, effect on the Public Law 480 program.

It was made quite clear during the course of debate on the floor of the House when this matter was considered, that this 10 percent limitation applied only to the appropriated funds for the title I program. To be more specific, to the $425,175,000 which will be appropriated for the title I program. It is common knowledge, I am certain, that the Department has other resources from which it can and does fund the Public Law 480 program. The 10 percent House limitation made no attempt whatsoever to reach or restrict these other sources of funding. For example, the Department will have access to something well in excess of $300 million which is available from repayment of prior year sales and uncommitted balances which can be used for the title I program. In addition, it has authority to utilize funds of the Commodity Credit Corporation if that becomes necessary.

For rural development grants, the committee has recommended a program of $20 million, which is an increase of $10 million or 100 percent over the 1974 level and the 1975 budget estimate. While the committee received some requested amendments for an increase in excess of this amount, it appeared that an increase of 100 percent was both significant and realistic, for that reason, that figure was agreed upon.

For the electric program of the Rural Electrification Administration, the committee has recommended a loan level for insured loans of $750 million. For fiscal 1974, Congress authorized an insured loan level of not less than $618 million nor more than $750 million. The Department chose to administer the program at the lower level, which the committee feels is insufficient in view of the obvious and proven needs of the REA program. As I have pointed out on numerous occasions, both in committee and on the floor of the Senate, the repayment record of the rural electrification loans is almost unbelievable. With the many years this program has been in operation and the billions of dollars in loans which have been made, the loss to bad loans is practically nothing. With the repayment record which has been compiled and with the increased needs facing this program and the power industry, the committee feels that the insured loan level of $750 million is thoroughly justified and required. As was the case with last year's bill, the committee has recommended that no limit be placed on the guaranteed loan programs which are available under Public Law 93-32, but again has provided that the Administrator should keep the committee advised of the guaranteed loan activities under this program.

For telephone loans under the REA, the committee has recommended $200 million. As was the case with the electric loan program, in last year's bill the committee provided a dual loan authorization of not less than $140 million nor more than $200 million. Here again, the Department chose to administer the program at the lower level which is clearly insufficient if we are to even commence to meet the financial requirements of the rural telephone program. For that reason, the $200 million loan program was recommended for fiscal 1975, with the provision that $50 million of this amount should be made available for the 2 percent interest loans which are authorized under criteria set forth in the authorizing statute.

For insured loans under the rural housing insurance fund, the committee has approved the House-passed figure of $2,282,000, which is $160 million more than the budget estimate. This increase will provide $150 million more for low-income housing loans to individuals for purchases of new homes and $10 million for insured farm labor housing loans. The committee is also recommending $5 million for rural housing grants for domestic farm labor and $4 million for the mutual and self-help housing program. In each of these cases there was no budget estimate, as the Department proposed to terminate these programs. The committee has not concurred in this proposed termination and has included these grant funds in the fiscal 1975 bill.

For insured real estate loans under the agricultural credit insurance fund, the committee has recommended $420 million, which is an increase of $50 million over the budget estimates. The $370 million which was authorized for insured real estate loans from this fund for fiscal 1974 was insufficient. The committee felt that the additional $50 million in loan authority was both highly justified and necessary in view of the ever-increasing demands for financing of real estate acquisitions with the help of the Farmers Home Administration.

For rural water and water disposal grants, the committee has concurred with the House action which provided for $225 million for this program to be obtained from a transfer of this amount from those funds which are currently impounded in the water and sewer grant program of the Department of Housing and Urban Development. These funds were made available to HUD in the appropriation bill for fiscal 1972 and have been frozen since that time. This program has been terminated by the administration. The House provided these funds by transfer and the committee concurred that it would be highly advantageous if these funds could be made available for an active program, such as that administered by the Farmers Home Administration. The use of these funds for the Farmers Home Administration program is certainly consistent with the purpose for which they were originally appropriated under Housing and Urban Development. Under the FHA program they will most certainly be put to good use, which the committee feels is much better than having them retained or impounded by the administration, with no benefit to anyone.

Under the rural development and insurance fund, the committee has recommended an increase of $70 million over the budget estimate for water and sewer facility loans. This will provide $470 million in loan authority, the same as the fiscal year 1974.

For industrial development loans, the committee recommends $400 million, which is the same as the budget estimate and $200 million more than for fiscal 1974. The House reduced this loan authority by $100 million and the committee has recommended a full restoration of this House reduction.

For community facility loans, the committee recommends $200 million, which is the same as the budget estimate but which is four times the $50 million available in fiscal 1974.

The committee has also recommended approval of $7 million for grants under the rural community fire protection program. This is a program which is authorized by the Rural Development Act but which has never been funded or implemented by the Department or the administration. The appropriation of these funds will allow the Department to proceed with implementing this program and assisting the rural areas throughout the country in the upgrading and further development of its fire protection facilities and activities.

The committee has also recommended an increase of $5 million for salary and expenses for the Farmers Home Administration. This agency within the Department has continuously been called upon to assume more responsibility and administer programs of increasing magnitude. The committee feels that its personnel resources have not kept the pace with the increased workload and demand upon its personnel. While the Administrator testified that no additional personnel were needed, the committee feels otherwise and has made available the additional $5 million.

For the Environmental Protection Agency, the committee has recommended a total increase of $75 million over the House bill. The committee reviewed the EPA budget very carefully and had the advantage of the testimony and suggestions of members of the Legislative Committee which has jurisdiction over most of the programs involving the Environmental Protection Agency. In many cases, the committee felt that some individual programs and activities within EPA had been ignored or significantly underfunded. For that reason, this rather considerable and significant overall increase has been suggested. Most of this increase falls within the abatement and control programs of EPA. But others are distributed throughout various other programs of the Agency. On page 50 of the report is a breakdown of the Agency budget data by media which include the 1975 budget request, the House bill and the Senate recommendations. While this increase is a sizable one, both in terms of the dollars involved and percentagewise, I can assure my colleagues that these recommendations were made only after very careful study and with the feeling of the committee that they were badly needed if we are to continue to attack our environmental problems in a timely and responsible manner. I would add also, that the $75 million increase is but a relatively small portion of the many recommended amendments and increases which were proposed to the subcommittee. Here again, only those which we considered to be highly meritorious and critical were approved for increased funding.

For conservation operations of the Soil Conservation Service, the committee has recommended $196,216,000, which is $3,390,000 over the budget estimate. Of this amount we provided an increase of $3,800,000 to allow the SCS to conduct soil surveys in the four-State area of Wyoming, North Dakota, South Dakota and Montana that in all probability will be involved in extensive strip-mining operations within the immediate future. This area, known as the Fort Union Formation, is underlain with high quality coal which can be reached and mined by strip-mining methods with relative ease and highly efficient operations so far as the financial situation is involved. In order for any such extensive and massive strip-mining to proceed, however, it is absolutely necessary that not only the Federal agencies but private developers and local authorities have the benefit of the technical knowledge and expertise which can come only from adequate soil survey activities.

I think it has been made abundantly clear in recent months that the western area of the United States, under which these vast coal deposits lie, is somewhat reluctantly resolved to the fact that we will have to make our contribution to resolve the energy crisis which faces all of us at the present time.

Recognizing this fact, however, does not mean that we are willing to open up our land to the rape and ravages which have occurred in various other areas of the United States. We do not want scars and wounds opened up in our landscape which will remain scars forever. We are prepared, even though somewhat reluctantly, to make our God-given natural resources available for the benefit of the country. But the minimum we expect and demand is that these resources be produced in an efficient and responsible manner.

The basis, and the only basis, from which we can proceed toward this goal is the development of an adequate soil survey and the resulting information which can be used as a proper tool for land use planning and resource development. While this goal cannot be accomplished in 1 year or 2, the committee does place an extremely high priority on this activity. For that reason, it has provided the increase of $3,800,000 for initiation of this critical work by the SCS.

The committee has also recommended an appropriation of $20 million for continuation of the Great Plains program. This is a program which has been highly popular and successful in the Great Plains area and is one which had been proposed for termination by the Department. The committee was unanimous in its recommendation that this program be continued under the administration of the Soil Conservation Service.

The committee has rejected the proposal of the Department to establish a new program—The rural environmental program—which would combine several existing programs namely, the rural conservation program, the Great Plains program, the water bank program and the emergency conservation program. The committee has concurred with the House action in maintaining each of these programs as they had been established and maintained in the past. Accordingly, therefore, the committee has not provided any funds for the newly proposed rural environmental program, but has provided individual funds for the water bank program, the Agricultural conservation program and the emergency conservation program, in addition to the Great Plains program which I discussed previously. The committee has also recommended an individual appropriation for the forestry incentives program.

Perhaps the most troublesome problem we had in the bill this year was that of the Federal Trade Commission and more particularly the so-called line-of-business reporting proposal of the Commission. Based on the authority which was given the Commission in the so-called Alaskan Pipeline Act, which was passed by Congress late last year, the Commission proposed to submit its line-of-business questioning to the 500 largest corporations or conglomerates in the United States. The House action reduced this figure to 250 rather than 500 and provided some restrictions on the confidentiality of any material obtained from this survey of the 250 participants.

This was a matter on which there was a divergence of opinion within the subcommittee and the full committee and, of course, many of our colleagues who are not members of the committee had also expressed a very deep, genuine and understanding interest in these issues. After considerable deliberation, the committee reached a position on these issues by way of compromise which I think are generally acceptable to most of the individuals and interests involved. Like any good compromise, I do not believe that any of these individual conclusions or recommendations meet with the unqualified approval of anyone involved, but I will say that my colleagues on both the subcommittee and the full committee made a very genuine and dedicated effort and I might add a successful effort to reach some accommodation on these issues. I believe we were successful in doing that. Perhaps some of my colleagues on the committee will have more to say about this matter as it is considered on the floor. But in the meantime, I feel that the report and recommendation of the committee is a very acceptable compromise solution to some very delicate, detailed and involved matters. As the committee report indicates, this is a matter which the committee will continue to review and scrutinize very closely and I am sure that all parties concerned, including the Federal Trade Commission, recognized this fact and will act accordingly.

Mr. President, that concludes the remarks which I have to offer by way of highlighting or summarizing the bill now before us. As you are aware, I have passed over many items without mentioning them, not because they are not important but, generally speaking, they are those on which the committee did not take any action significantly different from that proposed by the budget estimate or the House bill. At this point I shall be glad to yield to any of my colleagues who want to raise any questions or discuss any other part of the bill.

We have added $850,000 to the budget for pest management to enable the Extension Services to assist producers in carrying out expanded boll weevil management practices in all infested areas of the Cotton Belt. These pest management programs were initiated in 1971 on a pilot basis with emphasis on cotton insects. They have proved very successful in terms of better insect control and higher yields while reducing insecticide usage in the pilot areas by 35 to 50 percent.

In the boll weevil area, emphasis is on the physical inspection of fields by "insect scouts" to determine population levels, timing of insecticide treatments when needed, and practices in the fall to reduce population going into winter hibernation. These are properly the functions of the Extension Services.

Pest management has proved to be a much needed and effective alternative to the regular control programs which are based almost entirely on the use of insecticides. Pest management practices are applied and paid for by farmers, but the Extension Services provide professional assistance in organizing the programs and in educating growers on the practices to be followed.

The boll weevil has been singled out for emphasis for two reasons: First, it is the Nation's most damaging agricultural insect and second, a plan to eradicate the boll weevil is being developed and this will be a massive program once it is inaugurated. A pilot eradication program was completed last year which demonstrated the technology now available to eradicate the boll weevil.

By expanding boll weevil management practices now to all areas, immediate benefits will accrue to producers and the Nation, and conditions will be created to make the eradication effort easier and less expensive when we are able to proceed.

Mr. President, the senior Senator from Idaho (Mr. CHURCH) has discussed with me a situation we have in his State in reference to the program of the Department of Agriculture in consolidating various Agency offices.

I know that this is a sensitive situation particularly in the Western United States. Senator CHURCH advises me that in Idaho the Department is closing some offices and consolidating others with the result that some communities are left without any local offices or representation from the Department of Agriculture. This apparently is occurring in areas in which towns are few and far between and is placing a hardship on many people who utilize the services of the various agencies of the Department.

Departmental officials have advised me that they would be sensitive to the needs of particular areas as this plan is being implemented and I trust they will be. I have assured the Senator from Idaho that we would work with him to make certain that his constituents will not be placed at any disadvantage in the implementation of this program.

Mr. President, in closing, I ask unanimous consent to insert in the RECORD at this point a statement of the Senator from Idaho (Mr. CHURCH) which he prepared following our recent detailed discussion of this matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CHURCH

Mr. President, as the Senate begins consideration of the Department of Agriculture-Environmental and Consumer Protection Appropriation Bill I want to voice my support for the legislation and I wish to commend the distinguished Senator from Wyoming (Mr. McGEE) for his very able leadership as Chairman of the Subcommittee on Agriculture Appropriations.

I also want to thank the distinguished Senator (Mr. McGEE) for his personal assurances to me regarding his interest in and offer of assistance in resisting implementation of the Department of Agriculture's reorganization plan where such plan calls for the closure of county Soil Conservation Service, Farmer's Home Administration and Agricultural Stabilization and Conservations Service offices in small farming communities.

These agency offices are now located, and have been traditionally located, in farm communities throughout Idaho. If the USDA reorganization plan takes effect these agencies will be "consolidated" in the bigger cities of my State.

I think it ironic that agricultural offices are to be moved further away from the farms they are supposed to serve. I have maintained that this plan is false economy, which will become all the more evident when new government facilities are constructed for the consolidated offices. The USDA plan which was initially circulated earlier this year called for the closure of local Agriculture offices in Jefferson, Jerome, Owyhee, Fremont, Shoshone, Camas and Boise Counties.

Furthermore, removal of offices out of these Idaho counties will simply add expense, in time and money, for the farmers who will have to travel longer distances, in order to transact their business with the FmHA, SCS and ASCS. If this initial plan is finally implemented, it appears to me that the bureaucracy will have served itself while sacrificing the interests of those farm families each agency was established to serve.

The initial plan to establish the so-called U.S. Agricultural Service Centers in Idaho caused many Idahoans, including myself, great concern. Not only were several local offices slated for closing but I was concerned that interested citizens may not have an opportunity to voice their opinions and participate in the final decision regarding any reorganization plan. I voiced this concern to the agencies involved and while I received assurances from the USDA that public meetings on the reorganization proposal will be held, I have yet to be informed of any such meetings actually taking place. I'll continue my efforts to see that farmers are fairly represented in this matter.

Mr. HRUSKA. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. McGEE. I am delighted to yield.

Mr. HRUSKA. Mr. President, I ask unanimous consent that my staff member, Mike Granfield, be allowed the privilege of the floor during the debate and vote on this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HRUSKA. I thank the Senator.

Mr. McGEE. Mr. President, I yield to the distinguished ranking minority member of the Appropriations Subcommittee on Agriculture, the Senator from Hawaii (Mr. FONG).

The ACTING PRESIDENT pro tempore. The Senator from Hawaii is recognized.

Mr. FONG. Mr. President, at the outset I wish to commend the distinguished Senator from the State of Wyoming who, as chairman of the Agriculture-Environmental and Consumer Protection Subcommittee of the Senate Appropriations Committee has done outstanding work on this bill.

I am especially grateful for the capable and effective leadership he has exercised in the consideration of the bill that we have before us today.

As the chairman has already given a detailed explanation of this measure, I shall only comment on some of the highlights.

Mr. President, these are difficult financial times. Within the confines of the bill before us, there are increasing demands being placed upon our agricultural productivity.

There is unparalleled desire for safer and better consumer products. There is deep and continuing interest in protecting and cleaning up our environment.

This bill provides necessary support of the Federal programs to meet these demands, and equally important, reflects the fiscal restraints on our Government.

The total new obligational authority for programs funded in this bill is $13.5 billion, nearly $3 billion more than was available during the past fiscal year.

This sum exceeds the budget estimate by $120.5 million and exceeds the amount approved by the House of Representatives by $148 million.

While at cursory glance these figures may seem excessive, we must examine the increases more closely.

First, the increases provided for agricultural research in the Department of Agriculture. As I am sure all of us recognize, the United States is the world leader in agricultural productivity. This is not only because of our country's rich endowment of fertile land, it is also because of the technological progress that many years of heavy investment in research have reaped.

Sadly, these dramatic increases in productivity have not kept pace with the worldwide demand for food and fiber.

Renewed commitment is needed. Accordingly, the committee recommends the sum of $212.5 million for the Agricultural Research Service, an increase of $10 million over the House action. The committee also increased support for both the Cooperative State Research Service and the Extension Service by $6.7 million.

That, Mr. President, brings me to my second point. We find that despite increases in productivity and high consumer prices, many segments of our agricultural industry are in dire financial straits.

America's farmers are outstanding in their efficiency, know-how, and productivity. Comprising only 5 percent of America's population, our farmers produce more than enough food and fiber for the remaining 95 percent of our population. America's farmers have provided this country with its most salable product on the world market which has been one of the few bright spots in our otherwise declining foreign trade posture.

We would be shortsighted, indeed, to neglect agriculture in America. The committee recognizes this, and has addressed this need through continuing commodity program support and strengthening the rural development program.

This bill provides for the retention of the domestic farm labor and self-help housing programs. It also expands the rural water and waste disposal grant program with a transfer of $225 million in unobligated funds from the Department of Housing and Urban Development.

Greater levels are authorized for the rural electrification, telephone, and farm ownership loan programs. The committee also restored a House reduction of $100 million in the industrial development loan program and doubled the rural development grant program to $20 million.

We have seen a continued stream of young people moving from rural communities to the cities. This tide must be reversed. This bill seeks to aid in that effort by assuring people in rural areas comparable opportunity for decent housing and jobs as is available for urban residents. The bill also provides greater assistance to young people to enter into agricultural enterprises on their own.

Mr. President, in addition, the committee has reaffirmed its deep and continuing interest in the protection of our environment.

Provided in this bill are $123 million for energy research and development activities in the Environmental Protection Agency. Included in this sum are $10 million for demonstration projects on the utilization of municipal and agricultural waste as energy sources and another $10 million for development of alternate automotive power systems.

In EPA's abatement and control program is an increase of $50 million for air and water pollution control activities. The committee also transferred $175 million to the clean lakes and Great Lakes programs.

Furthermore, the committee concurred with the House action to retain the current administration of the rural environmental conservation program, the great plains program, the forestry incentives, the water bank act program and the emergency conservation measures. It was earlier proposed that these programs be consolidated into one appropriation, but the committee believes that the goals of these valuable programs will be better served through individual funding and administration.

It should be noted that, while the committee has recommended appropriations for fiscal year 1975 which exceed the past fiscal year by nearly $3 billion, the bulk of this increase was not within the control of the committee.

Increases for the Commodity Credit Corporation totaling nearly three-quarters of a billion dollars are for the repayment of past years' losses. The mandatory increases in the food stamp program will cost another billion dollars. Pay costs, space rentals, and other required outlays account for much of the remaining increase.

Mr. President, in light of these factors, I firmly believe that the bill we have before us today is a responsible measure and, indeed, a necessary one.

I want to reiterate that we have worked very hard on this bill. We have given every item due consideration, and we have proposed to the full committee and to the Senate a well-balanced program.

Of course, there are many items in the bill whose appropriation could be increased if we had the money. But we are under fiscal restraint, and it is necessary that we keep within that fiscal restraint. The pending committee bill is $120 million over the amount which our subcommittee said earlier this year we would provide in this bill. We are $148 million above the total appropriation which came to us from the House of Representatives, and we are $3 billion in excess of last year's appropriation.

All in all, Mr. President, this is a well-balanced bill, and I urge my colleagues to join me in supporting it.

The PRESIDING OFFICER. (Mr. HATHAWAY). Who yields time?

Mr. McGEE. Mr. President, I yield whatever time is necessary to the distinguished chairman of the committee. He asked for 5 minutes.

Mr. HATHAWAY. The Senator is recognized.

Mr. McCLELLAN. Mr. President, I wish to pay tribute to the distinguished Senator from Wyoming (Mr. McGEE) and the distinguished Senator from Hawaii (Mr. FONG) and their colleagues on the Subcommittee on Agriculture, Environmental and Consumer Protection of the Committee on Appropriations, for their dedicated, conscientious, and able work on this important appropriation bill.

I wish, also, to lend my wholehearted support to the eloquent plea made by the Senator from Wyoming and the Senator from Hawaii that this bill not be burdened with amendments which would greatly exceed the budget estimate proposed by the subcommittee.

The bill before us—H.R. 15472—is the product of months of hearings, study and debate by the subcommittee, which in its deliberations considered and weighed all aspects of the measure. This bill is not perfect; it will not satisfy everyone. No appropriation bill does.

Frankly, I would like to see appropriations reduced. I regret that it is necessary to have a bill of this magnitude. But there are essentials in Government that have to be supported and have to be funded and have to be provided for. There are functions of Government created by statute about which there may be differing opinions as to the merit of the program or of the services and functions to be performed. But once they are established by statute, once they become law, adequate appropriations have to be made in order to carry out those programs. Thus, to carry out the will of Congress and the laws as enacted, it is necessary to make certain appropriations.

But this bill does represent the considered and reasoned decisions of the Members of the Senate most cognizant of the issues, the needs, and the problems involved. As such, it should be approved without change, amendment, or modification, except in those few instances dictated by unforeseen circumstances.

I understand that there are one or two amendments providing for additional funds that are imperative, and those amendments should be adopted. One of them I think is to be offered by the distinguished chairman of the subcommittee. But I want at this time to call to the attention of my colleagues that many other amendments are pending and the prospects are that some of these will be offered. I do not know whether they all will be offered. It is indicated, as of now, that amendments costing up to $1 billion may be offered to this measure.

I would like to leave this thought: We just passed, a few days ago—and the President signed into law—what we call a budget reform bill. It does not matter what that bill contains or what function may be performed under it ultimately. We determine what this Government is going to spend by our vote right here in Congress.

It is time to quite talking out of both sides of our mouth. If you want economy, you have to vote it, and you are not going to get it any other way.

I suggest that, as these amendments are offered here today—other than the ones supported by the committee and to be offered by the committee—it is well for the Senate, the Members here, all to consider whether their vote for the budget reform bill was just merely a gesture or whether they meant it. If they meant it, now is a good time to back it up and to start by defeating amendments that are going to escalate the cost of government. Let us start today, start on this bill, we do not have to wait for a report from the Budget Committee—start now.

I want to again commend the members of the subcommittee. I know that they had many, many requests; and had all been granted, it would have taken this bill to possibly a billion dollars more than the amount the committee has recommended.

I know the stress, I know the strain, I know the persuasion, and I know the pressures that are applied to get more and more appropriations and I think the committee has demonstrated its determination to reduce the cost of government by holding these figures down and by resisting pressures that may have been applied.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. I was interested to note that the Senator from Arkansas states that there are amendments pending which would increase the cost of this legislation, increase the appropriation, an additional billion dollars.

Mr. McCLELLAN. Am I correct about the billion dollars?

A billion dollars pending yet to be added to this bill.

Mr. HARRY F. BYRD, JR. Yet this bill is $2.9 billion more than was spent this past year.

Now, I am not clear as to the parliamentary situation, and, if I may state this question from a parliamentary standpoint, if any of these amendments are adopted, and certainly if all of them are adopted, it may cause individuals to have thoughts as to what should be done in regard to final passage of the legislation as to how one might vote, and what I am interested in ascertaining from the manager of the bill under the parliamentary situation, will all the speaking be done on the bill prior to voting on the amendments?

Mr. McGEE. That is the anticipated procedure.

I might say to my friend from Virginia, right now, that, for obvious reasons, there can be no rollcall votes before 3:30 this afternoon, but we would intend to proceed with the pending proposals that we know of, the amendments of one sort or another, between now and at that time.

That is not a shut-off time; that simply guarantees no votes before then.

If we finish, in other words, the discussing of amendments, there are time limitations on all the amendments, we would set it aside, if the proponents or opponents require rollcall, until the cumulative moment of 3:30, or the soonest time thereafter.

Mr. HARRY F. BYRD, JR. Would there be time between the voting on the amendments and the vote on final passage of the legislation for Senators to express their views?

Mr. McGEE. As long as the time allowed on the bill, which is 2 hours, has not been used up.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. McCLELLAN. Mr. President, as it is known, we live in a time of economic unrest and fiscal crisis, skyrocketing prices at the supermarket, a plummeting stock market, stagnated industrial production and a depressing lack of confidence in the future of the dollar.

The Senate—and the Congress as a whole—have no more important and vital task confronting it than to provide our people with a stable economy, a sound dollar, and an eventual return to balanced budgets.

On all sides, we hear suggestions for a massive reduction in the budget. Dr. Arthur F. Burns, the Chairman of the Federal Reserve Board has called for a $10 billion cut. William Simon, the Secretary of the Treasury, has reportedly presented the President a list of potential reductions totaling $20 billion. Dr. Herbert Stein, the Chairman of the President's Council of Economic Advisers, has called for a return to the "old fashioned religion" of reduced Government spending.

I would like to say, Mr. President, at this point, that if the Secretary of the Treasury, Mr. Simon's recommendation to the President has merit, if the President agrees with them, I think it is his duty to promptly send to the Congress a rescission of those parts of his budget with which he agrees with the Secretary of the Treasury where cuts now should be made.

It makes it a bit confusing, now, the Secretary of the Treasury making recommendations to the President to cut $20 billion out of his budget and the President not responding thereto or not advising the Congress whether he agrees with the Secretary of the Treasury. I think we are entitled to know it if he does, and the President, by not sending message down here would not, to me, indicate consent thereto or agreement therewith, but just the reverse, because I think it is his responsibility to advise us if in his judgment his budget should be further reduced.

Nevertheless, Mr. President, in the final analysis, the responsibility for helping put our Nation's fiscal affairs in order rests with the Members of Congress.

That is one of the great faults. We cannot fully finance all the programs we have already adopted and authorized, but we keep authorizing new ones, and there is no way we will ever catch up and have a balanced budget if we keep authorizing more programs, the cost of which exceeds the revenues.

There is no better way for us to begin to meet this challenge than by weighing and accommodating priorities so that spending is kept within the bounds of revenues. If we are going to establish and maintain a responsible fiscal policy that is essential to national solvency and a stabilized economy then let us begin today by exercising restraint and prudence in our approach to this bill.

There is no better place for us to begin to meet this challenge—to exercise this restraint—than in the debate on and in the further processing of this bill, as we weigh the amendments that are going to be offered to it.

The American people are looking to us for leadership in this crisis—and we must provide it.

Bear in mind that not all of the responsibility is on the President who submits a budget, ultimate responsibility in my judgment rests upon us and I think our constituents are aware of it.

Again, I want to reiterate for the RECORD that I hope we begin now on this bill practicing what we preached in the passage of the budget reform bill.

We can start by holding this bill down to what the committee's recommendations are. Hold it there and keep it there and reject these amendments that would greatly increase the cost of these agencies that are covered by this measure.

We can begin today. Today we can begin testing ourselves whether we meant what we said by this gesture in the reform budget measures.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. McGEE. I want to thank the Chairman of the Appropriations Committee for his forthright assessment of the dimensions of this bill and the responsibilities that it calls from this body if we are to live up to the commitments that we have all undertaken in the Senate of the United States.

Now, Mr. President, I ask unanimous consent to proceed to what has now become a technical committee amendment. I send it to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> On page 51, line 24, strike "$641,601,000" and insert in lieu thereof "$541,601,000."

Mr. McGEE. Mr. President, I propose this amendment since the situation involving the so-called section 32 funds within the Department of Agriculture has changed rather drastically since the 1975 budget estimates were submitted to Congress and since we held hearings on these budget proposals. As a matter of fact, this situation has changed rather drastically within the past day or so and the amendment which I have proposed would tend to alleviate a rather critical situation which is facing the Department at the present time.

For a number of years Congress has drawn quite heavily on the section 32 funds in implementing the school lunch and various other food and nutrition programs which are administered by the Department. In many of these programs the Department makes an allocation of these funds and their proposed allocation is contained in the budget estimates which are presented to Congress annually. In addition to the allocations which are somewhat within the discretion of the Department, Congress has during the past several years mandated that section 32 funds be used for a number of programs. For example, recent legislation served to mandate an additional $120 million for increased reimbursement under the school lunch program and an additional authorization and mandate for $60 million under the so-called WIC program.

As a result of these two mandates and due to some revision in estimates on the entire section 32 program, the Department now estimates that they face a deficit of approximately $90 million in the section 32 account. Unless we do something in this bill today this will have drastic consequences for various programs. Accordingly, therefore, I have proposed this amendment which would reduce the amount of section 32 funds which would be transferred to the child nutrition programs. The amount of this reduction would then be available to cover the deficit which the Department now faces and would provide it with a modest amount to enable it to make additional purchases of commodities under the section 32 program as might become necessary. I want to make it clear, however, that the amendment does not in any way reduce the total amount of funds available for the child nutrition programs and the reduction of section 32 funds which carry with it automatically an increase of funds which are directly appropriated. In other words, we would still have $1,315,630,000 available as set forth on page 51 of the printed bill now before you.

In all probability, this amendment will not take care of the needs of the Department for the balance of this fiscal year and it is not intended to do so. As I indicated previously, this matter arose quite suddenly and following subcommittee and committee action on the bill. My amendment, at best, is to be considered as a stop-gap emergency type measure. The Department, of course, will have to reassess this program in further detail and this might require some additional adjustments or appropriations and these of course, can be reached by way of a supplemental appropriation bill later in the year. When this matter was brought to my attention, however, I felt it was incumbent upon me as chairman of the subcommittee, to assist the Department in any way possible to alleviate this most difficult situation in which it has found itself.

While I am not at liberty to propose this as a committee amendment, since it has not been considered by the committee, I have discussed it with the Senator from Hawaii (Mr. Fong) the ranking minority member and with the Senator from North Dakota (Mr. Young) the ranking member of the full Appropriations Committee. I have also checked it with the distinguished Senator from Arkansas (Mr. McClellan), chairman of the Appropriations Committee, and they have all advised me that they have no objection to the adoption of this amendment. This, of course, will put this amendment in conference with the House. Accordingly, Mr. President, I move adoption of the amendment.

Mr. President, this amendment was simply prepared to deal with a sudden emergency that has occurred budgetarily in the so-called section 32 funds. They are now suddenly depleted, having been drawn upon over the years for food and nutrition programs pretty much at will. To avoid the embarrassment of a depleted funding operation upon which there are still draw-downs called for in this bill, we are required to reduce that draw-down in this particular amendment by $100 million, in order to keep it fiscally responsible.

Mr. President, we have consulted together on this matter. We have consulted with the chairman of the full committee and the ranking minority member of the committee, and there is unanimous agreement that it would be necessary and proper to adopt this modification as the first amendment.

Mr. FONG. Mr. President, the explanation made by the distinguished Senator from Wyoming for this amendment is correct, and I am in agreement with him that this amendment is necessary.

The PRESIDING OFFICER. Is all remaining time on the amendment yielded back?

Mr. FONG. Yes.

Mr. McGEE. Yes.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Wyoming.

The amendment was agreed to.

Mr. McGEE. Mr. President, I am prepared to yield now to the distinguished majority whip of the Senate, the Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the distinguished senior Senator from Wyoming, the manager of the bill.

Mr. President, shortly after World War II many West Virginia farmers were advised to grow the multiflora rose. These farmers were incorrectly advised by the Soil Conservation Service that the multiflora rose would not spread. Thereafter, however, they having planted miles and miles of multiflora rose fences and hedges, these plantings spread to the point where they have now literally captured substantial acreage in the State of West Virginia. I have received many letters from my people complaining about this problem.

The multiflora rose is proving to be extremely bothersome in West Virginia, and the same may be true with respect to some of the other States. I am advised that the Agricultural Stabilization and Conservation Service of the Department of Agriculture might be able to deal with this problem if it were given the flexibility needed to deal with such emergency conservation situations in general, and, in particular, with a very noxious and troublesome weed such as the mulitflora rose.

My distinguished senior colleague (Mr. Randolph) and I are prepared to draw up an amendment which would give the agency the flexibility that it needs. I understand that it would require no-year funding, and that this would give it the flexibility to reprogram any unused funds at the end of the year. This would enable the agency to deal with an emergency situation of the kind I have referred to. But my colleague and I also realize the problems that confront the managers of the bill, the fact that this might constitute a difficult change and an abrupt change, and that there would be problems with the other body in conference.

Senator Randolph is here on the floor and will speak for himself, but I want to join in asking the manager of the bill if there is any advice that he might bring to us at this time which we could follow in pursuing the solution to this troublesome problem, either today or in the course of the handling of the supplemental appropriation bill or the next regular appropriation bill, and whether or not the manager would suggest hearings on the problem.

I would welcome the counsel of the distinguished chairman of the subcommittee on which I serve, and I know that my able colleague is prepared to welcome the same. We would like to have some action today, but if this is impossible, we would like the counsel of the manager of the bill as to how we might best proceed to deal with this problem which is confronting our constituents in West Virginia.

Mr. RANDOLPH. Mr. President, I am grateful to the able chairman of the subcommittee for giving to Senator Byrd and myself the opportunity to discuss this very serious problem, which affects West Virginia, particularly the farming countryside of our State. I do remind our colleagues we have referred to West Virginia as the second most rural State in the Nation, Vermont being first, I believe, among the States. So sometimes people do not realize, really, the farming strength of a State like West Virginia.

It has been well said by my able and diligent colleague from West Virginia (Mr. Robert C. Byrd) that this is a concern which we share increasingly these days because of recent conferences and communications on the need to eradicate the multiflora rose in our State. Farmers in our State have conferred not only with us and with others in our congressional delegation, but they have also brought the matter to the attention of the Federal officials in the Department of Agriculture, and they have discussed with the Soil Conservation Service these matters of very real concern.

Senator Byrd and I know of the very genuine concern of our Commisioner of Agriculture, Gus Douglass, and the many members of our State legislative body who have been thinking in terms of what might be done at the State level that would help to eradicate what has become a noxious weed in West Virginia.

It was my responsibility to outline this serious problem by letter to the distinguished chairman of the subcommittee handling this bill on agriculture appropriations. My distinguished colleague from West Virginia (Mr. Robert C. Byrd) is aware of this communication, and has discussed it in detail with the subcommittee chairman. We are working together closely on what might be accomplished.

In that letter I spoke of the multiflora rose in some cases reaching a height of 20 feet. It has consumed parts of the countryside in many portions of our State, and, as Senator Byrd has said in documenting the record, shortly after World War II farmers in West Virginia were advised to grow these plants as "living fences" and the Soil Conservation Service incorrectly told our farmers that it would not spread. So miles and miles of multiflora roses were planted as living fences and hedges to provide cover for smaller animals and fencing for larger animals. Now our State has a serious problem: With the spreading, caused by bird "droppings" and sprouting roots, the estimates for eradication of the multiflora rose in just West Virginia range from $5 to $8 million. In a three-county area almost 1,300 acres are more than 75 percent infested. Because this is a very real problem Senator Byrd and I feel that it might be appropriate to present an amendment for consideration in the subcommittee.

We want to be realistic about a matter of this kind. Our amendment, if offered, would, provide that any unobligated funds under the agricultural conservation program would remain available at the end of the fiscal year, and the Secretary of Agriculture would have the authority to relocate the funds among the various States.

There are few programs, which do not have a "no-year" funding provision. ACP is one of these.

Mr. President, I ask unanimous consent to present my letter to Senator McGee for the Record; a draft of a possible amendment to agriculture appropriations; and a letter from EPA explaining the legal possibility of West Virginia using what Commissioner Douglas has found to be the only effective herbicide for eradicating multiflora rose—Tordon 10 K.

EPA Regional Administrator Dan Snyder has advised me of a meeting between Federal and State officials to insure safeguards for the herbicide's use.

There being no objection, the material was ordered to be printed in the Record, as follows:

July 18, 1974.

Hon. Gale W. McGee,
Chairman, Agriculture, Environmental and Consumer Protection Subcommittee, Committee on Appropriations, Washington, D.C.

Dear Gale: This letter refers to a possible amendment to the Agriculture Appropriations bill which I feel would improve the operations of the Agricultural Conservation Program. I regret bringing this to your attention at this late time. However, this matter was first outlined to me on Monday. Additionally I was not able to secure the revised bill and committee report until late last night.

In West Virginia a troublesome noxious weed known as multiflora rose, in some cases twenty feet high, has consumed many parts of our State. Shortly after World War II farmers were advised to grow the plants. The Soil Conservation Service incorrectly told them that it would not spread and miles and miles of multiflora rose were planted as "living fences" and hedges. Now our State has a serious problem. Estimates of eradication of multiflora rose in West Virginia range from five to eight million dollars.

The Agricultural Stabilization and Conservation Service realizes our State's problem but has pointed out to me that any unused funding in the ACP program is lost at the end of the fiscal year. ACP is one of the few programs in ASCS without "no-year funding".

I would appreciate very much your careful attenion to the attached amendment to the Agriculture Appropriations bill which would provide for ACP's use of its appropriations until expended.

I realize that no hearings were held on this particular subject but after informal discussions with Department of Agriculture officials and Senate Agriculture staff it is my belief that no-year funding for ACP should be provided so that proper reallocation of funds could occur for troublesome areas. West Virginia's legislators and Agriculture officials strongly urge this proposal in order that millions of dollars will not be lost for this important program.

I genuinely appreciate your attention to this request. This amendment would enable the Agricultural Stabilization and Conservation Service to use flexibility in dealing with emergency situations and costly conservation programs. It is because of such problems as the multiflora rose and the ASCS's inability to deal with it that I strongly believe this amendment is necessary.

With sincere thanks and with best wishes, I am

Truly,

Jennings Randolph.

SUGGESTED AMENDMENT TO THE AGRICULTURE APPROPRIATIONS BILL

(By Senators Jennings Randolph and Robert C. Byrd)

On Page 45, line 3 after "inclusive" insert: "*Provided*, That any unobligated balances remaining from the 1973 and 1974 programs may be redistributed at the discretion of the Secretary based on conservation needs, except that no State shall receive an increase of more than 15 per centum of its current years allocation from these unobligated balances:"

On Page 45, line 3 after "*Provided*," insert: "*further*," and delete "," after "*Provided*"

On Page 45, line 21 after "administration" insert: "except that any portion of the amount authorized for the 1975 program which is not obligated by the end of the program year shall remain available for obligation for subsequent program years, and"

On Page 45, line 25 after "community)" insert: "*Provided further*, That any unobligated balances remaining from the 1975 and subsequent years programs may be released by State committees and redistributed at the discretion of the Secretary based on conservation needs, except that no State shall receive an increase of more than 15 per centum of its current years allocation from these unobligated balances:"

U.S. Environmental Protection Agency,
Washington, D.C., July 18, 1974.

Hon. Gus R. Douglass,
Commissioner, Department of Agriculture, State Capitol, Charleston, W. Va.

Dear Mr. Douglass: Confirming our telephone conversation of July 16 with regard to the State registration of TORDON 10K pellets for treatment of multiflora roses in pasture land in West Virginia, our Enforcement Division has made the following statement:

"If a properly labeled federally registered TORDON formulation is shipped into the State of West Virginia and repacked or reformulated, this would constitute a new pesticide product within the meaning of the Act. The newly repacked or reformulated product would not, at this time, be subject to the provisions of the FIFRA, as amended, unless this new product was introduced into interstate commerce. The new product would be subject to the provisions of the State of West Virginia's pesticide Act. However, it should be noted that all intrastate products will become subject to provisions of the Act as of October of 1974."

I would point out that in my conversations with DOW they do not intend to register this product Federally but have plans to apply for registration of a new granular material, presumably with better characteristics for use. We would note the present 10K product is rather toxic and needs to be handled with appreciable care.

I would also like to bring to your attention that when Mr. Campt from our Registration Division talked with Mr. Gillespie he did suggest that there are some materials including salts and esters of 2,4,5-T that are available for treatment of wild roses in pasture areas and you might consider these to solve your problem. It is my understanding, however, that you indicate that these materials present some problems with use due to terrain conditions.

We will be pleased to work with you in whatever way we can to assist you with your problems during the immediate growing season. Please let me know if there is anything further I can do for you.

Sincerely yours,

Henry J. Korp,
Deputy Assistant Administrator for Pesticide Programs.

Mr. RANDOLPH. What we are attempting to do, as Senator Byrd has said, is to determine what the chairman would say about the possibility of not only hearings but possible attention to this matter on a forthcoming appropriations bills.

I would like to suggest that this amendment could be made a matter of attention for the supplemental appropriation. Would the Senator from Wyoming (Mr. McGee) give me his feelings about this suggestion?

Mr. McGEE. Well, first I think that the colloquy we are having right here underscores its urgency and its merit. This has come up very suddenly.

Mr. RANDOLPH. Yes. That is correct. This problem was first brought to my attention last Monday.

Mr. McGEE. There is nothing we could have done about it earlier.

Mr. RANDOLPH. No. On July 15, representatives from our State of West Virgina met with Federal and State officials for the purpose of finding alternatives for funding to curb multiflora rose, either through the Agricultural Stabilization and Conservation Service or the Soil Conservation Service.

Those attending the meeting were Gus R. Douglass, commissioner of agriculture in West Virginia; Billy B. Burke, West Virginia House of Delegates; Russel Beall, West Virginia State senator; Glenn Weir, Associate Administrator, ASCS; Ray Hunter, Director, Environmental Quality and Land Use Division, ASCS; Mel Davis, Assistant Administrator, Soil Conservation Service; Charles Phillips, Resource Development Division, SCS; and Daniel J. Snyder III, Regional Administrator, Environmental Protection Agency. SCS advised me it can only provide technical assistance. ASCS officials said that funds for the agricultural conservation program which are not used at the end of the fiscal year are lost. If ASCS could use the funds until expended, the Department could allocate funds not used by one State and give them to another State. This amendment would enable ASCS to use flexibility in handling not only emergency situations but costly conservation programs.

For example, Mr. President, Tordon 10K, an effective herbicide for eradicating multiflora rose, now costs in West Virginia as much as one dollar and fifty cents to two dollars. The small farmer can hardly afford this. Yet his meadows, cropland, and grazing land for animals continue to shrink because of the spreading multiflora rose. They are becoming very frustrated. Under this amendment ASCS could properly deal with such situations; now it cannot.

Mr. McGEE. There are some possible procedures there that lead us to advise against adding it at this late date to the appropriation bill. But, after the discussions that we on the committee have had with the two distinguished Senators from West Virginia, we would recommend that we mobilize at the earliest possible time at least a day of hearings or a part of a day of hearings in order to lay out its full dimensions so that we do have a record to proceed from. The target will then be the first supplemental, and the subcommittee would be prepared in any way to cooperate and to expedite this matter because we agree as to its urgency.

One thing that I say almost in a figurative sense is that the Senators have so much trouble in West Virginia with something that grows too well. Coming from the Rocky Mountain areas and the high altitudes, we would give anything to import this to some of our less fertile areas out there, and just let it grow. If it grows, and it is green or it is red, whatever it may be, we would be thoroughly delighted with it.

So, perhaps, we can even expedite it by having an exchange program of some sort. We can give you some of the rocks we have out there that are very beautiful. But, indeed, and very seriously, we would propose to expedite this without delay.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. RANDOLPH. I add thanks also to the Senator's handling of this matter.

Senator BYRD and I have had the privilege and pleasant responsibility of being in West Virginia this week, and in those verdant valleys and rolling hillsides, we find the strength of this Nation from the standpoint of growing products that take care of an America that increasingly is going to need the productivity of the countryside and the strength of our farmers who raise these products.

So I believe that the Federal Government certainly has the responsibility to assist in a time like this.

I am not calling for a handout. Many farmers are in dire distress particularly the marginal farmers. This is not just a cursory matter that we bring before the Senate. Senator BYRD has indicated his concern; and I know that the availability to reallocate funds would aid the department in helping us meet this problem.

This is a situation that must have attention in scheduled hearings. Even though Senator BYRD and I had hoped that, perhaps, an amendment might be the appropriate vehicle to use here today, we are very conscious of what Senator McGEE has said. So it will be our desire, I believe, that the Senators from West Virginia have an opportunity to keep very close contact with the Senator and other members of the subcommittee on which Senator BYRD serves so effectively in relationship to this very vital matter which needs action at the earliest possible date.

I express my sincere thanks to the able chairman of the Agriculture, Environmental and Consumer Protection Subcommittee on Appropriations for his counsel this morning and recommending hearings on the troublesome multiflora rose and the no-year funding for the Agricultural Conservation Program. Both of these matters deserve immediate attention, and I am gratified that Senator McGEE shares our urgency in this problem and in setting the first supplemental appropriation as the target date.

Mr. ROBERT C. BYRD. Mr. President, may I add to what my colleague has said, simply to express the hope that the distinguished Senator, who is the chairman of the Subcommittee on Agriculture, Environmental and Consumer Protection, will have the staff communicate with the Department of Agriculture to see if there is not some action which can be taken to give us relief prior to the handling of the next legislative vehicle that may be coming along. There may be some administrative action that can be taken within the present law whereby funds could be utilized for this purpose.

Mr. McGEE. I want to assure the Senator we will explore every possible avenue rather than just wait on a fixed procedure.

Mr. ROBERT C. BYRD. I thank the chairman.

Mr. McGEE. Time is of the essence.

Mr. President, may I ask what time has been consumed on the bill up until now?

The PRESIDING OFFICER. The Senator from Wyoming has 23 minutes remaining. The Senator from Hawaii (Mr. FONG) has 52 minutes.

Mr. McGEE. Has how many minutes?

The PRESIDING OFFICER. Fifty-two.

Mr. McGEE. Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, I ask unanimous consent that there be a quorum call without the time being charged to either side until we can locate the Senator from Nebraska (Mr. HRUSKA) who has an amendment that he would like to call up.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, I yield the floor.

Mr. FONG. Mr. President, I yield 5 minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 5 minutes.

Mr. HRUSKA. Mr. President, I wish to extend my personal appreciation to the distinguished chairman of our Subcommittee on Agriculture, Environmental and Consumer Protection (Mr. McGEE) and the ranking minority member of the subcommittee (Mr. FONG) for their diligent and dedicated efforts on this most important appropriations bill. It has been my privilege to have served on this committee under several chairmen. All of them have been good administrators, good expediters, and fine legislators. I am pleased to say that the Senator from Wyoming has followed in that very fine tradition, which has been the good fortune for this subcommittee.

AGRICULTURE

In the past year there have been many problems for the farmer. Increased costs of production, fluctuating markets, and competition from foreign countries have made economic life for the farmer at times difficult. It has also caused some hardships for the consumer who finds the weekly grocery bill rising with other prices. But we all are consumers. This bill can provide the funds to curb many of these problems.

The demand for food and fiber both home and abroad has severely strained the ability of the agriculture industry to maintain high production in the face of increasing costs. But, farmers and ranchers have not let us down. They are continuing to produce at full capacity. The funds appropriated in this bill will go a long way in assuring that these agricultural products will be available in future years to feed nearly 210 million Americans and countless others who face starvation in other lands.

Often in the past, the American public has viewed the farm bill as simply more money to subsidize farmers. But this is not the case. Out of the $13.5 billion in this bill, only $1.5 billion goes to fund regular farm programs.

Farmers are now for the most part operating on the free market. Surpluses are gone. Set-aside payments are no longer available. Many programs for farmers are on a cost-sharing basis or are loan programs which support themselves.

A good example of the independence of the American farmer is the plight of the cattle industry. Livestock producers are losing between $100 and $200 a head and the situation is worse than many can remember. Yet, these ranchers and feeders are sticking it out and are staying in the livestock growing and feeding business so long as their financial position allows.

Mr. President, a total of $837 million is recommended for rural development programs which will permit rural communities to improve sewer and water systems. The bill also provides for loan authority up to $750 million for the rural electrification program. All of these programs are directed to making rural America an attractive alternative to the overcrowded and strife-ridden life in many of America's cities.

In addition, the Soil Conservation Service has been funded in the amount of $365.8 million with a number of worthwhile programs such as the Great Plains conservation program, the watershed and flood prevention operations, watershed planning, and general conservation operations which are being continued as separate and in my opinion, constructive efforts to preserve our natural resources.

The bill also provides for $222.5 million for agricultural research activities which give farmers the necessary knowledge and technology to produce more efficiently and to meet the food and fiber needs of the American people. Of special importance are those funds which will go toward the increased production of red meat and increased grain production. I support wholeheartedly the funding increases for these agricultural research activities.

ENVIRONMENTAL PROGRAMS

Mr. President, the committee has recommended $1.3 billion for environmental programs which are to be used to improve and preserve the natural quality of our land and water. This is a newly arrived and highly involved thrust by the Government that reaches into every aspect of human activity. It is an area which goes to the environmental surroundings of each and every American. It behooves us in the Congress to proceed in a measured and judicious manner in the effort to make a positive impact on our environment.

Several important programs have been funded this year which will serve to achieve increased efforts in the attainment of a livable environment. The Environmental Protection Agency's role in energy research and development is supported by a new funding level of $123 million. These activities are critical to steps to increase the energy resources of this Nation.

In addition, $176.6 million has been recommended for research efforts in abating pollution, waste management, pesticide control, and noise abatement. Additional funds of $306 million are provided for developing environmental standards, grant support to States, and technical assistance to States and localities.

CONSUMER PROGRAMS

Mr. President, one other aspect of this bill which touches the daily lives of all Americans is funding for consumer protection programs. The health and protection of the consumer is a vital responsibility of the Congress in an age where new biological and technological products are placed on the market every day.

The bill provides for $199 million for the Food and Drug Administration and its activities of developing standards and doing research on drugs, medical devices, foods, radiological health, veterinary medicine and toxic substances. Each of these programs and research activities are directed to making the products used by consumers safer and more effective.

The consumer also needs a certain amount of protection in the marketplace. The best solution is consumer education and information and the regulation of the industries which produce items which may present an unreasonable risk of injury to the consumer. In that regard, the bill recommends $886,000 for a Consumer Information Center and $42.5 million for the functions and activities of the Consumer Product Safety Commission.

LARGE BUSINESS FIRMS REPORTING

Mr. President, there is one item in this bill which I feel has serious overtones for the economic well-being of our Nation's business and investment community. I refer to the recommendation of the Committee that the Federal Trade Commission be permitted to engage in what is commonly called line of business reporting. I will not burden my colleagues any further at this time on this matter since I have introduced an amendment which I hope will prompt lively debate during the consideration of this appropriation bill.

It should be noted, however, that my amendment is not intended to weaken the program and effectiveness of the Federal Trade Commission. Rather, the amendment is intended to strengthen the program by insuring that the agency will proceed carefully and judiciously in the gathering of information which has proprietary and sensitive characteristics, and which is of wide public interest and importance.

CONCLUSION

Mr. President, aside from the matter I have just mentioned, I support this measure and its funding levels. The committee has recommended a funding increase of $147.9 million over the House-passed bill. But, I believe that the funding levels in the bill have been carefully considered by both the subcommittee and the full committee. Every effort has been made to keep new obligational authority within the Administration's budget request. This bill is of great importance, however, to the backbone of the American economy—the American farmer. It is also important to the consumer and to all of us who are interested in seeing our natural resources conserved for many years to come. I would urge my colleagues to give this measure prompt approval.

Mr. President, I ask unanimous consent that a recapitulation of the four titles as to amount of budget request and the amounts allowed in the instant bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Agency and item	Budget estimates of new budget (obligational) authority, fisca l year 1975	Amount recommended by Senate committee
RECAPITULATION		
Title I—Agricultural programs	6, 446, 547, 100	6, 307, 634, 300
Title II—Rural development programs	806, 736, 000	837, 181, 000
Title III—Environmental programs	1, 143, 946, 000	1, 341, 749, 000
Title IV—Consumer programs	5, 035, 634, 000	5, 066, 788, 000
Total, new budget (obligational) authority	13, 432, 863, 100	13, 553, 352, 300

Mr. HRUSKA. Mr. President, I yield back the remainder of my time.

Mr. HART. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. McGEE. I yield to the Senator from Michigan.

Mr. HART. Mr. President, I ask unanimous consent that during the consideration of this matter that David Martin and Bernard Nash may be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1583

Mr. HRUSKA. Mr. President, I call up my amendment, No. 1583.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 50, line 15, between the words "data" and "from" insert "on sales or receipts".

The PRESIDING OFFICER. Is this the amendment on which the Senator wanted 2½ hours' time allotted?

Mr. HRUSKA. That is correct, Mr. President, I yield 20 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 20 minutes.

Mr. BENNETT. Mr. President, the distinguished Senator from Nebraska has just proposed for our consideration an amendment to H.R. 15472, which I wholeheartedly support.

Although this amendment calls for the insertion of four additional words in the bill as reported by the Committee on Appropriations, I believe those words accomplish the very important purpose of wisely limiting at the outset the scope and impact of a controversial new Government program having the profound potential to further open the door to more unwanted Government influence in and control over business decisions made in the private marketplace.

As this appropriation measure now reads, the Federal Trade Commission would receive $305,000 for the purpose of initiating a program for the collection of line-of-business data from 500 business firms as determined by the Commission. The Commission would thus be authorized to require each selected firm to furnish, with respect to each of its products, data on sales, revenues, profits, assets and expenditures, including those for research and development, media advertising, and all other overhead costs. The measure would also authorize the FTC, the Department of Justice, the Securities and Exchange Commission, the General Accounting Office, and the Office of Management and Budget to use the reported data for statistical purposes or for carrying out any specific statutory responsibilities belonging to these agencies, subject to certain provisions designed to protect the confidentiality of the data. Committees of the Congress would have the same full access to the data for their own purposes.

With respect to the FTC and the Department of Justice, this means that the data may be used as a basis for determining, as a matter of public policy, which business acts, methods and practices, are deceptive or anticompetitive and call for preventive or enforcement action. The data may also be used as evidence in such proceedings.

It appears clear that the FTC intends to make full use of this authority. I am informed that the Commission has determined that the initial reporting form will require responses on each of the topics to which I have referred with respect to approximately 230 separate product categories.

Senator HRUSKA's amendment imposes upon the FTC a limitation on the use of the appropriated money which narrows the scope of data which may be accumulated during this first year of the program's operation. Under the amendment, firms may be required to furnish data on sales and receipts, but not on profits, assets, and expenditures. I believe the inclusion of this amendment will appropriately tailor the contours of this program to those of the experiment which it is, and at the same time alleviate the ill effects of several serious problems and uncertainties to which the proposed program has given rise, both in its concept and in its execution. I shall refer briefly to each of these problems.

Much of the opposition to both the concept of line-of-business reporting and the FTC form, which represents the execution of the concept, centers around the difficulty and cost of obtaining reliable, or uncontaminated information from the reports. It is generally accepted that even the reliability of reported data on sales and receipts alone is impaired by the product-line categorization which has been adopted by the FTC. The General Accounting Office reports that these categories are inherently in conflict with individual businesses' normal management categories. In addition, the segregation of data based upon single establishments according to the FTC plan will result in the allocation of the sales, costs, and profits of a multicategory establishment to the category to which the primary activity of the establishment is assigned and the results for the primary activity category will accordingly be overstated. At the same time the results for other categories to which the same establishment's secondary activity data belong will be understated. Such aggregation of single establishment product lines will greatly distort the results from the reports.

The General Accounting Office reports that although data reliability problems may be resolved with respect to sales and revenue items, the "allocation of costs to line of business, in accordance with FTC instructions, will be substantially more difficult, less reliable, and less aggregatable" and that the "allocation of capital items by product line presents even more serious problems."

The difficulty associated with the allocation of cost and capital items among product lines, according to the GAO, arises from the fact that "[a]t present no rules or generally accepted accounting principles govern the allocation of common costs among segments of a company. A variety of practices are followed." Data from an independent research project financed by the Financial Executives Institute Research Foundation on the subject of financial reporting by diversified companies showed that "common costs are often so material that changes in the method of their allocation can have a significant impact on reported net income." The FTC's approach to the allocation of common costs is to accept allocations already made by the reporting companies, even though markedly different methods of allocation may have been used by such companies, and to apply its own, as yet unspecified, allocation formulas where no allocation has already been made by the reporting firms.

Only if reporting firms incur all costs, use all assets, pay all taxes and earn all income in proportion to sales in each FTC category, will the distortions in these figures be equal to, and not greater than, the distortions in sales figures. A diversified company meeting these hypothetical conditions would be an extreme rarity. In the absence of such conditions, however, distortion is multiplied each step of the way as line-of-business data on sales, then on costs and, finally on assets are required from reporting firms. This distortion is still further multiplied by the problem of transfer pricing, which is the placing of a price upon goods or services billed by one division or branch of a company and received by another branch of the same company. Again, varying practices are followed for pricing such transfers and the FTC apparently plans to accept whatever practice is used and then proceed to aggregate the reported figures. As the GAO states, "neither consistency nor accuracy can be expected."

As I have said, due to the present lack of generally accepted accounting principles by which allocations of expenditure and asset items may be made, reported data will be contaminated by the subjective judgment of either the reporting firms or the Commission. Senator HRUSKA's amendment would limit the scope of data reported during the 1-year trial period to that data which can be supplied with reasonable accuracy according to existing, generally accepted accounting principles; that is, data on sales and receipts. In the meantime, further work may be done on the development of effective accounting procedure for the reliable reporting of these other items. In fact, I am informed that the Financial Accounting Standards Board is presently at work on a recommendation to the accounting community setting forth standards and procedures governing segmented business reporting.

Another, and perhaps more important, problem associated with the proposed measure is the magnitude of the burden of compliance with the reporting program. According to the General Accounting Office:

> . . . the FTC estimate [of the cost of compliance] has undergone substantial upward revision as the comments from industry on the successive individual drafts [of the reporting form] were considered. . . . The Financial Executive Institute estimates the total cost to industry of complying with FTC Form LB to be far in excess of $100,000,000.

I wonder whether the sales will be worth any small part of that.

> Whether that estimate is reasonably accurate or not, we [the GAO] believe that the cost of complying with the FTC LB program will be very substantially greater than FTC has estimated. Some in depth surveys at specific companies will be required to resolve cost questions.

Furthermore, the GAO reports—

> The FTC advises that it has not attempted to make a cost/benefit analysis of the proposed report. We believe it would be extremely difficult to make such an analysis without actual experience with the report.

I believe the burden of compliance can be assessed with some degree of accuracy only after a trial reporting period. Since in my judgment the cost of compliance may prove to be so significant as to outweigh the possible benefits of the whole line-of-business program, I believe the pilot program should be limited to data on sales and revenues only. As I have stated, this data can be furnished without excessive cost with the use of already acceptable accounting procedures. During the time this pilot program is in operation the surveys recommended by the GAO could be conducted.

In my opinion, Senator HRUSKA's amendment would guard against cost overruns which would become a direct burden to private enterprise. We should be no more ready, and probably less ready, to leave room for potential overruns of this kind than we are to accept cost overruns on public projects which must be paid out of the Public Treasury.

Enactment of a full-fledged LOB reporting program at this time would be inappropriate and premature for two additional reasons. First, the bill as written would not sufficiently protect the confidentiality of reported data. Thoroughly confidential treatment may be rendered impossible by the uncertain state of the law under the Freedom of Information Act, which might provide ordinary litigants with LOB data, together with the potentiality of leaks by the large Government agencies and committees of the Congress which are provided access to this economically sensitive data by the provisions of the measure as written. I believe that possession of the results of the complete program by unauthorized parties could influence the decisions of business at the market place to the detriment of competition and, thus, also, the free market economy of the United States. Such possession is not sufficiently guarded against in this bill. For one thing, it would not be any easier to punish a party under the antitrust laws for illegal possession of reported data than it would be to punish any other anticompetitive conduct, unless, of course, such possession is also reported on the LOB form. Passage of the Hruska amendment would at least limit the amount of sensitive data handled during the first year and allow the development of orderly and controlled procedures for handling based upon experience and experimentation. Then, when we consider the further appropriation of funds for this purpose 1 year from now, we will be in a better position to evaluate whether YOB data can be afforded confidential treatment without the necessity of statutory immunity from legal process or other legislative protection.

Second, consideration of this bill comes at a time when the Bureau of the Census and the Securities and Exchange Commission are already engaged in the collection of at least some of the information which the FTC seeks. In order to avoid duplication, it is the conclusion of the GAO that—

> Over time, it appears desirable to move toward standardization and consolidation of LB data collected by Census, SEC, and FTC.

Passage of Senator HRUSKA's amendment will limit the extent of the FTC's information gathering function until a plan to avoid duplication can be devised.

In summary, I believe this amendment would insure that during the first-year trial period, the potential cost and reliability of a full-scale line-of-business reporting program could be evaluated without undue burden to the selected reporting firms. In a sense, the amendment fashions a limited prototype reporting system. Just as experimentation with mockups and prototypes is required before an aircraft manufacturer begins production of jet aircraft and before the Department of the Air Force will accept delivery of the same, so the FTC and the American people should not put into operation a production line reporting system absent sufficient proof that the system has received the attention and testing it deserves and is in the best interests of the economy of the United States.

For the reasons stated and in view of the very reserved and reluctant approval given this program by the General Accounting Office, I urge my colleagues to vote in favor of the amendment offered by Senator HRUSKA, as I shall.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. AIKEN. I read the amendment just this morning, and a rather elaborate explanation came to our desks. Perhaps the Senator from Utah can help me, if I give him a specific example of what is in my mind.

Suppose one of the larger feed companies sells feed to broiler-producing companies which they control or own. The broiler people, in turn, furnish the product to chain stores or restaurant chains or anyone else who may be controlled by the same parent company. In that case, who makes the report, and what do they report on?

Mr. BENNETT. As I understand it—since Senator HRUSKA is the author of the amendment and is here, I would hope he would back me up—in the first place, the Federal Trade Commission will select the 500 companies that may report.

Mr. AIKEN. They will take the big ones, probably.

Mr. BENNETT. Yes.

Mr. AIKEN. Would they take all three?

Mr. BENNETT. They would not. They might take only one feed company, because they have to cover the entire scope of the American economy. Or they might take none. If they took one or three, the feed company would be asked, under the bill, as I understand it, to divide its cost of doing business among its various activities.

Let us look at the feed. They might decide that they were going to concentrate their profit on their broiler operation, so they would sell the feed to the broiler company at a low price.

Mr. AIKEN. They could concentrate on either their profits or their losses.

Mr. BENNETT. That is right—their losses.

But let us assume they are going to require two feed companies to report and company B might decide to concentrate its profits in the feed operation and, therefore, sell their feed.

The PRESIDING OFFICER. The Senator's 20 minutes have expired.

Mr. HRUSKA. I yield such time as the Senator may require.

Mr. BENNETT. They might concentrate their profits in the feed operation, so when we tried to compare the results of the two companies, we would have no basis for comparison under the circumstances.

Mr. AIKEN. And if they were engaged in international traffic sales, would that be included?

Mr. BENNETT. That would, again, depend on whether or not the FTC chose to select companies in international business, but I am afraid I would have to refer to Senator HRUSKA for the answer to your question.

Mr. AIKEN. All right, I was simply at a loss to understand the effect of the amendment and that is why I ask the question. It seems to me, it has some complications.

Mr. BENNETT. I have tried to point out that under the circumstances there is no standard accounting practice for the allocation of costs and, therefore, we could not possibly get comparable statistics from two companies engaged in the same business under the same bill, if we go beyond statistics on sales and statistics on profits.

I appreciate the opportunity the Senator from Nebraska has given me to make this comment and I yield the floor.

Mr. PROXMIRE. Will the Senator yield for a minute on that?

Mr. HRUSKA. I am happy to.

Mr. PROXMIRE. He is aware of the fact that this is one of the 500 biggest companies in the country, which means companies with assets of about $200 million or so. It may or may not apply to the feed dealers, or not, I am not sure, but a pretty big conglomerate.

Mr. AIKEN. Well, I am thinking now of one of the biggest feed companies. It is also in the broiler business and presumably in other businesses.

It is closing down its business in Vermont and I understand that 80 or so employees will be out of their jobs. That, however, is not why I asked the question of the Senator from Utah.

The PRESIDING OFFICER (Mr. METZENBAUM). Who yields time?

Mr. HRUSKA. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HRUSKA. Mr. President, first of all, I want to express my appreciation to the Senator from Utah for his very splendid analysis of the problem and the issue with which the Senate is faced this morning.

The Senator from Utah, having served on the committee that he does, Finance and also Banking and Currency, is aware that this is a problem which is not at all new.

For many years, the Federal Trade Commission has been seeking to get the power and authority to act as it is now empowered to do since the adoption of the nongermane amendment to the Alaska Pipeline bill last November.

The resistance to the exercise of that power and the endowment of the authority to the FTC has been on grounds and for reasons, Mr. President, which now become clearly focused by reason of the facts as they have developed and the specific reporting forms for which they seek approval which comes about because, under the statute, the Comptroller General is required to review those forms and to pronounce a judgment thereon.

I quote from the Comptroller General's report on "line of business":

> Report forms proposed by the Federal Trade Commission to gather financial data from domestic manufacturing firms should be improved to greater acceptability before being put to full use.
>
> The Hruska amendment seeks to do this by restricting initial Reports to information on sales or receipts. This will give the Commission time and opportunity to comply

with the conditions prescribed by the Comptroller when he gave limited approval to the proposed Form.

My amendment consists, Mr. President, of adding and inserting the words "on sales or receipts" on page 50, line 15, between the words "data" and "from."

It would have the effect of restricting the reports and the report forms to the one category rather than on all categories which would be reported if the present form was implemented.

Now, the Comptroller's letter of approval, Mr. President, was issued pursuant to the requirements and the congressional mandate that he perform certain review proceduces when the forms from the Federal Trade Commission or any other regulatory body would be submitted.

This letter of approval, Mr. President, specifically states that the sought information is not available from any other source within Government and that its collection is consistent with law subject to three provisions, and great care and a good deal of consideration should be given to those three conditions.

The first is this, that approval is limited to the initial round of reports and it expires on December 31, 1975.

The Federal Trade Commission had asked that the authority exist until 1980. That request was denied.

The second provision is that the Commission is required to discuss with business representatives, methods of improving the ease and accuracy of line of business reports.

Mr. President, I can hear the argument to be made on this point which is the reply that this has already been done.

Mr. President, it has not been done. There have been frequent consultations with many people in the business community by the FTC, but the information I receive is that those interviews and those conferences in the main were directed to the necessity for the information rather than the methods and the methodology which could be developed to remove many of the deficiencies and inadequacies in the requested form by the FTC.

The Comptroller General was aware of this fact. He comments upon it in his report, and notwithstanding those previous conferences he made, as a second provision in his letter, the requirement that the Commission should discuss with business representatives the methods for improving the ease and the accuracy of line of business reports.

The third provision is this: that the Commission is to explore with other agencies the possibilities of coordinating and consolidating its data needs with data collected by other Federal agencies.

Now, Mr. President, in order for these reports to be useful and meaningful for their intended purpose, they must satisfy two requirements.

First, they must be gathered on a basis of definitions and specifications sufficiently uniform to make comparison and aggregation possible.

In other words, they must not result in reports coming from similar lines of business in which the form will request certain items of information and those items turned out in the case of one company in the form of apples and in the case of a competitor company in the shape of pumpkins. When that is done, there is no possibility of aggregating except to say there are so many apples and there are so many pumpkins. There can never be an industrywide aggregation or comparison of such figures.

The second qualification and requirement for these reports is that they must not present distorted, misleading results.

In the language of the economists, the contaminated and polluted data must be held to an acceptable level.

Now, Mr. President, the proposed forms fail on both of these counts. The General Accounting Office Evaluation Report, approved by the Comptroller General, states, in part:

> We do not know the extent to which the data will be distorted . . . but examples furnished by companies suggest the distortion will be substantial. . . .

Mr. President, I should like to have inserted at this point in the Record an exhibit of distortion examples, so as to demonstrate these facts, and I shall return to a discussion of some of the specifics later in my analysis.

There being no objection, the exhibit was ordered to be printed in the Record, as follows:

EXHIBIT OF DISTORTION EXAMPLES

FTC proposed Report Form calls for assignment to a given category for each establishment by its dominant product, where more than one product is made. An establishment is a plant or economic unit, generally at a single physical location, where manufacturing operations or other services are performed.

Substantial distortion results where there are multi-product factories, with products divided among two or usually more FTC classifications, because the total is assigned to only a single category.

EXAMPLE NO. 1

A company with 3 establishments made $127 million of shipments in 1972. All were reported under FTC category 20.05 (preserved fruits and vegetables). Yet 33½% (over $42 million) actually should be distributed among seven other FTC categories. Thus all eight categories were distorted.

EXAMPLE NO. 2

Another company's establishments will be reported under a primary FTC class, even though less than 50% of total sales are in that category.

FTC category

[In percent of sales]

		1971	1972
34.05	Plumbing and heating	39.1	42.4
36.07	Household refrigerators and freezers	40.2	36.1
35.20	Refrigeration and service machinery	19.9	21.5
36.12	Household appliances	0.8	0

Note that in 1971, Household Refrigerators will be distorted by receiving impact of entire total. In 1972, it will be even more distorted because it will be recorded as having received no impact.

EXAMPLE NO. 3

A pulp and paper mill total sales of $155 million are all reported under FTC category 26.03 (paperboard mills). Yet 40% or $62 millions will be misclassified.

Mr. HRUSKA. Now, another portion of the General Accounting Office Evaluation Report dealing with its conclusions reads as follows:

> The data reliability problems referred to in prior sections of this report will make the initial responses unreliable, at best, in our judgment.

And, Mr. President, at worst they will result in misleading information, to the great tragedy and great disadvantage and well-being of all concerned such as:

The Federal Trade Commission itself and its credibility. The public, the consumer, the competitors or potential competitors who might venture into a field on the basis of these reports, which indicate great profitability in some areas of activity, will be badly fooled, Mr. President, because of the distortions, the misleading results, and the unreliabilities which would be the result of the use of these particular forms.

These deficiencies attach because first, business firms vary greatly in organization, business practices, financial structure, product lines, and recordkeeping; and second, there are no generally accepted accounting principles or rules governing allocation of common or joint costs, transfer pricing, intermediate goods, assets, or even sales or receipts of these different companies.

These data unreliabilities and incomparabilities result from unresolved dilemmas in adapting the FTC classification system to individual practices.

Experience is needed for joint learning by FTC and its staff and business representatives respectively to develop practical solutions or compromises of the dilemmas.

The Hruska amendment provides a logical way to get the benefit of such experience, by limiting initial reports to the category of "sales or receipts" in the initial round of reports.

Now, why have sales or receipts been selected for a trial run, Mr. President? The answer is this: Because data reliability problems in that area are most readily resolved, according to the Government Accounting Office.

However, even though "sales or receipts" appears to be a simply defined and interpreted category, difficult problems inhere in it also. It is the least difficult, but it is still a difficult type of problem.

For example, the treatment of intermediate goods and the evaluation of inventories. When is an intermediate good completed and hence a sold unit? What value should be placed on it? What value should be placed on inventories, especially in times of rapid inflation?

Should it be the acquisition cost or the replacement cost that should be assigned to it by reason of the constantly increasing inflationary prices? Those are problems that have to be resolved which have not yet been resolved and therefore will not be uniform across the various firms under these proposed line-of-business forms.

Learning how to deal with these variances in this particular field, Mr. President, of sales and receipts, will lead to a greater appreciation and to greater adeptness and ability to solve graver, more complex accounting areas that are eventually to be inquired into, such as common costs, transfer pricing, capital assets, and so on.

Now let us consider for a moment, Mr. President, the uses to which the proposed report data will be put.

First of all, to enable the FTC to determine the extent and level of competition, profitability, sales promotion, research and development, in the various product lines.

Mr. President, with a report where there will be built-in unreliabilities, where there will be distorted figures, where there will be, in fact, misleading information, what credibility can we assign to the validity of the history of any given line of industry or any given company with regard to profitability? How much credit can we give to the other aspects of these reports dealing with the extent of competition, with sales promotion, with research and development, when those built-in deficiencies are acknowledged and cannot be denied?

Yet that is the proposal of the Federal Trade Commission.

They state rather naively: "Well, we have got to do something, let us do something."

Mr. President, when that doing something is at the cost of disaster at the end of the road, and we know that it is, that is exactly when we should start to exercise caution. That is when we should go into this matter carefully and judiciously, and not headlong into a known catastrophe.

Another intended use of the data is to provide support for rational policy planning procedures within the Federal Trade Commission. Mr. President, it would be unthinkable for the Federal Trade Commission to try to postulate any planning or priority procedures upon forms which have known, recognized, and substantial deficiencies of the degree which will inhere in these forms if they are put to a full use in their initial years as is presently contemplated by the Federal Trade Commission.

Another purpose to which this report data will be put—it is not an intended or declared purpose, but a known purpose—is to serve as these bases for antitrust suits.

When we have antitrust suits, which are expensive and burdensome, based upon reports which will be distorted, misleading, and unreliable, we have, again, a travesty that should be spared the plaintiff as well as the defendant, and also the overloaded work schedule of the courts themselves

It will not do, Mr. President, to assert rather than demonstrate, as has been done by the FTC that the proposed reports will yield data greatly improved over present information. It may or may not. But even if that data will be somewhat improved, that is not the key question.

The question is, is that result still deficient, and to a degree that it would remain a harmful one rather than a beneficial one? Certainly a car with two wheels, Mr. President, will be greatly improved if we attach a third wheel, but it will not run until that fourth wheel is there; there is no question about it.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. HRUSKA. May I have 4 more minutes?

Mr. FONG. Yes.

Mr. HRUSKA. Now, addressing ourselves to the cost burden of information collection, the Comptroller General by law must determine that the forms and plans for collection impose a minimum burden upon business—and through it to consumers.

The pertinent words are these, taken from section 3512 in Public Law 91–153:

> (a) The Comptroller General of the United States shall review the collection of information required . . . to assure that information required by such agencies is obtained with a minimum burden upon business enterprises. . . .

Mr. President, that determination has not been made, and it cannot be made with the present state of knowledge concerning compliance costs. It cannot be made because there is a virtual void in the proposition showing what the adaptation to this report will require by way of expenses for the companies that will be affected. The Federal Trade Commission estimates for all 500 companies a total of about $10 million. The GAO reports that companies commenting on costs to the FTC gave estimates which were considerably higher than this. In fact, a good deal of surveillance was conducted, Mr. President, by the FTC on this particular complicated and complex issue over the telephone, and there was in some instances, I am sure, a lack of knowledge as to the position within the corporate structure that the man on the other end of the telephone from the Federal Trade Commission office possessed. Thus, we must view the $10 million compliance estimate by the FTC with a very skeptical eye.

The GAO stated further that Federal Trade Commission estimates seemed to them,

> To reflect incomplete knowledge of the impact that decentralization and diversity of company organization and record keeping practices has on cost.

Now, then, as opposed to $10 million, Mr. President, estimated by the FTC, industry representatives have estimated anywhere from $100 million to $187 million.

In some instances, in nine instances—and I ask unanimous consent that the tabular presentation of those by nine companies, which have been backed up and documented by a description of the methodology upon which their conclusions have been based be inserted in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD as follows:

REPORTED COMPLIANCE COSTS OF LOB AS REPORTED TO GAO

	Initial start-up cost	Annual maintenance cost
Beatrice Foods Co.	$1,171,800	$108,680
Dow Chemical Co., The	350,000	95,000/145,000
E. I. du Pont de Nemours & Co., Inc.	(1)	(2)
General Electric Co.	$1,010,000	(3)
Procter & Gamble Co., The	1,263,000	$100,000–150,000
Singer	500,000	125,000
Standard Oil Co. of California	475,000	325,000
Union Carbide Corp.	1,132,000	(3)
Westinghouse Electric Corp.	438,000	200,000

[1] $1,200,000 to $1,800,000.

[2] Several thousand dollars annually.

[3] Not given.

Mr. HRUSKA. Now then, with that great spread from $10 million to $100 million, to $187 million, obviously there is not enough information upon which the Comptroller General can assure, as he is required to do by the statute, that the information required by such agencies is obtained with a minimum burden.

The Comptroller General commented that some in-depth surveys of specific companies will be required to resolve cost questions. In any event, if the data are to have value they must be carefully and accurately compiled. We believe this task will require significant professional and management attention and will be quite costly. It is submitted that Congress, having issued a mandate to the Comptroller General, by precipitous action, by premature action, here is foreclosing him from the capacity and ability to comply with that mandate.

Mr. President, I ask unanimous consent that there be included, at the conclusion of my remarks, an exhibit of distortion examples consisting of six examples which are lurid, Mr. President, indeed, and they prove beyond a question that the results of the proposed budget report, the FTC reports, will be misleading, they will be distorted, they will be unreliable.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT OF DISTORTION EXAMPLES

FTC proposed Report Form calls for assignment to a given category for each establishment by its dominant product, where more than one product is made. An establishment is a plant or economic unit, generally at a single physical location, where manufacturing operations or other services are performed.

Substantial distortion results where there are multi-product factories, with products divided among two or usually more FTC classifications, because the total is assigned to only a single category.

EXAMPLE NO. 1

A company with 3 establishments made $127 million of shipments in 1972. All were reported under FTC category 20.05 (preserved fruits and vegetables). Yet 33½% (over $42 millions) actually should be distributed among seven other FTC categories. Thus all eight categories were distorted.

EXAMPLE NO. 2

Another company's establishment will be reported under a primary FTC class, even though less than 50% of total sales are in that category.

FTC category

[In percent of sales]

		1971	*1972*
34.05	Plumbing and heating	39.1	42.4
36.07	Household refrigerator and freezers	40.2	36.1
35.20	Refrigeration and service machinery	19.9	21.5
36.12	Household appliances	0.8	0

Note that in 1971, Household Refrigerators will be distorted by receiving impact of entire total. In 1972, it will be even more distorted because it will be recorded as having received no impact.

EXAMPLE NO. 3

A pulp and paper mill total sales of $155 millions are all reported under FTC category 26.03 (paperboard mills). Yet 40% or $62 millions will be misclassified.

	Standard industrial classification	FTC code	Percent of total sales	
			1971	1972
Example No. 4:				
Plant B:				
Carburetors, pistons, rings, etc	3599	35.21	27.6	29.9
Electric motors and generators	3694	36.25	30.1	29.1
Fractional horsepower motors	3621	36.03	26.1	26.0
Motor vehicle parts	3714	37.03	9.1	8.1
Metal powders and parts	3399	33.12	7.1	6.9
Total			100.0	100.0
Example No. 5:				
Plant C:				
Vehicle lighting equipment	3647	36.14	40.5	40.6
Motor vehicle parts	3714	37.03	31.6	32.4
Transportation equipment hardware	3429	34.04	15.8	15.4
Special tools and dies	3544	35.07	3.9	3.9
Electrical equipment	3694	36.25	8.2	7.7
Total			100.0	100.0
Example No. 6:				
Plant D:				
Cranking motors, generators and ignitions	3694	36.25	69.0	68.8
Motor vehicle parts	3714	37.03	30.3	31.2
Total			100.0	100.0

The PRESIDING OFFICER. The Senator from Nebraska's time has expired.

Mr. HELMS. Mr. President, as Senators are aware, the Federal Trade Commission has for several years been attempting to collect so-called "line-of-business reports" from certain corporations. These reports are intended to collect, essentially on a product line basis, such data as sales, profits, central overhead costs, advertising and research and development expenditures as well as the value of assets devoted to each line.

A number of objections have been voiced regarding such reports: they will produce misleading information resulting from differing accounting procedures; they will expose confidential information; the cost burden of reporting such data will be excessive; and perhaps most important of all, it is an unwarranted governmental encroachment on free enterprise.

In my view, all of these objections are well-taken, but a couple of them deserve special attention. Virtually every company maintains its records in a manner differing substantially from the Federal Trade Commission's reporting requirements. According to the Financial Executives Institute estimate, the total cost to industry of complying with these reports will be in excess of $100 million. This cost will ultimately be born by the American citizen, consumer, taxpayer. I do not believe that the American people want this additional burden placed upon their shoulders.

This action will add to the numerous governmental pressures contributing to the current rate of spiraling inflation. It will do so because corporations will, of necessity, pass along the cost of compiling this data and making these reports to the consumer in the form of higher prices. We hear a great deal about so-called "consumer protection." Will no one protect the consumer from the ravages of an inflation-riddled economy or oppressive taxation?

Furthermore, this kind of "big brotherism" on the part of the Federal Government is indeed alarming. One becomes increasingly aware and fearful of the so-called "data" that is being collected in the computer banks of the Federal bureaucracy. All too often this bureaucracy acts only to manufacture or compel "red tape" in order to harass those that it exists to serve—the American people.

The amendment in question would, to some extent, limit the ability of the Federal Trade Commission to collect certain information. I am pleased to support this amendment. I urge my fellow Senators to join in this support.

Mr. McCLELLAN. Mr. President, a year ago the House Appropriations Committee restored a general budget reduction of $3,100,000 which had been proposed by the administration. While this money was not earmarked for individual or specific projects, it was designated for high priority research areas including further research activities for onion, carrot, and cucumber processing. The Senate concurred in this action.

During the course of subcommittee hearings this year, Agricultural Research Service witnesses supplied for the record a table showing how that $3,100,000 was utilized and unfortunately none of that was utilized for onion, carrot, and cucumber research as specified in the report.

In the bill now before us, the committee recommends that an additional $100,000 be made available for research in this area. It is my understanding that this would be in addition to the $131,400 the Department had available for this research in its budget estimate. Can the Senator from Wyoming give me any indication as to whether this additional money will be made available for the purpose for which it is appropriated or does he expect that it will meet the same fate as the additional funds we provided for fiscal 1974?

Mr. McGEE. While I cannot give my distinguished chairman any firm assurance this money will be utilized for the clearly expressed purpose for which we make it available, I am reasonably confident that it will be. The chairman has pointed out a very significant difference between our action last year and this year. Last year we provided the additional money but relied upon some general directive language which the Department saw fit to disregard. This year we have provided a specific line item in the report of the committee. This very clearly and unmistakenly makes a specific additional amount, namely $100,000, available for this specific research area, namely, for onions, carrots, and cucumbers. There can be no misunderstanding on this this year and I can assure the chairman that I shall do everything in my power to see that this clearly expressed Congressional mandate is carried out.

Mr. McCLELLAN. I thank the Senator, and I shall join him in undertaking to see that the will and intent of Congress is respected and performed by the Department of Agriculture.

Mr. AIKEN. Folks in the State of Vermont who are most familiar with the ACP program have raised a question regarding the funding of long-term agreements that are now allowed under the ACP program. Last year the House and Senate Appropriations Committees provided that when a county office wrote a long-term agreement with a farmer, the funding for that contract would be prorated over the life of the long-term agreement.

I would like to ask the chairman of the Agriculture Appropriations Subcommittee, if I am correct in my understanding that the House and Senate Appropriations Committees have now changed this policy and provided that when a county ASCS committee approves a long-term agreement, that the funds for that contract will be allocated all at once instead of spreading it out over the life of that contract.

The question is being asked in the State of Vermont whether this will reduce the amount of funds that will be available for annual agreements, and would not this, in effect, decrease the number of farmers that might sign up for the program by reducing the amount of funds each year for annual agreements?

Mr. McGEE. It is true that the funds provided in the 1975 bill for ACP are intended to cover the cost of the long-term contract over the life of the contract. In this way we are assured that funds will be available if the contract runs for several years without any additional authorization by the Congress.

As the Senator points out, some of the funds provided in this bill will not be actually spent until a subsequent fiscal year. In order to make sure that this type of financing does not unduly restrict the amount of funds available under annual contracts, the committee recommends an increase of $40 million above the level provided a year ago for this program.

Mr. AIKEN. I noted in the committee report that there is language which urges the Department of Agriculture to insure that the committee system is maintained in selecting ACP practices that are best suited for that particular region of the country. Does the chairman expect the Department of Agriculture to make sure that county ASCS committees will have the option to devise ACP practices that best fit the local community and not have all the practices selected in Washington?

Mr. McGEE. In our report the committee pointed out that different sections of the country have different needs and the flexibility which is necessary to successfully implement the program can best be met by strengthening the committee system that has worked so well in the past.

Mr. JAVITS. Mr. President, there is a glaring deficiency in the appropriation in this bill for the special supplemental food program. This program, commonly known as women, infants and children—WIC—has been authorized at $100 million for fiscal year 1975 and yet only $40 million has been appropriated by the committee bill.

This program provides for the nutritional needs of low income children at the most critical stage of their development—before birth and as infants. It helps to reduce the incidence of birth defects and guarantees adequate nutrition levels for infants in their most formative year, when an inadequacy can lead to permanent loss of normal growth and development.

New York has been a primary participant in this program since its recent inception, which, because of the reluctance of the Department of Agriculture, was not until several months ago and then only at the insistence of the U.S. District Court in Dotson against Butz. New York has $12 million in WIC grants feeding approximately 48,000 low income women and infants. There are already 23 separate grant sites in operation in New York. According to New York nutrition officials, the program is a huge success.

Because of USDA's foot dragging, the entire $40 million 1974 appropriation was spent in the final 3 or 4 months of the last fiscal year. Unless considerably more funds are appropriated for fiscal year 1975 there will have to be drastic cutbacks in the existing participation levels.

To insure that this does not occur and because the program is so important, the Congress passed, and the President signed Public Law 93-326 which, among other things, funds this necessary program at $100 million for fiscal year 1975. Since this new level was only signed into law on June 30, the committee has not yet revised the appropriation to meet the authorization requirement. But there can be no dispute as to the act's unequivocal intention to fund the program at $100 million for fiscal year 1975.

I do not now seek to amend the bill to increase the funding level to the authorized $100 million but resolve the right to do for for that action is more properly left to the Committee on Appropriations in the first supplemental appropriations measure brought to the Senate. However, I believe the additional funding should be a matter considered at the earliest practical time and should be included at the fully authorized level.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Geisler, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer (Mr. Metzenbaum) laid before the Senate a message from the President of the United States submitting the nomination of James E. Dow, of Virginia, to be Deputy Administrator of the Federal Aviation Administration, which was referred to the Committee on Commerce.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 377. An act to authorize the Secretary of the Interior to sell certain rights in the State of Florida;

H.R. 3544. An act for the relief of Robert J. Beas;

H.R. 7207. An act for the relief of Emmett A. and Agnes J. Rathbun; and

H.R. 7824. An act to amend the Economic Opportunity Act of 1964 to provide for the transfer of the legal services program from the Office of Economic Opportunity to a Legal Services Corporation, and for other purposes.

The PRESIDENT pro tempore subsequently signed the enrolled bills.

FORMER SENATOR WAYNE MORSE

Mr. HATFIELD. I rise with great sadness to announce to the Senate the death of former Senator Wayne Morse of Oregon who passed away this morning at 8:10 at Portland, Oreg.

Wayne Morse was a politician from a very unique mold, and an enigma to many people. When convinced of a position on an issue he was not swayed by political considerations or pressures. His interest was substance. His commitment to issues produced a unique style which was known as the Morse style.

To those of us who for nearly a decade had tried to change U.S. policies in Indochina, Senator Morse's early prophecies and his warnings were of such magnitude and of such statesmanlike character that we all owe a debt of gratitude to him.

I would like to express my personal sympathy and that of my family to Mrs. Morse and to the family of Senator Wayne Morse on his passing.

He served for 24 years in this body, from 1944 to 1968, and I know that many who are here today served with him.

I will give my own eulogy concerning Senator Morse at a later time, but I did want to share this very sad news with my colleagues and his many friends here at this time.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HATFIELD. I will be happy to yield.

Mr. MANSFIELD. Mr. President, I wish to join the distinguished senior Senator from Oregon (Mr. Hatfield) in expressing my sense of personal loss in this man who contributed so much to his State, to the Nation and, in many ways, to the world.

He was a man of fierce independence. I know no one with whom I have served in this body who was more independent than Wayne Morse.

He was fearless. As the distinguished Senator from Oregon (Mr. Hatfield) said there was a Morse style, but there was also a Morse formula.

I am delighted to note the distinguished Senator from Wisconsin (Mr. Proxmire) on the floor, who has carried on the initiative shown by the late Senator from Oregon, Wayne Morse, in looking over items to look for escape clauses and to carry on in the tradition of Wayne Morse, as he has also, in my opinion—and I am speaking of the distinguished Senator from Wisconsin (Mr. Proxmire)—in the tradition of Paul Douglas, as well.

So it is with deep regret and sadness that I learned this morning of the passing of a man who left his mark on this Chamber. I wish at this time, on behalf of my wife and my daughter, to extend to Mrs. Morse—Midge as she was known to many of us—and the members of her family our deepest condolences in this hour of sorrow.

May his soul rest in peace.

Mr. PROXMIRE. Mr. President, would the Senator yield?

Mr. HATFIELD. I would be happy to yield.

I thank the Senator from Montana, the majority leader, Senator Mansfield, for his very kind remarks.

Mr. PROXMIRE. Mr. President, I join the distinguished majority leader and the distinguished Senator from Oregon (Mr. Hatfield) in paying tribute to a really great Senator.

Senator Morse was a man of remarkable intelligence. I can recall when he spoke 24 consecutive hours on the floor of the Senate.

I talked to people who were here during almost all of that time, the staff of the Senate, and they said it was the most amazing intellectual performance they had ever seen. He spoke for 24 hours. He was unprepared when he started. The speech was in complete sequence, no repetition, beautifully organized, all relevant and pertinent, and it was an indication of the remarkable ability that this unusual man had.

He was a man of absolute rock-like integrity. He was a man who came out of my State. He was born in the State of Wisconsin, and I think few people realized the great influence that the LaFollette tradition in Wisconsin had on Wayne Morse.

He grew up in the township in which old Bob LaFollette grew up. He was very much aware of that throughout his life, and he had the same love of the people, the same deep populism, the same dedication to the public interest that old Bob LaFollette had.

I think most of us knew Wayne Morse as one of the most remarkable critics who served in the Senate, certainly in the last quarter century. He had a biting kind of criticism, enormously effective, very persuasive, but he was also a very constructive man. When he became chairman of the Senate Education and Labor Committee, he became Mr. Education, and he was successful in getting through a series of profoundly effective education bills that did a great deal for this country.

One of the most remarkable improvements in our country in the last 15 to 20 years has been in education, and I think Wayne Morse is very largely responsible for that improvement.

I might also say, Mr. President, that one of the most heart breaking tragedies I have endured in my life was when our little child died after living for 1 day. We named that child after Wayne Morse. Wayne Morse was, in my view, such a remarkable and unusual man that we felt our child should bear his name through life. It was a very short life, but he was honored by the fact that he bore the name of this great man and great Senator.

I thank the Senator for yielding.

Mr. HATFIELD. I thank the Senator from Wisconsin for his kind remarks.

Mr. PROXMIRE. Mr. President, will the Senator yield for one further point?

Mr. HATFIELD. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, one of the really happier and more heartening marriages I have seen was the wedding of Wayne Morse and Midge Morse. They were both devoted to each other. Mrs. Morse often sat in the Senate gallery and watched her husband.

I often teased Wayne about the fact that when he married Midge he used great ingenuity. They were classmates in Madison High School, and Midge was valedictorian. She was as bright as he was, and he recognized that throughout his life. It was a very happy marriage of two wonderful people, who had two most attractive and fine daughters.

Mr. HATFIELD. I appreciate that further remark about the life of Senator Morse by the distinguished Senator from Wisconsin (Mr. PROXMIRE).

I would agree that Mrs. Morse was an effective campaigner, as was the Senator. She did not make the headlines as far as public knowledge was concerned, but she was very effective in working with him behind the scenes, and shoulder to shoulder—well, I should not say shoulder to shoulder, as she was a little lady in stature—in every campaign, and she is a very highly admired and respected lady.

Mr. FONG. Will the Senator yield?

Mr. HATFIELD. I yield to the Senator from Hawaii.

Mr. FONG. Mr. President, I, too, rise to express my sympathy to Mrs. Morse and to express my regret at the passing of a great American.

I served with Senator Wayne Morse here in the Senate for approximately 9 or 10 years, and during that time I learned to respect and admire him. He was a hard fighter. He was a man of tremendous dynamism. He spoke on almost every subject, and, when he did, he spoke with deep intelligence and with unusual clarity. The Senator's passing is the passing of a great American.

Senator Morse was very interested in the breeding of cattle, I believe the English type of cattle known as the Devon. If he liked you, he would name one of his fine cattle after you. For example, one of his cattle was named Yarborough, and others were named after other Americans.

He was very, very sympathetic to the needs of farmers, and he was a great champion of education. I know our Nation will miss him.

He demonstrated his dynamism anew following his defeat 6 years ago by the junior Senator from Oregon. This year, at the age of 73, he was campaigning very vigorously for election to the Senate again, and it was during this very strenuous campaign that he became ill; and now he has passed away.

The State of Oregon, indeed the Nation as a whole, has lost a very colorful figure from the political arena.

Mrs. Fong and I wish to extend to Mrs. Morse our deepest condolences.

Mr. HATFIELD. I thank the Senator from Hawaii for his very thoughtful remarks concerning Senator Morse.

Mr. President, Senator Morse had a biography written about him by one of our fine journalists, A. Robert Smith. When Mr. Smith was attempting to find an appropriate title for that biography of Senator Morse, he came up with the title, "Tiger of the Senate."

That title followed Senator Morse throughout his life. Even to this day, the day of his death, he was known as the "Tiger of the Senate" to the citizens of Oregon and to his many friends around this country.

I am very grateful for the comments made, and I will make sure they are communicated to Mrs. Morse and the family.

Mr. PELL. Mr. President, it is with a great sense of sorrow that I learned of the death today of Senator Wayne Morse. Wayne Morse was a statesman, an imaginative legislator, and a man of strong convictions and deeply held principles.

It is in keeping with his lifelong record of service to the American people, that, at his death, he was again seeking to serve through his candidacy for election to the Senate.

I was honored to be Wayne Morse's successor as chairman of the Subcommittee on Education of the Senate Committee on Labor and Public Welfare. In that capacity, I have had the opportunity to review Senator Morse's accomplishments during his years as chairman of the subcommittee, and I have marveled at the vision and the foresight he displayed in guiding Federal Government policy in education. Many generations of Americans will be the beneficiaries of his legislative leadership in education.

Similarly, in foreign policy, Wayne Morse contributed immensely to public understanding of the role of the United States in the world through his perceptive and prescient analysis of how our foreign policies could and should serve our true national interests.

Senator Wayne Morse, through his intellect and his vigorous advocacy, contributed immensely to the well-being of the American people. He will be sorely missed.

WAYNE MORSE WAS A WISE AND UNDERSTANDING LEADER IN EDUCATIONAL LEGISLATION

Mr. RANDOLPH. Mr. President, it was with genuine sadness that I learned of the death of our cherished former colleague and friend, Wayne Morse. I join Senator HATFIELD in our tributes today. We will miss this devoted public servant whose accomplishments and valued contributions to our country spanned over four decades.

Mr. President, Wayne Morse was a man of integrity and his actions—whether or not in agreement with his constituency—were based on strongly held convictions and what he believed to be in the best interest of all the people of this country. He was forthright and vigorous always in the expression of his beliefs.

My association with this giant of the Northwest covered many issues and interests of mutual concern. I treasure most highly, however, the memory of our work together on education legislation. Wayne Morse was a believer in youth and he translated this confidence into affirmative legislative programs to provide educational opportunity for the young people of our Nation. His chairmanship of the Senate Subcommittee on Education, on which I served under his wise leadership, deserves the highest recognition in the history of education. The youth of our Nation are today recipients of this farsighted man's earnest endeavors.

He was a law graduate of the University of Minnesota and from Columbia University; a law school dean; member of the Oregon Crime Commission; administrative director, U.S. Attorney General's survey of release procedures; and Pacific coast arbitrator for the U.S. Department of Labor.

He was also chairman of the President's Railway Emergency Board in 1941 and alternate public member of the National Defense Mediation Board in 1941 and a public member of the National War Labor Board, 1942–44.

It was in 1944 that he was first elected to the U.S. Senate and he was reelected on three occasions.

Wayne Morse achieved a distinguished record of public service and was an outspoken advocate of humanitarian programs for citizens throughout our Nation.

Mrs. Randolph and I cherished our family friendship with Mildred and Wayne.

Mr. JAVITS. Mr. President, our country has lost a great citizen and one of its finest sons. His idealism, his evangelism, and his intense patriotism for our country putting its best foot forward will be remembered by all Americans. And the way in which he called the blunder of the Vietnam war will give him an important place in our history. All Americans, regardless of party, will mourn his loss.

Mr. WILLIAMS. Mr. President, I join my colleagues today in mourning the passing of former Senator Wayne L. Morse. The news of his death early this morning came as a shock because Wayne had remained until the end vigorous, dynamic, and more energetic than many men half his age.

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Wayne Morse accomplished enough in his life to satisfy the lifetime ambitions of two men. He completed a distinguished career in the law before ever seeking election to the Senate. He was professor of law and dean of the Law School at the University of Oregon from 1931 to 1944, and during that period also served in a number of important capacities for the U.S. Department of Labor.

First elected to the Senate as a Republican in 1944, Wayne was reelected in 1950. He displayed his fierce independence and determination to uphold the principles he personally believed in when he broke with the Republican Party in 1952 and became an Independent. He was reelected, this time as a Democrat, in 1956 and was elected to his fourth and final term in 1962.

Mr. President, it was my great privilege to work closely with Wayne Morse on the Senate Committee on Labor and Public Welfare for close to a decade. Wayne was a member of the committee during his entire Senate service and was an expert on labor law, as well as one of our most energetic, interested, and hardest-working members. He distinguished himself as chairman of the Subcommittee on Education for 6 years, during which he helped forge the Federal commitment to our schools, colleges, and universities, and earned the title of "Mr. Education."

After leaving the Senate in 1969, Wayne continued to be extremely active at a time of life when most of us would be more than content to retire and relax. He served as a labor arbitrator, a lecturer, and a visiting scholar. It was a mark of the man that at the time he took ill and was hospitalized last Wednesday, he was in the midst of a vigorous campaign for election to the Senate.

Mr. President, Wayne Morse will undoubtedly be remembered by history as one of two Members of this body to vote against the Gulf of Tonkin resolution. It is a strange irony that the other—former Senator Ernest Gruening—died less than 4 weeks ago. Those of us who worked here in the Senate with Wayne Morse knew that his vote on the Gulf of Tonkin resolution was entirely in keeping with his unblunted determination to do what he believed was right, regardless of the consequences.

I want to express my heavy sense of loss at the passing of this great American, and convey my most heartfelt condolences to his widow and children.

Mr. KENNEDY. Mr. President, with the death of Wayne Morse, the Nation has lost one of the giants of its recent history.

Time and again, I recall Senator Morse taking the floor as the conscience of the Senate, dealing with issue after issue of vital importance to the people of Oregon and all the citizens of America.

On Vietnam, he was a prophet before his time, one of the first to see the horror of the war and America's senseless role.

In the area of labor laws, he was renowned for his unparalleled knowledge and expertise, and for his dedication to the rights of every working man and woman.

On education, he was the pioneer of a generation of progressive programs of Federal aid, the guiding force behind legislation that has become a landmark of the Nation's concern for the quality of its schools and colleges and for the education of its children.

On every other issue, at home and overseas, Wayne Morse was daily proof in the Halls of Congress that an individual can make a difference, that a single voice of integrity, insight, understanding and compassion can change America and alter the flow of history.

Perhaps most of all, to those who were honored to serve here with him, we shall recall his speeches on the Senate floor, the addresses that became the hallmark of the Senate at the close of daily business. In his brilliant, eloquent, and forceful manner, he ranged across the whole realm of foreign and domestic policy. He was at his best on these occasions, teaching the Senate wisdom.

With his death, the Nation has lost one of its most energetic and enlightened voices, and the country is the poorer.

Mr. HATFIELD. Mr. President, on behalf of my colleagues here in the Senate, I ask that the RECORD be kept open for 10 days so that other Senators who may wish to express their thoughts or experiences they may have had with the Senator from Oregon be permitted to do so.

The PRESIDING OFFICER. Without objection, it was so ordered.

DEPARTMENT OF AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1975

The Senate continued with the consideration of the bill (H.R. 15472) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

Mr. PROXMIRE. Mr. President, the Senator from Hawaii said that I might yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Nick Miller of the staff of the Senator from Washington (Mr. MAGNUSON) may be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I oppose the Hruska amendment because it would gut the Federal Trade Commission's line of business information program—a program which is vital to the health and growth of our economy.

The Hruska amendment proposes to limit the initial collection of line of business data to information on sales and receipts. It is immediately obvious that unless we also have information on costs, we can have no meaningful information on profits. Information on profits by product line is the heart of this program.

Profits are the name of the game in a free enterprise economy. It follows, then, that a free enterprise economy cannot operate effectively if there is no information available on where the profits are being made.

We learn in elementary economics that supply and demand are the factors which guide the efficient allocation of resources.

High profits in a particular line of business show where demand is high and is not adequately satisfied, that is, where demand is greater than supply, thus pushing up prices. They signal points where existing companies can profitably expand their capacity, and where new competitors should be encouraged to enter.

Accurate information on profits by line of business is essential for free market competition and industrial expansion into areas of greatest potential growth.

Mr. President, here is an area where we can do something constructive about inflation. The evidence is very clear that in many of these concentrated areas we have had very serious price increases. Last month we had increases, for example, in chemicals and applied products at an annual rate of 37 percent; machinery at a rate of 30 percent; the increases in plastics and rubber were at a 54 percent annual rate.

Now, it may be that these increases were justifiable and it may also be that they were the result, at least in part, of concentration of sheer economic power. Without the information, we do not know.

In the second place, the decisions of investors, large and small, also depend on reliable profit data. Only with this information can stock analysts and individual investors decide where to place their funds. These decisions in turn force corporate management to use resource efficiently.

This amendment is not a pro-business amendment. It seems to me it is not in favor of business. It is not in favor of the investor who would like to invest where the profits are the greatest, and does not know because of the conglomerate reporting which conceals that information from him.

It is not in favor of the independent businessman, who does provide this information. It is hard for him to compete because he has to release this information, since his is a single product operation. But a competitor such as a conglomerate does not have to do so.

Furthermore, antitrust enforcement is necessary where profits are artificially high due to monopoly practices. Such enforcement cannot be carried out unless there is adequate data on costs and profits by product line.

The fact is that at the present time no one has accurate information on the financial performance of specific industries—neither the Federal Government, nor the major corporations, nor the individual investor. Despite the coming of the computer age, the data we have now is worse than it was 30 or 20 or even 10 years ago.

This is because of the merger wave following World War II, and particularly the conglomerate merger movement of the 1960's.

With the rise of giant conglomerates holding under one umbrella a wide variety of industrial and commercial activities formerly carried out by single companies, it has become increasingly difficult to determine from published financial reports what is happening in any of the specific industries involved.

Conglomerates typically publish only very limited details on their operations broken down by product line. More importantly, the product lines they choose to report on are generally far too broad to give any meaningful indication of performance in a particular industry. For example, one such corporation's reports to the SEC lump together in a single category such diverse categories as home construction with car rentals, publishing, and training schools.

The FTC in its basic law is charged with gathering information on and analyzing the functioning of our economy, as well as with antitrust enforcement more particularly. It cannot adequately carry out its statutory responsibilities with the information it now receives.

At the present time the FTC does publish quarterly estimates of profits by industry. However, this data is inadequate and even misleading.

The Senator from Nebraska said in his speech that it would be misleading if we go ahead with the amendment that the Appropriations Committee unanimously—at least tentatively unanimously—decided upon. He said that that information would not be accurate. Mr. President, the present information is really inaccurate because under current reporting requirements, the FTC has no choice but to assign all the activities of a multiproduct firm to a single industry, whether they belong there or not. The FTC's own study suggests that, because of this, fully one-third of the data in the quarterly financial report is misclassified in the wrong industrial category. In some industry groupings 60 to 70 percent of the totals shown are misclassified.

This industry data is simply not adequate for answering the urgent questions which confront us today regarding the profiitability of particular lines of production.

What are some of these questions? Let me suggest a few.

First. Is the profitability of a particular line of business sufficient to allow it to attract new capital? For example, is the profitability of the steel industry high enough to permit it to attract the capital it needs for expansion? The Halls of Congress are rife with proposals for use of the tax system to encourage investment in selected industries. How in the world can we know if these proposals are needed when we do not even have good data on profits in these industries today? How can we evaluate the arguments of those who contend that the oil industry continues to need special tax benefits unless we have good information on oil industry profits?

Second. Are recent price increases by large firms justified or not? In the period since the price controls were lifted on April 30, there has been a rash of very large price increases, especially by some of the largest firms in some of the most concentrated industries. Some of these increases were undoubtedly justified by rising costs. But others undoubtedly were in excess of any reasonably justifiable level. How do we distinguish between the necessary cost-justified price increase and the unjustified increase which is nothing but irresponsible price gouging by a firm with monopoly or oligopoly power? The answer is we cannot distinguish unless we have the necessary data—data on costs and profits.

Third. Do firms earn more on their production under Government contract than they do on their production for the private market? To what extent is the Government being taken by paying a higher than necessary amount on large procurement contracts. We all suspect that the Government is often taken for quite a sucker—costing the taxpayer billions of unnecessary dollars. To evaluate this question we need data on costs and profits by product line. Surely the taxpayer has a right to this information.

The argument being made today in support of the Hruska amendment is that we should begin the line-of-business reporting program with the collection of data on sales and revenue only because this data is simpler and less expensive for business to put together. In another year or two, we are told, business will be ready to resign itself to the additional effort of collecting line-of-business data on costs and profits.

I am highly skeptical of the argument that business is currently unable to collect this data without vast new expense. Let me just point out that very similar data was required by the Cost of Living Council under the price control program. The forms were not exactly the same, but they were basically similar. Surely most large firms have by now acquired much of the necessary expertise for developing this type of data. A lapse of another year or two in the reporting of this data will only mean that this existing expertise—or a large part of it—will be lost.

But let us assume for a moment that the arguments made by business regarding the difficulty and expense of collecting this data are true. I do not think they are true, but let us pretend for a moment that they are. Even so, I feel the effort is fully justified because of the urgent public need for this information which I have outlined above.

Having failed in a blunderbuss effort to stop the line-of-business information program entirely, businessmen are advancing arguments—I should say big conglomerates, because most businessmen, I think, would be well served by this data—that, yes, this data can be collected but why not wait a year or so until the FTC perfects the questionnaire.

Let us look at that argument.

First, this amendment gives us no guarantee that business will be any more willing next year than they are this year to supply this data. This program has been fought tooth and nail by big conglomerate business for years—why should we accept vague assurances that next year will be different? In any case, there is no good reason for postponement. Let me review a few facts.

First. The FTC has been working on this form for 3½ years. The form has been carefully reviewed and approved by GAO. I might say that they have asked for comments on it for almost a year. I read from the conclusion of the Bureau of Economics' report which says that no one will deny the line-of-business program is a complex undertaking. Many obstacles must be surmounted in implementing it.

For almost a year the Federal Trade Commission has attempted to respond to suggestions and comments from industry representatives, academicians, professional accountants and potential data users in an earnest effort to make the program serve the broad public interest to the maximum possible degree.

There has been considerable criticism, much of it constructive. The time has come, however, when criticism operates more to delay than to advance a program urgently needed if the Federal Trade Commission is to continue fulfilling its traditional role as an illuminator of industrial performance. Granted difficult implementation problems remain, their solution is most likely to be achieved if a commitment is made to go forward with the program so that parties involved—the FTC statisticians, accountants and industry's operating personnel—can address themselves to the great constructive American tradition of working out for each reporting firm in each line of business a viable set of reporting norms.

Now we believe is the time for purely negative criticism to cease and the constructive task of implementation to commence.

Second. The form has been designed to be substantially free of the contamination of the data which some are arguing it will contain. This word "contamination" is used to refer to the inclusion of secondary activities of an establishment in the wrong product classification. Careful studies at the FTC show that this contamination will be less than 9 percent—a fantastic improvement over the existing reporting system, where the contamination runs as high as 60 percent.

So the argument made by the distinguished Senator from Nebraska and the Senator from Utah that this would result in inaccurate information, we conceive some of this information would not be as accurate as we would like it to be. But it is an enormous improvement.

At the present time, as I pointed out, contamination of data runs as high as 60 percent. This FTC line-of-business program would get the contamination factor down as low as 9 percent or less—a tremendous gain in accuracy.

Third. This is not an experimental form which will be drastically revised next year, as some big conglomerates are claiming.

Fourth. The FTC has already cut back on the amount of information required in this first year. Only direct costs are required to be reported—these are the easiest costs to allocate. If the form is cut back further, business will be reporting absolutely nothing that they do not already report for census purposes anyway. The first round would accomplish nothing either in the collection of new data or in getting businesses oriented toward next year's more extensive data collection requirements.

Fifth. The FTC is also asking for information on expenditures for media advertising and research and development. This may indeed impose some burden on some companies. But this data is needed very badly by the FTC. There is nothing to be gained by delaying its collection for a year or two.

Sixth. The FTC is asking companies to report on the basis of their existing plants or organizational units. A well-managed company keeps their records on this basis anyway, and the FTC forms will impose no major additional acocunting burden on these firms. What about the firms that are not so well managed? They ought to begin to collect this data anyway for their own use. How can they properly carry out their responsibility to their stockholders unless they know their own costs and profits by product line?

Mr. President, to me this is by far the most compelling reason why we should reject the Hruska amendment. These are the 500 biggest firms in this country. If they do not know what their costs are product-by-product, they ought to find out.

The Senator talks about the tens of millions of dollars it would cost to do this. It will be tens of millions of dollars well spent, if this is the case.

If I were on a board of directors and I was told by the chief executive officer that he could not tell me what kind of profit they were making on one of their main product lines, I would fire him. He does not deserve to be the head of a corporation.

These are, as I say, corporations that are the biggest in our country. They each have assets of over $200 million. I just cannot believe that they do not know what their costs are and do not know what their profits are. Of course they do.

As I say, if they do not, then they should get a new manager who does.

The effort to limit this year's line-of-business program to sales and revenue only is simply a disguised effort to gut the program entirely. Surely the Congress has a responsibility to see that this program goes forward in a meaningful way; that narrow business interests are not allowed to triumph over the broader public interest.

Mr. President, from the standpoint of inflation, this will provide an opportunity for competitors to move into areas that are highly profitable, where the profit is now being concealed, from the standpoint of investment, this will permit investors to invest in these areas, which would also tend to reduce prices, from the standpoint of antitrust, the Antitrust Division cannot act without this basic data on cost and profits which the enormous conglomerate movement now concealed. For the purpose of having far more accurate and, as I say, literally six times more accurate, data than we have at the present time, and also from the simple standpoint of greater productivity and greater efficiency, because you will have a more efficient operation, we should reject the amendment by the distinguished Senator from Nebraska.

Mr. President, I have one other point I would like to make.

Before that, Mr. President, I ask unanimous consent that at the end of my remarks pages 11 through 26 of the staff report of the FTC's Bureau of Economics be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. Now, Mr. President, I would like to quote from some of the outstanding experts who have considered whether we should move ahead along this line.

The first man I would like to quote from is one of the great former chairmen of the Securities and Exchange Commission, Manuel Cohen. This is what Manuel Cohen said on a recent occasion:

> "This most important change is the growing tendency toward absorption of separate industrial enterprises into large conglomerate companies. Each time one of these enterprises is absorbed, and ceases to publish separate financial statements, the available information about the industry in which that enterprise is engaged is correspondingly reduced. Acceleration of the trend toward absorption of these independent enterprises makes it increasingly difficult for investors and others to draw intelligent conclusions about the affairs and prospects of companies in the particular industries and this, of course, applies even to the conglomerate companies or to independent companies. Now, this creates a very real threat to the ability of independent investors to reach informed investment decisions, which Congress has recognized as a basic prerequisite to a healthy securities market and which philosophy underlies all of the securities statutes administered by the Commission.

This was the conclusion, as I say, of the former Chairman of the Securities and Exchange Commission, Manuel Cohen.

Mr. Cohen also went on to say:

> In recognition of this situation and the realization that an informed investing public is in the best interest of those who rely on capital provided by the public, an increasing number of conglomerate companies are voluntarily publishing in their annual reports gross sales and earnings figures for their various divisions. Martin Marietta Corp.'s 1965 annual report, for example, shows sales and net earnings separately for its Martin Co. division, its cement and lime division, its chemical division and its rock products division.

He goes on to point out that Kaiser Industries, a highly diversified company, does the same type of reporting, and that other conglomerate companies can do so if they want to.

Mr. President, David M. Solomon, professor of economy at Wharton School of Finance and Commerce at the University of Pennsylvania, had this to say:

> "The fact is, of course, that a grave inequity is perpetrated by *not* requiring the reporting of segmental results, for companies making a narrow line of products may feel at a disadvantage compared with more diversified companies. A good example is Maytag, specializing in home laundry equipment. Its principal competitors are no more than subdivisions of the major appliance division of companies like General Electric, Westinghouse, and the Frigidaire Division of General Motors. Maytag's results are of considerable interest to the home laundry subdivisions of these companies, whereas Maytag can learn little from its competitor's accounts.

Mr. President, one of the appointees of President Eisenhower, a fine conservative economist, was Mr. Jacoby. Mr. Jacoby testified before the Senate Small Business Committee, and he had this to say:

> "Mr. JACOBY. It does not seem important to me that a manufacturing enterprise break out publicly its foreign and domestic sales and profits. It does seem to me important, however, that a manufacturing enterprise which is making and selling products in different markets, which is a member of different industries, should break out its sales and profits by industry.
>
> "Mr. WATTS. Would you say, then, for example, . . . that General Motors ought to disclose how much it makes from locomotives as compared to buses, as compared to automobiles, as compared to trucks?
>
> "Mr. JACOBY. Yes. I think it is a member of different industries, according to the standard industrial classification, and should be required to report its sales and profits by industry. But I would not be in favor of requiring it to go further and break down the passenger car operations by model or make.
>
> "Mr. WATTS. In other words, we ought to know how important passenger cars are as compared to trucks, not how important Cadillacs are as compared to Chevrolets?
>
> "Mr. JACOBY. That is true, and the reason for the distinction is that it would help the investment community guide capital resources to the most profitable areas. This is information—intelligence—that is necessary for the guidance system of our whole capital allocation process."—From testimony at hearings on giant corporations, part 1, p. 549, 91st Congress (July 11, 1969)

Finally, Mr. President, I would like to refer to a brilliant analysis by President Abraham J. Briloff, professor of accountancy of the Baruch College, City University of New York, who had this to say about the problem of whether or not it is possible for these conglomerate corporations to break down this data according to product line. He said this:

> My unqualified confidence in the highly pragmatic view that "If he had the will he'd find the way" is rooted in the ways in which Wilson & Co.'s auditors found the way of segmenting its operations when Ling-Temco-Vought told them to. Remember, I'm here speaking about the "chop-sueyest" industry of all—meat packing, the one in which Professor Greer possesses extraordinary expertise.
>
> When, in 1967, LTV determined to deploy old Wilson into the three little Wilsons they prepared separate and complete prospectuses for each of these three companies; each of these prospectuses included statements of income for each of these three entities showing what their separate sales, expenses, taxes and net incomes would have been—right down to the bottom line for each of the 5 years preceding the takeover and subsequent step-down. And to prove that these statements were all properly presented, each prospectus had its own "Opinion of Independent Auditors" addressed to the board of directors of the particular company. The certificate doesn't quibble—it says very explicitly that these pro forma income statements, for each of the 5 years there presented, were "in conformity with generally accepted accounting principles consistently applied."

He goes on to point out:

> And furthermore, when it turned out just a few months ago to be even more in accord with LTV's objectives to subdeploy the assets and operations of the new Wilson "meat ball" into four little sausages—the one to

> slaughter and sell livestock in the East and Midwest; another, in the Midwest and West; a third, to slaughter and sell lambs and cattle; and the fourth, poultry; lo! The same auditors were capable of preparing new pro forma statements of income for each of the new four subsidiary entities—again reaching back into the dead coals of 5 years past. And the auditors (judging from their certificate given last December) were entirely capable of asserting that: "In our opinion, the pro forma net income [of the four new companies] have been properly compiled to reflect the assumptions described in the notes to the respective pro forma statements and summaries of the [new entities]."
>
> All one needs to do is to review what the Wilson, sub-Wilson and sub-sub-Wilson auditors were capable of doing in this single, most complex, situation and we have an immediate and effective response to almost all of the arguments heretofore advanced in objection to the demands from investors, government, the business community, labor, for segmented reporting by diversified industries.

Finally, Mr. President, there is one other authority I would like to quote. It should be remembered that this is said to be a pro-business amendment. I think it is an antibusiness amendment, and I quote a fine and distinguished conservative expert, Caspar Weinberger, who was Chairman of the Federal Trade Commission and who now, of course, is the head of the Department of Health, Education, and Welfare. This is what Mr. Weinberger, President Nixon's appointee, had to say:

> The published financial statements of the conglomerates are almost universally presented on a highly consolidated basis and profit information by product line is almost completely suppressed or non-existent. In a market economy, the response of businessmen and investors to profit opportunities critically determines the rational allocation of resources. In recent years, as more industries have come under the control of conglomerates, profit information on a product basis has become progressively less available. We recommend that the SEC [Securities and Exchange Commission] in consultation with the FTC be directed to expand its product line reporting requirements for multiproduct firms.—From hearings on economic concentration, part 8, p. 4819, 91st Congress, 2d session (Feb. 18, 1970).

That recommendation was made 4 years ago by Caspar Weinberger.

So, Mr. President, for all these reasons, if we are going to do something effective to cope with inflation, to open up investment opportunity, to provide effective antitrust enforcement, we need the compromise amendment that appears in the appropriation bill that is before us.

EXHIBIT 1

BUREAU OF ECONOMICS STAFF REPORT: FEDERAL TRADE COMMISSION LINE OF BUSINESS REPORTING PROGRAM

THE MEANINGFULNESS OF LINE OF BUSINESS DATA

Many criticisms have been raised by industry representatives concerning the limited meaningfulness and accuracy of the proposed Line of Business reports. Some of this criticism is undoubtedly attributable to the natural propensity for participants in a debate involving vital conflicting interests to portray their opponents' case in something less than the most flattering light. Still valid critical points have also been raised, and the FTC staff has tried hard to improve the LB program so that it will be as effective an instrument of information provision as is possible within reasonable cost constraints. In the pages which follow we describe the adaptations which have taken place and answer prominent criticisms which we consider to have little or no merit.

The arbitrariness of cost allocations

A recurrent critical theme in comments on line of business reporting is that the difficulties in allocating common costs are so great that such reporting would yield data which are meaningless. Common costs exist if it would cost more to produce several products separately than it does to produce them together. The argument here is that any allocation of common costs to the products is arbitrary. If the assignment of costs is arbitrary, it is claimed, then porfits reported for the diverse lines of business must also be arbitrary. And finally, since the profit data are subject to arbitrary cost allocations, they should not be used in economic analyses.

There are several reasons why we reject this argument.

One is that it is essentially an argument againt using *any* accounting data in conducting economic analyses. The allocation of common costs is only one of several accounting areas in which arbitrary procedures are used. In the treatment of depreciation, for example, there exists a valid set of charges against a long-lived asset. These must somehow be assigned to the several years of the asset's useful life. Such charges are ideally related to the asset's real contribution at different periods in time to the production which the asset facilitates. None of the depreciation rules conventionally used are designed to reflect the "true" charges related to economic usefulness. Rather, the analyst employing profit data is warned that the results may depend on the depreciation rules embodied. And attempts are made using both conceptual methodology and empirical studies to determine the likely effects of depreciation rule choices on the results of the economic analysis.

A similar problem exists with respect to the valuation of assets. Of critical importance is the effect of changes in price levels. If asset prices are rising, say, and assets are valued at original cost, an asset which was purchased in an earlier year will appear to be less valuable than the same asset purchased later. Profit return on asset ratios for the two assets will imply that the older one has a higher rate of return. In truth, of course, they have the same rate of return if they are comparable in all respects but vintage.

An ideal solution to this problem would be to value assets at their current market value instead of at cost. But to do that, it is necessary to estimate current value, and that exercise must involve some arbitrariness. If accurate current market data on asset values could be obtained (which is seldom feasible), virtually all economists would advocate the use of profit figures based on such current cost valuations over those based on original cost valuations, even though the latter involve absolutely no arbitrary elements at all.

This second illustration demonstrates a most important point toward understanding the usefulness of accounting data in economic analysis. It is not arbitrariness per se which is critical. There are no judgments to bemade in using the original cost valuation of assets. The same is true of writing off research and development costs as current expenses rather than capitalizing and depreciating them. Each such procedure can be applied without any arbitrariness. But each may lead to serious distortions in reporting the apparent profitability of an economic activity. The alternative in each case must entail subjective judgments; that is, judgments with some element of arbitrariness.

The argument that profit data based on common cost allocations should not be used is invalid not only for the reasons stated above. It is also suspect because its proponents have not offered empirical evidence on the probable effect which the arbitrariness would have. It is certainly true in principle that a change in allocation procedures might lead to a different estimate of profitability. What is critical however is not the mere fact that such an effect might exist, but its magnitude. That different common cost allocation procedures are used is well known. That differences in allocation procedures might cause differences in reported profitability is also well known. What is not at all well known is the quantitative magnitude of those differences. One major virtue of the LB program is that it will permit conducting sensitivity analyses to determine how different allocation assumptions affect reported profits. Such an analytic effort is a significant component of the FTC's contemplated Line of Business program.

The size of the LB Company sample

Criticisms have also been levelled at the FTC staff decision to focus on the 500 largest manufacturing corporations. This was decided upon after weighing three partially conflicting goals. The first goal was to obtain sufficient data for the published report to be meaningful, the second to obtain data on a sufficient number of firms to eliminate problems with respect to confidentiality, and the third to minimize the cost to industry and to the FTC. The best compromise appeared to be obtaining data from the 500 largest manufacturing concerns.[1] These firms account for around 70 percent of all manufacturing assets, thus ensuring substantial coverage of the manufacturing sector, although their number is less than one-fourth of one percent of all manufacturing corporations. Doubling the number of reporting firms would increase the program's asset coverage by about 5 percentage points.

Of course, experience gained from actually implementing the program may show that the number of firms needs to be changed. At present we cannot predict precisely the problems concerning the amount of data needed to avoid disclosure problems on individual lines of business. One reason for the truncated data request for 1973 was to permit the identification of those lines where the publication of information would conflict with confidentiality restrictions. Our intention is to add firms to fill out inadequately surveyed lines where such problems arise.

Data contamination under alternate reporting systems

The first two FTC staff proposals (in December 1970 and August 1973) to collect line of business data were frequently interpreted as requiring responding firms to report on a strict product line basis. That is, all costs, sales, and profits of any given product would have to be allocated directly to the relevant line of business. Company spokesmen contended that it was impossible to produce reasonably accurate data on a strict product line basis, or that if it could be done at all, the cost would be exorbitant. Further studies were therefore pursued to find a way of accumulating reasonably accurate data at tolerable costs. Since firms had asserted that a major problem in generating the data was the allocation of joint costs to the various products, the search for a better method concentrated on this aspect. Out of this search came the establishment approach to defining lines of business. Under this procedure, a firm can classify its plants (i.e., establishments) into lines of business on the basis of the largest-selling product in each establishment. This procedure eliminates completely the necessity of allocating plant overhead to diverse products manufactured within a single plant, unless the firm already makes such allocations for its own purposes. It also reduces the cost to firms of complying with the program.

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[1] Firms will be selected on the basis of the sales of their domestic manufacturing operations.

Adopting the establishment approach to defining lines of business was not an unmixed blessing. In return for reduced compliance costs and for data less contaminated by common cost allocation problems, the lines of business will now include sales of products which should ideally be included elsewhere—a phenomenon called "product contamination." Fortunately, data were available to analyze the severity of this problem, and such an analysis was made before the final decision to adopt the establishment approach.

Using data reported in the 1967 Census of Manufactures, the most recent full Census currently available, the degree of product contamination was measured for 196 of the 217 FTC manufacturing lines of business. (It was not possible to analyze all the lines because of changes in the SIC codes between 1967 and 1972.) That analysis showed an average amount of product contamination of nine percent. That is, sales which should actually be allocated to other lines of business would on the average amount to nine percent of the sales assigned to a given line. In only seven of the 196 product lines did the contamination ratio exceed 20 percent.

While everyone would prefer to have absolutely perfect statistics, those who work with data realize that perfect data are never attainable. Thus the basic question is whether the LB data will be substantially better than what could be generated by the only alternative means—namely, forming lines of business by assigning firms to the industry of their largest-selling product line. Information was also available to measure the degree of product contamination which would result from such a procedure. The data source was the FTC Pre-Merger Notification program. The companies included in the analysis were those 136 large manufacturing concerns among the 500 largest which had made acquisitions triggering reports under the program. An examination of the sales of these companies showed that an average of 57 percent of their sales were in lines of business other than their largest-selling one. The degree of conglomeration was so great that for 20 of the firms, the largest-selling product line accounted for less than one-fifth of the firm's total sales. For any industry to which such a firm's entire sales and profits were assigned, the degree of data contamination would be very great indeed.

Three additional points need to be made. First, the analysis of product contamination for both firms and industries had to be made with seven year old data. Second, although this analysis shows that currently available statistics have much more contamination than the material which the LB program will provide, the extent of product contamination from assigning one firm to one industry is understood because the diversification effect of mergers since 1967 is excluded. Third, any attempt to form lines of business by assigning firms on the basis of their primary product is almost impossible unless one has access to confidential firm data such as that produced under the Pre-Merger Notification program. The severity of this problem increases with the number of lines of business a corporation spans.

The total number of lines of business

A 1970 proposal to collect line of business data would have required companies to furnish information on their activities at the three-digit SIC code level except for selected high-concentration industries where a four-digit level would have been required. In 1973 a different approach was embraced in the hope of obtaining statistics on lines of business approximating economic markets defined as meaningfully as possible. On closer analysis, however, this later approach appeared to pose various difficulties. First, it was not comparable with other government statistics collecting programs such as those conducted by the Bureau of the Census or the Internal Revenue Service. Second, the more narrowly defined lines increased the severity of transfer pricing problems. Other government agencies which were potential users of the Line of Business data were particularly critical of the proposed program because of its lack of comparability. In response to both government and industry criticisms, the three-digit approach to line of business definition was largely restored. However, breakouts to four-digit SIC levels were made where concentration was high (i.e., with the leading four sellers commanding a combined market share of 60 percent or higher) or where there was reason to believe that respondents' data collecting systems conformed more closely to the four-digit level than to the three-digit level. The result was a convergence to 228 lines of business, 219 of them in manufacturing.

The FTC staff is of course aware that the current lines of business definition approach involves certain tradeoffs. In addition to reducing compliance costs, broadening the lines may improve the quality of the data slightly, since it may reduce the extent to which common cost allocations and transfer price estimates are required. But such broadening simultaneously reduces the utility of the data to parties needing to know profits for more narrowly defined lines. The compromise struck appeared to be the best one possible under circumstances in which perfection is simply unattainable.

Another tradeoff involved making the lines of business consistent with other government sources of industrial data. Consistency enables the user concurrently to employ the information collected by other government agencies along with the FTC's Line of Business data. While this may reduce the value of the data to the FTC somewhat, it will increase their value to other users. Thus, the tradeoff again appeared to be an appropriate one.

A further point should be noted with respect to the definition of lines of business. The earlier versions of the proposed reporting form would have collected information on numerous non-manufacturing lines of business. Because the FTC's *Quarterly Financial Report* is being expanded to include the trade and mining sectors, a decision was made to await an analysis of the quality of data generated under that program before making a final choice as to whether such line of business information should be collected. At the same time, the 500 largest manufacturers are being asked to furnish data on their involvement in broad non-manufacturing lines. This will permit the FTC to make informed comments on the extent of those firms' participation in such areas as agriculture, mining, trade, services, etc.

Number of lines of business per firm

We estimate that the average firm responding to the Line of Business surveys will operate in eleven lines of business. However, this average firm will have sales of at least $10 million in only six or seven of those lines of business. Thus, on average, firms filing Line of Business reports will have to submit financial reports on seven or eight parts of their company—the six or seven lines of business in which they have sales of $10 million or more plus a single report for all the rest of their domestic operations.

These averages are based upon estimates of the number of lines of business and their size for a random sample of 25 of the 500 largest firms. The estimates were developed from the Economic Information Systems (EIS) Datafile. This privately-prepared data bank provides estimates of employment, value of shipments, and the primary four-digit Standard Industrial Classification industry for each domestic U.S. manufacturing plant with 20 or more employees. Combining the sales estimates for all plants which are under common ownership and whose primary product is assigned to the same FTC industry category, we arrived at estimates of that company's activity in a line of business.

Of course, not all the 25 firms in the sample had 11 lines of business. The number of lines ranged from a low of 2 to a high of 33. The number of lines in which the sampled corporations had more than $10 million in sales varied from 2 to 18.

Supplementing this 25 firm random sample, data on lines of business were developed for a few nonrandomly selected firms. The information used was drawn from reports filed with the Federal Trade Commission under its Pre-Merger Notification program. Among the material required under this program are data on value of shipments by four-digit SIC industry for 1967. These data, which are reported on an establishment basis, were used to estimate the companies' sales by line of business for 1967. The corporations for which value of shipments by line of business were estimated included three of the largest firms which will be reporting under the program, three of the smaller firms required to report, and one firm of about average size among the leading 500. For the large firms—DuPont, Raytheon, and Westinghouse—the total number of lines of business were 30, 19, and 53 respectively. The number of those lines in which sales exceeded $10 million were 16, 9, and 32. Among the smaller firms—Air Products and Chemicals, Columbia Broadcasting System, and Knight Newspapers—the total number of lines of business were 8, 6, and 1 respectively, while the number for which reports would have to be filed were 2, 5, and 1. Finally, the average-sized firm—Schering-Plough—had 10 lines of business and would be required to report on four of them. Again, these firms were not randomly selected from among the 500, and the data used are not current. However, the numbers presented should indicate the ranges of filing required under the Line of Business program.

THE COST BURDEN

Perhaps the most dramatic criticism of the Line of Business program is industry's allegation that collecting the required data would impose a prohibitive cost burden. It is fair to say that the FTC staff was excessively sanguine in its August 1973 estimate to the Office of Management and Budget that the average cost per responding corporation would be approximately $800. In its recent submission to the Comptroller General, the staff's estimate was revised upward to encompass start-up costs averaging $10,000 to $20,000 per reporting firm and annual operating costs of $5,000 to $10,000. Industry estimates on the other hand have ranged as high as $2 million per firm per year. Given such large disparities, one is reminded of the story of the Princeton physics professor who, in reporting the results of some research, observed that "The experiments reveal that the negative mu mesons are absorbed at a rate only one ten-thousandth that predicted by theory. This would be a large error even for an economist."

To provide a more complete picture of the costs projected by industrial firms, we have analyzed the program setup cost estimates filed by firms included on Fortune's list of the 500 largest corporations in response to the FTC staff's August 1973 version of the

LB reporting form. Twenty-five such companies provided useable dollar estimates. They are summarized in Table 2, which shows that the average estimated setup cost for the August 1973 version is $548,000. If the lower limit of the ranges given by six of the companies is used, the average is $536,000. Taking the upper limit of those ranges gives a $561,000 average.

Table 2 also reveals the total 1972 sales reported in *Fortune* for the 25 companies. The average is $2.866 billion. Since the average 1972 sales level for all corporations included on the *Fortune 500* list is $1.115 billion, the sample of companies providing compliance cost etsimates is evidently biased toward larger companies. There is probably a corresponding upward bias in the number of lines of business covered and hence in the cost which might be incurred by a more representative respondent.

TABLE 2.—ESTIMATED START-UP COSTS FOR FILING FTC FORM LB, AUGUST 1973 VERSION

Company	Fortune 500 rank	1972 company sales (millions)	Estimated start-up costs (thousands) Range	Estimated start-up costs (thousands) Mean
American Metal Climax	166	$863	$50/$100	$75
Anaconda	138	1,012	1,000	1,000
Combustion Engineering	120	1,180	100	100
Crown Zellerbach	127	1,113	100	100
Deere	90	1,500	1,000	1,000
Dow Chemical	41	2,404	400	400
DuPont	16	4,366	500	500
Ex-cell-o	405	281	300/400	350
Exxon	2	20,310	1,000	1,000
General Instrument	415	276	100	100
Inland Street	93	1,470	100	100
Lear Siegler	244	557	400	400
McGraw Hill	292	430	40/50	45
Mobil	7	9,166	500	500
Nabisco	118	$1,214	$100	$100
Northrop	237	574	100/500	300
Outboard	308	394	100	100
R. J. Reynolds	54	2,072	1,000	1,000
Singer	47	2,218	500	500
Standart Oil, California	12	5,829	800	800
Union Carbide	27	3,261	1,100	1,100
United States Steel	13	5,402	2,000	2,000
Varian Associates	500	204	50/75	63
Westinghouse	14	5,087	2,000	2,000
Westvaco	270	472	50/100	75
Total		71,655		13,708
Mean		2,866		548

Revision in the company compliance cost estimates

The company compliance cost estimates reported in Table 2 were filed in relation to the Line of Business reporting form as it existed in draft version during August of 1973. Since that time both the form and the number of lines of business have been revised extensively, in large measure to make it easier for companies to comply. The number of lines of business was reduced from 455 to 228; reporting was shifted to an establishment orientation; the amount of time companies were given to respond was increased from 90 to 150 days; and reporting requirements for foreign operations, minority-owned subsidiaries, and joint venture were eliminated.

In order to determine how these changes affected the cost of filing Line of Business reports, six representative companies were contacted by telephone and asked to estimate confidentially the cost impact of each individual modification. Assuming that the percentage reductions in cost for each amendment are independent,[2] the cumulative estimated reduction in cost due to the changes made between August 1973 and March 1974 average between 81 and 83 percent, depending upon whether respondents' high or low estimates were used. If this reduction factor is applied to the $548,000 average compliance cost figure presented in Table 2, the revised average compliance cost estimate is reduced to approximately $100,000 per company for the first start-up year of the LB program. This estimate, it must be noted again, is biased upward because the companies providing the estimates upon which Table 2 is based were more than twice as large on the average as the typical firm which will be submitting Line of Business reports.

If adjustments are made to account for differences in size and diversity between the average firm providing a cost estimate and the average firm among the 500 required to report, one gets an average cost of about $50,000. This is subtantially smaller than most of the cost estimates advanced by industry representatives. Yet we believe this figure is still inflated.

The underlying reporting cost assumptions

A principal reason why the cost estimates cited by industry groups are so much higher than those of the FTC's economics staff is that the industry estimates often assume a complete revamping of company accounting systems to fit the FTC's proposed reporting structure. As Mr. Howard Siers of the Financial Executives Institute testified before the House of Representatives Appropriations Subcommittee on Agriculture, Environment and Consumer Protection:

"Compliance with the FTC proposal would require each company to develop new accounting systems, write entirely new computer programs, revise or completely rewrite thousands of existing computer programs, train personnel in the handling of the new system and test and implement the changes.

While this approach is one possible means of complying with Line of Business reporting requirements. It is certainly not the only way. Its main distinguishing feature is that it is about the most expensive procedure one could reasonably conceive to generate line of business data. Whether business firms have stressed a computerized approach to discredit the LB proposal through high cost estimates or whether they have simply not prudently analyzed what is required is unclear. What is clear is that there is a simpler but quite satisfactory way.

To minimize the reporting burden on companies, the lines of business have deliberately been based upon U.S. Census industry categories. Large manufacturing companies are required to report annually to the Census Bureau statistics on value of shipments, payrolls, production worker wages, the cost of purchased materials, and rental costs as well as asset data concerning new capital expenditures, the book value of depreciable assets, and inventories. These reports are by establishment for some 450 four-digit SIC industries—i.e., in even finer detail than the Line of Business program requires. Thus, more than three-fourths of manufacturers' sales are offset by costs measured and assigned to narrow industry lines for the Census program. It is over the remaining costs—e.g., depreciation, advertising, other selling costs, research and development, the operation of common warehouses, central office administration, and interest charges—that any dispute must turn. Since depreciable asset values are reported to the Census by four-digit industry, equally detailed depreciation statistics must be readily available. Although some corporate advertising is institutional in character, the vast bulk is focused on specific products, and advertising-oriented companies keep detailed records on how their major outlays are allocated, reporting them inter alia to the journal *Advertising Age*. Less than five precent of all industrial R&D consists of basic research. Most R&D activity is clearly attributable to narrow product lines, and much of it involves detailed product and process improvement work conducted at the establishment level—the focus of the Census statistical program. What remains after the implementation of these and other easily accommodated cost allocations are certain corporate research, selling, and administrative costs which are not closely linked to specific lines of business. How substantial these costs are cannot be determined accurately until actual line of business data are accumulated. Our best estimate is that they amount to five percent of the 500 largest manufacturers' sales; ten percent appears to be an absolute maximum.

One could develop complicated accounting systems to allocate this small fraction of total costs by FTC line of business. Many companies already have such systems in operation. How many do is impossible to estimate since information supplied privately to the FTC staff on this point has sometimes contradicted official company pronouncements. For those companies which do not have such cost allocation systems or whose fields of allocation match the FTC's proposed lines of business imperfectly, the added precision gained by creating wholly new, elaborate allocation systems would undoubtedly not justify the cost. All the FTC is asking is that such allocations be made on the basis of reasonable, clearly articulated criteria. The sensitivity of profit figures to the application of alternate allocation criteria will then be tested by FTC staff, and where significant interpretational errors might arise as a result of the cost allocation conventions adopted, appropriate cautionary statements will be included in the published LB summary reports. The FTC Division of Financial Statistics also stands ready, as it has in the past, to work out particularly difficult cost allocation problems with industry representatives in order to ensure that the ultimate summary reports are as meaningful as possible within the limits of the unavoidably imperfect accounting art.

The kinds of cost allocation effort implied here do not therefore require elaborate new computer systems. Performing such allocations is a normal function of industrial cost accountants. Such problems are often assigned as exercises to master's degree students in cost accounting. We anticipate that an M.B.A. or C.P.A. thoroughly familiar with a corporation's accounting systems could pull together the necessary information from routine Census and internal company reports, make the further allocations required for LB, and write the appropriate explanatory footnotes in about one working week or at most two weeks per line of business. Assuming that such a junior executive earns $25,000 per year and has equal clerical and secretarial support costs, the average compilation cost per line of business would be roughly one to two thousand dollars. For the average top 500 company with 6.5 lines of business, this implies an annual cost of $6,500 and certainly not more than $20,000 per year. For the most extensively conglomerate corporations the costs will of course be higher, but such a burden can hardly be intolerable when sales are hundreds of millions or even billions of dollars per year.

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[2] E.g., that cutting the number of lines of business in half would reduce reporting cost to, say, 60 percent of the original estimate, and that providing more time to comply would in turn reduce that 60 percent by ten percent to 54 percent.

Summing up, it is clear that the costs of generating Line of Business information will not be negligible. But it seems equally clear that many of the extremely high estimates cited in industry briefs opposing the Line of Business program are greatly overstated. The FTC staff believes that the costs of the program will be modest in relation to the substantial benefits greater information on the American economy's functioning will yield.

THE PROBLEM OF DATA CONFIDENTIALITY

Business corporations have expressed concern that the Line of Business program might lead to the release of information which should properly be kept confidential. If companies were not reluctant to publish accurate information on performance in their detailed lines of business, there would of course be no need for a mandatory LB program. To accept as confidential any information industry so labels would be a dereliction of the Federal Trade Commission's traditional duty. Yet there are statutory and well-established rules for resolving conflicts between businessmen's desire for confidentiality and the public's right to know. The Federal Trade Commission fully intends to comply with those rules in administering the Line of Business programs.

The form of data publication

Table 3 provides an illustration for a hypothetical industry of the form in which the aggregated industry data will be published. In the table's rows are the various data items to be collected under parts E and F of the LB reporting form together with diverse subtotals and totals. The items are organized so that the upper three-fourths of the table corresponds to a fairly complete income statement, while the bottom quarter comprises an abbreviated balance sheet.

Subtotals in the income statement section include gross margin, operating income, net income before income taxes and extraordinary items, and net income after all such deductions. Some of these magnitudes will depend less upon allocated expenses than others, and therefore they will be less subject to errors due to the possible arbitrariness of allocations. For example, we anticipate that relatively few expenses will be allocated in computing gross margins. On the other hand, net income will be affected by all costs alloactions. Given this array of statistics, users can chose between working with figures which are relatively free of allocation problems or which include all expenses.

TABLE 3.—LB 39.99: FABRICATION OF BOOJUMS AND SNARKS

[All figures are in millions of dollars]

	Direct (A)	Allocated by companies (B)	Direct or allocated by companies (A+B) (C)	Allocated by LB staff (D)	Total (C+D) (E)
Total sales or receipts	20,000		20,000		20,000
Cost of sales and operations:					
Inventories at beginning of fiscal year less inventories at end of fiscal year	(700)		(700)		(700)
Material	9,800	50	9,850		9,850
Labor	3,900	20	3,920		3,920
Depreciation, depletion, and amortization on plant, property, and equipment	500	50	550	50	600
Other costs of sales and operations	500	400	900	100	1,000
Total	14,000		14,520		14,670
Gross margin	6,000		5,480		5.330
Operating expenses:					
Media advertising	150	20	170	10	180
Other selling expense	60	30	90		90
Research and development	550	50	600	50	650
Other operating expense	900	200	1,100	300	1,400
Total	1,660		1,960		2,320
Operating income	4,340		3,520		3,010
Nonoperating expense net of nonoperating income					
Interest expense	NA	NA	NA	300	300
Net income before income taxes	NA		NA		2,710
Income taxes:					
State and local	30	20	50	100	150
Federal	NA	NA	NA	1,280	1,280
Total					1,430
Net income after income taxes	NA		NA		1,280
Extraordinary income less extraordinary expense, net of applicable taxes	20	10	30		30
Net income	NA		NA		1,250
Gross plant, property, and equipment	9,800	3,600	13,400	2,800	16,200
Accumulated depreciation, depletion, and amortization on plant, property, and equipment	6,000	1,800	7,800	650	8,400
Net plant, property, and equipment	3,800		5,600		7,800
Other assets	1,200	700	1,900	1,300	3,200
Total assets	5,000		7,500		11,000

In addition, the table permits users to analyze data involving only directly attributable expenses, figures involving only expenses allocated by the responding firms in addition to the directly attributable costs, or data which include all allocations, whether made by the firms or the FTC staff. Among other things, this breakdown permits the user to determine how much allocation lies behind any specific statistic, and hence how much confidence one might reasonably place in the estimate. Separate analytic studies by the FTC staff will vary the assumptions under which common costs are allocated to determine the sensitivity of income figures to those assumptions.

The most important magnitudes of Table 3 will also be subdivided by groups of firms in the order of their industry sales rank, but only at a sufficient level of aggregation so as not to violate the Census law provisions preventing the disclosure of information on any single reporting enterprise. Other planned components of the annual Line of Business report will be tables showing rates of return on assets and profit margins on sales for a series of years (after the program has been in operation for a sufficient period) and the extent of secondary product contamination in the statistics. The latter analysis will probably take the form of a matrix showing the amount of sales classified to, say, line of business A which more appropriately belongs in category B.

The underlying Line of Business data files would also be useable by (though not directly accessible to) Federal Trade Commission staff or (under appropriate cost reimbursement arrangements) outside investigators for fundamental research on characteristics of the American industrial economy. Suppose, for example, an economist wished to investigate the impact of market structure, profitability, and risk on companies' financial leverage choices. He would supply to the FTC's Division of Financial Statistics appropriately coded tapes containing variables not included in the basic LB files. These tapes would be matched by Division of Financial Statistics personnel with the LB tapes, the desired correlations or other statistical manipulations would be performed, and the summary results would be reported to the outside investigator. Under no circumstances would the results reported include information violating the Census disclosure law. In particular, outsiders (including members of the FTC industry analysis and enforcement staffs) would not be permitted to see any raw data or transformations thereof covering individual companies supplied in confidence for the LB program.

Detailed disclosure limitations

Even the publication of data in table form might raise fears that individual firm data would be disclosed. This has not been an issue in the preparation and publication of the *Quarterly Financial Report*, since the number of firms included in each data cell has always been large—more than 11,000 firms to fill 31 industry reporting categories. But the Line of Business program will include only 500 companies reporting on an estimated 3,200 individual manufacturing lines to fill 219 industry reporting cells. The average number of firms per reporting cell is over 350 for the QFR, as compared to 15 for Line of Business. Because the probability of having only a few firms in each cell is high, the economics staff recommends that data not be published on any cell which contains fewer than three firms. Such a policy is consistent with the Census disclosure law.

For cells which contain fewer than three observations, two alternatives are available. The first is to increase the cell's coverage by adding appropriately specialized firms to the Line of Business sample. The second is to combine lines sufficiently so that disclosure problems are eliminated. The first course is the preferred one, although high concentration of activity in some lines may require that the second course be followed.

Some company representatives questioned the ability of the Commission to treat the LB data confidentially, given the Freedom of Information Act. The Commission has expressed the view that LB information is exempt from disclosure under that Act. Furthermore, it has stated that it will resist any attempts to obtain individual company data through the courts or otherwise.

Restrictions on internal use

This confidential treatment extends beyond release of data to the public. It includes any use within government for taxation, regulation, or investigation or for any Commission law enforcement activity. Because of the Commission's involvement in investigation and litigation, it has formulated rules restricting access to data received in QFR company reports to certain FTC staff members. These rules will apply to LB materials as well. An explicit statement of the rules was published in the *Federal Register* on July 13, 1973. Through an oversight, the July 13 statement prevented the Bureau of Economic Analysis of the Department of Commerce from obtaining access to information required in preparing gross national product estimates. This necessitated a correction, which was published on September 18, 1973.

Subsequently, at the Business Advisory Council for Federal Reports meeting on October 17, 1973, the OMB Examining Officer announced that the confidentiality strictures were agreeable to both the Federal Trade Commission and OMB.

The rules restrict access within the Federal Trade Commission to two groups, both within the Bureau of Economics. They are the Division of Financial Statistics, which has responsibility for publishing the *Quarterly Financial Report* and will also be responsible for the LB Report, and the unit within Economic Research and Services charged with publishing the *Statistical Report on Mergers and Acquisitions* and other statistical reports. No member of these groups will be involved in other activities of the Commission, nor will any other Commission employee have access to the individual company reports. This restriction even applies to Commissioners and to the Director of the Bureau of Economics.

Persons transferred out of these units will be under the same restrictions as individuals who cease employment with the Commission, i.e., prohibited from disclosing or using the information to which they have had access. Any person violating the restrictions will be subject to criminal prosecution.

CONCLUSION

No one will deny that the Line of Business program is a complex undertaking. Many obstacles must be surmounted in implementing it. For almost a year the Federal Trade Commission has attempted to respond to suggestions and comments of industry representatives, academicians, professional accountants, and potential data users in an earnest effort to make the program serve the broad public interest to the maximum possible degree. There has been considerable criticism, much of it constructive. The time has come, however, when criticism operates more to delay than to advance a program urgently needed if the Federal Trade Commission is to continue fulfilling its traditional role as an illuminator of industrial performance. Granted, difficult implementation problems remain. But their solution is most likely to be achieved if a commitment is made to go forward with the program so that the parties involved—FTC statisticians and accountants and industry's operating personnel—can address themselves in the great constructive American tradition to working out for each reporting firm and each line of business a viable set of reporting norms. Now, we believe, is the time for purely negative criticism to cease and the constructive task of implementation to commence.

Mr. HART. Mr. President, will the Senator yield me 5 minutes?

Mr. PROXMIRE. I am happy to yield such time as the Senator from Michigan may require.

Mr. HART. Mr. President, I appreciate very much the effective presentation just concluded by the senior Senator from Wisconsin. Indeed, I am almost hesitant, because in many respects, I rise to reiterate many of the points he has made.

In addition, Mr. President, I want to express my appreciation and admiration for the role that the able senior Senator from Arkansas (Mr. McCLELLAN) played in developing what I believe to be a reasonable and responsible compromise concerning FTC's line-of-business financial reporting program.

I am authorized to indicate that while Senator McCLELLAN, at the moment, is unable to be in the Chamber, he has permitted me to express his commitment to and support of the committee compromise developed in response to intense competing claims and to which the Senator from Wisconsin just addressed himself.

As it came from the House, this bill put severe restrictions on FTC's attempts to collect, analyze, use and divulge this data. Although I fully understand that this was not the intent, I think the restrictions would have made the whole procedure of limited value—and would have kept the information collected out of the hands of governmental agencies and Congress—which could benefit greatly from access to line-of-business data.

The basic thesis on line-of-business reporting, of course, is that large corporations—multiproduct operations—should be required to make public as much information on their companies as single-line product companies do in their annual reports.

The idea is that it would be of no greater harm to General Motors, say, to reveal its data on washing machines than it is to Maytag or Whirlpool who routinely report such data.

The Senate committee's compromise does not remove all of the House's restrictions. It does not allow the Commission to routinely publish individual line-of-business reports. But, the bill now before us will permit the Commission to use the data in the performance of its statutory duties. And, the data will be available to selected governmental agencies and congressional committees under enumerated conditions.

This, it seems to me, is proper.

After the House action, I requested the views of the General Accounting Office on the restrictions then built in. I ask unanimous consent that the GAO reply be inserted at the conclusion of my remarks.

There are three sentences in the letter which I wish to quote simply because they express my general views on confidentiality better than I could:

> We believe, however, that there is some tendency in such matters, both in Government and in industry, to overclassify information. We believe that the burden of proof should be on agencies, organizations, or businesses seeking confidentiality. In other words, we believe there should be a general rebuttable presumption of disclosure.

One of the restrictions built into the bill by the House would have limited the FTC to collecting data from only 250 companies—one half the number the Commission proposed to survey.

The Senate compromise allows the Commission to use the 500 companies—and I think this change is extremely important. For the smaller figure would have muddied up the data on profits—forcing inclusion of certain companies in one industry and leaving them out of another where they also appropriately belong. Inclusion of more firms also protects against disclosure of individual company information—due to only the top one or two companies in an industry being surveyed.

As I said in the beginning, line-of-business data really attempts to right an inequity which has crept in as a result of recent merger waves. For years, published data on company profits have been used by Government agencies and business and financial analysts. The quality of these data has deteriorated as corporations have grown larger and more conglomerate.

All in all, I think the senior Senator from Arkansas has accomplished a workable compromise on a hotly contested issue. The public's need to know will be well-served by Senate acceptance of the committee's recommendations. Hopefully, this compromise between corporate secrecy and the public's need-to-know will be acceptable also to the other body.

Mr. President, I cannot agree with those who would limit FTC's data collection to revenues until the reporting system is debugged.

FTC already has acted to reduce substantially the quantity of information collected and the costs of compliance:

The number of reporting firms has been reduced—from 2,000 to 500;

Optional treatment of joint costs has been approved;

The number of product lines have been significantly reduced—from 600 to 230;

Transfer pricing problems have been substantially reduced;

The time for answering the questionnaire was extended from 90 to 150 days;

The requirement for reconciling the company's data with SEC total company data was eliminated;

Information on activities of foreign subsidiaries and joint ventures was dropped; and

The reporting requirements with respect to subsidiaries was reduced by raising from 20 percent to 50 percent the

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ownership necessary to constitute control.

FTC is not insensitive to the need to debug the system, Mr. President. Limiting the questionnaire to revenues—which are relatively easy to break down bv line-of-business—would result in few bugs existing to be worked out, however.

Mr. President, knowing the emphasis that the Senator from Nebraska (Mr. Hruska) has placed on the uncertainties that attach to the reliability of the line-of-business data due to variations in company accounting practices, we should be reminded of the position recommended by the General Accounting Office. Senator Hruska stressed that the General Accounting Office had acknowledged inconsistencies. But the General Accounting Office had this recommendation, and I should like to read an excerpt from it and then ask unanimous consent that it be printed in full at the conclusion of my remarks:

> I believe this advice is warranted by the fact that the necessity for the information is a matter for FTC determination; by the broad support for the concept of line-of-business reporting; and by the need for experience and experimentation if reliable Line of Business information is ever to be obtained.

The initial questionnaire, Mr. President, has been voluntarily limited by the FTC to direct cost data and easily allocable general administrative costs. Specifically, the first year the Commission will request costs of materials, costs of labor, and media advertising expenses on a line-of-business basis. Line-of-business data on inventories, depreciation, depletion, and amortization, or general administrative expenses, other than direct costs of media advertising and research and development will not be collected the first year.

Collection of line-of-business data has been debated for too many years. The Commission is prepared to proceed on a fair and equitable basis. The General Accounting Office has recommended against proceeding on a sample or partial basis. Mr. President, it is time to collect and analyze this important information, and in the process determine what is most effective.

I ask unanimous consent that the texts of two Commission letters explaining the line-of-business program and opposing a limitation on its scope to sales and receipts be printed in full at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HART. I also ask unanimous consent to have printed in the Record at the conclusion of my remarks a Bureau of Economics staff report, an item from the U.S. General Accounting Office headed "GAO Approves FTC Line-of-Business Form But Limits Time Span," a letter dated July 10, 1974, from Mr. Phillip S. Hughes to me, and letter to the Honorable Lewis A. Engman from Reed, Smith, Shaw & McClay.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Exhibit 1

Federal Trade Commission,
Washington, D.C., July 18, 1974.

Hon. Philip A. Hart,
U.S. Senate,
Washington, D.C.

Dear Senator Hart: This is in response to your request of this morning for information regarding a suggested amendment to the Commission's Line of Business reporting program that would, as I understand it, prohibit the Commission from collecting information from business firms other than information about the sales and receipts of such firms.

This proposal is very similar to (and in certain respects more restrictive than) a proposal that the Commission has recently received from the Business Roundtable. (See attached letter.)

The Commission staff has carefully reviewed the "sales and receipts" proposal and has found it to be wholly without merit.

First, it undermines the whole purpose of the Line of Business program by utterly failing to provide any information about profits or costs. Such information is at the heart of the whole program.

Second, complete and more detailed information about sales and receipts is already provided by companies to the Census Bureau. In short, there is no need for such information standing alone, and the staff believes that its collection would be worthless.

Third, the net effect of the proposed "sales and receipts" scheme would be to deprive the public of useful, publishable, aggregated information about the performance of the American economy. It would, in other words, rob the program of its principal purpose.

It is our understanding that proponents of the "sales and receipts" proposal argue that the Line of Business program will produce unreliable information. This is the same argument that has been relentlessly made ever since the program was conceived. The Commission has considered this argument and rejected it. The General Accounting Office considered the argument and approved the program. The Commission staff has addressed the question in great detail in the enclosed staff report (see pp. 11–14). In short, we see no merit in the argument.

Finally, it is argued that "sales and receipts" data will be helpful to the Commission during the initial phases of the program. The Commission staff disagrees and believes that such information would be worthless since it will not provide any information on costs or profits.

Sincerely,

Calvin J. Collier,
General Counsel.

Federal Trade Commission,
Washington, D.C., May 15, 1974.

Hon. Philip A. Hart,
Chairman, Antitrust and Monopoly Subcommittee, Committee on the Judiciary, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: This is in response to your request for our views on the May 13, 1974, report of the General Accounting Office on the Commissions Line-of-Business questionnaire.

The Comptroller General decided not to object to immediate implementation of line-of-business reporting, and, needless to say, the Commission is most pleased with that position. We agree with the report's observation that, "There is broad support for the general objective of line-of-business reporting."

In addition, the GAO recommended that the Commission undertake further discussions with business representatives and other government agencies to further reduce the reporting burden to firms generally and to improve the quality of the data. The Commission has determined that this suggestion has merit. Indeed, the Commission and its Bureau of Economics have felt all along that the Line-of-Business program will be steadily improved by continuing consultations with business representatives, government agencies, and other members of the public. It was for this reason that the Commission indicated on March 27, 1974, that, if requested by interested parties, it would conduct hearings on improving the questionnaire. In addition, Bureau of Economics personnel will be available for consultations with individual reporting companies to answer any questions that might arise. Further, the Commission will be pleased to continue to consult with other government agencies concerning means to coordinate most effectively the collection and use of data collected by the government.

However, to the extent that the GAO's recommendations may be construed as conditions precedent to future implementation of the Line-of-Business program, we believe that the Comptroller General has no legal authority to impose such conditions pursuant to P.L. 93–153. Since the statute clearly grants to the requesting agency exclusively authority for determining whether or not to collect the data in question, we cannot accept the implication that the Comptroller General can in any way absolutely condition the continuation of the program. Further, if the Comptroller General deems it necessary or desirable to conduct an annual review of what is envisioned by the Commission to be a permanent program, it is the the Commission's position that GAO comments under the statute should be restricted to questions of duplication and burden and should not be addressed to other issues such as reliabiilty of data.

The Commission recognizes that the GAO's review was conducted within 45 days. However, the Commission is constrained to indicate its disagreement with certain assertions of the GAO report lest silence be construed as acquiescence. First, the Commission disagrees that the data produced by line-of-business reporting will be "unreliable" or "misleading." Second, the Commission disagrees with the suggestion that the costs of compliance will be significantly larger than the Bureau of Economics' estimate of average start up costs of $10,000 to $20,000 per company and $5,000 to $10,000 annually thereafter.

These contentions and others that have been made by business representatives are amply answered in a recently prepared staff paper on the Line-of-Business program. That paper is enclosed for your information.

The contention of "unreliability" is apparently grounded in a basic misunderstanding of the purpose of the program. Although the program was never envisioned as producing 100% reliable data, the data to be produced will most assuredly be reliable as a bellwether of industry-by-industry economic performance. Indeed, we sense that its very reliability is at the heart of the vehement opposition that the proposal has encountered. In addition, the data will be far more reliable than currently available information on industry performance. For example, the Commission's staff estimates that data contamination attributable to product classification will be reduced from the approximately 33 percent which currently characterizes the Quarterly Financial Report to approximately 9 percent under the Line-of-Business program.

With respect to the costs of the program, the Commission has already taken steps to reduce by multiples the burdens imposed on companies. Several changes have already been made since last August to reduce costs of compliance: the number of reporting firms has been reduced (from 2,000 to 500); optional treatment of joint costs has been approved; the number of product lines have been significantly reduced (from 600 to 230); and transfer pricing problems have been substantially reduced. In addition, the time for answering the questionnaire was extended from 90 to 150 days; the requirement for reconciling the company's data with SEC total company data was eliminated; information on activities of foreign subsidiaries and joint ventures was dropped; and the reporting requirements with respect to subsidiaries was reduced by raising from 20 percent to 50 percent the ownership necessary to constitute control. All of these changes have been made with one eye on costs and the other on the quality of the data.

Moreover, the company estimates of compliance costs are clearly inflated. These estimates apparently stem from unwarranted assumptions regarding the methodology to be used in completing the questionnaire. Various firms and their representatives have conjured rather grandiose systems for obtaining the required data. No doubt, such expensive systems could be developed at great expense and the information they produce would suffice However, far less effort would also suffice. As the enclosed staff report explains:

"One could develop complicated accounting systems to allocate this small fraction of total costs by FTC line of business. Many companies already have such systems in operation. How many do is impossible to estimate, since information supplied privately to the FTC staff on this point has sometimes contradicted official company pronouncements. For those companies which do not have such cost allocation systems or whose fields of allocation match the FTC's proposed lines of business imperfectly, the added precision gained by creating wholly new, elaborate allocation systems would undoubtedly not justify the cost. All the FTC is asking is that such allocations be made on the basis of reasonable, clearly articulated criteria. The sensitivity of profit figures to the application of alternate allocation criteria will then be tested by FTC staff, and where significant interpretational errors might arise as a result of the cost allocation conventions adopted, appropriate cautionary statements will be included in the published LB summary reports. The FTC Division of Financial Statistics also stands ready, as it has in the past, to work out particularly difficult cost allocation problems with industry representatives in order to ensure that the ultimate summary reports are as meaningful as possible within the limits of the unavoidably imperfect accounting art.

"The kinds of cost allocation effort implied here do not therefore require elaborate new computer systems. Performing such allocations is a normal function of industrial cost accountants. Such problems are often assigned as exercises to master's degree students in cost accounting. We estimate that a M.B.A. or C.P.A. thoroughly familiar with a corporation's accounting systems could pull together the necessary information from routine Census and internal company reports, make the further allocations required for LB, and write the appropriate explanatory footnotes in about one working week or at most two weeks per line of business. Assuming that such a junior executive earns $25,000 per year and has equal clerical and secretarial support costs, the average compilation cost per line of business would be roughly one to two thousand dollars. For the average top 500 companies with 6.5 lines of business, this implies an annual cost of $6,500 and certainly not more than $15,000 per year. For the most extensively conglomerate corporations the costs will, of course, be higher, but such a burden can hardly be intolerable when sales are hundreds of millions or even billions of dollars per year.

"To conclude this discussion of costs, it is clear that the cost of generating line of business information will not be negligible. But it seems equally clear that many of the extremely high estimates cited in industry briefs opposing the Line of Business program are greatly overstated. The FTC staff believes, although, of course, it cannot prove, that the costs of the program will be modest in relation to the substantial benefits greater information on the American economy's functioning will yield."

Finally, the Commission takes strong exception to any inference in the Report that the Commission has not been diligent in its efforts to solicit meaningful input from the business community. The Commission has taken great pains to solicit the cooperation of the business community in developing the line of business program and any failure of communication in this regard must, we feel, be ascribed to the resistance of the business community to the program in general.

In conclusion, our view is that the Line-of-Business program is long overdue. It will not only usher in quantum improvements in existing knowledge about the nation's economic performance, but will, we predict, initiate significant strides toward a more competitive and more dynamic national economy.

By direction of the Commission.

LEWIS A. ENGMAN,
Chairman.

EXHIBIT 2

[Bureau of Economics Staff Report—Federal Trade Commission]

LINE OF BUSINESS REPORTING PROGRAM

ACKNOWLEDGEMENTS

This is a Staff Report to the Federal Trade Commission by the Bureau of Economics, James M. Folsom, Acting Director. Keith B. Anderson, Mr. Folsom, William Levin, William F. Long, Russell C. Parker, and F. M. Scherer[1] are the authors of the report.

The authors wish to acknowledge the assistance of Joanne Brasco and Ira Whitten in the preparation of this report.

INTRODUCTION

Few actions contemplated by the Federal Trade Commission have attracted as much attention and criticism from industry as the proposed Line of Business (LB) program. The Bureau of Economics staff has attempted to be responsive to suggestions and criticisms of industry and to devise a program which simultaneously serves the public interest and satisfies a feasibility criterion. It admits that it has made mistakes. It has tried to learn and to improve the program in response to constructive suggestions from many interested parties including business concerns, accounting firms, and other government agencies. However, it is also clear from the opposition its efforts have evoked that an unusually sensitive nerve has been struck. In this paper the economics staff seeks to clarify the rationale for the program and to assess the principal criticisms. The report deals in turn with the background of the program and its uses, the meaningfulness of statistics to be collected, the burden which will be imposed upon complying corporations, and the problem of confidentiality.

THE PROGRAM'S HISTORICAL BACKGROUND

Government efforts to induce disclosure of business corporation operations are no new development. Even before he was elected to the Vice Presidency, Theodore Roosevelt concluded a January 3, 1900, address on the "trust" problem:

> It is therefore evident that publicity is the one sure and adequate remedy which we can now invoke. There may be other remedies, but what these others are we can only find out by publicity, as the result of investigation. The first requisite is knowledge, full and complete.[2]

This view was instrumental in Roosevelt's creation in 1903 of the Bureau of Corporations, whose prime mission was to investigate and publicize the activities of monopolistic business corporations. During its short history, the Bureau conducted numerous studies of lasting importance, including those on such major industries as meat packing, steel, tobacco, and petroleum refining—forerunners of major antitrust actions.

Successor to the Bureau of Corporations was the Federal Trade Commission, one of whose main functions, President Woodrow Wilson recommended to a joint session of Congress on January 20, 1914, would be to serve as an "indispensable instrument of information and publicity."[3] Since that time the FTC has continuously carried out programs to make qualitative and quantitative information on corporate performance available to Congress, government executive agencies, and the general public.

Legislation resulting substantially from FTC reports included the Export Trade Act of 1918 (Webb-Pomerene), the Packers and Stockyard Act of 1921, the Radio Act (1927), the Federal Communications Act (1934), the Federal Power Act (1935), and the Celler-Kefauver (antimerger) Act (1950). At the time of the "Great Crash" in 1929, the FTC was studying stock manipulation and other problems in securities markets. It subsequently recommended that another permanent independent regulatory commission be established to specialize in securities regulation. Congress acted and established the SEC, which in fact was housed in the FTC during the first years of its existence.

In the late 1930's the Commission became the fact-finding and research arm of the Temporary National Economic Committee (TNEC). It produced major studies for the TNEC on monopoly performance in five industries and on the relative efficiency of small, medium, and large business organizations. In 1938 it began a permanent program for current profit information reporting. This soon became a tool in our World War II mobilization effort. The Commission's expertise also proved to be invaluable in several wartime studies of costs and efficiency. Following World War II, the FTC's profit reporting program evolved into what is now the *Quarterly Financial Report* series, subscribed to by several thousand government, business, and educational organizations.

RECENT CORPORATE REPORTING DEVELOPMENTS

During the past two decades the problems faced by such agencies as the Federal Trade Commission, the Securities and Exchange Commission, and the Internal Revenue Service in attempting to make useful information available on industries' financial performance have been aggravated by new corporate structural developments. A massive and continuing merger wave following World War II greatly increased the concentration of assets among the largest manufacturing corporations. In the 1960's this merger movement became more and more conglomerate in character. As business firms merged or expanded to embrace under one corporate roof an ever wider array of industrial and commercial activities, it became increasingly difficult to determine from the various published financial reports what was happening in any given narrowly defined industry. Conglomerate corporations typically publish only very limited details on their operations broken down by product line, and the product lines they choose to single out are characteristically much too broad to afford real insight into particular industries' functioning. Lacking disaggregated line of business data, government and private financial statistical reporting agencies are forced to prepare their industry analyses by assigning the data

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for a whole company to the industry in which the company has its largest sales volume—that is, to its so-called "primary" industry. Using this approach, figures for such performance indicators as industry profitability or advertising outlays include amounts derived from products sold by firms assigned to that industry, but which do not really belong in the industry. At the same time, figures are excluded for relevant products which are produced by firms not primarily classified in the industry.

To elucidate this point, we begin by noting that the number of domestic four-digit SIC manufacturing industries in which the 200 largest U.S. manufacturing companies participated increased from an average of 13 in 1960 to an average of 20 in 1968. This means that on the average, the use of the primary classification method to construct four-digit industry profit tables from data supplied in the consolidated company reports of the 200 largest manufacturers would cause contaminating data from 19 secondary activities to be in with relevant data for the primary industry. Since 1968 the statistical situation has worsened as large companies have continued to diversify.

The effect of multi-industry participation is seen more concretely in statistics for a sample of some 136 corporations that have submitted Pre-Merger Notification data to the FTC since 1969. The sample included all companies which submitted such reports and which ranked among the top 500 U.S. manufacturing corporations. A tabulation of the detailed sales figures submitted by the companies, after their sales were classified into the 219 manufacturing industry categories proposed for the FTC Line of Business reports, shows that these companies were 43 percent specialized to their primary FTC line of business.[4] In other words, for each dollar of relevant data the average company contributed to its primary line of business, it contributed $1.33 of contaminating data—data relating to the secondary activity industries in which it participated. Considering that the 200 largest manufacturing corporations account for 60 percent of all manufacturing assets and the 500 largest 73 percent, it is apparent that profit summaries based upon the assignment of whole companies to a specific industry or line of business are highly misleading.

Table 1, reproduced from the FTC staff's 1973 Economic Report on the Dairy Industry, illustrates the problems encountered under the primary industry classification approach. It shows that of the top eight fluid milk processing companies, only the three largest were primarily classified to that industry in 1967. Those three companies alone simultaneously carried secondary activity data into fluid milk industry profit tabulations equal to 37 percent of the total sales of the fluid milk industry. Since much of the milk industry's output was actually classified in other industries, the overall contaminating effect of this secondary activity data on fluid milk processing industry profit rates was even greater.

Similar problems exist in many other lines of business. One additional example is useful. Of leading computer mainframe manufacturers during the 1960's, seven firms—Sperry Rand, Control Data, Honeywell, RCA, General Electric, NCR, and Westinghouse—filed Pre-Merger Notification forms with the FTC. On the average those seven firms were less than 15 percent specialized in the computer industry, and all but two were primarily classified in other industries. Although authenticated product data for IBM are not available in Bureau of Economics files, published accounts indicate that nearly half of IBM's business activity is abroad and as much as 75 percent of its profits come from foreign sources. It seems quite clear that using whole company data to tabulate profit or other performance indicators for the domestic computer industry would not yield even a remotely accurate view of what is happening in that important field.

TABLE 1.—DIVERSIFICATION OF THE 8 LARGEST FLUID MILK PROCESSORS DURING 1967

[In percent]

Largest dairy companies	Company's share of fluid milk industry shipments	Is company primarily classified as a fluid milk products processor?	Percent that fluid milk product shipments are of the value of total company shipments	Nonfluid milk product shipments of this company as a percent of the total shipments of the fluid milk products industry
Borden	6.3	Yes	32	13
Kraftco	6.2	Yes	28	16
Beatrice	4.1	Yes	35	8
Top 3	16.6		[1] 32	37
Foremost	3.4	No	19	(2)
Southland	2.2	No	[3] 25	(2)
Safeway	2.2	No	[3] 5	(2)
Dairylea	2.1	No	(4)	(2)
Carnation	1.9	No	22	(2)
Top 8	28.4			

[1] Average.

[2] Not computed because companies are not primarily classified in the fluid milk products industry.

[3] Estimated.

[4] Low.

Source: Bureau of Economics, Federal Trade Commission.

Matters would be improved if company financial statements provided a more detailed picture of activities in specific product lines. In 1969 the Securities and Exchange Commission began requiring registered corporations to disclose line of business revenues and income on certain SEC disclosure statements. The rule was later extended to include annual 10-K reports to the SEC. The purpose of this rule is limited, however. The SEC is preoccupied largely with the information requirements of individuals or organizations investing in particular firms. It is not concerned with the problems of persons attempting to analyze the performance of industries, nor does it require firms to supply their information at any sharply focused level of detail. Companies define their own data submission categories, and they are their own judges of reasonableness and relevance.

Regarding the number of categories, the SEC rule states that corporations with assets of more than $50 million are required to report on lines of business that comprised 10 percent or more of sales. A sample of SEC reports for 1970 shows that companies having half a billion dollars or more in assets reported 40 percent of their activity in categories that lumped together operations in different major two-digit SIC industrial groups. Examples include the scrambling of such diverse activities as home construction with automobile rentals, publishing, and training schools; or the manufacture of eyeglasses with sporting goods and mobile homes; or yacht construction with the manufacture of textile machinery and information processing devices; or women's fashion clothes with medical diagnostic services.

A Bureau of the Census tabulation based on 1962 data shows that even if the largest corporations applied the SEC 10 percent rule with respect to each broad industry category used by the Census Bureau for classifying enterprises, they would only have to report separately on a small percentage of the total number of industries in which they participated. The 50 largest corporations would have to report on only 14 percent of their categories, while the 151st to 200th would report on 40 percent. Changing the rule to a fixed $25 million dollar standard would increase the number of reporting categories to 42 percent for the 50 largest manufacturers. The $10 million FTC line of business rule would of course be much more inclusive.

To sum, the spread of the conglomerate phenomenon has made it increasingly difficult and in many instances impossible to obtain a reliable, undistorted view of the financial performance of many important American industries. Relative to Theodore Roosevelt's demand for "knowledge, full and complete," there is now a critical dearth of needed statistical materials. This shortcoming desperately needs to be remedied.

DATA

Comprehensive, well-focused information on profits and other measures of industry performance is desirable for a number of reasons. Perhaps most important, the industrial economy can operate efficiently only if there are clear-cut signals guiding the allocation of resources into those fields where buyers' demands are incompletely satisfied relative to the cost of supplying additional output, and away from areas in which supply is excessive in relation to demand. Profits play a crucial role in this signaling process. The improved profit data provided by the LB program will help companies, individual investors, and the Federal Trade Commission make better-informed decisions, with a direct impact on the efficiency of resource allocation.

One impact of LB will be to help point out those industries in which demand is inadequately satisfied and as a consequence profits are particularly high. Thus, it will show where existing companies can profitably invest in expanded capacity and new competitors can enter. Granted, existing producers usually have internal data to guide expansion decisions, and outsiders in the best postion to enter may know enough about potential operating costs that they might base competitive entry decisions on comparisons of price vs. cost rather than mere observation of prevailing profits. But even for most-favored potential entrants, such price-cost analyses require intensive managerial effort, and the effort is often not undertaken unless management is stimulated by knowledge of continuing high profit realizations by insiders. Line of Business data will accelerate this recognition process. As a DuPont executive complained, "It could lead other companies to concentrate on our more profitable lines."[5] The information will also permit insiders to

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compare their own profit results with those of a larger sample of industry participants, prodding them to introduce cost-saving production methods or improved products when the comparison is unfavorable.

Another force potentially disciplining the allocation of resources is the decisions of investors, large and small, in the securities markets. When a line of business is profitable, investors bid up the price of the participating firms' stock, facilitating expansion. When a line is unprofitable, stock prices should be depressed, discouraging expansion and encouraging the timely withdrawal of resources to more remunerative lines. Yet when the returns of both profitable and unprofitable ventures are scrambled together in conglomerate corporations' reports, it is much harder for investors to exercise this selectivity so important to the proper allocative functioning of capital markets.

When an industry is growing only slowly or declining, this element of discipline through investor choices is attenuated even more sharply, since management may be able to finance all desired new investments using retained earnings. Here serious resource misallocations may occur, recent economic research suggests. Baumol, Heim, Malkeil, and Quandt found that on the average, large U.S. corporations earned much lower returns on reinvested retained earnings than on new equity issues—quite possibly because corporate managers prefer to continue building their own sales empires even when it is unprofitable, rather than distributing more earnings to shareholders (and through the individual income tax, to the Federal Treasury).[6] These results have been criticized on various statistical grounds, in part because the data with which the economists had to work are so deficient due to conglomerate scrambling.[7] More recent research by Professors Grabowski and Mueller suggests that the problem of unremunerative investment is centered mainly in the less dynamic firms, where the conflict between managerial empire builders and stockholders is sharpest.[8] Grabowski and Mueller also discovered that investors show their displeasure over excessive earnings retention in non-dynamic industries by bidding down the prices of such companies' commonstock shares, in extreme cases rendering the firms vulnerable to a take-over raid and perhaps ejection of the incumbent management. Yet the ability of stockholders to exercise this indirect form of discipline is severely impaired by the scrambling of returns * * *. Publication of the Line of Business profit data would help stock anaylsts and ultimately investors make decisions which force managers to use the resources at their command efficiently.

If new competitive entry and expansion investment encouraged by investor share bidding fail persistently to reduce profit returns in some industries to the level of capital costs, monopoly may be to blame. Intervention by the antitrust agencies may then be appropriate to create conditions conducive to levels of capacity investment and output responsive to consumer demands. Line of Business profit data will be a valuable tool in helping the enforcement agencies direct their activities toward those industries where the market is malfunctioning most seriously. To be sure, they cannot be used as the sole and decisive indicator. Profits may be persistently high because of socially important scale economies or because firms have developed superior new products or processes protected by valid patents. Or profits may fail to be abnormally high despite the presence of monopoly because companies are inefficient and have opted for "the quiet life." Line of Business data can never be a deus ex machina by which antitrust enforcers unwaveringly identify monopolistic industries. But they can be an important component in the enforcers' arsenal, helping to select industries for further investigation, to evaluate the quality of specific industries' performance, and to use the limited investigatory and adjudicative resources at their disposal more wisely. Through the more rational allocation of antitrust resources, the overall allocation of America's industrial resources will in turn be improved.

Here other outputs of the LB program also become relevant. To assess the quality of an industry's performance, one must evaluate not only profits, but also technological progressiveness, promotional expenditures, inflationary or counter-inflationary cost trends, and a variety of other indicators. Data on such performance variables for narrowly-defined industries range from meager to non-existent. For instance, it is widely believed that very high promotional outlays are an indicator of possibly deficient industrial performance. There have been many studies of the relationships between advertising outlays, concentration, and monopoly power. Still it is probably true that in most industries, expenditures for personal sales representation and other non-advertising promotional efforts are considerably greater than advertising outlays. Almost no reliable data exist on such expenditures, and as a result it is extremely difficult to assess their competitive significance either in general or in specific industries.

This problem extends beyond the sphere of antitrust law enforcement. The Federal Trade Commission has since its inception been charged with carrying out research and maintaining expertise concerning the functioning of the industrial and commercial economy. As corporations evolve in increasingly conglomerate directions, it becomes more and more difficult to analyze in detail what is happening in the mainstream of the American economy.

Yet if public confidence in our private enterprise economy is to be maintained, an atmosphere of openness and understanding is imperative. Implementation of the Line of Business program will reverse the trend toward decreased transparency of industrial activities and make it possible to begin reestablishing the much-needed base of knowledge and understanding.

No time could be more propitious for this reversal than the present. Now that formal economic controls have been abandoned, the U.S. economy is certain to go through a period of dramatic change. Without much better data on individual industries than those which now exist, it will be impossible to analyze the structure and dynamics of those changes and to pinpoint the reasons why inflation persists or is dampened. Line of Business reporting will facilitate such analyses and (perhaps even more important) will mobilize public chrutiny as a check on industrialists who might be tempted to exploit their unleashed market power to raise prices and profits unconscionably. It may also discourage repetitions of problems like those involving world-spanning petroleum conglomerates during the crude oil crisis of recent months. Before the U.S. Congress, the leading companies testified that most of their substantial profit increase during the last quarter of 1973 and the first quarter of 1974 was attributable to European operations. But in hearings before the German Federal Cartel Office in April the same companies (while declining to provide detailed supporting data) argued that their profits could not be traced to German sales, even though wholesale fuel oil and gasoline prices before taxes in Germany tended to be higher than in most other Western European nations. Such "profit, profit, who's got the profit" games undermine public confidence in conglomerate business. In Western Germany, a bastion of private enterprise since the 1955 occupation cessation treaty, one nationalized petroleum enterprise has already been created during the past year. The recent behavior of American and British oil conglomerates has spurred serious talk of further nationalization.

In 1974 as in 1900, nothing can be more damaging over the long run to public confidence in private enterprise than an attitude among big businesses that the public has no right to know. Antitrust enforcement in America has long been viewed as a substitute for regulation or the more drastic remedy of nationalization. If its effectiveness is thwarted by the increasing difficulty of getting data by which industrial performance can be evaluated, more drastic approaches will sooner or later gain support. The Line of Business program, by supporting the natural workings of the competitive market process and by increasing the effectiveness of antitrust enforcement, is in a real sense a program which may save private big conglomerate enterprise from its own lemming instincts.

THE MEANINGFULNESS OF LINE OF BUSINESS DATA

Many criticisms have been raised by industry representatives concerning the limited meaningfulness and accuracy of the proposed Line of Business reports. Some of this criticism is undoubtedly attributable to the natural propensity for participants in a debate involving vital conflicting interests to portray their opponents' case in something less than the most flattering light. Still valid critical points have also been raised, and the FTC staff has tried hard to improve the LB program so that it will be as effective an instrument of information provision as is possible within reasonable cost constraints. In the pages which follow we describe the adaptations which have taken place and answer prominent criticisms which we consider to have little or no merit.

The arbitrariness of cost allocations

A recurrent critical theme in comments on line of business reporting is that the difficulties in allocating common costs are so great that such reporting would yield data which are meaningless. Common costs exist if it would cost more to produce several products separately than it does to produce them together. The argument here is that any allocation of common costs to the products is arbitrary. If the assignment of costs is arbitrary, it is claimed, then profits reported for the diverse lines of business must also be arbitrary. And finally, since the profit data are subject to arbitrary cost allocations, they should not be used in economic analyses.

There are several reasons why we reject this argument. One is that it is essentially an argument against using any accounting data in conducting economic analyses. The allocation of common costs is only one of several accounting areas in which arbitrary procedures are used. In the treatment of depreciation, for example, there exists a valid set of charges against a long-lived asset. These must somehow be assigned to the several years of the asset's useful life. Such charges are ideally related to the asset's real contribution at different periods in time to the production which the asset facilitates. None of the depreciation rules conventionally used are designed to reflect the "true" charges related to economic usefulness. But neither the accounting profession nor the economics profession has concluded that because the depreciation rules actually employed are arbitrary, the profit data which depend upon them should not be used. Rather, the analyst employing profit data is warned that the results may depend on the depreciation rules embodied. And attempts are made using both conceptual methodology and empirical studies to determine the likely effects of depreciation rule choices on the results of the economic analysis.

A similar problem exists with respect to the

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valuation of assets. Of critical importance is the effect of changes in price levels. If asset prices are rising, say, and assets are valued at original cost, an asset which was purchased in an earlier year will appear to be less valuable than the same asset purchased later. Profit return on asset ratios for the two assets will imply that the older one has a higher rate of return. In truth, of course, they have the same rate of return if they are comparable in all respects but vintage.

An ideal solution to this problem would be to value assets at their current market value instead of at cost. But to do that, it is necessary to estimate current value, and that exercise must involve some arbitrariness. If accurate current market data on asset values could be obtained (which is seldom feasible), virtually all economists would advocate the use of profit figures based on such current cost valuations over those based on original cost valuations, even though the latter involve absolutely no arbitrary elements at all.

This second illustration demonstrates a most important point toward understanding the usefulness of accounting data in economic analysis. It is not arbitrariness per se which is critical. There are no judgments to be made in using the original cost valuation of assets. The same is true of writing off research and development costs as current expenses rather than capitalizing and depreciating them. Each such procedure can be applied without any arbitrariness. But each may lead to serious distortions in reporting the apparent profitability of an economic activity. The alternative in each case must entail subjective judgments; that is, judgments with some element of arbitrariness.

The argument that profit data based on common cost allocations should not be used is invalid not only for the reasons stated above. It is also suspect because its proponents have not offered empirical evidence on the probable effect which the arbitrariness would have. It is certainly true in principle that a change in allocation procedures might lead to a different estimate of profitability. What is critical however, is not the mere fact that such an effect might exist, but its magitude. That different common cost allocation procedures are used is well known. That differences in allocation procedures might cause differences in reported profitability is also well known. What is not at all well known is the quantitative magnitude of those differences. One major virtue of the LB program is that it will permit conducting sensitivity analyses to determine how different allocation assumptions affect reported profits. Such an analytic effort is a significant component of the FTC's contemplated Line of Business program.

Thet size of the LB company sample

Criticisms have also been levelled at the FTC staff decision to focus on the 500 largest manufacturing corporations. This was decided upon after weighing three partially conflicting goals. The first goal was to obtain sufficient data for the published report to be meaningful, the second to obtain data on a sufficient number of firms to eliminate problems with respect to confidentiality, and the third to minimize the cost to industry and to the FTC.

The best compromise appeared to be obtaining data from the 500 largest manufacturing concerns.[9] These firms account for around 70 percent of all manufacturing assets, thus ensuring substantial coverage of the manufacturing sectors, although their number is less than one-fourth of one percent of all manufacturing corporations. Doubling the number of reporting firms would increase the programs asset coverage by about 5 percentage points.

Of course, experience gained from actually implementing the program may show that the number of firms needs to be changed. At present we cannot predict precisely the problems concerning the amount of data needed to avoid disclosure problems on individual lines of business. One reason for the truncated data request of 1973 was to permit the identification of those lines where the publication of information would conflict with inadequately surveyed lines where such problems arise.

Data contamination under alternate reporting systems

The first two FTC staff proposals (in December 1970 and August 1973) to collect line of business data were frequently interpreted as requiring responding firms to report on a strict product line basis. That is, all costs, sales, and profits of any given product would have to be allocated directly to the relevant line of business. Company spokesmen contended that it was impossible to produce reasonably accurate data on a strict product line basis, or that if it could be done at all, the cost would be exorbitant. Further studies were therefore pursued to find a way of accumulating reasonably accurate data at tolerable costs. Since firms had asserted that a major problem in generating the data was the allocation of joint costs to the various products, the search for a better method concentrated on this aspect. Out of this search came the establishment approach to defining lines of business. Under this procedure, a firm can classify its plants (i.e., establishments) into lines of business on the basis of the largest-selling product in each establishment. This procedure eliminates completely the necessity of allocating plant overhead to diverse products manufactured within a single plant, unless the firm already makes such allocations for its own purposes. It also reduces the cost to firms of complying with the program.

Adopting the establishment approach to defining lines of business was not an unmixed blessing. In return for reduced compliance costs and for data less contaminated by common cost allocation problems, the lines of business will now include sales of products which should ideally be included elsewhere—a phenomenon called "product contamination." Fortunately, data were available to analyze the severity of this problem, and such an analysis was made before the final decision to adopt the establishment approach.

Using data reported in the 1967 Census of Manufactures, the most recent full Census currently available, the degree of product contamination was measured for 196 of the 217 FTC manufacturing lines of business. (It was not possible to analyze all the lines because of changes in the SIC codes between 1967 and 1972.) That analysis showed an average amount of product contamination of nine percent. That is, sales which should actually be alloted to other lines of business would on the average amount to nine percent of the sales assigned to a given line. In only seven of the 196 product lines did the contamination ratio exceed 20 percent.

While everyone would prefer to have absolutely perfect statistics, those who work with data realize that perfect data are never attainable. Thus, the basic question is whether the LB data will be substantially better than what could be generated by the only alternative means—namely, forming lines of business by assigning firms to the industry of their largest-selling product line. Information was also available to measure the degree of product contamination which would result from such a procedure. The data source was the FTC Pre-Merger Notification program. The companies included in the analysis were those 136 large manufacturing concerns among the 500 largest which had made acquisitions triggering reports under the program. An examination of the sales of these companies showed that an average of 57 percent of their sales were in lines of business other than their largest-selling one. The degree of conglomeration was so great that for 20 of the firms, the largest-selling product line accounted for less than one-fifth of the firm's total sales. For any industry to which such a firm's entire sales and profits were assigned, the degree of data contamination would be very great indeed.

Three additional points need to be made. First, the analysis of product contamination for both firms and industries had to be made with seven year old data. Second, although this analysis shows that currently available statistics have much more contamination than the material which the LB program will provide, the extent of product contamination from assigning one firm to one industry is understated because the diversification effect of mergers since 1967 is excluded. Third, any attempt to form lines of business by assigning firms on the basis of their primary product is almost impossible unless one has access to confidential firm data such as that produced under the Pre-Merger Notification program. The severity of this problem increases with the number of lines of business a corporation spans.

The total number of lines of business

A 1970 proposal to collect line of business data would have required companies to furnish information on their activities at the three-digit SIC code level except for selected high-concentration industries where a four-digit level would have been required. In 1973 a different approach was embraced in the hope of obtaining statistics on line of business approximating economic markets defined as meaningfully as possible. On closer analysis, however, this later approach appeared to pose various difficulties. First, it was not comparable with other government statistics collecting programs such as those conducted by the Bureau of the Census or the Internal Revenue Service. Second, the more narrowly defined lines increased the severity of transfer pricing problems. Other government agencies which were potential user of the Line of Business data were particularly critical of the proposed program because of its lack of comparability. In response to both government and industry criticisms, the three-digit approach to line of business definition was largely restored. However, breakouts to four-digit SIC levels were made where concentration was high (i.e., with the leading four sellers commanding a combined market share of 60 percent or higher) or where there was reason to believe that respondents' data collecting systems conformed more closely to the four-digit level than to the three-digit level. The result was a convergence to 228 lines of business, 219 of them in manufacturing.

The FTC staff is of course aware that the current lines of business definition approach involves certain tradeoffs. In addition to reducing compliance costs, broadening the lines may improve the quality of the data slightly, since it may reduce the extent to which common cost allocations and transfer price estimates are required. But such broadening simultaneously reduces the utility of the data to parties needing to know profits for more narrowly defined lines. The compromise struck appeared to be the best one possible under circumstances in which perfection is simply unattainable.

Another tradeoff involved making the lines of business consistent with other government sources of industrial data. Consistency enables the user concurrently to employ the information collected by other government agencies along with the FTC's Line of Business data. While this may reduce the value of the data to the FTC somewhat, it will increase their value to other users. Thus, the tradeoff again appeared to be an appropriate one.

A further point should be noted with re-

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spect to the definition of lines of business. The earlier versions of the proposed reporting form would have collected information on numerous non-manufacturing lines of business.

Because the FTC's *Quarterly Financial Report* is being expanded to include the trade and mining sectors, a decision was made to await an analysis of the quality of data generated under that program before making a final choice as to whether such line of business information should be collected. At the same time, the 500 largest manufacturers are being asked to furnish data on their involvement in broad non-manufacturing lines. This will permit the FTC to make informed comments on the extent of those firms' participation in such areas as agriculture, mining, trade, services, etc.

Number of lines of business per firm

We estimate that the average firm responding to the Line of Business surveys will operate in eleven lines of business. However, this average firm will have sales of at least $10 million in only six or seven of those lines of business. Thus, on average, firms filing Line of Business reports will have to submit financial reports on seven or eight parts of their company—the six or seven lines of business in which they have sales of $10 million or more plus a single report for all the rest of their domestic operations.

These averages are based upon estimates of the number of lines of business and their size for a random sample of 25 of the 500 largest firms. The estimates were developed from the Economic Information Systems (EIS) Datafile. This privately-prepared data bank provides estimates of employment, value of shipments, and the primary four-digit Standard Industrial Classification industry for each domestic U.S. manufacturing plant with 20 or more employees. Combining the sales estimates for all plants which are under common ownership and whose primary product is assigned to the same FTC industry category, we arrived at estimates of that company's activity in a line of business.

Of course, not all the 25 firms in the sample had 11 lines of business. The number of lines ranged from a low of 2 to a high of 33. The number of lines in which the sampled corporations had more than $10 million in sales varied from 2 to 18.

Supplementing this 25 firm random sample, data on lines of business was developed for a few nonrandomly selected firms. The information used was drawn from reports filed with the Federal Trade Commission under its Pre-Merger Notification program. Among the material required under this program are data on value of shipments by four-digit SIC industry for 1967. These data, which are reported on an establishment basis, were used to estimate the companies' sales by line of business of 1967.

The corporations for which value of shipments by line of business were estimated included three of the largest firms which will be reporting under the program, three of the smaller firms required to report, and one firm of about average size among the leading 500. For the large firms—DuPont, Raytheon, and Westinghouse—the total number of lines of business were 30, 19, and 53 respectively. The number of those lines in which sales exceeded $10 million were 16, 9 and 32. Among the smaller firms—Air Products and Chemicals, Columbia Broadcasting System, and Knight Newspapers—the total number of lines of business were 8, 6, and 1 respectively, while the number for which reports would have to be filed were 2, 5, and 1. Finally, the average-sized firm—Schering-Plough—had 10 lines of business and would be required to report on four of them. Again, these firms were not randomly selected from among the 500, and the data used are not current. However, the numbers presented should indicate the ranges of filing required under the Line of Business program.

THE COST BURDEN

Perhaps the most dramatic criticism of the Line of Business program is industry's allegation that collecting the required data would impose a prohibitive cost burden. It is fair to say that the FTC staff was excessively sanguine in its August 1973 estimate to the Office of Management and Budget that the average cost per responding corporation would be approximately $800. In its recent submission to the Comptroller General, the staff's estimate was revised upward to encompass startup costs averaging $10,000 to $20,000 per reporting firm and annual operating costs of $5,000 to $10,000. Industry estimates on the other hand have ranged as high as $2 million per firm per year. Given such large disparities, one is reminded of the story of the Princeton physics professor who, in reporting the results of some research, observed that "The experiments reveal that the negative mu mesons are absorbed at a rate only one ten-thousandth that predicted by theory. This would be a large error even for an economist."

To provide a more complete picture of the costs projected by industrial firms, we have analyzed the program setup cost estimates filed by firms included on *Fortune's* list of the 500 largest corporations in response to the FTC staff's August 1973 version of the LB reporting form. Twenty-five such companies provided useable dollar estimates. They are summarized in Table 2, which shows that the average estimated setup cost for the August 1973 version is $548,000. If the lower limit of the ranges given by six of the companies is used, the average is $536,000. Taking the upper limit of those ranges gives a $561,000 average.

Table 2 also reveals the total 1972 sales reported in Fortune for the 25 companies. The average is $2,866 billion. Since the average 1972 sales level for all corporations included on the Fortune 500 list is $1.115 billion, the sample of companies providing compliance cost estimates is evidently biased toward larger companies. There is probably a corresponding upward bias in the number of lines of business covered and hence in the cost which might be incurred by a more representative respondent.

TABLE 2.—ESTIMATED START-UP COSTS FOR FILING FTC FORM LB, AUGUST 1973 VERSION

Company	Fortune 500 rank	1972 company sales (millions)	Estimated start-up costs (thousands)	
			Range	Mean
American Metal Climax	166	$863	$50/$100	$75
Anaconda	138	1,012	1,000	1,000
Combustion Engineering	120	1,180	100	100
Crown Zellerbach	127	1,113	100	100
Deere	90	1,500	1,000	1,000
Dow Chemical	41	2,404	400	400
DuPont	16	4,366	500	500
Ex-cell-o	405	281	300/400	350
Exxon	2	20,310	1,000	1,000
General Instrument	415	276	100	100
Inland Steel	93	1,470	100	100
Lear Siegler	244	557	400	400
McGraw Hill	292	430	40/50	45
Mobil	7	9,166	500	500
Nabisco	118	$1,214	$100	$100
Northrop	237	574	100/500	300
Outboard	308	394	100	100
R. J. Reynolds	54	2,072	1,000	1,000
Singer	47	2,218	500	500
Standard Oil, California	12	5,829	800	800
Union Carbide	27	3,261	1,000	1,000
United States Steel	13	5,402	2,000	2,000
Varian Associates	500	204	50/75	63
Westinghouse	14	5,087	2,000	2,000
Westvaco	270	472	50/100	75
Total		71,655		13,708
Mean		2,866		548

Revisions in the company compliance cost estimates

The company compliance cost estimates reported in Table 2 were filed in relation to the Line of Business reporting form as it existed in draft version during August of 1973. Since that time both the form and the number of lines of business have been revised extensively, in large measure to make it easier for companies to comply. The number of lines of business was reduced from 455 to 228; reporting was shifted to an establishment orientation; the amount of time companies were given to respond was increased from 90 to 150 days; and reporting requirements for foreign operations, minority-owned subsidiaries, and joint ventures were eliminated.

In order to determine how these changes affected the cost of filing Line of Business reports, six representative companies were contacted by telephone and asked to estimate confidentially the cost impact of each individual modification. Assuming that the percentage reductions in cost for each amendment are independent,[10] the cumulative estimated reduction in cost due to the changes made between August 1973 and March 1974 averaged between 81 and 83 percent, depending upon whether respondents' high or low estimates were used. If this reduction factor is applied to the $548,000 average compliance cost figure presented in Table 2, the revised average compliance cost estimate is reduced to approximately $100,000 per company for the first start-up year of the LB program. This estimate, it must be noted again, is raised upward because the companies providing the estimates upon which Table 2 is based were more than twice as large on the average as the typical firm which will be submitting Line of Business reports.

If adjustments are made to account for differences in size and diversity between the average firm providing a cost estimate and the average firm among the 500 required to report, one gets an average cost of about $50,000. This is substantially smaller than most of the cost estimates adavanced by industry representatives. Yet we believe this figure is still inflated.

The underlying reporting cost assumptions

A principal reason why the cost estimates cited by industry groups are so much higher than those of the FTC's economics staff is that the industry estimates often assume a complete revamping of company accounting systems to fit the FTC's proposed reporting structure. As Mr. Howard Siers of the Financial Executives Institute testified before the House of Representatives Appropriations Subcommittee on Agriculture, Environment, and Consumer Protection:

"Compliance with the FTC proposal would

Footnotes at end of article.

require each company to develop new accounting systems, write entirely new computer programs, revise or completely rewrite thousands of existing computer programs, train personnel in the handling of the new system and test and implement the changes."

While this approach is one possible means of complying with Line of Business reporting requirements, it is certainly not the only way. Its main distinguishing feature is that it is about the most expensive procedure one could reasonably conceive to generate line of business data. Whether business firms have stressed a computerized approach to discredit the LB proposal through high cost estimates or whether they have simply not prudently analyzed what is required is unclear. What is clear is that there is a simpler but quite satisfactory way.

To minimize the reporting burden on companies, the lines of business have deliberately been based upon U.S. Census industry categories. Large manufacturing companies are required to report annually to the Census Bureau statistics on value of shipments, payrolls, production worker wages, the cost of purchased materials, and rental costs as well as asset data concerning new capital expenditures, the book value of depreciable assets, and inventories. These reports are by establishment for some 450 four-digit SIC industries—i.e., in even finer detail than the Line of Business program requires. Thus, more than three-fourths of manufacturers' sales are offset by costs measured and assigned to narrow industry lines for the Census program. It is over the remaining costs—i.e., depreciation, advertising, other selling costs, research and development, the operation of common warehouses, central office administration, and interest charges—that any dispute must turn. Since depreciable asset values are reported to the Census by four-digit industry, equally detailed depreciation statistics must be readily available. Although some corporate advertising is institutional in character, the vast bulk is focused on specific products, and advertising-oriented companies keep detailed records on how their major outlays are allocated, reporting them inter alia to the journal Advertising Age.

Less than five percent of all industrial R&D consists of basic research. Most R&D activity is clearly attributable to narrow product lines, and much of it involves detailed product and process improvement work conducted at the establishment level—the focus of the Census statistical program. What remains after the implementation of these and other easily accommodated cost allocations are certain corporate research, selling, and administrative costs which are not closely linked to specific lines of business. How substantial these costs are cannot be determined accurately until actual line of business data are accumulated. Our best estimate is that they amount to five percent of the 500 largest manufacturers' sales; ten percent appears to be an absolute maximum.

One could develop complicated accounting systems to allocate this small fraction of total costs by FTC line of business. Many companies already have such systems in operation. How many do is impossible to estimate since information supplied privately to the FTC staff on this point has sometimes contradicted official company pronouncements. For those companies which do not have such cost allocation systems or whose fields of allocations match the FTC's proposed lines of business imperfectly, the added precision gained by creating wholly new, elaborate allocation systems would undoubtedly not justify the cost. All the FTC is asking is that such allocations be made on the basis of reasonable, clearly articulated criteria. The sensitivity of profit figures to the application of alternate allocation criteria will then be tested by FTC staff, and where significant interpretational errors might arise as a result of the cost allocation conventions adopted, appropriate cautionary statements will be included in the published LB summary reports. The FTC Division of Financial Statistics also stands ready, as it has in the past, to work out particularly difficult cost allocation problems with industry representatives in order to ensure that the ultimate summary reports are as meaningful as possible within the limits of the unavoidably imperfect accounting art.

The kinds of cost allocation effort implied here do not therefore require elaborate new computer systems. Performing such allocations is a normal function of industrial cost accountants. Such problems are often assigned as exercises to master's degree students in cost accounting. We anticipate that an M.B.A. or C.P.A. thoroughly familiar with a corporation's accounting systems could pull together the necessary information from routine Census and internal company reports, make the further allocations required for IB, and write the appropriate explanatory footnotes in about one working week or at most two weeks per line of business. Assuming that such a junior executive earns $25,000 per year and has equal clerical and secretarial support costs, the average compilation cost per line of business would be roughly one to two thousand dollars. For the average top 500 company with 6.5 lines of business, this implies an annual cost of $6,500 and certainly not more than $20,000 per year. For the most extensively conglomerate corporations the costs will of course be higher, but such a burden can hardly be intolerable when sales are hundreds of millions or even billions of dollars per year.

Summing up, it is clear that the costs of generating line of business information will not be negligible. But it seems equally clear that many of the extremely high estimates cited in industry briefs opposing the Line of Business program are greatly overstated. The FTC staff believes that the costs of the program will be modest in relation to the substantial benefits greater information on the American economy's functioning will yield.

THE PROBLEM OF DATA CONFIDENTIALITY

Business corporations have expressed concern that the Line of Business program might lead to the release of information which should properly be kept confidential. If companies were not reluctant to publish accurate information on performance in their detailed lines of business, there would of course be no need for a mandatory LB program. To accept as confidential any information industry so labels would be a dereliction of the Federal Trade Commission's traditional duty. Yet there are statutory and well-established rules for resolving conflicts between businessmen's desire for confidentiality and the public's right to know. The Federal Trade Commission fully intends to comply with those rules in administering the Line of Business program.

The form of data publication

Table 3 provides an illustration for a hypothetical industry of the form in which the aggregated industry data will be published. In the table's rows are the various data items to be collected under parts E and F of the LB reporting form together with diverse subtotals and totals. The items are organized so that the upper three-fourths of the table corresponds to a fairly complete income statement, while the bottom quarter comprises an abbreviated balance sheet.

Subtotals in the income statement section include gross margin, operating income, net income before income taxes and extraordinary items, and net income after all such deductions. Some of these magnitudes will depend less upon allocated expenses than others, and therefore they will be less subject to errors due to the possible arbitrariness of allocations. For example, we anticipate that relatively few expenses will be allocated in computing gross margins. On the other hand, net income will be affected by all cost allocations. Given this array of statistics, users can choose between working with figures which are relatively free of allocation problems or which include all expenses.

TABLE 3.—LB 39.99: FABRICATION OF BOOJUMS AND SNARKS

[All figures are in millions of dollars]

	Direct (A)	Allocated by companies (B)	Direct or allocated by companies (A+B) (C)	Allocated by LB staff (D)	Total (C+D) (E)
Total sales or receipts	20,000		20,000		20,000
Cost of sales and operations:					
Inventories at beginning of fiscal year less inventories at end of fiscal year	(700)		(700)		(700)
Material	9,800	50	9,850		9,850
Labor	3,900	20	3,920		3,920
Depreciation, depletion, and amortization on plant, property, and equipment	500	50	550	50	600
Other costs of sales and operations	500	400	900	100	1,000
Total	14,000		14,520		14,670
Gross margin	6,000		5,480		5,330
Operating expenses:					
Media advertising	150	20	170	10	180
Other selling expense	60	30	90		90
Research and development	550	50	600	50	650
Other operating expense	900	200	1,100	300	1,400
Total	1,660		1,960		2,320
Operating income	4,340		3,520		3,010
Nonoperating expense net of nonoperating income					
Interest expense	NA	NA	NA	300	300
Net income before income taxes	NA		NA		2,710

TABLE 3.—LB 39.99: FABRICATION OF BOOJUMS AND SNARKS—Continued

[All figures are in millions of dollars]

	Direct (A)	Allocated by companies (B)	Direct or allocated by companies (A+B) (C)	Allocated by LB staff (D)	Total (C+D) (E)
Income taxes:					
State and local	30	20	50	100	150
Federal	NA	NA	NA	1, 280	1, 280
Total					1, 430
Net income after income taxes	NA		NA		1, 280
Extraordinary income less extraordinary expense, net of applicable taxes	20	10	30		30
Net income	NA		NA		1, 250

	Direct (A)	Allocated by companies (B)	Direct or allocated by companies (A+B) (C)	Allocated by LB staff (D)	Total (C+D) (E)
Gross plant, property, and equipment	9, 800	3, 600	13, 400	2, 800	16, 200
Accumulated depreciation, depletion, and amortization on plant, property, and equipment	6, 000	1, 800	7, 800	600	8, 400
Net plant, property, and equipment	3, 800		5, 600		7, 800
Other assets	1, 200	700	1, 900	1, 300	3, 200
Total assets	5, 000		7, 500		11, 000

In addition, the table permits users to analyze data involving only directly attributable expenses figures involving only expenses allocated by the responding firms in addition to the directly attributable costs, or data which include all allocations, whether made by the firms or the FTC staff. Among other things, this breakdown permits the user to determine how much allocation lies behind any specific statistic, and hence how much confidence one might reasonably place in the estimate. Separate analytic studies by the FTC staff will vary the assumptions under which common costs are allocated to determine the sensitivity of income figures to those assumptions.

The most important magnitudes of Table 3 will also be subdivided by groups of firms in the order of their industry sales rank, but only at a sufficient level of aggregation so as not to violate the Census law provisions preventing the disclosure of information on any single reporting enterprise. Other planned components of the annual Line of Business report will be tables showing rates of return on assets and profit margins on sales for a series of years (after the program has been in operation for a sufficient period) and the extent of secondary product contamination in the statistics. The latter analysis will probably take the form of a matrix showing the amount of sales classified to, say, line of business A which more appropriately belongs in category B.

The underlying Line of Business data files would also be useable by (though not directly accessible to) Federal Trade Commission staff or (under appropriate cost reimbursement arrangements) outside investigation for fundamental research on characteristics of the American industrial economy. Suppose, for example, an economist wished to investigate the impact of market structure, profitability, and risk on companies' financial leverage choices. He would supply to the FTC's Division of Financial Statistics appropriately coded tapes containing variables not included in the basic LB files. These tapes would be matched by Division of Financial Statistics personnel with the LB tapes, the desired correlations or other statistical manipulations would be performed, and the summary results would be reported to the outside investigators. Under no circumstances would the results reported include information violating the Census disclosure law. In particular, outsiders (including members of the FTC industry analysis and enforcement staffs) would not be permitted to see any raw data or transformations thereof covering individual companies supplied in confidence for the LB program.

Detailed disclosure limitations

Even the publication of data in table form might raise fears that individual firm data would be disclosed. This has not been an issue in the preparation and publication of the Quarterly Financial Report, since the number of firms included in each data cell has always been large—more than 11,000 firms to fill 31 industry reporting categories. But the Line of Business program will include only 500 companies reporting on an estimated 3,200 individual manufacturing lines to fill 219 industry reporting cells. The average number of firms per reporting cell is over 350 for the QFR, as compared to 15 for Line of Business. Because the probability of having only a few firms in each cell is high, the economics staff recommends that data not be published on any cell which contains fewer than three firms. Such a policy is consistent with the Census disclosure law.

For cells which contain fewer than three observations, two alternatives are available. The first is to increase the cell's coverage by adding appropriately specialized firms to the Line of Business sample. The second is to combine lines sufficiently so that disclosure problems are eliminated. The first course is the preferred one, although high concentration of activity in some lines may require that the second course be followed.

Some company representatives questioned the ability of the Commission to treat the LB data confidentially, given the Freedom of Information Act. The Commission has expressed the view that LB information is exempt from disclosure under that Act. Furthermore, it has stated that it will resist any attempts to obtain individual company data through the courts or otherwise.

Restrictions on internal use

This confidential treatment extends beyond release of data to the public. It includes any use within government for taxation, regulation, or investigation or for any Commission law enforcement activity. Because of the Commission's involvement in investigation and litigation, it has formulated rules restricting access to data received in QFR company reports to certain FTC staff members. These rules will apply to LB materials as well. An explicit statement of the rules was published in the Federal Register on July 13, 1973. Through an oversight, the July 13 statement prevented the Bureau of Economic Analysis of the Department of Commerce from obtaining access to information required in preparing gross national product estimates. This necessitated a correction, which was published on September 18, 1973.

Subsequently, at the Business Advisory Council for Federal Reports meeting on October 17, 1973, the OMB Examining Officer announced that the confidentiality strictures were agreeable to both the Federal Trade Commission and OMB.

The rules restrict access within the Federal Trade Commission to two groups, both within the Bureau of Economics. They are the Division of Financial Statistics, which has responsibility for publishing the Quarterly Financial Report and will also be responsible for the LB Report, and the unit within Economic Research and Services charged with publishing the Statistical Report on Mergers and Acquisitions and other statistical reports. No member of these groups will be involved in other activities of the Commission, nor will any other Commission employee have access to the individual company reports. This restriction even applies to Commissioners and to the Director of the Bureau of Economics.

Persons transferred out of these units will be under the same restrictions as individuals who cease employment with the Commission, i.e., prohibited from disclosing or using the information to which they have had access. Any person violating the restrictions will be subject to criminal prosecution.

CONCLUSION

No one will deny that the Line of Business program is a complex undertaking. Many obstacles must be surmounted in implementing it. For almost a year the Federal Trade Commission has attempted to respond to suggestions and comments of industry representatives, academicians, professional accountants, and potential data users in an earnest effort to make the program serve the broad public interest to the maximum possible degree. There has been considerable criticism, much of it constructive. The time has come, however, when criticism operates more to delay than to advance a program urgently needed if the Federal Trade Commission is to continue fulfilling its traditional role as an illuminator of industrial performance. Granted, difficult implementation problems remain. But their solution is most likely to be achieved if a commitment is made to go forward with the program so that the parties involved—FTC statisticians and accountants and industry's operating personnel—can address themselves in the great constructive American tradition to working out for each reporting firm and each line of business a viable set of reporting norms. Now, we believe, is the time for purely negative criticism to cease and the constructive task of implementation to commence.

FOOTNOTES

[1] Dr. Scherer is currently a Senior Research Fellow at the International Institute for Management, Berlin, West Germany, and is serving as a consultant to the Bureau of Economics. He will be assuming the Directorship of the Bureau of Economics in July of this year.

[2] Theodore Roosevelt, Works, National Edition, Volume XV, pp. 42–47. See also William Letwin, Law and Economic Policy in America (Random House, 1965), Chapters 6 and 7.

[3] 51 Congressional Record 1962 ff. See also S. E. Boyle, "Economic Reports and the Federal Trade Commission: 50 Years Experience," Federal Bar Journal, Fall 1964, p. 501.

[4] Although the sample of companies tended to include the more merger-active firms, it tended to exclude the large, older conglomerates, and it did not take into account any increase in diversification due to the acquisition about which the FTC was notified.

[5] "A Showdown over Product-Line Data," Business Week, October 13, 1973, p. 26.

[6] William J. Baumol, Peggy Heim, B. G. Malkiel, and R. E. Quandt, "Earnings Retention, New Capital and the Growth of the Firm. Review of Economics and Statistics, November 1970, pp. 345–355.

[7] See the comments by Irwin Friend, Frank Husic, and George A. Racette and the reply by Baumol et al. in the Review of Economics and Statistics, February 1973, pp. 122–131.

[8] Dennis Mueller and Henry Grabowski, "Life Cycle Effects on the Return on Corporate Retentions," Cornell University, mimeograph, 1974.

[9] Firms will be selected on the basis of the sales of their domestic manufacturing operations.

[10] E.g., that cutting the number of lines of business in half would reduce reporting cost to, say, 60 percent of the original estimate, and that providing more time to comply would in turn reduce that 60 percent by ten percent to 54 percent.

U.S. General Accounting Office,
Washington, D.C., May 13, 1974.

GAO Approves FTC Line-of-Business Form But Limits Time Span

The U.S. General Accounting Office today announced approval of a 56-page form proposed by the Federal Trade Commission to be used for obtaining data from the 500 largest manufacturing companies in the U.S.

The GAO report, approved by Acting Comptroller General Robert F. Keller, however, limited use of the Form LB, for "line of-business," to December 31, 1975 instead of 1980 as proposed by the FTC. The GAO also listed three other qualifications in granting its approval of the form.

The Form LB is designed to obtain detailed financial information by FTC categories (lines of business) on the domestic operations of the companies. Partial information is required for 1973, and complete information is required from businesses beginning with their 1974 reports.

Under Federal law, no independent regulatory agency can collect the type of business information contemplated in the FTC form unless the Comptroller General has ruled that the information is not available from another Federal source.

The Comptroller General also must determine that the forms and plans for collection impose a minimum burden upon business and are appropriate for the purpose intended. The regulatory agency, however, makes the final determination as to the necessity for the information.

After receiving the FTC's request for approval of the LB Form, GAO solicited written and oral comments from all interested parties including trade organizations, public interest groups and affected businesses. GAO also discussed the form with consumer groups, labor organizations; business firms, accountants and accounting societies, associations, other government agencies and legislators.

The GAO report, prepared by Assistant Comptroller General Phillip S. Hughes, specifically found that the information sought in the FTC "Line-of-Business" proposal is not presently available from another source within the Federal Government.

The letter from Acting Comptroller General Keller lists the three provisions which GAO calls for in granting its approval for the LB Form, including coordination with the Census Bureau, the Securities and Exchange Commission and other Federal agencies on the possibility of consolidating data they collect.

The other provisions limit the FTC collection of data to the initial round consisting of one business cycle and require FTC to discuss with business methods of improving the ease and accuracy of line of business reporting.

In its report GAO said this was necessary because of the many areas of misunderstanding, lack of information and disagreement regarding the FTC program.

Comptroller General,
of the United States,
Washington, D.C., May 13, 1974.

Hon. Lewis A. Engman,
Chairman, Federal Trade Commission

Dear Mr. Engman: On March 27, 1974, we received your request for review of clearance—pursuant to section 409 of Public Law 93–153—of a questionnaire, Form LB, to be used in the FTC's line-of-business report program for a period ending January 1, 1980.

Our staff has examined your submission and the report on their examination, which I have approved, is enclosed.

Specifically, I find that the information sought in the FTC LB proposal is not presently available from another source within the Federal government and its collection is consistent with the provisions of the requirements of section 409, subject to the following provisions:

a. The approval to collect the data is limited to the initial round of reports and approval of addidtional cycles by GAO will be subject to significant reduction in or elimination of the problems which make the initial data unreliable,

b. FTC conducting intensive discussions with business representatives either on an across-the-board basis or on a sample or pilot basis to advance the ease and accuracy of line-of-business reporting as rapidly as possible, and

c. FTC exploring with other Federal agencies, including Census and Securities and Exchange Commission, the possibility of coordinating or consolidating its LB data needs with data collected by those agencies.

When the questionnaire is printed and sent out by your agency, it should carry the following information on the first page:

Approved by GAO
B–180229 (R0048)
Expires 12–31–75

It is requested that a copy of the Form, as finally disseminated, be furnished to this Office.

Sincerely yours,
R. F. Keller,
Acting Comptroller General,
of the United States.

Report to the Comptroller General of the United States on the Evaluation of the Federal Trade Commission's Proposed Annual Line of Business Report (Form LB)

(By Assistant Comptroller General Phillip S. Hughes)

Pursuant to section 409 of Public Law 93–153, the Federal Trade Commision (FTC), on March 27, 1974, requested your approval of its request for information commonly referred to as the Annual Line of Business Report (FTC Form LB) for a period extending through January 1, 1980.

In essence, the law provides that an independent regulatory agency shall not conduct or sponsor the collection of this type information unless the Comptroller General has advised that the information is not available from another Federal source and has determined that the forms and plans for collection impose a minimum burden upon business and are appropriate for the purpose. However, the regulatory agency makes the final determination as to the necessity for the information. You have 45 days in which to respond to FTC's request.

INTENDED USES AND EXPECTED BENEFITS

The Form LB is designed to obtain detailed financial information by FTC categories (lines of business) on the domestic operations of the 500 largest U.S. manufacturing companies. Partial information is required for 1973, and complete information is required from businesses beginning with their 1974 reports. FTC has determined that it needs the data to be gathered from the LB report in order to carry out two aspects of its statutory responsibilities.

First, the Commission states it is required to investigate the extent of competition in the U.S. economy in general and in specific industries and to report its findings of such dustries and to report its findings of such investigations to the public and to the Congress. In order to carry out this responsibility, its staff must have access to data on the structure, conduct, and performance of particular industries and of industries in general. FTC further states that measures of several important aspects of industry performance would be availble from the line of business data. The measures include profitability, extent of sales promotion, and research and development activity.

Secondly, the staff of FTC's Bureau of Economics believes the data obtained would be useful in supporting rational policy planning procedures within FTC.

The FTC advises that it has not attempted to make a cost/benefit analysis of the proposed report. We believe it would be extremely difficult to make such an analysis without actual experience with the report.

BACKGROUND

The report referred to you was the third version of the LB program since August 1973. FTC reports that, sinc August, it has distributed several hundreds of copies to interested business firms, consumer groups, associations, etc., has received nearly 500 sets of written comments, and held a public meeting with some 400 individuals representing themselves, firms, associations, consumer groups, and Senators. In addition, individual meetings were held with everyone who requested them.

Upon receipt of FTC's request on March 27, 1974, we gave public notice of the submission in a news release of April 1, 1974, and by publishing a notice in the Federal Register on April 2, 1974. In those announcements, we solicited written comments from all interested persons, organizations, public interest groups, and affected businesses on the FTC proposal on or before April 15, 1974, and provided time on April 19 and 20 for oral comments. We have considered 74 sets of written comments as of May 3, 1974, and have had discussions with consumer groups, labor organizations, business firms, accountants, and accounting societies, associations, other Government agencies, and legislators. Appendix A lists the organizations or individuals from whom we received written comments, and Appendices B and D, those with whom we met.

We have also sought the advice and counsel of a number of experts conversant with the general subject of data gathering and aggregations and with business practices. These experts were drawn from the fields of law, economics, statistics, and accounting. They are listed in Appendix C.

A number of the companies who commented adversely to us on the Form LB nonetheless supported the product line disclosure idea and many companies are now voluntarily including product-line data in annual reports to their stockholders. We note, also, that the general concept of line-of-business, product line, or segmented reporting is supported by the American Institute of Certified Public Accountants, the Financial Executives Institute and the New York Stock Exchange.

Notwithstanding this broad spectrum of support of the concept, there is strong opposition on the part of many companies to the specifics of FTC's LB report. This opposition centers mainly around belief that:

1. The data submitted cannot be meaningful for stated FTC purposes and will be misleading if used as a basis for action because of line-of-business classification, cost allocation and transfer pricing (intra-company sales) problems;

2. The burden has not been minimized as required by statute; and

3. The individual company data furnished will not have adequate protection to safeguard legitimate company secrets.

Some respondents also stated the data being collected is duplicative of data already being supplied to other Federal agencies.

Each of these points is discussed in the succeeding sections. The examples and estimates shown are as presented to us since time available for our review did not permit direct verification.

MEANINGFULNESS OF DATA

Classification

As we have indicated, there is considerable support for the idea of product-line reporting. There is a considerable amount of such reporting at the present time, but there are significant differences in details of the form and content of such reports.

For example, the Securities and Exchange Commisison (SEC) now requires product-line reporting by companies filing its so-called 10K reports. It permits the reporting companies, however, to designate the product lines to be reported upon. While this permits flexibility and adaptation, it precludes meaningful aggregation, one of the FTC objectives.

The Financial Executives Institute, in May 1971, recommended including line-of-business disclosures in annual reports to shareholders. The New York Stock Exchange has endorsed this recommendation and has urged companies to make their annual reports to shareholders at least as informative as the SEC's 10K report. The Financial Accounting Standards Board is conducting a study of the problems of this type of reporting.

This support in principle for line-of-business reporting disintegrates, however, when we turn to the specific FTC proposal. We believe this is because of a fundamental dilemma with regard to classification and related matters which is not yet fully resolved or compromised. On the one hand, individual business firms vary greatly in their organization, financial structure, and product lines. These variations are products of historical accident or the individual preferences of business leadership. To accurately reflect management, financial, and product-line structure of a specific business, therefore, the classifications and allocations must take account of these individualities.

On the other hand, if information is to be collected from 500 firms and compared and aggregated, the data must be collected on the basis of definitions and specifications sufficiently uniform to make comparison and aggregation possible. Given the variations in business structure, uniform definitions will require most, if not all, responding businesses to report on a basis different than that on which they operate, with consequent impact on management practices and costs.

The FTC, by reducing, redefining, and broadening its classes in each successive draft, obviously has tried to move toward resolution of this dilemma. The March submission contains some 225 categories of lines of business compared with approximately 600 earlier. The FTC staff reports that the reduction in categories has two purposes:

(1) the quality of the data is affected by joint (common) cost and transfer pricing problems. By broadening the categories and defining them on an establishment basis,[1] the magnitude of the joint cost and transfer pricing problems have been reduced; and

(2) the Bureau of Economic Analysis, Bureau of the Census, Federal Reserve Board, and the Conference Board complained that the LB data would not be consistent with any other data currently available. To respond to this complaint, the lines of business included in the March version were formed by beginning with the Standard Industrial Classification (SIC) system at the three-digit level with further breakouts for industries where concentration is high; where there has been substantial antitrust interest in the past; or, where firms within the three-digit category specialized in particular four-digit segments, e.g., printing machinery versus food machinery. The FTC expected these changes to reduce the burden on the respondents.

However, the inherent conflict between FTC's product-line categories and individual business's normal management categories appears to remain. The aggregated figures on profits, sales, and expenditures by FTC line-of-business categories that will emerge from the reports probably will be neither accounting figures nor economic figures. The aggregated profit figure for each FTC category will be the end product of subjective judgment by each company in allocating costs common to two or more FTC categories and in computing transfer costs, and an arbitrary allocation of all of the sales, costs, and profits of a multicategory establishment to the category to which the primary activity of the establishment is assigned.

We do not know the extent to which the data will be distorted because of this practice, but examples furnished by companies suggest the distortion will be substantial. For instance, one company reports that three of its establishments in 1972 made shipments totaling $127 million that must be reported under FTC category 20.05 (Preserved fruits and vegetables excluding canned specialties), although 33½ percent of the sales actually should be distributed through seven other FTC categories.

Another firm reports that all sales and costs of one of its establishments will be allocated to a primary FTC classification although less than 50 percent of the total sales are represented by that category as follows:

FTC category	Percent of sales	
	1971	1972
34.05 (plumbing and heating, except electric)	39.1	42.4
36.07 (household refrigerators and freezers)	40.2	36.1
35.20 (refrigeration and service machinery)	19.9	21.5
36.12 (household appliances)	.8	.0

Note, also, that in the example between 1971 and 1972 the "primary" category would have shifted from category 36.07 (Household refrigerators and freezers) to 34.05 (Plumbing and heating, except electric).

A pulp and paper mill reports that of some $155,000,000 in sales all of which would be classified as FTC category 26.03 (Paperboard mills), 40 percent or $62,000,000 will be misclassified.

Another company reports that, although the LB program would require reporting of a larger number of business segments than are currently included in published financial statements and reports to the SEC, the FTC code would actually result in greater aggregation than is currently disclosed in at least one instance. In that case, industrial chemicals included in the company's published report and reported to SEC accounted for 18 percent of 1973 sales and 17 percent of net income; on an FTC basis the company would report 24 percent of 1973 sales and transfers and an estimated 18 percent of net income as industrial organic chemicals. This greater aggregation required by the FTC is further complicated because it represents only a portion of the reported industrial chemical sales and net income, and includes portions of two other business segments.

While measures of the distortion in aggregate sales figures can be compiled by the FTC from answers to Item D in the report form, the FTC will not be able to measure distortion of cost or asset data.

Cost allocation

At present no rules or generally accepted accounting principles govern the allocation of costs common among segments of a company. A variety of practices are followed. Dr. Robert K. Mautz reports that data from an independent research project financed by the Financial Executives Institute Research Foundation on the subject of financial reporting by diversified companies "showed that common costs are often so material that changes in the method of their allocation can have a significant impact on reported net income for the segments reported."

The FTC's proposal for dealing with common costs is: (1) it will accept allocations of common costs already made by reporting companies and apparently intends to aggregate the resulting data although widely different allocation methods may have been used by different companies; and (2) for common costs not allocated by the reporting companies, the FTC will apply its own unspecified allocation formulas.

The subjective judgments by the FTC and the company in allocating common costs obviously will affect all figures to which they are applied as well as all figures derived from them, and the meaningfulness and comparability of such figures will be affected as well. Again the dilemma presents itself—varying individual business practices are not aggregatable, but if standard definitions are applied, the practices and the costs of the business are affected.

Transfer pricing

The business and accounting communities regard transfer pricing as one of the very large unsolved problems in financial management. The FTC, itself, acknowledges that transfer pricing is one of the "stickiest" problems in line-of-business reporting.

Transfers of goods between divisions of a company present an extremely difficult accounting problem. The price at which one division or branch bills another for goods or services received is an arbitrary figure that has a great deal to do with the net profit reportable by both of the units affected. It constitutes income to one and cost to the other. Widely varying practices for pricing such transfers are found in business. Some companies use market value if a market exists for the item in question. Others transfer items between divisions at cost. Some use a price "bargained" between the divisions involved. Others use a price specifically selected to motivate the personnel in the affected divisions. Still others use an arbitrary billing amount for other special purposes.

Although the FTC asks for information about the method followed, it apparently plans to accept whatever practice is used and to aggregate the resulting line-of-business profit figures. Neither consistency nor accuracy can be expected.

BURDEN

The burden of the FTC LB report, as reflected in estimates of the cost to industry of complying with it, is another area in which industry and the FTC are very far apart. Their differences are so enormous (one to two orders of magnitude) as to indicate complete disagreement or misunderstanding regarding the data actually needed and the difficulty in compiling it.

The FTC estimate has undergone substantial upward revision as the comments from industry on the successive individual drafts were considered. But the current estimate of 10–20 thousand dollars average per company for the initial year, including start-up

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[1] An establishment is a plant or economic unit, generally at a single physical location, where manufacturing operations or other services are performed.

UMI

cost, and 5–10 thousand dollars in succeeding years, seems to us to reflect incomplete knowledge of the impact that decentralization and diversity of company organization and recordkeeping practices has on cost. The companies commenting on the LB form have not greatly assisted FTC in its cost estimates since they, for the most part, gave FTC unsupported cost data.

We asked a number of companies to furnish us with details of their estimates and the methodology followed in compiling them. Several companies responded and their data have been given to the FTC staff. These estimates of cost are summarized below:

	Initial start-up cost	Annual maintenance cost
Beatrice Foods Co	$1, 171, 800	$108, 680
Dow Chemical Co	350, 000	95, 000/145, 000
E.I. du Pont de Nemours & Co., Inc	[1]	[2]
General Electric Co	1, 010, 000	[3]
Procter & Gamble Co., The	1, 263, 000	100, 000/150, 000
Singer	500, 000	125, 000
Standard Oil Co. of California	475, 000	325, 000
Union Carbide Corp	1, 132, 000	[3]
Westinghouse Electric Corp	438, 000	200, 000

[1] $1,200,000 to $1,800,000.

[2] Several thousand dollars annually.

[3] Not given.

These estimates are from some of the larger of the 500 companies and have not been audited by us. Nevertheless, the methodology set out in their respective responses has logic and recognizes the very large cost involved in changing computer run accounting systems. The aggregated totals are significant. Even if substantially overstated, costs at these nine companies would approximate a quarter to a half of the top-limit estimate of $10,000,000 advanced by FTC for all 500 companies.

The Financial Executives Institute estimates the total cost to industry of complying with FTC Form LB to be far in excess of $100,000,000. Whether that estimate is reasonably accurate or not, we believe that the cost of complying with the FTC LB program will be very substantially greater than FTC has estimated. Some indepth surveys at specific companies will be required to resolve cost questions.

Since a reasonably accurate cost figure cannot now be developed, and it is not feasible to place a dollar value on the benefits to be derived, assessment of the reasonableness of the burden is impossible on other than a judgmental basis. In any event, if the data is to have value, it must be accurately and carefully compiled. We believe this task will require significant professional and management attention and will be quite costly.

CONFIDENTIALITY

There is much concern by industry over the possibility of the compromise of private company data in the hands of the FTC. We are not aware of any way in which the FTC can do more than it already has pledged itself to do to protect the data. FTC regulations do not permit individuals involved in the adjudicative or regulatory function to have access to individual company data.

Concern also has been expressed that copies of LB reports retained by companies required to submit such reports to FTC might be subject to subpoena or other compulsory process by agencies or entities other than FTC.

To deal with these problems, the Congress could consider the enactment of legislation (1) specifically precluding FTC from disclosing LB reports (e.g., the original section 9 of the Census Act) and/or (2) exempting copies of LB reports from compulsory process (e.g., section 9 of the Census Act, as amended).

In the event of enactment of such legislation, however, various agencies or other entities with proper and legitimate interests in LB reports or particular information from them would be precluded from access. On the other hand the full and frank disclosure of information by respondents in LB reports might be considered sufficiently important to override the interests of other agencies.

DUPLICATION

Duplication of data already being collected does not appear to be a substantial problem. While the Bureau of the Census in its Company Summary Report and its Annual Survey of Manufacturers does obtain some of the same kinds of data called for in the LB report, this duplication is more a matter of detail than of analytical possibility.

SEC data collected on a line-of-business basis is compiled on an individual company basis and is not intended for aggregation.

There is a question whether Census data gathering could be expanded or altered to meet the objectives of FTC. Census staff advise us that this possibility has not been explored with them.

Over time, it appears desirable to move toward standardization and consolidation of LB data collected by Census, SEC, and FTC.

CONCLUSIONS

Notwithstanding the time in development of the FTC LB program, many areas of misunderstanding, lack of information and disagreement remain regarding it. FTC cost estimates indicate that its decision to seek line-of-business data was based on an assumption that collection costs would be relatively small. However, business cost estimates reflect a judgment, in some instances supported by cost data, that the cost of producing the information will be higher by one or two orders of magnitude than FTC estimates.

More basic than cost estimation problems are uncertainties, misunderstandings, and disagreements regarding the reliability of the information which will be collected and, indeed, the feasibility of collecting it. These disagreements, like the cost disagreements, seem to us to be due to inadequate communication and exploration between the FTC and affected businesses. We are aware of extensive contact and controversy, but much of this appears to have been concerned with whether or not the information sought by the FTC should or could be collected rather than how to do the job. As evidence that this situation may be changing, however, we have had productive discussions with both FTC and industry representatives.

The data reliability problems referred to in prior sections of this report will make the initial responses unreliable, at best, in our judgment. These unreliabilities are a product of the unresolved dilemmas in adapting the FTC classification system to individual business practice, and they extend to proposed procedures for allocation and transfer pricing as well as to the basic classification system.

The data reliability problems will be most easily resolved with respect to sales/income items. The allocation of costs to lines of business, in accordance with FTC instructions, will be substantially more difficult, less reliable, and less aggregatable. The allocation of capital items by product line presents even more serious problems.

The cure of these problems is simple but difficult. What is needed is extensive face-to-face discussion between informed FTC representatives and informed business representatives, for joint learning and resolution or compromise of the dilemmas. If they are to be useful, these discussions will need to be conducted on the premise that their purpose is to find the best solution, not to debate whether the data should be collected.

With respect to burden, we have already indicated that we regard this matter as essentially unresolved, except on a subjective, judgmental basis. We are convinced that it will be more costly to compile the data than FTC has estimated and its evaluations as to the necessity for the information and burden should assume much higher costs.

The requirement for partial reporting of 1973 data and full reporting for 1974 presents a special problem from the standpoint of burden, since it requires retroactive adjustment of records and reports to meet FTC requirements. We have attempted to evaluate the cost and burden of this requirement rather carefully against potential benefits.

The essential effect of the requirement is to provide FTC with reported data about a year or a year and a half earlier than would otherwise be the case. FTC regards this as a very significant benefit, worth the additional burden it imposes. Clearly, the early receipt of 1973 and 1974 reports would afford earlier opportunity for essential face-to-face meetings focused on resolution of problems.

In making the recommendations which follow, it has been necessary for us to keep in mind both the problems summarized above and the following fundamental points:

1. As we indicated at the outset of this report, the law makes it clear that the necessity for the information is a matter for the FTC to determine.

2. There is broad support for the general objective of line-of-business reporting. This support extends into the business community and includes individuals and organizations informed on business reporting problems.

3. In these circumstances, it seems to us that the provisions of section 409 of Public Law 93–153 requires that the FTC and business respondents get on with the task of developing reliable line-of-business informatoin, recognizing that the initial information collected will be unreliable at best, and may be seriously misleading.

RECOMMENDATIONS

1. I recommend that you advise the FTC that the information sought in the FTC LB proposal is not presently available from another source within the Federal Government and that you have determined that the proposal is consistent with the provisions of section 409. I believe this advice is warranted by the fact that the necessity for the information is a matter for FTC determination; by the broad support for the concept of line-of-business reporting; and by the need for experience and experimentation if reliable LB information is ever to be obtained.

2. I further recommend that the advice recommended in 1 above be subject to the following conditions:

(a) Your approval should be limited to the initial round of annual reports, with approval of additional cycles subject to substantial reduction in or elimination of the problems which will make the initial data unreliable.

(b) Intensive discussions should be conducted by the FTC with business representatives either on an across-the-board basis or on a sample or pilot basis to advance the ease and accuracy of line-of-business reporting as rapidly as possible.

(c) Exploration by FTC with other Federal agencies, including Census and SEC, of the possibility of coordinating or consolidating its LB data with similar data collected by those agencies.

PHILLIP S. HUGHES,
Assistant Comptroller General.

Date: May 10, 1974.

Approved:

R. F. KELLER,
Acting Comptroller General
of the United States.

Date: May 11, 1974.

(Appendix A)

Names of Companies, Associations, and Interested Parties Providing Written Comments to GAO Through May 3, 1974, Regarding the Federal Trade Commission's Proposed Line of Business Report

AMF Incorporated.
Abbott Laboratories.
Aerospace Industries Association of America, Inc.
Allied Chemical Corporation.
Allis Chalmers.
Aluminum Company of America.
American Cyanamid Company.
American Home Products Corporation.
American Institute of Certified Public Accountants.
American Paper Institute.
American Retail Federation.
American-Standard.
Arthur Andersen & Co.
Barry Wright Corporation.
Beatrice Foods Co.
Bethlehem Steel Corporation.
Borden Inc.
Caterpillar Tractor Company.
Chamber of Commerce of the United States.
Chrysler Corporation.
Cities Service Company.
Consumers Union/Consumers Federation of America.
Dow Chemical Company, The
E. I. duPont deNemours & Company Incorporated.
Economic Information Systems, Inc.
Electronic Industries Association.
Eli Lilly and Company.
Exxon Corporation.
Financial Executives Institute.
General Electric Company.
General Mills, Inc.
General Motors Corporation.
W. R. Grace & Co.
Grocery Manufacturers of America Inc.
Grumman Corporation.
Gulf Oil Corporation.
Hammermill Paper Company.
Haskins & Sells
Hercules Incorporated.
Inland Container Corporation.
International Harvester.
International Telephone and Telegraph Corporation.
Kraftco Corporation.
Machinery and Allied Products Institute.
Merck & Co., Inc.
Motorola, Inc.
National Association of Manufacturers.
National Canners Association.
National Electrical Manufacturers Association.
National Retail Merchants Association.
Olin Corporation.
PPG Industries, Inc.
Pet Incorporated.
Pfizer, Inc.
Proctor & Gamble Company, The.
RCA.
Reed Smith Shaw & McClay.
Shell Oil Company.
A. O. Smith Corporation.
Southern Furniture Manufacturers Association.
Sperry Rand Corporation.
Standard Oil Company, The (SOHIO)
Sun Oil Company.
Texaco, Inc.
Union Carbide Corporation.
United Aircraft Corp.
United States Senate, Subcommittee on Monopoly, Select Committee on Small Business.
United States Steel Corporation.
U.S. Industries, Inc.
Warner & Swasey Co., The.
Weil, Gotshall & Manges.
Westinghouse Electric Corporation.
Whirlpool Corporation.
Williamette Industries, Inc.

(Appendix B)

List of Companies, Associations, and Government Agencies Providing Oral Comments on April 19, 1974, Regarding Federal Trade Commission's Proposed Line of Business Report

Armco Steel Corporation.
Arthur Andersen & Co.
Bureau of Census, Department of Commerce.
Bureau of Economic Analysis, Department of Commerce.
Chamber of Commerce of the United States.
E. I. du Pont de Nemours & Company, Incorporated.
General Electric Company.
General Motors Corporation.
Grocery Manufacturers of America, Inc.
International Harvester.
International Paper Company.
National Electrical Manufacturers Association.
National Small Business Association.
Texaco, Inc.
Union Camp.

(Appendix C)

List of Individual Consultants Used by GAO To Assist in the Review of the Federal Trade Commission's Proposed Line of Business Report

Dr. John M. Blair, Professor of Economics, University of South Florida.
Dr. Betty Bock, Director, Antitrust Research, Conference Board.
Dr. Stanley E. Boyle, Managing Editor, Industrial Organization Review, Virginia Polytechnic Institute.
Mr. Karney Brasfield, Retired Public Accountant, Fairfax, Virginia.
Dr. George H. Brown, Secretary, The Conference Board.
Dr. Yale Brozen, Graduate School of Business, University of Chicago.
Dr. Thomas Keller, Dean of Graduate School of Business, Duke University.
Dr. Robert Lanzillotti, College of Business Administration, Gainesville, Florida.
Dr. Milton Moss, Senior Advisor, National Planning Association.
Dr. Willard F. Mueller, Professor of Economics, University of Wisconsin.
Mr. Harry B. Sheftel, Government Statistician, Washington, D.C.
Dr. J. Fred Weston, Professor of Business Economics and Finance, University of California.

(Appendix D)

List of Other Organizations, Associations, Government Agencies, and Committees of Congress Having Contacts With GAO During the 45 Days To Discuss Federal Trade Commission's Proposed Line of Business Report

American Federation of Labor and Congress of Industrial Organizations.
American Institute of Certified Public Accountants.
Americans for Democratic Action.
Business Advisory Council on Federal Reports.
Consumer Federation of America.
Consumers Union.
Coopers & Lybrand.
Ernst & Ernst.
Federal Reserve Board.
Financial Executive Institute.
Haskins & Sells.
Lobel, Movins, & Lamont.
National Consumers Congress.
New York Stock Exchange.
Price Waterhouse & Company.
Project for Corporate Responsibility.
Public Citizens Tax Reform Research Group.
Securities and Exchange Commission.
United States Senate, Subcommittees on Budgeting, Management and Expenditures and Intergovernmental Relations, Committee on Government Operations.

Assistant Comptroller General
of the United States,
Washington, D.C., July 10, 1974.

Hon. Philip A. Hart,
Chairman, Subcommitee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate

Dear Mr. Chairman: This is in reply to your letter of July 8, 1974, requesting our views regarding restrictions proposed by the House on the Federal Trade Commission's line-of-business reporting program. Briefly, these are: a proposed limitation of 250 firms on the line-of-business questionnaire; and a confidentiality provision totally barring public dissemination, as well as dissemination to other congressional or Government agencies and FTC's Bureau of Competition.

With respect to the limitation to 250 firms, it was our conclusion upon completing our review that, since the necessity for the information is a matter for the FTC to determine, it was appropriate to seek it for the entire group of firms with which FTC was concerned. We considered the possibility of a pilot test or sampling but regarded this as less desirable than gaining experience with the whole universe that the FTC is interested in.

With regard to a confidentiality provision of the sort proposed, we did not consider such a provision specifically, although we did consider problems of confidentiality and dealt with these in our report on the proposal, copy attached (pages 11 and 12). Clearly bona fide business or trade secrets of individual firms should be safeguarded and FTC has pledged that it would do this. We believe, however, that there is some tendency in such matters, both in Government and in industry, to overclassify information. We believe that the burden of proof should be on agencies, organizations, or businesses seeking confidentiality. In other words, we believe there should be a general rebuttable presumption of disclosure.

Sincerely yours,

Phillip S. Hughes,
Assistant Comptroller General.

Suite 404 Madison Building,
Washington, D.C., June 14, 1974.

Hon. Lewis A. Engman,
Chairman, Federal Trade Commission, Washington, D.C.

Dear Mr. Chairman: On behalf of The Business Roundtable, we wish to express our appreciation for the opportunity of meeting with Mr. James M. Folsom and other members of the Bureau of Economics to discuss the proposed LOB program.

A group of financial corporate executives had an exchange of views with the Bureau this morning and presented two recommendations: (1) a more orderly approach to the LOB program, and (2) the resolution of the problem of maintaining the confidentiality of individual firm data. A copy of a memorandum dated June 14, 1974, presented to Mr. Folsom, is attached for the information of all Commissioners.

Because of the fundamental nature of the above proposals, we request, on behalf of The Business Roundtable, the opportunity for a group of financial executives to appear before the Commission.

We estimate that such a meeting could be completed in approximately one-half hour. Since these proposals would be largely moot if not considered prior to the mailing of LOB reports, it is requested that we be granted a meeting before any further action is taken by the Commission.

The breach of confidentiality of aggregate LOB data, through pattern recognition of individual firm data, is a matter of great concern and one of the items we wish to discuss. Following our meeting with the Bureau this morning we received a letter from Mr. Folsom, dated June 12, 1974, which says "[a] check with the econometricians within the Bureau of Economics does not reveal any knowledge of simulating or other techniques which would make it possible to disaggregate aggregated data." Per Mr. Folsom's request, we will provide to him the information we now have on this topic.

The favorable consideration by the Commission of our request would be very much appreciated.

REED SMITH SHAW & MCCLAY,
By EDWARD T. TAIT.

REED SMITH, SHAW & MCCLAY,
June 14, 1974.

To: James Mack Folsom, Acting Director, Bureau of Economics, Federal Trade Commission.
From: Edward T. Tait, Counsel for Business Rountable.
Re: Meeting June 14, 1974—Annual Line-of-Business Reports.

The Business Roundtable requested this meeting in order that a small group of financial corporate executives could express their views concerning the annual line-of-business (LOB) programs. This group is not an advisory committee to the Federal Trade Commission within the meaning of any federal statute. The experts meeting here will be speaking their own personal views. Their corporate employers reserve to themselves all legal rights which may be available to them should the proposed LOB reports be issued by the Commission.

It is not our purpose at this meeting to deal with any of the mechanical details of the LOB program. While we are not in agreement with many of the underlying and basic assumptions behind the program, we assume that there is little value in discussing them once again. It is our purpose here to discuss (1) a more orderly approach to the LOB program, and (2) the problems of maintaining the confidentiality of individual firm data.

Without waiving any of the objections which the reporting companies may have as to the underlying economic theory which motivates the Commission's line-of-business program, the legal authority upon which it is based, or the manner in which it was adopted, there are two affirmative proposals that we are prepared to discuss.

(a) That the Commission limit its initial cycles of LOB reports to Items A–D using 3 digit SIC codes rather than 5 digit Census codes.

(b) That the Commission insure the confidentiality of the LOB reports prior to the initial mailing thereof.

(A) LIMIT LOB REPORTS TO ITEMS A–D

We are concerned about the Bureau of Economic Staff's approach to contamination. We are advised that the Staff's recognition of contamination under the current LOB proposal fails to fully appreciate the distortion that will exist in the reported data, which distortion will render the data meaningless. In the first place, due to the reliance on establishment-base data, not only will there be contamination by the inclusion of product sales belonging to other categories, but there will be understatement as well by the exclusion of data that does belong in a given category. Moreover, the problems of contamination and understatement are even greater as to costs, and unlike sales there is no means available under the current proposal to measure the degree of such distortions. Only if reporting companies incur all costs, use all assets, pay all taxes, and earn all income in proportion to sales in each FTC category will the distortions in these figures be equal to, and not greater than, the distortions in sales figures.

You cannot generate a useful comparison of widely varied business organizations, considering such problems as the treatment of intrafirm transfers and the allocation of joint costs and assets. The only logical starting point in the establishment of any system of accounts is the tracing of revenues. Limiting the initial cycles of LOB reports to Items A through D, using 3 digit rather than 5 digit codes, would accomplish this purpose.

(B) RESOLVE THE PROBLEMS OF CONFIDENTIALITY

Much greater attention must be given to the problem of confidentiality of individual firm data.

Through pattern recognition techniques, major competitors will be able to disaggregate reported data and obtain information, the exchange of which by the firms themselves, could violate the antitrust laws. Because of the potential anticompetitive effects, we are confident that this is not a result desired by the Commission, and that it is a problem that should be resolved now.

Moreover, there remain unresolved certain issues regarding the preservation of the confidentiality of the individual company data. These issues involve the proposed internal and external uses for the data. For example, in the absence of statutory protection of the confidentiality of the data, there exists the potential for disclosure or discovery of the data under the Freedom of Information Act, 5 U.S.C. Sec. 552, either voluntarily or through litigation, or disclosure pursuant to Congressional inquiries, or discovery of the data by subpoena of the Company's own copies. Although the Commission has endeavored to meet this problem through its regulation expanding confidential treatment afforded under the QFR program, See 38 Fed. Reg. 18,720 (FTC, July 13, 1973), recent developments in litigation under the Freedom of Information Act create significant doubt that the Commission will in fact be able to hold the individual company data inviolate. Additionally, there has been some indication that if Congress desires the individual company data, it will receive that data. Historically, Congress has considered the Commission to be an "arm of Congress." And, of course, the regulations of the current Commission cannot bind future Commissions. These few examples serve to highlight the significant likelihood that the confidentiality of individual corporate data cannot be maintained, regardless of the bona fide assurances of the Commission.

We request that the Bureau of Economics recommend to the Commission that the Commission support legislation to insure the confidentiality of LOB report data before such reports issue.

Mr. HART. Again, Mr. President, I express appreciation of the committee for their ability to respond in a fashion that will bring us data that will be of benefit to industry and the community at large.

I urge support of the bill and the Appropriations Committee recommendations.

The PRESIDING OFFICER. Who yields time?

Mr. CURTIS. Mr. President, I rise in support of the amendment to the pending bill offered by my distinguished colleague from Nebraska, Senator HRUSKA.

Mr. President, it is so easy for us to assume that every time we add to the burdens of business that we are doing something for the consumers. This is, indeed, folly.

Every time we add to this gigantic, sprawling Government that we have, we add more officers and more duties and they, in turn, make requirements upon the productive forces of our country, we are adding to the costs of goods and merchandise.

Also, I think that we should keep in mind that oftentimes here in the Nation's Capital our enthusiasm seems to rule the day.

Individuals in bureaus as well as in the Congress will work with a subject for a long time and get a strong feeling, well, if we could just impose some more regulations, some more requirements, it would do wonders for the people of the country.

That is not the case.

The many, many requirements now placed upon the productive processes of our country are not only costly in dollars, but discouraging enterprise and actually stifling competition in the country.

Go to any businessman, whether he has 1 employee or 9 or 10, or 35,000; that businessman will tell you that the burdens placed upon that industry by the Government are enormous stacks and stacks of reporting and paper.

What happens to it? Oh, it is sent off to Washington.

Maybe somebody looks at it and maybe nobody does. Maybe it provides the material for a thesis that somebody wants to write, but the fact remains that the cost of operation goes up and up. The cost of goods that people, not only well-to-do, but of limited income, must buy for their daily living and to carry on their work, the cost of it just goes on and on.

I am thoroughly convinced, Mr. President, that any time we are asked to increase the power and the scope of the Federal Government the fact is that we are rendering a great disservice to the great rank and file of the people of our country. They get no benefits from it. They pay more and competition is stifled.

Now, this line-of-business program has been described as follows:

It would require early financial reports of the 500 largest domestic manufacturing companies; the Federal Trade Commission would collect figures on sales, receipts, costs, profits, and value of assets allocated to each product line of each company.

According to the Federal Trade Commission, this bill is needed because the larger manufacturers make many different products, but generally do not give out detailed financial information on the various product categories.

The Commission contends it needs the detailed information broken down by product line to investigate the extent of competition in the U.S. economy and to support a rational policy plan procedure within the Federal Trade Commission.

Mr. President, I am not an economist, neither have I been involved with any manufacturing concern, but whether it is a manufacturer that is 1 of the top 10 or whether it is down at the bottom of the list that will have to do this reporting, the facts are they make many products. Oftentimes a product is developed. It does not go over and it is discontinued.

We will not contribute to innovation and competition by loading the productive forces of our country down with a requirement proposed by this.

Mr. President, we must not forget that after all, just plain old unsupervised competition is what lowers the price. If there is a concern that is making a gadget or a small machine, or any other product, and someone else thinks he can make it for a little less and sell it for less, he will do it; and the concern, be it large or small, had better watch its costs, or someone else will take the business. That is competition. That is what lowers the price.

When we put everyone in a straitjacket, we stifle not only the one business, but we stifle all of its competitors. I just do not buy the notion that the Government in Washington has to supervise, regulate, and look after every business transaction in the country.

We have overdone it already, with too much government, too many demands upon our people, too great an impetus to the rising cost of living. I believe that when anyone comes in here with a proposition to add to our Government, to give greater power to existing Government agencies, the burden should be upon him to prove a real, existing need that can be met in no other way.

I think the Senate would do well to adopt the amendment offered by my distinguished colleague (Mr. HRUSKA), and I shall support it.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, I yield the distinguished Senator from Maine 5 minutes.

Mr. HATHAWAY. I thank the Senator from Wyoming.

Mr. President, I would like to say a few words in opposition to the amendment now under consideration.

The American population of today finds itself in the middle of substantial economic turbulence. The citizenry is faced with the gloomy realities of double-digit inflation and widespread commodity shortages. At no time in our recent history has the need for accurate and comprehensive financial data from conglomerate corporations been more urgent.

Many economists have pointed out that it is essential that Government economic policy rely more on specific industries or product-line policies to deal with inflation and shortages.

Had this type of data been available to the Government last year, we would have been better able to make fundamental policy decisions with regard to the energy crisis. As it was, neither the FTC nor the FED had essential data on the energy industries.

If the Hruska amendment is approved we will have to wait even longer for line-of-business information.

The Hruska amendment contradicts entirely the philosophy surrounding the line-of-business reporting program.

In limiting the required financial reporting to sales data, the Hruska amendment would render the line-of-business reporting program a worthless tool. Sales information is already readily accessible from a number of sources, most notably from the census of manufacturers. If enacted, the Hruska amendment would eliminate nearly all the relevant and informative data that the line-of-business reporting program was designed to obtain.

Cost analysis of labor and materials would not be available, nor would research and development cost information. Advertising costs, too, would remain unknown to all except company officials. It would be interesting to see just how much of the consumer dollar is spent on advertising, to see just how much advertising costs contribute to the spiraling inflation that is engulfing us. Advertising costs cannot be analyzed if no information is available. The line of business reporting program serves little positive purpose without the availability of these and other cost figures.

As I understand it, the basic intent of this amendment is to delay the implementation of the LB program for another year. Therefore, if we pass this amendment we will have accomplished nothing. The same methods and types of data reporting will exist as existed before passage of this bill.

Furthermore, the Hruska amendment, while professing to minimize the burden on the conglomerates during the first year of operation will, most likely, increase the cost to both Government and the corporations. The ultimate cost to Government will increase because the $305,000 we are appropriating today will be utilized to fund data collection essentially duplicative of data collection already being done by Census. The cost to corporations of implementing whatever new accounting procedures or rewrite of computer programs as necessitated by the LB program may very well be more expensive next year than this year. Moreover, it can be argued that the improved cost data provided by the LB program will help companies make informed decisions, thus contributing to savings due to efficiency of resource allocation.

Finally, the contention that the line of business reporting program places too much burden on the conglomerates over too short a time span is an argument without valid grounds. The FTC has gone to great pains to minimize the burden on the reporting corporation, loosening their requirements in defining lines of business, deliberately basing the lines of business on U.S. census industry categories, and limiting reporting in the first year to material and labor costs, directly traceable advertising costs, and R. & D. costs, excluding any information concerning profits and nearly half of the initially required cost analysis.

The costs of the LB program to business will, admittedly, not be negligible. It is clear, however, that their costs will be small when compared to the benefits that may result with the effective utilization of the line-of-business reporting program.

I urge my colleagues to join with me in voting "no" on the pending amendment.

The PRESIDING OFICER. Who yields time?

Mr. McGEE. Mr. President, I yield the Senator from Montana—5 minutes?

Mr. METCALF. I am delighted. I think I can complete my statement in 5 minutes.

Mr. McGEE. The Senator may have more time if he wishes.

Mr. METCALF. Mr. President, both Senators from Nebraska have suggested that this is an undue burden on business and that such a survey as we have would cost so much more than it would warrant to have such a survey, the benefit-cost ratio would be adverse, and we should not go into this problem.

Now, I want to recall that we have had this whole problem presented to us for many years, and we have had the OMB analyze the cost of surveying, had the OMB make the predictions for whether or not it would be an undue burden; and then, when the Alaska pipeline bill came up—and I want to say to my good friend, the junior Senator from Nebraska, that it was no more irrelevant to call it the Alaska pipeline bill than it was to mention this amendment, because originally, that originated as a rider to the bill to build a pipeline across public lands. But when that came up, the Senator from Michigan and others proposed that when the regulatory commissions, the commissions that are responsive to the Congress, asked for business surveys, they would go to the General Accounting Office. And that, as the junior Senator from Nebraska suggested, was an irrelevant change.

Now, I want to say that in my estimation, the General Accounting Office has been most careful, most precise, in eliminating the burdens on any type of business.

Since that change came into effect, there have been, according to Mr. Phillip Sam Hughes, representative of the General Accounting Office, 50 applications for surveys. Out of that 50, only 19 have been permitted.

There have already been published in the Federal Register rules of the General Accounting Office that provide for the ways in which these applications will be permitted, for the scope and requirements for the surveys, and to relieve the burden on business.

Specifically with respect to the line of business survey of the Federal Trade Commission, the General Accounting Office wrote a letter to the Federal Trade Commission and set forth four separate categories that had to be answered and had to be met before the survey could go forward. That is on page 2 of the corporate disclosure hearing that I held when we inquired about this line of business survey.

I ask unanimous consent that the letter from the Assistant Comptroller General of the United States be placed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ASSISTANT COMPTROLLER GENERAL
OF THE UNITED STATES,
April 11, 1974.

Hon. LEWIS A. ENGMAN,
Chairman, Federal Trade Commission.

DEAR MR. ENGMAN: We have received and are reviewing your proposed Annual Line of Business Report.

In order that we may complete our examination and evaluation of your request, we orally requested last Thursday from Mr. Lipsky, of your Commission, the following data:

1. Studies supporting FTC's claimed uses and benefits to be gained by possession of and publishing the data requested.

2. Details of the analysis of issues raised by non-FTC reviewers and FTC's plan to deal with these issues.

3. Details of consideration given to data needs of other Government agencies in the line of business request.

4. Analysis of the principal changes between the August LOB draft, and the December draft, and the December draft and the March draft.

If there is some problem about our obtaining this data, we would appreciate your telephoning us so we can find a mutually agreeable time for a meeting to duscuss the matter further.

Sincerely yours,

HASSELL B. BELL,
Assistant for Special Studies.

Mr. METCALF. So, the first thing is that we have more careful, more scrupulous scrutiny of the burden on industry than we had even before we had it under the supervision of the Office of Management and Budget.

We are dealing with the 500 largest corporations in the United States. We are dealing with conglomerates that manufacture farm machinery, computers, sell feed, and do all these things; and we are only asking them to differentiate between the computer sales, on the one hand, and perhaps, farm machinery on the other.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. METCALF. Mr. President, may I have 1 more minute?

Mr. McGEE. I will be glad to yield an additional 2 minutes.

Mr. METCALF. Two minutes, a reasonable 2 minutes.

The second proposition I want to set up is that the very brilliant and aggressive Chairman of the Federal Trade Commission testified before the Subcommittee on Budgeting of the Committee on Government Operations and explained to us what he wanted to do and what he was seeking to accomplish in this line of business survey. This was done in this report. I ask unanimous consent that his explanation of that be incorporated in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE FEDERAL TRADE COMMISSION LINE OF BUSINESS REPORTING PROGRAM—BUREAU OF ECONOMICS STAFF REPORT

INTRODUCTION

Few actions contemplated by the Federal Trade Commission have attracted as much attention and criticism from industry as the proposed Line of Business (LB) program. The Bureau of Economics staff has attempted to be responsive to suggestions and criticisms of industry and to devise a program which simultaneously serves the public interest and satisfies a feasibility criterion. It admits that it has made mistakes. It has tried to learn and to improve the program in response to constructive suggestions from many interested parties including business concerns, accounting firms, and other government agencies. However, it is also clear from the opposition its efforts have evoked that an unusually sensitive nerve has been struck. In this paper the economics staff seeks to clarify the rationale for the program and to assess the principal criticisms. The report deals in turn with the background of the program and its uses, the meaningfulness of statistics to be collected, the burden which will be imposed upon complying corporation, and the problem of confidentiality.

THE PROGRAM'S HISTORICAL BACKGROUND

Government efforts to induce disclosure of business corporation operations are no new development. Even before he was elected to the Vice Presidency, Theodore Roosevelt concluded a January 3, 1900, address on the "trust" problem:

> It is therefore evident that publicity is the one sure and adequate remedy which we can now invoke. There may be other remedies but what these others are we can only find out by publicity, as the result of investigation. The first requisite is knowledge, full and complete.[1]

This view was instrumental in Roosevelt's creation in 1903 of the Bureau of Corporations, whose prime mission was to investigate and publicize the activities of monopolistic business corporations. During its short history, the Bureau conducted numerous studies of lasting importance, including those on such major industries as meat packing, steel, tobacco, and petroleum refining—forerunners of major antitrust actions.

Successor to the Bureau of Corporations was the Federal Trade Commission, one of whose main functions, President Woodrow Wilson recommended to a joint session of Congress on January 20, 1914, would be to serve as an "indispensable instrument of information and publicity." [2] Since that time the FTC has continuously carried out programs to make qualitative and quantitative information on corporate performance available to Congress, government executive agencies, and the general public.

Legislation resulting substantially from FTC reports included the Export Trade Act of 1918 (Webb-Pomerene), the Packers and Stockyard Act of 1921, the Radio Act (1927), the Federal Communications Act (1934), the Federal Power Act (1935), and the Celler-Kefauver (antimerger) Act (1950). At the time of the "Great Crash" in 1929, the FTC was studying stock manipulation and other problems in securities markets. It subsequently recommended that another permanent independent regulatory commission be established to specialize in securities regulation. Congress acted and established the SEC, which in fact was housed in the FTC during the first years of its existence.

In the late 1930's the Commission became the fact-finding and research arm of the Temporary National Economic Committee (TNEC). It produced major studies for the TNEC on monopoly performance in five industries and on the relative efficiency of small, medium, and large business organizations. In 1938 it began a permanent program for current profit information reporting. This soon became a tool in our World War II mobilization effort. The Commission's expertise also proved to be invaluable in several wartime studies of costs and efficiency. Following World War II, the FTC's profit reporting program evolved into what is now the *Quarterly Financial Report* series, subscribed to by several thousand government, business, and educational organizations.

RECENT CORPORATE REPORTING DEVELOPMENTS

During the past two decades the problems faced by such agencies as the Federal Trade Commission, the Securities and Exchange Commission, and the Internal Revenue Service in attempting to make useful information available on industries' financial performance have been aggravated by new corporate structural developments. A massive and continuing merger wave following World War II greatly increased the concentration of assets among the largest manufacturing corporations. In the 1960's this merger movement became more and more conglomerate in character. As business firms merged or expanded to embrace under one corporate roof an ever wider array of industrial and commercial activities, it became increasingly difficult to determine from the various published financial reports what was happening in any given narrowly defined industry. Conglomerate corporations typically publish only very limited details on their operations broken down by product line, and the product lines they choose to single out are characteristically much too broad to afford real insight into particular industries' functioning. Lacking disaggregated line of business data, government and private financial statistical reporting agencies are forced to prepare their industry analyses by assigning the data for a whole company to the industry in which the company has its largest sales volume—that is, to its so-called "primary" industry. Using this approach, figures for such performance indicators as industry profitability or advertising outlays include amounts derived from products sold by firms assigned to that industry, but which do not really belong in the industry. At the same time, figures are excluded for relevant products which are produced by firms not primarily classified in the industry.

To elucidate this point, we begin by noting that the number of domestic four-digit SIC manufacturing industries in which the 200 largest U.S. manufacturing companies participated increased from an average of 13 in 1960 to an average of 20 in 1968. This means that on the average, the use of the primary classification method to construct four-digit industry profit tables from data supplies in the consolidated company reports of the 200 largest manufacturers would cause contaminating data from 10 secondary activities to be in with relevant data for the primary industry. Since 1968 the statistical situation has worsened as large companies have continued to diversify.

The effect of multi-industry participation is seen more concretely in statistics for a sample of some 136 corporations that have submitted Pre-Merger Notification data to the FTC since 1969. The sample included all companies which submitted such reports and which ranked among the top 500 U.S. manufacturing corporations. A tabulation of the detailed sales figures submitted by the companies, after their sales were classified into the 219 manufacturing industry categories proposed for the FTC Line of Business reports, shows that these companies were 43 percent specialized to their primary FTC line of business.[3] In other words, for each dollar of relevant data the average company contributed to its primary line of business, it contributed $1.33 of contaminating data—data relating to the secondary activity industries in which it participated. Considering that the 200 largest manufacturing corporations account for 60 percent of all manufacturing assets and the 500 largest 73 percent, it is apparent that profit summaries based upon the assignment of whole companies to a specific industry or line of business are highly misleading.

Table 1, reproduced from the FTC staff's 1973 *Economic Report on the Dairy Industry*, illustrates the problems encountered under the primary industry classification approach. It shows that of the top eight fluid milk processing companies, only the three largest were primarily classified to that industry in 1967. Those three companies alone simultaneously carried secondary activity data into fluid milk industry profit tabulations equal to 37 percent of the total sales of the fluid milk industry. Since much of the milk industry's output was actually classified in other industries, the overall contaminating effect of this secondary activity data on fluid

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Footnotes at end of article.

milk processing industry profit rates was even greater.

Similar problems exist in many other lines of business. One additional example is useful. Of leading computer mainframe manufacturers during the 1960's, seven firms—Sperry Rand, Control Data, Honeywell, RCA, General Electric, NCR, and Westinghouse—filed Pre-Merger Notification forms with the FTC. On the average those seven firms were less than 15 percent specialized in the computer industry, and all but two were primarily classified in other industries. Although authenticated product data for IBM are not available in Bureau of Economics files, published accounts indicate that nearly half of IBM's business activity is abroad and as much as 75 percent of its profits come from foreign sources. It seems quite clear that using whole company data to tabulate profit or other performance indicators for the domestic computer industry would not yield even a remotely accurate view of what is happening in that important field.

TABLE 1.—DIVERSIFICATION OF THE 8 LARGEST FLUID MILK PROCESSORS DURING 1967

[In percent]

Largest dairy companies	Company's share of fluid milk industry shipments	Is company primarily classified as a fluid milk products processor?	Percent that fluid milk product shipments are of the value of total company shipments	Nonfluid milk product shipments of this company as a percent of the total shipments of the fluid milk products industry
Borden	6.3	Yes	32	13
Kraftco	6.2	Yes	28	16
Beatrice	4.1	Yes	35	8
Top 3	16.6		[1] 32	37
Foremost	3.4	No	19	(2)
Southland	2.2	No	[3] 25	(2)
Safeway	2.2	No	[3] 5	(2)
Dairylea	2.1	No	(4)	(2)
Carnation	1.9	No	22	(2)
Top 8	28.4			

[1] Average.
[2] Not computed because companies are not primarily classified in the fluid milk products industry.
[3] Estimate.
[4] Low.

Source: Bureau of Economics, Federal Trade Commission.

Matters would be improved if company financial statements provided a more detailed picture of activities in specific product lines. In 1969 the Securities and Exchange Commission began requiring registered corporations to disclose line of business revenues and income on certain SEC disclosure statements. The rule was later extended to include annual 10-K reports to the SEC. The purpose of this rule is limited, however. The SEC is preoccupied largely with the information requirements of individuals or organizations investing in particular *firms*. It is not concerned with the problems of persons attempting to analyze the performance of *industries*, nor does it require firms to supply their information at any sharply focused level of details. Companies define their own data submission categories, and they are their own judges of reasonableness and relevance.

Regarding the number of categories, the SEC rule states that corporations with assets of more than $50 million are required to report on lines of business that comprised 10 percent or more of sales. A sample of SEC reports for 1970 shows that companies having half a billion dollars or more in assets reported 40 percent of their activity in categories that lumped together operations in different major two-digit SIC industrial groups. Examples include the scrambling of such diverse activities as home construction with automobile rentals, publishing, and training schools; or the manufacture of eyeglasses with sporting goods and mobile homes; or yacht construction with the manufacture of textile machinery and information processing devices; or women's fashion clothes with medical diagnostic services.

A bureau of the Census tabulation based on 1963 data shows that even if the largest corporations applied the SEC 10 percent rule with respect to each broad industry category used by the Census Bureau for classifying enterprises, they would only have to report separately on a small percentage of the total number of industries in which they participated. The 50 largest corporations would have to report on only 14 percent of their categories, while the 151st to 200th would report on 40 percent. Changing the rule to a fixed $25 million dollar standard would increase the number of reporting categories to 42 percent for the 50 largest manufacturers. The $10 million FTC line of business rule would of course be much more inclusive.

To sum, the spread of the conglomerate phenomenon has made it increasingly difficult and in many instances impossible to obtain a reliable, undistorted view of the financial performance of many important American industries. Relative to Theodore Roosevelt's demand for "knowledge, full and complete," there is now a critical dearth of needed statistical materials. This shortcoming desperately needs to be remedied.

THE NEED FOR ACCURATE INDUSTRY PERFORMANCE DATA

Comprehensive, well-focused information on profits and other measures of industry performance is desirable for a number of reasons. Perhaps most important, the industrial economy can operate efficiently only if there are clear-cut signals guiding the allocation of resources into those fields where buyers' demands are incompletely satisfied relative to the cost of supplying additional output, and away from areas in which supply is excessive in relation to demand. Profits play a crucial role in this signaling process. The improved profit data provided by the LB program will help companies, individual investors, and the Federal Trade Commission make better-informed decisions, with a direct impact on the efficiency of resource allocation.

One impact of LB will be to help point out those industries in which demand is inadequately satisfied and as a consequence profits are particularly high. Thus, it will show where existing companies can profitably invest in expanded capacity and new competitors can enter. Granted, existing producers usually have internal data to guide expansion decisions, and outsiders in the best position to enter many know enough about potential operating costs that they might base competitive entry decisions on comparisons of price vs. cost rather than mere observation of prevailing profits. But even for most-favored potential entrants, such price-cost analyses require intensive managerial effort, and the effort is often not undertaken unless management is stimulated by knowledge of continuing high profit realizations by insiders. Line of Business data will accelerate this recognition process. As a DuPont executive complained, "It could lead other companies to concentrate on our most profitable lines."[4] The information will also permit insiders to compare their own profit results with those of a larger sample of industry participants, prodding them to introduce cost-saving production methods or improved products when the comparison is unfavorable.

Another force potentially disciplining the allocation of resources is the decisions of investors, large and small, in the securities markets. When a line of business is profitable, investors bid up the price of the participating firms' stock, facilitating expansion. When a line is unprofitable, stock prices should be depressed, discouraging expansion and encouraging the timely withdrawal of resources to more remunerative lines. Yet when the returns of both profitable and unprofitable ventures are scrambled together in conglomerate corporations, reports, it is much harder for investors to exercise this selectivity so important to the proper allocative functioning of capital markets.

When an industry is growing only slowly or declining, this element of discipline through investor choices is attenuated even more sharply, since management may be able to finance all desired new investments using retained earnings. Here serious resource misallocation may occur, recent economic research suggests. Baumol, Helm, Malkiel, and Quandt found that on the average, large U.S. corporations earned much lower returns on reinvested retained earnings than on new equity issues—quite possibly because corporate managers prefer to continue building their own sales empires even when it is unprofitable, rather than distributing more earnings to shareholders (and through the individual income tax, to the Federal Treasury).[5] These results have been criticized on various statistical grounds, in part because the data with which the economists had to work are so deficient due to conglomerate scrambling.[6] More recent research by Professors Grabowski and Mueller suggests that the problem of unremunerative investment is centered mainly in the less dynamic firms, where the conflict between managerial empire builders and stockholders is sharpest.[7] Grabowski and Mueller also discovered that investors show their displeasure over excessive earnings retention in non-dynamic industries by bidding down the prices of such companies' common stock shares, in extreme cases rendering the firms vulnerable to a take-over raid and perhaps ejection of the incumbent management. Yet the ability of stockholders to exercise this indirect form of discipline is severely impaired by the scrambling of returns for stagnant with dynamic industries in conglomerate corporation reports. Publication of the Line of Business profit data would help stock analysts and ultimately investors make decisions which force managers to use the resources at their command efficiently.

If new competitive entry and expansion investment encouraged by investor share bidding fail persistently to reduce profit returns in some industries to the level of capital costs, monopoly may be to blame. Intervention by the antitrust agencies may then be appropriate to create conditions conducive to levels of capacity investment and output responsive to consumer demands. Line of

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Business profit data will be a valuable tool in helping the enforcement agencies direct their activities toward those industries where the market is malfunctioning most seriously. To be sure, they cannot be used as the sole and decisive indicator. Profits may be persistently high because of socially important scale economies or because firms have developed superior new products or processes protected by valid patents. Or profits may fail to be abnormally high despite the presence of monopoly because companies are inefficient and have opted for "the quiet life." Line of Business data can never be a deus ex machina by which antitrust enforcers unwaveringly identify monopolistic industries. But they can be an important component in the enforcers' arsenal, helping to select industries for further investigation, to evaluate the quality of specific industries' performance, and to use the limited investigatory and adjudicative resources at their disposal more wisely. Through the more rational allocation of antitrust resources, the overall allocation of America's industrial resources will in turn be improved.

Here other outputs of the LB program also become relevant. To assess the quality of an industry's performance, one must evaluate not only profits, but also technological progressiveness, promotional expenditures, inflationary or counter-inflationary cost trends, and a variety of other indicators. Data on such performance variables for narrowly-defined industries range from meager to non-existent. For instance, it is widely believed that very high promotional outlays are an indicator of possibly deficient industrial performance. There have been many studies of the relationships between advertising outlays, concentration, and monopoly power. Still it is probably true that in most industries, expenditures for personal sales representation and other non-advertising promotional efforts are considerably greater than advertising outlays. Almost no reliable data exist on such expenditures, and as a result it is extremely difficult to assess their competitive significance either in general or in specific industries.

Ths problem extends beyond the sphere of antitrust law enforcement. The Federal Trade Commission has since its inception been charged with carrying out research and maintaining expertise concerning the functioning of the industrial and commercial economy. As corporations evolve in increasingly conglomerate directions, it becomes more and more difficult to analyze in detail what is happening in the mainstream of the American economy. Yet if public confidence in our private enterprise economy is to be maintained, an atmosphere of openness and understanding is imperative. Implementation of the Line of Business program will reverse the trend toward decreased transparency of industrial activities and make it possible to begin reestablishing the much-needed base of knowledge and understanding.

No time could be more propitious for this reversal than the present. Now that formal economic controls have been abandoned, the U.S. economy is certain to go through a period of dramatic change. Without much better data on individual industries than those which now exist, it will be impossible to analyze the structure and dynamics of those changes and to pinpoint the reasons why inflation persists or is dampened. Line of Business reporting will facilitate such analyses and (perhaps even more important) will mobilize public scrutiny as a check on industrialists who might be tempted to exploit their unleashed market power to raise prices and profits unconscionably. It may also discourage repetition of problems like those involving world-spanning petroleum conglomerates during the crude oil crisis of recent months. Before the U.S. Congress, the leading companies testified that most of their substantial profit increase during the last quarter of 1973 and the first quarter of 1974 was attributable to European operations. But in hearings before the German Federal Cartel Office in April the same companies (while declining to provide detailed supporting data) argued that their profits could not be traced to German sales, even though wholesale fuel oil and gasoline prices before taxes in Germany tended to be higher than in most other Western European nations. Such "profit, profit, who's got the profit" games undermine public confidence in conglomerate business. In Western Germany, a bastion of private enterprise since the 1955 occupation cessation treaty, one nationalized petroleum enterprise has already been created during the past year. The recent behavior of American and British oil conglomerates has spurred serious talk of further nationalization.

In 1974 as in 1900, nothing can be more damaging over the long run to public confidence in private enterprise than an attitude among big businesses that the public has no right to know. Antitrust enforcement in America has long been viewed as a substitute for regulation or the more drastic remedy of nationalization. If its effectivness is thwarted by the increasing difficulty of getting data by which industrial performance can be evaluated, more drastic approaches will sooner or later gain support. The Line of Business program, by supporting the natural workings of the competitive market process and by increasing the effectiveness of antitrust enforcement, is in a real sense a program which may save private big conglomerate enterprise from its own lemming instincts.

THE MEANINGFULNESS OF LINE OF BUSINESS DATA

Many criticisms have been raised by industry representatives concerning the limited meaningfulness and accuracy of the proposed Line of Business reports. Some of this criticism is undoubtedly attributable to the natural propensity for participants in a debate involving vital conflicting interests to portray their opponents' case in something less than the most flattering light. Still valid critical points have also been raised, and the FTC staff has tried hard to improve the LB program so that it will be as effective an instrument of information provision as is possible within reasonable cost constraints. In the pages which follow we describe the adaptations which have taken place and answer prominent criticisms which we consider to have little or no merit.

The arbitrariness of cost allocations

A recurrent critical theme in comments on line of business reporting is that the difficulties in allocating common costs are so great that such reporting would yield data which are meaningless. Common costs exist if it would cost more to produce several products separately than it does to produce them together. The argument here is that any allocation of common costs to the products is arbitrary. If the assignment of costs is arbitrary, it is claimed, then profits reported for the diverse lines of business must also be arbitrary. And finally, since the profit data are subject to arbitrary cost allocations, they should not be used in economic analyses.

There are several reasons why we reject this argument. One is that it is essentially an argument against using *any* accounting data in conducting economic analyses. The allocation of common costs is only one of several accounting areas in which arbitrary procedures are used. In the treatment of depreciation, for example, there exists a valid set of charges against a long-lived asset. These must somehow be assigned to the several years of the asset's useful life. Such charges are ideally related to the asset's real contribution at different periods in time to the production which the asset facilitates. None of the depreciation rules conventionally used are designed to reflect the "true" charges related to economic usefulness. But neither the accounting profession nor the economics profession has concluded that because the depreciation rules actually employed are arbitrary, the profit data which depend upon them should not be used. Rather, the analyst employing profit data is warned that the results may depend on the depreciation rules embodied. And attempts are made using both conceptual methodology and empirical studies to determine the likely effects of depreciation rule choices on the results of the economic analysis.

A similar problem exists with respect to the valuation of assets. Of critical importance is the effect of changes in price levels. If asset prices are rising, say, and assets are valued at original cost, an asset which was purchased in an earlier year will appear to be less valuable than the same asset purchased later. Profit return on asset ratios for the two assets will imply that the older one has a higher rate of return. In truth, of course, they have the same rate of return if they are comparable in all respects but vintage.

An ideal solution to this problem would be to value assets at their current market value instead of at cost. But to do, that, it is necessary to estimate current value, and that exercise must involve some arbitrariness. If accurate current market data on asset value could be obtained (which is seldom feasible), virtually all economists would advocate the use of profit figures based on such current cost valuations over those based on original cost valuations, even though the latter involve absolutely no arbitrary elements at all.

This second illustration demonstrates a most important point toward understanding the usefulness of accounting data in economic analysis. It is not arbitrariness per se which is critical. There are no judgments to be made in using the original cost valuation of assets. The same is true of writing off research and development costs as current expenses rather than capitalizing and depreciating them. Each such procedure can be applied without any arbitrariness. But each may lead to serious distortions in reporting the apparent profitability of an economic activity. The alternative in each case must entail subjective judgments; that is, judgments with some elements of arbitrariness.

The argument that profit data based on common cost allocations should not be used is invalid not only for the reasons stated above. It is also suspect because its proponents have not offered empirical evidence on the probable effect which the arbitrariness would have. It is certainly true in principle that a change in allocation procedures might lead to a different estimate of profitability. What is critical however is not the mere fact that such an effect might exist, but its magnitude. That different common cost allocation procedures are used is well known. That differences in allocation procedures might cause differences in reported profitability is also well known. What is not at all well known is the quantitative magnitude of those differences. One major virtue of the LB program is that it will permit conducting sensitivity analyses to determine how different allocation assumptions affect reported profits. Such an analytical effort is a significant component of the FTC's contemplated Line of Business program.

The size of the LB company sample

Criticisms have also been levelled at the FTC staff decision to focus on the 500 largest manufacturing corporations. This was decided upon after weighing three partially conflicting goals. The first goal was to obtain sufficient data for the published report to be meaningful, the second to obtain data on a sufficient number of firms to eliminate problems with respect to confidentiality, and the third to minimize the cost of industry and to the FTC. The best compromise appeared to be obtaining data from the 500 largest manufacturing concerns.[5] These firms account for around 70 percent of all manufacturing assets, thus ensuring substantial coverage of the manufacturing sector, although their number is less than one-fourth of one percent of all manufacturing corporations. Doubling the number of reporting firms would increase the program's asset coverage by about 5 percentage points.

Of course, experience gained from actually implementing the program may show that the number of firms needs to be changed. At present we cannot predict precisely the problems concerning the amount of data needed to avoid disclosure problems on individuals lines of business. One reason for the truncated data request for 1973 was to permit the identification of those lines where the publication of information would conflict with confidentiality restrictions. Our intention is to add firms to fill out inadequately surveyed lines where such problems arise.

Data contamination under alternate reporting systems

The first two FTC staff proposals (in December 1970 and August 1973) to collect line of business data were frequently interpreted as requiring responding firms to report on a strict product line basis. That is, all costs, sales, and profits of any given product would have to be allocated directly to the relevant line of business. Company spokesmen contended that it was impossible to produce reasonably accurate data on a strict product line basis, or that if it could be done at all, the cost would be exorbitant. Further studies were therefore pursued to find a way of accumulating reasonably accurate data at tolerable costs. Since firms had asserted that a major problem in generating the data was the allocation of joint costs to the various products, the search for a better method concentrated on this aspect. Out of this search came the establishment approach to defining lines of business. Under this procedure, a firm can classify its plants (i.e., establishments) into lines of business on the basis of the largest-selling product in each establishment. This procedure eliminates completely the necessity of allocating plant overhead to diverse products manufactured within a single plant, unless the firm already makes such allocations of its own purposes. It also reduces the cost to firms of complying with the program.

Adopting the establishment approach to defining lines of business was not an unmixed blessing. In return for reduced compliance costs and for data less contaminated by common cost allocation problems, the lines of business will now include sales of products which should ideally be included elsewhere—a phenomenon called "product contamination." Fortunately, data were available to analyze the severity of this problem, and such an analysis was made before the final decision to adopt the establishment approach.

Using data reported in the 1967 Census of Manufactures, the most recent full Census currently available, the degree of product contamination was measured for 196 of the 217 FTC manufacturing lines of business. (It was not possible to analyze all the lines because of changes in the SIC codes between 1967 and 1972.) That analysis showed an average amount of product contamination of nine percent. That is, sales which should actually be allocated to other lines of business would on the average amount to nine percent of the sales assigned to a given line. In only seven of the 196 product lines did the contamination ratio exceed 20 percent.

While everyone would prefer to have absolutely perfect statistics, those who work with data realize that perfect data are never attainable. Thus, the basic question is whether the LB data will be substantially better than what could be generated by the only alternative means—namely, forming lines of business by assigning firms to the industry of their largest-selling product line. Information was also available to measure the degree of product contamination which would result from such a procedure. The data source was the FTC Pre-Merger Notification program. The companies included in the analysis were those 136 large manufacturing concerns among the 500 largest which had made acquisitions triggering reports under the program. An examination of the sales of these companies showed that an average of 57 percent of their sales were in lines of business other than their largest-selling one. The degree of conglomeration was so great that for 20 of the firms, the largest-selling product accounted for less than one-fifth of the firm's total sales. For any industry to which such a firm's entire sales and profits were assigned, the degree of data contamination would be very great indeed.

Three additional points need to be made. First, the analysis of product contamination for both firms and industries had to be made with seven year old data. Second, although this analysis shows that currently available statistics have much more contamination than the material which the LB program will provide, the extent of product contamination from assigning one firm to one industry is understated because the diversification effect of mergers since 1967 is excluded. Third, any attempt to form lines of business by assigning firms on the basis of their primary product is almost impossible unless one has access to confidential firm data such as that produced under the Pre-Merger Notification program. The severity of this problem increases with the number of lines of business a corporation spans.

The total number of lines of business

A 1970 proposal to collect line of business data would have required companies to furnish information on their activities at the three-digit SIC code level except for selected high-concentration industries where a four-digit level would have been required. In 1973 a different approach was embraced in the hope of obtaining statistics on lines of of business appproximating economic markets defined as meaningfully as possible. On closer analysis, however, this later approach appeared to pose various difficulties. First, it was not comparable with other government statistics collecting programs such as those conducted by the Bureau of the Census or the Internal Revenue Service. Second, the more narrowly defined lines increased the severity of transfer pricing problems. Other government agencies which were potential users of the Line of Business data were particularly critical of the proposed program because of its lack of comparability. In response to both government and industry criticisms, the three-digit approach to line of business definition was largely restored. However, breakdowns to four-digit SIC levels were made where concentration was high (i.e., with the leading four sellers commanding a combined market share of 60 percent or higher) or where there was reason to believe that respondents' data collecting systems conformed more closely to the four-digit level than to the three-digit level. The result was a convergence to 228 lines of business, 219 of them in manufacturing.

The FTC staff is of course aware that the current lines of business definition approach involves certain tradeoffs. In addition to reducing compliance costs, broadening the lines may improve the quality of the data slightly, since it may reduce the extent to which common cost allocations and transfer price estimates are required. But such broadening simultaneously reduces the utility of the data to parties needing to know profits for more narrowly defined lines. The compromise struck appeared to be the best one possible under circumstances in which perfection is simply unattainable.

Another tradeoff involved making the lines of business consistent with other government sources of industrial data. Consistency enables the user concurrently to employ the information collected by other government agencies along with the FTC's Line of Business data. While this may reduce the value of the data to the FTC somewhat; it will increase their value to other users. Thus, the tradeoff again appeared to be an apppropriate one.

A further point should be noted with respect to the definition of lines of business. The earlier versions of the proposed reporting form would have collected information on numerous non-manufacturing lines of business.

Because the FIC's *Quarterly Financial Report* is being expanded to include the trade and mining sectors, a decision was made to await an analysis of the quality of data generated under that program before making a final choice as to whether such line of business information should be collected. At the same time, the 500 largest manufacturers are being asked to furnish data on their lines. This will permit the FTC to make informed comments on the extent of those firms' participation in such areas as agriculture, mining, trade. strvices, etc.

Number of lines of business per firm

We estimate that the average firm responding to the Line of Business surveys will operate in elevent lines of business. However, this average firm will have sales of at least $10 million in only six or seven of those lines of business. Thus, on average, firms filing Line of Business reports will have to submit financial reports on seven or eight parts of their company—the six or seven lines of business in which they have sales of $10 million or more plus a single report for all the rest of their domestic operations.

These averages are based upon estimates of the number of lines of business and their size for a random sample of 25 of the 500 largest firms. The estimates were developed from the Economic Information Systems (EIS) Datafile. This privately-prepared data bank provides estimates of employment, value of shipments, and the primary four-digit Standard Industrial Classification industry for each domestic U.S. manufacturing plant with 20 or more employees. Combining the sales estimates for all plants which are under common ownership and whose primary product is assigned to the same FTC industry category, we arrived at estimates of that company's activity in a line of business.

Of course, not all the 25 firms in the sample had 11 lines of business. The number of lines ranged from a low of 2 to a high of 33. The number of lines in which the sampled corporations had more than $10 million in sales varied from 2 to 18.

Supplementing this 25 firm random sample, data on lines of business was developed for a few nonrandomly selected firms. The information used was drawn from reports filed with the Federal Trade Commission under its Pre-Merger Notification program. Among the material required under this program are data on value of shipments by four-digit SIC industry for 1967. These data, which are reported on an establishment basis, were used to estimate the companies' sales by line of business for 1967. The corporations for which value of shipments by line of business were estimated included three of the largest firms which will be re-

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Footnotes at end of article.

porting under the program, three of the smaller firms required to report, and one firm of about average size among the leading 500. For the large firms—Dupont, Raytheon, and Westinghouse—the total number of lines of business were 30, 19, and 53 respectively. The number of those lines in which sales exceeded $10 million were 16, 9 and 32. Among the smaller firms—Air Products and Chemicals, Columbia Broadcasting System, and Knight Newspapers—the total number of lines of business were 8, 6, and 1 respectively, while the number for which reports would have to be filed were 2, 5, and 1. Finally, the average-sized firm—Schering-Plough—had 10 lines of business and would be required to report on four of them. Again these firms were not randomly selected from among the 500, and the date used are not current. However, the numbers presented should indicate the ranges of filing required under the Line of Business program.

THE COST BURDEN

Perhaps the most dramatic criticism of the Line of Business program is industry's allegation that collecting the required data would impose a prohibitive cost burden. It is fair to say that the FTC staff was excessively sanguine in its August 1973 estimate to the Office of Management and Budget that the average cost per responding corporation would be approximately $800. In its recent submission to the Comptroller General, the staff's estimate was revised upward to encompass startup costs averaging $10,000 to $20,000 per reporting firm and annual operating costs of $5,000 to $10,000. Industry estimates on the other hand have ranged as high as $2 million per firm per year. Given such large disparities, one is reminded of the story of the Princeton physics professor who, in reporting the results of some research, observed that "The experiments reveal that the negative mu mesons are absorbed at a rate only one ten-thousandth that predicted by theory. This would be a large error even for an economist."

To provide a more complete picture of the costs projected by industrial firms, we have analyzed the program setup cost estimates filed by firms included on *Fortune's* list of the 500 largest corporations in response to the FTC staff's August 1973 version of the LB reporting form. Twenty-five such companies provided useable dollar estimates. They are summarized in Table 2, which shows that the average estimated setup cost for the August 1973 version is $548,000. If the lower limit of the ranges given by six of the companies is used, the average is $536,000. Taking the upper limit of those ranges gives a $561,000 average.

Table 2 also reveals the total 1972 sales reported in *Fortune* for the 25 companies. The average is $2.866 billion. Since the average 1972 sales level for all corporations included on the *Fortune 500* list is $1.115 billion, the sample of companies providing compliance cost estimates is evidently biased toward larger companies. There is probably a corresponding upward bias in the number of lines of business covered and hence in the cost which might be incurred by a more representative respondent.

TABLE 2.—ESTIMATED START-UP COSTS FOR FILING FTC FORM LB, AUGUST 1973 VERSION

Company	Fortune 500 rank	1972 company sales(millions)	Estimated start-up costs (thousands)	
			Range	Mean
American Metal Climax	166	$863	$50/$100	$75
Anaconda	138	1,012	1,000	1,000
Combustion Engineering	120	1,180	100	100
Crown Zellerbach	127	1,113	100	100
Deere	90	1,500	1,000	1,000
Dow Chemical	41	2,404	400	400
DuPont	16	4,366	500	500
Ex-cell-o	405	281	300/400	350
Exxon	2	20,310	1,000	1,000
General Instrument	415	276	100	100
Inland Steel	93	1,470	100	100
Lear Siegler	244	557	400	400
McGraw Hill	292	430	40/50	45
Mobil	7	9,166	500	500
Nabisco	118	$1,214	$100	$100
Northrop	237	574	100/500	300
Outboard Marine	308	394	100	100
R. J. Reynolds	54	2,072	1,000	1,000
Singer	47	2,218	500	500
Standard Oil, California	12	5,829	800	800
Union Carbide	27	3,261	1,100	1,100
United States Steel	13	5,402	2,000	2,000
Varian Associates	500	204	50/75	63
Westinghouse	14	5,087	2,000	2,000
Westvaco	270	472	50/100	75
Total		71,655		13,708
Mean		2,866		548

Revisions in the company compliance cost estimates

The company compliance cost estimates reported in Table 2 were filed in relation to the Line of Business reporting form as it existed in draft version during August of 1973. Since that time both the form and the number of lines of business have been revised extensively, in large measure to make it easier for companies to comply. The number of lines of business was reduced from 455 to 228; reporting was shifted to an establishment orientation; the amount of time companies were given to respond was increased from 90 to 150 days; and reporting requirements for foreign operations, minority-owned subsidiaries, and joint ventures were eliminated.

In order to determine how these changes affected the cost of filing Line of Business reports, six representative companies were contacted by telephone and asked to estimate confidentially the cost impact of each individual modification. Assuming that the percentage reductions in cost for each amendment are independent[9] the cumulative estimated reduction in cost due to the changes made between August 1973 and March 1974 averaged between 81 and 83 percent, depending upon wether respondents' high or low estimates were used. If this reduction factor is applied to the $548,000 average compliance cost figure presented in Table 2, the revised average compliance cost estimate is reduced to approximately $100,000 per company for the first start-up year of the LB program. This estimate, it must be noted again, is raised upward because the companies providing the estimates upon which Table 2 is based were more than twice as large on the average as the typical firm which will be submitting Line of Business reports.

If adjustments are made to account for differences in size and diversity between the average firm providing a cost estimate and the average firm among the 500 required to report, one gets an average cost of about $50,000. This is substantially smaller than most of the cost estimates advanced by industry representatives. Yet we believe this figure is still inflated.

The underlying reporting cost assumptions

A principal reason why the cost estimates cited by industry groups are so much higher than those of the FTC's economics staff is that the industry estimates often assume a complete revamping of company accounting systems to fit the FTC's proposed reporting structure. As Mr. Howard Siers of the Financial Executives Institute testified before the House of Representatives Appropriations Subcommittee on Agriculture, Environment, and Consumer Protection:

"Compliance with the FTC proposal would require each company to develop new accounting systems, write entirely new computer programs, revise or completely rewrite thousands of existing computer programs, train personnel in the handling of the new system and test and implement the changes."

While this approach is one possible means of complying with Line of Business reporting requirements, it is certainly not the only way. Its main distinguishing feature is that it is about the most expensive procedure one could reasonably conceive to generate line of business data. Whether business firms have stressed a computerized approach to discredit the LB proposal through high cost estimates or whether they have simply not prudently analyzed what is required is unclear. What *is* clear is that there is a simpler but quite satisfactory way.

To minimize the reporting burden on companies, the lines of business have deliberately been based upon U.S. Census industry categories. Large manufacturing companies are required to report annually to the Census Bureau statistics on value of shipments, payrolls, production worker wages, the cost of purchased materials, and rental costs as well as asset data concerning new capital expenditures, the book value of depreciable assets, and inventories. These reports are by establishment for some 450 four-digit SIC industries—i.e., in even finer detail than the Line of Business program requires. Thus, more than three-fourths of manufacturers' sales are offset by costs measured and assigned to narrow industry lines for the Census program. It is over the remaining costs—e.g., depreciation, advertising, other selling costs, research and development, the operation of common warehouses, central office administration, and interest charges—that any dispute must turn. Since depreciable asset values are reported to the Census by four-digit industry, equally detailed depreciation statistics must be readily available. Although some corporate advertising is institutional in character, the vast bulk is focused on specific products, and advertising-oriented companies keep detailed records on how their major outlays are allocated, reporting them inter alia to the journal *Advertising Age*. Less than five percent of all industrial R&D consists of basic research. Most R&D activity is clearly attributable to narrow product lines, and much of it involves detailed product and process improvement work conducted at the establishment level—the focus of the Census statistical program. What remains after the implementation of these and other easily accommodated cost allocations are certain corporate research, selling, and administrative costs which are not closely linked to specific lines of business. How substantial these costs are cannot be determined accurately until actual line of business data are accumulated. Our best estimate is that they amount to five percent of the 500 largest manufacturers' sales; ten percent appears to be an absolute maximum.

Footnotes at end of article.

One could develop complicated accounting systems to allocate this small fraction of total costs by FTC line of business. Many companies already have such systems in operation. How many do is impossible to estimate since information supplied privately to the FTC staff on this point has sometimes contradicted official company pronouncements. For those companies which do not have such cost allocation systems or whose fields of allocation match the FTC's proposed lines of business imperfectly, the added precision gained by creating wholly new, elaborate allocation systems would undoubtedly not justify the cost. All the FTC is asking is that such allocations be made on the basis of reasonable, clearly articulated criteria. The sensitivity of profit figures to the application of alternate allocation criteria will then be tested by FTC staff, and where significant interpretational errors might arise as a result of the cost allocation conventions adopted, appropriate cautionary statements will be included in the published LB summary reports. The FTC Division of Financial Statistics also stands ready, as it has in the past, to work out particularly difficult cost allocation problems with industry representatives in order to ensure that the ultimate summary reports are as meaningful as possible within the limits of the unavoidably imperfect accounting art.

The kinds of cost allocation effort implied here do not therefore require elaborate new computer systems. Performing such allocations is a normal function of industrial cost accountants. Such problems are often assigned as exercises to master's degree students in cost accounting. We anticipate that an M.B.A. or C.P.A. thoroughly familiar with a corporation's accounting systems could pull together the necessary information from routine Census and internal company reports, make the further allocations required for LB, and write the appropriate explanatory footnotes in about one working week or at most two weeks per line of business. Assuming that such a junior executive earns $25,000 per year and has equal clerical and secretarial support costs, the average compilation cost per line of business would be roughly one to two thousand dollars. For the average top 500 company with 6.5 lines of business, this implies an annual cost of $6,500 and certainly not more than $20,000 per year. For the most extensively conglomerate corporations the costs will of course be higher, but such a burden can hardly be intolerable when sales are hundreds of millions or even billions of dollars per year.

Summing up, it is clear that the costs of generating line of business information will not be negligible. But it seems equally clear that many of the extremely high estimates cited in industry briefs opposing the Line of Business program are greatly overstated. The FTC staff believes that the costs of the program will be modest in relation to the substantial benefits greater information on the American economy's functioning will yield.

THE PROBLEM OF DATA CONFIDENTIALITY

Business corporations have expressed concern that the Line of Business program might lead to the release of information which should properly be kept confidential. If companies were not reluctant to publish accurate information on performance in their detailed lines of business, there would of course be no need for a mandatory LB program. To accept as confidential any information industry so labels would be a dereliction of the Federal Trade Commission's traditional duty. Yet there are statutory and well-established rules for resolving conflicts between businessmen's desire for confidentiality and the public's right to know. The Federal Trade Commission fully intends to comply with those rules in administering the Line of Business program.

The form of data publication

Table 3 provides an illustration for a hypothetical industry of the form in which the aggregated industry data will be published. In the table's rows are the various data items to be collected under parts E and F of the LB reporting form together with diverse subtotals and totals. The items are organized so that the upper three-fourths of the table corresponds to a fairly complete income statement, while the bottom quarter comprises an abbreviated balance sheet.

Subtotals in the income statement section include gross margin, operating income, net income before income taxes and extraordinary items, and net income after all such deductions. Some of these magnitudes will depend less upon allocated expenses than others, and therefore they will be less subject to errors due to the possible arbitrariness of allocations. For example, we anticipate that relatively few expenses will be allocated in computing gross margins. On the other hand, net income will be affected by all cost allocations. Given this array of statistics, users can choose between working with figures which are relatively free of allocation problems or which include all expenses.

TABLE 3.—LB 39.99: FABRICATION OF BOOJUMS AND SNARKS

[All figures are in millions of dollars]

	Direct (A)	Allocated by companies (B)	Direct or allocated by companies (A+B) (C)	Allocated by LB staff (D)	Total (C+D) (E)
Total sales or receipts	20,000	---------	20,000	---------	20,000
Cost of sales and operations:					
Inventories at beginning of fiscal year less inventories at end of fiscal year	(700)	---------	(700)	---------	(700)
Material	9,800	50	9,850	---------	9,850
Labor	3,900	20	3,920	---------	3,920
Depreciation, depletion, and amortization on plant, property, and equipment	500	50	550	50	600
Other costs of sales and operations	500	400	900	100	1,000
Total	14,000	---------	14,520	---------	14,670
Gross margin	6,000	---------	5,480	---------	5,330
Operating expenses:					
Media advertising	150	20	170	10	180
Other selling expense	60	30	90	---------	90
Research and development	550	50	600	50	650
Other operating expense	900	200	1,100	300	1,400
Total	1,660	---------	1,960	---------	2,320
Operating income	4,340	---------	3,520	---------	3,010
Nonoperating expense net of nonoperating income					
Interest expense	NA	NA	NA	300	300
Net income before income taxes	NA	---------	NA	---------	2,710
Income taxes:					
State and local	30	20	50	100	150
Federal	NA	NA	NA	1,280	1,280
Total					1,430
Net income after income taxes	NA	---------	NA	---------	1,280
Extraordinary income less extraordinary expense, net of applicable taxes	20	10	30	---------	30
Net income	NA	---------	NA	---------	1,250
Gross plant, property, and equipment	9,800	3,600	13,400	2,800	16,200
Accumulated depreciation, depletion, and amortization on plant, property, and equipment	6,000	1,800	7,800	650	8,400
Net plant, property, and equipment	3,800	---------	5,600	---------	7,800
Other assets	1,200	700	1,900	1,300	3,200
Total assets	5,000	---------	7,500	---------	11,000

In addition, the table permits users to analyze data involving only directly attributable expenses, figures involving only expenses allocated by the responding firms in addition to the directly attributable costs, or data which include all allocations, whether made by the firms or the FTC staff. Among other things, this breakdown permits the user to determine how much allocation lies behind any specific statistic, and hence how much confidence one might reasonably place in the estimate. Separate analytic studies by the FTC staff will vary the assumptions under which common costs are allocated to determine the sensitivity of income figures to those assumptions.

The most important magnitudes of Table 3 will also be subdivided by groups of firms in the order of their industry sales rank, but only at a sufficient level of aggregation so as not to violate the Census law provisions preventing the disclosure of information on any single reporting enterprise. Other planned components of the annual Line of Business report will be tables showing rates of return on assets and profit margins on sales for a series of years (after the program has been in operation for a sufficient period) and the extent of secondary product contamination in the statistics. The latter analysis will probably take the form of a matrix showing the amount of sales classified to, say, line of business A which more appropriately belongs in category B.

The underlying Line of Business data files would also be useable by (though not directly accessible to) Federal Trade Commission staff or (under appropriate cost reimbursement arrangements) outside investigation for fundamental research on characteristics of the American industrial economy. Suppose, for example, an economist wished to investigate the impact of market structure, profitability, and risk on companies' financial leverage choices. He would supply to the FTC's Division of Financial Statistics appropriately coded tapes containing variables not included in the basic LB files. These tapes would be matched by Division of Financial Statistics personnel with the LB tapes, the desired correlations or other statistical manipulations would be performed, and the summary results would be reported to the outside investigators. Under no circumstances would the results reported include information violating the Census disclosure law. In particular, outsiders (including members of the FTC industry analysis and enforcement staffs) would not be permitted to see any raw data or transformations thereof covering individual companies supplies in confidence for the LB program.

Detailed disclosure limitations

Even the publication of data in table form might raise fears that individual firm data would be disclosed. This has not been an issue in the preparation and publication of the *Quarterly Kinancial Report*, since the number of firms included in each data cell has always been large—more than 11,000 firms to fill 31 industry reporting categories. But the Line of Business program will include only 500 companies reporting on an estimated 3,200 individual manufacturing lines to fill 219 industry reporting cells. The average number of firms per reporting cell is over 350 for the QFR, as compared to 15 for Line of Business. Because the probability of having only a few firms in each cell is high, the economics staff recommends that data not be published on any cell which contains fewer than three firms. Such a policy is consistent with the Census disclosure law.

For cells which contain fewer than three observations, two alternatives are available. The first is to increase the cell's coverage by adding appropriately specialized firms to the Line of Business sample. The second is to combine lines sufficiently so that disclosure problems are eliminated. The first course is the preferred one, although high concentration of activity in some lines may require that the second course be followed.

Some company representatives questioned the ability of the Commission to treat the LB data confidentially, given the Freedom of Information Act. The Commission has expressed the view that LB information is exempt from disclosure under that Act. Furthermore, it has stated that it will resist any attempts to obtain individual company data through the courts or otherwise.

Restrictions on internal use

This confidential treatment extends beyond release of data to the public. It includes any use within government for taxation, regulation, or investigation or for any Commission law enforcement activity. Because of the Commission's involvement in investigation and litigation, it has formulated rules restricting access to data received in QFR company reports to certain FTC staff members. These rules will apply to LB materials as well. An explicit statement of the rules was published in the *Federal Register* on July 13, 1973. Through an oversight, the July 13 statement prevented the Bureau of Economic Analysis of the Department of Commerce from obtaining access to information required in preparing gross national product estimates. This necessitated a correction, which was published on September 18, 1973.

Subsequently, at the Business Advisory Council for Federal Reports meeting on October 17, 1973, the OMB Examining Officer announced that the confidentiality strictures were agreeable to both the Federal Trade Commission and OMB.

The rules restrict access within the Federal Trade Commission to two groups, both within Bureau of Economics. They are the Division of Financial Statistics, which has responsibility for publishing the *Quarterly Financial Report* and will also be responsible for the LB Report, and the unit within Economic Research and Services charged with publishing the *Statistical Report on Mergers and Acquisitions* and other statistical reports. No member of these groups will be involved in other activities of the Commission, nor will any other Commission employee have access to the individual company reports. This restriction even applies to Commissioners and to the Director of the Bureau of Economics.

Persons transferred out of these units will be under the same restrictions as individuals who cease employment with the Commission, i.e., prohibited from disclosing or using the information to which they have had access. Any person violating the restriction will be subject to criminal prosecution.

CONCLUSION

No one will deny that the Line of Business program is a complex undertaking. Many obstacles must be surmounted in implementing it. For almost a year the Federal Trade Commission has attempted to respond to suggestions and comments of industry representatives, academicians, professional accountants, and potential data users in an earnest effort to make the program serve the broad public interest to the maximum possible degree. There has been considerable criticism, much of its constructive. The time has come, however, when criticism operates more to delay than to advance a program urgently needed if the Federal Trade Commission is to continue fulfilling its traditional role as an illuminator of industrial performance. Granted, difficult implementation problems remain. But their solution is most likely to be achieved if a commitment is made to go forward with the program so that the parties involved—FTC statisticians and accountants and industry's operating personnel—can address themselves in the great constructive American tradition to working out for each reporting firm and each line of business a viable set of reporting norms. Now, we believe, is the time for purely negative citicism to cease and the constructive task of implementation to commerce.

Mr. METCALF. In conclusion, he said:

No one will deny that the Line of Business program is a complex undertaking. Many obstacles must be surmounted in implementing it. For almost a year the Federal Trade Commission has attempted to respond to suggestions and comments of industry representatives, academicians, professional accountants, and potential data users in an earnest effort to make the program serve the broad public interest to the maximum possible degree. There has been considerable criticism, much of it constructive. The time has come however, when criticism operates more to delay than to advance a program urgently needed if the Federal Trade Commission is to continue fulfilling its traditional role as an illuminator of industrial performance. Granted, difficult implementation problems remain. But their solution is most likely to be achieved if a commitment is made to go forward with the program so that the parties involved—FTC statisticians and accountants and industry's operating personnel—can address themselves in the great constructive American tradition to working out for each reporting firm and each line of business a viable set of reporting norms. Now, we believe, is the time for purely negative criticism to cease and the constructive task of implementation to commerce.

There has been considerable criticism, some of it expressed on the Senate floor today. But, and this is the most important thing, he says that it is time for the criticism to end; and it is time to make a definitive decision. It is time that the Federal Trade Commission go forward with the constructive effort that is has presented as a result of these criticisms and the result of the criticisms of the General Accounting Office, and have this survey go forward with the full information we need, without running into the problems that have been expressed by the Senator from Utah and the Senator from Nebraska; that they would be misleading.

It seems to me that misleading data come from inadequate and insufficient data, and inadequate and insufficient data would result from the adoption of this amendment.

I yield back my time.

Mr. McGEE. Mr. President, I do not know of anyone else present on this side who wishes to say anything.

May I make a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. McGEE. How much time has been consumed on this particular amendment?

The PRESIDING OFFICER. The time on the amendment expires at the hour of 2:20. The Senator from Wyoming has 31 minutes and the Senator from Nebraska has 12 minutes.

Mr. McGEE. I would be prepared to allow a little wiggling room for the Senator from Nebraska if the time is getting that tight.

With 41 minutes, 42 minutes or 43 minutes left, I have no one I know of who wants to address himself further to this amendment.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. McGEE. I will be glad to yield?

Mr. HRUSKA. I understand the arrangement is that immediately prior to the vote that will occur on this amendment 10 minutes will be allotted to each side——

Mr. McGEE. Yes.

Mr. HRUSKA. To recap and to summarize.

FOOTNOTES

[1] Theodore Roosevelt, *Works*, National Edition, Volume XV, pp. 42–47. See also William Letin, *Law and Economic Policy in America* (Random House, 1965), Chapters 6 and 7.

[2] 51 *Congressional Record* 1962 ff. See also S. E. Boyle, "Economic Reports and the Federal Trade Commission: 50 Years Experience," *Federal Bar Journal*, Fall 1964, p. 501.

[3] Although the sample of companies tended to include the more merger-active firms. It tended to exclude the large, older conglomerates, and it did not take into account any increase in diversification due to the acquisition about which the FTC was notified.

[4] "A Showdown over Product-Line Data," *Business Week*, October 13, 1973, p. 26.

[5] William J. Baumol, Peggy Helm, B. G. Malkiel, and R. E. Quandt, "Earnings Retention, New Capital and the Growth of the Firm," *Review of Economics and Statistics*, November 1970, pp. 345–355.

[6] See the comments by Irwin Friend, Frank Husic, and George A. Racette and the reply by Baumol et al. in the Review of Economics and Statistics, February 1973, pp. 122–131.

[7] Dennis Mueller and Henry Grabowski, "Life Cycle Effects on the Return of Corporate Retentions," Cornell University, mimeograph, 1974.

[8] Firms will be selected on the basis of the sales of their domestic manufacturing operations.

[9] E.g., that cutting the number of lines of business in half would reduce reporting cost to, say, 60 percent of the original estimate, and that providing more time to comply would in turn reduce that 60 percent by ten percent to 54 percent.

Mr. McGEE. To summarize.

Mr. HRUSKA. Could we save time for that purpose?

Mr. McGEE. So we could have 20 minutes for that which would leave the Senator from Nebraska two minutes, and leave the Senator in charge of the bill here 21 minutes, right? We would have 11 minutes that we could be playing with yet on this side, and 2 minutes on the other.

I am prepared to set this amendment aside under those conditions for the moment so that we might proceed to another amendment by unanimous consent, if that is a correct procedure. Is that a correct procedure, may I ask the Parliamentarian?

The PRESIDING OFFICER. That is permissible.

The Senator said a moment ago he had 11 minutes to play with. Actually it is 21 minutes.

Mr. McGEE. Saving 10 minutes.

The PRESIDING OFFICER. The Senator from Wyoming has 31 minutes.

Mr. McGEE. Thirty-one now?

The PRESIDING OFFICER. Yes.

Mr. McGEE. I will be prepared to yield that back at that time if no other exigencies have arisen that require yielding to other Members of this body.

I would like to ask unanimous consent then, Mr. President, that we temporarily set aside the amendment we have been debating, with the understanding that we can return to that at the witching hour, and allow 10 minutes on each side to recap the basic issues at stake in the amendment.

The PRESIDING OFFICER. The witching hour will be 2 p.m.

Mr. McGEE. Before the rollcall vote.

The PRESIDING OFFICER. Has the Senator requested the yeas and nays yet?

Mr. McGEE. We will wait until we have more Senators in attendance.

The PRESIDING OFFICER. There is an agreement that no yea and nay votes will occur until the hour of——

Mr. McGEE. We are getting the yeas and nays not to vote now but simply to make sure that the yeas and nays are called for.

The yeas and nays were not ordered.

Mr. McGEE. Mr. President, I suggest the absence of a quorum, to be taken out of 2 minutes of the Senator's time, and as many other minutes more than that out of my time since we apparently have no use for those limited intervals of time.

Mr. ABOUREZK. Mr. President, would the Senator withhold that just briefly?

Mr. McGEE. I will be glad to withhold it briefly for a clarification.

Mr. ABOUREZK. Mr. President, I would like to ask unanimous consent that I call up my amendment and speak about 1 minute on it, and then set it aside until the time to vote has come, because I want to ask for the yeas and nays on my amendment.

Mr. McGEE. Mr. President, we can do that when we get enough Senators in the Chamber in a moment. It looks as if we may be improving our position.

Let me ask again for the yeas and nays. This is on the Hruska amendment.

The yeas and nays were ordered.

Mr. McGEE. Now, Mr. President, I ask for the yeas and nays on the Abourezk amendment.

The yeas and nays were ordered.

Mr. McGEE. Mr. President, I ask that the yeas and nays be ordered on the Hughes amendment.

The yeas and nays were ordered.

Mr. McGEE. Mr. President, I ask unanimous consent that we set aside the pending amendment and turn to the Abourezk amendment. The Senator's request was received here for 1 minute. Then the vote on it will be set aside by the earlier unanimous consent agreement to occur no sooner than the hour of 3:30. We anticipate these will be virtually back to back, subject to the 2 or 3 minutes to recap them for the benefit of the Members of the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Senator from South Dakota is recognized.

AMENDMENT NO. 1577

Mr. ABOUREZK. Mr. President, I call up my Amendment No. 1577.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 31, line 8, insert the following: delete "$4,000,000" and insert "$10,000,000".

Mr. ABOUREZK. Mr. President, this amendment would simply increase the appropriations for the self-help housing program which has enabled people all over the country to obtain financing, plans, and designs for building their own homes. Due to the tremendous cost of mortgage money, and the difficulty of low-income families in obtaining mortgage money, in my opinion it is absolutely essential to keep some kind of low-income housing program going.

Mr. President, under date of July 18, 1974, I had sent to Senators a "Dear Colleague" letter. I ask unanimous consent that the letter and also a list of Farmers Home Administration self-help housing projects and locations be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
Washington, D.C., July 18, 1974.

DEAR COLLEAGUE: It is my intention to offer an amendment which would increase funding for self-help housing from $4 million to $10 million.

The self-help housing program is a remarkable success story that has been consistently starved for adequate funding. In fact, in recent years there has been an effort to eliminate this program altogether.

The concept behind self-help housing is to provide organizations with the financial assistance necessary to pay the cost of developing, administering, or coordinating programs of technical and supervisory assistance which will aid low income families in carrying out self-help housing efforts in rural areas.

The organizations are expected to recruit families, explain home-ownership responsibilities, provide credit counseling, offer pre-construction training, assist families in selecting house plans and in obtaining cost estimate help in the preparation of loan applications, provide technical supervision and training for families while they construct their homes, and help families to solve other home problems.

When an individual is successful in getting a loan approved, construction begins under professional supervision. In an average self-help project, families contribute around 1,000 hours of their own labor. This labor must be performed after working hours, in the evenings, and on weekends. The whole family pitches in. When the project is finished, the family has a new home and a heightened sense of dignity and self-reliance.

This program is not a big one. But it has a tremendous effect on the individuals who are helped to help themselves. From Fiscal Year 1970 to Fiscal Year 1974 this program has actually cost only $9,500,000. Yet, over 3,500 homes in 25 states were built.

Self-help housing has the potential of providing tens of thousands of families with housing they could get no other way. The program has proven itself and should be expanded. That is the purpose of my amendment.

With best personal regards, I am,
Sincerely,
JAMES ABOUREZK,
U.S. Senator.

FARMERS HOME ADMINISTRATION SELF-HELP HOUSING: PROJECT AND LOCATION

Alabama: Tuskegee Institute; Colbert Lauderdale CAA, Florence; East Alabama Coop Housing, Auburn; Wil-Low Housing Corp., Hayneville.

Arizona: CASAS, Inc., Phoenix; Pinal County Better Housing, Toucson.

California: Rural Calif. Housing Corp., Sacramento; Self-Help Enterprises, Visalia; Peiples Self-Help Housing Corp., San Luis Obispo; Council of Farmworkers.

Colorado: Colorado Mig. Development Corp., Brighton.

Connecticut: Greater Middelton Community Corp., Middelton.

Florida: S.W. Florida SHH, Ft. Meyers South Florida Rural Housing, Highlands County.

Idaho: Aztlan Housing Dev. Corp., Pocatello.

Illinois: Rural Housing Dev. Corp., Aurora.

Maryland: SATAV Corp.

Massachusetts: RHI, Inc.

Mississippi: Delta Hous. Dev. Corp., Indianola Pearl River Valley Opp., Columbia.

Missouri: Missouri Hous. Alliance, Clinton.

New Mexico; Tierra Del Sol Hous. Corp., Dona Ana County.

New York: Community Action in Self-Help, Wayne County.

North Dakota: Verendris Electric Housing Corp.

Ohio: CASAS, Inc., Fremont.

Oklahoma: Kiamichi Electric Coop., Wilbuton Caddo Homes, Inc., Anadarko.

Oregon: Valley Migrant League, Woodburn Clackamas County SHH Corp., Oregon City.

South Dakota: Oahe Electric Housing Corp., Blunt Rapid Valley Hous. Corp., Rapid City.

Pennsylvania: Community Hous., Inc.

Texas: MET Housing Corp., Cleveland Amigos Unidos Dev. Corp., San Juan.

Utah: Rocky Countain Navaho Club, Salt Lake City.

Vermont: Self-Help Housing, Inc.

Washington: STOWW Alliance for Indian Housing, Federal Way, Wash. Hous. Dev. Corp., Grandview House My People, Sumner.

Wisconsin: Southeastern Wisc. Hous. Corp., Burlington; Area Rural Homes, Eau Claire; Trempealeau County Homes, Whitehall.

Mr. McGEE. Mr. President, I would say for the equivalent 1 minute that the Subcommittee on Agricultural Appropriations likewise weighed this question very carefully. We had no budget estimate on it. The House added $4 million without the budget request. We were willing to abide by that figure, minus a budget request. We felt that given the compromises that were worked out in the bill, and the attempt to live up to the responsibilities of the Senate in the ceilings we imposed voluntarily ourselves on the full appropriating process, we would find it difficult to accept the Senator's $6 million addition.

Therefore, we have no recourse but to resort to the rollcall vote. I hasten to add that the merit is very substantial, and we are all on that side. I am trying now to respond to the committee's responsibility as we hammered out these various agreements that put together the overall recommendation to Congress.

Mr. FONG. Will the Senator yield?

Mr. McGEE. I am glad to yield to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. FONG. Mr. President, I think the committee did pretty well by this appropriation. There was nothing in the budget estimate. The administration did not ask for anything. The authorization bill has presently expired. There is no authorization at the present time. The House appropriated $4 million, and we thought we would go along with the House. I think we did pretty well by going along with the House with their $4 million.

Mr. ABOUREZK. If I might just respond, the authorization bill is now being marked up, as I understand, and it has a $10 million appropriation. Last year's appropriation was $5 million, so the $4 million is below what was used last year and, as we know, costs are going up so it will require more unless we want to destroy the program.

Therefore, Mr. President, I think it is essential to increase this particular appropriation.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, I yield to the senior Senator from South Dakota.

The PRESIDING OFFICER. The Senator is recognized.

Mr. McGEE. Had the Senator completed his remarks for the time being?

Mr. ABOUREZK. Yes.

Mr. McGOVERN. Mr. President, I have an amendment at the desk and I ask that it be stated.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that the amendment be called up?

Mr. McGOVERN. Yes, I ask unanimous consent that the amendment may be called up without prejudice to the previous time arrangement on amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 52, line 21, delete the period (.) and add the following:

"*Provided further*, That section 17(c) of Public Law 92-433 is amended by striking out '10%' where it appears and inserting in lieu thereof '15%'."

Mr. McGOVERN. Mr. President, this is a very short amendment to the agriculture appropriations bill. The amendment applies to the special supplemental food program for women, infants, and children—known as WIC, and is designed to give local projects more flexibility in their use of administrative funds.

It does not increase the current funding level at all.

The current WIC program requires that no more than 10 percent of total WIC expenditures can be used for administrative expenses.

Many State WIC directors, including Dr. Hayes from my home State of South Dakota, have expressed their concern over this limitation.

It seems that rural areas, with no existing health facilities, a limited number of trained professionals, no outreach mechanism, and few companion support programs, are having a very rough time getting their WIC programs off the ground with the 10-percent limit. They inform me that 10 percent may be sufficient once the program is in full swing, but that it certainly is not enough to carry the additional administrative costs connected to starting up their programs, when many expenses are incurred that will not later need to be duplicated.

This amendment, in which I am joined by the distinguished Senator from Minnesota (Mr. HUMPHREY), will simply give those programs in need of more administrative money a little more flexibility. This way, the crucial beginning period can be met competently, with assurance that sufficient materials will be prepared and training performed so that both the taxpayer and the recipient are given the full advantage of the law.

It would be a shame to inhibit the performance of this valuable program. By simply allowing them to use more of their overall budget for administrative costs, I believe we will be helping to insure the success of this very promising program.

Mr. President, I would like to thank the distinguished Senator from Wyoming (Mr. McGEE) for his leadership in the nutrition area, and for his consideration of this amendment.

Mr. President, I am very hopeful that the Senate will agree to the amendment and I ask that the Senate proceed to vote on it.

The PRESIDING OFFICER. Who yields time?

Mr. FONG. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. FONG. Mr. President, this seems like legislation on an appropriation bill, and therefore, it is subject to a point of order, so I raise the point of order at this time.

Mr. McGOVERN. Mr. President——

The PRESIDING OFFICER. Until the time has expired, a point of order is not in order. It will be in order at such time as the time has expired.

Mr. McGOVERN. Mr. President, I realize that technically speaking under the rules of the Senate this is legislation on an appropriation. I had hoped, since it is a technical amendment designed to improve the operation of the program, and does not add anything to the funding, that perhaps no Member of the Senate would raise a point of order against it.

I have nothing further to say about the merits of the amendment, but it is my hope that that point of order will be withdrawn.

Mr. FONG. Mr. President, I am quite sure that the House will raise the point of order. But in view of the fact that there is no change in the funding here, I would be willing to accept it.

Mr. McGOVERN. I thank the Senator for his consideration in withdrawing his point of order. I think it will improve the program. I appreciate the Senator withholding his point of order.

I yield back the remainder of my time.

Mr. FONG. Mr. President, I ask unanimous consent that the request that I made in connection with the point of order be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is all time yielded back?

Mr. McGEE. Mr. President, I yield back my time as manager of the bill.

Mr. FONG. I yield back my time.

Mr. McGOVERN. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, will the distinguished manager of the bill yield time for a little colloquy on several items in the bill?

Mr. McGOVERN. I yield such time as the Senator may require, to be taken out of the time on the bill, in general.

Mr. HUMPHREY. First of all, I want to thank the Senator from Wyoming, the distinguished manager of the bill, and I want to also express my thanks to the members of the Subcommittee on Agricultural Appropriations and, indeed, the full committee, for the splendid work that has been done on this bill, H.R. 15472.

On April 23, 1974, I appeared before the Agricultural Appropriations Subcommittee on this legislation and made a number of recommendations regarding the funding of several important program areas covered by this bill. Following those hearings I had several discussions with members of the committee and with a few exceptions I am very pleased with the appropriation levels provided by the committee in this bill. It is obvious in reviewing the work of the committee that they fully understand needs of American agriculture, rural America, and our Nation's economically disadvantaged as it relates to food assistance.

In the field of research funding, the committee has provided some notable additions that I am particularly pleased with. They have included $100,000 for the continuation of wild rice research; a matter of great importance in my State of Minnesota; $300,000 for agricultural transportation research, and $1,500,000 for biological nitrogen research, a field of research which could hold great promise and relief in decreasing the dependence upon manufactured nitrogenous fertilizers, which in turn are dependent upon the availability of natural gas.

The committee has also added $590,000 over the House passed bill for soybean research and $680,000 in planning funds for a dairy cattle management and forage research laboratory. I was also very pleased to note in the bill that the committee has not only provided for the continuation of rural transportation research within the Economic Research Service—which I sponsored last year here in the Senate—but also have accepted by request this year that an additional $50,000 be provided for the embellishment of those studies to include "people" transportation problems in rural areas.

In the field of rural development and related activities, the Senate committee has provided only $20 million for rural development grants for helping communities facilitate industrial development. This is $30 million short of what I asked the committee to provide. And I shall be offering an appropriate amendment later to provide for the full $50 million.

The committee has been most generous regarding this REA and rural telephone programs—both of which are essential to the welfare of rural citizens.

There are $750 million rural electric insured loans, of which amount $80 million is to be available for 2 percent loans. For insured rural telephone loans, the committee provided $200 million of which $50 million is to be available for 2 percent loans. Thirty million dollars is also provided for capitalization of the Rural Telephone Bank.

Mr. President, I have noted several features concerning which I want the comment of the chairman.

The amounts in this bill which provided for implementing title V of the Rural Development Act, regarding rural development research and extension, I find inadequate, under the 1972 act. Fifteen million dollars is authorized for these purposes including a research and extension education program to help small farmers. I feel very strongly that the full $15 million should be provided, including instructions from the committee that at least $5 million of this amount should be utilized for implementing the small farmer research and extension education program—a program pioneered in the State of Vermont, the home of the distinguished dean of the State, Senator GEORGE AIKEN.

Mr. President, I feel very strongly that the full authorization amount should have been provided, including instructions from the committee that at least $5 million of this amount should be utilized for implementing the small farmer research and extension education program. Later on I am going to offer an amendment on this, and I hope that the distinguished chairman will look upon it with not only sympathy but support.

Mr. President, let me move to a matter where I need some clarification.

The committee has provided $2,282 million for insured rural housing loans, with $510 million of this amount being provided for low-income new housing loans and $10 million for farm labor housing loans.

I would like to say to the distinguished manager of this bill, Senator MCGEE, that I hope that the bulk of these rural housing loans will be used for the purpose of building new homes. USDA, I understand, has this past year been discouraging new home loans in deference to loans for the repair and improvement of existing housing. While the latter purpose is an important one, it should not be handled, in my judgment, at the expense of loans for new houses, when the demand for such loans is so strong.

The committee has also provided $20 million for direct repair and improvement for low-income housing loans; $4 million is provided in the bill for self-help housing grants, $1 million less than I asked for.

In fiscal 1974, the USDA had authorization for $1.2 billion of section 502 new housing loans. Actually, only $704,900,000 was actually made available. This meant that over 20,000 rural families did not get homes that they could have applied for and that they needed.

Under section 504 the USDA made only $4,400,000 in rural rehabilitation home loans, while $10 million was authorized.

What I am pointing out here is that USDA has told many a farmer and rural resident "repair your old house rather than build a new one." They have discouraged these new housing loans, and even under the repair and rehabilitation program, they have used only about 40 percent of the funds authorized.

Mr. President, under the new housing loan program for last year, under section 502, out of $1.2 billion that had been authorized, only $704,900,000 was used.

I ask the chairman, is it the view of the chairman and his committee that the two items are separate and distinct; that the rehabilitation section should be considered on its own merit, and that new housing loans should be considered on their own merit and not to play one off against another?

Mr. MCGEE. That is precisely correct. The two have an entirely different target, a different purpose, and a different base. For them to be merged with each other or lost in the uncertainties, the one in the midst of the other one, would be to do sheer violence in principle to the intent of the money that was made available.

The Senator has put his finger on a very crucial point in all of this. We spelled that out, incidentally, very carefully when we had the Department of Agriculture people in front of us, in which they made the case, again, that they wanted to be sure and proceed toward rehabilitation, wherever that was possible.

They were not satisfied that they knew everything they ought to know on that one question. We agreed with them that a great deal more ought to be known, but it ought to be known both ways and it was no reason to hold up the rate at which new construction was undertaken. So we left it that we expected a follow-through without any delays. We were not going to wait for the supplemental, we were not going to wait for the new budget a year from now, but we intended to stay right on their neck to make sure that this was being lived up to.

Mr. HUMPHREY. Those are the loans made by the Farmers Home Administration?

Mr. MCGEE. That is correct.

Mr. HUMPHREY. Is it not a fact that those programs have been very successful and the repayment record has been excellent and lived up to meticulously by the borrowers?

Mr. MCGEE. It has been a very impeccable program in terms of its viability, its need, as well as the repayment provisions taken on by the various areas in which the loans were extended.

Mr. HUMPHREY. I want to thank the Senator and the chairman of the subcommittee.

Another item in the bill which attracted my interest was that section of the bill providing for water and sewer facility loans, rural industrial development loans, and rural community facility loans. The loan amounts provided for in this bill for these purposes, as I understand it, apply only to those loans made on an insured basis. Is that correct?

Mr. MCGEE. At the present time, yes.

Mr. HUMPHREY. On an insured basis?

Mr. MCGEE. That is right.

Mr. HUMPHREY. Specifically, I would like to establish here today that it is not the intention of the committee that these loan levels imply any limit on any guaranteed loans made for these purposes.

Mr. MCGEE. That is correct. We tried to make that clear to the department as well a year ago, thanks to the Senator's pressing on that very question. We do not intend to let those get mixed up with each other.

Mr. HUMPHREY. The guaranteed loans are from the private financial institutions with the government guarantee.

Mr. MCGEE. That is correct.

Mr. HUMPHREY. The insured loans are government made loans where the paper is sold back into the market.

Mr. MCGEE. That is right.

Mr. HUMPHREY. There is a difference. The loan levels that are expressed here in terms of insured loans are to be separate and distinct from the guaranteed loans?

Mr. MCGEE. The Senator is absolutely correct.

Mr. HUMPHREY. I want to thank the Senator very much for those two clarifications.

Also might I state at the appropriate time it is my intention to engage the distinguished Senator from Wyoming in a discussion on the matter of grants to rural communities, that is grants to help facilitate industrial development. I am the coauthor of the 1972 Rural Development Act. One of the most important features of that act is the assistance that we can give to rural communities to help facilitate industrial development.

I have an amendment at the desk which I will call up subsequently which would provide an increase from $20 to $50 million. I realize that this is an increase, but I am prepared to make a modification of that request if the committee will accept it. I do think it is important that we look to the needs of the rural communities for this industrial development.

Another provision that I want to direct my attention to is the rural development research and extension education programs as authorized under title V of the Rural Development Act.

The amount in this bill before us is identical to last year which was totally inadequate then as again for this year. It is my judgment that it needs to be improved and strengthened.

I am prepared to discuss this with the committee at the appropriate time in more detail.

The committee has proposed that the following amounts be made available for water and sewer facility, rural industrial and rural community facility loans:

[In millions of dollars]

Water and sewer facility loans	470
Rural industrial development loans	400
Rural community facility loans	200

I had hoped that the committee would have provided at least $400 million for community facility loans rather than the $200 million included in this bill. Also, I would like to establish with the gentleman from Wyoming (Mr. McGee), that the loan levels provided in this bill for rural individual and rural community facility loans apply only to those loans made on an "insured" basis.

Funds provided in the bill for conservation, forestry and rural environmental programs in fiscal year 1975 are as follows:

[In millions of dollars]

Soil Conservation Service operations	196.2
River basin surveys and investigations	14
Great Plains conservation programs	20
Agricultural conservation program	200
Forestry incentives program	10
Water bank program	10
Emergency conservation measures	10

Mr. President, I would now like to commend the distinguished Senator from Wyoming and the members of his subcommittee for an excellent job on the sections of this bill dealing with Federal food assistance. The subcommittee has been especially attentive to the needs of the Nation's children, who surely constitute one of our most valuable resources.

I am particularly pleased to note the committee's recommendations for additional funding for day care feeding, equipment assistance for schools, and supplemental feeding of pregnant and post partum women and young children. These programs serve an essential function; and are certainly cost effective over the long run in saving us money in later years that might otherwise have to be spent on welfare, medical assistance and unemployment benefits.

The committee has recommended an increase of $20 million in day care feeding which I requested of them earlier this year. This is greatly needed. USDA tells us that in fiscal year 1973, only 195,000 poor children were reached by this program. Yet HEW figures show that over 300,000 children of public assistance recipients were in day care in 1973, and nearly 700,000 children were enrolled in day care programs provided under the Social Security Act. Up to 1 million additional poor children are now attending day care centers as well. We must provide funds for States to reach at least a larger percentage of these children.

At present, States have been discouraging applications from day care centers, keeping reimbursement rates well below the level authorized by USDA, and providing little or no equipment aid to centers because of the insufficient funding level for this program. The committee has forthrightly faced this issue.

On the school lunch program, I have an amendment at the desk, which I do not now call up, but I want to make note of it, Amendment No. 1582. The committee bill provides for $34 million for equipment assistance for our schools. It is my judgment, after having served with the distinguished Senator from South Dakota (Senator McGovern) on the Select Committee on Nutrition, on matters relating to school lunch, there is a desperate need for this equipment allowance.

There are some 5,300,000 school children, including 2,000,000 poor children, who still attend schools with no school lunch program at all.

The principal reason, in some cases the only reason, is the lack of food service equipment.

The $40 million that I am suggesting is a very modest amount for this program. Congress has authorized the expenditure of $40 million in fiscal 1975. That authorization was made, as the Senator from South Dakota recalls, after considerable testimony and study in the Committee on Agriculture and Forestry.

In the area of equipment assistance to schools, the committee has proposed a level of $34 million, which is $5.9 million more than was spent last year, and $12 million more than the administration's request. This money is desperately needed, as USDA's own survey, requested by the Congress in 1972 and presented this March, so clearly illustrates. For this reason, I do not believe the $34 million level is adequate, and I believe the Congress should appropriate the full $40 million that has been authorized. Even the $40 million would be less than one-fourth of what the administration's own survey documents to be the need. I shall return to this matter, and offer an amendment, in a few minutes.

In the area of supplemental feeding, the committee has recommended an additional $2.8 million. This is a small but nonetheless critical item. USDA had originally planned to close over 80 supplemental programs across the country this year simply because the counties in which they are located were switching from the needy family commodity program to food stamps, in accordance with Public Law 93–86. All supplemental programs in areas already on food stamps—the majority of the programs—would have been allowed to remain open, however.

The Congress, led by the Senate and House Agriculture Committees, decided that such a policy made little sense. Public Law 93–437, agreed to by both Houses last month and signed within recent days, directs that supplemental feeding programs be continued, regardless of whether they are located in areas formerly in the needy family commodity program. The distinguished chairman of the House Agriculture Committee, Representative W. R. Poage, told the House when presenting the conference report on this bill:

> The supplemental feeding program in fiscal 1974 was intended to provide free nutritious foodstuffs to a population of 137,000 pregnant and lactating low-income women and their infants and children below the age of five in some 200 project areas. The conferees expect that the Department of Agriculture will continue to donate commodities to these programs wherever they may be located and will not attempt to terminate them simply because the commodity distribution program to needy families will be phased out of all of the counties in which the supplemental feeding programs operate and will be replaced by food stamps during the course of the next few months in accordance with the mandate of Public Law 93–86, the Agriculture and Consumer Protection Act of 1973. The conferees further assume that, if the Department of Agriculture has announced the termination of such programs during 1974 or in fact closed them down, it will reopen them and provide them with necessary food stuffs in accordance with the provisions of this bill.

Consequently, it is imperative that the Congress provide the funds for the commodities to keep these 80 programs alive. These program, and a small number of other supplemental programs, also need a small amount of administrative funds to help defray the cost of shipping the commodities from State distributing points to the local programs, and of other necessary administrative costs. The committee has wisely provided these funds.

While I am speaking about this program, I would also like to call the Senate's attention to a directive sent in recent days to USDA regional administrators. The directive states that it will be USDA's policy in fiscal year 1975 to furnish commodities under this program "to those States who can receive commodities in carlot shipments." If USDA means by this that they will terminate deliveries to programs in States that are deemed to have an insufficient caseload to be able to receive "carlot shipments," then they should reread Public Law 93–347 and Mr. Poage's comments. Such an interpretation would clearly violate this law, which extends all supplemental programs "wherever located," and instructs USDA not to terminate these programs.

This directive also indicates that USDA will restrict the types of commodities for schools and institutions, the items sent to schools and eliminating all nonsurplus foodstuffs from the items sent to institutions. I believe it was Congress intent in passing Public Law 93–347, however, that deliveries of the traditional commodities continue in these programs. I am placing this directive in the Record.

I would also like to briefly note that the committee reports lists funding for the new women, infants, and children feeding program, known as WIC, at $40.8 million. As the Senate knows, the actual funding level for this program for fiscal year 1975 is $100 million plus any unspent fiscal year 1974 funds. Fortunately, there is no need for us to address this issue today, as section 17(b) of the National School Lunch Act, as recently amended by Public Law 93–326, has already resolved this issue. Section 17(b) now reads:

> In order to carry out such program during the fiscal year ending June 30, 1975, there is authorized to be appropriated the sum of $100,000,000, but in the event such sum has not been appropriated for such purpose by August 1, 1974, the Secretary shall use $100,000,000 or, if any amount has been appropriated for such program, the difference, if any, between the amount directly appropriated for such purpose and $100,000,000, out of funds appropriated by Section 32 of the Act of August 24, 1935.

As a result, $100 million in funding, plus any unused fiscal year 1974 funds, has already been provided by the Congress, and will become available to USDA on August 1. USDA is then required, by the School Lunch Act, to actually use and spend this full amount in fiscal year 1975.

This issue is very clear although a few officials in USDA may be a bit confused about it. A letter from Edward J. Hekman, the administrator of USDA's Food and Nutrition Service, to Senator Jackson indicates that funding for the WIC program is presently coming from a continuing resolution, and that consequently requests for caseload increases are "contingent upon the availability of funds during fiscal year 1975." While Mr. Hekman may be correct that WIC funding comes from the continuing resolution during the month of July, Congress has already made at least $100 million available as of August 1, and has made it clear to the Department that $100 million and all unused funds from fiscal year 1974 must be expended during fiscal year 1975. There is consequently no reason why USDA should delay processing requests for expansion since USDA officials know that in 2 weeks, the funds will be there.

Mr. President, I ask unanimous consent that the letter from Mr. Hekman be placed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of Agriculture,
Food and Nutrition Service,
Washington, D.C., July 8, 1974.

Hon. Henry J. Jackson,
U.S. Senate.

Dear Senator Jackson: Secretary Butz has asked us to respond to your letter of June 25 in behalf of the Washington State Department of Social & Health Services' Special Supplemental Food Program (WIC).

We have received the budget and caseload request from the Washington State Department of Social & Health Services for Fiscal Year 1975, and are presently reviewing it. As you know, Congress has enacted legislation which authorizes the funding of the WIC Program for Fiscal Year 1975. However, the Congress has provided funds for the activities of this Department under a "Continuing Resolution" for only ninety days of the current fiscal year. We have approved funds for all WIC projects for the first quarter of this fiscal year based on their last approved caseload of Fiscal Year 1974. The approval of request for caseload and budget increases and for the opening of any new WIC projects will be contingent upon the availability of funds during Fiscal Year 1975.

We appreciate your interest.

Sincerely,

Edward J. Hekman,
Administrator.

Mr. HUMPHREY. I am hopeful that as we go along today, my dear and beloved friend from Wyoming, whose heart is as big and as kind as his mind is brilliant and comprehensive in its understanding, will say to the Senator from Minnesota, "I want to accept that amendment." Not only does he want to, but as I look at the distinguished Senator from Hawaii as well, I hope they will act in unison and say, "My goodness, how come we did not do it sooner?" But I will not complain about that. I am even prepared to have it come later.

In all seriousness, the proposal I make calls for a very modest increase in the total school lunch equipment allowance, which is meritorious. I hope the distinguished Senator will have some comment on that.

Mr. McGEE. As the manager of the bill, I would have some comment on that.

I am very flattered by the warm gestures of friendship and understanding and magnanimity that were extended toward the senior Senator from Wyoming, and I want to reciprocate.

I know of no man in this body who is more generous, more farseeing, and, above all else, more understanding of the real hotspot that a committee is on when it tries to arrive at a compromise. The Senator will recall that when he was a professor, as when I was a professor, he did not have to compromise. We were the boss. One of the first lessons we humbly learned when we arrived in this body was that we had to finally arrive at something for which we could get 51 votes. Therefore, we have long since, in humility, learned the importance of making intelligent but forward-looking and forward-plunging compromises.

When we faced the figure that the House gave us, which we thought did not take into account the statesmanship of the Senator from Minnesota, the House allowing only $22 million in that category, we then had to weigh what adjustment not only was possible but also was within the context of all the adjustments that we were being asked to make over a very broad spectrum among several hundred items in the agricultural appropriation bill.

We thought that because of the leadership of the distinguished Senator from Minnesota and the integrity that he has always exercised on the floor of the Senate, we would give him the benefit of the doubt, and we upped the figure from $22 million to $34 million, out of respect for his judgment. While it did not quite reach up to the $40 million he is asking for, it seemed to us that it did reflect, in an equitable way, our confidence in his judgment and his leadership in the program.

We were hopeful that in the interests of trying to protect, as a result, the many dozens of other areas where we had to make some modest adjustments over what was requested, the Senator would understand the committee's action in that particular line item.

Mr. HUMPHREY. Mr. President, I am most respectfully sympathetic to what the committee was facing in the matter of marking up a large appropriation bill. My comments should not ever be considered as critical but, rather, hopefully, as a constructive observation.

I noted that the State directors for the school lunch program reported a need of more than $73 million for equipment in fiscal 1974, and in that year the USDA spent only $28.1 million. This year, the USDA and the Office of Management and Budget have proposed a spending cutback of approximately $6 million to $22 million, for fiscal 1975.

I say most respectfully that anybody who can buy equipment this year at the same price they bought it for last year is the man everybody is looking for. You cannot buy Spearmint chewing gum this year for what you bought it for last year, much less buy school lunch equipment for the same price.

Here we have a situation in which, if the administration should gets its way, we are going to actually spend less than we spent a year ago, despite the growing needs.

I recognize that the $34 million figure in the committee's bill is indeed a constructive improvement, and it represents a considerable increase in the funding over what the other body has recommended.

My point is that if we delay purchasing this equipment, next year it is going to cost more.

For example, I was home this week and found that farm machinery—I think it was in June—went up 12 percent. They have now notified the distributors of farm machinery that it will go up another 9 percent in September. I can assure Senators that the prices that relate to farm machinery will relate to school lunch equipment, because much of it is metal and is highly technical equipment. So that if we delay, all we are doing is spending more a year from now.

But I want to say to my good friend from Wyoming that, while I praised him for being kind and considerate, now I would like to tell him to be tough and mean when he goes to conference. It is going to be hard for the Senator from Wyoming, because he is such a basically decent, generous, compassionate, and humane man.

The $22 million figure in the House bill would be a disaster for the school lunch program. The $40 million authorization is the result of the U.S. Department of Agriculture's own survey. Their own survey said that they needed at least that much for fiscal 1975.

As to the $34 million in the Senate bill, if we could hold that figure in conference, and if our esteemed colleagues in the other body would come along with us, and if the Senate conferees, when they sit down across that negotiating table, would hang tough, as we say, I think we could say that we have made a considerable improvement.

I want to ask this of the distinguished Senator from Wyoming: How does he think he is going to feel when he goes to conference? Will he get mean a little and tough on this item and hold the $34 million now in the bill?

Mr. McGEE. I can be like mean Joe Green, if we borrow the vernacular from pro football, and for a reason.

Last year, we allowed $28 million in this. Even allowing for the inflationary factor, which is important, we believe that the $34 million does roll with that. For that reason, we think our case is fool-proof and that it is going to be the position on which we fight rather than yield. Our intention is to strive to hold this figure.

Mr. HUMPHREY. I say to the Senator from Wyoming—again complimenting him and his associates on the committee—that I know he will do everything in his power to hold this figure.

I have talked somewhat in jest about some matters here, but let me say that the school lunch program is very dear to us. It is perhaps one of the best investments our Government has ever made. When we know that there are more than 5 million students in this country who attend schools with no school lunch facilities, and we know that most of those schools are in very poor school districts—that is, economically poor—it seems to me that we are making a very wise investment by providing additional funding for school lunch equipment.

I will not offer the amendment on the basis of our colloquy. I know that we can come out of that conference with a figure of $34 million, and I hope it will be not less than $34 million. I will depend upon my esteemed colleague from Wyoming and my distinguished friend from Hawaii, who are companies and partners in this effort, to fight hard for the school lunch equipment funding.

Mr. FONG. Mr. President, I want to assure the distinguished Senator from Minnesota that we will do our very best to try to change onto the figure we have. This is what the Senate wants, and this is what we will fight for.

Mr. HUMPHREY. I thank the Senator very much.

Mr. McGEE. Did the Senator want to address himself any further to the rural development grant figure that he was speaking about a few moments ago? What does his program call for at this time?

Mr. HUMPHREY. I say to my good friend that I have always been of a mind that if one is patient and persistent, some progress is possible and available.

As the Senator knows, I have an amendment, listed as No. 1581, which would increase the funding very substantially for rural communities to help facilitate industrial development, knowing how important that matter is. I have talked privately with the Senator from Wyoming.

Incidentally, I want to say that the committee has been most considerate to us here in the Senate.

We have presented to the committee a number of suggestions, most of which the committee has already accepted and which are now in the bill. Others have been rejected, and in this instance I recognize that the committee has increased the funding over the House level, but if there is any area in which I feel a little competence as a Senator, it is in this area of rural development. It is very close to my heart and, as I said, I have been responsible, in part, along with the able and distinguished chairman of the Committee on Agriculture, Senator TALMADGE, for the passage of the Rural Development Act of 1972.

I take great pride in that effort.

I visited a number of the rural communities in the process of developing that legislation and the facilities for industrial development are absolutely essential for the modernization of many of these rural communities and the program of grants is greatly needed because it is the grants which get these programs off the ground.

I am going to ask the Senator once again if there is any way we could make some modest progress on this matter over and above what the committee has already authorized or recommended.

The PRESIDING OFFICER. The Chair will note that all of the time of the Senator from Wyoming has expired on the bill.

Mr. HUMPHREY. Mr. President, I offer my amendment.

Mr. McGEE. If the Senator will offer his amendment, I ask unanimous consent that our colloquy that has preceded be allocated to the amendment time.

Mr. HUMPHREY. Yes; I will do that.

Mr. McGEE. It would be difficult for the Senator from Wyoming to lapse into total silence.

Mr. HUMPHREY. It would be almost as difficult as having the Senator from Minnesota do it. I do not think we can take those two flows in 1 day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the amendment is in order.

The amendment is as follows:

AMENDMENT NO. 1581

On page 26, line 12, strike the figure "$20,000,000" and insert in lieu thereof "$50,000,000."

Mr. McGEE. Now, if I may respond, what is the amendment time now that may be left over?

The PRESIDING OFFICER. Fifteen minutes to the side.

Mr. McGEE. I just asked unanimous consent that our colloquy will now be allocated to the amendment, and that would leave about 5 and 4 minutes.

The PRESIDING OFFICER. The Chair is advised the Senator has 7 minutes remaining.

Mr. HUMPHREY. That is more than enough.

Mr. McGEE. Yes.

I would say to my colleague that the Bureau of the Budget requested only $10 million on this. The House bought the Bureau of the Budget's $10 million figure. The Senator was requesting the substantial increase there, which we appreciate. We doubled the budget figure and the House figure in our recommendation, with every intention of saying to the House, as we are prepared to say in our preceding matter that we were having colloquy on, that, look, we ought to do more than this, but give them the kinds of ceilings that we are trying to operate under. We feel this is the very least that we owe the program and we intend to stand here. I would like to reemphasize that for the Senator from Minnesota, because he is rightfully concerned about the momentum in this rural development grant program.

We think by doubling it that we show good faith.

Mr. HUMPHREY. I say most respectfully that I recognize the good that the committee has already accomplished, but I am afraid when we get to conference on a matter like this, we will be lucky if we can come out with a split, and that is not nearly enough for these rural communities.

This is an anti-inflation type of amendment, Mr. President. Industrial development in these communities is the lifeblood for many of them, and while I recognize that it represents additional appropriations, when we think of rural America, with its millions of people, with the hundreds of thousands of towns and communities that are in desperate need of modernization, this is nothing but a small package of seed money to get things going.

I was up at Thief River Falls, Minn., just the other day, and I saw what can happen with an industrial park regarding industrial development. They have had a very modest amount of assistance from the Federal Government. They are on their way to building an industrial area and the taxes will be coming in, the income will be coming in, the payrolls are being developed. It is the sort of thing that makes such good sense and the $10 million in the administration request for this item was absolutely ridiculous. They just as well have gone out and sent somebody a package of biscuits. It would have done them as much good.

The $20 million in the Senate bill is, indeed, a substantial improvement.

The amount that I originally asked for in my amendment was $50 million. I happen to think that is a reasonable sum of money for a nationwide industrial development program for rural America.

Now, I think that we can make all kinds of comparisons about figures as to where we spend our other moneys and I am not going to burden the record with it. I know what the problem is for the committee. I understand that. They have a ceiling they want to live within, but my job as a Senator is to try to project what is the needs within the limits of the States I am privileged, in part, to represent, and what I think I know about rural America.

Rural America needs champions today and it has one in the Senator from Wyoming, it has one in the Senator from Hawaii, and other members on this committee. I know Senator YOUNG of North Dakota and others have worked so hard for rural areas, but the Government on many of these proposals comes in with such a small amount that even when the increases are made it is still inadequate.

For the Office of Management and Budget to come to the Congress with a request for $10 million in grants for rural America, for the development of industrial parks, and industrial community facilities, is really insulting.

Most rural communities have not and will not be able to get access to the various economic development programs provided for in this bill without additional grant assistance.

Their tax and local revenue basis in many instances is simply too small and the only purpose of the amendment I offer is one to trigger development, and in triggering that development we make money, not lose. We come closer to balancing the budget, not unbalancing it.

There is only one answer to inflation, Mr. President, and that is productivity. I guarantee that out in rural America they know how to work, there is a good labor force, there are competent engineers, and they are willing to go to work, but I have been in town after town and find they just do not have the facilities.

Therefore, I appeal so strongly for this amendment because I think it would expand employment in the rural areas which today suffer the highest rates of 'unemployment and underemployment. By expanding employment and relieving underemployment, in these areas we would lower the social costs involved.

Now, that is why I plead for this amendment. I hope that my distinguished chairman can see fit to at least accept in part what I am trying to do here.

I am prepared to be more than a reasonable man because I know the difficulties that this committee faces and I also know the difficulties that the budget faces, but, Mr. President, there are sometimes that we have to stand for what we believe, to a point even that we sometimes may cause our friends some discomfort.

I want to ask the chairman once again, Is it a solid rock decision that there can be no modification here whatsoever?

Mr. McGEE. Well, the committee's action, having doubled a request by the budget, and then equally significantly having doubled the recommendation from our colleagues in the House of Representatives on this one item, when we lay that item, important as it is, along side the dozens and dozens of major items in the agriculture bill that affect the rural development of America, I will just have to say in all candor to my colleague from Minnesota that lifting it out of that context alone probably makes it even more stark.

In arriving at the budget figure that we did, we upped a great many things. That is why they call us the upper body in this two-House arrangement in our form of government.

In the Rural Electrification Administration, as an illustration, we upped the request by $132 million On the REA telephone loans, we upped it by $60 million.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. McGEE. I yield myself—where do I have something?

The PRESIDING OFFICER (Mr. HELMS). The Senator has 23 minutes remaining on the bill.

Mr. McGEE. Let me borrow from the other side of the aisle 3 minutes.

Mr. LONG. Mr. President, I yield the Senator 3 minutes.

Mr. McGEE. That is, under these loan programs, I am reciting here.

Mr. HUMPHREY. Under the guarantees.

Mr. McGEE. But the REA was upped $132 million over their request and the recommendation, and the REA telephone upped $60 million, because it is desperately important. The Senator from Minnesota was one of the original architects of all of those programs.

The insured home loans, up $60 million. Insured real estate loans, farm ownership loans, we upped $50 million. Water and sewer facility loans, we upped them $70 million.

We also approved a budget estimate of $200 million for community facility loans, which is a fourfold increase over a year ago. And finally, we joined with our brethren on the House side in providing for $225 million for the Farmers Home program for water and sewer grants, for which there was no budget estimate. But they have been freezing some of these funds in HUD downtown, and we thought it was too bad to see that frozen state, and therefore we simply proposed that they take this $225 million and put it in where it can go to work right now.

It is in that context of looking at rural development—all of this is rural development—that we thought doubling both the budget figure and the House recommendation was, indeed, a very strong endorsing move by the committee.

Mr. FONG. Mr. President, will the Senator yield?

Mr. McGEE. So the Senate is not standing on a rock, we are standing high above all of the recommendations in seeking to do something for rural America, but in the context of the others it would seem to this Senator, at least, that to go farther than doubling that figure would place it out of context with all of the matters that we were seeking to cope with in the rural American development program.

Mr. FONG. Mr. President, will the Senator yield?

Mr. McGEE. I yield to my colleague from Hawaii.

Mr. FONG. I want to say also that we added three-quarters of a billion dollars this year for the Commodity Credit program, and there is another billion dollars for the food stamp program, which will also help agriculture. In this light, I believe we have done a lot for rural America.

Mr. HUMPHREY. Mr. President, I know the good work the committee has done, but let me say that the one area of the economy today that is helping the country more than any other is agriculture. Without American agriculture, this country would be as insolvent as Italy. The American producer is paying the oil bill through the exports of farm products so that we can all go around in our automobiles at better than 55 miles an hour, as I noticed this weekend as I traveled.

So I am not worried that we are overappropriating for American agriculture or rural America. We are not subsidizing the farmers any more. They have been subsidizing us for the last 30 years with cheap food. I hope that will go in the RECORD a thousand times, that the American farmers have been subsidizing us year after year, decade after decade, with hard work and little return, as everybody knows. Now there is complaint because, while farm prices have gone down, retail prices have stayed up; but that is another matter.

I happen to believe that this rural development program really yields positive dividends. I realize that this $20 million is much better than we have had.

Mr. President, I reserve the right, on this amendment, to hold it back to see whether or not I want a rollcall vote, for later decision.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUMPHREY. I guess our time has expired. I will be checking with the ranking minority member and the chairman, in the hope that, with both the power of persuasion and prayer, we can work it out.

Mr. McGEE. Mr. President, we have another amendment pending which would be in order at this time, is that correct?

The PRESIDING OFFICER. The Senator is correct. Does the Senator ask unanimous consent that the Humphrey amendment be put aside?

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the amendment be set aside. The time has all expired, as I understand.

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. Reserving the right to either ask for the yeas and nays or a voice vote, or to withdraw it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUGHES. Mr. President, I am troubled by one section of this bill, the one relating to Public Law 480

The PRESIDING OFFICER. Will the Senator suspend?

Who yields time, or does he wish to call up his amendment?

Mr. HUGHES. Mr. President, I have an amendment which I shall send to the desk. I ask the Chairman not to make a point of order if I call it up until such time as I make my statement.

Mr. McGEE. If the Senator will yield for 15 seconds, let me say I have no intention of making a point of order on it because of the real substance in the proposal. I may have something to say on it, but it will not be in the form of a point of order.

Mr. HUGHES. I thank the distinguished Senator.

The PRESIDING OFFICER. The amendment will be stated

The second assistant legislative clerk read as follows:

> On page 20, line 22, after the word "amount" insert ", and of any amount repaid during the current fiscal year in connection with sales made under title I of such Act,".

Mr. HUGHES. Mr. President, I am troubled by the section of this bill relating to Public Law 480. The Agriculture Committee accepted a provision adopted by the House of Representatives which sought to limit the amount of credit sales under title I to no more than 10 percent to any one country. This floor amendment was made in order to end the distortion of this program caused by funneling so much of our food aid to South Vietnam and Cambodia.

When the original estimates were presented to Congress in the spring of 1973, Cambodia was scheduled to receive 3.6 percent of title I commodities, and Vietnam was to get slightly over 20 percent.

By the end of the fiscal year, however, the programs in those countries had soared. Cambodia wound up receiving 26 percent of title I expenditures, and Vietnam a whopping 38 percent. In other words, nearly two-thirds of our commodity credit sales went to those two nations.

While I do not question the need for humanitarian assistance to help the victims of continuing conflict in Indochina, I think that the evident need for foodstuffs in other parts of the world deserves greater U.S. assistance.

It is particularly disturbing to me that such sales generated local currencies which were in turn reused by the local governments for military purposes. It was to end this perversion of the food for peace program into food for war that the Congress enacted a modified version of the amendment originally proposed by the distinguished Senator from Minnesota (Mr. HUMPHREY) and me to require congressional approval of all future agreements permitting funds for military purposes.

That amendment took effect on July 1 of this year. Even so, it is clear that continued massive food aid to Indochina permits a diversion of resources into the military budget, and thus helps to prolong the deadly fighting in that region.

I believe that food aid should be only for peaceful purposes, and that it should be directed to the areas of greatest need—and not as a substitute for economic or military assistance which the Congress has been unwilling to grant.

The intent of the amendment by Congressman JOHNSON of Colorado was to prevent the very kind of distortion in the food for peace program which we have witnessed in recent years. It would limit the program to no more than 10 percent for any one country. This restriction would apply only to credit sales, and not to grants for disaster relief and other humanitarian purposes under title II of Public Law 480.

Unfortunately, Mr. President, the Johnson amendment as drafted, and as accepted by the Senate Agriculture Committee, applies only to the $425 million of newly appropriated funds.

Yet the total title I program in fiscal year 1975 is estimated to be $717 million, because of the availability of about $300 million in repayments for credit sales in past years.

If this provision stands as is, the 10-percent restriction will apply only to the $425 million, and the administration will have a blank check to use any or all of the repayment money for one or two countries.

In fact, the original estimate for fiscal year 1975 was for Cambodia to receive slightly over 10 percent of title I funds, and Vietnam to get over 22 percent. But as we have seen from past years, these estimates may have no relation to the actual programs carried out.

Mr. President, I want to close this loophole. I do not think that one-third of our food aid should be going to Indochina when there is so much need, so many hungry people, in other countries. I believe that the 10-percent limit should apply to the entire title I program and not simply to the newly appropriated funds.

I do not suggest 10 percent as an immutable rule, however. If the administration can demonstrate a case for a specific exception to deal with an emergency, then I believe that the Congress should be willing, speedily, to consider and grant that exception.

But for planning purposes, our officials should have to balance the whole world's food needs.

Mr. President, in order to close the loophole in the existing bill, I send to the desk an amendment which would modify the 10 percent proviso by extending it to program funds made available by repayments as well as those newly appropriated.

It would restrict Public Law 480, title I credit sales to no more than 10 percent for any one country. The committee bill applies this restriction only to the $425 million in the newly appropriated funds, ignoring approximately $300 million in repayments.

It would not affect disaster relief and humanitarian grants under title II. It would require a slight reduction in the planned $77 million for Cambodia, and it would cut the planned Vietnam program by $90 milion to a maximum of $71 million.

Mr. President, I think this application should be across the board, and it is for that reason that I have presented this amendment,

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, I yield myself—do I have 15 minutes on this one?

The PRESIDING OFFICER. That is correct.

Mr. McGEE. Mr. President, I want to say to the distinguished Senator from Iowa (Mr. HUGHES) that the substantive proposal he has in mind is both very significant and understandable, especially in these times.

What I want to interject is that the subcommittee's reason for opposing his amendment has to do with all of the grounds that we covered to arrive at a compromise agreement, a compromise which I feel honor bound to live up to. That is, that while the request was for an open end, no restriction, on where any specific amount of the Public Law 480 funds might be spent, the prospect in the committee's deliberations for limiting that to 10 percent to any one country was followed almost at once by a proposal that we impose the 10-percent limitation on other related programs that also affect these areas, as the Senator has just alluded to. So in an attempt to find some common ground for a possible compromise rather than the stark extreme in either direction in which we would battle out the possibility of wiping out any reference to 10 percent, it that were the disposition of this body, or that we would wipe out everything in the related programs, in the funds that might be available under related programs, we did succeed in arriving at a basic compromise.

That compromise was that those who oppose restrictions of this sort agreed to accept the 10-percent breakthrough by agreement and consensus on the Public Law 480 funds being limited in the expenditure to any one country, 10 percent; but that for this year, in this fiscal year, that we are now weighing here, we would leave untouched or unstrictured the other related funds, and that is the guts of the compromise.

In that way each of the extremes under dispute was accorded a basic new position, and an element of their insistence in the argument and, for that reason, the committee would feel required to stand by the agreement that was meticulously worked out during the committee's deliberations.

May I say, that all sides were eloquently and effectively represented. I think it is a good compromise and a reasonable compromise, especially this year. So, for that reason, I would propose, whenever the Senator is ready timewise and whenever we yield back our time, to move to table his amendment.

The PRESIDING OFFICER. Who yields time?

Mr. FONG. I yield myself whatever time is needed.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. FONG. Mr. President, the provision in this bill was arrived at by compromise between those who were for the amendment, as passed by the House, and those who were against the amendment as passed by the House.

In arriving at this compromise we realized there were other funds to which the 10 percent limitation will not apply.

Since fiscal year 1964, countries receiving more than 10 percent of appropriated title I funds, in addition to Vietnam and Cambodia, include India, Pakistan, Egypt, Israel, Turkey, and Indonesia.

Foremost among these is the level of assistance for India which exceeded 10 percent each year from fiscal year 1964 to fiscal year 1972.

Should the precarious food balance in Asia tip toward famine this year, the emergency need for food will again exceed a 10 percent level.

The rise in title I programing for Vietnam and Cambodia from $186 million in fiscal year 1973 to an estimated $498 million in fiscal 1974 was not an attempt at backdoor financing of military expenditures, but was caused by two exceptional conditions. One of these was the record world commodity prices which rose from $150 per metric ton in 1972 to $519 in 1974.

Also there was a severe disruption of the Cambodian economy evidenced by the presence of 1 million refugees at present.

In the case of Vietnam, the dollar value of Public Law 480 assistance increased while the quantity of commodities declined from 1972 to 1973 and again in 1974.

Objections to Public Law 480 were raised and the 10 percent limitation was included in the House bill because they said that military assistance was provided through this program. Actually this is legislation in an appropriation bill, and the place to have this provision is not in this bill, but rather an authorization bill.

Let me say that section 40 of the Foreign Assistance Act of 1973 specifically prohibits continued expenditure of counterpart currency for common defense purposes unless authorized by law. So here we have a provision already barring us from using counterpart funds for military purposes. The State Department and U.S. AID are complying with this prohibition and have ceased such use of counterpart funds.

Of course, we know South Vietnam and Cambodia have war economies.

So any economic aid directly or indirectly increases their military capacity. With the section 40 provisions, however, direct expenditures for military purposes are prohibited and no longer may be applied against the loans granted these countries.

It must be noted that the food commodities provided through title I do feed the needy people of those countries, and should these shipments cease, people, especially in Cambodia, would go hungry, if not starve.

I want to say in the years 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971 and 1972, India got more than 10 percent of the title I funds.

Pakistan in 1968, in 1969, 1970, 1971, 1973 and 1974 got more than 10 percent.

Israel in 1969, 1970, 1971, 1973 and 1974 got more than 10 percent.

Korea in 1969, 1970, 1971, 1972, and 1973 got more than 10 percent.

Vietnam, under the heavy burden of war, got more than 10 percent in 1967, 1969, 1970, 1971, 1972, 1973, and 1974.

Cambodia got more than 10 percent in 1974.

Indonesia got more than 10 percent in 1969, 1970, 1971, 1972, and 1973.

Bangladesh got more than 10 percent in 1974.

This amendment, if passed, would restrict very severely what we could do to help these people who really need foodstuffs. We need to give some flexibility to the administration in working out this program. This provision which they have left in the bill which came from the House has been debated by those who are against it and by those who are for it. It came out as a compromise. We feel that this is a workable compromise and should be kept in this bill, and not be further amended.

The PRESIDING OFFICER. Who yields time?

Mr. HUGHES. Mr. President, I yield myself whatever time I may need for a conclusion.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HUGHES. Mr. President, it is not my intention to make a long statement on this amendment. I would like to point out, in sur rebuttal, that the only countries affected by this 10 percent restriction are Vietnam, Korea, Indonesia—all countries with which we have strong military ties. There are no sales to India in this bill. If there are real emergencies we can always grant title II commodities.

Mr. President, I understand that the art of legislating is the art of compromise. In talking to the distinguished chairman of the subcommittee, I learned of the compromise efforts made to preserve in this bill a 10-percent restriction on the $425 million. I want to compliment the chairman and the subcommittee for having achieved this legislation, which I think is a very significant step in the right direction.

It is simply the feeling of the Senator from Iowa that a vote ought to be had on this matter as quickly as we can on the floor of the Senate.

I have no intention of delaying the vote on the matter, or belaboring the debate.

I am happy with the efforts of the chairman at compromise, recognizing this can be a major step in the right direction and probably would be upheld in conference with the House. I am pleased with all they have done, but it is simply a personal desire that the Senate should have an opportunity to vote if they desire.

I do not make this argument out of an act of displeasure, but simply to have the Senate vote, if they so desire.

I also appreciate the Senator's parliamentary step in relation to the question, but as a friendly gesture, and not an offensive gesture, Mr. President, I would propound a parliamentary inquiry in relationship to this amendment.

I believe the chairman already asked unanimous consent for the yeas and nays, for an up-and-down vote?

The PRESIDING OFFICER. That is correct.

Mr. HUGHES. The procedure presently on a tabling motion, then, would be what?

The PRESIDING OFFICER. If a motion to table were made, the yeas and nays could be requested on that.

Mr. HUGHES. Pardon?

The PRESIDING OFFICER. If a motion to table were made, the yeas and nays of course could be requested on that.

Mr. HUGHES. The tabling motion would take precedence over the already ordered yeas and nays on an up-and-down vote?

The PRESIDING OFFICER. That is correct.

Mr. HUGHES. I would like to request——

Mr. McGEE. Would the Senator yield?

There would still have to be an additional request on the yeas and nays on tabling?

The PRESIDING OFFICER. That is correct.

Mr. HUGHES. Mr. President, I would like to assert myself ahead of time. There is not a sufficient number of Senators in the Chamber. I would like to ask for the yeas and nays on the tabling motion to be made which, I understand, according to the previous agreement, would follow back to back with other votes that will begin at 3:30 p.m. Is that correct?

The PRESIDING OFFICER. Does the Senator ask unanimous consent that it be in order to ask for the yeas and nays on the motion to table in the event the motion is made?

Mr. HUGHES. If that is what the Senator from Iowa has to do, yes, that is what I request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator may now ask for the yeas and nays.

Mr. HUGHES. I assume the tabling motion has to be made first, does it not?

Mr. McGEE. Mr. President, will the Senator yield?

Mr. HUGHES. I yield.

Mr. McGEE. I thought the unanimous consent was that the Senator might ask for the yeas and nays on a tabling motion, if made.

The PRESIDING OFFICER. The Senator is correct.

Mr. McGEE. And that was granted. Therefore, it would be in order. Would the Senator like to ask for it now? I will ask for it.

Mr. HUGHES. Mr. President, ask for the yeas and nays on the tabling motion, if it is made.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second. The yeas and nays are not ordered.

Mr. McCLELLAN. Mr. President, this amendment in effect says that because its proponents do not like the present government of Cambodia and South Vietnam, that they are perfectly willing for the citizens of those countries to starve. This amendment, of course, does not mention these countries but we all know that their citizens are the ones who will suffer if this amendment is adopted and enacted into law. Of course, this amendment is not limited to these two countries, although I believe it to be specifically aimed at them. In fact, it is proposed to place the United States in a situation whereby it cannot aid the starving citizens of a country if an agricultural disaster occurs of the magnitude to require food shipments in excess of 10 percent of the funds available under title I of the Public Law 480 program. Indonesia and Korea will possibly be affected in fiscal year 1975 as well as Cambodia and South Vietnam.

Mr. President, a number of countries are faced with a threat of famine. I do not believe that we should unduly limit our authority and flexibility to provide humanitarian assistance where we have the capacity and there are those who are, or will be, in dire need of our surplus food. It is also possible that should another drought such as occurred in the 1930's strike the United States, that we could be in need of food imports. I do not like for this country to be on record in favor of unnecessary limitations on food shipments to other countries which are in dire need. I believe that the sponsor has not fully thought out the ramifications and consequences of the language that he proposes, for I know that

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he does not lack the basic humanitarianism which appears to be absent in his amendment.

In addition, all Senators who serve large agricultural populations know that there are times when we do have surplus foods which, if they are not disposed of on the world market, adversely affect the economic livelihood of those who grow the foods that could not be shipped under this amendment.

Mr. President, I urge the Members of this body to reject this amendment, and thus indicate that we are not lacking in humanitarianism; that we are not willing to turn our backs on the farmers of America; that we have no intention of either purposely or inadvertently disrupting further our agricultural economy. I hope the amendment will be rejected.

Mr. EAGLETON. Mr. President, I wish to express my support of the Hughes amendment broadening the coverage of the committee provision limiting title I food for peace expenditures to 10 percent for any one country. In my opinion, it was the clear intent of the House and the Agriculture Subcommittee, of which I am a member, to limit the expenditure of all title I money so that the distribution of this important humanitarian assistance program would be evenly divided among the most needy countries.

As has already been mentioned here today, the administration, although advising Congress last year that only $176 million in title I money would be expended for South Vietnam and $30.9 million for Cambodia, in fact spent $309 million in South Vietnam and $194 million in Cambodia. Those two nations, therefore, received over 50 percent of all title I money.

The House language adopted by the committee, however, does not place the 10 percent limitation on almost $300 million received in Public Law 480 repayments. If this loophole is not closed, the entire $300 million could be expended in any one country, despite the 10 percent limitation on newly appropriated money.

I am pleased, therefore, that the Senator from Iowa (Mr. HUGHES) has put forth language which will close this loophole. If Senator HUGHES' amendment is adopted no one country will receive more than 10 percent of the total of title I money, or $71.7 million.

Mr. President, the pressures of inflation require this Congress to take a number of actions to carefully control executive branch expenditures. The food for Peace program has been misused in recent years to provide backdoor funding for military purposes in Southeast Asia while other countries which have experienced more serious starvation problems have gone without. This amendment represents an important part of Congress overall effort to reassert control over the Federal budget; I urge its adoption; I shall vote "No" on the motion to table.

Mr. McGEE. Mr. President, I ask unanimous consent that I might proceed for the moment to a colloquy with the Senator from Maryland (Mr. BEALL) on another matter, not involving this question, without any penalty on this particular matter. Then we would seek to get a sufficient number of Senators in the Chamber to authorize the yeas and nays on a potential tabling motion, which I have no intention of abandoning, if the Senator has no intention of abandoning the amendment.

I think we are both on firm positions there.

Mr. HUGHES. The Senator is correct.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, will the Senator yield for a brief unanimous-consent request?

Mr. McGEE. I yield.

Mr. MUSKIE. Mr. President, I ask unanimous consent that Karl Braithwaite of the staff of the Committee on Public Works be allowed the privilege of the floor during all debate and votes on H.R. 15472.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, will the Senator yield to me for 5 minutes?

Mr. McGEE. I will have to find time to yield since we have run out of time on the bill. Does the Senator from Hawaii have time remaining?

Mr. FONG. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Chair is advised that both Senators have some time remaining.

Mr. McGEE. I have only 3 minutes remaining. That is why I was begging for some other allocation.

The PRESIDING OFFICER. The Senator from Hawaii has 41 minutes remaining.

Mr. FONG. Mr. President, how much time does the Senator request?

Mr. BEALL. Three minutes.

Mr. FONG. Mr. President, I yield 3 minutes to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. BEALL. Mr. President, on June 19, 1974, the Senate debated and passed H.R. 11105, amendments to the Older Americans Act. During that debate I offered an amendment adding two new subsections to section 707 which were designed to achieve two basic objectives. First, it would require that the U.S. Department of Agriculture, through its food commodity program, would establish a specific level of assistance for programs authorized under title VII. In this case, commodities equal to 10 cents per meal would be provided. This language parallels that of the existing school lunch program and the base amount will be adjusted to reflect changes in the Consumer Price Index on food. Second, because of previous difficulties which have been encountered with USDA regulations, my amendment specified that the Secretary of Agriculture, in cooperation with the Commission on Aging, must issue regulations governing the donation of such commodities within 90 days following the enactment of that legislation.

Mr. President, the House of Representatives approved my amendment on June 26, 1974 and the Senate completed the legislative process the following day. After this legislation was transmitted to the White House, I wrote to the President urging him to sign it into law. In my letter, I pointed out that—

> This legislation contains an amendment I offered coordinating the U.S.D.A. Commodity Program with the existing Title VII programs. The concept of comprehensive delivery of services has been an important objective of your administration, and one that I fully support.

President Nixon signed H.R. 11105 into law on July 12, 1974.

Mr. President, I ask unanimous consent that section 707 of Public Law 93–29, as amended by Public Law 93–351, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> "SEC. 707. (a) Agricultural commodities and products purchased by the Secretary of Agriculture under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) may be donated to a recipient of a grant or contract to be used for providing nutritional services in accordance with the provisions of this title.
>
> "(b) The Commodity Credit Corporation may dispose of food commodities under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) by donating them to a recipient of a grant or contract to be used for providing nutritional services in accordance with the provisions of this title.
>
> "(c) Dairy products purchased by the Secretary of Agriculture under section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a–1) may be used to meet the requirements of programs providing nutritional services in accordance with the provisions of this title."
>
> "(d) In donating commodities pursuant to this section, the Secretary of Agriculture shall maintain an annually programed level of assistance of not less than 10 cents per meal: *Provided*, That this amount shall be adjusted on an annual basis each fiscal year after June 30, 1975, to reflect changes in the series for food away from the home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent. Among the commodities delivered under this section, the Secretary shall give special emphasis to high protein foods, meats, and meat alternates. The Secretary of Agriculture in consultation with the Commissioner, is authorized to prescribe the terms and conditions respecting the donating of commodities pursuant to this section, and, within ninety days after the date of enactment of this subsection (d), the Secretary of Agriculture shall issue regulations governing the donation of such commodities.
>
> "(e) The Secretary of Agriculture in consultation with the Commissioner shall, within ninety days after the date of enactment of this subsection, issue regulations clarifying the use of food stamps under this title.".

Mr. BEALL. Mr. President, section 707 of the Older Americans Act authorizes the Secretary of Agriculture to provide commodities and products under the provisions of section 32 of the act of August 24, 1935 (7 U.S.C. 612c). H.R. 14572 does not contain a specific appropriation for funding the section 32 program. It is my understanding that funds for this program are drawn from a quasi-trust fund arrangement involving customs duties and I have been assured that the mandatory language used in my amendment which is now section 5 of Public Law 93-351 is sufficient to insure

USDA's participation in this program at the authorized level. As a point of clarification the title VII programs are currently providing slightly over 200,000 meals per day—5 days a week—or 52 million meals per year. This would translate into a commodity commitment on the part of the USDA of approximately $5.2 million.

Mr. President, the President's fiscal year 1975 budget requests $99.6 million for title VII which is identical to the amount of money that was obligated in fiscal years 1973 and 1974. Since the authorization levels increased significantly under the provisions of Public Law 93-351 I have compiled some data which would show the number of meals per day and the USDA commodity contribution if title VII was fully funded. If full funding is achieved in fiscal year 1975—$150 million—it is estimated that between 275,000 and 319,000 meals could be served per day—5 days a week. Working from these estimates the USDA commitment could range from about $7.15 to $8.3 million.

My question to the distinguished chairman and/or ranking minority member of the Appropriation Committee's Subcommittee on Agriculture, Environmental, and Consumer protection is simply this, am I correct in assuming that sufficient funds are available under section 32 to fully and completely implement the provisions contained in section 5 of Public Law 93-351?

Mr. McGEE. It is my understanding that there are sufficient funds now in view of the action that this body took earlier this afternoon. We had additional section 32 funds made available, $100 million made available. Under the amendment that we added to the bill earlier today, there will be funds sufficient to meet the mandates of the program. The Department will probably have to request, early in the fall, a supplemental appropriation to meet any further demand. However, the current, ongoing demands can be met under the funds that we made available today.

Mr. FONG. Will the gentleman yield?

Mr. McGEE. I will be glad to yield.

Mr. FONG. We reduced the transfers from section 32 funds by $100 million this morning. Therefore, those funds are available.

Mr. BEALL. So it is the Senator's opinion that there will be money available to provide the payments called for in this particular section?

Mr. McGEE. Would the Senator restate the first part of his inquiry?

Mr. BEALL. I reiterate that it is my understanding that there will be funds available.

Mr. McGEE. $100 million is guaranteed. It will not go on forever. That is why the supplemental will be required.

Mr. BEALL. But as of now, it will be enough to meet the requirement?

Mr. McGEE. As of now, yes.

Mr. BEALL. I thank the ranking member of the subcommittee for that assurance.

Mr. McGEE. Mr. President, we wanted the yeas and nays for the Senator from Iowa on the proposed motion to table. We have a unanimous-consent agreement to get the yeas and the nays on that basis. I call for them at this time.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. McGEE. Mr. President, I suggest the absence of a quorum, the time not to be taken from either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask for the yeas and nays on the proposed——

The PRESIDING OFFICER. There is a quorum call in progress.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, I now call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. McGEE. I yield to the Senator from Alaska.

Mr. STEVENS. Mr. President, I have an amendment which I believe the committee will accept.

Mr. McGEE. Mr. President, it is a language amendment that the committee can accept without debate.

The PRESIDING OFFICER. Is the Chair being asked to rule that the Hughes amendment be set aside temporarily?

Mr. STEVENS. I ask that the Hughes amendment be set aside temporarily and we proceed to the consideration of my amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered. The clerk will read the amendment.

The assistant legislative clerk read the amendment as follows:

> On page 45, line 22, insert the following: after the figure "$2,500" add the words "however the limit for an individual participant in the State of Alaska shall be $3,500."

Mr. STEVENS. Mr. President, I yield myself such time as I may need. I have discussed this amendment with the committee and with the ranking minority member.

Mr. President, today I am offering an amendment to the 1975 agriculture appropriations bill that would raise the maximum cost-share limitation under the RECP for practices in Alaska to $3,500. I view this as necessary in light of the higher costs to conduct conservation practices in Alaska.

Currently, farmers in my State are paying $280 a ton for fertilizer. A ton of fertilizer will fertilize approximately 5 acres of land in Alaska. I mention this because the most utilized RECP practice in Alaska is grass seeding, which in most areas of the State requires the use of fertilizer.

Under the grass seeding practice, the State committee can provide 75 percent of the cost. In Alaska, grass seeding costs an average of $132 per acre. The State committee can cost-share 75 percent of this amount or $99. At a cost-share of $99 per acre, the Alaskan farmer can only seed 25 acres per year because of the $2,500 limitation. With an additional $1,000 he could seed 35 acres, or 40 percent more land each year.

The second most utilized conservation practice in Alaska is improving rural land resources, which constitutes land clearing and preparation for farming. This is a special practice so State committee assistance can only be provided at 50 percent of the cost. Currently it costs the Alaskan farmer $150 to clear 1 acre of land for farming. This figure does not really reflect the true cost, as most farmers in the State currently use equipment provided by the University of Alaska at a cost of $23 per hour. The university has limited equipment so this in term greatly restricts the amount of land that can be cleared at the cost of $150 per acre. If the farmer uses equipment rented from other sources, he will pay as much as $200 per hour rent.

Under the State committee assistance, the Alaskan farmer can now receive $75 per acre for improving rural land resources. Under the $2,500 limitation, this would enable the farmer to clear 33 acres of land utilizing equipment rented from the University of Alaska. The additional $1,000 would allow him to clear approximately 47 acres.

This is an important practice in Alaska because so much agriculture land remains to be cleared. RECP assistance is necessary not only because of the high cost of clearing land in Alaska, but also to assure that this land is cleared in an environmentally acceptable manner.

Ultimately, I would hope the Congress would remove the limitation on the amount available to the farmer for conservation practice. This limitation in no way reflects present costs in Alaska, or for that matter, the other 49 States.

The initial impact of the Trans-Alaska pipeline on the RECP program in Alaska has been quite severe, and is going to become more excessive in the future. The recommendations of the State committee to me were that the $2,500 maximum cost-share limitation be removed and the group in Alaska was unanimous in the opinion that where the conservation needs exist they cannot be met within the present limiting factor of the $2,500 limitation.

They recommend that if it is not deleted, this amount be raised to a more realistic amount.

I had originally intended to ask for a higher level, but the committee has indicated to me they are willing to accept a modest increase of $500 limitation for Alaska for the coming year. I am grateful to them for their consideration. I have modified my amendment to increase the limitation in Alaska to $3,000.

I am prepared to yield back the remainder of my time whenever the committee is ready to yield back its time.

The PRESIDING OFFICER. Does the Senator from Wyoming yield back his time?

Mr. McGEE. I yield back the remainder of my time.

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Mr. FONG. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. FONG. I yield 5 minutes to the Senator from Maine.

Mr. MUSKIE. Mr. President, I want to take this opportunity to compliment the Senate Appropriations Subcommittee on Agriculture, Environmental, and Consumer Protection. The members have produced a bill which shows once again that they are more sensitive to the environmental needs of the Nation than is the President and Office of Management and Budget.

Senator McGee has long been a leader in environmental concerns, and his contribution is once again apparent. This, of course, could not be done without the assistance and support of the ranking Republican of the subcommittee, Senator Fong. They and the members of their subcommittee deserve great credit for the work they have done.

The Clean Air Act and the Federal Water Pollution Control Act represent very significant attempts to achieve and maintain environmental quality in this Nation. They are regulatory statutes. They are accompanied by criminal sanctions. There is no disagreement that they have significant impact.

Senator John Sherman Cooper, then ranking member of the Committee on Public Works, observed on the Senate passage of the Clean Air Act:

> I would go further to say that it may have a larger impact upon the social and economic life and health of this nation than any bill I have observed during my service in the Senate.

The Water Pollution Control Act was no less significant. As important as are these two bills, and the activities they are designed to support, we nevertheless continue to witness short funding on the part of the executive branch and the appropriation process of the Congress. This inadequate funding has seriously impaired the effectiveness of these two laws.

The needs of the Nation in environmental matters are great. Over the last few years Congress has substantially increased the environmental programs of the Federal Government. This has been based on the public outcry against environmental degradation and insistence upon actions that protect the environment from damage. The new laws we have enacted increase the responsibilities of the Federal Government, State government, and local governments. In order to match the commitments we have made, adequate funds to carry out the mandates of these laws are essential.

Within the limits of our present budgetary system, Senator McGee's subcommittee has produced important increases in funding for essential activities of the Environmental Protection Agency. But in a different context—the context of what is really needed to do the job, not what is feasible within the President's restricted budget—in that context, the bill before us is still inadequate.

The President has never based his requests on the actual needs of the Clean Air Act, the Federal Water Pollution Control Act, and other environmental laws. He has simply doled out small amounts of funds to keep these laws from starvation. That must be changed, and it is my hope that the newly enacted congressional budget reform procedure will go a great distance in upgrading this process.

Senator McGee and his subcommittee of the Senate Appropriations Committee have worked with me, my subcommittee, and staff to coordinate the yearly appropriations for EPA with the basic authorizations. I applaud Senator McGee for this activity. And I do so in the context of very serious questions raised in the report of the House Appropriations Committee.

I would like to comment on some of the language contained in the House appropriations report. I believe it seriously misconstrues the intent of environmental laws that have been enacted by Congress, and distorts the roles assigned to standing legislative committees under the rules of both Houses.

Specifically, Mr. President, I would like to draw the attention of the Senate to language in the House report. I will seek the views of Senator McGee on this language.

On page 14 of the House Report 93-1120, the House committee directs the Environmental Protection Agency to submit to the House Committee on Appropriations a report on the environmental quality standards established under the Clean Air Act and the Federal Water Pollution Control Act. The report is requested so that the Committee on Appropriations can, in its words—

> Determine whether or not funds should be appropriated to implement these laws and/or regulations.

Mr. President, that represents a serious attack on the character of the activity conducted by standing legislative committees, activity related to both the enactment of laws and correlative oversight responsibilities.

I would like to point out that my Subcommittee on Environmental Pollution has conducted dozens of days of oversight hearings in the years since the enactment of the Clean Air Act in 1970. These include field hearings and continuous investigative activities involving the implementing agency, the States, and the cities as they implement this act. Similarly, since the Federal Water Pollution Control Act was enacted over the President's veto in 1972, my subcommittee has reviewed continuously the Agency's implementation.

The structure of the laws and the regulations established under those laws is the responsibility of the legislative committees of Congress. It is no more proper for an appropriations committee to use the leverage of the dollar to amend substantive requirements of organic statutes than it is for the Office of Management and Budget—especially regulatory statutes which carry civil and criminal sanctions for noncompliance.

I should like to point out that the standards which the House of Appropriations Committee wants reviewed were promulgated pursuant to the administrative procedures spelled out in the air and water laws. Those promulgations are then subject to specific judicial review provisions for determination of consistency with the law. In fact, in many instances EPA rules have been subject to judicial review, including two cases which have already reached the Supreme Court.

This is the normal way our legislative, judicial, and executive branches interplay, it is the proper way. To inject the appropriations process in the implementation of substantive regulatory law is improper.

At another point in its report the House committee attempts to interpret the legal character of Federal pollution control requirements under the Clean Air Act and Water Pollution Control Act. Specifically, the House committee attempts to interpret national environmental standards as maximum levels of control rather than as minimum levels. Mr. President, these matters have long been the subject of discussion within the Committee on Public Works and the Subcommittee on Environmental Pollution as it has developed Federal pollution control statutes.

I can report to you that the two acts have resolved the question of whether Federal standards represent minimums and in every instance, except for specific exceptions for such things as the mobile source/automobile provisions and the aircraft emission standards under the Clean Air Act, the States are specifically provided with authority to establish more restrictive environmental standards than Federal standards.

In many instances the States are, in fact, encouraged to at least consider standards more restrictive than the Federal standards. This authority is authority which the States have requested. We have honored that request. The interpretation rendered by the House Appropriations Committee in its report is directly contrary to these provisions of law and can only serve to obfuscate matters. They can serve no useful purpose, and are likely to increase the divisiveness and controversy that surrounds implementation of provisions to protect the quality of the environment of the American people. That can hardly satisfy any objective of the House committee.

Senator McGee and I and the members of our two committees and staffs have worked closely together to apprise each other of information drawn from carrying out our respective responsibilities. In this manner the legislative committee is able to inform the Appropriations Committee of the areas where the agency is in greatest need of appropriation assistance and the Appropriations Committee is able to advise the legislative committee of those areas in which the agency is spending moneys in the most effective manner. This is the relationship between appropriation and legislative activities that underlies the rules of the Senate and House of Representatives.

We must seek to protect the distinction between the two committees, and I am glad that Senator McGee has sought to clarify the nature of the appropriation process relative to the substantive requirements of EPA. Certainly the interpretations of the Clean Air Act and contained in the House report carry no basis in law.

I would like to comment upon some of the appropriation increases and other actions taken by the Senate Appropriations Committee. These actions are sound improvements in the bill and its legislative history.

One of the more serious limitations placed on the implementation of environmental laws has been the imposition of manpower ceilings on the Environmental Protection Agency. At the present time the limitation on the Agency is 9,200 personnel. Yet, every time my committee reviews the performance of the agency in a particular area, the standard refrain is that EPA lacks the manpower and resources to carry out the acts as they were intended to be carried out. Consequently, we do not see regulations and investigations on vinyl chloride or sulfates in air pollution control because of the failure to apply sufficient manpower to perform the work necessary to protect the American people from direct health hazards.

The bill that is presently before the Senate as a result of Senator McGee's efforts carries additional manpower provisions. I cannot understate the importance of providing this additional manpower to the Environmental Protection Agency. For instance July 1, 1974, marks the date upon which unleaded gasoline had to be available nationwide for use in model year 1975 cars which will be sold this fall. In order to assure that the regulatory aspects of this program are conducted properly, it is necessary to provide EPA with at least 50 additional personnel to supervise this program.

One of the most significant results of the research to date on catalytic converters and other sources of air emissions resulting from the combustion of fossil fuel is the threat to health presented by sulfates which could result from these emission sources. The evidence is sufficient to establish that sulfates are a health hazard and it is probable that sulfates should be the subject of a primary national ambient air quality standard necessary to protect public health. Yet, the agency has insufficient manpower and resources to carry out this activity. I recommended increases here when I testified before the subcommittee, and I am happy to see that the bill before us would apply 25 additional people to this area of activity from the increased energy funds appropriated.

I am sure all Senators have read recently of the carcinogenic hazards of vinyl chloride. In part because of manpower limitations, the Agency was forced to seek voluntary compliance in the reduction of emissions of this substance. Voluntary compliance was sought because EPA was unable to give sufficient attention to the research and development aspects of vinyl chloride. Additional manpower is necessary and should be assigned from increased manpower provided in this bill.

The entire air pollution control program rests on the quality of the monitoring system established by EPA and the States. The present monitoring program is not sufficient to support the regulatory program in a manner that the American people should expect. Part of this insufficiency is the result of inadequate manpower. As a result of the consultation between my subcommittee and Senator McGee's subcommittee, the bill before us would add 40 additional persons in the Environmental Protection Agency to carry out this activity.

The water pollution control program is no less hindered than the air pollution control program. Many people are dependent upon EPA action and decisions in the conduct of their business and in the conduct of municipal administration. Permit processing, construction grant processing, and monitoring are all prerequisites to effective water pollution control programs. These, however, are all constrained by failure of the administration to apply sufficient personnel to carry out these activities effectively. The bill before us would allot 150 additional people to this activity.

Congress cannot enact important regulatory legislation if it is not prepared to attach to that regulatory legislation the necessary resources which are required to execute that authority. Manpower is a significant component of these resources. It is absolutely essential that the Agency be properly staffed to carry out its very important responsibilities.

The Senate committee has recommended $176.7 million for research and development for EPA. Both the Senate and the House committee recommendations are almost $10 million over the President's budget request in this area. In addition, there are funds in the energy portion of EPA's budget for health effects research. As I have mentioned, one of the key areas for the use of both of these categories of funds is in the development of a national ambient air quality standard for sulfates.

The Senate committee has also increased funds for grants to States under air and water programs. This $12.5 million increase in each of these categories will help to provide badly needed manpower additions in State programs. This action directly negates the suggestion of the Office of Management and Budget to phase out grants to States for pollution control programs, but it is consistent with a recently reported recommendation of the EPA Administrator to maintain Federal support grants.

As I noted in my testimony before the Senate Appropriation's subcommittee, I became aware earlier this year of a letter by Fred Malek of the Office of Management and Budget to Russell Train dated February 4, 1974, indicating that the Agency must phase out its aid to State programs.

This was a very irresponsible suggestion and one that has met almost unanimous opposition throughout the States and in Congress. I hope the action of the Senate committee, which I believe will be approved by the conference committee, will finally lay to rest any attempt by the Office of Management and Budget to restrict these programs. Instead, States must be given further assistance. I compliment Senator McGee and his subcommittee for the action taken in this area.

Mr. President, the money we allocate to Federal programs often is the best test of our commitment. In Congress, we have made a substantial commitment to environmental protection programs. The budgetary resources have not yet closed the gap between the commitments in our laws and the funding needed to support those commitments. I again compliment the Senator from Wyoming for the diligence and sensitivity he has shown in this area. I urge my colleagues to support this bill.

First of all, on behalf of myself and the distinguished chairman of the Committee on Public Works, Senator Randolph, and the committee, I want to take this opportunity to compliment the Senate Appropriations subcommittee. The members have produced a bill which shows, once again, that they are more sensitive to the environmental needs of the Nation than is the President and the Office of Management and Budget. Senator McGee has long been a leader in environmental concerns, and his contribution is once again apparent. This, of course, could not be done without the assistance and support of the ranking Republican of the subcommittee, Senator Fong. They and the members of their subcommittee deserve great credit for the work they have done, and I express my appreciation.

I wish to focus, Mr. President, on two questions related to this bill and the House committee report, which I have discussed in advance with Senator McGee, and which narrows the issue to a point that I think needs to be covered on the floor of the Senate. I would like to address that question to Senator McGee concerning his views of the House language on page 14 of the House report, which attempts to require that the Environmental Protection Agency submit the report described by the House committee. Is the Senator satisfied with the oversight responsibility conducted by the legislative committee, in this case the Senate Subcommittee on Environmental Pollution, and the materials and information which have been generated pursuant to that activity?

Mr. McGEE. I say to the distinguished Senator from Maine, who has been literally a pioneer in this body in this exciting, very difficult, and complex new area, that his activities as chairman of that subcommittee in the past year have been exceedingly astute and sharp and on target.

I want to say, also, that he has made it a special point to stay in touch with the Appropriations Committee at all points along the line. It would be my judgment that he had, in a very commendable way, lived up to the oversight responsibilities with which his committee is burdened.

Mr. MUSKIE. I thank the distinguished Senator.

May I at this point take the opportunity to express my regret to Senator

FONG for one occasion earlier this year when communications did break down. It was probably as much my responsibility as his, and it led to what I have come to regard as an unfortunate incident on the floor of the Senate. The issue was resolved in the way I wanted it resolved, but that is not the point. I should like to make clear this afternoon my appreciation of what I think is a harmonious and constructive rapport between the subcommittee headed by these two distinguished Senators and my own.

Mr. FONG. Mr. President, the matter has been resolved, and we are working together very cooperatively.

Mr. McGEE. I would hope that the record would show that that was a breakdown in communications that had no relation to the Post Office Department. It is refreshing to find that here is one item, at least, that we cannot blame on the Postal Service.

Mr. MUSKIE. I thank the two distinguished Senators.

I now come to my other question. I should like to point out that the standards which the House Appropriations Committee wants reviewed were promulgated pursuant to the administrative procedures spelled out in the air and water laws. Those promulgations are then subject to specific judicial review provisions for determination of consistency with the law. In fact, in many instances EPA rules have been subject to judicial review, including two cases which have already reached the Supreme Court.

This is the normal legislative, judicial, and executive branches interplay; it is the proper way. To inject the appropriations process in the implementation of substantive regulatory law is improper, in my judgment. Does the Senator from Wyoming agree?

Mr. McGEE. Yes. It is the Senator from Wyoming's judgment that that is a correct and proper and important phrasing of the position. The appropriating process, as the Senator from Wyoming envisages it, is to allocate the funds and to that extent has discretion in terms of the total amount, but it does not involve the basic prerogative of authorizing, by withholding or in some other devious manner. Although, that question, I am sure, was beaten around rather badly during the earlier debates on the war question and that sort of thing, when everyone kept saying, "You have the appropriating process and you can cut off the funds." But if we had cut off all funds, it would have been, in effect, legislating then.

As the Senator appreciates, historically, it is a tough question. It is particularly tough when one is developing important new areas of crisis decisions. Certainly, one of those important areas is in the whole new spectrum of the environment and the consequence of its neglect. That is why it is very necessary that we spell out legislative intent and the procedure here, so that we do not forfeit the horrendous implications of the neglect otherwise of the environmental question.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. MUSKIE. I thank the Senator.

Mr. President, will the Senator yield me 30 seconds?

Mr. McGEE. I yield 30 seconds from the time of the Senator from Hawaii.

Mr. FONG. Yes.

Mr. McGEE. I still have some time.

Mr. MUSKIE. Mr. President, I have undertaken to identify the positive contributions which the Senator's subcommittee has made to enhance the appropriations available to the Environmental Protection Agency, to enable them to achieve their objectives. I wanted to do that in order to highlight the contribution made by the subcommittee to the important work of the Environmental Protection Agency. I again express my personal appreciation.

NECESSARY FUNDING OF ENVIRONMENTAL PROGRAMS NECESSARY FOR STRENGTHENING OF AMERICA AND WELL-BEING OF PEOPLE

Mr. RANDOLPH. Mr. President, for more than a decade the Committee on Public Works has been actively involved in developing a body of legislation to protect the environmental strength of the world in which we live.

During that period government at the Federal, State, and local levels have instituted programs for increasing effectiveness to reverse historic practices of environmental degradation.

Substantial starts have been made in ending the contamination of our air and water. It is a monumental undertaking, because for years we concentrated on building a strong and varied economy from the once abundant resources of the New World. Now we must atone for past abuses and the cost in monetary terms is high.

The bill we consider today provides Federal financing for environmental programs in the year ahead. The Appropriations Subcommittee chaired by the able Senator from Wyoming (Mr. McGEE) has realistically considered our national needs in the environmental field. Under the concerned leadership of Senator McCLELLAN, the full committee reported to the Senate a measure that will permit continued progress in reducing pollution.

As chairman of the Committee on Public Works, the authorizing committee for environmental legislation, I am appreciative of the cooperative relationship that has been developed between our two committees. In recent years, the Committee on Public Works has examined the budgetary requests of the Environmental Protection Agency in the context of our familiarity with the Agency's programs. In that manner we are able to supplement the Appropriations Committee's evaluation of the administration's proposals for funding environmental programs. Our interlocking consideration of this important Federal activity is, I believe, an outstanding instance of effective committee cooperation.

Mr. President, I have mentioned our ongoing programs of air and water pollution control. Both of these require substantial funding, but they are producing positive results.

The Committee on Public Works is now developing major new legislation in the solid waste field. Our efforts in this critical field have heretofore been concentrated mainly in research and development and demonstration programs. It is time now to move into a massive and sustained attack on the growing solid waste production of our country. The technology exists to recover and reuse many millions of tons of useful materials that are discarded every year.

Our committee's panel on materials policy, which I chair, last week completed 7 days of hearings on pending solid waste proposals. We will soon begin writing a bill which I hope can be reported to the Senate and enacted without delay. I anticipate that within the next year we will be initiating another important environmental program that will require the support of the Federal Government as well as the commitment of Federal funds.

Mr. President, the chairman of our Subcommittee on Environmental Pollution, Mr. MUSKIE, has spoken today on the legislation before the Senate. Senator MUSKIE is intimately acquainted with the programs for which funding is provided in this measure. His leadership in environmental matters has been invaluable to our work.

Mr. President, a major governmental transition has taken place in the past 5 years. From a perepheral concern, environmental protection has become a prominent and permanent concern of the Federal Government. This development was not imposed on the people from above. Instead, it reflects the intense desire of our citizens to have clean air, pure water, and a countryside unlittered by the discards of the affluent society.

Without votes today, the Senate can again endorse its commitment to these purposes, and I urge the passage of this bill.

The PRESIDING OFFICER (Mr. STEVENS). Who yields time?

Mr. McGEE. Mr. President, I yield to a distinguished member of the Agriculture Appropriations Subcommittee, a man whose leadership has been written into innumerable chapters of the agricultural history in this body, the Senator from Mississippi.

Mr. STENNIS. I thank the Senator from Wyoming.

Mr. President, I want to compliment and thank the Senator from Wyoming and the Senator from Hawaii—I am sure they were assisted by other members of our subcommittee—for the excellent job they have done, for the considerate judgment they have shown, and for the long hearings and tedious work involved in this matter.

This is a very difficult bill. I have been on the subcommittee a long time, but I did not have an opportunity to make a contribution this year. Added problems have come in through the door of the environmental program, and the committee has handled those matters splendidly.

I want to thank them on behalf of the agricultural areas of the Nation, especially. Matters far beyond the immediate interests of their own States have received utmost consideration and judgment on the merits, the same as other areas in which they are more directly concerned. That is what I call not just service but statesmanship.

I thank both Senators.

Mr. McGEE. Mr. President, for a statesmanlike comment such as that, I am glad to have that time taken out of my time. [Laughter.]

Mr. HELMS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. Does the Senator ask that it be in order to consider this amendment at this time? Unanimous consent is required in order to do so.

Mr. HELMS. I make such a request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

On page 53, line 6, after "as amended:", insert the following:

"*Provided further*, That no part of the funds appropriated by this Act shall be used during the fiscal year ending June 30, 1975, to make food stamps available for the duration of a strike to a household while its principal wage earner is, on account of a labor dispute to which he is a party or to which a labor organization of which he is a member is a party, on strike: *Provided*, That such ineligibility shall not apply to any household that was eligible for and participating in the food stamp program immediately prior to the start of such strike dispute, or other similar action in which any member of such household engages: *Provided further*, That such ineligibility shall not apply to any household if any of its members is subject to an employer's lockout.".

Mr. HELMS. Mr. President, I offer this amendment again, fully aware that labor union lobbyists will fall all over themselves to prevent its being approved by the Senate. Still, I think it is important that Senators go on record, as often as may be possible, on a very fundamental question: Should the taxpayers of America be required to subsidize able-bodied people who simply choose not to work—who choose, instead, to walk off their jobs?

I have submitted this amendment several times before. I will continue to submit it until—one day, I hope—it is approved, however many times that may require. There is a principle at stake here that deserves better than to be dismissed in a cavalier fashion.

This amendment would prohibit the distribution of food stamps to strikers. In submitting this amendment, I reject the argument that is always advanced by labor union lobbyists. They cry that to cut off food stamps to strikers is an act designed to deprive union members the right to strike.

That is an absurd argument, Mr. President. Nobody is deprived of his right to strike. But strikers ought to be accountable for their own decision to strike. They pay dues to their labor unions presumably for the purpose of sustaining them when they do strike. If their dues money is used for other purposes—such as financing political campaigns of Senators and Congressmen, or to pay six-digit salaries to top union officials—then it is up to the union members to decide whether they are getting their money's worth. But let it not be said that other Americans, who do not walk off thier jobs, ought to be required to finance anybody's decision to go on strike.

If we are going to talk about "rights," Mr. President, let us talk about the rights of the vast majority of Americans to be relieved of the burden of financing one side of a labor dispute.

In that connection, Mr. President, I think it is important to note that in fiscal year 1973, $2,495,654,000 was appropriated for food stamps. In fiscal year 1974, $2,995,367,000 was appropriated for food stamps.

In this bill, there is almost exactly a $1 billion increase in appropriations for food stamps.

On page 53, line 3, we read that the proposed appropriation is $3,989,785,000 for food stamps alone.

I suppose that we shall see momentarily, as we always do, a motion to table this amendment. Senators may think they can hide behind that parliamentary device. But they ought to see the deluge of mail that comes to me from citizens who are fed up with this manifestation of the taxpayers' money being used to finance one side of a labor dispute.

This amendment was narrowly defeated in the House of Representatives, Mr. President, when the House passed the bill now before us (H.R. 15472). It goes without saying that I feel strongly that the Senate ought to mend its ways, and give some thought to this Federal expenditure that is both unwise and unjust. In this period of unprecedented inflation, I feel that we ought to stand up and be counted on the question of our accountability to the American people.

The food stamp program was established in 1964 to help provide an adequate diet for those Americans whose incomes are below the poverty level due to their inability to work. It has done a great deal for needy Americans, and I support its operation on behalf of the truly needy of our society—but only the truly needy who are unable to support themselves.

Congress included a work requirement in the Food Stamp Act which makes it plain that the congressional intent in designing the food stamp program was that it should not benefit those who refuse to work.

Congress has failed, however, specifically to prohibit employed workers, who qualify for the program only because of their participation in a strike, from receiving benefits under the program. The interests of the American consumer and taxpayer, and the maintenance of our system of free collective bargaining, demand that such a prohibition be established.

Free collective bargaining has been chosen by Congress as the system of labor-management negotiation best able to promote economic stability and avoid industrial strife. This system protects the rights and interests of workers, companies, and consumers. The imperative fundamental premise of free collective bargaining is absolute Government neutrality in the labor-management contest. While the Government acts to oversee and referee the process, the results of the contest are determined by the independent bargaining strengths of the parties.

Public assistance to either side in a labor dispute violates the concept of free collective bargaining and violates the rights of the opposing party. Public assistance in the form of the distribution of food stamps to strikers' households has the undeniable effect of giving a distinct economic advantage to the union in the collective bargaining contest.

The duration of strikes has increased significantly since the advent of welfare payments to strikers. To continue to make these payments will only fuel this trend, thus bringing more pressures on our already troubled economy and further undermining the principles of free collective bargaining which is so vital to the American free enterprise system.

In this era of perilous inflation, constantly rising taxes, and public discontent with the state of the economy, this committee should be particularly sensitive to the needs of the working American, who is both taxpayer and consumer. I believe this committee should respond to any opportunity to lighten the burdens of inflation and taxes and especially when this can be done without hardship to any legitimate recipient of Government services. Due to the average annual income and most union members and the strike benefits available from union funds, few strikers can plead that they are subjected to hardship through no fault of their own simply because they are denied food stamps to which they are not entitled.

The granting of welfare benefits to strikers deals a double blow to the taxpayer-consumer. Food stamp benefits allow workers to prolong strikes and drive up the costs of production, which are ultimately passed on to the consumer. Our current inflation has been made worse by subsidized, lengthy strikes, and the abnormally high settlements and decreased production of goods and services. By using tax dollars to subsidize strikers, the Government is increasing the consumer's tax burden while using his money to drive up the cost of the very goods and services he must buy.

Now is the time to break the vicious circle which penalizes every American taxpayer and consumer. By prohibiting the distribution of food stamps to strikers, Congress can reduce the cost of the program to the taxpayer and reduce the rate of inflation.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, I would simply say in regard to the distinguished Senator's proposed amendment that the committee's position is that it really does not belong here on this.

It has traditionally been the legislative committee's province or prerogative, and we have been up and down the hill on that in that committee. It was brought up in one reference in the course of our hearings and we had every assurance from those who testified whose job

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it is to carry out the provisions that they thought they had the legislative authorization, the mandate, to cover the weak spots, to cover the unexpected. Therefore, we felt on the committee that it did not belong in this kind of bill in this way.

I think the Senator appreciates that point. We disagree on the point, but that is the reason the committee did not proceed along that line at the time we were marking up the bill.

Mr. HELMS. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

Mr. HELMS. I suggest the absence of a quorum.

Mr. McGEE. How many are we short—two.

Mr. President, I suggest the absence of a quorum, the time not to be taken from either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. FONG. Mr. President, I yield 3 minutes to the distinguished Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, would the Senator yield me 4 minutes?

Mr. FONG. Four minutes.

Mr. HATFIELD. Mr. President, I rise in support of the amendment of Mr. HUGHES.

During recent weeks the Congress has become increasingly aware of the prostitution and politicalization of the so-called "Food for Peace" program. Specifically, almost half of the modest and shrinking surplus commodities under this program was diverted last fiscal year to support the war economies of South Vietnam and Cambodia, in heartless insensitivity to the threat of famine which grips much of the world. Further, those actions constituted a blatant attempt by the executive branch to nullify congressional action which placed limits on appropriations to the governments of those countries.

Last year, the Congress appropriated $450 million for "Indochina Reconstruction Assistance." The administration had requested $632 million; the Senate, following the recommendation of the Foreign Operations Subcommittee of the Appropriations Committee, appropriated $400 million, and the House appropriated $500 million; $450 million was the conference figure. Food for peace funds are appropriated separately, through the agriculture budget, and are not subject to country ceilings or limitations. There is nearly total flexibility on the part of the administration to change and divert these funds to different countries as they see fit. Thus, while the administration proposed fiscal year 1974 that $176 million would be made available in agricultural commodities for South Vietnam, and $30 million for Cambodia, by the year's end, they had allocated $268 million in loans to South Vietnam for the purchase of commodities, and $182 million to Cambodia. Thus, those two countries actually received $244 million more than was originally projected. So while it was the intent of Congress to cut appropriations for Indochina reconstruction by $182 million, from a proposed $632 to $450 million, the executive branch more than recompensated that reduction by this $244 million increase in "Food for Peace" commodities.

As a member of the Foreign Operations Subcommittee of the Senate Appropriations Committee, this is particularly distressing to me, for we struggled diligently to set certain congressional ceilings to Indochina reconstruction assistance, only to see them totally nullified by this action of the administration.

This action becomes particularly tragic when we realize how the countries of Indochina came to nearly monopolize our food for peace program. Title I food for peace funds were diverted in such added massive amounts to Indochina not primarily to meet the needs of its hungry people, but rather to generate an added source of revenue for the South Vietnamese Government to pay for its budget, which means in large measure to pay its army. The same holds true for Cambodia.

Consider these facts. While more than $450 million in food for peace funds was allocated to Indochina in fiscal year 1974, the Sahel region of Africa, where a quarter of a million have died of starvation and millions more suffer from severe malnutrition and are struggling to live, received only $77.6 million under the food for peace program, according to the last available estimates. Pakistan received only $38.1 million; Bangladesh received a mere $41.4 million, despite the severe malnutrition that continues to afflict millions of its young. And India, which alone has 20 times the population of South Vietnam and Cambodia, and which is faced with the threat of famine, received only $50.5 million.

In fact, the two continents of Africa and Latin America together, with a population of 550 million people, received an estimated total of $190.5 million under food for peace allocations, almost the same as that given to the one country of Cambodia, with a population of 7 million.

The priorities governing the food for peace program are clear: they are to support economies geared to war, rather than relieve famine and starvation. Almost half of last year's food for peace allocations turned out, in fact, to be food for war.

Let us not be ignorant of the need which is going unmet. Last March, I had the opportunity to visit with Mother Teresa in Calcutta, India, and see the work of her order among the starving and dying. Mother Teresa told me how the limited commodities she had been receiving under the Public Law 480 program were being decreased. Upon my return I investigated with AID and others as to the reason for this. This is what I was told. The shrinking surplus commodities, as well as inflation, were limiting the amount of food which could be distributed under title I, or given on loan terms under title I of Public Law 480. Thus, policy decisions had to be made over where these commodities should go. Guidelines were drawn up saying that such aid should not be given to the old and the dying, but rather to those programs working primarily with children, and providing for maternal care. But it is my understanding that such aid is not given to those who have survived the earliest years of childhood, but who are not yet old enough to enter the work force. In effect, we are helping children survive infancy only to cut them adrift to an uncertain fate; and we are also saying, "Let the old die; it's no use trying to help them."

One of Mother Teresa's main missions is to work with the elderly, and those near death, providing them with physical care and spiritual love. But the Public Law 480 commodities previously given to this work will have to cease because of the policy guidelines which I have mentioned. Further, a major aspect of Mother Teresa's programs is her work with lepers. But the same policies mentioned will deny food for peace commodities from going to these most needy people.

All this is the concrete result of prostituting the food for peace program into a funnel of U.S. funds to prop up the military-dominated budgets of South Vietnam and Cambodia.

There is one other aspect of the food for peace program that I find totally unbelievable. It was revealed recently that last year we sent about $25 million worth of tobacco to poor countries as part of our effort to provide food for world peace. The same amount will be given this year, according to projections and between $10 and $12 million will go as part of our food for peace assistance to South Vietnam. That should satisfy any remaining doubters who might still think that the food for peace program in Indochina has much of anything to do with providing food for the building of peace.

I am astounded to learn that our Government, which has found that cigarette smoking is hazardous to health, and has restrictions put on all advertising of tobacco, then uses taxpayers money to buy tobacco, store it, and ship it to other countries, giving low interest loans to support its purchase, all under the name of "food for peace."

Officials in the administration have referred to this policy of pushing tobacco to the poor of the world as a "morale-building" measure in war torn nations. All this is particularly pathetic in Indochina. How many people will there be of that area having escaped death or injury from the millions of tons of bombs we dropped, will now die an ironic, tragic death of cancer or heart disease contracted from our tobacco? To call such a policy "morale-building" is worse than any obscenity deleted from the White House tapes.

While we are pushing tobacco throughout the world, we in the Congress suddenly get self-righteous and think that we can tell another country, like Turkey, to stop growing its opium if it expects to receive our foreign aid. Now I do not mean to compare the deadly and hellish damage of drugs produced from opium with the destructive effects of tobacco. Further, given the options available at the time, I reluctantly voted for the proposal threatening to halt aid to Turkey.

Yet, there is a larger principle to be considered, and I am struck by the utter hypocrisy involved when our Nation pursues such policies. What gives us the right to think we can tell other countries what they should or should not do with their domestic agricultural products, while we peddle tobacco to the poor, and use our excess agricultural commodities to support war-economies, all in the fact of a world threatened by the specter of famine, and present starvation that claims at least 10,000 people each day?

How much food rich in protein could have been grown on that land which will provide the $25 million worth of tobacco we see fit to underwrite in distribution throughout the world?

I readily acknowledge that Congress must share the blame in this situation. We have given in to the self-serving manipulation of the tobacco industry and allowed a program designed to feed the hungry be used as a means to feed the coffers of this special interest group.

Modest attempts to reform the food for peace program have just barely begun in the Congress. I expect that the Senate, for instance, will adopt the House amendment to the agriculture appropriations bill stating that no more than 10 percent of Public Law 480 title I funds can go to any one country in fiscal year 1975. Yet, it is said that the administration has not ardently opposed this measure, because they still have the flexibility to get around its intent. Further, we are all aware of the long overdue stipulation, which took the effect beginning this fiscal year, that revenues generated from food for peace allotments in South Vietnam and Cambodia not be used directly for their domestic military purposes. Yet, reports have appeared stating that the intent of this law can and is being circumvented through various means. Thus, we have barely begun the task of directing this program in some measure back to its original purposes of providing food for peace.

Let me be candid. There is no problem faced by this world more likely to breed instability and conflict, and increase the magnitude of mankind's suffering in the years directly ahead of us, than the shortage of food.

International politics, relationships between the "super-powers" and the poor countries, the durability of political regimes, and the political character of nations, including our own, will be shaped by the growing scarcity of the world's basic resources, and especially food, more than by any of the other factors that have monopolized our attention.

To simply think that we can give out of our existing or future surpluses enough to meet this need is an illusion. Thus, the food for peace program, as currently structured, will never be adequate to meet world need, for it relies on agricultural surpluses which are rapidly shrinking. But at least we can restore a measure of integrity to this program. That would be a start.

The people of America have demonstrated that they will give out of their generosity to those who are in need. But what has disillusioned the Nation about our foreign aid program are the instances of compromise and manipulation which can eventually destroy the original ideals and purposes of these efforts. The history of our food for peace programs, and the examples I have just briefly outlined, is a prime cause of why Americans have been losing their belief in foreign aid.

In addition, there are thousands of people, both working for our Government and with voluntary agencies throughout the world, who have a sincere and total commitment to meeting human need. But the policies and decisions made at levels totally beyond their control can undermine and erode the quality of such individual humanitarianism. Corrupting the purposes of the food for peace program has its costs both in human lives throughout the world and in the equally incalcuable cost of mocking and destroying the force of humanitarianism and love. This is the resource—love for humanity—which is suffering the greatest shortage of all.

Who can take seriously the American commitment to alleviating world hunger when this program is being used for such goals as pushing tobacco abroad and propping up the military-dominated budgets of puppet regimes? Reconstructing the food for peace program so that it actually does give food is imperative if we are to have any moral credibility in the struggle against famine.

I ask unanimous consent to have printed in the RECORD an article entitled, "U.S. Sells Indochina Tobacco," written by Dan Morgan and published in the Washington Post of July 5, 1974; and an article entitled, "Cambodia Seen Shifting Funds," written by Philip McCombs, and an article entitled, "Program Under Fire on Hill," written by Dan Morgan, both articles published under the general heading, "Food for Peace—Or Is It Really for War?" in a recent issue of the Washington Post.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

UNITED STATES SELLS INDOCHINA TOBACCO

(By Dan Morgan)

Spurred by a powerful bloc of Southern congressmen, the U.S. government is planning to ship some $25 million worth of Tobacco to Vietnam, Cambodia and a number of poor countries as part of its "food aid" program in the coming year.

In justifying the deliveries of tobacco, which is used almost exclusively in the manufacture of cigarettes, administration officials cited the "morale building" factor in providing the commodity to war-torn nations.

However, sources in the Department of Agriculture who criticized the handling of the American food aid program described the tobacco shipments as a form of "security assistance" to Indochina.

These sources said the proceeds of the Vietnamese government's sales of the tobacco have been used mainly for "common defense purposes" in the past, and in this fiscal year, will go toward buttressing the country's war economy.

"Not only do we send guns to Indochina, we give them lung cancer to boot," said a congressional aide who became aware of the scope of the tobacco shipments on a recent tour of the area.

Virtually all the tobacco imported into Cambodia and Vietnam now goes through Title I of the Public Law 480 "food for peace" program, Agriculture Department officials said. Under this, foreign governments purchase the commodity at long low interest terms and sell it in their local economies.

In fiscal 1973, 8,428 tons of unmanufactured leaf tobacco were shipped to Vietnam under Title I, out of the 11,443-ton worldwide total, according to department figures. Cambodia received 571 tons. The amounts were 4,250 tons and 750 tons, respectively, in the July, 1973, to May, 1974, period.

Officials said worldwide shipments of tobacco under Title I ran about $25 million in the fiscal year just ended and "requirements for the coming year will be at that level." They predicted shipments to Vietnam of $10 million to $12 million.

Tobacco was included in the Public Law 480 program early in its 20-year history, at the urging of the powerful tobacco-state bloc in Congress. Moves to reduce its share of the program, which has varied from 2 to 5 per cent of the total, have consistently met with strong congressional opposition, Industry and legislative spokesmen indicated Monday that their enthusiasm for the program is undiminished.

"Public Law 480 has been kind to tobacco," said Rep. Walter B. Jones (D-N.C.). The program was "one way to assist farmers," he said and also aid the American balance of payments position.

Rep. Frank A. Stubblefield (D-Ky.), chairman of the tobacco subcommittee of the House Agriculture Committee, said the shipments are a "morale builder." He added that American farmers would be upset by any curtailment of the program.

Industry officials said that the congressional delegations of Kentucky, Tennessee, North and South Carolina, Virginia, Florida and Georgia were solidly behind the program.

"I don't know any senator or congressman from those districts that doesn't go down the line on the tobacco program," said Joseph Williams, president of Tobacco Associates, the Washington-based growers organization.

"If you're going to have a $500 million program, tobacco has a right to its fair share of it," he added. Tobacco is the country's fifth largest agricultural export product, accounting for nearly $1 billion annually in foreign sales. About a third of all domestically grown tobacco is exported.

Public Law 480 exports account for only a small percentage of the tobacco shipped abroad. However, according to Williams the program is essential if the industry is to recapture former commercial markets in Indochina and the Middle East, which were closed off by the war. "Without the government's help, we can't reestablish those markets," Williams said, noting that Egypt was once a $20 million-a-day U.S. tobacco market.

According to Agriculture officials, the Public Law 480 export program is important to growers of certain kinds of tobacco now in surplus because of worsening world trade barriers and declining cigarette use in the United States. The Agriculture Department estimates there are now some 75,000 tons of flu-cured tobacco in government storage, while government stockpiles of many key farm items like wheat are near zero.

In the last two weeks, critics of the administration's heavy allocations of Public Law 480 loans to Vietnam and Cambodia have charged that the food for peace program has been used to circumvent congressional limits on military and economic aid to Indochina. Half of all food aid loans went to these two countries last year.

It was learned this week that the Agency for International Development quietly began paying the ocean freight charges of the drastically increased food shipments to Cambodia last fall, to avoid overstraining that country's limited monetary reserves.

Cambodia is the only country in the program that doesn't pay the freight costs of such food. In 1974, the bill to the United States was $25 million. Agency officials predicted this week that if congressional efforts to curtail the Cambodian food aid program succeed, "Cambodia will collapse . . . you'd have real panic; the government would go under, in terms of reality and of the psychological effect."

FOOD FOR PEACE—OR IS IT REALLY FOR WAR?

CAMBODIA SEEN SHIFTING FUNDS

(By Philip McCombs)

PHNOM PENH.—Congressional efforts to prevent military use of funds generated by the Food for Peace program apparently are being frustrated by some ingenious bookkeeping in Cambodia and South Vietnam.

Food for Peace is the American assistance program which for years has shipped massive amounts of foodstuffs to countries around the world including millions of dollars in goods yearly to Cambodia and Vietnam.

The proceeds from the sale of this food has consistently been used to support the war effort in both countries and it is this practice which Congress set out to stop with legislation last year.

Despite the legislation, however, it appears the Cambodian government may be able to circumvent the intent of Congress by simply allowing the funds to pile up unused in a bank account and then printing an equal amount of new money to pay soldiers.

In Saigon, it also appears possible that funds generated by the program could be channeled into other non-military areas of the economy, freeing up equal amounts of money for military use and thus again frustrating Congress' efforts at control.

In the 1974 fiscal year ending today, $182 million in Peace commodities were shipped to Cambodia and $268 million to South Vietnam. In each country, the food was sold for local currency.

Much of this currency was then given by the United States to the government of Cambodia and South Vietnam to pay soldiers' salaries and other military costs.

It was this type of practice which many congressmen considered to be hidden and uncontrolled war spending by the Administration and which led to legislation this past December to bring it to a halt.

The Congressional ban prohibits any military use of funds generated by the Food for Peace program "unless such [use] is specifically authorized by legislation." The ban goes into effect today.

Previously grants were made by the U.S. Agency for International Development (AID) as an administrative matter and required no specific Congressional authorization.

A Senate Foreign Relations Committee report on the Senate version of the December legislation said, "It will keep Congress and the American people better informed about this particular aspect of the foreign aid program."

The legislation will, the report said, "enable Congress to approve, disapprove, or amend agreements" for any future possible use of funds generated by the Food for Peace program.

"In a larger context," the report said, "this (legislation) is simply another step forward in the committee's efforts to help Congress redress the imbalance between the executive and legislative branches in the field of foreign policy."

Aid officials here and in Saigon conceded that it was possible for them to appear before Congress to request "specific authorization" to use Food for Peace-generated funds for military purposes as contemplated in the December legislation.

However, they said this was not likely to happen because such appearances would impose an unbearable administrative burden on them.

"It's scary—just the time that would be involved in bringing the U.S. Congress into day-to-day decisions."

Thomas F. Olmsted, AID director here, also said it is unlikely that AID officials will go back to Congress with specific requests.

However, both Olmsted and Yaeger said they are planning trips to Washington in the near future to consult with higher AID officials who will make the final decisions on this and other problems raised by the December legislation.

In addition, the officials will discuss other legislation now under consideration in Congress that would impose strict new limits on Food for Peace spending in any one country and thus bring to an abrupt end the massive programs in Indochina.

Passage of such legislation presumably would end the possibility of bookkeeping changes being used to circumvent the December legislation—at least on the large scale that now seems possible.

In the case of Cambodia, where the Food for Peace program plays a far more important role in the tiny, staggering wartime economy than it does in Vietnam, the administration presumably would have to launch an immediate appeal to Congress for additional AID funds to keep the entire American effort here from collapsing.

With respect to the December legislation, both Olmsted and Yaeger emphasized that no Food for Peace-generated funds will be channeled to military uses after the June 30 mandatory cutoff.

They both said that the ultimate use of the funds will be strictly legal and in no way designed to frustrate the objectives of Congress.

"There's no hanky-panky," said Olmsted. "It's completely our intention to comply with both the letter and the spirit of the law."

He said that Food for Peace funds can only be granted to the government to the extent that there is a designated use for them under the provisions of Public Law 480.

The money can no longer go for military purposes, he said, and the other uses under the law, which include things like funds for painting the U.S. Embassy or acquiring books for the Library of Congress, are not sufficient to use the vast amounts of money involved.

Therefore, said Olmsted, under the law the funds revert to an entirely different status.

Instead of belonging to the U.S. government, he said, they will now automatically belong to the Cambodian government, but in the form of a soft loan that must be repaid in dollars in 40 years.

The payments must begin after 10 years, said Olmsted, with interest of 2 per cent during the next 10 years and 3 per cent after that.

Olmsted said that Cambodian officials were "shocked" when they learned that the effect of the December legislation was to halt the free grants of funds that they had been receiving and to substitute for them obligations that must eventually be repaid in dollars.

He said the officials were further shocked when they learned that roughly $110 million that has built up unused so far in their Food for Peace account will, instead of being granted to them free, also become a dollar obligation. There has not been such a buildup in Vietnam.

Olmsted said neither he nor the Cambodian officials have any idea how these debts—beginning with the healthy interest payment that comes due next year—can ever be repaid to the United States.

He also said the change in status will place enormous pressure on the government to raise the price of rice because under the previous grant system, the government heavily subsidized rice.

Olmsted said he did not think Congress was aware of these implications when it passed the December legislation.

Although the Food for Peace funds will now belong to the Cambodian government, Olmsted said, they still cannot be used directly for military purposes under Public Law 480 and the administrative procedures of AID.

AID procedures require that the funds be used for economic development projects approved by AID, he said.

However, he added, Cambodia is in such a state of economic distress and general turmoil that there are no conceivable projects that could qualify.

Olmsted said the money will simply build in the national bank and not be used.

On the other hand, the government can then turn around and print an equal amount of money that can be used to pay soldiers just as the Food for Peace funds have been used in the past, Olmsted said.

This can be done without generating the massive inflation that usually results when a government prints money, he said. Cambodia already suffers from tremendous inflation.

Olmsted said that, in real economic terms, when the United States sends large quantities of rice and other foodstuffs to a country like Cambodia hovering on the edge of bankruptcy and military disaster, this aid is, in fact, military aid no matter what one calls it.

Cambodia's domestically generated government revenues from taxes in fiscal 1974 amounted to $54 million—not nearly enough to cover its $109 million military and $60 million civilian budgets.

The $115 million difference was made up roughly by $50 million in Food for Peace funds, $50 million in local funds generated by the Commercial Import Program, and $15 million in deficit financing.

The Commercial Import Program, which works like the Food for Peace program except that it involves commodities other than food is authorized under the Foreign Assistance Act and has not been as strongly criticized as the Food for Peace program as a hiding place for military aid.

The Cambodian military budget goes mostly for pay and benefits. U.S. military assistance to Cambodia is not included in this budget figure.

Under the old Food for Peace system, Olmsted's office maintained strict control over the military uses to which the granted funds were put.

For example, he said, AID was able to get the Cambodians to institute a computerized pay system in the army that substantially reduced the number of "ghost" soldiers—troops that did not exist but whose officers received their pay.

Under the new system, Olmsted said this control will be lessened.

"We are imposing a more stringent (repayment) thing on them," he said, "and yet in a way leaving them free and not accountable to us. . . . We have less say in it than we did before."

In Saigon, Yaeger said that the December legislation will also mean a change in status in the Food for Peace program that will probably impose a similar 40-year soft loan on the government.

However, he said, government officials were very disturbed when they learned of the change and it is not yet clear if they will continue to accept Food for Peace under the condition that they must pay for it in dollars.

Unlike Cambodia, however, Yaeger said the Saigon government can cover its entire military budget out of its own tax and other revenues. Thus it might be possible for the government to use its Food for Peace generated funds in civilian areas of the budget and transfer funds now used in those areas to military uses.

Yaeger emphasized that no final decisions have yet been made.

PROGRAM UNDER FIRE ON HILL

(By Dan Morgan)

"These decisions are made downtown by a faceless group, an interagency body, it is called, and it is made up of representatives from OMB, Treasury, AID, National Security, National Defense and Agriculture . . . What it amounts to is a $435-million slush fund."

With those words on the House floor June 21, Rep. James P. Johnson (R-Colo.) opened a congressional drive to force a drastic shake-up of the administration's food aid program—for years the least questioned form of foreign assistance.

A Johnson amendment which the House passed on a 61-to-51 vote would prevent the administration from allocating more than 10 per cent of the appropriated funds to any single country. The effect would be to put a $42.5 million 1974 ceiling on farm commodities transferred to South Vietnam and Cambodia under concessional loans.

Advocates of a radical reordering of food aid priorities charge that the administration has systematically used the 20-year-old Public Law 480 to circumvent congressional limits on military and economic aid to Indochina. In the fiscal year just ending, nearly half of all food aid loans were allocated to South Vietnam and Cambodia.

Johnson's amendment, attached to the administration's agricultural spending bill, is now before a Senate Appropriations subcommittee which is reported fairly evenly divided on the issue. Senate sources said that Sen. George McGovern (D-S.D.), backed by a number of Senate liberals and some Republicans, would make a floor fight for the food aid restrictions if the amendment is deleted in the subcommittee.

"The issue here is the prostitution of the American Food for Peace Program," said a Senate source last week.

"Something has got to be done about food aid," an administration official asserted.

Congressional battle lines are drawn between security-minded supporters of the Nixon doctrine of giving aid priority to U.S. military clients, and "doves" who feel the many-faceted aid to Saigon is only delaying an eventual political accommodation between the regime and the Communists.

However, officials who have followed the evolution of the Food for Peace program over the years say broader principles are involved.

Secretary of State Henry A. Kissinger has called for a world food conference to be held in Rome in November. The plight of hungry nations, and the response of wealthy countries to it, is high on the agenda.

In the background are rivalries involving half a dozen government agencies, which have differed in the past two years over the allocation of the United States' limited food aid resources.

These rivalries have sometimes pitted representatives of Kissinger against those of Agriculture Secretary Earl L. Butz, with Butz often emerging the loser.

Sources said that in the interagency board that allocates food resources, Kissinger's aides on the National Security Council consistently pressed for massive shipments to Indochina—the so-called "supporting assistance."

Butz argued for giving the priority to countries such as Indonesia and South Korea because of their potential as future commercial markets.

In this debate, pleas for a bigger share for some 90 other poor countries that received little or no food aid have gone mainly unheeded.

In the House floor discussion last week, Rep. James D. Symington (D-Mo.), asked: "Why should 1 per cent of the world's population, the peoples of Cambodia and South Vietnam, receive nearly half of the scarce funds available under Title I? It does not seem proper, yet it happened in 1974, to our surprise and dismay."

Public Law 480, which established the food aid programs of the 1950s and 1960s, was set up to make use of surplus U.S. food production, develop overseas markets, combat hunger and "promote in other ways the foreign policy of the United States."

Some critics claim that the latter has increasingly become the central rationale for American food largesse, with less and less emphasis given to humanitarian considerations or feeding the world's hungry.

The United States halted food aid loans to India after that country's war with Pakistan in 1971, and plans to resume such loans to Chile in the coming fiscal year, in the aftermath of the ouster of the Marxist regime of the late Salvador Allende. The Agency for International Development estimates that $35 million out of the total $50 million food assistance loans to South America will be allocated to Chile. Food aid loans are at an average 2.2 per cent interest for a period averaging 33 years.

A report issued by the General Accounting Office this year stopped just short of calling a 1971 American pledge to increase by $275 million food aid commitments to South Korea a political quid pro quo for Seoul's agreement to limit textile exports to the United States.

Subsequently, however, the United States sharply reduced its food aid to Korea. The United States responded to Korean complaints by saying the commodities were not available. But some congressional officials assert that the reason was the heavy diversion of food products to South Vietnam.

In the coming fiscal year, however, food loan shipments to the Seoul regime will be increased from $10 million to an estimated $150 million, AID says.

The administration, predicts a slight overall decline in the value of food aid shipments in the coming year: $891.7 million compared with this year's $1.013 billion.

It wants Congress to appropriate $425 million in new money for the program of concessional sales of farm commodities, called Title I, and $353.2 million for the food giveaway program, called Title II.

According to AID, South Vietnam and Cambodia received just under half the world total of food aid in the fiscal year just ending.

In defense of this preponderance, officials say: "All the rice was eaten." They also assert that last year, because of quadrupled U.S. rice prices, only 600,000 tons, rather than the 1 million tons sent in fiscal year 1973, was shipped to Indochina.

Congressional critics retort that the aid was nothing but a thinly disguised budgetary subsidy for Saigon's war economy.

Administration officials have conceded that much of the proceeds from the Saigon government's sale of Public Law 480 food on the local economy went to military or defense purposes, with U.S. approval.

Rep. Joseph P. Addabbo (D-N.Y.) charged on the House floor:

"These funds all were used, or could be used, under aid for common defense, so as we cut the military aid they came in through the back door with Public Law 480 aid and reversed the Mandate of Congress."

Under the 1973 Foreign Assistance Act, proceeds from the sale of the PL-480 commodities cannot be used for military purposes after July 1, unless specifically authorized by Congress.

However, some ambiguity apparently remained as recently as Jan. 21, when South Vietnamese Foreign Minister Vuong Van Bac signed a $55.2 million agreement for the delivery of rice, soybean, corn and peanut seeds under Public Law 480. In that, it was stated that the government of Vietnam understood that the foreign aid act restriction "may" have the effect of prohibiting the use of foreign currencies for common defense purposes. U.S. officials said last week that ambiguities have been cleared up.

AID Director Daniel Parker told a Senate Agriculture Committee panel in April: "Unequivocally . . . we are not going to continue to use these funds for defense budgets."

Rep. Johnson's amendment providing country ceilings on future food aid shipments was opposed by Rep. Jamie L. Whitten (D-Miss.), chairman of the Agriculture Subcommittee of the House Appropriations Committee, and by Rep. Otto Passman (D-La.). Both are from rice-growing states.

Passman's home state is the country's leading rice producer. The domestic market uses only 35 to 40 per cent of the rice produced in the United States. The rest is exported, much of it to Asia.

The rice industry has been a major beneficiary of the Public Law 480 program, which has accounted for about half of all U.S. rice exports in recent years. Rice is not consumed in many poor parts of the world.

Public Law 480 still enjoys a broad following among farmers and their representatives on Capitol Hill. Although world food demand outstripped supply last year, some farmers feel that bumper U.S. corn and wheat crops this year could reverse the trend. Therefore, Public Law 480 is seen as the best guarantee that the government will still be around to help move surpluses abroad, if foreign demand slackens.

The food aid debate marks a questioning of the allocation procedure, rather than the program itself. Critics point out that only $4.1 million in food giveaways is currently planned for the drought-stricken Sahel region in Africa—one-fortieth of the South Vietnam estimate.

House and Senate critics claim that the food aid appropriations, as handled in the past, give the administration a blank check.

The interagency board which decides how the funds are spent can shift the allocations from one country to another without congressional approval. It also has at its disposal some $300 million in annual loan repayments.

There are other loopholes as well, Johnson and others maintain.

"If they're determined to keep the aid to South Vietnam at the present high level, they can do it one way or another," said one official. "The question is how long they are prepared to hold the whole program hostage to Vietnam."

The PRESIDING OFFICER. Who yields time?

Mr. TUNNEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. HELMS). The Senator will state it.

UMI

Mr. TUNNEY. Is it possible to call up an amendment at this time?

The **PRESIDING OFFICER.** It requires unanimous consent.

AMENDMENT NO. 1574

Mr. TUNNEY. Mr. President, I ask unanimous consent to call up my amendment No. 1574.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none.

The clerk will state the amendment.

The assistant legislative clerk read as follows:

On page 31, line 2, strike out "$5,000,000" and insert in lieu thereof "$17,500,000".

Mr. TUNNEY. Mr. President, I would like to discuss for a few minutes my amendment which would increase the appropriations to the Farmers Home Administration farm labor housing grant program from $5 to $17.5 million.

I call up this amendment with an awareness that this country is facing a very serious fiscal crisis and there is no doubt that we ought to be moving in the direction of trying to balance the budget. I certainly commend the Senator from Wyoming for the very fine job that he and the members of his subcommittee have done, in trying to develop a sense of priorities for our spending programs.

However, when we talk about priorities, I suppose that all of us have our own scale of values and those things that we consider important. I just happen to feel that farm labor housing is one of those areas that should receive special attention even though we might have to cut money from other worthwhile programs.

I feel that anyone who has had the chance I have had to visit farm labor camps cannot help but feel that the farmworkers of America have been denied the opportunity to live in decent housing at a time that the rest of society has benefited substantially. Percentagewise, only a very few of the farmworkers in the past 10 years have had a chance to move into decent housing built by programs that are, in the main, financed by the Federal Government. The great bulk of our farmworkers live in totally inadequate conditions.

I remember a number of years ago down in my old district, the 38th Congressional District, when I was a Member of the House of Representatives, I went to Coachella Valley and saw a farm labor camp in which workers and their families were housed in one room approximately 10 feet by 10 feet with no indoor plumbing. They had to use outdoor communal toilet facilities. They had to use communal showers. As a result, they had a disease rate that was much greater than the population as a whole.

I had a monseigneur take me through the camp and he had indicated to me that he had counseled two or three mothers the preceding year about the problem of incest just simply because they had families of up to 10 people living in one room 10 by 10 feet.

That camp was torn down, and as a result of the Federal Government's initiatives in the area, we were able to build a new housing development down there in which the farmworkers are not living in luxury, but they are living in decent housing conditions. There are two-bedroom and three-bedroom houses and there is indoor plumbing, and they do not have the dehumanizing impact of having children and their parents having to go, as I say, to these common facilities outside. They cook and they can refrigerate food in their own homes.

When one thinks that the conditions I described down in the Coachella Valley farm labor camp are repeated all over this country a thousandfold, it makes one realize that although we have done a lot to improve the standard of living of the great majority of our citizens in the past 15 or 20 years, there has been a group that has been pretty well left out; that is the farmworkers. I do not think that it is asking too much to ask that we increase the appropriation from $5 to $17.5 million to take care of just a fraction, a few of the hundreds of thousands of farmworkers that we have in this country.

Ten years ago, when the Farmers Home Administration farm labor housing grant program was begun, there was a 10-year authorization of $50 million. To date, we have appropriated $32,500,000. The original authorization for the program ends this year. What I am simply asking is that we increase the appropriation from $32.5 million of authorization to $50 million of authorization that was felt appropriate back in 1965.

I know that there are some who will say that this is too much money, but I cannot help but think that, when we pass multibillion dollar defense appropriation bills, that $17.5 million seems very little. I just cannot believe that there is a program that is going to bring a greater benefit to the people that are going to be served than this Farmers Home Administration farm labor housing program which will give to our farmworkers an opportunity to have a decent place to live and to bring up their children.

Since 1966 Congress has appropriated $32.5 million in the grant program, and this amount has been used to construct or repair approximately 8,000 units of family housing, and additional units capable of housing 4,000 individual workers.

So I would ask my colleagues in their evaluation of what are appropriate expenditures for the coming year to give maximum consideration to this program, because of the people who are going to be benefited. If we are going to balance the budget, let us make our cuts in areas where we are not going to have such a dramatic impact upon human happiness and upon human living conditions.

Mr. President, I would like to add Mr. NELSON and Mr. HATHAWAY as cosponsors of this amendment.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Who yields time?

Mr. FONG. Mr. President, I yield myself such time as I may need.

I want to start off by saying that the administration did not request any money for this program. They justify their failure to make a request for funds by saying that each year more families settle out of the migratory stream and put down roots in a community, even though they continue to do seasonal farm labor. Such families need permanent housing, and many are becoming homeowners through other housing programs.

One percent farm labor housing loans, with a grant provision of up to 90 percent of the development costs for organizations, is a very costly grant and subsidy program.

No funds are requested in 1975, because it is believed the Government's proper role can best be served by other programs.

Furthermore, with increased income to farmers, loan funds on the open market should become more available for this type of housing.

Mr. President, when we consider that we increased the appropriation bill this year by nearly $3 billion over that of last year, so that we have a total bill this year of $13.5 billion, we can see that the committee has done very well by many of these programs.

Certainly we could increase the amount of money for every program that is before us. There are many, many worthwhile programs. This is a very worthwhile program from my standpoint, but the administration has not seen fit to give any money for this program or to ask for any money for this program.

The House, in its wisdom, has appropriated $5 million, and the committee, after going over the evidence, considered this matter very, very carefully and has come to the conclusion that it should agree with the House, and provide $5 million for this program when no money has been requested for it.

I think when we look at the whole budget, the whole appropriation bill, the funds embodied in this bill, we can see that the committee has done very well, and we have got to balance this program with many of the other programs that require funding.

I believe the sum of $5 million—together with what has been said by the administration, that many, many of these migratory families are now putting roots into various communities and buying their own homes—which we have provided here is a reasonable sum and the committee, I believe, has done pretty well by this program.

The **PRESIDING OFFICER.** Who yields time?

Mr. TUNNEY. Mr. President, I would just like to point out that in February of 1973 the Farmers Home Administration released a study which indicated it had identified 400 counties that urgently needed a total of 130,000 units to house migrant workers and also other farmworkers who were working on a seasonal basis in the fields. Their survey revealed that about 65 percent of the migrant workers in these counties needed new or improved housing.

Just recently in Orange County of my State it came to my attention that the grand jury found a camp located there, which camp was being provided by a leaseholder of the U.S. Government for agricultural purposes; and, although this particular camp was not registered, about 60 farm laborers were permitted by the leaseholder to live on the premises in three structures: One was a dilapidated shed; one was an ancient bus; and one was an abandoned shed, and all three were unfit for human habitation.

There were gross violations of sanitary and safety regulations; gross violations of the electrical code. Wiring in the shed, for instance, was a fire hazard.

The only thing I am trying to say is that there probably is no group of Americans, with perhaps the exception of the American Indians, who have worse living conditions than migrant workers, and that all a person has to do is to go to one of these migrant worker camps anywhere in the country, in the South, the Southwest, Northwest, Northeast—those are places I have seen some of those migrant camps, I cannot speak for the Midwest—but the places that I have seen indicate that the citizens, the workers who are living there, are living in abominable conditions.

I can only point out that it costs around $6,500 to keep a person housed in a Federal penitentiary. What we are doing by allowing these terrible conditions to persist in these farm labor camps is to cost the American taxpayer far more dollars in future years when these boys and girls grow up and, as a result of the inhuman conditions under which they have survived in their early years, on occasion, and more frequently than the average citizen, go into a life of crime or, perhaps, end up on welfare.

So I just think it is the best money we can possibly spend. I think the bang that you get for the buck is greater than almost any other place in the Federal budget and, certainly, as much as I would like to see a balanced budget this year, I think this is the worst place to cut.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, how much time do we have left on the committee side?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. McGEE. I yield myself 3 minutes and then I will be prepared to yield back my time.

Let me just say to my colleague from California that I agree with him completely that this is a most deplorable area. I visited some of the migrant camps we have in the farm labor areas, and we can make no excuses for them.

The committee felt, however, that with the many increases that were made in programs for which there was a basic increase requested by the Office of Management and Budget—and I refer to insured farm labor housing programs where there is $10 million specified—where we allowed $20 million in direct loan programs in areas of this sort, which would also apply to farm labor, not alone, but because of the dimensions of the problem, we felt we could not segregate those into individual chunks of the larger problem. Because of the other programs in which we sought to allocate in the perspective of the total overall agricultural picture, we went a long way by starting with nothing, no requests, and going for the $5 million.

None of it in any of the categories I have referred to or any of the other categories, REA or rural telephones or any place else, is enough, but we had to take what was the responsible target and try to allocate, as wisely as we could as mortals, the relative proportions in regard to the larger context. We felt that we more than stood up for this gnawing, gnawing need for farm labor housing.

In the light of that, I would hope that with this superb case that the Senator from California has made, and the dramatization of the stark disgrace of many of the conditions that he would abide by the committee's judgment that we think there is movement. We are moving. In none of the areas are we moving in totality, because we just do not have that much with which to play, or invest, or commit. So in the context of the larger movement, I do believe that the committee made a very fair allocation here.

Mr. TUNNEY. I recognize the problem that each committee has in trying to divide up the pie. I just think that the human suffering in each farm labor camp is greater than any other economic factor in our society. I cannot help but feel, having represented now for 10 years a very large number of farmworkers, and having had an opportunity to go to the camps, and having talked to the children of those camps, and seeing their mothers and fathers, and having some relationship with them, as we talked about their hopes for their children, and the type of food they were eating, and the lack of sanitary conditions in those labor camps, that the best allocation of funds that we could have in this bill would be for a greater assistance in this particular area.

I recognize that the committee has done the very best job it could, and I know they have a great many types of programs that pull at the heartstrings, and every time they make a cut they feel they are taking away from those who are needy and deserving.

Last year we appropriated $7.5 million for this program, and now we are cutting it back to $5 million. I have talked to farmers in my State who feel that perhaps the best allocation of funds we could have would be for these kind of houses, to keep the workers happy and satisfied.

Mr. McGEE. I would like to say this $5 million is in there because of the Senator from California, because he has been so eloquent and persistent in not letting this question die over the accumulation of several years, and that is why it is in there.

So that it is not cutting it down; it is adding it up. It was not there at all. Thanks to the Senator from California, it is now there to the tune of $5 million.

Mr. HART. Mr. President, I trust the brevity of my remarks in support of this amendment to add funds for the domestic farm labor housing program will not be interpreted as a less than all-out endorsement of the amendment.

However, because the facts are clear, no long explanation is needed.

A survey made by the Farmers Home Administration, which administers the program, shows a need of more than 100,000 housing units for farmworkers.

The administration requested no funds for this program; the House approved and the Senate Appropriations Committee recommends $5 million be appropriated.

If my mathematics is correct, that sum would finance construction of about 1,300 units, hardly a dent in the need.

Those are the facts, and I urge Congress respond by increasing the appropriations for this program to the full authorization—but still inadequate—figure of $17.5 million.

To those who might argue that any increase in Federal spending might be inflationary, I would suggest that recession rather than inflation is the problem facing the Nation's housing industry.

To those who do not find that argument persuasive, I would suggest further that a halt in all nuclear testing or halt in developing still more "effective" nuclear weapons would more than offset this small increase and probably do more to increase the security of our Nation at the same time.

Mr. KENNEDY. Mr. President, I rise today as a cosponsor of the amendment introduced by Senator CRANSTON and Senator TUNNEY, which would increase the appropriation for the Farmers Home Administration's farm labor housing grant program from $5 to $17.5 million, an increase of $12.5 million.

This program provides up to 90 percent of the cost of construction of clean, decent housing for domestic farmworkers in grants to governmental or private nonprofit organizations. Housing is offered to low-income farmworkers at rents they can afford. In addition loans can be made for the remainder of the cost at 1-percent interest repayable over 88 years.

Since 1966, Congress has appropriated $32.5 million for the grant program, which has been supplemented by $32.8 million in loans. In this period, 8,000 family housing units and 4,000 individual housing units have been built or repaired with funds from the farm labor housing program.

This is an average of approximately $5,000 per home. The urgency of the need for increased congressional support of this program is underlined by the Department of Agriculture's own estimate that 130,000 housing units are needed immediately to provide adequate living conditions for the Nation's nearly 5 million migrant and seasonal farmworkers and their families.

Domestic farmworkers are among the poorest of our country's low-income workers. In 1972, the average seasonal farmworker had an annual income of only $2,019.

But the poverty of farm laborers goes beyond substandard wages to include the most disgraceful housing conditions in the Nation. The average migrant home consists of two rooms for a family of 6.4 people. These homes are located in farm labor housing camps where in all too many cases little or no effort is made to provide sanitary conditions.

We had a tragic example of the neglect of sanitary needs in a farm labor camp in March 1973 when a typhoid epidemic broke out in a farm labor housing project in Florida. The epidemic, which hospitalized more than 200 workers, was caused by undetected pollutants in the camp's communal water supply.

The farm labor housing grant program is not receiving the kind of support it de-

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serves in the light of such deplorable conditions. Instead, the administration has twice asked for zero appropriations. In fiscal year 1974, the administration impounded 90 percent of available funds for the program. Those funds were only released and obligated after a lengthy legal suit by projects whose continuation was threatened by the administration's action. Congress, though it authorized $50 million for the program for the period ending October 1, 1974, has appropriated only 65 percent of that sum. A total of $17.5 million remains currently authorized and available for appropriation. The Senate has already expressed its support for the farm labor housing grant program in passing the Housing and Urban Development Act of 1974, currently in conference, in which the Senate extended the program and increased the authorization by $25 million in fiscal years 1975 and 1976.

The demand on available funds in fiscal year 1974 has demonstrated the need to expand the funding of the farm labor housing program and reaffirm our determination to provide decent housing for all Americans by appropriating the full authorization of $17.5 million for this program.

I therefore join Senator CRANSTON and Senator TUNNEY in urging that this amendment be adopted.

Mr. CRANSTON. Mr. President, I rise in support of the amendment offered by my colleague from California (Mr. TUNNEY) to increase the appropriation for the farm labor housing grant program administered by the Farmers Home Administration.

This program was designed to meet the special housing needs of our hired farm labor force, yet it has consistently been underfunded and therefore inadequate to meet a reasonable level of the need for such housing. I need not remind this body that farmworkers' incomes are far below that of other workers. Even with recent improvements in farmworker wages, the gap between what the average farmworker earns and what he needs to meet basic living necessities is still enormous. Until there are better jobs to fill during the slack periods between harvest, annual incomes of those workers who harvest our food will remain inadequate.

Congress recognized these grim facts when it passed the farm labor housing grant program in 1964. In 1970, Congress substantially amended this law to enable public bodies and nonprofit organizations working on behalf of farmworkers to receive grants of up to 90 percent of the development costs of housing rented to farmworkers. Again this year, in the housing bill now in conference, it is proposed to amend the program to permit the Farmers Home Administration to provide rent supplements for the units constructed for farmworkers.

Even with assistance to the owners in the form of grants, the rents which must be charged to operate and maintain these housing units often exceed what the farmworker tenants can pay. Recognizing this, the housing bill now in conference will make it possible for the Farmers Home Administration to provide assistance in the form of rent supplements. And by increasing the authorization for appropriations in the 1974 act, we reflect our intent that the program must be stepped up to produce units at a much faster rate than has occurred in the past.

The 1974 act will authorize $25 million for each of the fiscal years 1974 and 1975. This is in addition to the $17.5 million that remains of the previous authorization level which will expire on October 1 of this year. I believe the Senate should recognize its responsibility to provide adequate housing for farmworkers and appropriate all of the $17.5 million for authorization for this program in fiscal year 1975.

My efforts today to increase funds for the farm labor housing grant program are a result of 3 years of work to obtain a more adequate level of funding for this program. In fiscal year 1972 I requested that $25 million be appropriated for this program, although the administration's budget request was only $2.5 million. Unfortunately, in fiscal year 1972, $2.5 million was the total sum eventually appropriated for this program.

In February 1972, I sent a letter to President Nixon—a letter signed by a bipartisan group of 13 Senators—urging the release of $3 million in impounded funds for the farm labor housing grant and loan programs and requesting that $30 million be requested by the administration for supplemental appropriations in fiscal year 1972. At that time the Farmers Home Administration national office had a backlog of $18.7 million in grant requests for which there were no funds available.

In fiscal year 1973, the administration again turned a deaf ear to the housing needs of farmworkers and requested a mere $2.5 million for the farm labor housing grant program. The Senate increased this amount to $10 million, but the final appropriation agreed to by the House and the Senate was only $3.75 million.

In fiscal year 1974, the administration requested no funds for this program! The House recommended $5 million for farm labor housing and the Senate generously recommended $15 million. The final appropriation after conference, however, was only $7.5 million in fiscal year 1974.

The Senate is now considering funds for fiscal year 1975. And once again the Nixon administration has made clear its priorities by requesting no funds for the farm labor housing grant program. The House has recommended the appropriation of $5 million and the Senate Appropriations Committee has reported H.R. 15472 with $5 million for farm labor housing.

The Farmers Home Administration has no exact figures on the backlog of farm labor housing grant requests at the present time. The FmHA advised me that grant applications for this program are not being processed at the national office because the administration decided that this program should be discontinued and therefore requested no funds for the fiscal year 1975. The latest available figures are from February 1973, when 19 applications were pending in the National office requesting $28 million in grant funds and an additional $13 million for loan funds, totalling $41 million. Since February 1973, only $10 million of the funds appropriated by Congress have been released by the Office Management and Budget for this program. Thus a backlog of much more than $28 million is certain to exist at the present time.

Mr. President, farmworkers have had enough empty promises. We serve no one when we authorize increased appropriations in one bill and then refuse to appropriate the funds. That brings to mind the scene in "The Grapes of Wrath" where Steinbeck describes a group of starving people watching piles of unsold crops rotting in a field and being prevented from eating it by armed guards. His comment them may be appropriate here:

> There is a crime here that goes beyond denunciation. There is a sorrow here that weeping cannot symbolize. There is a failure here that topples all our success.

Mr. President, I urge adoption of this amendment.

Mr. TUNNEY. I might say that I would like to have a voice vote on the amendment.

Mr. McGEE. I wonder if we might proceed.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. McGEE. Mr. President, I yield back such time as I have on the amendment.

Mr. FONG. I yield back my time.

Mr. MANSFIELD. Mr. President, it looks as if things are piling up.

I ask unanimous consent that when the Senator from Wisconsin (Mr. NELSON) calls up his amendment there be a 15-minute limitation, the time to be divided between the manager of the bill and the sponsor of the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. McGEE. Mr. President, if we may call up——

The PRESIDING OFFICER. Under the previous order the Senate will now proceed to vote on the amendment of the Senator from Nebraska.

Mr. McGEE. Well, Mr. President, if I may ask a clarifying question with regard to it, having been present at the time those agreements were reached, is it not true that the only agreement was that no votes could be held before 3:30 p.m. today, and that as soon thereafter as we could, we would proceed to this, but not before allowing an interval of 10 minutes on a side to summarize the two cases for the amendment of the Senator from Nebraska (Mr. HRUSKA); because it was much earlier in the day and we wanted a chance to recap.

The PRESIDING OFFICER. The Chair is not aware of any such agreement. But the Senators, of course, may use time on the bill. There is, of course, time remaining on the amendment.

Mr. McGEE. Mr. President, I ask unanimous consent that what was the impression of the two sides now become the operating procedure on this particular amendment.

THE FEDERAL TRADE COMMISSION'S LINE-OF-BUSINESS STATISTICAL PROGRAM SHOULD GO FORWARD AS PLANNED

Mr. NELSON. Mr. President, I rise in opposition to the amendment proposed by the Senator from Nebraska (Mr. HRUSKA) to the appropriations bill, H.R. 15472, which includes, among other things, appropriation for the Federal Trade Commission.

The Hruska amendment, if adopted, would seriously depreciate the usefulness of an important new program of the Federal Trade Commission, the annual line-of-business statistical program.

Before voting on this amendment, every Senator should be aware of the program the FTC has developed, over several years of hard work, and the drastic reduction in the usefulness of that program which would come about if the amendment were adopted.

As recently approved by the General Accounting Office, the FTC program would examine, by means of a carefully drawn, confidential questionnaire, the performance of the 500 largest manufacturing corporations in each of about 230 specified industries.

In the House of Representatives, the number of corporations to be surveyed was reduced from 500 to 250. To its credit, the Senate Appropriations Committee has restored the number to 500. It will be of great importance for the Senate's conferees to preserve this number when this bill reaches conference.

The principal purpose of the FTC's program is to develop reliable data on industries in which huge diversified corporations have become dominant forces. The FTC's questionnaire is ready to be mailed. It would elicit from the largest companies information on a number of financial performance indicators in specified industries. Principal types of information to be obtained are: First, sales or receipts not including transfers to domestic regulated and foreign sections, second, transfers to the domestic regulated and foreign sections, third, depreciation, depletion, and amortization, fourth, materials costs, fifth, labor costs, sixth, other operating and sales costs, seventh, media advertising expenses, eighth, selling expenses other than media advertising, ninth, research and development expenses, tenth, other general and administrative expenses, eleventh, operating income.

The Hruska amendment would eliminate all but the first of these items, thereby necessitating a complete revision of the questionnaire, which is ready to go, and greatly reducing the significance and usefulness of the program.

THE 500 GIANTS

Mr. President, the 500 corporations that the FTC wishes to have report annually on their profits and certain other financial and operating data, by line of business, are a unique group.

These 500 very special, very particular corporations are world powers. The largest companies in the group are larger in money terms than most of the sovereign, substantial nations of the world. General Motors, for example, in a recent year had annual sales almost as large as the gross national product of Switzerland and somewhat larger than the GNP's of Yugoslavia, Pakistan or South Africa.

The smallest companies in the group, with annual sales close to the $250 million mark, take in more money every year than many of the American State governments collect in tax revenues from all the individual and business taxpayers in the State.

No one can doubt that these 500 corporations affect every American's quality of life—and the lives of untold millions in other countries. To a significant degree, they affect our consumption habits, determine our pollution levels, affect our unemployment and inflation rates, and influence in vast ways the processes and decisions of our political governments—Federal, State, and local.

None of this is necessarily to suggest that the great influence of these giants in all for the worse, or even primarily for the worse. The Appropriations Committee of the House voiced concern in its report—House Report 93-1120, at page 89—that the selection of these giants for the FTC's annual survey programs "seems to imply a prejudgment that bigness is suspect per se."

In fact, it implies nothing more than simple recognition of the obvious fact that these particular enormous companies are more important, more interesting and satistically more significant than any others—and also, unfortunately, a good bit more secretive.

The 500 corporations the FTC wants to have file its confidential annual line-of-business report comprise far less than 1 percent of the population of corporate manufacturers but account for 70 percent of all manufacturing activity in this country. The 200 largest among these 500 giants account for 87 percent of value added by manufacture in the industries marked by heavy concentration—that is, industries in which the four largest firms make 76 percent or more of all shipments, by value.

THE FTC'S PROGRAM

The FTC's new program—modest and long overdue—is simply to require these 500 giants to disclose to the Commission every year—in confidence, for statistical and other restricted use only—a few items of information on their investment and operations broken down along specified, somewhat standardized lines of business.

This country does not now have reliable performance statistics for many important industries. That situation has come about, and gotten worse year by year, because of the increasing size and diversification of the most important manufacturing companies.

My own favorite example is the refrigerator industry. We do not have any reliable information on the average profits in this industry as a whole, because the profit rates of the most important individual manufacturers are a secret and there are no published official statistics.

It is true that refrigerator manufacturers, like all other businesses in manufacturing, file tax returns which indicate company profits. In addition, the largest manufacturers, and a sample of smaller ones, report profits quarterly to the Federal Trade Commission for use in the FTC's quarterly financial report. But the tax returns to the IRS and the quarterly reports to the FTC are filed on a companywide consolidated basis. A company's most important activity—even though it may account for as little as 15 percent of its total sales—determines the "industry" to which the company's entire consolidated operating results will be assigned, for statistical purposes. Additionally, neither the IRS nor the FTC publishes the industrial data at even so broad a level of detail as "Household refrigerators and freezers." Instead, that industry's statistics are lumped with those of many other industries and published under the blanket major industry group heading, "Electrical machinery."

Almost all makers of refrigerators, and other kinds of electrical machinery, today make other products. In fact, some of the most important refrigerator makers are in that industry only incidentally and as a small part of their total operations. So the financial statistics published by the IRS and the FTC are, as the economists put it, first "contaminated" and then "aggregated" beyond all real usefulness.

The contamination comes from two directions: the statistics which are thrown into the refrigerators and freezers basket include consolidated profit data for a lot of diversified-company business that has nothing to do with refrigerators and freezers. And a lot of important refrigerator and freezer statistics do not get counted at all, because they have been consolidated under some other, unrelated heading. Then, of course, the refrigerator and freezer statistics are thrown in with a lot of other equally contaminated data from other industries and the results are published under the heading "Electrical machinery"—an aggregation so broad as to be helpful to no one, even if the information were reliable.

An actual example will illustrate this problem.

A small company in New York, Economic Information Systems, Inc.—EIS—has developed methods for estimating the values of product shipments from individual factories, using publicly available employment data and technical estimates of average output per employee in an industry. The results, when tabulated by computer into company and industry reports, are the best data of the type presently available. While EIS is quick to explain that their accuracy cannot be guaranteed, the eagerness with which these tabulations are being purchased by industry and Government alike indicates the value and importance of even estimated information of this type.

According to EIS, the largest manufacturer of household refrigerators and freezers in the United States is General Motors Corp. GM's 1972 shipments of that product class, EIS reports, amounted to $585 million and accounted for over 25 percent of all shipments of the product class—but for less than 3 percent of GM's own total shipments.

Just once the FTC made a survey of shipments by product class of the 1,000 largest manufacturers. The individual-company results, for the year 1950, were published in 1972 when they were 22 years old. They revealed that GM in 1950 accounted for over 19 percent of refrigerator shipments by the companies in that survey, but refrigerators accounted for only 2 percent of GM's own total shipments.

From this information, we may be sure that GM's refrigerator profits, along with those of 17 or so other industries in which it is "No. 1" or "No. 2," all contribute to our "motor vehicles" statistics in the IRS and FTC tabulations, and are not included in the "electrical machinery" statistics where they belong. The statistics for both industry groups are thereby distorted.

MOVING MOUNTAINS WITH A FINGER

Value of shipments information is useful. It indicates, in a general way, the relative importance and strength of companies and the industries in which they operate. From the data just cited, we can see that GM is able to move mountains—one-fourth of the household refrigerator industry—using only one finger—that is, under 3 percent of its own total shipments.

But shipments are not the key indicator. In our free enterprise system, the key indicator is profits. EIS does not estimate GM's profits on refrigerators. The Census Bureau does not collect profit information. The summaries of profits by industry that the IRS and FTC publish are too contaminated and too aggregated to be of any great value.

It is to remedy this deplorable situation that the FTC's new program is designed. By collecting product-line data from the 500 largest manufacturers, FTC will be able to produce and publish far more accurate information than anyone has now on what is going on—on an anonymous, statistical-aggregate basis—in "Household refrigerators and freezers" and in 229 other industries.

WHO CARES?

Does it make any difference in the lives of ordinary Americans that there are no reliable statistics on the average advertising costs, labor costs, and profits of the refrigerator industry and other manufacturing industries? It certainly does.

Inflation is the No. 1 concern of most Americans now, and better industrial information would help this country fight inflation. When there are no regular published figures on manufacturing profits, neither the forces of competition nor the forces of regulation can work as they should, in the public interest.

By obtaining the proposed new data from the 500 largest manufacturers, the FTC would produce enormously useful annual tabulations. By using those particular 500 companies, 70 percent of manufacturing activity will be included and tabulated.

But the reduced program proposed by the Hruska amendment would vastly reduce the usefulness of this program. By eliminating from the survey all data except sales, we will lose the most important information we need—information on major cost items and, above all, on profits.

Mr. President, the electorate today looks with disfavor and suspicion on both big business and big government—big government, of course, expressly including the Congress. Big government is increasingly seen by Americans as the handmaiden of big business, dancing to its tune and stepping on the public's toes in the process. The FTC's proposed program could help change that image, but adoption of the proposed amendment could only sharpen it. That amendment must therefore be rejected.

I ask unanimous consent to insert in the RECORD excerpts from the recently published 24th annual report of the Select Committee on Small Business, dealing with the FTC's line of business program, and the 1972 tabulation of estimated shipments by industry of the General Motors Corp., as compiled by Economic Information Systems, Inc. The latter is from the April 27, 1974, issue of National Journal Reports, and was included as a boxed insert in a comprehensive article by Daniel J. Balz on the FTC line of business program, as it stood 3 months ago. I also ask unanimous consent to insert that entire article and four other boxed inserts which were included with the article.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE 24TH ANNUAL REPORT OF THE SELECT COMMITTEE ON SMALL BUSINESS, U.S. SENATE, JUNE 13, 1974

(S. Report No. 93-931)

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CHAPTER VI. CORPORATE GIANTISM, CORPORATE SECRECY AND CORPORATE FARMING

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1. Legislation on corporate information disclosure

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Section 409 of Public Law 93-153,[25] the Alaska pipeline law, transfers from the Office of Management and Budget to the General Accounting Office the responsibility for coordinating and avoiding duplication in the business-questionnaire activities of the independent Federal regulatory agencies. Section 409 was added to the bill[26] by Floor amendments[27] offered by Senators Hart and Bentsen, which were accepted by the conference committee.[28] Interest in the amendments at the time of their adoption was focused primarily on the effect it was presumed they would have on approval of a proposed Federal Trade Commission program to obtain annual line-of-business reports from very large, diversified companies. (That program is discussed later in this chapter.)

C. Oversight of Agency Activities

Two agencies of the Federal Government have long had the statutory power to obtain from America's giant corporations all the information the Government and the public would need to appraise more adequately the efficacy of both regulation and competition within the different industries in which most big companies now operate in some degree of—or often total—secrecy about the details of the operations. They are the Federal Trade Commission and the Securities and Exchange Commission.[57]

From the early stages of its study of corporate giantism and corporate secrecy, your committee's Subcommittee on Monopoly, joined sometimes by the full committee, has urged the agencies to make bolder and farther-reaching use of their powers.

The SEC's efforts to improve its line-of-business reporting requirements in registration forms[58] and, later, in annual reports,[59] have long had especially close surveillance and warm support from Senator Nelson, the subcommittee chairman,[60] although his views on the inadequacy of those efforts have also been forcefully expressed.[61]

During 1973, as pressure mounted both in the Federal Trade Commission and the Congress for more and better line-of-business reporting by corporate grants, the SEC's staff again began to consider further improvements in its own line-of-business reporting requirements. At year end, however, the plans were still in the study and discussion stage.[62] But plans to require that more of the information now contained in Form 10-K reports also be included in the annual reports mailed to stockholders had advanced to the point of a proposed regulation.[63] Although the annual report to the SEC on Form 10-K is a public record, most stockholders rarely see it.

The SEC's powers to require disclosure are, of course, limited to those corporations that offer their securities to the public-only about 10,270 out of almost 2 million American corporations. No such limitation applies to the FTC. It can obtain whatever data it wants, by mandate, from any corporation, except banks and common carriers,[64] and may make public whatever it wishes of such data, "except trade secrets and names of customers."[65] In 1973, the Congress, in ordering the FTC to make a special "crash" study of the operation of the emergency petroleum allocation program, waived the prohibition against its obtaining data from common carriers.[66]

Unfortunately, the FTC has made no use of its power to obtain industry-by-industry data from multi-industrial firms on a regular, systematic basis,[67] and such irregular or imperfect industry-by-industry information as it does obtain from companies is generally published only in aggregate form, with all individual-company information kept secret. As noted in your committee's last annual report, exceptions to the general policy and practice are rare.[68] The exception there mentioned was the publication, in 1972, of partial individual-company data from a one-time survey of data on the shipments values by product class of the 1,000 largest manufacturers of 1950.[69]

A recommendation to the Federal Trade Commission by your committee, in the record for 1972, was that the Commission

"... should make plans and submit budget requests for the repetition on a regular basis of the Corporate Pattern Survey—a collection of product-line financial information by Standard Industrial Classification from the country's largest corporations. The Survey should be repeated, with improvements and amplifications, in each year that the economic censuses are taken. Individual company data should be released as promptly as possible, and in a form that will be comparable with and supplemental to the economic reports of the Bureau of the Census."[70]

In responding to a request from your committee's chairman, Senator Bible, for a comment on that recommendation, FTC Chairman Lewis A. Engman wrote:

"I appreciate your Committee's approval in Chapter V of the Commission's publication of product line financial data of the 1,000 largest manufacturing corporations. The Commission is currently initiating two new similar programs. The first is a replication of the Corporate Patterns Survey of 1950. The second program is our proposed Line of Business program. This program will generate sales, profits, and other data by Lines of Business that closely correspond to realistic market definitions. The proposed LB questionnaire is currently awaiting clearance by the Office of Management and Budget pursuant to requirements of the Federal Reports Act."[71]

Footnotes at end of article.

The second program mentioned by Chairman Engman, the annual Line of Business program and its report questionnaire, proposed FTC Form LB, have also long been subjects of interest to this committee, especially its Subcommittee on Monopoly. The original Form LB, as submitted to the OMB for clearance in December 1970, and related documents and correspondence were printed in the first appendix volume to the "Corporate Secrecy Overviews" hearings.[72] Subcommittee Chairman Nelson has continued to support the FTC staff's efforts to inaugurate an annual line-of-business reporting program, in general, while opposing one aspect: the plan to keep individual company responses secret.[73] Support of the program, with the same objections to keeping individual-company responses a secret from the public, has also been offered by Senator Hathaway, a member of the Monopoly Subcommittee and chairman of the Subcommittee on Government Procurement.[74]

As originally proposed, Form LB would have been a one-year "pilot program," under which the 102 largest manufacturing corporations—those with assets of $1 billion or more [75]—would have been called upon to report, for the year 1970, their best available information on their "total receipts and net income . . . distributed by each line of business (as listed on the enclosed Reference Sheet) that accounted for either $10 million or 10 percent of total receipts." [76] The "enclosed Reference Sheet" mentioned in the proposed form listed 151 "Lines of Business, by Enterprise Standard Industrial Classification." Among the 151 "Lines" on the list, none were any more narrow and specific than "34.5—Screw machine products, bolts, etc." and "20.87—Bottled soft drinks and flavorings." Others were as broad and general as "00.0—Agriculture, forestry and fisheries" and "37.1—Motor vehicles and equipment." [77]

Despite the extremely broad character of the business lines for which two-item "disclosure" would have been required, and despite the fact that the reports of individual companies were promised confidentiality, the resistance of large corporations and their trade associations was intense.[78] As a result, OMB clearance of the form was not obtained; instead FTC was asked to make some revisions and then resubmit. On October 17, 1973, a substantially revised Form LB was again the subject of discussion at a well attended public meeting of the Business Advisory Council on Federal Reports.

Before OMB consideration was completed, however, Congress enacted the legislation, discussed earlier in this chapter, which transferred the function of overseeing questionnaires of the FTC and other independent Federal regulatory agencies to the General Accounting Office. In late March, 1974, the FTC had referred a still further revision of the form to the GAO for its consideration.[79] As reformulated, the LB program would require 500 of the largest U.S. corporations to provide the FTC annually with financial data, for each of about 230 lines of business, covering (1) sales or receipts not including transfers to domestic regulated and foreign sections, (2) transfers to the domestic regulated and foreign sections, (3) depreciation, depletion and amortization, (4) materials costs, (5) labor costs, (6) other operating and sales costs, (7) media advertising expenses, (8) selling expenses other than media advertising, (9) research and development expenses, (10) other general and administrative expenses, (11) operating income.[80] The information would be published only in statistical aggregates, with individual-company data held in confidence.

FOOTNOTES

[25] Act of Nov. 16, 1973. Pub. L. 93–153, 87 Stat. 576; note 15, above.

[26] S. 1081, 93d Cong. 1st Sess.; note 15, above.

[27] Cong. Rec., vol. 119, pt. 19, pp. 23948–23952 (remarks of Senators Hart, Jackson et al.; Roll Call No. 290); Cong. Rec., vol. 119, pt. 19. pp. 24084–24086 (remarks of Senators Bentsen and Hansen, adoption of amendment without a roll call).

[28] While the Houses did not adopt provisions comparable to the Hart and Bentsen amendments in its original version of the Alaska pipeline bill, H.R. 9130, the Senate provisions were included in both of two conference reports: Conference reports to accompany S. 1081. H. Rept. No. 93–617 (Oct. 31, 1973), and H. Rept. No. 93–624, 93d Cong., 1st Sess. (Nov. 7, 1973). Pp. 18–19, 23, 31–32 of the final conference report contain text and discussion of the Hart and Bentsen amendments.

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[57] Excerpts from the statutes and certain executive orders pertaining to the FTC are collected in Hearings on the Role of Giant Corporations, Pt. 2A—Appendixes, pp. 1743–1747. Excerpts from the statutes pertaining to the SEC are similarly collected: Ibid., Pt. 2B—Appendixes, pp. 2081–2111.

[58] Hearings before subcommittees of the Senate Small Business Committee on Planning Regulation, and Competition: Automobile Industry—1968, 90th Cong., 2d Sess. (1968), pp. 897–901; Hearings before the Subcommittee on Monopoly of the Senate Small Business Committee on the Role of Giant Corporations in the American and world Economies, Pt. 1A—Appendixes, Automobile Industry—1969, 91st Cong., 1st Sess. (1969), pp. x-xii, 757–833.

[59] Hearings on the Role of Giant Corporations, Pt. 1A., pp. 834–867; Ibid., Pt. 2B, pp. 2111–2119, 2203–2212, 2648–2655, 2692–2792. Footnote 5, above, and accompanying text contain additional discussion and citations.

[60] Letters from Senator Nelson to chairmen of the SEC appear in Hearings on Giant Corporations, Pt. 1A, p. 759; and Part 2B, p. 2111.

[61] Ibid.: also note 5, above.

[62] Les Gapay, "SEC Staff May Seek to Expand 10K Report To Improve Line-of-Business Breakdowns," the Wall Street Journal, Jan. 14, 1974, p. 4.

[63] Les Gapay, "SEC Moves to Force Corporations to Put More Financial Data in Their Annual Reports," the Wall Street Journal, Jan. 11, 1974, p. 26.

[64] Federal Trade Commission Act, Act of Sept. 26, 1914, c. 311, sec. 6(b), 38 Stat. 721; 15 U.S.C., sec. 46.

[65] Ibid, sec. 6(f); 15 U.S.C., sec. 46(f).

[66] Emergency Petroleum Allocation Act of 1973, Pub. L. 93–159, sec. 7 (b).

[67] The two recurring analyses made by the FTC of "industrial" performance—the "Quarterly Financial Report for Manufacturing Corporations" and the "Rates of Return in Selected Manufacturing Industries"—both assign the survey companies to an "industry" on the basis of their most important activity, rather than obtaining from diversified companies separate data on each industry. Specimens of each of these FTC services are reproduced in Hearings on Grant Corporations, Pt. 2A—Appendixes, pp. 1881–2024.

[68] Senate Small Business Committee, Twenty-Third Annual Report, pp. 96–97. (The analysis by the committee's staff of the Federal Trade Commission's report referred to in the annual report, has not been published as of this report but is retained in the committee's files.)

[69] Bureau of Economics of the Federal Trade Commission, "Value of Shipments Data by Product Class for the 1,000 Largest Manufacturing Companies of 1950" (1972).

[70] Senate Small Business Committee, Twenty-Third Annual Report, p. 100.

[71] Letter to Senator Alan Bible, Chairman, Senate Small Business Committee, from Hon. Lewis A. Engman, Chairman, Federal Trade Commission, dated Oct. 10, 1973. (The complete letter is published in appendix P of this report.)

[72] Hearings on Giant Corporations, Part 2A—Appendixes, Corporate Secrecy: Overviews, pp. 1821–1852.

[73] Letter dated Oct. 15, 1973, from Senator Nelson to Mr. David E. Hulett, Statistical Policy Division, Office of Management and Budget.

[74] Letter dated Nov. 6, 1973, from Senator Hathaway to Office of Management and Budget.

[75] Minutes of Jan. 21, 1971, meeting of panel of OMB's Business Advisory Council on Federal Reports, as reprinted in Hearings on Giant Corporations, Pt. 2A, p. 1835. The number of companies required to respond to the form would have been increased a little each year, after the first-year pilot program and form revisions.

[76] Ibid., p. 1822 (original Form LB).

[77] Ibid., pp. 1824–1827.

[78] Ibid., pp. 1845–1852 (business comments on first proposed Form LB).

[79] Federal Trade Commission press release dated Mar. 27, 1974. "Commission Approves Line-of-Business Program," with text of FTC Form LB appended. Bailey Morris. "Biggest Firms Facing New Form," Washington Star-News, Mar. 29, 1974, p. A–16.

[80] Ibid., also: "GAO proposes regulations governing FTC's line-of-business proposal," Antitrust & Trade Regulation Report, No. 650, Feb. 12, 1974, p. A–22.

[From National Journal Reports, Apr. 27, 1974]

BREAKING DOWN GENERAL MOTORS

Most large corporations treat financial data like classified federal documents. By their lights, indiscriminate release of such data is as potentially damaging to the free enterprise system as the release of state secrets to foreign governments. One organization which is trying to pierce the shield of corporate financial secrecy is the Economic Information Systems (E.I.S.), a small, relatively new organization based in New York City. In a statement filed with the Office of Management and Budget in support of the Federal Trade Commission's line of business proposal, EIS included the table shown below. Through a study of publicly available documents, EIS reconstructed the value of 1972 shipments made by General Motors Corp. on the basis of 28 different product lines. EIS concluded that in 18 of those categories, the auto giant ranks as either the first or second company in the nation. NJR attempted to verify the figures with General Motors, but a spokesman in GM's Washington office, Frank Farone, said the company does not reveal such data. In its own printed comment on the chart, EIS said, "The . . . estimates are taken from the EIS Datafile covering some 115,000 manufacturing plants with over 20 employees owned by some 75,000 firms with more than $500,000 in sales. EIS shipment estimates are obtained as follows: For any given four-digit (Standard Industrial Code) industry, the employment associated with one or more company plants in that area is converted into shipments on the basis of judgments by EIS about the relation of the company's productivity performance in that industry to industry-wide productivity levels reported annually by the Census Bureau."

Standard industrial code	Product	Shipment value, (millions) 1972	Percent of United States (1972)	Percent of GM (1972)	Ranking within industry
2396	Automotive and apparel trimmings	$135.0	14.21	0.61	1
2441	Nailed wooden boxes and shook	2.0	.67	.01	23
2751	Commercial printing, ex-lithographic	3.6	.08	.02	138
3079	Miscellaneous plastics products	5.8	.08	.03	211
3321	Gray iron foundries	452.7	13.94	2.05	1
3322	Malleable iron foundries	113.3	25.18	.51	1
3361	Aluminum castings	85.5	7.13	.39	2
3391	Iron and steel forgings	147.7	9.23	.67	1
3429	Hardware, not elsewhere classified	448.5	16.30	2.03	1
3433	Heating equipment, except electric	2.2	.12	.01	135
3461	Metal stampings	1,154.4	15.40	5.23	1
3519	Internal combustion engines, not elsewhere classified.	517.4	17.24	2.34	1
3531	Construction machinery	96.2	1.93	.44	10
3544	Special dies, tools, jigs, and fixtures	33.0	1.22	.15	1
3562	Ball and roller bearings	$214.1	15.39	.97	2
3621	Motors and generators	1.8	.06	.01	118
3632	Household refrigerators and freezer	585.0	25.68	2.65	1
3642	Lighting fixtures	140.0	6.21	.63	1
3643	Current-carrying wiring devices	149.9	11.10	.68	1
3651	Radio and TV receiving sets	490.0	12.19	2.22	2
3662	Radio and TV communication equipment	163.3	1.81	.74	14
3679	Electronic components, not elsewhere classified	10.5	.17	.05	97
3691	Storage batteries	149.6	18.12	.68	1
3694	Engine electrical equipment	657.2	36.51	2.98	1
3713	Truck and bus bodies	113.1	8.87	.51	2
3717	Motor vehicles and parts	15,655.5	31.29	70.94	1
3741	Locomotives and parts	540.0	90.00	2.45	1
3955	Carbon paper and inked ribbons	1.1	.48	....	27

[From National Journal Reports, Apr. 27, 1974]

ECONOMIC REPORT/FTC SCHEDULES EXPANDED BUSINESS REPORTING DESPITE PROTESTS

(By Daniel J. Balz)

(Manufacturer protests that more detailed reporting on their products and profits would cost too much and might leak into the hands of competitors are falling on deaf ears at the Federal Trade Commission. The FTC will, within a few months, start asking the nation's top 500 manufacturers to report by line of business rather than under the present system in which bread products are sometimes listed as electrical machinery. Only the General Accounting Office, which now is reviewing proposed questionnaires, could stop the project and it is not likely to do so.)

Within the next few months, the Federal Trade Commission is expected to start looking into the books of the nation's 500 largest manufacturers for financial information the companies say does not even exist.

The commission says that to improve the profit statistics now published in its *Quarterly Financial Reports* and to provide a more realistic structural picture of the U.S. economy, it needs to know more about the big manufacturers.

Specifically, it wants to know how much these firms sell, how much they earn, how much they spend on advertising and sales promotion, and how much they invest in research and development. But instead of asking for the figures on a companywide basis, the FTC will require the companies to break down the numbers for almost every product they manufacture.

Disbelief: In the lingo of economists, accountants and statisticians, this is known as "line of business" or "product line" reporting. The companies say they do not and cannot keep books that way, and the basic rub in the fight which has raged for three and a half years is that the FTC simply does not believe that.

That skepticism has pushed the FTC into a tough-talking mood. It is best reflected through Lewis A. Engman, the FTC's young chairman.

"I'm not going to get into any name-calling over this," he said recently. "But I find it difficult to believe that they (the companies) don't have reasonable estimates of this already."

Even if the companies admitted having the information—or the ability to produce it—they would not turn it over willingly to the federal regulatory agency which was created to assure competitiveness in the marketplace. And that is perhaps the major reason the companies are not believed when they protest.

In turn, the companies do not believe the FTC when it says that the data will be made public only on an aggregate or industry basis. No individual company figures will be released, according to Engman. But as he said, no one can give businesses an ironclad guarantee that none of the information will ever find its way into public view, and that is enough to convince the business interests that in the future, all of it will become public.

Familiar ground: Since January 1971 the two sides have been arguing. After multiple revisions of an FTC questionnaire, the arguments on each side remain exactly the same.

The basic issue is that the government wants the information and the companies do not want to give it up. Business interests have mounted an intensive and persistent campaign to kill the entire proposal and they have staked their case on four principal points:

The information does not exist.

To produce it would cost companies hundreds of thousands of dollars.

Even if it could be produced, the information would not be very accurate and could create more problems than it solves.

Companies fear that if the figures fell into the hands of competitors, that could hurt profits.

But the FTC is as committed as it was three and a half years ago to getting the data, and as business rehashes the same arguments, the FTC has moved within reach of its goal.

Newest proposal: The latest form of the proposal was unveiled March 27. From there it went to the comptroller general for review. He and his staff at the General Accounting Office (GAO) have 45 days to decide whether the form requests statistics that already are gathered by other federal agencies or whether responding would create undue burdens on the companies.

After GAO comments, the FTC can incorporate suggestions into a new form before mailing it out. But the commission is not required to accept the GAO recommendations.

Pipeline bill: The Alaska pipeline bill (87 Stat 576), passed by Congress on Nov. 13, helped to break the logjam on the line of business proposal. Until then, the Office of Management and Budget (OMB) had final clearance authority on the form and it had proved itself a tough taskmaster. But the pipeline bill exempted regulatory agencies from the OMB clearance process and gave to GAO a more narrow review authority.

There has been some disagreement over the extent of GAO's authority, but lawyers from there and the FTC agreed recently that GAO could not delay implementation of the form.

Given the schedule set out by the FTC, companies could begin getting forms in the mail by early summer.

FTC POSITION

The FTC says it needs more detailed data on company profits so that it can do a better job of investigating and evaluating the structure and competitiveness of the economy.

"We believe that information on profitability is highly relevant to an evaluation of economic performance," said James M. Folsom, acting director of the FTC's Bureau of Economics.

"The data currently available is no good with the degree of diversity in industry."

Diversity: That diversity has been an increasing problem, brought on by the many corporate mergers and acquisitions of the past decade. The increased diversification of big companies has helped to obscure the actual structure of a variety of industries, and it has magnified the existing problem of trying to classify a complex economy with elementary classifications.

Sales and profits figures now are published in the commission's *Quarterly Financial Report* under 31 broad industry categories. But the commission found those categories are too broad to be meaningful, and that as companies began producing a variety of products, and as they acquired companies which made entirely different goods, the purity of the industry data diminished.

Because the categories in the *QFR* are defined so broadly, the relationship of figures lumped within any one of them often is quite limited.

Electricity: In its statement supporting the latest line of business proposal, the commission illustrated the problem: "Consider the *QFR* category, 'Electrical Machinery, Equipment, and Supplies.' Its use results in the intermingling of data for such diverse products as transformers, clothes, washers, lighting fixtures, semiconductors and batteries. The only relationship of these products which is apparent is that they have a common tie to the technological phenomenon of electrical power. That . . . is of no help in establishing meaningful market boundaries."

Conglomerates: The problem is further complicated by company diversification. For example, the sales and profits of Continental Baking Co. find their way into *QFR* under the category of electrical machinery. That is because Continental Baking is owned by International Telephone and Telegraph Corp. Likewise, figures on Frigidaire refrigerators and freezers are lumped in with statistics on the auto industry because they are produced by General Motors Corp.

So bad is the problem that the FTC staff concluded that at least one-third of the sales included in each of the 31 industry groups come from some other industries.

For many companies, the "primary" line of business may account for less than 20 per cent of its total activity, but all its financial figures are included under that primary category.

"The line of business is an attempt to obtain data on a larger number of lines," Folsom said, "which would be substantially cleaner than the *QFR*."

SEC figures: Other than *QFR* figures, similar information is available only through the Securities and Exchange Commission (SEC). The commission requires companies to file annual reports (SEC Form 10-K) and asks them to break down the figures on a line of business basis. But the SEC allows the companies to define the lines themselves, making the figures, in the eyes of the FTC, "essentially useless."

Often those lines are defined so broadly that they reveal nothing. Procter and Gamble Co., for example, lists everything under one line of business, "household products," even though it makes everything from potato chips to tooth paste, and owns one of the largest coffee companies (The Folger Co.) in the country.

Ford Motor Co. reports two lines of business to the SEC: automotive operations and "all other," even though it listed 64 different product lines in a statement opposing the FTC form.

"There is no way to put together good profit data (from SEC figures)," Folsom said, "and the SEC indicated that their data was not good for our needs."

FTC proposal: To rectify the problem, Folsom and his staff want to require the 500 biggest manufacturing corporations to begin filing sales, profit, advertising and R&D figures for 219 different manufacturing product lines.

This is a considerably less ambitious project than one outlined in the proposal of last August. That plan would have required 2,000 firms, both manufacturing and nonmanufacturing, to report on the basis of 455 different product lines.

And while the FTC would prefer the companies to report strictly along those lines (which are based on products defined by the Standard Industrial Classification code, or SIC), it would allow the companies to lump all the activities of one "business segment," or plant, under one product line, even if several products are made there. This is essentially the way companies report to the Bureau of the Census for the annual Survey of Manufacturers.

This was done after firms protested that they could not break down joint costs on individual products. Although the new approach will result in some "dirty data," Folsom estimated that it would reduce the amount of meaningless information in the figures from the current 33 per cent to less than 10 percent. "So we're reducing the garbage and at the same time getting data on 219 different lines of business, rather than the 31 in the *QFR*," he said.

Trade-off: FTC staff members said they were faced with the problem of trying to develop a form that would produce a meaningful picture of the U.S. economy, knowing that the more realistic a picture they wanted, the more difficult it would be for firms to report with any degree of accuracy.

They were trying to come up with the right combination of product lines to meet both goals.

Those products are defined by SIC codes. Those codes categorize the economy in various levels of detail. For example, a two-digit SIC code classification is very general, listing industry categories as "furniture and fixtures," or "fabricated metal products." But a four-digit classification, which is a refinement of the two- or three-digit categories, may break products down into units as small as "public building furniture" or "metal doors, sash and trim."

"Either a four- or five-digit definition is much closer to the notion of the economic marketplace," said William F. Long, the staff economist at the Bureau of Economics who did much of the work on the form's development. "But if you push as far as you can, you do so only at the expense of exacerbating the problems of cost allocation, transfer pricing and the garbage in secondary products (produced in the same plant)."

Cookies and crackers: The compromise was to settle on a basic list of product lines broken down according to a three-digit SIC code definition. But in special areas, the FTC broke products down on a four-digit, or more detailed, basis because they knew the lesser detailed picture would be a faulty one.

In a line both humorous and reflective of the seriousness of the FTC, Folsom said, "We knew that the firms that were big in cookies and crackers were not big in bread." (All would have been lumped together under a three-digit breakdown.)

Even so, some "garbage" is likely. The FTC will be getting data of SIC code 3717, "motor vehicles," which includes not only automobiles, but ambulances, armored personnel carriers and a variety of other vehicles.

Timetable: Companies will be given 150 days after the end of their fiscal year to complete reports. Originally the FTC wanted them returned to 90 days, but companies protested that they had too many other forms to complete during the first 90 days, and the FTC extended the deadline.

Companies' foreign operations are excluded from the reports.

The FTC wants companies to file a limited amount of data for fiscal 1973 and hopes to publish its first set of findings early next year.

In addition to the costs to the companies, the FTC has estimated it will cost taxpayers $305,000 to produce the first year's report. The second year's reporting will cost about $260,000, and the cost in succeeding years is estimated at $187,000.

BUSINESS OPPOSITION

To say that business firms are upset by the FTC's line of business proposal is to treat lightly a two foot thick file of letters on the subject sent to the Office of Management and Budget between August and November of last year.

Nearly all of the more than 400 letters came from big manufacturing firms, and they were universal in their opposition.

So distressed are companies at the prospect of having to report such information to the government that one business lobbyist, who refused to be identified, said corporations were not even willing to concede that the FTC's latest version in the form had improved it.

Business simply does not want any part of it.

Building a case: But to get that point across, business has tried to build a case on several themes, one being cost: no company keeps its books by SIC codes or by product lines and to do so would require an enormous investment ranging up to $1 million for some of the big firms, compared to the FTC's cost estimates of about $10,000–$15,000 per company.

Distorted data: Moreover, business says that even if firms do convert their accounting systems to meet the government's standards, the data produced is likely to be inaccurate.

"We say it will be more distorted than meaningful," said Charles C. Hornbostel, president of the Financial Executives Institute (FEI), an association of financial officers of major corporations.

"They (FTC) are not getting all they need," he added, "but this is not the way to do it. This is going to cost business a tremendous amount of money.

"We're all interested in seeing that government gets the information it needs, but there's a happy medium."

But for most companies, that happy medium would be no line of business form, or on like the SEC's, which allows the companies to define their own product lines.

Technical arguments: In opposing the form, the business community has mounted a sophisticated and technical attack on the FTC's proposal. They have done everything from attempting to discredit the economic theory upon which the idea is based to detailing in long, long letters the problems of breaking down their companies' activities into small segments.

They say they are concerned about the accuracy of the data because they fear it could lead the FTC on wild goose chases. (In contrast, the FTC says it needs the data to prevent drawing false conclusions.)

Contributing to distortions in the data are problems of allocating various joint or shared costs of a corporation. How, for example, can the cost of paying chief executives be allocated among various products? Or, how can the fixed costs of operating a plant be allocated among various products produced in that plant. How can expenditures on basic research and development, which eventually finds its way into various products, be allocated properly among those products?

Another technical difficulty raised by many companies is the problem of fixing "transfer prices" on products produced by one part of the corporation which then are moved to another part of the corporation and used in the production of different goods.

Case study: The case of Deere and Co., makers of farm equipment, is illustrative. In a letter to OMB last fall, Deere's general counsel, Robert W. Weeks, said that the company's operations would be reportable under at least 16 different lines of business.

"Seven of those represent categories of equipment which are marketed together as a complete line," he wrote. "More than 50 per cent of costs related to each of these lines are common to two or more. . . . Conscientious allocation would require separate analysis of various fixed costs at nine marketing units, seven factories and various specialized facilities and staff departments serving the entire company.

"Eight other lines represent various types of construction and industrial equipment made largely in a single factory and marketed again as a single line."

FTC compromise: Some of these difficulties would be removed by the FTC's decision to let companies lump all products made in a single plant under the line of business which accounts for most of the sales, but Weeks' letter points out many of the problems facing the companies being asked to report.

Economic theory: Business groups also have told the government that there are significant differences between measurements of profit by accountants and measurements by economists. In a submission to GAO dated April 15, the Chamber of Commerce of the United States wrote that such differences "are such that it is likely to be misleading to use the one as a substitute for the other."

Hostility toward FTC: The complaints of the business community are neither unfounded nor overly emotional. Most of the comments filed with the OMB or GAO are somber and technical to the point of being unintelligible to a non-expert.

But there is another message which comes through from the multitude of letters: businesses resent the FTC's attempt even to get the data and see it as a direct threat to their way of operating. Instead of seeing the FTC as an agency designed to promote and encourage competition, they see it as one which is trying to meddle with market forces already working successfully.

In a letter to OMB, John D. Harper, president of the Aluminum Co. of America (Alcoa), and chairman of the Business Roundtable, an organization of chief executives of large corporations, wrote: "Such reporting is designed to generate class conflicts and improperly require assistance to them for the purpose of antitrust law enforcement. . . .

"Our free enterprise system depends on our laws to provide rules of conduct and disclosure requirements; the regulatory agencies cannot be allowed to negate the intent of such laws."

Included with the letter was a memo

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written to Harper by his corporation's assistant controller, David J. Mahrer, which said, "The FTC takes it upon itself to put the rights of certain groups over others, which we strongly protest. Why should purchasers be given an advantage over suppliers; labor over management, consumers over investors, small businesses over large businesses, and potential competitors over established companies?"

Another executive, Joseph D. Brenner, president and chief executive officer of AMP Inc. of Harrisburg, Pa., wrote: "The real reason the FTC is seeking the line of business reports is the drive to greatly extend beyond its jurisdiction its regulatory authority over business into both business conduct and business structure aspects."

Confidentiality: That tone of hostility stems in part from the business community's belief that the FTC eventually will require companies to release product-line information publicly.

The FTC has pledged that the current program will be used only for statistical purposes, and that any data will be published in aggregated form. No individual company figures will be made public, Engman said.

The forms are not to be made available to other members of the FTC staff who might be working on investigations of anticompetitive practices in industry.

But corporate officials refuse to accept the FTC's pledge. In letters of comment on the form, many of them wrote that they had not been convinced that the material could be kept confidential. They cited problems of future court cases in which the company's own copy of the form might be subpoenaed, or leaks of individual company figures to the press by government officials with an axe to grind.

Engman acknowledged those fears in a recent interview, but said there was no way to give an ironclad guarantee that none of the material would ever be leaked to the press.

Government control: Other business officials said the FTC proposal represented another step in the government's drive to run the economy from Washington.

"There seems to be the assumption that people not involved in business can make decisions better than those who are," said John Post, Washington representative of the Business Roundtable. "The FTC is substituting men in government who will analyze the numbers and substitute their judgment for businessmen. They don't see the need for drive, for the willingness to take risks to make things work."

SKEPTICS OF BUSINESS

Ironically, the business community's constant pounding of the issue of confidentially serves only to persuade proponents of the line of business program that manufacturers are not telling the whole truth about their problems in complying with the FTC proposal.

That, in turn, has contributed to the gulf that has separated the two sides for three and a half years. After thousands of letters, calls and discussions, many fundamental issues still have not been resolved.

Proponents of the program—who include consumer groups, labor unions, some academies, small businesses and government economists—still contend that businesses already have the capability of producing such information.

Contradictions: Skeptics point to what they see as inconsistencies in the business arguments as evidence that companies can comply with FTC proposals.

Mark Silbergeld, a lawyer with Consumers Union of the U.S. Inc. in Washington, said the firms would not worry so much about the possible release of individual company figures if they believed their own statements about the likely inaccuracy of those numbers.

"They can't have it both ways," he said.

Capability: Another proponent of the program, Abraham J. Briloff, a professor at the City College of New York, told a meeting of the Business Advisory Council on Federal Reports last October, ". . . the accounting problems here involved are no greater than those implicit in the financial reporting processes generally and those implicit in various tax determinations. The data requested are already in the corporations' data banks and they require some reprogramming to a degree.

"Demands that are here being suggested for the corporations are not that much different from what it is that is being asked of them in various tax facets where . . . there must be a meaningful sophisticated allocation and reallocation of global profits to different countries and/or to different entities operating in different sectors."

Small businessman: Bernard Evers Jr., president of Sunbeam Bread, wrote OMB to recommend approval, saying, "I hope you will proceed with full steam on this ruling so that those of us who are in small businesses will be assisted. There are many reasons why this is to the public's good. The paramount reason, in our opinion, is the necessity of keeping a conglomerate from underpricing certain products with the motive of driving a smaller competitor out of business.

"The absurd figures I read, given by accountants of these large firms in order to comply with the new disclosure ruling, are ludicrous. We are members of a 120-bakery co-op, and all of us know our product line profits and losses, even down to our individual departments. I'm sure most conglomerates already have access to figures which would let them comply with the new disclosure regulations."

Financial analysts: Stock analysts also want to see the FTC's proposal enacted. They say it would be an invaluable aid for them in studying investment opportunities in industry.

"If you're trying to do any analysis of a company, especially a diversified one, and you're trying to project, if you do it on total company figures, you get meaningless results," said Frances Stone, an economist with the brokerage house of Merrill Lynch, Pierce, Fenner and Smith Inc.

Ms. Stone, who also chairs the Financial Disclosure Accounting Committee of the Financial Analysts Federation, said she thought the companies could produce the data, although it might be costly.

She also rejected the argument used by many firms that disclosure of such data could unduly aid competitors. "My own experience in industry is that all your competitors are watching you so damn carefully that they know your business better than you."

OUTLOOK

Because this gulf exists between the FTC and its critics in industry, there is little likelihood that the differences ever will be resolved.

FTC chairman Lewis Engman has put himself squarely behind the proposal, and is ready to see it implemented even in the face of that opposition from business.

He and his staff are not overly sympathetic with complaints from business about the potential cost involved. As he said in a recent interview, for those companies which do not keep figures resembling product-line accounts, the cost could be fairly high. But he and his staff say the information is so vital, the extra cost is worth it.

Neither are he and others at the FTC overly optimistic about the quality of the data on the first round.

"No one has said the first round data will be perfect," he said. "But I'd be surprised if we don't make changes along the way."

Businesses seem to be staking their hopes on the GAO. The Chamber of Commerce, for example, said that while it recognized GAO's authority was more limited than OMB's had been, it still believed GAO could and should reject the current draft because it is too burdensome for companies and duplicative of gathered data.

GAO officials, who refused to speak for attribution, said they expect to make substantive comments on the report within the 45 days allowed. But they said they recognized the necessity of some kind of useful product-line information and were seeking some kind of solution which would allow the program to go forward.

Despite their consistent campaign against the program, businesses and corporations have been unable to convince the government of the merits of its case. Like a jury faced with persuasive, but conflicting testimony, government officials have concluded that many of the arguments of business are outweighed by proponents of the program (including themselves) who say the information is necessary and that business could produce it with some ease, if it were seen by them as beneficial.

How willingly manufacturers will cooperate with the new program is a question in the minds of many persons working on the case.

When asked whether businesses would cooperate with the program, once implemented, Charles Hornbostel of the Financial Executives Institute, said, "I just don't know what they'll do. There just may be a lot of reports in the file with 'N.A.'—not available—on the lines."

Even if that proves prophetic, once begun, the line of business proposal is not likely to be abandoned, and companies which refuse to cooperate will find themselves continually burdened by government requests for information. As one government economist said recently, if companies do not already keep their books the way the government collects information, they had better start doing so.

WRITING A QUESTIONNAIRE

The Federal Trade Commission's line-of-business reporting proposal has followed a long and rocky road during the past three and a half years. Even as it nears the end, few people involved with the program can agree on why it has taken so long to get from conception to implementation.

There has been constant criticism of the Office of Management and Budget's (OMB) statistical policy division for delaying the proposal, but there is also some evidence that the FTC staff got bogged down internally, partly because of leadership changes at the Bureau of Economics.

A chronology memo, prepared by the Office of Management and Budget, describes the path from the perspective of OMB. Highlights of that memo follow:

On Dec. 1, 1970, the FTC asked OMB to clear a line of business questionnaire which was to be used strictly for statistical purposes.

OMB scheduled a meeting of the Business Advisory Committee on Federal Reports (BACFR) for Jan. 21, 1971, at which business interests bitterly attacked the proposal and expressed special concern about keeping the data confidential.

The OMB staff then met with FTC staff members on Feb. 18, 1971, to discuss the matter. OMB asked the FTC to draft a resolution and guidelines on the confidential treatment of statistical forms. Staff members present also decided, according to the OMB memo, that the entire form would be revised, and that FTC would submit a new version by "early fall 1971." The next meeting noted on the memo took place on July 14, 1971. Again the discussion centered on confidentiality guidelines. A third meeting on the confidentiality followed in December.

OMB requested another meeting with the

FTC staff on Jan. 6, 1972. There OMB staff members suggested to the FTC staff that the line of business form should conform as closely as possible to the existing organizational units of the firms covered by the program.

During this period, another dispute was festering. Business groups wanted to shift the financial reporting requirements to the Bureau of the Census because they had more faith in the bureau's ability to keep the data confidential, and they preferred that it go to an agency which did not have authority over anticompetitive practices.

In discussions with the FTC staff, OMB suggested that perhaps the commission's *Quarterly Financial Report* could be shifted to the Census Bureau, and that the line of business proposal be run separately as a program both for statistical and adjudicative purposes of the FTC.

OMB staff members were concerned with protecting the *QFR* as an integral part of other financial statistics gathered by the government and told the FTC they thought it would be better for everyone involved if the line of business program were divorced from the *QFR*.

The FTC later decided against this recommendation.

In January 1973 the FTC submitted another draft of the line of business proposal to OMB, where staff members concluded that the new one did not meet the requirements discussed the year before. Instead, OMB found that the FTC wanted business firms to report data on the basis of Standard Industrial Classification codes on a detailed basis.

In April, a third draft of the form came to OMB. The memo described the draft as "somewhat confusing." OMB sent the form back and promised the FTC that after the next draft arrived, a meeting with the Business Advisory Council on Federal Reports would be held. The memo notes that the FTC staff "claimed they are looking forward with some pleasure to such a meeting."

That meeting finally was held on Oct. 17, 1973, two months after the proposal had reached OMB. The meeting was nearly a repeat of the January 1971 meeting, and most of the same issues were discussed.

The FTC took the form back for further consideration and put out a revised form in late December. This was sent to more than 60 industry groups and individuals for comment. On the basis of those comments, the current version was produced.

AN FTC BUDGET CHALLENGE

Federal Trade Commission officials ran into some unexpected opposition to their line of business proposal when they testified in Congress on behalf of their fiscal 1975 budget.

Appearing before the subcommittee of the House Appropriations Committee chaired by Rep. Jamie L. Whitten, D-Miss., Lewis A Engman, FTC chairman, and several of the commission's top executives, were grilled by several subcommittee members about the proposal.

The FTC is seeking an extra $1.3 million to shore up its finances which have been reduced because of several major investigations, including a study of major oil companies. If the Appropriations Committee cuts the FTC request by much, the line of business proposal could be affected.

One Appropriations Committee staff member said that most of the questioning centered on business fears that the data submitted might not be kept confidential by the FTC. But the members also asked whether the proposal might not prove too costly for the 500 corporations being asked to respond.

FTC staff members said they were surprised by the tone and intensity of the questioning, and one, who asked not to be identified, said it appeared to him as though the members had been contacted in advance by business lobbyists who are heavily opposed to the entire program.

R. T. McNamar, FTC executive director, said that the issue usually comes up when commission members or staff appear before Congress, but that the amount of time devoted to it this time was more than normal.

He said he did not think the committee would cut the budget enough to threaten the program, adding, "We're so committed to line of business . . . that it would be the last thing to go."

CHANGING REPORT DRAFTS

The following table, prepared by the Federal Trade Commission's Bureau of Economics, compares the coverage of four drafts of the line of business proposal which have been made since December 1970.

	Draft date			
	Dec. 1, 1970	Aug. 3, 1973	Dec. 28, 1973	Mar. 27, 1974
Number of firms required to respond (total)	[1] 1,000	2,000	500	500
Manufacturing firms	[1] 1,000	1,200	500	500
Nonmanufacturing firms	0	800	0	0
Approximate percent of all manufacturing assets controlled by included firms	81	81	71	71
Approximate asset size of smallest firm required to report (millions)	$50	$50	$185	$185
Number of industry categories for which data are requested (total)	151	455	382	228
Manufacturing categories	99	357	374	219
Nonmanufacturing categories	52	98	8	9

[1] This proposal was to involve a 1st year collection of data from only 100 firms.

Source: Federal Trade Commission.

THE BUSINESS ROUNDTABLE . . .

THE BUSINESS ROUNDTABLE . . . KNOWING WHO'S DOING WHAT

The suite of offices is small: an outer room for the receptionist and an inner room for the staff (of one). There is nothing pretentious about the appointments. But the suite houses what could become the most potent business interest group in Washington, D.C.: The Business Roundtable.

Unlike the National Association of Manufacturers (NAM) or the Chamber of Commerce of the United States, the roundtable is selective about its membership. Only chairmen or chief executives of the country's biggest companies need apply.

The roundtable exists as a vehicle for these top executives to get involved personally in government activities which could affect their businesses.

The roundtable's method of operating is different from some other business lobbies. It picks and chooses its issues and its Washington representative, John Post, spends most of his time tracking issues which could be important to the members.

On those issues on which he thinks the roundtable can have an impact. Post tries to persuade the executives themselves to travel to Washington to make their case directly to the policy makers.

But Post is careful not to over-expose executives or to waste their clout on hopeless cases. He said that while he had been following the Federal Trade Commission's line of business proposal, he does not think the roundtable will take a direct role in the issue, particularly now that the authority to review the FTC's draft questionnaire has been taken from the Office of Management and Budget and vested in the General Accounting Office.

"If (Roy L.) Ash (director of OMB) had gotten involved in it, we might have had one (executive) try to talk to him about it," Post said. "But I wouldn't have them see Elmer B. Staats (comptroller general) about it." Roundtable history: The roundtable, which has been around Washington for little more than a year, is an outgrowth of two organizations, the Labor Law Study Committee, formed in 1965 through the efforts of Roger M. Blough, former chairman of the board of U.S. Steel Corp., and the Construction Users Anti-Inflation Roundtable, a group of about 130 companies who "buy" construction, which was organized in the late 1960s when construction prices started rising steeply.

The central theme of the roundtable, Post said, is the effort of chief executives to strengthen the voice of business in society.

"The concept, as explained to the chief executives," Post said, "is that 'You have to know more about Washington, and you have to get involved.' "

The roundtable now has about 150 members, Post said, and each company pays a separate fee based on a formula which takes into account gross revenues and stockholder equity. The fees range from $2,500 to $35,000 annually.

The group takes few positions as a body. Instead, it concentrates on bringing the right executive to the right place at the right time.

"We want to be low key and helpful," Post said. "It's a matter of knowing who's doing what and only getting involved in it if some help is needed."

Congressional staff members who have had contact with Post say he is good at his job. "Post kept in closer touch on wage-price controls than anybody else I dealt with," said one Senate staff member who asked not to be identified. "He was very knowledgeable about every development that occurred. If there was discussion between offices on a new draft of a bill, he knew about it."

Post convinced four chief executives to testify before the subcommittee of the Senate Banking, Housing and Urban Affairs Committee, which was drafting controls legislation. He also arranged for the four men to meet privately with the subcommittee chairman, Sen. J. Bennett Johnston, Jr., D-La., to make their case directly.

Convincing management: Post admitted, when asked directly, that one problem he has had is convincing chief executives of even the largest companies in the country that what the government does affects their operations.

"Many of them don't realize they're entitled to state their own opinions," Post said. "But we're getting more and more of them to come and testify."

He said that many U.S. business executives tend to rely on the NAM or the Chamber of Commerce to carry their fight. "But if the oil companies have learned anything," Post said, "it's that they can't put everything on Frank N. Ikard's shoulders." (Ikard is the president of the American Petroleum Institute.)

Finding a niche: This has made roundtable relationships with the chamber and the NAM somewhat uneasy. Although all three worked together on several recent issues, including wage-price controls, officials at the chamber and the NAM expressed some puzzlement at the role of the roundtable.

Several meetings have been held between Post and officials of the other two groups to work out a better relationship.

One NAM official, who would not speak for attribution, said he also had been told that some members of the roundtable were not pleased at the expanding role of the group.

Registering: This expanded role has inevitably brought more public attention on the roundtable's activities, and that has forced Post to change one aspect of his approach.

For example, he never has registered as a lobbyist, and when NJR asked him why, he said, "That's a question I kept asking my lawyer."

Post said his lawyer had tried to convince him that he did not engage in enough "lobbying" to be registered, but he said he had asked the lawyer to file the papers recently, "just so the question doesn't keep coming up."

One Senate staff member, who has dealt with Post, said that while the roundtable works like most other business lobbying groups, "It is easy to assume that they speak for business. In fact, they speak only for big business."

Policy Committee: According to roundtable stationery, the following chief executives form the group's Policy Committee: John D. Harper of Aluminum Co. of America; Blough; Fred J. Borch of General Electric Co.; Bert S. Cross of 3M Co.; John D. deButts of American Telephone and Telegraph Co.; Richard C. Gerstenberg of General Motors Corp.

Also, Shearon Harris of Carolina Power and Light Co.; J. B. Jackson of J. C. Penney Co. Inc.; J. K. Jamieson of Exxon Corp.; Reginald H. Jones of General Electric Co.; C. B. McCoy of E. I. du Pont de Nemours and Co.; David Packard of Hewlett-Packard Co.; J. Stanford Smith of the American Newspaper Publishers Association.

Also, Benjamin F. Biaggini of Southern Pacific Co.; Donald C. Burnham of Westinghouse Electric Corp.; Henry Ford II of Ford Motor Co.; Robert S. Hatfield of Continental Can Co.: Brooks McCormick of International Harvester Co.; John G. McLean of Continental Oil Co.; Louis W. Menk of Burlington Northern Inc.

Also, Frank R. Milliken of Kennecott Copper Corp.; Shermer L. Sibley of Pacific Gas and Electric Co.; Donald B. Smiley of R. H. Macy and Co. Inc.; Edgar B. Speer of U.S. Steel Corp.; J. E. Swearingen of Amoco Production Co. (Standard Oil of Indiana); O. Pendleton Thomas of B. F. Goodrich Co.; C. C. Tillinghast Jr., of Trans World Airlines Inc.; Lynn A. Townsend of Chrysler Corp.

Also, Maurice J. Warnock of Armstrong Cork Co.; Thomas F. Willers of Champion International Corp.; F. Perry Wilson of Union Carbide Corp.; J. Robert Wilson of Kansas-Nebraska Natural Gas Co.; T. A. Wilson of Boeing Co.; and Arthur M. Wood of Sears, Roebuck and Co.

Mr. MOSS. Mr. President, this amendment to strike the line of business program goes to the very heart of our inflationary crises in the United States. The Federal Trade Commission has embarked upon a vigorous campaign to combat inflationary practices which have developed as a result of anticompetitive activities in the marketplace. Several years ago, the Commission recognized that it needed better data in order to undertake this program with effective results. At that time, the FTC proposed the line of business reporting program which has been described earlier today.

The Office of Management and Budget continuously rebuffed efforts by the Commission to embark upon the program. Finally, last year the Congress gave the FTC the right to undertake the program without OMB clearance. The House has voted for the program. The Senate Appropriations Committee has voted for the program. Now, the full Senate must vote for the program.

Mr. President, if we do not vote for the program, we can go home and tell our constituents that the Congress is the cause of inflation. Why, because it will not give the necessary tools to the regulatory agency trying to fight inflation. I for one will have a clear conscience.

Mr. President, the Appropriations Committee's action must be upheld, and the amendment defeated.

Mr. FANNIN. Mr. President, on Thursday the distinguished senior Senator from Nebraska made an excellent presentation concerning the line of business reporting provisions in H.R. 15472. I congratulate the Senator for his lucid explanation of this very complex matter.

It is my intention to support his amendment, and I would like to make a few comments on what is involved in this bill.

First, I think we should acknowledge that this bill will have an inflation impact on the American consumers.

The Senator from Nebraska pointed out that the cost to industry of complying with the data reporting provisions would be an estimated $175 million. This is a Government-imposed cost of business which will be passed on to American consumers. So when we pass this bill, we will in effect be billing the American consumers for $175 million in addition to the $305,000 appropriation for the Federal Trade Commission.

Congress in recent years has passed an increasing number of bills which have resulted in considerable costs to the consumers of America. We have gone past the point of nickel and diming the public to pay for Government-mandated costs to industry. The costs are getting very high.

We have added hundreds of dollars alone to the cost of cars by requiring pollution control devices and safety equipment.

We have added to the cost of manufactured goods by imposing environmental controls on industry and through volumes of safety requirements.

We have passed bill after bill increasing the paperwork for business, and it is costly to fill out the mountains of Government forms.

We have increased costs for social security and we have boosted the minimum wage.

Mr. President, each time we pass one of these bills we make an indirect but a very real charge to the American consumer.

In the July 8 issue of Industry Week magazine, Editor Stanley J. Modic wrote an enlightening editorial about what he called "Social Inflation" resulting from Government requirements on industry. I ask that this editorial be printed in the Record at this time.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Social Inflation

(By Stanley J. Modic)

Keep prices down. That's government's charge to business along with government's promise it will practice fiscal and monetary restraint to curb inflation over the long haul.

There is growing concern that fiscal and monetary restraint won't get the job done. A good proportion of current price increases has little to do with economic theories. Rather, they are a direct result of so-called social demands being superimposed on industry via ill-defined legislation and hastily drawn regulations with little or no regard to economic realities.

These social demands—all worthwhile goals—include improving the lot of the poor by raising minimum wages; concern for our elderly by boosting Social Security payments; safer and emission-free automobiles; and cleaner air and water. But somebody has to pay for them. And each has its impact on raising prices. Here's what industry, and business, is up against:

Item: Jeffrey works part-time as a box boy in a supermarket. He is a high school student. To keep his job he had to join the union. For his grocery-packing efforts he earns $2.59 an hour—plus a 50 cent per hour premium for Sundays and all the usual fringe benefits.

Item: Operating costs of environmental control equipment in the steel industry added about $1.25 to the price of each ton of steel shipped last year. To meet the latest proposed air and water standards, operation of the equipment would cost an additional $400 million a year, adding $3.60 to the price per ton.

Item: One auto builder reports the cost of safety and emission control devices has accounted for $495 of the price increases between the 1971 and 1975 models.

Item: A business's Social Security tax bill has increased 106% since 1970, from $374.40 to $772.20 per employee earning at the maximum taxable level.

It does little good for the government to pledge itself to fiscal and monetary restraint while at the same time it follows policies and passes legislation which fuel inflation and mandate price hikes.

Until we face up to social inflation, the outlook for controlling economic inflation is dim.

Mr. FANNIN. Mr. President, if we are going to assess the American people $175 million so that the Federal bureaucracy can accumulate more data, let us at least have some guarantee that the data will be accurate.

It is quite clear that what the Federal Trade Commission proposes will not result in useful data. We will, in effect, be wasting millions of tax dollars. We will be generating some very useless, very expensive data.

Unless there is a consistent way of cost allocation and transfer pricing, the data collected by the FTC will be meaningless.

It is my understanding that the Securities and Exchange Commission considered requiring a type of line of business reporting, but decided to hold off until after a uniform and meaningful system is developed.

The Financial Accounting Standards Board currently is researching this matter and will hold public hearings August 1. The FASB will be seeking the development of accounting for segments of business.

Mr. President, the Senator from Nebraska inserted in the RECORD portions of the Comptroller General's evaluation of the FTC program.

This evaluation pointed up the unresolved problems involved. There are no standards for cost allocation or transfer pricing. Various businesses have followed accounting practices which make the most sense to them; perhaps their philosophies of doing business have dictated different accounting approaches.

This is to be expected in a nation which has thrived on free enterprise. There is, in my mind, some reluctance to establish programs which require uniformity of accounting methods because it seems to me to be another step toward suppression of individualism and innovation.

If, however, this data sought by the FTC is to be of any value, it must have uniformity. The Comptroller General points out that what the FTC will get under current circumstances will neither be accounting figures nor economic figures. It will be, in effect, meaningless. It will not be useful in deciding Government policy. Most certainly it would be of little or no use in antitrust actions or in the formulation of policies to foster competition and encourage lower prices for consumers.

Mr. President, the FTC is seeking to build an image as an agency fighting to assure bargains for the consumer.

The $175 million data collection program in this bill would not be a bargain, it would be a waste of tax money. I certainly hope that we will adopt the Hruska amendment which provides a much more realistic approach.

Mr. HRUSKA. Mr. President, this morning in a colloquy between the Senator from Wyoming and me, he yielded back all of his time except 10 minutes. I have 12 minutes left. I will relinquish 2 minutes, saving the 10 minutes on each side preceding the vote. That was in the original agreement which we agreed upon last week.

The PRESIDING OFFICER. The understanding of the Chair is that it was never made an order.

Mr. McGEE. Mr. President, I ask unanimous consent, since the Senator from California has agreed to a voice vote, that we might dispose of his amendment now while it is freshly with us.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California. (Putting the question.)

The amendment was rejected.

Mr. McGEE. Mr. President, to clear up the matter, I ask unanimous consent that there might be 20 minutes remaining before the roll is called on the Hruska amendment, so that the RECORD is clear.

Mr. HARRY F. BYRD, JR. Mr. President, under the parliamentary setup, the Senator from Virginia would like to speak on the bill for 10 minutes at one point or another.

Mr. McGEE. Mr. President, my recommendation to the Senator from Virginia would be that he would want to speak on the bill probably after we have run through the amendments, all of which are pending, in very short order, and we have time left for that.

Mr. HARRY F. BYRD, JR. The Senate has time left for that after the four votes?

Mr. McGEE. After the four votes. I think I have 20 minutes and the Senator from Hawaii (Mr. FONG) has 30 or 35 minutes.

Mr. HARRY F. BYRD, JR. Well, four votes at 15 minutes each; that would be 1 hour. That takes it up to 10 minutes of 5, not counting the 20 minutes the two Senators now seek.

Mr. McGEE. The time on the amendment does not come out of the bill.

Mr. HARRY F. BYRD, JR. I understand. but the unanimous consent agreement provides that we shall vote at 5 p.m.

The PRESIDING OFFICER. Time is now running on the 20 minutes.

Mr. McGEE. I am glad to expend it on that as long as it does not run out.

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry. This is a unanimous-consent request that has not been agreed to, so time is not running.

Mr. McGEE. Mr. President, I withdraw my 10-minute unanimous-consent request; the 20 minutes on the bill. Inasmuch as we were proceeding anyway with that time limit I withdraw the request.

Mr. HARRY F. BYRD, JR. That still leaves the Senator from Virginia without time.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McGEE. I guarantee the Senator time. I have time left at the end of the bill.

Mr. MANSFIELD. It is my understanding we have possibly seven rollcall votes. If we were to start voting right now we could not begin to finish by 5 p.m.; therefore, I make two requests.

Mr. President, I ask unanimous consent that the first vote take 15 minutes and all votes thereafter take 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, at the appropriate time I will make a unanimous-consent request to get a reasonable time beyond the hour of 5 o'clock so that all Members may be satisfied as much as possible.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HRUSKA. Mr. President, I have no further requests for time on my side of the aisle on my amendment.

Mr. McGEE. The Senator has 10 minutes.

Mr. HRUSKA. I understand that. I will take part of the 10 minutes and then close the discussion if there is no contribution from the other side.

The PRESIDING OFFICER. The Senate will be in order so the Senator can be heard.

Mr. HRUSKA. Mr. President, the pending amendment has, for its purpose, the improvement of the quality and the usefulness and reliability of the line-of-business reporting system which is being commenced by the Federal Trade Commission.

Pursuant to the law that was adopted and enacted last November, the reporting system of the Federal Trade Commission was referred to the General Accounting Office for the Comptroller General's review and for his recommendations.

Mr. President, that review did come back. The Comptroller General said it was consistent with the law; that there was no other place in Government that the requested information could be secured. But he attached three provisions to his report: One was that it was a limited approval that he was giving, and it would expire on December 31, next year. The Commission also is required to discuss with business representatives methods of improving the ease and accuracy of the business report, and, further, to explore with the other agencies the possibility of consolidating and coordinating data which has been collected by other agencies.

Mr. President, in the study of this bill and of the reporting system, and the results that would be obtained by it, the General Accounting Office staff determined and found, in a report which was approved by the Comptroller General, that the results of that study and of those reports would be distorted and that this distortion would be very substantial due to the noncomparability of the data across firms.

It found further that the data reliability problems referred to in prior sections of the report will make the initial responses unreliable at best.

Mr. President, the implication is—and there are expressed words in the report stating this—that not only would they be unreliable, but they would be affirmatively misleading. What are we getting into, Mr. President? The purpose of this information is to furnish the basis support for rational policy-planning procedures that are being developed by the Federal Trade Commission.

We were asked to make this reporting system available to the FTC to enable them to analyze the extent of competition, the profitability of different lines of industry, the sales promotion activities and research and development in different lines of business. It is further intended to enable new entrants to come into an industry and to participate in the lush, profitable businesses that will be designated as such in this study. And yet built into this system of reporting, Mr. President, are distortions of substantial character. Built into these reporting procedures are unreliable figures and information—that, by definition, will be misleading.

Mr. President, the major reason for this misinformation is that there are no accounting procedures which are uniform in character which would enable the development of information that would be aggregatable and uniform. Without these accepted principles, there will be nothing but trouble. The purpose of my amendment is to limit the Federal Trade Commission to one category of information, to wit, for each of the companies and lines of business that will be involved in order to limit their inquiry into sales or revenue in which, even here, there remains some substantial and perplexing problems.

If they can overcome the difficulties of solving those problems in this limited area of reporting which is the easiest of several categories, then they will be better able to proceed. It makes sense, Mr. President. Maybe it is so sensible and so logical, that it will be unacceptable. Sometimes that happens.

It is my hope the Senate will approve the amendment so that we can go forward with assurance that the efforts will be fruitful and that they will be accurate, rather than distorted, arbitrary, misleading and unreliable.

Since I have now touched on the major issues allow me to summarize the discussion to date, and examine the major points, by again reviewing the basic facts involved.

Mr. President, H.R. 15472 provides $305,000 to enable the Federal Trade Commission to conduct an annual line-of-business report. The FTC contends that it needs this information "to investigate the extent of competition in the U.S. economy" and to support "rational policy planning procedures within FTC." This report is designed to obtain from the 500 largest U.S. manufacturing companies detailed and sensitive financial information, including sales, expenses, costs of material and labor, assets, et cetera. Partial information by categories—styled lines of business—on a plant or establishment basis is required for 1973 and complete information is required for 1974 and subsequent years. Where a plant makes more than one product, all of the receipts, costs and assets would be assigned to the product with the largest percentage of sales.

FTC has for several years proposed a questionnaire of this type. The current form represents the latest revision. This form, however, has been resisted by business which contended that the data cannot be meaningful for the stated FTC purposes and will be misleading if used as a basis for action because of the extraordinary accounting difficulties which arise in reporting accounting information for the product classifications used, because of the cost and asset allocations and intracompany transfer sales and pricing problems. Business has also expressed concern that the information requested will not have adequate protection to safeguard legitimate company secrets—business secrets which, if disclosed would most aid their foreign-based competitors in the U.S. market who are not subject to the questionnaire.

Pursuant to section 409 of Public Law 93–153, the General Accounting Office reviewed the FTC questionnaire and concluded that—

> The data reliability problems . . . will make the initial responses unreliable, at best, in our judgment. These unreliabilities are a product of the unresolved dilemmas in adapting the FTC classification system to individual business practice, and they extend to proposed procedures for allocation and transfer pricing as well as to the basic classification system.

The GAO report goes on to state that—

> The data reliability problems will be most easily resolved with respect to sales/income items. The allocation of costs to lines of business, in accordance with FTC instructions, will be substantially more difficult, less reliable, and less aggregatable. The allocation of capital items by product line presents even more serious problems.

Finally, the GAO observes:

> The cure to these problems is simple but difficult. What is needed is extensive face-to-face discussion between informed FTC representatives and informed business representatives, for joint learning and resolution or compromise of the dilemmas. If they are to be useful, these discussions will need to be conducted on the premise that their purpose is to find the best solution, not to debate whether the data should be collected.

The amendment which I am proposing would implement the GAO recommendation. It would provide the FTC with the information as to which GAO says the data reliability problems can be most easily resolved. By permitting the program to proceed, my amendment is a clear signal to the FTC and to business that the time has come to join in the development of a better questionnaire, one which will prove reliable and useful for the purposes stated by the FTC. With this amendment, H.R. 15472 would provide funding for the program for 1 year, after which Congress could assess the progress and adequacy of the combined efforts of FTC and the business community. Knowledge that such an assessment is contemplated should provide a useful spur to the FTC-business discussions and bring about necessary decisions where past efforts have not.

It is my understanding that the procedure which the GAO recommended, and which I propose to implement, is acceptable to the business community. I also note that the GAO report cites support for the general concept of line-of-business reporting from the American Institute of Certified Public Accountants, the Financial Executives Institute and the New York Stock Exchange and from a number of companies who commented adversely on the FTC form. Moreover, I am informed that the Financial Standards Board is already embarked upon an effort to develop a more useful and reliable method of obtaining line of business information. This board, formerly the Accounting Principles Board of the American Institute of Certified Public Accountants, is a prestigious organization of professional accountants. Interestingly, a Federal Trade Commission professional is a member of the Task Group engaged in this effort.

For its part, the FTC, in a letter to Senator Hart, acknowledges that the GAO suggestion of further discussions with business "has merit." FTC therefore is agreeable to "hearings on improving the questionnaire," but seemingly resists the idea that the existing survey be abbreviated pending these discussions. For its part, FTC acknowledged that "the program was never envisioned as producing 100 percent reliable data," but defends the information solicited as "far more reliable than currently available information on industry performance."

Mr. President, the purposes for which this information is being sought are far too important to permit the development and utilization of data which business has charged, the GAO has confirmed and the FTC grudgingly acknowledges, is not wholly reliable. The Federal Government is here dealing with the very essense of our private, economic system. It ought to be axiomatic that the judgments to be made as the result of this program can be no more accurate than the data on which they are based. If Congress provides funds for such a program knowing beforehand that its own accounting arm has said that the program will yield misleading and unreliable data, we will, in effect, be countenancing in advance any erroneous decisions that may flow from information developed by such a program.

I am strongly opposed to such a course, particularly since a viable alternative is available. The more effective method is to proceed with a line of business program limited to sales or receipt data, and then to perfect that data, rather than to survey first and perfect the questionnaire later. To adapt FTC's suggestion and perfect the questionnaire later would undoubtedly require those businesses who already complain of the survey's burden to redesign the systems and procedures that they must establish to report data for the present questionnaire. Further expenses would be incurred to revise and resubmit data for at least 1974.

Nine of the 500 companies to be surveyed, list just the startup costs of the FTC survey at a total of $7,539,800. among the principal reasons for high startup costs is the retroactive application of initial reports to 1973 and 1974. The product line classification systems adopted by the FTC was not finalized until March 1974. This means that the 500 companies will have to go back and recast their accounting records for 1973 and 1974 in order to report according to FTC classifications.

While the FTC has challenged the business costs estimates of complying with the survey, it is significant that the GAO has concluded:

> We are convinced that it will be more costly to compile the data than FTC has estimated and its evaluation as to the necessity for the information and burden should assume much higher costs.

To embark on a full, but unreliable, survey in the fact of such startup costs and the costs which will accompany further revisions just does not make good common sense. I urge that the Senate adopt a more rational approach—start the survey with the limited data for which the GAO indicates that the reliability problems can be most easily resolved. Then, refine it and the further requests for data by discussions between business and FTC before next year's FTC funding request is made. At that time, if a revised program will yield reliable data, we can provide the funding with far more assurance that it is a wise expenditure.

I move the adoption of my amendment.

Mr. President, I reserve the balance of my time.

Mr. McGEE. Mr. President, I would like to take three minutes to summarize why the committee opposes the Senator's amendment at this time.

In the course of the committee's deliberations, we made, we think, significant steps toward a hardrock compromise that would seek to protect the maximum responsibility for a breakthrough in this area on the part of the Federal Trade Commission, an area that has been, in one way or another, stalled or delayed or made ineffective all too long, until now.

I recall well when we had the Federal food investigation, in which the Senator from Nebraska and I were the ranking Senators involved. The one stone wall we went into all the time, when we were trying to determine what went on in food pricing alone, was the mystery behind the facade of the conglomerates as to where profits lay, what you were ascribing to a particular segment of a much larger business, and what you were hiding in another part of it.

It became impossible—absolutely impossible—to determine the profitability and, thus, the legitimacy of a cost charge, a pricing structure. What goes back a long way.

An old story of the frustration in the Federal Trade Commission in this area is precisely for that point. It is for that reason that we thought we should be trying on this proposition, and we hope to try responsibility. This does not go the whole distance that was requested; it only goes part way. But what it does do, Mr. President, is give the FTC the choice of the 500 largest corporations that it desires. It spells out a compromise agreement on seeking to protect confidentiality as those bits of information are employed or used.

And finally, Mr. President, it is accompanied by two assurances: The first is that we request specifically in this legislation that there be a report back to the Congress in 6 months on how it is going, on what they are finding out. It is not going off into limbo. It is not going off on the wrong track. We put that in as a cautionary measure.

Lastly, this is a 1-year proposition and we have yet a second interval in 12 months in which to reassess the whole thing automatically under the appropriations process.

So I say to you, Mr. President, that while this is troublesome, a lot of troubling areas, gray areas, that is what government is made up of. It is no longer reducible to clear black and white issues. I think it is important that we not penalize the FTC which is imploring this body to give it a chance to get at this in this way.

It is understandable that the businessman is apprehensive. He has a right to his apprehension. The point is that the public interest is also at stake here, and the judgment of this body in general is at stake.

So I say, Mr. President, that we ought to give this a chance and be allowed to take this to conference. This cuts cleaner than the House did in its recommendations, although the House committee was jacked up on the floor of its own body by its membership. We believe that indeed it is in that direction that the public interest is pressing for action. We think that to measure it, this is the way to test it.

Mr. HRUSKA. Mr. President, the debate today is mystifying, because no one opposing this amendment has as yet dealt with the issue of what is going to be done with the Comptroller General's deliberate and unqualified finding that, as outlined and prescribed by the Federal Trade Commission, this report form will produce distorted information, that it will result in unreliable information, that it will be misleading information. That is the point to which we should say, "Yes, the public interest does have something at stake." We can say that we can have this report in 6 months or 12 months, that there is a compromise about confidentiality, that is clearly not the issue at stake here. We are going to approve a procedure whereby reports will be made that will be highly distorted, unreliable, and misleading and foist them upon the public and upon the Federal Trade Commission and upon those who want to enter into an industry where the profit will be reported as being excessive and where that information will not be true. It will not be accurate.

There has not yet been any argument directed to that point, and it is disappointing, because this amendment would improve the procedure. It is certainly not antagonistic and it is certainly not an obstruction to the procedures and welfare of the Federal Trade Commission.

The Federal Trade Commission refuses to concede what the General Accounting Office, the right arm of Congress, has deliberately found and what the Comptroller General has written to us as his opinion, after an analysis of these reports. That is what is at issue.

When there are companies having as much as $155 million in total sales in a given establishment or plant and perhaps only 42 percent in the reporting category in which they must report the entire $155 million in sales and costs, it means that that report can be nothing but faulty, and it will not be a competent piece of work. It is not the kind of work that the Congress would be proud of having sponsored and espoused.

For that reason, I believe that we should compel reporting on a category-by-category basis and let the Federal Trade Commission prove that they can come up with figures that will be clean and useful to the purposes for which they are intended.

This approach is exactly analgous to the pilot approach recommended by the GAA but which was turned down by the FTC.

The amendment should be approved, Mr. President.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. HRUSKA. I yield back the remainder of my time.

Mr. McGEE. Mr. President, I yield back the remainder of the committee's time, with the admonition that the modification we made of the House action stands as the committee's judgment, plus the compromise that the committee members worked out among themselves, as best we could, and the committee would continue to oppose the amendment and urge its defeat.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Nebraska. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from New Mexico (Mr. DOMENICI), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. JAVITS), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

The result was announced—yeas 36, nays 51, as follows:

[No. 318 Leg.]

YEAS—36

Allen
Bartlett
Beall
Bennett
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Cotton
Curtis
Dole
Dominick
Ervin
Fannin
Goldwater
Griffin
Hansen
Helms
Hruska
Johnston
Mathias
McClure
Montoya
Percy
Randolph
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stevens
Taft
Thurmond
Tower
Young

NAYS—51

Abourezk
Aiken
Bayh
Bible
Biden
Brooke
Burdick
Case
Chiles
Church
Clark
Cranston
Eagleton
Eastland
Fong
Hart
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Kennedy
Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Proxmire
Ribicoff
Roth
Stennis
Stevenson
Symington
Talmadge
Tunney
Weicker
Williams

NOT VOTING—13

Baker
Bellmon
Cook
Domenici
Fulbright
Gravel
Gurney
Hartke
Inouye
Javits
Long
Packwood
Stafford

So Mr. HRUSKA's amendment (No. 1583) was rejected.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. FONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. If the Senators will yield back their time, the question now is on the amendment of the Senator from South Dakota (Mr. ABOUREZK).

Mr. NELSON. Mr. President, I ask unanimous consent that a member of my staff, Mr. Jeffrey Nedelman, be given the privilege of the floor during consideration of the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Do the Senators yield back the remainder of their time?

Mr. McGEE. I yield back the remainder of my time if the Senator from South Dakota is ready to yield back his time.

Mr. MANSFIELD. No, Mr. President, the time is supposed to be yielded back automatically because we are operating on a timetable, we will be way behind as it is.

Mr. McGEE. That is right.

Mr. MANSFIELD. There is no further time to yield back.

The PRESIDING OFFICER. The question is on the amendment of the Senator from South Dakota. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. JAVITS), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "yea."

The result was announced—yeas 45, nays 43, as follows:

[No. 319 Leg.]

YEAS—45

Abourezk
Aiken
Bayh
Biden
Brooke
Burdick
Case
Chiles
Church
Clark
Cranston
Dominick
Ervin
Hart
Haskell
Hatfield
Hathaway
Hughes
Humphrey
Jackson
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Ribicoff
Schweiker
Sparkman
Stevens
Stevenson
Tunney
Weicker
Williams
Young

NAYS—43

Allen
Bartlett
Beall
Bennett
Bentsen
Bible
Brock
Buckley
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Cotton
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Goldwater
Griffin
Hansen
Helms
Hollings
Hruska
Huddleston
McClellan
McClure
McGee
McIntyre
Nunn
Percy
Proxmire
Randolph
Roth
Scott, Hugh
Scott,
William L.
Stennis
Symington
Taft
Talmadge
Thurmond
Tower

NOT VOTING—12

Baker
Bellmon
Cook
Fulbright
Gravel
Gurney
Hartke
Inouye
Javits
Long
Packwood
Stafford

So Mr. ABOUREZK's amendment was agreed to.

The PRESIDING OFFICER. All time having been yielded back, the question is on the amendment of the Senator from Minnesota (Mr. HUMPHREY).

Mr. McGEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McGEE. The Senator does not have an amendment pending for a rollcall vote. These are all rollcall votes which have been ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the next amendment be called up at this time and that the Humphrey amendment be placed behind it.

The PRESIDING OFFICER. Is there objection? The Chair hears one, and it is so ordered. The question occurs on the Hughes amendment.

Mr. McGEE. Mr. President, by agreement with the Senator from Iowa (Mr. HUGHES), I move to lay his amendment on the table. The yeas and nays have already been ordered.

Mr. DOMENICI. Mr. President, I ask that Mr. DuBois of my staff be accorded the privileges of the floor.

The PRESIDING OFFICER. Without objection it is so ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Seenator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. JAVITS), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

The result was announced—yeas 46, nays 42, as follows:

[No. 320 Leg.]

YEAS—46

Aiken
Allen
Bartlett
Beall
Bennett
Bentsen
Bible
Biden
Brock
Buckley
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cotton
Curtis
Domenici
Dominick
Ervin
Fannin
Fong
Goldwater
Griffin
Hansen
Helms
Hollings
Hruska
Johnston
McClellan
McClure
McGee
McIntyre
Nunn
Pearson
Randolph
Roth
Scott, Hugh
Scott,
William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Young

NAYS—42

Abourezk
Bayh
Brooke
Burdick
Case
Church
Clark
Cranston
Dole
Eagleton
Eastland
Hart
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Kennedy
Magnuson
Mansfield
Mathias
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Percy
Proxmire
Ribicoff
Schweiker
Stevenson
Symington
Tunney
Weicker
Williams

NOT VOTING—12

Baker
Bellmon
Cook
Fulbright
Gravel
Gurney
Hartke
Inouye
Javits
Long
Packwood
Stafford

So the motion to lay on the table was agreed to.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. FONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of the Helms amendment.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. McGEE. I am prepared to yield back my time.

The PRESIDING OFFICER (Mr. HELMS). The Chair, in his capacity as the Senator from North Carolina, yields back his time.

All time is yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. LONG), the Senator from Georgia (Mr. TALMADGE), and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. JAVITS), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "nay."

The result was announced—yeas 35, nays 52, as follows:

[No. 321 Leg.]

YEAS—35

Allen
Bartlett
Bennett
Bentsen
Brock
Buckley
Byrd,
Harry F., Jr.
Chiles
Church
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Hansen
Helms
Hollings
Hruska
Johnston
McClellan
McClure
Nunn
Roth
Scott, Hugh
Scott,
William L.
Sparkman
Stennis
Thurmond
Tower

NAYS—52

Abourezk
Aiken
Bayh
Beall
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Eagleton
Hart

Haskell
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams
Young

NOT VOTING—13

Baker
Bellmon
Cook
Fulbright
Gravel
Gurney
Hartke
Inouye
Javits
Long
Packwood
Stafford
Talmadge

So Mr. HELMS' amendment was rejected.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. FONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I think there is yet another rollcall vote.

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. I shall wait until the end of the rollcall vote.

Mr. CURTIS. Mr. President——

Mr. NELSON. Mr. President, I call up amendment No. 1536.

The PRESIDING OFFICER. Without objection, the amendment will be called up and the clerk will state it. Is there objection? The Chair hears none.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Does it require unanimous consent to offer an amendment at this point?

Mr. NELSON. Unanimous consent was granted.

Mr. McGEE. Mr. President, there was a unanimous consent executed by the majority leader on the sequence of the votes up to this point because we had to backstop them during the day. So this one was to follow that last vote by the unanimous consent. Otherwise, no.

Mr. CURTIS. I raise no point against the amendment being offered, but what I wanted to know is, may a Senator offer an amendment or a motion without unanimous consent at this point?

The PRESIDING OFFICER. As the Senator knows, after the agreed-upon time of 5 o'clock, the Senator may submit an amendment.

Mr. MANSFIELD. Mr. President, in view of the commitments made to the Senate earlier, I ask unanimous consent that at the conclusion of the vote on the Nelson amendment, there then be 5 minutes on the amendment to be offered by the distinguished Senator from Nebraska (Mr. CURTIS).

I understand that the Senator from Minnesota has one or two amendments, on which there will be no debate, only a vote or acceptance.

Then, I ask unanimous consent that the Senator from Virginia have not to exceed 10 minutes, at which time the vote will occur on final passage. That will bring it to about a quarter to six.

Mr. TAFT. Mr. President, reserving the right to object, I have an amendment to the Senator from Wisconsin.

Mr. PASTORE. Mr. President, we cannot hear what is being said.

The PRESIDING OFFICER. The Senator is absolutely correct.

Mr. PASTORE. I wish Senators would take their seats.

Mr. HUGH SCOTT. That is the general idea—evidently, it is secret.

Mr. PASTORE. It is a four-star-general idea.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that the names of the Senator from Iowa (Mr. CLARK), the Senator from Maine (Mr. HATHAWAY), and the Senator from Utah (Mr. MOSS) be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I modify the amendment on line 1 to change the first numeral to "page 38, line 24," and in line 5, to change the numeral "6" to the numeral "7," making it $700 million instead of $600 million.

The PRESIDING OFFICER. The amendment will be read, as modified.

The amendment, as modified, was read, as follows:

> One page 38, line 24, after the word "expended" add the following new paragraph:
>
> "For reimbursement of costs of construction of waste-water treatment works pursuant to section 206(a) of the Federal Water Pollution Control Act, $700,000,000, to remain available until expended.".

Mr. NELSON. Mr. President, I will be very brief. We were granted 15 minutes, 7.5 minutes to each side.

The PRESIDING OFFICER. The Senate is not in order. The Senator will suspend.

The Chair inquires of the Senator from Montana if he requested 15 additional minutes.

Mr. MANSFIELD. The 15 minutes originally granted.

The PRESIDING OFFICER. The Chair thanks the Senator.

Mr. MANSFIELD. And I hope that the Senator from Wisconsin and the Senator from Wyoming will allow a little time for the Senator from Ohio, who has an amendment, I think, to the Nelson amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I have an amendment to the Nelson amendment. Will we have time?

Mr. NELSON. The Senator from Washington has an amendment that I am prepared to accept, as well as the amendment of the Senator from Ohio, but I would like to be able to use the entire 7½ minutes. Has my time started?

Mr. MAGNUSON. I will present it later.

The PRESIDING OFFICER. The Senator's time is running.

Mr. NELSON. Mr. President, H.R. 15472, a bill making appropriations for agriculture, environment, and consumer protection programs for fiscal year 1975 is an important piece of legislation. It provides the funding to carry on the Nation's fight for a cleaner and more healthful environment.

One of the most important aspects of the national pollution abatement program and one that the Congress can be proud of initiating is the efforts being made at all levels of government to clean up and protect the country's water resources.

There have been problems with this program. The congressional mandate for the rapid construction of new sewage treatment plants has been crippled by impoundment of half the appropriated $18 billion. Consequently, the national water pollution abatement effort has been slowed by perhaps 3 years.

There is another problem, a problem that adversely affects communities located in every State. It is a problem that cannot be solved at the local or State level. It is a problem that will not go away. And it is a problem that the Federal Government created but has so far refused to completely resolve although we have the solutions.

It is a problem of promises made and not fulfilled. Basically, it is a problem of money.

In 1966, Congress passed legislation that urged cities to accelerate their sewage treatment plant construction program. Section 203(a)(b) and section 204 of the Clean Water Restoration Act—Public Law 89-753—makes a specific commitment to the Nation's cities to pay up to 55 percent of the actual construction cost of waste water treatment facilities initiated pursuant to the act. Cities relied on this Federal promise to pay, to reimburse the cities for construction costs that were eligible for Federal funding in a timely fashion. Pursuant to this legislation over 5,300 projects were initiated.

The intent and legal promise of the Congress to reimburse the cities for eligible funds was reemphasized in 1972 when the Federal Water Pollution Control Act Amendments of 1972 became law. Section 206(a) specifically states that—

> The cities shall be reimbursed . . . for up to 55% of the total construction cost.

The initial promise was made in 1966. The Clean Water Restoration Act passed the Senate on a vote of 90 to 0. The promise was reaffirmed in 1972. The Federal Water Pollution Control Act Amendments of that year passed the Senate on a vote of 86 to 0.

The 1972 act contains another important provision. Section 206(e) of the act authorizes the expenditure of $2 billion to carry out this program. Later, in 1973 the Congress appropriated $1.9 billion to cover the total eligible costs of the reimbursement program.

Based on applications received by the EPA the estimate for the total cost of the reimbursement program now exceeds $3 billion. This is not a final figure because the final eligible costs for projects under construction cannot be determined until construction, in fact, is completed and the EPA is still working with individual cities to determine eligibility of certain projects that have just recently filed for Federal funding.

This $3 billion figure is $1.1 billion above current appropriations and $400 million above current authorizations. Last fall, the Congress recognized its longstanding commitment to the Nation's cities and started to phase additional funds into the Federal budget. Public Law 93–207 authorized an additional $600 million for section 206(a) reimbursement projects. This bill passed the Congress last December and the President signed the increased authorization into law. The additional authorization contained in Public Law 93–207 plus the $100 million authorized but not appropriated from the 1972 legislation brings the total authorization for the reimbursement program to $700 million.

The Congress should now take another step in meeting its obligations. The Senate should adopt amendment No. 1536 which appropriates the $700 million that the Congress and the President have authorized.

Mr. President, Senators Abourezk, Case, Clark, Cook, Dole, Gravel, Hart, Hathaway, Hughes, Humphrey, Javits, Kennedy, McGovern, McIntyre, Mondale, Moss, Nunn, Packwood, Randolph, Ribicoff, Stevenson, Tunney, and Williams have cosponsored this amendment.

Congress has committed itself on two occasions to the full reimbursement of eligible construction costs. The question that needs to be addressed is, when will the money be appropriated? When will the promises be kept? When will the commitment be honored?

The 1972 Senate committee report concludes—

> The funds committed to advance the federal share are now urgently needed by the states and municipalities to finance their share of new projects which is needed to implement the purposes of this Act. For these reasons, it is the policy of the committee to provide full reimbursement for all projects constructed without federal assistance.

Almost 8 years have passed since the program was started and the commitment made by Congress and the President has yet to be fulfilled. Cities in every State participated in this reimbursement program. They issued municipal sewer bonds or borrowed money at commercial rates to raise the needed construction funds. And the taxpayer is now paying and will continue to pay the interest for those municipal bonds and the interest on those loans until the Federal Government fulfills its financial and legal obligations.

The Senate should now move to reduce the tax burden it imposed on the residents of our urban and rural centers by phasing in $700 million in additional appropriations. The committee suggests waiting for the next supplemental appropriations bill.

We have all the facts we need to decide this issue now. The EPA supplied me with the information included in the chart that was circulated to every office last Thursday. It has also supplied me with an up-to-date cost estimate of the program.

EPA estimates that the total cost of the reimbursement program—pursuant to section 206(a)—approximately $3.1 billion. The Congress has appropriated $1.9 billion and authorized an additional $700 million. Subtracting the actual appropriations from the current projected need we have a balance of $1.2 billion. Of that figure approximately $400 million is in projects that are currently being evaluated by the EPA to determine their eligibility. The $400 million is a maximum figure. That is to say if every project is determined to be eligible for every penny it has filed for the total cost of these projects will not exceed $400 million. Subtracting $400 million from $1.2 billion we have a balance of $800 million.

The EPA has identified, evaluated, and certified these costs as being legally eligible for full Federal reimbursement. Amendment No 1536 would appropriate $700 million of the eligible $800 million identified by the EPA as being eligible for immediate reimbursement. If this money were appropriated the Federal Government would owe the cities $100 million plus money for the projects being evaluated, a total of approximately $500 million.

At this point I concur with the committee that an additional authorization for these costs plus the remainder of the identified eligible costs should move through the congressional budgetary process. The EPA informs me that this process of identifying and certifying the new projects will be completed by November.

The Nation's waters have been ravaged by the works and neglect of man. Beginning in 1956 the Federal Government began to encourage the States and localities to abate water pollution by offering them grants. In 1966, a statutory commitment was made, a bargain entered into. Section 8(c) of the Federal Water Pollution Control Act as amended by the Clean Water Restoration Act of 1966, served as an incentive to accelerate the initiation of municipal water pollution control projects ahead of the availability of Federal appropriations. Cities that used their own funds to pay Federal construction costs for sewage treatment plants were to be reimbursed as authorized by statute.

Pursuant to this legislation over 5,300 projects located in every State were started between 1966 and 1972. A giant step in the abatement of water pollution was taken. Now, the Congress must fulfill its side of the bargain by appropriating $700 million that will begin to retire the Federal Government's responsibility in this particular aspect of environment pollution abatement.

These funds are urgently needed by the Nation's cities. The National League of Cities and the United States Conference of Mayors has enthusiastically endorsed this amendment.

Their letter of endorsement states:

> This section if included in final passage of this legislation would be of invaluable assistance to the Nation's cities in their efforts to meet the legal requirements imposed under the Federal Water Pollution Control Act of 1972.

The letter continues—

> Unless this additional money authorized by this legislation is appropriated, then cities across the Nation that went ahead with the promise of federal reimbursement will continue to carry a federal responsibility on their shoulders.

This view has the support and endorsement of the National Governors Conference. The conference's letter of endorsement states—

> The Governors strongly urge that the Administration and the Congress act to ensure full funding and effective implementation of the Federal Water Pollution Control Act of 1972.

The letter continues—

> The Congress promised States full reimbursement for monies expended by them to prefinance the federal share of construction costs. The estimated and authorized amount for such funds was $3.1 billion. To date, only $1.9 billion of this amount has been appropriated. . . . We strongly support your amendment . . . and on behalf of all the States, we urge its adoption by the Senate.

This is a commitment we are obligated to fulfill. It is not a new authorization for a new program. It is an additional downpayment on an old program initiated by municipalities in every State at the instigation of Congress and the President. We passed a law. The President signed it. The municipalities acted in reliance upon it. We cannot in good conscience force the municipalities to continue to pay burdensome interest costs on an obligation that is in fact a Federal responsibility. This compounds the injustice because the statute does not authorize Federal reimbursement for the interest on the Federal share of the projects. Yet the municipalities proceeded with the projects in the expectation that reimbursement would be reasonably prompt.

I recognize that this appropriation adds to the total of the current budget but it does not add a single penny to the total Federal obligation. If this money is not paid this year then it must be paid next year or the year after. It is an obligation that will not go away. It is an obligation that should take precedence over new programs or expanded old programs whether military, foreign, or domestic.

Approval of this appropriation imposes upon us the obligation to reduce appropriations for other programs by an equivalent amount. Approval will constitute a recognition on our part that this appropriation should take the place of an equivalent amount in appropriations for other purposes. I intend to vote for the necessary reductions so that the performance of Congress on this obligation will not result in adding to the total of this year's budget.

Mr. President, I ask unanimous consent to have printed in the Record letters from the National League of Cities, the U.S. Conference of Mayors, and the National Governors' Conference, and a statement of the National Governors' Conference policy position, 1974–75.

There being no objection, the material was ordered to be printed in the Record, as follows:

NATIONAL LEAGUE OF CITIES,
U.S. CONFERENCE OF MAYORS,
July 22, 1974.

Hon. GAYLORD A. NELSON,
U.S. Senate, Old Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: The National League of Cities and the United States Conference of Mayors support the amendment (#1536) offered by yourself to the Environmental Protection Agency FY 75 Appropriations bill (H.R. 15472). This section, if included in final passage, would be of invaluable assistance to the nation's cities in their efforts to meet the legal requirements imposed under the Water Pollution Control Act of 1972. It would, in our opinion, reaffirm the commitment made by the Congress during 1972 to the overall goal of cleaning up the nation's waterways.

Unless the additional money authorized by this amendment is appropriated, then cities across the nation that went ahead with the promise of Federal reimbursement will continue to carry a Federal responsibility on their shoulders.

We urge you to endorse the vote affirmatively for Amendment #1536 to H.R. 15472 during today's session.

Sincerely,
ALLEN E. PRITCHARD, Jr.,
Executive Vice President.
JOHN J. GUNTHER,
Executive Director.

NATIONAL GOVERNORS' CONFERENCE,
Washington, D.C., July 18, 1974.

Hon. GAYLORD A. NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: At its 1974 Annual Meeting, the National Governors' Conference adopted a policy position on federal support for state water pollution control prgrams. The new position updates earlier policy supporting the Federal Water Pollution Control Act Amendments of 1972 by addressing the continued problem of funding under the new law.

Among other things, the policy states:

"The federal Water Pollution Control Act Amendments of 1972 establish a new approach to national water pollution abatement efforts. The success of this new program will depend entirely upon effective cooperation between the States and the federal government. This is especially true in light of the limited funding of the new act. Because of these fiscal restraints, severe problems are being experienced by the majority of States at the very time that overall federal funding for water pollution control is increasing. Restrictions on funding the new congressionally mandated national strategy for clean water, coupled with inconsistent regulations, has placed the States, and therefore the national water pollution abatement program, in serious jepardy. Unless the Administration and Congress move quickly, we will not achieve our goals for water quality by the 1983 deadline . . .

"Therefore, the Governors strongly urge that the Administration and the Congress act to ensure full funding and effective implementation of the Federal Water Pollution Control Act Amendments of 1972. As part of this policy, the Administration should:

"Allocate all funds authorized by the Act: . . ."

As part of the new law, the Congress promised States full reimbursement for monies expended by them to pre-finance the federal share of construction costs. The estimated and authorized amount for such funds was $3.1 billion. To date, only $1.9 billion of this amount has been appropriated.

No additional funds for this purpose have been requested by the Administration for FY 1975. Therefore, we strongly support your amendment to the appropriations bill, H.R. 15472, which would provide $600 million in reimbursement funds during FY 1975, and on behalf of all the States, we urge its adoption by the Senate.

Thank you for your assistance.

Most Sincerely,
JAMES L. MARTIN,
Director, State-Federal Relations.

NATIONAL GOVERNORS' CONFERENCE POLICY POSITIONS 1974–75

FEDERAL SUPPORT FOR STATE WATER POLLUTION CONTROL PROGRAMS

The Federal Water Pollution Control Act Amendments of 1972 establish a new approach to national water pollution abatement efforts. The success of this new program will depend entirely upon effective cooperation between the States and the federal government. This is especially true in light of the limited funding of the new act. Because of these fiscal restraints, severe problems are being experienced by the majority of States at the very time that overall federal funding for water pollution control is increasing. Restrictions on funding the new congressionally mandated national strategy for clean water, coupled with inconsistent regulations, has placed the States, and therefore the national water pollution abatement program, in serious jeopardy. Unless the Administration and Congress move quickly, we will not achieve our goals for water quality by the 1983 deadline.

The Governors, through the National Governors' Conference, hereby further resolve to seek intervenor status before the U.S. Supreme Court in any related appeal for the purpose of obtaining an early disposition favorable to the States.

Finally, the National Governors' Conference adamantly opposes any attempt to curtail federal assistance to state and local governments for water pollution abatement construction until attainment of national clean water goals has been financially assured.

Therefore, the Governors strongly urge that the Administration and the Congress act to ensure full funding and effective implementation of the Federal Water Pollution Control Act Amendments of 1972. As part of this policy, the Administration should:

A. Cease to contest litigation related to allocation or release of authorized funds, including the court orders issued in *N.Y. City vs. Ruckelshaus*, and as affirmed by the U.S. Court of Appeals, compelling full allocation of such funds;

B. Allocate all funds authorized by the Act;

C. Proceed promptly to obligate within each of the States such of those funds for which qualified applications have been received;

Moreover, because pollution abatement programs in many of the States have been seriously disrupted by withholding of funds, the Administration should, for the meantime, provide that:

D. No State should receive less money in fiscal years 1973 and 1974 than they received in fiscal year 1972;

E. The regulations should be drafted to include phased funding so that Governors may establish priorities to implement the program;

F. Timetables should be reasonably adjusted to accommodate any delays occasioned by previous impoundment of authorized funds.

Mr. NELSON. Mr. President, this is a very simple proposal. It appropriates funds that we have already authorized, in order to keep our commitment to the municipalities to reimburse them for municipal treatment plants that they started pursuant to the Clean Water Restoration Act of 1966. From 1966 to 1972 we guaranteed the cities reimbursement for 50 to 55 percent of actual construction costs. We have not completely fulfilled our obligation.

We have already authorized $2.6 billion to reimburse the municipalities of the 50 States for projects they started between 1966 and 1972. We have appropriated $1.9 billion of the $2.6 billion. This is an appropriation of $700 million in order to make a further downpayment on that obligation.

This is a payment we have to make either this year or next year or the year after. It does not add a single penny to the Federal obligation for any purpose whatsoever.

I want to remind Senators that municipalities that went ahead and bonded to pay for the Federal share are now paying, year after year, interest on the Federal obligation. They cannot be reimbursed for the interest payments. I think it is inequitable for the Congress to force the cities to continue to pay interest on the Federal obligation for a project and program that Congress and the President of the United States encouraged them to take. The program contains a promise of reimbursement.

If there is any priority in this year's budget, it ought to be a priority to pay for past commitments and obligations. We now have to cut the budget by $700 million to make up for this appropriation, but this ought to take priority over any expansion of any other program or any new project. If we are going to keep our commitment, I think we ought to appropriate this $700 million.

Mr. EAGLETON. Mr. President, as one of the authors of the legislation to reimburse cities for the costs of constructing sewage treatment plants both before and after 1966, I am in sympathy with the amendment offered by the Senator from Wisconsin (Mr. NELSON). The Federal Government does have an obligation to make these payments and it is clear that the $1.9 billion already appropriated for that purpose will not be adequate.

Against that commitment, however, I must weigh—and I believe the Senate must weigh—the larger commitment to the American people to do something about inflation by holding down Federal spending this year. We must begin somewhere to make the painful decisions this will entail.

Last week, the Labor Department announced that the cost-of-living index for June was up 1 percent or an annual rate of 12 percent, the third straight month we have had a double-digit increase. For the first 6 months of this year, the cost-of-living index is running at a 12.6 percent rate.

The American people cannot continue to absorb this kind of inflation and they are looking to Congress for help.

The appropriations bill before us was carefully hammered out in committee to stay within the noninflationary ceiling established at the beginning of the year. I wish there were room in it for all the worthy programs that need funding. But the plain fact is that there is not. Some of these programs will have to be deferred until we can bring inflation under control.

It is with deep regret, therefore, that I must oppose the pending amendment to increase this appropriation by $700 million. Therefore, I shall vote "aye" on this motion to table.

Mr. BAYH. Mr. President, while I laud the objectives of the Senator from Wisconsin (Mr. NELSON) in proposing this amendment, I shall oppose his amendment since it would only raise false hopes among local governments across this country to appropriate funds which would obviously not be spent.

As I have pointed out on the floor in some detail, the administration has illegally impounded half of the funds for new sewage treatment facilities approved in the 1972 Water Pollution Control Act. That impoundment, in the face of a strong congressional vote overriding the President's original veto of that act, points to the futility of appropriating new funds for sewage treatment facility reimbursements at this time.

Moreover, while those of us in the Congress work to reduce nonessential Federal spending, with the support of some administration officials and the opposition of still other administration officials, to add $600 million to Federal spending in fiscal year 1975 would invite a veto of this measure and/or impoundment of appropriated funds.

It is unfortunate that circumstances make it necessary to oppose the amendment of the Senator from Wisconsin. Were our economy not in such confusion with the combined effects of inflation and recession hurting Americans at the same time—it would be desirable to appropriate these funds and to come closer to the worthy goal of fully reimbursing the localities for the funds expended prior to 1972 for sewage treatment facilities.

This is an area which I have long felt deserves a high priority in allocating Federal dollars. The cost of cleaning up our rivers and lakes is very high; but it is a price which we must pay to make our environment habitable for our children and their children.

Mr. President, I regret sincerely that the attitude of the present administration has been to shortchange the vital program of fighting water pollution. But given the reality of that posture it would be futile to enact the Senator's amendment at this time.

I do hope, however, that when we cut the waste from Federal spending and place our economy on a more sound footing that it will be possible to appropriate the funds necessary to meet fully our commitment to reimburse the localities for sewage treatment facilities begun between 1966 and 1972.

Mr. TUNNEY. Mr. President, I have joined in sponsoring an amendment, proposed by Mr. NELSON, to authorize the reimbursement of construction costs of waste water treatment plants pursuant to Public Law 92-500. This amendment, part of the House appropriations bill H.R. 15472, authorizes $600 million in reimbursements to remain available under the provisions of Public Law 92-500 until expended.

The passage of this amendment is crucial in several respects. First it would be a partial fulfillment of money already promised by Congress to aid in cleaning up the waters of this Nation. Second, it enables individual water projects, over 250 in California alone, to proceed on their task of enlarging and improving waste water treatment facilities.

I, along with Mr. NELSON, Mr. RANDOLPH, Mr. MUSKIE, and other Senators, have been vitally concerned about the condition of our water. We have fought against Presidential impoundment of the funds appropriated by Public Law 92-500, and we were successful on November 22, 1972. We fought against the EPA's illegal regulations regarding the allocation of these funds, and we were successful on September 26, 1973. We are now considering an amendment that will finally allocate the major percentage of Public Law 92-500 reimbursements, 90 percent of those funds indicated under section 206(a) of the law.

This amendment means that all projects will receive 90 percent of their eligible reimbursements. In California, 258 treatment projects will receive $12 million, bringing its total reimbursements to $36 million.

The passage of this amendment is critical to our continued efforts to clean our waters. I strongly urge your support on this amendment to fulfill our appropriation commitment.

Mr. DOMENICI. Mr. President, I rise in opposition to the amendment offered by the Senator from Wisconsin (Mr. NELSON). I realize the purpose of this amendment is simply to have Congress fulfill its previous commitment to this project. However, I was not in office at the time these commitments were made and this bill is already $120,000,000 over the budget estimates.

Although it can be said that it is wrong for us not to meet our obligations, it is also wrong for us to create obligations which are unrealistic in today's economy. Believing as I do that two wrongs do not make a right and in the name of fiscal responsibility I reluctantly announce my intention to vote against this amendment.

Mr. MAGNUSON. Mr. President, I send to the desk an amendment to the Nelson amendment.

The PRESIDING OFFICER (Mr. ALLEN). Who yields time?

Mr. NELSON. Mr. President, how much time do I have remaining?

Mr. MAGNUSON. I will take a minute.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. MAGNUSON. I can explain the amendment to the Senator from Wisconsin. We merely suggest—and I compliment him for his amendment—that the Administrator be allowed to consider reimbursing projects for the period between 1956 and 1966. This amendment would allow him to do that, not to exceed $150 million.

Mr. NELSON. Mr. President, this amendment is permissive with the Administrator. I find no objection to it. I am perfectly willing to accept it.

Mr. MAGNUSON. I thank the Senator.

The PRESIDING OFFICER. What does the amendment do? Is this an amendment to the amendment of the Senator from Wisconsin?

Mr. PASTORE. Yes.

Mr. MAGNUSON. Mr. President, I commend the Senator from Wisconsin for his effort to redeem a legal commitment of the Federal Government to the States and local communities. Local governments responded vigorously to a vital national need when they moved forward in the cleaning up of our rivers and streams. Yet the Federal Government has refused to make available funds it promised to these expensive and essential waste-water facilities.

I offer for consideration a simple revision to Senator NELSON's amendment. My suggestion will not increase the funds appropriated by the amendment of the Senator from Wisconsin. But it will allow EPA to use a portion of those funds for reimbursement of projects constructed, at the Federal Government's urging, during the period 1956 through 1966. Projects which have not received the full 30 percent authorized as a Federal matching share could begin to participate.

The Water Pollution Control Act of 1972 recognized the Federal Government's obligation to cities around the Nation—Seattle is one of the prime illustrations—which responded to the congressional promise to contribute 30 percent of the cost of constructing water treatment facilities. Congress, in section 206(b) of that act, acknowledged this obligation to the cities of the country and authorized $750 million for that purpose. Last year the Senate adopted a provision which would have earmarked for that 1956-66 period $200 million of the $1.9 billion appropriated for reimbursement. Unfortunately, the Senate position did not prevail in conference with the House.

Consistently, the Senate has recognized its obligation and made every effort to redeem the commitment of the National Government. The perfecting amendment which I propose will not increase the total cost of the Nelson amendment. But it would allow up to one-fourth of the amount, or $150 million, to be used for reimbursement for projects constructed between 1956 and 1966 which did not receive the full Federal funding of 30 percent. I ask unanimous consent that a table indicating the entitlement for reimbursement of various principal cities throughout the United States be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

AMSA AUGUST 1971 SURVEY—COMPARING PUBLIC LAW 84–660 ELIGIBLE PROJECT COSTS WITH ACTUAL GRANTS AWARDED AND FEDERAL GRANTS THAT WOULD BE AVAILABLE UNDER LEGISLATION BEING CONSIDERED

[In millions]

State and agency	Calendar years 1956–66 inclusive				Calendar years 1967–70 inclusive				Calendar years 1956–70 inclusive			
	Project costs	Federal share 30 percent(1)	Actual grants awarded	Reimbursable amount	Project costs	Federal share 50 percent(2)	Actual grants awarded	Reimbursable amount	Project costs	Federal share (1)+(2)	Actual grants awarded	Reimbursable amount
Total	1,491.95	448.50	70.35	378.15	1,753.22	879.88	334.74	545.24	3,245.17	1,328.38	405.09	923.39
Alabama: Birmingham [1]												
Alaska: Anchorage					23.50	11.7	5.90	5.80	23.50	11.70	5.90	5.80
Arkansas: Little Rock	2.20	.66	.63	.03	10.06	5.03	4.84	.19	12.26	5.69	5.47	.22
Arizona:												
Phoenix	10.51	3.15	1.10	2.05					10.51	3.15	1.10	2.05
Tucson	4.25	1.28	.93	.35	1.42	.71	.43	.28	4.57	1.99	1.36	.63
California:												
East Bay Municipal Utility District (Oakland)					.44	.24	.24		0.44	0.24	0.24	
Los Angeles	65.11	19.54		19.54	26.13	13.07	1.58	11.49	91.24	32.61	1.58	31.03
Los Angeles County	13.90	4.17	.40	3.77	26.00	13.00	8.60	4.40	39.90	17.17	9.00	8.17
Orange County	47.31	14.20	.56	13.64	18.54	9.27	5.73	3.54	65.85	23.47	6.29	17.18
Sacramento (City)					8.58	4.29	2.80	1.49	8.58	4.29	2.80	1.49
San Diego	57.05	17.12	2.92	14.20					57.05	17.12	2.92	14.20
City and County of San Francisco	3.24	.97	.12	.85	10.37	5.19	3.12	2.07	13.61	6.16	3.24	2.92
San Jose	30.52	9.16	2.37	6.79	4.31	2.16	1.50	.66	34.83	11.32	3.87	7.45
Connecticut: Hartford					33.56	[2] 18.29	18.29		33.56	18.29	18.29	
Colorado: Metropolitan Denver Sewage Disposal District No. 1	27.99	8.40	4.54	3.86	3.58	1.79	1.15	.64	31.57	10.19	5.69	4.50
Delaware: Wilmington					20.40	10.20	3.03	7.17	20.40	10.20	3.03	7.17
Florida:												
Jacksonville [1]												
Miami					4.51	2.25	1.13	1.12	4.51	2.25	1.13	1.12
Georgia: Atlanta [1]												
Hawaii: City and County of Honolulu	21.59	6.48	4.67	1.81	1.59	.80	.52	.28	23.18	7.28	5.19	2.09
Illinois: Metropolitan Sanitation District of Greater Chicago	156.12	46.84	1.29	45.55	100.11	50.06	47.58	2.48	256.23	96.90	48.87	48.03
Indiana: Indianapolis	68.58	20.57		20.57	30.55	15.28	6.32	8.96	99.13	35.85	6.32	29.53
Iowa: Des Moines	3.48	1.04	.60	.44	.17	.09	.09		3.65	1.13	.60	.44
Kansas: Wichita	10.00	3.01	.14	2.87	12.86	6.44	3.40	3.04	22.86	9.45	3.54	5.91
Kentucky: Louisville and Jefferson County	23.15	6.95	1.13	5.82	6.61	3.31	1.98	1.33	29.76	10.26	3.11	7.15
Louisiana: New Orleans	5.35	2.44	2.44		10.62	5.31	2.76	2.55	15.97	7.75	5.20	2.55
Maine [1]												
Maryland:												
Baltimore	1.84	.55	.11	.44	18.23	9.12	4.19	4.93	20.07	9.67	4.30	5.37
Washington Suburban Sanitation Commission (Hyattsville)	13.80	4.14	2.20	1.94	42.30	21.15	12.00	9.15	56.10	25.29	14.20	11.09
Massachusetts: Metropolitan District Commission (Boston)	5.62	1.69	.69	1.00	9.99	5.00	4.45	.55	15.61	6.69	5.14	1.55
Michigan: Detroit Metropolitan Water Department [1]												
Minnesota: Metropolitan Sewer Board (St. Paul)	16.99	5.10	1.20	3.90	89.28	44.64	16.29	28.35	106.27	49.74	17.49	32.25
Missouri:												
Kansas City	38.76	11.63	3.87	7.76	13.20	6.60	5.06	1.54	51.96	18.23	8.93	9.30
St. Louis	72.77	21.83	8.51	13.32	10.33	5.37	5.37		83.10	27.20	13.88	13.32
Nebraska: Omaha	24.45	7.34	1.62	5.72	19.13	9.57	4.15	5.42	43.58	16.91	5.77	11.14
New Hampshire [1]												
New Jersey:												
Bergen County Sewer Authority	3.78	1.13	.25	.88	15.06	7.53	4.37	3.16	18.84	8.66	4.62	4.04
Camden County Sewage Authority [1]												
Jersey City [1]												
Middlesex County	28.97	8.69	.33	8.36	5.99	3.00	1.98	1.02	34.96	11.69	2.31	9.38
Passaic Valley Sewerage Authority	10.73	3.22	.25	2.97	4.30	2.15	1.12	1.03	15.03	5.37	1.37	4.00
New Mexico: Albuquerque	21.65	6.50	6.49	.01	2.56	1.28	1.07	.21	24.21	7.78	7.56	.22
New York:												
Buffalo [1]												
New York City	197.70	59.30	1.90	57.40	775.50	387.80	43.00	344.80	973.20	447.10	44.90	402.20
Rochester [1]												
Westchester County	5.13	1.54	1.54		51.26	25.63	8.25	17.38	56.39	27.17	9.79	17.38
North Carolina:												
Greensboro	4.49	1.35	.19	1.16					4.49	1.35	.19	1.16
Winston-Salem					8.00	4.00	2.60	1.40	8.00	4.00	2.60	1.40
Ohio:												
Akron [1]												
Metropolitan Sewer District of Greater Cincinnati	47.33	14.20		14.20	9.96	4.98	.97	4.01	57.29	19.18	.97	18.21
Cleveland	15.87	4.76		4.76	19.78	9.89	4.47	5.42	35.65	14.65	4.47	10.18
Columbus	25.40	7.62	.15	7.47	2.70	1.35		1.35	28.10	8.97	.15	8.82
Dayton	.90	.27		.27	5.50	2.75	1.59	1.16	6.40	3.02	1.59	1.43
Toledo	2.46	.74	.71	.03	21.87	10.93	6.43	4.50	24.33	11.67	7.14	4.53
Oklahoma:												
Oklahoma City [1]												
Tulsa	3.25	.98	.69	.29	.59	.30	.19	.11	3.84	1.28	.88	.40
Oregon: Portland	6.93	2.08	1.16	.92	25.47	12.74	8.35	4.39	32.40	14.82	9.51	5.31
Pennsylvania:												
Allegheny County	98.78	29.63	.10	29.53	49.64	26.11	26.11		148.42	55.74	26.21	29.53
Philadelphia	5.21	1.56	.50	1.06	.76	.38		.38	5.97	1.94	.50	1.44
South Carolina [1]												
Tennessee:												
Memphis	8.38	2.51		2.51	36.32	18.16	5.20	12.96	44.70	20.67	5.20	15.47
Nashville and Davidson Counties	19.00	5.70	1.80	3.90	34.93	17.47	15.68	1.79	53.93	23.17	17.48	5.69
Texas:												
Austin [1]												
Dallas	9.90	2.97		2.97	4.20	2.20	2.20		14.10	5.17	2.20	2.97
El Paso [1]												
Forth Worth	6.95	2.09	1.45	.64	10.51	5.26	3.39	1.87	17.46	7.35	4.84	2.51
Houston [1]												
San Antonio [1]												
Utah: Salt Lake City [1]												
Vermont: Burlington												
Virginia: Hampton Roads Sanitation District (Norfolk)	4.41	1.32	2.25	(.93)	16.77	8.44	2.52	5.92	21.18	9.76	4.77	4.99
Washington:												
Municipality of Metropolitan Seattle	118.56	35.57	5.24	30.33	28.45	14.23	9.58	4.65	147.01	49.80	14.82	34.98
Spokane	1.80	.54	.49	.05	.21	.11	.05	.16	2.01	.65	.54	.21
Washington, D.C. [1]												
West Virginia:												
Charleston	5.85	1.77	.47	1.30	1.68	.84	.51	.33	7.53	2.61	.98	1.63
Huntington	8.74	2.64	.92	1.72	.24	.12	.08	.04	8.98	2.76	1.00	1.76
Wisconsin: Milwaukee County	105.20	31.56	1.43	30.13	64.60	32.30	12.53	19.77	169.80	63.86	13.96	49.90
Wyoming [1]												

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[1] Information not available.

[2] Includes some at 55 percent.

Mr. MAGNUSON. Although the total authorization for the 1956–66 reimbursement is $750 million, I propose we make available $150 million this year. The Environmental Protection Agency has not yet fully tabulated the reimbursement requests under the Water Pollution Control Act of 1972 because the last applications were just filed on December 31, 1973. Also, I believe that the reimbursements should take place over a period of years. Since the authorization—section 206(e)—is open ended, the Congress can proceed in an orderly manner if we begin this year.

We must begin to retire this obligation. Many States and localities have made substantial bond issues for waste water treatment plants. These bonds were sold because the Federal Government promised a 30-percent match. Now several local governments find their credit lines exhausted and their projects stalled or underfinanced because the Federal Government has not produced the money it has promised over the years. This is unfair and it is potentially disastrous to the environment. If local authorities cannot rely on a congressional promise to carry part of the cost for future environmental projects, we cannot expect localities to continue to push ahead in restoration of clean water and air for our people.

I have seen the dramatic effect of vigorous local action. Lake Washington in my State is once again an enjoyable, healthful, and attractive part of our community because the people of Seattle used their bonding authority. It illustrates what can be done. In my view, the citizens of Seattle acted in reliance upon our promise that 30 percent of the cost of that effort would be borne by the Federal Government. They are entitled to be reimbursed.

Mr. President, one of the basic considerations in intergovernmental relationships and in relationships between Government and the people is credibility. How can a community be expected to participate in any future program dependent on the Federal Government redeeming all commitments if it fails to do so in connection with past programs and undertakings?

I urge the Senator from Wisconsin to accept my amendment and the Senate to adopt it.

The PRESIDING OFFICER. Without objection, the amendment to the amendment will be in order at this time.

Mr. MAGNUSON. Mr. President, I ask for a vote on the amendment.

The PRESIDING OFFICER. The Senator from Wyoming has time that has not yet been yielded back.

The Chair recognizes the Senator from Wyoming.

Mr. McGEE. This is on the Magnuson amendment to the Nelson amendment?

The PRESIDING OFFICER. That is what the Senator stated.

Mr. McGEE. I yield back the remainder of my time.

Mr. HARRY F. BYRD, JR. Mr. President, before the time is yielded back, would someone inform the Senate how much money is involved in both of these amendments?

Mr. McGEE. The Senator from Wyoming is about to address himself to the amendment, under his time of 7½ minutes on the Nelson amendment. I did not want to meddle with this amendment.

Mr. McCLELLAN. How much money is in the amendment?

Mr. McGEE. It does not have any money in it.

The PRESIDING OFFICER. Does the Senator modify his amendment to conform to the amendment of the Senator from Washington?

Mr. PASTORE. Mr. President, if we would only be patient and listen, we learn.

The PRESIDING OFFICER. Does the Senator from Wisconsin accept the modification offered by the Senator from Washington?

Mr. NELSON. I accept the amendment as a modification. It does not add to the total amount, and it is permissive with the administrator. I accept the modification of my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Wisconsin is so modified.

The Nelson amendment, as modified by the Magnuson amendment, reads as follows:

On page 38, line 24, after the word "expended" add the following new paragraph:

"For reimbursement of costs of construction of waste-water treatment works pursuant to section 206(a) and (b) of the Federal Water Pollution Control Act, $700,000,000, to remain available until expended.".

"The Administrator may apportion these funds to qualified works under section 206 (b) of the Federal Water Pollution Control Act at his discretion. Funds apportioned under section 206(b) shall not exceed $150,000,000."

The PRESIDING OFFICER. All time of the Senator from Wisconsin has expired.

The Chair recognizes the distinguished Senator from Wyoming for his seven and a half minutes, or whatever time he desires to yield.

Mr. PASTORE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. McGEE. Mr. President, the committee's position as a result of our deliberations this year is simple—that is, the cost of this measure has been projected to be $600 million; and if the more extreme projections are lived up to, it would come closer to $700 million. But we are talking in that dimension. Because nothing on it was submitted to us in regard to a budget request, we felt compelled, under the mandate given to the committee this year by the Members of this body, to try to operate under some kind of projected ceiling, to advocate that this amendment not be allowed in this bill.

Now, it has nothing to do with the merits and the substance. It is a very serious question. Our proposal is that this be laid out carefully with the hearings and get it in the first supplemental.

Now, we are $120 million over the budget because of the differences between the Senate and the Bureau of the Budget of the terms of this thing already, to try to adjust them vis-a-vis the House and the $600 million.

In addition, it would seem to me to put this body pretty much on the spot in the total dimension of what we have been talking about.

I want to recognize the chairman of the full committee.

Mr. McCLELLAN. Does the Senator yield?

Mr. McGEE. I will be glad to yield.

Mr. McCLELLAN. If I understand correctly, the subcommittee reported out a bill that had $120 million plus, over and above the budget.

Mr. McGEE. That is correct.

Mr. McCLELLAN. We added today, with the committee today, another $100 million, is that correct?

Mr. McGEE. That is correct.

Mr. McCLELLAN. All right. We just awhile ago added another $6 million with the Abourezk amendment.

Mr. McGEE. That is right.

Mr. McCLELLAN. That gives us $226 million we have already added to this bill over and above the budget.

I understand that there will be some other amendments offered that the chairman has agreed to accept that total $8 million.

Mr. McGEE. That is correct.

Mr. McCLELLAN. Making a total of $234 million over and above the budget.

If we add this amendment, we have $834.5 million over and above the budget.

I just ask in view of the position we have been taking here and having voted out what we call a reform budget bill trying to give control of the budget, we claim we want control of it, now what does the Senator think we are going to look like if we start appropriating if this is added, 6.6 percent over and above the budget on this bill?

If that is carried through on every bill, we would increase the budget by $19 billion in appropriations this year. Does that look like budget reform? Is that what we have been preaching? Is that what these things mean? Is it budget reform? Will it lend credence to the Congress being big spenders?

Vote your conscience. I thought we should put these facts in the Record. We talk all the time about reform, but where are we going to cut? We can vote to cut here or increase. Have our choice.

Mr. FONG. Will the Senator yield?

Mr. McGEE. I will be glad to yield.

Mr. FONG. I understand it adds $700 million.

Mr. McGEE. Yes, between $600 and $700, give or take $100 million.

Mr. FONG. We have already added $100 million, and the bill is already $3 billion over and above that of last year, so if we accept this amendment, together with other amendments which we have passed, the total bill will be approximately $4 billion more than what we had last year.

Mr. McGEE. We put in the report very strong language that said to them to get an OMB estimate so that the Congress can address itself to that budget request. We do not have that——

Mr. FONG. What we appropriated in 1973 was still not enough, so we do not know how much is involved here, and we have asked the Bureau to give us a real estimate of what we have to do. This is what we have done.

Mr. McGEE. There are those who have suggested this will also attract a veto. I hate to wave the veto spector because that is an old game we play around here every year. There are lots of occasions that we like to have a veto, but what we are placing in jeopardy here is a well-woven piece of legislation, compromise legislation, that sought to capture the most that we could get enough votes for.

My plea is that we follow up by requiring them to submit a budget figure on this and that would be one of our priority items in the supplemental, but it would play havoc with this particular bill.

Our time is about to run out. I would like to submit to the Senator from Wisconsin that it would probably be more appropriate here to table it than to vote up and down on that.

I would be prepared to move to table it at such point as the time is yielded back.

Mr. NELSON. Mr. President, the first 3 minutes of my time was taken up on peripheral discussions on the floor. I would like to ask unanimous consent that I have another 3 minutes just to respond to the Senator's argument.

The PRESIDING OFFICER (Mr. Allen). Is there objection to the request for the additional 3 minutes for the Senator from Wisconsin?

There being no objection, the Senator may have an additional 3 minutes.

Mr. NELSON. I would like to point out that this does not add a single penny to the obligation of the Federal Government.

We sat here in 1966, we told all the municipalities in this country to go ahead, help solve the water pollution problem, build sewage treatment plants, we will match it 50 percent. And from 1966 to 1972, municipalities all over the country, 105 in my own State, went ahead and built municipal treatment plants, borrowed the money to pay for the Federal share.

So now we are saying to them, we cannot give the money. We have told them we were going to give it to them this year, next year, or the year after. Every year they wait. All these cities and municipalities are paying interest on the Federal share because we are not reimbursing them.

We are talking about increasing the budget, we are increasing it for brand new goods. This takes priority over all of them. We told them to go ahead, they relied upon the Congress.

If the Senate wants to be a bunch of double-crossers, go ahead and vote against this amendment, but we said that we would reimburse them, why do we not do it? Take that $700 million out of the defense budget, take it out of some of these other programs; but the cities relied upon the Senate, we said we would pay them.

We can go back home if we want and tell all those mayors and all those cities, tell them, "Yes, I was here, I voted." The cities were told to go ahead; the President signed the bill, now we are double-crossing them. Go ahead and pay that interest, 6 or 6½ percent on the Federal share, but we are not going to reimburse you this year. That is the story.

Are we going to keep our word or are we not, or are we going to wait until next year or the year after?

We have already taken $1.900 million of that commitment, this is an additional payment of $700 million, and there will be $500 to $600 million after that.

Mr. McGEE. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McGEE. What is the time?

The PRESIDING OFFICER. All time has expired.

Mr. McGEE. Then I am prepared to vote. I move to lay the amendment on the table, and I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Wyoming to lay on the table the amendment offered by the Senator from Wisconsin as modified by the amendment of the Senator from Washington.

Mr. NELSON. The motion to table?

The PRESIDING OFFICER. The motion to table has been made, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from Hawaii (Mr. Inouye), and the Senator from Louisiana (Mr. Long) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Oklahoma (Mr. Bellmon), the Senator from Kentucky (Mr. Cook), the Senator from Florida (Mr. Gurney), the Senator from New York (Mr. Javits), and the Senator from Oregon (Mr. Packwood) are necessarily absent.

I also announce that the Senator from Vermont (Mr. Stafford) is absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. Cook) and the Senator from New York (Mr. Javits) would each vote "nay."

The result was announced—yeas 46, nays 43, as follows:

[No. 322 Leg.]

YEAS—46

Aiken
Allen
Bartlett
Bayh
Bennett
Bentsen
Buckley
Byrd,
  Harry F., Jr.
Cannon
Chiles
Church
Cotton
Curtis
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Hansen
Haskell
Helms
Hollings
Hruska
McClellan
McClure
McGee
McIntyre
Montoya
Nunn
Pastore
Pell
Percy
Roth
Scott, Hugh
Scott,
  William L.
Sparkman
Stennis
Symington
Taft
Talmadge
Thurmond
Tower
Young

NAYS—43

Abourezk
Beall
Bible
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Case
Clark
Cranston
Dole
Fulbright
Griffin
Hart
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGovern
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Pearson
Proxmire
Randolph
Ribicoff
Schweiker
Stevens
Stevenson
Tunney
Weicker
Williams

NOT VOTING—11

Baker
Bellmon
Cook
Gravel
Gurney
Hartke
Inouye
Javits
Long
Packwood
Stafford

So the motion to lay on the table was agreed to.

Mr. McGEE. Mr. President, I move——

Mr. NELSON. Mr. President, I did not hear the motion.

The PRESIDING OFFICER. No motion was made.

The Chair recognizes the Senator from Nebraska.

Mr. CURTIS. Mr. President, on behalf of myself, Mr. Bartlett, Mr. Hansen, Mr. Roth, Mr. Buckley, Mr. Fannin, Mr. Goldwater, Mr. Dominick, Mr. Dole, Mr. McClure, and Mr. Helms, I send a motion to recommit and ask that it be read.

The PRESIDING OFFICER. The clerk will please report the motion.

The assistant legislative clerk read as follows:

> A motion to recommit H.R. 15472 to the Committee on Appropriations with instructions to report the same back forthwith reducing the total amount of new budget (obligational) authority to a figure $500 million below the amount reported by the Committee.

Mr. CURTIS. Mr. President, may I inquire how much time there is on this motion?

The PRESIDING OFFICER. Five minutes, equally divided on the motion, 2½ minutes each side.

Mr. CURTIS. Mr. President, may I have order.

The PRESIDING OFFICER. There will be order in the Senate, please, so the Senator can be heard.

Mr. CURTIS. Like many Members of this body, I have made speeches in many places about the reduction of Federal expenditures.

This bill, among other things, carries the appropriations for the Department of Agriculture, the most important industry in my State.

I also happen to be the ranking member of the Committee on Agriculture. Any cut is painful, but I think we have to cut a lot of good programs, and certainly eliminate some that we can get along without.

This bill calls for a total of $13,553,000,000. I would reduce it by 500 million. This is a little less than 4 percent.

I know that the committee has worked long and hard on this bill. The question might be asked, Why do I not pinpoint where the reductions ought to be? Quite frankly, I think it is because the committee is much more qualified to do this.

I mentioned that the bill carries a total of $13.5 billion—a little more. But, Mr. President, we also should point out that for agricultural programs it is less than half of that amount, and even if one adds in rural development, which includes many programs like rural electrification, water grants, housing, and other things, the rural development program is less than $1 billion.

This is a part of a welfare program, it is a consumer program, it is an antipollution program. I am suggesting that we take a 4-percent cut in the total.

Mr. President, that is a rather modest amount. But if all expenditures in our Federal budget were reduced by 4 percent, we would reduce expenditures by about $12 billion plus. It would be the greatest encouragement that we could give to this country. It would be the greatest incentive for individuals to plan, to undertake, to contract, to build, and do things that make our economy grow and provide jobs.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. McGEE. Mr. President, may I ask a parliamentary question.

The PRESIDING OFFICER. The Senator will state it.

Mr. McGEE. Are the yeas and nays ordered on this motion?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. CURTIS. Mr. President, I ask that the yeas and nays be ordered.

The yeas and nays were ordered.

Mr. McGEE. Mr. President, let me just say that our figure that we have presented to this body today is a very responsible and cutting figure. The reason we appear to be a bit over $200 million above the budget is that at the very last minute the administration, caught in a very drastic bind, asked for $100 million for replenishment in the section 32 funds due to drawdowns that had been unanticipated, and in order to keep that honest we felt compelled to add that. But we have now arrived at a figure that has to be taken to conference with our colleagues in the House.

We do not know where the give and take will occur in the House, and I would submit that in light of the mix that goes into the fabric of this appropriation proposal, which is such as to reflect a measure of responsibility on the part of the Senate, I would hope that the vote will be no on the motion to recommit on the part of the distinguished Senator from Nebraska (Mr. CURTIS).

The PRESIDING OFFICER. Does the Senator yield back his time? The Senator has 1 minute.

Mr. PASTORE. Mr. President, I am ready to move to lay this motion on the table.

The PRESIDING OFFICER. If the Senator's time has been yielded back, the motion will be in order.

Mr. PASTORE. Mr. President, I move to lay the Senator's motion on the table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Has all the time been yielded back?

Mr. McGEE. Mr. President, I yield back the time.

The PRESIDING OFFICER. The Senator from Rhode Island has made a motion to lay on the table, is that correct?

Mr. PASTORE. That is correct.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Rhode Island (Mr. PASTORE) to lay on the table the motion to recommit offered by the Senator from Nebraska (Mr. CURTIS).

The yeas and nays having been ordered, the clerk will please call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. JAVITS), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "yea."

The result was announced—yeas 54, nays 35, as follows:

[No. 323 Leg.]

YEAS—54

Abourezk
Aiken
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Domenici
Eagleton
Eastland
Fong
Griffin
Hart
Haskell
Hatfield
Hathaway
Hollings
Hughes
Humphrey
Jackson
Johnston
Kennedy
Magnuson
Mathias
McClellan
McGee
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Randolph
Sparkman
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Weicker
Williams
Young

NAYS—35

Allen
Bartlett
Beall
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Cannon
Cotton
Curtis
Dole
Dominick
Ervin
Fannin
Fulbright
Goldwater
Hansen
Helms
Hruska
Huddleston
Mansfield
McClure
Metcalf
Nunn
Pearson
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Thurmond
Tower
Tunney

NOT VOTING—11

Baker
Bellmon
Cook
Gravel
Gurney
Hartke
Inouye
Javits
Long
Packwood
Stafford

So the motion to lay on the table Mr. CURTIS' motion was agreed to.

Mr. DOLE and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER (Mr. ALLEN). At this time, under the previous order, the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) is to be recognized for 10 minutes.

Mr. McGEE. Mr. President, we still have two pending amendments.

The PRESIDING OFFICER. They would come after the distinguished Senator from Virginia is recognized under the previous order.

The Chair recognizes the distinguished Senator from Virginia.

Mr. McGEE. We have two amendments, first.

Mr. HUMPHREY. Mr. President, I think my amendment is without debate.

The PRESIDING OFFICER. Nevertheless, the order was that the distinguished Senator from Virginia was to be recognized at this time.

Mr. MANSFIELD. Mr. President, with the concurrence of the distinguished Senator from Virginia and the Senate, I ask unanimous consent that the Humphrey amendment be called up with the time allocation not to exceed 1 minute, and the same request with respect to the Kennedy amendment.

Mr. DOLE. Mr. President——

Mr. MANSFIELD. And the same request with respect to the Dole amendment.

The PRESIDING OFFICER. All of these amendments would come up prior to the Senator from Virginia being recognized?

Mr. MANSFIELD. Exactly.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, at the conclusion of the amendments we will get to third reading and then the Senator from Virginia will be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment of the Senator from Minnesota will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and that the amendment, which has three sections, be considered en bloc.

The PRESIDING OFFICER. The amendments will be considered en bloc, and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 12, line 3, strike "$1,500,000" and insert in lieu thereof "$3,000,000".

On line 12 of page 12 strike "$108,991,000" and insert in lieu thereof "$110,491,000".

On page 13, line 15, strike the figure "$1,500,000" and insert in lieu thereof "$3,000,000".

On line 17 of page 13 strike the figure "$218,674,000" and insert in lieu thereof "$220,174,000".

On page 26, line 12, strike the figure "$20,000,000" and insert in lieu thereof $25,000,000".

Mr. HUMPHREY. Mr. President, I have discussed this amendment with the distinguished chairman of the committee. This is a much scaled-down version of three amendments I offered earlier today.

It provides for a total increase of only $8 million; $5 million in grants to facilitate rural industrial development; $3 million to be divided among rural development research and extension education and for implementation of the small farmer research and extension education sections of title V of the Rural Development Act of 1972.

INDUSTRIAL DEVELOPMENT

My modified amendment would increase funding from $20 million to $25 million for grants to rural communities to help facilitate industrial development.

Mr. President, given the current state of the economy I would argue that providing for this increase in grants for this purpose will help—not hurt—our Nation recover from its current economic ills.

Curtailing Federal expenditures as a counter inflationary move is appropriate only when such spending is limited to those areas or sectors of the economy which already are overheated due to inflationary pressures.

Increasing Federal assistance to rural communities does not fall into this category. Quite the contrary. Rural communities continue to suffer from too little economic activity and growth. The economic disparity between our Nation's rural and large urban areas continues. The need for a more balanced growth pattern in the United States remains an urgent national and congressional goal.

These goals, which were set out as congressional policy in the Housing and Urban Development and Agricultural Acts of 1970 are as relevant today as when they were adopted in 1970. And for rural communities to equitably share in our Nation's growth and development, they must also be permitted to share more equitably in national development expenditures. Most rural communities have not and will not be able to access the various economic development loan programs provided for in this bill without additional grant assistance. Their tax and local revenue bases are simply too small.

The economic needs and justification for rural industrialization are overwhelming. Our economy is floundering with a lack of capacity. Rural America has underemployed resources while urban America has overburdened its services and is hitting capacity limits—investment in rural America would yield growth, but given the capacity problems of urban areas, overinvestment there at this time may only yield more inflationary pressures.

We need a balanced growth and a balanced policy. Ignoring rural America is not fiscally or economically responsible. The amount of money involved here is minuscule—yet the benefits would be enormous.

First, this industrialization will begin to build the supplies of needed products and assist in the battle against inflation.

Second, it would expand employment in rural areas which suffer the highest rates of unemployment and underemployment, thus lowering the social costs involved.

Third, the primary investment would stimulate secondary investment and secondary employment and thus improve the general economic outlook.

Fourth, this would more efficiently use the infrastructural resources already available in rural areas and also enable rural communities to economically and efficiently expand and improve their services.

Fifth, we would slow the rural-urban migration and thus treat a basic urban problem at the very source. In fact, we may even stimulate a reverse migration by stimulating rural industrialization—and this would provide relief to the overburdened services of our cities.

Finally, we would be giving people a choice in life style and employment location. With the resulting jobs in rural America, more of our youth could stay in rural America and they would improve the viability of rural America and provide the basis for tomorrow's leadership and growth in these areas.

Briefly, this small appropriation would mean expanded economic activity in both rural America and for the total economy, a more efficient use of resources, a healthier tax base in rural America, lower social costs due to less rural-urban migration and a subsequent reduction of pressure on urban services, and it is the very thing needed to break our inflationary circle.

Therefore, I hope, Mr. President, that the manager of this bill (Mr. McGee) and his distinguished colleague, the ranking minority member of the committee (Mr. Fong), will accept my amendment. It is consistent both with the balanced national growth and development goals stated by the Congress in 1970 and with the current economic needs of our Nation.

The other two amendments contained in the amendment are now at the desk.

RURAL DEVELOPMENT RESEARCH

I would like to provide a total of $6 million for rural development research, for rural development extension education, and and for implementing the small former research and extension education program provided for in the Rural Development Act of 1972. Given the formula provided in the 1972 act for distributing such funds, full funding of title V should be provided for which would be $15 million.

Also, Mr. President, I would like to point out that under title V of the 1972 Rural Development Act, there is a provision for a small farmer research and extension education program, which to date, the Department of Agriculture has not implemented. Of the 2.5 million farms today, 1½ million of them are very small farms. Many of these farm families need technical assistance and advice on how to improve their farming operations, obtain needed credit, and ways to supplement their farm income with off-the-farm income. The small farmer program provided under title V is to be implemented, in part, along the lines of the family farm rehabilitation project in the State of Vermont.

This particular effort has proven itself to be very effective in assisting small farmers and all members of their families in adjusting to the realities of today's world. My distinguished colleague on our committee, Senator Aiken, played an important role in fostering this Vermont project and was one of the coauthors of small farmer provisions of title V.

Mr. President, I hope the Senator from Wyoming (Mr. McGee) will accept my amendment to increase the funding levels of rural development research and extension education to that now provided for in my modified amendment and furthermore that he and his committee insist that at least $1 million of the $6 million provided be utilized by USDA to fund the small farmer provisions of title V.

Mr. President, I believe these amendments will add considerably to the meaning of the Rural Development Act.

Mr. McGEE. Mr. President, I am prepared to yield back the time on this amendment This is a considerably scaled down version that we worked out by reason of a compromise. We thought we should wait until this point in the day to take up the amendment.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment follows:

> On page 20, line 23, immediately before the semicolon, insert a comma and the following: "unless the President, in consultation with appropriate Committees of Congress, determines on the basis of worldwide humanitarian food needs identified by such international organizations as the Food and Agriculture Organization of the United Nations, that additional funds for such country are necessary for humanitarian purposes and, prior to providing any such additional funds, reports to Congress with respect to the need for such additional funds."

Mr. BIBLE. Mr. President, may we have order?

Mr. KENNEDY. Mr. President, could I have the attention of the Senate? I talked to the floor manager as well as the ranking minority member, and they understand the language of the suggested change. All this does provide, Mr. President, with Presidential finding and also the assurances of an international world organization, such as the FAO, is that the provisions of the 10-percent limitations on Public Law 480, title I, could be waived. My particular concern, Mr. President, is of countries like Bangladesh, with critical food shortages, that their humanitarian needs would be attended to and looked after.

Mr. President, the amendment I am offering, on behalf of myself and the distinguished Senator from Minnesota (Mr. Humphrey), relates to Public Law 480 appropriations—the food-for-peace program.

Since the passage of Public Law 480 nearly 20 years ago, it has been the intention of Congress that this program must have a humanitarian dimension—to provide food assistance to nations in need to help. The legacy of America's generous contributions under the food-for-peace program can be seen in the millions of lives saved from the ravages of hunger and famine around the world.

The helping hand of the United States—engraved upon the millions of food parcels which have reached every shore over the past two decades—is a gesture of humanitarian concern and good will by the American people. The

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humanitarian objectives of the Public Law 480 program were first stated by President Eisenhower and further strengthened under President Kennedy. In 1966, President Johnson affirmed the humanitarian purposes of the food-for-peace program as new legislation was signed into law.

However, over the past few years, the humanitarian dimension of the Public Law 480 program has been neglected in favor of security objectives. We have seen food for peace become food for cash, and in too many instances that cash has been used for military, rather than peaceful purposes.

Despite the assumption of the American people and the intent of Congress that the Public Law 480 program should reflect the humanitarian concern of the American people, in recent years this administration has distorted this objective and tilted the program toward defense and military purposes. The record shows that this administration has been more interested in funding armies than providing humanitarian food for people in need. Regrettably, its priorities turned food for peace to food for war in Indochina—to the neglect of starving millions around the globe.

For example, last year Cambodia and South Vietnam received nearly 47 percent of the total appropriations under title I of Public Law 480. As a result, less than 1 percent of the world's population received nearly half of the total funds available under title I. And they received that amount—not because it was all necessary to meet the food needs of the people—but to meet the military requirements of their army.

Elsewhere, funds have been expended without the knowledge or approval of Congress for common defense purposes. Millions of dollars have been juggled back and forth under Public Law 480 to provide military aid, rather than humanitarian assistance.

Mr. President, it is time for the Congress to once again affirm the humanitarian purpose of Public Law 480, and to begin the long overdue process of establishing some greater fiscal control over the program. Just as we have initiated fiscal controls over the Pentagon's funding of military supplies to South Vietnam, so, too, must we halt the backdoor financing of military requirements in Indochina—and elsewhere—by using the food-for-peace program.

The House began this process last month when it wisely amended the appropriations bill to provide that no more than 10 percent of title I appropriations can be made available to any one country. This was a commendable and important action taken by the House, and it should be sustained in the Senate. The House amendment helps to curb some of the most blatant abuses which this administration has made in the food-for-peace program. In recent years, it has been title I appropriations where excessive commitments have been made to a select number of nations as indirect support for military programs, rather than for meeting genuine humanitarian needs.

With the imposition of the 10-percent limitation, the administration will be prevented from allocating some 17 percent of title I food this year to South Korea—which it proposed to do. And, had this provision been in effect in past years, our food to Indochina would have been considerably less, and it would have been for peaceful purposes.

Thus, I fully support the intent of the House amendment. However, there are some weaknesses which I believe should be noted, and which should be corrected.

First, three sources of funds are readily available under Public Law 480 for the administration to parcel out as it pleases. The $425 million contained in the pending agriculture appropriations bill for title I—and to which the 10-percent limitation applies—represents only part of the total amount available for Public Law 480.

First. According to AID, there are an estimated $74 million in unexpended fiscal year 1974 appropriations which remain available and which will be committed for this fiscal year.

Second. It is estimated that over $240 million will be readily available for title I programs from interest loan repayments paid this coming year by foreign governments.

Third. An undetermined amount of funds are available from the commodity credit corporation to supplement title I programs whenever the administration deems it necessary.

In addition, it is estimated that there is an accumulated authorization of some $10 billion for title I.

Mr. President, any or all of these sources of funds can, legally, be used to circumvent the 10 percent limitation on title I funds imposed by the House. If the administration chooses to expend more than 10 percent of title I food—or more than $42.5 million—for any one country, it can do so by turning to these funds, which are readily available.

However, the importance of the House's action, and the purpose of my amendment, is not that it will, or can, plug all the legal loopholes the administration can use. But, rather, the intention is to establish once again the intent of Congress regarding the use of Public Law 480 food, and to begin the process of establishing greater fiscal control by Congress.

The House action simply registered the view that no one country should be the recipient of an excessive amount of Public Law 480 food. And it prohibited the abuse of title I. This, as I say, is an important step, and puts the administration on notice that Congress will not tolerate the future abuse of Public Law 480 food.

However, in laying the foundation for a further tightening of the Public Law 480 authorization, an additional step must also be taken. And this is the purpose of my amendment—to add a humanitarian dimension to the limitations imposed by Congress on the use of Public Law 480 food.

Mr. President, my amendment simply adds a humanitarian provision to the House limitation. It would provide that such nations as Ethiopia or India or Bangladesh could receive additional food above the 10-percent limitation if they face famine conditions. Although title I is not the primary source for emergency food, we do not want to establish a limitation, or a precedent, that would limit in any way our Government's ability to use Public Law 480 food to respond to unforeseen food deficits or famine conditions that may require additional food above established limitations.

It is for this reason, Mr. President, that I am amending the language of the House provision to provide a humanitarian waiver for countries that genuinely require food above the 10-percent ceiling. To insure that this flexibility will not be abused once again, or arbitrarily applied by the administration, the amendment also specifies that any additional allocations of title I appropriations above the 10-percent limitation, must be validated by criteria of need established by such international organizations as the FAO, and that such a determination be reported to the Congress. The amendment would tie title I allocations to a humanitarian barometer as established by the reports of respected international organizations—and would make the President accountable to Congress for the use of such funds.

The FAO guidelines and early warning system are important and valid sources of statistics on food needs within specific regions as well as individual countries. They can and should be used by AID in allocating our food, and they can serve to validate a decision to provide any one country food in excess of the 10-percent limitation set in the bill.

Where famine conditions require more food, as in Africa today—which, as a region, received 12 percent of last year's food, but is only projected to receive 6.3 percent of this year's allocation—the provision of my amendment will also serve to underscore actual food needs. By contrasting U.S. food commitments with internationally recommended food requirements, the amendment will indirectly support efforts to provide more food where it is most needed—while, at the same time, prohibiting the use of additional Public Law 480 food for other than humanitarian purposes.

Mr. President, I urge adoption of this amendment to reassert the humanitarian purposes of the Public Law 480 program, and to establish the precedent that greater fiscal controls and limitations on the use of Public Law 480 food must be tied to humanitarian criteria of need as established by respected international organizations.

The overriding objective of the food for peace program must be to provide food to those who need it the most. We must begin to establish the point that food for the common defense is, and must be, food for those who face starvation and pervasive poverty. We must begin to understand that threats to the peace require more than military assistance. Famine can be a threat to the peace. Poverty, and the widening gap between the rich nations and hungry nations, spawn conflict and instability. Uncontrolled competition for food and other resources threaten peaceful relations around the world. And disasters, such as the drought in Africa and hunger in

Asia, have produced human tragedy as great as any war.

Our food must no longer be used to feed armies or support military programs. It is too scarce of a commodity for such purposes. Our foreign assistance program—especially the food for peace program—can no longer be blind to the real and growing threat to the peace and security of the world: famine, poverty, disease, and dwindling resources.

Mr. President, I am conscious of the sense of the members of the committee of not opening up this particular title, title I, ad infinitum. But it does seem to me that humanitarian considerations should permit the inclusion of this type of language in anticipating many of the food shortages in other parts of the world. The voluntary agencies and the various church groups supports this amendment. I hope the ranking members will take it to conference.

Mr. McGEE. Mr. President, the committee has checked this one very carefully, and, limited to the humanitarian uses for which we would find some other means of approaching it anyway, it seemed to be in the spirit of the proposal. The committee is prepared to accept that language.

Mr. FONG. Would the Senator yield?

Mr. McGEE. Yes.

Mr. FONG. Mr. President, this is a meritorious amendment and should be adopted.

Mr. HUMPHREY. Mr. President, during the consideration of H.R. 15472, the agriculture-environmental and consumer protection appropriation bill, 1975, the House of Representatives adopted an amendment which would limit benefits available to a single country under title I of Public Law 480 to 10 percent of the total appropriated under the title. This amendment was subsequently accepted by the Senate Appropriations Committee and is included in the measures currently under consideration.

The purpose of this amendment was to prevent the use of currencies generated under title I of Public Law 480 as a means for circumvention of congressional limitations on U.S. military and economic foreign assistance. Furthermore, this amendment was intended to assure a more equitable distribution of our resources available for foreign assistance.

In the fiscal year 1974, 26 percent of our total concessional sales program—title I—of Public Law 480 was designated for Cambodia and 41 percent for Vietnam. While we appreciate the valid humanitarian needs of these countries, and our historical relationship with that region, we feel that the continuing food needs in other parts of the world may not be receiving equitable attention in our food assistance priorities.

This situation has led us to seriously question the mechanism by which our foreign food assistance is programed.

Over the years the humanitarian intent of our food-for-peace program has been subordinated to foreign policy and market development objectives. I think then that it is appropriate and timely that we put humanitarian food needs back into our food-for-peace programs as an objective in its own right.

There are legitimate reasons for supporting the House provisions limiting the benefits to any one country under title I of Public Law 480. This limitation might represent a means for restoring and assuring a more equitable balance in the distribution of our foreign assistance resources available under this program.

It is not our intent to encumber our food assistance programs with permanent limitations on its operations. We are aware that at times valid humanitarian requirements will call for flexibility in our ability to program under the program. Certainly, the precarious crop situation in India may lead to unusually large import needs over the coming year, for example. Therefore, the distinguished Senator from Massachusetts and I are offering an amendment to allow the President emergency powers to increase the level of funding to any one country above 10 percent if he determines that the increased assistance is necessary for humanitarian purposes—but only after he reports to the Congress on his intent to increase such assistance.

It is clearly our intent that whenever funding for title I assistance from any source reaches 10 percent of the total funds appropriated for fiscal year 1975 under title I of Public Law 480, that the President shall consult with the appropriate committees of the Congress and report to the Congress of his reasons if he plans to provide additional assistance.

We feel that these limitations should apply during the fiscal year 1975 only, as a means of encouraging a review and redistribution of the benefits under our food assistance programs on the basis of valid humanitarian needs. However, if appropriate action is not taken over the coming year toward this end, I will consider more permanent measures to insure that the humanitarian objectives of the program are not abrogated.

We should also clarify our intent in regard to title II of Public Law 480. We do not favor additional limitations on this section of our food for peace program, first, because the administration of this title has not raised questions of fairness comparable to title I, and second, because we feel that a certain degree of flexibility is required in the title II program to meet short-term and emergency disaster relief needs.

Mr. President, we are greatly concerned that certain abuses threaten the structure of our food assistance programs. While I am satisfied that these abuses are quite limited, I am afraid that a few such instances tend to shadow the far more significant successes that our food-for-peace program has won over its 20 year history.

It may seem obvious that any good program requires occasional review. Yet the need for such a review is exactly the reason we support the provisions relating to title I of Public Law 480.

We must insure that our food assistance resources are used as efficiently as possible. With the increasing importance of food security to citizens throughout the world, we must continue to explore ways to strengthen and improve our basic vehicles for sharing our agricultural abundance with needy people in the developing nations of the world.

This is a challenge which I have tried to be deeply aware of during my career in the Congress and one which I call upon my colleagues to accept both in terms of your backing on the amendment we are now offering, as well as through continued support for our efforts to maintain our food for peace program as a model for food assistance throughout the world.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. DOLE. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 5, line 16, strike out the period and insert in lieu thereof a colon and the following: "*And provided further,* That none of the funds appropriated by this Act shall be available to formulate or carry out a program under which import quotas are established at levels higher than those under the Meat Import Act of 1964 but for the suspension of such quotas.

Mr. DOLE. Mr. President, we have waited several weeks now for the Department of Agriculture, and other branches of the Government, to take positive action to limit the quantity of beef imports coming into this country. We have waited too long. The time for action is now. This amendment to the appropriation bill may not accomplish everything the Senator from Kansas would like to have accomplished, but at least it is a step in the right direction. It is an effort not to completely eliminate quotas, but to move them back to the period of 1964.

IMPORT SITUATION GETTING WORSE

In the past few days, we have seen the import situation grow steadily worse. The European Economic Community extended its ban on meat imports through October and made the ban even tighter. This action means that meat shipments which normally would go to Europe will now be diverted to other countries. At this time we are the only major importing nation with our borders completely open to meat imports. The charge that the United States is becoming the world's dumping ground for beef appears to be well justified.

The action by the EEC also clearly indicates that the Europeans are making no effort to assist us in resolving the oversupply of meat which is keeping live animal prices depressed. This refutes the Department of Agriculture's basic argument against limits on meat imports—that European and other governments will work with us in getting through this period of depressed prices. On the contrary, they apparently are pushing their problems off onto us.

The European Community is giving subsidies for the export of their meat products. These subsidies reportedly equal up to half the value of the product in some cases. The Europeans have stockpiled tremendous amounts of meat and the export of these supplies will further displace foreign meat into this country.

At the same time, Canada has refused to receive our beef shipments. Japan has long since closed its borders to imports.

In view of the reluctance of the Department of Agriculture to take action on limiting meat imports, it is clear that the only way this action will be taken is for the Congress to pass this amendment which I am offering.

DEPRESSED MARKET CONTINUES

The recent increases in live animal prices have helped reduce losses being suffered by livestock producers, but they do not resolve the problem of the depressed market. Prices have risen to the mid-$40's per hundred weight but the cost of gain per hundred weight remains from $50 to $52. Obviously, livestock producers cannot be expected to continue production with losses of this magnitude.

Furthermore, the Department of Agriculture expects meat supplies to rise later this year, which will result in another decline in the price of live animals. Large imports of meat on top of this can only result in disastrous conditions in the livestock industry.

It has been reported that Australians and other exporting countries will not flood our markets with beef shipments. The underlying assumption of this expectation is that Australia and other exporting countries will have adequate grass and forage to provide feed for their cattle through the coming months. The supply of grass depends on the weather and it is unbelievable to me that we should risk the entire future of our livestock industry on the weather conditions in the rest of the world.

RESPONSIBILITY OF GOVERNMENT

We in the Senate have a responsibility to take some action to relieve livestock producers from the import problem. The oversupply of beef we are experiencing presently is a direct result of the price controls and price freeze placed on the livestock industry last summer. That price freeze, instituted by the administration, was supported by numerous Members of Congress. The Department of Agriculture, up to this point, has refused to take any action on meat imports. As I noted earlier, being at least partially responsible for the price freeze last year, we in the Senate have a responsibility to help the livestock industry recover from that disastrous situation.

Consumers clearly have a great interest in this issue. In recent months, placements of cattle on feed have dropped by as much as one-third of last year or more. Unless some action is taken to insure that this trend does not continue, consumers undoubtedly will suffer the result later on in the form of higher prices for meat.

Mr. President, some time ago, the distinguished majority leader held a meeting of Senators concerned about the depressed market in the livestock industry. At that time, 44 Senators endorsed the concept of limiting imports. A number of other Senators supporting the measure at that time were not able to be present at the meeting of the distinguished Senator from Montana.

In my opinion, the position of the Senate is clear and we should now take action to halt the imports of meat. The amendment I offer would accomplish that purpose by barring the use of funds appropriated under this act for maintaining a program permitting a level of imports higher than that specified by the Meat Import Act of 1964.

Mr. President, I urge that every Senator, whether his interests be primarily with livestock producers or with consumers, or both, support this measure.

Mr. President, I would hope the amendment would be acceptable. If not, we will have the yeas and nays.

Mr. McGEE. Mr. President, we have just checked with the department and downtown, and have been assured this does not run against any grain or contradiction. We can take that language to conference.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment of the Senator from Kansas.

Mr. METZENBAUM. Mr. President, I have no idea what is in the amendment.

The PRESIDING OFFICER. Nonetheless, all time has expired. The amendment has been read.

Mr. McGEE. May I tell the Senator what the amendment said? It simply permits the meat quota import regulations under the original act of 1964 to be considered for reimposition without being mandatory because of the place in this bill. We are taking it to conference. It is the standing meat import quota bill that we have had since 1964. All it does is try to underscore and lend emphasis to it.

Mr. METZENBAUM. I thank the Senator from Wyoming.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from South Dakota, who I did not recognize before, be allowed to proceed for 1 minute to offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendment may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 6, line 8, strike "$212,534,000," and insert in its place: "$212,579,000,".

On page 6, line 21, after the colon, insert the following: "*Provided further*, That of the appropriations hereunder, not less than $45,000 shall be available for research and maintenance at the Eastern South Dakota Soil and Water Conservation Research Farm at Madison, South Dakota:".

Mr. McGOVERN. Mr. President, this amendment would continue a small agricultural research facility in my State. It is doing important work in research on the retention of moisture in those areas of marginal rainfall. It is a vital installation. It has been functioning for some time. I discussed the matter with the chairman, who is managing the bill, and the distinguished ranking member. I hope the amendment will be adopted.

Mr. McGEE. May I say, Mr. President, that the reason for this amendment is the chairman's negligence. I had given a commitment on it. We had examined it carefully. In putting things together, I inadvertently slipped up on it. To that extent, it is a technical correction of my negligence.

The PRESIDING OFFICER. All time on the amendment having expired, the question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

Mr. THURMOND. Mr. President, I would like to offer an amendment to H.R. 15472 to increase the price support level for the 1974 crop of Flue-cured tobacco. This remedial legislation is urgently needed by the farmers of my State as well as a number of other States.

Mr. President, from 1973 to 1974, the cost of producing tobacco increased some 41 percent. However, the Government support price has only increased 7 percent. At the present time, the selling price of tobacco is down from its 1973 level.

My amendment would compensate for this dramatic increase in the cost of production.

Mr. President, I would like to inquire as to whether an amendment of this nature is in order at this time.

Mr. McGEE. I am very sympathetic to the plight of the farmers mentioned by the distinguished Senator from South Carolina (Mr. THURMOND). However, his amendment is a legislative amendment and would not be in order on the appropriations bill.

Mr. THURMOND. I thank the distinguished Senator from Wyoming and agree with his analysis of the parliamentary situation. My interest in offering the amendment to H.R. 15472 at this time is simply to stress the urgency of the problem. However, I agree with his position on this matter and, accordingly, will offer a bill as independent legislation.

The PRESIDING OFFICER. Are there further amendments?

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

Mr. McGEE. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The Chair recognizes the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) for 10 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, I would like to ask several questions of the manager of the bill at this time.

The PRESIDING OFFICER. The Senator will have to use his time for colloquy out of the 10 minutes under the unanimous-consent agreement.

Mr. HARRY F. BYRD, JR. Mr. President, may I ask the manager of the bill this question: As I understand it, on page 1 of the bill, it says the total amount in the bill reported to the Senate is $13.553 million. Now we turn to the last page of the bill, and it would appear to me that tht total appropriation in this bill, including appropriations to liquidate contract authority, is $15.3 billion.

Mr. McGEE. The appropriation for liquidating contract authority does not count in the budgeting process as new obligational authority. At the time it was contracted for it was covered and charged against the Government at that time. It would simply be double charging it on the books.

Mr. HARRY F. BYRD, JR. It is listed under the heading of "New Budget Obligational Authority" enacted to date in fiscal 1974. That item is listed under "New Obligational Authority." It is listed in the budget as "New Obligational Authority."

Mr. McGEE. The authority was chalked on the preceding budget, I am advised by the staff, and the payout is occurring now. But it is not a new item in this budget.

Mr. HARRY F. BYRD, JR. If the Senator will look on page 91 of the report, he will see that it says the amount recommended by the Senate Committee on Appropriations to liquidate budget authorizations is $1,961,500,000.

Mr. McGEE. We want to check the table the Senator is using with ours.

Mr. HARRY F. BYRD, JR. What the Senator from Virginia is trying to understand is how much money we are appropriating. If I read page 91 correctly—and if I do not, I would be glad if the Senator would correct me—the total amount that is being appropriated is $15,314,852,000, not including what the Senate added today. Is that correct?

Mr. McGEE. It is the liquidation of contract agreements.

Mr. HARRY F. BYRD, JR. Regardless of what it goes to, it is tax funds that would be appropriated and then spent. Is that correct?

Mr. McGEE. It is not new obligational authority. This is pay-out in this budget.

Mr. HARRY F. BYRD, JR. It is listed under that column, if the Senator will look at page 91.

Mr. McGEE. This is appropriations, including contract authority. It is a broader spectrum. That is the reason why it is included, in order to keep the outflow accurately recorded.

Mr. HARRY F. BYRD, JR. I understand. But am I not correct——

Mr. McGEE. That would have happened if we had not had an appropriation bill this year.

Mr. HARRY F. BYRD, JR. It has to be appropriated, though, does it not, or else it would not be in the budget?

Mr. McGEE. This is authorized and appropriated. The contract payout is occurring in this fiscal year. It would have happened if we had not had a budget this year. It still would have proceeded, because it was a contract agreement.

Mr. HARRY F. BYRD, JR. Would not the funds have to be appropriated?

Mr. McGEE. The obligation was made. This is the obligation to liquidate the contract authority.

Mr. HARRY F. BYRD, JR. So the total amount which this bill would appropriate is $15,314,852,000.

Mr. McGEE. That is correct.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Leaving out that aspect of it, the bill before the Senate today, the 1975 agriculture-environmental and consumer protection appropriation bill, provides for $13.6 billion, $3 billion over the appropriations bill for last year. That does not include these other items of $2 billion of contractual authority.

Mr. McGEE. That is correct.

Mr. HARRY F. BYRD, JR. This is an increase, leaving out the other figure I mentioned, of 29 percent over the amount of money that was appropriated last year. How can we justify such a tremendous increase in spending?

The bill before us today is the first major regular appropriation measure which the Senate has considered this year.

If we begin our action on spending for the current year with a 20-percent increase, we will be heading once again for more big deficits and more inflation.

The biggest increase in the agriculture spending bill is a billion dollars over last year for the food stamp program, a program that has grown a hundredfold in the 9 years it has been with us.

In 1966, the total program cost $34.4 million. This bill calls for spending $4 billion in the current year. The cost for administration—for salaries, pencils and paper clips—in this bill is more than the entire program cost in 1966.

Recently, a study of the Joint Economic Committee revealed that food stamp program costs may top $10 billion in fiscal 1977. Every fourth American—60 million people—may be eligible for food stamps.

Another major item of increase in the bill is a $760 million boost in spending for the Commodity Credit Corporation.

The increases in these and some other parts of the bill are excessive. Though the various programs may have merit, our top priority must now be the restoration of economic stability.

That cannot be done without budget discipline.

If this bill were reasonably in line with last year's, I could support it. If we could cut this bill back, I could support it. But I cannot support a 29-percent increase.

I have said before, the most under-used word in the political vocabulary is "No." It is time that word be dusted off.

Unless Congress sets an example for the Nation by saying "No" to continuing increases in spending, there is no hope of getting inflation under control.

The easy road of more and more deficit spending is a dead end. Congress has followed it. The administration has followed it. Now the Government must change course, before it is too late.

Double-digit inflation is a tax. It is a hidden tax. It is a cruel tax.

It hits hardest those on fixed incomes, such as the elderly, and those in the lower- and middle-income brackets.

It also eats into every worker's paycheck and every housewife's grocery money.

It undermines confidence in our economic system, our leadership, and our future.

And, inflation itself, as prominent economists have pointed out, has slowed the economy and increased unemployment by discouraging investment and the growth needed to create jobs.

The time has come for fiscal discipline. The Nation, in this time of hardship, just cannot afford our big spending Government.

Many experts agree that we must trim $5 to $10 billion from the President's current budget. The man who is expected to be named Chairman of the President's Counsel of Economic Advisers, Alan Greenspan, has said:

> The Federal Budget has been out of control for a number of years.

He advocates a 1975 budget of less than $300 billion.

Even the liberal economist, John Kenneth Galbraith, has advocated a Federal budget surplus. A first goal, he said, is:

> A fiscal policy that rules out for the indefinite future any expansion of the federal budget.

We must discard thoughts of tax cuts, and, Congress must approve only spending measures that reflect the hard economic realities of the hour.

The fiscal 1975 agriculture-environmental and consumer protection appropriation bill provides for many worthwhile programs, programs that have normally had my support in the years I have served in the Senate.

But this bill provides for a 29-percent increase over the appropriations for last year. That rate of increase is double the rate for the budget as a whole.

If we approve this kind of spending, we are going to continue along the disastrous road to more and more inflation.

I cannot vote to continue on that road.

Although I have been in politics long enough to know that a "no" on an appropriations bill is not pleasant, I shall vote "no."

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing deficits in Federal funds and interest on the national debt, 1956 to 1975.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT 1956-75 INCLUSIVE

PREPARED BY SENATOR HARRY F. BYRD, JR. OF VIRGINIA

[In billions of dollars]

Year	Receipts	Outlays	Surplus (+) or deficit (−)	Debt interest
1956	65.4	63.8	+1.6	6.8
1957	68.8	67.1	−1.7	7.3
1958	66.6	69.7	−3.1	7.8
1959	65.8	77.0	−11.2	7.8

Year	Receipts	Outlays	Surplus (+) or deficit (−)	Debt interest
				5
1960	75.7	74.9	+.8	9.3
1961	75.2	79.3	−4.1	9.5
1962	79.7	86.6	−6.9	9.3
1963	83.6	90.1	−6.5	10.0
1964	87.2	95.8	−8.6	11.8
1965	90.9	94.8	−3.9	11.6
1966	101.4	106.5	−5.1	12.2
1967	111.8	126.8	−15.0	14.6
1968	114.7	143.1	−28.4	15.7
1969	143.3	148.8	−5.5	17.
1970	143.2	156.3	−13.1	20.0
1971	133.7	163.7	−30.0	21.6
1972	148.8	178.0	−29.2	22.5
1973	161.4	186.4	−25.0	24.2
1974[1]	181.8	199.5	−17.7	29.4
1975[1]	201.4	221.3	−19.9	31.5
20-yr total	2,200.4	2,429.5	−229.1	300.4

[1] Estimated figures.

Source: Office of Management of Budget and Department of the Treasury.

Mr. ROBERT C. BYRD. Mr. President, I wish to express my appreciation to the chairman and the other members of the Appropriations Subcommittee, for the committee's action in including $2,158,000 in the fiscal year 1975 agricultural appropriations bill for the Soil Conservation Service for the development of a planned flood control and water supply project for the Pocatalico River Basin in West Virginia.

As the chairman knows from the evidence which was presented to the committee, there presently exists an urgent need to develop sources of water supply for the communities of Walton, Sissonville, Pocatalico, and Gandeeville, W. Va., which are located in the Pocatalico River Basin.

These communities formerly obtained their drinking water from the Pocatalico River. However, this river experienced several pollution problems starting in 1967, and the water quality has steadily, and irreversibly, deteriorated since that time.

The total cost of this project will be $3,568,000, of which $1,161,000 was provided earlier this year in the supplemental appropriations bill, and the balance is being provided in the pending bill.

I urge the departmental officials to move ahead with this project as soon as possible in order that these communities may be able to obtain their supplies of drinking water locally.

Mr. MONDALE. Mr. President, I wish to address one provision in particular in the bill before the Senate today, the fiscal 1975 Agriculture, Environmental and Consumer Protection Appropriations Act.

Permit me to begin by expressing my gratitude for the outstanding leadership provided by Senator **McGee** and the members of the Senate Appropriations Committee in their report on H.R. 15472.

This measure contains a section which I believe to be vital to the Environmental Protection Agency's responsibilities in the field of water pollution control. I refer specifically to the section authorizing the use of water and sewer funds appropriated under Public Law 92–73 and extended under Public Laws 92–399 and 93–135, but impounded by the administration, for lake restoration programs under section 314 of the 1972 Federal Water Pollution Control Act amendments.

The United States is blessed with 100,000 small- and medium-sized lakes, resources which provide an unparalleled variety of opportunities for recreational and scenic enjoyment. Boating, swimming, water-skiing, hiking, fishing, and camping are but a few of the activities the American people look for in vacations and in weekend trips to nearby lakes.

Yet because of the very advantages they provide in sparkling water, plentiful fish, and natural scenery, thousands of fresh water lakes are today endangered.

Mounting population and pressure for open space have often resulted in excessive, unwise, or improper development. Without proper sewage treatment, many lakes have been subjected to overloading of nutrients from municipal wastes. Erosion and run-off in both urban and rural areas have also threatened lake water quality.

As a result, lakes in virtually every State in the country are suffering from accelerated eutrophication or premature aging. Excess growth of algae and weeds and a decline in the quality of fisheries are symptomatic of advanced eutrophication. If this process continues unchecked, lakes will become clogged; they will choke for lack of oxygen; and eventually they may die.

Although the Federal Government has since the mid-1960's devoted increasing resources to water pollution problems, America's fresh water lakes have not received the attention they deserve. In fact, the most fragile part of our acquatic ecosystem has received virtually no protection or help from the Federal Government.

Unlike rivers, lakes have only a limited capacity for self-cleansing. If they are subjected to harmful pollutants or to an overdose of nutrients or sediments, the delicate balance that permits natural lake renewal may be permanently destroyed.

Nonetheless, Federal funds and enforcement authority traditionally have been targeted toward interstate rivers rather than on lakes that are commonly located within a single State. Although more recent legislation has firmly established the eligibility of lakeshore communities for Federal sewage treatment grants, limitation on the availability of Federal funds have placed most small, lake-based villages on the bottom of the priority list for assistance. Finally, even if construction grants for municipal treatment facilities could be obtained, this would represent only the first step toward reclaiming a lake that is endangered by pollution. Land use controls and costly rehabilitation techniques such as flushing, inactivation of nutrients, destratification or dredging must often be employed to return a lake to its natural condition. Neither State nor local governments possess sufficient resources to bear the full cost of effective lake cleanup programs.

Is there a national interest in safeguarding America's small lakes? Congress answered that question with an unequivocal yes in adopting section 314 of the 1972 Federal Water Pollution Control Act amendments. In this provision, which I authored with the cosponsorship of more than 50 Senators of both political parties, the Congress authorized a new program, the first of its kinds, specifically designed to protect fresh water lakes. Section 314 authorizes Federal grants for up to 70 percent of the cost of projects designed to clean up lakes and to keep them clean.

Over the past year and a half, primarily as a result of administration footdragging, the Clean Lakes Act has remained only an on-paper law with no regulations or funding to carry it out. The administration has never requested appropriations to provide a penny of the $50 million that was authorized in fiscal 1973, and they opposed congressional initiatives to appropriate any of the $100 million that was authorized in fiscal 1974.

Notwithstanding the administration's opposition, the Congress is now in the process of earmarking $75 million to carry out a clean lakes program in fiscal 1975. Although this represents only half of the $150 million authorization for lake restoration activities in the current fiscal year, if fully committed, it would permit a meaningful first step in the effort to safeguard America's fresh water lakes.

Nearly 1,500 lakes in 40 States across the Nation have already been identified as in need of some type of help. In Florida, State and local officials are desperately seeking Federal assistance to implement restoration programs on lakes like Lake Apopka. Along the shore of Lake Apopka there are today signs posted by the Orange County Health Department declaring it a health hazard for people to swim or fish in the water. By stopping pollution at its source and draining the lake, it could be made suitable for body contact sports.

In south-central Minnesota, the city of Albert Lea is similarly seeking funding to rehabilitate Albert Lea Lake, a 2,600-acre fresh water resource that could provide recreational opportunities for surrounding communities in Iowa as well as Minnesota.

If clean lakes funding were available, the State of Maine might use such assistance to institute a monitoring program that would serve as an early warning system on water quality problems in 44 of the State's most popular recreational lakes.

Michigan might similarly use these resources to help some of the 1,625 lakes that have been classified by the department of natural resources as eutrophic.

The delays experienced so far in getting action on behalf of fresh water lakes have greatly increased the need to launch a substantial program in the current fiscal year. For each year that we fail to take the steps necessary to safeguard endangered lakes, the probability grows that even more costly restorative measures will be needed in the future. And for those lakes that are already suffering from serious water quality problems, the likelihood grows that they may be permanently lost to pollution. The cost of continued inaction, measured in the destruction of irreplaceable lake resources, is more than this Nation can afford or should be asked to pay.

I am hopeful of prompt approval of H.R. 15472 so that we may begin the urgent task of safeguarding America's fresh-water lakes.

Mr. President, the House of Representatives in June passed H.R. 15472, and they included language authorizing the use of impounded water and sewer money for lake pollution control programs. However, in the House report the committee unfortunately included language which would appear to limit the use of the $75 million involved strictly to grants for sewer systems. As the chairman knows, sewer facilities are only one small part of the task of cleaning up and protecting our lakes; and section 314 of the 1972 Federal Water Pollution Control Act contained language which would permit the use of funds for a wide variety of methods, depending upon which would be the most effective in treating water quality problems of individual lakes. I am pleased that the report of the Senate Appropriations Committee makes clear that the $75 million earmarked for clean lakes could be used for any of the techniques authorized under section 314. I would hope that the chairman would be prepared to hold to the Senate language in this regard when the conferees meet to consider this legislation.

Finally, I would like to address a technical point concerning the language in the House and Senate bills. In each case, the appropriations measure reads, "and $75 million of these funds shall be available for transfer to the Environmental Protection Agency for grants for the clean lakes program pursuant to section 314 of Public Law 92-500."

I was concerned about why the bill read "shall be available for transfer," rather than "shall be transferred"; and I checked with both the Senate and the House Appropriations Committees on this point. I was advised that a bill which read that the funds "shall be transferred" would be subject to a point of order in the House since this would have the effect of legislating in an appropriations bill. Nevertheless, I was advised by both the House and Senate committees that there is no doubt but that the committees' intent was to appropriate the $75 million involved for clean lakes and clean lakes only.

It is my understanding and that of the Senate that in adopting the language on page 40 under the heading "Grants for Basic Water and Sewer Facilities" we are in effect reappropriating $75 million in unused spending authority and transferring the funds from the Department of Housing and Urban Development to the Environmental Protection Agency for its use in carrying out section 314 of the 1972 Federal Water Pollution Control Act amendments.

Mr. GURNEY. Mr. President, over the past several years, I have strongly voiced my concern about our Nation's beef situation and the need to take positive action to protect not only the interests of consumers, but that of the livestock industry as well. We here in Congress are about to take such a positive step for, as you are well aware, the Senate and House Appropriations Committees have included $6.7 million for the construction of the beef import quarantine station at Fleming Key, Fla.

This appropriation of $6.7 million is an antiinflationary step designed to assist the cattle industry in providing a higher quality beef to consumers at lower prices. At this point I would like to briefly explain how we are helping to alleviate our beef problems by appropriating funds to build this animal import quarantine station at Fleming Key near Key West, Fla.

As authorized, this would be a maximum security station enabling us to import beef breeding animals directly from Europe while safeguarding our domestic beef cattle herds from diseases such as hoof and mouth disease, rinderpest, vibrosis, and other diseases.

Mr. President, this is the first type of quarantine station to be developed in the United States. Public Law 91-239, signed by the President on May 6, 1970, authorizes the construction of this station. Further, it authorizes the appropriation of such sums as are necessary to carry out provisions of this act. Congress appropriated in the fiscal year 1973 budget the amount of $300,000 for the preconstruction planning of this project. This planning has been completed and since this is the first time that such a station is to be established some 16.1 acres have been provided for the site of this station so as to accommodate future expansion.

Cattle producers in the United States are facing a tremendous challenge in improving the quality of their herds. The phenomenon called "hybrid vigor" can help improve herd quality, but new bloodlines from foreign sources are necessary to accomplish this.

Some exotic animals have been imported and are being used in developing crossbred cattle herds, however, the process of importation at present has two major drawbacks. One is the length of time that it takes to bring an animal with desirable qualities into the United States through foreign quarantine stations and the other is the fact that the United States does not exercise control over the quarantine process.

While we realize that the foreign quarantine stations are making every effort to protect the cattle herds of the United States from imported diseases, we would be even more confident if our own people were in charge. In addition, to those drawbacks, the high cost of an animal that is imported through Canada or other countries, where the quarantine cost is $5,000 a head and the quarantine period is 3 years, puts a major strain on our domestic cattle producers. Many of them cannot afford the $35,000 to $40,000 each animal costs to import in this manner.

There are three major benefits to the United States in having our own quarantine station. First, it would make it possible to import the extra breeding livestock necessary to expand and improve our herds. Second, cattle importation can be accomplished more economically and third, the United States would be in control of the quarantine process. Imported bloodlines would help produce calves with increased weaning weights, smaller amounts of carcass fat, higher calf survival rates, and improved fertility of breeding animals. In dairy animals, additional imports would produce fertility, higher calf survival and an increase in milk production.

Mr. President, the wisdom of the Senate and House committees in including the $6.7 million in this year's budget is justified not only because of the above-mentioned facts, but also in light of construction costs which are escalating at a rapid rate. If this money had not been included in this year's budget, a further delay in the start of construction would have meant additional costs as inflation pushes up the cost of labor and materials which are high enough as it is.

Although I am not a member of the Appropriations Committee, I have testified before both the Senate and the House committees in the past urging them to include $6.7 million in the budget for this project. I am pleased that the committee has placed a high priority on the Fleming Key project and I feel we here in the Senate must be level-headed in voting favorably on this measure. Certainly, we must decide how best we can spend a limited number of Federal dollars, however, I feel it is reasonable to invest the $6.7 million now rather than to have the livestock industry of our country continue to spend $1 billion a year to improve their herds. I feel it is also important that we budget, for the coming fiscal year, sufficient funds to allow the U.S. Department of Agriculture animal and plant health inspection service to make continued improvements on the Fleming Key Station.

America needs the Fleming Key Station to help increase the quality and quantity of its beef and to insure consumers of an adequate supply of high quality beef at a reasonable cost. The action that we take today on this measure will allow the cattle industry of our country to meet these needs. Therefore, I urge my colleagues here in the Senate to favorably consider this project and pass this measure without delay.

Mr. BUCKLEY. Mr. President, we are in the midst of an unprecedented peacetime inflation. Even liberal economists, such as John Kenneth Galbraith, are now pointing to the urgent need, in his words, to establish "a fiscal policy that rules out for the indefinite future any expansion of the Federal budget."

Yet today, we are urged to approve an agricultural appropriation bill that exceeds last year's by 28 percent; and that exceeds the administration's 1975 budgetary request by more than $260,000,000—more than a quarter of a billion dollars to fuel the inflation.

It may well be, Mr. President, that some of the programs covered by H.R. 15472 ought to have been expanded, but if so, I believe it was incumbent on the committee to cut back on others, to apply priorities to those areas in which it has special competence.

The time is long overdue for hard decisions. If we do not have the guts to make them, then I hope and pray that the public will demand economy in Government by withholding their support this November from all incumbents who persist in their support of inflationary spending.

It goes without saying, Mr. President, that I will vote against adoption of H.R. 15472 as reported out, unless substantial amounts can be pared in the course of floor debate. In doing so I do not cast judgment on its component parts. I am simply voting in support of the proposition that our paramount domestic priority is and must be to bring inflation under control.

Mr. ROTH. Mr. President, today we are considering a bill to appropriate over $13.5 billion for agricultural, environmental and consumer programs. We are being asked to approve a bill which is $120 million more than the President's budget request, and $147 million more than was approved by the House of Representatives.

Furthermore, we are being asked to approve an increase of almost $3 billion over last year's spending level.

The programs funded by this bill are laudable and worthwhile, but we are going to have to draw the line somewhere.

I want to emphasize that I support many of these programs, such as the sewage treatment programs, the soil conservation services, and the volunteer firemen program. But I do not believe that a 22-percent increase over last year's funding is justifiable with the inflation we are experiencing.

In fact, I believe such excessive spending is fiscally irresponsible and inflationary.

The issue before us today is not an agricultural program or an environmental protection program, and it has nothing to do with consumer affairs. The issue I am raising today is inflation and excessive Federal spending.

This country has lost both its economic discipline and its economic leadership. The Congress has not only the opportunity but the responsibility to assert itself in the fight against inflation.

A few weeks ago, 74 Senators voted to hold down Federal spending to $295 billion. At the same time, 54 Senators sent a letter to the President asking him for a balanced budget in fiscal 1975.

But the recent budget scorekeeping report showed that Senate action to date could increase the budget level to $310 billion. And several budget analysts have predicted that Federal spending will soar as high as $315 billion.

Day after day, Members of Congress have spoken out on the need to control Federal spending. But a Senate speech will not control Federal spending, nor will it put an end to the rising cost of living.

Each and every Member of Congress has the responsibility to help put our fiscal affairs in order, and that responsibility translates into a Member's vote.

The only way Members of Congress can control Federal spending is to vote against inflationary Federal spending bills.

The inflation in this country today has frightened and confused the American people. It has jeopardized their way of living and it has threatened their dreams.

The American people are looking to Washington for guidance and hope in the fight against inflation.

We in the Congress can give the American people some ray of hope. We can show the American people that we are serious about fighting inflation.

In my 7 years as a Member of Congress, I cannot remember a single occasion when the Congress rejected a spending bill because it was too expensive or too inflationary.

I believe it is high time for the Congress to start rejecting these budget-breaking bills. We cannot hope to control inflation until we begin to control excessive Federal spending.

I intend to vote against this excessive spending bill, and I urge each of my distinguished colleagues to vote against this bill.

Mr. HUDDLESTON. Mr. President, I commend the able chairman of the subcommittee for the legislation he has brought to the Senate floor.

The pending bill is of far-reaching significance to my State of Kentucky, as well as to other farm and rural States throughout this Nation. It will permit a number of important programs and projects to proceed—programs and projects which are necessary if we are to secure our food production system and promote the development of our rural areas.

With this legislation, the Department of Agriculture can initiate the cost-sharing grants to rural communities to improve their firefighting capabilities through training programs and acquisition of equipment. Fire protection is a prerequisite for rural development, and many States, including my own, are anxious to strengthen rural fire services. This program was first authorized in the 1972 Rural Development Act—title IV—and expanded under amendments Senator DOLE and I offered to the farm bill last year. It is, consequently, beyond time for this program to be implemented.

Under the bill, we can also move forward on several other programs related to rural development—water and sewer facility loans, rural industrial development loans, rural community facility loans and water and waste disposal grants. All of these are imperative to the proper use of our rural resources and to making additional opportunities available to the residents of our rural areas.

I am also pleased with the emphasis which the legislation gives to rural conservation programs. At a time when agricultural production is being expanded and additional, often marginal, acres are being returned to use, when farmland is being lost to urban and other uses and when forest and water resources beg for attention, our conservation needs cannot be ignored.

In June oversight hearings before the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, which I chair, the importance of these programs was clearly demonstrated. Likewise, the reluctance of the Department to pursue them fully was also demonstrated. In view of this the directives in the committee report that the Soil Conservation Service be maintained at a permanent full-time strength of 13,800 for fiscal 1975 and that the local committee system of designating acceptable conservation practices be continued are only reasonable.

The bill also provides for continued study of rural transportation needs and policy alternatives. The Department has already undertaken such a study and the pending bill will permit expansion of this study which could have broad implications for the movement of food throughout our country, the development and vitality of rural areas, coping with the energy crisis and facilitating the movement of people.

Again, the Agriculture Subcommittee on Production, Marketing, and Stabilization of Prices, which I chair, will be examining rural transportation, especially the movement of grain, in field hearings in the Midwest on August 1–3. Preliminary research for those hearings indicates that our rural transportation systems are deteriorating and that steps must be taken forthwith to insure adequate transportation facilities in the future. I hope, therefore, that Department recommendations will soon result from these studies.

Mr. TUNNEY. Mr. President, I am very pleased that the Senate Appropriations Committee has seen fit to increase the funding level for an Environmental Protection Agency program to continue research and development of energy-efficient engines.

Last year I introduced legislation to fund research and development of alternatives to the internal combustion engine. This legislation, S. 1055, was added by the Commerce Committee to S. 2176, the National Fuels and Energy Conservation Act. Although S. 2176 was passed by the Senate it has not been brought up before the House yet. With increased pressure to develop engines which emit no pollution to meet the health requirements of the public and the need to conserve needed energy supplies, it is essential that research programs be allowed to continue into the aspects of pollution-free, energy-efficient engines.

There is a program that exists within the Environmental Protection Agency aimed at developing new energy-efficient engines. In the past, however, this program has been underfunded and understaffed largely due to the lack of support by the administration.

I was, therefore, very pleased when the President, in his fiscal year 1975 budget message, requested an additional $10 million for the program above the fiscal year 1974 funding level of $7.2 million. The additional funds were anticipated to be used for research and development of the energy saving aspects of alternative engines. Unfortunately, however, the House of Representatives denied the request for the additional $10 million on the basis that this type of research should be privately funded.

In hearings held by the Senate Commerce Committee on S. 2176, it was repeatedly pointed out that the private sector has not been providing adequate funding for this type of research and development. In fact, the percentage of research and development money devoted to power sources by the Ford Motor Co., and the Chrysler Corp., for example, has declined steadily in recent years. For example, from 1967 to 1969 the Ford Motor Co., spent 25 percent of its research and development money on alternative power sources and the Chrysler Corp. spent 17.7 percent. From 1970 through 1973, Ford Motor Co., spent 17 percent and Chrysler Corp., spent only 2.3 percent of its research dollars on the development of alternative power sources. Data was not received from General Motors.

It is clear, therefore, that to depend upon the private sector to adequately fund the research and development of energy-efficient engines is, for the present, useless. The need for energy-efficient automobiles is now, not at some far distant time in the future.

Senator MAGNUSON, Senator HART, and myself, therefore, wrote to subcommittee Chairman GALE McGEE, pointing out the necessity for increased funding for EPA's program. Although far greater funding is necessary than is provided by the administration's request, this money can be used in a useful fashion at this time.

The increased funding approved by the Senate Appropriations Committee would allow vitally needed research into some highly promising alternatives to existing engines to proceed. Stirling cycle engines, which could double the fuel economy of existing engines, could be studied as could diesel engines and alternative fuels. None of this would be possible without the additional funding.

While this program lacks the strong focus that S. 2176 would provide if passed into law, it is an important step in finding some answers to the problem of developing energy-efficient engines.

I, therefore, request my colleagues to give their full support to this needed increase in funding.

Mr. HATFIELD. Mr. President, as the Senate considers H.R. 15472, the agriculture appropriation bill, I would like to take a moment to commend the chairman of the Agriculture, Environmental, and Consumer Protection Subcommittee, Senator McGEE, and the subcommittee staff, for their diligent work on this important appropriation bill.

Further, I would like to point out that this budget contains $1.2 million for an important wheat research project. Senator MAGNUSON and I have worked on this for several years. Recent wheat deals, wheat shortages, bread price problems and wheat imports have all demonstrated how important wheat is to the agricultural economy and to the American consumer. We need to insure that we have enough wheat to meet our domestic and international requirements.

Currently an estimated 110 million tons of soil are eroded annually on the croplands of the Pacific Northwest. This is a loss equivalent to losing 2 inches of topsoil from 330,000 acres of land per year, or equal to the amount of earth required to fill a pit measuring 1 mile on each side and 86 feet deep.

All residents of the Pacific Northwest are directly or indirectly affected by this wind and water erosion problem. This erosion is slowly destroying one of our few renewable resources. Loss of this resource affects the production of all crops. The three States of Oregon, Washington, and Idaho produce between $700 and $900 million worth of small grains annually; a similar amount is being contributed to the economy of the area through supporting businesses and services. The economy of the Pacific Northwest in turn has an effect on still greater numbers of citizens nationally; thus wind and water erosion in the Pacific Northwest has a serious impact on the well-being of the whole Nation. Additionally, a large part of this Pacific Northwest wheat is export thus affecting our balance of trade as well.

The proposal funded by this budget is called STEEP—Solutions to Environmental and Economic Problems. The objective of this research is to create a coordinated regional research program to attack the problem of erosion in the crop producing areas of the Pacific Northwest while at the same time maintaining or even increasing the productivity that is so important to the economic and social viability of the region. The research will be conducted by Federal and State scientists currently in the universities of Idaho, Oregon, and Washington and in the agricultural experiment stations in Aberdeen, Idaho; Pendleton, Oreg.; and Pullman, Wash.

Mr. President, I commend this project to the Senate and to our colleagues in the House of Representatives, and urge its retention when the bill goes through its final consideration in conference committee.

Mr. HOLLINGS. Mr. President, I would like to take this opportunity to bring to the attention of the Department of Agriculture the critical problems facing America's shrimpers. The shrimp markets in the United States are experiencing significant price declines due largely to unusually large supplies and weakened demands. These declines in turn are leading to financial chaos. The situation is aggravated by the high prospects for good catches this summer in the Gulf of Mexico and the likelihood of large imports from international markets.

I urge the Department of Agriculture to purchase shrimp from American supplies under the commodity distribution program for the needy, the aged and schoolchildren.

As we debate the Agriculture Appropriations bill today, I would ask Mr. McGEE, the distinguished chairman of the subcommittee, to work for the same solution proposed for the beef industry. Shrimpers share problems similar to those facing beef producers and we need to take the same approach in solving shrimpers' problems.

At a time when the need for high protein diets is at an all-time high, I can think of no better solution than shrimp.

I have written the President on the severity of the shrimpers problem and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 25, 1974.

Hon. RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: On June 13, a bi-partisan group of Senators, including myself, communicated to you our concerns over the current declines in livestock, poultry and egg prices. These declines and the concurrent losses to producers have created a problem of crisis proportions in this entire market complex.

Our food complex is highly interrelated, and I would take this opportunity to point out another facet of it which is also experiencing serious pricing problems, namely, the shrimp industry. This situation is clearly depicted in a report prepared by the National Marine Fisheries Service of NOAA, which was released just a few days ago. The shrimp markets in the U.S. are experiencing significant price declines due largely to unusually large supplies and weakened demand, and these declines in turn are leading to financial chaos, particularly among the shrimp fishermen. The situation is aggravated by the high prospects for good catches this summer in the Gulf of Mexico and the likelihood of large imports from international markets.

Immediate action is necessary in order to ease the impact of these factors on the already depressed market. Accordingly, I urge you to initiate substantial government purchase of shrimp for use in feeding our school children, in our commodity distribution program and in our Armed Services. As in the case of meat, poultry, and eggs, this action will serve the dual purpose of reducing excessive stores of shrimp while upgrading the diet of our children, aged and poor. In addition to these purchases, I urge you to initiate a review of our current shrimp import policy to determine what steps should be taken to prevent dumping of surplus world supplies on American markets.

This situation is serious, and I urge your careful attention and prompt consideration.

With kindest regards, I am,
Sincerely,
ERNEST F. HOLLINGS.

Mr. HOLLINGS. I urge immediate action before we lose one of America's most important food industries. The Department of Agriculture can make shrimp available to millions of Americans and the Department of Defense, through its purchasing programs, can provide shrimp to our Armed Forces. But we need to act now.

Mr. McGEE. As one who has been very much concerned about the problems facing the beef industry, I am very much aware of the kind of situation described by my colleague Senator HOLLINGS. Without an adequate price for their commodity the beef industry will suffer irrevocable damage. While I was not personally aware that a similar plight was being experienced by the shrimp industry, I certainly concur in Senator HOLLINGS' conclusion that action by the Department of Agriculture under its section 32 authority would be an important factor in providing relief to that industry. I commend my colleague from South Carolina for bringing this matter to our attention.

A PROTEST AGAINST FOOD PRICES

Mr. RIBICOFF. Mr. President, I will vote against final passage of H.R. 15472 which includes appropriations for Department of Agriculture programs for fiscal 1975.

The consumers of America are faced with skyrocketing inflation. Food prices have been going up at an astonishing rate over the last year. One of the reasons is our agricultural policy. It makes absolutely no sense to pay giant agribusiness corporations not to grow food. This policy of encouraging scarcity may help keep corporate profits up, but it also assures grocery shoppers that they will pay more for food.

The fiscal 1975 agricultural appropriations measure continues this irrational policy through an appropriation of over $4 billion to the Commodity Credit Corporation which administers the commodity stabilization program. In the words of the Appropriation Committee report:

> To encourage production adjustments and to maintain farm income, payments are made under the cotton, feed grains and wheat programs for "setting aside" cropland from the production of crops to conserving uses.

This is bad agricultural policy. It is bad for the consumer who has to pay inflated high prices at the market and it is bad for all who go hungry.

Our farm economy should be a free economy operating without subsidies and without restricting the number of acres which can be planted. In a world of high food prices and food shortages we cannot afford to continue a policy which artificially restricts production and keeps prices high.

In voting against the agricultural appropriations, I want to make it clear that I strongly support full appropriations for the environmental and consumer programs which are included in titles III and IV of this bill.

The Consumer Product Safety Commission and the FTC deserve full and adequate funding to carry on their work to protect the consumer.

I also strongly support the child nutrition, special milk, and food stamp programs. They have helped bring nutrition to many who cannot afford a proper and balanced diet. I have worked with my colleagues on the Senate Agriculture Committee and the Nutrition Committee to expand and upgrade these programs.

And I strongly support the environmental programs of title III in this bill which provide needed funding for programs ranging from the Environmental Protection Agency to HUD grants for basic water and sewer facilities.

It is ironic that the same bill which provides appropriations for the major consumer programs also provides billions of dollars for programs which raise food prices to the consumer and contribute so much to inflation and high taxes.

Mr. MONDALE. Mr. President, I should like to address another item in the Appropriations Committee report of H.R. 15472, that of funding for wild rice research.

The cultivation of wild rice is of enormous importance to the State of Minnesota. It is fast becoming an important food crop in undeveloped areas of Wisconsin and Michigan as well. In this time of food shortages, research to increase wild rice productivity is of not just regional, but also national and worldwide importance.

In the past the Senate Appropriations Committee has demonstrated strong interest in wild rice research, and I would like to thank the chairman and the committee for their consideration of funding requests not only this year, but also in previous years when the program was just beginning.

As the chairman knows, for fiscal 1975 a request was made for a total of $225,000 to be divided between the Northern Regional Research Laboratory of the Agricultural Research Service in Peoria, Ill., and the Agricultural Experiment Station of the University of Minnesota.

The House of Representatives added $1 million to the Agricultural Research Service budget to carry out priority research projects including research on wild rice.

I am pleased that the Senate Appropriations Committee went a step further and added a separate appropriation of $100,000 specifically earmarked for wild rice.

I understand that a share of this appropriation can be used to cover research that is being carried out at the Agricultural Experiment Station at the University of Minnesota, as well as by the ARS in Peoria.

In addition, I am advised that the Senate Appropriations Committee provided the $100,000 not in place of, but along with the funds that are available for wild rice research under the $1 million added in the House bill.

I would hope that when the Senate and House committees go into conference on the agricultural appropriations bill, the Senate will fight to uphold its decision to earmark $100,000 for wild rice and wild rice alone, and that they will also agree to accept the language in the House report respecting the use of supplemental ARS funds for wild rice among a variety of other crops.

This money is desperately needed so that we can have an effective wild rice research program. It would permit necessary research to develop earlier maturing, disease resistant and nonshattering varieties of rice, thereby eliminating the major barriers to expanded production.

Through the combination of the $100,000 earmarked in the House bill and the additional funds for wild rice research under the $1 million House provision, I would hope it would be possible to make available the full $225,000 needed to carry out this important work.

COOPERATIVE STATE RESEARCH SERVICE PORTION OF THE 1975 AGRICULTURAL APPROPRIATIONS BILL

Mr. BENTSEN. Mr. President, last week, both the Secretary of Agriculture and the Chairman of the Council of Economic Advisers predicted that food costs would increase in the months ahead—continuing the already budget-busting spiral of many family food budgets.

At the same time, I and many of my congressional colleagues, have warned about an approaching world food crisis—a multifold spirit in the demand for food stuffs, which, if we do not take adequate cognizance of it now, will only add to the inflationary domestic food cost in the future.

In view of these two trends, I believe it behooves all of us in public service to reach and find some answers. Simply blaming the farmer for high food cost will not do. And, in my judgment, that is wrong. And, simply shutting the export doors for our agriculture products will not work either. This approach is also the wrong approach.

One of the possible answers, I believe to both of these pressing problems—higher cost at home and greater demand from abroad—lies in the area of expanding our dollar commitments to agricultural research.

But, I have been shocked to learn that our Government's attention to agricultural research has decreased in recent years.

Indeed, the policies of the current administration has reduced the personnel of the Department of Agriculture's Agricultural Research Service by almost 10 percent since 1970.

And this personnel reduction coupled with the fact that our funding of agriculture research has not kept pace with inflation, has forced our research effort to remain stagnant at roughly 1960 levels—14 years behind with today's skyrocketing food prices.

In addition, Mr. President, in last year's budget, the administration indicated that it is their long-range goal to continue to reduce spending on agricultural research. I quote from the President's 1974 budget where it stated the intention to—

> Curtail anticipated growth in agricultural extension programs and reduce Federal support for agricultural research of primarily local benefit and low national priority.

I do not believe that the course chosen by the administration is the wisest course to follow.

I do not believe that this negative approach to expanding food supply and reducing cost to the consumer can be allowed to continue.

I do believe that if America is to meet its commitments—both to its own people and to the people abroad—we must forge ahead with the kind of agriculture research that will bring about additional green revolutions.

I know that we cannot expand our food supply by allowing our research and development efforts to slip.

It is for this reason that I appeared before the Appropriation Subcommittee on Agriculture in April of this year and presented detailed plans requesting $27 million over the President's budget for agriculture research. It was a carefully thought out budget compiled by State Experiment Station Directors from all across the country, and represented an excellent game plan for increasing farm productivity and lowering food prices.

Mr. President, I ask unanimous consent that a copy of my presentation before the subcommittee on April 24, 1974, as well as my February 7 remarks on agricultural research be included in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BENTSEN. Mr. President, I greatly appreciate the consideration that Senator McGee and his subcommittee have given to my budget request. It is my understanding that the committee has seen fit to increase the President's budget for agriculture research by more than $10 million. The committee has demonstrated a governmental awareness of the importance agricultural research and its relationship to consumer food prices. The committee has reversed the trend of reduced emphasis on agricultural research, and I applaud the wisdom of the committee. I hope this is a turning point in the amount of our resources we devote to agriculture research efforts.

I would have preferred to see the committee approve my full $27 million increase request. The amount had been carefully budgeted by the Experiment Station Directors to increase the farm productivity of this country, and because the budget concentrated on increasing food production I feel it could be viewed as anti-inflationary.

Mr. President, perhaps, it is for this reason that the budget request has drawn strong support from both farm and urban sectors. I ask unanimous consent that editorials from the Progressive Farmer and the San Francisco Examiner be entered into the Record at this point as examples of the support I have found for this request around the country.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

Progressive Farmer Praises Senator Lloyd Bentsen's Proposal To Increase Agricultural Research

RESEARCH POOL GETTING LOW

The U.S. investment in farm research pays good dividends. The efficiency and productivity of American agriculture are largely the result of research. So it is a matter of serious concern when we slacken our efforts to keep the "research pool" full of good ideas that farmers may use to increase production and to lower costs.

In 1955, USDA spent 10.7% of its total budget for research and development. Last year, research's part of the budget had dropped to 2.5%. As a result of inflation and other causes, there were 232 *fewer scientist man-years* devoted to agricultural research in 1973 than in 1966. This could soon mean trouble.

Unused research is getting low. We will pay dearly if we allow the "technology pool" to drop any lower.

With the new farm program, it is estimated that USDA is saving about $2 billion that it would otherwise pay out in price supports. A good part of this savings should be invested in agricultural research. As Senator Bentsen of Texas points out: "By reducing the expenditures for farm programs, we have funds available for increasing farm research. If we miss this chance to increase agricultural research and development in coming years, we will look back with remorse and regret."

San Francisco Examiner Praises Senator Lloyd Bentsen's Proposal To Increase Agriculture Research

NO TIME TO SCRIMP ON FARM RESEARCH

Senator Lloyd Bentsen (D-Texas), has provided the Senate Appropriations Committee with some sound information and a timely warning. He cited world food needs and called for restoration of deleted budgetary funds for agricultural research.

Americans are accustomed to farm surpluses, which came about in good part because research enormously increased farm production. But the food demands of a rapidly growing world population today grow more urgent while surpluses threaten to become deficits. A half to three-quarters of our wheat crop now is exported. So is a fifth of our corn, a third of our cotton and more than half our soybeans. The export demand extends across the full range of crops, as California growers will testify.

The U.S. responsibility as a food producer is bound to increase in the coming years. Research is essential if the farms are to meet these higher production goals.

Director of the State Agricultural Experiment Stations and university agriculturalists are urging a $27 million budget increase for farm research. Bentsen put their case eloquently. We hope the appropriations committee will respond to the need.

Mr. BENTSEN. Mr. President, I think the committee has made a major step forward. The amount is not all I would have wanted. I had hoped the committee would add additional funding.

But the important point is that the Congress has turned the tide. We have reversed a potentially dangerous trend of less agricultural research. We have begun an expanded program, and with that an expanded promise of more food, better food, and hopefully cheaper food.

Exhibit 1

Statement of Senator Lloyd Bentsen Before the Appropriations Subcommittee on Agriculture, April 24, 1974

Mr. Chairman, I appreciate this opportunity to appear before this disinguished Subcommittee. I am here to plead a case on behalf of the American consumer and ask this Committee to take steps to increase our farm productivity and bring down food prices.

Mr. Chairman, at one time this country was known as the "Land of Plenty". However, in the last year, headlines have not told of plenty, but of shortages and feared shortages, of price freezes and freezes lifted, of angry consumers, of irritated and confused farmers, and of devaluations and balance of payments problems. This situation has brought at a minimum genuine concern and at a maximum, bewilderment to the minds of Americans. It is no wonder that in face of these headlines, a recent study has revealed that 40% of our population fear a serious food shortage in this Country within the next 10 years.

Mr. Chairman, the situation is very serious. For the first time in years the percentage of the family budget being spent on food has increased. This fact has sent repercussions all through our economy. It is a warning that we in Congress must review what has kept our food costs down in the past, and increase our efforts to return to the days of plentiful, economical food.

One of our greatest assets in maintaining low food prices has been the unsurpassed productivity of the American farmer, aided to a great extent by the agricultural effort of this country. It is research that has given our farmers the knowledge and expertise to be able to produce plentiful quantities of food.

Past examples of our agricultural research accomplishments are dramatic:

Through the development of hybrid corn, and related production practices, National corn yields have doubled in the last 15 years.

Yearly egg production has increased from 200 to 300 eggs per hen due to research efforts.

Milk production per dairy cow has increased 50% in the last 15 years due to advances in genetic research, animal nutrition and management.

The hog has been completely re-designed so that the average yield of lard per hog has dropped 27% while red meat has increased 11%.

The poultry industry increased its production and efficiency greatly to the benefit of the consumer.

The poultry broiler was unknown forty years ago, but after extensive research, it is now the basis for a plentiful, economical supply of chicken.

In addition, the productivity spawned by research has enabled this country to greatly expand its export effort.

From one-half to three-fourths of the U.S. wheat crop is now exported, one-fifth of our corn, about one-third of our cotton, and more than one-half of our soybean crop. Our exports of farm products added $17.7 billion to our balance of payments in the calendar year 1973. These exports have played a large part in helping erase our trade deficit and stabilize the dollar.

Thus our country's investment in agricultural research and developments systems has paid off in abundant and low cost food for consumers at home and in outstanding commercial gains in world trade.

These successes are dramatic, but they have lulled this country into taking its agricultural productivity and research for granted. The emphasis on research in recent years has decreased, and it is a disturbing fact.

Mr. Chairman, in 1955, 10.7% of the total U.S.D.A. budget was expended in research and development. In 1973, only 2.5% of the U.S.D.A. budget was marked for research. This is a dramatic reduction and would have been even worse had not the Congress, on the wise recommendation of this Committee increased the 1973 R & D figures over what the present Administration had recommended.

Perhaps the clearest example of a reduction in the emphasis of Agricultural research is the fact that due to the policies of the current Administration, the personnel of the U.S.D.A. Agriculture Research Service has been reduced by almost 10% since 1970. This personnel reduction coupled with the fact that our funding of agriculture research has not kept pace with inflation, has forced our research effort to remain stagnant at roughly 1960 levels—fourteen years behind with today's skyrocketing food prices!

Mr. Chairman, I ask unanimous consent to insert at this point a chart which demonstrates how our expenditures for agricultural research have not kept pace with inflation.

(Note.—Chart not printed in the Record.)

In addition, Mr. Chairman, in last year's budget, the Administration indicated that it is their long-range goal to continue to reduce the spending on Agriculture research. I quote from the President's 1974 budget where it stated the intention to:

"Curtail anticipated growth in agricultural extension programs and reduce Federal support for agricultural research of primarily local benefit and low National priority."

The definition of this phrase are subject to question, but it is my position that we in Congress must not allow the research that can lower our food prices to be caught in this philosophy.

We must also be concerned about the question of whether we can continue to produce as abundantly as we have in the past. For a great many years, the United States has been blessed with favorable moisture for bountiful crops. But this could change, like it has in Africa. In fact, recently several scientists have begun warning that the world's weather is changing and that adequate rainfall could become a critical problem across the world.

Mr. Chairman, the clear de-emphasis of agriculture and the increasing problems in meeting our food demands are very disturbing and I appear before you today with the plea that we in Congress hear the cry of the consumer and increase our emphasis on Agriculture Research in an effort to bring down food prices and to prevent drastic food shortages.

There is an effective plan to do this in the form of a proposed budget which the Directors of the State Agricultural Experimental Stations have proposed. The Directors carefully analyzed their ongoing research programs in line with the Nation's research needs and presented to the Secretary of Agriculture a budget for 1975 which would provide the appropriate funding needed to attack the problems which face America's agriculture. Yet the budget recently submitted to the Congress by the President reflects very little of their input. Instead, the President's is a "business-as-usual" budget, one which does not seem adequate to accomplish what must be done through research to provide our farmers and ranchers with adequate incomes without spiraling food prices for our consumers.

Mr. Chairman, permit me to provide to the Committee and submit for the record a copy of the 1975 Federal budget for agricultural and forestry research as proposed by the Directors of the State Agricultural Experimental Stations. It is an action-oriented research budget, and I shall proceed to compare their request with specific items in the Executive Budget where appropriate.

Mr. Chairman, appropriations under the Hatch Act of 1887 in the President's budget provides for increased funds to only meet increased costs of conducting research, and as are required to be set aside for Federal administration. No additional funds for expanding the research effort of the State Agricultural Experimental Stations are included under this authorization. However, the Directors of these stations have proposed, and I endorse, additional funding of $21,844,000 under this authorization. They have indicated the topics which they feel need to be more adequately studied.

These include:

1. An expanded research effort to maintain and improve the quality of our natural resources of soil, water and air as it relates to agricultural forestry. Research to be undertaken will include waste management and utilization, especially as concerned with animal production systems; studies concerned with the reduction of pollution as a result of the use of chemicals in agriculture, and research on improved management and conservation practices to reduce runoff and erosion, thus protecting our soils and water supplies. Funds requested are $4,647,000 for this area of work. In comparison, the President's budget does not provide for any expansion of effort in this area under this authorization.

The Directors of the State Agricultural Experimental Stations and the National Association of State Universities and Land Grant Colleges support the following changes (increases) in Federal support for research—FY 1975:

Hatch Act (P.L. 84-352 as amended 1955)

1974 appropriation	$70,104,000
Increases for 1975:	
Cost of conducting research	4,071,000
Research program expansion	21 ,063,000
CSRS (USDA) administration	754,000
Total Hatch increase	25,888,000
1975—Total Hatch requested	95,992,000

McIntyre-Stennis (forestry research)

1974 appropriation	6,203,000
Increases for 1975:	
Cost of conducting research	$372,000
Research program expansion	1,884,000
Total McIntyre-Stennis increase	2,256,000
1975—Total requested	8,459,000

Specific grants (P.L. 89-106)

1974 appropriation	700,000
Increase requested	3,081,000
1975—Total requested	3,781,000

Special grants—Colleges of 1890 (P.L. 89-106)

1974 appropriation	10,883,000
Increases for 1975:	
Cost of conducting research	653,000
Research program expansion	1,884,000
Total increase (1890)	2,537,000
1975—Total requested	13,420,000

Rural Development Act of 1972 (P.L. 92-419)

1974 appropriation	1,500,000
Increases for 1975:	
Cost of conducting research	86,000
Research program expansion	2,086,000
CSRS (USDA) administration	86,000
Total rural development increase	2 258,000
1975—Total requested	3,758,000
Total requested 1975	[1] 125,900,000

[1] Includes $490,000 Federal administration.

Increases Requested from Federal Sources (CSRS) in Support of Agricultural, Forestry, Home Economics and Rural Development Research at the State Agricultural Experiment Stations, Forestry Schools, Colleges of 1890 and Tuskegee for Fiscal 1975:

Hatch

A. Increased cost of conducting research (6% of fiscal year 1974 appropriation)	$4,071,000
3. CSRS Administration	754,000
C. Program response to urgent needs	21,063,000
1. Improvement of environmental quality and conservation of natural resources	4,647,000
(a) Waste management and utilization	1,450,000
(b) Reduction of pollution from chemical used in agriculture	1,450,000
(c) Improved management and conservation practices to reduce runoff and erosion	1,747,000
2. More efficient crop production through new and improved yielding, better quality disease and insect resistant varieties, product quality improved production management practices and marketing	6,811,000
(a) Corn	906,000
(b) Soybeans	1,450,000
(c) Grain sorghum	544,000
(d) Wheat	830,000
(e) Forages	906,000
(f) Cotton	1,025,000
(g) Fruits	575,000
(h) Vegetables	575,000
3. More efficient livestock and poultry production through improved disease and insect control, reproduction, product quality improvement and production management systems and marketing	6,814,000
(a) Beef	$3,262,000
(b) Dairy	906,000
(c) Poultry	906,000
(d) Swine	1,450,000
(e) Sheep	290,000
4. Human nutrition and food safety	2,791,000
(a) Improved nutritional quality of crops and livestock products	800,000
(b) Protecting food from mycotoxins and other natural occurring contaminants	800,000
(c) New and improved food products for domestic and export markets	600,000
(d) Nutritional requirements of people	591,000
Total—Hatch	25,888,000

McIntire-Stennis

A. Increased cost of conducting research (6% of FY 74 appropriation)	372,000
B. Program response to urgent needs	1,884,000
1. More efficient forest management practices	652,000
2. New and improved use of forest materials	652,000
3. Improved biological efficiency adapted to soils and climatic conditions	580,000
Total—McIntire-Stennis	2,256,000

Specific grants to further USDA programs, Public Law 89-106

1. Pest management systems including weeds, insects and diseases	544,000
2. Unique approaches to solving the energy crisis in rural America	812,000
3. Land use	725,000
4. Transportation and marketing problems of agricultural and forestry products	1,000,000
Total—Specific Grants	3,081,000

Special grants at colleges 1890 and Tuskegee Public Law 89-106

A. Increased cost of conducting research (6% of FY 74 appropriation)	653,000
B. Program response to urgent needs	1,884,000
Total—Special Grants	2,537,000

Rural development

A. Increased cost of conducting research (6% of FY 74 appropriation)	86,000
B. Program response to urgent needs	2,086,000
C. CSRS Administration	86,000
Total—Rural Development	2,258,000
Total Increase in Program Support	36,020,000

2. An expanded research effort designed to study more efficient methods and provide superior materials for crop production. To be investigated are new and improved high yielding, better quality disease and insect resistant varieties, improved production, management and marketing practices. Emphasis would be on major crops including corn, soybeans, grain sorghum, wheat, forage crops, cotton, fruits and vegetables. An appropriation of $6,811,000 is requested to

expand this effort. In comparison, the President's budget does not provide for any expansion of effort in this area under this authorization.

3. An expanded research effort to provide our country with more efficient livestock and poultry production through improved disease and insect control, improved re-productive efficiency, improved product quality, and improvement in production management systems and marketing. Included would be investigations on beef, dairy products, poultry and poultry products, and swine and sheep problems. An appropriation of $6,814,000 is requested. In comparison, the President's budget again does not provide for any expansion of effort in this area.

Mr. Chairman, this portion of the budget, and the one described just before it, are perhaps the most important part of the total proposed budget. It is these sections that are most vital to fund in order to increase our farm productivity. And it must be our goal to increase productivity in order to lower production costs and in turn lower the price of food to the consumer.

Also included in the Director's budget is a research effort on human nutrition and food safety to expand the work in nutritional quality of crops and livestock products, protecting our food from mycotoxins and other naturally occurring contaminants, development of new and improved food products for domestic use and for export markets, and to more fully understand the nutritional requirements of people. An appropriation of $2,791,000 is recommended in this work.

Mr. Chairman, our Nation also needs expanded research efforts to assure adequate supply of forest related products such as lumber and paper. The McIntyre-Stennis Act was passed to enable an expanded research effort in this important area. I note that the President's proposed budget provides only funds to theoretically offset the increased cost of doing research which face the participating schools. I urge the Congress to increase these funds in line with the recommendations made by the scientists and administrators involved: to provide an additional $1,884,000 so that research can be expended on more efficient forest management practices, new and improved uses of forest materials, and to improve the biological efficiency of forest trees in their adaptation to diverse soil and climatic conditions. This is important, Mr. Chairman, in view of the lumber shortage this country is facing. Just behind the need for economical food is the critical need for affordable housing. And affordable housing is an impossibility unless we can keep lumber prices affordable.

Mr. Chairman, Public Law 89-106 permits the Secretary of Agriculture to make specific grants to further the program of U.S.D.A. Under this authorization, the President's proposed 1975 budget carries $3,600,000 in funds for projects on environmental quality, food and nutrition, soybean, beef and pork production. Mr. Chairman, though the Director's budget does not contain these funds in the form of grants, and I am not adverse to these special grants. Rather, I feel that these topics are most suitable subjects for research under the Hatch appropriation: That it would be wise for the Congress to provide the additional Hatch funds which I have outlined to this Committee earlier in my testimony. At the same time, I bring to the Committee's attention some topics which the Director's of the State Agricultural Experimental Stations have proposed to the Secretary of Agriculture for inclusion under this authorization.

They include:

Research on unique approaches towards solving the energy crisis in rural America—$812,000.

Research on Land Use—$725,000.

Research on transportation systems and transportation problems as they relate to the marketing of agricultural and forestry products—$1,000,000.

Please note that the Director's budget contains a lower appropriation for grants because it proposes much of the same research under the Hatch Act appropriations. This enables each project to be benefited by the required State matching funds.

The Director's also project research on pest management systems including weeds, insects and diseases, an item also included in the President's budget.

Mr. Chairman, funds are appropriated under Public Law 89-106 for the Secretary of Agriculture to distribute to the Land Grant Colleges of 1890 and Tuskegee Institute in support of their research programs in agriculture. The proposed 1975 budget provides new monies to cover the increased costs of doing research but provides for no expansion of their research efforts. I recommend to you that $1,884,000 in additional funds be provided these institutions in line with the expanded research effort which they have projected to undertake. Mr. Chairman, at this point may I insert for the Record information on how these funds are to be utilized:

DISTRIBUTION OF FUNDS, RESEARCH REQUEST, COLLEGES OF 1890-1975 BUDGET

Research program code and topic		*Funds*
1.02	Water and water sheds	$14,000
1.04	Environmental quality	57,000
2.08	Alternate uses of (forested) land	64,000
3.01	Corn	16,000
3.02	Grain sorghum	8,000
3.06	Soybeans	221,000
3.10	Cotton	9,000
3.13	Fruit	18,000
3.14	Vegetable crops	82,000
4.01	Beef	89,000
4.03	Poultry	35,000
4.04	Sheep and wool	21,000
4.05	Swine	16,000
4.07	Aquatic food animals	17,000
5.01	Food and nutrition	550,000
5.03	Rural development	636,000
6.01	Farm adjustment, prices, and farm income	31,000
	Total	1,884,000

And, Mr. Chairman, the last item of the budget I wish to address the Committee about is concerned with appropriations under Title 5 of the Rural Development Act of 1972. Last year a total of $1,500,000 was provided under authorization of the legislation, far below the level of funding indicated in that Act. The President's budget indicates no change in this item for 1975 although as much as $10,000,000 is provided for by the authorizing legislation.

The Directors of the State Agricultural Experiment Stations and the officials of the National Association of State Universities and Land Grant Colleges have recommended an increase of $2,258,000 to finance the research effort which is being undertaken in this vitally important topic. These people are located out in rural America; they know what the problems of rural development are. I endorse their recommended increase in funding and urge this Committee to do likewise.

Mr. Chairman, the Director's budget calls for an increase of $27,198,700 over the President's budget. However, I believe it is feasible to provide for this increase. Secretary Butz has testified that this year's total U.S.D.A. budget will reflect a reduction of $3,449,000,000 in subsidy payment as compared with the fiscal '73 budget. In addition, the expenditures of the Commodity Credit Corporation have been reduced $247,000,000 since fiscal 1972. These two reductions represent a savings of over three and a half billion dollars since 1972. In face of this savings, I believe the Director's request for an increase of $27,198,700 in agricultural research is a feasible request.

Secretary Kissinger recently proposed that we export our expertise and technology to help increase the world's fertilizer production capability. If we can do this, I certainly think we can take the steps to increase our own total agricultural productivity.

Mr. Chairman, at no time in our history has a strong productive agriculture been as important to our Nation's welfare as today. As we project the role that an adequate, hopefully bountiful food supply can play in our country's future, it becomes even more important that we recognize the mammoth task to be undertaken by our agricultural scientists. They must, through their research efforts, help guarantee that our citizens have wholesome and plentiful food available to them, that there will be food available for needed foreign trade, and that likewise we will have food which can be used as a weapon of good will to insure peace in the world. Our scientists need adequate support so that they may accomplish the work that needs to be done.

Today we are experiencing an energy crisis. It has created unemployment and misfortune for many of our citizens. Had the Government been foresighted enough, Mr. Chairman, to have developed an expanded energy research program in previous years, this energy crisis might have been avoided and with future fuel supplies protected and conserved as well. I seek today to orient our agricultural research budget toward avoiding a food shortage.

The anger the American public has displaced over lengthy lines at gas stations will seem minor compared to their anger if we in Congress fail to meet the challenge of increased food demand. A food shortage must not be allowed to occur in this country.

Mr. Chairman, that concludes my statement.

Agriculture Research—The Key to Adequate Supplies and Lower Food Prices

Mr. President, the enviable record of agriculture in this country has been made possible by the unsurpassed productivity and efficiency of the American farmer, aided to a great extent by this Nation's firm commitment to agriculture research.

Increasing productivity and the hard work of our farmers has made the United States the "land of plenty." However, headlines for the last year have told not of plenty, but of shortages and feared shortages, of price freezes and freezes lifted, of angry consumers, of irritated and confused farmers, and of devaluations and balance of payment problems. This situation has brought at a minimum genuine concern and at maximum bewilderment to the minds of Americans. All of us must wonder how it has come to pass that a recent nationwide survey revealed that more than 40 percent of our people fear a serious food shortage within this decade. What has gone wrong in this land of plenty?

Mr. President, the situation is serious. For the first time in years, the percentage of the family budget being spent on food has increased. It is time that we seriously reviewed our agricultural policies toward research and development for it is these research and development programs which directly affect the level of our farm productivity and food prices.

In the past, a partnership in research and extension education programs by land grant universities and the USDA in-house research effort has greatly increased the productivity of U.S. farmers. In 1952 the average U.S. farmer produced food and fiber for himself and 16 others. However, by 1972, the average U.S. farmer had increased his productivity so as to produce for himself and 51 others. That is a great success story and well justifies the investment in R. & D. we have made to make it possible.

The salutary effects of U.S. investment in

agriculture research and education are illustrated by several measures. U.S. citizens in recent years have spent less than 16 percent of their disposable income for food. This is less than any other country of the world, and it is a fact our citizens have come to **expect and certainly deserve.**

The 6 percent of our population who do the farming and ranching have been producing abundant supplies of food and fiber for this country while making vast amounts available for foreign trade.

From one-half to three-fourths of the U.S. wheat crop is exported, one-fifth of our corn, about one-third of our cotton, and more than one-half of our soybean crop. Indeed, our exports of farm products added $12.9 billion to our balance of payments in the fiscal year ending June 30, 1973. These exports have played a large part in helping erase the trade deficit this country has been suffering.

Past examples of agricultural research successes are dramatic:

Through the development of hybrid corn, national corn yields have doubled in the last 15 years.

Peanut yields per acre have also doubled in the last 15 years.

Milk production per dairy cow has increased 50 percent in the last 15 years due to advances in genetic research.

The hog has been completely redesigned so that the average yield of lard per hog has dropped 27 percent while red meat has increased 11 percent.

In 1920 the rice yield per acre in China and India was higher than the yield in California. Today, thanks to effective research, Texas and California rice yields are 10 times those in China and India.

So U.S. investment in its agricultural research and development system has paid off in abundant and low cost food for consumers at home, and in commercial gains in world trade. It has paid off as well that the cooperative land-grant university—USDA research and education system is a marvel of the world. Literally thousands of foreign officials and students have come to work in and study that system.

These successes, Mr. President, have lulled this country into a warm sense of security. We have been proud to call our country the Land of Plenty. However, the recent feed grain shortages, housewife boycotts and export controls have burst that euphoric bubble of self-satisfaction. Demand has caught up with our productivity and the only feasible solution to the situation is to quickly increase our productivity.

Why has demand overcome productivity. There are two reasons:

One, increased foreign demand; and two, a dramatic decrease in emphasis on agricultural research. Everyone is familiar with our increased agricultural exports due to world demand and the opening of markets with Russia and China. Less known, but more significant, is how this country has deemphasized agricultural research.

Mr. President, in 1955, 10.7 percent of the total USDA budget was expended in research and development. In 1973 only 2.5 percent of the USDA budget was marked for research. This is a dramatic reduction and would have been even worse had not the Congress increased the 1973 R. & D. figures over what the present administration had recommended.

Further, the administration can be faulted for its manpower cutbacks in USDA's Agricultural Research Service. The organization's personnel level has been reduced by almost 10 percent since 1970.

Thus, at the very time the demand for food and fiber has been increasing dramatically, our agriculture R. & D. effort has been slipping miserably. At a time when we need increased productivity desperately, we do not have the proper research dollars or the manpower to produce that productivity.

Mr. President, to ignore this situation would be folly. Plentiful, inexpensive food has been at the cornerstone of our economy. Simply, put, it has left available more dollars for the purchase of housing, the payment of tuitions, and the acquisition of the products of America's industrial sector. Increase the cost of food and we are faced with demands for higher wages or a reduction in consumption. And that spells either inflation or unemployment—the terrible twin which the administration cannot seem to control.

We have the opportunity to return to the wisdom of our recent past. The new budget is now being considered. It is estimated that the USDA budget will be able to reflect over $2 billion in savings because of reduced subsidy payments. This is an outstanding savings, and it is one which should be put to good and immediate use. A portion of these funds should be spent on agriculture research and development for the benefit of the American consumer and the American farmer; they should be spent so that America's preeminent position in world agriculture can be maintained and translated into export strength abroad and economic strength at home.

There is strong evidence that if we can increase our production technology, our farmers will respond quickly. While farmers two generations ago were slow to adopt new agricultural practices, today's commercial farmers grasp much of the new technology as quickly as it is available, and clamor for more.

As a result of this country's efficient system of transmitting agricultural technology to farmers, and the farmers' ready acceptance, the unused farm "technology pool" is very low. For example, extension agronomists in Texas agree that Texas commercial farmers are using practically all available technology in producing our State's most important crops.

Mr. President, this means that if we increase our investment in farm research and development, our farmers will respond, and we will get a good return on our investment. Farmers deserve and must be allowed proper profit levels. Consumers want abundant, low-cost food. The way to meet these two goals is to emphasize research toward reducing production costs while increasing supplies.

Mr. President, there are many areas of real research need:

Our major crop of cotton, wheat, sorghums, and soybeans are in strong demand both in domestic and foreign markets. Increased productivity is needed to meet this demand.

Domestic demand is growing for meat and eggs and research to expand animal reproduction can help meet this need. Work is underway toward induced twin births in beef cattle and more research dollars toward this effort are sorely needed to lower the cost of producing beef.

Research can improve the efficiency with which our animals turn grain into meat and eggs. If this were to come about, we would not only reduce animal production costs and consumer prices, but more grains would be available for export to less prosperous countries.

New food sources are also being found through research and more attention needs to be paid to the food value possibilities of commodities like peanuts, soybeans and cottonseed.

Plant disease and genetic vulnerability are also areas in which we must expand our research. The great corn blight which hit the midwest in 1971 and the puzzling uncontrollable witch weed of South Carolina which completely prevents the growth of corn are ominous warnings that we must not relax our research efforts in this area.

The abundance of this country's food supply and the prices we must pay for that supply are critical, immediate issues. Issues which we must face with wisdom and the best possible planning.

I call on the administration and the Congress to increase our emphasis on agricultural research and development.

We have been warned that our food supply is definite—shortages can occur. We have learned the value of surplus agriculture commodities in the balance-of-payments situation. The rising food prices in the headlines have told us all too plainly the mistakes we have made by allowing our agricultural research effort to decline. If our food supply becomes inadequate, it will only be because of our lack of foresight. By reducing the expenditures for farm subsidies, we have funds available for increasing farm research. If we miss this chance to increase agricultural research and development in the coming years, we will look back with remorse and regret.

Mr. HARRY F. BYRD, JR. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Arkansas (Mr. FULBRIGHT) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. JAVITS), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK), and the Senator from New York (Mr. JAVITS) would each vote "yea."

The result was announced—yeas 71, nays 16, as follows:

[No. 324 Leg.]

YEAS—71

Abourezk
Aiken
Allen
Bayh
Beall
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Curtis
Dole
Dominick
Eagleton
Eastland
Ervin
Fong
Griffin
Hart
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Hughes
Humphrey
Jackson
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Schweiker
Scott, Hugh
Sparkman
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams
Young

NAYS—16

Bartlett
Buckley
Byrd,
Harry F., Jr.
Chiles
Cotton
Domenici
Fannin
Goldwater
Hansen
Helms
McClure
Metzenbaum
Nunn
Ribicoff
Roth
Scott,
William L.

NOT VOTING—13

Baker
Bellmon
Cook
Fulbright
Gravel
Gurney
Hartke
Inouye
Javits
Long
Packwood
Stafford
Tower

So the bill (H.R. 15472), as amended, was passed.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGEE. Mr. President, I move that the Senate insist on its amendments, request a conference with the House thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. McGEE, Mr. McCLELLAN, Mr. PROXMIRE, Mr. ROBERT C. BYRD, Mr. TALMADGE, Mr. HRUSKA, Mr. YOUNG, and Mr. HATFIELD conferees on the part of the Senate.

Several Senators address the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, tomorrow morning when the bill—S. 3164—Real Estate Settlement Procedures Act comes up, I have an amendment pending and I ask unanimous consent that the yeas and nays may be ordered at this time.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. PROXMIRE. I ask for the yeas and nays on that amendment.

The yeas and nays were ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 6642) to suspend the duties of certain bicycle parts and accessories until the close of December 31, 1976; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MILLS, Mr. ULLMAN, Mr. BURKE of Massachusetts, Mr. SCHNEEBELI, and Mr. COLLIER were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 15715) to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. DULSKI, Mr. HENDERSON, Mr. UDALL, Mr. GROSS, and Mr. DERWINSKI were appointed managers of the conference on the part of the House.

OFFICE OF FEDERAL PROCUREMENT POLICY ACT

Mr. CHILES. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2510.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2510 "An Act to create an Office of Federal Procurement Policy within the Executive Office of the President, and for other purposes", with an amendment as follows:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Office of Federal Procurement Policy Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that economy, efficiency, and effectiveness in the procurement of property and services by the executive agencies will be improved by establishing an organization to exercise responsibility for procurement policies, regulations, procedures, and forms.

(b) The purpose of this Act is to establish an office in the Office of Management and Budget to provide overall direction of procurement policies, regulations, procedures, and forms for executive agencies.

DEFINITION

SEC. 3. As used in this Act, the term "executive agency" means an executive department, a military department, and an independent establishment within the meaning of sections 101, 102, and 104(1), respectively, of title 5, United States Code, and also a wholly owned Government corporation within the meaning of section 101 of the Government Corporation Control Act (31 U.S.C. 846).

OFFICE OF FEDERAL PROCUREMENT POLICY

SEC. 4. (a) There is established in the Office of Management and Budget an office to be known as the Office of Federal Procurement Policy (hereinafter referred to as the "Office").

(b) There shall be at the head of the Office of an Associate Director for Federal Procurement Policy of the Office of Management and Budget (hereinafter referred to as the "Associate Director"), who shall be appointed by the President, by and with the advice and consent of the Senate.

FUNCTIONS

SEC. 5. (a) The Associate Director, under the direction of the Director of the Office of Management and Budget, shall provide overall direction of procurement policy. To the extent he considers appropriate and with due regard to the program activities of the executive agencies, he shall prescribe policies, regulations, procedures, and forms, which shall be in accordance with applicable laws and shall be followed by executive agencies (1) in the procurement of—

(A) property other than real property in being;

(B) services; and

(C) construction, alteration, repair, or maintenance of real property;

and (2) in providing for procurement by recipients of Federal grants or assistance of items specified in clauses (A), (B), and (C) of this subsection, to the extent required for performance of Federal grant or assistance programs. However, in the case of a Federal grant or provision of Federal assistance to a State or a political subdivision, the Associate Director shall not require any action by the grantee or recipient contrary to State or local law. The authority of the Associate Director under this Act shall apply only to procurement payable from appropriated funds.

(b) The functions of the Associate Director shall include—

(1) establishing a system of coordinated, and to the extent feasible, uniform procurement regulations for the executive agencies;

(2) establishing criteria and procedures for an effective and timely method of soliciting the viewpoints of interested parties in the development of procurement policies, regulations, procedures, and forms:

(3) monitoring and revising policies, regulations, procedures, and forms relating to reliance by the Federal Government on private industry and organizations to provide needed property and services;

(4) promoting and conducting research in procurement policies, regulations, procedures and forms;

(5) establishing a system for collecting and developing procurement data; and

(6) recommending programs for recruitment, training, development and performance evaluation of procurement personnel.

(c) In the development of policies, regulations, procedures, and forms to be authorized or prescribed by him, the Associate Director shall consult with the executive agencies affected, including the Small Business Administration and other executive agencies promulgating policies, regulations, procedures, and forms affecting procurement. With the consent of the executive agencies concerned, the Associate Director may designate an executive agency or agencies, establish interagency committees, or otherwise use agency representatives or personnel, to solicit the views and the agreement, so far as possible, of executive agencies affected on significant changes in policies, regulations, procedures, and forms.

(d) The authority of the Associate Director under this Act shall not be construed to—

(1) impair or interfere with the determination by executive agencies of their requirements for, or their use of, specific property, services, or construction, including particular specifications therefor;

(2) interfere with the determination by executive agencies of specific actions in the award or administration of procurement contracts; or

(3) grant or affect authority of Federal agencies to provide procurement or supply support, either directly or indirectly, to Federal grantees or recipients of Federal assistance.

AGENCY COOPERATION

SEC. 6. Upon request of the Associate Director, each executive agency is directed to—

(1) make its services, personnel, and facilities available to the Office to the greatest practicable extent for the performance of functions under this Act; and

(2) except when prohibited by law, furnish to the Associate Director and give him access to all information and records in its possession which the Associate Director may determine to be necessary for the performance of the functions of the Office.

SUBMISSION OF REPORTS AND INFORMATION TO CONGRESS

SEC. 7. The Director of the Office of Management and Budget shall keep the Congress and its duly authorized committees informed of the activities of the Office of Federal Procurement Policy, and shall submit a report thereon to Congress annually and at such other times as he deems desirable, together with appropriate legislative recommendations.

EFFECT ON EXISTING LAWS

SEC. 8. The authority of an executive agency under any other law to prescribe policies, regulations, procedures, and forms for procurement is subject to the authority conferred in section 5 of this Act.

EFFECT ON EXISTING REGULATIONS

SEC. 9. Procurement policies, regulations, procedures, or forms in effect as of the date of this Act shall continue in effect, as modified from time to time, until repealed, amended, or superseded by policies, regulations, procedures, or forms promulgated by the Associate Director.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. Such sums shall be available only to carry out the provisions of this Act.

DELEGATION

SEC. 11. The Associate Director, subject to such provisions as he may prescribe for coordination with and approval by himself or other persons, may delegate, and authorize successive redelegations of, any authority under this Act to any official in the Office, or to any executive agency, with the consent of such agency or upon direction of the President.

ANNUAL PAY

SEC. 12. Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(98) Associate Director of Federal Procurement Policy, Office of Management and Budget.".

ACCESS TO INFORMATION BY COMPTROLLER GENERAL

SEC. 13. The Associate Director and personnel in his Office shall furnish such information as the Comptroller General may require for the discharge of his responsibilities. For this purpose, the Comptroller General or his representatives shall have access to all books, documents, papers, and records of the Office.

AMENDMENTS

SEC. 14. The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) is amended as follows:

(1) Section 201(a)(1) of such Act (40 U.S.C. 481(a)(1)) is amended by inserting "subject to regulations prescribed by the Associate Director of Federal Procurement Policy of the Office of Management and Budget," immediately after "(1)".

(2) Section 201(c) of such Act (40 U.S.C. 481(c)) is amended by inserting "subject to regulations prescribed by the Associate Director of Federal Procurement Policy of the Office of Management and Budget," immediately after "Administrator,".

(3) Section 206(a)(4) of such Act (40 U.S.C. 487(a)(4)) is amended to read as follows: "(4) subject to regulations promulgated by the Associate Director of Federal Procurement Policy of the Office of Management and Budget, to prescribe standardized forms and procedures, except such as the Comptroller General is authorized by law to prescribe, and standard purchase specifications.".

(4) Section 602(c) of such Act (40 U.S.C. 474) is amended in the first sentence thereof by inserting "except as provided by the Office of Federal Procurement Policy Act, and" immediately after "herewith,".

Amend the title so as to read: "An Act to establish an Office of Federal Procurement Policy within the Office of Management and Budget."

Mr. CHILES. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives on the disagreeing votes thereon and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. CHILES, Mr. NUNN, Mr. HUDDLESTON, Mr. ROTH, and Mr. BROCK conferees on the part of the Senate.

GEOTHERMAL ENERGY COORDINATION AND MANAGEMENT PROJECT ACT

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 14920.

The PRESIDING OFFICER. Laid before the Senate a message from the House the Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 14920) to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a Geothermal Energy Coordination and Management Project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilitization of geothermal resources, and for other purposes and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Washington (Mr. JACKSON) I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JACKSON, Mr. BIBLE, Mr. CHURCH, Mr. METCALF, Mr. HASKELL, Mr. FANNIN, Mr. HATFIELD, and Mr. MCCLURE conferees on the part of the Senate.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, the following Senators be recognized, each for not to exceed 5 minutes and in the order stated: Messrs. BARTLETT, CHILES, DOMENICI, HUDDLESTON, and NUNN.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the remarks of the aforementioned five Senators, the junior Senator from West Virginia be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. I ask unanimous consent that upon completion of the orders for the recognition of Senators on tomorrow, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow, the Senate resume the consideration of S. 3164, at which time, of course, the amendment by Mr. PROXMIRE will be the pending question, as I understand.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent, if the order has not already been entered, that upon the disposition of the Proxmire amendment tomorrow, the Senate resume the consideration of the unfinished business, S. 707.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, upon the conclusion of routine morning business, the Senate turn to the consideration of S. 821, calendar order No. 971, a bill to improve the quality of juvenile justice and for other purposes; that there be a time limitation for debate thereon of 2 hours, to be equally divided between and controlled by the Senator from Indiana (Mr. BAYH) and the Senate from Nebraska (Mr. HRUSKA), with a time limitation on any amendment thereto of 30 minutes, and a time limitation on any debatable motion or appeal of 20 minutes, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, after the two leaders or their designees have been recognized under the standing order, the Senator from Wisconsin (Mr. PROXMIRE) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM WEDNESDAY TO 10 A.M. ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Wednesday, it stand in adjournment until the hour of 10 o'clock a.m. on Thursday, July 25, 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, that order is subject to change, of course.

UNANIMOUS-CONSENT AGREEMENT ON S. 821

Mr. ROBERT C. BYRD. I ask unanimous consent that at the hour of 11:30 a.m. on Thursday, the Senate turn to the consideration of S. 821.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 10 a.m. tomorrow.

After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 5 minutes, and in the order stated: Messrs. BARTLETT, CHILES, DOMENICI, HUDDLESTON, and NUNN, after which the Senator from West Virginia (Mr. ROBERT C. BYRD) will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes each, at the conclusion of which period the Senate will resume its consideration of calendar order No. 838, S. 3164, to eliminate the payment of kickbacks and unearned fees in connection with settlement services.

The pending question at that time will be on the adoption of the amendment by Mr. PROXMIRE, on which there is a 2-hour limitation, with the yeas and nays ordered.

Upon the disposition of the amendment by Mr. PROXMIRE, the Senate will resume the consideration of the unfinished business, S. 707, a bill to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and for other purposes, and rollcall votes may occur on amendments to that bill tomorrow afternoon.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 o'clock a.m. tomorrow.

The motion was agreed to; and, at 6:27 p.m., the Senate adjourned until tomorrow, Tuesday, July 23, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 22, 1974:

FEDERAL AVIATION ADMINISTRATION

James E. Dow, of Virginia, to be Deputy Administrator of the Federal Aviation Administration, vice Kenneth M. Smith, resigned.

HOUSE OF REPRESENTATIVES—*Monday, July 22, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, offered the following prayer:

All the paths of the Lord are mercy and truth, unto such as keep His covenant and His testimonies.—Psalms 25:10.

Almighty God, unto whom all hearts are open, all desires known, and from whom no secrets are hid, cleanse the thoughts of our hearts by the inspiration of Thy Holy Spirit. Make us godly for man's sake and manly for God's sake that we may live more fully with Thee and more faithfully for our country amid the demanding duties of these disturbing days.

Bless Thou our land, preserve our freedoms, protect our democracy, and help us produce a greater spirit of unity among us that on a deeper level we may be one people united in the search for life, liberty, and the pursuit of happiness for all.

Grant the spirit of wisdom to all our leaders. Prosper their endeavors that whatever is done may be for truth, righteousness, and Thee and therefore for the good of our Nation and our world: through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 377. An act to authorize the Secretary of the Interior to sell certain rights in the State of Florida;

H.R. 3544. An act for the relief of Robert J. Beas; and

H.R. 7207. An act for the relief of Emmett A. and Agnes J. Rathbun.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to a bill of the House of the following title:

H.R. 7824. An act to establish a Legal Services Corporation, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 14715. An act to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 14715) entitled "An act to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes." requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCGEE, Mr. RANDOLPH, and Mr. FONG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2102. An act to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens who are residing or domiciled outside the United States.

MAJORITY LEADER THOMAS P. O'NEILL COMMENTS ON THE SECOND NIXON RECESSION

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL Mr. Speaker, like most Americans, I believe in the power of prayer. I also believe in the power of the spoken and written word. I do not begrudge Mr. Nixon his right to pray or to speak, but I do not think that language, taken alone, is a good enough economic policy for the people of the United States.

Yesterday, the Department of Commerce reported that our gross national product has declined for two consecutive quarters. By most definitions this constitutes a recession.

It would be unkind to remind Mr. Nixon that only last January he came before this body and promised there would be no recession in 1974. At that time, many Members of Congress believed him; we thought things could hardly get worse than they then were. However, we underestimated Mr. Nixon, and he obviously overestimated the power of his own words. Today, we find the worst inflation of the postwar period combined with the second recession of the Nixon administration and the greatest wave of strikes since the 1930's. Mr. Nixon's economic Keystone cops have outdone themselves once again.

What has been the administration's response? It has been to dodge the cold, staring truth. Once again we hear about "an upturn in the second half of the year." Once again we see no sign of a policy to achieve it. Mr. Speaker, only 2 days ago, Mr. Rush was quoted as predicting no downturn in the second quarter. If Mr. Nixon's top economic advisers cannot make accurate predictions 2 days in advance, how can we possibly give the slightest credence to their predictions for the next 8 months?

VETERANS' AFFAIRS COMMITTEE INSULTED BY WASHINGTON POST

(Mr. TEAGUE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TEAGUE. Mr. Speaker, over the weekend there was an article in the Washington Post which we consider to be a complete insult to the House Committee on Veterans' Affairs. This article intimated that the House Veterans' Affairs Committee was, to a considerable degree, a one-man committee. It is too bad the gentleman who wrote that article could not have known members like JIM HALEY, who is sitting here in the Chamber, John Saylor, Chuck Teague, and the whole committee.

If there is a committee in this House which works and knows what they are doing, it is the House Committee on Veterans' Affairs.

In the last 7 years, we have increased the budget of the Veterans' Administration about double, from about $7 billion to nearly $15 billion.

Mr. Speaker, the House Committee on Veterans' Affairs has done a great job. They know what they are doing, and I resent the article that was in the Washington Post over the weekend.

AMENDING TOBACCO MARKETING QUOTA PROVISIONS OF THE AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. STUBBLEFIELD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6485), to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the bill as follows:

H.R. 6485

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938 is amended by inserting after section 319 the following new section:

"SEC. 320. Notwithstanding any other provision of law, any kind of tobacco for which marketing quotas are not in effect that is produced in an area where it has not been traditionally produced and where producers who are engaged in the production of a kind of tobacco traditionally produced in the area have approved marketing quotas under this Act shall be subject to the quota for the kind of tobacco traditionally produced in the area. If marketing quotas are in effect for more than one kind of tobacco in an area, any nonquota tobacco not traditionally produced in the area shall be subject to quotas for the kind of tobacco traditionally produced in the area having the highest price support under the Agricultural Act of 1949."

With the following committee amendments:

Page 1, line 5, after the word "law," insert the following: "beginning with the 1975 crop,".

Page 1, lines 7 and 8, strike out the words "where it has not been traditionally produced and".

Page 2, line 1, strike the period after the word "area" and insert the following: ": *Provided, however,* That this section shall not apply in any case in which the Secretary or his designee finds any such nonquota tobacco is readily and distinguishably different from any kind of tobacco produced under quota, because of seed variety, cultural practices, method of curing and other factors affecting its physical characteristics, as determined through the application of the Federal Standards of Inspection and Identification of quota types and tobacco does not possess any of the distinguishable characteristics of a quota type."

Page 2, line 3, strike out the words "not traditionally".

The committee amendments were agreed to.

Mr. WAMPLER. Mr. Speaker, I rise in support of H.R. 6485. This bill would amend the tobacco program to make it both more effective and more fair.

Several years ago farmers outside the State of Maryland began to raise Maryland U.S. type 32 tobacco. They can do this under existing law because Maryland tobacco growers are not subject to marketing quotas since they voted not to come under the tobacco program.

The uncontrolled growth of Maryland type 32 tobacco in areas where farmers have voted for marketing quota controls threatens the effectiveness of those programs. H.R. 6485 is an answer to both the problem of preserving the present marketing quota program and still allowing the production of Maryland type 32 tobacco in areas where it is readily and distinguishably different from the local tobacco subject to marketing quotas.

This bill has been carefully considered by the committee and the Tobacco Subcommittee, and the U.S. Department of Agiculture supports its enactment.

The amendments to the bill would postpone its implementation until 1975 and would clarify and simplify the Secretary's authority in administering the program.

I urge its adoption.

Mr. BRECKINRIDGE. Mr. Speaker, I rise to urge the support of my colleagues for H.R. 6485, a bill to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, which I introduced earlier this year, with the cosponsorship of my colleagues, Mr. CARTER, Mr. STUBBLEFIELD, Mr. PERKINS, and Mr. SNYDER for the preservation of the effectiveness of our tobacco programs. H.R. 6485 discourages the production of types of tobacco which are not under the price support and acreage or poundage quota programs from being grown in areas where tobacco farmers have chosen to comply with these programs.

Under the provisions of this measure, nonquota tobacco grown in a given area, would be subject to the same regulations as apply to the controlled tobacco in that area if the nonquota tobacco possesses any of the distinguishable characteristics of quota tobacco traditionally grown there.

The need for this legislation arises from the spread of production of Maryland—type 32—tobacco into areas which traditionally have primarily produced burley tobacco, a quota controlled product. Maryland tobacco, as you may know, is not under controls.

It has been estimated that in 1972 850,000 pounds of Maryland type tobacco produced from Maryland tobacco seed were produced in the burley areas of Kentucky, Tennessee, and Virginia. In 1973, this figure increased to approximately 5 million pounds for these States and is continuing to increase this year at a fast clip from reports I am receiving.

The key problem arises out of the fact that when Maryland type 32 tobacco is grown in an area such as the Kentucky bluegrass, soil and weather conditions give it many of the characteristics of burley, and presumably this problem would continue to intensify over future generations of seed production. There is then, the prospect of significant production of Maryland in the burley belt underselling controlled burley, as well as the possibility that excess burley might be marketed under the pretext that it is Maryland type tobacco.

My bill in no way restricts the production of Maryland tobacco or any other nonquota strain in areas other than those participating in the tobacco price support, acreage or poundage quota program, and additionally and specifically it empowers the Secretary of Agriculture or his designee to exempt from the quota system any nonquota tobacco which is readily and distinguishably different from any kind of tobacco produced under quota because of seed variety, cultural practices, method of curing, and other factors affecting its physical characteristics, as determined through the application of the Federal Standards of Inspection and Identification.

I hope that the Senate will pass this much needed legislation at an early date so that final enactment can take place in time for the law to be effective for the 1975 crop.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 14012, LEGISLATIVE BRANCH APPROPRIATIONS, 1975

Mr. CASEY of Texas. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 14012), making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 93–1210)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14012) "making appropriations for the Legislative Branch for the fiscal year ending June 30, 1975, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 64.

That the House recede from its disagreement to the amendments of the Senate numbered 35, 41, 46, 48, 49, 50, 56, 62, 63, 65, 66, and 67, and agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$80,400"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$611,345"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$349,100"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$48,460,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,839,000"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,345,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,319,000"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$80,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 37, 38, 42, 43, 44, 45, 47, 51, 52, 53, 54, 60, 68, and 69.

BOB CASEY,
FRANK E. EVANS,
EDITH GREEN,
JOHN J. FLYNT, Jr.,
EDWARD R. ROYBAL,
LOUIS STOKES,
GEORGE MAHON,
LOUIS C. WYMAN,
ELFORD A. CEDERBERG,
EARL B. RUTH,
LAWRENCE COUGHLIN,
Managers on the Part of the House.

ERNEST F. HOLLINGS,
BIRCH BAYH,
THOMAS F. EAGLETON,
JOHN L. McCLELLAN,
NORRIS COTTON,
RICHARD S. SCHWEIKER,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14012) making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

SENATE

Amendments Nos. 1 through 34: Reported in technical disagreement. Inasmuch as these amendments relate solely to the Senate and in accord with long practice, under which each body determines its own housekeeping requirements and the other concurs therein without intervention, the managers on the part of the House will offer motions to recede and concur in the Senate amendments Nos. 1 through 30 and 32 through 34. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate numbered 31 with an amendment to exempt joint committee employees from the increase in the maximum annual rate of compensation proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

HOUSE OF REPRESENTATIVES

Amendment No. 35: Appropriates $12,059,700 for miscellaneous items as proposed by the Senate instead of $12,375,000 as proposed by the House.

JOINT ITEMS

Joint Committee on Reduction of Federal Expenditures

Amendment No. 36: Appropriates $80,400 instead of $80,045 as proposed by the House and $86,100 as proposed by the Senate.

Joint Economic Committee

Amendment No. 37: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $950,000 for salaries and expenses instead of $939,805 as proposed by the House and $894,176 as proposed by the Senate. The distribution of the funds allowed is to be determined by the Joint Economic Committee.

Amendment No. 38: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $135,000 for the Subcommittee on Fiscal Policy to remain available until December 31, 1974 as proposed by the Senate.

Joint Committee on Atomic Energy

Amendment No. 39: Appropriates $611,345 for salaries and expenses instead of $609,855 as proposed by the House and $617,045 as proposed by the Senate.

Joint Committee on Printing

Amendment No. 40: Appropriates $349,100 for salaries and expenses instead of $348,315 as proposed by the House and $354,800 as proposed by the Senate.

Capitol Police

Amendment No. 41: Appropriates $513,360 for general expenses as proposed by the Senate instead of $474,900 as proposed by the House.

Amendments Nos. 42 through 45: Reported in technical disagreement. The managers on the part of the House will offer motions to recede and concur in the amendments of the Senate elevating certain police positions detailed to the Capitol Police Board from the Metropolitan Police of the District of Columbia.

Capitol Guide Service

Amendment No. 46: Appropriates $348,760 for salaries and expenses as proposed by the Senate instead of $347,055 as proposed by the House.

Administrative provision

Amendment No. 47: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that employees of the Capitol Guide Service be granted longevity compensation increases for each 5 years of service.

Office of Technology Assessment

Amendments Nos. 48 and 49: Appropriate $4,000,000 for salaries and expenses as proposed by the Senate instead of $3,500,000 as proposed by the House and delete the provision that the funds remain available until expended as proposed by the House and stricken by the Senate.

ARCHITECT OF THE CAPITOL

Capitol Buildings and Grounds

Capitol Buildings

Amendment No. 50: Appropriates $4,428,500 for Capitol Buildings as proposed by the Senate instead of $4,344,500 as proposed by the House.

Restoration of West Central Front of Capitol and master plan for future development of the Capitol Grounds and related areas

Amendment No. 51: Reported in disagreement. The managers on the part of the House will offer a motion to further insist on their disagreement to the amendment of the Senate.

Capitol Grounds

Amendment No. 52: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate authorizing the continued availability of the $250,000 appropriation under this head for fiscal year 1974 for traffic signals until June 30, 1975.

Senate Office Buildings

Amendment No. 53: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $6,620,800 for the Senate Office Buildings.

Senate Garage

Amendment No. 54: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $103,300 for the Senate Garage.

LIBRARY OF CONGRESS

Salaries and expenses

Amendment No. 55: Appropriates $48,460,000 instead of $48,432,500 as proposed by the House and $48,572,500 as proposed by the Senate.

Amendment No. 56: Provides $2,778,000 for reimbursement to the General Services Administration for rental of space as proposed by the Senate instead of $3,063,000 as proposed by the House.

Copyright Office

Amendment No. 57: Appropriates $5,839,000 for salaries and expenses instead of $5,798,600 as proposed by the House and $5,879,985 as proposed by the Senate.

Congressional Research Service

Amendment No. 58: Appropriates $13,345,000 for salaries and expenses instead of $13,202,400 as proposed by the House and $13,488,100 as proposed by the Senate.

Furniture and furnishings

Amendment No. 59: Appropriates $3,319,000 instead of $3,312,300 as proposed by the House and $3,325,000 as proposed by the Senate.

Administrative provisions

Amendment No. 60: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate authorizing the use of funds available to the Library of Congress to provide additional parking facilities for employees, including transportation, in areas in the District of Columbia outside the limits of the Library of Congress grounds.

GOVERNMENT PRINTING OFFICE

Printing and binding

Amendment No. 61: Appropriates $80,000,000 instead of $88,136,000 as proposed by the House and $75,000,000 as proposed by the Senate.

Office of Superintendent of Documents

Amendments Nos. 62 and 63: Appropriates $36,000,000 of which $222,000 shall be available as a contingency reserve for workload increases not anticipated in the budget estimates as proposed by the Senate instead of $36,078,000, including a reserve of $300,000 as proposed by the House.

Government Printing Office Revolving Fund

Amendment No. 64: Appropriates $12,000,000 as proposed by the House instead of $6,000,000 as proposed by the Senate.

GENERAL ACCOUNTING OFFICE

Amendment No. 65: Appropriates $121,376,000 as proposed by the Senate instead of $121,834,000 as proposed by the House.

COST-ACCOUNTING STANDARDS BOARD

Amendment No. 66: Appropriates $1,628,000 as proposed by the Senate instead of $1,650,000 as proposed by the House.

GENERAL PROVISIONS

Amendment No. 67: Provides that no part of any appropriation contained in this Act shall be available for paying to the Administrator of the General Services Administration in excess of 90 per centum of the standard level user charge established pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended, for space and services, as proposed by the Senate.

Amendment No. 68: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment providing for the payment of compensation to an alien employee of the Senate.

Amendment No. 69: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment providing for an annual accounting of appropriated funds and excess foreign currency used as expense money by Members of Congress and staff traveling abroad on official business to be filed with the Secretary of the Senate and the Clerk of the House of Representatives instead of the publication of reports in the Congressional Record as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1975 recommended by the Committee of Conference, with comparisons to the fiscal year 1974 amount, the 1975 budget estimates, and the House and Senate bills for 1975 follows:

New budget (obligational authority, fiscal year 1974	$661,305,668
Budget estimates of new (obligational) authority (as amended), fiscal year 1975	722,472,385
House bill, fiscal year 1975	603,221,280
Senate bill, fiscal year 1975	718,439,511
Conference agreement	[1] 708,275,650

Conference agreement compared with:

New budget (obligational) authority, fiscal year 1974	+46,969,982
Budget estimates of new (obligational) authority (as amended), fiscal year 1975	−14,196,735
House bill, fiscal year 1975	[1] +105,054,370
Senate bill, fiscal year 1975	−10,163,861

[1] Includes $112,824,480 for Senate items not considered by the House. Conforming to long practice, funds exclusively for operations and activities of the Senate—including two items jurisdictionally under the Architect of the Capitol—are left for decision and insertion by that body.

BOB CASEY,
FRANK E. EVANS,
EDITH GREEN,
JOHN J. FLYNT, Jr.,
EDWARD R. ROYBAL,
LOUIS STOKES,
GEORGE MAHON,
LOUIS C. WYMAN,
ELFORD A. CEDERBERG,
EARL B. RUTH,
LAWRENCE COUGHLIN,
Managers on the Part of the House.

ERNEST F. HOLLINGS,
BIRCH BAYH,
THOMAS F. EAGLETON,
JOHN L. MCCLELLAN,
NORRIS COTTON,
RICHARD S. SCHWEIKER,
MILTON R. YOUNG,
Managers on the Part of the Senate.

CALL OF THE HOUSE

Mr. VEYSEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 394]

Anderson, Calif.
Baker
Blatnik
Brasco
Brown, Calif.
Broyhill, N.C.
Burke, Calif.
Byron
Carey, N.Y.
Chappell
Chisholm
Clark
Clay
Cochran
Collier
Cotter
Davis, Ga.
de la Garza
Dennis
Diggs
Donohue
Dorn
Esch
Fisher
Ford
Fulton
Giaimo
Gray
Griffiths
Gross
Gubser
Gunter
Hanley
Hansen, Idaho
Harsha
Hawkins
Hébert
Holifield
Huber
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kuykendall
Kyros
Landrum
Luken
McCloskey
McCormack
McEwen
McKinney
Mills
Montgomery
Murphy, Ill.
Nichols
O'Hara
Pike
Podell
Powell, Ohio
Railsback
Randall
Rarick
Regula
Reid
Robison, N.Y.
Rooney, N.Y.
Rose
Rostenkowski
Roy
Ruppe
Sandman
Staggers
Stanton, James V.
Steele
Stephens
Stokes
Stuckey
Symington
Talcott
Thompson, N.J.
Treen
Vander Jagt
Wright

The SPEAKER. On this rollcall 352 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

APPOINTMENT OF CONFEREES ON H.R. 6642, SUSPENSION OF DUTIES ON CERTAIN BICYCLE PARTS AND ACCESSORIES

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6642) to suspend the duties of certain bicycle parts and accessories until the close of December 31, 1976, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Oregon? The Chair hears none, and appoints the following conferees: Messrs. MILLS, ULLMAN, BURKE of Massachusetts, SCHNEEBELI, and COLLIER.

APPOINTMENT OF CONFEREES ON H.R. 14715, EMPLOYMENT OF WHITE HOUSE OFFICE AND EXECUTIVE RESIDENCE PERSONNEL

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14715) to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? The Chair hears none, and appoints the following conferees: Messrs. DULSKI, HENDERSON, UDALL, GROSS, and DERWINSKI.

THE LATE SENATOR WAYNE MORSE

(Mrs. GREEN of Oregon asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Mrs. GREEN of Oregon. Mr. Speaker, it was with a profound sense of shock and personal sadness to learn of the untimely death of Wayne Morris earlier today. What can one say about a man who has contributed so much to his country and for his countrymen. His stature in the Senate during his brilliant career has been matched by few before or since.

His legislative achievements were so many they cannot be counted. But perhaps one single vote speaks of his courage more than any other. It is especially fitting to recall in this day when the horrors and malaise of the Vietnam war still linger. This vote, of course, was his vote in 1964 against the Gulf of Tonkin resolution authorizing then President Johnson to commit American forces to Southeast Asia. Senator Morse was one of only two in the entire Senate to have the foresight and the wisdom to say "No." Such strength of character, willingness to take the unpopular side were a part of Wayne Morse. I did not always agree with him, but I always knew he spoke with sincerity and conviction and who could help but have tremendous respect for those qualities.

He will be deeply missed by all those who knew him well and perhaps as much by those who did not as a man possessed of extraordinary abilities, courage, and compassion. I know that all Americans and particularly those of his beloved home State join me in extending to his wife, Midge, and his daughters our most heartfelt sympathy.

Mr. ULLMAN. Mr. Speaker, will the gentlewoman yield?

Mrs. GREEN of Oregon. Mr. Speaker, I yield to my colleague from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I want to join with my colleague from Oregon in expressing profound grief and shock at the passing of one of the great men of our times: Senator Wayne Morse.

As a private citizen, a professor of law, a courageous labor mediator, and U.S. Senator, Wayne Morse never lacked the courage of his convictions. His sense of moral right and wrong, his belief in the basic tenets of our democratic system, and his understanding of his fellow men never failed him.

Certainly, he was one of the most controversial men of our times. But history will also record him as one of the outstanding figures in this Nation's public life. His contributions to the events, the thoughts, and the feelings of this era were deep and sure. His accomplishments in his 24 years in the Senate are a proud and eloquent testimony to his vision.

I campaigned with Senator Morse for a period of many years. In 1956, when he first ran for office as a Democrat, we stumped the State together and I came to know him well. Although we did not always agree, he never hesitated to let anyone know where he stood on an issue. In his public utterances, he had more courage than anyone I know, and this is best remembered in his opposition to the Gulf of Tonkin resolution. Yet in his personal life he displayed gentleness, and a deep sense of calm and warmth.

Throughout his life, both public and private, Wayne Morse had a deep longing to make things grow better than before, and one way he fostered that longing was his abiding passion for raising purebred livestock. It was his way of getting away from the pressures and frustrations of public life. Yet he brought to it the same intensity and sense of mission he exercised in carrying out his duties in the Senate.

Mr. Speaker, his death is a great blow to this Nation. He wanted badly to return to the Senate and to serve the State he knew so well. For those of us who were close to him there is much sorrow, and I want to extend to Mildred and their three lovely daughters my sincere sympathy.

Wayne Morse made a great imprint on the U.S. Senate, on this country, and on our history. That imprint will endure, and will serve as a living memorial to a great man.

Mr. WYATT. Mr. Speaker, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Oregon (Mr. WYATT).

Mr. WYATT. Mr. Speaker, I appreciate the gentlewoman yielding to me. On this side of the aisle, I would like to say I have had a long and at times close relationship to Senator Morse. He was the dean of the law school during my entire attendance at the Law School of the University of Oregon.

In addition to the towering presence felt so obviously by those around him, Wayne had a gentle and kind nature not so obvious. We have frequently differed, but he was my friend. I feel deeply a sense of personal loss with his passing. Certainly, Senator Morse made a great impact on this country. Mrs. Wyatt and I extend our heartfelt condolences to Mrs. Morse and his daughters.

Mr. DELLENBACK. Mr. Speaker, Wayne Morse has been a significant force in the creative history of Oregon for more than three decades. He will be missed, and he rightfully should be missed, by both admirers and detractors.

He and I were by no means always in agreement. But I invariably listened to his opinions and judgments with respect and interest, and invariably I learned from what I heard.

He died as he lived—in the midst of a fight for something in which he earnestly believed. His fights ranged from the District of Columbia to Oregon, from education to world peace. Our State and our Nation are different because he cared enough to fight those fights, and, certainly on balance, we are all better off because those fights were fought.

The national landscape has lost a promontory. I deeply regret that fact, and extend my deepest sympathy to Mrs. Morse and the family.

Mr. MILLER. Mr. Speaker, it is with regret that I have learned today of the passing of our former congressional colleague, the distinguished Wayne Morse, of Oregon. I know that this Chamber is deeply saddened to hear of his passing and we extend our very deepest sympathy to his family.

Though our political philosophy sometimes differed substantially, I nevertheless respected and admired Senator Morse for his dedication to Oregon, and the Nation, and for his service in the U.S. Congress. He was obviously a man of deep conviction and fortitude and his thoughts on issues which have shaped our Nation's course were sought by people of all political persuasions.

To say that he will be missed is an understatement. His influence on U.S. foreign and domestic affairs will long survive as will his example to all those who respected Wayne Morse for the dedicated public servant he was.

GENERAL LEAVE

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the passing of the late Senator Wayne Morse.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

AMENDING RULES OF HOUSE OF REPRESENTATIVES TO PROVIDE FOR BROADCASTING OF MEETINGS OF COMMITTEES

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1107 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1107

Resolved, That clause 33 of rule XI of the Rules of the House of Representatives is amended as follows:

(1) Paragraph (a) is amended by inserting ", or committee meetings," immediately after "committee hearings".

(2) Paragraph (c) is amended—

(A) by deleting "each meeting of any hearing or hearings covered," and inserting in lieu thereof "each meeting (whether of a hearing or otherwise) covered,";

(B) by deleting "at the hearing" and inserting in lieu thereof "at the hearing or other meeting"; and

(C) by deleting "the objects and purposes of the hearing or the activities of committee members in connection with that hearing" and inserting in lieu there of "the objects and purposes of the hearing or other meeting or the activities of committee members in connection with that hearing or meeting".

(3) Paragraph (d) is amended by inserting "and meetings" immediately after "committee hearings".

(4) Paragraph (e) is amended by inserting "or meeting" immediately after the word "hearing" wherever such word occurs therein.

(5) Subparagraphs (1), (3), (5), (6), (7), (8), and (9) of paragraph (f) are each amended by inserting "or meeting" immediately after the word "hearing" wherever such word occurs therein.

POINT OF ORDER

Mr. MARTIN of Nebraska. Mr. Speaker, I make a point of order against consideration of this resolution.

The SPEAKER. The gentleman will state his point of order.

Mr. MARTIN of Nebraska. Mr. Speaker, this resolution was considered by the Rules Committee last Thursday morning. The members of the Rules Committee were notified on Wednesday afternoon. I was notified at approximately 4 o'clock in the afternoon that we would have a

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special meeting to consider this resolution which is now being called up for consideration by the House. This is in violation of the rules of procedure for the Committee on Rules and I would like to read this rule to the House, Mr. Speaker. I will read from the rules of the Committee on Rules adopted on Tuesday, March 27, 1973, and amended on Tuesday, September 11, 1973.

Paragraph (b) of the rule which concerns meetings reads as follows:

> A minimum 48 hours' notice of regular meetings and hearings of the Committee shall be given to all members except that the Chairman, acting on behalf of the Committee, may schedule a meeting or hearing for the consideration of emergency and/or procedural measures or matters at any time.

The committee members were not given 48 hours' notice. In regard to "the consideration of emergency and/or procedural measures or matters" with less than 48 hours of time, this was not an emergency and it was not a procedural measure. It was a substantive measure. I do not think by any stretch of the imagination House Resolution 1107, a resolution to permit live television and radio coverage of House committees, can be considered as a procedural measure. It is much more than that.

As a consequence I make this point of order that this resolution should not be considered because it was not handled in the Committee on Rules in accordance with the requirement for notification under the rules of the Rules Committee itself, and as a consequence it has been illegally reported from the committee and should not be taken up by the House at this time.

The **SPEAKER**. Does the gentleman from California desire to be heard on the point of order?

Mr. **SISK**. Mr. Speaker, I do desire to be heard briefly.

Under the rules of the committee which the gentleman has cited, of course, there is no sense of conflict with the rules of the House and under which, of course, we are operating at the present time.

The reading of the paragraph by my colleague, the gentleman from Nebraska, it seems to me itself would call for an overruling of the point of order because it makes it very clear, as it says, "except that the chairman, . . . may schedule a meeting or hearing for the consideration of emergency and/or procedural measures or matters at any time." It goes on to say:

> As much notice as possible will be given to all members when emergency meetings or hearings are called; . . .

Certainly that was the case in this matter, Mr. Speaker. I am sure my colleague, the gentleman from Nebraska, will agree with me that he and I discussed this meeting on Wednesday before it was handled on Thursday.

A further reading of section (i) shows that a Tuesday meeting of the committee may be dispensed with where, in the judgment of the chairman, there is no need therefor, and additional meetings may be called by the chairman, or by written request of a majority of the committee, and so forth.

Mr. Speaker, this meeting was duly called in line with the rules of procedure of the committee and in no sense is there any violation of the rules of the House contained in the rules set forth in the operation of the Committee on Rules.

The **SPEAKER**. Does the gentleman from Nebraska desire to be heard further on the point of order?

Mr. **MARTIN** of Nebraska. I do, Mr. Speaker.

I also made a point of order in the Committee on Rules and was overruled by the chairman on the basis that this was a procedural matter. I do not think that House Resolution 1107, as I stated previously, is a procedural matter. I think it is a substantive matter. Therefore, I press my point of order.

The **SPEAKER**. The Chair is ready to rule.

The gentleman from Nebraska makes a point of order that the report from the Committee on Rules and on House Resolution 1107 is invalid and may not be received by the House on the ground that the meeting at which the measure was authorized was called in violation of the committee's rules of procedure.

The specific point at issue is whether the meeting at which this measure was ordered reported was a valid meeting, that is, whether it was called pursuant to the committee's rule concerning the calling of special meetings.

The Chair has examined the provisions of Jefferson's Manual at section 407, which states that "a committee may meet when and where they please, if the House has not ordered time and place for them, but they can only act when together." The committee's report in this instance shows that House Resolution 1107 was ordered reported by a vote of 10 to 3; so it is apparent that the committee acted "together" with a quorum present.

The Chair has referred to the precedent found in volume IV, Hind's Precedents, section 4594, where Speaker Cannon ruled that where it is shown that a majority of a committee has met and acted together to authorize a report, it was not the province of the Chair to heed the allegation that one meeting was not regularly called.

The Chair would also refer to the decision of Speaker pro tempore Boggs on October 12, 1971—Record, page 35824. On that occasion, a point of order in the House that a committee had not complied with its own rule on approving a report was overruled on the ground that it was properly a question for the committee, and not the House, to pass upon.

Now, it is not incumbent upon the Chair to pass upon whether or not this is a procedural matter under the rules of the committee, that is a matter for the committee to determine.

For these reasons, the Chair holds that the report is properly before the House and overrules the point of order.

COMMITTEE AMENDMENT

The **SPEAKER**. The Clerk will report the committee amendment.

The Clerk read as follows:

> Committee amendment: Page 1, line 1, strike "33" and insert in lieu thereof "34".

The committee amendment was agreed to.

Mr. **SISK**. Mr. Speaker, prior to yielding, I would like, for the purpose of saving repetition, to indicate that I will be yielding to several Members, and in all cases I will be yielding for debate only.

Mr. Speaker, I yield 30 minutes to the gentleman from Nebraska, (Mr. Martin), pending which I yield myself such time as I might consume.

Mr. Speaker, House Resolution 1107 amends the rules of the House of Representatives to provide for broadcasting of meetings, in addition to hearings of House committees, which are open to the public.

House Resolution 1107 is a clarification of the language regarding the right of committees by majority vote to broadcast meetings of House committees.

I might say, Mr. Speaker, that when the House passed the Legislative Reorganization Act of 1970, the intent was to include all open meetings and hearings of committees under clause 34 of rule XI.

If I might add, the report of the committee at that time makes it very clear that we used interchangeably committee meetings, along with any sessions, committee hearings and so on, so that it seems to me it was clear, and as chairman of that particular subcommittee, Mr. Speaker, it certainly was my intent that any committee desiring to do so could, by majority vote, open any session of its proceedings to the public. Unfortunately, however, because of the rulings that we are faced with, it is necessary that we bring this resolution here to clarify this situation about meetings, and of course it will apply to all standing committees of the House of Representatives, if approved.

Mr. Speaker, I urge the adoption of House Resolution 1107.

Mr. **MARTIN** of Nebraska. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, the purpose of this resolution, as the gentleman from California has explained, is to permit live radio and TV coverage of meetings.

I would like to read to you one paragraph of rule XI, clause 33, as currently in the rules:

> It is the purpose of this clause to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee hearings which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage.

In other words, the rules of the House—and these were adopted in 1970—permit live coverage of hearings by any House committee if the members of that committee vote affirmatively.

The purpose of this resolution is to add the word "meetings."

It is interesting to note that this resolution or a companion resolution was introduced by Mr. Owens last February 27, and the resolution which we have before us today, introduced by Mr. Owens and other Members, was introduced on May 15. Yet, it seems to be apparently an emergency matter because an emergency meeting of the Committee on Rules was called last Wednesday afternoon for consideration of this matter on Thursday morning.

It is suspect, at least, that it was called up at this time in order to televise and cover by radio live the remaining meetings of the Committee on the Judiciary on impeachment.

I supported the reorganization of the House and the rules in 1970, and I would support this resolution a week or 10 days from now because I believe that if the Members desire to have coverage, radio and TV coverage of the hearings, that they should be allowed to do so.

But on the basis of the fact that this was called up at this time with the sole purpose, Mr. Speaker, of getting coverage during the remaining few days of the work of the Committee on the Judiciary, I oppose this resolution today.

What are the ground rules that are going to be set by the Committee on the Judiciary as to the coverage? We did not have the chairman of the Committee on the Judiciary or a senior member of that committee or anyone in authority before us in our deliberations in the Committee on Rules who could give us these answers.

Is the time going to be equally divided between the Republicans and the Democrats on the committee? How is it going to be handled? We had no information on that score.

We did receive word that there would be a total of 30 hours on debate. This was last Thursday; perhaps that has been changed by now. That would be 30 hours of consideration by the various members of the Committee on the Judiciary; there would be 10 hours during which each member of the committee would be allotted 15 minutes, and then there would be a second go-around during which 20 hours would be allotted to each one of the 38 members of that committee, and at that time they would each be given 30 minutes.

Mr. Speaker, there are 21 Democrats and 17 Republicans on this committee. There is a total of 45 minutes allocated to each member of the Committee on the Judiciary under this proposal. Four members times 45 minutes amounts to 3 hours—3 hours of additional live coverage allotted to the Democrats on the Committee on the Judiciary over what the Republicans are going to get.

Now, we have an equal time provision. How is that going to be taken care of? What are the ground rules for that?

I believe the Republicans would have a good argument if they were to demand that whatever networks carry these proceedings, the networks would have to give them an additional 3 hours of coverage, in view of what was expressed to us as the manner in which this was going to be handled.

Mr. Speaker, I wish to point out another thing. We were told in the Committee on Rules during our hearings that Mr. Doar, the chief counsel for the majority party on the Committee on the Judiciary, would be present and would undoubtedly speak during the course of this live radio and TV coverage. We were further told that Mr. St. Clair, the President's counsel, would not be allowed to be present.

Now, Mr. Doar has turned out to be the prosecuting attorney in this case; Mr. St. Clair is the defense attorney. Yet we are going to allow the prosecuting attorney to be present and to speak on live coverage, but we will not allow the defense attorney the same privilege. This is completely unfair, and it should not be permitted. Again, this should be explained and the details worked out so that the Members of the House will know how these matters are going to be handled in regard to this coverage.

Mr. Speaker, let me turn to one other rule. This is rule XI, clause 33, of the Rules of the House of Representatives, and it is found at the top of page 401. I quote as follows from the rule:

> If the television or radio coverage of the hearing is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

Mr. Speaker, I assume that the networks, including both radio and TV, are aware of this rule. At least they should be.

How are we going to police this? Are they going to have commercial sponsors for these 30 hours of coverage of the meetings of the Committee on the Judiciary? Are they going to put this on as a public service?

Or are they going to slip in some commercial advertisements every now and then whenever they choose to do so?

The SPEAKER. The time of the gentleman has again expired.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself 2 additional minutes.

Or when they have a network break for the local station to identify itself, is that local station going to come in with some commercial advertising? If they do, Mr. Speaker, this is contrary to the rules of the House. It is right in the rules that were adopted in 1970. I think it is a good rule.

This will have to be presented on a public service basis if the Committee on the Judiciary decides on this radio and TV coverage.

There is one other point that I would like to make, Mr. Speaker:

The present rules provide that committees can have coverage on hearings. The Committee on the Judiciary has just completed hearings. They had witnesses all last week. There were votes taken in the past few weeks in the committee for live coverage of radio and TV of these hearings. The Republican Members as a whole, most of them, supported this coverage, but the Members on this side of the aisle turned it down. It seems again very strange, Mr. Speaker, that this is being called up at this time in view of the previous position of the Democrats on the Committee of the Judiciary.

Mr. Speaker, I oppose the resolution.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Speaker, I thank the gentleman from California for yielding me this time. I am happy to support the resolution sponsored by the gentleman from Utah (Mr. OWENS).

Mr. Speaker, I rise in strong support of the amendment to the Rules of the House, and I hope indeed that the House today will give overwhelming support of the right of our committee to have radio and TV coverage of the final debates that will conclude our committee's extensive impeachment inquiry that we have conducted.

It is most unfortunate that our hearings have not been open to the public up to the present time.

The misconceptions and the misunderstandings and the charges of unfairness and the other allegations that have been made regarding these hearings would have been dissipated if it were not for the fact that we have had closed-door hearings throughout the proceedings. The people have not had the opportunity to see and hear our proceedings, and accordingly, have been unable to receive first-hand knowledge of the deliberations that have gone on.

Such live TV coverage which will accompany the closing debates will enable the American people to see and to hear the evidence and the arguments both pro and con.

It is true that the rule that we are about to adopt in the House for the Committee on the Judiciary will provide for 15 minutes of time for debate on the part of each member. We have 21 Democrats and 17 Republicans on this committee.

I wish we had more Republicans. But, on the basis of our existing political ratio, each Member is being treated fairly and equally.

Also, of course, when we finish the debate with respect to the proposed articles of impeachment will have opportunities for offering amendments and further discussion at that time. It is my hope that we can get a rule adopted, or an amendment to the rules in the committee, which would require continuous live coverage.

Of course, we will be bound by the Rules of the House which would prevent any sponsorship or interruption for commercial advertising and that sort of thing.

Certainly, I think that this is an opportunity for us to open the doors of our proceedings to let the American people in; to give them a complete understanding, and to afford them a fair interpretation of this entire proceeding

I am hopeful that the rule will be adopted.

Let me just add this: that at the beginning of the impeachment inquiry our committee adopted rules by a unanimous voice vote, that our hearings would be open to live TV. Unfortunately, the decision was later made to close the doors.

As the gentleman from California (Mr. SISK) has indicated, we did not contemplate when we inserted the word "hearings" we intended to exclude "meetings." And while our debates will be made at a "meeting," at the same time it should be pointed out that there will be a full discussion of the evidence which our committee has received as well as the

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legal and constitutional propositions relating to our inquiry.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from California if he is going to ask a question.

Mr. KETCHUM. Yes. I thank the gentleman for yielding.

I asked him to yield for the purpose of asking a question. I admire his stand, and I am for open meetings, but if we are going to be so fair and equitable about this—and I am totally in agreement that we should be—does that mean that the Committee on the Judiciary will recall Mr. St. Clair so that the world can hear his argument?

Mr. McCLORY. We will have before our committee our Republican counsel, Mr. Sam Garrison, who is certainly a strong partisan and an able advocate of our Republican interests. We have been listening to him this morning making an excellent presentation challenging the impeachment case that Mr. Doar has endeavored to make. I am confident, with Mr. Garrison there to answer questions, we will have ample opportunity to have the other side presented, plus the fact that we will have the Republican Members there to present a full and fair discussion of all positions advanced by Republicans.

Mr. Speaker, according to the main architect of the Legislative Reorganization Act of 1970—the gentleman from Florida (Mr. SISK)—it was the legislative intent of the drafting committee to allow media coverage of both committee hearings and meetings, though only the word "hearings" is used in the act. However, the Parliamentarian has insisted upon a very strict construction of this provision of the House rules, and has ruled that only hearings may be broadcast under the present rules. Accordingly, House Resolution 1107 is required so that committee meetings may be covered by the broadcast media as well.

Mr. Speaker, with respect to the question of media coverage of the deliberations of the Judiciary Committee, I want to report to all my colleagues that I have consulted with the distinguished chairman of the committee, and I am satisfied with the assurances that he has given the minority that there will be equal opportunity in the committee for discussion on both sides of the issue. The debate will certainly not be "rigged" either in favor of or against the President. Rather, I feel confident that the final stage of this investigation will be conducted in the fair, objective, and judicious manner which has characterized it from the beginning.

Furthermore, Mr. Speaker, I want to say to those Members who feel that the President's interest will be poorly served by media coverage of the final stage of this investigation, that I believe that the American people are fully capable of weighing the issues presented in this case. If, as some critics have charged, this inquiry has been a "witchhunt" or "kangaroo court," what better way to reveal this to the American people than by allowing live coverage of the committee meetings by the broadcast media? If, as I believe, the committee proceedings have been eminently fair and impartial, then the American people are entitled to observe this, and take this into account in understanding and assessing the validity of the committee's final judgments on this most important matter.

Mr. Speaker, I want to point out that the minority members of the Committee on the Judiciary have consistently supported the opening up of committee proceedings to full public view. Republican members voted, by the overwhelming majority of 15 to 2, to open the hearings at the time the committee heard testimony from live witnesses—so that the American people could have judged for themselves the credibility of these key figures in the Watergate case.

Finally, Mr. Speaker, I feel that the public's right to be fully informed of the deliberations of the Judiciary Committee with respect to this impeachment inquiry, is overwhelming. Let us realize that it is crucial to the future of this Nation that the American people understand and accept that the Congress has acted responsibly in discharging its constitutional duties in this inquiry, whatever its outcome. Passage of House Resolution 1107 will greatly enhance the people's understanding of our work in this impeachment inquiry.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, last week I introduced a resolution that would provide for the broadcasting and televising of impeachment proceedings in this Chamber, should articles of impeachment be reported to this body. I also made a motion in the Committee on Rules suggesting that we postpone until Tuesday of this week the vote on this question of whether or not to broadcast and televise the hearings in the House Committee on the Judiciary this week. I think that indicates that I am not per se opposed to the idea of broadcasting and televising hearings of either committees or of deliberations in this Chamber, but I rise, nevertheless, reluctantly to oppose this resolution today for the following reasons.

I want to give great credit to the distinguished gentleman from South Carolina (Mr. MANN), a member of the House Committee on the Judiciary, who in an extremely thoughtful and eloquent presentation before the Committee on Rules, I think, led to my coming to this conclusion. He indicated, for example, that he felt that his objections were basically twofold to the resolution: First, he had the feeling—and being a member of the committee, I think he could speak with some authority—that perhaps a majority of the members of the House Committee on the Judiciary had already made up their minds on the question of impeachment, and that, therefore, if broadcast privileges were extended to the committee this week, they would simply, therefore, use the time largely to explicate their views for the benefit of the television audience.

The danger in this is that it would give the American public the impression that this committee was not, therefore, handling the inquiry in the fair, judicious manner that it should on the occasion of its first real exposure to the public view in a deliberative posture.

He went on to suggest that he would not have been opposed to the resolution had it been adopted earlier to permit the televising of the entire proceedings, and I join him in that feeling that if we had permitted television of the investigative phase of these hearings, tedious and boring as that may have been in some instances, the public would have had the well-rounded, full view of these proceedings that it should have in coming to its own conclusion; because, mark you well, this is very much a political process upon which we have embarked.

I think it is important, therefore, that in giving a televised or broadcast view of these proceedings to the American public we have some responsibility to make sure that they get the kind of well-rounded and fair exposure to the entire proceedings that they should have.

By cueing in as we are now doing, by simply cueing in on what amounts to the final leg of this journey, the final leg of the inquiry, I am very much afraid—and I think there is some real danger—that the public will get the mistaken impression—and in some cases I think it would be a mistaken impression—that committee members were of one mind or another on the impeachment question from the very beginning. If they felt that, it could serve to undermine the very integrity of these historic and very important proceedings.

So not out of distrust for the media, not out of a desire to close off from public view what certainly must be the most important and historic debate of any House committee in the last century, but because mistakenly a decision was not made earlier to give the American public the total view, the total exposure that they should have to these proceedings, I think that we would better wait now and see what the deliberations of the committee are.

Let me say in conclusion that the gentleman from South Carolina made a very effective argument also on this score, that he wished and he thought and he believed that in the final few days of this very critical hearing if the committee without the benefit of television and klieg lights and radio broadcast facilities could sit around that 38-man table and, much as a jury, argue among themselves and in the free give and take of discussion comment among themselves on the facts and how the law should be applied on those questions, something that they have not had an opportunity to do up until this time, that this would be important to a final decision on the issue involved in this impeachment inquiry.

But if we put them within the structure of the electronic box, it is going to become not a free and open discussion but pretty much a formal and stilted discussion or debate where Members are going to seize the opportunity to give their foreordained conclusions on what the decision of the committee should be and so to that extent rob the committee of this final opportunity to judiciously and in this juror-like atmosphere within the sanctity of the committee room make this very important decision.

These are reasons and I think very substantial reasons why, unopposed as I am to using television and broadcast media to educate and inform the people, I think this is the wrong resolution in the wrong place and at the wrong time.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Speaker, surely the gentleman realizes that the media are going to be there, the press is going to be there, and there is not going to be anything that will be kept secret. The only difference is, that are we going to get the information to the American public only through the written media unless we adopt this resolution.

Mr. ANDERSON of Illinois. I think the gentleman from Illinois realizes there is a very real distinction as far as the written and the television and radio broadcast media are concerned. Most of the people get their information through the television and most of the people reach their conclusions on what they see through the television tube. On this important question I will not argue with the gentleman at this time as to whether there is a difference between the written media, the printed media and television and radio. There is a difference and everyone knows that.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from Utah (Mr. OWENS).

Mr. OWENS. Mr. Speaker, Wednesday the Judiciary Committee will begin at least 4 days of historic debate on whether articles of impeachment should be issued against President Richard Nixon. This debate, capped by the committee voting, will mark the final segment of our committee's impeachment inquiry.

For the past 12 weeks committee members have received and reviewed the evidence and testimony which our staff, under the capable direction of Chairman RODINO and John Doar, special counsel, has compiled. We have arrived at an important juncture in the proceedings. The debate this week provides the opportunity for the 38 members of the committee to present the views and opinions they have developed after reviewing over 45 volumes of evidence and numerous other documents, and to debate the relevance of these different pieces of information.

It is already late to allow increased public scrutiny of this democratic endeavor, through live television coverage.

I rise in support of House Resolution 1107, a resolution I first introduced last February and again in March. My resolution, as Members know, would change the rules of the House to allow live television and radio broadcasting of open committee meetings. When this same resolution was introduced in March, 16 Members joined with me in cosponsoring this resolution, among them Mr. BINGHAM, Mr. BROWN of California, Mr. EDWARDS of California, Mr. HECHLER of West Virginia, Mr. DE LUGO, Mr. LEGGETT, Mr. MITCHELL of Maryland, Mrs. MINK, Mr. STARK, Mr. STUDDS, Mr. VAN DEERLIN, Mr. WALDIE, Mr. WILSON of California, Mr. WOLFF, Mr. WON PAT, and Mr. MOORHEAD of Pennsylvania.

In 1970, under the able leadership of the gentleman from California (Mr. SISK) the Rules Committee made provisions to permit the televising and broadcasting of committee hearings. However, as committee members now realize, they inadvertently failed to extend the same provisions to committee meetings.

It was clearly the intention of Mr. SISK's subcommittee to include meetings as well as hearings in that category. Our colleague from Louisiana (Mr. LONG) has pointed out that the minutes of the subcommittee hearings referred to, reveal that the term "meetings" and "hearings" were used interchangeably. However, in drafting the final rules provision, the term "meeting" was dropped apparently inadvertently. As a result, the chairman of the various committees, including the Judiciary Committee, have interpreted the rules to preclude telecasting and broadcasting of committee meetings. This rule change is now relevant because of the pendency of the impeachment debate and voting in committee and the desire of the Judiciary Committee to authorize electronic media coverage.

The impeachment of a President is a relatively rare occurrence, a point for which, I am confident, we are all grateful. The impeachment of Andrew Johnson a century ago has provided us with only a hazy set of standards to follow. Therefore, the Judiciary Committee is plowing a great deal of new constitutional ground. The actions we take in these historic proceedings will create many precedents and the significance of what we do will endure for many years to come. Committee members are aware that, in part, we are setting standards of conduct for future Presidents. Television coverage will assure the most complete record for history.

Mr. Speaker, we undertook this impeachment inquiry on the premise that public involvement was essential. Such activities could not be completed in secret.

I regret that the Judiciary Committee hearings were not opened previously to television. Though the committee considered it several times, a majority voted to keep most of these proceedings closed, specifically those for the presentation of evidence. The taking of testimony witnesses, pursuant to the provisions of rule 11, were required to be conducted in executive session because of the possibility that the evidence or testimony may have tended to defame, degrade, or incriminate individuals.

The committee has since ordered all of the evidence made public. Some 9,000 pages of materials have been printed and released. The last of the testimony given in hearings by the nine witnesses called by the committee is scheduled to be released today. All of the background information which the committee members will debate and upon which each will base his or her vote has been made public. It is now timely that we should open up debate and the committee vote to complete public examination which electronic coverage will permit.

This is not a partisan issue. There is broad support from both sides of the aisle to permit the public televising of these important hearings. Counsel to the White House has long been in favor of such action. Chairman RODINO has expressed a desire to open the committee meetings. And last Thursday, the second ranking minority member of the Judiciary Committee, Mr. McCLORY, joined with me in the Rules Committee in asking for favorable consideration of this resolution.

I would argue to the Members of the House that this debate has great relevance; indeed, that it is of overriding public importance. Committee members, who for 12 weeks have studied these materials, will be debating the entirety of the issues, defining and refining those which they consider of greatest importance and significance. The public should be allowed to watch and listen to the arguments as they are made; they should be allowed to weigh the evidence while the Judiciary Committee members do.

Televising is the best medium for presenting this diverse compendium of materials and information to the public. Television establishes a direct circuit between the viewer and the participant, avoiding the interposing views of any third party, including newsmen. The Senate Select Committee hearings on Watergate last summer were an unprecedented educational success. The American public studied the witnesses and their testimony and evaluated the importance and truth of each witness and his testimony. Now the public should be allowed to examine the Judiciary Committee and the results of its 9-month inquiry the same way.

Rather than creating a political circus, as some have alleged, I believe that the television cameras will keep the participants serious and alert. The television eye is a critical, perceptive device which has the ability to reveal pomposity, ill preparation, and a weak case. Indeed, had there been television 100 years ago, I think the impeachment of Andrew Johnson would have died in the House.

The public's right to know is not just empty rhetoric. The country is divided emotionally and intellectually on this issue like on no other. Never before has it been so important for the people of this country to be aware of complex facts and to be able to evaluate the truth for themselves. It is hard to imagine an issue which demands public participation more than does this one. It is imperative that the public now have the opportunity to listen and to evaluate the evidence which the Judiciary Committee has received so that, in the end, the country will have confidence in its findings, and so that hopefully, when this proceeding is over, the country might avoid 20 years of bitterness and division.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. OWENS. I yield to the gentleman from Ohio.

Mr. SEIBERLING. In response to the gentleman from Illinois (Mr. ANDERSON), it seems to me a couple of points ought to be added. No. 1, the gentleman from Illinois said that he would oppose televised hearings now because the committee's evidentiary proceedings were not televised.

The country would have been asleep long ago if those had been televised and they would have been just as confused as otherwise, and more, because the evidentiary material would have been visible only to the members and not to the television audience.

The SPEAKER. The time of the gentleman has expired.

Mr. SISK. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. SEIBERLING. If the gentleman will yield further, the other point we should have in mind is that it is entirely possible, in fact, likely, that the television media will not be allowed to operate floodlights during the debate but will be permitted to use only the ambient light in the room. This will avoid putting an extra strain on the committee, and also avoid a circus atmosphere. It seems to me it can be done with dignity and still meet the objective of enlightening the public.

Mr. HUNGATE. Mr. Speaker, will the chairman yield?

Mr. OWENS. I yield to the gentleman from Missouri.

Mr. HUNGATE. On the vote to keep the proceedings from television, I think every committee member on the other side of the aisle joined with us because of the rule of the House to protect third parties and innocent individuals from testimony that may be derogatory, defamatory, and incriminatory. There was good reason for that. We have gone through this and as far as the committee arguments, I think it is the public's business and we should let the public in. I urge support of this resolution.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the distinguished chairman of the Committee on Rules, the gentleman from Indiana (Mr. MADDEN).

Mr. MADDEN. Mr. Speaker, a great deal has been said about the Committee on Rules meeting on this clarification in the House rule as to televising a "meeting or hearing." There is nothing complicated about this, because the Congress has passed legislation pertaining to House committees on television and radio broadcasting.

This is merely a clarification as to a technical dispute between "hearings" and "meetings." If the House votes today to interpret the law so that it means both hearings and meetings, then it is up to the Judiciary Committee to determine whether or not the impeachment hearings are to be televised.

Mr. Speaker, I received a telephone call this morning from a lady living in one of the high-rise apartments out in my district. She read in the newspaper about the proposed televising of the impeachment hearing, and she said, "My gracious, I do hope we can hear that over the radio or watch that over the television, because we have no money anymore to pay a dollar for the New York Times, or 75 cents for the Chicago Tribune, or 45 cents for the local papers, and we very seldom have a chance to read the printed press.

Mr. Speaker, just think of the millions of people who might be able to know what is going on in this Congress if we do have this great historical event publicized.

Mr. Speaker, one of the great daily newspapers of the Nation, in yesterday's Sunday edition, the New York Times, printed a brilliant editorial endorsing the pending resolution commending the Rules Committee for acting favorably on House committee permission to televise the pending impeachment hearings.

The first paragraph of the editorial reads as follows:

> The Rules Committee has wisely recommended to the House of Representatives that the Judiciary Committee's final debate on impeachment be broadcast by radio and television. We strongly endorse that view, and hope that that decision will be followed by opening the House debate, and the Senate trial if it occurs, to full coverage by the electronic media.

I will not read a paragraph or two in between, but will come down here and read the last closing statement:

> While we would not favor broadcasting of ordinary sessions of Congress, the impeachment issue is of such monumental gravity and such unique character that it seems to us to warrant extraordinary means to bring it to the public.

Mr. Speaker, the entire editorial follows:

[From the New York Times, July 21, 1974]

IMPEACHMENT BROADCAST

> The Rules Committee has wisely recommended to the House of Representatives that the Judiciary Committee's final debate on impeachment be broadcast by radio and television. We strongly endorse that view, and hope that that decision will be followed by opening the House debate, and the Senate trial if it occurs, to full coverage by the electronic media.
>
> The objections to opening the proceedings to television and radio have centered on the legitimate concern that members of Congress would be tempted to grandstand for their constituents and that the President in some way would be deprived of due process.
>
> The due process argument is of greater import, but the analogy to ordinary criminal process on which it rests is fallacious. In the ordinary criminal trial, the public interest is deemed to be best served by erecting stringent requirements of fairness for an individual who is pitted against the forces of the state and fighting for his liberty or for his life. In an impeachment proceeding, the issues are different, the stakes are different, the public interest is different and the balance of forces is more equal. What is at stake is not the accused's life or his liberty but his right to continue to exercise public functions which the people have entrusted to him. The issue is his abuse of the people's trust and his fitness to continue to serve them. In making his defense, as has been amply demonstrated, the President is not without resources. Ultimately, the fairness of the process rests on the fact that a President's accusers, and his jurors if it comes to that, are seasoned public servants who must answer to history for the judgments they make in his case.
>
> Moreover, the public's interest in this impeachment process reaches beyond Mr. Nixon's fate, for embedded in the contest over his guilt or innocence is a struggle over the nature and the extent of the constitutional limits of the authority of American Presidents. It thus necessarily involves a fundamental debate about the character of the American democracy, and Americans will have to live with the outcome of that debate for generations to come. It is imperative that they comprehend as fully as possible the arguments and the issues involved in its resolution.
>
> In that context, the limited amount of Congressional grandstanding which may occur seems a small price for Americans to pay for a full understanding of this process. And it does not strike us as naive to believe that most members of the House and the Senate are responsible enough to conduct themselves with discipline and sophisticated enough not to be undone by the presence of cameras and the microphones. While we would not favor broadcasting of ordinary sessions of Congress, the impeachment issue is of such monumental gravity and such unique character that it seems to us to warrant extraordinary means to bring it to the public.

Mr. MARTIN of Nebraska. Mr. Speaker, I would like to ask the distinguished chairman of the Judiciary Committee a question.

In view of the fact that the rules of the House prohibit commercial sponsorship of live radio and TV coverage of hearings—and I assume the gentleman from New Jersey has been in contact and spoken with the members of the radio and TV media—what understanding has the gentleman reached with them in regard to this provision?

Mr. RODINO. Mr. Speaker, if the gentlemen will yield, I have reached no understanding with them since the House has not yet acted. I do know that in anticipation of an affirmation vote on the part of the House and the Committee, the TV networks and their representatives have inquired as to whether or not we would permit live coverage.

I have always told them that there was a prohibition on televising meetings because of the rules of the House. I have therefore reached no understanding since I was not in a position to speak.

Mr. MARTIN of Nebraska. Mr. Speaker, if it is a violation of the rules of the House, would it be the inclination of the gentleman to discontinue immediately the coverage by the networks?

Mr. RODINO. If there was any violation of the rules of the House that the gentleman would be aware of, I am sure he would bring it to our attention. Every member of the Committee certainly prides himself on following the rules of the House. There will be no violation of the rules.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 5 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, I would be much happier with this resolution if it had come at the beginning of the deliberations of the Judiciary Committee instead of at this particular time.

I am at a loss to know why it was not felt to be of public interest to televise the hearings at the time that there were witnesses, at the time when counsel for the President was speaking, at the time when counsel for the committee were summing up the cases.

However, be that as it may, I think there is still a lot to be said for the public's right to know about the remainder of the procedure under the Committee on the Judiciary's very difficult and very solemn job of determining whether or not the President of the United States has committed an impeachable offense.

For that purpose, I would like to ask the distinguished chairman of the committee if he may be in a position to answer some questions relative to the probable procedure in his committee in the event that this resolution is adopted.

Particularly, will it be the purpose of the Committee on the Judiciary to require that networks which cover the proceedings provide continuous live coverage during the time that the committee is in session? Of course, if the matter is to be made public, we want it to be made public just as it occurs in the Committee on the Judiciary. We recognize that there are more Democrats than there are Republicans so the total time will not be equal. Nevertheless so that the public may get a full view of the matter as it is presented by the very distinguished and learned members of the Committee on the Judiciary, all the proceedings, from beginning to end, should be televised.

Can the chairman answer my question as to whether or not it will be his purpose to insure live coverage of all the proceedings?

Mr. RODINO. That, certainly, is the intention of the chairman. As the distinguished minority leader does know, the committee, of course, will have to consider this, if the resolution is adopted and does appropriately come before the committee. It will have to determine whether or not it will, in accordance with the rules of the House, provide for live television coverage.

I would hope that the procedures we would adopt would be such that there would be equal time for each member. I intend, as chairman, to insure that there is equal and fair treatment for each member. A continuous coverage, naturally, I think would insure the kind of full debate that is desirable.

Mr. RHODES. Would the distinguished chairman repeat for the Record the words which he said to me a little earlier in private concerning the intention of the chairman insofar as the division of time is concerned among the members?

Mr. RODINO. The Chair intends to propose to the members that there be a certain amount of time allotted to each of the members. That time would be, I hope, uninterrupted, insofar as the chairman can assure, so that members could not encroach upon the time of other members, except in instances, of course, where a member would, of his own volition, yield his time to another member.

Mr. RHODES. It is my understanding that there will be approximately 10 hours of general debate to be divided equally among the members, is that correct?

Mr. RODINO. That is correct.

Mr. RHODES. And after that?

Mr. RODINO. The intention is to allow each member or allot to each member 15 minutes, and that is a little less than 10 hours, 15 minutes for general debate. Then it is hoped that there would be another 20 hours or so for consideration of any proposed articles and for perfecting amendments, et cetera, so that at the end of that time the votes would be occurring under the 5-minute rule.

Mr. RHODES. It is my understanding the 15 minutes would be continuous and uninterrupted unless the member himself desired to yield to some other member?

Mr. RODINO. That is as the Chair intends.

Mr. RHODES. Mr. Speaker, I understand also that after general debate the various articles, if such are read, will be read for amendment under the 5-minute rule?

Mr. RODINO. The gentleman is correct.

Mr. RHODES. And each member would be entitled to 5 minutes of uninterrupted time?

Mr. RODINO. The gentleman is correct. The Chair would enforce that rule so that there would again be fairness accorded.

Mr. SISK. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. Yates).

Mr. YATES. Mr. Speaker, as Members know, I have been working for months on my resolution to permit floor debate on the impeachment resolution to broadcast by television and radio in the event the impeachment resolution is approved by the Committee on the Judiciary. My resolution now has almost 100 cosponsors. I anticipate that after the vote today many of my colleagues will join in support of my resolution.

It is clear from the debate today that the time of television for the House has come. Not one Member has spoken in opposition to television. Those who have opposed this resolution have stated their opposition not to television but to the fact that it is unfair to bring broadcasting facilities in for the tail end only of the committee debate. They object only to the fairness of the TV presentation at this time. Thus, if a fair presentation can be arranged, there seems to be no opposition to television.

Mr. Speaker, we have come a long way from the precedents established by Speaker Rayburn against televising either the House or committee proceedings. Mr. Rayburn took the position that inasmuch as the rules of the House made no provisions for television, there was no authority for the use of that medium. The first step overruling Speaker Rayburn's position was taken in the Reorganization Act of 1970 under the leadership of the able gentleman from California (Mr. Sisk) when the House approved television, under certain conditions, for committee proceedings if approved by the committee. Pursuant to that authority a number of committees of the House have voted to televise their hearings. Mr. Speaker, it should be pointed out that there was no interference with the normal operation of the committees nor was there any evidence of histrionics or demagoguery by any of the Members. I make this point because some Members have expressed concern that too many Members will become camera conscious. I do not share that view. Certainly, in a debate as historic as the one in prospect relating to impeachment of the President, Members will conduct themselves with seriousness and proper decorum.

It is interesting to note that under House rules which presumably prohibit the use of television for proceedings in the House Chamber, television broadcasting is permitted for the address of Presidents and dignitaries and for the initial proceedings of the House on the first day of each new session. If Speaker Rayburn's precedent still controls, under what authority are such television broadcasts permitted?

It seems to me that the time has come for preparing for televising the debate on the floor. My resolution provides for the appointment of a committee of five to be appointed by the Speaker of which the majority and minority leaders are members. I believe the leadership should be making such preparations, much in the same way as the leadership in the other body is doing for the debates in that Chamber.

In Newsweek magazine today, I noticed an item which read:

> IF THE SENATE GOES ON CAMERA
>
> Although the Senate has not made a final decision on whether to permit TV coverage of a Presidential impeachment trial, television ground rules have been drawn up by three top aides selected by Majority Leader Mike Mansfield and Minority Leader Hugh Scott. Banned are: anchor men in control booths, instant analysis and stakeouts of TV reporters in the corridors. Commercials will be allowed but only "in good taste" and during "natural breaks." Procedural debates will not be broadcast. Cameras must be fixed—no random shots of individuals—and the broadcasts will probably be in black and white to avoid the blinding lights of color television.

Mr. Speaker, that is the kind of preparation the House should be making as well and I would hope the leadership would move in that direction.

It is clear that the broadcasting companies are willing to cooperate. Letters that I have received from presidents of broadcasting networks indicate their willingness and desire to provide for broadcasting in keeping with the solemnity of the occasion. From Mr. Elmer W. Lower, president of ABC News, a letter to me dated May 20, 1974, says:

> As a fellow citizen, I am in complete accord with your position that the debate on the floor of the House will be an historic event which all Americans should be able to sit in on through the medium of television. As an executive* working in that medium, I want to assure you that we have not only

> the capability but also the desire to provide the kind of coverage which will reflect the "dignity and solemnity which the occasion requires." I think we can meet the challenge you pose.
>
> I would not want to leave the impression that we can transmit pictures from the House without augmenting existing lighting and without having cameras and camera cables visible on the floor of the House. However, there are "soft" lights and improved cameras which are helping us to become more and more unobtrusive these days.

From Arthur R. Taylor, president of CBS, a letter to me dated May 1, 1974, says:

> The historical significance of an impeachment proceeding would certainly, in my judgment, merit live broadcast coverage so that the American people may be fully informed as to the actions taken by their elected representatives. I would go further however and state that I believe the American people ought to be able to see and hear the workings of their elected representatives on the broad spectrum of issues which are debated and resolved by both Houses of Congress on a continuing basis.
>
> In my view the American people can only benefit from the opportunity to see their representatives performing their responsibilities first hand.
>
> As to whether the dignity and the solemnity of an impeachment proceeding, if it were to occur, could be preserved with television coverage I think I can assure you positively on this point. Technology has progressed to the point where a television camera can be unobtrusive and special lighting requirements are minimal. Our bureau chiefs and technical people have volunteered to work closely with the Senate and the House to resolve these technical issues in a manner satisfactory to the Congress should permission be granted to us to achieve equal status with the print press in our coverage of these very important deliberations.

From Hartford N. Gunn, Jr., president of Public Broadcasting Service, a letter to me dated May 3, 1974, says:

> The process of impeachment is a most serious matter which goes to the heart of our system of government. Any debate of this magnitude and importance must be fully understood and be completely credible to the American citizen wherever he lives. It must not be an issue that is reported second- or third-hand with the inevitable distortions and misunderstandings that take place through such a process.

The American people throughout the country will want to witness this historic debate. They should be permitted to do so.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. Speaker, first of all, I wish to compliment the gentleman from Utah (Mr. OWENS) for introducing the resolution and for exercising leadership in bringing this important and timely legislation to the House floor.

As I said at the meeting of the Committee on Rules, the gentleman, by his introduction of the pending resolution, is correcting an error which was made in the Legislative Reorganization Act of 1970, and he should be commended for it. Perhaps, he will clean up our House rules and then go to the Senate and clean up its rules also.

Mr. Speaker, as I see it, there are three primary reasons for adopting the resolution today:

First, the pending resolution merely carries out the intent of the Reorganization Act of 1970. As the members of the Committee on Rules, including the gentleman from Nebraska (Mr. MARTIN) and the gentleman from Illinois (Mr. ANDERSON), know, it was because of a clerical error that we are required today to bring this resolution to the floor in order to carry out the full intent of the Reorganization Act of 1970; that is, to open all committee meetings, including business meetings and hearings, to the public and all news media, including television and radio, upon the majority vote of each committee membership. It puzzles me, therefore, that any member of the Rules Committee would oppose the pending resolution.

Second, whatever business we do in this body, be it on the floor or in the committee room, is public business, and the public has the right to know what we do.

The contention has been made that the Judiciary Committee has already decided what it is going to do and telecasting and broadcasting of its proceedings will be prejudicial to the President. If it is going to be prejudicial to the President in an open televised meeting, it can be more so behind closed doors. The public has the right to know whether or not the Committee on the Judiciary has acted with prejudice. Broadcasting and televising its proceedings will give the American people the opportunity to judge this for themselves. So the resolution is good for those who are against impeachment, as well as those who favor it.

Third, there is a question of equitable treatment for all news media. As it is now, only the printed medium is permitted into the committee room. Why should we discriminate against the radio and television media? They have as much a right to cover the news as the printed medium.

By passing this resolution we will be opening the committee meetings—and again I remind my colleagues that it is only by a majority vote of the members of the committee that we would open the meetings—to TV and radio media.

As we all know, more people watch television and more people listen to the radio than people who read the printed news. The pending resolution, therefore, will enable us to get to a greater number of Americans with what we do in committee meetings.

For these reasons, Mr. Speaker, I urge the Members to vote "aye" on this resolution.

The SPEAKER. The time of the gentleman has expired.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 2 additional minutes to the gentleman from Hawaii, and I would ask if the gentleman will yield to me?

Mr. MATSUNAGA. Mr. Speaker, I thank the gentleman from Nebraska for yielding me this additional time, and I am happy to yield to the gentleman from Nebraska.

Mr. MARTIN of Nebraska. Mr. Speaker, in light of the first point that the gentleman from Hawaii has made, and has intimated, that this was only discovered recently that meetings were not covered under the present rules of the House for live radio and TV coverage, I would again like to call attention to the gentleman from Hawaii and the Members of the House that when the gentleman from Utah (Mr. OWENS) first introduced this resolution on February 27 that that gentleman was aware of it, and many others were, last February, that meetings were not included in the rules of the House, and that this resolution has been resting in the Committee on Rules ever since that time, and the Committee on Rules has chosen not to take any action until this particular point.

Mr. Speaker, I just wanted to clear up that point.

Mr. MATSUNAGA. Mr. Speaker, the gentleman from Nebraska was present at the meeting when the Committee on Rules considered this resolution, and he knows that by a reading of the committee report on the Legislative Reorganization Act of 1970, it was the general consensus among all Members, although perhaps not the gentleman from Nebraska, that the Reorganization Act of 1970 did in fact intend to open all meetings to radio and TV coverage, upon a majority vote of the committee members.

The SPEAKER. The time of the gentleman has again expired.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I was 1 of the 10 in the Committee on Rules who supported this resolution and was also for opening up the hearings to the Public when we had witnesses before the committee. I thought the public was interested in hearing the live witnesses and in noting their demeanor on the stand. After so doing, they probably would have been in a better position to judge our actions in the committee.

I do feel we have to be eminently fair. The statements made by the chairman of the committee, the gentleman from New Jersey (Mr. RODINO) that he would give each member uninterrupted—and I want to stress that word—uninterrupted 15 minutes plus his time under the 5 minute rule, that each member would be treated fairly. I believe that this arrangement will give the Members an opportunity to set forth their views on this important matter.

Mr. HOGAN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Maryland.

Mr. HOGAN. Mr. Speaker, I rise in support of this resolution to allow the Judiciary Committee's impeachment debate to be broadcast live by television and radio.

For the past several weeks, we have been conducting an extensive investigation into charges of impeachable conduct on the part of President Nixon.

Much of this work has properly been done in executive session, beyond the view of the press and the public. The reasons for such confidentiality in the course of these proceedings have been sound, as are the reasons for making the committee's meetings public at this stage.

The testimony which the committee has taken from several witnesses bears directly on criminal prosecutions now underway in several courts throughout the Nation. To publicize this testimony would have been to run the risk of impinging on the rights of criminal defendants, as well as impeding the prosecution of some of the cases now at trial.

Therefore, the judicious approach in this instance was the one followed by the committee—to keep the hearings and meetings closed for the most part, gathering evidence and hearing testimony in a confidential, rather than sensational way.

After weeks of hearings, however, after listening to summations by committee counsel and by the President's counsel, after arranging a voluminous amount of evidence in manageable form, after reaching certain conclusions on the basis of that evidence, I believe it is incumbent upon the committee and upon the House of Representatives to open the final phase of these committee proceedings to the public.

No issue is of greater import to the American people, either in political or historical terms, than that which the Judiciary Committee has been considering. The impeachment procedure is used so rarely, its potential consequences are of such a serious nature—both for the subject of the inquiry and for the Nation itself—that it is clearly in the national interest to have the crucial final debate of the committee open to the public for its scrutiny and its information.

Our own conduct in this matter will be subject to the people's judgment, just as surely as the President's political fate now lies largely in our hands. Let us open the doors to the public, and let them see us acting responsibly or irresponsibly in their service.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. Mr. Speaker, I have confidence that the American people will be given the facts and all of the facts.

Mr. Speaker, I support this resolution to make possible the live broadcasting of the Judiciary Committee deliberations on the impeachment question, in spite of the obvious partisanship of the timing of this effort to bring direct radio and television coverage of the committee at this time. It is clear that the televising is much more palatable to the majority now that the arguments by the President's counsel and by the counsel to the minority have been completed. So, of course, this resolution came out of the Rules Committee in a rush, even though it was not possible for the committee to get around to it in time for the public to see all the proceedings of those historic deliberations. But that is the way the majority has seen fit to exercise its stewardship of the Congress.

You see, Mr. Speaker, I have confidence in the ultimate good judgment of the American people if they have the opportunity to see all the facts, uninterpreted and unadulterated, straight and unalloyed. I feel sure the citizen has the good sense to spot a phony, to identify a demagog, and to catch the flaws in an argument. I also have confidence that the people of America can pick up the subtlety of an effort to mislead, whether it is undertaken by an administration in power, a majority running the Congress, a minority in the Congress trying to defend itself, the press, or a "demagog in the marketplace."

One of the afflictions of our republic today is the new fashion of so-called interpretive journalism. Interpretive journalism is the new name for an old journalistic style which takes as its premise the assumption that individual citizens are not competent to judge the facts, but must be told what they should conclude from the data presented.

At one time this was called "yellow journalism" and it managed to interpret facts which ultimately led to our entry into the Spanish-American War in 1898.

Live radio and television coverage even at this late date is one way the public can have a chance to assess—without the interposition of interpretation—some of the facts and personalities of the subjects under debate in the Judiciary Committee. It will also give the people a chance to interpret for themselves the flaws and advantages of interpretive journalism, the impeachment process, the Congress and individual Congressmen. The results of direct coverage will let the people decide for themselves without being forced to attempt to understand the facts, events, and personalities only through the interpretation of others.

Mr. LATTA. Mr. Speaker, in closing I should like to say that I hope when this resolution passes—and I think it will—when they start televising these hearings, that the media will so conduct itself that we will not have some reporter telling the Nation what a Member of Congress is saying, whether he is pro-Nixon or anti-Nixon, how he thinks he will vote, to giving an instant interpretation of his remarks.

Mr. SISK. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. Eckhardt).

Mr. ECKHARDT. Mr. Speaker, I rise in support of the resolution, but I also rise to admonish the Members that they are bound by Public Law 91-510, and they are bound in this way: Committee members and staff are required by statute—since the statute changed the rules—to conduct such hearings where television is used with the decorum traditionally observed by the House in its operations, and in such a way as not to distort the objects and purposes of the hearing or the activities of the committee members in connection with that hearing, or in connection with the general work of the committee of the House. They are also directed by the statute that the lighting in the room not be greater than that which is required as an absolute minimum for technical proficiency, and they are absolutely required to conduct and place the equipment in as unobtrusive a manner as possible.

I mention these because I think these points are extremely important.

A circus is conducted like a circus because of the level of the lights, because of the smell of the sawdust and of the horses, and I urge that this proceeding not be conducted like a circus. I think it is a good thing to let the public see what goes on. I think it is a bad thing to conduct it in any other way physically than the way that we conduct the ordinary process of Congress.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana (Mr. Dennis).

Mr. DENNIS. I thank the gentleman for yielding.

Mr. Speaker, there are things that can be said on both sides of this particular matter. There is something, despite the very cogent arguments of the gentleman from Nebraska and the gentleman from Illinois against this resolution, with which I considerably sympathize, there is something to be said the other way; because televising these hearings might present us with some opportunity to offset some of the selective leaks, and to counter the politically paced and timed release of news and information, which unfortunately have so far characterized the conduct of the Committee on the Judiciary.

I am not at all sure that strictly from the point of view of the President's interest we might not be better off to take to the air and to take to the television circuits. The thing that gives me pause, however, is that there is no court in the land, as far as I know, which has ever permitted television in the courtroom. The press, yes, and we will permit the press and no question about that, but the circus atmosphere of the klieg lights has generally been considered, in all courts in the country, as inconsistent with the judicial process; and here we are, the grand inquest of the Nation, as William Pitt called us, in the most solemn judicial process any of us will ever take part in, and it gives me concern to have to play and posture under the klieg lights, as I am afraid that we may do.

One thing might change my mind. Counsel for the committee, who has now become the very skillful counsel for the prosecution, will be present not to speak but to be there so that we can question him. If the chairman of the committee—and I am afraid he is not on the floor at the moment—would agree, and the majority would agree, that counsel for the President, in this case, in effect, counsel for the defense, could be present under the same circumstances so that he, too, would be available to respond to questions if asked, I might change my mind and take a chance, even though the circus atmosphere does concern me in these proceedings.

Mr. OWENS. Mr. Speaker, will the gentleman yield?

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Mr. DENNIS. I yield to the gentleman from Utah.

Mr. OWENS. Mr. Speaker, I do not pretend to speak for our able chairman, the gentleman from New Jersey, but I understand the chairman did say very conclusively this morning that while, of course, Mr. Doar will be there on the floor to answer questions, Mr. Garrison, who is I assume acting minority chief counsel, will also be present.

Mr. DENNIS. Of course Mr. Garrison will be there, and he is an able man, but I am suggesting that the defense counsel should be there as well as the prosecuting attorney.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Speaker, I rise in support of this resolution. For a great many years the other body has allowed the televising and radio coverage of the hearings of its committees. This House has not seen fit to do that until it was provided in the Reorganization Act of 1970 that when a committee by majority vote has a public hearing and by majority votes to have the public present by radio and television as well as press, it may do so, but the word used was "hearings." It did not say "meetings." However, as will be acknowledged by the able gentleman from California (Mr. SISK) who was chairman of the Reorganization Committee, interchangeable all through the hearings on the Reorganization Act of 1970 were the words "meetings" and "hearings" and "sessions." The Committee on Rules was not really aware until the matter arose of the limitation that would be considered by some to deny to the committee when they have a public hearing the right to televise to the public or by radio to broadcast the deliberations of the committee, the meetings of the committee as well as the hearings of the committee.

What is more appropriate than to give that full authority to the respective committees of the House?

Second, maye we should have clarified this authority a long time ago. We did not. But was there ever a time more imperative to begin than now when the committee will be discussing one of the most serious matters to come before a committee or the Congress of the United States? Certainly this matter of giving this right to all the committees is unquestionably in the interest of the public to see and hear events of public concern. Today we have a full press. We do not ordinarily have that here in the House.

There will be press coverage when the Judiciary Committee has these deliberations. When we have the miracle of radio and TV to permit the people back home who cannot sit in the galleries or be in attendance when such deliberations occur, to know what is going on, why is not that in the public interest and why should we deny to the Committee on the Judiciary and other committees the right to permit that kind of knowledge by the public?

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from California.

Mr. KETCHUM. I thank the distinguished gentleman from Florida for yielding. Since he is a member of the Committee on Rules, I would ask this question. I am a cosponsor of the resolution which calls for public disclosure right here on the floor during the impeachment proceedings.

Mr. PEPPER. In 1945 I introduced a resolution that proceedings of the House and the Senate as well as proceedings of committees should always be open to the public for radio and press coverage and since TV came in for radio and TV coverage as well as press. Of course, I think the deliberations when this important matter of impeachment comes up before the House should be before the public on radio and TV as well as by the press.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield further?

Mr. PEPPER. I yield.

Mr. KETCHUM. I appreciate the gentleman yielding further. Will the gentleman then use his utmost influence on the chairman of the Committee on Rules to adhere to that resolution to bring it before the House?

Mr. PEPPER. I am sure the distinguished chairman does not need that urging.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself 3 minutes.

The proposal to permit live TV coverage of the remaining days of the work of the Committee on the Judiciary, in my opinion, will create the wrong atmosphere. This is a judicial proceeding, Mr. Speaker, and should not be conducted under the air of live TV coverage and radio. Not a single court in our judicial system in the land allows live radio and TV coverage.

I feel very strongly that that relation and that policy of our courts should be followed as far as these proceedings of the Commmittee on the Judiciary are concerned.

Again, I want to emphasize that every committee of the House, if a majority of that committee wanted live coverage of radio and TV of their hearings, could have done so. This resolution simply provides coverage for meetings; but the Democrats, the gentlemen on the other side of the aisle that are members of the Committee on the Judiciary, when the motion was made in the committee to have live radio and TV coverage in the past weeks have rejected this proposal. It seems very strange and suspect to me that at the last moment that they want to bring this resolution up and get it adopted today, specifically for the purpose of having live coverage on this very, very important judicial matter to come up in the Committee on the Judiciary.

Mr. SISK. Mr. Speaker, I yield myself 5 minutes.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to my colleague, the gentleman from Florida.

Mr. HALEY. Mr. Speaker, today I have heard a great deal about the circus atmosphere. Let me inform my colleagues that in the circus we had organized confusion. Sometimes I think probably we have in the House confusion, period.

Mr. SISK. Mr. Speaker, I thank my colleague for his comments.

Mr. Speaker, if I could very briefly conclude with some remarks regarding the manner in which this matter came before the Rules Committee, I would like to do so. At this time, I particularly want to pay my respects to the distinguished gentleman from Utah (Mr. OWENS), who has been bugging me, so to speak, on this issue for quite a long while. I say this in all seriousness. The gentleman from Utah (Mr. OWENS) has been consistent in his desire to have this matter clarified during the past few months. I, frankly, was somewhat thunderstruck when I found that the Reorganization Act was being interpreted as narrowly as it was, but I do want to say that because of the efforts of the gentleman from Utah and others who were vitally concerned, we are happy today to bring this resolution, offered by the gentleman from Utah, to the floor and to the attention of the Members.

Of course, I would urge support of the resolution.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I want to compliment the gentleman for bringing this to the floor. I want to say that the final sessions of our House Judiciary Committee are going to be open meetings anyway. It is going to be reported on television. The only question is, are the people going to see and learn about our proceedings on television from Members outside the hearing room, or are they going to see and learn about it first-hand in the committee room in order to interpret the proceedings for themselves.

I feel that it would be most beneficial to the public to see the proceedings firsthand, and to judge our actions for themselves.

Mr. SISK. Mr. Speaker, I agree with the gentleman.

Mr. Speaker, I would like, very quickly, to call the attention of the Members of the House to the language in the rule, clause 33, dealing with the subject of television. There has been a great deal of concern voiced here about the procedure and how much distortion there may be, and what kind of regulations we will have.

If the Members would take a look at—it is actually clause 33, although there has been some recent changes so that the rule books may show it as clause 33 when actually it is clause 34 at the present time—where we outline very specific provisions that the television stations and the network must comply with. I quote just a few of them very briefly:

> —shall not be such as to—
>
> (A) distort the objects and purposes of the hearing or the activities of committee

> members in connection with that hearing or in connection with the general work of the committee or of the House; or
>
> (B) cast discredit or dishonor on the House, the committee, or any Member or bring the House, the committee or any Member into disrepute.
>
> (c) The coverage of committee hearings by television broadcast, radio broadcast, or still photography is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause.

Finally, and I would particularly hope that the Committee on the Judiciary, since that committee apparently will be the first committee to take advantage of this, I would read another section, which says:

> Whenever any hearing conducted by any committee of the House is open to the public, that committee may permit, by majority vote of the committee, that hearing to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, but only under such written rules as the committee may adopt in accordance with the purposes, provisions, and requirements of this clause.

So, I simply would like to call the attention of the members of the Judiciary Committee to the fact that the committee itself, in the final analysis, will set the rules of procedure for the way in which their meetings shall be conducted, and the manner in which the television and radio people shall conduct themselves. I think, with that in mind, we have ample safeguards to make certain that this will not be a circus, but will be a judicious proceeding, as I am sure we all desire.

Mr. MILFORD. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Texas.

Mr. MILFORD. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, having worked for 19 years as a member of a TV news team, I am proud to see the U.S. House of Representatives finally free the electronic media from its bondage of second class citizenship.

Our courts, our legislatures, and our Congress have never before recognized the virtues of "instant journalism." They have noted only its sins.

Far be it from me to even try to infer that TV journalism is a perfect angel. It is not. Neither is the print media. One is no more nor no less responsible than the other.

But let us get something straight. Kleigh lights are not necessary for news coverage. The TV cameras, whether live, tape, or film, can work under the same light levels and under the circumstances as the print media if the situation warrants. Please, let us hear no more of this "Kleigh light circus."

I was a member of the news team at KWTX-TV that gave continuous coverage of the first courtroom trial ever televised—the Washburn murder trial in Waco, Tex., in 1954.

We heard the same arguments then as those offered here today. The trial was televised from beginning to end without damage to our judicial system or to the rights of anyone.

Regular courtroom lighting was used by the single live camera present. Sound was picked up from the regular courtroom microphones and auxiliary mikes that were concealed from view. Long lenses on the camera kept it out of sight of jurors and witnesses.

Live television coverage of this House and committee proceedings is possible without disruption and without disturbing the decorum of this body.

Mr. BADILLO. Mr. Speaker, as a cosponsor of House Resolution 1107, I urge the overwhelming approval by the House of its provision that any committee proceedings may be opened up to full public scrutiny.

If it is true that great numbers of Americans are losing faith in the institutions of government because of the catalog of improper activities being revealed daily through the courts, congressional committees, and the press, then I believe that we have an obligation to attempt to use the impeachment debate as a mechanism to get the American people involved in a public dialog and also to demonstrate to them that the system, for all its imperfections and procrastination, is operating in a climate of civility, reason, and due process.

In a representative democracy, we should not seek excuses for government in secret. Surely the daily recital of misdeeds by men in influential positions who so long operated in the dark, who succeeded till now in being accountable to no code or no set of principles, requires us to offer up our deliberations and debates to the full glow of public view.

Particularly for the momentous debate on whether or not to impeach a President of the United States, it is important that the public be allowed to witness the deliberations as they occur and thereby be enabled to play an active role in the eventual decision that will be reached. No individual will be forced to watch a televised impeachment debate. But it is important that the opportunity be presented.

Whichever way the decision goes in this matter, the impact on our Government will be substantial and of long duration, making it critical that we have the understanding and approval of a majority of the American people. That, after all, is what this country is all about. As emissaries from the people, charged with upholding a government of laws rather than of men, we should not hesitate to place our official actions in full view of the people. This debate goes to the heart of our Constitution, and it will not be satisfactorily resolved without the full confidence of the people that we are attempting in every way to be fair, judicious, and in full compliance with the Constitution and the law. I urge the House to adopt this resolution to demonstrate our confidence in our institution and our own reliance on the principles undergirding their strength and vitality.

Mr. WALSH. Mr. Speaker, ever since the Judiciary Committee began its deliberations and hearings on the impeachment matter, I have been disturbed that the proceedings were not open to radio and television broadcast, and thus not open to the public.

In my estimation, the resulting leaks and partial disclosures have been a hindrance to orderly process in this most crucial matter.

That is why I support and voted for legislation today that would allow the taping and filming of hearings and meetings by House committees.

Broadcast coverage, especially if it is live, will permit the public to make its own, firsthand decision about impeachment. Subjecting this case to intense public scrutiny will help clarify the issues and expose weak arguments on both sides.

In addition, in a general sense, it will help educate the public about congressional processes hopefully leading to a greater understanding of the problems of Government.

Those who oppose this measure say radio and television will have a disruptive influence on the committee. While I will concede that in some instances the broadcast media can lead to disruption, experience by State legislatures allowing radio and television shows the disruption is minor and short-lived.

I have taken into account the argument by some lawyers that the broadcasting of the remainder of the Judiciary Committee meetings could violate the rights of the accused. I believe guidelines and regulations can be developed which will provide important safeguards and guarantee a fair presentation.

What we cannot forget is that the overall good of these broadcasts, a fully and objectively informed public, will undoubtedly outweigh any disadvantages.

Mr. DRINAN. Mr. Speaker, I have arrived at the conclusion to vote "No" on House Resolution 1107 with great difficulty. If this resolution which would permit live television and radio coverage of committee meetings in the Congress were proposed to become effective within the next Congress or after the impeachment proceeding of the House Judiciary Committee I would have no difficulty in voting in the affirmative on this proposal.

The 1970 House rules revisions apparently by inadvertence omitted authorization that would permit the televising of committee meetings. As much as I would like to see that unintended omission rectified I am apprehensive that it is being corrected 2 days before live television and radio coverage will begin on the final stages of the impeachment inquiry of the House Judiciary Committee.

House Resolution 1107 was filed in the Rules Committee in February 1974. It rested there without action until just a few days ago. I would assume that similar resolutions have been made over the past 4 years during which live television and radio had not been permitted at committee meetings although it has, of course, been permitted at committee hearings if a majority of a committee so decides.

It was conceded in the floor debate on House Resolution 1107 that the sponsors of this resolution understandably have sought to bring about action by the Rules Committee prior to the commence-

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ment of final action by the Judiciary Committee on Wednesday, July 24, 1974.

Mr. Speaker, my apprehensions over this bill center upon the following factors:

First, the forthcoming meetings of the Judiciary Committee to finalize its judgments on the impeachment inquiry are unique among all meetings of congressional committees. In the impeachment inquiry the 38 members of the Judiciary Committee are exercising more than a legislative function and a role which is at least quasijudicial. As a result the most serious consideration should be given to whether or not Canon 35 of the ethics of the American Bar Association should apply to this proceeding. Canon 35 bans live television and radio from the courtrooms of America. There is, to be sure, a very strong argument that Canon 35 should not apply in a situation where the Congress is conducting a public inquest and where all of the evidence has already been made public. At the same time the impeachment inquiry is of such awesome proportions and involves such solemn duties of the Congress that I cannot feel easy knowing that the particular meetings at which judgments will be reached concerning impeachment will be the very first meeting of any congressional committee that has been televised.

Second, although I am in favor of live radio and television coverage for virtually all meetings of congressional committees I do think that it is important—particularly in the impeachment inquiry—that some understanding be reached between the members of the committee and the electronic media concerning the extent and the scope of the coverage. In the ideal order the entire meeting would be televised but if this is not feasible every effort should be made to give to the public a balanced presentation. Obviously the electronic media would want to do this but it may well be that a process of trial and error would be necessary before the media and members of congressional committees could be clear in their own minds that a fair and impartial presentation of all of the issues involved in a complex inquiry were being presented to the public.

Third, it may be that the question of prejudicial pretrial publicity is moot once a committee permits the nonelectronic press into an open meeting of a committee. At the same time in a matter as sensitive and solemn as the impeachment inquiry every precaution must be taken so that all of the individuals whose names and deeds will be mentioned will not be deprived of the possibility of obtaining a fair and impartial tribunal. In vew of this fact I feel apprehensive about permitting live television and radio coverage of the impeachment inquiry before the House of Representatives has had any experience with other committee meetings being transmitted by radio and television.

I vote reluctantly against House Resolution 1107 because as a member of the Judiciary Committee I have voted consistently, with one exception, to open up all of the proceedings to the nonelectronic press. At the beginning of the impeachment inquiry I felt that the public and the press should be present during the several weeks of the presentation of the evidence. At the beginning of the live witnesses I felt that it would be inappropriate to open the proceedings at that time lest a distorted version of the entire proceedings be forthcoming.

Despite my vote with respect to House Resolution 1107 I rejoice in the fact that the House of Representatives has corrected a limitation in its own rules and that open and public meetings will now be the rule rather than the exception.

Mr. **SISK**. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The **SPEAKER**. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. **MARTIN** of Nebraska. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 346, nays 40, not voting 48, as follows:

[Roll No. 395]

YEAS—346

Abdnor
Abzug
Adams
Addabbo
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Delaney
Dellenback
Dellums
Denholm
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Green, Oreg.
Green, Pa.
Grover
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanna
Hanrahan
Hansen, Wash.
Harrington
Harsha
Hastings
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kyros
Lagomarsino
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lujan
McClory
McCollister
McCormack
McDade
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Scherle
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Wis.
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symms
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zwach

NAYS—40

Alexander
Anderson, Ill.
Arends
Blackburn
Bray
Camp
Collins, Tex.
Crane
Davis, Wis.
Dennis
Drinan
Flynt
Goodling
Hébert
Henderson
Hicks
Landgrebe
Lott
Mann
Martin, Nebr.
Passman
Poage
Quillen
Rarick
Ruth
Satterfield
Schneebeli
Shuster
Sikes
Snyder
Steed
Steiger, Ariz.
Taylor, Mo.
Taylor, N.C.
Waggonner
Whitten
Wiggins
Wilson, Charles, Tex.
Young, S.C.
Zion

NOT VOTING—48

Anderson, Calif.
Baker
Blatnik
Brasco
Carey, N.Y.
Chappell
Chisholm
Clay
Cochran
Collier
Cotter
Davis, Ga.
de la Garza
Dorn
Fisher
Fulton
Giaimo
Gray
Griffiths
Gross
Gubser
Gunter
Hanley
Hansen, Idaho
Hawkins
Holifield
Hutchinson
Jones, N.C.
Jones, Tenn.
Kuykendall
Landrum
Luken
McCloskey
McEwen
Mills
Montgomery
Nichols
Podell
Rooney, N.Y.
Rose
Rostenkowski
Roy
Sandman
Steele
Stephens
Symington
Talcott
Treen

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Rostenkowski with Mr. Baker.
Mr. Rooney of New York with Mr. Gray.
Mr. de la Garza with Mr. McEwen.
Mr. Holifield with Mr. Dorn.

Mr. Giaimo with Mr. Gunter.
Mr. Nichols with Mrs. Griffiths.
Mr. Symington with Mr. Cochran.
Mr. Luken with Mr. Mills.
Mr. Hawkins with Mr. Blatnik.
Mr. Hanley with Mr. McCloskey.
Mr. Chappell with Mr. Hutchinson.
Mr. Carey of New York with Mr. Fisher.
Mr. Cotter with Mr. Podell.
Mr. Fulton with Mr. Gross.
Mr. Rose with Mr. Sandman.
Mr. Stephens with Mr. Hansen of Idaho.
Mr. Anderson of California with Mr. Steele.
Mrs. Chisholm with Mr. Gubser.
Mr. Davis of Georgia with Mr. Talcott.
Mr. Clay with Mr. Brasco.
Mr. Jones of Tennessee with Mr. Treen.
Mr. Jones of North Carolina with Mr. Montgomery.
Mr. Roy with Mr. Kuykendall.
Mr. Landrum with Mr. Collier.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SISK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON AGRICULTURE

The SPEAKER laid before the House the following communication from the chairman of the Committee on Agriculture, which was read and, together with the accompanying papers, referred to the Committee on Appropriations:

> WASHINGTON, D.C.
> *July 17, 1974.*
>
> Hon. CARL ALBERT,
> *The Speaker, House of Representatives, Washington, D.C.*
>
> DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture on July 16, 1974 considered and unanimously approved the following works plans for watershed projects, which were referred to the Committee by Executive Communication 2455:
>
> Dividing Creek, Maryland.
> Perilla, Mountain, Arizona.
> South Fork, Nebraska.
> Troublesome Creek, Iowa.
>
> Attached are Committee resolutions with respect to these projects.
>
> With every good wish, I am,
> Sincerely,
> W. R. POAGE,
> *Chairman.*

MOTION TO FURTHER INSTRUCT CONFEREES ON H.R. 69, EXTENDING THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

PREFERENTIAL MOTION OFFERED BY MR. WAGGONNER

Mr. WAGGONNER. Mr. Speaker, under clause 1, rule XXVII, I offer a preferential motion.

The Clerk read as follows:

> Mr. WAGGONNER moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill H.R. 69, be instructed to insist upon the provisions of the House relating to limitations on the transportation of students embodied in title II of the House bill.

POINT OF ORDER

Mr. STEIGER of Wisconsin. Mr. Speaker, I make a point of order against the preferential motion.

The SPEAKER. The gentleman will state it.

Mr. STEIGER of Wisconsin. Mr. Speaker, I make a point of order against the preferential motion to instruct the conferees on the basis that on two previous occasions the House has already instructed conferees on H.R. 69 on identical language.

If I can be heard on the point of order, Mr. Speaker, I recognize that without the benefit of precedents other than those contained in Cannon's, it is difficult for the Members of the House to understand fully all of the precedents of the Rules of the House of Representatives, but let us review the history.

Prior to the appointment of conferees, the gentleman from Michigan offered a motion to instruct conferees on the so-called Esch amendment on school busing that was agreed to by the House. After 20 days had elapsed, the gentleman from Louisiana offered a subsequent motion to further instruct the conferees on exactly the same question, the busing of children under title II of the House bill. The gentlewoman from Hawaii offered a motion to instruct conferees, and I did not on a timely basis raise a point of order against her motion to instruct conferees at that point.

Let me go back to what Champ Clark said in volume 8, page 726 of Cannon's Precedents.

It says in the ruling at 3236, that:

> One motion to instruct having been considered and disposed of, a further motion to instruct was not admissible.

The Speaker at that time said:

> The motion to instruct is analagous to a motion to recommit, and there can be but one motion to recommit that is in order, and it is amendable; . . . there must be an end to all things sometime or other.

I make my point of order based on that appropriate ruling by Speaker Clark, on the basis that it is not wise nor timely for the House to instruct conferees time after time, whether on the same subject or on a different subject, and all things must come to an end.

I would hope that the Chair will support the point of order.

The SPEAKER. Does the gentleman from Louisiana desire to be heard on the point of order?

Mr. WAGGONNER. I do desire to be heard, Mr. Speaker.

Mr. Speaker, that which some people consider wise and that which the rules provide sometimes are somewhat different, and in this instance the rules are to the contrary. The rules and the precedents speak for themselves.

Speaker Byrns, on August 22, 1935, volume 79, 74th Congress, 1st session, was called to rule upon a similar point of order. A Member of the House who later became Speaker, Mr. Rayburn, of Texas, offered a privileged resolution. Mr. Huddleston made a point of order against that privileged resolution. He said:

> Mr. Speaker, I make the point of order that the resolution is not privileged.

He went further and he said:

> This motion, if privileged at all, is privileged under House Rule 1-A, the 20-day rule. It will be remembered some days ago, 20 days having elapsed after the appointment of conferees under the rule, this matter was brought up and a motion was made by the gentleman from Texas (Mr. Rayburn) to instruct conferees. That motion was rejected. Thereupon, another motion was made to instruct the conferees and the motion was agreed to.

Mr. Huddleston went on to say:

> The view which I present is that by that action the force of the 20-day rule was exhausted. The bolt was shot—its force and effect is spent—and no motion can be again made under that rule.

And then he went on and argued further the point.

Mr. Speaker, I think it is sufficient to quote the ruling of the Chair, Speaker Byrns, on that question, and the Chair stated it was ready to rule and the rule by the Speaker was:

> The gentleman from Texas (Mr. Rayburn) has submitted a motion to instruct the conferees on the so-called "utility bill", which motion has already been read from the Clerk's desk. The gentleman from Alabama (Mr. Huddleston) makes the point of order that the motion is not privileged under the rules of the House. The Chair again reads the rule upon which the gentleman from Texas has predicated his motion: . . .

The Chair then read the rule. The Chair went on to say:

> It will be noted that the rule itself does not undertake to place any limitations upon the number of motions that may be made. The Chair has heretofore stated that, in his opinion, this rule was adopted in the Seventy-second Congress with the sole object and purpose on the part of the House of retaining control over the conferees after they had been appointed to consider differences between the House and the Senate.
>
> Prior to that time, as we all know, after the appointment of the conferees, the House lost control. In fact, if the Chair may repeat, this rule was adopted to bring back to the House control over its own agents, or conferees, after giving them 20 days in which to come to some agreement with the representatives of the other body.

Mr. Speaker, rather than to read the rest of that opinion, let me say the Speaker concluded then by saying:

> The Chair, therefore, overrules the point of order and the gentleman from Texas is recognized.

Mr. Speaker, I ask that the point of order be overruled and that I be recognized.

The SPEAKER. The Chair is ready to rule. The general rule as stated on page 127 of Cannon's Procedures is:

> Conferees failing to report within 20 days after appointment may be instructed or discharged and motions to instruct or discharge and appoint successors are of the highest privilege.

Now, the Chair would like to note that the citation that the gentleman from Wisconsin gave from Speaker Champ Clark did not refer to privileged motions under clause 1(b), rule XXVIII, where conferees have failed to report in 20 calendar days.

The Chair has examined the precedents that the gentleman from Louisiana has cited and agrees that they support the proposition that a second or any number of motions to instruct are in order. The Chair therefore overrules the point of order and recognizes the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Speaker, on June 5, 47 days ago, the chairman of the House Committee on Education and Labor moved to go to conference on H.R. 69, the Education bill, that I move to instruct on now. You will recall at that time that the gentleman from Michigan (Mr. ESCH) offered a motion to instruct the House conferees to insist on the House position on forced busing. That motion carried by a vote of 270 to 103. Twenty-five days ago, on June 27, the conference report not having been filed, there still being disagreement on the busing amendment, I offered yet another motion to instruct the House conferees to insist on the House provisions of H.R. 69 with regard to busing. That motion to instruct carried by a vote of 281 to 128. I said then, Mr. Speaker, that this time there could be no compromise with regard to this language. The American people want no compromise.

I reaffirm now my very strong and sincere belief that there cannot now nor ever be any compromise in this instance on this issue, because the American people demand that there be no compromise. Good education demands it.

Mr. Speaker, we have debated this issue over and over. I think everybody understands it.

Mr. ESCH. Mr. Speaker, will the gentleman yield?

Mr. WAGGONNER. I yield briefly for purposes of debate.

Mr. ESCH. I appreciate the gentleman yielding. I want to reaffirm the fact that the Members of this House overwhelmingly reflected the views of the American people in support of the amendment. The amendment came within one vote of passage in the Senate. I believe the American people want this issue to be resolved once and for all and the conference committee can resolve it by accepting the House version, so I would urge support of the gentleman from Louisiana.

Mr. WAGGONNER. I thank the gentleman for his contribution. Make no mistake about it, this language can in no wise be compromised. The reopener must be retained, as well as the prohibition of the amendment being retained.

Having debated this thoroughly, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WAGGONNER. Mr. Speaker, I demand a recorded vote.

A recorded vote was refused.

Mr. WAGGONNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 261, nays 122, answered "present" 1, not voting 50, as follows:

[Roll No. 396]

YEAS—261

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Bafalis
Bauman
Beard
Bennett
Bevill
Biaggi
Biester
Blackburn
Boggs
Bowen
Bray
Breaux
Brinkley
Brooks
Broomfield
Brotzman
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Collins, Tex.
Conlan
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, S.C.
Davis, Wis.
Delaney
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Downing
Dulski
Duncan
du Pont
Edwards, Ala.
Eilberg
Esch
Eshleman
Evins, Tenn.
Fascell
Fisher
Flood
Flowers
Flynt
Ford
Fountain
Frey
Froehlich
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanrahan
Harsha
Hastings
Hays
Hébert
Heckler, Mass.
Heinz
Henderson
Hillis
Hinshaw
Hogan
Holt
Hosmer
Huber
Huduut
Hungate
Hunt
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Kazen
Kemp
Ketchum
King
Kluczynski
Lagomarsino
Landgrebe
Latta
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
McCollister
McDade
McKay
McSpadden
Mahon
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mazzoli
Michel
Milford
Miller
Minish
Minshall, Ohio
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Calif.
Morgan
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
O'Hara
Parris
Passman
Patman
Patten
Pepper
Pettis
Peyser
Pickle
Poage
Powell, Ohio
Preyer
Price, Tex.
Quillen
Randall
Rarick
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Roe
Rogers
Roncallo, N.Y.
Rooney, Pa.
Roush
Rousselot
Runnels
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shuster
Sikes
Skubitz
Slack
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Stubblefield
Stuckey
Sullivan
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Tiernan
Towell, Nev.
Traxler
Ullman
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—122

Abzug
Adams
Addabbo
Anderson, Ill.
Ashley
Aspin
Badillo
Barrett
Bell
Bergland
Bingham
Boland
Bolling
Brademas
Breckinridge
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burke, Calif.
Burton, John
Burton, Phillip
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Culver
Danielson
Dellenback
Dellums
Donohue
Drinan
Eckhardt
Edwards, Calif.
Erlenborn
Evans, Colo.
Findley
Fish
Foley
Fraser
Frelinghuysen
Frenzel
Green, Pa.
Hanna
Hansen, Wash.
Harrington
Hawkins
Hechler, W. Va.
Helstoski
Hicks
Holtzman
Horton
Howard
Johnson, Calif.
Jordan
Karth
Kastenmeier
Koch
Kyros
Leggett
Lehman
McClory
McCormack
McFall
McKinney
Madden
Madigan
Mallary
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Mink
Mitchell, Md.
Moorhead, Pa.
Mosher
Moss
Murphy, N.Y.
Nelsen
Nix
Obey
O'Brien
O'Neill
Perkins
Pike
Price, Ill.
Pritchard
Quie
Railsback
Rangel
Rees
Reid
Reuss
Riegle
Robison, N.Y.
Rodino
Rosenthal
Roybal
Ruppe
Schroeder
Seiberling
Shriver
Sisk
Smith, Iowa
Staggers
Stark
Steiger, Wis.
Stokes
Stratton
Studds
Thompson, N.J.
Udall
Van Deerlin
Vander Veen
Waldie
Whalen
Yates
Young, Ga.
Zwach

ANSWERED "PRESENT"—1

Forsythe

NOT VOTING—50

Anderson, Calif.
Baker
Blatnik
Brasco
Carey, N.Y.
Chappell
Chisholm
Clay
Cochran
Collier
Cotter
Davis, Ga.
de la Garza
Diggs
Dorn
Fulton
Giaimo
Gray
Griffiths
Gross
Gunter
Hanley
Hansen, Idaho
Holifield
Hutchinson
Jones, N.C.
Jones, Tenn.
Kuykendall
Landrum
Luken
McCloskey
McEwen
Macdonald
Mills
Montgomery
Nichols
Owens
Podell
Roncalio, Wyo.
Rooney, N.Y.
Rose
Rostenkowski
Roy
Steele
Stephens
Symington
Talcott
Thornton
Treen
Wilson, Charles H., Calif.

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Montgomery for, with Mr. Rostenkowski against.

Mr. Nichols for, with Mr. Holifield against.

Mr. Fulton for, with Mr Rooney of New York against.

Mr. Giaimo for, with Charles H. Wilson of California against.

Mr. Cochran for, with Mr. Symington against.

Mr. Treen for, with Mr. Roncalio of Wyoming against.

Mr. de la Garza for, with Mr. McEwen against.

Mr. Davis of Georgia for, with Mrs. Chisholm against.

Mr. Gunter for, with Mr. McCloskey against.

Mr. Roy for, with Mr. Clay against.

Mr. Baker for, with Mr. Brasco against.

Mr. Cotter for, with Mr. Diggs against.

Mr. Luken for, with Mr. Blatnik against.

Mr. Jones of Tenneessee for, with Mr. Owens against.

Mr. Hutchinson for, with Mr. Rose against.

Until further notice:

Mr. Anderson of California with Mr. Gray.

Mr. Carey of New York with Mr. Dorn.

Mr. Podell with Mr. Jones of North Carolina.

Mrs. Griffiths with Mr. Macdonald.

Mr. Chappell with Mr. Collier.
Mr. Hanley with Mr. Hansen of Idaho.
Mr. Kuykendall with Mr. Talcott.
Mr. Mills with Mr. Thornton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

Mr. UDALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11500) to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of the Interior to make grants to States to encourage the State regulation of surface mining, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Arizona.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11500, with Mr. SMITH of Iowa in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on Thursday, July 18, 1974, it had agreed that the further reading of title II ending on page 242, line 15, of the committee amendment in the nature of a substitute, be dispensed with, printed in the RECORD, and open to amendment at any point.

AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer my amendment No. 15, according to rule XXIII, clause 6, to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HOSMER to the committee amendment in the nature of a substitute: Page 145, line 21. Strike out "SEC. 201." and insert a "SEC. 201." to read as follows:

SEC. 201. (a) On and after ninety days from the date of enactment of this Act, no person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by a State regulatory authority unless such person has obtained a permit from such regulatory authority. All such permits shall contain terms requiring compliance with the interim surface coal mining and reclamation performance standards specified in subsection (c) of this section. The regulatory authority shall act upon all applications for such permit within thirty days from the receipt thereof.

(b) Within sixty days from the date of enactment of this Act, the State regulatory authority shall review and amend all existing permits in order to incorporate in them the interim surface coal mining and reclamation performance standards of subsection (c) of this section. On or before one hundred and twenty days from the date of issuance of such amended permit, all surface coal mining operations existing at the date of enactment of this Act on lands on which such operations are regulated by a State regulatory authority shall comply with the interim surface coal mining and reclamation performance standards in subsection (c) of this section with respect to lands from which the overburden has not been removed.

(c) Pending approval and implementation of a State program in accordance with section 203 of this Act, or preparation and implementation of a Federal program in accordance with section 204 of this Act, the following interim surface coal mining and reclamation performance standards shall be applicable to surface coal mining operations on lands on which such operations are regulated by a State regulatory authority, as specified in subsections (a) and (b) of this section:

(1) with respect to surface coal mining operations on steep slopes, no spoil, debris, or abandoned or discarded mine equipment may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that spoil from the cut necessary to obtain access to the coal seam may be placed on a limited or specified area of the downslope: *Provided*, That the spoil is shaped and graded in such a way so as to prevent slides, and minimize erosion, and water pollution, and is revegetated in accordance with paragraph (3) below: *Provided further, however*, That the regulatory authority may permit limited or temporary placement of spoil on a specified area of the downslope on steep slopes in conjunction with surface coal mining operations which will create a plateau with all highwalls eliminated, if such placement is consistent with the approved postmining land use of the mine site;

(2) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all high walls, spoil piles, and depressions eliminated, unless depressions are consistent with the approved postmining land use of the mine site;

(3) the provisions of paragraphs (1) and (2) of this subsection shall not apply to surface coal mining operations where the permittee demonstrates that the overburden, giving due consideration to volumetric expansion, is insufficient to restore the approximate original contour, in which case the permittee, at a minimum, shall backfill, grade, and compact (where advisable) in order to cover all acid-forming and other toxic materials, to achieve an angle of repose based upon soil and climate characteristics for the area of land to be affected, and to facilitate a land use consistent with that approved for the postmining land use of the mine site;

(4) the regulatory authority may grant exceptions to paragraphs (1) and (2) if the regulatory authority finds that one or more variations from the requirements set forth in paragraphs (1) and (2) will result in the land having an equal or better economic or public use and that such use is likely to be achieved within a reasonable time and is consistent with surrounding land uses and with local, State, and Federal law;

(5) with respect to all surface coal mining operations, permanently establish, on regraded and all other lands affected, a stable and self-regenerative vegetative cover, where cover existed prior to mining and which, where advisable, shall consist of native vegetation;

(6) with respect to all surface coal mining operations, remove the topsoil in a separate layer, replace it simultaneously on a backfill area or segregate it in a separate pile from the subsoil, and if the topsoil is not replaced in a time short enough to avoid deterioration of topsoil, maintain a successful cover by quick growing vegetation or by other means so that the topsoil is protected from wind and water erosion, contamination from any acid or toxic material, and is in a usable condition for sustaining vegetation when replaced during reclamation, except if the topsoil is not capable of sustaining vegetation, or if another material from the mining cycle can be shown to be more suitable for vegetation requirements, then the operator shall so remove, segregate, and protect that material which is best able to support vegetation, unless the permittee demonstrates that another method of soil conservation would be at least equally effective for revegetation purposes;

(7) with respect to surface disposal of coal mine wastes, coal processing wastes, or other wastes in areas other than the mine workings or excavations, stabilize all waste piles in designated areas, through compaction, layering with incombustible and impervious materials, and grading followed by vegetation of the finished surface to prevent, to the extent practicable, air and surface or ground water pollution, and to assure compatibility with natural surroundings in order that the site can and will be stabilized and revegetated according to the provisions of this Act;

(8) with respect to the use of impoundments for the disposal of coal processing wastes or other liquid or solid wastes, incorporate sound engineering practices for the design and construction of water retention facilities which will not endanger the health or safety of the public in the event of failure, that construction will be so designed to achieve necessary stability with an adequate margin of safety to protect against failure, that leachate will not pollute surface or ground water, and that no fines, slimes and other unsuitable coal processing wastes are used as the principal material in the construction of water impoundments, water retention facilities, dams, or settling ponds;

(9) prevent to the extent practicable adverse effects to the quantity and quality of water in surface and ground water systems both during and after surface coal mining and reclamation; and

(10) minimize offsite damages that may result from surface coal mining operations and institute immediate efforts to correct such conditions.

(d)(1) Upon petition by the permittee or the applicant for a permit, and after public notice and opportunity for comment by interested parties the regulatory authority may modify the application of the interim surface coal mining and reclamation performance standards set forth in paragraphs (1), (2), (3), and (4) of subsection (c) of this section, if the permittee demonstrates to the satisfaction of the regulatory authority that—

(A) he has not been able to obtain the equipment necessary to comply with such standards;

(B) the surface coal mining operations will be conducted so as to meet all other standards specified in subsection (c) of this section and will result in a stable surface configuration in accordance with a surface coal mining and reclamation plan approved by the regulatory authority; and

(C) such modification will not cause hazards to the health and safety of the public or significant imminent environmental harm to land, air, or water resources which cannot reasonably be considered reclaimable.

(2) Any such modification will be reviewed periodically by the regulatory authority and shall cease to be effective upon implementation of a State program pursuant to section 203 of this Act or a Federal program pursuant to section 204 of this Act.

(e) The Secretary shall issue regulations to be effective one hundred and eighty days from the date of enactment of this Act in accordance with the procedures of section 202, establishing an interim Federal surface coal mining evaluation and enforcement program. Such program shall remain in effect in each State in which there are surface coal mining operations regulated by a State regulatory authority until the State program has been approved and implemented pursuant to section 203 of this Act or until a Federal program has been prepared and implemented pursuant to section 204 of this Act. The interim Federal surface coal mining evaluation and enforcement program shall—

(1) include inspections of surface coal mining operations on a random basis (but at least one inspection for every site every three months), without advance notice to the mine operator, for the purpose of evaluating State administration of, and ascertaining compliance with, the interim surface coal mining and reclamation performance standards of subsection (c) above. The Secretary shall cause any necessary enforcement action to be implemented in accordance with section 220 with respect to violations identified at the inspections;

(2) provide that the State regulatory agency file with the Secretary copies of inspection reports made;

(3) provide that upon receipt of State inspection reports indicating that any surface coal mining operation has been found in violation of the standards of subsection (c) of this section, during not less than two consecutive State inspections or upon receipt by the Secretary of information which would give rise to reasonable belief that such standards are being violated by any surface coal mining operation, the Secretary shall order the immediate inspection of such operation by Federal inspectors and necessary enforcement actions, if any, to be implemented in accordance with the provisions of section 220. The inspector shall contact the informant prior to the inspection and shall allow the informant to accompany him on the inspection; and

(4) provide that moneys authorized pursuant to this Act shall be available to the Secretary prior to the approval of a State program pursuant to section 203 of this Act to reimburse the States for conducting those inspections in which the standards in subsection (c) above, are enforced and for the administration of this section.

Mr. HOSMER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Chairman, I asked for the previous unanimous consent request to expedite the time of the House.

Mr. Chairman, the difficulty under which we have functioned so far, both in the committee and in the House, and in the Committee of the Whole House on the State of the Union, in considering this bill, is to get the attention of enough people for a long enough time so that they can find out what this bill contains. Thus far, the votes have been cast almost absentee, or by Members wandering in after a bell has been rung, and taking their hint from some other Member as to how to vote.

I have informed the Members that this is a vital piece of legislation. The recession and the agony which this Nation is going through at the present moment is due to the interruption of this Nation's energy supply by the Arab oil boycott last winter. The kind of a bill that we have here, if it gets on the law books, will prove to be an energy interruption of an even greater magnitude in the nation's energy supply than last winter's boycott and an interruption of a permanent nature.

I have but a few months left of my service in the Congress. And this Nation is very cherished to me; it is the one with which I am going to live all of my life, and with which my children, and my children's children will live.

I want this Nation to continue as a viable, strong society. It cannot continue as such a society if there is not the energy to power it.

This section 201 that the environmentalists have put in the Mink-Udall bill has such strict requirements that governmental experts in the mining of coal by surface methods estimate that it is going to cause the loss of coal production; and the more inflexibly this section is interpreted, the greater the loss will be. That loss could amount to 187 million tons next year—next year—that is when this legislation purports to take effect.

The minute we pass this law, it would require that no person shall open a new or previously-mined surface mine site without a permit from the State regulatory agency. This requirement means that we could not begin surface mining tomorrow morning if this abomination becomes law today. The rub is that the State regulatory agencies under which one has to get a license before one can get a permit does not even exist, and it will be months before it does exist. There will be a long interim here where no new mines can be started.

That is because the gentleman from Arizona and the gentlewoman from Hawaii have pushed this legislation so hard on the side of the environmentalists that it just does not make sense any

I suppose there are now a little less more. It is all overweighted. There is no balance whatsoever between environmental needs and energy needs. Accordingly, mines will be shut down. That is in effect, the impact of this bill.
than 50 people on the floor who know what is in Section 201 of this bill. My proposed Section 201 by contrast enforces the same strict environmental ethic, but it does it in a manner whereby a permit becomes a possibility along with the commencement of a new mine. The terms of my amendment are reasonable. They do not go into effect today. They give some time for the State regulatory body to crank up so that they can issue permits. Pending that, it allows some operations to be carried forward.

That seems to me reasonable. I believe that if anybody considers ethical and managerial procedures in this country today where we compromise our conflicting values, he would accept this amendment. I doubt that reason will prevail; however, that is my hope.

Regarding Section 201, let me give the Members some examples of its present deficiencies. It goes on for page after page after page, after page, establishing nonsensical requirements such as inspections on each and every 3 months—whether they are needed or not—accordingly, we must create an inspection force that must conduct inspections every 3 months for the satisfaction of temporary standards. Similarly, the legislation establishes a whole new Federal bureaucracy in the form of the Office of Surface Mining Reclamation Enforcement. Accordingly, I ask that the amendment be agreed to.

AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mrs. MINK. Mr. Chairman, I offer an amendment as a substitute for the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: Page 145, line 21, strike the entire section 201 and insert the following new section 201:

TITLE II—CONTROL OF ENVIRONMENTAL IMPACTS OF SURFACE COAL MINING

INITIAL REGULATORY PROCEDURE

Sec. 201. (a) No person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by the State unless such person has obtained a permit from the State regulatory authority.

(b) On and after the date of enactment of this Act, all new surface coal mining operations shall comply, and all new permits issued for surface coal mining operations shall contain terms requiring compliance with the following environmental protection standards:

(1) With respect to coal surface mining on steep slopes, no spoil, debris, soil, waste materials, or abandoned or disabled mine equipment may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that spoil from the initial block or short linear cut necessary to obtain access to the coal seam may be placed on a limited or specified area of the downslope: *Provided*, That the spoil is shaped and graded in such a way as to prevent slides, erosion, and water pollution, and is revegetated in accordance with subsection (3) below: *Provided further, however*, That (A) the regulatory authority may permit limited or temporary placement of spoil on a specified area of the downslope on steep slopes in conjunction with mountaintop mining operations which will eliminate all high walls if such placement is consistent with the approved postmining land use of the mine site and (B) the provisions of this subsection (b)(1) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area.

(2)(A) With respect to all surface coal mining operations, the operator shall backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles, and depressions eliminated (unless depressions are needed in order to retain moisture in order to assist revegetation or as otherwise authorized under paragraph (2)(D) of this subsection).

(B) Provided, that in surface coal mining which is carried out at the same location over a substantial period of time, where the operation transects the coal deposit and the thickness of the coal deposit relative to the volume of the overburden is large and where the operator demonstrates that the overburden, giving due consideration to volumetric expansion, at a particular point on the mining site is insufficient or unavailable from other portions of the site to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) in order to cover all acid-forming and other toxic materials, to achieve not more than the angle of repose to provide adequate drainage and to facilitate an ecologically sound land use compatible with the surrounding region but not necessarily meeting the revegetation requirements of subsection (3): *And provided further*, That in surface coal mining other than as described in the first proviso of this subparagraph (B), and other than operations covered by subsection (b) (1) of this section, where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion, the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate original contour, backfill, grade and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding regions and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion and water pollution and is revegetated in accordance with subsection (b) (3) of this section;

(3) With respect to all surface coal mining operations, establish on regraded and all other lands affected, a diverse vegetative cover capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation: *Provided*, That introduced species may be used in the revegetation process where desirable and necessary to achieve the approved post-mining land use plan.

(4) With respect to all surface coal mining operations, remove the topsoil in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil, and when the topsoil is not replaced in a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or by other means so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid or toxic material from other strata or drainage, and is in a usable condition for sustaining vegetation when replaced during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, preserve, and replace in a like manner such other strata which is best able to support vegetation: *Provided*, That if the appropriate State agricultural agency approves, it shall not be necessary to separate the topsoil and other strata of subsoil if it can be shown that a mix of such topsoil and subsoil and soil nutrient would be equally suitable for vegetation requirements and meet the requirements of sound reclamation practices. In such instances, the operator shall remove, segregate, and replace the mix of topsoil and such other strata in a manner prescribed by the appropriate State agricultural agency.

(5) (A) With respect to surface disposal of coal mine wastes, coal processing wastes or other wastes in areas other than the mine workings or excavations, stabilize all waste piles in designated areas through construction and compacted layers with incombustible and impervious materials assuring the leachate will not pollute surface or ground waters and the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to provisions of this Act; and

(B) With respect to the use of impoundments for the disposal of coal mine wastes, or coal processing wastes or other liquid or solid wastes, incorporate that latest engineering practices for the design and construction of water retention facilities and construct such facilities to insure that the construction will be so designed to achieve necessary stability with an adequate margin of safety to protect the health and safety of the public and which, at a minimum, is compatible with that of structures constructed under Public Law 83-566 (16 U.S.C. 1006); that leachate will not pollute surface or ground water, and that no mine waste such as coal fines and slimes determined as unsuitable for construction constituents by sound engineering methods and design practices are used in the construction of water impoundments, water retention facilities, dams or settling ponds.

(6) Minimize the disturbances to the hydrologic balance at the minesite and associate offsite areas and to the quantity and quality of water entering surface and ground water systems both during and after surface mining and reclamation giving particular attention throughout the mining operation to the aquifer recharge capacity of the mining area and to the protection of alluvial valley floors and stream channels.

(7) Upon petition by the permittee or other applicant for a permit and after public notice and opportunity for hearing, the regulatory authority may grant one or more exceptions to the environmental protection standards set forth in the first clause before the first proviso in paragraph (1) and the provisions of paragraph (2) of this subsection, if the regulatory authority issues a written finding that one or more such standards cannot reasonably be met and that the permittee has shown by proper documentation that each specific item of equipment which is named in the petition as being essential to the performance of the standard in question, cannot be delivered by the manufacturer or supplier prior to the date on which the operation is required under this Act to be in compliance with said standards, and no other equipment owned by or readily available to the permittee or applicant is suitable for the performance of such standards.

The basis for any such exception shall be reviewed at least once every three months by the regulatory authority. If pursuant to such review, the regulatory authority finds that the permittee does not show, by proper current documentation, that the specific items of equipment named in the petition still cannot be delivered to the operator by the manufacturer then the exception shall be canceled.

At any time if the permittee is found to be in noncompliance with any other provision of this Act or if a State program pursuant to section 203 of this Act or a Federal program pursuant to section 204 of this Act is implemented, then any such exception shall cease to be effective immediately.

(c) On and after one hundred and eighty days from the date of enactment of this Act, all surface coal mining operations existing at the date of enactment shall comply within the standards in subsection (b) above with respect to lands from which the overburden has not been removed. Within one hundred and twenty days following enactment of this Act, the regulatory authority shall review and amend permits in order to incorporate in them the standards of subsection (b) above.

(d) Upon petition by the applicant or permittee and after public notice and opportunity for a hearing, the regulatory authority may grant exceptions to provisions in the first clause before the first proviso in subsection (b) (1) and to the provisions of subsection (b) (2) of this section if the regulatory authority issues a written finding that one or more variations from these provisions will enable the affected land to have an equal or higher postmining economic or public use and such use will be achieved within a reasonable time, is consistent with surrounding land uses and with local, State, and Federal law and can be obtained only if one or more exceptions to the above provisions are granted.

(e) Not later than eighteen months from the date of enactment of this Act, all operators of surface coal mines in exception of operating such mines after the date of approval of a State program, pursuant to section 203 of this Act, shall file an application for a permit with the regulatory authority, such application to cover those lands to be mined after the date of approval of the State program. The regulatory authority shall process these applications and grant or deny a permit within six months from the date of approval of the State program, but in no case later than thirty-six months from the date of enactment of this Act. The application filed pursuant to this provision and the permit thereby obtained shall be in full compliance with this Act.

(f) No later than one hundred and eighty days from the date of enactment of this Act, and after issuing regulations in accordance with the procedures of section 202, the Secretary shall implement a Federal enforcement program which shall remain in effect in each State in which there is surface coal mining until the State program has been accepted pursuant to section 203 of this Act or until a Federal program has been implemented pursuant to section 204 of this Act. The enforcement program shall:

(1) include inspections of surface coal mine sites which shall be made on a random basis (but at least one inspection for every site every three months), without advance notice to the mine operator and for the purpose of ascertaining compliance with the standards of subsection (b) above. The Secretary shall order any necessary enforcement action to be implemented pursuant to the Federal enforcement provisions of this title to correct violations identified at the inspections;

(2) provide that upon receipt of inspection reports indicating that any coal surface mining operation has been found in violation of subsection (b) above, during not less than two consecutive State inspections or upon receipt by the Secretary of information which would give rise to reasonable belief that such standards are being violated by any surface coal mining operation, the Secretary shall order the immediate inspection of such operation by Federal inspectors and the necessary enforcement actions, if any, to be implemented pursuant to the Federal enforcement provisions of this title. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection;

(3) for purposes of this section, the term "Federal inspector" means personnel of the Office of Surface Mining Reclamation and Enforcement and such additional personnel of the United States Geological Survey, Bureau of Land Management, or of the Mining Enforcement and Safety Administration so designated by the Secretary, or such other personnel of the Forest Service, Soil Conservation Service, or the Agricultural Stabilization and Conservation Service as arranged by appropriate agreement with the Secretary on a reimbursable or other basis;

(4) provide that the State regulatory agency file with the Secretary and with a designated Federal office centrally located

in the county or area in which the inspected surface coal mine is located copies of inspection reports made;

(5) provide that moneys authorized by section 701 (a) shall be available to the Secretary prior to the approval of a State program pursuant to section 203 of this Act to reimburse the States for conducting those inspections in which the standards in subsection (b) above, are enforced and for the administration of this section.

(g) A coal surface mine operator operating pursuant to a valid permit and awaiting administrative action on his application for a permit from the appropriate regulatory authority may during the period prior to approval or disapproval of a State program pursuant to section 203 of this Act and for six months thereafter continue to operate his surface mine beyond the date of expiration of his permit subject to the terms and conditions of his permit or application in the event the appropriate regulatory authority has not acted on his application by the time his permit expires.

(h) During the period prior to approval of a Federal or Indian program pursuant to this Act, including judicial review of the approval of a Federal or Indian program, new or existing coal surface mining operations on Federal land and Indian land may commence or continue mining operations: *Provided*, That such operations shall be subject to and bound by the provisions of section 201(b) hereof. The enforcement procedures of section 220 shall apply to such coal surface mining operations and the Secretary shall order the random inspections of such operations in the same manner provided by section 201(f) hereof. For purposes of this section existing coal surface mining operations means those in existence on the date of enactment of this Act and those for which substantial legal and financial commitments were in existence prior to September 1, 1973.

Mr. HOSMER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered by the gentlewoman from Hawaii be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

POINT OF ORDER

Mr. HOSMER. Mr. Chairman, I make a point of order against the amendment, in that this is nothing more than a retread of the language that is already in the section 201 of 11500. This has only eight small changes in the total text, each of which could be handled by an amendment, and no doubt even those amendments could be offered en bloc.

Yet we have here a subterfuge in order to blank out my original amendment through offering this as a substitute. Then there will be an up or down swoop on it from that standpoint.

Further than that, it would then preclude the offering of any further amendments on the language.

So, in essence, Mr. Chairman, this is a closure motion to take this with these minor amendments, and to take it or else. If this passes, there will be no further amendments in order to section 201 except those specific amendments selected by the gentlewoman to put into this substitute. Therefore I say it is not a substitute, it is out of order, it is a subterfuge to foreclose debate in a proper way on section 201 and to offer amendments thereto which I am certain possibly the gentleman from West Virginia may have, which I may have, and which other Members may have.

To attempt to do by indirection that which cannot be done directly, Mr. Chairman, violates the letter and the spirit of the rules of this House.

It is the rules of this House that protect the rights of the minority, that are the rules under which over long centuries of parliamentary history of our country and in the United Kingdom have been fought for, so that man can truly participate in the democratic decisions of his destiny. That is how deep and that is how fundamental the ruling of the Chair on this point of order will be.

The CHAIRMAN. Does the gentlewoman from Hawaii desire to be heard on the point of order?

Mrs. MINK. Simply to say, Mr. Chairman, this substitute is perfectly in order.

We have made changes to section 201, and unlike the comments that have been made in support of the point of order, further amendments would be possible on this substitute, as I understand it; so it is not the intention of the author or of this substitute to foreclose debate, but in an orderly way to consider all those that pertain to section 201 at this point in the debate, so that, for instance, title II is open for debate at any point. The use of a substitute will enable us to look at this one section and dispose of it.

So I ask the Chair to decline to support the point of order of the gentleman.

PARLIAMENTARY INQUIRY

Mr. HECHLER of West Virginia. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. HECHLER of West Virginia. If the substitute is adopted, offered by the gentlewoman from Hawaii, would it be out of order to have amendments to that section? I would like to make that parliamentary inquiry prior to the ruling of the Chair.

The CHAIRMAN. Once the substitute is adopted, then a vote would be on the Hosmer amendment as amended by the substitute. Prior to the vote on the substitute, however, there could be amendments to the substitute.

Mr. HECHLER of West Virginia. It is completely open to further amendments, if I understand the ruling?

The CHAIRMAN. The substitute is open to germane amendments.

PARLIAMENTARY INQUIRY

Mr. HOSMER. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. HOSMER. If that is the case, how would one key in the amendments to the substitute, inasmuch as the substitute is basically a Xerox copy of section 201, with its original line numbers on some pages starting at line 18 and ending on line 13 and at other pages going to other delineations?

The CHAIRMAN. The Chair will state that the amendments must be drafted as an amendment to the substitute, rather than to a section of the committee amendment.

Mr. HOSMER. For example, if I may pursue my parliamentary inquiry, I have a substitute in my hand. It has got some numbers on it. I would want to offer a new section 201(a) as an amendment to the substitute. How should I fashion that amendment?

The CHAIRMAN. The Chair cannot anticipate every amendment; but the gentleman could draft the amendment to the proper page and line of the substitute.

PARLIAMENTARY INQUIRY

Mr. HECHLER of West Virginia. A further parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. HECHLER of West Virginia. What about those Members who have had their amendments printed in the Record; would they then be entitled to transfer the 5 minutes to which they are eligible under the rules to amendments to the substitute?

The CHAIRMAN. Debate on such amendments, assuming a limitation of time, would only be in order if the amendments were properly offered in the precise form in which they had been printed in the Record, and if the amendments had not been printed in the Record as amendments to the substitute, then debate would not be permitted.

Mr. HECHLER of West Virginia. The answer would be no Member who has taken the trouble to put his amendments into the Record to entitle him to 5 minutes would have the opportunity now if the substitute of the gentlewoman from Hawaii is adopted to protect his rights; is that the ruling of the Chair?

The CHAIRMAN. There is no time limitation at the present time, and amendments can be offered to the substitute while the substitute is pending.

The Chair is prepared to rule on the point of order. The Chair has examined the substitute, and no point of germaneness has been raised.

As long as it is germane, the gentlewoman from Hawaii is entitled to offer her amendment as a substitute if she desires to do so.

The Chair overrules the point of order.

Mrs. MINK. The purpose of my substitute amendment is to consolidate into as complete a section as possible the various suggested amendments that have been noted which we feel that we could accept.

The gentleman from California (Mr. Hosmer) has noticed the House with some 20 individual amendments to section 201, in addition to the complete rewrite which is pending before the committee. I think all of us are aware of the fact that there are some 200 such amendments that have been noticed in the Record.

It is not the intention of myself, as chairman of the subcommittee, to foreclose debate or the offering of any amendments with regard to any of the sections, but it seems to me we ought to conduct an orderly debate in view of the fact the title is open to amendment at any point, that through the use of a proposal such as mine, which is a substitute, we could at least address ourselves to this one section and then dispose of this section and then move on to some of the other areas.

In view of the amendments that have been noticed in the Record by the gentleman from California (Mr. Hosmer) I would like to say that in studying them we made certain changes to his proposal, but in some we took them exactly as they were proposed in the Record.

I would like to review those amendments which were incorporated in the bill as recorded.

In the first instance, there was a recommendation submitted to the chairman of the subcommittee by the gentleman from Michigan (Mr. Ruppe) with regard to the necessity to redefine and make more explicit the concept of mountaintop mining. In reviewing the language of the bill it seemed to me implicit that this would be permitted. However, because clarifying language was requested, we made that clarification. The language appears as follows:

> Provided, however, that a regulatory authority would permit the removal of or temporary placement of spoil in specified areas of the downslopes or steep slopes in conjunction with mountaintop mining operations, which will eliminate all highwalls.

That does not change the substance of the bill but I think it clarifies a couple of the nagging questions that have been proposed to the committee as this bill was being debated.

Another suuggestion was made by the gentleman from Texas (Mr. White), who said in subparagraph 2(a) of this section that we did not enumerate the subject of the sentence. So that we rewrote that to insert the words "the operators shall backfill," et cetera.

In subparagraph (b), where we are talking about the coal being mined in a vertical situation, there was some confusion. The gentleman from California suggested that that entire phrase be deleted. Instead of deleting it, we rewrote it to say, "Where the operation transsects the coal deposit and the thickness of the coal deposit relative to the overburden is too large," and then go on to discuss the exemption which was spelled out in the bill with regard to this kind of unique mining situation which does occur in the far west.

We also incorporated another change with regard to the angle of repose, where we are talking about an open pit mining situation. We said, "Obviously you cannot fill a large pit if you do not have the overburden."

We said with regard to what we must do with the interior of the pit, that we must achieve not more than the angle of repose, and we rewrote that language to make sure it says exactly that: "To achieve not more than the angle of repose." We added Mr. Hosmer's amendment No. 24, the words "To provide adequate drainage and to facilitate . . .".

We also incorporated Mr. Hosmer's amendment number 26 with regard to removal of the topsoil. We noted that our intention was that one could use the topsoil and immediately place it upon an area for reclamation purposes, and that under those conditions there was no necessity to segregate it and then move the soil a third time. In some operations it simply could be moved off the top and taken to an area for reclamation purposes. In order to clarify that, we changed the language.

I urge the House to accept the substitute as offered.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Hosmer to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: Page 145, line 21. Delete subsection (a) of the substitute and that portion of subsection (b) up to and including the colon on page 21, line 5, and insert in lieu thereof the following:
>
> "(a) On and after ninety days from the date of enactment of this Act, no person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by a State regulatory authority unless such person has obtained a permit from such regulatory authority. All such permits shall contain terms requiring compliance with the interim mining and reclamation performance standards specified in subsection (b) of this section."

Mr. HOSMER. Mr. Chairman, I make absolutely no apology for the confusion respecting these amendments. The gentlewoman from Hawaii only shoved the substitute in front of my face as she got up to offer it. As a consequence, the numerous amendments that will now be required to the substitute have to be ad hoc here, and I would think that we might have been entitled to a little more courtesy.

However, the purpose of my amendment to this hastily offered substitute is twofold: first, to provide a more workable graduation from the enactment to the initial regulatory procedures; and second, to make clear that during the initial regulatory procedures the Federal Government will not be issuing permits where the State fails to act.

As reported or as I understood the reading of the gentlewoman's amendment, it would not reduce the requirement that new operations comply with six critical performance standards on and after date of enactment of her substitute. Existing operations would be required to comply within 120 days from enactment. These time frames are much too short and could result in unnecessary loss of needed coal.

The amendment to the amendment that I have offered relaxes those arbitrary, rigid, unnecessary, and energy-defeating amendments. Compliance with the deadlines insisted upon in the gentlewoman's substitute by the coal industry would be almost impossible. Until State requirements and permits are issued, industry will be unable to determine the application of interim performance standards.

Even assuming that permits could be issued in such a short period, it is questionable as to whether the State regulatory authority could adequately review the permit application within these time frames in order to insure proper compliance with the standards.

Mr. Chairman, this Nation has been in operation for more than 178 years. What is so important about "goosing" this thing up an extra 6 months or 2 months to get it into operation in relation to that length of time?

Well, I will tell the Members what is important about it. The importance is that these amendments relating to these times are not put in here to facilitate regulations; they are put in here to stop coal mining from the surface of the ground. That is why they are put in here. It is an outrage, and it is a subterfuge. It is something, as I have indicated before, that unnecessarily and needlessly hampers the production and the development of an energy source for this country.

The amendment which I offered as a substitute here gives us a few days, not a few hours, but a few days to get the regulatory process into operation.

But, it will not be accepted. The reason for its nonacceptance is that my amendment will accomplish the purpose; it will make it possible; not impossible, for the mining of coal.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I think there is a real problem with the amendment, in terms of the views of the different members of the subcommittee.

The amendment offered by the gentleman in the well would suggest that new mines have 90 days to comply and get the initial permit under preact standards, but they would also have to get a second permit, under the initial or interim phase, in 180 days. So they are going to have to get two permits in 180 days.

Mr. HOSMER. Mr. Chairman, they will either get a permit or they will get no permit. That is the way it reads.

I decline to yield further. It is just because of that kind of reasoning, in order to get out of an awkward situation, that I have offered this amendment. I have not had much time to perfect an amendment, but, believe me, at least one can get a permit under my amendment. There is an opportunity to do it, as distinguished from the language in the amendment offered by the gentlewoman.

Mr. HALEY. Mr. Chairman, I move to strike the requisite number of words.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. HALEY. I yield to the gentlewoman from Hawaii.

Mrs. MINK. Mr. Chairman, I thank the chairman of the full committee for yielding to me.

The amendment which has been offered to my substitute would in effect delay the effective date of the provision which we have in our bill with respect to the opening of new mines or the remaining of previously mined areas.

The section in our bill stipulates that no person is to open any new or previously mined area without first obtaining a permit from the State regulatory authority. Later on we provide exactly what is to be included in the permit application and what the application criteria shall be.

I believe our provision in the bill, subsection (a) of section 201, is fair. It sets the scene for the interim regulation of this bill.

Mr. Chairman, I hope that this amendment to my substitute will be voted down.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I support the position taken by the gentlewoman from Hawaii.

This adds a new provision—a 90-day, come-and-get-it, open-new-mines and go-in-and-do-what-you-want-to-do provision.

We felt there ought to be a cutoff date provided for opening new mines. This will not stop existing operations; this will not stop mines which are already producing coal. It simply says that at some point, after the passage or enactment of the bill, we are going to have to have a new system where we provide temporary interim standards.

It is the tough permanent standards which the gentleman from California ought to be worried about.

Mr. Chairman, I strongly support the argument presented by the gentlewoman from Hawaii and ask that the substitute offered by the gentleman from California be defeated.

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from California, but mainly I want to say to the gentleman—and I hope he will pay a little bit of attention—that he has been making a lot of speeches around here for several days about nobody knows what is in this bill—and I suspect his inference is except him.

I do not know whether the gentleman from California has a strip mine in his district or not, but my judgment is that the gentleman probably does not have one. I do. I have lived with strip mining all of my life, and there is not an acre in my district that is not subject to it in one vein of coal or another.

I know where the gentleman's amendments were written, and so does everybody else, because he is not an expert on coal mining or strip mining, either. I happen to know that the persons who sponsored the original Hosmer substitute have pleaded with the gentleman from California not to offer all of these 155 amendments. I would respectfully submit to the gentleman from California that if he did not offer them we could probably get some clarifying amendments passed that the industry needs to survive. But if the gentleman from California persists in this course he is doing a disservice to the coal industry, whether it be deep mining or whether it be surface mining, or whatever it be.

I just suggest to the gentleman that he ought to listen to a little bit of reason instead of offering 155 amendments—and perhaps this bill does need a dozen amendments or so. I do not profess to know how many it ought to have. I have three amendments to offer to the bill that I think will improve the bill.

A couple of amendments that I hope to be able to get to offer some time have to do with taking out the sections that apply to deep coal mining because the deep coal mines are already regulated by another Federal body, and I do not think they ought to be regulated by the surface mining legislation.

Then I have an amendment that will protect the fullest extend possible these people, if any, who are forced out of business by giving them the first shot at the reclamation of the lands, and those miners who lose their jobs the first shot at the jobs.

I received a letter this morning from the so-called Ohio Reclamation Association, saying that the statement I made last week about coal mines proliferating was not true. They said there are 200 or 300 fewer people employed in strip mining in Ohio than there were before the State law went into effect. But what they do not tell you is that they are using bulldozers three times as big as they were before, and they are using drag lines three times as large as they used before, and they are using buckets that are three or four times as large as they were before, and that one man can now do what three men or four men or whatever did before.

I will be glad to have them show me where there are fewer acres under active strip mining than there were before, because that is not true. They are selling No. 11 vein coal in Ohio, which we always used to think was black dirt.

I will tell you one thing that the Btu's in it are so low that if you were to throw a coal scuttle full of it on an open fire it would put the fire out. Some of it is such a poor grade of coal that they have to inject fuel oil into it to make it burn. But they are getting $17 a ton for it, and it is 10 or 15 feet below the surface, and all they have to do is to get a bulldozer and a high lift, and they are in the strip mining business.

So I am not against regulation within reason.

I would suggest to the gentleman that some of the Members around here are getting sick and tired of listening to all of the debate on these amendments, and want to get into a debate on the amendments which will really help the industry.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, do I understand, then, that the gentleman from Ohio's point is that there are some important improvements that can be made to this bill because it is basically defective in several areas?

Mr. HAYS. Let me put it to the gentleman this way: There are some areas in it I would like to see changed. I do not know how defective they are, but I think there can be some improvements.

Mr. ROUSSELOT. That is my point.

Mr. HAYS. I will say to the gentleman from California that I have been here for 26 years, and I do not know if there has ever been a bill which passed the House where somebody could not have improved on it.

Mr. ROUSSELOT. The gentleman from Ohio also knows the problem with this bill is that it might do damage to the coal industry, and that is why the gentleman has some additional amendments.

Let me ask the gentleman from Ohio this: In how many areas does this bill do damage to the coal industry?

Mr. HAYS. Speaking generally, if I had a vote, and I would have to vote between the Hosmer substitute and this bill, I would vote for this bill. But I think there are a few areas where there can be some improvement made. I have discussed this with the authors of the bill, and they agree with me that there are a few areas that we can improve. But I do not think that 155 amendments is a reasonable number. And I think the gentleman from California (Mr. ROUSSELOT) would agree with that.

(At the request of Mr. DENT, and by unanimous consent, Mr. HAYS was allowed to proceed for 1 additional minute.)

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Pennsylvania.

Mr. DENT. I thank the gentleman for yielding.

I just wanted to state that what the gentleman said is absolutely true. As the gentleman well knows, our State has probably the best mining law in the country on strip mining. However, we have to have some amendments added to this bill so that it does not destroy the kind of legislation we have had for 20 years. But if this keeps up, and they observe the rule of going only to committee members, what are the rest of us going to do—sit here for 2 more days and then have somebody close the time for debate so that we cannot even have it explained?

Mr. HAYS. The gentleman is exactly right. That is exactly what will happen. I have seen it time and time again. That is what happened to the so-called election reform bill 2 years ago. Everybody got sick of it; they closed debate on it Thursday; and we were stuck with a bill that when the Members found out what was in the bill, none of them liked it.

What we need are fewer amendments from the gentleman from California (Mr. HOSMER) and more from somebody who knows something about coal mining.

Mr. RONCALIO of Wyoming. Mr. Chairman, in the interest of moving on, I yield to the gentleman from California (Mr. HOSMER).

Mr. HOSMER. I thank the gentleman for yielding.

That is all fine and good. I anticipated that there would be a lot of heat and pressure on me for trying to insist that the committee do its job. I tried to insist that the committee do its job back when we were in the Interior Committee, and I was shut off.

There are two ways to write a bill. We can clean up a bill before we ever bring it to the floor, or we can bring a monstrosity in here, so poorly written that 5 or 10 amendments is insufficient to correct its erroneous provisions and where 10 times that many are required in order to bring the legislation into line.

I appreciate the advice of the gentleman from Ohio and the advice of the gentleman from Pennsylvania, and I respect their judgment. I believe that they are entitled to their opinion, but I believe that, Mr. Chairman, even though I have never dug any coal—which I frankly admitted last week during our preliminary debate—I do know something about this legislation. I have spent a lot of time on it. My own time I might add. I have not been listening to people in the industry. As a matter of fact, I have been arguing with people in the industry. I have been arguing with people elsewhere. I do not have any coal in my district. But I do have an interest in seeing that on a matter so important as this, one which is going to affect every single person in the United States, one which could bring on a depression, and one which would give us permanent misery—is aired. Therefore, I am entitled to insist that this House take the time that is necessary to consider this legislation.

I would remind the gentleman from Pennsylvania that the effectiveness of the Congress of the United States as an institution in the eyes of the general public is very low. Only 20 to 25 percent feel that Congress is doing a good job. Seventy-five to 80 percent feel that it is not doing a good job. Why is Congress not doing a good job? Because somebody fails to stand and make this House do its work instead of evading the issue.

Mr. RONCALIO of Wyoming. I thank the gentleman from California for his remarks.

Mr. Chairman, I now yield to the gentleman from Arizona (Mr. Steiger).

Mr. STEIGER of Arizona. I thank the gentleman for yielding.

I think the gentleman from Wyoming has provided a valuable service by allowing us this time.

The gentleman from Ohio (Mr. Hays) has voiced what is the very popular conception that Hosmer stands for industry and Udall stands for the environmental extreme. I think that both characterizations are very unfair. I should just like to remind my colleagues—and I know that everybody here is aware of this because they are the ones that have been paying attention to the bill—this is a very specific and a very technical bill, and to dismiss any amendment or any section, indeed, the whole bill, as a result of some image that is portrayed is very unfair, unfair to both the authors of the bill and the authors of the amendments.

So I would hope that we could consider each amendment on its merits and proceed on that basis.

Mr. Chairman, I thank the gentleman.

Mr. RONCALIO of Wyoming. Mr. Chairman, I would like to state that in the best interest of good legislation and I respectfully request my friend, the gentleman from California (Mr. Hosmer) who I believe an eminent authority on nuclear power to yield on a few of his 120 or so amendments, to the gentlemen from Ohio (Mr. Hays) and from Pennsylvania (Mr. Dent) who have a great deal of interest in this bill.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO of Wyoming. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, I thank the gentleman for yielding.

I would like to say I was interested in hearing the gentleman describe how the reclamation had taken place on some land adjoining his. I have some coal mining in my area. We have strip mining and underground mining. My father was a coal miner. So I think I am familiar with coal mining.

I am very much concerned with this bill. While I agree with what my friend, the distinguished gentleman and colleague from Ohio, said about reclamation, I would like to point out that we have reclamation in my area also. We have trees growing on the land which was leveled out and they have grown to timber size in 8 or 9 years. We are all in favor of reclamation. I have not heard anyone on this floor who is not in favor of reclamation, but I would like to point out that while we are all for reclamation and there is no question about that, we disagree on how it should be done.

I am very much concerned. I have 45 or 47 surface mines which are going to close if this measure passes in its present form.

So I congratulate the gentleman from California on his 150 amendments, because frankly I think it is going to take 150 amendments to get this bill to where we can save our land and also produce the coal which this country needs so badly.

Mr. RUPPE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to say I have listened carefully to what the gentleman from Arizona (Mr. Steiger) and my colleagues have said. The Hosmer bill is a really well-thought-out vehicle. In a number of cases I will support amendments my colleague will offer because they are wise amendments and have been thoughtfully prepared by him.

I think, getting back to this particular amendment, there would be some difficulty in it for this reason. The amendment would suggest that a new mineowner would not have to secure a permit in compliance with interim standards for 90 days. The difficulty is this. The company then would have 90 days within which to secure a State permit presumably under existing State law. However, within 120 days from the date of enactment that same company would have to secure a permit covering interim standards of this particular piece of legislation. So the company would get one permit to open a new mine for 90 days, but it would be required to get an amended permit under the interim standards of this legislation in another 30 days, or a total of 120 days.

I think that would be a very unwieldly procedure for any new mine to have to undertake. Although recognizing that this is a well-thought-out amendment, I think it would cause great difficulty in a company opening a new mine, more difficulty than the wording in the pending legislation.

Mr. HECHLER of West Virginia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is very difficult to ascertain the parliamentary situation on the amendment offered by the gentleman from California and the Mink substitute. In attempting to figure out the complexities of the parliamentary situation, it is very difficult to analyze the substance of these amendments, to try to mobilize any support for or against the amendments or figure out what is going on. I think we are throwing ourselves into a tailspin here in terms of moving ahead on this bill. I regret very, very much that each of us here voting on these amendments or the substitute has not had an opportunity to analyze them.

Furthermore, I am very disturbed that the rights of individual Members are left unprotected even though, under the rules, they have had their amendments printed in the Record. The purpose of the rule which enabled Members to print amendments in the Record was to insure that all Members have 5 minutes in which to explain their amendment. Yet if the Mink substitute is adopted and there is a time limitation on debate, then under the interpretation of the rules, you would cut off debate on all those noncommittee members who had amendments printed in the Record.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment offered as a substitute by the gentlewoman from Hawaii (Mrs. Mink) to the amendment offered by the gentleman from California (Mr. Hosmer) to the commitee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. Hosmer) there were—ayes 13, noes 27.

So the amendment to the amendment offered as a substitute for the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Hosmer to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: Page 1, line 2, of the Mink substitute, after "operations" insert "on lands on which such operations are regulated by the State".

Mr. HOSMER. Mr. Chairman, if any of the Members happen to have a copy of the bill, look at the language on page 146, line 2, or the corresponding language in the Mink amendment. It is the same. The language reads:

> On and after the date of enactment of this Act, all new surface coal mining operations shall comply, and all new permits issued for surface coal mining operations shall contain terms requiring compliance with the following environmental protection standards:

In other words, the moment this bill is enacted, a mining permit will be necessary, for which no regulations have been promulgated or for which no administrative agency has been created. Thus, we have essentially a moratorium on surface mining, awaiting the establishment of an apparatus to administer the provisions of this legislation.

In connection with permits for new mines on Federal lands, the Interior Department and the other authorities that are cited in this bill have 18 months in which to set up the regulations and organizations to assure a permit in connection with new requirements; this simply means that it may take up to 18 months before anyone can open a mine on Federal lands.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, in the interest of good fellowship, agreement and sound legislation on this side, we will accept the gentleman's amendment.

Mr. HOSMER. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute.

The amendment to the amendment offered as a substitute for the amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. HOSMER

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute.

PARLIAMENTARY INQUIRY

Mr. HAYS. Mr. Chairman, I do not know whether a point of order or a parliamentary inquiry is in order; but I would like to make one or the other.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. HAYS. It is my understanding that under the long-standing rules of the House and the Committee of the Whole that we alternate from the Democratic side to the Republican side, or vice versa, whichever the case may be.

Now, there are Members on this side who want to offer amendments. If the Chair is going to consistently listen to three in a row that the gentleman from California has had, we do not know where we stand.

The CHAIRMAN. The Chair understands the gentleman's parliamentary inquiry; but the Chair believes that as long as members of the committee seek recognition, they are entitled to recognition first; at least, up to a certain point, and if a member of the committee from the majority side stands, he could be recognized.

Mr. HAYS. I would not want to appeal from the decision of the Chairman. I do not know whether to make a point of order that there is no quorum and have the House decide it; but I am not going to sit still and have this go on for the next 2 or 3 days.

Mr. HOSMER. Mr. Chairman, I demand regular order.

PARLIAMENTARY INQUIRY

Mr. DENT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from California has been recognized. Does the gentleman from California yield for a parliamentary inquiry.

Mr. HOSMER. Mr. Chairman, only for that purpose.

Mr. DENT. Mr. Chairman, I have served in this House on occasions where the situation——

The CHAIRMAN. The Clerk will first report the amendment.

Mr. DENT. I am going to give the Chairman the parliamentary inquiry as soon as I get through telling him what it is about.

The CHAIRMAN. First, the Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. Hosmer to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the Committee amendment in the nature of a substitute: Page 1, line 6 of the Mink substitute, strike out Section 201(b)(1) and insert:

"(b)(1) With respect to coal surface mining on steep slopes, no spoil, debris, soil, waste materials, or abandoned or disabled mine equipment, may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that spoil from the initial block or short linear cut necessary to obtain access to the coal seam may be placed on a limited or specified area of the downslope;

Provided, That the spoil is shaped and graded in such a way as to prevent slides, erosion and water pollution, and is revegetated in accordance with paragraph (3) below. *Provided further*, That spoil may be placed on areas away from the mined area if the operator demonstrates that such placement will provide equal or better protection of life, property and environmental quality and the spoil is shaped and graded in such a way as to prevent slides and minimize erosion and water pollution and, if such placement is permanent, the area is revegetated in accordance with paragraph (3) below. *Provided further*, however, That (A) the regulatory authority may permit limited or temporary placement of spoil on a specified area within or adjacent to the mined area in conjunction with mountain top mining operations with all highwalls eliminated, if placement is consistent with the approved postmining land use of the mine site and (B) the provisions of this subsection (b) shall not apply to those situations in which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area."

The CHAIRMAN. The gentleman from California is recognized for 5 minutes in support of his amendment.

Does the gentleman from California wish to yield to the gentleman from Pennsylvania for a parliamentary inquiry?

Mr. HOSMER. He is not asking for it.

Mr. DENT. I am.

Mr. HOSMER. Does the gentleman still desire to make an inquiry?

Mr. DENT. Yes.

Mr. HOSMER. Mr. Chairman, I yield to the gentleman briefly for a parliamentary inquiry only.

Mr. DENT. Mr. Chairman, precedent in this House has been, on occasions such as this, the Chair may, and has in the past, recognized members of the committee alternated between nonmembers of the committee.

Mr. HOSMER. Mr. Chairman, I decline to yield further.

Mr. DENT. This is still a parliamentary inquiry.

Mr. HOSMER. Mr. Chairman, I demand regular order.

Mr. DENT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty-one Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. 101 Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The gentleman from California (Mr. Hosmer) has 4½ minutes remaining.

Mr. HOSMER. Mr. Chairman, as I was about to say, this amendment would provide much greater flexibility during the interim and during the permit program so that acceptable mining techniques which involve downslope placement of the spoil could be used along with other techniques, that also provide equal or better protection of life, property, and environmental quality.

These spoils could be removed to environmentally appropriate locations away from the mined area, thereby permitting such mining efforts as head-of-the-hollow fills conducted in accordance with other performance criteria of the bill. In other words, this would still require the block or short linear cut method but would allow a variance therefrom when, instead of piling the spoil back up on the bench, one could use that spoil either to fill a hollow in an environmentally acceptable manner or to reterrace the high wall and achieve the same environmental result as we had before.

Now, to inflexibly, as the Mink language typifies, the requirement that dirt be tossed over one's head up on the same bench all the time does not always make sense environmentally, especially if it can go elsewhere under circumstances that will be as nondegradating to the environment.

Mr. Chairman, why, I ask the Members, should the mine operators not, when they seek permits, and why should the regulators not, when they consider those permits, be allowed to consider other environmentally acceptable ways of handling this spoil?

There is certainly no reason for it. I suspect that the only reason it was put in the bill this way is because the authors of the bill, who also have not dug any coal, simply are so fearful that if you give any regulator any discretion whatsoever that he will invite somebody in to rape the environment.

But what their failure to give the regulator the discretion to handle that kind of a situation means is that essentially you have to dig coal from the surface mine like they used to dance the minuet in the 18th century, in a very stylized and artificial way that is totally meaningless insofar as accomplishing anything useful. These unnecessary stipulations are arbitrary and in many cases require actions which are needless and merely run up the price of coal.

There are a lot of poor people in this country; they turn on their lights, and they pay their light bills, just like the rich pople do. If we are going to run up the cost of their electricity needlessly, what have we gained? What have we gained, if in so doing, we have simply enforced some stylized requirement which is not necessary to forward the interest of the environment?

This is the kind of a situation that we find redundant not only in this title II of the bill, but throughout the bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RUPPE. Mr. Chairman, I move to strike the requisite number of words. I would like to address an inquiry to the gentleman in the well.

I have read the amendment, and my understanding is at the present time under the language of the bill there can be placement of spoil away from the mined area, but there cannot be placement of spoil immediately below the mined area unless variance procedures are secured and followed. Am I correct in stating that this language would likely do away with the variance procedure and permit spoil below the cut?

Mr. HOSMER. The gentleman is essentially correct, because the variances in this bill are so strict and rigid and inflexible, difficult and impossible, that nobody is ever going to give a variance. I am trying to provide a procedure that would be reasonable, and that would allow that variance. The substitute simply will not permit a variance.

Mr. RUPPE. Mr. Chairman, I thank the gentleman from California. I just wanted the Members to understand the technical difficulties that are involved.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this language was in the Hosmer substitute which the House rejected last week, the same as similar language that was rejected in the committee.

The adoption of this amendment would inject a new concept into the bill because this would permit the placing of spoil on the downslope on an unlimited basis and thus perpetuates present practices in the mountains. I think this loophole would seriously weaken the bill, and I would ask that the amendment to the substitute be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HOSMER) to the amendment offered by the gentlewoman from Hawaii (Mrs. MINK) as a substitute for the amendment offered by the gentleman from California (Mr. HOSMER) to the committee amendment in the nature of a substitute.

The amendment to the amendment offered as a substitute for the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment offered by Mrs. MINK as a substitute for the amendment offered by Mr. HOSMER to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HOSMER to the amendment offered by Mrs. MINK as a substitute for the amendment offered by Mr. HOSMER to the committee amendment in the nature of a substitute: Section 210(b)(1), page 1, line 10, of the Mink substitute, strike out "block or short linear".

Mr. HOSMER. Mr. Chairman, the Mink substitute permits spoil to be placed on down slopes if it can be shaped, graded, so as to prevent slides, erosion, water pollution, and is revegetated. However, it limits the distance along the cut where this is permitted.

I would like the House to understand what is under consideration. Think of a mountain and half way up the mountain there is a coal deposit about 4 feet thick. To surface mine, what must be done is to make a block cut directly above the deposit so as to form a place to work. Then one takes the spoil from that block cut; and under this bill, one may push it down the mountain so long as it is compacted, regraded, and revegetated. When one extracts his coal, he has a bench, and under this linear or short-block cut, he cannot put any more on the overburden to get at that seam down the mountain.

What this language and the Mink substitute says is that one has to move from the block cut either way and start to dump the spoil back into the area where one has just taken the coal away, which is a good idea. It is a good idea because in many cases it is impossible to open up any more of that cut without leaving some of these hideous scars that one sees in driving through Appalachia and some other areas of the country.

My substitute recognizes this fact. But if one can open up a seam, take the spoil off of the top, push it down the down slope and then, subsequently, by grading, shaping, and revegetating create an environmentally acceptable condition; then one may proceed in that fashion, providing the permit will so allow. Often such procedures will make a lot more coal available than limiting it to the block cut.

Why do we have to stipulate a block cut? Why do we have to keep throwing the overburden over our heads, on top of the mountain, if it is not necessary to achieve an environmentally acceptable result? That is all this amendment of mine proposes. That is all I am asking. I think it is reasonable.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Alabama.

Mr. BEVILL. I thank the gentleman for yielding.

Actually, the committee bill with the Mink substitute has actually placed an unnecessary limitation in the bill or in the law of H.R. 11500; is that correct? It serves no useful purpose?

Mr. HOSMER. That certainly is correct, and it requires this more cumbersome way of going about it, not under all circumstances, but when the environmental considerations are required.

Mr. BEVILL. Will the gentleman yield further?

Mr. HOSMER. I yield to the gentleman from Alabama.

Mr. BEVILL. I thank the gentleman for yielding.

Actually, the only thing that is going to be accomplished by this is the reduction in the production of coal.

Mr. HOSMER. That is one of the likely things that will be accomplished by this legislation.

Mr. BEVILL. If the gentleman will yield further, is it one of many unnecessary limitations that is going to increase the cost of coal?

Mr. HOSMER. The legislation allows no leeway; and if it proves to be more expensive to follow the exact specifications of the bill, the price of coal will certainly rise.

Mr. BEVILL. Will the gentleman yield further?

Mr. HOSMER. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, actually since the problems of slag and erosion and water pollution and revegetation are overcome, and we are for that, then that solves the problem, does it not? If your amendment is accepted, we will have a flexible method of solving the problem at each site where the slope and the engineering and so on are different.

Mr. HOSMER. That is right, and we do not have to dance a minuet to get the coal out and we can do it in a reasonable way.

Mr. BEVILL. And this would leave the matter flexible so we can handle it on an each site basis.

Mr. HOSMER. It would do that.

I want to make certain it is understood this is no license to rape the landscape and it is no license to violate the environment. If my amendment is accepted, surface mining operations must produce environmentally acceptable results as if block cut procedures had been followed.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am not going to make my argument against this amendment except to say it would be another loophole in the bill, but I do want to read an argument against it. This is only a couple of paragraphs and if the Members pay attention they are going to be surprised.

Tighter regulations. Tougher laws . . .

The answer is in how you handle the overburden. If you can remove it at a reasonable cost and return the land to productive use, you've got most of the problem beat. Since reclamation is a necessity, why not mine and reclaim in one operation . . . without rehandling the overburden.

UMI

In other words, why not keep it right on the bench?

> What would that do to your costs?

Then this goes on to say it would reduce the costs because:

> . . . overburden and acid material are removed from the advancing mining face of the pit and redeposited in the same order at the backfill . . .
>
> . . . Acid material is buried rather than left on top.

The acid material is on the bottom and the better soil is on the top. Then this goes on to say:

> . . . The advantages? There are several. The same machines mine and reclaim. Acid material is buried rather than left on top. Reclamation is faster and easier. And—most important of all—the costs are reasonable . . . since overburden is handled only once.

Guess who said that? The Caterpillar Tractor Co. said that. They make the equipment to do it and we have been shown under the Ohio law that we can do it this way and that it does cost less and that it is better for the land. I have got an operator who said he would close down if the Ohio law passed, and now he is handling it with this equipment in this way and he is stripping more coal than he ever did and he is acting as if he invented it himself. He has forgotten he said he would close down.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I jumped up to ask the gentleman to yield because for a minute he sounded as if he had become a spokesman for the administration.

I would like to point out I have a Department of Interior comment in relation to this argument, in a letter dated February 22, 1974, where they said:

> The administration is opposed to this provision because it permits placement of spoil and other material on the downslope of the first cut for an undetermined length beyond the initial block or short linear cut necessary to obtain access to the coal seam. This would weaken a key requirement of surface mining and reclamation legislation intended to require operators to greatly reduce the adverse environmental impact of surface coal mining on steep slopes using proven, established, economically viable methods which can achieve a greater assurance of slope stability while affecting less land.

Mr. HAYS. I thank the gentleman.

I urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) as a substitute for the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The amendment to the amendment offered as a substitute for the amendment to the committee amendment in the nature of a substitute was rejected.

Mr. UDALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we are still on section 201 of a very long bill and there are Members of the Committee who are not members of the Interior and Insular Affairs Committee who are desirous of offering amendments to the Mink substitute to section 201. Apparently the only way they are ever going to get recognized under the present procedure is for there to be some termination of the debate on the pending amendment to this section, so I would ask unanimous consent at this time that all debate on the Hosmer amendment and the Mink substitute to that amendment and all perfecting amendments to either of them close in 20 minutes.

Mr. HOSMER. Mr. Chairman, I object.

MOTION OFFERED BY MR. UDALL

Mr. UDALL. Mr. Chairman, I move that all debate on the pending Hosmer amendment and the Mink substitute for that amendment and all perfecting amendments to either close at 40 minutes past 4 o'clock.

PARLIAMENTARY INQUIRY

Mr. HOSMER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. HOSMER. Mr. Chairman, does that mean all these gentlemen who have any amendments that pertain to section 201 either by way of amendment to the Mink substitute or by way of amendment to my substitute or by way of amendment to the language in the bill itself are preemptorily cut off in 40 minutes?

The CHAIRMAN. As far as further amendments to section 201 of the committee bill is concerned, that depends on the committee's disposition of the Hosmer amendment.

PARLIAMENTARY INQUIRY

Mr. HECHLER of West Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HECHLER of West Virginia. Supposing there are several votes in the process that we discovered the other day, this would effectively cut off all debate, such as we had three rollcalls or quorum calls.

The CHAIRMAN. The time will be set by the clock. The Chair thinks the motion is clear.

PARLIAMENTARY INQUIRY

Mr. KETCHUM. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. KETCHUM. What effect would this motion have on those individuals who under the rules or who have published their amendments in the Record, is that going to close them off?

As we recall, during the energy debate, the gentleman from Michigan (Mr. Dingell) pointed out to the entire House that he could not be cut off in this type of motion if his amendments had been published prior in the Congressional Record.

The CHAIRMAN. That depends on the form of the amendment printed in the Record and on the disposition of the substitute amendment of the gentlewoman from Hawaii (Mrs. Mink) and the amendment offered by the gentleman from California (Mr. Hosmer).

PARLIAMENTARY INQUIRY

Mr. DINGELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DINGELL. Mr. Chairman, reserving the right to object for the purpose of making a parliamentary inquiry, as I understand there are a number of us who do have amendments to the bill itself or which are appropriate to the substitute amendment offered by the gentlewoman from Hawaii or the gentleman from California.

Now, what is the ruling of the Chair with regard to the limitation of time on section 201? Are those amendments published in the Record foreclosed from the 5-minute rule by reason of the debate here, or foreclosed by expiration of the time under the clock, if the time does expire from even offering an amendment?

The CHAIRMAN. If section 201 of the bill is later open to amendment due to adverse disposition of the Mink substitute and the Hosmer amendment, then those rights would obtain; but those rights would be foreclosed if no further amendments to section 201 were in order.

Mr. DINGELL. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DINGELL. I am of the impression that what the Chair is saying is that if the Mink amendment is adopted or if the Hosmer amendment is adopted that Members will not be protected by the provisions of the rule affording them 5 minutes to discuss or offer amendments, even if they are published in the Record in compliance with the rule?

The CHAIRMAN. If further amendments to section 201 are not in order, then amendments cannot be submitted under which 5 minutes would otherwise be allowed.

Mr. DINGELL. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DINGELL. The provisions of the rule relating to 5 minutes of time for a Member where he has published his amendment in the Record in appropriate fashion will not be protected if either the Mink amendment or the amendment to the amendment of Mr. Hosmer is adopted; am I correct?

The CHAIRMAN. If the substitute is adopted to the Hosmer amendment and then the Hosmer amendment as amended by the substitute is adopted, further amendments to section 201 could not be offered. Therefore, there would be no further amendments appropriate.

Mr. DINGELL. Then I understand the ruling to be further that the rule relating to a Member getting 5 minutes on an amendment does not apply to the substitute offered by the gentlewoman from Hawaii (Mrs. Mink) or the gentleman California (Mr. Hosmer), even previous to the time that those amendments are adopted, am I correct?

The CHAIRMAN. That would be true if they were not printed in the Record as amendments to the substitute.

PARLIAMENTARY INQUIRY

Mr. HOSMER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOSMER. Does that mean if either amendment, the Hosmer or the Mink substitute, is adopted, that is it as far as section 201 is concerned, even if somebody had placed his amendment?

The CHAIRMAN. If the Hosmer amendment is not adopted as amended by the Mink substitute, then further amendments to section 201 will be in order.

PARLIAMENTARY INQUIRY

Mr. HAYS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HAYS. Mr. Chairman, is it not true that if, under the gentleman's motion, an amendment—I am now giving a hypothetical situation—the Mink substitute for that portion of the Hosmer amendment were to prevail, and the Hosmer amendment would be defeated, is it not true that the rest of that section which the Mink substitute does not pertain to would be proper to amend at any point?

The CHAIRMAN. If the entire section has been amended, further amendments to that section would not be in order.

Mr. HAYS. Not if the Hosmer substitute were defeated, it would not be true, would it? Just to section 201?

The CHAIRMAN. If the Mink substitute is adopted, the vote would then recur on the Hosmer amendment since it is a substitute for the entire amendment. If the Hosmer amendment were then adopted, section 201 would not be open to amendment.

Mr. HAYS. Yes, section 201 only. Not all of title II?.

The CHAIRMAN. Not the rest of title II; just section 201.

The CHAIRMAN. The question is on the motion offered by the gentleman from Arizona.

The question was taken.

RECORDED VOTE

Mr. HOSMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 150, noes 233, not voting 51, as follows:

[Roll No. 397]

AYES—150

Abdnor
Adams
Addabbo
Alexander
Andrews, N.C.
Annunzio
Ashley
Aspin
Barrett
Bennett
Bergland
Blatnik
Boland
Bolling
Bowen
Breaux
Brinkley
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Casey, Tex.
Chappell
Clark
Collins, Ill.
Corman
Culver
Daniels, Dominick V.
Danielson
Denholm
Dent
Donohue
Eckhardt
Eilberg
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Flood
Foley
Ford
Fuqua
Gaydos
Gettys
Gibbons
Green, Pa.
Haley
Harrington
Hawkins
Hays
Heckler, Mass.
Henderson
Hicks
Holtzman
Howard
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Leggett
Lehman
Litton
Long, La.
Long, Md.
Lott
McFall
McKay
Macdonald
Madden
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Mills
Minish
Mink
Moakley
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
Obey
O'Hara
O'Neill
Owens
Passman
Patten
Pepper
Perkins
Peyser
Pickle
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Rangel
Rees
Reuss
Rinaldo
Roberts
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Roybal
Ryan
St Germain
Schroeder
Seiberling
Shipley
Sikes
Sisk
Smith, Iowa
Staggers
Stanton, James V.
Steed
Stokes
Stratton
Sullivan
Thompson, N.J.
Tiernan
Udall
Van Deerlin
Vander Veen
Vigorito
Whitten
Wolff
Wright
Wylie
Yatron
Young, Tex.
Zablocki
Zion

NOES—233

Abzug
Anderson, Ill.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Badillo
Bafalis
Bauman
Beard
Bell
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Bray
Breckinridge
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Butler
Byron
Camp
Carter
Cederberg
Chamberlain
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collins, Tex.
Conable
Conlan
Conte
Conyers
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
Delaney
Dellenback
Dellums
Dennis
Derwinski
Devine
Dickinson
Dingell
Downing
Drinan
Dulski
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Fish
Fisher
Flowers
Flynt
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Froehlich
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Grover
Gude
Guyer
Hamilton
Hammerschmidt
Hanley
Hanrahan
Harsha
Hastings
Hechler, W. Va.
Heinz
Helstoski
Hillis
Hinshaw
Hogan
Holt
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Kazen
Kemp
Ketchum
King
Koch
Kyros
Lagomarsino
Landgrebe
Latta
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McKinney
McSpadden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Miller
Mitchell, Md.
Mitchell, N.Y.
Mizell
Mollohan
Moorhead, Calif.
Mosher
Myers
Nelsen
O'Brien
Parris
Patman
Pettis
Poage
Price, Tex.
Quie
Quillen
Railsback
Randall
Rarick
Regula
Reid
Rhodes
Riegle
Robinson, Va.
Robison, N.Y.
Rodino
Roncallo, N.Y.
Roush
Rousselot
Runnels
Ruppe
Ruth
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Sebelius
Shoup
Shriver
Shuster
Skubitz
Slack
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Stark
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stubblefield
Stuckey
Studds
Symms
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Traxler
Ullman
Vander Jagt
Vanik
Veysey
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Wyatt
Wydler
Wyman
Yates
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Zwach

NOT VOTING—51

Anderson, Calif.
Baker
Brademas
Brasco
Carey, N.Y.
Carney, Ohio
Chisholm
Clay
Cochran
Collier
Cotter
Davis, Ga.
de la Garza
Diggs
Dorn
Frey
Fulton
Giaimo
Gray
Griffiths
Gross
Gubser
Gunter
Hanna
Hansen, Idaho
Hansen, Wash.
Hébert
Holifield
Hutchinson
Jones, Tenn.
Kluczynski
Kuykendall
Landrum
Lent
Luken
McEwen
Michel
Minshall, Ohio
Montgomery
Nichols
Rooney, N.Y.
Rostenkowski
Roy
Stephens
Symington
Talcott
Teague
Treen
Waggonner
Wilson, Charles H., Calif.
Winn

So the motion was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BINGHAM TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. BINGHAM. Mr. Chairman, I offer an amendment to the amendment offered by Mrs. Mink, as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Bingham to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: at the end of the Mink substitute, insert the following subsection:

"(1) Six months after the date of enactment of this Act, no surface coal mining operation shall be conducted on slopes greater than 20 degrees from the horizontal."

Mr. BINGHAM. Mr. Chairman, I yield to the gentleman from Georgia (Mr. Young).

Mr. YOUNG of Georgia. Mr. Chairman, I thank my colleague, the gentleman from New York, for yielding me this time, and appreciate the fact that some of us who are not members of the committee do get an opportunity to say something about this bill.

My concern about strip mining goes back to a flight into the Charleston, W. Va., airport and, when flying over that airport, I remembered how beautiful it was 5 or 10 years ago, and realized the desolation that has been caused around that area by the strip mining of the mountainsides of West Virginia.

My amendment would simply say that we do not need to do any strip mining on slopes greater than 20 degrees.

This would have the effect of curtailing only about 1 percent of the coal reserves of this Nation. It leaves us some 88 percent of the reserves of this Nation which are in the deep mines, and it gives us an opportunity to do some things that would promote long-range energy consideration rather than simply the short-term action of the strip mining of coal.

What I am really saying is I am no expert on strip mining, but when I see that desolation, when I see what I know happens when one tries to grow grass or small shrubs on the side of a highway bank, when I know the little that I know about reclamation, knowing that reclaiming the mountainsides is nearly impossible in this country, by going in there and trying to get reserves of 1 percent coal, we are destroying in a one-shot deal a lifetime of economic and social viability and good life. We need to think what we are going to do to the potential tourism in these areas. We need to realize the problems, and the fact that it is probably much more advantageous to use the lumber supply from those slopes rather than simply strip mine it and leave it devoid of lumber.

We need to be reminded of the fact that deep mining probably creates 4 times as many jobs as strip mining. We also need to think that here we have areas that we are now paying flood insurance for, and we have research that shows that some 6 to 10 million tons of sedimentation has flowed into West Virginia streams alone, and the flooding that we have in some of these coal mining regions I think can be directly attributed to the sedimentation flowing from strip mines into our Nation's streams.

Not only that, we put a lot of highway money into Appalachia, hoping that that area would develop some new light industry and economic potential. If we are going to sacrifice all of these other investments simply for the sake of strip mines which we do not really need anyway, this could be compensated for simply by extending the existing schedule of deep mining from a 5-day week to a 6-day week, or from 2 shifts to 3 shifts, 5 days a week. There are other alternatives to raking our Nation of its beauty, its economic resources, and its mountain lands.

I hope the House will consider this amendment and vote to prohibit strip mining in any slopes which are greater than 20 degrees.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Georgia who authored this amendment is one of the finest Members of the House, and I oppose him with some reluctance. The fact is that last week the committee defeated the Hechler substitute, and this amendment is a key part of the Hechler substitute. The effect of it would be that at the end of 6 months no strip mining of coal would be allowed on slopes exceeding 20 degrees.

I am calling attention of the committee that the estimate is that 11 percent of the existing coal production in the country would be outlawed under this amendment within 6 months. I do not think we can afford to do that.

The committee bill is based upon a very simple philosophy. It says, yes, it is difficult to mine coal on steep slopes. No longer are we going to mine coal on steep slopes if we cannot put the land back, restore it, and reclaim it. In many cases when they come in with a mining application, they are not going to be able to show that they can do this on steep slopes, and the committee bill will be a prohibition in such case.

I think it would be a mistake to adopt this amendment. We are not dealing with a tiny fraction of the production of coal; we are dealing with 10 percent of this Nation's coal production, and this amendment would ban it in 6 months.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Michigan.

Mr. RUPPE. I thank the gentleman for yielding.

Mr. Chairman, I should like to point out that there is a great deal of latitude in enacting steep slope mining regulations, if the States choose to do so. I do not think, however, it is in our purview or our right here to initiate legislation to prohibit any type of mining of slopes greater than 20 degrees. I think it is very arbitrary and not in conformity with the very strong reclamation provisions of this bill.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. HOSMER. I thank the gentleman for yielding.

The gentleman properly points out that the conditions the gentleman from Georgia is worried about are the very conditions that the legislation before us is designed to prevent. The argument is not about reclaiming the land but about how we go about it, and I join the gentleman in urging defeat of the amendment.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Chairman, at the risk of jeopardizing the gentleman's position entirely I would like to join the gentleman from California in supporting him in his proposition, thereby making a great alliance on this bill, and it thereby indicates somebody is very wrong.

Mr. Chairman, again I thank the gentleman for yielding.

Mr. HECHLER of West Virginia. Mr. Chairman, I rise in support of the amendment.

The people of West Virginia and Appalachia and all over the Nation are grateful to the gentleman from Georgia for offering this amendment.

Obviously the greatest and most devastating damage from strip mining occurs in mountainous areas where the slopes are more than 20 degrees. The gentleman from Michigan (Mr. RUPPE) pointed out the States have authority to ban strip mining on slopes over 20 degrees. In the real world of economic and political pressure, we cannot really expect those State legislatures such as West Virginia where coal is so powerful to pass such a measure. Under H.R. 11500, how can you expect any State where coal is important to devise a plan for protecting mountain people through a 20-degree ban? The people of the mountains are after all the ones who are most damaged.

This is not an argument between the environment and energy. This is an argument over the protection of people, individuals, whose homes are destroyed, whose water supply is destroyed by the acid and the blasting, by the spoil that comes cascading down the mountains, by the rocks and the boulders. A young man came into my office 2 weeks ago and said,

> Why is there a double standard? They shoot at me with these boulders that crash into my house, but I cannot shoot back.

Mr. Chairman, I would also like to point out in a study done by the National Economic Research Associates, Inc., for the Edison Electric Institute in a projection of fuels for the electric utility industry in the future, there is this very signficant comment:

> It is possible that in some areas stripping may be outlawed entirely, if it is not severely curtailed. It can reasonably be assumed that contour stripping will within a few years, be prohibited throughout the Appalachian coal districts.

Mr. Chairman, that does not come from any environmental statement. It comes from the utility industry.

Studies by the Appalachian Regional Commission have conclusively demonstrated that if we have a ban in the mountains it would increase the potential for the tourist economy in these areas which now are being devastated by strip mining. Furthermore, a ban on stripping in the mountains will enhance regional economics development in these mountain areas.

For all these reasons, Mr. Chairman, but particularly on behalf of the people of the mountains who will not stand still any longer for this devastation, I urge an "aye" vote on the Young amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BINGHAM) to the amendment offered by the gentlewoman from Hawaii (Mrs. MINK) as a substitute for the amendment offered by the gentleman from California (Mr. HOSMER) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. YOUNG of Georgia) there were ayes 31, noes 58.

So the amendment to the amendment offered as a substitute for the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. RONCALIO OF WYOMING TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. RONCALIO of Wyoming. Mr. Chairman, I offer an amendment to the amendment offered as a substitute by (Mrs. MINK) as a substitute for the amendment offered by the gentleman from California (Mr. HOSMER) to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. RONCALIO of Wyoming to the amendment offered by Mrs. MINK as a substitute for the amendment offered by Mr. HOSMER to the committee amendment in the nature of a substitute: Section 302(b), line 4, on page 1, delete all after the word "with" through subparagraph (d) inclusive and insert therein the following: "the environmental protection performance standards of section 211.

"(c) On and after one hundred and twenty five days from the date of enactment of this Act, all surface coal mining operations existing at the date of enactment of this Act shall comply with the standards in section 211 with respect to lands from which the overburden has not been removed. During the one hundred and twenty day period commencing or the date of enactment of this Act. the regulatory authority shall review and amend permits in order to incorporate in them the standards of section 211."

Mr. RONCALIO of Wyoming. Mr. Chairman, I yield to the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Chairman, this amendment would do away with the interim standards under this bill. The amendment would correct one of the most disastrous features of the bill. Under the interim standards there is a virtual license to strip for up to 38 months before the permanent standards take effect.

I would like to point out, Mr. Chairman, that one of the purposes of this bill is to institute sufficient uniform standards among the States as to prevent compatible economic blackmail. In those States where the coal industry is very powerful, the interim standard provision encourages coal-dominated State governments to drag their feet in submitting programs for approval. For this reason, it seems to me that the interim standards under this legislation should be stricken and we should proceed with a very firm and clear set of permanent standards. We have heard many pleas that the coal industry deserves some certainty in making its plans, to meet this Nation's energy needs. Two sets of standards—interior and permanent—increases the uncertainty.

For all these reasons, Mr. Chairman, I hope that we may in the House do the same thing which was done in the other body and have an understandable set of permanent standards that are really meaningful, without fooling around for 38 months and giving the coal industry an opportunity to delay and delay and continue their destruction and devastation.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman from Wyoming yield?

Mr. RONCALIO of Wyoming. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. I wonder if the gentleman would also yield to the gentleman from West Virginia, so the gentleman might respond to a question, after all that rhetoric.

"Professor," I wonder where the permanent standards vary from the interim standards and where the pillage the gentleman describes would go on for 38 months would stop?

Mr. HECHLER of West Virginia. Yes. Section 201(b)(1) includes exceptions to limitations on dumping spoil on the downslope which allows mountaintop removal.

Section 201(2)(A) allows variances to assist revegetation requirements by adding the phrase: "but not necessarily meeting the revegetation requirements."

Section 201(2)(B)(4) allows exceptions to the requirement to segregate topsoil.

As a matter of fact, during the interim standards there will not be any standards to prevent erosion and acid drainage, the control of blasting or the handling of toxic materials, and auger holes. Exceptions are even permitted to the requirement to restore to original contour if the operator can show the exceptions will allow him to achieve higher post mining public use, or even if the strip mine operator can show difficulty in obtaining equipment for reclamation.

Section 201(b)(6) contains water standards weaker than those in the permanent standards. The interim standards do not require prevention of acid drainage, sealing of shafts and boreholes, and the language referring to aquifers and alluvial valley floors is much weaker in the interim standards. The language states as a pious hope that there be given "particular attention throughout the mining operation to the aquifer recharge capacity of the mining area and to the protection of alluvial valley floors and stream channels."

If the gentleman would like, I will continue.

Mr. STEIGER of Arizona. If the gentleman will yield further, I do not think the gentleman from West Virginia ought to continue to use that material because he was clearly reading from the wrong explanation. I think that was an explanation of a situation which existed in the committee prior to the adoption of the final version of the committee bill. If I recall, the variances which the gentleman recites for the mountaintop removal and the revegetation were simply to permit those situations that were ongoing to conform to the permanent bill. They did not permit any spoilage that would violate any present practices.

The problem with the gentleman's explanation is that I suspect it has been prepared by somebody else other than the gentleman, who is very dedicated and very interested in stopping any spoilage.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

(On request of Mr. STEIGER of Arizona and by unanimous consent, Mr. RONCALIO of Wyoming was allowed to proceed for 1 additional minute.)

Mr. STEIGER of Arizona. The whole problem, I will tell my friend from West Virginia, is that we do have so much misdirected concern here. I do not think anyone can quarrel with the gentleman's record of concern for this problem, but I would hope that we could stick to the specifics and concerns and be accurate, for the interim standards vary very negligibly from the permanent standards.

There is virtually nothing of any significance permitted in the standards simply because it is necessary to recognize that it has to be a transition from a practice that is now ongoing, which is incidentally permitted in the grandfather clause in any existing mine.

Mr. Chairman, I thank the gentleman for yielding to me.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

This amendment is very unwise. One of the first compromises we made in putting this bill together was to have an interim period. We are going to have tough, permanent standards, but it is going to take 3 years for industry to gear up to comply with those standards; and for the States to establish their administrative machinery.

The Hechler amendment says that we are going to have these tough, final permanent standards in effect within 120 days, and it simply cannot be done. It is not practical. It is going to close down a good segment of industry. I think it would be unwise to adopt this amendment.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I would like to point out to my colleague from Arizona that because of a very strong likelihood that there would be a loss of production, there would be in this circumstance enormous pressure on the White House to veto the legislation. I agree with the concerns expressed by our distinguished colleague from West Virginia. However, I think it a very likely possibility that such an amendment would pressure the administration at this juncture of time, facing an energy shortage, into vetoing the legislation.

While it may not be perfect legislation, it is a lot better than any type of basic requirement that exists today in any State. I would hate to see, for a little slippage, so to speak, in the interim period all of the legislation, which the gentleman has led the fight for over the years, go by the board.

Mr. UDALL. Let me emphasize that this section 201, interim standards, has provisions which will stop the most serious kinds of abuses, spoil on downslopes, high walls, acid drainage, and a lot of the vices of strip mining are going to be stopped immediately upon passage of this act.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I thank the gentleman from Arizona (Mr. UDALL) for yielding. I would just like to point out to the other gentleman from Arizona (Mr. STEIGER) that I did this analysis personally and put it into the CONGRESSIONAL RECORD on June 20, 1974, at which time it was up to date as of the time it was included with my remarks. If, indeed, there is such a negligible difference between the interim standards and the permanent standards, I just cannot for the life of me understand why we need interim standards at all.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentlewoman from Hawaii.

Mrs. MINK. Mr. Chairman, I would like to respond to that. I have heard of many people making that point. I wonder if they are aware that under the Senate version, it would be 2 years before any standards whatsoever went into effect?

In our bill, Members should be cognizant of the fact that there are certain kinds of practices that must be stopped immediately, and because we recognize that those activities of the coal industry

must be stopped and regulated immediately, we interpose this interim period in which we note the eight most radical kinds of disregard of the environment and have attempted within a very short period of time to regulate them.

So I believe that our bill in this respect is much stronger because it does not give wide open, 2-year latitude, as the Senate bill provides.

Therefore, I hope that this amendment will be voted down.

Mr. HOSMER. Mr. Chairman, I move to strike the last word.

A number of Members have been very erudite, and this is in connection with a proposition that the gentleman from West Virginia holds dear in his heart.

We handled his bill the other day in one lump sum. He is coming in on the installment plan now, and I think that he is entitled to be heard and that this discussion is worthy of the Members' ears.

Therefore, Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred seven Members are present, a quorum.

The question is on the amendment offered by the gentleman from Wyoming (Mr. Roncalio) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) as a substitute for the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The amendment to the amendment offered as a substitute for the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Hosmer to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: On page 2, line 13 of the Mink substitute strike out "where the operation follows the coal deposit vertically".

Mr. HOSMER. Mr. Chairman, this is new language in the Mink amendment which would replace the language that is in the bill, H.R. 11500, which says, "Where the operation follows the coal deposit vertically."

This has to do with exemptions in the case of pit mines, and I offer my amendment because neither in its original form nor in the Mink form is it very clear what the approximate original contour requirements would mean pertinent to the mining of thick seam, thin-overburdened coal mining, which is common in the West.

This amendment that I have, I believe, would bring about a situation whereby there would be assurance that pit mining is exempt and that surface mining, no matter which way one goes into a seam, to transsect it, to bisect it, or to do anything else with it, one is still required to carry out the reclamation that this bill specifies.

For that reason, I think that the amendment is a good one; it is a decent one; it is a needed one. It lends some sense to the original contour language.

Mr. Chairman, it eliminates the probability of a lot of court suits about what is meant here. I commend the language to the Members.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) as a substitute for the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. Hosmer) there were—ayes 13; noes 38.

So the amendment to the substitute for the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. RONCALIO OF WYOMING TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. RONCALIO of Wyoming. Mr. Chairman, I offer an amendment to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) as a substitute for the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Roncalio of Wyoming to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: At the end of subparagraph (h) of the Mink substitute amendment, add the following new subsection:
>
> "(i) On and after the date of enactment of this Act, no person shall open, develop, or extend any new or previously mined or abandoned site for surface coal mining operations within any area of the National Park System, the National Wildlife Refuge System, or the National Wilderness Preservation System. Nothing in this Act shall be construed as authorizing surface coal mining operations within Federal lands where such mining is prohibited on the date of enactment of this Act by law, regulation, order, deed, or other instrument."

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO of Wyoming. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I wish to thank my good friend, the gentleman from Wyoming (Mr. Roncalio) for his great courtesy to me. The House rejected en bloc the substitute amendments offered by the gentleman from California (Mr. Hosmer), and we are now being forced to have to vote on them seriatim. The process appears to be without end.

It is unfortunate that other Members of the House have to rely upon the kindnesses of the members of the committee for recognition for the purpose of offering amendments in cases where they are blocked by the prior right to offer an amendment already held by the gentleman from California by reason of his membership on the Interior Committee.

Mr. Chairman, the function of this amendment is very simple. The amendment relates to the interim permits and the interim practices which will be carried out under the committee bill, and also under the amendment offered by gentlewoman from Hawaii (Mrs. Mink). The amendment would make clear what I believe is the intent of the committee, that there should be no mining by strip mining methods in the following areas, a provision which I think is within the intent of the committee, the National Park System, the National Wildlife Refuge System, the National Wilderness Preservation System, and the Scienic Rivers System.

Although other provisions of H.R. 11500 or provisions offered by the gentlewoman from Hawaii would appear to prohibit these same strip mining operations, or at least not specifically authorize these operations during the interim period, it appears that there is a possibility at least that during the interim period coal mining could be permitted in these areas.

For example, section 201 of the bill prohibits the opening of new surface coal mines on lands which are regulated under this bill by the States; and the permit section, section 209, states that no permit shall be issued for mining in the National Parks, the Wildlife Refuges, or Wilderness Area Systems. But it is unlikely the permit provisions of the bill will in fact be operative for a 2-year period after it is enacted or at least within a 3-year period.

I yield to my friend, the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I would state to the gentleman from Michigan that the bill now contains a provision, as the gentleman just stated, which in the permanent application of the law will prevent any strip mining in national forests, national parks, or the other areas the gentleman mentioned. As I understand it, what the gentleman is trying to do now is apply this same language prior to the interim period.

Mr. DINGELL. That is correct.

Mr. UDALL. Effective on the enactment of the law it will be unlawful to strip mine in the national parks, national wildlife refuges, scenic rivers, and the like?

Mr. DINGELL. That is correct. As a matter of fact, the amendment would carry out the intent of the committee as expressed in the report where this language appears on page 74:

> This bill prohibits all surface coal mining on lands in the National Park System, the National Wilderness Preservation System, the National Wildlife Refuge System, the national forests (exclusive of National Grasslands), or the Wild and Scenic Rivers System.

Mr. UDALL. Mr. Chairman, if the gentleman will yield still further, I am informed that the passage of the gentleman's amendment would affect no current production of coal in that there are now no such operations, and none are contemplated. Therefore I think the amendment strengthens the bill, and we can accept the amendment on this side.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Chairman, I thank the gentleman for yielding, and I agree with the gentleman from Arizona that this would reduce no coal production. But no coal mining could be done in these areas as mentioned, because there are four separate statutes that prohibit mining in the areas mentioned by the gentleman.

Clearly the amendment will not do any harm, but I might also add that it will not do any good. But, if it makes the gentleman feel better, and if it warms the hearts of some persons, who fear that this is not covered, then it is all right on this side because there is now a prohibition against the mining in those areas. Underground mining is prohibited. And I personally would like to see anyone who wants to attempt strip mining in the scenic rivers, because he will have a lot of trouble.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I would ask the gentleman if all of our national forests are included in the prohibited areas?

Mr. DINGELL. That is correct.

Mr. RONCALIO of Wyoming. If the gentleman will yield, let me add, but not the grasslands.

Mr. DINGELL. That is correct; but not the grasslands.

PARLIAMENTARY INQUIRY

Mr. RUPPE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. RUPPE. Mr. Chairman, could the amendment be reread, because there is some difficulty as to what the contents of the amendment really are.

The CHAIRMAN. Is the gentleman asking unanimous consent that the amendment be reread?

Mr. RUPPE. That is correct, Mr. Chairman, I ask unanimous consent that the amendment be reread.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk rereported the amendment.

Mr. RUPPE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, just for the record—and for possible clarification as to some of the comments that were made in relationship to the amendment offered by the gentleman from Wyoming (Mr. Roncalio) the language that was just read by the Clerk indicates that the national forests are not identified or mentioned in this particular amendment.

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. If I may respond, Mr. Chairman: The existing bill, H.R. 11500, specifically prohibits strip mining in the national forests.

Mr. RUPPE. I am referring to the amendment offered by the gentleman from Wyoming at this time, and there is then no identification of the national forest areas in that amendment.

Mr. RONCALIO of Wyoming. The gentleman is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming (Mr. Roncalio) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) as a substitute for the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The amendment to the amendment offered as a substitute for the amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment offered by Mrs. Mink, as a substitute for the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Hosmer to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: on page 3, line 23 of the Mink substitute, after the word "repose" insert "to provide adequate drainage".

Mr. HOSMER. Mr. Chairman, I think this ought to be a little noncontroversial. I call the particular attention of the gentleman from Arizona to it.

This amendment has to do with the situation wherein one is trying to restore the original approximate contour; the amendment provides that at a minimum the operator shall backfill, grade, and compact where advisable, in order to cover all acid-forming and other basic materials to achieve at least the angle of repose and to facilitate—and so forth.

The angle of repose, as I understand it, is the angle where the hillside does not come tumbling down, so we have got to get it at a small enough angle so that it does not come tumbling down. We are dealing in this particular area and we are talking about things that have to do with drainage, and so forth. All I want to do is to require an angle of repose which will provide adequate drainage. That is the purpose of the amendment. I think it is a commendable one.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Arizona.

Mr. UDALL. I thank the gentleman for yielding.

As I understand the gentleman's amendment, he simply adds the words after "repose" "to provide adequate drainage".

Mr. HOSMER. That is correct.

Mr. UDALL. Let me advise the gentleman that Mrs. Mink in drafting her substitute amendment took those four words, and they are now included in her amendment as submitted. I should hope the gentleman will withdraw his amendment.

Mr. HOSMER. If that is indeed the fact, I will certainly ask at the proper time unanimous consent to do so.

As the gentleman knows, I did not receive this Xerox copy until the last moment, and I have not been able to follow it closely. If that language is in there, I am delighted.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment offered by Mrs. Mink, as a substitute for the amendment offered by Mr. Hosmer, to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Hosmer to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: On page 4, line 5 of the Mink substitute. After the word "spoil," insert "(unless replaced as part of the mining operation)".

Mr. HOSMER. Mr. Chairman, this requirement at this particular point in the Mink amendment, as it was in H.R. 11500, would require the needless and yet costly replacement of all topsoil in a separate pile when in fact it can be removed and replaced as part of one operation. I am just simply trying to allow this flexibility.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentlewoman from Hawaii.

Mrs. MINK. I thank the gentleman for yielding.

I have incorporated that suggestion in my amendment on page 4 which reads:

> * * * remove the topsoil in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil. * * *"

Mr. HOSMER. I thank the gentlewoman.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment offered by Mrs. Mink, as a substitute for the amendment offered by Mr. Hosmer, to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Hosmer to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: On page 6, line 8 of the Mink substitute, delete section 201(b)(7) and insert in lieu thereof the following:
>
> "(7) Upon petition by the permittee or the applicant for a permit and after public notice and opportunity for hearing the regulatory authority may modify the application of the interim mining and reclamation performance standards set forth before the first proviso in paragraph (1) and in any provision of paragraph (2) of this subsection, if the permittee demonstrates by proper documentation and the regulatory authority finds that:
>
> "(A) the permittee has not been able to obtain the equipment necessary to comply with such standards;
>
> "(B) the surface coal mining operation will be conducted so as to meet all other standards specified in subsection (b) of this section and will result in a stable surface configuration in accordance with a mining and reclamation plan approved by the regulatory authority; and
>
> "(C) such modification will not cause hazards to the health and safety of the public or significant imminent environmental harm to land, air or water resources.
>
> "Any such modification shall be reviewed periodically by the regulatory authority and shall cease to be effective upon implementation of a State program pursuant to section 203 of this Act or a Federal program pursuant to section 204 of this Act."

Mr. HOSMER. Mr. Chairman, during the term of the initial regulatory authority, equipment shortages will be a constraining factor on all production. Permittees in many instances will need additional equipment to that which they currently possess in order to comply with the initial standards. Such equipment for one reason or another will not be available. It has to be built. There are leadtimes and so on which are involved.

The variance procedure of the language of the gentlewoman from Hawaii appears to be so cumbersome as to be unworkable. The amendment I have offered on the other hand I believe would establish clear variance procedures for these instances of equipment shortages and provide the safeguards essential to preclude the abuse of such variance procedures.

Mr. Chairman, I ask for the adoption of the amendment.

Mrs. MINK. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California.

Mr. Chairman, this amendment was offered by the gentleman from California in committee and was voted down.

This amendment would very seriously modify the exemption which we very carefully wrote into the bill dealing with the situation where operators might not have the kind of equipment necessary to comply with the performance standards.

The gentleman's amendment now would eliminate the necessity of a written finding by the regulatory authority in order to get the exemption. It would eliminate the need for showing they made an attempt to order the specific item and it was not available. It would eliminate the 3-month review of the exemption by the regulatory authority and very, very drastically reduce the effectiveness of an amendment which was very carefully considered by the committee.

Mr. Chairman, I urge that the committee vote this amendment down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) as a substitute for the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The amendment to the amendment offered as a substitute for the amendment to the committee amendment in the nature of a substitute was rejected.

Mrs. MINK. Mr. Chairman, I move to strike the requisite number of words.

I yield to the gentleman from Pennsylvania (Mr. Dent).

Mr. DENT. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, I would appreciate the gentlewoman clarifying the intent of section 211(d) for me. That section provides that certain variances from approximate original contour can be obtained if appropriate conditions and developments are met with respect to industrial, commercial, residential, or public facility uses. The Pennsylvania law permits, as alternatives, uses as water impoundment, water-oriented real estate development, recreational area development, industrial site development, or solid waste disposal area development, under certain conditions. We have found these alternatives as well as agricultural uses especially beneficial in our State.

Would the gentlelady agree that these specific alternatives are permitted under the committee bill as well, notwithstanding they are not delineated?

I am, of course, speaking of alternative types of development for the post-mining use of the site that would be considered on a case-by-case basis, and that would require proper development of the land in a feasible manner, assurances that the alternative in question will be accomplished, and further, that the alternative fits within the acceptable parameters of the bill. I am not suggesting or implying any blanket approval for the so-called "high walling" under the guise of an acceptable alternative.

Would the gentlewoman give me her reply to the understanding of what might be done and can we continue in Pennsylvania using these lands for the purposes that experience has made possible in that State?

Mrs. MINK. I thank the gentleman for offering this proposal.

Subparagraph (b) of section 211, as the gentleman knows, applies only to steep slopes. It is with reference to that provision that the various exemptions are delineated wherein industrial, commercial and residential post-mining uses are deemed satisfactory, if the regulatory authority believes that adequate safeguards are taken with regard to the spoil.

I would agree that the alternatives which the gentleman has mentioned and as contained in Pennsylvania law would be permitted, assuming, of course, they fit into the overall category of industrial, commercial and residential and public facility use.

Mr. DENT. I thank the gentlewoman. I might say the Pennsylvania law also contains this. It reads:

> And unless such proposed alternatives or uses pose an actual or potential threat of water pollution, are deemed impractical or unreasonable, involve unreasonable delay in their implementation, or are violative of Federal, State or local law, such alternatives and uses shall be approved by the regulatory authority.

In other words, I want to be assured that the great progress that has been made in Pennsylvania will be continued, and I have here five different uses, from housing to waste disposal to impoundments that are pictured in actual operations in the State of Pennsylvania.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Hosmer to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: on Page 8, line 1 of the Mink substitute, delete section 201(c) and insert in lieu thereof the following:
>
> "(c) Within sixty days from the date of enactment of this Act, the State regulatory authority shall review and amend all existing permits in order to incorporate in them the interim mining and reclamation performance standards of subsection (b) of this section. No later than one hundred and twenty days from the date of issuance of such amended permit, all surface coal mining operations existing at the date of enactment of this Act on lands on which such operations are regulated by a State regulatory authority shall comply with the interim mining and reclamation performance standards in subsection (b) of this section with respect to lands from which the overburden has not been removed."

Mr. HOSMER. Mr. Chairman, this amendment has to do with the time for compliance and in the gentlewoman's substitute everything happens within either 180 days or 120 days. For instance, after 180 days in the gentlewoman's amendment from the date of enactment all surface coal mining operations existing at the date of enactment shall comply with the standards of the bill.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentlewoman from Hawaii.

Mrs. MINK. If I might explain, on page 8 of my substitute we did try to incorporate the suggestion of the gentleman in the well and the suggestion of the gentleman from Illinois (Mr. Anderson) and have provided for the 180 days.

In the case of the gentleman in the well, he started off with the 60 days of review and then no later than 120 days after the issuing of a permit the coal operations have to comply.

What we did on page 8, subparagraph (c) is to say that on or after 180 days after enactment, all surface mining operations existing on the date of enactment shall comply, and that within 120 days from the date of enactment, the regulatory authority shall review all permits.

Mr. HOSMER. I understand, and that this is an amelioration. However, under the language I have offered, there would be 6 months for the regulatory authority to review and amend its regulations, and thereafter there would be 6 months for the permittee to comply.

We realize that this timing in here is, in any sense, within a year, but it seems to me that in order for the permittee to be in compliance with anything, he is first going to have to know what the regulations are. They will know, of course, what the standards are that are set in the bill, but those are not the only provisions with which the permittees must comply. I frankly do not see how compliance can take place in any shorter time.

Mrs. MINK. Mr. Chairman, will the gentleman yield further?

Mr. HOSMER. I yield to the gentlewoman from Hawaii.

Mrs. MINK. Mr. Chairman, in the gentleman's amendment, he is only allowing 60 days for the State regulatory authority to review and amend all existing permits. We have been much more liberal in our substitute. We provide that 120 days from the date of enactment that the authority must review and amend permits, because we agreed that this amount of time is probably needed for the authority to make sure that the permits do incorporate all of the provisions of this Act.

Mr. HOSMER. I understand that, but there are a lot of other parts of the bill where a guillotine drops on the day that the bill is enacted. There are a lot of provisions with which, at the moment of enactment, the permittee will not be in compliance and which will seriously affect the quality and the viability of the existence of the permit and protection against revocation. I feel that my language is the kind of language that guards against what otherwise might occur in the bill.

I do commend the gentlewoman for the amelioration that she has given in her substitute. My only quarrel with her is that I do not think it goes quite far enough.

Mr. Chairman, I ask for the adoption of my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer), to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink), as a substitute for the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The amendment to the amendment offered as a substiute for the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment offered by Mrs. Mink, as a substitute for the amendment offered by Mr. Hosmer, to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Hosmer to the amendment offered by Mrs. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: On page 8, line 3 of the Mink substitute, after the word "operations" insert "on lands on which such operations are regulated by the State."

Mr. HOSMER. Mr. Chairman, this definitely pins the operation of this particular portion of the bill to the State regulated lands and leaves the situation of the Federal regulated lands in a separate and different category. I believe in this period of energy shortage, where we have Federal lands, where we could keep them out of production for at least 18 months, because no plans were provided, that this amendment is necessary.

Mr. Chairman, I ask for its passage.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, for my information, is it correct that the gentleman's amendment would keep the Federal Government out of the permit business during the interim period of time of the bill?

Mr. HOSMER. Yes, but it would not prevent operations from going on.

Mr. RUPPE. Mr. Chairman, if the gentleman will yield further, I think we have a fairly important point here to make. There has been a tendency to vote down a couple of my colleague's amendments rather quickly, but I think the committee should take a pretty good look at this particular amendment. I, frankly, support it very much.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. Yes, I yield to the gentlewoman from Hawaii.

Mrs. MINK. We are inclined to go along. We have already accepted amendment No. 17, which does exactly this, subparagraph (e), so I would inform the gentleman of that fact.

Mr. HOSMER. Mr. Chairman, I thank the gentlewoman from Hawaii.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California, (Mr. Hosmer) to the amendment offered by the gentlewoman from Hawaii, (Mrs. Mink) as a substitute for the amendment offered by the gentleman from California, (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The amendment to the amendment offered as a substitute for the amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment offered by Mrs. Mink, as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Hosmer to the amendment offered by Mr. Mink as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute. On Page 8, line 21, of the Mink substitute, strike out subsection "(d)" and insert a subsection "(d)" to read as follows:
>
> "(d) The regulatory authority may grant exceptions to subparagraphs (1) and (2) if the regulatory authority finds that one or more variations from the requirements set forth in subparagraphs (1) and (2) will result in the land having an equal or better economic or public use and that such use is likely to be achieved within a reasonable time and is consistent with surrounding land uses and with local, State, and Federal law."

Mr. HOSMER. Mr. Chairman, this is another amendment which seeks to clarify this mountaintop mining provision and make certain that under proper circumstances, where reclamation is carried forward, mountaintop mining is not barred by what otherwise might be an ambiguity in the language of this bill.

Mr. Chairman, I ask for the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) as a substitute for the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The amendment to the amendment offered as a substitute for the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment offered by Mrs. Mink, as a substitute for the amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HOSMER to the amendment offered by Mrs. MINK as a substitute for the amendment offered by Mr. HOSMER to the committee amendment in the nature of a substitute on page 9, line 21, of the Mink amendment, strike out "SEC. 201(f)" and reletter the following subsections.

Mr. HOSMER. Mr. Chairman, this subsection (f) is a pretty long and complicated subsection, all about a lot of things that ought to be done with respect to the enforcement program.

Elsewhere in this bill there is set out this extra enforcement group, separate and apart from everything else in the Government, and it has them riding herd on this surface mining regulation.

This amendment is part of a series of amendments which would make it possible to keep the enforcement in the normal course of Government in the locations where it now is. We do not have to go out and set up a whole new bureaucracy to enforce these interim standards. It would be a bureaucracy, incidentally, which, after we got the interim standards business all taken care of, would have to be dismantled and reestablished in a form and structure to handle the permanent standards.

As a consequence, this is an effort to streamline the bill, and particularly to streamline the administration of the bill.

Mr. Chairman, I ask that the Members accept this amendment.

Mrs. MINK. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, striking subparagraph (f) will render a nullity to the whole business of section 201 dealing with interim standards. Subparagraph (f) establishes a Federal enforcement program in order to make sure that the seven or eight standards we have specified will indeed be placed in effect and will be implemented. It includes the inspection process, it includes the providing of reports following an inspection, it establishes the office and authorizes the use of Federal personnel, and it provides an authorization for funds for the implementation of this program.

Mr. Chairman, I urge that this amendment be voted down.

The CHAIRMAN pro tempore (Mr. SLACK). The question is on the amendment offered by the gentleman from California (Mr. HOSMER) to the amendment offered by the gentlewoman from Hawaii (Mrs. MINK) as a substitute for the amendment offered by the gentleman from California (Mr. HOSMER) to the committee amendment in the nature of a substitute.

The amendment to the amendment offered as a substitute for the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment offered by Mrs. MINK as a substitute for the amendment offered by Mr. HOSMER to the committee amendment in the nature of a substitute.

Mr. Chairman, I thought I had completed the offering of amendments, but I find I had this one left over.

The Clerk read as follows:

Amendment offered by Mr. HOSMER to the amendment offered by Mrs. MINK as a substitute for the amendment offered by Mr. HOSMER to the committee amendment in the nature of a substitute: on page 11, line 13 and 14 of the Mink substitute strike out "or Indian". Page 11 line 15. Strike out "or Indian".

Page 11, line 16 and 17. Strike out "and Indian land".

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I am delighted to yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I thought I understood the gentleman to state two amendments ago that was his last amendment. I am just trying to find out in order that we may make some plans.

Mr. HOSMER. Mr. Chairman, I just said, I will say in reply to the gentleman, that I noticed that I do still have one more amendment.

Mr. HAYS. One more amendment after this?

Mr. HOSMER. No, this is it.

Mr. HAYS. Mr. Chairman, I thank the gentleman.

Mr. HOSMER. Mr. Chairman, this amendment would strike out the business of the Indian lands. I want the Members to understand that there are many separate nations in this country—the Indian nations—and they own lands.

What this bill attempts to do is to impose the Udall-Mink notions as to how we ought to go about surface coal mine regulating on these separate Indian nations.

Mr. Chairman, if that was a little confusing, let me say that it may be more correct to call these the Udall-Mink notions as to how we ought to go about it. We are seeing that that is what happens with this kind of legislation. It even confuses the unconfused before we get through with it.

If we want to have a problem, I will advise the Members not to have that problem with an Indian, either individually or with an Indian tribe, because we will have the most monumental problem we have ever had in all our lives.

I do not think it is any business of ours, coming in with this legislation and starting to handle the Indian problem. The Bureau has all the authority it now needs to handle anything that has to do with the reclamation of Indian lands.

Let me tell the Members, if we get and encourage some system whereby the "Big Chief" cannot go ahead and lease his land because the "Big White Father" has law preventing it, we are going to have not only the palefaces inspired to sustain a lot of aches and pains, but we are going to have the Indians up in arms.

This one amendment and others that I shall offer later are offered to take the meddling fingers of these environmentalists out of the reservations and out of the Indian tepees. They do not belong there. This should never have been put in this bill, and we ought to get rid of this.

My goodness, we just cannot do everything with this bill. We are doing so much good here that we are going to end up doing an awful lot of bad before we are through.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I noticed my good friend, the gentleman from California, referred to these as the "Modall bill." Will the gentleman accept an amendment to call this the "Mink-Dall" bill?

Mr. HOSMER. Mr. Chairman, I can do that. I can think of some other things I can do if the gentleman thinks I should. I would be glad to accept any amendment that rhymes with "mink." If the gentleman desires to offer one, I will accept it.

Mr. Chairman, I urge the Members to adopt my amendment.

Mr. RUPPE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, in reference to this amendment, I would like to ask someone who is familiar with it, somebody on that side of the aisle who is unquestionably more familiar with this facet of the legislation with reference to the bill treating the tribes as States. I am concerned that the tribes will have the opportunity of changing or raising the Federal environmental standards under which these companies operate on their lands.

This being the case, would it not be possible for an Indian tribe to be in a position where it can change or alter the environmental standards at will, and it can alter them much as the shiekdoms do in the Middle East, where they can change the ground rules under which they are operating, and by doing so can change the existing contracts almost at will.

If they would do this, then I am afraid that this and the later language would virtually make inoperable the agreements or the contracts by which the companies mine the coal on Indian lands.

Mr. UDALL. Mr. Chairman, if the gentleman will yield, I am glad the gentleman from Michigan raised the question so we can reach a little history.

There evidently is an awful lot of paranoia and some very, very real fears about what will happen if this bill is passed, and one of them is that the Indian tribes are going to say to the companies who are already operating in the areas covered by the Indian reservations that they will change the regulations and make them very tough, but that they will not do that if the companies will double the price they are paying them for the coal.

Mr. Chairman, I think that we should assume that the Indian tribes are operating in good faith. The fact is that we are treating the tribes as we do States, and just like Montana, Wyoming or Arizona, that they will operate in good faith. But it seems that a lot of the people fear that they are going to do something that is cheap and sleazy. As I say, that suspicion seems to be directed at the Indian tribes, and I do not think that it should be directed at them. But, as I say, some people fear that they would immediately be willing to change the regulations on the Indian land so that they could try to blackmail the coal mining companies with whom they have a legitimate contract.

Mr. RUPPE. There is a distinct difference between a tribe and a State, because there is a diversity of interest in the communities, and the legislatures in the various States, and before they can change any of the mining laws or requirements, there is a broad spectrum of public opinion that enters into the debate on such matters.

But in the Indian tribe communities in reference to changing the environmental standards for the purpose of renegotiating contracts, there is no such diversity of interest within that community and it would be very easy for the tribe to join together since they will have the same interests and same goals. Therefore I think the environmental standard mechanism in such a situation can well affect and force a renegotiation of these contracts, and certainly result in a higher price for the coal.

Mr. UDALL. Mr. Speaker, if the gentleman will yield further, on page 116 we make it very clear—and that is page 116 in the report—that we are not trying to give the Indian tribes the power to blackmail the coal companies and raise prices under existing contracts, and I do not think they will have that authority under this bill.

Mr. HOSMER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Sixty-eight Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to the rule XXIII, clause 2, further proceedings under the call shall be considered vacated.

The Committee will resume its business.

The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) as a substitute for the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HOSMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the substitute amendment for the amendment to the committee amendment in the nature of a substitute was rejected.

The CHAIRMAN. The question is on the substitute amendment offered by the gentlewoman from Hawaii (Mrs. Mink), as amended, for the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

RECORDED VOTE

Mr. UDALL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 241, noes 144, not voting 49, as follows:

[Roll No. 398]

AYES—241

Adams
Addabbo
Andrews, N. Dak.
Ashley
Aspin
Badillo
Bafalis
Barrett
Bennett
Bergland
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney, Ohio
Carter
Chappell
Clark
Clausen, Don H.
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Dellenback
Dellums
Denholm
Dent
Dingell
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Esch
Eshleman
Fascell
Fish
Ford
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Grasso
Green, Pa.
Grover
Gude
Haley
Hamilton
Hanley
Hanna
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Heckler, Mass.
Heinz
Helstoski
Hicks
Holtzman
Horton
Howard
Hungate
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Karth
Kastenmeier
King
Koch
Kyros
Lagomarsino
Leggett
Lehman
Litton
Long, La.
McCloskey
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Mahon
Mallary
Maraziti
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Minish
Mink
Mitchell, Md.
Mizell
Moakley
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Price, Ill.
Pritchard
Randall
Rangel
Rees
Regula
Reid
Reuss
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Roush
Roybal
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schneebeli
Schroeder
Seiberling
Shipley
Shuster
Sikes
Slack
Smith, Iowa
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Thompson, N.J.
Thomson, Wis.
Thone
Tiernan
Traxler
Udall
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waldie
Ware
Whalen
White
Whitten
Widnall
Williams
Wilson, Charles H., Calif.
Wolff
Wright
Wydler
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zwach

NOES—144

Abdnor
Abzug
Alexander
Andrews, N.C.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Bauman
Beard
Bell
Bevill
Biaggi
Blackburn
Bowen
Bray
Breaux
Brown, Ohio
Broyhill, Va.
Buchanan
Burleson, Tex.
Butler
Camp
Casey, Tex.
Cederberg
Chamberlain
Clancy
Clawson, Del
Cochran
Collins, Tex.
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
Delaney
Dennis
Derwinski
Devine
Dickinson
Downing
Duncan
Edwards, Ala.
Erlenborn
Findley
Fisher
Flowers
Flynt
Fountain
Frelinghuysen
Froehlich
Gettys
Goldwater
Gubser
Guyer
Hammerschmidt
Hanrahan
Hechler, W. Va.
Henderson
Hillis
Hinshaw
Hogan
Holt
Hosmer
Huber
Hudnut
Hunt
Ichord
Jarman
Johnson, Calif.
Jones, Okla.
Kazen
Kemp
Ketchum
Kluczynski
Landgrebe
Latta
Lent
Long, Md.
Lott
Lujan
McClory
McCollister
McSpadden
Madigan
Mann
Martin, Nebr.
Mathis, Ga.
Michel
Miller
Mills
Mitchell, N.Y.
Mollohan
Moorhead, Calif.
Murphy, Ill.
Myers
Nelsen
Parris
Passman
Poage
Powell, Ohio
Price, Tex.
Quie
Quillen
Railsback
Rarick
Rhodes
Riegle
Roberts
Robinson, Va.
Rousselot
Runnels
Ruth
Satterfield
Scherle
Sebelius
Shoup
Shriver
Sisk
Skubitz
Smith, N.Y.
Snyder
Spence
Steiger, Ariz.
Stubblefield
Symms
Taylor, Mo.
Taylor, N.C.
Thornton
Towell, Nev.
Ullman
Veysey
Waggonner
Walsh
Wampler
Whitehurst
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wyatt
Young, Alaska
Young, S.C.
Zion

NOT VOTING—49

Anderson, Calif.
Anderson, Ill.
Baker
Brasco
Carey, N.Y.
Chisholm
Clay
Collier
Conlan
Cotter
Davis, Ga.
de la Garza
Diggs
Dorn
Evans, Colo.
Evins, Tenn.
Flood
Foley
Fulton
Giaimo
Gray
Green, Oreg.
Griffiths
Gross
Gunter
Hansen, Idaho
Hébert
Holifield
Hutchinson
Jones, Tenn.
Kuykendall
Landrum
Luken
Macdonald
Martin, N.C.
Minshall, Ohio
Montgomery
Nichols
Patman
Preyer
Rooney, N.Y.
Rostenkowski
Roy
Stephens
Symington
Talcott
Teague
Treen
Wiggins

So the substitute amendment as amended for the amendment to the committee amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California, (Mr. Hosmer) as amended, to the committee amendment in the nature of a substitute.

The question was taken, and the Chair announced that the noes appeared to have it.

PARLIAMENTARY INQUIRY

Mr. UDALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. UDALL. Mr. Chairman, as I understand it, the Chair had just put the question on the Hosmer amendment as amended by the Mink substitute, which the committee just adopted.

The CHAIRMAN. (Mr. Smith of Iowa.) The Chair will state that is correct.

Mr. UDALL. And the Chair indicated that the noes appeared to have it.

The CHAIRMAN. That is correct.

Mr. UDALL. Which would have meant that the entire proposition, including the Mink substitute, would have been lost; is that correct?

The CHAIRMAN. The gentleman is correct.

Mr. UDALL. Then, Mr. Chairman, I demand a division.

The CHAIRMAN. A division has been demanded.

The question was taken; and on a division (demanded by Mr. Udall) there were—ayes 91, noes 63.

So the amendment as amended to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. RONCALIO OF WYOMING TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. RONCALIO of Wyoming. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Roncalio of Wyoming to the committee amendment in the nature of a substitute: on page 195, line 12, section 211(c), after the words "apply to" insert the words "mining operations which create a plateau with no highways remaining in such a manner as to otherwise meet the standards of this section or."

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO of Wyoming. I yield to the gentleman from West Virginia.

Mr. SLACK. I thank the gentleman for yielding.

Mr. Chairman, this amendment would permit the mountaintop and valley fill type of surface mining presently used at several model mines in West Virginia creating useful plateaus without highwalls.

Mountaintop mining produces flat land sorely needed in many hilly regions with minimum damage to the environment.

This is a form of mining which should increase, not decline on the basis of its proven results.

I urge its adoption.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO of Wyoming. I yield to the gentleman from Arizona.

Mr. UDALL. I thank the gentleman for yielding.

Mr. Chairman, this amendment covers a matter which the gentleman from West Virginia (Mr. Slack), should be concerned about, and that is the practice of mountaintop removal. In certain instances this has been a very damaging practice, because the spoil is essentially a contour mining operation which goes all the way around the mountain and then takes the top of the mountain off. Because of the spoil being thrown over the side, immense damage has been caused by it, but the gentleman's amendment makes clear that the technique of mountaintop removal can be practiced for surface mining of coal if the fill from the top of the mountain is put on old abandoned benches, if it is put in level places, and if it is handled in such a way as to otherwise comply with the steep slopes provision to which this is an amendment. With that understanding, the amendment is certainly acceptable to me, and I think it will make clear that mountaintop removal in a proper case can be permitted by the regulatory authority, but it is very clear that all of the steep slope standards will otherwise have to be complied with.

Therefore, I would find the amendment agreeable.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO of Wyoming. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. I thank the gentleman for yielding.

I should like to ask the gentleman from West Virginia whether this, indeed, does not weaken, negate and gut the permanent standards on steep slopes insofar as mountaintop removal is concerned and thereby do great damage to a State like West Virginia?

Mr. SLACK. Not in my judgment.

Mr. RONCALIO of Wyoming. Mr. Chairman, I yield back the balance of my time.

Mr. RUPPE. I am not trying to pin the gentleman down, but I do not have a copy of the amendment. I have not been able to get a copy of the amendment, and I should like to have a definition, if someone will give it to me.

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from West Virginia.

Mr. SLACK. I thank the gentleman for yielding.

This amendment is provided to permit mountaintop mining, which will create a plateau with no high wall.

Mr. RUPPE. Does the gentleman have any reference to spoil on the down slope as a result of the mining operation?

Mr. SLACK. It is provided in the standards set forth in this subsection.

Mr. RUPPE. On page 195 of the bill we have a provision under subsection (c) which will apply to those situations in which operators mine flat or gently rolling terrain. Does that have anything to do with the gentleman's amendment?

Mr. SLACK. The gentleman will have to place his own interpretation upon that subsection.

Mr. RUPPE. I do not have a copy of the amendment. It would be helpful if we had a copy.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. MINK. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

As I understand the amendment, as I read it, it is to be inserted on line 12 after the words "apply to."

Where the amendment has been placed in this section it would appear that the mountaintop removal kind of coal mining operation would be totally exempt from any performance standard whatsoever, which would completely gut the bill.

Our intention in permitting mountaintop removal was under very carefully written and drawn requirements and specifications as listed beginning on line 17, listing 1, 2, 3, 4, 5, 6 different criteria which must be met in order to permit that kind of mountaintop removal operation.

It would seem to me that if the gentleman in the well merely wanted to make sure that mountaintop removal was one kind of operation which was permitted under the bill, I would certainly concur with that, as I have said to other Members who have raised a question. But it seems to me if this is his intent that this amendment would be more appropriately placed on line 9 of that paragraph which says:

> The following performance standards shall be applicable to deep-slope surface coal mining operations which create a plateau with no high walls remaining and shall be in addition to those general performance standards required by this section,

then the following proviso would make sense because it is limited to mining on the flat and gently rolling terrain.

Mr. HAYS. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I would say to the gentlewoman that I discussed this amendment with several people and some people wanted me to offer it. I do not have any mountains in my district. Some people might call them that, but we call them hills. They are not as steep as the terrain in West Virginia. I do not think I ought to handle it because it really does not affect my district.

As I understand the gentlewoman's amendment I would say to the gentlewoman that the gentleman is attempting to do the same thing as she is, and I would say if the amendment passes, she can get straightened out in conference the proper phraseology. It says: "which create a plateau with no high walls remaining" and would create the plateau in such a manner as to otherwise meet the standards of the subsection, so I think it is tied in that the standards have to be met, if I may say so, and I think the exact language can be worked out in conference. So what the gentleman from Hawaii and the gentleman from West Virginia and the gentleman from Arizona and the gentleman from Michigan want can all be worked out.

Mrs. MINK. I would say if that is the intent of the amendment that through a unanimous-consent request that the amendment could be inserted on line 9 after the words "coal mining" and not on line 12 and that would take care of all our apprehensions.

Mr. UDALL. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I made my earlier statement not having read it as carefully as the gentlewoman but in order to correct it I would ask unanimous consent that the gentleman's amendment appear on page 195, on line 9, following the words "coal mining" rather than where it was offered.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. STEIGER of Arizona. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. UDALL AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. RONCALIO OF WYOMING TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. UDALL. Mr. Chairman, I offer an amendment as a substitute for the amendment offered by Mr. RONCALIO of Wyoming to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. UDALL as a substitute for the amendment offered by Mr. RONCALIO of Wyoming to the committee amendment in the nature of a substitute: On page 195, line 9, after the word "mining," section 211(c), insert the words "and mining operations which create a plateau with no high walls remaining in such a manner as to otherwise meet the standards of this subsection or".

Mr. UDALL. Mr. Chairman, this is exactly as the language offered by the gentleman from West Virginia (Mr. SLACK) and the gentlemen from Wyoming (Mr. RONCALIO) except it places the amendment on line 9 instead of line 12.

Mr. HECHLER of West Virginia. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, mountaintop removal is the most devastating form of mining on steep slopes. Once we scalp off a mountain and the spoil runs down the mountainside and the acid runs into the water supply, there is no way to check it. This is not only esthetically bad as anyone can tell who flies over the State of West Virginia or any places where the mountaintops are scalped off, but also it is devastating to those people who live below the mountain. Some of the worst effects of strip mining in Kentucky, West Virginia, and other mountainous areas result from mountaintop removal. McDowell County in West Virginia, which has mined more coal than any other county in the Nation, is getting ready right now to strip mine off four or five mountaintops.

They are displacing families and moving them out of those areas because everybody down slope from where there is mountaintop mining is threatened.

I certainly hope that all the compromises that have been accepted by the committee, offered by industry in the committee, that now we do not compromise what little is left of this bill by amendments such as this.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Ohio.

Mr. HAYS. I would say to the gentleman that I am in sympathy with his idea of preserving as much of the State of West Virginia as possible; but I think, if we read that amendment carefully, it has to meet all the other standards of value. If it did not, I would surely not even talk about it.

As I understand it, they cannot dump the stuff down the side of the mountain and run somebody out of his home. They have to dispose of it in some other way.

What we do in Ohio in the hills that are not as steep as the mountains in these other States, we make them cut the first cast of the hill, cut that up and put the topsoil on it and then the next topsoil on it, and, when they are through, they not only have to have a plateau, as the mining people agree and the Department of Natural Resources agree to it, but it has to be covered with topsoil and reseeded and they cannot get their bond back until it is acceptable.

Mr. HECHLER of West Virginia. The gentleman from Ohio has made my point very effectively by indicating that the other standards of the bill apply. If we had some very stringent requirements in the rest of the bill, then his argument would hold greater weight.

In other words, the other standards in the bill are so shot through with loopholes that it is impossible to protect against this most devastating form of mining by slicing off the top of a mountain and thereby threatening all those who live underneath.

This is a very bad amendment and should be defeated.

Mr. STEIGER of Arizona. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Arizona (Mr. UDALL) to the amendment of the gentleman from Wyoming (Mr. RONCALIO).

I hope the gentleman from West Virginia (Mr. SLACK) will follow this, if he would. On page 195, what the gentleman from Arizona (Mr. UDALL) would have us do is make applicable all the restrictions that are applicable to steep-slope mining to mountaintop mining. If they want to permit mountaintop mining, then we have to vote down the amendment of the gentleman from Arizona (Mr. UDALL) and vote for the amendment of the gentleman from West Virginia (Mr. SLACK) to the amendment of the gentleman from Wyoming (Mr. RONCALIO).

I will yield in just a moment, because I would like my people to continue to be paid.

On page 195, what the gentleman from Arizona has said is that:

> The following performance standards shall be applicable to steep-slope surface coal mining.

And then he puts in the language of the gentleman from West Virginia.

In other words, he has, I am sure, inadvertently doubled the standards against mountaintop mining.

The gentleman from West Virginia (Mr. SLACK) wants us under certain narrow conditions to continue mining mountaintops. If we want to do that, we have to vote down the amendment of the gentleman from Arizona (Mr. UDALL) and support the amendment of the gentleman from West Virginia (Mr. SLACK).

If we want to do what the gentleman from West Virginia (Mr. HECHLER) wants us to do to stop all mining, then we must support the language of the gentleman from Arizona (Mr. UDALL).

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Ohio.

Mr. HAYS. If we read the original Slack amendment, perhaps I should not be in this debate, he says the mountaintop operations which create a plateau with no highwalls remaining in such a manner—this is the Slack amendment—as to otherwise meet the standards of the subsection.

So it seems to me we are engaged in semantics.

Mr. STEIGER of Arizona. I would like the RECORD to reflect this is one of the terrors I have of this bill. We have not the faintest idea of what we are doing here. The gentleman from Arizona would like to perpetrate that situation.

The amendment of the gentleman from West Virginia (Mr. SLACK) was offered in that part of the section which exempts certain features of mining from that restriction.

The language of the gentleman from Arizona (Mr. UDALL) puts it into the restrictive section.

I will simply tell the gentleman that I do not presume to make the judgments for us, but this whole bill is loaded with this kind of stuff. It is a little embarrassing, I am sure, for all of us to have to respond in debate on a question of semantics. We really ought to be doing that in committee, but the fact is that the Slack amendment says that if you can put the mountaintop spoil in hollows and you use it afterwards, that is a reasonable use. I would suggest the Members read the whole section where the Slack amendment language applies. It says that spoil from the mountaintop, under the Slack amendment, had to be useful, had to be used to build hollows and level existing depressions, to have a useful purpose.

Where the gentleman from Arizona (Mr. UDALL) wants to put his amendment means that it cannot be used under any conditions. It is a perfect example of doing what we do not intend to do in this bill.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, this is where it goes. If it goes where the gentleman from Arizona has asked to have it put, it puts mountaintop mining under the performance standards of subsection (c). If it goes where the original amendment specified that it go, on line 12, it extends mountaintop mining. There is no mystery about that. These amendments are 180 degrees apart.

The way the amendment was offered to begin with was to permit a variance here, an exception where mountaintop mining might be a legitimate operation; where it would hold the top of the hill from collapsing so that one could put a subdivision or some other kind of activity in there. There is nothing wrong with that. The amendment as originally offered should be regarded to and the Udall substitute should be rejected. Then, it will come out the way it ought to come out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. UDALL) as a substitute for the amendment offered by the gentleman from Wyoming (Mr. RONCALIO) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. UDALL) there were—ayes 30; noes 59.

So the substitute amendment for the amendment to the committee amendment in the nature of a substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming (Mr. RONCALIO) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. RUPPE) there were—ayes 65; noes 19.

So the amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. RONCALIO OF WYOMING TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. RONCALIO of Wyoming. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. RONCALIO of Wyoming to the committee amendment in the nature of a substitute: On page 163, line 8 delete "An" insert "A surface", delete "all or".

Mr. RONCALIO of Wyoming. I yield to the gentleman from Ohio (Mr. HAYS).

Mr. HAYS. Mr. Chairman, I thank the gentleman for yielding, and I thank him for offering this amendment, which I had hoped to offer.

This is a very simple amendment. I hope everybody on both sides can accept it.

What it does is that on page 163 of the bill, line 4, it deletes the word "An" and substitutes "A surface," so that instead of reading "An area," it will say, "A surface area shall be designated unsuitable," and then strikes "all or," so it will read "shall be designated unsuitable for certain types of surface coal mining," et cetera.

All it does is to do two things: make sure that this is confined to surface mining and not deep mining—and that is important to me—and second, that it does not automatically forbid all types of surface mining, but allows the company which wants to surface mine to come in and offer a proposal which can be accepted or denied. It gives them a chance to show their proposal to the Commission or to the Secretary or whoever is acting in his behalf, and then he can make a decision about whether that type of mining would be detrimental.

I admit that it does broaden the section a little bit, and it does confine it to surface mining.

If there are any questions, I would attempt to answer them. I think I know exactly what my amendment does.

Mr. UDALL. Mr. Chairman, the amendment is agreeable to me.

Mr. RUPPE. May I get the wording on the amendment?

Mr. HAYS. Again, it is on page 163, line 4. Delete the word "An" and insert "A surface" and then at the end of that line delete "all or" so it would read:

> A surface area shall be designated unsuitable for certain types of surface coal mining operations if reclamation pursuant to the requirements of this act is not demonstrated to be physically or economically feasible.

Mr. RONCALIO of Wyoming. Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. RUPPE AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. RONCALIO OF WYOMING TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. RUPPE. Mr. Chairman, I offer an amendment as a substitute for the amendment offered by Mr. RONCALIO of Wyoming to the committee amendment in the nature of a substitute.

The clerk read as follows:

Amendment offered by Mr. RUPPE as a substitute for the amendment offered by Mr. RONCALIO of Wyoming to the committee amendment in the nature of a substitute: on page 163, line 4, strike all through line 7 inclusive and insert therein:

"(2) The State regulatory authority shall designate an area as unsuitable for all or certain types of surface coal mining operations if the State regulatory authority determines that reclamation pursuant to the requirements of this Act is not physically feasible."

Page 169, line 23, delete the words "under study" and insert in lieu thereof the words "as to which an administrative proceeding has commenced pursuant to section 206(a)(4)(D) of this Act."

Mr. RUPPE. Mr Chairman, I think this is a very important amendment that I am offering as a substitute.

On page 163, after line 8, there is an identification of those areas that may be declared unsuitable for a variety of reasons, and they can be declared unsuitable by the State's own regulatory authority.

However, the provision the gentleman from Ohio (Mr. HAYS) and I are referring to is a reference to an area that has to be designated as unsuitable if the area is not demonstrated to be physically or economically feasible to reclamation.

Mr. Chairman, I think it is very dangerous in this particular piece of legislation to indicate an area shall be designated unsuitable if reclamation is not demonstrated to be economically feasible.

First of all, it is almost impossible to prove that an area can be demonstrated to be feasible without actually putting on a demonstration. I think the word "demonstration" presents a very difficult provision to comply with, and it will result in vast areas of a given State being declared off limits to mining.

The second word is "economically." What is economically feasible to be reclaimed to one Member and to me may be entirely different. One of us may want to open up a hamburger stand, and he thinks he can make money. However, I may not; I may think in an entirely contrary fashion.

The fact of the matter really is that no Member in this room or any one in any regulatory agency has the ability to declare what is economically feasible of reclamation. That is a very subjective thing.

Mr. Chairman, I think we are making a vast mistake to call upon a company to declare or to demonstrate that an area is economically feasible of reclamation or that the area is not to be declared unminable or unsuitable for mining. I believe the substitute amendment would clarify this so that an area would only be declared unsuitable for all or certain types of mining if it is shown it cannot be physically feasible of reclamation.

I think the phrase "physically feasible" is the important thing in this particular regard.

Finally, there is one other technical portion. My amendment remedies a provision in the bill which could lead to unintended or excessive denials of permit applications. Section 209(d)(3) states that a permit to mine may not be granted in an area which is under study for designation as unsuitable to mine.

It can well be stated that the State would well want to study coal mines within its jurisdiction to see if there are suitable areas for mining under section 206. But if the State did study vast areas around the State, it would not be able to grant any permits to mine under subsection 209(d)(3).

My amendment would necessitate that specific proceedings under section 206(a)(4)(D) be begun before the State could deny a permit application under subsection 209(d)(3).

I would suggest this: That mining permits should only be refused if the State has gone beyond the study period and has actually gone into administrative proceedings under the act and has held hearings and the like. Otherwise, under the language of the bill, we are apt to declare vast areas in a number of States open for study and during that period of time prohibit all mining on them.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentlewoman from Hawaii.

Mrs. MINK. Mr. Chairman, I will ask the gentleman this: Is it the gentleman's intention to incorporate the amendment offered by the gentleman from Ohio into his substitute so that instead of all areas, it would include surface areas as unsuitable for certain types of surface coal mining?

Mr. RUPPE. Mr. Chairman, I would certainly like to do so, and I shall ask unanimous consent that my substitute be modified to show that.

Mrs. MINK. Mr. Chairman, if the gentleman will yield further, if that is approved, then I will support the amendment. I think it clarifies an ambiguity which certainly had been present in the bill where we use the term "economically feasible."

However, by virtue of a coal mine being closed and a man declaring it was not economically feasible, the State would be mandated to declare it an unsuitable area. Of course, that is an illogical conclusion.

Therefore, I commend the gentleman for offering his amendment.

Mr. HAYS. Mr. Chairman, will the gentleman yield for a question?

Mr. RUPPE. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, if the gentleman's unanimous consent request is agreed to, as I understand it—and I want to be sure we know what we are doing—on page 163, line 4, the language would read:

A surface area shall be designated unsuitable for certain types of surface coal mining operations if reclamation pursuant to the requirements of this Act is not demonstrated to be physically feasible.

The gentleman is striking out "economically"; is that correct?

The CHAIRMAN. The time of the gentleman from Michigan (Mr. RUPPE) has expired.

Mr. HAYS. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan be allowed to proceed for 1 additional minute.

Mr. STEIGER of Arizona. Mr. Chairman, reserving the right to object, I would like to point out to the assembled body that the gentleman from Ohio has very properly offered to explain to the Members what is happening here in terms of this specific suggestion. The Members have just seen a trade-off on the acceptance of a suggestion of the gentlewoman from Hawaii (Mrs. MINK) accepted by the gentleman from Michigan (Mr. RUPPE) in which the Members are seeing a bill written before their eyes, with very little understanding of the specific effects of it.

Mr. Chairman, I believe that this piece of legislation is important, and I am not questioning but what the results of what we are doing are exactly as the gentleman describes, but I would point out that this is a very poor way to achieve a specific, narrow result.

Mr. Chairman, I will not object at this point, but I will advise the Members that I am going to offer a preferential motion that we rise and strike all after the enacting clause immediately upon the adoption or rejection of this amendment. The reason I am going to do so is because this is simply not the way to legislate on a matter of such importance.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I would simply say that the cleanest way to handle this would have been to have accepted my amendment and then the gentleman from Michigan have offered his amendment afterwards as a separate amendment.

But, let me say to the gentleman from Arizona that this is a kind of a rule that you came out with.

It is a technical bill, and I understand that. In fact, I think I understand strip mining—and I do not want to toot my own horn—but I believe I understand strip mining and all of its implications and ramifications, as well as anybody in this committee, because I have studied it for years. I have introduced bills on it. I have lived with it all of my life. I know a little bit about what is going on.

What I was trying to do here was simply two things: Make sure this did not apply to deep mines, and that is why we put in surface area, not any area, but surface area; and we did not want to change the effect on the mines without somebody having a chance to give it an explanation.

I would have thought the gentleman would not have fought that amendment, I will say to the gentleman from Arizona.

MODIFICATION OF RUPPE AMENDMENT

Mr. RUPPE. Mr. Chairman, I ask unanimous consent to modify my amendment to include the amendment proposed by the gentleman from Ohio (Mr. HAYS).

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan.

There was no objection.

The amendment as modified by the unanimous consent request reads as follows:

On Page 163, line 4, strike all through line 7 inclusive and insert therein:

"(2) The State regulatory authority shall designate an area as unsuitable for all or certain types of surface coal mining operations if the State regulatory authority determines that reclamation pursuant to the requirements of this Act is not physically feasible."

On page 163, line 8 delete "An" insert "A surface", delete "all or".

Page 169, line 23, delete the words "under study" and insert in lieu thereof the words "as to which an administrative proceeding has commenced pursuant to section 206(a) (4) (D) of this Act."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. RUPPE) as modified, as a substitute for the amendment offered by the gentleman from Wyoming (Mr. RONCALIO) to the committee amendment in the nature of a substitute.

The amendment, as modified, offered as a substitute for the amendment to the committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming (Mr. RONCALIO) as amended, to the committee amendment in the nature of a substitute.

The amendment as amended to the committee amendment in the nature of a substitute was agreed to.

Mr. UDALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11500) to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of the Interior to make grants to States to encourage the State regulations of surface mining, and for other purposes, had come to no resolution thereon.

MAKING IN ORDER CONSIDERATION OF DISTRICT OF COLUMBIA BUSINESS ON MONDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that it shall be in order on Monday next, July 29, to consider business from the Committee on the District of Columbia pursuant to the provisions of clause 8, rule XXIV.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CYPRUS AND THE NEED FOR A NEW LOOK AT U.S. POLICY TOWARD GREECE

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I am sure that the American people welcome the announcement earlier today that a cease-fire has been arranged between Greece and Turkey that took effect on Cyprus this morning.

The prospect of war between two members of NATO can only be cause for dismay to the United States, and I hope that the cease-fire will be observed and that the Governments of both Greece and Turkey will restrain themselves from any further actions that could provoke new outbreaks of violence.

Mr. Speaker, Archbishop Makarios, the President of Cyprus, is scheduled to be in Washington today to talk with Secretary of State Kissinger.

I hope very much that Secretary Kissinger will avail himself of this opportunity to assure President Markarios that, as the legally elected leader of his country, his government will have the support of the United States.

It is now clear to all, Mr. Speaker, that the military junta in Athens was behind the effort to overthrow Archbishop Makarios.

Indeed, President Makarios, in a letter of July 2, 1974, to Gen. Phaedon Gizikis, head of the Greek military regime, specifically charged that regime with seeking his assassination and the overthrow of the Government of Cyprus.

Unfortunately, Mr. Speaker, the present U.S. administration paid little attention to these warnings.

Indeed, the present crisis between Greece and Turkey over Cyprus is in large part the consequence of the continued failure of the Nixon administration to come to grips with the dangers to the strength of the Western alliance of the continuation in Greece of a military dictatorship.

Not only has the administration demonstrated little concern about the suppression of the liberties of the people of Greece, a member of NATO, an alliance formed to defend freedom and democracy.

But even when a democratically elected government was the object of a coup—as with the case of Cyprus—the Government of the United States has so far refused to make a clear statement in support of the lawful Government of Cyprus.

As I have said, the United States should no longer equivocate on this matter.

Finally, Mr. Speaker, the crisis over Cyprus—and the role of the military regime in Greece in inciting it—should cause the U.S. Government at least to pay serious attention to developing a policy toward Greece that makes sense in terms of the freedoms of the people of Greece, of the stated purposes of NATO, and of the strategic importance of the eastern Mediterranean.

A continued failure on the part of the United States to develop a sound policy toward Greece can only mean a standing invitation for more such crises in that part of the world.

Such a continued failure can only mean good news for the Soviet Union. It would certainly not be good news for the people of Greece and Turkey or of Cyprus or of the United States.

Mr. Speaker, I insert at this point in the RECORD the full text of the letter, to which I have made earlier reference, dated July 2, 1974, from Archbishop Makarios to the Greek President, Gen. Phaedon Gizikis:

LETTER BY PRESIDENT MAKARIOS TO GENERAL GIZIKIS

(His Beatitude the President of the Republic, Archbishop Makarios, last Wednesday sent the following letter to the President of the Greek Republic, General Phaedon Gizikis:)

NICOSIA, *July 2, 1974*.

The President of the Greek Republic,
Gen. PHAEDON GIZIKIS,
Athens.

MR. PRESIDENT: It is with profound grief that I have to set out to you certain inadmissible situations and events in Cyprus for which I regard the Greek Government responsible.

Since the clandestine arrival of General Grivas in Cyprus in September, 1971, rumors have been circulating and there have been reliable indications that he came to Cyprus at the urge and with the encouragement of certain circles in Athens. In any case, it is certain that from the first days of his arrival here Grivas came into touch with officers from Greece serving in the National Guard from whom he received help and support in his effort to set up an unlawful organisation and allegedly to fight for Enosis. And he established the criminal EOKA B organisation, which has become the cause and source of many sufferings for Cyprus. The activity of this organisation, which has committed political murders and many other crimes under a patriotic mantle advancing Enosis slogans, is well known. The National Guard, which is staffed and controlled by Greek officers, has been from the outset the main supplier of men and material to EOKA B, the members and supporters of which gave themselves the nice ringing title of "Enosists" and "Enosis campy".

I have many times asked myself why an unlawful and nationally harmful organization which is creating divisions and discords cleaving rifts in our internal front and leading the Greek Cypriot people to civil strife, is supported by Greek officers. And I have also many times wondered whether such support has the approval of the Greek Government. I have done a great deal of thinking and made many hypothetical assumptions in order to find a logical reply to my questions. No reply, under any prerequisites and assumptions, could be based on logic. However, the Greek officers' support for EOKA B' constitutes an undeniable reality. The National Guard camps in various areas of the island and nearby sites are smeared with slogans in favor of Grivas and EOKA B' and also with slogans against the Cyprus Government and particularly myself. In the National Guard camps propaganda by Greek officers in favour of Grivas and EOKA B' and also It is also known, and an undeniable fact, that the opposition Cyprus press, which supports the criminal activity of EOKA B' and which has its sources of finance in Athens, receives guidance and line from those in charge of the 2nd General Staff Office and the branch of the Greek Central Intelligence Service in Cyprus.

It is true that whenever complaints were conveyed by me to the Greek Government about the attitude and conduct of certain officers, I received the reply that I ought not to hesitate to report them by name and state the specific charges against them so that they would be recalled from Cyprus. I did this only in one instance. This is an unpleasant task for me. Moreover, this evil cannot be remedied by being faced in this way. What is important is the uprooting and prevention of the evil and not merely the facing of its consequences.

I am sorry to say, Mr. President, that the root of the evil is very deep, reaching as far as Athens. It is from there that the tree of evil, the bitter fruits of which the Greek Cypriot people are tasting to-day, is being fed and maintained and helped to grow and spread. In order to be absolutely clear I say that cadres of the military regime of Greece support and direct the activity of the EOKA B' terrorist organization. This explains also the involvement of Greek officers of the National Guard in illegal activities, the conspiracy and other inadmissible situations. The guilt of circles of the military regime is proved by documents which were found recently in the possession of leading cadres of EOKA B'. Plenty of money was sent from the National Centre for the maintenance of the Organisation and directives were given concerning the leadership after the death of Grivas and the recall of Major Karousos, who had come to Cyprus with him, and generally everything was directed from Athens. The genuineness of the documents cannot be called in question because those of them which are typewritten have corrections made by hand and the handwriting of the writer is known. I indicatively attach one such document.

I have always adhered to the principle and I have on many occasions stated that my co-operation with the Greek Government for the time being is for me a national duty. The national interest dictates a harmonious and close cooperation between Athens and Nicosia. No matter which Government of Greece was in power it was to me the government of the mother country and I had to co-operate with it. I cannot say that I have a special liking for military regimes, particularly in Greece the birth-place and cradle of democracy. But even in this case I have not departed from my principle about co-operation. You realise, Mr. President, the sad thoughts which have been preoccupying and tormeting me following the ascertainment that men of the Government of Greece are incessantly preparing conspiracies against me and, what is worse, are dividing the Greek Cypriot people and pushing them to catastrophe through civil strife. I have more than once so far felt and in some cases I have almost touched a hand invisibly extending from Athens and seeking to liquidate my human existence. For the sake of national expediency, however, I kept silent. Even the evil spirit which possessed the three defrocked Cypriot Bishops who have caused a major crisis in the Church emanated from Athens. However, I said nothing in this connection. I am wondering what the object of all this is. I would have continued to keep silent about the responsibility and role of the Greek Government in the present drama of Cyprus if I had been the only one to suffer on the scene of the drama. But covering things up and keeping silent is not permissible when the entire Greek Cypriot people are suffering, when Greek officers of the National Guard, at the urge of Athens, support EOKA B' in its criminal activity, including political murders and generally aiming at the dissolution of the state.

Great is the responsibility of the Greek Government in the effort to abolish the state status of Cyprus. The Cyprus state should be dissolved only in the event of Enosis. However, as long as Enosis is not feasible it is imperative that the state status of Cyprus should be strengthened. By its whole attitude toward the National Guard issue, the Greek Government has been following a policy calculated to abolish the Cyprus state.

A few months ago the National Guard General Staff consisting of Greek officers submitted to the Cyprus Government for approval a list of candidates for cadet reserve officers who would attend a special school and then serve as officers during their military service. Fifty seven of the candidates on the list submitted were not approved by the Council of Ministers. The General Staff was informed of this in writing. Despite this, following instructions from Athens, the General Staff did not take at all into account the decision of the Council of Ministers, which under the law has the absolute right to appoint National Guard officers. Acting arbitarily, the General Staff trampled upon laws, showed contempt for the decision of the Cyprus Government and enrolled the candidate who had not been approved in the Officers Training School. I regard this attitude of the National Guard General Staff, which is controlled by the Greek Government as absolutely inadmissible. The National Guard is an organ of the Cyprus state and should be controlled by it and not from Athens. The theory about a common area of defence between Greece and Cyprus has its emotional aspect. In reality, however, the position is different. The National Guard, with its present composition and staffing, has deviated from its aim and has become a hatching place of illegality, a centre of conspiracies against the state and a source of supply of EOKA B'. It suffices to say that during the recently stepped up terrorist activity of EOKA B', National Guard vehicles transported arms and moved to safety members of the organisation who were about to be arrested. The absolute responsibility for this improper conduct of the National Guard rests with Greek officers, some of whom are involved heads over ears and participants in the activity of EOKA B'. And the National Centre is not free from responsibility in this connection. The Greek Government could by a mere beckon put an end to this regretable situation. The National Centre could order the termination of violence and terrorism by EOKA B' because it is from Athens that the organisation derives the means for its maintenance and its strength, as confirmed by written evidence and proof. The Greek Government, however, has failed to do so. As an indication of an inadmissible situation I note here in passing that in Athens also slogans were recently written against me and in favour of EAKA B' on the walls of churches and other buildings, including the building of the Cyprus Embassy. The Greek Government, even though it knew the culprits, did not seek to arrest and punish anybody, thus tolerating propaganda in favour of EOKA B'.

I have a lot to say, Mr. President, but I do not think that I should say any more. In conclusion I convey that the Greek officered National Guard, the plight of which has shaken the Cypriot people's confidence in it, will be restructured on a new basis. I have reduced military service so that the National Guard ceiling may be reduced and the extent of the evil may be limited. It may be observed that the reduction of the strength of the National Guard due to the shortening of the military service, does not render it capable of carrying out its mission in case of national danger. For reasons which I do not wish to set out here I do not share this view. And I would ask that the officers from Greece staffing the National Guard be recalled. Their remaining in the National Guard and commanding the force would be harmful to relations between Athens and Nicosia. I would, however, be happy if you were to send to Cyprus about one hundred officers as instructors and military advisers to help in the reorganisation and restructuring of the armed forces of Cyprus. I hope, in the meantime, that instructions have been given to EOKA B' to end its activities, even though, as long as the organisation is not definitely dissolved, a new wave of violence and murders cannot be ruled out.

I am sorry, Mr. President, that I have found it necessary to say many unpleasant things in order to give a broad outline with the language of open frankness of the long existing deplorable situation in Cyprus. This is, however, necessitated by the national interest which has always guided all my actions. I do not desire interruption of my co-operation with the Greek Government. But it should be borne in mind that I am not an appointed prefect or locum tenens of the Greek Government in Cyprus, but an elected leader of a large section of Hellenism and I demand an appropriate conduct by the National Centre towards me.

The content of this letter is not confidential.

With cordial wishes,

MAKARIOS of Cyprus.

CAMPAIGN FINANCING LEGISLATION

(Mr. VIGORITO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. VIGORITO. Mr. Speaker, Members of Congress and people from all over the country have watched the House Administration Committee and its chairman drag their feet for too long on meaningful campaign reform legislation. As a Member of the House of Representatives, I am tired of hearing the chairman say that a campaign financing bill will "soon" be reported to the floor of the House for consideration. His promises of speeding up the committee deliberation on campaign financing have been proven empty; the whole House is being needlessly criticized because of these hallow promises.

Today, I call upon the chairman of the House Administration Committee to expedite the consideration on the campaign reform legislation before another Federal election is held. The American people, who have witnessed immeasurable abuses of campaign financing and spending during the 1972 election, will not tolerate a Congress which proclaims distaste and abhorrence of campaign spending abuses yet is unwilling or unable to do anything about it.

A representative and responsive system of government requires campaign financing practices which are based on integrity, honesty, and which generate public confidence in the political process. Qualified candidates should have equal access to the political arena regardless of their financial resources, and a good and effective campaign financing law would allow this.

While several methods have been offered to implement true campaign spending reform, most everyone agrees that we need more effective monitoring of and stricter enforcement of the campaign finance laws.

However, the House cannot act without the House Administration Committee reporting a bill to the floor. The House cannot debate the pros and cons of public financing without having some type of legislation before it. Rather than reading that Congress is in the lead on campaign reform, we read such descriptions of Congress as "stalling, dragging its feet, inactive and dawdling" in its work on campaign reform.

The time for action is now and I do not believe any Member of Congress should tolerate the inactivity of the committee dealing with campaign reform any longer. I urge that the committee work be completed on campaign spending by the end of the first full week in August, so that the House can work its will.

THE WALKING TOUR OF THE THIRD CONGRESSIONAL DISTRICT OF OHIO

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, I have just completed the 100th mile of my biennial walking tour of the Third Congressional District. Thus far, 1,337 doors—averaging three voters per household—have been opened to me. As in previous elections my door-to-door effort is multipurposed. Of especial value, however, is the opportunity it provides to "take the pulse of the public."

Richard Scammon and Ben Wattenberg, in their monumental analysis of the American electorate, "The Real Majority," locate the average voter in "the outskirts of Dayton, Ohio." Thus, it comes to me as no surprise that constituent views in the Dayton area parallel those recorded in recent nationwide Gallup and Harris surveys.

For example, inflation is by far the greatest concern of residents by my district. This issue, in fact, has mounted in intensity each succeeding weekend. While responsibility for fiscal policy resides both in the executive and legislative branches, most of my contacts tend to blame the President, rather than the Congress, for our economic ills.

Too, a substantial majority of those with whom I visited are "fed up" with Watergate. "Get it over with and get on with the business of the Nation," they urge. They are somewhat assuaged when I assure them that the impeachment inquiry will be concluded by the House Judiciary Committee within the next 2 weeks.

Despite this weariness with Watergate, approximately three out of four constituents—even the most avid Nixon supporters—believe that the President was aware of the Watergate coverup—73 percent felt the President knew, according to the June 1974, Harris survey. Yet, of those willing to express themselves on the matter of impeachment, 50 percent oppose such action by the House of Representatives.

One may wonder why there is a significant dropoff in the numbers of those who view the President culpable and those who favor impeachment. Some have voiced the fear that the impeachment process "is hurting the country." Several constituents specifically mentioned that our preoccupation with Watergate has impeded the President in his efforts to combat inflation. An even larger group contends that the concern for Watergate is overblown for, "after all, all politicians do the same thing."

Finally, I have one observation that has not been revealed in public opinion polls. Particularly in congressional races, many citizens base their votes on factors other than the issues of the day. Approximately 1 out of 8 households, for instance, has assured me of its continued support because of previous assistance rendered the family by me and my staff.

What do these facts portend for the November election?

First, inflation may have a far greater adverse impact on Republican candidates than Watergate. Nixon loyalists might be able to blunt this issue by arguing that a willful Congress, bent on impeachment, has made it impossible for the President to deal effectively with inflation.

Second, those House Members who view the impeachment inquiry evidence as unfavorable to the President can take some comfort in the knowledge that this perception is shared by 3 out of 4 Americans. However, if on the basis of these facts a Representative votes for impeachment, he must convince one of these three that the remedy is justified.

Third, inflation and Watergate notwithstanding, many House incumbents—Democrats and Republicans alike—will survive the fall contents because of conscientious attention to constituent problems.

One other conclusion has emerged as I trudge my district in 90° heat—1974 is a great year to be unopposed.

DISCHARGE OF INDUSTRIAL WASTES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DON H. CLAUSEN) is recognized for 15 minutes.

Mr. DON H. CLAUSEN. Mr. Speaker, the House Public Works Committee has held a hearing to consider the implementation of the 1972 Water Pollution Control Act by the Environmental Protection Agency.

Because of the importance of an effective water quality control effort, I want to bring to the attention of all Members of Congress the testimony we received from EPA Deputy Administrator, John Quarles.

I believe his remarks should have widespread circulation because the subject is so important and so complex. The committee would welcome input from all interested parties on the ways and means of achieving the policies we established in the 1972 act.

Mr. Quarles' statement is herewith submitted for publication in the RECORD:

STATEMENT OF HONORABLE JOHN R. QUARLES, DEPUTY ADMINISTRATOR, ENVIRONMENTAL PROTECTION AGENCY

(NOTE.—Tables referred to not printed in the RECORD.)

Mr. Chairman, I appreciate the opportunity to appear before your Committee today

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to report on the progress the Environmental Protection Agency has made toward controlling the discharge of industrial wastes into the Nation's waters.

Before I address the principal subject of these hearings, however, I thought you might like to hear a current report on the subject of your hearings in February, the municipal construction grant program. I am pleased to report that the $1.8 billion obligated for the construction of municipal treatment works as of February 28 has increased to almost $2.1 billion as of May 31, and the total obligations through FY 74 are expected to reach $2.9 billion. Although there will continue to be some variation from quarter to quarter, we are confident that the rate of obligation will increase steadily.

I am also pleased to report that, with respect to reimbursements, the Environmental Protection Agency has obligated approximately $1.2 billion as of June 7, and $622 million of that amount has been paid out to the States. The remainder of the $1.5 billion interim payment will be obligated during FY 75. We will then initiate a second round of payments to cover the remainder of the $1.9 billion appropriation, also during FY 75.

Turning to the subject of these hearings, the regulation of industry, I would like to point out that, in the aggregate, industry discharges considerably more waste than all the sewered private residences of the United States. In terms of a single pollution parameter, biochemical oxygen demand (BOD), the wastes generated by industry are equivalent to those of a total population of over 360 million people. Still more troublesome are the enormous quantities of mineral and chemical wastes, which steadily become more complex and varied. These wastes degrade the quality of receiving waters by causing objectionable tastes, odors and color as well as salinity, hardness, and corrosion. Some are toxic to plant and animal life, and dangerous to human health, often in ways we still imperfectly understand.

The vehicle for regulating industrial wastes is, of course, the National Pollutant Discharge Elimination System established under section 402 of the Federal Water Pollution Control Act Amendments of 1972, which we normally refer to as the "Permit Program." Before I describe the progress we have made so far under NPDES, let me summarize briefly the principal sections of the Act which provide the bases for the control of industrial discharges. These include industrial effluent guidelines and limitations under sections 301 and 304, new source performance standards under section 306, pretreatment standards under sections 307 (b) and (c), thermal discharge exemptions under section 316(a), toxic pollutant standards under section 307 (a), regulations governing the discharge of oil and hazardous substances under section 311, and State water quality standards approved by EPA under section 303(a).

The most comprehensive in scope of these requirements are the industrial effluent guidelines which require the achievement by industry of "best practicable control technology currently available" by 1977 and "best available technology economically achievable" by 1983 (Table 1). Equally important for the control of industrial pollution are the new source performance standards and pretreatment standards. As you know, the concept of technology-based guidelines and standards unrelated to local water quality is perhaps the most basic and most innovative aspect of the new law. I will describe in more detail how we have proceeded to implement these requirements, but I am pleased to say that we are fully convinced that this new approach will succeed and have made determined efforts to make these guidelines and limitations the durable tools envisioned by the law.

Another section especially pertinent to the control of industrial discharges is section 307(a) which directs the Agency to: (1) publish a list of substances that are toxic to aquatic life in extremely small concentrations, and (2) within six months of publication, promulgate effluent standards for those substances. The list itself may be revised from time to time, and the standards must be reviewed at least every three years. These standards will be incorporated, where applicable, in each NPDES permit.

Finally, section 311 directs the Administrator of EPA to take a number of steps to control spills of oil and other hazardous substances. This involves, among other things, publishing a list of substances deemed hazardous, prescribing removal procedures where feasible, and establishing substantial penalties for spills of nonremovable materials.

Returning to the progress we have made under NPDES, we can report that a total of 9,589 permits have been issued as of May 31: 6,429 to industrial sources; 3,002 to municipal sources; and 168 to agricultural sources. Over 1,650 of these have been issued by the States. Of the approximately 2,700 major industrial permits, about 1,200 have already been issued. Of these, only about 50 are being appealed. Coupled with another 50 minor permits on appeal, we can state that only 2% of the permits issued have been challenged by industry or environmental groups. As a result of these efforts, dischargers to whom permits have been issued are now under close supervision and control and we foresee a substantial improvement in the quality of the waters affected by their discharges.

As for the future, our goal is to have all major dischargers and a substantial number of minor dischargers permitted by December 31, 1974. If we can accomplish this objective, we will have brought under regulatory control 80–90% of the pollution attributable to point sources nationwide.

As you know, the 1972 Amendments called for a cooperative Federal-State effort in the permit area, with the major responsibility for issuing permits to be with the States. Consistent with the intent of the Act, it has always been our policy to encourage States to the maximum extent to assume this responsibility. In this regard, we issued guidelines for State permit programs and approved twelve State programs thus far: California, Oregon, Connecticut, Michigan, Washington, Wisconsin, Ohio, Vermont, Delaware, Mississippi, Montana, and Nebraska. We expect to approve three others this month: Kansas, Georgia, and Minnesota.

We are also working cooperatively with many other States in which the permits are being drafted by the States and issued by EPA following joint (Federal-State) issuance of public notices and hearings. Examples include Massachusetts, Virginia, Texas, Missouri, and Colorado. Additionally, we have assigned EPA personnel to work in State agencies under the provisions of the Intergovernmental Personnel Act.

As for the future, we expect to approve five more State programs by September 30, 1974, as well as an additional five by December 31, 1974. Coupled with those already approved, this will bring the total of approved State programs to approximately 25 by the end of December.

I have already indicated that we believe that the technology-based approach to the achievement of water quality goals through effluent guidelines and standards is workable. I think it should be emphasized that it is a radical departure from previous strategies for regulating industrial pollution sources. The Congress adopted this approach in the belief that it would be the most efficient and fair way to achieve a substantial reduction in the quantity of pollutants entering the Nation's waters: the most efficient because it eliminates the need for elaborate calculation of acceptable stream loadings for every stretch of river, and the fairest because it is more equitable to apply the same standard to plants within "classes and categories of industries," as the Act puts it, rather than on a plant-by-plant determination based solely on water quality considerations, except where water quality standards require a more stringent level of treatment.

No one expected that implementing this approach would be easy. It has, in fact, proved enormously complex. We have studied, in as much depth as our time and other resources permitted, each of the industries named in section 306 of the Act, and are proceeding with the analysis of a number of others. The industries and subcategories being studied are listed in Table 2. Chart I and Table 3 summarize the tasks we have undertaken and Table 4 sets forth our accomplishments.

We have promulgated 29 of 30 initial sets of effluent guidelines for Group I, Phase I industries and we expect to promulgate effluent guidelines for Phase II industries this year. Together these guidelines will cover an estimated 78 percent of major industrial dischargers. Work on Group II industries is underway and is expected to cover an additional 21 percent of major dischargers and bring coverage to 99 percent of all major dischargers (Table 5).

We have not attempted to make these complex judgments unassisted. We have consulted, within the stringent time limits imposed upon us, with representatives of industry, State and local government, other Federal agencies, and public interest groups. For example, we have met frequently with representatives of the electric power industry and have scheduled public hearings on guidelines for that industry for July 11–12. As you know, that category is the single one of the initial 30 industry groups for which final regulations have not been promulgated. As a result, it would be premature for me to comment on the substance of the guideline. Let me say, however, that in general, and certainly in the case of the electric power industry, we have received an immense volume of factual data and suggestions, all of which we have carefully considered, and frequently incorporated.

We have seen our job as reconciling two somewhat competing goals of the Act. The Agency is required to promulgate uniform guidelines for a given industrial category that may be applied to individual permits and enforced in court without the necessity of treating each discharger as a unique situation. We are also required to consider, with respect to point sources within the category or class, factors which may result in different limitations for different plants: their age and size, raw materials, products, manufacturing processes, available treatment technology, energy requirements, and costs. We have attempted to strike a balance between consistency and flexibility. In the process, we have identified, for "best practicable control technology" among the initial 30 industrial categories of section 306, approximately 185 subcategories and 31 additional variances (Table 6).

A difficult problem in selecting discharge levels is that of estimating the costs of the application of treatment technology and the possible economic impacts. The reason, of course, is that costs vary for individual plants. The 1972 Amendments, however, required examination of the balance between treatment costs and effluent reduction benefits from a nationwide industrial category perspective. In addition, we examined in detail potential economic impacts. The raw waste load, economic impact, and effluent reduction data for promulgated Group I, Phase I guidelines are in Tables 7, 8, and 9.

Adequate subcategorization of an industry and setting the guidelines for effluent limitations for each category require large amounts of data. In connection with this effort, we have accumulated massive quantities of technical information. In addition, as we have proceeded through the process, whenever someone brought new information to our attention, we considered it. In this regard, a large proportion of the guidelines have been changed substantially in response to comments received. In one instance—the urea segment of the fertilizer industry—when new data were received after it was too late to delay the promulgation of the regulation, we immediately developed a revised guideline. More generally, we have included a variance clause which allows a guideline to be adjusted if some fundamentally different factor exists at an individual plant which was not considered during the development of the guideline.

We have found the shortage of data to pose a more serious problem in developing guidelines for plants discharging into municipal treatment systems. On November 8, 1973, we promulgated regulations governing the discharge into municipal systems of substances which might damage the plant and limiting the amounts that may pass through untreated. We have determined that it will be necessary, however, to set pretreatment standards on an industry-by-industry basis. Because plants which discharge into municipal systems are typically smaller than the average for an industry, and because the costs of land-based treatment technologies, such as holding ponds, are typically prohibitive in many areas, it becomes a particularly difficult problem to set pretreatment standards which are both effective and economically practicable. For the most part, we have proposed pretreatment standards at the same time we have promulgated regulations governing effluent limitations for direct dischargers. Table 10 summarizes our progress in this regard.

In addition, the energy requirements of alternative treatment technologies are evaluated separately for each industry, and the findings are noted in the technical material accompanying the regulation. As Table 11 shows, we believe we have been successful in identifying technologies which will require only small percentage increases in energy use for each industry for which guidelines have been promulgated. The actual usage will, of course, vary from plant to plant, in large part because we do not require the adoption of specific technologies or treatment methods, and each firm is free to choose the approach which will meet its requirements most effectively and economically.

Turning now to the regulation of toxic pollutants, let me state at the outset that we have found section 307(a) extraordinarily difficult to implement. There are two classes of problems. The first deals with identification of substances to be regulated, and the second with the standards to be enforced, once the list is identified. During September of 1973, after a public hearing, EPA promulgated an initial list of nine substances (Table 12). We are currently evaluating other substances for inclusion on that list, and expect to make a decision with regard to additions within the calendar year. In December, we published proposed standards for the initial list of nine substances and have just completed a two-month public hearing on them. We are now in the process of reviewing the record of the hearing, along with written comments solicited from industry, public interest groups, and the public in general.

The single most difficult problem connected with promulgation of these standards is the one-year compliance time available to industry. The evidence we have received indicates, and our technical staff agrees, that this frequently will be too short a time for compliance in many cases where substantial modifications of a plant are required. I anticipate bringing this problem to the attention of Congress with a view to seeking legislative revision of this and certain procedural aspects of section 307(a).

In the area of standards governing spills of oil and hazardous materials, we are examining the impact that the imposition of heavy penalties for non-removable spills may have. They may have the effect of forcing industry to abandon water-based transportation of some substances, depending in part on the availability of insurance. We are examining the tradeoffs involved in this kind of decision, such as the environmental implications, cost, energy requirements, and health and safety aspects of a shift to land-based carriers. In that regard, we are working closely with other agencies, such as the Department of Transportation and the Department of the Interior.

I would like to point out in closing that we have worked long and hard to set guidelines and standards for specific industries as required by the Federal Water Pollution Control Act Amendments of 1972. The task has not been an easy one. On the contrary, it has been extraordinarily difficult and, in every instance, there has been considerable debate over the specific decisions reached. We nevertheless believe that the basic approach is both sound and workable.

This concludes my prepared statement. I would be pleased to answer any questions the Committee may have at this time.

SOCIAL SECURITY'S GLARING INEQUITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 10 minutes.

Mr. STEELMAN. Mr. Speaker, today I introduced two pieces of legislation which would alleviate inequities in the social security system. Too often a person finds himself in legitimate need of social security benefits only to be informed that he is either ineligible because of sex, or that his benefits will be reduced because he is currently employed. Many are disillusioned upon realizing that the benefits they were planning on receiving, or assumed would be available if necessary, are disallowed. We cannot afford to perpetuate such inconsistencies.

My first bill, H.R. 16046, deals with the unequal treatment given men under the social security system. Specifically, widowers, aged husbands, and widowed fathers with minor children are discriminated against and denied social security benefits because of their sex. Unless they can prove prior dependency on the earnings of their wives, they are ineligible for benefits which are many times essential. No such stipulation applies to women in the same situation and I can see no justification for the continuance of this sex discrimination. H.R. 16046 would end this inequality and provide insurance benefits to these widowers and aged husbands on the same basis that they are provided to widows and aged wives.

The second bill I am introducing today deals with an obvious contradiction to the principles of free enterprise that is perpetuated by the social security system. This contradiction is that one is penalized for showing initiative and trying to participate as a productive member of our society. This is demonstrated by the application of earnings tests to those receiving social security. This earnings test requires that as one's income increases over a set amount, presently $2,400, one's monthly insurance benefits decrease. This restriction acts to undermine the incentive to work and wastes a vast amount of human resources.

H.R. 16047 deals specifically with the earnings test applicable to widows and widowers. Besides emotional hardships, the passing of one's spouse may be a serious blow to one's financial position, and the restrictions to recovering a spouse's contributions many times multiplies the difficulties. At age 60, a widow or widower may, if all other requirements are met, collect on his or her spouse's social security account. The amount however is only about 70 percent of the amount that would be collectable at age 65. To supplement these benefits, the survivor must work, and then the ultimate hindrance of the earnings test is levied. My bill would provide that no reduction of a widow or widower's insurance benefits be made due to outside income; this would serve to lessen the burden borne by these disadvantaged people.

Mr. Speaker, I hope this body will move expeditiously to correct this situation where an institution no longer serves the people as it should. Let us act promptly to rectify these glaring inequities.

RHODESIAN CHROME ORE AND FERROCHROME UNNECESSARY FOR UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, contrary to the allegations made by the stainless steel industry, Rhodesian chrome ore and ferrochrome are completely unnecessary for the United States. The United States has more than abundant alternative sources of both chrome ore and ferrochrome—the processed chrome ore used in stainless steel production.

No more than 11 percent of U.S. imports of chrome ore have been bought from Rhodesia since passage of the Byrd amendment in 1971, and as of the first quarter of this year, no Rhodesian chrome at all had come into this country. Turkey, a NATO ally, South Africa, the Soviet Union, Pakistan, and the Philippines remain alternative sources of this vital material.

Although the Byrd amendment was passed for the primary purpose of decreasing U.S. reliance on the Soviet Union for chrome, our domestic ferrochrome producers have actually continued to buy increasing amounts of chrome from Russia—even though Rhodesian chrome has been available for the past 2 years. I am sure that this is, to a large extent, due to the fact that by virtue of geography, the Soviet Union happens to have the highest quality chrome ore in the world. Furthermore, in 1973, Soviet chrome was actually $22 per ton cheaper than Rhodesian chrome, despite the lower quality of the latter.

There are also more than adequate alternative sources of ferrochrome, which include our domestic industry, as well as

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other countries, such as Finland, West Germany, Norway, South Africa, Japan, and Turkey. In 1973, low-carbon ferrochrome was bought more cheaply from Turkey and South Africa while Finland and Brazil have sold us high-carbon ferrochrome which is much less expensive than Rhodesia's.

My chief concern, however, is that while imports of Rhodesian chrome are minimal, Southern Rhodesia has significantly increased its exports of ferrochrome; namely, high-carbon ferrochrome to the United States in direct competition with the domestic industry. Importation of Rhodesian ferrochrome, which is produced by virtual slave labor and which can be produced without adherence to pollution control restrictions, has proven to be quite detrimental to our own domestic ferrochrome industry. As a matter of fact, the United Steelworkers of America have recently indicated in the April 7, 1974, issue of Steel Labor that:

> Seven USWA locals who once employed 28,000 workers in four companies in Ohio, West Virginia, South Carolina, and Alabama, now have a work force almost 30 percent smaller—directly attributed to ferrochrome imports of which Rhodesia is the largest source.

This is a serious situation. Surely, any benefits which may accrue to a small number of stainless steel companies do not warrant our exporting our ferrochrome industry abroad—thereby risking becoming virtually the only major industrial power in the world which cannot produce its own ferrochrome. Even Finland, which like the United States has only natural resources of low-graded chrome ore, has learned to utilize technology to produce its own ferrochrome. The United States now buys ferrochrome from Finland—at a cheaper rate than Rhodesia's.

TRIBUTE TO A CHIEF JUSTICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, there was a great man among us. And now he is gone. I join my colleagues in an expression of sadness at the death of former Chief Justice of the Supreme Court, Earl Warren.

Earl Warren will be remembered in history as one of the most courageous, honest, and distinguished judges our Supreme Court has ever produced.

His public life began in 1920 as a deputy district attorney in Alameda County, Calif. A tough, yet compassionate man, Earl Warren was always asking the simple question, "Is it fair?"

Earl Warren's progressive leadership and warm understanding won not only the confidence and respect of his colleagues, but also a restoration of the Court's prestige and influence.

He was no ordinary man. Whether or not his colleagues on the Bench agreed with his decisons, they unanimously supported their Chief Justice as a man of a high degree of judicial statesmanship and impeccable personal integrity.

At times, it was charged that the entire way of life in this country was being revised and remolded by Warren's Court. But this allegation only served to move the Chief Justice to greater acts of progressivism.

One of his favorite sayings, written in the only book Warren ever published, "A Republic If You Can Keep It," was—

> A prime function of government has always been to protect the weak against the strong.

In many instances, he was America's conscience, challenging the States to accept a wider application of the Bill of Rights.

From his appointment in 1953 until his retirement in 1969, the Earl Warren Court handed down some of the most controversial opinions in the history of our Nation including the Miranda decision, requiring that prior to questioning, arrested suspects receive a detailed description of their rights.

And probably the most important decision that helped bring about the social revolution, was the Brown against Board of Education in 1954, when the outlawing of school segregation took place.

Warren also corrected political imbalances existing in both our State legislatures and in the U.S. House of Representatives by his firm belief in the one-man-one-vote doctrine.

Warren wrote:

> Legislatures represent people, not acres, or trees. Legislators are elected by voters, not farms or cities or economic interests.

Warren's "Judicial Activism" helped to fulfill our Founding Fathers' promise of inalienable rights for all mankind. We will long remember Chief Justice Earl Warren for his outstanding leadership during an era of great social upheaval and revolutionary changes within our system.

AN ATTEMPT TO PRESERVE A DYING CRAFT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, all too often in recent years, the financial pages of our local newspapers have been forced to announce the termination of yet another small business. The type of city may change, the type of business may change, but the story remains depressingly the same. It appears that we are living at a time when the only path to survival for the small businessman is to sell out and be thankful he could.

Such a pattern of consolidation is troubling to me. I do not like to think that we have come to the time when bigness is the only road to survival in our economic system. For if it is, much of the individuality and uniqueness that has made our country will be forever lost.

In Chicago, one clear example of this trend has been in the brewing industry. As the ethnic center of our country, Chicago was long the home for many of our most famous smaller breweries; breweries which developed products, that added to our city's uniquely diverse atmosphere. In the last 25 years, however, the city of Chicago has watched the number of its breweries decrease from 48 to but 1. In this regard, Chicago is but one example of an incredible national trend. In the State of Wisconsin, the number of breweries has decreased in the last 25 years from 72 to 8—a sad story for a region that has long prided itself on its beer craftsmen. Nationally, the figures are not much different—from 466 to 56 in the same period of time.

While these figures outlining the decline of the individual breweries are in themselves clear, the message of bigness becomes unmistakable when this sharp decline is contrasted with the continuing increase in beer sales in recent years. In each of the last 14 years—through 1972—sale and production of beer and ale have annually established new highs. Thus, at a time when an industry is prospering, the individual smaller brewer is nonetheless becoming virtually extinct.

The demise of the small brewery can be attributed to many factors. The closings have been caused by many of the problems typical of our inflationary times. In addition, the small brewer has been beset by one problem that is unique to his industry. He is taxed heavier than any other domestic industry except one. He is the target of not only State taxation, but double Federal taxation as well. In addition to the usual Federal income tax, brewers must pay an excise tax of $9 on each barrel they brew. This $9 excise tax can be contrasted with average profit per barrel of only a little over a dollar. Such heavy taxation undoubtedly hits hardest on the small brewer, the man who has neither the capital nor the credit to expand his facilities to take advantage of the growth in industry-wide sales. As a result, he finds it easier to sell his business to those brewers who have the capacity to better bear the heavy financial burden. While this might very well streamline an industry, I seriously doubt that it is as good for American tradition or for the American consumer.

As a result of this, I have today introduced legislation to ease the financial burden on the small brewers of this Nation. My legislation would reduce the Federal excise tax on small brewers from $9 to $7 a barrel. This reduction would only apply to brewers that produce less than 2 million barrels a year, and even then, only to the first 60,000 of their barrels.

Through the years, Federal excise taxes on beer have risen from $1 to $9 a barrel. As is the case with most excise taxes, increases usually came on a "temporary basis" during a time of national emergency. Unfortunately, as is also usually the case, these "temporary" increases have remained now firmly entrenched in the Internal Revenue Code. The effect of my legislation would be to repeal—for the small brewer's first 60,000 barrels, the $2 increase that was levied to help finance Federal expenditures during the Korean conflict.

This small reduction will not itself insure the financial stability of the remaining small breweries in our Nation. It will, however, give those brewers a badly needed boost in capital to help them in their struggle to both remain open and remain a refreshingly diverse part of the American scene.

H.R. 16028, LAND USE PLANNING BILL

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, 11 cosponsors have joined me today in introducing H.R. 16028, a new land use planning bill.

It is a "new" bill in the sense that it is a clean bill including refinements that I intended to support when its predecessor, H.R. 10294, came to the floor for debate last month. But it is not "new" in the sense that it represents a theory different from that on which the predecessor was based.

This bill reflects the best thinking we have (after 3 years of hearings and detailed consideration of the measure), as to what a national land use planning assistance act should be. It embodies the theory of the American Law Institute in developing a model code for the several States to consider—that the Federal Government itself should not get into the land use planning effort, except with respect to the public lands; and that the States should become involved only in selective areas of more than local concern—areas where the local governments either cannot or have not been able to cope with land use planning problems.

As such, it is the theory urged upon the Congress by the administration until recently, when we were at long last prepared to vote upon it. It is a theory contrary to that of the Clean Air and Clean Water Acts, where the Federal Government becomes involved in decisions I would hope could be retained for grass roots action.

Some people may ask, with respect to the new bill as well as with respect to the bill the Committee on Interior and Insular Affairs reported out earlier this year:

> If you believe in having land use decisions made at the local level generally, why do we need any Federal program at all?

My answer is that we need to establish an overall Federal policy that will encourage the States and local governments to exercise their land use planning prerogatives if we are to reverse the trend toward unplanned urban spawl. The States and the local governments need Federal financial assistance because the problems caused by lack of land use planning are expensive to solve.

I still believe this is legislation whose time has come. Although I have doubts that it can be enacted this year by this Congress, I want my colleagues to have a clean bill readily accessible so that the dialog can continue as to the merits of the program I advocate. H.R. 16028 will serve this purpose and hopefully will point the way toward constructive action next year.

THE CASE FOR BUSING

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, 9 years ago, in an action of historic significance, Massachusetts adopted the racial imbalance law and thereby thrust herself into the forefront of those States actively willing to commit themselves to a policy of racial integration. The passage of the act represented an acknowledgment by Massachusetts that the problem of racial discrimination is one that concerns not only the victims of discrimination, but all of society. The issue is not one of merely local or neighborhood concern. Massachusetts wisely recognized that the issues of race go beyond geographical boundaries and are the responsibility of all citizens. The racial imbalance law was a commitment on the part of the State to face and solve a problem of such magnitude that anything less than a total effort from all sectors of society could only be viewed as a refusal to face the true consequences of racial discrimination.

Yet 9 years later, there has been no substantial change in the racial makeup of Massachusetts' schools. Segregation and discrimination continue to characterize our educational systems. In 9 years no effective leaders have been willing to step forth and say that we have delayed too long and at too great a cost in human suffering. Today I would like to address myself to this abdication of political leadership on one of the most important questions of our time. Too often, those who have been delegated responsibility have preferred to sidestep the issue of segregation and disclaim responsibility for its lack of implementation. Others, while expressing sympathy, have noted that the problem does not directly affect them and their community, and therefore is beyond their jurisdiction or active concern. But it is all too evident to me that the overall result of this reluctance to provide initiative has been inaction and, consequently, a perpetuation of racially imbalanced schools with their attendant harms.

Certainly, I am not exempt from criticism. Coming from a district that is 98 percent white it may appear that I lay little on the line by taking a firm stance on busing. Supposedly, I can afford to be liberal in my support, because my children and my community are not actually affected by what I say. But I believe that this is a concern not limited by boundaries. Suburban as well as urban areas must share the burden of the problem. Consequently, we must be willing to consider solutions that are metropolitan in their impact. These are solutions that may very well involve my family and constituency, yet I support them as strongly as any intracity plans.

Ostensibly, the decision to desegregate, a decision which would entail busing, has been removed from political consideration. On Friday, June 24, Judge W. Arthur Garrity of the Federal district court ruled that the entire Boston school system is unconstitutionally segregated. He ordered the Boston School Committee and the superintendent of schools of the city of Boston to formulate and implement plans designed to eliminate all forms and vestiges of racial segregation in the public schools. Judge Garrity has also directed compliance with the State board of education's busing program due to begin this September.

While the court's ruling directly affects only Boston, it seems probable that unless Springfield immediately adopts busing as a tool to desegregate, similar State and Federal rulings will be forthcoming.

There are some who approach the court's decision with a sense of relief because it seems to provide a conveniently definitive answer to the busing controversy. Indeed, for those who have vacillated in their public stance on busing, performing moral flip-flops for political purposes, any solution which they perceive as allowing their continued avoidance of the moral issues behind busing and desegregation is desirable. Thus, instead of exerting responsible leadership, they prefer to hide behind the shield of the courts and explain their actions on legal grounds while politically exploiting the court's decision. They excuse their actions by blaming the courts and give the appearance of reluctantly discharging their obligations under the law. By subtly or openly indicating lack of support for busing they encourage antagonisms and defiance. They provide a rhetoric which while politically self-serving serves only to exacerbate the conflict and controversy.

By use of these ploys, it is all too easy for public figures to avoid addressing the question of busing. But no escape exists for those families whose children are being bused against their wishes. These families are confused and angered.

The concerns of these families are not unfounded. They are afraid of change because too often they have been neglected or have seen Federal and State intervention affect them and their communities unfavorably. Despite—some would say because of—various governmental programs, the cost of living continues to rise in excess of wage increases. Increased amounts of money are deducted from paychecks for social security, a program which is based on a regressive tax structure and is inadequate in its coverage. Taxes are high and the direct benefits received are marginal. It is increasingly difficult for these families and their children to maintain upward mobility and improve their standard of living as the costs of higher education have skyrocketed out of reach and job opportunities have tightened. In fact, these families are struggling to remain stable in terms of income and life possibilities.

But most significantly, we are witnessing the increasing disruption of family and community life, a process that has been taking place for decades. Because of economic pressures, many families are forced to have both parents spend their time away from the children during working hours and sometimes later so as to gain overtime pay. Where the goal of increased mobility has been attained, the result has often been the erosion of communities.

Shifting housing patterns, shifting

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employment opportunities, urban development, and the flight to the suburbs, for those who can afford it, have contributed to this trend. So have problems like drugs and crime which are beyond the scope of family or community control. In dealing with these problems, the price of progress increasingly has been the severing of connections that people have had with one another, as well as with the past.

For many communities, the neighborhood school represents one of the last remaining bonds not only between families but between parents and their children. Amidst the deterioration of city school systems throughout the country, that bond is already threatened. It is little wonder that so many fear that busing will prove to be the final blow, resulting not in quality education for all so much as poor education for all.

These reservations deserve respect. They involve questions and issues which must be dealt with, but dealt with in the given context of busing to achieve integration. A leadership which rejects its responsibility to integrate and to resolve the undesirable side-effects of busing cannot answer these questions but can only fuel underlying tensions and further divide an already divided society. A why and wherefore must be offered to all so as to at least provide an understanding from which we can work.

What then is the reason for busing and the reason for so many opposing it?

For several decades, busing has been used in Massachusetts and throughout the Nation simply to get children to school. This has long been true in rural areas. More recently, it has become the norm in suburban and urban areas as many communities have chosen to have consolidated schools because of their better educational facilities. In both cases busing of their better educational facilities. In both cases busing has been necessary and yet has resulted in quality education. Still, those who oppose busing would have us believe that educational quality must necessarily suffer from busing.

The statistics for Massachusetts are revealing concerning this discrepancy. The busing of an additional 30,000 to 40,000 children is described as a massive and unwieldy program. Yet presently, close to 570,000 children are bused for educational purposes in Massachusetts. This represents almost 50 percent of total State educational enrollment. Of this number, only 8,000 students are bused for purposes of integration. Only 1.4 percent of all busing taking place is for integration. Even under the programs due to be instituted in September, not more than 10 percent of all busing would fall under this category. Yet those who oppose a busing program to achieve integration would have us believe that we are embarking on a new and dangerous course because of the harms of busing per se. If this is so, it is hard to understand their laxity concerning the remaining 560,000 children who are not bused to desegregate. It is difficult to believe that it is simply a sudden awareness of the dangers of busing which has elicited this disproportionate amount of concern in relation to integrational busing.

However, let us consider whether there is some substantial reason why busing should be avoided. There are those who claim that busing is not safe. Statistics gathered on the subject seem to indicate that busing is actually safer than letting children walk to school. Still others object that the funds used for busing, especially for the new integrational programs, could be better used elsewhere. Yet in Massachusetts, busing to achieve integration presently constitutes only 4 percent of the total transportation expenditures for education made by the State and local governments. Nationwide despite the implementation of busing for integration, expenditures for transportation for education have only risen by 0.1 percent in relation to the total budget in the last 30 years. Clearly, the costs of busing, especially for integrational programs, are minimal.

Finally, it is commonly believed that white children suffer real scholastic damage through integration. However, one of the well-established findings of education research in desegregated school systems, as thoroughly documented by Prof. David Armor in the article, "The Evidence on Busing," in Public Interest, Summer 1972, is that white children rarely suffer any educational damage and that sometimes they make significant gains in desegregated settings. In fact, desegregation has made no appreciable difference in white achievement scores even during the difficult transition period in the first year of integration in a reorganized system.

The list of statistics and studies proving that the various reputed harms of busing are marginal at most are too numerous to state here. Certainly they do not prove that every busing program is properly planned or administered. The purpose such statistics do serve, however, is to put the issue in perspective. They demonstrate that with proper planning it is possible to have successful busing programs with minimal disruption. They demonstrate that the success of busing is an issue only when race is involved.

Furthermore, the statistics begin to allow us to judge whether the costs of busing are worth the potential gains, both pragmatically and morally—a question which is too seldom addressed. The debate over which mechanism for integration is preferable has too often overshadowed the recognition of why we have chosen such a course in the first place. A reaffirmation of our purposes is called for.

The question comes down to the desirability and purposes of integration itself. Or, to put it another way, can we as a society afford to delay, postpone, and even try to escape racial integration? Our answer must be no.

We are citizens of a country whose most fundamental guarantee is equality, including equality of opportunity. There can be no denying that blacks have been denied this equality. Whether subtly or blatantly, discrimination has been practiced in housing, employment, and education.

There are those who claim no responsibility for either past or present discrimination and its effects and ask why they should be forced to make the necessary sacrifices. The answer is that in dealing with racial discrimination, past or present, inaction can only be considered negative action because it allows for the perpetuation of the problems. The courts of this country have recognized this and stated:

> We bear in mind that the court has . . . the duty to render a decree which will so far as possible eliminate the discriminatory effects of the past as well as bar like discrimination in the future.

Until we correct the efforts of this discrimination, we carry the moral burden of continuing to make part of our citizenry suffer because of the color of their skins. In the interests of human justice, we can do no less than exert ourselves to the fullest to remedy this situation.

Furthermore, I view integration as good in and of itself. Education is supposed to represent a broadening experience and part of that experience should include learning to live with people of all races, religions, and beliefs. Separation breeds suspicion and distrust among us and can even distort our perceptions so that we are incapable of understanding or functioning effectively in the world at large. Integration is desirable because it breaks down racial barriers and this enhances our ability to deal with problems that affect our society as a whole. Because, as many have observed racial discrimination is not the only discrimination that plagues our society. There is discrimination in our tax laws, discrimination in the quality of justice each man should be entitled to, discrimination in the amount of political power allotted to members of different economic classes. Unless we are willing to think in terms of an interdependent future, and an interdependent justice, and begin to see beyond our individual and localized concerns, there can be little hope that we will be able to join together to rectify the problems of any sector of our society.

We can solve the problems that busing might cause. In fact, busing serves to highlight many areas that desperately demand attention. We must design programs to insure that parents are involved in the schools their children are sent to. We must institute educational reforms so that the educational experience speaks to the individual student's needs and aspirations. We must provide the facilities that encourage and enable full participation in curricular and extracurricular activities by all students, no matter how close they live to the school they attend. The potential problems are numerous, but solutions also abound. What is required is a willingness to be open to needed change, a willingness to enter into discussion and see whether busing can serve as the first step toward improving all of our educational systems. Without community support, without this commitment, busing may indeed fail, but at the expense of our children and our society.

I recognize the strain busing can cause. But I believe that the goal of a racially integrated society, in which the barriers of mistrust, fear, and hatred have been broken, is important enough to endure this strain. Though specific programs may fail to solve the problem, we should not allow this to serve as an excuse for backsliding. We can and must be willing to learn from our mistakes in implementation, but this does not mean that the tool of busing is basically faulty. Busing represents a commitment to integration and quality education for all children.

IT IS BARGAIN DAY AT THE WAYS AND MEANS COMMITTEE—BUT WHO IS WATCHING THE STORE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, the Ways and Means Committee has devoted much time lately to discussion and consideration of what has come to be called tax reform. It is this label that is immediately misleading—the committee has actually done very little to close tax loopholes. In fact, the committee has increased tax breaks, allegedly in the name of equity, but this equity still has not reached the American wage earners who need and deserve real tax reform.

It is interesting to note that often "equity" is accomplished not by doing away with unreasonable tax advantages given to a particular group, but instead by extending that loophole to others. This usually ends up with the average American being forced to carry the revenue-loss load generated by this double pickpocket theory. The idea of ending the loopholes for all parties is rarely considered.

Mr. Speaker, the committee's last 2 weeks have been consumed in a disjointed consideration of capital gains tax provisions. While the committee is ostensibly motivated by their heartfelt concern for the common man and his problems with our skyrocketing inflation, the "tax reform" measures tentatively accepted in this area are of absolutely no help.

For capital gains "reform" to benefit ordinary working Americans, they must be made more restrictive. If most Americans do not use capital gains, they cannot benefit from any changes to those provisions.

Mr. Speaker, I would like to include at this point in the RECORD a compilation of figures I have prepared from the Internal Revenue Service's Individual Statistics of Income for 1971. This is the most up-to-date collection of taxpayer return figures. The statistics follow:

CAPITAL GAINS CLAIMS BY ADJUSTED GROSS INCOME (AGI), 1971

	Percent of AGI class claiming some capital gains	Average capital gains claimed per member of AGI class	Percent of total capital gains claimed by AGI class
No AGI	18.2	4,935	2.6
$1 to $1,000	1.8	790	.541
$1,000 to $2,000	3.1	610	.785
$2,000 to $3,000	4.8	570	1.02
$3,000 to $4,000	5.9	690	1.42
Total percent			6.36
$4,000 to $5,000	6.4	840	1.81
$5,000 to $6,000	6.1	1,020	1.97
$6,000 to $7,000	6.0	910	1.58
$7,000 to $8,000	5.9	1,030	1.84
$8,000 to $9,000	6.3	1,090	1.96
Total percent			9.16
$9,000 to $10,000	6.7	950	1.74
$10,000 to $11,000	7.1	1,090	1.97
$11,000 to $12,000	7.8	1,230	2.15
$12,000 to $13,000	7.6	1,190	1.08
$13,000 to $14,000	8.3	1,320	1.92
Total percent			9.58
$14,000 to $15,000	10.5	1,120	1.76
$15,000 to $20,000	12.6	1,510	8.49
$20,000 to $25,000	19.9	1,890	6.14
$25,000 to $30,000	27.1	2,740	4.94
$30,000 to $50,000	36.3	4,340	11.6
Total percent			32.93
$50,000 to $100,000	47.2	9,800	12.8
$100,000 to $200,000	60.5	31,140	9.39
$200,000 to $500,000	73.9	110,545	8.33
$500,000 to $1,000,000	81.5	355,055	4.38
$1,000,000 plus	86.1	1,279,355	6.66
Total percent			41.56

Mr. Speaker, it is easy to see that the number of average wage-earning taxpayers—the median family income for 1971 was $10,930—claiming capital gains exclusions is practically insignificant. Over 80 percent of capital gains claims were made by persons with an adjusted gross income—AGI—of $11,000 or more. Those with an income of $11,000 or less amounted to only about 19 percent of those claiming capital gains exclusions.

How much is the present capital gains provision worth to each individual at the $11,000 income level? On the average, it is worth about $1,100. These same capital gains provisions, however, are worth over a third of a million dollars for the average taxpayer with income between half a million and a million dollars. For those who have more than a million dollars income, the capital gains provisions are worth approximately $1.3 million. Capital gains revision may throw a bone to a few individuals in the middle- and lower-income groups—but it will surely provide a windfall bonanza to the richest of the rich.

So who is benefiting from capital gains? Who are the people that can afford to own properties even capable of capital gains? Who are we trying to help with liberalization of capital gains? It is certainly not the average taxpayer. Rather it is generally the wealthy and the financial investor—the last people who need or deserve a tax break today.

Mr. Speaker, the Ways and Means Committee is deceiving itself and millions of Americans if it really thinks it is considering "tax reform." An "altered" tax code is not necessarily a better tax code. If the committee proceeds on its present course, it will have developed a mammoth tax giveaway—one of the worst bills of 1974—a bill which should be defeated.

AN AMENDMENT TO H.R. 16027 TO INCREASE FUNDING FOR THE LAND AND WATER CONSERVATION FUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, when the House considers the appropriations measure for the Department of Interior, H.R. 16027, I plan to offer an amendment to increase the funding for the Land and Water Conservation Fund from $300 to $450 million. I feel that we have severely underestimated the recreational needs of this Nation's citizens and of future generations.

A report which had been suppressed by this administration, and just recently released by Senator JACKSON, estimates that it would cost $42 billion, just to begin to meet the Nation's recreational needs. This systematic study prepared by the Department of Interior during the the Udall and Hickel years dutifully recognizes the critical need for additional recreation space and the necessity for preserving the country's fragile lands.

The appropriation for the Land and Water Conservation Fund in H.R. 16027 is $300 million. My amendment is only a modest increase when one considers the enormous challenge which lies ahead in meeting our recreational needs, as evidenced by the Udall-Hickel report.

The additional funding provided by my amendment will be available for payments to State and localities in meeting their recreational needs.

For the RECORD I would like to include the text of my amendment to H.R. 16027:

WOLFF AMENDMENT TO H.R. 16027

Page 6, line 19, strike out "$300,000,000", insert "$450,000,000"

Page 6, line 20, strike out "$180,000,000", insert "$330,000,000"

Mr. Speaker, for the information of my colleagues I am enclosing an article from the July 21 edition of the Washington Post, which describes the suppression of the Udall-Hickel report and the enormous recreational needs of our Nation:

A BLUEPRINT FOR RECREATION

(By Jack Anderson)

One of Interior Secretary Walter Hickel's last acts before he was unceremoniously sacked by President Nixon in 1970 was to lay down an elaborate blueprint for the nation's recreational needs through the year 2000.

Unknown to all but a few White House aides, Hickel and his predecessor, Stewart Udall, had spent $7 million to produce the two-inch-thick volume.

The suppressed report is important to every American, whether his favorite recreation is to join the 150 million annual picknickers or the 1.5 million mountain climbers.

In exhaustive detail, Hickel and Udall laid out where future national parks should be and selected sites for federal seashores, monuments and forests.

Using complicated formulas, they estimated the cost of keeping fish in the streams, game in the woodlands, pure sand on the beaches and the splash of the wild in Americas' increasingly tamed and polluted rivers.

Extraordinary pains were taken to balance the needs of the poor, the handicapped and the aged with those of ordinary family vacationers.

It would cost a staggering $42 billion, the suppressed report estimates, to begin to meet the nation's future recreational needs. Enormous though this figure may be, it is slightly less than what it costs to run the Vietnam War for two years. The report suggests the cost should be shared by federal, state and local governments.

On July 17, 1970, Hickel submitted the oversized volume to President Nixon, with a ringing appeal that "Americans cannot and will not tolerate the continued blight and destruction of their land and waters . . . I present to you," offered Hickel, "a major step forward."

But Hickel's big step, like a footprint on the sands of the sea, washed out. The White House crowd took one look at the $42 billion price tag and quietly pigeonholed the study.

In its place, the President later issued an 89-page report, distinguished only by its spectacular color photos and its expensive glossy paper. This slick production, typical of the public relations that has characterized the Nixon administration, was more impressive in form than substance. Its most memorable feature was the title, "A Legacy for America."

The public was never supposed to see the original study that they had paid $7 million to produce. Its offset plates, ready for printing, were hidden away for four years in a white cardboard box in an Interior Department cubbyhole.

But a few weeks ago, Senate Interior Chairman Henry Jackson (D-Wash.) learned about the report's existence and won the Interior Department's approval to extricate it from its hiding place. He is now preparing to turn the suppressed study over to the Public Printer for belated publication.

In a confidential memo, he has charged that the administration's failure to print the report "represents the retreat from the challenging task which lies ahead of us." He is making the report available, without specifically supporting all its findings, so the American people can "intelligently and conscientiously assess the needs."

From one of the original numbered copies, here are highlights from the study:

The greatest recreational needs, according to the study, are in these areas: New York-Newark, Chicago, Philadelphia-Camden, Washington-Baltimore, Boston-Providence, Cleveland, Pittsburgh, Milwaukee, Cincinnati, Denver, Minneapolis-St. Paul, New Orleans and Buffalo. Help for these cities alone would benefit 96 million people.

The report recommends that the Pentagon give up numerous forts, fields and other facilities, totaling thousands of acres, to be converted into public playgrounds. Other federal land, its suggests, can also be used for recreation.

The report calls for reversing the trend toward urban sprawl. Polluters of water, land and air should be prosecuted. Communities should get federal technical help to zone out ugliness.

Private recreation developers should be encouraged, with limited subsidies for state and local recreation, all under close federal supervision.

The report states that picknicking and pleasure driving are the most popular forms of recreation today but predicts that by the year 2000, it will be swimming. The most recreation-minded people, says the report, are Westerners.

The study offers detailed proposals for several major projects. For example, one project would make it possible for visitors to Washington to travel along the Potomac River as part of their visit. As the report portrays it, the "Potomac National River would consist of several thousand acres of some of the finest scenic landscapes in the east—forests, agricultural and pastoral lands, shores, bluffs and river islands. It would form an added green belt . . . for Harpers Ferry, Antietam and the C&O Canal."

Similar federal development would take place on the sugar-sanded islands off the Florida and Mississippi coasts, some of Georgia's Sea Islands, the Great Prairie Lakes, the Virgin barrier islands and the Ten Thousand islands of Florida.

Other sites selected for careful development would be the Wrangell mountains of Alaska, Kauai National Park in Hawaii, the Voyageurs parks in Minnesota, the Channel islands of California, Buffalo River in the Ozarks, Fossil Butte in Wyoming, Plymouth Rock in Massachusetts and a giant Gateway park to serve New York and New Jersey. Desert lands such as the Great Basin, the Mohave, the Sonoran and the Chihuahuan would be protected from commercial encroachment.

Present federal efforts, the report finds, are "fragmented and uncoordinated." Even though a half billion acres of public land are now used for recreation, the study contends, it is poorly administered by eight federal agencies and unconnected state units.

Footnote: An administration spokesman said the President's report, "A Legacy for America," reflected the current tight budget and was the best report possible "under present circumstances."

AMENDMENTS TO H.R. 11500, OFFERED BY MS. ABZUG

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. Abzug) is recognized for 5 minutes.

Ms. ABZUG. Mr. Speaker, in order to qualify for the necessary time to present them to the House, I am including the following amendments to H.R. 11500:

Amendments to H.R. 11500 as Reported, Offered by Ms. Abzug

1. On page 265, insert between lines 18 and 19 the following new section:

ADMINISTRATION

Sec. 501. The provisions of titles II (Control of Environmental Impacts of Surface Coal Mining), V (Office of Surface Mining Reclamation and Enforcement), VI (A Program for Non-Coal-Mine Environmental Impact Control) of this Act and sections 701, 703, 704, 706, 707, 708, 709, and 712 of title VII of this Act, shall be administered and enforced by the Administrator of the Environmental Protection Agency through the Director of the Office of Surface Mining Reclamation and Enforcement established by this Act. The provisions of titles III (Indian Lands Program), IV (Abandoned Mine Reclamation), and VII (State Mining and Mineral Resources Research Institutes) of this Act shall be administered and enforced by the Secretary of the Interior. It shall be the duty of the Administrator, the Director, the Secretary, and all other Federal officials and employees and the states having responsibilities to carry each of their responsibilities under this Act promptly and efficiently in accordance with the purposes of this title."

Renumber the following sections accordingly.

2. On page 266, line 6, strike the word "Secretary" and in lieu thereof insert the word "Administrator".

On page 266, line 13, strike the word "Secretary" and in lieu thereof insert the word "Administrator".

On page 267, line 5, strike the word "Secretary" and in lieu thereof insert the word "Administrator".

On page 265, lines 20 and 21, strike the words "Department of the Interior" and in lieu thereof insert the words "Environmental Protection Agency".

3. On page 277, line 10, before the word "means" insert "in titles III, IV, and VIII of this Act".

4. On page 290, between lines 17 and 18, insert the following new section:

Sec. 713. Any reference in titles I, II (except sections 202 and 203 of said title), and VI to the Secretary of the Interior or the Department of the Interior shall be deemed to be a reference to the Administrator of the Environmental Protection Agency or to the Environmental Protection Agency, as appropriate.

HOUSE BUSING PROVISIONS MUST BE ADOPTED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Biaggi) is recognized for 5 minutes.

Mr. BIAGGI. Mr. Speaker, the House conferees on the Elementary and Secondary Education Act amendments are meeting once again today to attempt to resolve the issue involving busing of schoolchildren.

The House-approved provision would restrict busing to either the school closest or next closest to the child's residence and would require all existing busing arrangements to comply with this stricture as a condition for receiving Federal aid. The House has twice voted to instruct conferees to accept only this version. I have voted with the majority on both these occasions and want to reiterate my position on this important issue.

Busing of schoolchildren is an idea that was tried and proven ineffective. It appeared to be a good vehicle to eliminate racial segregation in our schools. However, it failed; it is, in fact, counterproductive. Yet there are some, including the courts and the bureaucrats, that continue to see this as a useful tool. Only legislative action by the Congress will prevent continued use of this detrimental device.

The effect of busing on schoolchildren is most deleterious. Cross-city and intercounty busing which has been frequently imposed by the courts and the Department of Health, Education, and Welfare on various school districts requires lengthy rides on buses, eliminates the opportunity for children to participate in afterschool activities, and destroys the concept of the neighborhood school.

Busing of schoolchildren may be necessary at times, and the House has recognized this. The House seeks to limit such busing to a reasonable degree by permitting it only to the school closest or next closest to the pupil's home. This keeps the time involved for the child down to a minimum and still permits the child to participate in extracurricular activities.

Some have argued that busing great distances is worthwhile if it means that a true racial balance in the school system can be achieved. I do not agree. There is no value in placing a child in a bus for 1 or 2 hours, shipping him far away from his home, to sit in a classroom that is numerically racially balanced. The ride itself is demoralizing. No adult would stand for such treatment, yet we seek to inflict such abuse on our children. In fact, educators have proposed installing television sets in the buses so that the time will not be lost to the educational process.

The cost of such busing, especially with the doubling of fuel prices, is nearly prohibitive. It can only mean that less money is available to be spent on improving the quality of education.

Ah yes, the quality of education. Should not that be our goal? The advocates of unlimited busing say that such in fact is their goal, but the experiences of the past belie such an argument. Wherever extensive busing was used to achieve racial balance, the quality of education did not improve; the money was wasted. I would rather see every cent of the billions—take note, that is billions, not millions—every cent go into improving the ability of our children to read and write, to understand basic mathematical concepts, to learn the history of our country, to gain the basic skills they will need to survive as adults.

All the money that has been poured into education in the last 10 years has resulted in lower reading and math performance schools and in producing children who go to college or into the job market without basic educational skills. A good deal of the blame for such a failure of the educational system must be placed on the busing of schoolchildren and the inordinate focus of educators and the courts on racial balance.

As a member of the Education and Labor Committee, I have sought to develop legislative programs that assure every child, regardless of his race, creed, or national origin, of the best possible education. That must be our goal as a nation. To do less will be to destroy the greatest resource of this country—our children.

Quality education can be achieved without busing and without absolute adherence to a numerically balanced school system based on the racial composition of the school population. To get a good education, it does not matter whether the child sitting next to you is black or white. What matters is that the facilities you use are the best available, that the books you read are the best, and above all that the teachers who are instructing you are qualified and interested in helping you learn.

Once we stop focusing our attention on racial differences and start paying attention to educational achievement, we will begin to build the type of education system that all Americans can be proud of, whether they are black or white, rich or poor. The first step toward that system must be taken with the passage of the Elementary and Secondary Education Act amendments containing a strong provision against extensive busing. This is what I want and what a majority of all Americans—black and white—want. This is what the House has voted for and what I hope the Senate will ultimately support. We can do no less for our children.

SENATOR ERNEST GRUENING

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, few Members of the U.S. Senate have won for themselves such wide respect for the depth and integrity of their commitment to the fundamental purposes of this country than the late Senator Ernest Gruening of Alaska.

I insert in the RECORD an editorial paying tribute to Senator Gruening from the July 3, 1974, issue of the La Porte, Ind., Herald-Argus.

The editorial follows:

A FIRM COMMITMENT

The recent death of former U.S. Sen. Ernest Gruening, who was one of only two senators opposing America's entry into Southeast Asia from the very beginning, is remindful as this Fourth of July approaches of the symbol of liberty, freedom and rights that we celebrate tomorrow.

Sen. Gruening feared not the hazards of living with a small minority. He fought for right as he saw it, using, incidentally, constitutional grounds to warn the President of that day, the late Lyndon Johnson, that his action transgressed the legal limitations of the highest officer of the land.

Sen. Gruening's action, to this day, forcefully declares the political independence upon which this nation was founded close to 200 years ago.

Men and women of courage have felt the need to reveal this political independence on many occasions in the nation's history.

As a matter of fact, perhaps our political independence was founded on the basis of courageous voices that sounded forth in the 18th century Great Britain before the Declaration of Independence made it more clear.

England's eloquent William Pitt foresaw man's need for liberty. He defied King George III, strenuously opposed the hated Stamp Act, and challenged the Parliament:

"I rejoice that America has resisted. Three millions of people, so dead to all the feelings of liberty as voluntarily to let themselves be made slaves, would have been fit instruments to make slaves of all the rest," spoke Pitt.

"If I were an American, as I am an Englishman," cried Pitt, "while a foreign troop landed in my country, I never would lay down my arms, never, never, never!"

It is suggested Pitt, more than most Americans, spoke of something far greater than political independence. He spoke of liberty for humankind.

And the drafters of the Declaration of Independence wrote this paragraph: "And for the support of this Declaration, with a firm reliance on the protection of the Divine Providence, we mutually pledge to each other our lives, our Fortunes and our Sacred Honor.

Thereby, men, not the Declaration, made revolution—a movement in quest of liberty. At an even earlier date in this nation, a committee of seven freemen of the town of Mendon near Boston, sounded a familiar ring in the cause of liberty:

"Resolved, that all men have naturally an equal right to life, liberty and property." And later they wrote: "All just and lawful governments must necessarily originate in the free consent of the people."

Their declarations bear a marked resemblance to those which appear in the charter dated July 4, 1776.

Surely those challenges of 200 and more years ago echo across America in 1974. Are we translating them into a declaration of facts for 1974 and henceforth?

Those people of a much earlier date spoke their minds about the iniquity of tyranny, about the inalienable right of all people to freedom, justice and opportunity.

They delivered with their minds, their hands and they delivered themselves.

We should ask ourselves: Are we delivering with the same genuine regard for all humanity on July 4, 1974? The original patriots made a promise to themselves and their posterity.

They left a national birth certificate that we can not deny.

THE SAHEL: DROUGHT, FAMINE, DEATH

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the worst drought of the century is continuing unabated in West Africa. In a nutritional survey in 4 of the 6 Sahelian countries, U.S. Public Health Service experts calculated at least 100,000 deaths from the drought during 1973 alone. On a proportional basis, it was as if more than a million Americans had been struck down by a national disaster. After a tour of the stricken area in February, U.S. Secretary General Waldheim reported that thousands more remain on the brink of death, warning that the worst is yet to come. A 6-year shortage of rain in the region has exhausted food stocks and most domestic animals are dead or have been taken from the area. Thousands of herdsmen and farmers are refugees. According to Waldheim:

> If sufficient action isn't taken in the next few months, countries could disappear from the face of the map.

Both the House and Senate have agreed to a conference report allocating $85 million in emergency assistance to the drought-stricken nations of Africa. This will be in addition to the $50 million the United States had contributed by the end of 1973. This Nation has every reason to be proud of its generosity in leading the international relief effort in the Sahel. However, according to an extensive study undertaken by the Carnegie Endowment for International Peace, the Sahel emergency revealed serious flaws in the organization of international relief, and, in particular, the participation of the U.S. Agency for International Development.

The study found the failures serious enough to have been responsible for widespread and unncessary death and suffering. Because I have been impressed by the quality of the research represented in the Carnegie study, I would like to share its more important findings with my colleagues.

According to the Endowment study, the root of the relief problem was an inexcusable short sightedness on the part of AID and the U.N. Food and Agriculture Organization. The study discovered a consistent failure to heed authoritative warnings of impending disaster in the Sahel region. For at least 4 years, scores of officials from the United States and United Nations were in the region, observing that the States of the Sahel were essentially helpless to deal with the drought. Yet, as U.S. and U.N. officials have since admitted, there were no contingency plans to deal with the disaster as it reached frightening proportions by the fall of 1972. At that time, AID made its first formal response to the crisis by creating an interagency "working group" to study a disaster 5 years in the making. From that time it took months—during which starvation was already acute—for this initial survey to yield the large-scale U.S. relief efforts that finally took shape in the summer of 1973.

AID officials complained that the African States in the Sahel were slow to recognize the crisis. Although true in some cases, it was also clear that U.S. officials had reason to anticipate the problem and time to deal with it. The study found evidence that there was no concerted effort to alert the Africans. The administrative shortcomings of African regimes do not excuse the failure of the Washington bureaucracy to convey to them the warnings of 4 years.

Under U.S. Foreign Service regulations, American Ambassadors abroad may respond to tragedies in their host countries by declaring them a "disaster area" thereby releasing an Ambassador's relief fund of $25,000 and establishing the country's eligiblity to receive further AID assistance. If the spring of 1973, there were needless delay of from 1 to 5 weeks between the African appeal for relief and the U.S. declaration of these disasters.

In addition to delays in recognizing the crisis and mobilizing the bureaucracy for effective action, the mechanism for adequate funding of the relief effort was likewise crippled by shortsightedness and irrelevant political considerations. In the critical perod of January to June 1973, there was little money left in AID emergency contingency funds. In the absence of contingency plans for the Sahel, funds had been exhausted in relief efforts for Nicaragua, the Philippines, and Bangladesh. Sources cited by the study indicate that AID was reluctant to ask for additional budget money because of the steadily eroding status of foreign aid programs in the Nixon administration. Analysts in the Office of Management and Budget confirmed that there was no AID pressure for supplemental funds for fiscal year 1973.

Even when a special authorization of relief money was formally sponsored in June, it became a political football. Because the catastrophe in West Africa coincided with President Nixon's veto of other congressional money bills, including funds for domestic disaster relief, aid for Sahel was viewed by the White House as a politically damaging contrast in Presidential priorities between foreign and domestic spending. The White House quietly dropped the relief initiative.

When AID finally sponsored a request for supplemental assistance in Congress, the amount requested was $30 million, based on projections of 1973–74 food needs in the six countries of 500,000 metric tons. A U.N. food survey would report in November 1973, that the region needed some 660,000 metric tons of food through September 1974. It was a case of too little, too late.

The Carnegie study argues that the capricious character of the funding process was yet another effect of the failure of contingency planning. If AID had been more energetic in approaching budget officials, the Agency might have gone to Congress before the Sahel was put at the mercy of White House politics.

Apparently the U.N.'s Food and Agriculture Organization suffered from ailments similar to those plaguing AID. Warnings from the Sahel went unheeded for 5 years. The bureaucracy had no access to specific contingency plans or funds. An FAO official has admitted that by the spring of 1973, the FAO had "no hard statistical data of any kind" on the needs of the area.

Both of the major organizations engaged in drought relief in the Sahel waited until after the disaster occurred before responding. The results were painfully apparent to journalists who found in the summer of 1973 countless nomad children in the advanced stages of malnutrition.

But, ironically, malnutrition would not be the No. 1 killer in the famine. Exhausted by hunger, many children died of measles while vaccine was still being shipped.

Once relief began arriving in the region, distribution became a nightmare of bureaucratic bungling. Overtaxing an unprepared transport system, the piles of food were consumed by waste and wharf rats as well as hungry people. In the relief bureaucracies there was a disgraceful ignorance of the transport capabilities of the stricken countries—yet another result of the failure to plan. In 1969 and 1970, three separate studies prepared for AID by outside consultants had stressed the primitive character of most of the railways and roads in the region. It was not until January 30, 1973, that AID sent a two-man team to survey the area's transportation facilities. Nothing in the team's report warned of future shortages.

Once food arrived at its destination, much of it was found unfit for human consumption. Much of the supplies consisted of No. 2 sorghum—normally used solely as animal feed. An August 18 Washington Post story from Timbuktu reported that nomads were unable to digest the sorghum and "diarrhea is rampant." According to the Carnegie study, the problem remained unredressed for months.

Also unanticipated was the problem of discrimination in distribution. Numerous disputes over the available grain arose out of the historic enmity between the sedentary, agricultural peoples of the Sahel and the nomadic tribes. Time and time again, the nomads were shortchanged. By autumn, the U.S. Public Health nutrition survey would document a shocking contrast between the nutritional state of sedentary victims and the starvation of the nomads. Poor planning made impossible any systematic monitoring of distribution to prevent inequities.

Mr. Speaker, in my judgment, these problems call for a comprehensive examination of the entire system of disaster relief. We cannot escape the tragic conclusion that a failure of will by the relief bureaucracies must bear the responsibility for the deaths of thousands of West Africans. With the drought conditions affecting greater numbers every day in West Africa and with the world food demand outstripping available supplies, an efficient, responsive system of disaster relief will continue to be a matter of life or death. Serious consideration should be given to proposals to place the responsibility for disaster relief in one international agency, with relief as its sole function. International relief is too important and too complex to be left to organizations like AID or FAO, for which disaster aid is neither a major function nor a special competence. National bureaucratic and political vagaries must no longer be allowed to subvert relief efforts. As the Carnegie study proposes:

> To the array of national and bureaucratic interests that crowd upon any disaster would be added an institution whose constituents were the victims themselves, whose primary purpose was mercy, whose undivided loyalty would be to the integrity of that mission.

The drought continues. People are dying. It is too late for some, but there is still time to save many who would otherwise die. The United States must accept leadership in this area and marshal the humanitarian concerns of the world to deal with the famine.

CAPTIVE NATIONS WEEK

(Mr. PRICE of Illinois asked and was given permission to address the House for one minute and to revise and extend his remarks and include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, this past week we celebrated the 15th anniversary of Captive Nations Week. During those 7 days particularly we joined with the descendants of the over two dozen countries burdened with the yoke of foreign domination who look back to their homelands and remember their families who are deprived of the basic freedoms we take for granted in a free society.

These men and women, numbering in the millions, live without the rights of free speech, religion, and press, but not without the hope of someday regaining their independence. I am sure I speak for all my colleagues when I say that I share with these people their hopes of attaining self-government in the near future.

As we are all aware, Mr. Speaker, the time fast approaches during which our Nation will celebrate its 200th anniversary of independence. Preparations are underway which will make this period one of the most memorable in our great history. Particularly we will honor those few courageous men who laid the foundations upon which our country was based. Let us consider—at this very hour men of this mettle are working and planning in the captive nations to break the chains now holding their countries in bondage.

We welcome these men, and although we cannot as yet inscribe their names on the rolls of freedom with those of Washington, Adams, and Jefferson, yet we know that someday we shall welcome them and the heroic people they represent into the company of the free nations of the world.

PUBLIC OPINION POLL

(Mr. BROYHILL of North Carolina asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. BROYHILL of North Carolina. Mr. Speaker, at this time I would like to present the results of my 12th annual public opinion poll. This poll was conducted over the past 3 months in the 10th Congressional District of North Carolina. A questionnnaire was sent to every household in the district, and I am pleased to say the response was enthusiastic.

The poll included eight questions on issues ranging from the U.S. NATO troop obligation to daylight saving time to the Economic Stabilization Act. A ninth question asked constituents to state what they considered to be the most important problem facing the Nation today. Each question, with the exception of No. 9, provided for a separate response from both husband and wife.

Question one, dealing with no-fault automobile insurance, showed three-fourths of my constituents, both male and female, favor Federal legislation to enact minimum State no-fault automobile insurance standards. I totally agree with their opinion and have introduced a bill, H.R. 15789, which provides for this. A subcommittee of the Interstate and Foreign Commerce Committee is at the present time conducting hearings on this bill and many other no-fault bills.

My constituents expressed very decisive opinions in favor of the strengthening of campaign expenditure laws, including limits on individual contributions, limiting total campaign expenditures, and shortening of the campaign period. More than 70 percent of my constituents oppose the use of tax dollars to finance Federal election campaigns.

I have long felt that some form of national health insurance legislation was needed and have recently introduced a health insurance bill. The majority of my constituents feel the same way; 62 percent of the males and 65.5 percent of the females favored a national health insurance program which requires employers to provide health insurance plans to employees on a cost-sharing basis.

A large negative response was received in answer to the question on daylight saving time. Most of the females, 61.3 percent, and the males, 56.6 percent oppose the continuation of daylight saving time during the winter months as an energy saving measure. I have been most concerned with this issue and earlier this month introduced H.R. 15752, which would amend the Emergency Daylight Saving Time Energy Conservation Act of 1973. My bill is based on a study by the U.S. Department of Transportation which showed that some energy was conserved by this measure but that no energy was saved during the months of November, December, January, and February. H.R. 15752 would limit the period for daylight saving time to the most effective months—from the last Sunday in February through the last Sunday in October.

The response to the personal opinion question, No. 9, showed that the majority of 10th District residents believe the most important problem in our country today is the economy, particularly inflation. More than two-fifths of those responding to the questionnaire gave this as the major problem; the next greatest problem mentioned was a general lack of faith in government. Among the other problems listed by my constituents were Watergate, crime, energy shortages, protecting the environment, high taxes, and high Federal spending.

I would like to thank all of my 10th District constituents who took the time and interest to respond to this survey. The views indicated in this poll, as in the past 11, have been of immense value to me in representing my constituents in the House of Representatives.

The detailed results of the poll are as follows:

[In percent]

	His		Hers	
	Yes	No	Yes	No
1. Do you favor Federal legislation which would establish minimum State standards for no-fault automobile insurance plans	75.3	24.7	75.1	24.9
2. Should Congress reduce or eliminate the oil depletion allowance?	70.0	30.0	69.2	30.8
3. On the basis of your knowledge of presently available evidence, do you feel the President should be impeached?	33.7	66.4	31.1	68.9
4. The Economic Stabilization Act, which grants the legal authority for wage and price controls, expires Apr. 30. Would you favor extending it another year?	48.8	51.2	53.0	47.0
5. Would you favor campaign reform legislation which included:				
(a) Taxpayer financing of Federal election campaigns	26.6	73.4	25.0	75.0
(b) Limiting the amount on individual contributions	79.5	20.5	77.6	22.4
(c) Limiting total campaign expenditures	83.9	16.1	85.1	14.9
(d) Shortening the campaign period by Federal law	81.0	19.0	82.4	17.6
(e) Guarantee of a limited amount of free broadcast time to each candidate	64.8	35.2	68.5	31.5
6. Do you favor continuing daylight saving time during the winter months as an energy saving measure?	43.4	56.6	38.7	61.3
7. Do you favor a national health insurance program which would require employers to provide health insurance plans to employees on a cost-sharing basis?	62.0	38.0	65.5	34.5
8. The United States presently has a troop commitment of 300,000 in Europe to honor its NATO obligation. Do you feel this troop level should be reduced?	57.7	42.3	55.7	44.3
9. What do you think is the most important problem facing the Nation today? (1) inflation; (2) lack of faith in government; (3) Watergate				

THE DICTATORSHIP OF FEDERAL COURTS

(Mr. POAGE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. POAGE. Mr. Speaker, some days ago I pointed out the utter inconsistency of the Federal courts in denying the Congress the right to protect itself from the interference of various groups of protestors while at the same time upholding the laws passed to protest the courts from the same kind of harassment. I suggested that the constitutional protection of "freedom of speech" was just the right to speak, not the right to put "tiger cages" on the Capitol steps—that freedom of the press did not include freedom to insult our country's flag by demeaning use utterly unrelated to any publication.

Since I made these comments my good friend, former Congressman Ed Gossett, now State district judge in Dallas, has published a very fine article on "The Dictatorship of Federal Courts." Many of you knew Judge Gossett as an outstanding lawyer as well as an able Congressman. Before becoming a Member of this body he served as district attorney. After 13 years in the Congress he resigned to enter private practice. He was the Southwestern attorney for Bell Telephone Co. for 17 years. Again answering the call of public service, he has for the past 6 years served as district judge. Presently he is chairman of the State bar of Texas Federal Court Study Committee. I know of no one better qualified to discuss the dictatorship of our courts.

The article, published in the May issue of the Texas Bar Journal, follows:

THE DICTATORSHIP OF FEDERAL COURTS

(By Judge Ed Gossett)

The absolute monarchs of the Supreme Court are killing the "glorious American experiment in democracy."

Thomas Jefferson anticipated this catastrophe when saying: *"It is a very dangerous doctrine to consider the Judges as the ultimate arbiters of all of our Constitutional questions; It is one which would place us under the despotism of an oligarchy."*

We do not question the integrity of any judge. We simply condemn a system and a *philosophy* that invite the unrestrained dictatorship of the federal courts.

In the last twenty-five years, our Supreme Court has become a super legislature responsible to no one. It has become a continuing Constitutional Convention without an elected delegate. It has become a dictatorship, unlimited. It has made a shambles of the Constitution.

The U.S. Conference of Chief Justices, meeting in Pasadena, California, on August 23, 1958, considered the unanimous report of its committee on *Federal-State Relationships as affected by judicial decisions* (meaning federal court decisions, primarily those of the Supreme Court).

They filed a lengthy and scholarly report affirmatively approved by 36 Chief Justices, They viewed with alarm the usurpation by

Federal Courts of powers belonging exclusively to the states. They predicted that if such a trend continued it would destroy the Federal Republic. At its ensuing convention the American Bar Association simply looked the other way. Such trend has continued.

Now we briefly document aforesaid allegation. Let's look first at the civil side of the docket.

Under the authority of *Baker* v. *Carr*, *Reynolds* v. *Sims*, *Gray* v. *Sanders* and other cases, state constitutions, state laws, state courts, and all state political institutions have been at the complete sufferance of federal courts. Federal courts have nullified numerous provisions of state constitutions, held hundreds of laws, both state and federal, to be unconstitutional, and have dictated to all state courts and to all state political organizations.

In 1965 a federal court redistricted Oklahoma and changed the size and composition of both houses of the State Legislature. Just now a federal court is redrawing the congressional districts of the State of Texas, nullifying an act of the State Legislature. All are familiar with the havoc caused by forced school busing imposed by federal courts. The federal courts in fact have usurped much of the authority of every class of elected state official.

We have been in war most of this century to make the world safe for democracy. We have fought some of those wars, i.e., Korea (33,629 killed, 103,284 wounded) and Vietnam (46,000 killed, 304,000 wounded) for the specific purpose of giving those people the right of self-determination and self-government. We have helped to create at least a dozen independent states in Africa on the theory that people have a right to self-determination. Ironically, at frightful expense, we have tried to spread democracy all over the world while destroying it at home. Incongruously, our foreign policy has been anti-colonial while our domestic policy has been colonial.

Incentive, imagination, initiative, individualism, and diversity in all facets of our lives made this country great. Now, thanks in large part to the Supreme Court, we are replacing these things with the stagnation of regimentation.

The most liberal member of the Constitutional Convention must be turning over in his grave at what our Supreme Court, in the last twenty-five years, has done to his Great Charter of Liberty, a charter for the separation and limitations upon governmental powers; his system of checks and balances, so painfully contrived, has been destroyed.

The Federal Judiciary has nullified the Tenth Amendment to the Constitution, which specifically states *"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."*

Now to the criminal side of the docket, with which this article is primarily concerned. The Court has stripped society of many of its old, proven, and legitimate defenses against crime. During the first 150 years of our nation's history, state courts were responsible for law enforcement in 90% of intrastate crime; and they did a good job. Now the federal courts have placed state courts in a procedural strait jacket; they have stymied good law enforcement.

Instead of helping to stop the crime floods our federal courts have been shooting holes in the dikes. We enumerate several examples which can be multiplied manyfold. In *Mapp v. Ohio* (1961) the Court held that evidence obtained by so-called illegal search and seizure cannot be used as evidence in state courts. An example of how this works is the case of Daniel William Grundstrom tried by our court, Criminal District Court No. 5, Dallas County, Texas. Grundstrom, who had numerous prior arrests, two prior convictions for burglary, and one for theft, committed an armed robbery in the City of Dallas. He was seen fleeing from the scene and an alarm was broadcast for his apprehension. He ran a red light and was stopped by a traffic policeman. The policeman had not heard the alarm and did not know of the robbery. When he arrested Grundstrom he found the guns, the money and other loot taken in the robbery occurring a few minutes earlier. Grundstrom was tried and convicted and given 25 years in the Texas Department of Corrections. Later he sued out a writ of habeas corpus in a federal court. The federal court held that since the traffic officer did not know of the robbery he had no right to search the car (had he known of the robbery the search would have been "legal"); therefore, the fruits of the robbery could not be used as evidence. Grundstrom was freed because arrested by the wrong cop. Within a few months he committed another robbery in the City of Midland, was tried and convicted and is now back in the Texas Department of Corrections.

Another example of the federal courts' imposing a flimsy technicality on a state court and freeing an habitual criminal, is the case of Alvin Darrell Slaton, tried in our court. This man, with a long criminal record, was tried in 1966 for the possession of narcotics and given a 40-year sentence. In 1971, he filed a writ of habeas corpus in the federal court alleging that he had been tried in his jail uniform against his will. The federal court ordered our court to release such prisoner because he was deemed to have been prejudiced by having on a jail uniform during his trial. Within a few months after his release, he shot a man five times in the head and was again caught with a large amount of narcotics.

In *Gideon* v. *Wainwright* (1963) the Supreme Court held that the state must provide free counsel for felony defendants at all stages of prosecution. As a result of this and other cases, thousands of convicts have been turned out of penitentiaries all over the United States, not because they were innocent, but on the ground that they had not been represented by counsel when they entered their pleas of guilty to various crimes, or that they had been inadequately represented by counsel, or other procedural technicalities.

In *North Carolina* v. *Pierce* (1969), a federal court held that a defendant, once convicted in a state court and given "X" number of years, cannot thereafter be given any greater penalty if his case is reversed on appeal. These and other rulings have led to thousands of frivolous appeals by defendants, since they have nothing to lose by appealing; also, many can now serve their sentence in county jails rather than in the state penitentiaries. This further overloads jails and court dockets. Largely because of technicalities imposed on state courts by federal courts, it takes four to five times as long to dispose of a criminal case in America as it does in England.

Another Dallas County, Texas, case in point is that of Edward MacKenna (1957). MacKenna, who had seven prior felony convictions, was found guilty of felony theft and sentenced to eight years in the penitentiary. His case was unanimously affirmed by the Appellate Court. After serving four years MacKenna was freed by a federal court (the Fifth Circuit). The Court said the State had denied said defendant "due process" because the trial judge had refused defendant a continuance (not shown to be harmful) and had wrongfully appointed an attorney to assist him, whereas defendant wanted to represent himself without assistance.

This case is notable primarily because of two dissenting opinions by two able and distinguished judges, i.e., the late Justice Hutcheson and the late Justice Cameron. Justice Hutcheson condemned "the flood of activist federal decisions" and said of the MacKenna case: "It is another of the growing number of cases in which federal appellate courts, asserting a kind of moral and legal superiority in respect to provisions made by state legislatures regarding criminal trials and the proceedings in state courts in respect of such trials, which they do not have, seek to exercise a suzerainty and hegemony over them which, under the Constitution, they do not now have, and, if we are to continue to hold to our federal system, they cannot in law and fact exercise." The Judge, with irrefutable logic, states emphatically that "if such decisions continue to be the rule, the states and their courts will be indeed reduced to a parlous state, and the federal union will be no more." (To same effect see former Attorney General Elliott L. Richardson's article "Let's Keep It Local," June 1973 issue Reader's Digest.)

Agreeing with Justice Hutcheson, Justice Cameron said: "The majority here looses the long insensate arm of the federal government and impowers it to filch from the hands of the officials of a sovereign state the key to the jail house and to set free one who was duly and legally convicted of violating the laws, not of the nation, but of the State of Texas."

In Jackson v. State (1964) in the Federal District Court, Northern District of Texas, Judge Leo Brewster in denying an assault by a federal court upon a state, said of his activist brethren: "A layman from another country reading these motions would likely get the idea that the real menace to society in the case was not the criminal who was convicted even of a heinous crime, but the trial judge, the prosecuting attorney, the investigating officer, or even the counsel for the defendant, who had labored conscientiously and well for his client, sometimes without pay."

In Miranda v. Arizona (1966) the Supreme Court made it extremely difficult to obtain a confession to a crime. All of the warnings you see on the TV crime shows are required by the Miranda decision. In effect, an officer must try to talk a defendant out of a confession before he can accept one. In Davis v. Mississippi (1969) the Federal Courts freed a State prisoner because an officer fingerprinted him prior to arrest without his consent; thus, evidence linking him to the rape of an 85-year-old woman could not be used. In Massiah v. The United States (1964) the State was forced to release a guilty defendant because incriminating statements were elicited from him in the absence of his counsel. In U.S. v. Wade (1967) the Supreme Court held a robber convicted even upon the positive identification of the victim, must go free if such positive identification was in any way bolstered by seeing the defendant in a police line-up to which he had not agreed.

If you have read Truman Capote's excellent book *In Cold Blood*, you were doubtless horrified when a whole family was exterminated by two ex-convicts. Hardly a day goes by without such atrocious episodes being repeated in some part of the country.

Since 1967 the federal courts have enjoined all executions. In 1968 the Supreme Court in *Witherspoon* v. *Illinois* made it practically impossible to select a jury with enough courage to assess a death penalty. In 1972 came the real coup de grace to effective law enforcement when the Supreme Court in effect abolished the death penalty. Its decision saved from death many confirmed sadistic criminals who were multiple killers for money of innocent victims. Now itinerant human parasites roam the country robbing and killing with little fear of the consequences. It is more than a happenstance that since 1967, major crime in this country has doubled. Rapes, robberies, kidnappings, murders, skyjackings and assassinations have be-

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come commonplace daily occurrences. In the last 25 years, due in part to Federal Court mandates, the safety of "our lives, our property and our sacred honor" has been subjected to constant erosion. The effective abolition of the death penalty has further eroded these values immeasurably, and has made our situation intolerable. While most states have rewritten their death penalty laws in an effort to comply with the Supreme Court decisions, it will be many years before any criminal can be executed, if at all and if ever.

Almost daily, the defiled and mutilated body of somebody's wife or daughter is pulled from the bottom of an old well, recovered from some dilapidated shack, or found floating in a muddy stream. The Federal Courts prevent any real punishment of the savage perverts committing these horrendous crimes.

Have we lost our sense of value? Has society lost the right and power to defend itself? Are we no longer capable of righteous indignation? Do we accept all of this horrible debauchery as a way of life?

In outlawing the death penalty, the Supreme Court has removed the shotgun from over the door of civilization. To abolish the death penalty is an insult to the decency and dignity of man. Every intelligent student of history knows that when the founding fathers outlawed "cruel and unusual punishment" they were simply outlawing medieval torture methods such as burning, starving, mutilating, or flogging to death.

A sad, indisputable fact of life is that human mad dogs exist. It is not only stupid but is "cruel and unusual punishment" not to execute them. The doctor's knife must be cruel in order to be kind. If the ruptured appendix is not removed, the patient dies.

The death penalty is prescribed in certain cases by all major religions. The Bible, the Talmud, and the Koran all approve of death as a necessary punishment for many crimes. All of history, both sacred and secular, upholds the validity of the death penalty.

Our indictments conclude with the phrase "against the peace and dignity of the State." We have compelled hundreds of thousands of our finest young men to die in combat for the peace and dignity of the State. Is it too much to compel a self-admitted and declared enemy of society to die for the same reasons? Why kill the lambs and let the wolves go free?

In their several opinions nullifying the death penalty statutes of the States, the Supreme Court intimates that in some cases the death penalty might be constitutional. In effect, they say, "You plebeians at the State level are incapable of making this decision." They apparently feel that most state officials are either stupid or dishonest.

Before a State can carry out the death penalty, the following State officials, all sworn to uphold the Constitution and to see that justice is done, must approve:

1. The State Legislature that passes the law.
2. The Grand Jury that indicts the defendant.
3. The District Attorney's Office (not sworn to get death penalties but to see that justice is done).
4. Twelve Petit Jurors.
5. The State Trial Judge.
6. The Judges of the Appellate Tribunal.
7. The Board of Pardons and Paroles, or Clemency Authority.
8. The Governor of the State.

Is it reasonable that one appointed Justice of the Supreme Court (as in 5-to-4 decisions) should repudiate the unanimous judgment and authority of thousands of elected State Officials? To plagiarize Shakespeare, upon what meat hath these our Caesars fed, that they have grown so great?

The greatest reason for punishment is deterrence. Normally, people will not do what they are afraid to do; and the one thing of which all men are afraid is death. Death remains the greatest deterrent to aggravated crime.

The public has been harassed by the recent rash of skyjacking. Now we are preparing to spend billilons of dollars on so-called sky safety. The death penalty would not stop skyjacking, but it would greatly reduce it. Also, we have the unusual and humiliating experience of spending untold millions for guarding hundreds of candidates for public office from assassinations. The death penalty would not stop this degrading menace but it would greatly reduce it. Economics, morals, even survival, all cry out for the death penalty as we have heretofore known it.

We submit that a failure to execute any of the following (if guilty and sane) is a reflection upon every decent value known to civilization and reduces man to a bestial level.

1. Kidnappers who injure or destroy their victims.
2. Persons like John Gilbert Graham, who in 1955, planted a bomb on a United airplane which killed his mother and 43 other people. (He died in Colorado's gas chamber prior to the gratuitous interference of the Federal Judiciary).
3. Richard Speck, who brutally mudered eight nurses in an orgy of destruction. (Because of the Supreme Court's ruling, his sentences were commuted to Life).
4. Bobby A. Davis, given the death penalty in Los Angeles for killing four Highway Patrolmen. (Voided by the Supreme Court).
5. Charles Manson and his sadistic crew who killed numerous people simply for the fun of it.
6. Lee Harvey Oswald, who assasinated President John Kennedy.
7. Sirhan-Sirhan, who assassinated Robert Kennedy.
8. James Earl Ray, who assassinated Martin Luther King.
9. All assassins, including those who shoot down policemen because they hate cops.
10. Juan Corona, convicted of butchering 25 people.
11. Those who kill or endanger life by planting bombs in public buildings.

Recently tried in our Court was a defendant who shot three women in three separate one-clerk grocery store robberies within a period of ten days. They were literally mutilated while begging for their lives. This defendant told the jailer that these women were killed to remove witnesses. Without the death penalty robbers have every incentive to kill their victims. This robber's death penalty has been commuted to life because of the Supreme Court decisions.

Recently, Walter Cherry, a known dope addict with a long criminal record who was doing a life term, escaped. Two Dallas Deputy Sheriffs went to arrest him at a motel. He killed one and wounded the other. His death sentence has been commuted because of the Supreme Court decisions.

Recently in Fort Worth an ex-convict with a long criminal record kidnapped two young men and a young woman on a city street. He drove them to a lonely spot in the country, killed both of the young men, raped the young woman and then choked her to death with a broomstick. His death penalty has been commuted to life because of the Supreme Court decisions.

In 1971, Adolfo Guzman and Leonardo Ramos Lopez, two ex-convicts being investigated for burglary in Dallas County, captured four deputy sheriffs, carried them to the Trinity River bottom, all handcuffed, and killed three of them as they begged for their lives. Because of Supreme Court decisions their death penalty convictions were reversed. They will live to kill again.

In 1946, Walter Crowder Young was sentenced to death for a brutal rape. In 1947 his sentence was commuted to life. In 1957 he was paroled. A few years later he kidnapped an eight-year-old boy and his eleven-year-old sister. He took them to an abandoned shack, crushed the boy's head with a hatchet, and left him a permanent and hopeless cripple. He then forced the little sister to commit sodomy on him. How many families must a man destroy before he should be executed?

Our cities have become barbarous jungles. We bow our heads in shame when we contemplate that the city of Washington, our Nation's Capital, is perhaps the most crime-ridden big city in the world. In Washington, all of the courts are federal. (It is significant to note that no one has been executed in the City of Washington since 1957). In 1972 there were 70 bank robberies in the Washington area alone. In Washington, citizens are afraid to walk the streets alone even in the daytime. Many a young woman has gone to Washington to earn her living only to lose her life or be psychologically destroyed at the hands of a rapist-murderer. The rapist-murderer is probably not caught; if caught, probably not convicted; if convicted, probably given a light sentence instead of the death penalty which the crime demands.

Throughout this nation, thousands upon thousands of small businesses have been forced to close their doors because of repeated robberies and the proprietor's fear of death. Thousands of communities have formed vigilante committees in an effort to defend themselves since they cannot rely on their government for protection. Furthermore, in the last 25 years, the employment of security guards by private business has increased a thousandfold.

In the March 1970 issue of Reader's Digest appears an excellent article by Senator John L. McClellan (a great crime investigator and foremost authority in Congress on the subject), entitled "Weak Link in Our War on the Mafia." He cites numerous cases demonstrating how the federal courts have failed in law enforcement. In 1973 there was far more federal anti-crime money spent in Dallas County than ever before; yet, horror-crime increased almost 25%. *Federal money flows and horror-crime grows.*

While the Federal Courts insist on procedural regularity from others, they are the greatest violators of the same. The Federal Courts should remove the beam from their own eyes before trying to cast the mote from the eyes of the state courts.

We suggest that all the Don Quixotes who are riding their white horses off in all directions in their puny declared wars on crime might well tilt their spears in the direction of the Federal Judiciary.

In 1954 in the case of *Terminello v. State,* the Supreme Court nullified an Illinois statute under which Terminello had been convicted for inciting a riot. They held that the law was an invasion of the defendant's right of free speech (another 5-to-4 decision). In a dissenting opinion the late Justice Jackson with prophetic ken stated, *"Unless the Court is dissuaded in its doctrinaire logic we are in danger of compounding the Bill of Rights into a suicide pact."*

The great English cirtic Macaulay and the great French critic de Tocqueville both predicted America's self-destruction. (We omit the late Mr. Khrushchev's well known pronouncement on the subject.) De Tocqueville based his prediction primarily on the political power of American judges. For a judge to become a legislator is repugnant to the fundaments of Anglo-Saxon jurisprudence; yet much of the revolutionary legislation of the last 25 years has come from the Supreme Court.

The Justices of the Court are not little gods. Yet, the monarchs who claimed divine sanction were not so powerful as they. The power controversy now going on between the President and the Congress is a tempest in a teapot when compared to the cyclonic power possessed by the Supreme Court.

Whether good or bad, wise or foolish, right or wrong, no federal judge should have absolute power. It's not a question of whose ox is gored; it's a question of goring the ox to death whose ever ox he is. Such power is repugnant to every principle of democracy and freedom.

Whether it's the Hughes Court blocking Mr. Roosevelt's reforms or the Warren Court destroying the States, the Supreme Court's power must be limited.

THE EMERGENCY LIVESTOCK CREDIT ACT: A BAD PRECEDENT

(Mr. MEEDS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MEEDS. Mr. Speaker, this week I voted against H.R. 15560, the Emergency Livestock Credit Act. To my way of thinking, this legislation represents an unwarranted precedent that compensates poor judgment in the private sector.

As we know, the bill would guarantee $2 billion worth of emergency loans to livestock producers, including producers of goats, chickens, and turkeys. Although individual loans are limited to $250,000, there are few restrictions on obtaining the guaranteed loan.

Spokesmen for the measure tell us that skyrocketing costs have been experienced in feed, fuel, property taxes, and fertilizer, and that severely depressed commodity prices threaten to spade under a number of producers.

While I feel sympathy for the cattlemen, we ought to look back to see how this situation came to pass. The administration's wheat deal with the Russians plus the lack of controls around agriculture worked to force up meat prices to extremely high levels last year. It was about this time that our old uncle supply and demand turned up. Outraged by meat prices, consumers switched to substitutes such as fish, breads, potatoes, and rice.

And the response of the cattlemen and the speculators? Angered by the administration's price freeze and by consumer resistance, beef producers held their cattle off the market, hoping to drive up prices. Meanwhile, in hopes of cashing in on a good thing, investors of all stripes plunged millions and millions of dollars into feedlots.

The result was all too predictable. The even flow of meat was interrupted as producers dumped meat on the markets when controls went off. Supply and demand worked, and the prices started falling drastically. The situation was doubly affected by all that additional beef resulting from the money channeled in by hungry investors.

Here we are then, with a prop-up bill for those who miscalculated, those who wanted a quick and easy profit. To me the legislation makes no sense. It bails out speculators, big corporate farmers, and further stimulates the flow of scarce credit to producing more beef.

One of the honored traditions of American business is taking risks. Well, the cattlemen held their beef off the market and interrupted the even flow of meat. And the speculators wanted a hefty profit right away. Taxpayers should not have to be responsible for someone else's poor judgment.

REGIONAL CENTERS FOR THE PERFORMING ARTS

(Mr. MEEDS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MEEDS. Mr. Speaker, today I am introducing legislation to provide for the establishment and maintenance of regional centers for the performing arts. Similar legislation is being introduced in the Senate by Senators MAGNUSON and JACKSON.

Preparations for the celebration of the Bicentennial of the American Revolution in 1976 have stimulated a renewal interest in the Nation's social, economic, and cultural heritage. An important and vital part of this heritage has been and continues to be the involvement of the American people with the performing arts. It is fitting, therefore, that as a part of the 200th birthday celebration a program to establish a network of regional performing arts centers based on the model of the successful Wolf Trap Farm Park be initiated in order to foster the spread of the performing arts, promote local support for the performing arts, encourage the training of local talent in the performing arts, and enlarge the opportunities of the American people to experience their cultural heritage.

Under the bill the Secretary of the Interior would be authorized to establish, develop, improve, and maintain regional centers for the performing arts. Particular locations would be decided upon after consultation by the Secretary with the National Council on the Arts and other interested groups and individuals. The Secretary would also be authorized to accept donations of lands and facilities for the establishment of performing arts centers.

An Advisory Committee on the Arts would be appointed by the President for every center established. Each such committee would give advice about the construction of facilities and make recommendations regarding existing and prospective cultural activities. The actual programing of performances at each center would be the responsibility of State, local, and private individuals and institutions in consultation with the Advisory Committee for the center.

The passage of this bill with its envisioned network of regional performing arts centers would, in addition to its benefits, move the Nation toward the solution of two ongoing cultural problems. In the first instance, it would see the establishment of permanent performing arts centers in areas of the country where there is a dearth of such arts, because large-scale philantrophic giving has not been and cannot be expected to become the practice, even though the citizens of those areas through their taxes must offset, in part, the exemptions which make philanthropy possible elsewhere. In the second instance, the passage of the bill would provide a vehicle for rescuing and putting on a firm footing a number of outstanding local endeavors in the performing arts which are presently foundering, despite herculean efforts, because of ever-increasing costs.

To conclude, the manifest stimulus to the performing arts at the regional level which would follow the adoption of this bill could not help, but be an outstanding contribution to the Bicentennial celebration and a permanent benefit to the Nation's cultural life.

CANCER RESEARCH AT CLEVELAND CLINIC

Mr. JAMES V. STANTON. Mr. Speaker, I would like to call the attention of my colleague to the excellent cancer research now being conducted at Cleveland Clinic in Cleveland, Ohio. In the article which follows, Drs. Henry Roenigh, Sharad Doedhar, Robert St. Jacques, and Kenneth Burdick summarize the efforts they have made, and although the article is somewhat technical, I am certain many will be interested in learning of the progress they have made:

IMMUNOTHERAPY OF MALIGNANT MELANOMA WITH VACCINIA VIRUS

(By Henry H. Roenigk, Jr., MD; Sharad Doedhar, MD, PhD; Robert St. Jacques, MD; Kenneth Burdick, MD, Cleveland)

(Twenty patients with either stage II or III metastatic malignant melanoma were treated with vaccina virus injections into the tumor nodules. Average survival was 32.2 months for stage II and 4.6 months for stage III.

(Delayed hypersensitivity skin tests and 2,4-dinitrochlorobenzene sensitization were positive. Indirect immunofluorescence demonstrated human antibodies. Cellular cytotoxity, as demonstrated by the colony inhibition technique, was strongly positive in all patients who made a good response to immunotherapy. Blocking antibodies were not found in the treated group.

(Vaccinia virus immunotherapy may act by activation of specific immune mechanisms or may reflect a nonspecific, cytotoxic, inflammatory reaction. This study supports the concept that vaccinia virus may activate the production of cell-mediated, cytotoxic immunity against melanoma cells. This cytotoxic immunity has been isolated with transfer factor and given to other patients with metastatic melanoma.)

The field of tumor immunology in both animal and human tumor systems has progressed rapidly in the past decade. In human cancer, this evidence has come largely from the demonstration of tumor-specific antigens and from in vitro studies demonstrating both cellular and humoral immunity with cytotoxic effect on tumor cells.[1]

Morton and co-workers,[2] using indirect immunofluorescent techniques, demonstrated humoral antibodies to melanoma cells in patients with melanoma. They found the highest titers of antimelanoma antibodies in patients with localized metastasis of melanoma.

In 1960, Burdick [3] and Burdick and Hawk [4] reported prolonged remission of metastatic melanoma after repeated injections of vaccinia virus into cutaneous metastatic nodules of melanoma. At that time, they were unable to demonstrate any cytotoxic activity of the patient's serum after therapy.

In the past ten years, 20 patients with metastatic melanoma have been treated by this technique at the Cleveland Clinic; major regression of the melanomas has occurred in eight patients who had stage II disease. The stages are defined as follows: stage I (local-

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Footnotes at end of article.

ized melanoma)—primary melanoma untreated or removed by excision biopsy within one month, locally metastatic or recurrent melanoma or both, and multiple primary melanomas; stage II (metastasis confined to regional lymph nodes)—primary melanoma present with simultaneous metastasis, primary melanoma controlled with subsequent metastasis, locally recurrent melanoma with metastasis, and unknown primary melanoma with metastasis; and stage III (disseminated melanoma)—organic or multiple lymphatic metastasis or both and multiple cutaneous or subcutaneous metastasis or both.

With newer culture techniques, immunofluorescent tests and colony inhibition tests as described by Hellstrom,[1] we can now measure cellular and humoral cytotoxicity to melanoma cells in culture and possible cytotoxic effects to vaccinia virus immunotherapy. Four patients have been studied extensively by immunologic techniques. In addition to producing clinical remission of metastatic melanoma, preliminary evidence suggests that we may have stimulated cellular immunity against metastatic melanoma.

METHODS AND MATERIALS

Routine Studies.—All patients had complete histories taken and physical examinations, routine hematological and biochemical tests, liver and brain scans, bone surveys, quantitative immunoglobulin determinations, and melanin determinations on urine were performed. Roentgenograms of the chest and abdomen were made.

Delayed hypersensitivity skin tests to different agents (purified protein derivative, monilial extract, varidase, and mumps vaccine) were performed. Sensitization to 2,4-dinitrochlorobenzene (DNCB) were tested in addition to phenylalanine-induced blast transformation study on peripheral lymphocytes as a measure of overall cellular immunity.

Special Immunological Studies.—Detection of serum antibodies to melanoma cells by immunofluorescent techniques (with acetone-fixed melanoma imprints and microcytotoxic techniques for detection of cell-mediated immunity in vitro involving cell inhibition) were performed.[5]

These colony inhibition techniques were done with and without the patient's serum so that possible enhancing antibodies could be detected. The tissue culture was melanoma tumor cells grown on a special tissue culture medium (Waymouth) fortified with fetal calf serum. Appropriate controls included reactions against the patients' own skin fibroblasts or other tumor cells such as breast cancer cells and normal lymphocytes against melanoma cells. In the test for humoral antibodies, human serum complement was used. The ratio of lymphocytes to target cells was that recommended by Hellstrom.[5] The possible presence of serum blocking antibodies was tested by these cytotoxic techniques. Studies were also performed to detect HL–A antigens on the melanoma cells, skin fibroblast, and lymphocytes.

Vaccinia Virus Therapy.—Patients with stage II disease with regional metastasis (skin and lymph nodes) were candidates for vaccinia virus therapy. Early in the study, some patients with stage III disease were treated. Before therapy, the largest tumor nodules were surgically removed. Regional lymph nodes were nor removed. The vaccinia virus (from the lymph of calves inoculated with the virus) in one glass tube was diluted with up to 0.5 ml of saline and was injected directly into the tumor nodules. Depending on the severity of local and systemic reaction to the virus, subsequent injections of up to five tubes of vaccinia virus diluted with 0.5 ml of saline were injected at two-week intervals. A modified, accelerated type of vaccinia reaction with redness, swelling, and induration of the nodules was observed in about four days, sometimes accompanied by fever, chills, and nausea.

RESULTS

During the ten-year period from 1960 to noma were seen at the Cleveland Clinic. 1970, 476 patients with malignant mela- Twenty patients with metastatic melanoma were treated with vaccinia virus therapy during this time. The clinicopathologic stage of these cases shows a much more prolonged survival in the stage II treated patients. Their survival after vaccinia virus therapy was 37.5 months (range, 18 to 72 months), average for the eight stage II patients compared to only 4.6 months (range, 1 to 12 months) for 12 stage III patients.

REPORT OF CASES

Summary of stage III—metastatic melanomas treated with vaccinia virus

Case 1.—In 1948, a 64-year-old woman had developed an amelanotic melanoma that was excised primarily. In September 1960, when skin and lung metastasis appeared, smallpox vaccine was injected into the skin nodules. The skin lesions resolved in one month but lung lesions remained unchanged, and the patient died in February 1961 of metastasis.

Case 2.—A 71-year-old man had a melanoma excised from the neck in 1958. In August 1960, metastasis to skin, bone, and lymph nodes was found. Smallpox vaccination was begun but he died of metastasis in November 1960.

Case 3.—A 39-year-old woman had a lesion cauterized on the right calf in 1950. In July 1952, excision of a recurrence to the lesion disclosed metastatic melanoma. In January 1953, there was evidence of local recurrence plus carcinoma of the cervix. Perfusion with thiotepa, mechlorethamine hydrochloride, and methotrexate followed. When she came to the Cleveland Clinic in August 1961, she had massive recurrences in the right leg and groin. Cobalt therapy and hypothermia were attempted, but no more abdominal internal metastasis occurred. A few lesions on the skin were treated by smallpox vaccination (September and October 1961) but she died a month later.

Case 4.—A 31-year-old man had a melanoma of the upper back excised in April 1959. In August 1960, at the Cleveland Clinic, there was metastasis to skin, right axilla, supraclavicular lymph node, and lung. Smallpox vaccination was started with minimal response, and death from metastasis occurred in December.

Case 5.—A 66-year-old man had enulceation of the right eye performed in 1958 for melanoma. In February 1960, metastasis to liver and skin was noted. Systemic therapy with triethylenemelamine and mechlorethamine hydrochloride produced no change. Smallpox vaccination was started with no reaction; death from metastasis occurred in September.

Case 6.—A 37-year-old woman had a melanoma removed from the right foot in 1954. In May 1959, metastasis to skin (15 nodules), lower abdomen, and rectum was noted. Thiotepa and smallpox vaccination produced no response. Death from metastasis occurred in July.

Case 7.—In December 1959, a 60-year-old woman had an amelanotic melanoma of the urethra treated by electrocautery. Lymph node and lower abdominal metastasis was noted in March 1960. Pelvic perfusion and, later, smallpox vaccine injections into lymph nodes were attempted with a slight systemic reaction. Death due to metastasis occurred in July.

Case 8.—A 41-year-old man had a melanoma excised from the midback in June 1961. Metastasis was noted in neck, axilla lymph nodes, and scalp. Neurological symptoms were suggestive of nervous system metastasis. Smallpox vaccination was done in March 1963, but the patient died of metastasis in May.

Case 9.—A 30-year-old man had a melanoma excised from his back in April 1970. One month later, a large ulceration of the skin appeared at the site of the primary lesions. Reexcision of the ulcer showed no metastasis, and the chest x-ray film was normal in May. In July, there was local recurrence of amelanotic melanoma at the edge of the skin graft. A chest x-ray film disclosed metastatic nodules in the lungs. Delayed hypersensitivity skin tests were all negative. Smallpox vaccination of the skin recurrence, started in August, produced some systemic and local response, but chest x-ray film in October showed increasing numbers of metastatic nodules. The patient died of metastasis in November.

Case 10.—A 31-year-old man had a melanoma of the neck excised in February 1962. There was no evidence of recurrence until April 1967, when two skin lesions developed in addition to lung and bone metastasis. Smallpox vaccination, started in April, resulted in some local and systemic reaction, but new nodules developed. The patient was also given haptene therapy, but he died in September of metastasis.

Case 11.—A 31-year-old man had a melanoma excised from the right clavicular area in August 1969. In February 1970, metastasis to the skin of chest, face, and scalp was noted. In May, all local recurrences were reexcised. Delayed hypersensitivity skin tests and DNCB tests were positive. In August, the melanoma recurred at the edge of the graft, scalp, and eyebrows. Smallpox vaccination was started, with good local and systemic responses. Smallpox vaccine injections into the skin nodules were continued until December, when the patient underwent operation for brain metastasis. He died in June 1971.

Case 12.—A 28-year-old woman was admitted to the Cleveland Clinic Hospital in February 1959 with metastatic malignant melanoma lesions on the left thigh and abdomen. A mole had been removed from another location of the left leg in 1937; lymph nodes were removed shortly thereafter. Smallpox intralesional injections were given at regular intervals for 23 months. The patient died of metastasis two months after the last injection.

Summary of stage II—metastatic melanomas treated with vaccinia virus

Case 13.—A 62-year-old woman had a melanoma excised from her right heel in May 1961. Smallpox vaccine was injected into the primary melanoma three days before surgery. There was a severe systemic, localized reaction and regression of local inguinal lymph nodes. No local recurrence of the tumor was noted in September 1962, but the patient died of metastasis in November.

Case 14.—A 69-year-old woman had a melanoma excised from her left foot in October 1958. In May 1960, there was metastasis to skin in the region of the previous excision; inguinal lymph nodes were enlarged. Smallpox vaccination was started, with good local and systemic reaction and regression of nodules. An inflammatory vitiligo was noted in August 1961, and all nodules were regressing. There was no further evidence of recurrence and no treatment was administered until December 1964, when the patient complained of pain in the left lower quadrant. Lymphangiograms showed abnormal retroperitoneal lymph nodes. An exploratory laparotomy showed no metastasis except to these nodes, which were removed.

Smallpox vaccine injection into the left thigh was started again with good local and systemic reaction. Herpes zoster developed in June 1965. In August, new cutaneous nodules developed and a cordotomy was performed for relief of severe pain in the left hip and leg. In January 1966, more cutane-

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ous nodules developed and the patient died of metastasis in May.

Case 15.—A 31-year-old woman had an amelanotic melanoma excised from her left leg in February 1960. Localized skin metastasis was noted in June and later was treated with x-radiation therapy. In September and December 1960 and February 1961, several large nodules were removed surgically. The patient continued to have satisfactory systemic reactions from smallpox vaccination. In May, there were no recurrences and the patient had a normal pregnancy. When she was last examined in June 1964, she was in good health with no recurrence. She has been lost to follow-up.

Case 16.—In April 1970, a 43-year-old man had a melanoma excised from the right axilla. He did well for a few months; in November, a pigmented recurrent lesion in the region of the original lesion was removed. At physical examination, a 3-mm pigmented, elevated, nodular lesion at the upper edge of the operative scar on the right lower back was seen, as was a 4- to 5-cm scar on the right axilla. Otherwise, the results of physical examination were normal.

Smallpox inoculation of the tumor was started, and the patient developed a slight local inflammation at that site. No systemic reaction was noted. He had a positive reaction to the DNCB test that was done at that time. The patient returned for a few more injections; in January 1972, he complained of a chest-cold of several days duration. A chest x-ray film showed nodular lesions, and the patient was admitted for evaluation of possible metastatic melanoma in the lungs. In February, the patient had a discrete nodule in the right lung field. A liver scan showed two areas of decreased radioactivity. The brain also showed a similar area in the left temporal lobe. An electroencephalograph was abnormal. A pulmonary biopsy specimen showed atypical cells compatible with malignant disease. The chest x-ray films showed progressive massive involvement and multiple lesions. He was given dacarbazine (270 mg for five days), carmustine (270 mg for one day), and hydroxyurea (Hydrea) (2,500 mg a day for five days). The patient was readmitted in March for another course of cytotoxic agents, but died of metastasis in May.

Case 17.—A 48-year-old man noted a lump in his right groin in November 1969. Excision of the area showed a lymph node containing a malignant melanoma. No primary site of the melonoma was found. He came to the Cleveland Clinic in March 1970. A large, tender mass in the right groin had appeared a few weeks before. The review of all systems showed back pain, sinusitis, and history of heart murmur, peptic ulcer, rheumatic fever, and benign prostatic hypertrophy.

Physical examination showed a grapefruit-sized mass in the right groin; the overlying skin was very tense, red, tender and warm. The patient was normal except for a temperature of 37.8C (100 F) and the skin lesion. He also had a few verrucae vulgaris.

Reexcision of the mass disclosed an amelanotic melanoma. The wound healed with no difficulty. Two months after the operation, the patient returned for a follow-up visit. He had a dark, 4-mm nodule about 1 cm below the excision, which was diagnosed as a recurrent malignant melanoma. He had no adenopathies and no evidence of any recurrence in any other region. It was decided to give him vaccinia virus injections into the lesion. These injections produced inflammatory changes and the lesions gradually diminished in size and disappeared in a period of two months after five injections. There has been no recurrence and the patient was in excellent health at the time of his last checkup in January 1974.

The lymphangiogram showed possible involvement of the right iliac aortic nodes, although this was questionable due to the marked inflammation and infection of the area of the tumor. The brain scan was normal; the liver scan showed a certain degree of enlargement of the liver, and the possibility of other disease was suggested. The chest x-ray film was normal; x-ray films of the total spine showed demineralization of the thoracic and lumbar spine and a degenerative disk region at L_5-S_1. The patient had a positive DNCB test before treatment. During smallpox therapy, he showed a slight increase in his IgA and IgM. Phytohemagglutinin blast transformation was normal, and he had marked toxicity with both serum and lymphocytes against melanoma cells.

Case 18.—A 69-year-old woman had noticed a brown, flat spot on her left cheek about three years before. An outside biopsy specimen showed a lentigo maligna; it was closely observed. Gradually, the lesion seemed to extend medially on the cheek.

In April 1971, the lesion was excised and grafting was done. A few cervical modes were removed but did not contain any melanoma. The lesion that was excised was a malignant melanoma. Her face remained clear until September. At that time, she began to notice a few small nodules at the superior medial corner and at the inferior and lateral corner of the graft site, as well as two dark, black nodules on the inferior border. These lesions had greatly increased by the end of October, Physical examination results were unremarkable except for the lesions on the left cheek. On the malar area on the left cheek, at the border of the grafted site, there were nodular lesions, smaller than 1 cm; on the inferior border, two of these were darkly pigmented. No cervical axillary or inguinal nodes were palpable at the time of examination in November. A skin biopsy specimen was stained normally; immunofluorescent studies and tissue culture were done. Some serum was drawn for melanoma antibody titers. Delayed hypersenstivity testing results were within normal limits. The patient was sensitized to DNCB. Liver and brain scans showed no metastasis, and roentgenograms of the chest, kidneys, ureter, and bladder, and an intravenous pyelogram were normal. The complete blood cell count and blood chemistry studies performed with an automated multiple analysis system were within normal limits. The Papanicolaou test was negative as was the test for antinuclear factor. Immunoglobulin determination showed a slight decrease in the IgG portion. Tests for venereal disease and urinalyses were negative. The biopsy specimen showed recurrent or metastatic malignant melanoma of the skin. The lymph nodes were normal. The chest, lumbosacral spine, kidney, ureter, bladder, and urogram showed no evidence of metastasis. Brain and liver scans were normal.

With smallpox vaccine injections into the lesions, the patient developed local and occasional symptoms of malasie and chills (Fig. 1 to 3). A few of the lesions regressed. One lesion on the upper border of the grafted site increased in size, and it was excised. All of the other lesions subsided. At the time of her last examination (January 1973), she was well and completely free of tumor (Fig. 4). The patient died suddenly on Feb. 23, 1973, and complete autopsy showed no evidence of metastatic melanoma. The cause of death was massive cerebral hemorrhage.

Case 19.—A 41-year-old woman noticed a change of color and bleeding of a birthmark on her right calf in July 1970. He family physician excised the lesion in September. The pathology report indicated a malignant melanoma. A chest x-ray film taken at the time showed no changes.

She was seen at the end of September by the plastic surgery department. At that time, she had a 6-cm incision with sutures on her right lower limb. Three hard nodes were palpated then in the right inguinal area; she was in otherwise good physical condition. The primary site was largely reexcised and grafted, and the right groin was dissected. According to the pathology report, there were some atypical cell islands in the subcutaneous fat of the right calf; of the 14 nodes excised, none showed malignant invasion.

In December, small, black, nodular lesions were noted along the border of the excised area. These lesions were reexcised. In February 1971, the patient had several hundred small hyperpigmented nodules around the graft as well as on the adjacent thigh. No adenopathy was detected clinically. After consultation with the oncologist, it was decided to reexcise these lesions and graft again.

In April, the patient was readmitted to the hospital because of numerous local recurrences. Smallpox vaccine was given intralesionally after the patient's cellular immunity, which was basically normal, was assessed. These injections were repeated one to three times a week for ten months. At first, only occasional inflammation was observed in a few lesions. Ten months after the beginning of smallpox treatment, numerous lesions had resolved and most of the remainder were resolving. The patient felt in good health. She had gained weight, and a liver scan, which had previously shown some possible metastasis, showed a decrease in the size of the lesion. However, in February 1972, the brain scan, showed an ill-defined area of decreased radioactivity in the frontal region. Follow-up examination in February 1973 indicated she was still in good health.

Initially, the complete blood cell count and differential cell count, as well as blood chemistry studies performed with an automated multiple analysis system, were normal; no melanin was found in the urine. A DNCB test was negative. Tests of delayed hypersensitivity to trichophyton and purified protein derivative were both negative. Biopsy materials from one tumor did not grow well in vitro, and the cell culture showed poor growth. Laboratory findings in February 1972 were normal for complete blood cell count, differential cell count, and blood chemistry studies; urinalysis showed no melanin. The patient's serum was questionably cytotoxic to another patient's melanoma cells, whereas her lymphocytes showed a 63% inhibition against the same patient's malignant melanoma cells.

Case 20.—A 55-year-old women had an enlarging, dark nodule on the right anterior thigh in May 1970. Results of physical examination were normal, except for a dime-sized, black nodule on her right anterior thigh. There was no lymphadenopathy. A wide excision of the lesion was done, and a diagnosis of malignant melanoma was made. On June 11, 1971, approximately one year after surgery, a small dark lump on the border of the incision developed; biopsy showed an amelanotic malignant melanoma. Two weeks later, this lesion was removed by wide excision. In January 1972, a small nodule again recurred in the incision. Biopsy showed a malignant melanoma. Ten days later, it was decided to treat the patient with smallpox vaccine given intralesionally. Some inflammatory response developed; the patient was completely free of tumor clinically and histologically in September. Examination in January 1974 showed no tumor.

Laboratory studies showed that, before smallpox therapy, the immunoglobulin value had decreased to 420 mg/100 ml. The DNCB test was positive. The delayed hypersensitivity test was normal as was the phytohemagglutinin test. Her serum showed no cytotoxicity; tissue culture disclosed normal cells. Before treatment, liver and brain scans were normal.

IMMUNOLOGICAL STUDIES

Patients 17, 18, 19, and 20 have had the benefit of more sophisticated immunological studies that have become available in the past few years, and these patients have been studied more extensively.

Delayed hypersensitivity was intact in three of the five patients tested (Table 1). It is interesting that patient 19 had negative, delayed hypersensitivity skin tests and was not sensitized to DNCB but had perhaps the most dramatic response of any patient treated with vaccinia virus therapy.

Indirect immunofluorescence, described by Morton,[6, 7] was positive or questionably positive in all patients tested (Table 1). This indicates the possibility of humoral antibody, but the reaction may not be specific; its clinical value has been in question.

Colony inhibition techniques, using melanoma tumor cell cultures, were used to evaluate both humoral and cellular cytotoxicity. Unfortunately, because of the difficulty in growing melanoma cells in culture at the beginning of this study, cellular cytotoxicity before vaccinia virus therapy could not be evaluated. Two patients (No. 17 and 18) showed some slight humoral cytotoxicity or blocking antibodies before vaccinia virus therapy. Cellular cytotoxicity, probably more important in immunotherapy of tumors, was high in all four patients treated with vaccinia virus therapy (Table 2). When comparing the cellular cytotoxcity of the vaccinia-treated group with a similar untreated group of metastatic melanoma patients (Table 2), there is a markedly higher number of positive responses in the vaccinia virus-treated group.

Belisario and Milton,[8] following the suggestions from Burdick[3] and Burdick and Hawk,[4] reported that two patients with stage II metastatic melanoma had complete remissions after intralesional injections of vaccinia virus.

In 1966, Milton and Brown[9] of Australia reported details of four patients with matastatic melanoma and incurable disease treated by vaccinia virus injection. No tumor regression was obtained in any patient who had been vaccinated within the preceding five years. All patients who had a satisfactory response had a severe systemic and local reaction to the virus. They had not observed any worthwhile remissions in a patient with visceral metastasis and believed that the patients most likely to show improvement were those in whom metastasis was either in the skin or lymph nodes.

Hunter-Craig et al[10] treated 19 patients having proved metastases from malignant melanoma with inoculations of vaccinia virus. The nodules disappeared in six of ten patients treated with intradermal deposits, and five remained well from 2 to 22 months after initial treatment.

Morton et al[11] have done extensive investigations to identify melanoma-associated antigens. All patients were found to have autoantibodies to their own melanoma, but patients with localized metastasis had higher titers of antibody than did patients with widespread disease. Antibodies can also be demonstrated by quantitative complement-fixation techniques with the use of tissue cultures of human melanoma (HuMe 1–1 melano cells).

Morton et al[6] then studied eight patients in whom immunotherapy with BCG vaccine was attempted. There was a good correlation between the patient's immunologic competence at the beginning of immunotherapy and the response to treatment. Response to immunotherapy with BCG is strongly correlated with the patient's ability to manifest an immunological response to DNCB, tuberculin, and the melanoma-specific antigen.

Why should immunotherapy with vaccina virus or other agents be attempted in malignant melanoma? There is considerable clinical and recently immunological evidence to support this concept of therapy. Spontaneous regressions of malignant melanomas repeatedly have been recorded.[12] Widespread metastasis may appear many years after apparently successful treatment of the primary lesion. Long survivals have been reported after incomplete removal of the melanoma.[13] A dense, peritumoral inflammatory infiltrate usually surrounds primary melanomas and is most prominent in superficial spreading melanoma, which has the best prognosis.[14] Circulating and cellular immunity against melanoma have been demonstrated.[11] Malignant melanomas have been associated with other autoimmune diseases.[15] Immunotherapy, using cross-transplantation of lymphocytes, has met with some success.[16] Immunosuppression causes more malignant behavior of experimental malignant melanomas.[17]

Immunotherapy of cancer is receiving wide attention because various investigators have demonstrated that immunologic mechanisms are involved in both animal and human neoplastic disease. Malignant melanoma is particularly suitable because of the demonstration of humoral and cell-mediated immunity to melanoma cells in patients with melanoma and of a common antigen, possibly virally induced, in human melanomas.

The mechanism of vaccinia virus in producing remission of metastatic melanoma is not completely understood. It may act by activation of specific immune mechanisms or reflect a nonspecific, cytotoxic, inflammatory reaction. Evidence from this study supports the concept that vaccinia virus may activate the production of cell-mediated, cytotoxic immunity against melanoma cells. Preliminary studies now being conducted at the Cleveland Clinic indicate that this cytotoxic immunity can be isolated with transfer factor and given to other patients with metastatic melanoma.

FOOTNOTES

[1] Hellstrom I, et al: Cellular and humoral immunity to different types of human neoplasms. *Nature* 220:1352–1354, 1968.

[2] Morton DL, et al: Immunological factors which influence response to immunotherapy in malignant melanoma. *Prog Exp Tumor Res* 14:2–42, 1971.

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[5] Hellstrom KE, Hellstrom I, Bergheden C: Studies on allogeneic inhibition: III. Inhibition of mouse tumor cell colony formation in vitro by contact with lymphoid cells containing foreign H-2 antigens. *Int J Cancer* 2:286–296, 1967.

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[10] Hunter-Craig I, et al: Use of vaccinia virus in the treatment of metastatic malignant melanoma. *Br Med J* 2:512–515, 1970.

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[15] Staehelin A, Ruttner JR: Atypical endocarditis verucosa of Liebman-Sacks in acute disseminated lupus erythematosus and other diseases. *Schweiz Med Wochenschr* 87:31–34, 1957.

[16] Nadler SH, Moore GE: Immunotherapy of malignant melanoma. *Geriatrics* 23:150, 1968.

[17] Wolf-Jurgensen P, et al: Influence of antilymphocyte serum or malignant melanoma. *J Invest Dermatol* 51:441–444, 1968.

TABLE 1.—IMMUNOLOGICAL STUDIES IN FOUR PATIENTS

Study	Patient 17	18	19	20
Sensitivity to vaccina virus:				
Delayed hypersensitization	+	+	−	+
DNCB sensitization[1]	+	+	−	+
Indirect immunofluorescence for melanoma antibody[2]				
Jarrell tumor	+	±	±	±
Malloy tumor	+	±	±	±

[1] DNCB indicates 2.4 plus dinitrochlorobenzene.
[2] Studied using acetone-fixed melanoma imprints.

TABLE 2.—CYTOTOXICITY (PERCENT) BY COLONY INHIBITION TECHNIQUE

Group	Before treatment Serum	Before treatment Cellular	After treatment Serum	After treatment Cellular
Vaccinia virus treatment:				
Patient 17	32		0	50, 65
Patient 18	24		0	60
Patient 19			0	54, 63, 70
Patient 20	0		0	43
Control (untreated metastatic melanoma):				
A	0	0, 60		
B	0	0		
C		0		
D	0	0		
E	20	0		
F	0	0		
G	0	0		
H	0	0, 54		

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. SYMINGTON (at the request of Mr. O'NEILL), for today, on account of illness.

Mrs. CHISHOLM (at the request of Mr. O'NEILL), for this week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. RONCALLO of New York) to revise and extend their remarks and include extraneous material:)

Mr. KETCHUM, for 60 minutes, July 23, 1974.

Mr. KETCHUM, for 60 minutes, July 24, 1974.

Mr. KETCHUM, for 60 minutes, July 25, 1974.

Mr. WHALEN, for 5 minutes, today.

Mr. MIZELL, for 5 minutes, today.

Mr. Don H. Clausen, for 15 minutes, today.

Mr. Kemp, for 30 minutes, today.

Mr. Steelman, for 10 minutes, today.

(The following Members (at the request of Mr. John L. Burton) to revise and extend their remarks and include extraneous matter:)

Mr. Diggs, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. O'Neill, for 5 minutes, today.

Mr. Rostenkowski, for 5 minutes, today.

Mr. Udall, for 5 minutes, today.

Mr. Harrington, for 5 minutes, today.

Mr. Vanik, for 10 minutes, today.

Mr. Wolff, for 5 minutes, today.

Ms. Abzug, for 5 minutes, today.

Mr. Biaggi for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. James V. Stanton, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $834.

Mr. Hechler of West Virginia, to revise and extend his remarks during debate today on H.R. 11500.

(The following Members (at the request of Mr. Roncallo of New York) and to include extraneous material:)

Mr. Esch.

Mr. Biester.

Mr. Broyhill of Virginia in two instances.

Mr. Hosmer in three instances.

Mr. Bob Wilson.

Mr. Veysey in two instances.

Mr. Coughlin.

Mr. Lagomarsino in two instances.

Mr. Young of Illinois in two instances.

Mr. Landgrebe in 10 instances.

Mr. Goldwater.

Mr. Derwinski in two instances.

Mr. Wyman in two instances.

Mr. Mizell in five instances.

Mr. McCloskey.

Mr. Findley.

Mr. Conte in two instances.

Mr. Kemp in four instances.

Mr. Rousselot.

Mr. Cronin.

(The following Members (at the request of Mr. John L. Burton) and to include extraneous matter:)

Mrs. Griffiths.

Mr. Roncalio of Wyoming in 10 instances.

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Breckinridge in 15 instances.

Mr. Matsunaga in three instances.

Mr. Annunzio in six instances.

Mr. McFall.

Mr. Charles H. Wilson of California in two instances.

Mr. Hungate.

Mr. Addabbo.

Mr. Leggett.

Mr. Harrington in three instances.

Mr. Downing in two instances.

Mr. Ginn.

Mr. Rose in two instances.

Mr. Badillo in three instances.

Mr. Drinan in five instances.

Mr. Blatnik.

Mr. Traxler.

Mr. Pepper.

Mr. Andrews of North Carolina.

Mr. Rogers in five instances.

Mr. Dent.

Mrs. Schroeder in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule, referred as follows:

S. 2102. An act to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens who are residing or domiciled outside the United States; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which where thereupon signed by the Speaker:

H.R. 377. An act to authorize the Secretary of the Interior to sell certain rights in the State of Florida;

H.R. 3544. An act for the relief of Robert J. Beas;

H.R. 7207. An act for the relief of Emmett A. and Agnes J. Rathbun; and

H.R. 7207. An act for the relief of Emmett Opportunity Act of 1964 to provide for the transfer of the legal services program from the Office of Economic Opportunity to a Legal Services Corporation, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on July 18, 1974, present to the President, for his approval, bills of the House of the following title:

H.R. 9440. An act to provide for access to all duly licensed clinical psychologists and optometrists without prior referral in the Federal employee health benefits program; and

H.R. 11295. An act to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such Act, and for other purposes.

ADJOURNMENT

Mr. JOHN L. BURTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 49 minutes p.m.), the House adjourned until tomorrow, Tuesday, July 23, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2565. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting the fiscal year 1975 Federal plan for meteorological services and supporting research, pursuant to section 304 of Public Law 87-843 [31 U.S.C. 25]; to the Committee on Appropriations.

2566. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to eliminate the requirement for quadrennial physical examinations for members of the Fleet Reserve and Fleet Marine Corps Reserve; to the Committee on Armed Services.

2567. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on property acquisitions of emergency supplies and equipment during the quarter ended June 30, 1974, pursuant to section 201 (h) of the Federal Civil Defense Act of 1950, as amended [50 U.S.C. app. 2281(h)]; to the Committee on Armed Services.

2568. A letter from the Acting Chairwoman, National Advisory Council on Education Professions Development, transmitting a report entitled "Search for Success: Toward Policy on Educational Evaluation," pursuant to Public Law 90-35; to the Committee on Education and Labor.

2569. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of the Federal Republic of Germany to transfer certain defense articles of U.S. origin to the Government of Norway, pursuant to section 3(a) of the Foreign Military Sales Act, as amended [22 U.S.C. 2753 (a)]; to the Committee on Foreign Affairs.

2570. A letter from the Secretary of the Interior, transmitting a proposed plan for the use and distribution of Northern Paiute judgment funds awarded in docket No. 87 before the Indian Claims Commission, pursuant to 87 Stat. 466; to the Committee on Interior and Insular Affairs.

2571. A letter from the Acting Assistant Secretary of the Interior, transmitting a proposed amendment to a concession contract for the continued provision of accommodations, facilities, and services for the public at Cedar Pass Lodge, Badlands National Monument, S. Dak., for a term ending December 31, 1974, pursuant to 67 Stat. 271 and 70 Stat. 543; to the Committee on Interior and Insular Affairs.

2572. A letter from the Chairman, Indian Claims Commission, transmitting a report on the final determinations of the Commission in docket Nos. 257 and 259-A, *The Kiowa, Comanche and Apache Tribes of Indians, Plaintiffs,* v. *The United States of America, Defendant,* pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

2573. A letter from the Secretary of Transportation, transmitting the annual report on the Rail Passenger Service Act of 1970, as amended, pursuant to section 308 of the act; to the Committee on Interstate and Foreign Commerce.

2574. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

2575. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to amend title 5, United States Code, to establish and govern the Executive Personnel System and for other purposes; to the Committee on Post Office and Civil Service.

2576. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend section 322 of title 23, United States Code; to the Committee on Public Works.

Received From the Comptroller General

2577. A letter from the Comptroller General of the United States, transmitting a report that numerous improvements are still needed in managing U.S. participation in international organizations; to the Committee on Government Operations.

2578. A letter from the Comptroller General of the United States, transmitting a report on U.S. military assistance to Taiwan; to the Committee on Government Operations.

REPORTS OF COMMITTEE ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CASEY of Texas: Committee of conference. Committee Conference report on H.R. 14012 (Rept. No. 93-1210). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. UDALL (for himself, Mr. Foley, Mr. Meeds, Mr. Bingham, Mr. Kastenmeier, Mr. Seiberling, Mrs. Burke of California, Mr. Owens, Mr. Dellenback, Mr. Steelman, Mr. Martin of North Carolina, and Mr. Cronin):

H.R. 16028. A bill to establish land use policy; to authorize the Secretary of the Interior to make grants to assist the States to develop and implement land use planning; to coordinate Federal programs and policies which have a land use impact; to authorize a study of Indian reservation and other tribal lands in furtherance of the intent and purpose of this act; to provide land use planning directives for the public lands; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRINKLEY:

H.R. 16029. A bill to amend title 38 of the United States Code so as to entitle veterans of the Mexican border period and of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

By Mr. ERLENBORN:

H.R. 16030. A bill to provide for daylight saving time from the first Sunday in March to the last Sunday in October; to the Committee on Interstate and Foreign Commerce.

By Mr. LANDGREBE:

H.R. 16031. A bill to amend title 10 of the United States Code to provide that institutions having Junior Reserve Officers' Training Corps shall be paid the total amount of the additional amounts payable to corps instructors who are retired members; to the Committee on Armed Services.

By Mr. PATMAN:

H.R. 16032. A bill to authorize the Secretary of the Treasury to change the alloy and weight of the 1-cent piece and to amend the Bank Holding Act Amendments of 1970 to authorize grants to Eisenhower College, Seneca, Falls. N.Y.; to the Committee on Banking and Currency.

By Mr. PATTEN:

H.R. 16033. A bill to amend the Federal Reserve Act to permit the Federal Reserve Board to allocate credit to national priority needs; to the Committee on Banking and Currency.

H.R. 16034. A bill to establish a temporary commission to study problems relating to the Nation's economy and to make recommendations for solving such problems; to the Committee on Banking and Currency.

H.R 16035. A bill to establish a national policy and nationwide machinery for guaranteeing to all adult Americans able and willing to work the availability of equal opportunities for useful and rewarding employment; to the Committee on Education and Labor.

By Mr. RAILSBACK:

H.R. 16036. A bill to amend title 38 of the United States Code in order to provide that monthly social security benefit payments and annuity and pension payments under the Railroad Retirement Act of 1937 shall not be included as income for the purpose of determining eligibility for, and the amount of, veterans' or widows' pensions, and parents' compensation; to the Committee on Veterans' Affairs.

By Mr. ROGERS:

H.R. 16037. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for cooperative housing corporations, condominium housing associations, and certain homeowners' associations; to the Committee on Ways and Means.

By Mr. ROSTENKOWSKI:

H.R. 16038. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. SCHNEEBELI:

H.R. 16039. A bill to amend the Internal Revenue Code of 1954 to provide that penalties incurred on account of premature withdrawal of funds from time savings accounts be allowed as a deduction from gross income in computing adjusted gross income; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Mr. Gunter, and Mr. Hanna):

H.R. 16040. A bill to amend title II of the Social Security Act to provide that the special procedure for expediting benefit payments (where such payments are not regularly made when due) shall apply to benefits based on disability in the same way it applies to other benefits under such title if entitlement has already been established and the benefits involved have been paid for one or more months; to the Committee on Ways and Means.

By Mr. WHITE (for himself, Mr. Yatron, Mr. Pickle, Mr. Yates, Mr. McCloskey, Mr. Traxler, Mr. Whitehurst, Mr. Lehman, Mr. Eilberg, Mr. Moakley, Mr. Tiernan, Mr. Hanrahan, Mr. Rangel, Mr. Won Pat, Mr. Bevill, Mr. Davis of South Carolina, Mr. Froehlich, Mr. Young of Georgia, Mr. Roybal, Mr. Mazzoli, Mr. Rodino, Mrs. Boggs, Mr. Badillo, and Mrs. Sullivan):

H.R. 16041. A bill to amend title XVIII of the Social Security Act to provide payment under part A (the hospital insurance program) for care and treatment furnished at a central radiation therapy treatment facility, and to provide full payment under part B (the supplementary medical insurance program) for radiation therapy services furnished by physicians to inpatients or outpatients of any hospital or any such facility; and for other purposes; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 16042. A bill to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases and for arthritis training and demonstration centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 16043. A bill to amend the provisions of the Marine Mammal Protection Act of 1972 relating to the incidental taking of marine mammals in the course of commercial fishing operations; to the Committee on Merchant Marine and Fisheries.

By Mr. YOUNG of South Carolina:

H.R. 16044. A bill to provide for emergency increases in the support level for the 1974 crop of flue-cured tobacco; to the Committee on Agriculture.

By Mr. ROGERS (for himself, Mr. Satterfield, Mr. Kyros, Mr. Preyer, Mr. Symington, Mr. Roy, Mr. Nelsen, Mr. Carter, Mr. Hastings, Mr. Heinz, and Mr. Hudnut):

H.R. 16045. A bill to amend the Solid Waste Disposal Act to authorize appropriations for fiscal years 1975 and 1976, and to make certain technical and conforming changes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELMAN:

H.R. 16046. A bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits and to make certain other changes so that benefits for husbands and widowers will be payable on the same basis as benefits for wives and widows, and to provide benefits for widowed fathers with minor children on the same basis as benefits for widowed mothers with minor children; to the Committee on Ways and Means.

H.R. 16047. A bill to amend title II of the Social Security Act to provide that no deduction on account of outside earnings shall be made from any widow's or widower's insurance benefit; to the Committee on Ways and Means.

By Mr. BRADEMAS (for himself, Ms. Mink, Mr. Hansen of Idaho, Ms. Heckler of Massachusetts, Mr. Sarbanes, and Mr. Symington):

H.R. 16048. A bill to provide for services to children and their families, and for other purposes; to the Committee on Education and Labor.

By Mr. CONTE (for himself, Mr. Dingell, Mr. Hungate, Mr. McCollister, Mr. Badillo, Mr. Burke of Massachusetts, Mr. Conyers, Mr. Corman, Mr. Drinan, Mrs. Grasso, Mrs. Heckler of Massachusetts, Mr. Leggett, Mr. Obey, Mr. Perkins, Mr. Podell, Mr. Rees, Mr. Rodino, Mr. Rosenthal, Mr. Roush, Mr. Stark, Mrs. Sullivan, Mr. Thomson of Wisconsin, Mr. Tiernan, Mr. Yates, and Mr. Young of Georgia):

H.R. 16049. A bill to extend the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. FISHER (for himself, and Mr. Kazen):

H.R. 16050. A bill to permit the remission of certain overpayments made to members of the Armed Forces who are now retired and for other purposes; to the Committee on the Judiciary.

By Mr. FUQUA:

H.R. 16051. A bill to provide for emergency increases in the support level for the 1974 crop of fluecured tobacco; to the Committee on Agriculture.

By Mr. HELSTOSKI (by request):

H.R. 16052. A bill to amend section 9441 of title 10, United States code, to provide for the budgeting by the Secretary of Defense, the authorization of appropriations, and the use of those appropriated funds by the Secretary of the Air Force, for certain specified purposes to assist the Civil Air Patrol in providing services in connection with the noncombatant mission of the Air Force; to the Committee on Armed Services.

By Mr. LITTON:

H.R. 16053. A bill to amend the Legislative Reorganization Act of 1970 to provide seminars to freshmen Members of the Congress, and for other purposes; to the Committee on House Administration.

By Mr. MATHIS of Georgia:

H.R. 16054. A bill to provide for emergency increases in the support level for the 1974 crop of Flue-cured tobacco; to the Committee on Agriculture.

By Mr. MEEDS:

H.R. 16055. A bill to provide for the establishment of regional centers for the performing arts, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROSE (for himself, Mr. Jones of North Carolina, Mr. Ginn, and Mr. Preyer):

H.R. 16056. A bill to provide for emergency increases in the support level for the 1974 crop of Flue-cured tobacco; to the Committee on Agriculture.

By Mr. ULLMAN:

H.R. 16057. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income gains from the condemnation of certain forest lands held in trust for the Klamath Indian Tribe; to the Committee on Ways and Means.

H.R. 16058. A bill to amend the Internal Revenue Code of 1954 to provide the same tax treatment for recognized Indian tribes as are applicable to other governmental units; to the Committee on Ways and Means.

By Mr. ESCH:

H.J. Res. 1094. Joint resolution to prevent the abandonment of railroad lines; to the Committee on Interstate and Foreign Commerce.

By Mr. O'NEILL (for himself, Mr. McFall, Mr. Rhodes, and Mr. Arends):

H.J. Res. 1095. Joint resolution designating Monday, February 10, 1975, as a day of salute to America's hospitalized veterans; to the Committee on the Judiciary.

By Mr. CEDERBERG:

H. Con. Res. 567. Concurrent resolution expressing the sense of Congress that regulations, requiring a statement of ingredients on bottles of distilled spirits and wine, be not promulgated until Congress has considered the matter fully; to the Committee on Ways and Means.

By Mr. YATES (for himself, Mr. Jones of North Carolina, Ms. Mink, Mr. Udall, Mr. Nix, Mr. Dingell, Mr. Reuss, Mr. Broomfield, Mr. Meeds, Mr. Pettis, Mr. Johnson of California, Mr. Obey, Ms. Green of Oregon, Ms. Holtzman, Mr. Kyros, Mr. Fraser, Mr. Matsunaga, Mr. Kemp, Ms. Heckler of Massachusetts, Mr. Aspin, Mr. Carey of New York, Mr. Sebelius, and Mr. Hungate):

H. Res. 1247. Resolution providing for television and radio coverage of proceedings in the Chamber of the House of Representatives on any resolution to impeach the President of the United States; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HALEY:

H.R. 16059. A bill for the relief of Charles A. Pfleiderer; to the Committee on the Judiciary.

By Mr. KING:

H.R. 16060. A bill for the relief of Tarieh Rizk; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

462. By the SPEAKER: Petition of the board of governors of the State Bar of California, Los Angeles, relative to the proposed division of the State of California into two Federal judicial circuits; to the Committee on the Judiciary.

463. Also, petition of Charles H. Suiter, Phoenix, Ariz., relative to illegal price fixing; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

A 200-MILE ECONOMIC ZONE

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. TIERNAN. Mr. Speaker, I have recently introduced legislation, H.R. 16019, which would establish a 200-mile economic zone contiguous to the territorial seas of the United States. The economic zone, would give the United States full regulatory jurisdiction over exploration and exploitation of seabed resources, nonresource drilling, fishing for coastal and anadromous species, and installations constructed for economic purposes, while preserving the right of a foreign country to freedom of navigation, overflight, and other nonresource uses.

I first proposed this legislation at the U.S. House of Representatives Merchant Marine and Fisheries Committee hearings at Stonington, Conn. on October 6, 1972. Similar proposals were recently presented to the United Nation's Law of the Sea Conference in Caracas, Venezuela by representatives of both the United States and the Soviet Union.

An economic zone as contained in my bill, would give the Nation and especially the fishing industry of New England the limits and protection they seek, but provides, through uniform payments of a percentage of the value of production, for the carefully regulated sharing by other countries in the benefits of the exploitation of nonrenewable resources. In other words, we will be able to protect the use of our natural resources, be they fishing or mineral reserves, through a permit system which requires all foreign economic operations within 200 miles of our shores to be registered with the United States and pay a representative fee. It must be emphasized that the required payment would be set at our discretion.

This represents the best compromise between the fishing industry of New England and the tuna and shrimp fisherman who had earlier protested the establishment of a 200-mile territorial boundary. As witnessed by the U.S. proposal of the economic zone at the Law of the Sea Conference. The zone would not apply to those areas of the continental shelf which extend beyond 200 miles and over which we already have jurisdiction, or to any noneconomic operations. I am hopeful that the Congress will act swiftly on my legislation and the New England fishing industry will get the aid they so justily deserve.

The bill is included for your perusal:

H.R. 16019

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is established an economic zone contiguous to the territorial sea of the United States. The United States shall exercise the same exclusive rights in respect to all nonrecoverable resources in the economic zone as it has in respect to such resources in the territorial sea.

SEC. 2. The economic zone has as its inner boundary the outer limits of the territorial sea and as its seaward boundary a line so drawn that each point on the line is 197 nautical miles from the nearest point in the inner boundary.

SEC. 3. The President shall prescribe such rules as may be necessary to regulate (consistent with the national interest), and to provide equitable reimbursement to the United States for, any exploration and exploitation of seabed resources, nonresource drilling, fishing for coastal and anadromous species, construction of installations, and other operations associated with nonrecoverable resource recovery which are carried out by any foreign citizen or entity within the economic zone.

SEC. 4. Nothing in this Act shall be deemed to affect in any manner the jurisdiction of the United States over the resources of such portions of the Outer Continental Shelf of the United States as extend beyond the seaward boundary of the economic zone.

A "HUMAN CHAIN" FOR BICENTENNIAL

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. O'BRIEN. Mr. Speaker, one of my constituents, Mrs. Marietta B. Lazzo of Park Forest, Ill., has come up with a most imaginative idea for celebrating the Nation's Bicentennial. She writes:

> Wouldn't it be wonderful if enough people wanted to, and would, on July 4, 1976, join hands along some of our nation's highways to make one great human, handclasped, chain from shore to shore across our country?

Mrs. Lazzo estimates that at least 3 million people would be needed to complete the chain with arms outstretched—or more than 9 million standing shoulder to shoulder.

Despite the logistics problem that Mrs. Lazzo's plan undoubtedly would entail, I do believe, Mr. Speaker, that it merits consideration. I am asking the Honorable John W. Warner, head of the American Revolution Bicentennial Administration, to review and comment on the proposal as outlined in the following letter:

PARK FOREST, ILL.,
July 15, 1974.

Congressman GEORGE E. O'BRIEN,
Cannon House Office Building,
Washington, D.C.

DEAR MR. O'BRIEN: I would like to share with you an idea I had last winter, concerning our country's 200th birthday. Wouldn't it be wonderful if enough people wanted to, and would, on July 4, 1976, join hands along some of our nation's highways to make one great human, handclasped, chain from shore to shore across our country?

This would be expressive of several things—not the least of which might be a reminder to us all that it "takes all kinds" to accomplish most purposes. (This would undoubtedly be aptly illustrated by local news coverages on that day!)

One possible route could start at Atlantic City, going appropriately through Philadelphia, the Midwest via Joliet, Denver, and end at San Francisco.

A little figuring, using an average of my husband's measurements and mine, shows that, to succeed, the idea would need at least 3,168,000 people. Standing shoulder to shoulder, 9,504,000 people could be involved, or more—depending on the number of willing water-treaders. (Did you know it is only 190,080,000 inches from Philadelphia to San Francisco?)

I believe the idea could best be handled by area news media perhaps six months before the holiday; responses could be mailed to a central office where the logistical arrangements could be made and enough participants assured.

I am sure that you, Mr. O'Brien, could judge whether this idea is a good one and at all feasible. You would also know what to do with it from this point, if it is, indeed, workable.

Leaving it in your hands, I remain
Sincerely yours,
Mrs. MARIETTA R. LAZZO.

HOUSING NEW YORK CITY'S POOR

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. RANGEL. Mr. Speaker, the enormously complex subject of urban housing is rarely considered realistically in the print or electronic media. An unusual exception appeared in the New York Times of July 10, in a column written by Columbia University's Natalie Becker. The article, entitled "Housing the City's Poor" is submitted for the attention of my colleagues:

[From the New York Times, July 10, 1974]

HOUSING THE CITY'S POOR

(By Natalie Becker)

The struggling parents of New York City's liberals lived in tenements at rents they could afford and were linked to a social and cultural neighborhood network. As they worked their way up, they had no fear of losing their homes to the government bulldozer.

Today, after 35 years of Government programs aimed at neighborhood improvement, poor families can no longer find livable neighborhoods. And the immigrants' children live in renewed neighborhoods from which today's poor are expelled. This, unhappily, is a problem largely ignored by the New York liberal constituency famed for its *avant garde* political movements.

Still a point of entry for immigrants, New York faces enormous housing problems. The city lacks vacant apartments, vacant land and housing money. The poor are predominantly black, Puerto Rican and elderly. With the weakening of the tax base through the exodus of middle-class families and industry, housing programs have lost their original purpose. What started as neighborhood improvement is now black and Puerto Rican removal followed by "middle-income" renewal.

Politicans and administrators boast of new housing construction and the press dutifully reports the numbers. But the actual net loss of low-rent units is ignored. Nor is it reported that public money, allocated by law to improve neighborhoods is doing that by destroying them and rebuilding for new "middle-income" tenants.

If one considers the number of low-rent units also destroyed because of institutional expansion, church-related activities and private developers the true housing story in New York unfolds. A feasible renewal plan in any city must incorporate housing for the poor. Without a plan to house the poor, Government housing policy is just another form of land grab.

With hundreds of thousands of New Yorkers on waiting lists for public housing, the city built just 2,000 units in the last year. And if present housing policies continue, by the end of the nineteen-seventies, the West Side alone (from 59th to 110th Streets) will have lost well over 100,000 low- or moderate-income units.

In the conflict between the need to retain, or attract, the tax-paying middle class and the need to house the poor, the poor lose. So does much of the middle class; many city projects described as "middle-income" require family incomes of $30,000 to $50,000.

Take, for example, the West Side Urban Renewal Program (from 87th to 97th Streets, Amsterdam Avenue to Central Park West).

In 1958, when the program was first proposed and hailed as a "model" for the nation, the City Planning Commission stated that "it was a balanced neighborhood in a democratic pattern with considerable character which should be maintained."

In 1974, the new neighborhood, a 20-square-block area, 70 per cent rebuilt, has lost 9,500 low-income families, changing its composition from 67 to 17 per cent low-income.

The squatter movement is a result of government efforts like the West Side project. In 1970, 214 squatter families occupied 30 buildings that were prepared for demolition on Columbus Avenue, including a site between 90th and 91st Streets. The city promised to build public housing on this site if the squatters would move out; the squatters moved out.

Now some of the squatters live in buildings about to be demolished once again. Some families have been relocated as many as 14 times. Some are long gone to new and worse slums in Brownsville or the Bronx. And the original site is still vacant.

In 1974, years after the promise made to the squatters, Trinity Episcopal School, built with urban renewal subsidies, just across the street from the squatters' site, is suing the city and Federal Governments because Trinity says, they are permitting construction of more low-income units than the school was led to expect. The school argues that the additional poor families will tip the balance of the neighborhood. Now just as the pieces of the puzzle come together—public funds, site clearance, red tape untangled—a new hitch is discovered: The neighborhood balance may tip. That means too many Hispanic, too many poor, too many black, too many welfare families.

And in Williamsburg, Brooklyn, Councilman Luis Olmedo will talk about how the municipal loan program, intended to upgrade low-income housing, has pushed rents so high that the intended beneficiaries were forced to move from their apartments. These remodeled units are constantly pointed to by city officials as the model for rehabilitation of "low-income" housing.

Take Lincoln Square on the progressive West Side where over 4,500 low- or moderate-income units were lost. Or Cadman Plaza in historic Brooklyn Heights. Or the fashionable East Side with its new "middle-income" projects that charge over $400 for a one-bedroom apartment. Each is a result of public funds dedicated to what was called neighborhood improvement. Each produced expensive housing. And each contributed to today's superslums in the South Bronx and parts of Brooklyn where displaced persons go.

ORDER OF COMMENDATORE

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. ADDABBO. Mr. Speaker, one of the finest men ever to serve the House of Representatives, Thomas Iorio, received a belated birthday present recently when the Italian Government honored him for years of public service.

The Italian Government bestowed upon Mr. Iorio the highest civilian award that can be given to a foreign national, the Order of Commendatore, the medal of merit for public service.

I would like to insert in the RECORD a copy of a story on the presentation service which appeared in the Long Island Daily Press. I believe the story fully indicates the type of man Tom Iorio is, his dedication to the House of Representatives, as well as the esteem that all of us here have for him:

ORDER OF COMMENDATORE

(By Dick Seelmeyer)

WASHINGTON.—In ceremonies held recently, the Italian government conferred its highest civilian honor on Thomas D. Iorio of Brookly, the deputy sergeant of arms of the House of Representatives.

In presenting Iorio with the Order of Commendatore (The Medal of Merit for Public Service), Italian Ambassador Egidio Ortona declared, "this award can only be presented by the consent of the President of Italy and the approval of the Council of Ministry. In selecting Mr. Iorio for our nation's highest civilian award, our nation again emphasizes the importance Italy places on its close ties with the United States of America and with her citizens."

The ceremony was held at the Italian Embassy in Washington and was attended by many of the galaxy of friends Iorio has made in his 28 years in Washington.

Tom Iorio, said it was "one of the proudest moments of my life." He had been honored five years ago by the Italian government, "but this Commendatore Medal represents the best of all that has happened to me in a long lifetime."

Iorio has been a fixture in the House of Representatives longer than most people can remember. New York congressmen of both parties go to him when they want information about legislation, scheduling or the complexities of floor maneuvering.

Speaker of the House Carl Albert, D-Okla., whose approval had to be obtained by the Italian government before the award could be confirmed, said, "Tom Iorio is representative of the quality of men and women who have dedicated their lives to the House of Representatives. Truly, without them, this government could not long function."

Four members of Long Island's congressional delegation are of Italian-American extraction. They also praised Iorio for the "high standards he has maintained in his professional and personal life."

Speaking for Reps. Frank Brasco, Brooklyn Democrat, Mario Biaggi, Bronx-Queens Democrat, and Angelo Roncallo, Massapequa Republican, Rep. Joseph Addabbo, Ozone Park Democrat said, "All of us share in the honor that has been bestowed on Tom Iorio. We are proud of Tom and his wife Clara and wish them all the best in the world."

Iorio began his long career in Brooklyn politics and came to Washington in 1945 during the second term of Rep. John Rooney, Brooklyn Democrat with whom Iorio has long been identified.

ESTABLISH THE SEWALL-BELMONT HOUSE AS A NATIONAL HISTORIC SITE

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Ms. ABZUG. Mr. Speaker, Thursday I introduced a bill that would make the Sewall-Belmont House a national historic site and authorize the Interior Department to cooperate with the National Woman's Party in restoring, maintaining, and developing the site. It is proposed that the House be open and shown to the public on a daily, full-time basis, as are other historical houses.

The Sewall-Belmont House has been the property and headquarters of the National Woman's Party since 1929. The oldest house in Washington, D.C., it contains busts and portraits of famous American women, items of historical significance, and memorabilia of suffrage activities.

Dr. Mary Lee Mann, a state chairwoman of the National Woman's Party, has amassed much of the long and interesting history of the Sewall-Belmont House. In 1632, King Charles of England gave away the land which included what is now Capitol Hill and the land the Sewall-Belmont House rests on. When it was decided that the seat of the Federal Government would reside here, this land was laid out in lots. An 1801 map of Washington shows a house standing where the Sewall-Belmont House now stands. The House was partially destroyed in 1814 by the British when they marched toward the Capitol; but soon after it was restored by Robert Sewall. It remained in the ownership of Sewall and his heirs for 123 years until 1929. Then the House became the property of the National Woman's Party and was named the Alva Belmont House, for Mrs. Alva E. Belmont, president of the National Woman's Party, who provided the funds to buy the building previously used for the party's headquarters. As it stands today, the Sewall-Belmont House is a source of great architectural interest.

Since all previous headquarters of women's movements have been destroyed, it is important that such legislation be introduced at this time. This House is a memorial to our country's great women and it would be an outstanding Bicentennial tribute.

I would like to commend Representatives Roy A. Taylor and Martha W. Griffiths for their efforts and activities in this area.

The text of my bill follows:

H.R. 15975

A bill to establish the Sewall-Belmont House National Historic Site, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve for the benefit and inspiration of the people of the United States as a national historic site, the Sewall-Belmont House within the District of Columbia, the Secretary of the Interior is authorized to enter into a cooperative agreement to assist in the preservation and interpretation of such house.

Sec. 2. The property subject to cooperative agreement pursuant to section 1 of this Act is hereby designated as the "Sewall-Belmont National Historic Site".

Sec. 3. The cooperative agreement shall contain, but shall not be limited to, provisions that the Secretary, through the National Park Service, shall have right of access at all reasonable times to all public portions of the property covered by such agreement for the purpose of conducting visitors through such property and interpreting it to the public, that no changes or alterations shall be made in such property except by mutual agreement between the Secretary and the other parties to such agreement. The agreement may contain specific provisions which outline in detail the extent of the participation by the Secretary in the restoration, preservation, and maintenance of the historic site.

Sec. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, but not to exceed $————.

TOWARD AN UNIMPEACHABLE FASHION

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. CHARLES H. WILSON of California. Mr. Speaker, last May my distinguished colleague from the great State of Pennsylvania, Congressman Joseph M. Gaydos, offered some intriguing comments on the House floor on the relationship between current fashions and our economy. As a result of observations by one of his most ingenious constituents, Representative Gaydos pointed out that platform heels are depleting our country's supply of rubber, leather, and other synthetics while flare-styled slacks place a similar drain on our cotton crop.

While I will not deny that these particular new fashions do indeed use up these materials, I feel their advantages far outweigh whatever higher costs are involved in their manufacture. Platform shoes are a boon to short people—although perhaps only for those with sturdy ankle muscle—since they allow them the illusion of longer legs along with the ability to view new horizons. Also, because insurance companies are not liable for accidents caused by platform shoes, both the insurance industry and the podiatrists are prospering.

The wider cuffs on pants, while unsuitable for skiing, mountain climbing, and the like—allow the wearer considerable more comfort in sitting. With most of us working people deskbound, this is no mean consideration.

Would Congressman Gaydos' highly original constituent have us go back to the shoulder pads of the 1930's or the bustles and bows of the early 1900's? Indeed, if we consider the whole erratic pattern of fashion history, we realize that, despite all the fads and fancies of yesteryear, the garment district as well as the cotton and leather industries have managed to endure. And, going by Oliver Wendell Holmes' maxim that "fashion is the attempt to realize art in living form," I am sure people will continue to brighten up their lives by attractive clothing. Although, human nature being what it is, I expect that acceptable style will continue to be what one wears oneself while bad taste is what others wear.

But should a battle rage over a possible depletion of our resources by the always innovative fashion industry, I have a suggestion to make. Perhaps we should all don string bikinis. This scanty style would do double-duty: it demands a bare minimum of fabric and also helps ease the energy crisis by letting us turn our thermostats up during the sweltering summer. Of course, should this become the prevailing fashion, some worry-wart would probably raise his eyebrows with concern over a potential string shortage.

HAMPTON TOWNSHIP FREE HEALTH CLINIC

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. RAILSBACK. Mr. Speaker, proper health care is a desirable but often unreachable goal. Too often persons are unable to obtain the medical care they need, because of the expense involved. Of particular encouragement, therefore, to me is the opening of a free health clinic in the Hampton Township of Rock Island, Ill. This clinic, staffed by a physician and nurse, is funded by revenue sharing funds, and has already served over 200 persons. Referrals are made when further medical care is necessary. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following release about the Hampton Township Free Health Clinic as a fine example of what a township can do with its revenue sharing money

June 7, 1974.

Hampton Township is happy to announce the launching of a new program—the opening of a free health clinic. In conjunction with the programs currently in operation, we will now be able to provide a complete health service for the residents of our township.

The purpose of this program is:

1. Prevention of disease;
2. Prolongation of life; and
3. Promotion of health and efficiency.

Our objectives are:

A. Childhood immunizations;
B. Well-child services;
C. Premature infant services;
D. Family-planning services;
E. Dental hygiene training;
F. School health services;
G. Hearing and vision testing; and
H. A geriatric program for detecting diabetes, glaucoma, heart disease and stroke.

It is our intent to provide health services for people on fixed incomes and those of low incomes who do not have adequate means to provide for their medical needs. These services will be free of charge to any qualifying resident of Hampton Township. This program is being funded by Federal revenue sharing money.

Beginning July 3, we will have a physician here every other week, and a nurse will be here every week.

Our opening day is June 12 from 1:00 until 5:00 p.m. A physician and a dentist will be here to give complete school examinations. For the first day, we will limit the clinic to 40 school examinations, and applicants will be admitted on a "first-come, first-served" basis. We urge all qualifying township residents to take advantage of this free health service.

ILLINOIS RESTORES HOLIDAYS TO TRADITIONAL DATES

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. O'BRIEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Mr. O'BRIEN. Mr. Speaker, 2 weeks ago the Illinois General Assembly adopted a joint resolution to restore the observance of Memorial Day and Veterans Day to their traditional dates, May 30 and November 11.

The resolution quite rightly points out that these are "holidays of great importance" to all Americans and should be days of commemoration, not just holidays from work.

It also notes that the current practice of observing these holidays on the Mondays closest to the original dates creates confusion. In addition, these contrived long weekends inevitably bring with them a high accident rate among travelers.

I share the general assembly's views and have introduced a bill, H.R. 15834, which calls for the national observance of Memorial Day and Veterans Day to be returned to their original dates after January 1, 1975. I hope that my colleagues will see fit to enact this legislation without delay.

The following is the complete text of the general assembly's resolution:

SENATE JOINT RESOLUTION

Whereas, The Congress and the President of the United States have enacted a change in the observance of Memorial Day and Veterans' Day, causing them to be observed on Mondays which fall more or less close to the original date of observance; and

Whereas, The State of Illinois, ever wishing to cooperate with the United States Government in its laudable undertakings, followed the example and celebrated Memorial Day and Veterans' Day on the movable dates for a time; and

Whereas, In their wisdom, the People of the State of Illinois, represented in the General Assembly and by their duly elected Governor, enacted statutes in 1972 and 1973 returning the observance of Memorial Day to its traditional day, May 30, and Veterans' Day to November 11; and

Whereas, The artificial creation of long weekends annually results in unnecessary loss of lives on the nation's highways because of the convenience of travel in a 3-day period; and

Whereas, A great deal of confusion reigns among the People of Illinois with respect to the observance of Memorial Day and of Veterans' Day; and

Whereas, Veterans' Day and Memorial Day are holidays of great importance to all Americans, as we commemorate and recall the sacrifices of our valiant servicemen and, on Memorial Day, especially of those who made the utlimate sacrifice in defense of liberty; therefore, be it

Resolved by the Senate of the Seventy-eighth General Assembly of the State of Illinois, the House concurring herein, that it is the sense of the General Assembly enunciated by its actions in 1972 and 1973, that holidays should be regarded as commemorations not just as "days off work" to be linked whenever possible to weekends; and be it further

Resolved, That it is the sense of the General Assembly that the celebration of holidays on fixed dates encourages the recognition by the citizens of the reason and basis for the holiday, and that its celebration on a floating "long weekend" basis encourages the casual treatment of holidays as mere "days off work"; and be it further

Resolved, That we do memorializes the Congress and the President of the United States to enact legislation returning the annual observance of Memorial Day to May 30 and the observance of Veterans' Day to November 11 of each year; and be it further

Resolved, That the Seretary of State of Illinois is directed to transmit to the President of the United States and to each member of the delegation of the State of Illinois to the Congress of the United States a copy of this preamble and resolution.

Adopted by the Senate, June 25, 1974.

Concurred in by the House of Representatives, July 2, 1974.

WILLIAM C. HARRIS,
President of the Senate.

CONTROL BY LAND USE ROUTE BLOCKED

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the editorial from the Onxard Press Courier regarding the Federal land use bill recently rejected by the House:

[From the Onxard (Calif.) Press-Courier, June 27, 1974]

CONTROL BY LAND USE ROUTE BLOCKED

The House of Representatives has temporporarily blocked further federal encroachment into Americans' daily lives by rejecting proposals for a massive program to dole out federal money to states developing their on land use programs.

Control over local government affairs would have been placed even more firmly in the hands of a Washington bureaucracy with adoption of a federal land use policy.

The various states are adready exercising their land-use planning responsibilities without federal help.

Hawaii, for example, has had a statewide program for many years. Regional planning concepts have been gaining support in many larger states, such as California.

No state legislatures need federal intervention in assigning priorities for developing and protecting land in growth areas. And planning costs are not so high that more federal aid is needed.

In view of the public concern for protection of the environment, it surely can be expected that the states will continue to undertake the regional planning envisioned in the federal legislation. The states also figure to do the task much better without the controls that always accompany federal grant programs.

NIXON AIDE ATTACKS THE AMERICAN PEOPLE

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. LEGGETT. Mr. Speaker, yesterday White House aide Patrick Buchanan, previously best known for his skill at leaking favorable material to favorable correspondents, accused the news media of "enormous, positive, and favorable publicity to movements associated with the far left." Despite the news media's better than 90 percent endorsement of President Nixon in 1972, this view is widely held in certain quarters and is not in itself remarkable.

But what is really striking is Mr. Buchanan's definition of "far left." Apparently it includes the antiwar movement, the civil rights movement and the consumer movement.

In short, if you are not a hawk, a bigot, and a crooked automobile repairman, the White House considers you a far-left crazy.

For the consideration of those who desire further insight into White House thought processes, I insert news reports of Mr. Buchanan's statement from the New York Times of July 18, 1974:

BUCHANAN SCORES THE MEDIA ANEW—NIXON AIDE ADDRESSES PARLEY IN CAPITAL—TWO OTHERS DEFEND NEWS COVERAGE

(By Linda Charlton)

WASHINGTON, July 17.—Patrick J. Buchanan, a special assistant to President Nixon, renewed today his attack on "the big media," which he charges dominate the thinking of Americans, citing what he called "enormous, positive and favorable publicity to movements associated with the far left."

Mr. Buchanan listed some of these "far left" movements as "the antiwar movement, the civil rights movement, the consumer movement." His final words were spoken against a background of boos and hisses from the audience of about 700 persons, many of them young, that filled the orchestra section of the Kennedy Center's Eisenhower Theater for a "A Critique of the Media."

Appearing with Mr. Buchanan at the discussion of the news media were Richard Harwood, assistant managing editor of The Washington Post; Richard N. Goodwin, a White House aide and speechwriter in the Kennedy and Johnson Administrations who is now a senior editor of Rolling Stone, and Thomas Asher, director of the Media Access Project.

Mr. Buchanan, who was an editorial writer on The St. Louis Globe Democrat before joining Mr. Nixon's staff, listed the "big media" as the three major television networks. The New York Times, and the Washington Post Company, which includes the newspaper, a Washington television and radio station, and Newsweek magazine.

"A PARTICULAR BIAS"

These institutions, he said, "and a small handful of men that control them, have a particular bias, a partisan point of view," which he said meant that control of the news was held by "a handful of like-minded individuals."

Mr. Buchanan said this resulted in underrepresentation of business, "a particular bias in favor" of government spending with the exception of defense spending, and of "enormous, positive and favorable publicity" for certain movements.

Mr. Buchanan, who said also that he believed "the Government has no business intervening in the private sanctuary of the newsroom," was followed by Mr. Harwood, who said, "There is no set of facts that I could put together that would persuade Pat to love The Washington Post."

Mr. Harwood, noting that there were about 1,700 daily newspapers in this country, said, "They do not speak in one voice. Most of them speak in the voice of the Nixon Administration." He contrasted "Pat's company, which is the Federal Government," employing approximately 17 million Government workers, with the country's approximately 40,000 reporters and editors.

FREE PRESS GUARANTEE

"The press," Mr. Harwood, said, "has no red buttons to push." He conceded that the press was, "like all institutions in this country, imperfect," but said that the First Amendment guaranteed only a free press, not "good newspapers, liberal newspapers, conservative newspapers."

Mr. Goodwin was critical of the concept of "balance" in the news media, which he characterized in this way: "If a group of blacks say they are oppressed, then you quote the Ku Klux Klan as saying they are not."

He was also critical of what he saw as the news media's acceptance of government statements, noting Henry Kissinger's announcement in October, 1972, that "peace is at hand" in Vietnam, as an example of "uncritical reporting, especially in The New York Times." He added, "A few members of its Washington bureau have viewed themselves as part of the diplomatic corps of the United States."

Mr. Asher said that the Administration had far more control over the news that reached the public than did the news media. "If he [President Nixon] has something credible to say, he could commandeer the time day in, day out. The reason that he doesn't do it may be that he may have run out of string."

The program was the fifth in a series of National Town Meetings, sponsored by Mobil Oil Company with John Charles Daly as moderator, held in the Kennedy Center Theater this summer.

REMEMBER THE CHILDREN

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. DRINAN. Mr. Speaker, I would like to bring to my colleagues' attention a resolution by the New England Conference on the Children of Vietnam. This organization's work has helped to heighten public awareness of the plight of children in war-torn Vietnam. I urge my colleagues to contemplate this resolution:

We, the participants in the New England Conference on the Children of Vietnam, held April 27, 1974, in Somerville, Mass., resolve to support humanitarian aid to Vietnam, to be channeled through the National Council of Reconciliation in Concord, and are opposed to military, paramilitary, police and other aid to the Thieu Government of South Vietnam.

TUNA FLEET NEEDS PROTECTION

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. BOB WILSON. Mr. Speaker, in 1973, the U.S. tuna fleet landed 543 million pounds of tuna worth $135 million at the dock. An industry survey has indicated that the tuna fleet provided direct employment for about 6,000 people, with a payroll of about $65 million during 1973. In addition, shore support for the fleet, shipyard employees and their subcontractors provided another 5,000 additional jobs and a payroll of approximately $48 million last year. The current net worth of the U.S. tuna fleet approximates $500 million.

In addition to the economic value and contribution of the U.S. tuna industry, it should also be noted that tuna constitutes a very important source of popular protein for the American consumer. Last year 80 percent of U.S. households used over $1 billion worth of canned tuna, or 50 percent of the entire world's supply. Studies show that two-thirds of all U.S. homemakers purchase canned tuna on a regular monthly basis—many of them also on a weekly basis. During 1973 canned tuna represented 74 percent of the value of all U.S. canned fish products for human consumption.

My reason for again summarizing the economic value and consumer importance of the U.S. tuna industry is to again remind my colleagues of the importance of taking every possible measure to ensure the continuing success and viability of this important U.S. industry.

Many of you have joined with me over the past few years in helping to protect the U.S. tuna industry from acts of international piracy and foreign policy positions of the United States that would in effect destroy the U.S. tuna industry as we know it today.

While the tuna industry continues its fight for survival in the international arena, I am today introducing a bill which will help insure the continuation of the U.S. tuna fleet and protect it from possible unjust administration of a U.S. law.

When this Congress passed the Marine Mammal Protection Act of 1972, the legislative history of the act showed it was clearly the intent of Congress that marine mammal mortalities be reduced significantly—and as fast as possible—but that there must be an appropriate balancing of equities between the two extremes of a zero mortality rate and the elimination of a commercial fishing industry. It was clearly the intent of this Congress that the U.S. tuna industry do everything possible to reduce marine mammal mortality, but that the tuna industry should not be put out of business.

I am happy to report today that substantial progress has been made in reducing porpoise mortality incidental to the taking of yellowfin tuna. In 1972 it was estimated that the porpoise mortality resulting from fishermen of all countries fishing in the Eastern Pacific for yellowfin tuna associated with porpoises was 305,500. This figure was reduced in 1973 to approximately 200,000 and it is estimated that by the end of this year the porpoise mortality will be reduced to approximately 137,000 or a 55 percent reduction in mortality in 3 years. A major reason for the reduction in these mortality rates are the efforts and investment of the U.S. tuna industry in developing new gear and fishing techniques that will reduce porpoise mortality.

Since 1971 the U.S. tuna industry has spent over $700,000 in purchasing new gear which has proved helpful in reducing porpoise mortality. Last year 23 U.S. tuna vessels took U.S. Government observers to sea to observe and research new porpoise saving gear and techniques.

This year over 35 vessels will have such observers aboard. In addition, thousands of dollars and man-hours are being expended by the industry in developing newer methods, techniques and gear, and educating and training the entire fleet in the effective use of new porpoise saving techniques. In other words, the U.S. tuna fleet has demonstrated that it is continuing to exert every possible effort to further reduce porpoise mortality as much and as fast as possible.

Pursuant to the provisions of the Marine Mammal Protection Act of 1972, the U.S. Department of Commerce has issued proposed regulations to govern the incidental taking of marine mammals in the course of commercial fishing operations, and the public hearings were held on these proposed regulations in Seattle, Wash., on May 15-16, 1974. On July 15 1974, the administrative law judge who conducted the public hearings, Mr. Harry S. McAlpin, issued his recommended decision to the Director of the National Marine Fisheries Service. According to Judge McAlpin:

> It is the decision in this matter that the record fully supports the promulgation of regulations with respect to the issuance of permits to govern the incidental taking of marine mammals in the course of commercial fishing operations. It is recommended that the findings of the fact and conclusions of law and the proposed regulations as modified and amended herein, be adopted as the final regulations by the National Marine Fisheries Service.

In spite of the progress that has been made in reducing porpoise mortality, the findings and recommendations of the Department of Commerce and the recent concurrence of the administrative law judge who conducted the public hearing on the proposed regulations, there nevertheless exists the possibility that additional administrative delays or judicial review could prevent the Secretary from promulgating such regulations prior to October 21, 1974, when the commercial fishing exemption of the act expires. If we should encounter such delays beyond

October 21, the net result could be severe economic hardship on behalf of the U.S. tuna industry which could threaten the future existence of this vital U.S. industry and source of valuable protein food.

It is for this reason that today I am introducing a bill that will insure the continuation of this vital industry. This bill will extend the 24-month exemption of the act as it pertains to commercial fishing operations for an additional 24 months, or until such time as the Secretary issues permits with respect to commercial fishing operations. The purpose of this bill is to reaffirm the intent of Congress that there must be an appropriate balancing of equities between reducing porpoise mortality and the continuation of a viable commercial fishing industry. As the House report on the act stated:

> It is not the intention of the Committee to shut down or significantly to curtail the activities of the tuna fleet.

The bill I am introducing today is an insurance measure. Hopefully, this insurance will not be required and hopefully prior to October 21, 1974, the Secretary will issue permits pursuant to the proposed regulations. However, as I have stated, I do not believe we can afford to take any chances with the future of such an important industry and such an important source of food.

CAPTIVE NATIONS WEEK

HON. MARTHA W. GRIFFITHS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mrs. **GRIFFITHS**. Mr. Speaker, last week marked the 15th annual observance of Captive Nations Week, originally instituted by Congress in 1959 in recognition that, "the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitute a powerful deterrent to war and one of the best hopes for a just and lasting peace." Three weeks ago, we remembered the signing of our own Declaration of Independence and the commitment of our forefathers to the basic human rights of life, liberty, and the pursuit of happiness.

Today, more than 100 million people still are denied such essential rights as freedom of speech, assembly, and religion. Others are denied the right to leave their home countries and live where they choose. Dissent is suppressed, and those who dare to criticize the Government are imprisoned or exiled.

Although we seek to assure world peace by improving our diplomatic relations with the Communist nations, we must continue to work to improve the plight of these captive peoples. Their continuing struggle for liberty is an inspiration to all people, and a constant reminder to be thankful for our precious heritage of individual liberty.

MR. RODINO GOES FOR A RIDE

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. **HUNGATE**. Mr. Speaker, the following article on impeachment is not without some analogous degree of accuracy:

[From the New York Times, Mar. 30, 1974]

MR. RODINO GOES FOR A RIDE

(By Russell Baker)

WASHINGTON, March 20.—One day the President telephoned Peter Rodino. "Listen," he said, "if we're going to make that trip to Impeachment, let's get on with it. I'm sick and tired of waiting."

Rodino said he would come by the White House right away and pick up the President, and they would go that very day. The President said that was fine with him because he was a busy man and couldn't waste any more time waiting to go to third-rate places like Impeachment.

When Rodino's car pulled up at the White House the President, James St. Clair and Ronald Ziegler climbed into the back seat. "Why don't you sit up front and talk with me while I drive?" Rodino asked the President.

"To do that would weaken the Presidency for all time," said President Nixon. "However, I am perfectly willing to talk with you if you come sit back here."

Rodino said he couldn't drive from the back seat.

The President said that was all right, since he preferred to let St. Clair do the driving anyhow.

Rodino said it was his car, and it wasn't every day a man got to drive a President to Impeachment, and he did not think it would look good for him to let St. Clair take the wheel.

Ziegler lifted a bullhorn he had brought along and denounced Rodino in a voice audible a block and a half away, for dawdling.

Rodino pulled into traffic and the journey started. "Do you have the road map?" he asked the President.

"What's that?" the President asked. "You want another road map? After all the maps I've already sent you, you still want me to give you another road map?"

"It's more than 85 miles to Impeachment," Rodino said, "over winding back-country roads, and the maps you sent me cover only nine miles of the route."

"Are we going to go to Impeachment or are we going to waste all day talking about maps?" asked Ziegler.

"Couldn't I please have some more maps?" asked Rodino.

"If I gave you more maps," said the President, "I would simply be encouraging you to ask for still more maps. Next you'd want to back a U-Haul up to the White House and carry away all the road maps so you could paw through them on a fishing expedition."

"Come on," said Ziegler. "Either get this heap to Impeachment or get it off the road."

Rodino sped up and drove in what he took to be the general direction of Impeachment. Far out in the countryside he saw a farmer at a crossroads. "I'll stop and ask this man if we're headed right," he said.

"Make it fast," said Ziegler.

Rodino stopped. St. Clair leaned from the car. He told the farmer that before answering Rodino's questions he should be aware that he was legally within his rights to say nothing, but that if he did he would be subject to cross-examination.

Ziegler told Rodino to hurry up.

The farmer said, "Shucks, I guess I might as well——."

St. Clair interrupted him and said he wanted a four-day delay to decide whether he would file motions for the right to hear other witnesses who might impugn the farmer's credibility.

President Nixon said Rodino was the slowest driver he had ever seen and announced that he, Ziegler and St. Clair would all get in the front seat and help with the driving so they could get to Impeachment and get it over with, and get on to more important business.

With eight hands on the wheel, four feet on the accelerator and four feet on the brakes, the car moved off, first forward, then backwards, then sideways.

"I think we're going the wrong way," said Rodino.

"Quit dawdling and get on with it," cried Ziegler.

In the confusion Rodino pulled a map from the President's pocket. St. Clair demanded a three-day delay to question Rodino's qualifications for map-reading.

"It doesn't matter," said Rodino, surrendering the map. "It's been erased."

"Hurry up," cried Ziegler.

"A three-day delay," said St. Clair.

"More important business," said President Nixon.

By this time the car was axle-deep in a muddy new cornfield. Television cameras arrived and the President looked good giving Dan Rather a raspberry.

INDEPENDENT IRS

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. **TIERNAN**. Mr. Speaker, I am heretofore submitting for the RECORD a number of articles detailing White House pressure on the Internal Revenue Service. This pressure was designed to bring the powerful administrative measures against those the White House considered enemies or uncooperative. It is my contention that this evidence belies the need for an independent IRS contained in my proposed legislation, H.R. 14793.

The articles follow:

[From the Washington Star-News]

WHITE HOUSE GOT IRS DATA ON REPORTER

(By Walter Taylor)

The White House obtained confidential data from the income tax returns of Washington journalist James R. Polk when he wrote a 1972 article disclosing the secret fundraising role of presidential lawyer Herbert W. Kalmbach, it was learned today.

At the time of the incident, Polk was a freelance reporter writing for the Star-News. He has since joined the Star-News staff.

The report on Polk's personal finances, along with a memo sent to top White House officials by then-Counsel John W. Dean III, has been uncovered as part of the impeachment inquiry by the House Judiciary Committee.

The report, which was unsigned, said that "a discreet check" also was being made of telephone calls placed from Polk's home in McLean.

Both the financial report and the Dean memo were dated Feb. 1, 1972, the day before the Kalmbach story was published in the Star-News.

The Dean memo said, "Chuck Colson informs me that there is nothing we can do to turn the story off or determine the contents of the article without escalating the matter because of White House interest."

White House aide Charles W. Colson was one of six persons to whom the Dean memo was sent. The others included top advisers H. R. Haldeman and John D. Ehrlichman, as well as Press Secretary Ronald L. Ziegler and then-Atty. Gen. John N. Mitchell.

The article, early in the 1972 campaign, identified Kalmbach publicly for the first time both as a secret Nixon fund-raiser and as the President's personal lawyer who had handled the purchase of his San Clemente estate.

Under a headline, "The Covert Collector," the front-page article said Kalmbach "has raised millions in undercover campaign funds in the last four years as the hidden money man for President Nixon."

After joining the Star-News staff, Polk, 36, received the 1974 Pulitzer Prize for national reporting for his investigative stories on Kalmbach and for his disclosure of a secret donation from financier Robert L. Vesco, leading to the trial of Mitchell and former Cabinet member Maurice H. Stans.

Polk said in a statement today, "I am disturbed at the breach of ethics by the Internal Revenue Service and its apparent violation of its own privacy regulations in passing out taxpayer data for possible political use.

The newsman said he first learned of the 1972 incident after being contacted by a Judiciary Committee investigator last week. He said that when he requested the IRS Wednesday to inform him how and why the financial data was given to the White House, he was told by an IRS spokesman, "We don't have to give you anything."

Officially, the IRS said later it would have no comment.

The two-page unsigned report on data taken from the newsman's tax returns and other sources included information on an outside business, International News, Inc., of which Polk was then part-owner.

It said, ". . . An audit might resultingly be in order. The writer has directed that because of the sensitivities of the ongoing inquiry no audit be initiated unless direction comes from the inquiring source. The reader should so advise—suggestively following the publication of the proposed article."

Neither "the writer" of the report nor "the reader" who received it were identified in the documents in the House committee's hands.

There was no indication whether the financial report was distributed along with Dean's three-paragraph memo to the White House upper echelon.

Dean's memo, on White House stationery, was marked "administratively confidential." It said Kalmbach had received a telegram from Polk on Feb. 1 saying that the article would appear the following day in the Star-News (then the Evening Star) and repeating a request for comment from the lawyer.

"Kalmbach plans to make no further response to the wire," Dean wrote.

Kalmbach, 52, from Newport Beach, Calif., is currently serving a federal prison term of six months or more after pleading guilty in the Watergate probe to concealed campaign fund-raising activities for 1970 Senate races—a role disclosed in the original Polk article.

Polk said today he has no personal knowledge that a tax audit was conducted in 1972. He said his taxes had been adjusted only once while he has been a Washington newsman, and that was on a routine technicality last year.

The impeachment inquiry report today was the latest in a series of disclosures of White House moves against news reporters.

Among the targets have been CBS reporter Daniel Schorr, who was the subject of a White House-ordered FBI check; a Newsday editor who supervised an investigative series on presidential friend C. G. (Bebe) Rebozo, and four newsmen whose telephones were wiretapped to check news leaks on disarmament talks.

The unsigned report on Polk said, "A discreet check of Polk's toll calls from residence is ongoing. If the results are informative, such information will be passed along."

The wording appeared to indicate that the White House was checking phone company billing records of long-distance calls, rather than actually intercepting the calls.

The two-page report also cited a 1958 arrest record for disorderly conduct in Washington. Polk said this apparently referred to a drinking incident on the night before he was being discharged from the U.S. Navy 16 years ago, but said he had been unaware until now that any charges were filed.

The financial rundown included such detailed information as the names of the reporter's children, his weight, his Social Security number, and the color of his eyes.

Polk noted his birthplace, his eye color and his son's and daughter's names were all listed incorrectly.

The report devoted four paragraphs to information from Polk's tax returns about his 50 percent ownership of International News, Inc. The details indicated the firm's tax returns had also been examined.

He described the company as a subscription service for a series of English-language newspapers and magazines from foreign countries. He said he operated the firm until 1971 with a former college classmate, and said it is now defunct.

The unsigned memo said Polk had failed to report any personal income from the firm over a three-year period. The newsman said today that this was inaccurate, that the firm paid dividends in 1968 and 1969, and that the income had been declared on his tax returns.

The memo also listed Polk's 1970 salary as a reporter with the Washington bureau of the Associated Press. Polk left the AP in 1971 before writing the Kalmbach article, but the report noted that his earnings on income tax returns for that year would not be available until mid-1972.

The Kalmbach story appeared in the Star-News in February 1972 while the newsman was doing campaign finance research under a grant from the Fund for Investigation Journalism. Polk joined the Star-News on a full-time basis after the 1972 election.

[From the Washington Post, May 29, 1974]

HARASSING OF O'BRIEN CITED

(By George Lardner Jr.)

Watergate Special Prosecutor Leon Jaworski said yesterday he has evidence that the White House illegally tried to initiate an Internal Revenue Service investigation of former Democratic National Committee Chairman Lawrence F. O'Brien.

In pleadings filed in U.S. District Court here, Jaworski said a tape-recorded discussion with Mr. Nixon of the harassment of White House "enemies" including O'Brien was apparently withheld from the Watergate grand jury on the grounds that it was protected by a legitimate claim of executive privilege.

Jaworski said the conversation, between the President, former White House chief of staff H. R. (Bob) Haldeman and former White House counsel John W. Dean II, came at the end of a Sept. 15, 1972, meeting in the Oval Office.

U.S. District Court Judge John J. Sirica ruled last December that most of the subpoenaed tape should be turned over to the grand jury, but he upheld the claim of White House lawyers that the final 17 minutes should be kept confidential.

The President's lawyers maintained that the final part of the meeting was devoted "to other subjects within the President's official cognizance not directly or indirectly related to the Watergate matter."

Sirica agreed, even after listening to the entire recording which he still has in his custody. He also upheld the President's claims of privilege for the notes Haldeman jotted down about the last part of the meeting.

Cautiously suggesting that the judge might might have been mistaken, Jaworski asked Sirica yesterday to reconsider and release the rest of the tape, along with Haldeman's notes, for grand jury investigation.

". . . It is our view that a claim of executive privilege should be denied when the court encounters evidence of criminal activity on matters even only indirectly related to Watergate." the prosecutor said.

Jaworski pointed out that Sirica had been told last November that the prosecutors were conducting a grand jury investigation of "alleged attempts by senior government officials to defraud the United States and obstruct justice by misusing the Internal Revenue Service for political and personal objectives."

Since then, Jaworski said, additional evidence has come to light that bolsters the request for the rest of the tape.

That evidence, including grand jury, testimony, Jaworski said, substantiates allegations:

"That in September, 1972, the White House presented lists of individuals ("enemies") to the IRS with the direction that they be audited or otherwise harassed."

"And that, in August and Sepember, 1971, the White House unlawfully attempted to have the IRS investigate Mr. O'Brien."

Jaworski said "this evidence also indicated the likelihood that on Sept. 15, 1972, the President did in fact have discussions with Mr. Dean and Mr. Haldeman concerning those matters."

The special prosecutor also cited the House Judiciary Committee's transcript of the Sept. 15 meeting which was obtained by The Washington Post, earlier this month. Jaworski said it includes remarks at the outset of the meeting—before Dean walked into the room—that "had not been available previously to the special prosecutor."

At one point, in speaking of Dean before his arrival, Haldeman told the President that Dean was "moving ruthlessly on the investigation of McGovern people, Kennedy stuff, and all that, too . . . Chuck [Colson] has gone through, you know has worked on the list, and Dean's working the, the thing through IRS. . . ."

The White House evidently included those remarks in the copy of the Sept. 15 tape it sent the House Judiciary Committee for its impeachment inquiry. Judge Sirica, however, apparently did not provide them for Watergate prosecutors because their subpoena called for the conversation starting at the moment that Dean walked into the room.

The only allusion to using government agencies to harass political opponents on the public, White House-censored transcript of the Sept. 15 meeting comes in an exchange between the President and Dean.

After Dean said that he had started to keep notes "on a lot of people who are emerging as less than our friends," the President replied that "they are asking for it and they are going to get it. We have not used this power in this first four years as you know. We have never used it. We have not used the Bureau and we have not used the Justice Department, but things are going to change now. And they are either going to do it right or go."

Dean: "What an exciting prospect."

The name of O'Brien, who was then chair-

man of the McGovern campaign, was not mentioned in that exchange. However, in pressing for the tape of the final portion of the meeting, Jaworski pointed to White House counsel J. Fred Buzhardt's summary of the Sept. 15 meeting for Senate Watergate investigators last year. According to Senate documents, Buzhardt told them that "Dean reported on IRS investigation of Larry O'Brien."

[From the New York Times, May 28, 1974]

CAULFIELD TESTIFIED THAT HE ORDERED AUDIT OF NEWSMAN

WASHINGTON, May 27.—A former White House aide, John J. Caulfield, has testified secretly that he instigated a tax audit of a newspaper report, Robert W. Green of Newsday, who wrote articles about the financial dealings of President Nixon's friend, Charles B. Rebozo.

John W. Dean 3d, the former White House counsel, testified last summer at hearings of the Senate Watergate committee that Mr. Caulfield had sought an audit of Mr. Greene's tax returns after the reporter supervised a 6-month investigation of Mr. Rebozo's financial dealings for his Long Island newspaper.

The staff of the Joint Committee on Internal Revenue Taxation said after an investigation that it had determined that Mr. Greene had not been audited by the Internal Revenue Service but by New York state tax authorities under a Federal-state exchange program.

According to a copy of secret testimony by Mr. Caulfield before the Watergate committee, obtained by The Associated Press, Mr. Caulfield said that he had discussed the matter with Vernon D. Acres, then an assistant commissioner of the IRS, who suggested that an anonymous letter could be written that would initiate an audit. Subsequently, Mr. Caulfield said Mr. Acree indicated "that an anonymous letter did go out in a fashion where it would not be considered illegal.

The tax committee did not talk to Mr. Acree who, when asked about the Greene case, denied any wrongdoing and referred a reporter to the committee report.

[From the New York Times]

WHITE HOUSE AIDES PLANNED TO MISUSE IRS, JAWORSKI SAYS

(By Robert L. Jackson)

WASHINGTON.—Watergate special prosecutor Leon Jaworski said Tuesday he had firm evidence that White House officials, possibly acting with the approval of President Nixon, conspired to obstruct U.S. tax laws by misusing the Internal Revenue Service to harass political "enemies."

Reporting to U.S. Dist. Judge John J. Sirica on a months-long investigation, Jaworski said former Democratic National Chairman Lawrence F. O'Brien had been a special target of White House efforts to "abuse and politicize" the IRS.

Two grand juries are studying possible violations of federal law in connection with the inquiry, Jaworski said. The laws deal with general conspiracy, conspiracy to violate the civil rights of individuals, unauthorized disclosure of tax information and obstruction of the proper administration of tax laws, he said.

Jaworski reported on the IRS-related inquiry to support a request that Sirica turn over part of a tape recording and notes of a September 15, 1972, presidential meeting that the judge has kept from grand jurors.

The inquiry is focusing on allegations **"that in September 1972, the White House** presented lists of individuals—'enemies'—to the IRS with the direction that they be audited or otherwise harassed, and that in **August and September 1972, the White House unlawfully attempted to have the IRS investigate Mr. O'Brien," Jaworski said.**

"Evidence assembled by this office, much of which has been presented before the grand juries, substantiates both of those allegations," he told the court.

"This evidence also indicates the likelihood that on September 15, 1972, the President did in fact have discussions with Mr. (John W.) Dean and Mr. (H. R.) Haldeman concerning those matters."

Dean then was counsel to **the President and Haldeman was Mr. Nixon's chief of** staff.

Jaworski said that "if the court desires, a detailed review of the witnesses can be submitted for in camera (private) examination."

Sirica upheld White House lawyers in ruling last Dec. 19 that the latter portion of the Sept. 15 tape-recorded meeting between the President, Dean and Haldeman did not relate to Watergate matters and should not be given to Jaworski and to grand jurors. He made the same ruling on Haldeman's notes of that part of the meeting.

The judge had obtained the materials from White House lawyers for private inspection to determine their relevance.

Jaworski said Tuesday, however, that he had concluded "the materials in question do relate to investigations of the Watergate break-in and related matters."

The edited transcripts that the White House recently show that Mr. Nixon and Dean discussed the original Watergate indictments at that meeting, but the transcripts contain no references to O'Brien's tax investigation or to any IRS investigations.

On the other hand, an unedited transcript of the Sept. 15 meeting prepared by the House Judiciary Committee quotes Haldeman as telling the President about Dean:

"Between times, he's doing, he's moving ruthlessly on the investigation of (Sen. George S.) McGovern people, Kennedy stuff and all that, too . . ."

Then, apparently referring to former White House aide Charles W. Colson, Haldeman told Mr. Nixon, according to the Judiciary Committee transcript:

"Chuck has gone through, you know, has worked on the list, and Dean's working the, the thing through IRS . . ."

Dean testified to the Senate Watergate committee last summer that the White House drew up an "enemies list" of several hundred persons for the IRS to investigate. The list, included O'Brien, who also was a target of the 1972 Watergate bugging.

Haldeman testified that "there was some discussion of the reluctance of the IRS to follow up on complaints of possible violations against people who were supporting our opponents because there are so many Democrats in the IRS bureacurcy that they won't take any action."

A SALUTE TO JOHN K. NORTHROP

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. CHARLES H. WILSON of California. Mr. Speaker, the American institute of Aeronautics and Astronautics will honor one of America's great aircraft designers, John K. Northrop, in a special program of recognition to be held August 13 at the International Hotel in Los Angeles.

A true giant in the development of America's aviation superiority, Jack **Northrop is one of that small group of pioneers who designed and built the early successful commercial airplanes and hereby paved the way for hundreds of millions of air passengers to reap the benefits of flight.**

Jack Northrop is responsible for numerous improvements in aeronautical design. Most notable of these was his development of smooth, stressed-skin metal construction in commercial airplanes, an innovation that with one tremendous step increased the useful life of an airplane more than 10-fold. Thousands of airplanes have been built incorporating this type of structure, thanks to Jack Northrop's pioneering efforts.

Wherever men and women fly in the world today, they owe a debt of gratitude to Jack Northrop for his inventiveness and dedicated search to improve the quality, performance, and longevity of airplanes.

Jack Northrop is one of the founders of Northrop Corp., one of the Nation's leading aerospace companies. Founded in 1939 with an original 50 employees, Northrop Corp. now employs more than 25,000 men and women and supplies aircraft, electronics, and communications, construction, and support services to customers throughout the free world.

Jack Northrop also is a cofounder of the Northern Institute of Technology, which has trained more than 16,000 alumni for responsible positions in Government and industry.

I am, indeed, glad to join in adding my personal expression of appreciation to Jack Northrop for his many contributions to the people of the 31st District and to his country.

THE COLLEGE OF WILLIAM AND MARY

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. DOWNING. Mr. Speaker, the college of William and Mary in Virginia, the second oldest institution of higher learning in the United States, is one of the most outstanding temples of education in the world. It is indeed the pride of the First Congressional District of Virginia which I have the distinguished honor of representing.

Alumni of the college filled roles of leadership in numberless fields of endeavor. A great many of them including Thomas Jefferson, James Monroe, and John Tyler have raised their voices in debate in the Congress.

Another whose activities have brought honor to his alma mater is Arthur Briggs Hanson whose accomplishments were recognized by the college at its most recent commencement when it conferred upon him the degree of doctor of laws. Inasmuch as Mr. Hanson's activities include distinguished service in the Armed Forces of our country, and because he is well known to many of the Members, I shall wish to provide them with the opportunity of learning of what this fine institution in my districts thinks of its illustrious son. I am pleased to include the citation which accompanied the honorary degree:

CITATION—ARTHUR BRIGGS HANSON

The course of human affairs inevitably reflects the influence of strong leaders, leaders of deep convictions and unwavering loyalty to the principles in which they believe. Usually their energies and resources are concentrated in one major field of interest, but occasionally there appears the rare individual whose interests and proficiency extend to multiple areas of service, much to the benefit of his fellow citizens. Events in the career of Arthur Briggs Hanson clearly place him in the latter category.

"Tim" Hanson is a distinguished lawyer, as evidenced by his service as General Counsel for the American Newspapers Publishers Association, as General Counsel and Trustee of the National Geographic Society, as a senior partner in the Washington firm of Hanson, O'Brien, Birney, Stickle and Butler, and as the author of important legal publications.

As a military leader, he served with distinction in World War II and rose in the U.S. Marine Corps to become its Senior Reserve General, was a founder of the Marine Corps War Memorial Foundation, and serves as a member of the Armed Forces Policy Board.

He received both his bachelor of arts and law degrees from the College of William and Mary, and his loyalty and support have been recognized in his selection as a recipient of the Alumni Medallion and by his service as a Director of the Society of the Alumni, President of the Law School Alumni Association, and Trustee of the College Endownment Association.

His civic activities cover a broad range of projects, and each has been productive of results similar to his accomplishments in the areas of law, the national defense, and education.

A SPECIAL SPARK OF KINDNESS AND COURAGE IN THE HEARTS OF THE AMERICAN PEOPLE

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. GINN. Mr. Speaker, we all hear words of despair about the troubled times that grip our society. There is no shortage of the relentless prophets of doom who warn that we face ruin, because of the unceasing problems that confront us all.

But from time to time I think we should pause and remember that there is a special spark of kindness and courage in the hearts of the American people. That is a fact that is easy to forget sometimes, because stories of heroism and resourcefulness are easy to miss in the flood of reports that fill our newspapers about the latest national crisis.

In this regard, I would like to call to the attention of the House an incident that occurred recently in my own congressional district in the beautiful community of St. Simons Island.

On June 26 of this year Mr. and Mrs. Joe H. Bradford, Jr., were conducting a class in their regular summer kindergarten program. The students in the Bradford's Alice in Wonderland kindergarten class were meeting at the Bradford residence in East Beach, St. Simons Island, in preparation for a field trip to Marineland in Florida.

During one of Mrs. Bradford's regular head-counts of the children, one 5-year-old boy, Peter Edward Strickland, was excused to use the restroom. A few minutes later the child had not returned, and Mr. Bradford went to find him. During a quick search Mr. Bradford made the tragic discovery that the boy had fallen in the swimming pool in the rear of the Bradford home and was lying unconscious at the bottom of the pool under 6 feet of water.

Mr. Bradford immediately dived into the pool and pulled the apparently lifeless child from the water. Then, in a desperate race against death, he labored over the child giving mouth-to-mouth resuscitation in an attempt to revive him. Within a few moments shortly before the Glynn County rescue squad arrived, Mr. Bradford had Peter breathing on his own.

Peter was admitted to Brunswick-Glynn Memorial Hospital 20 minutes later where he was given extensive tests and put under observation for a period of days. Dr. John A. Hightower, the attending physician, has reported that Mr. Bradford's fast action saved Peter from any lasting harm. On June 29, Peter Strickland was released from the hospital and today is again enjoying a happy life with his parents and friends.

Peter's parents, Mr. and Mrs. Raymond Lee Strickland, have praised Mr. Bradford for his courageous actions. I would like today to join in that praise and to say that I am proud to have the Bradfords as residents within the First Congressional District. We can all share in the joy that one man's courage and calm resourcefulness has made it possible for a small child to escape a tragic end.

OPINION, WHERE IT COMES FROM—AND WHERE IT GOES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. LAGOMARSINO. Mr. Speaker, I thought my colleagues would be interested in the well-expressed editorial from the Ventura County Star-Free Press outlining the growing difficulties counties are experiencing in covering public spending proposals through local property taxes:

WHERE IT COMES FROM AND WHERE IT GOES

Ventura County is worth a little over $5½ billion—about 11¼ per cent more than it was worth a year ago—according to the tax assessor. The biggest increase in assessed valuation comes in Ventura, where property values went up more than 14 per cent.

Those moans you hear in the background are the homeowners, farmers and business proprietors whose assessment went up the most. This is the annual cry of the wounded property owner at reassessment time.

When people buy property, they usually do so hoping it will increase in value. But when the tax assessor comes along and tells them, sure enough, it has increased in value, they are seldom thrilled. Unless you're planning to sell your property, all higher assessments will get you is higher taxes.

This is the reason some readers get a bit irked with news stories about the tax rate holding steady, as it will in Ventura for the next fiscal year. Even the same tax rate, it's obvious that some city taxpayers will be paying more, even at the old rate, because of higher assessments. Don't try to tell them that taxes didn't go up.

The increase doesn't all come from reassessments, though it may seem that way to some property owners. There are also new taxpayers who are beginning to help share the load, as new houses and businesses are built.

Whether these new taxpayers supply more in new taxes than they demand in new services is the unsolved riddle of population growth, not just in Ventura, but throughout this county and the 57 others in California.

In Ventura County, it might be well to remind ourselves that the No. 1 taxpayer is still agriculture—with this county leading the state as the producer of six different crops and ranking second in seven others. When we start talking about boosting the county's economy by more profitable land use, we might keep in mind that agriculture is the most beneficial use of land that we've found yet.

Eventually, all of us—homeowners, farmers, business operators—will share in the fruits of higher property values, for whatever consolation that thought may offer as we contend with the more immediate prospect of higher taxes.

Where do all these taxes go?

Well, property taxes, at least, stay pretty much right here in Ventura County. The biggest hunk goes to pay for schools. Then comes public protection—the police and the courts. Then health and welfare. Plus a huge bag of services that range from fire protection and flood control to parks and streets and sidewalks.

The demand for government services seems almost limitless, though we confess some doubt that demand is coming solely from the public. There has been a trend in recent years for government employees, at all levels, to encourage a public demand, to cultivate a clientele for new government services, the same way a private business cultivates new customers. The inevitable result of all these new customers has been the rapid expansion of government, at all levels, and accompanying increases in government spending.

Right now, right here in Ventura County, our supervisors are wrestling with a budget for next year that's more than $8 million out of balance with the current tax rate. County department heads have asked for more than $99 million—that's right, almost $100 million to run this county for one year!—and after some whacking and whittling, the budget is still about 14 per cent higher than this year's and still a long way from coming out even without a tax hike.

And this is just the bread-and-butter budget to run the country for a year. It doesn't include money for the new county center—which at last count was costing from $30 million on up—nor does it include $12 million for parks approved by the supervisors.

And the county is not a spendthrift, as government agencies go.

The City of Ventura will hold the same tax rate, amid a 14 per cent increase in assessed valuation, which adds up to a 14 per cent increase in spending. California state budgets doubled—from $5.9 billion to $10.25 billion—during the years that Gov. Reagan has been preaching cut, trim, and squeeze. And Richard Nixon, who once paid allegiance to balanced federal budgets, has presided over more and bigger deficits than any president in history.

The stock defense of Mr. Nixon and Gov. Reagan is, they're the unwilling accomplices of the free-spending Democrats in Congress and the State Legislature. But that hardly explains the growth in spending at the county and city levels, and even in Sacramento and Washington, budgets tend to wind up as bipartisan efforts. It's only by including something for everyone that they get enough votes to pass.

Inflation causes higher government spending, of course, but higher government spending also causes inflation, and spending too often seems to be leading the way.

Just looking at the piles of governmental plans with no money to finance them and the salary requests of government workers who are losing the war with inflation, you can't help but wonder if public spending isn't getting beyond all common sense control.

"BLACK-JEWISH COALITION REEXAMINED"

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. RANGEL. Mr. Speaker, in a recent column, Vernon E. Jordan, Jr., the executive director of the National Urban League, considered the present relationship between the black and Jewish communities in the United States. The provocative article, entitled "Black-Jewish Coalition Reexamined," is now submitted for the thoughtful attention of my colleagues:

[From the Miami Times, July 1, 1974]

BLACK-JEWISH COALITION REEXAMINED

(By Vernon E. Jordan, Jr.)

The long standing, fruitful coalition of the black and the Jewish communities is undergoing a period of searching reexamination and the result, hopefully, will be a renewed and re-invigorated partnership.

The coalition has been subjected to strains over the past several years. Many blacks were resentful at the positions taken by some Jews on school decentralization, scatter site housing, and so called "quotas."

And many Jews became alarmed at indications that some blacks were cool toward Israel, favored programs that appeared to threaten the Jewish stake in schools and professions, and dislayed tendencies interpreted as anti-Semitic.

But these intergroup differences, some real, some imagined, should not be allowed to obscure the greater union of interests shared by both. Nor should they distort some important realities, such as the overriding one that Jews as a group are much less antiblack than most whites and blacks as a group are far less anti-Semitic than most Americans.

Shared values and a common history marked by oppression are primarily responsible for this. The same precarious minority status that brings both groups together is also responsible for the sensitivities shown by each group. So the very conditions that bring us together are also responsible for inevitable stresses and strains from time to time.

A basic point both groups must keep uppermost in their minds is that far more unites us than divides us and therefore it is in groups interest to stress the common agenda for change rather than the occasional differences.

Another basic for both groups to keep in sight is that dividing the historic coalition serves the interests only of those outside that coalition. When the media overplay confrontations between blacks and Jews the only ones who win are the enemies of both cheering from the sidelines.

There is every indication now that the leadership of both groups have a new appreciation of these basics and the continuing dialogue that's going on now should result in a firmer bond between blacks and Jews, strong enough to resist the trend of withdrawal from social concerns that marks our country today.

Those blacks and Jews who may feel threatened in some way by the other group should realize that the threat does not come from some individual black or Jew. It comes from a society that resists change by stacking things so that group is pitted against group for a piece of the pie when the real question is how to make a bigger pie and distribute it equally.

And both blacks and Jews need to be more aware of the sensitivities of the other. Black people for example, should know that Jews who suffered from genocide barely a generation ago are vitally concerned about threats to Israel. And while some Jews enthusiastically support strict numerical guidelines for hiring to overcome past discrimination, other Jews relate such a system to their historical experience with quotas that kept Jews out of jobs and schools.

And some Jewish people need to display greater sensitivity toward black aspirations. There should be greater understanding that past negative experiences with quotas should not be related to the need for strong, firm positive affirmative action plans to overcome discrimination against black people today. And Jews must understand that the path they took to climb out of poverty is closed to blacks today because of the charged economy and the totally different environment of the present.

Given the abundant good will on both sides, I'm confident that the present stresses and strains in Black-Jewish relations will be seen as a transitory period in the overriding arch of historical cooperation and mutuality of interests that bind us in a progressive coalition.

PRIVACY ALERT: OECD PRIVACY SEMINAR

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. GOLDWATER. Mr. Speaker, on the 26th of June the Organization for Economic Cooperation and Development held a seminar on policy issues on data protection and privacy. The meeting occurred in Paris. I am impressed by the breadth of the inquiry and by the balance of concern between the policy parameters needed to protect personal privacy and to encourage the beneficial information practices that our modern societies must rely on. Also, it is important to note that several of the major concerns of the OECD seminar are addressed directly in the comprehensive right to privacy act introduced by myself and Congressman KOCH.

I include for the benefit of my colleagues a brief outline of the concerns and general recommendations of the OECD seminar:

SEMINAR ON POLICY ISSUES ON DATA PROTECTION AND PRIVACY

CONCEPTS AND PERSPECTIVES

This has been designed to expose policy makers to new concepts and perspectives in the field of Data Protection and Privacy, which might be useful in shaping future policies affecting this area.

During the sessions leading experts from some 20 countries and representatives from EEC, CCITT, Council of Europe and IBI/ICC were given an opportunity to advance and elaborate upon their particular responses to data protection and to discuss these views with government representatives. The topics spanned the range of data protection and privacy problems which have been the subject of widespread public, press and governmental concern.

As the Seminar was meant to be exploratory, no resolutions were adopted. While different views were expressed by participants on most topics, it could be observed that a remarkable expression of consensus emerged on major issues. These are reflected in the following summary statement, which was made by the Chairman at the closing session of the Seminar.

SUMMARY STATEMENT

1. Government and parliaments are challenged to respond to public opinion that the increased need for information and the proliferation of automated data systems have reduced the role of individuals in decisions affecting their welfare. New policies for greater visibility of the use of personal register information will be required. More transparency of administration is necessary. Confidence by the public in administration may be improved by applying information secrecy rules only to information of special personal or national concern. Central governments should set the example in establishing standards and instrumentalities for data protection in public administration.

To achieve these objectives, a combination of solutions presenting a high flexibility to cope with a changing technical environment will be required to solve data protection and privacy problems. There is a need for new institutional mechanisms to devise, monitor and enforce safeguards. In addition, self-regulation, based on standards of information practices with appropriate public notice requirements, is a necessary ingredient of a data protection policy. The individual ought to be extended certain rights of access to personal registers for inspection. The right of public or private institutions to acquire personal data is not absolute; at some point, the need to gather information must give way to the right of the individual to maintain privacy.

Standards for the operation of personal registers ought to be established. Special authorities of an independent character may also be needed for supervision. Care must be exercised that such institutions are neither vested with greater authority than is necessary nor be subject to improper influence. Their duties ought to involve compliance with legal and administrative standards of information practice, evaluation of technical developments and response to complaints of citizens.

2. Some Member countries have a long tradition in the use of personal identification numbers, while others have withheld their general introduction.

While numbering systems specially devised for universal identification of citizens may present advantages in improving the efficiency and economy of record keeping, public concern over record linkage has been widespread. However, information needs of modern society are such that the introduction of personal identification numbers might be inevitable. The timing, methods and procedures of their generalised use will need careful attention, where public discussion and awareness will be a crucial factor. Linkages of personal files more easily accomplished through numerical identification must be strictly controlled. The public should be made aware of all important new patterns of transfer or integration of individual data.

3. Individuals should be able to know of the existence, purposes and use of personal registers, public and private. Access to personal registers should be provided under rules which allow for correction of errors and challenges to disputed information. The principles endorsed by the Council of Europe relative to individual rights in personal registers already serve as a common core of principles for some Member countries.

4. Transnational flows of data are increasing rapidly but little systematic research is available as yet as to its scope and volume. The normal expansion of international data linkages and computer/telecommunications networks should not be interfered with. Rather, a harmonization of national policies and agreement among central governments on minimum standards should be actively pursued. A code of principles might be desirable which would include the basic rule that data originating in one country must be used only for their original purposes when transferred beyond its jurisdiction.

5. Before legislation is enacted cost and benefit considerations ought to be carefully evaluated. The information environment is experiencing vast changes which suggest that governments prepare comprehensive assessments of these developments and devise adequate regulations for economic and social impacts.

6. The Seminar noted that the right of access of a citizen to public and private administrative records containing personal information on himself is to be seen in relation to the more general principle of the right of citizens to information as such.

LIGHT-WATER-COOLED BREEDER REACTOR LOOMS AS PROMISING ENERGY ALTERNATIVE

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. COUGHLIN. Mr. Speaker, as many of my colleagues are aware, I have taken a firm stand against the rapidly accelerating costs of the liquid metal fast breeder reactor. The cost overruns associated with this project have been astronomical, and I feel it is time that all Members take a more critical look at this effort.

The July 13, 1974, edition of Business Week contained a most interesting article entitled "Rickover's Reactor Race." It recounted progress now being made on the light-water-cooled breeder reactor, another important energy initiative, but one which has received a much lower profile than the LMFBR. While there are still some serious and yet unanswered questions about the LWBR, its advantages appear to outweigh the LMFBR in many respects and it seems to be much less controversial.

I offer this article for the perusal of my colleagues. I think it affords an excellent commentary on the development of other types of nuclear reactors, as well as a caution against continuing to expend such a disproportionate share of research and development funds on the LMFBR:

RICKOVER'S REACTOR RACE

To Admiral Hyman G. Rickover, researchers and submarines have much in common: Both do their best work out of sight. That philosophy guided Rickover's successful efforts in building nuclear subs for the Navy. And it was also his credo when he led the effort that put together the first U.S. commercial nuclear reactor at Shippingport, Pa., back in 1957.

Now the crusty, 74-year-old admiral, who is also head of the Atomic Energy Commission's Naval Reactors Div., is about to surface with his most ambitious project to date. After eight years of preparation at Westinghouse Electric Corp.'s Bettis Laboratories in West Mifflin, Pa., Rickover plans to convert Shippingport from a water-cooled reactor into a breeder reactor—a nuclear power plant that produces more atomic fuel than it consumes.

If completed as planned, Rickover's light-water-cooled breeder reactor (LWBR) will be turning out power and fuel six years ahead of the liquid-metal-cooled breeder reactor—the much publicized, Administration-backed project that is facing serious economic and environmental challenges. And Rickover's breeder will also outflank two other breeder designs, using molten salt and gas coolants, which are even further back in the research lab.

There are already disputes over whether the Rickover reactor will prove to be practical and economic. But if the LWBR lives up to expectations, the utilities could flock to it to circumvent shortages of fissionable uranium fuel, which the Atomic Energy Commission predicts will arise in the 1980s. Cheap and clean. The LWBR will never be able to supply as much fissionable fuel as the liquid-metal breeder will. It will produce only 1.02 atoms for every atom burned, compared with 1.20 new atoms from a liquid-metal breeder reactor, also called a "fast breeder." But the LWBR will be far cheaper to develop ($200-million, compared with an estimated $1-billion) and its building costs should be even more attractive. A fast-breeder plant is expected to cost $520 per kilowatt to build, compared with $420 per kilowatt for the same-sized water breeder. And converting a light-water reactor into a LWBR will be even cheaper—about $25-million, or the cost of refueling a light-water plant.

The Rickover breeder is also likely to avoid the titanic environmental battle still facing the liquid-metal breeder. Environmentalists claim that the plutonium produced in a fast breeder could be turned into bombs by terrorists, that it would create serious waste problems, and that its untested coolant might not be adequate to prevent a disastrous meltdown. But the Rickover plant will produce only traces of plutonium in its reaction cycle: U-233 will be its chief product. And the LWBR will use a safe coolant—water.

THE RICKOVER APPROACH

Rickover has succeeded in pushing his breeder this far by keeping a low profile, leaning on his many friends in Congress for funding, and avoiding lengthy licensing hearings by proposing to retrofit Shippingport, a government-owned reactor, for breeder testing instead of asking for funds to build a new test facility.

"The admiral does not like to publicize what he is going to do," says William Wegner, deputy director of the Naval Reactors Div. The result is that critics have less chance to take potshots at his projects. Congress also finds it easier to approve funding for programs unencumbered by controversy.

Work on the LWBR has also moved briskly because it differs from a standard nuclear water-cooled reactor only in the design of its reactor's core. Since 1957, the Shippingport core has consisted of U-235, a fissionable uranium isotope, and U-238, a more abundant but nonfissionable isotope. During fission, the U-238 absorbs neutrons from the U-235, transforming itself into fissionable plutonium. But this reaction produces only 0.34 new fissionable atoms for each atom burned. Without the development of breeder reactors, the AEC says, the U.S. will deplete its dwindling reserves of uranium 235, which in nature is a meager 0.5% of total uranium ore.

Rickover intends to replace the present Shippingport core with one containing U-233, a fissionable uranium isotope. When it fissions inside the reactor, the U-233 gives off neutrons. These neutrons bombard an element called thorium, which is placed around the core like a blanket. The fission product of the bombarded thorium is more uranium 233. The Rickover breeder thus should be a self-sustaining reactor; uranium will be needed only to start it on its first prebreeding cycle. More thorium will have to be added at intervals. "But the country has enough thorium to last for hundreds of years or more," says Wegner.

Scientists originally thought that a breeder reactor would not work if it were cooled by water, because water slows down neutrons, a critical factor in transforming "fertile," or potentially fissionable, material into nuclear fuel. So most physicists have concentrated on dveloping a liquid-metal breeder reactor, one that is cooled by sodium, in which neutrons can approach the speed of light.

Researchers at the Bettis Laboratories, however, discovered that U-233 generates a neutron that can breed at lower speeds. A normal light-water reactor, however, is full of poisons, or elements that absorb neutrons. So they had to develop a core design that uses zirconium alloy fuel cladding instead of the conventional neutron-absorbing stainless steel and that features tightly packed fuel rods to reduce water in the core, because water absorbs as well as slows neutrons.

Control rods, inserted in conventional water reactors to slow fission by absorbing neutrons, will be entirely eliminated in the Rickover LWBR. Instead, the Rickover breeder will be able to be shut down by dropping the fuel rods out of its core.

THE COST?

Despite the LWBR's low capital cost, operating costs may be high. And Rickover's refusal to make operating cost projections has raised doubts about his breeder's commercial acceptability. "It's like pulling teeth trying to get any kind of information from him at all," says an executive of a nuclear plant construction company. "And he pays absolutely no attention to economics." Among other things, the skeptics are worried because the initial fuel load needed to create enough U-233 to carry on breeding is twice that of a standard reactor and because the LWBR design will require a bulky neutron reflector that will take up fuel space in the core, thus reducing Shippingport from a 100-megawatt power reactor to a 60-megawatt plant.

"Maybe they have some answers, but I haven't seen them," says Chauncy Starr, president of the Electric Power Research Institute. Adds Thomas Cochran, an energy consultant with the Natural Resources Defense Council: "I don't think it will ever amount to much." Rickover is standing his ground, however, saying only that once the LWBR at Shippingport has been demonstrated, the utilities can decide for themselves whether his development makes practical sense.

But as the late-1975 target date for installing the breeder core at Shippingport approaches, Rickover's staff is stepping up efforts to satisfy the skeptics. "True, the core costs will be higher, but that is not a major deterrent," Wegner tells all comers. "We feel the only major question is who will build a reprocessing facility for the core." He predicts that once the breeder proves that it will use one-third the uranium consumed by a standard reactor over 30 years, the electric utilities will find the capital to reprocess the core. And as larger breeders are built, the neutron reflectors in the breeder's core will take a smaller part of the core space—less than 10% of its area in an 800-megawatt plant—so that power losses in retrofitting water reactors will be minimized.

Although Wegner claims that the LWBR is not intended to compete with the proposed liquid-metal breeder, growing resistance to the LMFBR would leave the LWBR as the only breeder available to U.S. utilities in the 1980s. "The industry will have to go to something," says Wegner, "and this is the obvious thing."

Rickover has apparently won some support for the LWBR from the utilities, too. Louis H. Roddis, president of Consolidated Edison Co. of New York, who worked for Rickover as a Naval officer, says that "we have special interest in this concept primarily because it is much less developmental . . . than other advanced reactor concepts." John M. Arthur, Chairman of Duquesne Light Co., which buys power from Shippingport, is also a convert to the Rickover breeder. "The success of the LWBR program may be as significant to our society as the development of Shippingport itself," he predicts.

Dixy Lee Ray, chairwoman of the Atomic Energy Commission, is less ebullient. "The LMFBR is our major effort," she maintains. But the LWBR can help meet the shortage of uranium, so "Who can forecast what industry's decision will be?"

Such considerations have little impact on Rickover, however. His sole concern is successful completion of his LWBR project, and from the start he has brooked no interference —from environmentalists, from industry, or from AEC officials. "If any outsider comes nosing around, he gets his head handed to him," says a former AEC official. "Rickover gets results."

MS. FLORENCE HAIRSTON'S OUTSTANDING ACHIEVEMENT

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mrs. BURKE. of California. Mr. Speaker, it is my great pleasure to bring to the attention of my colleagues the success of one of my constituents, Ms. Florence Hairston.

In these confused times, it is indeed pleasant to find an idividual who not only strives to achieve, but actually does so. Ms. Hairston is such an individual. Ms. Hairston was recently graduated from the University of California at Los Angeles, with a bachelor's degree in history.

Florence Hairston has overcome many obstacles in her path toward personal growth and academic achievement. In spite of the realities posed by racial discrimination and poverty, she has demonstrated a superior capacity for intellectual growth by being named one of four outstanding seniors at U.C.L.A.'s 55th anniversary celebration.

Ms. Hairston accomplished her exemplary achievement while raising four children by herseslf, working at the Los Angeles Museum of Art, and maintaining a high degree of activity in the life of her community.

But Ms. Hairston was not satisfied with this singular achievement. She will continue her studies at U.C.L.A. by pursuing a master's degree in education, with a specialization in reading instruction. Simultaneously she will begin a full career in teaching. It is truly inspirational to find a person, who has not only succeeded in her educational endeavors, but has done so with distinction.

I would hope that her diligence will serve as inspiration to all of our citizens, particularly those who, though desirous of educational growth, are afraid that they will be overwhelmed by the economic and psychological complexities posed by the pursuit of educational advancement.

METRIC CONVERSION STUDIED BY NATIONAL CONFERENCE ON WEIGHTS AND MEASURES

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. MATSUNAGA. Mr. Speaker, the United States is the only major country not yet nationally committed to the metric system. But metrication in America is inevitable. In the current absence of Federal legislation promoting the conversion of the system of weights and measures from the customary system to the metric (SI) system, there are groups assuming leadership roles in planning and coordinating metric conversion.

One of those addressing the issue most thoughtfully is a special Committee on Metric Planning, set up by the National Conference of Weights and Measures. At the recent meeting in Washington of the conference, the committee issued its report providing guidelines for metrication. In the interest of promoting a rational discussion of metric conversion plans, I submit the report of the conference's Committee on Metric Planning for inclusion in the RECORD:

ATTACHMENT TO THE FINAL REPORT OF THE COMMITTEE ON LIAISON WITH THE FEDERAL GOVERNMENT—REPORT OF THE COMMITTEE ON METRIC PLANNING

Because industry and state and local governments of the United States are increasing their voluntary use of the Metric (SI) System of weights and measures at an ever-expanding rate, the National Conference on Weights and Measures (NCWM), at the 58th Conference held last year empowered its Committee on Liaison with the Federal Government to assess, evaluate and plan for the impact of conversion to the metric system. The Liaison Committee was instructed to prepare advice needed to ensure a rational and orderly conversion.

In keeping with its responsibility, the Liaison Committee, in conjunction with the Conference Executve Secretary, recommended that the Conference President designate a new special Committee on Metric Planning which is comprised of the five active members of the Liaison Committee plus three additional state weights and measures officials.

The committee respectfully requests that Mr. J. F. Lyles, representative to the U.S. Advisory Committee on International Legal Metrology be included as an *ex officio* member of this special committee.

GOALS

Initial goals were established by the committee at the interim meetings early this year to provide coordination and establish policy in the following areas:

(a) State and local laws and regulations
(b) Federal requirements
(c) Weighing and measuring devices
(d) Packaging and labeling practices
(e) Physical standards and test methods
(f) Publications

It should be noted that advocacy of the International System of Units is another goal of the Metric Planning Committee.

WORK PLAN

Among the matters identified and discussed by the committee, the following were selected as the basis for an initial Work Plan:

(a) Analysis of state and local laws and regulations and determination of amendments to remove obstacles to metric conversion.

(b) Development and publication of metric companion versions of NBC Handbook 44 and other weights and measures publications.

(c) Modification of test equipment, standards, and procedures.

(d) Study and development of training programs for weights and measures officials and industry personnel.

(e) Specification of preferred units of weights and measures in commerce under the metric system.

(f) Coordination with Federal agencies and with international standards organizations regarding regulations in the area of weights and measures.

(g) Promotion of educational material for consumers.

(h) Identification of weights and measures terms where soft conversion would be appropriate and, where permissive, hard conversion would represent an opportunity.

(i) Review of priorities for the changeover to the metric system and recommendation of timetables for such changes.

These items and initial strategies were selected primarily from papers submitted by Mr. Edward H. Stadolnik, Head Administrative Assistant, Executive Office of Consumer Affairs, Division of Standards, State of Massachusetts, and Mr. George E. Mattimoe, State Deputy Director of Weights and Measures, Department of Agriculture. State of Hawaii.

STATE ANALYSIS

The Mattimoe report included a study on state legislation to determine whether metric conversion was permissible in the various states. The study indicated that in thirty-eight of the jurisdictions (including Puerto Rico), the metric system is permissive. Six jurisdictions (including the District of Columbia) indicated that only the U.S. customary system is recognized. At the time of Mr. Mattimoe's report, eight states had not responded.

It was felt that the committee needed to learn more about our current state weights and measures systems in terms of the impact of metrication before this year's Conference which, at the time of the decision, was a little over a month away. Although it was determined that only three man-weeks could be allocated to a followup to the Mattimoe effort (and, of course, the states would have very little time to respond), it was decided to go ahead.

The Conference Executive Secretary appointed a staff assistant to the Committee on Metric Planning with instructions to develop, with the highest priority, a Metric Inquiry. Its purpose would be to determine obstacles and suggest amendments relating to metrication and current state laws and regulations. A copy of the Metric Inquiry is attached.

Responses to the Metric Inquiry identified a significant number of barriers and needs for amendments. Several statements were made which indicated the major barrier was the fact that the Congress of the United States did not pass metric legislation. It seems to us that this pinpoints the most salient metric question which this year's Conference should answer.

The Fair Packaging and Labeling Act was cited as an example of the kind of barrier existing at the Federal level; in particular, in Section 4(a) which implies the use of U.S. customary units. Action by the Conference through revising the Model State Packaging and Labeling Regulation could go a long way toward facilitating metrication for many items.

In view of these discussions, the committee would like to make the following recommendations to the National Conference on Weights and Measures:

1. In spite of the lack of Federal legislation, the National Conference on Weights and Measures should take an active role in preparations leading to metrication.

In other words, the Conference should strive to move forward at every opportunity in all possible activities, rather than merely help coordinate in those areas where movement is already taking place.

2. There should be prepared comparable metric editions of the handbooks, and comparable metric versions of the model laws and regulations.

This would require, for example, that metric codes be developed for H–44. This recommendation is based on the need for both editions during a transition phase, and that eventually the metric versions would supersede the customary.

3. The National Conference on Weights and Measures requests that the Office of Weights and Measures continue to exchange weights and measures information relating to metric.

4. The National Conference on Weights and Measures also requests that the Office of Weights and Measures actively collect and document suggestions on changes to weights and measures methods, administration, specifications, units and other technical requirements thought to be necessary for metrication. These items should then be reviewed by the Metric Planning Committee. Based on these reviews, authoritative voluntary guidelines should be promulgated by the Metric Planning Committee.

COOPERATION WITH AMERICAN NATIONAL METRIC COUNCIL

Several meetings were held after the interim meetings and of particular note are the discussions which took place with Dr. Malcolm O'Hagan, Executive Director, American National Metric Council, and his staff. The American National Metric Council is organized into various sector committees one of which is titled Commercial and Consumer Measurement Practices. This sector committee is part of a Coordinating Committee on Consumer Products. The area of coverage of this sector committee is virtually identical with those of the NCWM Committee on Metric Planning. It was agreed that duplication of effort should be avoided. For this reason, the Metric Planning Committee should be the ANMC's sector committe on Commercial and Consumer Measurement Practices, if ANMC so desires.

J. H. Lewis, Chairman, Washington.
G. L. Johnson, Kentucky.
G. E. Holloway, Idaho.
A. Sanders, Scale Manufacturers Association.
W. N. Seward, American Petroleum Institute.
J. Speer, Milk Industry Foundation.
E. H. Stadolnik, Massachusetts.
J. F. Lyles, Virginia.
T. N. Troy, Staff Assistant, NBS.
C. S. Brickenkamp, Staff Assistant, NBS.
H. F. Wollin, Exec. Secy., NCWM.
Committee on Metric Planning.

NOMAN COLE, JR.

HON. JOHN A. BLATNIK

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. BLATNIK. Mr. Speaker, in the 4 years that he has been the chairman of the Virginia State Water Control Board, Noman Cole, Jr., has shown what one man can do when his concern is backed by knowledge, courage, and determination. Mr. Cole is largely responsible for the fact that although the flow to the sewage treatment plants in northern Virginia increased from 30 million gallons a day to 37 million gallons a day between 1970 and 1974, the amount of pollutants discharged actually dropped from 40,000 to 12,000 pounds over the same period. While this is not the most "glamorous" of accomplishments, the people of northern Virginia should realize that if the Potomac runs more clearly and cleanly in the near future, it will be due, to a large extent, to the dedication and courage of Noman Cole, Jr.

As the author of the Federal Water Pollution Control Act, I applaud the accomplishments of Mr. Cole as the chairman of the State water control board, and extend my congratulations to this untiring fighter for water quality in Virginia. His example should be an inspiration to all citizens that their concerns and their efforts can make a difference.

Mr. Speaker, I wish to submit for inclusion in the RECORD, an editorial and a recent article reviewing the fine work of Noman Cole, Jr., as the date for his retirement from the State water control board draws near. As the editorial states, "We are sorry to see him go."

The material follows:

[From the Washington Post, Jan. 2, 1974]

CITIZEN COLE

Some years ago, Noman M. Cole Jr., like many other citizens of this area, was disturbed about the threat a proposed Fairfax County sewage treatment plant posed to the wildlife sanctuary at Gunston Cove. He wrote the county supervisor about it. He got an unsatisfactory reply. It sent him up like a rocket, as he put it. One of his sons said it was no use, the system would not respond.

Well, Cole took up the challenge. A 40-year-old nuclear engineer with a deep concern for the environment and unlimited faith in the inventiveness of American technology, Cole taught himself more than even some experts knew about the complexities of sewage engineering and the problems of cleaning up our water. A former assistant to Admiral Hyman Rickover, the blunt and testy promoter of the nuclear submarine, Cole adopted Rickover's manner in applying his knowledge to get action, first as a private citizen-activist and, in the past three-and-a-half years, as the chairman of the Virginia State Water Control Board.

His knowledge and bluntness, fired by tireless energy, has managed to get some organization into the indifferent and chaotic system by which this metropolitan region managed—and fouled—its water supply. Under his leadership, the Georgetown Gap, which poured millions of gallons of raw sewage into the Potomac, has been closed. The amount of solid waste dumped into Virginia's waterways has been substantially reduced. Smith Mountain Lake near Roanoke is being depolluted. State standards for clean water are being enforced. There is greater hope than before that the Blue Plains treatment plant will eventually clean up the Potomac.

That is no mean job in the face of hesitant if not recalcitrant and forever squabbling county and state officials, some of whom Noman Cole once called "a bunch of phonies." He has now announced that he will resign his job when his four-year term on the Water Control Board is up in July. "Four years of this kind of thing is enough," he said. "My kids will leap for joy."

We won't. We are sorry to see him go. But then Cole has largely accomplished what he set out to accomplish. He taught his son that energetic leadership can make the system respond.

[From the Washington Post, July 1, 1974]

NOMAN COLE: IMPATIENCE LED TO RESULTS

(By Kenneth Bredemeier)

When Noman M. Cole Jr. the always vocal, usually controversial chairman of the Virginia State Water Control Board, disclosed he would not seek reappointment, two Prince William County supervisors unsuccessfully tried to get their colleagues to pass a resolution.

It said pointedly: "Honorable Governor of Virginia, please accept Noman Cole's resignation."

The resolution is one measure of the turmoil that has surrounded Cole during his four-year tenure as the powerful chairman of the once-moribund water quality agency.

Cole, a 41-year-old nuclear engineer with MPR Associates, a Washington consulting firm, has prodded, threatened, chided and ordered countless local officials to halt the overloading of their sewage treatment plants, to upgrade their quality and, in some cases, to stop the outright dumping of raw filth into the state's waterways. In doing so, his frequent caustic and sarcastic comments, often contained in letters he leaked to the press, have angered just about every local official in the state he's dealt with at one time or another.

Now, as he leaves his part-time state post to devote more time to his family and job even some of the local officials he has clashed with repeatedly, and still is waging war with in some cases, generally give him high marks for both his single-minded diligence in seeking to cleanse Virginia's streams and rivers and most importantly, the success the Cole-directed water control board has had in reducing pollution.

"I think Noman's the best thing that's happened to Virginia," says Jean R. Packard, chairman of the Fairfax County Board of Supervisors, who nonetheless vocally opposes his position in a current dispute over construction of sewage facilities in northern Fairfax.

"His impatience with excuses may have overlooked the legitimacy of some explanations" for sewage problems, says Fairfax engineer Louis Guy, "but this impatience has brought results."

Says former Gov. Linwood Holton, who appointed Cole:

"Nobody in the history of Virginia has done more for cleaning up our rivers than Noman Cole."

Specifically, during Cole's tenure as board chairman:

The Georgetown Gap sewage flows, which dumped untold millions of gallons of raw sewage in the Potomac River, were plugged.

Pollutants discharged into the Potomac River from sewage treatment plants in Alexandria and Arlington and Fairfax counties have been reduced from more than 40,000 pounds per day to about 10,000, well below the state-approved limit of 22,814.

Smith Mountain Lake near Roanoke, once the recipient of much of that area's raw sewage, now is being cleansed. A major plant in Hampton Roads has been upgraded.

The control board changed its reporting methods for sewage treatment plants to require continual tabulation of sewage flows and the quality of effluent.

Washington-area jurisdictions, after Virginia sued the Maryland suburbs for allegedly using more than their share of the capacity at the Blue Plains treatment plant, agreed recently to limit the amount of sewage each jurisdiction can pump to Blue Plains and work out a formula for disposing of sludge, the wastes extracted from the treatment of sewage.

Cole, by his own admission, says he got results by being "enough of an SOB." He figuratively beat other officials over the head at times to push his cause.

Faced with a balky Fairfax County Water Authority which was dumping tons of sludge back into the Occoquan River after completing the water filtration process, Cole derisively labeled the agency's director, James J. Corbalis, an "ace bureaucrat."

He called the Maryland suburbs "sewer hogs" when they pumped more than their share of sewage to Blue Plains. The U.S. Environmental Protection Agency was "a shield for pollution," he claimed.

"The trouble with water pollution officials," Cole said referring to other jurisdictions' environmental officials, "is that they're full of grandoise ideas, but when it comes to immediate action, they're a bunch of phonies."

To Roanoke officials involved in the Smith Mountain Lake sewage dispute, Cole promised: "If I were a voter in that area, I'd hang you by the toenails."

The Fairfax County Board of Supervisors was told it had "no one to blame but yourselves" for losing 1975 state sewer grants. Said Cole, "Fairfax County has missed so many scheduled completion dates for these facilities (at the Lower Potomac treatment plant) that it reads ad nauseum."

"There were a lot of people you couldn't go around," says Cole. "You had to go through them. They were always resentful when you literally caught them with their pants down. Local elected officials think they assume Christ-like qualities and are immune from criticism."

But Cole adds, "I would have never survived if my arguments were not based on a solid technical base, solid environmental base and solid legal base.

"Telling it in a straighforward manner, which sometimes meant being abrasive, got the message across to Joe Blow," says Cole.

The way Cole often got the message across was through control board memos and letters he wrote or directed staff officials to write to local officials and then leaked to the press.

"I honestly believe if the press doesn't spotlight (a problem), they're (local officials) not going to move," says Cole. "It was strictly a vehicle to get out the message: 'Hey what's going on?' "

Cole's colorful language denouncing recalcitrant bureaucrats and slow-moving elected officials, a rarity in the genteel ways of the traditionally more private conduct of governments in Virginia, riled his targets.

"People resented the hell out of my relationship with The Washington Post and the Washington news media," he says.

Cole kept massive files of newspaper clippings and radio editorials on sewage problems in Washington and Virginia, often underling his more biting comments and facts buttressing his viewpoint. "You've got to know who's shooting at you," he said by way of explaining the clipping files.

In addition to Cole's own tactics, several people who worked with him say that he was largely successful because he appeared on the scene at the right time—as the public was becoming increasingly aware of and concerned about environmental degradation.

Cole first fought for changes at Fairfax's Lower Potomac sewage treatment plant to prevent the possible accidental overflow of sewage into the Potomac and onto the backyard of his riverfront home on Mason Neck. He was successful in that fight and later was appointed to the water control board post by Holton.

"He brought to the board a concern for the physical environment," says Gerald L. Baliles, the deputy state attorney general who handles environmental matters.

Even with his acknowledged successes, Cole admits to some significant blunders.

One, he says was the control board's granting of funds to state planning district commissions, including Northern Virginia's, to study new sewage treatment facilities "without some specific guidelines so they don't go off in left field."

The Northern Virginia commission study has resulted in Cole's latest dispute with local officials over whether to build one sewage plant to serve northern Fairfax and Loudoun, as Cole says is the cheapest way, or two plants as Fairfax and Loudoun officials say are environmentally sound because they won't lead to a new spurt of growth in the area.

Cole is planning to remain on the water quality board past the July 1 date, when his four-year term expires, to settle the Fairfax-Loudoun dispute.

More importantly, Cole says the control board made a "major environmental mistake" last year when it permitted heavy sewage at Hampton Roads. Five million to 10 million fish were killed in the James River, he said.

"That is one major area that was a goof—wrong," Cole concedes.

Cole said he was disappointed as well that more aid more of his time seemed to be consumed in arguments with local officials, especially in Fairfax, over the limiting of sewage treatment capacity as a means to control rampant suburban growth.

"People have been using the river as a hostage," he says in parting salvo at Northern Virginia officials. "It's silly, assinine. I took on the job to clean up the river. I believe the river is a living being.

"Had we not been dragged into all these (growth) issues, we would have been able to do more work on water supplies and situation."

TOBACCO BILL PASSES UNANIMOUSLY

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. LANDGREBE. Mr. Speaker, I want to commend my colleagues in the House of Representatives for their unanimous support today in passing H.R. 6485, a bill to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, which I introduced earlier this year, with the cosponsorship of my colleagues, Mr. Carter, Mr. Stubblefield, Mr. Perkins, and Mr. Snyder for the preservation of the effectiveness of our tobacco programs. H.R. 6485 discourages the production of types of tobacco which are not under the price support and acreage or poundage quota programs from being grown in areas where tobacco farmers have chosen to comply with these programs.

Under the provisions of this measure, nonquota tobacco grown in a given area, would be subject to the same regulations as apply to the controlled tobacco in that area if the nonquota tobacco possesses any of the distinguishable characteristics of quota tobacco traditionally grown there.

The need for this legislation arises from the spread of production of Maryland—type 32—tobacco into areas which traditionally have primarily produced burley tobacco, a quota-controlled product. Maryland tobacco, as you may know, is not under controls.

It has been estimated that in 1972, 850,000 pounds of Maryland-type tobacco produced from Maryland tobacco seed were produced in the burley areas of Kentucky, Tennessee, and Virginia. In 1973, this figure increased to approximately 5 million pounds for these States and is continuing to increase this year at a fast clip from reports I am receiving.

The key problem arises out of the fact that when Maryland-type 32 tobacco is grown in an area such as the Kentucky Bluegrass, soil and weather conditions give it many of the characteristics of burley, and presumably this problem would continue to intensify over future generations of seed production. There is then, the prospect of significant production of Maryland in the burley belt underselling controlled burley, as well as the possibility that excess burley might be marketed under the pretext that it is Maryland-type tobacco.

My bill in no way restricts the production of Maryland tobacco or any other nonquota strain in areas other than those participating in the tobacco price support, acreage or poundage quota program, and additionally and specifically it empowers the Secretary of Agriculture or his designee to exempt from the quota system any nonquota tobacco which is readily and distinguishably different from any kind of tobacco produced under quota because of seed variety, cultural practices, method of curing, and other factors affecting its physical characteristics, as determined through the application of the Federal standards of inspection and identification.

I hope that the Senate will pass this much-needed legislation at an early date so that final enactment can take place in time for the law to be effective for the 1975 crop.

AMENDMENTS TO H.R. 11500 AS REPORTED

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. DENT. Mr. Speaker, under leave to extend my remarks in the Record, I include the following amendments proposed to be offered by me to the bill H.R. 11500:

Amendments to H.R. 11500, Section 401, Abandoned Coal Mine Reclamation Fund

Page 250, strike all of subsection 401(d) and insert the following:

"(d) All operators of surface coal mining operations subject to the provisions of this Act shall pay to the Secretary of the Treasury, for each calendar quarter occurring after the date of enactment of this Act, beginning with the first calendar quarter (or part thereof) occurring after such date of enactment, a reclamation fee of one dollar and fifty cents per ton of coal produced. All underground coal mine operators subject to the provisions of this Act shall pay to the Secretary of the Treasury, for each calendar quarter occurring after the date of enactment of this Act, beginning with the first calendar quarter (or part thereof) occurring after such date of enactment, a reclamation fee of fifteen cents per ton of coal produced. Fifty per centum of the revenues derived from coal mined in each State, or on lands within the reservation of any Indian tribe shall be returned to that State or Indian tribe for use in meeting purposes described in subsection (c) of this section. Such revenues shall be returned to the appropriate State or Indian tribe on a quarterly basis. The remaining revenues derived under this subsection shall be deposited in the Fund pursuant to subsection (b) of this section."

IN MEMORY OF EMMA LAZARUS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Ms. ABZUG. Mr. Speaker, July 22 is the 150th commemoration of the birth of Emma Lazarus. Most Americans remember her from her expressive sonnet, "The New Colossus," placed in 1903 on a plaque affixed to the Statue of Liberty. But through her life and her writings, she has come to represent an expression of something much broader and richer. She has become an inspiration for Jewry and womankind all over the world.

Born in New York on July 22, 1849, Emma Lazarus was brought up in the wealthy and fashionable home of her father, Moses. Shy and sensitive, she always clung closely to a family circle that was knit in intimacy with unusual tightness. Emma's education was wholly with private tutors, who apparently encouraged her to master foreign languages that were to extend her horizons. She translated freely from French, Italian, and German, and in the last years of her tragically short life, she studied Hebrew in order to be able to translate from the Hebrew poets of medieval Spain without the intermediary of the German version.

Although leading a comparatively sheltered existence, Emma exhibited a dignity unexpected in one so young. Under the guidance of Emerson, she was to prove intelligent far beyond the expectations even of men gallant and liberal enough to concede that women might have brains. To a growing circle she was to show that, in certain circumstances, the tepid grace of "femininity" could combine with intellectual strength to produce a character both ardent and firm.

Although many people believe that Emma had little interest in Judaism until the Russian pogroms of the 1880's, it is evident that a Jewish consciousness was present from her earliest days as a young writer. But within the context of the largely middle-class composition of American Jewry, her interest in Jewry was extensive but placid. Her sympathies were all with the oppressed, but it was a passive sympathy because she saw no present issue.

Such an issue was presented by the Russian pogroms that began in 1879 and increased in ferocity during the next years. The pogroms evoked a passionate reaction she had not known before, and led her into active struggle against the brutalities abroad that her imagination rendered so vivid and her conscience made so personal.

Having access, because of her previous work, to non-Jewish magazines of distinction, she carried the intellectual struggle into these organs. In reaction to the oppression of other countries, she expressed the need for a normal national life for the Jews—long before Herzl's Zionism was proposed. Furthermore, she found in the Mosaic Code the foundation of the idea then so fresh—Socialism.

To Jew and non-Jew she presented with eloquence her concept of, and findings about the Jews. She wrote, "Until we are all free, we are none of us free." She visited the Jewish immigrants arriving from Russia and huddled in the refuges on Ward's Island. She studied them and their plight, these Jews who had by law and terror been kept out of so many of the productive pursuits of mankind. She lived to see the founding of the Hebrew Technical Institute, of which she was acknowledged to be the original inspiration. When she died of cancer on November 19, 1887, she was widely mourned.

In 1880 in the poem, "Echoes," Emma Lazarus had expressed the feeling that she was handicapped because she was a woman and alone. But in the last 5 or 6 years of her life, she strode from solitude into a fighting fraternity with her people that made her a leader of Jews on two continents and of the American people as a whole.

WOLFF NEWSLETTER

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. WOLFF. Mr. Speaker, periodically, I distribute a newsletter to my constituents in a continuing effort to keep them informed of my activities as their representative in Washington. And often, I use the newsletter as a vehicle to obtain their views on major issues, thus allowing me to function more effectively on their behalf on Capitol Hill. I would like to share with my colleagues my latest newsletter:

Wolff Newsletter

Dear Friend and Constituent: Just as it is essential for you to know my record and my positions in the Congress, it is equally vital for me to know your views on the broad range of complex problems affecting our district, our nation and our world.

This is why I strive to maintain two-way open lines of communication with my constituents. I firmly believe that it is of paramount importance in our democracy to have all voices heard and for government representatives to provide opportunities and vehicles for citizens to express their opinions and to offer suggestions for resolving mutual problems.

To advocate and propose legislation and programs, I rely on many sources of information to guide me on the course of action I take before the House. These sources are official reports, first-hand investigation in the field, pertinent data gathered through intensive research, on study missions and in debate and input provided by you, as expressed to me personally, in my mail, or by response to questionnaires and surveys.

Once I have analyzed and assessed this information, I make what I consider to be the most responsible judgment on the issue.

As your Congressman, one of my prime concerns is the reflection of my constituents' wishes. This, plus my sworn duty and obligation to represent the best interest of the nation, both domestically and internationally, are the challenges of an effective representative.

To make your voice heard I, as your representative in Washington, have (since elected in 1964) consistently maintained one of the highest attendance and voting records in the U.S. Congress—95.6 percent on recorded votes this session alone. Be assured this is an independent voice, reflective of your needs as well as your neighborhood and your country.

Sincerely,

Lester Wolff,
Member of Congress.

YOUR CONGRESSMAN NEEDS YOUR SUPPORT—"ISN'T IT ABOUT TIME YOU GOT A BREAK"

The House Ways and Means Committee, now in the process of marking up proposals for new tax reform legislation is considering several measures authored by Rep. Wolff to help ease the problems of inflation. You can support your Congressman's proposals and help to assure their inclusion in the overall legislative package by writing Chairman Wilbur Mills, House of Representatives, Washington, D.C. 20515.

The Wolff measures are:

H.R. 14859—to exempt from income tax the interest (not to exceed $400 per person) on savings bank deposits.

H.R. 5186—to allow tenants a 25 percent income tax deduction on that portion of their rent attributed to property taxes.

H.R. 11813—to permit income tax deductions for expense of commuting on mass transit facilities.

H.R. 10346—to exempt Senior Citizens, over the age of 65, from paying federal income tax on the first $5,000 of retirement income.

FULL TV AND RADIO COVERAGE OF PROCEEDINGS URGED

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. KETCHUM. Mr. Speaker, because I have long felt that the meetings and hearings of our committees should be opened to the American public, I have voted in favor of House Resolution 1107. But, my vote was cast reluctantly, as this resolution to broadcast such proceedings via the electronic media has come at such a final hour. As it is, we will present little more than a display of political partisanship in the televising of the Judiciary Committee's final deliberations over the impeachment question. With Mr. St. Clair, as the President's counsel, excluded from these broadcasts, we will be asking the American people to accept only the presentation of the prosecution. With all due respect, I hardly feel that Mr. Garrison can set forth the spirited defense essential to demonstrate a truly fair and unbiased debate.

And now, we come to the question of broadcasting the impeachment proceedings when they come to the House floor.

During the untold thousands of man hours spent in investigation by the Judiciary Committee, the public has been barraged by the media with confusing information on impeachment. By the time this question reaches the House floor, our public will also have experienced a very thorough, if partisan, review of the Judiciary Committee in their final debate. I firmly believe that every American has a right to be fully aware of the evidence, and thus I am strongly in favor of full television and radio coverage of the House proceedings. We would be insulting the intelligence of American citizens if we expected them to be satisfied with only a second-hand interpretation after the fact.

There has been talk of outfitting each Member of the House with earphones, to hear the well-publicized tapes on this issue—but it is not enough for me to hear the evidence, and pass along my interpretation to my constituency. We have also heard much talk of creating a "circus" through such broadcasts—but we would truly be expecting our citizens to accept a circus atmosphere if we enlightened them only with the views of the "prosecution," though committee coverage. Direct television and radio coverage will enable all Americans to have the same opportunity to listen to all the evidence as the 535 people who will be sitting in the House gallery.

Since the chairman of the Rules Committee saw fit to take up this resolution, I urgently request that he immediately take up House Resolution 802, to assure that the people of the United States will have this access to the impeachment proceedings in the House of Representatives.

SOVIETS KEEP SPACE DATA

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. TEAGUE. Mr. Speaker, in a recent editorial in the Eagle of Bryan, Tex., on July 13 the comments made by the writer were on a subject which I have been pondering for several years. The editorial discusses the upcoming joint United States-U.S.S.R. orbital space docking of an Apollo capsule and a Soyuz capsule.

The NASA team has devoted many long months of work to the success of this project and I am very optimistic that they will maintain their perfect record. The only question in my mind is the definition of "success" in this endeavor. It is intended to be an exchange of scientific and technological knowledge. It seems that at this time the editorialist is correct when he writes:

> The U.S.-Soviet test project promises no technological benefit to this country.

The very simple reason that the statement is true is due to the Soviet's shroud of secrecy around their space program. Although there is little hope that their policy will change, I continue to pray that it will change.

I highly commend the Eagle editorial to you, my fellow Members of Congress and the general public for your careful consideration.

The editorial follows:

SOVIETS KEEP SPACE DATA

The political symbolism of the joint space flight planned for mid-1975 by the United States and the Soviet Union cannot be discounted. The image of Americans and Russians orbiting the earth while dependent on each other's life-support systems suggests detente in a most dramatic fashion.

Beyond the political imagery, however, are the very practical considerations of the scientific and technological benefits of the joint Apollo-Soyuz project. If this country is to spend several hundred million dollars to put three Americans in orbit to meet two Russians launched from the Soviet Union, we would expect some demonstrable return in terms of science and technology.

Logically, this enrichment would come, from our own point of view, through absorption of Soviet space achievements. Theoretically, Soviet discoveries and techniques should supplement, in some measure, the vast store of information being acquired by American scientists, engineers and astronauts.

From its earliest days, the National Aeronautics and Space Administration has kept virtually no secrets about its operations while the Russians have been extremely secretive concerning their own space program.

Indeed, the secrecy surrounding the successful orbiting of two Soviet astronauts was in the Russian tradition of being closed-mouth about everything, regardless of its military or security applications. However, there is no excuse when such secrecy is applied to space science in which co-operation is supposed to be the by-word.

It now appears, for instance, that American observers will not be allowed even to watch launching of the Soviet space vehicle that will rendezvous with the American craft. This, of itself, is a minor annoyance, but it reflects a pervasive secrecy policy that seems to preclude any meaningful joint U.S.-U.S.S.R. space co-operation beyond the 1975 showcase flight.

American scientists, for example, would like to establish a joint space monitoring network to keep track of the many satellites now spinning about the earth. The Russians, however, decline to release launch schedules and related telemetry data to Americans.

With the U.S. space program now stretched out as an economy measure, the joint space flight does give NASA some valuable operating experience while gearing up for the Space Shuttle, which is not scheduled for its first test flight until 1978.

Otherwise, barring a major reversal of the Russian policy, the U.S.-Soviet test project promises no technological benefit to this country.

The joint space flight must be viewed chiefly as a political effort—a demonstration of the potential of detente—and a costly one at that.

THE BOSTON-HERALD AMERICAN RECOMMENDS THE REPEAL OF THE "NO-KNOCK" PROVISIONS OF FEDERAL CRIMINAL LAW

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. DRINAN. Mr. Speaker, it is most encouraging to see the sentiment around the country building for the repeal of the "no-knock" provision of the Federal criminal law of this Nation.

The Senate has already repealed this unfortunate provision inserted into our law in a moment of panic by the Congress of this country.

I attach herewith an editorial from the traditionally conservative newspaper, the Boston Herald-American. This editorial strongly recommends that the House of Representatives follow the leadership of the Senate and repeal the "no-knock" provision.

The article follows:

THE "NO-KNOCK" REPEALER

The U.S. Senate last week voted to repeal the "no-knock" provision in the federal drug laws. The vote was long overdue and the House should waste no time in following the Senate's lead. Such a dangerous and nefarious threat to basic human rights must be eliminated.

The "no-knock" law, passed in 1970, gave federal narcotics agents and police officers in Washington, D.C., power to secure court warrants for forcible entry into homes or offices without first identifying their purpose or the object of their search.

The abuses of this extraordinary power have been well publicized. The best known probably was the mistaken-address breaks by narcotics agents into two homes and terrorizing of families in Collinsville, Ill., in a search for drugs.

Terror raids of this sort have no place in a free society. Now that the Senate has acted, it is hard to find anyone who supports the legal provision that made them possible. Washington police have not used the "no-knock" power since 1971 and the federal government invoked it only three times last year.

Ending such abuses is one good reason to repeal the "no-knock" law. But Sen. Gaylord Nelson (D–Wis.) who led the repeal effort in the Senate points out an even greater danger in the law. He finds the "no-knock" provision especially offensive because it breeds "an official attitude which places government agents above the law."

That attitude and what it has brought about in too many cases are inconsistent with everything on which American freedoms rest. It is more fitting to a totalitarian state than to a nation that prides itself for its deep love of liberty. It violates, moreover, its fierce protection of human rights, of which the right of privacy is prominent.

Granting power for any official to force his way into a private home without the fullest protection of individual rights cannot be tolerated. "No-knock," as it has been provided for federal officials, was a mistake. It must be removed. House action to repeal the measure should be swift and decisive.

ANTONY FISHER'S FREE ENTERPRISE CLASSIC

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. CRANE. Mr. Speaker, at a time when free enterprise often seems to be lacking vocal and informed supporters and defenders it is indeed encouraging to observe the success of the book, "Must History Repeat Itself?" written by Antony Fisher.

A successful British businessman, Fisher flouted fashion to find a business that was too small to tempt Government interventionists. Starting in 1954 with a few hundred day old chicks, he parlayed his poultry business into a 20-million-pound company. He sold at free prices, and he created a "new" cheap food that widened the choice for millions of previously ill-fed Britons.

His experience was so convincing that he prevailed upon the British egg marketing board to disband itself. Now, he is trying to get England to free all industry just as it freed the egg producers.

In "Must History Repeat Itself," Mr. Fisher reviews the central lessons for economic policy of past efforts by governments to deal with the recurring threats of insecurity, hardship, social discord and inflation.

He declares that,

> My study of many episodes in the past has convinced me that man's decision-making can and does govern events. My reading of history suggests that there are principles which can be learned and which can help us achieve certain consequences. And if governments fly in the face of these principles, we can predict the kind of troubles that will follow.

Government, in our own country and in much of the world, has indeed flown in the face of such principles. The result is the inflation we now face together with a consistent expansion of the money supply and accompanying devaluation of the value of the dollar.

In a review of Mr. Fisher's book Harold C. Gordon, editor of the Review of the U.S. Industrial Council Educational Foundation, notes that,

> Mr. Fisher gives us a fascinating summary of every significant attempt in the past forty six centuries to impose wage-price controls—from the Roman Emperor Diocletian to Richard Nixon. It is worth noting that in the entire space of recorded time not one such attempt has succeeded.

Mr. Gordon concludes that,

> Here at least is a book which states the case for free enterprise clearly, succinctly, without economic jargon, and in a manner calculated to appeal to the general reader . . . if American businessmen are seriously interested in counteracting the current wave of anti-capitalist propaganda, they could scarcely do better than to see that this book enjoys widest possible circulation.

I wish to share the review, "A Free Enterprise Classic," by Harold C. Gordon, as it appeared in the June, 1974 issue of the USIC Foundation Review with my colleagues, and insert it into the RECORD at this time.

A FREE ENTERPRISE CLASSIC

(By Harold C. Gordon)

(Note—"My study of many episodes in the past has convinced me that man's decision-making can and does govern events. My reading of history suggests that there are principles which can be learned and which can help us achieve certain consequences. And if governments fly in the face of these principles, we can predict the kind of troubles that will follow."—Antony Fisher.

In this gray, equalizing age of ours, where bureaucratic planners are increasingly in the saddle, where free governments tinker with socialistic controls, where profits are equated with exploitation, and where capitalism has become a handy scapegoat for leftist demagogues and selfseeking politicians, British businessman Antony Fisher might well be described as a knight-errant for free enterprise.

A fabulously successful man who built up a twenty million pound corporation from scratch in the face of increasing economic regimentation in his own country, Mr. Fisher has also made it his business to educate people—both in Britain and abroad—concerning the nature of the market economy and the basic economic truths on which it rests. In addition to founding the prestigious Institute of Economic Affairs in London, Mr. Fisher has not only travelled extensively on behalf of free enterprise but he has recently published a book entitled Must History Repeat Itself? which seems certain to prove an instant classic: perhaps the best book of its kind to appear in the past quarter-century. Not since Henry Grady Weaver's The Mainspring of Human Progress has the case for free enterprise been expressed more effectively, or with greater clarity, perception, or wit.

HISTORY'S ECONOMIC LESSONS

Applying his own highly developed business sense to five thousand years of man's recorded past, Antony Fisher concludes that history repeats itself when men ignore the fundamental economic lessons which it teaches. The primary lesson is that "where governments have pursued the policy of maximizing individual choice within a framework of law and moral conduct, their problems have given way to prosperity." Conversely, where governments—for whatever motives, however laudable—have sought to minimize individual choice, the result has been economic stagnation or chaos.

Mr. Fisher's book sparkles with striking illustration of this principle in action. Clearly, he declares, free choice is essential to the creation of wealth. With free choice the Venetians and the Swiss became enormously prosperous although lacking both in territory and natural resources. More recently, he continues, Hong Kong—"a rock without even a water supply"—has also prospered through free enterprise under the most unlikely circumstances. On the other hand, living standards in Communist China and the Soviet Union continue to lag far behind those of the United States and Western Europe in spite of the fact that both Red superpowers have enormous territories and vast resources. Thus, it is also clear that the denial of free choice leads to scarcity.

To take a particularly timely example, Mr. Fisher gives us a fascinating summary of every significant attempt in the past forty-six centuries to impose wage-price controls—from the Roman Emperor Diocletian to Richard Nixon. It is worth noting that in the entire space of recorded time not one such attempt has ever succeeded. Instead, each attempt has followed the pattern set by Diocletian when, about 300 A.D., he attempted to control the inflation caused by his fiscal irresponsibility by setting limits on all wages and prices and prescribing the death penalty for all those who violated the official guidelines. The consequence, however, was a chronic and widespread shortage of practically everything because no one was willing to bring his goods to the market if he could not charge a reasonable price for them, nor sell his services for an unfairly low wage. Finally, when the increasing scarcities had precipitated famine, bloodshed, death, and repeated violations, the controls were removed.

"Diocletian," a Roman historian has observed, "shared the pernicious belief of the ancient world in the omnipotence of the state, a belief which many modern theorists continue to share with him and with it." It was doubtless the persistence of this belief which prompted a Republican President—who, of all people, should have known better—to make yet another unsuccessful attempt to impose wage-price controls in our own time.

Yet the fact remains that no government is wise enough or farsighted enough to plan for the well-being of all its citizens; this can only be accomplished by individual choice as expressed through the medium of the market economy. To take a more playful example, Mr. Fisher describes how, in 1930, Britain's Labor Government put free enterprise to the test by commissioning the construction of two large aircraft: one to be built by the state and the other by a private firm. The result? One was finished long before the other and crossed the Atlantic and back; the other crashed on its maiden flight and killed all but six aboard. Says Antony Fisher: "There are no prizes for guessing which of the two was built by the state."

Similarly, he cites the case of two Canadian railroads: the privately-run Canadian Pacific and the nationalized Canadian National. He notes that between 1941 and 1958 one company earned a profit of $669 million while the other suffered a loss of $663 million. Again, he comments that there is no prize for guessing which was the result of nationalization and then adds: "But it might surprise some readers to hear that in addition to paying its shareholders almost $370 million, the private enterprise also paid a similar sum in taxation in contrast to the nationalized company's charge of $660 million against taxation."

THE ESSENTIAL PRINCIPLE

But one need not multiply examples. However interesting they may be, they are important only insofar as they illustrate the validity of the free market principle. It is that principle in which Antony Fisher passionately believes and quite rightly regards as being of paramount importance.

Those who share his belief will find his book to be a useful collection of arguments in favor of free enterprise, but that is not its principal value. Rather, its value lies in its effectiveness as an educational tool. Here at last is a book which states the case for free enterprise clearly, succinctly, without economic jargon, and in a manner calculated to appeal to the general reader. This, then, is a book for the public libraries as well as for the high school and college classrooms. And if American businessmen are seriously interested in counteracting the current wave of anti-capitalist propaganda, they could scarcely do better than to see that this book enjoys widest possible circulation.

Must History Repeat Itself? by Antony Fisher. London: Churchill Press, 1974. (Available in the U.S. for $6. from Transtlantic Arts, North Village Green, Levittown, New York 11756)

FURTHER EVIDENCE OF NORTH VIETNAM INSTABILITY

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. ROUSSELOT. Mr. Speaker, a campaign is underway in this country, orchestrated from Hanoi, to persuade the United States to sell out the South Vietnamese, and to show the world that neither our word nor our honor can be relied upon.

The claim made by Hanoi, and by its unofficial public relations men in this country, is that the government of South Vietnam is unstable and unpopular, and should be abandoned along with the people of South Vietnam. Documents supplied by the increasing number of North Vietnamese defectors tell a different story, however. The Communists candidly admit to their own cadres that there can be no settlement election in South Vietnam because the government there would win a landslide victory in any free election.

On the contrary, the news filtering out of North Vietnam through unofficial sources tells us that it is the north which is unstable. Public failures and massive bungles are causing dissent even within the tightly knit ruling politburo. An article by George McArthur shows that General Giap himself is falling victim to a power struggle brought about by the North's continuing failure to break the will of the South Vietnamese.

One face of North Vietnamese rule is already well known. It was seen during their brief occupation of Hue in the 1968 offensive, when thousands of innocent civilians were tortured and murdered before being consigned to mass graves. The other face of Communist rule, that of inefficiency, economic chaos and vicious power struggles between the party elite, deserves to be better documented. I would like to share George McArthur's article with a wider audience, and insert it as it appeared in the Los Angeles Times of July 16, 1974:

(By George McArthur)

North Vietnam's war hero and Defense Minister Vo Nguyen Giap, suffering from cancer, has been eased from the center of power and is being subjected to a whispering campaign of criticism.

Such are the reports of travelers with access to well informed sources inside the North Vietnamese capital.

The reports indicate that the 62-year-old general who led the Viet Minh forces to victory over the French at Dien Bien Phu is nearing the end of the illustrious career which he began as a simple schoolteacher.

Coupled with muted public criticism in Hanoi's newspapers of the regime's ostensible No. 2 man, Deputy Premier Truong Chinh, the reports mean that at least two members of the nine-man Politburo are in trouble.

It has been previously reported that Giap dropped from public view in late 1973 and spent about six months undergoing medical treatment in the Soviet Union. He reappeared in Hanoi in May of this year and speculation was at that time he had cancer. Informants now say that Giap is being treated for either stomach or throat cancer.

His duties largely have been taken over by Gen. Van Tien Dung, 57, who has long been Giap's protege but is identified more as a military technician than an ideological revolutionary. Dung was given a fourth star and promoted to the Politburo while Giap was in Moscow.

The whispering campaign against Giap—which would have been unthinkable only a few years ago—is evidently being fostered by some circles within the military hierarchy. While no hint has appeared in the official press or propaganda organs, it has been noted in some medium-level documents and messages circulated within the military.

Strangely, Giap is being blamed for the shortcomings of Hanoi's offensive in South Vietnam. Some analysts now believe that Giap opposed that offensive but dutifully went along when the Politburo decision was made and also saw to it that his name was publicly identified with the offensive.

Thus, in what seems to be the fading period of his career, he is being used as something of a scapegoat while those who pushed hard for the offensive—notably party boss Le Duan—are left unscathed.

The attacks on old party war horse Truong Chinh are equally mysterious. Some Hanoi newspapers have recently run letters to the editor criticizing the Standing Committee of the National Assembly—which Truong Chinh heads—for responsibility in the nation's current economic woes.

Hanoi watchers recall that two decades ago Truong Chinh was made the scapegoat and relegated to obscurity—although never banished from the Politburo—after a bungled land reform program brought widespread discontent and one serious provincial revolt.

At any rate, the current criticism of Truong Chinh also serves to keep the heat off Le Duan, whose No. 1 position appears stronger than ever since the death of Ho Chi Minh.

CRONIN DEPLORES TURKISH INTERFERENCE IN CYPRUS

HON. PAUL W. CRONIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. CRONIN. Mr. Speaker, the warlike behavior of the Turks in relation to the political coup in Cyprus forces me once again to rise in protest toward the actions and policies of the Turkish Government.

We have in the past seen indications of their disregard for the people of the world through massive annihilation of the Armenians in 1915—the first modern example of genocide. The Turkish Government is now encouraging the agricultural production of poppies—the main source of opium and heroin—after years of negotiation and monetary assistance from the United States to halt the production and subsequently reduce drug abuse throughout the world.

Over the last 3 days, the Turkish Army has invaded Cyprus—already embroiled in political difficulty—and indiscriminately fired upon civilians, tourists, and natives. They have interrupted the political processes of the governments of Greece and Cyprus and interfered with the normal and legal formalities available to these countries for resolving their differences. The Turks are once again involved in aggressive acts against an innocent people for political purposes—a philosophy that is not only unjust, but unconscionable. In an official statement made yesterday, the Greek Ambassador accepted fully the United Nations Security Council resolution for a cease-fire and urged a Council meeting to "stop the genocide" that the Turkish Air Force is conducting.

I call upon the United Nations and all freedom-loving countries of the world to recognize the unjust activities of the Turks on Cyprus, as well as toward the rest of the world and to discipline them accordingly. In the interest of world peace we cannot allow the continuing disregard for the safety and freedom of the nations of the world.

GEAR MANAGUA BOUND

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. PEPPER. Mr. Speaker, the city of Hialeah in Dade County, Fla., is the sister city of the city of Managua in Nicaragua. Mr. Ray Schultz is president of the Hialeah-Managua Sister City Committee. This committee has done a magnificent job in giving aid to the people of Managua who suffered so much in the recent earthquake. An article by Jerry Walley in the Hialeah-Miami Springs News of May 24, shows the continuing work of Mr. Schultz and the Hialeah-Managua Sister City Committee and the appreciation of the work he is doing by the city council of Hialeah. I insert this article following my remarks in the RECORD.

GEAR MANAGUA BOUND

(By Jerry Walley)

Ray Schultz, president of the Hialeah-Managua Sister City Committee, appeared before the members of the Hialeah City Council at their regular conference or "workshop" meeting to fill in the local lawmakers on the progress of Managua's "Friendship Park," Sister City proposed project that will give the children of the earthquake ravaged city a lovely place to play and forget their moment of terror back in December of 1972.

On trips to Managua, Schultz noted that along with the loss of their homes and belongings, the children of Managua had also lost most of their playgrounds in the disastrous earthquake. He was alert to the need of toys and playground equipment, almost as important to children as food, clothing and medicine, lest the tragedy of the loss of homes and loved ones become indelibly imprinted on the minds of many of them.

Schultz told members of the Council, "The officials in Managua want to deed five and one-half acres for this park, and we have already purchased over $5,000 worth of top-flight playground equipment for the park, which will also include a baseball field."

"We have a check made out for payment in full on all of the equipment, so there will be no cost whatsoever to the City of Hialeah. The actual dedication of Friendship or 'Amigo' Park, should be in about two months' time."

"I only came before this Council as a courtesy to you," Schultz continued, "because the name of the City of Hialeah is prominently used in our dealings with the City of Managua and Nicaragua."

Councilman Jack Weaver then stated, "in reality, this visit by Ray is a courtesy to the city as he stated, as he wanted us to be aware of what is going on in regard to the park and the playground."

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Councilman Victor Wilde then added, "I feel that Ray Schultz deserves a vote of confidence from this Council for the terrific job he has done in coordinating all of the activities of the Hialeah-Managua Sister City Committee."

The Wilde suggestion was met with "amens" from most of the Council members, and all agreed that Schultz had done a most remarkable job during his tenure as president of the Hialeah-Managua Sister City Committee.

This writer had the pleasure of going to Managua in the company of Ray Schultz, the late Mayor Milander, Councilmen Vic Wilde and William Ray Hodges, and former Councilman Charles Whiteacre. We walked the streets of the devastated city, and we saw the children, idled by the lack of decent playgrounds, left with nothing to do but reflect on the holocaust that had left their city in ruins. It is a sight that I will long remember.

THE ENDANGERED PEACE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. DRINAN. Mr. Speaker, every week we hear reports from the Middle East regarding new acts of terrorism and retaliation. Each side blames the other for instigating the attacks. From time to time the same sort of one-sided argumentation emerges in the reports written by American columnists. Often, facts cited in the same newspapers contradict the assumptions and conclusions expressed by would-be opinion leaders.

Mr. Speaker, I commend to my colleagues the letter printed in the Washington Post of June 29, 1974, written by David A. Brody. Mr. Brody is the director of the Washington, D.C., office of the Anti-Defamation League of B'nai B'rith and is a distinguished spokesman on behalf of human rights around the world.

The letter follows:

THREATENING THE PEACE

In their column June 24, Evans and Novak charge Israel with endangering the hopes for peace in the Mideast by its response to what the columnists properly characterize as the "murderous" attacks of the Palestinian nationalists from neighboring Lebanon. What would Messrs. Evans and Novak have Israel do in the face of these terrorist acts—suffer these senseless attacks gladly and thereby encourage even further terrorism?

In his June 21 story in The Post, your reporter, Jim Hoagland, writing from Beirut, reports that western intelligence sources estimate that there are 10,000 "armed" Palestinian irregulars in the southern region of Lebanon against which the Israelis struck last week. Surely, in light of this fact, it is the Palestinians and not the Israelis who are threatening the peace. In the interest of peace the Arab leaders too have a responsibility to use their influence with the Palestinians to halt their reckless aggression. And, Lebanon instead of harboring the terrorists and providing them with a sanctuary from which to mount their ceaseless attacks, also has an obligation to curb the guerrilla border violations.

Plainly, fairness to their readers requires that your columnists not single out Israel for blame.

DAVID A. BRODY,
Anti-Defamation League of B'nai B'rith.

THE NEW LIMIT SAVES LIVES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. GAYDOS. Mr. Speaker, a recent Gallup poll shows that 7 persons in every 10—72 percent—favor keeping the 55-mile-per-hour speed limit. The favorable reaction came in all parts of the country.

Meanwhile, safety experts, gratified by the sharp reduction in traffic accidents over the recent Fourth of July holiday period, accredit the one-third cut to the lower speed limit. The death toll was 519, compared with 758 in 1972, the previous 4-day Fourth of July weekend.

Thus, we can take credit for something which has proven even more successful in practice than was anticipated. The 55-mile-per-hour limit was adopted mainly as a gasoline conservation measure. It has proven to be that and more, The saving of lives is much more important.

Moreover, the lower limit has returned a sense of pleasure to highway travel that had been missing for years. No longer must we pull our nerves to the limit, fighting the speeding flow of cars and trucks. The driving task is a lot easier. And so are we in mind and body when we arrive at our destinations.

And yet, despite the popularity and the benefits of the new limit, we are seeing it increasingly violated. Where the vast majority observed it at the outset, more and more motorists and truckdrivers are tearing the thing to shreds. I regret this and hope it can be stopped before the limit becomes a dead issue with everybody racing again.

John Troan, editor of the Pittsburgh Press, is an authoritative witness to this matter. He wrote the other day that, in a regular trip on the Pennsylvania Turnpike, he noticed a rising tide of violations. He said:

> Over that 34-mile stretch, I passed only 10 vehicles that were going under 55. Two of these were autos tugging U-Haul trailers. And one was a truck which had just pulled onto the Turnpike as I got to the New Stanton interchange.
>
> A few moments later the truck roared past, and by the time I reached the Monroeville exit even its diesel smoke was out of sight.
>
> In all, 61 vehicles raced past me, at speeds I would estimate as high as 75 m.p.h. One of these was a bus, 13 were trucks, and 47 were autos.

I regret very much that violations such as seen by Editor Troan are growing and threaten what has been to date, and must continue to be, a major traffic improvement, one of great benefit to the Nation. It may be poor politics for a Congressman to call for the arrest of his constituents, even the speeding lawbreakers, but this I am doing. The police have the duty of making the 55-mile-per-hour limit work. They should get busy before the matter gets out of hand.

EDUCATION AND TRAINING; THE GI BILL

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. McCLOSKEY. Mr. Speaker, occasionally a special interest group's statement addresses itself to complex problems facing the Congress with such persuasive force that we welcome their inclusion in the CONGRESSIONAL RECORD.

The veterans' crisis constitutes a many-faceted problem as complex as any we now face, and the following condensation of position papers prepared by the Veterans' Bonus March Coalition comments on the various issues now facing Congress in a manner deserving of close attention by our colleagues:

EDUCATION AND TRAINING; THE GI BILL

1. The present GI Bill discriminates against the veterans who need readjustment assistance the most: minority veterans (50% less GI Bill participation than non-minority veterans); educationally disadvantaged veterans (50% less participation); veterans in states with high cost public education (35–60% less GI Bill participation than veterans in states with free or low cost tuition); and veterans with dependents (250% less GI Bill participation than single veterans).

2. The World War II GI Bill paid the equivalent of $2,517 (today's buying power) for tuition, books, and fees and provided a monthly subsistance allowance. The Vietnam Era Veteran has $1,896 per nine month school year, or $210 a month less "buying power" than did the WWII vet. The World War II GI Bill enabled almost every veteran to attend the education or training program of his choice. Today's GI Bill discriminates against all veterans except single veterans in states with readily accessible low cost public and community colleges.

3. The House Veterans Affairs Committee currently opposes a tuition allowance which if not adopted will deny several hundred thousand veterans an opportunity to ever receive education and training under the GI Bill, and restrict benefit increases to veterans already in school rather than provide all veterans an equal opportunity to enter school and use their GI benefits.

VETERANS UNEMPLOYMENT AND UNDEREMPLOYMENT

1. A Study by Daniel Yankelovich Inc. reported that 33% of all Vietnam Veterans interviewed were unemployed. Many employed veterans are in deadend, menial, nonproductive jobs just to exist.

2. There has been much attention devoted to the problems of Vietnam veterans—lack of skills, unemployability, alienation, drug-abuse, violence—but there has been no recognition and little use of the skills and assets of the vast majority of Vietnam veterans; team work, discipline, maturity and training.

VETERANS PSYCHOLOGICAL READJUSTMENT

1. The Veterans Administration has no authority to assist veterans with psychological readjustment problems unless the problems are so severe that they require hospitalization. According to the Veterans Administration the consequences of the VA's inability to provide "preventative mental health care assistance" to Vietnam era veterans includes "major social economic cost to society stemming from the failure of these veterans to make effective readjustments, as well as personal adverse psychological affects

on the veterans who served their country during a long and difficult conflict."

2. A joint VA, Department of Defense study of veterans discharged in 1971 reported that six months after discharge: one in five veterans was unemployed, one in five had been arrested, and one in six married veterans was divorced or separated from his wife.

VETERANS DRUG ABUSE

1. A Department of Defense study reported that 20% of the enlisted men in Vietnam during 1971 were addicted to heroin. Of those confirmed drug positive less than ten percent were using heroin six months after their discharge from the service. Even though most Vietnam Veterans were able to refrain from continued heroin use without professional help or rehabilitation; the stigma of drug abuse is still attached to veterans.

2. According to the Yankelovich study 18% of Vietnam veterans still abuse drugs, mainly barbiturates and amphetamines. Drugs that were readily available in Vietnam to cope with pain, fatigue, or stress are being used by veterans in an illicit therapeutic manner to cope with readjustment problems that are the Nation's responsibility to solve.

LESS THAN HONORABLE DISCHARGES

1. There are over 180,000 Vietnam era veterans with less than honorable discharges. In most cases these discharges preclude benefits and entail severe stigma for the remainder of the veteran's life.

Many of these discharges were issued with little regard for individual rights. The present discharge review system takes over a year to review a discharge and upgrades less than one in fifty.

DISABLED VETERANS

1. Many of America's most severely disabled veterans are destined to spend the remainder of their lives as social outcasts, subsisting on their disability compensation. The Veterans Administration's efforts to find a meaningful and productive life in society (apart from Vocational rehabilitation and monetary compensation) are minimal at best. Over one half of the seriously disabled Vietnam veterans are unemployed.

THE VETERANS ADMINISTRATION AND VA HOSPITALS

1. The Veterans Administration has been an impotent puppet subservient to the Office of Management and Budget, and White House officials; incapable of effectively fullfilling its responsibilities to the veteran. Without independence and innovative, progressive, and dynamic leadership at all levels of the VA the Veterans Crisis will continue unabated.

2. Veterans Administration hospitals are stifled in providing quality medical care through lack of funds, red tape and the inability to attract and retain high caliber health care professionals needed to care for veterans.

THE CONGRESS AND THE VIETNAM VETERAN

1. Although quick with the rhetoric, and to take political advantage of the "Veterans Crisis" the Congress has been grossly negligent in its responsibility to recognize and provide the VA with the programs and legislative authority it needs to deal effectively with the "Veterans Crisis".

2. Many of the leaders in the House of Representatives who have championed the rights of previous generations of Veterans are deliberately blocking efforts to provide Vietnam era veterans equally opportunities and effective readjustment assistance.

The Bonus March Coalition is including the results of the Daniel Yankelovich "Study of American Youth." Its findings on the Vietnam Veteran attest to the gravity and the validity of the "National Veterans Crisis."

Complete position papers on the problems of and the solutions to the "National Veterans Crisis" will be made available by the Coalition in the near future.

A STUDY OF AMERICAN YOUTH

(By Daniel Yankelovich)

UNHAPPY VETERANS

Approximately seven per cent of the noncollege youth in the survey (15% of the males) reported having served in Vietnam, and the study finds significant contrasts between the attitudes and values of these veterans and those of noncollege youth in general. Broadly speaking, the veterans present a picture of a group of young Americans who are markedly less optimistic about themselves and their society.

Some of the greatest contrasts are evident in the area of personal evaluations and outlooks. For instance, only half of the Vietnam veterans say that "things are going well" in their personal lives compared to three-quarters of their peers. Only 46 per cent of the veterans feel they are able to make ends meet financially, compared to 62 per cent of all non college youth. And nearly twice as many veterans say they feel like "second-class citizens" (25% versus 14%).

Several less subjective indicators bear out or add to the picture of veterans' frustration or low self-evaluation. Twice as many veterans as noncollege youth in general were unemployed at the time of the survey (33% versus 17%). Alcohol and drug use was twice as high among the veterans: a full 45 per cent of the veterans said they had drunk a lot over the previous weekend (only 20% of all noncollege youth said so) and 17 per cent said they had gotten high on drugs (versus 8% of others). And twice as many veterans—a full third of them—place themselves at the extremes of the political spectrum, with 19 per cent identifying themselves as conservatives (versus 12% overall) and 15 per cent calling themselves radicals compared to only four per cent overall.

As a striking comment on the frustrations of the Vietnam War felt by those closest to it, one out of four young veterans thinks we lost the war, compared to only one out of eleven of noncollege youth in general, and veterans are even less likely than their peers to feel the war ended with honor (7% compared to 13% overall). Yet, ironically, more veterans support various justifications for going to war again: to counteract aggression (68% of veterans, 55% overall), to contain communism (54% versus 48%) to protect allies (59% versus 45%).

LET'S EXTEND CAPTIVE NATIONS WEEK

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. WOLFF. Mr. Speaker, July 15–21 marks the 15th anniversary of Captive Nations Week. I for one do not feel 1 week is adequate to take time and reflect on the condition of some 100 million people who have lost the fundamental human right of self-determination. Therefore, I propose we contemplate this situation 52 weeks each year until freedom for all is a reality.

For almost 30 years the Soviet Union has attempted to dominate and control the freedom-loving people of Central and Eastern Europe. For almost 30 years the Soviets have attempted to smother the indigenous cultures of these areas with a thick blanket of Soviet Communist ideology. And, for almost 30 years the Soviet Union has made every conceivable effort to program, proselytize, and pacify the people of these regions.

Mr. Speaker, they have failed and they have failed miserably. For as we discovered in this country almost 200 years ago, it is impossible to deny people their inalienable rights as members of the human race. It is impossible because the human spirit is such that it opposes the yoke of oppression, as the courageous people of Hungary did in 1956, as the people of Czechoslovakia did in 1968, and as the people of the captive nations of the world are doing each and every day in their refusal to lie down and accept the tyranny of the Soviet police state.

The list of captive nations is a long bloodstained honor role. Estonia, captive; Latvia, captive; Lithuania, captive; Armenia, Azerbaijan, Byelorussia, Cossakia, Georgia, Idel-Ural, North Caucasia, Ukraine, Far Eastern Republic, Turkestan, Mongolia, Albania, Bulgaria, all are captive notions. Poland, Romania, Czechoslovakia, North Korea, Hungary, East Germany, mainland China, Tibet, North Vietnam, and Cuba, all have felt the cold steel of Communist repression either from the Soviets or the equally oppressive Peking regime.

We in the United States must never forget our heritage of liberty and our commitment to the human right of self-determination for all mankind. Mr. Speaker, during this week of commemoration and every week of the year, let each one of us reaffirm our determination to support these brave people in their ongoing struggle to achieve mankind's greatest possession—freedom.

THE MASS MEDIA AND AFRICA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. RANGEL. Mr. Speaker, one of the acute failures of the mass media in America has been its coverage of African affairs, or lack of it. It is unfortunate and ludicrous that an entire continent is regularly ignored in the newspapers and magazines, and on the television and radio airwaves of America. That is exactly the case with Africa.

Fortunately, organizations and individuals are beginning to respond to this situation. Recently, the Washington Task Force of African Affairs began a series of dialogs between the press and public on this matter. In its August issue, Essence magazine offered a report on these meetings in an article entitled "The 'Mass Media and Africa' Conference," The article is now submitted for the thoughtful attention of my colleagues:

THE "MASS MEDIA AND AFRICA" CONFERENCE

How many times have you wished you could learn more about current affairs in Africa, but didn't know where to look? Many people never consider mass media (newspapers, news broadcasts, etc.) as an informational source. This is because the media has failed to provide information on a day-to-day basis which, in turn, has produced apathy on the part of the public to demand information. The unfortunate result is an astonishingly minute amount of news reported about a continent with millions of inhabitants and newsworthy events occurring daily.

The Washington Task Force on African Affairs is dealing with this problem. Is has sponsored a series of dialogs between the press and public to help develop an informed Afro-American constituency on African affairs. The most recent panel discussion and conference was held in Washington, D.C., and entitled "Mass Media and Africa."

Participants examined the problems inherent in the methods and capacity of existing forms of media (both in the U.S. and Africa) in identifying, evaluating and reporting African affairs.

The panel, cosisting of members of government and media, included Ms. Goler Butcher, chairwoman (former counsel, House Subcommittee on African Affairs); Phil Cohen (U.S. Information Agency, African Bureau); John Lewis (columnist, *Afro-American*); Kojo Nmamdi (news editor, WHUR–FM—Howard University); David Ottaway (foreign affairs editor, *The Washington Post*) and Lloyd Smith (engineer, Federal Communications Commission).

Kojo Nmamdi called attention to the most oustanding problem—that the majority of African news reported is crisis-oriented. This means that the media does not identify and report events building up to crises. So, when the result reaches print, it has every appearance of being "sudden." (Factors contributing to crises are often deleted from articles.)

There are several reasons why this occurs. John Lewis identified one as the fact that the American press has less than a dozen foreign correspondents trying to cover the entire African continent. So it's virtually impossible to give adequate attention to any but those stories affecting other countries as well as African nations. Phil Cohen added that communications from Africa are primarily in the control of two press organizations—the British (Reuters) and the French (AFP). Many English and French have economic and cultural interests that have carried over from the days of colonial rule, and thus demand, and are given, almost daily information.

Further, David Ottaway said that the African governments, themselves, frequently stand in the way of accurate and full coverage. They do this by basing their hospitality to press members on what they report (reporting of internal conflicts is deemed undesirable by many African governments). And they also feel that Americans sit in judgment of them, and are therefore both suspicious and hostile.

As far as broadcasting is concerned, Cohen deplored the limited access to frequencies: the strongest radio beams transmitted from African countries as owned by non-African stations. And Ottaway stated that he has found from experience that even though American correspondents do send reports back to their papers, final decision as to what will see print is left in the hands of editors and administrators.

All in all, it's a difficult situation that will be far from easy to correct. Suggestions were made, however, of measures that can be taken to give Africa equal representation. Ms. Butcher pointed out that more reporters should attend the meetings of the House Subcommittee on African Affairs. Otherwise, they miss a great deal of information regarding Africa, and also on important U.S. activities in Africa.

The way Nmamdi views it, the Black press has an obligation to make African affairs a priority, and to establish bureaus in Africa. If they cannot afford to send their own correspondents, they should allow African journalists to staff them. Additionally, he says that press and broadcast organizations need to hire more Black correspondents who are familiar with issues in Africa, and understand their political and economic implications.

Some good things have already happened. For instance, the Sixth Annual Pan-African Congress met in Dar-es-Salaam, Tanzania, in June to discuss the possibilities of setting up a news service, with communication links throughout Africa. And *The Washington Post* is in the process of reestablishing an East African bureau. Of great significance is Ghana's news agency (GNA), which has over 70 full-time reporters. GNA has already assumed representation of the British press in Ghana.

Even with advances already in the works, and others to come, the panel agreed that first and foremost the public must be made aware of the shortcomings of the U.S. media in dealing with Africa.

Daniel Matthews (Washington Task Force) voiced the urgent need for progress when he said, "The value of public opinion in developing a significant constituency for Africa in this country, toward influencing the U.S. foreign policy decision-making apparatus in light of Africa's interests, is only as great as the informational sources available. It is in the case of Africa that the responsibility to inform becomes most important, because fragments are meaningless to the public without orientation."

REV. L. L. WHITE

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mrs. BURKE of California. Mr. Speaker, I beg your indulgence to call the attention of this deliberative body to a distinguished Los Angeles pastor, Dr. L. L. White, who recently left his post as spiritual leader of the Holman United Methodist Church after 27 years' service to become Pasadena district superintendent of his religious affiliation.

Dr. White preached his last sermon at the Holman United Methodist Church in Los Angeles on June 30. He had the satisfaction of seeing his congregation go from a membership of 147 in 1947 to a present enrollment of nearly 3,000.

Under his leadership, Holman United stands as a symbol of inspired brotherhood and Christianity throughout the Nation.

Dr. White has had many honors bestowed on him through the years. He was twice selected as a delegate to the General Conference of the Methodist Church. He was one of 15 ministers chosen to go on a preaching/teaching mission to Hawaii and, along with Mrs. White, headed a work camp project in Germany.

Dr. White is a graduate of Howard University and has been honored by his Alma Mater with the Post Graduate Award for Achievement in the field of church administration. His work has also been recognized by Rust College, both of whom have awarded him with honorary doctorates.

In 1964 he was elected president of the Los Angeles Council of Churches, where he served with distinction. He has been recognized by the Mount Logan Grand Masonic Lodge for outstanding achievement in the field of religion. In 1966, he marched side by side with Dr. Martin Luther King, Jr., in Selma, Ala.

Dr. White is married to Bernice Caldwell White. They have four fine children, three sons and a daughter, and six grandchildren.

It is a pleasure to join with Dr. White's hundreds of well-wishers in recognizing his life of dedicated service and to wish him success in his new post. Dr. White is indeed a man whose career has always been guided by the Golden Rule.

DEDICATION OF NEW U.S. GEOLOGICAL SURVEY NATIONAL CENTER AT RESTON, VA.

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, the new US. Geological Survey National Center at Reston, Va., was dedicated July 12 by the Secretary of the Interior, the Honorable Rogers C. B. Morton. It was my privilege to jointly sponsor legislation with my colleague, the distinguished gentleman from Illinois and chairman of the Subcommittee on Public Buildings and Grounds, Public Works Committee, KENNETH J. GRAY, naming this new building, the John Wesley Powell Federal Building in honor of one of America's earliest survey directors, and perhaps our country's earliest conservationist.

In his dedication speech Secretary Morton set forth the great task we face in providing for the future needs of our Nation and the regard we must have for mineral science and technology if we are to meet these requirements and still not deplete our natural resources. In this vein, I include the important remarks made by the Secretary of the Interior at the dedication:

REMARKS OF SECRETARY OF THE INTERIOR ROGERS C. B. MORTON AT DEDICATION CEREMONIES, JOHN WESLEY POWELL FEDERAL BUILDING, U.S. GEOLOGICAL SURVEY NATIONAL CENTER, RESTON, VA., JULY 12, 1974

About three years ago to the day I had the pleasure of participating in ground-breaking ceremonies for the John Wesley Powell Federal Building which we dedicate today.

This striking building represents a vision that has become a reality. It is the final product that started with a concept, advanced through the blueprint stage, and emerged as an imposing structure of steel and concrete. It will serve us all as the home and headquarters of the Nation's foremost institute dedicated to the acquisition and dissemination of knowledge about the earth.

This new building will be a needed asset for the great task we face in providing for our future needs. Dr. McKelvey has often referred to this task as that of building a second America.

Between now and the year 2000 we shall have to provide as much in the way of goods and services, homes and schools, food and transportation, as has so far been done in the entire history of the Nation. We shall in this sense, have built America all over again—a Second America.

There is also implicit in this concept the notion that we shall have learned something from our experience in building the First America, and that the new model will reflect a regard for our natural heritage that was sadly deficient in the old one.

But if we are going to build America all over again, and do it with a regard for the world of nature that we never before exhibited, we are going to have to begin with a regard for mineral science and technology that we never before exhibited, either.

It is hard to realize just how vast our mineral requirements are going to be in another 20 to 30 years.

By the year 2000, we can expect demand for aluminum to be eight times what it is today;

demand for copper will nearly quadruple;

chromium use will rise 2½ times;

demand for phosphorus may triple;

and demand for uranium can be expected to expand 15 times.

Our needs for water will at least double.

But domestic supply in many minerals is not keeping up with current demand, let alone the large increases we have projected. So the gap between consumption and domestic production is widening every year, and at a disturbing rate.

In 1950, imports of iron ore represented one-eighth percent of our supply. Today they account for one-third.

The share of oil imports in total supply rose from one-eighth to more than one-third in the same period;

that of potash from one-eighth to one-half;

aluminum from two-thirds to seven-eighths.

Consumption of minerals outstripped domestic production by $8 billion in 1973. Less than 60 percent of our metals, by value, now come from domestic mines.

As we turn abroad to satisfy our increasing mineral needs, however, we are finding that the demands of other nations are increasing even faster than our own. A long-term shift in trading advantage from buyer to seller in the world market for minerals is occurring, year by year, commodity by commodity.

This is not to say that the world market for minerals is going to disappear or become unavailable to us. We must continue to supply substantial portions of our needs from abroad.

But increasingly, we shall have less and less to say about the terms under which those supplies are made available to us.

We have long taken the world market for granted. It would be foolish to do so in the future.

So we are bound to look homeward for the satisfaction of the bulk of our expanding energy and mineral needs for building the Second America, and we must do this within the context of rising costs and increasing difficulty in finding and extracting the minerals we need.

The inexorable force of depletion has for the moment at least, gotten ahead of technology. The trend of declining mineral costs that prevailed for decades has been replaced by one of rising costs as we find ourselves scratching harder and deeper for smaller and leaner deposits.

We are, moreover, only now recognizing the social costs of production as being items properly chargeable on the producer's books.

Some of these are transfers from other segments of the economy: others are not. All will increase the price of the commodities against which they are charged.

If we are to meet the challenge of providing minerals for the Second America, we must begin a massive revitalization and rededication of mineral science and technology.

If new resources are to be discovered—as they must—we shall need something better than yesterday's techniques. And yesterday's methods of mining and processing will have to be examined critically in order to develop new technologies that will permit more effective exploitation of the mineral resources now being mined.

Moreover, all these things must be done with due regard to health and safety, environmental protection and land use.

Downstream, our technology with respect to reuse of mineral commodities—their recycling into productive channels—must be improved and the application of new methods accelerated.

The job to be done is immense. Can we solve these problem? The answer will depend upon the sense of commitment, of involvement, of cooperation that we can muster.

I choose to be optimistic. The merest glance at history shows the phenomenal advance of Man over a period of 10,000 years from food-gathering to industrial societies. These complex societies were developed because of Man's capacity to innovate, plan, obtain information, analyze it, pass it along, and, in sum, to increase each level of intellect through research and development.

And we cannot, must not, forget that our problems are not national. The natural processes that forged our planet and created the bases for our crustal resources are planetary. While the efforts we make are for our own account, we must be sensitive to international give and take. We will always be dependent on other nations for chromite because we have none, or do we have enough mercury, manganese or nickel of our own to say we are ever likely to be self-sufficient in those metals.

I said that I'm optimistic. And this brings me to this occasion, and to the people of the U.S. Geological Survey.

These earth science specialists have come into their own. Theirs is no longer the world of ivory towers. If it is the earth's crust that provides the wherewithal for our survival, then obviously we must have an intimate understanding of the earth.

It is the earth scientist who must inquire into geologic processes that have been at work over the span of our planet's history. The environment and its shaping forces must be analyzed—and Man's interaction with it—on a scale never before achieved.

How we seek our natural resources

—the methods used in obtaining them, the impact of development on the environment

—all of these will be guided in large degree and will be successful only to the extent that the earth scientist can provide the accurate and timely data needed for wise decision-making.

Most of all, it will depend on the questing search for truth, for knowledge, for understanding that have long been characteristic of the Survey.

Just about 100 years ago, that same spirit was exhibited by John Wesley Powell—pioneer explorer of the Colorado River, the Survey's Director for a 13-year span in its early history, and perhaps the Nation's earliest exponent of dynamic conservation.

Powell was not only a fine scientist, explorer, and administrator, he was an extreme prescient man, and foresaw many of the problems we now encounter. His brilliant work paved the way for water resource and irrigation studies that helped to settle the West. He opened the eyes of the Nation to the need for systematic resource surveys.

In the same spirit, we also honor today the late Dr. William Thomas Pecora, Survey Director and later Under Secretary of this Department who was a man for his time—and for the future.

In one of his last addresses Dr. Pecora said that the National Environmental Policy Act of 1969 represented the expression of a national conscience.

This national conscience, he said, together with other bills before the Congress, would eventually determine the course of our National Conservation Policy. The voice of reason will be heard throughout the land, and prudent judgments will be made on the basis of factual information and thoughtful assessments.

Only by examining man's effects in the light of natural processes, Dr. Pecora said, can we reach long-term decisions that will stand the test of time.

Bill Pecora stressed that any ethic of conservation requires a better understanding of the natural base line before rigorous actions are taken out of apprehension and ignorance.

Science and research, he said, are needed more than ever to provide guidance to courses of national action aimed at fulfilling human needs.

He had confidence. As the most intelligent species on earth, he said, man can certainly provide for himself, and yet prudently protect the total ecosystem from unnecessary and unacceptable degradation.

Powell, Pecora, and so many others of the Geological Survey have expressed this recurring optimism about man's intelligence. To underline his confidence in the future, Dr. Pecora used to quote these words from a poem of James Russell Lowell:

New times demand new measures, and new men;
The world advances, and in time outgrows
The laws that in our father's day were best;
And doubtless, after us some better scheme
Will be shaped out by wiser men than we,
Made wiser by the steady growth of truth.

It is to the growth of truth that the U.S. Geological Survey has been dedicated throughout its history, and it is to the continued growth of truth that we dedicate the John Wesley Powell Federal Building today.

PLIGHT OF ONE POW/MIA

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. LANDGREBE. Mr. Speaker, it was, indeed, encouraging to see so many of my colleagues take part in the special order on Tuesday, July 16, to discusss the plight to those still held prisoner of war or listed as missing in action in Southeast Asia.

This is not a popular subject a year and a half after American involvement in the Vietnam war ended, nor is it a politically profitable venture for Members of Congress to take part in. Therefore, the interest of so many of my colleagues in this issue must stem from a deep conviction that these men must not be forgotten and a dedication to their duties as representatives of all the people of their districts and of America. For these reasons, I wish to salute my colleagues who took time from their schedules to participate in this exchange of information and ideas about the MIA/PW issue.

One added note, I believe, is in order at this time. That is the official position of the National League of Families of Prisoners of War and Missing in Southeast Asia, on the Government's plan to reclassify those still missing as PFOD—presumptive finding of death.

By an overwhelming margin—with only 7 dissenters out of over 600 families represented—the families adopted the following official policy at their National Convention in Omaha, Nebr., on June 28, 29, and 30, and July 1:

The policy of the National League of Families is that status changes to "Presumptive Finding of Death" (PFOD) must cease until all accounting proceedures have been proven to be exhausted and Sections 555 and 556 of Title 37 of the U.S. Code has been repealed and a satisfactory new law which will completely protect the rights and individual liberties of each POW/MIA has been enacted.

ON THE LATE MRS. MARTIN LUTHER KING, SR.

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. BIAGGI. Mr. Speaker, the Nation was shocked and saddened over the savage and senseless murder of Mrs. Martin Luther King, Sr., in her beloved Ebenezer Baptist Church, in Atlanta, Ga.

Once again, the distinguished King family who a mere 6 years ago suffered the loss of Martin Luther King, Jr., was forced to endure pain and suffering, due to a brazen act of violence. Numerous ceremonies were held nationwide to honor Mrs. King and her long distinguished life of service to the black community. One of these ceremonies was held at the Morrisania City Hospital in the Bronx, N.Y. A moving eulogy was delivered by Rabbi Nathan Taragin who serves as the chaplain of the hospital as well as the spiritual leader of the Morris Park Hebrew Center.

Rabbi Taragin's eulogy follows:

A EULOGY—MRS. MARTIN LUTHER KING, SR.: HER INVINCIBLE SPIRIT OF SONG AND KINDNESS

We have assembled on this Day of Mourning and Prayer proclaimed by the Catholic, Protestant and Jewish Chaplains of Morrisania City Hospital, to pay tribute, honor and respect to a great woman of a great illustrious son and husband, in the personality of Mrs. Martin (Alberta) Luther King Sr., who was fatally wounded on June 30, 1974 while she was playing the organ music and the choir was chanting the processional hymn "Praise God," in Atlanta's famed Ebenezer Baptist Church.

It was just a little more than six years ago, on April 4, 1968, that her famed son, the great American Liberator, Emancipator, Civil Rights worker and Freedom Lover, the Rev. Dr. Martin Luther King, Jr., was assassinated in Memphis, at the age of 39, as he stood on a motel balcony in Memphis, where he had gone to support striking sanitation workers.

All Americans were shrouded in sadness and bereavement over the mortal shooting of Mrs. Alberta King, the 69 year old mother of the late Dr. Martin Luther King, Jr. Expressions of sympathy and condolences began pouring in from all parts of the world and from great American leaders. President Nixon who was in Russia at that time characterized the assassination as a "tragic and senseless act". Mayor Abraham D. Beame, who extended sympathy to the King family in behalf of all New Yorkers, stated: "Once again a family that has contributed so much and sacrificed so much for this country has been struck again and suddenly into grief." The Atlanta Mayor Maynard Jackson, commented: "Atlanta is in a time of great sorrow because of the loss of a woman who truly must be one of the great women in history." Every peace-loving heart is weeping and clothed in a mantle of mourning in this second Great American Tragedy in one family. Mrs. Alberta King was a peace-loving olive branch of a great fruitful vineyard and orchard which saturated the American horizon with Song and Music, with kindness, brotherly and sisterly love. Even the chanting heavenly angels are shedding tears for the great irreparable loss of mankind.

We have all gathered here today to comply with the Fifth Biblical Commandment and its Rabbinic interpretation, which commands us to revere, honor and respect all great creations of God, during their earthly lifetime and after they are summoned to Eternity. For Mrs. King, like her son possessed a great humanitarian spirit and generous heart which vibrated and pulsated with kindness and sympathetic understanding and compassion for all oppressed children of God.

Mrs. Martin Luther King, Sr., like her son will remain immortal in the annals of American History. Her blessed memory will remain indelible together with the great World and American martyrs: Hindu Mahatma Gandhi, Abraham Lincoln, John F. and Robert Kennedy and Martin Luther King, Jr.

We, the living must emulate the righteousness and the nobility of her character. We can best honor her sainted memory by following in her and her famed family's footsteps, by helping to advance equal rights to all children of God, Neighborhood Improvements, Equal Opportunities in Employment, by lessening bigotry and racial strife and advocating social justice and by helping the needy and the poor. The immortal words of the Prophet Malachi, in Chapter 2, verse 10, must once again ring into our ears and penetrate the inner recesses of our heart:

> "Have we not all one Father?
> Had not one God created us?
> Why do we deal treacherously every man against his brother;
> Profaning the covenant of our Fathers?"

Let us all on this sacred Day of Prayer and Lamentations, rededicate ourselves to a brighter future, to a glorious tomorrow, by resolving to labor in unison for all children of God and for peace in the Middle East and for a world of Utopia and Tranquility. Let the sacred words of the Psalmist, King David (Psalms 133, 1.), once again be the motto of our nation and the World: "Behold, how good and how pleasant it is for brethren to dwell together in Unity."

TO AMEND SOLID WASTE DISPOSAL ACT

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. ROGERS. Mr. Speaker, today, I and all of the members of the Subcommittee on Public Health and Environment (Mr. SATTERFIELD, Mr. KYROS, Mr. PREYER, Mr. SYMINGTON, Mr. ROY, Mr. NELSEN, Mr. CARTER, Mr. HASTINGS, Mr. HEINZ, and Mr. HUDNUT) have joined in introducing H.R. 16045, a bill which would amend the Solid Waste Disposal Act to authorize appropriations for fiscal years 1975 and 1976. This measure would provide for a 2-year simple extension of the authorizations and make certain technical and conforming changes.

Mr. Speaker, the members of the Subcommittee on Public Health and Environment are currently faced with an extremely heavy workload of expiring programs, including health manpower authorities and health planning authorities. We felt that at this time we could not devote the time necessary to completely rewrite the Solid Waste Disposal Act which would be a lengthy and complex process. We intend to consider the issues of solid waste disposal and resource recovery very carefully early in the 94th Congress.

THE NEED FOR QUALITY HOUSING

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. STOKES. Mr. Speaker, when the housing and urban development bill of 1974 passed the House of Representatives on June 20, it contained an amendment which I had offered which would guarantee that the construction and design of low income housing would be of high quality whenever the Federal Government was involved and could effect such quality construction.

The problem of poor quality housing is one which has been primarily viewed as a problem of the large, dense, Eastern cities. However, as an article in the Las Vegas Review Journal indicates on July 10, 1974, the problem is a national one which affects all areas of our country. All across this Nation people, to whom help was promised, found their hopes crushed by the problems and costs associated with repairing structures which were intolerably built in an intolerably slipshod fashion.

I commend to my colleagues an example of the type of problems which has not only afflicted Federal housing programs in Cleveland and Las Vegas, but has probably affected a number of their constituents as well.

LOW-COST LV HOMES FALL APART

Little can be done to correct numerous construction flaws found in Las Vegas homes built under federally insured 235-I program loans, a federal task force told community leaders Tuesday.

In a meeting with area civic action groups, eight officials of the Department of Housing and Urban Development presented results of a study of low income housing units conducted near the end of May.

The report stated that of about 125 homes inspected, four inspection teams consisting of two HUD officials and two community observers found substantial construction flaws in the construction of houses.

Officials said a textured finish on the outside of the homes was coming apart from the plywood walls, air conditioners were too small for the amount of insulation used, kitchen cabinets were improperly secured and outside doors came apart with moisture.

The study also revealed the existence of cracked sidewalks and faulty landscaping design.

However, when the representatives of Poor People Pulling Together submitted a list of suggested remedial measures, the housing officials felt it "unlikely" they would be acted upon, according to Brent Profaizer, spokesman for the group.

He said the housing officials had promised to schedule another meeting to discuss action after they had a chance to study the situation.

According to Profaizer, more than half of the 200 federally insured homes built in the Vegas Heights area only three years ago are now boarded up because homeowners could not afford to make repairs when the numerous problems developed.

"Things go wrong a lot faster on the homes that were thrown up around here," he said. About 90 per cent of the low-income homes built in the area had developed the problems of the outside textured finish peeling off the walls, he added.

Representatives of the poor suggested the housing officials take the responsibility for this and other problems because the government had approved the original construction. It was requested the government put stucco surfaces on the deteriorating homes, Profaizer said.

Requests were also made to have HUD repair other problems of construction, reimburse homeowners for their repair costs and revamp its complaint handling methods.

Profaizer said many persons were unable to get satisfactory help for construction faults until warranties had expired due to the cumbersome complaint procedures. "A lot of time the people were given the run-around for a year," he said.

Construction problems plague many of the low-income federal homes in the Las Vegas vicinity, Profazier continued. However, many builders did better quality work than those in the Las Vegas Heights area, where only 80 of an estimated 200 original homes are occupied.

Those who have moved from the homes have done so even though their credit ratings would be severely hurt, he said.

Such homes cannot be sold upon moving, he added. "Who's going to buy a house where it's not worth anything?"

Despite generally negative reactions to proposals made by the poor, federal officials did give hope that complaint procedures could be improved to render better service, Profaizer said.

He said housing officials would also most likely train persons to act as ownership counselors to guide homeowners who have never before owned a house.

The actual counseling will be done through Poor People Pulling Together, according to Profaizer.

"We don't want to," but it must be done by someone, he said.

CONGRESSMAN TED DULSKI: HIS ENDURING LEGACY AND HIS NEW BEGINNING

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. KEMP. Mr. Speaker, when I first took my seat in this august body in January 1971, many of my experienced colleagues on both sides of the aisle gave me counsel, easing the adjustment from a career in professional football to this legislative forum where the competition of ideas and the will of the people are the ingredients which shape the laws of our country.

Foremost among those who provided invaluable assistance in my early days was my distinguished western New York colleague from the majority, Ted Dulski.

In Buffalo, Ted Dulski had been my friend. In my transitional period, he also became a mentor. His assistance has been unsparing since that time and continues at the present.

Last Friday, when we were both in Buffalo, I first learned of Ted's announced intention not to seek reelection to the Congress.

"I figure," Ted offered at a news conference, "I've done my job."

Such understatement, Mr. Speaker, is typical of our quietly effective colleague who is approaching completion of his 16th year in the Congress, who has provided outstanding and distinguished leadership for the Post Office and Civil Service Committee and who has given unselfishly of himself not only as a Representative of New York State's 37th Congressional District but on the Buffalo Common Council, in prestigious Federal posts, as a member of our Armed Forces, and for numerous, worthy civic and humanitarian causes.

During the past 3 years and nearly 8 months since I have been privileged to be a colleague of this dean of the western New York State delegation, there has never been a hint of whether a person was of a particular political persuasion or if the achievement of a mutual goal would reflect credit on any officeholder, party or particular interest.

Whenever I have gone to Ted or he has learned that a job is to be done, his reaction has always been "How can I help?"

We have tackled some difficult problems, together. We have shared some satisfying successes, for the people of our community and for our country. We are still fighting together for a greater Federal responsiveness to meet today's and tomorrow's needs for a dynamic and resurgent New York western frontier.

It has been my personal, good fortune to work with Ted Dulski for jobs for those who are jobless, for more wage opportunities for our working people, for a greater role of the Buffalo Port, and for mass transit and its promise for the physical and social development of our community. We worked together for the Department of Transportation's recently approved Boston-to-Chicago rail passenger service through Buffalo, for substantive programs of flood control and environmental protection including a cleanup of Lake Erie, for extension of the shipping season on the Great Lakes, for housing, for the oppressed people of the captive nations, for youth, for senior citizens, for veterans, and for literally hundreds of individuals who have required the close, cooperative efforts of our staff case workers.

Mr. Speaker, I for one, am disappointed that Ted Dulski is not seeking a ninth term.

But I am heartened that he is not contemplating retirement from politics and by his announcement that he is in good health.

Each of us in this body and the people of our Nation are indebted to Ted Dulski for his enduring contributions toward the betterment of the day-to-day world in which we live and for new opportunities in the future.

Personally and collectively we are going to miss him here in the seat of the Federal Government.

Yet, I rejoice for Ted and the members of his family as he makes a new beginning.

I am honored to have his enduring friendship and his continuing counsel and available wisdom.

I look forward to the development of an effective, working partnership with his successor. I would hope that some day, that successor can say that the legacy, bequeathed by Ted Dulski to him and to Jack Kemp, worked for the benefit of all the people.

I know Ted Dulski would want it that way.

POLITICAL PRISONERS IN SOUTH KOREA

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Ms. ABZUG. Mr. Speaker, last Wednesday, I circulated a "Dear Colleague" letter concerning violations of human rights in Korea. Recently, there have been reports of hundreds of persons being sent to interrogation centers or prisons for political reasons. In particular, the New York Times reported that last week 14 persons were sentenced to death and others to extended prison terms for "antigovernment activities." I am deeply disturbed by these reports of serious violations of human rights, and have sent to the President of the Republic of Korea a cable, signed by myself and other Representatives, requesting the release of political prisoners.

At this point, I would like to insert in the Record a copy of my letter, the New York Times article, and the cable sent to the Republic of Korea:

Washington, D.C. *July 15, 1974*.

Dear Colleague: Today's *New York Times* contains the story of 14 South Koreans sentenced to execution, and others to long prison terms, for "anti-government activities." I am especially distressed by this because I am informed that many of these persons have been working with the American Friends Service Committee (Quakers) on their mission of mercy.

A statement of protest has been signed by 35 prominent Americans and Koreans, including Edwin W. Reischauer, former United States Ambassador to Japan; Dr. W. Sterling Cary, president of the National Council of Churches; and Dr. Andrew Cordier, president emeritus of Columbia University.

As you know, the situation in South Korea has been deteriorating since martial law was imposed in October of 1972. Staff members of the Senate Foreign Relations Committee who visited there in November 1972 reported, "The Assembly had been dissolved . . . and there were tanks in front of the National Assembly building, government ministries, newspaper offices, and universities."

On May 7, 1974, Don Oberdorfer, correspondent for the Washington Post Foreign Service, reported, "Many hundreds of students, Christian ministers, and prominent laymen, civic leaders and political figures have been hustled off to jails, interrogation centers or prisons for political reasons. During a particularly active two-week period in early April, more than 500 persons were arrested, and about 200 of them were being held for lengthy grilling or eventual imprisonment. According to U.S. Embassy sources, South Korean observers believe the total of political arrests so far this year goes well into the thousands. In most cases, no charges were filed.

"Freedom of speech on political subjects is a thing of the past in South Korea, and so is freedom of the press. There is no freedom of assembly, nor is there protection of any sort against arbitrary arrest. Under new decrees issued by presidential fiat, public trials under a judicial system have been supplanted in political cases by closed military court martial. It is now a crime punishable by 15 years imprisonment to petition peacefully for changes in the 1972 martial law constitution which brought these conditions about, and 36 persons have been sentenced to long prison terms on just this point."

I enclose a copy of today's *New York Times* story and a copy of a cable I am sending. If you would like to sign it also, please call Debbi at 55635 as soon as possible.

Cordially,

BELLA S. ABZUG.

[From the New York Times, July 15, 1974]

U.S. URGED TO CUT ITS AID IN A PROTEST ON SEOUL "INJUSTICES"

The United States Government was urged yesterday to protest "the injustice and the inhumanity" of President Park Chung Hee's acts in South Korea and to limit further aid to that country.

A statement signed by 35 prominent Americans and Koreans resident in the United States said they had watched with "mounting distress the acts of President Park Chung Hee which have systematically sought to eradicate all criticism or protest against his dictatorial rule."

Last week 14 persons were sentenced to death by South Korean courts-martial, 15 to life imprisonment and others to long prison terms for organizing student demonstrations and other anti-Government activities.

"We call on the United States to distance itself promptly from the oppressive act," the statement by the group, the Committee for Human Rights in Korea, said.

A protest and limitation of aid, it added, would fulfill the policy expressed in the Foreign Aid Law of 1973, which said it was the sense of the Congress that United States aid should not be given to governments that carry out political repression.

"The injustice and the inhumanity of these sentences against students, intellectuals and religious leaders and the detention of outstanding democratic political leaders calls for international protest in the name of humanity and human rights," the statement said.

Among the signers were Edwin O. Reischauer, former United States Ambassador to Japan; Prof. John K. Fairbank, chairman of the Council of East Asian Studies at Harvard University; Prof. Gregory Henderson of Tufts University; Prof. James C. Thomson, Jr., curator of the Neiman Foundation at Harvard; Dr. W. Sterling Cary, president of the National Council of Churches; the Rev. William McIntyre, secretary general of the Maryknoll Fathers; Harry S. Ashmore, executive vice president of the Center for Democratic Institutions in Santa Barbara, Calif., and Dr. Andrew Cordier, president emeritus of Columbia University.

JULY 15, 1974.

To His Excellency, the President of the Republic of Korea:

The undersigned Members of the United States Congress respectfully request the release of persons detained for political offenses, and the commutation of the sentences of those condemned to death.

Such suppression of political activity by any regime cannot be condoned.

Bella S. Abzug (New York), George Brown (Calif.), Michael Harrington (Mass.), Ron Dellums (Calif.), Jonathan Bingham (New York), Benjamin Rosenthal (New York), Donald Fraser (Minn.), Edward Roybal (Calif.), Parren Mitchell (Maryland), Robert Nix (Pa.), Pete Stark (Calif.), and Thomas Rees (Calif.).

SECRETARY ROGERS C. B. MORTON URGES ENACTMENT OF LEGISLATION TO SAVE THE NEW RIVER: DEPUTY ASSISTANT SECRETARY WHEELER PRESENTS DEPARTMENT OF INTERIOR'S TESTIMONY

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. MIZELL. Mr. Speaker, on July 16, 1974, the House Interior and Insular Affairs Subcommittee on National Parks and Recreation reported legislation to study the New River in North Carolina and Virginia for possible inclusion in the National Wild and Scenic Rivers System.

After I introduced my measure on October 25, 1973, which I say will save the New River, an important development occurred on April 4, 1974, when Secretary of the Interior Rogers C. B. Morton advised me he favored enactment of legislation to study the New River as a potential component of the National System of Wild and Scenic Rivers. I would like to insert a copy of Secretary Morton's letter to me in the RECORD:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., April 4, 1974.

Hon. WILMER MIZELL,
U.S. House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE MIZELL: I am, of course, aware that you have sponsored legislation to designate a segment of the New River, North Carolina and Virginia, as a potential component of the National Wild and Scenic Rivers System. Because of your commitment to protection of the New River, I know you will be interested in recent developments which prompt the Department now to recommend enactment of a companion bill pending before the Senate Committee on Interior and Insular Affairs.

It is apparent that the citizens of North Carolina are deeply concerned about the New River, and anxious that a study be made to determine whether any or all of that River might be designated as a component of the National Wild and Scenic Rivers System. In addition to the strong interest expressed by you, Senator Helms and Senator Ervin, Governor Holshouser and the State legislature have agreed that the New River be protected. Because of this intense interest, I had recommended to Governor Holshouser that he proceed, in cooperation with the State legislature, if necessary, to develop an application for designation of the New River as a component of the National System in accordance with Section 2(a)(ii) of the Wild and Scenic Rivers Act. Notwithstanding the Governor's agreement to proceed in this manner, it now appears that this option has been foreclosed by the imminence of a decision to license the Blue Ridge Project.

The development of adequate energy supplies, is, in my judgment, a critical national priority; but I believe that we must weigh carefully the environmental impacts of such development. I am not convinced at this time, without benefit of further study, that it would be in the best interest of sound resource management to forego 40,000 acres of land and 70 miles of heretofore free-flowing river for the sake of pumped storage peaking capacity which exceeds projected demand.

Accordingly, the Department has today recommended enactment of S. 2439, the companion to your bill, with suggested amendments which would limit the periods of study to two years from the date of enactment and which would extend the scope of the study to include that reach of the New River lying within West Virginia. I have taken the liberty of sending a copy of this letter to Chairman Haley with hope that the House Committee on Interior and Insular Affairs may act favorably on H.R. 11120 with amendments as suggested to the Senate Committee.

An early recommendation following such study of the New River, should it be authorized, would assure proper consideration of the River's potential as a component of the National System without delaying unduly the Blue Ridge license proceeding which began in 1965.

Sincerely yours,

RODGERS C. B. MORTON,
Secretary of the Interior.

Mr. Speaker, when the National Parks and Recreation Subcommittee held a hearing on this legislation June 3, 1974, representing Secretary Morton at the hearing was Douglas P. Wheeler, Deputy Assistant Secretary for Fish and Wildlife and Parks of the Interior Department.

Therefore, I think it worthy of my colleagues' consideration so I would like to insert a copy of this testimony:

STATEMENT OF DOUGLAS P. WHEELER

Mr. Chairman and Members of the Subcommittee—It is my pleasure to appear before you today in support of H.R. 11120, which would add segments of the New River and substantial portions of its North and South Fork tributaries in North Carolina and Virginia to the list of "study rivers" in section 5(a) of the Wild and Scenic Rivers Act.

While we have not specifically studied the wild and scenic potentials of the segment of the New River identified in H.R. 11120, we are generally familiar with its values as the result of preliminary surveys. The New River has been described as the oldest river in the United States and the second oldest in the world. It certainly appears to have the scenic, recreational, and historical attributes we look for in evaluating a river for potential addition to the National Wild and Scenic Rivers System. The portion of the river which is being considered lies in the southern Appalachian Highlands, an area noted for its scenic beauty. Rugged mountain terrain and narrow stream valleys are characteristic of the region. Limited access has restricted development, while serving to preserve the values which we associate with a wild and scenic river.

The Department had earlier recommended that action on H.R. 11120 be deferred pending our preparation of a more comprehensive amendment to section 5(a). When it became apparent that the Federal Power Commission might finally license the Blue Ridge Project, thus authorizing the irreversible commitment of a significant natural resource, we were urged by Governor Holshouser, the North Carolina General Assembly and members of the North Carolina congressional delegation to review our involvement in the license application and to determine specifically whether that preservation alternative had been given adequate consideration. Our review left a concern that the applicable Environmental Impact Statement had not explored adequately all possible options available for future management of the New River. We were particularly concerned that the impact statement had not thoroughly evaluated the short and long term impact of the project on fish and wildlife resources, on wildlife habitat and on recreation use of the river. As we stated for the record in reviewing the impact statement, we believed that the discussion of adverse environmental impacts was generally inadequate. Among other reasons, we felt this was so because no attempt had been made to evaluate the loss of a reach of free-flowing river and related tributary streams. Thus, a decision was being made to irretrievably commit the use of this segment of river without a full evaluation of the benefits which would be foregone.

We were not alone in expressing this concern. In its comments on the final Environmental Impact Statement, the Environmental Protection Agency stated its belief that "the possibility of preserving this outstanding river reach by developing alternative generating facilities and/or an alternative pumped storage site in an area where the destruction of natural values would be less significant merits serious further study."

While the Federal Power Commission has since 1965 examined the Blue Ridge Project from its quite legitimate perspective, new laws and policies reflect a growing public commitment to the preservation of natural values. These include the Wild and Scenic Rivers Act of 1968, the National Environmental Policy Act of 1969, the Principles and Standards for Planning Water and Related Land Resources approved by the President on September 5, 1971, among others.

There are those who suggest that present energy problems dictate uncritical acceptance of any plan for the development of new capacity. Secretary Morton addressed this point in his April 4 letter to Representative Mizell supporting H.R. 11120:

"The development of adequate energy supplies is, in my judgment, a critical national priority; but I believe that we must weigh carefully the environmental impacts of such development. I am not convinced at this time, without benefit of further study, that it would be in the interest of sound resource management to forgo 40,000 acres of land and 70 miles of heretofore free-flowing river for the sake of pumped storage peaking capacity which exceeds projected demand."

Thus, I reiterate our recommendation that all values associated with the New River be studied and identified so that future action which affects the River can be taken with full knowledge of its many attributes. To that end, Mr. Chairman, we recommend enactment of a bill that would neither deprive the Federal Power Commission of its jurisdiction in this matter, nor preclude construction of the Blue Ridge Project in the absence of further action by the Congress. As you know, rivers studied pursuant to section 5(a) of the Wild and Scenic Rivers Act can be added to the System following such study only by the Congress. To assist in the reasonably prompt resolution of issues raised by H.R. 11120, we propose to conduct the study, if authorized, within two years from the date of enactment. We recommend to the Committee that it adopt an amendment which so requires a two-year study period, as the Senate did in passing the companion measure last week.

U.S. SUPREME COURT IMPEDES THE MOVEMENT FOR PENAL REFORM

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. DRINAN. Mr. Speaker, I bring to the attention of my colleagues in the Congress an excellent article written by Ms. Linda R. Singer, a Washington attorney, who is executive director of the Center for Correctional Justice and coauthor of the book called "After Conviction."

Ms. Singer points out the severe disappointments and errors of two recent decisions by the U.S. Supreme Court in which the highest tribunal of the land upheld blanket prohibitions against the interviews of reporters with prisoners as well as the denial to inmates of the right to confront and cross-examine their accusers at disciplinary hearings.

These two decisions constitute a severe blow to those who, like Ms. Singer, have been in the forefront of the movement for penal reform.

The article follows:

[From the Washington Post, July 21, 1974]

ARTICLE BY MS. LINDA R. SINGER

Five decisions announced by the Supreme Court at the close of its regular term could mark the end of the beginning of the civil rights movement in prisons.

In two cases, the High Court reversed lower courts and upheld blanket prohibitions against reporters' interviews with prisoners. Such prohibitions, enforced by the Federal Bureau of Prisons and the California Department of Corrections, were found to violate neither the inmates' rights of free speech nor the right of the press to gather the news.

Another decision, although affirming prisoners' claims to limited due-process protections when they are deprived of good-time credits or committed to solitary confinement, denied the right of inmates to confront and cross-examine their accusers at disciplinary hearings and sharply curtailed their right to call witnesses in their defense. The court also ruled that youthful offenders eligible for sentencing under the Federal Youth Corrections Act have no right to a statement of reasons when judges choose not to sentence them under the act, and refused to invalidate the life-long disenfranchisement of ex-felons.

A SERIOUS SETBACK

These decisions are a serious setback to the movement of the past ten years to increase judicial protection of the constitutional rights of convicted defendants. Two of the opinions begin by quoting a statement from a 1948 case frequently cited by courts to justify a "hands-off" position: "Lawful incarceration brings about the necessary withdrawal or limitation of many privileges and rights, a retraction justified by the considerations underlying our penal system." In an echo of judicial opinions of earlier days, the court repeatedly stated that judges should defer to the "sound discretion of correctional officials," even, it seems, where prisoners' constitutional rights are involved.

Vigorous dissents in all the cases (one of them, interestingly, by Justice Powell) start from the opposite premise, that "a prisoner retains all the rights of an ordinary citizen except those expressly, or by necessary implication, taken from him by law." While recognizing the enormous problems involved in running prisons, the dissenters would permit infringement on prisoners' constituted rights only where exceptions are narrowly drawn and shown to be justified by specific, documented problems.

For example, Justice Powell suggests that prison officials, instead of banning all interviews, might prohibit them only in certain situations. The dissenters in the disciplinary procedures case would guarantee an inmate's right to call and cross-examine witnesses at disciplinary hearings, allowing exceptions only where officials fear for witnesses' safety. All such exceptions would have to be supported by statements of reasons so they could be subject to review. According to Justice Douglas, "The decision as to whether an inmate should be allowed to confront his accusers should not be left to the unchecked and unreviewable discretion of the prison disciplinary board . . . It is precisely this unchecked power of prison administrators which is the problem that due process safeguards are required to cure."

The court's decisions are particularly disappointing in light of the active interest in the correctional system expressed by Chief Justice Burger. The Chief Justice repeatedly has urged reform of the prison system and development of inmate grievance mechanisms. Earlier decisions of the Burger Court, affirming prisoners' rights to religious freedom, access to law libraries and detailed procedural protections on revocation of parole or probation, seemed to indicate that the interest of the Chief Justice would be reflected in decisions of the court. Yet Burger voted with the majority in all five of the recent cases. Ironically, his speeches and a statement in an earlier case, that "fair treatment . . . will enhance the chances of rehabilitation by avoiding reactions to arbitrariness," were used by the dissenters.

No other agency has been given such unfettered discretion over people's lives. Greater protections are necessary when an agency revokes a driver's license, attaches an employee's wages or fires him than the court required for imposing an additional prison sentence—the effect, as Justice Marshall pointed out, of withdrawing accumulated good time. Yet no other agency has such an overall record of failure in accomplishing its stated goals.

The court attempted to justify this divergence from constitutional protections by alluding in the need for accommodation in "institutional needs and objectives." Undocumented administrative fears of undermined authority and violent reprisals were cited as support for the restrictions on press access and curetailment of disciplinary procedures.

Although the court admittedly was handicapped by a scarcity of date, it seems to have ignored what facts it did have available. In the press cases, there was evidence that only five of 24 jurisdictions with formal policies broadly prohibit personal interviews with open interview policies testified to the success of their experiences. In its decision, the majority cited the alternative of communication by mail or through families, friends, clergy or attorneys, who are permitted to visit prisoners. Yet Justice Powell noted testimony from six witnesses experienced in journalism detailing the shortcomings of written communication and asserting that personal interviews are crucial in effective reporting in the prison context.

Attorneys for the prisoners introduced an American Bar Association study stating that cross-examination is permitted in disciplinary proceedings in more than half the states surveyed. The survey reports that prison officials in the great majority of the states permitting cross-examination observed "no noticeable effect on prison security and cross-examination of those furnishing evidence against the inmate were to be allowed as a matter of course . . . there would be considerable potential for havoc inside the prison walls."

THE NEW FOCUS

What will happen now? Will prisons return to their earlier status, isolated from public scrutiny and run by officials given peculiar immunity from judicial review? The answer may well depend on the effect of the past ten years of legal development on prisoners and their keepers.

Seeing what had been the handwriting on the wall, many correctional administrators had gone beyond legal requirements to develop fair procedures for governing their agencies and institutions. In addition to the disciplinary procedures described in the ABA study, over 60 per cent of the 253 prison superintendents responding to a recent survey by the Center for Correctional Justice reported that they were developing procedures for the resolution of prisoners' grievances—none judically mandated.

While administrators clearly have created many of their new regulations to avoid legal challenges, some have become convinced that fair proceedings make correctional institutions easier to manage and hely alleviate the harmful effects of imprisonment.

A recent "declaration of principles" issued by the Group for the Advancement of Corrections, composed primarily of correctional administrators states: "Neither efficiency, economy or administrative convenience should interfere with the observance of the due process of law in the actions taken in or by a correctional institution or agency."

In this post-Attica era, enlightened administrators—as well as prisoners themselves—may refuse to accept the verdict that prisons cannot be governed without drastic restrictions on individual rights. The focus of change must now shift to them.

SECRETARY OF COMMERCE DENT TO BE COMMENDED FOR ACTION REGULATING EXPORT OF POLICE EQUIPMENT

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. VANIK. Mr. Speaker, on July 9, I informed the House of a trade fair to be held in Moscow in August featuring displays of the latest in police equipment. It is reported that some 25,000 Soviet police officials would be attending the convention and placing orders for equipment. A number of American firms were specifically invited to attend and bring along for sale some of their latest, most sophisticated police surveillance and interrogation equipment. Unfortunately, a few American firms accepted these invitations to sell their wares to the KGB and other custodians of the Gulag Archipelago.

On July 1, I made inquiries with the Department of State and Department of Commerce concerning possible regulation of the export of this equipment—equipment which could be used as weapons of oppression against individuals seeking to exercise rights generally recognized by the rest of the world community. On Thursday, I received a letter from the Department of State indicating its strong concern about American participation in this trade exposition.

Friday, July 19, I received the following letter from Secretary Dent announcing the Department of Commerce's decision to place police equipment under a special category of export controls.

I want to take this opportunity to commend the Secretary of State and Secretary of Commerce for their prompt action on this issue. It would be immoral for equipment which might be used for oppression in Eastern Europe and the Soviet Union to be stamped, "Made in America."

Following is the letter from the Secretary of Commerce:

THE SECRETARY OF COMMERCE,
Washington, D.C., July 19, 1974.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: This is a regrettably belated reply to your letter of July 1 inquiring about Krimtechnica, a trade exposition of crime control and detection equipment to be held in Moscow in August. I share your concern at the prospect that U.S. origin equipment would be demonstrated at such an exhibition.

Although the Department of Commerce is active in encouraging, and frequently sponsoring, participation by U.S. exporters in East European expositions, no assistance has been offered to firms that wish to participate in Krimtechnica. There was a brief seven word listing of the exposition in a 20-page schedule of 724 overseas exhibits that was published in a Departmental publication, *Commerce Today*, on January 7, 1974. This was a routine listing of forthcoming trade exhibits and did not constitute government endorsement or encouragement.

I am pleased to advise that effective 12:00 noon July 19, 1974, the Department revised the Export Administration Regulations to place under specific export license control to the U.S.S.R., the East European Communist countries and the People's Republic of China a wide variety of equipment particularly useful in crime control and detection. (Specific examples of the types of items involved are identified in the enclosed Export Administration Bulletin No. 119.)

This regulation was issued following consultation with other interested government agencies, particularly the Department of State. The commodities placed under license control are in addition to a few items already under control for national security reasons. Examples of these commodities are high speed and image converter cameras, certain high resolution film and plates, and ultraviolet and infrared communications devices. The new regulation also supplements existing controls on the export of certain military equipment and products of this nature administered by the Office of Munitions Control of the Department of State, and controls administered in conjunction with the Department of Justice, over devices that can be used for surreptitious interception of wire or oral communications.

I appreciate your calling this important matter to my attention.

Sincerely,

FREDERICK B. DENT,
Secretary of Commerce.

EXPORT ADMINISTRATION BULLETIN

Subject: Exports of Crime Control and Detection Instruments and Equipment of the U.S.S.R., Eastern Europe, and the People's Republic of China (Country Groups Q, W, and Y)

The Export Administration Regulations are revised to require validated export licenses for exports to the Soviet Union, the East European countries, and the People's Republic of China (Country Groups Q. W, and Y) of any instruments and equipment particularly useful in crime control and detection. The decision to implement these controls was made after a determination that the unrestricted export of such equipment to Groups Q, W, and Y would be contrary to the foreign policy interests of the United States.

Accordingly, the Export Administration Regulations (15 CFR Part 376) are revised by adding a new § 376.14 as follows:

§ 376.14—CRIME CONTROL AND DETECTION INSTRUMENTS AND EQUIPMENT

(a) Export License Requirements

A validated export license is required for the export to Country Groups Q, W, and Y of any instrument and equipment particularly useful in crime control and detection. Commodities affected by this requirement (in addition to commodities controlled by listing on the Commodity Control List) include, but are not limited to: voice print identification or analysis equipment; psychological stress analysis equipment; mobile crime science laboratories; nonmilitary gas masks and bullet proof vests, helmets and shields; nonmilitary arms such as shotguns, stun guns, dart guns and riot guns; infrared and ultraviolet ray films, plates, and filters; photographing equipment specially designed for crime control and detection; items used for tracing, fixing, removing, preserving, processing and coding fingerprints; ballistics laboratory equipment; document authentication equipment; metal detecting and other special purpose searching equipment and devices; identification document production and authentication equipment; and restraint devices.

Any exporter who knows, or has reason to believe, that such commodities will be exported to a destination in Country Group Q, W, or Y, either for exhibition or for sale for such purpose shall include that information on his application for a validated export license or on his request for authorization to reexport. In preparing the application or reexport authorization request, the exporter shall enter the phrase "Crime Control and Detection" at the top of the requisite form.

(b) Effect on Other Provisions.

(1) If, at the time of export or reexport, a validated license is also required under other provisions of the Export Administration Regulations, the application shall be submitted in accordance with this § 376.14 as well as all other applicable provisions. The requirements of this § 376.14 are in addition to, rather than in lieu of, other validated license requirements set forth in the Export Administration Regulations.

(2) Insofar as consistent with the provisions of this § 376.14, all other provisions of the Export Administration Regulations shall apply also to export license applications and reexport requests and to export licenses and reexport authorizations for these commodities.

Effective date of action: 12:00 Noon, EDT, July 19, 1974.

RAUER H. MEYER,
Director.

BARBER SHOP SINGING IN ARLINGTON

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, on December 18, 1972, Mr. Edward R. Place of Arlington, Va., launched a unique senior adult men's barbershop harmony chorus and quartet called the "Song Fellows." This group made up of senior adult men, up to the age 85 has appeared before some 37 clubs and various organizations, mainly senior citizens, on a free basis, in less than 2 years of entertaining.

Recently, the "Song Fellows" joined with the "Federal City Four," also a senior citizen group from Washington, D.C., in a preview of their Fourth of July concerts, to entertain Arlington County's Squires and Dames Club, during which a report was made to the group of the May visit of 192 U.S. barbershop singers and wives to England for harmonizing with British barbershop clubs.

Many of the members of this organization are retired Federal employees and have harmonized in bygone years at National events and in national barbershop competition.

The public service rendered by "Song Fellows" to bring entertainment to senior citizen groups as well as the general public is to be commended. Arlington County and northern Virginia considers this group one of its richest assets. Thanks to groups such as this the barbershop quartet will remain an American institution.

STATEMENTS ON TURKISH OPIUM BAN

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. WOLFF. Mr. Speaker, I would like to insert in the Record at this point statements that were given at hearings I sponsored in New York dealing with the effects of the lifting of the Turkish opium ban.

These statements clearly substantiate the worst fears of Americans that we will see a resurgence of opium traffic, and the concurrent growth of heroin addiction in our country. The statements follow:

Commissioner Jerome Hornblass, of the New York City Addiction Services Agency

As Commissioner of the City's Addiction Services Agency, which cares for over 40,000 addicts in 400 treatment facilities of every modality at a cost of about $90 million annually, I can state with some degree of authority that the lifting of the opium ban by Turkey will have serious consequences for all New Yorkers.

In the first place, we are bound to see a marked increase in addict related crime. This is because heroin no matter how plentiful, will be more expensive than other narcotics available on the street. Therefore, addicts will have to steal to buy it. Experience has shown that even in a Multidrug abusing period like the present, heroin, when it is available, is usually the drug of choice.

Since the introduction of the opium production ban, there has been a marked decrease in the number of addicts admitted to New York City correctional institutions, which may indicate a decrease in addict related crime. This is the first such decrease in memory. It would be tragic indeed if this important advance were reversed by a political decision in a foreign land.

Another tragic result of opening the heroin flood gates will surely be an increase in the number of heroin overdoses. It is a fact that last year, for the first time, the number of heroin overdose deaths in this city actually declined in relation to the number of deaths from other drugs. This was caused by the shortage of heroin.

Moreover, figures of the Chief Medical Examiner of the City of New York also show a marked decrease in the number of deaths from serum hepatitis and septicemia, both addict related causes of death. These painful indicators of heroin use would surely rise if Turkish heroin starts coming back into our City.

Another tragic outcome of the lifting of the ban will be a decrease in the number of persons entering methadone maintenance and other treatment programs. In four years, the number of people enrolled in Methadone Maintenance Treatment Programs has grown from less than 5,000 to over 35,000 clients. I believe that fewer people would seek methadone treatment if more heroin were available.

In a letter which I wrote to President Nixon on April 23, I said:

"Since 1972, when the Turkish Government, in return for compensation from the United States, agreed to suppress the growth of the opium poppy, there has been a dramatic decrease in the amount of heroin available in the streets of New York. Data compiled by our agency indicate not only that heroin is relatively unavailable in our streets, but that this scarcity reflects the national situation. According to one recent Congressional report, the number of pure heroin addicts has decreased nationally from at least half a million to no more than 200,000 in the last two years.

"Although it is not possible to draw a direct relationship between New York's recent decrease in addict-related crimes and the Turkish opium ban, there is no reason to doubt that the latter is at least partially responsible for this decrease in criminal activity.

"Also, because of the extremely short supply of illicit heroin resulting from the ban, the purity,—and therefore the addictibility—of street heroin in New York City has declined from an average of 7.7 per cent pure heroin per "bag" to an average of 3.7 per cent of purity per "bag" according to a recent report of the Drug Enforcement Administration.

"If the United States Government, bowing to pressure from Turkish poppy growers, agrees to a lifting of the ban, it will be a backward step that is almost guaranteed to lead to an upsurge in heroin addiction nationally, with a consequent rise in addict related crimes.

"We are now on the threshold of coming to grips not only with the heroin problem but the entire drug abuse problem. Therefore, now is the time to persevere in our efforts to stem the tide of drug addiction by drying up the Turkish poppy fields.

"On behalf of the thousands of drug rehabilitation workers in City, State and Federally supported programs nationally, and of young people everywhere who may be future victims of heroin addiction, I urge you to reconsider any lessening of the United States Government's attitude toward opium production in Turkey."

I have very little to add to what I wrote in that letter to the President, except this: how can we explain to the young people growing up in a society in which drug addiction is one of the temptations they may face, that a substance like heroin, which could be contained if the governments of the world cooperated, will be allowed to flow freely and ruin the lives of millions?

Therefore, I urge all Americans to support resolutions that give the President authority to withhold military and economic aid to Turkey unless that nation agrees to cooperate with us in the war against heroin.

Statement by Denis E. Dillon, Former Attorney in Charge, Department of Justice Organized Crime Strike Force, Eastern District of New York

I appreciate this opportunity to appear before you and express my views on Turkey's recent action in lifting the ban on opium poppy production.

There is no doubt in my mind that the lifting of this ban seriously threatens to reverse the progress made over the past three years in preventing heroin importation, and its use, in this country.

In 1971, all of the heroin that came into the United States and was sold here on the streets, came from the Turkey-Marseilles conduit. The opium from poppies grown in Turkey produced the morphine base for heroin manufactured in secret laboratories in the Marseilles area of France. It is important to note, also, that in 1971, the heroin being sold on the streets in New York City was approximately 12% to 15% pure.

Today there is a heroin shortage in the New York City area. The heroin that is being sold on the streets now is, on the average, only 2% pure. Despite the decrease in purity, there has been an increase in the price of heroin purchased on the streets of New York. Almost all of the heroin that is now being sold here is from supplies stockpiled before the ban, and some opium illicitly produced despite the ban. There have been small amounts of brown rock heroin from the Far East sold in the New York City area recently. However, this supply does not make up for the shortages created by the Turkish ban. It is interesting to note that in most of the rest of the country, 60% of the heroin now being sold is brown heroin from Mexico or brown rock heroin from the Far East.

The City of New York Department of Health Narcotics Register receives reports from all law enforcement agencies, the medical profession and schools on all addicts the agencies come in contact with during the course of business. During the last six months of 1973, 13,381 addicts were reported. That figure represented a 17% decrease from the first half of the year, and a 46% decrease from the period between January and June 1972.

The decrease in the importation of heroin from the Turkey-Marseilles area and the corresponding decrease in heroin sales and use here is due in some measure to close cooperation between French and American authorities. This cooperation has resulted in the arrests of major French heroin dealers and the destruction of laboratories producing heroin, but the *major* factor in our success has undoubtedly been Turkey's ban on the cultivation of opium poppies.

The ban upset the normal channels of production and distribution which had been in use for decades. Heroin importers here were unable to get heroin from the Corsican connections with whom they had traditionally done business. New contracts had to be established in other areas of the world. This alone, resulted in a sharp decrease in the availability of heroin. One of the most important results of the ban is that it allowed us to concentrate our law enforcement efforts on stopping the heroin flow from other parts of the world.

Turkey's action in lifting the ban on opium poppy cultivation will recreate some of the conditions which produced a heroin addiction epidemic in the United States prior to 1971. In my opinion, it severely complicates the problems of law enforcement agencies attempting to stop the importation and distribution of heroin here, and this will result in more heroin being sold in our streets, and a rise in heroin addiction related crimes. I urge you gentlemen as members of the Congress to seriously consider this threat to our citizens and to take any action you feel is necessary to see that the ban is reimposed.

STATEMENT BY DANIEL COURTENAY, COMMANDING OFFICER, NARCOTICS DIVISION, NEW YORK CITY POLICE DEPARTMENT

I wish to thank you for the opportunity to appear before you this morning and offer the cooperation of the New York City Police Department in your efforts to convince our legislators to oppose the lifting of the ban on Turkish opium cultivation.

Police Commissioner Codd has asked me to convey his concern for your success. I have appeared before this body on June 9, 1972 in a similar capacity and I thank you for this additional opportunity.

Lifting the ban on growing the Opium Poppy by the Turkish Government would definitely have a severe impact on the already over-burdened law enforcement efforts of the New York City Police Department. Any addition to the necessary and legitimate supply of opium for medical use on the world market will correspondingly increase the supply in the illicit market. Police Commissioner Michael Codd has stated that any overproduction in excess of world market needs can only exacerbate the conditions and situations with the result that the excess would find its way to the underworld.

In 1971, it was estimated that Turkey added from 35 to 80 metric tons of opium to the illicit traffic network and virtually all of it found its way to the streets of New York City by way of Marseilles, France.

The tremendous potential profit inherent in illegal heroin trafficking will guarantee the diversion of substantial amounts to the illicit channels. To illustrate the enormous profit and mark-up involved, in 1971, the price paid to a farmer in Turkey for 10 kilograms or 22 pounds of raw opium was the equivalent of $22.00. That same opium, processed into a kilogram of pure heroin would bring $220,000 when sold in New York. Criminal organizations will be revitalized or new ones formed, old smuggling routes will be reactivated or new ones created, and most importantly, the unfortunate potential user will again be recruited.

The main thrust of opiate addiction control is in keeping the production of opium at a level that meets the legitimate needs of the world market. The excess production and the amount illegally diverted from this necessary production is what flows into the illicit market.

Since the Turkish ban went into effect, a definite downtrend was noticed in the heroin availability in New York. Not only was the supply limited, but it had been greatly diluted, lowering the street purity to approximately 2%. Wherever the heroin shortage is acute, its impact manifests itself in two ways; in fewer people to detoxify, and because of the greater dilution of what is available on the street, dependence is less severe, and detoxification can be accomplished with less effort. The addict unable to build up a tolerance, slowly and involuntarily detoxifies himself. Resumption of opium production by Turkey will increase the excess available and the amount illegally diverted from legitimate needs. The result will be a marked increase in the quality of the heroin currently on the market. The addict will receive the full effect of his heroin use, his craving and tolerance will increase, withdrawal will be difficult and unpleasant, and he will return to violent street crime to obtain funds to purchase heroin.

The crimes of robbery and burglary are often associated with the heroin addiction problem of a city. These crimes become the source of money for the purchase of narcotics to maintain the addict. The crime analysis section of the New York City Police Department reported an 18% decrease in burglaries and a 12% decrease in robberies in the year 1972 against the same period in 1971. The 1973 figures for the same crimes were practically the same as the year 1972. This is but one indication of what can be accomplished when drugs are in short supply. The increased supply of heroin as a result of the Turkish Government's lifting the ban on poppy growing will reverse the downward trends still prevalent in 1974 in these two key drug related crimes.

Since 1972, the Narcotics Division of the New York City Police Department has steadily raised the quality of its narcotics arrest cases. This has been accomplished by shifting our attack from the low level street operator to higher (echelon) people in the drug distribution channels. Our thrust is to interdict the drug flow at the highest possible level in the organization, thus inflicting the greatest impact possible and assuring the greatest return on our manpower commitment. Any large increase in the availability of heroin will force a reappraisal of our personnel needs. This may force a reappraisal of priorities and increase the authorized strength of the narcotics division and the other units of the department, particularly the patrol and detective divisions.

It is not only the law enforcement efforts that will suffer from an increase in the production of opium, it is the countless number of individuals who will become addicts, for what ever reason, that will really feel the full brunt of the increased availability of heroin. It must also be pointed out that the many services organized to help the existing addict will also eventually suffer due to the added burden of caring for an increase in new heroin addicts. Some of these services include the various methadone maintenance treatment programs, and the numerous counseling agencies both private and public.

It is my belief and the belief of my staff of investigators that should the Turkish government resume production of opium, the results will be measured in New York City in the number of human casualties: first, in the form of an increased number of heroin addicts and second, in the form of the victims of violent street crime. There is no worthwhile benefit to be gained from the removal of the ban in Turkey.

Gentlemen, we in the New York City Police Department support your efforts in this area.

RUNAWAY INFLATION, UNPRECEDENTED INCREASES IN COST OF LIVING AMERICA'S HIGHEST NATIONAL PRIORITY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. ROE. Mr. Speaker, our people are outraged with the enormous galloping runaway inflation and unprecedented increases in cost of living here at home, with confiscatory taxes, highest interest rates ever, severe housing shortages, energy situation in chaos, a Federal budget reaching over $300 billion, with a Federal debt greater than all of the other nations of the world combined, and billions and billions of dollars in interest being expended every year, a substantive portion on the billions of dollars of our misguided, so-called foreign aid program which we have already dispensed so lavishly to the nations throughout the world.

Mr. Speaker, I am surely not a prophet of doom or gloom but there is no question in my mind and that of my constituency that our country is courting economic disaster and collapse of our monetary system, which demands the establishment of an immediate policy of economic sanity, both domestically and internationally, putting a halt to free spending, giveaway programs that are bankrupting the American taxpayer and placing us in the role of disdain abroad as the international court jester and fool.

In reviewing the results of my 1974 Congressional Legislative Questionnaire which I am inserting in this report to the Congress, 87 percent of residents of my district voted no confidence in the Federal Government having taken effective measures to control inflation, further confirming and strengthening my deep concern and, yes, fear, of the dire economic recession and depression that the future portends for our people if the present course of our Nation's economy is not drastically turned around before it is too late. The highly critical, overriding, inordinate runaway inflation situation with ever-increasing spiralling prices is working tremendous hardship on all of us, and initially hitting hardest our senior citizens and retirees who are on limited fixed incomes.

Mr. Speaker, it must be realized that the generosity of the American people has been strained to the breaking point. The ramifications of the Russian wheat deal, the Mideast attitude in the oil crisis situation foisting tremendous added costs on the energy supplies to our people, and a host of other international political machinations and boondoggling foreign aid programs do not leave our fellow-Americans with a good taste in their mouth as to the plight of our international neighbors.

Granted, economy and efficiency of operations and the way of doing business in one's own home is an essential key to achieving a balanced and solvent family ledger of accounts. The House passage and recent enactment, which I might add was long overdue, of the Budget and Impoundment Control Act—Public Law 93–344—reforming congressional budget procedures to improve congressional control over budgetary outlay and revenue income totals, providing for a Legislative Budget Office, and establishing a procedure providing congressional control over the impoundment of funds by the executive branch is a step in the right direction.

I would also like to see early action by the Congress on my legislation that I have joined with Congressman ARCHER of Texas, and others in sponsoring—House Joint Resolution 1071—which would require the submission of a balanced Federal budget by the President and action by the Congress to provide revenues to offset Federal funds deficits.

This measure would eliminate deficit spending by the Federal Government and require the Federal Government to operate under a balanced budget.

The President's veto of the energy legislation which contained a rollback in crude oil prices is indeed regrettable—if not unconscionable. I know you will agree with me that the results of the contrivances of the oil companies in forcing up gasoline and home heating fuel oil prices are having a catastrophic effect on our entire economy, not only with increased costs of our energy resources but the resulting domino effect directly bearing on the increased costs of every single commodity and manufactured item in our country. It is, therefore, vitally important that we move ahead with Federal legislation to roll back prices in this area of national concern.

Mr. Speaker. The back-breaking tax burden upon our people is the "Achilles heel" to the entire economic framework of our Nation and I trust that the tax reform legislation evolving from the public hearings undertaken by the House Ways and Means Committee will provide remedial measures to eliminate the inequities in our present system of taxation.

It is essential that the Congress lower the Federal income tax or, for that matter, legislate an income tax rebate, so that our people will be able to retain more of their income in order to cope with the increased cost of living. I have already introduced considerable legislation in this direction including an amendment to the Internal Revenue Code to increase from $750 to $1200 the personal income tax exemptions of a taxpayer, his spouse, dependents and the additional exemptions for our senior citizens and blind persons—my bill No. H.R. 13420.

Federal programs to combat the ever-mounting unemployment situation in our country fall far short of our goals and objectives. In my congressional district unemployment is dangerously excessive to the national average and we have had several plant closings in our region during these past 2 years that have been catastrophic in their effect upon our communities and the economic livelihood of my constituents. I sincerely trust that the Senate will move with dispatch in approving our Public Works Committee's Public Works and Economic Development Act amendments of 1974 which provide Federal assistance to the County of Passaic in my district which has been declared eligible for participation under the economically depressed areas provisions of this legislation.

It is essential that the House and Senate conferees act immediately to resolve the differences between the House-passed and Senate-passed version of the pension reform bill to bring equity and protect the pension rights of employees in the private sector of our economy.

Hopefully, congressional action will be expedited on the National Employment Priorities Act proposal which I have joined with Congressman WILLIAM FORD of Michigan, and others in sponsoring to provide adjustment assistance to workers, businesses, and communities affected by the closing down or relocation of business and agricultural concerns which cause irreparable social and economic harm to employees, local communities and our Nation—my bill No. H.R. 15294.

Mr. Speaker, it is abundantly clear that the central point of our overall national dilemma unquestionably is the impeachment issue and the consensus is that immediate action by the Congress is imperative and crucial, with a vital need to get this sorry mess over with as soon as possible so that our fullest undivided attention can get on with what has to be done in solving the critical domestic problems confronting our Nation to protect the interests of our people and our country.

As we are indeed going through a most trying period in the history of our democracy, it is most evident that all of us have a great responsibility together to direct our energies in correcting the many wrongs that we are faced with and getting on with doing the job that must be done for the common good of the people of our country. There is no question in my mind that we are capable of steering the ship of state through this rough period provided we have the courage and determination to see that fair play, equity and justice is the birthright of all of our citizens and not just the privileges of a chosen few.

Mr. Speaker, the congressional legislative questionnaire is one of the most important vehicles available to Members of Congress to secure a cross-section of views, observations and opinions of our respective constituencies and the exchange of this data among our colleagues here in the Congress provides a most valuable guide to the legislative process through the participatory voice of the people in our representative government. The outstanding cooperation of the residents of my district in taking the time and effort to study, evaluate and respond to my legislative questionnaire is indeed greatly appreciated and I am proud of their responsiveness, keen insight and deep concern in contributing their counsel to me on the critical issues that are before us in the Congress. A tabulation, by percentages, of the responses that I received to my 1974 Congressional Legislative Questionnaire is as follows:

1974 LEGISLATIVE QUESTIONNAIRE

[In percent]

1. Do you think that the Federal Government is taking effective measures to control inflation?

Yes	4.4
No	87.1
Undecided	5.2

2. With inflation rising faster than wages, most families "buying power" has been reduced and they have been forced to cut back on their standard of living. If this has happened to you please mark the items which indicate where you have had to cut back most:

a. Food, 60.4.
b. Cars, 34.1.
c. Home/home imp[illegible]vements, 46.2.
d. Clothes, 58.
e. Medical/dental care, 25.7.
f. Entertainment, 59.9.
g. Education, 11.2.
h. Recreation, 59.1.
i. Savings, 73.4.
j. Others, 15.2.

3. Many people feel that inflation is out of control and emergency action is needed. If this continues, would you favor the re-establishment of strict price and wage controls?

Yes	62.9
No	21.8
Undecided	12.2

4. Would you be for or against your Congressman voting for the Senate to hold a trial on whether President Nixon should be removed from office because of charges relating to Watergate?

For	55.3
Against	35.1
Undecided	7.9

5. Do you think that the President has been telling the truth about his role in the Watergate affair, or do you think he has been withholding important information?

Telling the truth	19.3
Withholding information	64.1
Do not know	14.8

6. The Judiciary Committee is presently investigating possible impeachable offenses of the President for presentation to the Members of Congress for their consideration. Based on the knowledge you now have, would you favor the impeachment of President Nixon?

Yes	48 .0
No	40.0
Undecided	10.3

7. Do you believe the "energy crisis" is real?

Yes	27.3
No	62.3
Undecided	8.3

8. Would you favor a proposal to create a Department of Energy which would oversee and regulate, in the form of a public utility, exploration, research, and distribution of all of our energy resources?

Yes	70.8
No	18.4
Undecided	9.2

9. Presently, the major oil companies exercise vertical control over all three phases of the petroleum process—production, refining, and distribution. Would you favor a proposal which would prohibit the oil companies from continuing to exercise this three-phased control?

Yes	71.4
No	16.6
Undecided	10.1

10. In view of the current energy crisis, if mass transportation were readily available would you use it to commute to and from work?

Yes	62.9
No	23.8
Undecided	7.5

11. Would you favor oil drilling in the Atlantic Ocean off the New Jersey coast if adequate safeguards against oil spills were imposed by law?

Yes	72.5
No	18.9
Undecided	7.5

12. Legislation is presently pending which would create a National No-Fault Automobile Insurance Program. Do you think such a system would be an improvement over our present system of insuring motorists?

Yes	66.2
No	11.8
Undecided	19.9

13. Some people have suggested that the best way to clean up American politics is to establish a system of public financing of all campaigns—and a prohibition on large private campaign contributions. Would you favor a system of public financing of campaigns?

Yes	57.8
No	28.7
Undecided	12.1

14. The President has used impoundment of Congressional appropriate funds as a means to stop financing programs passed by Congress with which he disagrees. Do you think that Congress should act to limit Presidential use of impoundment of funds which subverts the authority and responsibility of Congress?

Yes	63.4
No	22.3
Undecided	12.1

15. Health care costs have increased substantially in recent years to the point where paying for adequate health care is often difficult or impossible for many people. Do you favor the Federal Government establishing a National Health Insurance Program to cover all Americans?

Yes	76.4
No	15.1
Undecided	7.4

16. Supreme Court decisions sanctioning abortion has now placed the "right to life" issue before the Congress. Some Members of Congress have proposed legislative action to amend the consitution to extend the right to life and full legal protection to the unborn. Do you favor this proposal?

Yes	34.8
No	49.5
Undecided	13.5

17. Do you favor the Supreme Court decision which states women and their doctors can decide about abortions within the first three months of pregnancy and further allows the states to regulate abortions after three months?

Yes	58.4
No	29.8
Undecided	9.4

18. Government and private studies indicate there is high unemployment among Vietnam War veterans. Would you support a stepped-up joint drive by government and private enterprise to find suitable jobs for these veterans?

Yes	87.2
No	6.8
Undecided	4.7

19. Should our defense expenditures be maintained at the level necessary to keep us as powerful militarily as the Soviets?

Yes	80.0
No	10.6
Undecided	7.7

20. The Federal Government currently provides a variety of programs for our senior citizens. Do you think these programs have enabled senior citizens to meet their needs sufficiently?

Yes	12.5
No	71.8
Undecided	13.9

21. During the past few years a number of Federal programs have been instituted to help control crime. Do you think we are beginning to win the war against crime?

Yes	9.1
No	80.2
Undecided	9.5

22. On the question of amnesty for those Americans who avoided the Vietnam War, do you favor (check one)

a. Complete unconditional amnesty with no penalty? 12.6.

b. Conditional amnesty based on a period of mandatory public service? 42.8.

c. No amnesty whatsoever? 42.2.

HOUSING AND COMMUNITY DEVELOPMENT LEGISLATION

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. HARRINGTON. Mr. Speaker, this week the conference committee begins its task of striking an agreement between the House and Senate Housing and Community Development bills. There are some significant differences between the two bills, and the direction in which the conference committee moves will therefore have a large impact on housing and community development programs throughout the Nation. It seems to me that the Senate bill has several provisions which would better direct our programs toward solving the needs of low-income people than would their House bill counterparts. Because of the great importance of this matter, I am including below the text of my letter to Mr. WRIGHT PATMAN, the chairman of the House Banking and Currency Committee and one of the conferees:

JULY 15, 1974.

Hon. WRIGHT PATMAN,
Chairman, House Banking and Currency Committe, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to urge you and other members of the Conference Committee on the Housing and Community Development legislation, to support certain provisions of the Senate-passed bill, S. 3066, over the comparable provisions of the House bill, H.R. 15361.

While we rightfully encourage an expansion of local decisionmaking, I believe we must ensure that these programs meet the primary objectives, and what I view to be an important national goal, of helping the poor. These funds should not be diverted to general purpose activities of local governments. The Senate bill contains three specific provisions which I consider desirable in this context. Section 308(a)(2) states:

"Not more than 10 per centum of such estimate costs during any contract period may be designated for unspecified local option activities or to provide a contingency account for otherwise eligible activities."

Section 308(b)(2) further provides:

"Grants provided under this chapter may not be expended for the construction of community facilities which do not provide services principally intended to serve areas within the general location described in the application pursuant to subsection (a)(2), or for the construction of schools, libraries, city halls, civic auditoriums, police stations, hospitals, sports arenas, or parking garages."

Finally, Section 308(b)(1) states:

"A community development agency may not expend . . . more than 20 percent of grants . . . for activities which are not intended to be of direct and significant benefit to families of low or moderate income or to areas which are blighted or deteriorating."

These provisions would still allow local communities to develop their own programs, but they would also make certain community development funds are not diverted to purposes which depart from the need for focused development and which in many cases are already treated by other programs of the federal government. Such provisions are noticeably absent from Title I of H.R. 15361.

Second, I strongly prefer the larger annual authorization for community development contained in the Senate bill—$6.1 billion over 2 years, as opposed to $8.05 billion over 3 years as in the House bill. In view of the administration's withholding of funds and the consequent retarded progress of community development programs in recent years, it seems most important to me for Congress to demonstrate a strong financial commitment to these programs at this time.

I would hope that you would consider, when dealing with the allocation formula question, the need to incorporate certain aspects of the Senate bill instead of exclusive reliance on the House bill's "objective criteria." There is value in considerations of "objective criteria." But there are many problems with the rigidity of H.R. 15361's formula approach, and I strongly object to the lack of provisions weighing previous community development and Model Cities efforts. I question whether we can measure need accurately on the basis of population, over-crowding, and poverty. Urban blight is an extremely complex phenomenon; to have the funds for overcoming blight distributed entirely according to that narrow formula would be unresponsive. For example, the House formula does not evaluate the condition of existing housing.

In addition, H.R. 15361's formula would result in severe funding cuts for many cities with a history of active involvement in community development. After spending years building up successful programs, some cities will find themselves choked off by the weak "hold harmless" provisions of the House bill. This constitutes a tacit kind of penalty for communities which have demonstrated ability and commitment in community development. I urge the Conference Committee to strengthen hold-harmless provisions to approach those of the Senate bill, and to limit the use of "objective criteria" to a smaller portion of the total allocation.

It is particularly important that the Conferees accept Senate provisions to extend hold-harmless provisions to Model Cities programs. The House bill, in failing to include Model Cities under hold-harmless, confuses the intent of the original Model Cities legislation, which was to set up a *demonstration* program for 5 years, to be continued if successful. Model Cities programs have been quite successful, but ones such as that in Boston need continued support if they are to complete the tasks they have set out to accomplish. The House bill's $100 million in transitional funds is far from enough to continue the life of these programs; Cities with strong Model Cities programs will still experience sharp cutbacks in funding. Model Cities should be extended and strengthened, not ditched.

Let me now turn to the housing assistance portions of this legislation. First, I would support inclusion of Senate provisions continuing the Sections 235 and 236 programs. In Massachusetts, these have been valuable programs, and it would seem to me worthwhile to maintain them as complements to the Section 23(h) approach, thus providing needed flexibility for meeting our nation's housing needs. Section 502 of S. 3066, which extends the 236 program, is particularly important because, unlike Section 23(h), it deals entirely with new production and rehabilitation of housing. One concern I have about exclusive reliance on Section 23(h) is that it may not be adequate to expand the *supply* of housing available to low-income people.

The provision of the House bill providing only $400 million in public housing operating subsidies for Fiscal Year 1975 is insufficient because of inflation in operating costs, especially given the amount of work that has been deferred as a result of the administration housing moratorium. It seems hardly appropriate to make poor people now living in public housing the victims of a decision to allow existing public housing programs to wither on the vine because of financial neglect.

I also object to the House provisions granting preference to housing projects in which not more than 20 percent of the dwelling units are slated for tenants receiving assistance payments. This represents a lack of what I would consider a necessary emphasis on constructing new housing for the poor. Experience has shown that we should not have our projects inhabited solely by the poor, but if we restrict the participation of the poor, to only 20 percent we neglect the apparent fact that, more than any other population group, the poor need government help finding decent housing.

On a related point, the House bill strikes me as preferable in its stipulation that 30 percent of families assisted be of "very low income," where the Senate bill calls for only 20 percent. Since roughly half the eligible families fall under this category, the House bill, while still inadequately stressing assistance to the poor, is at least closer to where I perceive the real need needs to be.

There are other provisions of the House bill which do not match the Senate bill in recognizing the economic burdens of low-income people. The use of "gross income" rather than "adjusted income," in determining rents, fails to take into account factors such as family size, age, and medical expenses—factors which are obviously important determinants of the relative abilities to pay. I would like to see the Brooke Amendment, limiting rent to 25 percent of adjusted income, retained: This is only fair, given that upper middle-income families pay less than 15 percent of their incomes for housing. I also object to the House provision requiring welfare families to pay the entire "housing" part of their welfare payments toward rent, as this would cause some families now paying under 25 percent of their income toward rent to suddenly have this percentage increased to over 50 percent. Generally, I would hope that the Conference Committee will make the final Act more sensitive to the needs of the poor than is the legislation passed by the House.

I appreciate your consideration of my suggestions and, of course, would welcome your response.

Yours sincerely,

MICHAEL J. HARRINGTON.

"MIDEAST REALITY" BY RICHARD COHEN

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. KOCH. Mr. Speaker, for the information of our colleagues, I am appending a recent article from the New Leader which discusses American foreign policy in the Middle East. The article was authored by Richard Cohen, a constituent and scholar who has written extensively on the subject matter. Mr. Cohen is also the author of "Let My People Go," a documentary study on Soviet Jewry.

The article follows:

MIDEAST REALITY

(By Richard Cohen)

In his toast at the state banquet in his honor in Jerusalem last month, President Nixon admonished his hosts to pursue every possible means of negotiation for achieving peace. He urged Israel to take "risks," to exhibit "statemanship," to recognize "that continued war . . . is not the solution for Israel's survival." A visitor from Mars might have assumed from the tenor of the President's remarks that it was Israel which had launched the four wars that have disrupted the peace of the Middle East since 1948; Israel which would not accept the existence of Egypt, Syria and Jordan; Israel which refused to honor the territorial integrity of the Arab nations surrounding it.

The same visitor from Mars might also have assumed that since the President spoke so bluntly to the Israelis, he had been equally candid with his Arab hosts. Surely Nixon had publicly told President Anwar el-Sadat that the time had come to announce Egypt's readiness to sign a peace treaty with Israel, guaranteeing the sovereignty and territorial integrity of both countries, and establishing diplomatic, economic and cultural relations between them.

Surely, too, Nixon must have openly declared to President Hafez al-Assad that the Syrians must repudiate all support of the Arab terrorists and cut off all further economic, military and political aid to them. By the same token, he must have made clear to King Faisal of Saudi Arabia that "distributing copies of the *Protocols of the Elders of Zion* was not conducive to Arab-Jewish understanding".

Alas, the man from Mars would have been disappointed. President Nixon was the soul of diplomacy in his visits to Arab capitals. To Egypt he offered American atomic know-how, fuel and reactors. To Syria he offered full diplomatic relations. To Saudi Arabia he offered the latest in American arms. To Jordan he offered economic aid, military assistance, and an invitation to come to Washington to work it all out.

Was the President being kind to his hosts because they were so polite with him? Hardly. In Cairo, Sadat informed Nixon to his face there could be no permanent peace in the Middle East unless the national aspirations of the Palestinian people were fulfilled—this on a day when three more Israeli civilians were killed by Palestinian terrorists. In Damascus, President Assad reiterated that peace required satisfying the Palestinians. In Jidda, King Faisal warned there would never be a real and lasting peace in the area until Jerusalem was liberated. In Amman, King Hussein repeated everything the President had been told in the first three Arab capitals he had visited.

Only in Jerusalem was President Nixon spared such blunt talk. The Israelis did not publicly raise with him, for example, such matters as the unremitting Arab support of Palestinian terrorists, or the steadfast Arab refusal to accept Israel as a permanent part of the Middle East, or the continuing oppression of Jews living in Arab countries. Still, only in Jerusalem did Nixon tell his hosts what they were expected to do for peace.

The Presidential toast must have tasted bitter in the mouths of the Israelis—and, indeed, particularly difficult to swallow if they felt Nixon really meant what his words and actions indicated: that the responsibility of "statesmanship" and the burden of taking "risks" for peace fall exclusively on Israel. In any Middle East settlement, both Israel and its Arab neighbors will have to make compromises and demonstrate trust. But all the diplomacy in the world will avail little if each side does not recognize the legitimacy of the other. Israel is prepared to recognize Egypt, Syria, Jordan, and all the Arab states in the region. Will they announce their readiness to recognize Israel? This is the question President Nixon should have asked his Arab hosts. Until it is asked—and answered affirmatively—there can be no just and lasting peace in the Middle East.

REMARKS OF MR. CONTE

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. CONTE. Mr. Speaker, this past Saturday, the citizens of North Adams, Mass., dedicated a new city hall. This new seat of municipal government will provide a focal point for citizen participation in city affairs. I was proud to be invited to participate in the dedication ceremonies. I now insert into the RECORD my statement to the people of North Adams on that day:

REMARKS OF REPRESENTATIVE SILVIO O. CONTE AT DEDICATION OF THE NEW CITY HALL, NORTH ADAMS, MASS., JULY 20, 1974

I certainly appreciate the opportunity to be here today to join in the dedication ceremonies for this new North Adams city hall, which in so many ways will be the center for community services and the symbol of citizen participation.

It is only appropriate that on this occasion, we should pause briefly to evaluate the City's past and to reflect on the challenge of citizenship.

I think it can be said that the oft-heard historic description of this city as a decaying mill town has been replaced by one of an All-America City. Where once we might have reflected on the exodus of textile mills in the 1950's and the resulting deserted buildings and unemployment, we now may speak of challenges met.

For this city has, in recent years, seen many hopeful improvements. These include improved housing, a new high school, YMCA, hospital wing, a multi-million dollar effort in conjunction with the federal government to revitalize the downtown area including the unique and exciting restoration work being undertaken by the Hoosuck Community Resources Corporation, as well as the expansion of the airport facilities and the continued growth and excellence of North Adams State College.

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I have had the opportunity to become directly involved in some of these projects such as the housing for the elderly on Ashland Street, the extension of your wonderful hospital, the downtown urban renewal and preservation work as well as the expansion of the airport and development of the college, by securing federal funds for them. I might interject here that we have additional elderly housing units in the works and certainly I pledge my continued assistance to the mayor and the Housing Authority to get this project off the ground. But in all cases, whether the federal government has been involved or not, the people of this community were. For it has been your initiative, your perseverance, your sacrifices of time and money that have led to an improvement of the quality of life here in North Adams such as to merit the distinction of being an All-America city.

I have watched and participated in this city's progress, not only in recent years as a Congressman, but also during my eight years in the State Senate. Early in my career as a state senator, I went to the editor of the North Adams Transcript, Jim Hardman, and asked, "Jim, what can I do to help North Adams?" His response was, "Get us a by-pass."

Of course, I couldn't wave a magic wand and produce a by-pass, but I saw that the need was there as well as the desire to meet it. All that was needed was a matching of the need and the desire with available resources. John Volpe was then Commissioner of Public Works. We asked for and received his involvement and assistance. We needed the cooperation of local church officials for the procurement of the needed land. That cooperation was achieved. All of this concerted and cooperative effort on the part of state and local officials and private citizens bore fruit. We got that by-pass. And I believe that was the first major step in the revitalization of North Adams.

This spirit of cooperation continued. With the help of my predecessor in Congress, John Heselton, we put together a united effort to obtain federal assistance for needed flood control projects for the area.

The task was not always easy. Sometimes we had to move fast and against some pretty powerful forces. I recall that Governor Herter, shortly after taking office, planned to close down North Adams State College. The local residents were understandably upset, and I, as the State Senator from the area, was perturbed—to put it mildly. When the Governor's capital outlay budget came before the Senate, I successfully added an amendment to authorize a new building at North Adams State. With the passage of that amendment, plans to abandon North Adams State were themselves abandoned, and today it is one of the outstanding educational institutions in our Commonwealth.

In all of the federal and state efforts I have mentioned, no one person or group can take the credit. These achievements have been effected with the full cooperation of the city officials, the local media, the business and labor leaders, and—all importantly—the support of a concerned citizenry. It was this community spirit—this desire and willingness to turn problems into opportunity that led to North Adams being honored as an All-America city.

In describing the All America City award, Richard Treadway, Vice President of the National Municipal League, stated that the award "is in recognition of the participation of citizens in the frustrating, agonizing work of common action for change." Certainly the construction, completion and dedication of this new city hall today is testimony to this. I can recall vividly the efforts of city officials to obtain federal funds for this project and when that possibility fell through—their untiring attempts, including consideration of restoration proposed by the Hoosuck Community Resources Corporation rather than new construction, to bring costs down to a level where there would be minimum pinch on taxpayers. This is what frustrating, agonizing work is all about.

This new city hall will be the symbol of community action. From it will come programs and announcements that will affect the city's future and your daily lives. But it is important to remember that this building will never be more than the symbol of the lifeblood of this community. For it is each of you, within your family, together with your friends, and through your organizations, who will determine whether North Adams can continue to respond to new challenges.

Certainly the toughest challenge you and I face is the economy, and in particular, unemployment. With an unemployment rate here in North Adams fluctuating between 11 and 14%, I know this to be an issue of paramount importance to all of you. It was my understanding and concern for the situation facing this community and many others throughout Massachusetts that led me to battle for increases in the appropriations for the public service employment program. Public Service employment programs are especially important to Massachusetts because they help maintain the skilled work force in the area and thereby provide an attraction for new industry. A total of $620 million has been appropriated already and the House has passed an appropriation bill for the next fiscal year with $350 million specifically for public service employment and $1.719 billion for manpower assistance programs that can be used for public service employment at local option.

Of equal concern has been the proposed abandonment of rail lines which threatened industries and the work force in this area. I am pleased to say that I enjoy a close working relationship with your mayor as well as the Chamber of Commerce, Berkshire Development Commission and area industries. It was this relationship that gave me the information and support I needed to seek and obtain from the Federal Railroad Administration an interim waiver of track standards to keep 3,000 miles of track operative until relief could be found. As another interim measure, I obtained $44 million for the Northeast rail system to prevent a court-ordered shutdown of the Penn Central while Congress was rushing toward enactment of the Regional Rail Reorganization Act.

Armed with community concern and support, I was able to use my position as the Co-chairman of the New England Caucus to garner the support of the entire New England delegation to secure enactment of the Regional Rail Reorganization Act.

In implementation of this act, I requested the ICC to hold hearings in Pittsfield, so that the Commissioners could hear first hand—from the local officials and businessmen the adverse effect of rail abandonments would have on our local economy and our work force. The hearings were held last May and the response of the local communities like North Adams was outstanding. I was immensely proud of the way of the community leaders in the Berkshires came forth to plead their case. I was later told by ICC officials that the testimony given here was more substantive and persuasive than that received at hearings in some of our major cities.

As a result of hearings such as those held in the Berkshires, the ICC has already sharply criticized the concept of using rail abandonments as a solution to our rail transportation problems.

This is but one example of the way in which local responsiveness has helped me to make the federal government more responsive. There are many others, such as the meeting we set up with the Federal Railroad Administrator, John Ingram, last October to document the need for more rail cars in this area—a meeting called at the request of North Adams businessmen.

During the height of the energy crisis, my office received constant input from community, business, and labor representatives in the continuing effort to identify and solve critical fuel shortage problems. This information was used daily by me in pressuring the oil companies and the various federal agencies to insure an adequate fuel supply to keep our schools open, our industries operating, and our workers on the job. Because of community concern, local fuel dealers did not go dry as was expected. The threatened shut down of the Bear Swamp Project was avoided because we demanded and obtained from Texaco 300,000 gallons of fuel per month. Numerous other businesses were saved from extinction or serious curtailment of operations—all because I was able to rely on community concern and involvement in documenting my arguments with the oil companies and federal officials.

So far, I have discussed what has gone on in the past. I want to assure you that the efforts to achieve a better community are continuing. Just last Wednesday, I met with two local business leaders and a representative of the local chamber of commerce to discuss a large defense contract, which we hope to secure for this area.

Yes, the efforts continue, and I am convinced that the community involvement necessary to their success will also continue. At the beginning of my remarks, I said that the building we are dedicating today is a symbol of citizen participation. It is a symbol not only of the resolve that has been demonstrated, but also of the resolve that will be demonstrated.

In closing my remarks, let me say once again what a pleasure it is to be here today. Certainly I want to offer my sincere congratulations to Mayor Bianco, the City Hall Building Committee, the City Council, the Berkshire County Commissioners, and all the others who played a role in bringing this project to reality.

You have a fine city here—a community to be proud of. You need never hesitate to proclaim, just as your delegates to the All America City finals in Dallas did, that "America Still Works Here."

NATION'S ECONOMIC CRISIS HITS URBAN AREAS PARTICULARLY HARD

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. BADILLO. Mr. Speaker, a national newsmagazine has recently observed that public confidence in the ability of this administration to manage the economy is fast running out. Prices continue to soar, almost 5 million fellow Americans are out of work, taxes are skyrocketing, the housing industry is seriously weakened, and our financial institutions are deeply troubled. The inflationary spiral shows little evidence of slowing down and all predictions indicate that things will get worse before they get better.

Especially hard hit during this time of great economic turmoil are our Nation's cities. The rates of unemployment are generally higher in the urban centers of the country, the cost of living is higher than in other areas, and the expense of operating the metropolitan government is more than in less populated areas. Yesterday's New York Times carried a front page story on the economic crisis being experienced by New York City and other major urban centers. It is shocking to consider the fact that in the last 4 years the city of New York has lost more than a quarter of a million jobs—the largest portion of which was in manufacturing employment—and that similar problems are being experienced in Detroit, Baltimore, Dallas, St. Louis, and various other large cities throughout the Nation.

The particularly damaging effect which the various economic dislocations are having on America's cities certainly highlights the need for a congressional committee which can focus on the unique needs of urban centers. An urban affairs committee could not only review the manner in which cities are being assaulted by rising costs, unemployment, financial instability, and growing operating expenses but could also develop and propose specific remedies to effectively cope with these problems.

Mr. Speaker, I submit the New York Times article herewith, for inclusion in the RECORD, and urge that our colleagues carefully ponder the problems being borne by metropolitan locations and their ramifications for the rest of the Nation's economy:

[From the New York Times, July 21, 1974]

CONTINUED JOB DECLINES THREATEN CITY ECONOMY

(By Michael Stern)

New York City is losing at an accelerating rate the jobs that sustain its economy and its government, and the declines are causing growing concern among city officials, private economists, businessmen and labor leaders.

Leading the declines, which averaged 24,000 a month in the first four months of this year, are jobs in manufacturing. These are just the jobs that are most needed here to provide entry opportunities for the city's increasing population of poor and unskilled Puerto Ricans, blacks and other minorities.

Though other American cities also are losing jobs, and some of them at a faster rate than New York, the problem here is more serious because New York is bigger and therefore is losing more—251,000 jobs in the last four years.

The decline, which manifests itself in empty lofts and factory buildings, a high rate of unemployment (7 per cent locally compared with 5.2 per cent nationally) and a huge burden of welfare dependency, is confirmed by an array of statistical evidence that has been pointing downward since 1969.

After a decade of employment growth in the nineteen-sixties, the city lost 53,000 jobs in 1970, 135,000 in 1971, 49,000 in 1972 and 14,000 in 1973. The losses wiped out all the gains achieved in the previous decade.

By far the largest part of the decine—169,000 jobs was in manufacturing employment, which had been falling continually through the fifties and sixties as well. However, in those years, the manufacturing losses were made up and even exceeded by growth in office work, services and government employment. For the two decades the city had net employment gains that were substantial but significantly below the growth rate of the nation as a whole.

Since 1969, however, employment in nonmanufacturing pursuits also has been declining, and these losses have persisted even after the national recession of 1969–70 ended and employment began growing again in the country as a whole.

The city's experience so far in 1974 gives no sign that the job slide is over here. Earlier this year, the slowing up of the rate of decline in 1973, coupled with a tiny gain of 1,200 jobs in January, had led officials of the city's Economic Development Administration and some private economists to hope that the decline had at last bottomed out.

But in February, the statistics began pointing downward again. There were 22,000 fewer jobs in that month than in February, 1973. The March-to-March loss was 37,000 jobs, and the April-to-April loss was 38,000 jobs. The losses average 24,000 a month. Again, the largest part of the losses was in manufacturing.

Many other cities are experiencing the same problem. Figures compiled by the Bureau of Labor Statistics from the Census Bureau's Current Population Survey show that while the job loss here from 1969 to 1973 was 6.4 per cent, is was 19.4 per cent in Detroit, 11.8 per cent in Baltimore, 11.3 per cent in Dallas, 9.7 per cent in St. Louis, 8.9 per cent in Milwaukee, 6.8 per cent in San Francisco and 6 per cent in Chicago. (Among the few gainers in those years were Los Angeles, up 4.4 per cent, and Houston, up 11.3 per cent.)

MANUFACTURING LEADS DROP

For those cities, as for New York, manufacturing was leading the declines. Only preliminary figures for a few cities are available for the most recent Census of Manufacturers, done in 1972, but they show that from 1967, when the previous census was made, manufacturing employment declined 13.8 per cent in New York, compared to 18.8 per cent in Philadelphia, 21.7 per cent in St. Louis, 15.2 per cent in Washington, 15.7 per cent in Baltimore and 12.5 per cent in San Francisco.

It has long been recognized that as the American economy matured, and as new technologies increased productivity, the number of people needed for the production of goods would shrink in comparison with the number engaged in services, management, administrative tasks and government. This has been true for the nation and for New York, but the process has gone faster here. By 1970, 33 per cent of all national employment was in manufacturing, compared with 24 per cent of New York employment.

This trend has been considered normal for what has been called a "post-industrial society." But it creates special problems for New York and other major cities because they must bring their large and growing populations of poor blacks, Puerto Ricans and other minorities into their economies. Factory work, which can be learned quickly on the job, traditionally has been the way new people get a foothold in American life.

MINORITIES GROW RAPIDLY

In New York, these groups are the fastest growing part of the community. Together they made 13 per cent of the population in 1950, 22 per cent in 1960 and 33 per cent in 1970. In those two decades, the white population of the city declined by 1.5 million while Puerto Ricans, blacks and others increased by 1.6 million.

Cut off from the growing office sectors of the city's economy by lack of skills and low educational attainments, they have been forced into low-paying service jobs or into idleness. The manfacturing jobs that were moving to the suburbs were not available to them because they could not afford suburban housing or the high cost of traveling to remote factories by automobile.

It is the concurrence of these two trends—the growth of the number of people needing factory jobs and the decline in the number of such jobs—that is thought to be the principal cause of welfare dependency here.

Commenting on these trends in a recent study of the city's economy, the New York Urban Coalition said:

URBAN DEVELOPMENT BACKED

"We argue strongly for urban industrial development as a basis for building job opportunities for male adults not likely to be adaptable to training for clerical or office positions. Only through adequate jobs for these men can we hope to reduce the level of aid to dependent children—the major welfare burden in New York City."

This view is shared by Alfred Eisenpreis, the city's Economic Administrator, who said in a recent interview:

"It is true that we are in the post-industrial era, but the city cannot go on indefinitely losing manufacturing jobs. We cannot become an entirely nonindustrial society."

What hope has the city for reversing the factory job decline, or even slowing it? A look at some of the causes behind the decline suggests that there are few cures available to Mayor Beame and his administration. For many industries, New York is a disadvantageous location. Rents are high. Energy is two to three times more costly here than elsewhere in the country. Modern, large-scale horizontal factory space is hard to find here and even harder to develop. Taxes are high. Wages are high. Traffic congestion makes transportation costs high.

FORMIDABLE OBSTACLES

These factors and others weigh differently for different businesses, but taken together they present some formidable obstacles to the growth of factory employment here.

In a free economy, businessmen seek out those sites where their costs are lowest and where their opportunities to turn a profit are best. Increasingly, those who can serve their customers from remote sites have been moving to the suburbs. Indeed, if the political boundaries of New York are ignored, and if the economy of the city is considered as a whole with all the satellite enterprises in the metropolitan area, as economists insist the economy should be seen, then New York's economy looks quite healthy. Its empoyment trends have been moving in tandem with those of the nation as a whole, even though its growth has been slower.

The difficulty is that despite the growth of state and Federal aid to the city in recent years, New York still must * * *. And increasingly, the part of the economy that is within the city's reach is a smaller part of the whole.

CHANGES HAMPERED

Few of the disadvantages New York has as a site for manufacturing can be changed by the city. For example, in the three industries that together account for more than half the manufacturing employment here, wage scales are significantly higher than they are in the nation.

In apparel, average hourly earnings in 1973 were $3.46 here, compared with $2.61 nationally. In printing and publishing, the city rate was $6.47 an hour, the national rate $4.48. In food processing, the rate was $4.46 here and $3.60 nationally.

There is evidence to suggest that labor may be more productive here, narrowing the differential. But for most New York industries, where the cost of labor represents a large part of total costs, the possibility of getting labor cheaper elsewhere is a tempting lure to move factories out of the city.

Similarly, the city has no hope of reducing energy costs. And at a time when the city is adding new taxes to pay its bills, there is small chance that it will lift the 3 per cent sales tax it imposes on new machinery and equipment.

Moreover, it is unlikely that New York can move ahead in industries that are slowing down nationally. The city's largest single manufacturing industry, apparel, is on the decline nationally. So, too, is the city's second largest industry, printing, and its third largest, food processing.

Indeed, most of the nation's growth in manufacturing is in durable-goods industries, those that are least well represented here. In 1973, the nation had 11 million jobs in durable-goods manufacturing and 8 million in nondurable goods. For the city, these positions are reversed. Of 658,000 people employed in manufacturing here last year, 509,000 were in nondurable goods and only 149,000 were in durable goods.

Increasingly, as world trade has grown, the United States has been buying more of its soft goods abroad because the cheaper labor available overseas has made foreign goods cheaper than those made by America's industries. The dollar devaluations in 1971 and 1973, plus a faster rate of inflation overseas than in this country, is lessening the advantage of cheap foreign labor, but it still exists and probably will for the foreseeable future.

SOME HOPE SEEN

There is hope, however, that the city can help to narrow some of the other differentials. It can and is, through its Public Development Corporation, putting together industrial parks to create more efficient factory space. A new Industrial Development Agency, created for the city by the last session of the legislature, will enable the city to issue bonds to build or buy new factories and to offer tax abatements to private developers who build industrial facilities.

In addition, Mr. Eisenpreis is developing other aids for manufacturers in his agency. He has been working with the major banks to increase loans to small businessmen. He has been encouraging the city to buy from local manufacturers. And he is hoping to develop a capability to offer skilled management help to many small businesses that need more sophisticated leadership.

Warning that there are no magic formulas that will radically change the facts of economic life here, he said:

"Our goal is to reduce the preventable decline in manufacturing employment and to make the city as attractive as possible in the areas where we can have an effect, for new enterprise. There is no one big thing we can do, but every little thing we do strengthens the whole fabric of the city. It has to be done strand by strand, but we are going to do it."

THE LATE CHARLES JOHNSON, JR.

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. BIAGGI. Mr. Speaker, it is with a deep and profound sense of personal loss that I mourn the recent passing of Charles Johnson, Jr., president emeritus of the New York State District Council of Carpenters, AFL–CIO.

Charlie Johnson was an unquestioned giant in the labor movement, not only in New York State but nationwide as well. In his many years of service to labor, he served with distinction in a number of key positions, including president of the New York State District Council of Carpenters, general executive board member of the First District of the United Brotherhood of Carpenters and Joiners of America, as well as vice president of the New York State AFL–CIO.

Despite these numerous positions, Charlie Johnson never abandoned or fell deaf to the calls of any needs of his fellow workingman. He was a man who inspired others with his integrity and unyielding sense of fairness. His commitment to enhancing the quality of life for the workers was greatly enhanced by the unique fact that he was equally respected and admired by those on both sides of the bargaining table.

Charlie Johnson was also a close personal friend of mine and many others who found him to be a knowledgeable and compassionate man, as well as a dedicated and loyal friend. His services to government on the State and Federal level brought us into much personal contact. His years of experience, his unparalleled grasp of the pulse of the workingman, and his counseling and advise proved to be of invaluable assistance to me, and were characteristics which made Charlie Johnson such a great man.

The passing of Charles Johnson marks the end of an era in the field of labor. He has left behind a legacy and an inspiration for those who will follow him. Those he worked with and for were grateful to have a man of his stature on their side, and I too was grateful and honored to call this great man a friend.

Mr. Speaker, at this point in the RECORD, I would like to insert an article on the life and times of Charlie Johnson which will appear in the monthly magazine of the United Brotherhood of Carpenters and Joiners of America:

DEATH OF FORMER BOARD MEMBER CHARLES JOHNSON, JR., ENDS AN ERA

When Charles Johnson, Jr., former Executive Board Member for the First District, passed away on July 2, 1974 at Mount Sinai Hospital in New York an era came to an end—an era that was marked by the emergence of giants in the labor movement.

The giants mostly disappeared prior to 1970. We can name a few who memory evokes: William L. Hutcheson of our own Brotherhood, Dan Tobin of the Teamsters, John L. Lewis of the Miners, and Frank Duffy, Secretary of the Brotherhood for so many years. These were all men whose influence on the labor movement still dominates a good deal of labor philosophy.

The name of Charles Johnson, Jr., must be included in any such list of the past half century. He was a mighty force in the emergence of the labor movement on the East Coast from a factional, ineffectual, and unrecognized force in the life of the East Coast to a vital and dynamic element of our economic society.

There may be more elegant ways to describe the career of Charlie Johnson, but calling him the "Mr. Carpenter" of the Northeast section of the country describes his career best. For years he was the president of Local Union 1456, the Dock Builders of New York. For years he was president of the New York District Council of Carpenters; president of the New York State Council of Carpenters; Vice President of the New York State A.F.L.-C.I.O.; Vice President of the New York State Building Trades. From 1945 to 1969 he served as General Executive Board Member of the First District of the United Brotherhood of Carpenters and Joiners of America. However, his many talents as an organizer, negotiator, and public-spirited citizen transcend his contributions to the United Brotherhood of Carpenters. In many difficult situations where various building trades unions and their employers had reached an impasse in their negotiations, Charlie Johnson was brought in to mediate the dispute. In instance after instance his patience and his knowledge of the construction industry paid off in reaching agreements satisfactory to both sides. In 1972 he was elected as the recipient of the first Patriots Award of the Congressional Medal of Honor Society, an organization made up exclusively of men who have won the Congressional Medal of Honor, the nation's highest award for valor.

Charlie Johnson lost an eye in a childhood accident. Despite the handicap, he memorized the eye chart and tried to enlist in the Army in World War I. A doctor discovered the ruse at the induction center and he was rejected. He appealed all the way up to Secretary of War Newton D. Baker, but his rejection was upheld. Nevertheless, as a civilian, he made a contribution to the war effort as superintendent for a builder of Liberty Ships and played an important role in producing the first vessel of the kind.

In World War II, at age 47, he managed to enlist in the U.S. Coast Guard Reserve by faking the vision test. He spent 90 hours a month for two years on waterfront patrols to guard against possible landings by saboteurs. He was finally discovered and mustered out regretfully by the commandant himself.

In 1947, President Truman appointed Mr. Johnson as one of the six official U.S. representatives to the first post-war conference of the International Labor Organization in Brussels, attended by delegates from 54 countries. The purpose of the conference was to establish standards of peaceful production in countries devastated by the conflict.

As a unionist, Mr. Johnson was active in many philanthropies, sparking drives to aid New York University's Medical Research Center, the Myasthenia Gravis National Foundation and the Greater New York Fund, among others. New York City carpenters annually contribute a day's pay to the Greater New York Fund, a proposal originated by Mr. Johnson.

During his leadership of the New York City District Council, carpenters tripled their hourly wages and fringe benefits. He was instrumental in creating an annuity fund for members, a vacation fund, and an apprentice-journeymen retraining educational fund.

New York State Industrial Commissioner Louis Levine called him one of the most highly respected labor executives of the nation.

In a brief eulogy to him at funeral services, July 5, General President William Sidell noted that many persons "create ripples in the stream" during their lifetimes, but Charlie Johnson had "produced a splash" and had moved into the mainstream, leaving behind a rich heritage for his fellow man.

CASTLES AT TAXPAYER EXPENSE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. HARRINGTON. Mr. Speaker, earlier this year, it came to my attention that Elmer Klassen, Postmaster General, decorated his new office at L'Enfant Plaza at a cost to the taxpayers of $50,000. I assumed that this was an unusual case, far from the norm. Recently Jack Anderson wrote an article which drastically reversed my assumption. For the information of all those involved I am inserting Mr. Anderson's article with the sincere hope that due to this publicity, public officials will think twice before using funds with a total insensitivity for the public's dollar.

I have also inserted an article by William Schultz which appeared in the June issue of the Reader's Digest. I feel that this article goes on to illustrate a condition which unfortunately occurs far too often in this city of cold marble.

The articles follow:

[From the Washington Post, July 14, 1974]

The Office as Castle

(By Jack Anderson)

Whatever the Watergate outcome, the bureaucrats will remain entrenched behind the granite and sandstone compounds of government, fighting their own paper war, bombarding one another with memos in septuplicate.

Presidents come and Presidents go, reaping fame or calumny, but the bureaucrats endure. These soldiers of the swivel chair remain nameless and unnoticed. But now and then, we pause to shine the spotlight briefly upon them in their backrooms.

A bureaucrat's office is his castle. His standing is determined in exacting detail by his office acreage, furniture array and the width of wood paneling on his wall. There is a constant struggle for plusher carpets, larger desks and softer sofas.

As one of our services, we occasionally calculate how much government bigwigs extract from the public purse for office trappings and other appurtenances of power. We discovered, for example, that 10 per cent of the National Aquarium's annual budget went to provide fancy fish tanks full of exotic fish for the bigwigs. An official with a bleeding heart tetra in his fish tank, clearly, was a person of consequence.

It is also a matter of solemn protocol that no bureaucrat, with any status, can move into a predecessor's lair without refurbishing it. Offices must be done over to fit the personality of the new personage.

To determine whether this sacred rule is still in effect, we checked on several bigwigs who have been appointed recently. There is Alexander Butterfield, for instance, who was put in command of the Federal Aviation Administration after departing the White House. He is the man, it will be remembered, who broke the electrifying news that President Nixon was bugging himself.

Sure enough, Butterfield has redone his chambers. New drapes and furniture were installed at a cost to the taxpayer of $5,400. We did some pricing of our own and found that even the highest estimates for outfitting a large office fell below that amount. Butterfield's furnishings must be something special.

We also checked with the Secret Service to see if the new director, H. Stuart Knight, had been able to manage with the luxurious suite the previous chief left behind. Once again, the "refurbishing law" was at work.

Knight has somehow managed to spend $11,200 to do over his digs. Some $3,500 went for a new paint job alone.

At the Bureau of Standards, Director Richard Roberts splurged over $55,000 to remodel his office layout. He magnanimously extended the job to redo his secretary's office and an adjoining conference room.

Social and Rehabilitation Administrator James S. Dwight, a stern critic of welfare cheats, didn't mind lavishing $120,000 upon his own welfare. The money was expended for plush carpots, tinted glass, sliding doors, a floor-to-ceiling bookcase and other fancy fixtures in his domain.

At the Justice Department, government lawyers will no longer have to suffer the indignities of waiting in line for airline tickets. Plans have been approved to rip out a training office, which was refurbished only two years ago at a cost of $50,000, and to convert it into an in-house airline counter.

No bureaucrat we have yet encountered, however, has been able to out-refurbish the Lord High Poohbah of the Postal Service, Elmer Klassen. While the postal system crumbles around his head, Klassen has ensconced himself and his rubber stamp Board of Governors in splendiferous new quarters replete with a $50,000 kitchen, a $5,280 personal pantry and nearly $6,600 worth of miscellaneous furnishings.

At the Washington Navy Yard, we found some bureaucrats who used a little money and a lot of imagination to turn their drab working quarters into an exotic wonderland of plants and ornaments. The refurbishing at the Chesapeake division of the Naval Engineering Command started many months ago on orders from above.

Scores of plants were brought in until they threatened to engulf the office. Wastebaskets and file cabinets were brightly painted. Posters and colorful partitions were installed. Statues and assorted gewgaws were placed here and there, including a piece of driftwood which rests artfully atop a file cabinet.

In the men's lavatory, the official who directed the interior decorating, Jack Dirks, put up a "graffiti board" and invited his subordinates to scribble away their frustrations. When last we checked, the primary author appeared to be a phantom who called himself "The Chopper."

In all government departments, of course, the fanciest facilities go to the biggest bosses. Most cabinet officers have room on their rugs for a public event.

It should be said, of course, that most bureaucrats perform dedicated service. But possibly they could shuffle their papers on less pretentious desks and pace on rugs of less luxurious thickness.

[From the Reader's Digest, June 1974]

Watch on the Potomac

(By William Schultz)

Federal spending has mushroomed out of control. Administration vows to hold fiscal-1975 spending to $288 billion have simply been abandoned. Instead, the President's budget bears a mind-bogging $304-billion price tag, and contains a sixth straight deficit, of $9.4 billion. Congress' Joint Economic Committee projects the actual deficit at $20 billion.

The results are predictable: continued inflation that saps the economy, and ever-rising payments on the national debt. Interest alone will cost the taxpayers $29.1 billion in the coming fiscal year—almost triple the $10.4 billion of ten years ago. In the hope that there still exist government officials who want to keep deficits down and give the American taxpayer his money's worth, here is a list of suggestions that would start us on our way:

STUDY LESS

Highly paid consultants add billions of dollars a year to the federal budget. All too often, the resultant, bureaucrat-ordered studies represent nothing more than a drain on the Treasury. The Department of Labor shelled out $180,350 for a study of the "bureaucratic predisposition," only to learn the obvious: "A better fit between a person's predisposition and the nature of his or her job should increase genuine satisfaction and reduce alienation, wherever it exists." And do we taxpayers really need a $71,000 history of the comic book? Or a $50,000 analysis of U.S.-Canadian fur trade from 1770 to 1820? Or a $5000 look at the "evolution of the chin in Polish skeletal population between 2000 B.C. and A.D. 1800"?

END JOB-TRAINING FIASCOES

The watchdog General Accounting Office last year surveyed the government's "Manpower Service Programs" in a typical city—Washington, D.C.—and found massive waste and duplication. Seventeen separate programs, costing taxpayers $23 million a year, were described as "complex, confusing and uncoordinated and no one knows how many persons are being trained, where they are being trained, for what occupations they are being trained, or the impact of the training on the demand for skilled workers."

SAVE ON FURNISHINGS

Last year, when Postmaster General Elmer T. Klassen moved into his new $43,220 office, he entered through a pair of hand-carved walnut doors that cost $3671. Office furnishings totaled $9,346, including $11,667 for carpeting and $5,999.50 for remote-controlled, handwoven draperies. A $5,280 pantry adjoins the Postmaster General's office, and his private washroom boasts an $800 marble tabletop. Down the hall is a $44,909 kitchen, to be used once a month so the Postal Service Board of Governors does not have to send out for sandwiches from its lavishly furnished conference room (cost: $84,676). Total bill for the Postal Service's palatial new headquarters: $30 million.

DERAIL THE CONGRESSIONAL GRAVY TRAIN

Salaries paid to Capitol Hill staffers are often shockingly high. The House sergeant-at-arms, doorkepeer and clerk made $40,000 each ($10,000 more than the Washington, D.C., police chief). Fourteen-year-old pages receive $7,669 to run errands; their two "supervisors" pull down $24,900 and $21,500. The receptionist to one Congressman makes $30,000 a year. Not surprisingly, the cost of running Congress has nearly tripled since 1968, from $255 million to an estimated $734 million.

GET RADICALS OFF THE PAYROLL

When the violent American Indian Movement (AIM) "occupied" Wounded Knee, S.D., last year, federal officials conceded that a substantial number were on government social-program payrolls, including those of the Office of Economic Opportunity. AIM began under the aegis of an OEO program in 1968. Anti-poverty officials, shrugging off the lengthy criminal records (burglary and armed robbery) of AIM's leaders approved a grant of $113,000 in 1972. Later that year, after AIM members occupied the Bureau of Indian Affairs in Washington, D.C., and caused $124,070 in damage, OEO, on White House orders, came to the rescue. It supplied $66,500 in cash to persuade the vandals to leave Washington.

END SWEET SUBSIDIES

Buried in the budget is $1.5 million for dead bees. Under the beekeepers' indemnity program, Uncle Sam lays out $15 a hive for bees killed by pesticides. Rep. Silvio Conte (R., Mass.) reports that the government has routinley paid the claims without checking and that a single beekeeper in Washington State received $600,000 in federal funds over a five-year period.

PLAN

In April 1973, the Pentagon decided to close down the Valley Forge General Hospital. In July, all but six patients had been transferred to other institutions. But a staff of 678 remained until November, eating up a payroll of half a million dollars a month, doing next to nothing while waiting for the slow wheels of bureaucracy to turn. Not

UMI

until June 30 will the Army completely vacate the hospital.

Any comprehensive study would produce many more examples of waste. Yet the squandering of public funds will continue until the American taxpayer demands a coordinated national effort to curtail senseless waste in government.

TRENDS IN SOVIET AND AMERICAN ENERGY POLICIES

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. CONTE. Mr. Speaker, a stimulating and insightful analysis of the current international oil situation was provided by Arthur W. Wright, assistant professor of economics, University of Massachusetts, on June 13, 1974, before a meeting of the Atlantic Institute for International Affairs in Paris, France. I insert his remarks in the RECORD for the consideration of my colleagues:

TRENDS IN SOVIET AND AMERICAN ENERGY POLICIES

(By Arthur W. Wright)

West Europeans, Japanese and Americans are accustomed to thinking of their own market-based economic systems as more flexible, hence more rational, than the rigid central planning systems employed in most Communist countries. It is startling, therefore, to compare the energy policies of the two different groups of countries. The Communist planners are, by and large, pursuing a course of cautious, deliberate, rational energy decisions based (both domestically and internationally) on relative cost and price. In contrast, governments of the capitalist countries have shown us a pattern of draconian measures involving quantitative restrictions, suspension of the market price-setting mechanism, government manipulation of prices, encouragement and protection of monopoly—and even, during the energy panic of 1973–74, the central planning of oil products via quantitative allocations. In spite of official protestations to the contrary, the results in the capitalist cases have been anything but rational.

My topic today is to analyze the main trends in the energy policies of the two superpowers, the U.S.S.R. and the U.S.A., who are said to lead, respectively, the Communist and capitalist groups of nations in world affairs. With suitable adjustments for scale and degree, and for local variations such as national temperament, much of what I have to say about the super powers applies also to their friends in the respective blocs. (It turns out that Moscow is also more rational, although not necessarily more benign, in its treatment of its friends than is Washington.) I take up the Soviet case first, both because it is the simpler of the two and because some current energy trends in the U.S.S.R. have implications for U.S. policy. Then I turn to trends in American energy policy, or at least what one can (with some trepidation) discern as possible trends. Finally, I briefly examine the major interactions, real and imagined, between the present and future energy policies of the two countries.

TRENDS IN SOVIET ENERGY POLICY

The historical trend of Soviet energy policies up to the present day can be divided into two stages. The first stage begins with the massive industrialization drive launched at the end of the 1920's and ends with the close of World War II. The second stage runs from 1945 through the end of the 1960's

Electrification, both hydro and thermal, was one of the major thrusts of the industrialization drive of the 1930's. The development of coal was another, to raise steam to turn turbines, to provide coking coal for the high-priority iron-and-steel industry, and to fuel both the all-important rail network and industry in general. Oil from the Baku and Grozny fields, which were opened up under the tsars, was a source of export earnings, but (in part because of higher-priority claims on investment resources) reserves in those fields were not replenished adequately to prevent production from stagnating toward the end of the 'thirties. A Soviet natural gas industry scarcely existed when war broke out in 1941.

Following World War II, a combination of the eastward shift of economic activity induced by the war, new geological findings, and a recognition (somewhat belated) of changes in relative fuel costs brought about a pronounced shift in Soviet mineral fuel policy. Beginning in the early 1950's, oil from the Ural-Volga triangle and natural gas from the same region, from the Ukraine, and (later) from Soviet Central Asia, rapidly replaced coal as the mainstay of the Soviet fuel balance. By the late 'fifties, new trunk pipelines and tankers had been built in support of a deliberate policy of expanding oil exports, to Communist Eastern Europe (as part of an emerging trade-bloc specialization with "Comecon") and to non-Communist countries in Europe and Asia (to earn hard currency at the best prices obtainable). Policy towards coal also underwent changes during this second stage of Soviet energy policy; output growth shifted from the western to the eastern regions, where cheaper open-cast methods of production could be employed.

Thoughout the post-World War II period, hydroelectric generating capacity continued to be added, in most cases far ahead of demand. In addition, the basic thermal network was filled in and interregional power grids established. Nuclear generating capacity began to be installed on a modest scale in the late 1950's, principally in the so-called "fuel-deficit" regions of the western and northwestern USSR. The economic wisdom of building hydro capacity so far ahead of demand has been questioned by Soviet as well as by foreign analysts; unfortunately, our knowledge on this important matter is still incomplete. The beginnings of nuclear power development have been plausibly explained, again by Soviet and foreign observers alike, in terms of relative costs, including the opportunity costs of hard-currency earnings from mineral fuel exports.

Soviet energy policies in the 1970's exhibit the same basic trends as those observed in the 'fifties and 'sixties. However, a number of interesting variations around those trends should be noted. First, the installation of nuclear generating capacity has accelerated since 1970, although it still accounts for only about 1 percent of total electric power production. Second, oil and gas remain the mainstays of the mineral fuel balance, but for big increments in oil output, interest has now shifted from the Ural-Volga triangle to Western Siberia. Oil exports are once again on the increase, after leveling off in the late 1960's; moreover, exports of natural gas, by pipeline to Eastern and Western Europe and by tanker in liquefied form (LNG) to other areas, are rising noticeably. It is at this point that Soviet energy policies come into contact with the energy policies of the United States and other capitalist nations.

Interestingly, the principal event bringing Soviet and American energy policies together occurred in neither economy. That event was the successful formation in 1970 and 1971 of the OPEC cartel, which has led to the dramatic increases in the world-market price of crude oil so acutely felt of late by the world's oil-importing countries. The U.S.S.R. has welcomed the formation of the OPEC cartel in the world oil market. Why? In part, no doubt, because of the concomitant weakening of the big Western oil companies in the Middle East, and the sharply increased foreign exchange costs which have disrupted capitalist governments' macroeconomic planning and which promise to transfer vast amounts of wealth from the capitalist nations to the oil producing nations.

But there is a reason for the Soviets' welcoming the OPEC cartel which is more basic to Soviet national interests: namely, the higher prices which can be realized on oil and other fuel exports. Not only can the Soviets sell their previous level of oil exports for a greater amount of foreign exchange; they now find it economically worthwhile to increase the volume of their oil and natural gas exports above the original levels. This they plan to do both by increasing production from more costly sources, and by revising plans for domestic petroleum use downward now that export opportunities have become so much more attractive.

It is interesting to note the precise nature of the contracts the Soviets are seeking in their oil and gas negotiations with Japanese, West Europeans and American businessmen. Virtually all cartels eventually break down as the temptation to cheat becomes irresistible, and (unlikely as it may seem at the moment) OPEC is no exception. The collapse of the OPEC cartel would, of course, send oil and other fuel prices tumbling down towards their pre-cartel levels. In the face of this possibility, the Soviets are prudently seeking security in the contracts covering the development of their relatively high-cost (on a world scale) oil and gas resources for export. Thus they want not merely long-term contracts, which would be easy to break in the event of a world oil price collapse, but loan guarantees, repayment in kind, and joint participation with loathesome capitalists who would also stand to lose plenty if the bottom fell out of the market.

The trends in Soviet attitudes on energy exports to their East European allies also bespeak a sensitivity to price. One conventional interpretation of the hints from Moscow that the East Europeans should start looking to world markets for some of their energy imports is that the USSR is reneging on its commitments to Eastern Europe within the framework of the Comecon trade bloc. Past behavior plus present evidence suggests, however, that the hints are merely part of the bloc's adjustment to the new situation in the wake of the OPEC cartel's price boosts. We may expect that a somewhat smaller share (of an ever larger total) of East European energy imports will be supplied by the Soviet Union. But the Soviet share will remain high enough to be significant—and the East European Communist states will pay close to world market prices for their energy, from whatever source.

The U.S.S.R. takes great pride in being at the forefront of research on the fast-breeder nuclear reactor; they, along with Britain and France, are already at the working prototype stage. In my opinion, the breeder reactor (which is often depicted as the "money tree" because it "breeds" more fuel than it uses) will prove to be another SST, even at present world oil prices. (Alert observers will have noted that the U.S.S.R., Britain and France are the same trio which have heavily subsidized the SST.) This blemish on an otherwise good record on energy policy can probably be explained in terms of a conventional bureaucratic interest-group model; Soviet bureaucracies are likely to be every bit as bad in this respect as their counterparts in the capitalist world.

Time does not permit me to delve into the labyrinths of such energy-related issues as the struggle between European Russia and Siberia for new investment. I remark such labyrinths and their potential for inefficiencies in energy only to remind us, after the glowing account delivered above, that Soviet Communists are human and that they (women as well as men) put on their trousers one leg at a time. Nevertheless, taking a broad view, Soviet energy policy has been and probably will continue to be quite sound. It is, in fact, what one would expect to observe if relative cost and price lay at the basis of energy decisions.

TRENDS IN AMERICAN ENERGY POLICY

When we turn to trends in energy policy in the United States, self-proclaimed as the bastion of market decision processes and the profit motive, we find relative cost and price in abeyance. In fact, so much is in abeyance in U.S. energy policy at the moment that it is impossible to talk about definite trends in that policy. We can, though, inquire into the past trends in policy which got the United States into its present energy mess. And we can also examine some of the alternative ways which have been proposed for getting out of the predicament.

The Great Energy Crisis of 1973–74 (as it may come to be known in the history texts) was not a monolithic event, of earth-shaking significance. Nor was it achieved through deliberate, rational, internally consistent policy measures, whether by governments, corporations or some unholy combination of the two. (This last fact may be the only aspect of the crisis for which Americans can be thankful.) Rather, the Great Energy Crisis resulted from the confluence of disparate forces, most of them receiving some impetus from diffuse and unco-ordinated government policies. Some of those policies were specific to energy, others were more general in nature.

Let me briefly list the seven major policies whose combined net effect was the Great Energy Crisis. This list, which might be headed "The Seven Deadly Sins of Energy Policy," is presented in no particular order of sinfulness.

(1) The Federal "mandatory oil import quota" of 1959–1973, and the state-government policy of "market-demand prorationing" which was protected by the shield of the import quota.

(2) The Federal Power Commission's underpricing of natural gas in interstate markets.

(3) A persistent time-lag in electric utility rate regulation, coupled with the refusal to use any form of peak-load pricing.

(4) Temporizing with, rather than resolving, conflicts between environmental and commercial values.

(5) The Nixon Administration's general price controls of 1971–1974.

(6) The foreign-policy support of the OPEC cartel, in pursuit of short-run (and, in the final analysis, illusory) diplomatic gains in the Middle East.

(7) The Federal tax subsidies to the oil-and-gas industry, both domestic and international.

It does not require much imagination to realize that the foregoing list of past U.S. energy policies is closer to a pessimal than to an optimal set of policies. (A "pessimal" set of policies can be said to exist when one cannot think of a worse set of policy measures.)

In the first place, as a group past U.S. energy policies comprise an enormously complex public policy package; thus, it is difficult even for specialists to disentangle their various effects, direct and indirect, reinforcing and offsetting. How much more difficult it is, to the point of bewilderment, for the average citizen to make sense of the U.S. energy mess!

In the second place, the past U.S. policies listed above have been wasteful and inequitable; into the bargain, they have not brought the nation very much independence of foreign-controlled energy decisions. The waste has shown up in the excessive drilling of wells to evade prorationing, in the distorted allocation of resources from regulatory underpricing, and in the "deadweight loss" caused by OPEC monopoly prices. The inequities have arisen through the distorted distribution of the Federal tax burden, through excessively high consumer prices of oil products, and through the arbitrariness of non-price rationing schemes employed when shortages develop. Far from creating a "strong domestic oil-and-gas industry" to protect American independence, past U.S. energy policies have left a legacy of weakness and vulnerability.

The import quota tended to "drain America first." Then, in the death agony of the quota in 1972–73, it contributed to a sharp increase in U.S. dependence on imported crude oil. All the while, the quota helped retard the expansion of U.S. refinery capacity. The shortage of natural gas caused by regulatory underpricing created the U.S. market for expensive imported LNG. And the Federal tax subsidies to the domestic oil-and-gas industry succeeded mainly in reducing the petroleum industry's tax burden; according to empirical estimates obtained by James C. Cox and me, those subsidies failed to increase investment in domestic petroleum reserves by very much.

In the third place, underlying all of the foregoing ill effects in the subversion of competitive market forces. Clamping on price controls, imposing allocations and quotas, and fostering monopoly obviously subvert competitive markets. Less obviously but no less importantly, past U.S. energy policies have undermined market forces by increasing the uncertainty confronting household and business decision makers. Examples include unsettled environmental questions, the increasing lag of electric power rates behind costs, the sudden appearance of severe shortages, and cartel prices way in excess of the incremental supply price.

In the face of that kind of uncertainty, prudent businessmen will postpone committing large sums, and consumers may choose housing, cars, and electrical appliances which will prove unexpectedly costly. The result is to put off the adjustments so sorely needed to extricate the country from the energy mess. Ironically, the argument is heard that the Great Energy Crisis resulted from the "failure" of the market mechanism; in fact, the market has not had a chance to prove itself.

A fourth and final ill effect of American energy policies has been to harm her best friends. The OPEC cartel, and the Arab embargo which depended for its success on the monopoly power of the cartel, can only reduce the wealth of Japan, the West European countries, and the non-oil-producing poor nations, as well as the United States. No amount of financial fainaiguing through the IMF can change the fact that the oil-exporting nations will realize, so long as the cartel lasts, enormous increases in their claims to the real wealth of the rest of the world. The primary target of the Arab embargo last October was the United States. But, while the Arabs succeeded at least in making Americans think they were badly hurt, the worst effects fell on our friends and allies. Japan, Western Europe and the "Third World" were hurt much worse than the United States by the chaos in world oil markets and the sudden increases in oil prices which followed the embargo.

I do not subscribe to the theory, which made the rounds in Europe last winter, that the Nixon Administration deliberately contrived the cartel and the embargo to increase the value of the dollar relative to the Deutschmark and the yen. A moment's reflection revealed what a Pyrrhic victory that would have been. Nevertheless, a painful side-effect of American support for the OPEC cartel was to deal a body blow to our traditional post-World War II allies. (And, as I argued above, the formation of the cartel has greatly enhanced the oil-export earnings of our traditional postwar rival, the USSR. To recast the old adage, with enemies like that, who needs friends?)

Let me now turn to some speculations about possible future trends in American energy policy. First, the present "policy" of drift, of hand-to-mouth short-run emergency measures, will in all probabilty continue at least through the end of 1974, and it will not be surprising if that time-horizon is too short. (The impeachment schedule of the House Judiciary Committee falls further behind daily.)

As for the more distant future, the chances appear very good for new energy policies which will further immiserate the U.S., possibly compounding the mess brought on by past problems. Talk of a publicly-owned oil company, and even of modest measures to nationalize the petroleum industry, now receives an attentive hearing, where once it would have been laughed into silence. The same is true of proposals for Federal subsidies to commercial development of solar devices and breeder reactors. (Which leads me to ask, "Will America, having avoided the SST quicksand, join England, France and Russia in the breeder-reactor swamp?") Price guarantees for shale oil and synthesized oil and gas are live options, as are Federally-guaranteed and sanctioned long-term contracts-*cum*-joint particiaption—at present world prices. All these measures, of course, would be extremely and unnecessarily expensive, besides further eroding the operation of competitive markets.

The chances appear less good, although still positive, for a set of policies which my earlier analysis indicates would be optimal—namely, measures to undo what is left of past policies. Such a set of policies would have the effect of getting American governments (Federal and state) out of the energy marketplace, leaving them free to devote full attention to the business of governing. The act of "governing", in the context of energy policy, means resolving tortured environmental issues, adopting and implementing economically rational electric rate-making procedures, sponsoring fundamental research into the market-structures of energy industries to detect monopoly elements, and devising programs to stockpile energy supplies against embargoes and other disruptions of regular trade channels.

We will have one indication of the future direction of U.S. energy policy if the OPEC cartel does break down. With world oil prices dropping rapidly, it would be a hopeful sign if American political processes avoided the inevitable pressures to reimpose an import quota. If those pressures prevailed, however, we would all experience a sense of *déjà vu*.

INTERACTIONS BETWEEN SOVIET AND AMERICAN ENERGY POLICIES

Turning to interactions between Soviet and U.S. energy policies, a number of business deals are currently being negotiated to export Soviet oil and gas to the United States. Ordinarily, such deals could be regarded as merely routine commercial ventures. If the prices were right, bargains would be struck, and vice-versa. There are no problems with military secrets, and, so long as the share of total petroleum imports remain prudently low (as it should for any foreign supplier), there is no problem of the U.S. becoming "dependent" on the Russians. Besides, the Soviet Union has to date been a more reliable trading partner than certain of the United States' so-called friends (for example, Saudi Arabia).

The present climate of Soviet-American trade relations is not, of course, ordinary. Having finally been weaned from the infantile Cold War fixation with "security," the

United States is now in danger of over-promoting trade with the U.S.S.R., out of an adolescent fixation with *détente*. Whether the goal of *détente* is achieved will depend on the degree to which the major national interests of the Soviet Union and the United States coincide or can be reconciled. The terms of a commercial deal for oil or LNG are demostrably *not* part of any major interests of either country. Thus there is no point whatsoever in paying the Russians at better than the market rate for their oil and gas; that includes such indirect components of price as the terms of loans, as well as the nominal price per barrel of Mcf.

The above points do not add up to a case for or against buying petroleum products from the U.S.S.R. The sensible way to approach that question is as a straight commercial deal, separate from diplomatic concerns such as *détente*. It should be added that there is a potential diplomatic problem involving energy, namely, the divergence of U.S. and Soviet interests over the continued existence of the OPEC cartel. As I have argued earlier, Soviet interests lie in continuing the cartel, while the United States will be better off if the cartel disbands. Handled properly, these conflicting interests in the world oil market can be reconciled. However, a failure to keep *détente* separate from energy policies may imperil the *détente* if and when the cartel breaks down: relations between the two countries could well sour if U.S. firms signed a multitude of contracts for Soviet petroleum at present world prices, and then those prices dropped sharply to the level of the true supply price.

SUMMARY

To summarize briefly, we find that trends in the energy policy of the U.S.S.R., for all the notorious rigidity of Soviet central planning, bespeak economically rational policies—policies we would expect to find where relative cost and market price are key elements of allocation decisions. The rational Soviet policies extend to take advantage of other people's follies, such as U.S. support for the OPEC cartel.

In marked contrast to Soviet policies are those of the other super power, the United States. The current American energy mess looks nothing like the results of market allocation; indeed, the suspension of market processes is a large part of the problem. One would wish, at least on this side of what used to be called the "Iron Curtain," that the United States would not only join her major rival in *détente* and perhaps petroleum trade deals, but also copy her in moving towards a more rational set of energy policies. The probability is positive that this is not merely wishful thinking. I hope that probability increases in the near future from its present low level.

NEW SATELLITE CONNECTS PATIENT AND DOCTOR VIA TELEVISION

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. ROGERS. Mr. Speaker, recently I read an article in the National Institutes of Health record which described a technological advance in the field of biomedical communications. The Applications Technology Satellite, ATS–6, will provide a television link between physicians in hospitals and patients in remote villages in the Northwest. The great advantage of the ATS–6 is its ability to establish visual contact between physician and patient, thereby facilitating diagnosis and treatment. The physician or medical aide in the village will be able to establish contact with the hospital to assure adequate medical advice.

I wish to congratulate the people at NASA and at the National Library of Medicine's Lister Hill National Center for Biomedical Communications for devising this important system. The prospects for expanded health care seem brigher with the advent of the ATS–6.

I would like to share with my colleagues the article in the NIH record.

The article follows:

The National Library of Medicine will use NASA's newest communications satellite, the ATS–6, in experiments to extend physican services and medcal education in Alaska and the State of Washington. The NLM's Lister Hill National Center for Biomedical Communications, working with the Health Services Administration and the Health Resources Administration, will coordinate the experiments.

The Applications Technology Satellite, launched from the Kennedy Space Center on May 30, is the most versatile and powerful communications satellite ever developed.

The communications network being developed by NLM will bring physicians into regular visual contact with the remote Alaskan villages of Galena (pop. 425) and Fort Yukon (pop. 630) for the first time.

Using the satellite's capability for transmitting high-quality television, physicians at the Indian Health Service hospital in Tanana and medical specialists in Anchorage will be able to "see" patients at the two villages and will be able to prescribe treatment and follow the patients' progress.

NLM is also utilizing the satellite to improve medical education in the Washington-Alaska-Montana-Idoha (WAMI) region. The University of Washington School of Medicine, Seattle, will share its teaching resources with first-year medical students in Fairbanks, Alaska, and with third- and fourth-year students at Omak, in central Washington.

Representing NLM at the launch site were Melvin S. Day, deputy director, and Earl Henderson, chief of the LHNCBC Network Engineering Communication and Operations Branch.

Although it is not exactly a household term, NLM's Lister Hill National Center for Biomedical Communications is having a direct impact on the lives of many Americans, including New Englanders, Alaskan natives, and the elderly residents of a public housing project in New York's East Harlem.

In each case, the key to the Center's involvement is to apply modern technology to improve biomedical communication. The staff of the Center turned to satellites as a means of helping health professionals bridge great distances.

Working with and coordinating the efforts of the HSA and HRA, the Center set up in the summer of 1971 a reliable voice communications link, via ATS–1 satellite, to connect physicians at the hospital in Tanana with the health aides in 26 outlying native villages.

SYSTEM SAVES LIVES

The experience gained with this network has provided a solid basis for the expanded experiments to be tried via ATS–6.

The existing audio network has been credited with saving lives in several medical emergencies, such as severe burns from a stove explosion and, in a separate case, serious complications during childbirth.

The satellite communications network made possible immediate step-by-step first-aid data for the village health aide followed by prompt air evacuation for the patient.

"More important in the long run, than these spectacular successes," according to NLM Director Dr. Martin M. Cummings, "is the dramatic increase in the number of patients treated with the advice of a physician in those villages where the satellite radio has been installed.

"This consultation will be even more effective when the physician can actually see the patient via high-quality television transmitted by the ATS–6 satellite," Dr. Cummings said.

UNIVERSITY OF HAWAII PRESIDENT HARLAN CLEVELAND ASSUMES IMPORTANT NEW POST AT ASPEN INSTITUTE

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. MATSUNAGA. Mr. Speaker, on September 1, 1974 the University of Hawaii will bid farewell to its distinguished president, former NATO Ambassador Harlan Cleveland. Mr. Cleveland, who has ably served the university and the people of Hawaii for 5 years, has been selected to head an important new program in international affairs at the Aspen Institute of Humanistic Studies.

The institute, one of the world's largest "think tanks," attracts scholars and artists from all over the world to participate in its varied programs. Originally established to promote studies in the humanities and arts, the institute has recently applied its unique "Aspen approach" to a broader range of social problems, including "Communications and Society," "Environment and Quality of Life," and "Education for a Changing Society." Two new programs, "International Affairs" and "Law, Justice and the Individual" are to be added to this impressive list.

Harlan Cleveland's selection to direct the new program in international affairs is a fitting tribute to his lifetime of service to his fellow man. He will bring to the institute a wide variety of experience in education, politics, publishing and international relations.

Mr. Cleveland, a graduate of Princeton University and a Rhodes scholar, began his illustrious career in Washington, D.C., as an intern in the office of progressive Senator Robert M. LaFollette, Jr., of Wisconsin. In 1944, at the age of 26, he was assigned to manage the economic programs of the Allied Control Commission in Italy and later joined the United Nations Relief and Rehabilitation Administration, serving as director of UNRRA's China program. After the war, Mr. Cleveland was assigned to develop economic aid programs in other East Asian countries and, during this period, authored the phrase "Revolution of Rising Expectations," which has been widely quoted by development economists throughout the world.

Launching a second and third career in the 1950's, Mr. Cleveland served as editor and publisher of the Reporter, increasing the magazine's circulation from

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55,000 to 170,000, and as dean of Syracuse University's Graduate School of Citizenship and Public Affairs. He returned to Washington in 1961 to serve as Assistant Secretary of State for International Organization Affairs under President John F. Kennedy and Secretary of State Dean Rusk. In 1965, President Lyndon B. Johnson appointed him to the post of Ambassador to the North Atlantic Treauty Organization—NATO.

Ambassador Cleveland's tenure at the University of Hawaii was also marked by success. The university emerged from the turbulent 1960's as one of the top research institutions in the Nation and assumed a leadership role in the fields of oceanography, tropical agriculture, astronomy, physics, Pacific and Asian studies, oriental languages, and East-West exchange. New schools of law and medicine were launched and the university made significant progress in achieving equal rights for women faculty members. A staunch adherent of the principle that quality education should be available to everyone, President Cleveland emphasized the development of a strong community college system in Hawaii and stressed his support for an open university" to provide continuing adult education.

In accepting the prestigious appointment offered by the Aspen Institute, Mr. Cleveland said:

> It is certainly presumptuous for any individual to take the whole of world affairs as his "specialty." Yet I have come to think there is no more urgent task for an American than to help build the institution of peace in a disorderly and dangerous world.

As the principal sponsor of legislation to improve our peacekeeping resources, I heartily concur with the sentiment expressed by President Cleveland and devoutly hope that he is as successful in his new post as he has been in previous endeavors. If he is, we will surely witness within the next few years the development of urgently-needed new institutions and procedures for the peaceful resolution of international conflicts and problems.

THE NEED FOR GUN CONTROL LEGISLATION ALTHOUGH THE ISSUE HAS NOT RECENTLY BEEN IN THE FOREFRONT OF PUBLIC DEBATE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. RANGEL. Mr. Speaker, I have remained concerned over the absence of stringent Federal gun control legislation. I have therefore sponsored or cosponsored several measures that would restrict the sale, manufacture, transportation, and use of firearms. Recently, with the senseless murder of Mrs. Martin Luther King, Sr., in Atlanta, the urgent need for such regulations surfaced again. The list of outstanding citizens who have been felled by mentally unstable gunmen continues to lengthen. Like the Kennedy family, the King family has now been victimized twice by gunmen.

How many more people who have given so much to this country, our country, must lose their lives before Congress reacts and seriously considers measures requiring national regulations of firearms?

For the further information of my colleagues, I place in the RECORD the following column from the Christian Science Monitor:

CONGRESS AND GUN CONTROL

There is no guarantee that stiffer gun laws would have prevented the tragic shooting in Atlanta which took the life of Mrs. Martin Luther King, Sr., in the most unlikely of settings, a Sunday morning church service by peaceful worshipers.

But the shocking occurrence underlines a fundamental fact about the nation's proliferation of cheap and deadly handguns, which is so readily ignored by those who adamantly oppose any tightening of controls over firearms.

The truth is forcefully driven home once again: criminals are not the only ones who possess and misuse guns. More often than not the weapon fulfills its purpose—to kill—in the hands of generally law-abiding citizens. As was true in the present case, guns fired by the irrational, or in anger or fright, are equally as deadly as in the premeditated commission of horrendous crime.

Massachusetts has taken the first step towards imposing an additional penalty on anyone guilty of such an offense. But the principal danger in this state and in this country—severe though it undoubtedly is—is not from underworld guns.

Nor is it realistic to expect that any individual state can stem the traffic in firearms, legal or illegal, in the absence of cooperation from the rest guaranteed by a universal prohibition against their manufacture and transportation.

The statistics speak for themselves; most Americans killed by guns die at the hands of someone they know, in a fit of passion, during a moment of carelessness, or are victims of the mentally unsable, like the slayer of Mrs. King, who senselessly fired two guns into a crowded church congregation.

These newspapers have long urged strong federal legislation—not merely by individual states—to reduce the repetition of precisely this kind of tragedy. But Congress has stalled each time it has been brought face-to-face with the issue, surrendering to the pressures exerted by the National Rifle Association and other affiliated groups, whose opposition may be sincere but is also misguided.

How long will Congress continue to shirk its duty—until it has another assassination on its hands? For as surely as violence breeds violence, the nation will be beset with other tragedies, like this, until it meets its responsibility. The time for Congress to act is now.

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